# ANNUAL REPORT 2015



NNUAL REPORT / OCP Group / 2015





His Majesty King Mohammed VI, May God glorify Him



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Industrial Performance : **Realization of Pioneering Projects** 

Commercial Performance : A Positive Year Despite a Difficult Macroeconomic Environment

Financial Performance : **Operational Flexibility is Profitable** 



Overview of Subsidiaries & JVs

#### Message from the Chairman & CEO



<sup>66</sup> Our strategy relies on the creation of shared value with all of our stakeholders, based on mutual trust and sustainable partnerships. We have implemented, several years ago, a sustainable development strategy to establish market leadership in the phosphate industry. Shaping our vision for the future, this approach has enabled the Group to continue its growth path throughout this year, despite gloomy global markets.

2015 was a difficult year for world commodity markets. It highlighted global economic challenges associated to slowing Chinese industrial production and persistent weakness of the world economic growth. Today, we have clearly fallen into a system of significant "overproduction" stemming from a declining Chinese demand. Yet, phosphate prices remain stable compared to other commodities and, this trend will continue thanks to solid sector fundamentals.

Tensions observed on the markets barely impact the Group's performance. We maintain growth targets aligned with our strategic goals. Our industrial and commercial flexibility throughout the value chain, our growing global outreach and our competitive costs are among the Group's competitive advantages enabling strong resilience to withstand market volatility. These strategic enablers allow us to achieve higher profitability thresholds than our peers and to maintain industry leading profitability margins among phosphate producers.

Our 2015 and early 2016 achievements such as the commissioning of the first fertilizer production unit dedicated to Africa, the doubling fertilizer export volumes to the continent, the creation of OCP Africa and all the successful Agricultural Caravans held in Guinea and Ivory Coast, are among main successes that highlight the Group's African ambitions.

In parallel, we continue to sustain momentum in the investment program in Morocco to further competitiveness at the international level. Our mining capacity grew by 2 additional million tons, whereas 2 additional fertilizer production units of 1 million tons each were launched. We are moving forward to reach higher cost competitiveness as the slurry pipeline is gaining momentum (allowing nearly 1 billion dirhams of savings in 2015) and we are starting new industrial development projects at Phosboucraa for a total amount up to 17 billion dirhams.



Environmental performance, resource optimization and environmental protection are clear objectives incorporated in every aspect of our activities and programs. Main achievements such as the Beni Amir Washing plant using 80% of recycled water, the Phosboucraa site with "green" electricity consumption, as well as the Mohammed VI Green City with bioclimatic design and optimal use of water and energy resources, emphasize the Group's commitment to sustainability.

Other examples, such as the Jorf Lasfar's desalination plant and the two wastewater treatment plants operated this year, promote new green economy activities within our operations. This approach reflects the extent of our commitment to sustainability and the environment. They are part of our company's DNA and culture, driving what economists call "positive externalities".

In this regard, our strategy relies on the creation of shared value with all of our stakeholders, based on mutual trust and sustainable partnerships.

Our business and market fundamentals underpin our confidence in the company's future and are fully embedded in our daily work. Our employees are fully committed to the company's mission and take every action to create value for our neighboring communities. This virtuous circle is our main strength. Through it, the women and men working at OCP build progress every day.

#### Mostafa Terrab Chairman & Chief Executive Officer





# 2015 highlights



**5.5 MT/year** PRODUCTION CAPACITY OF THE BENI 'AMIR MINE

> 12 MT/year slurry treatment capacity of the beni 'amir washing plant

**6.2** BILLION DIRHAMS INVESTED IN THE AFRICA FERTILIZER COMPLEX

**1** MT/year FERTILIZER PRODUCTION CAPACITY OF THE AFC

17 BILLION DIRHAMS INVESTED IN PHOSBOUCRAÂ

MT : Millions of tons

# INCREASED CAPACITIES

Sulfuric unit- Jorf Lasfar.

#### INCREASED MINING CAPACITY OF THE BENI 'AMIR MINE

As per its strategy to double its mining production capacities by 2025, OCP began operating the Beni 'Amir mine and washing plant in 2015. The start-up of the new Beni 'Amir mine brings the nominal production capacity up to 5.5 million metric tons per year with an investment of 2.16 billion dirhams. The washing plant is intended to supply the head station of the slurry pipeline. This mining facility developed a processing capacity of 12 million metric tons per year of phosphate pulp originating from the Beni 'Amir and Sidi Chennane mines. During the operation phase, this washing plant, which required an investment of 4.3 billion dirhams, has created some 300 permanent jobs. It is also in line with our environmental vision, with over 80% recycled water being used by the washing plant, thereby minimizing the use of new water sources.

#### LAUNCH OF THE AFRICA FERTILIZER COMPLEX

The industrial infrastructure dedicated to Africa is taking shape. In December 2015, OCP launched the fertilizer production unit dedicated to the African continent, called the Africa Fertilizer Complex (AFC). The royal inauguration of this new unit is scheduled for early 2016. It is a new unit within the Jorf Lasfar industrial complex, with a capacity of a million metric tons of DAP per year. Entirely integrated, the AFC also includes a phosphoric acid production unit capable of producing 450,000 metric tons of P205 per year, as well as a sulfuric acid unit with a capacity of 1.4 million metric tons. The new unit is reinforced with a 62 MW thermoelectric power plant and different storage facilities with a capacity of 200,000 metric tons of fertilizer, which represent more than two months of self-sufficiency. It was a nearly 6.2 billion dirham investment, which resulted in 380 permanent jobs.

#### **RECORD PRODUCTION ON ALL FRONTS**

OCP observed record extracted tonnage from the Khouribga, Ben Guerir, and Mzinda mines. The volume carried by slurry pipeline reached 6.5 million metric tons (dry and marketable) at year ending 2015. As for fertilizer, the Group recorded a 43% increase in NPK\* production compared with 2014. Port activity also set a cargo record in March 2015 with 80,000 metric tons of DAP/MAP\*\* at Jorf Lasfar.

#### MAJOR INVESTMENTS FOR PHOSBOUCRAÂ

Nearly 17 billion dirhams were allocated for the industrial development of Phosboucraâ. The large-scale project is to be deployed from 2014-2020 in order to strengthen industrial activities, diversify the product portfolio, develop the region's business ecosystem, and contribute to the socio-economic development of the Southern regions\*\*\* of Morocco.

\*\* DAP: Di-Ammonium Phosphate, the most commonly used binary fertilizer. MAP: Mono-Ammonium Phosphate, a binary fertilizer consisting of two fertilizing agents - phosphorus and nitrogen

<sup>\*</sup> NPK: a high-performance compound nitrogen-phosphate-potassium fertilizer including all nutrients required for plant growth.

<sup>\*\*\*</sup> Guelmim - Oued Noun, Laayoune - Sakia El Hamra, Dakhla - Oued Eddahab.



## RAISING CAPITAL

**BILLION USD** ISSUED BOND

# GROWING SALES

53% INCREASE IN VOLUME OF FERTILIZER EXPORTS TO AFRICA

#### 2 NEW REPRESENTATIVE OFFICES OPENED IN SINGAPORE AND ABU DHABI

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## ONE BILLION DOLLARS RAISED ON THE INTERNATIONAL MARKETS

Bolstered by international investor confidence, OCP achieved a successful entry onto international markets. The Group issued a second bond issue of one billion USD with a 10.5-year maturity and a coupon of 4.5%. Raising this capital is part of the plan to diversify sources of financing, an approach adopted by the Group in support of its industrial development program.

#### **DOUBLING OF SALES OF SPECIALTY PRODUCTS**

As part of its differentiation strategy through a more diversified product portfolio of fertilizer and animal feed, OCP doubled its volume of sales of specialty products (NPS, NPK, DCP, and MCP)\*, up from 796,000 metric tons to 1,193,000 metric tons in 2015.



Increase in volume of specialty product sales

#### 53% INCREASE IN VOLUMES EXPORTED TO AFRICA

OCP boosted sales in Africa with a 53% increase in volumes exported, up from ~648,000 metric tons in 2014 to 994,000 metric tons by the end of 2015.



#### **OPENING OF TWO REPRESENTATIVE OFFICES IN ASIA**

OCP continued its development at the international level with the opening of two offices in Singapore and Abu Dhabi respectively to strengthen business intelligence and agricultural research activities in the growing East Asian markets.

NPS: Compound nitrogen-phosphoric fertilizer containing sulphur.

NPK: a high-performance compound nitrogen-phosphate-potassium fertilizer including all nutrients required for plant growth.

DCP and MCP : Dicalcium Phosphate and Monocalcium Phosphate, nutritional components enriched in phosphorus and calcium, used for livestock nutrition.

### HIGHLIGHTS



#### 500 WOMEN SUPPORTED IN GAMBIA

MILLIONS USD INVESTED TO TAILOR SERVICES TO THE NEEDS OF AFRICAN FARMERS

2 NEW REPRESENTATIVE OFFICES OPENED IN AFRICA

# COMMITMENT TO SUSTAINABLE AGRICULTURE IN AFRICA

## CREATION OF OCP AFRICA FOR THE DEVELOPMENT OF AGRICULTURE IN THE CONTINENT

OCP created in December 2015 its subsidiary to support its growing activities in Africa, highlighting its strong commitment for contributing to agriculture developement in the African continent. The new entity named "OCP Africa" is aimed at growing Group activities and operations in Africa. First outcomes will start in 2016. OCP Africa aims at developing modern and responsible farming methods with high added value, providing farmers with all the resources tailored to their success: adapted products and services, logistical and financial solutions.

#### WIN-WIN PARTNERSHIPS

#### 7 In Ivory Coast

OCP took part in different programs initiated in Ivory Coast to improve the agricultural productivity and socio-economic development of Ivorian producers. In 2015, OCP established several strategic partnerships to that effect, with the Coffee-Cocoa Council (CCC), the National Agency for Rural Development (ANADER), the National Center for Agricultural Research (CNRA), and the Institute of Tropical Agriculture (IITA). The areas of focus include training, technical support, agricultural services, and testing of new fertilizer formulas.

#### 🤊 In Kenya, Rwanda, Burkina Faso, and Tanzania

Following a partnership agreement between OCP and the NGO One Acre Fund (OAF), the Group will provide small Kenyan, Rwandan, Burundian, and Tanzanian farmers with OCP and OAF co-branded fertilizers. 10,000 metric tons of fertilizer per year will be supplied to 200,000 farmers.

#### 7 In Gambia

OCP Foundation continued its support program for improving the agricultural production of two co-operatives with approximately 500 female beneficiaries, in partnership with the Women for Africa Foundation and the local NGO The Future is Our Country (FIOC). Initiated in June 2014, the project will last until 2016.

## CONTRIBUTION TO THE PROSPERITY OF 100,000 SMALL FARMERS

During the « Clinton Global Initiative Africa – Middle East » conference held in May 2015 in Marrakesh, OCP Group committed to enabling access to appropriate, affordable, and reliable fertilizers, as well as related products and services by 100,000 farmers in 6 Eastern and Western African countries. This commitment of 5 million USD over 3 years will be implemented in collaboration with key partners in each country to adapt the benefits to each local context, thereby allowing for maximal impact.

#### **OPENING OF TWO REPRESENTATIVE OFFICES IN AFRICA**

As part of the Group's business strategy, two OCP representative offices were launched : OCP West Africa based in Abidjan, Ivory Coast, and OCP East Africa in Addis Ababa, Ethiopia. These offices will allow the Group to position itself closer to its African customers and stakeholders.

HIGHLIGHTS



FROM TRAINING SESSIONS AT EVERY STAGE OF THE AGRICULTURAL CARAVAN IN GUINEA

FARMERS BENEFITED FROM THE AWARENESS CAMPAIGN HELD DURING THE 3 AGRICULTURAL CARAVANS IN MOROCCO



# COMMITMENT TO SUSTAINABLE AGRICULTURE IN AFRICA

The "Cocoa" Agricultural Caravan - Ivory Coast.



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#### SUPPORTING CUSTOMERS FOR INCREASED PRODUCTIVITY

#### 7 In Guinea - Conakry

As part of its commitment to Africa and its contribution to various agricultural development co-operation programs, OCP Group supported the organization and implementation of agricultural caravans in the Republic of Guinea. The first Guinea Agricultural Caravan, planned in 8 stages, was launched in May 2015, contributing to the education to train and raise awareness of 300 to 400 farmers at each stage for the top crops identified: corn, rice, palm trees, coffee, and fresh produce. It also enabled the analysis of soil samples for local farmers.

#### 7 In Ivory Coast

OCP supported the implementation of the Cocoa Caravan, held in October 2015. It embodies the first part of the draft agreement signed in Abidjan in June 2015. It aims to strengthen ties with cocoa growers through a local program to train and raise awareness of how to adopt agricultural best practices, while encouraging the appropriate use of fertilizers.

#### ↗ In Morocco

The **« 2015 Phosboucraa Agricultural Caravan »**, led by the Phosboucraâ Foundation, was intended for small farmers and livestock breeders from the Laâyoune, Dakhla, and Guelmim regions. It is part of the continuous support that OCP and its foundations bring to the national Plan "Maroc Vert". In its first year, the goal of this local action plan is to popularize efficient agricultural production techniques and develop the camel breeding sector through different topics: Behavior & Nutrition, Animal Health, and Breeding.

The Agricultural Caravans specifically for olive trees, grains & pulses, and citrus trees: Organized by OCP Foundation in different areas of the Kingdom, these caravans aim to heighten small farmers' awareness of agricultural best practices.

In 2015, three caravans incorporating a total of 16 stages traveled to regions throughout the Kingdom\* to meet with over 5,000 farmers:

- ↗ Olive trees in 4 stages.
- ↗ Citrus trees in 4 stages.





75Mm<sup>3</sup>/year TREATMENT CAPACITY OF THE DESALINATION UNIT AT JORF LASFAR



INNOVATION AND SUSTAINABILITY



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#### **DEVELOPMENT OF NEW FORMULAS**

OCP launched 8 new formulas adapted to soil specific needs of each region, in particular, innovative fertilizers designed specifically for the cultivation of cotton in Ivory Coast, a 20-20-0 formula for Nigeria, zinc- and copper-based formulas for American and Oceanic markets, and micro-nutrient-rich formulas for Ethiopia.

## CUTTING-EDGE INFRASTRUCTURE TO SUSTAINABLY MEET WATER NEEDS

The Group built on the use of unconventional resources in order to meet its water needs, notably by building new infrastructure in 2015 :

- ↗ Opening of the Jorf Lasfar desalination unit : over time, the unit will reach an annual processing capacity of 75 Mm<sup>3</sup> with a total investment of 800 million dirhams in the first phase (25 Mm<sup>3</sup>/an).
- ↗ The commissioning of the Ben Guerir and Youssoufia wastewater treatment plants in 2015, with a treatment capacity of approximately 2.6 Mm<sup>3</sup> each, supplements the Khouribga plant that has been in operation since 2010. The reuse of urban wastewater will further develop the treatment and beneficiation of phosphate.



1,368 PARTICIPANTS FROM 51 COUNTRIES AT THE 3<sup>RD</sup> SYMPHOS SYMPOSIUM

**160** PARTICIPANTS AT THE 1<sup>ST</sup> INTERNATIONAL AFRO-MEDITERRANEAN

SOIL CONFERENCE

20

# $15_{\text{ppm}}$

SULFACID'S SO<sub>2</sub> EMISSIONS THRESHOLD



9,660 YOUTH INITIATED INTO ENTREPRENEURSHIP (2014-2015)

36,611 BENEFICIARIES OF MEDICAL CARE FROM DISADVANTAGED AREAS

# INNOVATION AND SUSTAINABILITY

#### SUCCESS OF THE 3<sup>RD</sup> SYMPHOS SYMPOSIUM

With 1,368 participants representing 51 countries, the 3<sup>rd</sup> International Symposium on Innovation and Technology in the Phosphate Industry (SYMPHOS) in Marrakesh, from May 18 to 20, 2015, was a success. A crossroads for meetings end exchanges between key international players in the phosphate industry, the theme of this year's conference was "Innovation Insights for Sustainable Agriculture."

#### "SULFACID" FOR REDUCING ENVIRONMENTAL IMPACT

An innovative solution for reducing the environmental footprint, Sulfacid was deployed as part of the Group's strategy for clean production. This solution aims to lower sulfur dioxide emissions at the Jorf Lasfar site. In fact, equipping the sulfuric unit with this innovative new technology marked a historical shift in its lifespan as its  $SO_2$  emissions dropped from more than 600 ppm to less than 15 ppm.

#### ORGANIZATION OF THE 1<sup>ST</sup> INTERNATIONAL AFRO-MEDITERRANEAN SOIL CONFERENCE IN MARRAKESH

160 participants from 18 countries were invited by OCP Foundation to take part in the 1<sup>st</sup> International Afro-Mediterranean Soil Conference in Marrakesh from December 18 to 19, 2015. The event was co-organized with INRA (National Institute for Agricultural Research) and the FAO (Food and Agriculture Organization) with the goal of deepening knowledge of soil and appropriate operating techniques.

#### ENTREPRENEURIAL ECOSYSTEM SUPPORT IN DIFFERENT REGIONS

In support of project leaders, OCP Foundation chose to rely on specialized structures by means of OCP Entrepreneurship Network (OCPEN) program. The objective of the program is to unite all players and stakeholders of the entrepreneurial ecosystem in order to work together intelligently in the long term. Regardless of whether the project is deemed a local small business, a regional co-operative, or an innovative start-up with international aims, the program prioritizes its viability and capacity to create sustainable employment, particularly within the areas in which the Group operates.

In 2015, OCPEN had a promising effect: 600 jobs created (166 of them in 2014), 577 companies supported (114 of them in 2014), and 9,660 youths initiated into entrepreneurship (1,250 of them in 2014).

#### LAUNCH OF SEVERAL MEDICAL CARAVANS

OCP Foundation also invested in providing better access to medical care to the most vulnerable communities, often from rural areas. In particular, it organized 30 multidisciplinary medical caravans and provided medical equipment as well as equipment for the rehabilitation of persons with disabilities.

36,611 people benefited from care services and medical and hospital treatment. All of these actions rely on partnerships established with the "Open Smile Morocco "Association for oral health care, the Association Médicale Marocaine de Solidarité (AMMS) for eye care, the Association Caravane Chirurgicale for surgeries, etc.

KEY FIGURES



73% **OF GLOBAL PHOSPHATE RESERVES KNOWN TO DATE** ARE LOCATED IN MOROCCO\*



## MINING

26 OF PHOSPHATE ROCK PRODUCED

36.6 мт CAPACITY OF PHOSPHATE ROCK EXTRACTION



## PROCESSING

4.5 MT OF PHOSPHORIC ACID ( $P_2O_5$ ) PRODUCED

4.7 MT PHOSPHORIC ACID  $(P_2O_5)$  CAPACITY



5.2 мт

OF PHOSPHATE FERTILIZERS (MAP, DAP, TSP, SPECIALIZED FERTILIZERS) PRODUCED

7.4 MT CAPACITY OF PHOSPHATE FERTILIZERS (MAP, DAP, TSP, SPECIALIZED FERTILIZERS)



## **EXPORTS**



**8.5** мт OF PHOSPHATE ROCK EXPORTED

29%

MARKET SHARE OF PHOSPHATE ROCK



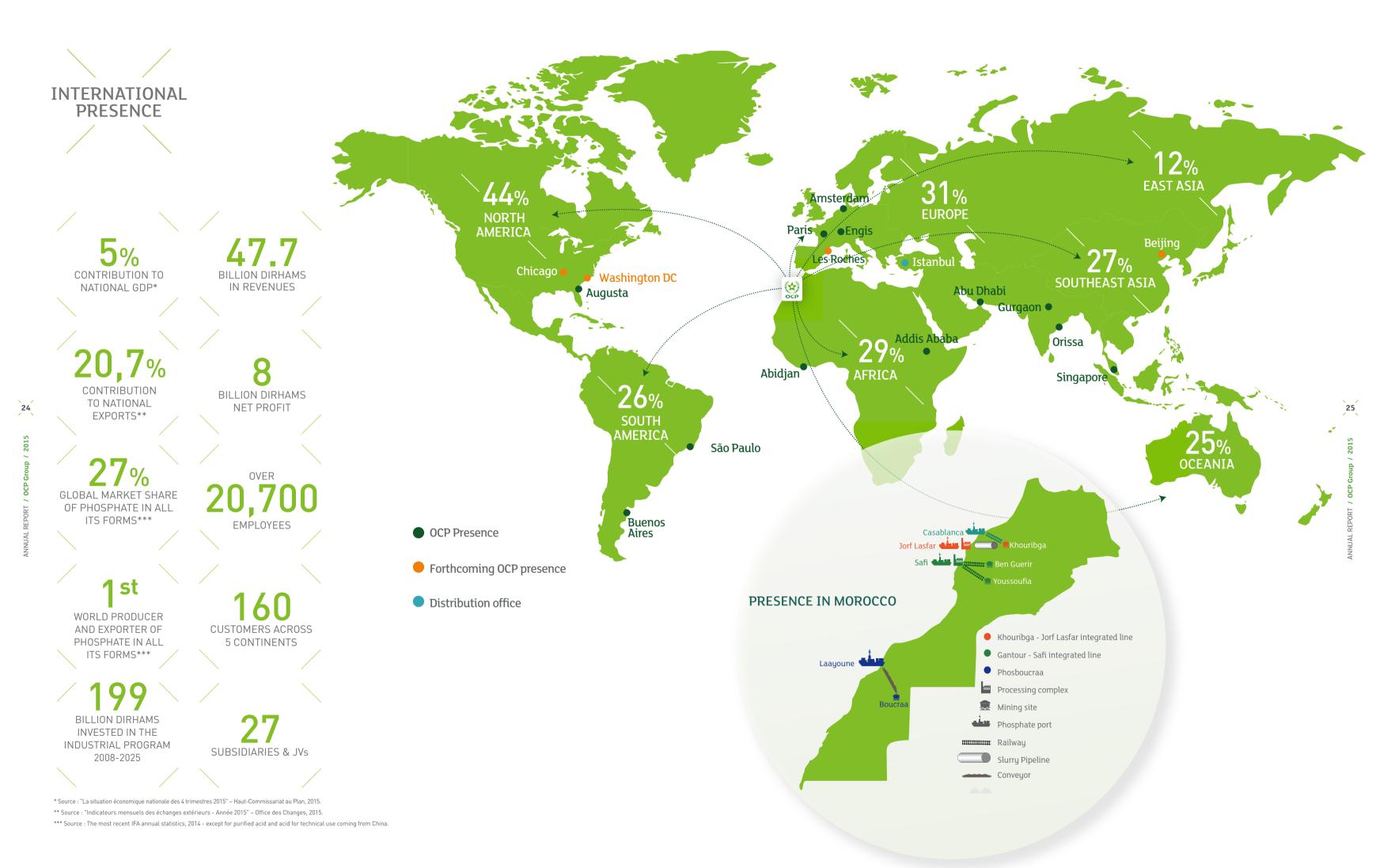
2 мт OF PHOSPHORIC ACID (P205) EXPORTED 55%

MARKET SHARE OF PHOSPHORIC ACID



4.3 OF PHOSPHATE FERTILIZER EXPORTED

16% MARKET SHARE OF PHOSPHATE FERTILIZERS



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# 2015 STRATEGIC REVIEW

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# **OCP** : **A WORLD LEADER FOSTERING GROWTH**

-1-



OCP Group, a world leader on the phosphate and phosphate derivatives market with nearly 30% of the global market share\*. finds itself at the core of this issue. As the largest exporter of phosphate rock and phosphoric acid, as well as one of the world's largest producers of fertilizer, OCP is positioned as a major agricultural development player providing innovative solutions to important issues, such as agricultural output, the use of fertilizer suited to the needs of different soils and crops, and, especially, the unrelenting search for solutions that do not have an impact on the environment and natural ecosystems.

Such a mission requires significant investments in mining operations, the industry, and logistics. More than 199 billion dirhams of financial commitment are planned for the Group's upstream and downstream activities from 2008 to 2025.

A global leader on the phosphate and phosphate derivatives market, OCP Group provides a concrete response to world agricultural needs while ensuring development that is sustainable and respectful of the environment

Increased demographic growth exerts pressure on the planet's natural resources, continuously redefining food security issues. Agricultural processes and the fertilizer industry are therefore constantly stimulated by buoyant conditions.

These commitments, inspired by the Group's values, are applied through its approach and the mobilization of significant financial and human resources in order to sustainably ensure the availability of competitively priced, quality raw materials while bolstering its derivative product offering thanks to its research and development program.

SI WORLD PRODUCER AND EXPORTER OF PHOSPHATE (IN ALL ITS FORMS) OF PHOSPHATE ROCK EXPORTED OF PHOSPHORIC ACID EXPORTED  $(P_0 O_{E})$ OF PHOSPHATE-BASED FERTILIZER EXPORTED

# Mining : Responsible Development



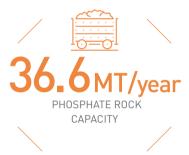
OCP is the world's largest producer of phosphate rock, with an annual mining capacity of 36.6 million metric tons. The Group's mining operations are focused in three regions in Morocco, with 6 mining sites in Khouribga (near Daoui, Merah El Ahrach, Sidi Chennane, and Beni 'Amir), 3 in Gantour (Ben Guerir, Bouchane, and Mzinda), and 1 in Boucraâ.

The quality of the rock mined at the Group's different sites grants it a prominent place on the world fertilizer stage. The concentration of P<sub>2</sub>O<sub>5</sub> in the phosphate rock produced in Morocco varies between 5% and 45%. The average concentration has risen to 31.5%. According to the Group's estimates, the Khouribga reserves represent approximately 44% of the total available Moroccan reserves, whereas those of the Gantour and Boucraâ sites make up 36% and 2% respectively.

For its 2008-2025 industrial development program, the goal of which is to meet 50% of the growing global demand for fertilizers, OCP Group plans to double its production of phosphate so as to reach 57.4 million metric tons per year as opposed to the current 28 million metric tons.

In Khouribga, the Group expects a mining capacity of 28 million metric tons per year by 2017 and 39 million metric tons by 2025, compared with the current 26 million metric tons. More than just an ambition, the Group's development plan has already been executed, and several mining projects are in the works. As such, the operation of the new Beni Amir mine and washing plant began in 2015. Additional plans to open mines, build washing plants and drying units, and adapt mining facilities are included as part of the Group's investment program and will gradually become operational in the coming years.

OF GLOBAL PHOSPHATE RESERVES ARE LOCATED IN MOROCCO\*



# Phosphate processing: Structuring Partnerships in Response to a Global Issue



In 2015, OCP Group produced over 5 million metric tons of fertilizer per year, with a nameplate capacity that reached 8 million metric tons over year.

Four integrated fertilizer production units are planned for 2017 as part of the Group's development plan. The objective of increasing production capacity may, if required by the market, induce the opening of additional units.

OCP Group is a world player in the production of phosphoric acid. This activity was undertaken early, either through local development, or through partnerships with foreign manufacturers. A profitable strategy, since OCP holds leadership in the production of phosphoric acid with an annual capacity of 4.7 million metric tons of  $P_{2}O_{c}$ . The majority of the Group's phosphoric acid production occurs at the Jorf Lasfar industrial operations sites, with 3.1 million metric tons of  $P_2O_5$ , and at the Safi site.

by 2025.

#### Fertilizers : Specialized Knowledge of soil for Sustainable Agriculture

With the Group's goal of increased integration in finished products, a program to triple processing capacities was launched in 2008. This goal will be reached by 2017, with nearly 12 million metric tons of fertilizer capacity, positioning the Group as a leader on all three stages of the value chain.



#### Phosphoric Acid : Strengthened Leadership

OCP expects to triple its phosphoric acid production, climbing from 4.395 million metric tons of  $P_2O_5$  in 2014 to 6.6 million metric tons in 2017 and subsequently to 10.6 million metric tons of P<sub>2</sub>O<sub>2</sub>



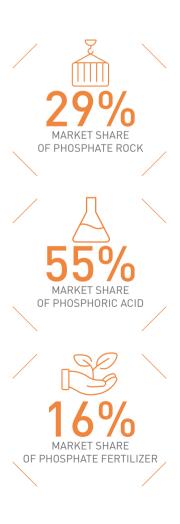
CP believes that investme offer a wide range of diverse nutritional supplements fo

# Local Engagement : Supporting Farmers all over the world



Due to its logistics platform and worldwide marketing channels, the Group ensures the long-term flow of products to 160 customers in more than 35 countries.

The geographical locations bestow the Group a competitive advantage in terms of time-to-market compared with its main competitors, particularly when taking into account the relatively low freight costs in certain markets, such as South America, Europe, West Africa, and the United States.

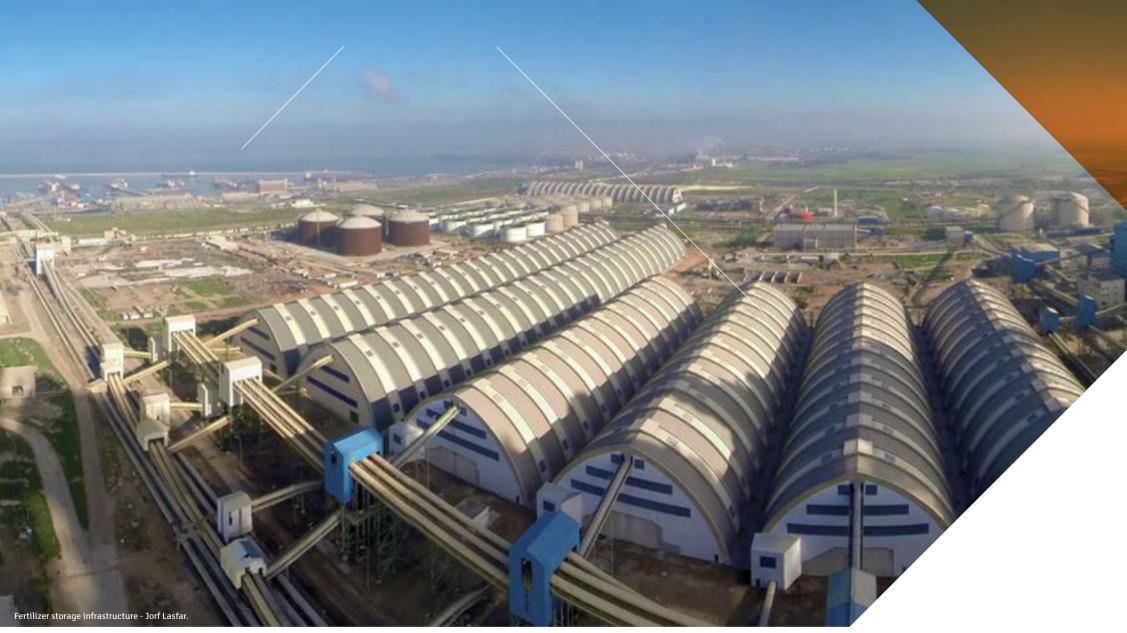


35

**JJ** COUNTRIES SERVED

CUSTOMERS ACROSS 5 CONTINENTS

# **STRATEGY**: **A VISIONARY COMMITMENT**



The increase in global demand for phosphate fertilizers is expected to be 1.7% per year between 2014 and 2020, according to the IFA, driven by the need to intensify global agricultural production as a result of world population growth (+39% from 2010 to 2050 according to the FAO) and the decrease in arable land per inhabitant (-21% from 2010 to 2050 according to the FAO), stemming in part from urbanization and industrialization. It will therefore be necessary to increase the productivity of existing lands so as to improve crop output and overcome food security challenges.

As a leader, OCP supplies nearly 30% of world phosphate and phosphate product imports. The Group will further secure its leadership through the establishment of the industrial processing program, which will allow it to optimize its position on the value chain (rock, phosphoric acid, and fertilizer) and be better equipped to cope with market volatility. This goal is complemented by a cost management policy thanks to the introduction of new processes in mining, processing, and transport.

Requiring nearly 199 billion dirhams between 2008 and 2025, this strategy will allow OCP to meet world food security challenges.

OCP Group's strategy is part of a culture of excellence, feeding off of values shared by all stakeholders with a single imperative: to take all actions in a spirit of value creation, sustainibility and growth.

The strengthening of capacities, logistics assets, investment in various local production and storage units, cost management, business ecosystem development, improved product lines with increasingly specialized fertilizers, improved fertilizer availability, and logistics infrastructure, from ports to agricultural labor by farmers/producers are all examples of the Group's actions and objectives to reinforce its leadership.

#### A clear vision supported by positive phosphate industry market conditions

In view of phosphate's role as a vital nutrient in agricultural production, OCP Group is ideally positioned to take advantage of the healthy conditions of the agricultural industry. These conditions are essentially supported by the continuous growth in world population, the decrease in arable land per inhabitant, and an increasingly meat-based diet.

#### A strong commitment to respecting the environment and innovation



## A Threefold Objective: Capacity, Flexibility, and Cost

Focusing on three major pillars, the Group's strategy centers initially on increasing production capacity by doubling mining and tripling processing, OCP's vision aims to establish its leadership in production costs by becoming one of the most competitive phosphate and derivatives producers. Furthermore, OCP strives for industrial flexibility and commercial agility, allowing it to adapt to market fluctuations and respond to seasonality through total integration across the value chain.



COST

LEADERSHIP

**CAPACITY BOOST** • Double mining capacities and triple processing capacities • Improve the efficiency of existing assets

• Be a leader in capacity over the three



**INDUSTRIAL FLEXIBILITY** ND COMMERCIAL AGILITY

 Implement flexible and adaptable industrial facilities

 Adapt the product portfolio to market needs



#### -1-**Capacity boost**

With access to the world's largest phosphate reserves known to date according to the US Geological Survey (73% of world reserves). OCP expects to increase its production capacities, especially in terms of high value-added products, in response to growing world food needs. This increase will attract 50% of the growing demand by 2025 and strengthen its fertilizer market shares. The Group expects to double its mining capacities and triple its processing capacities. The Group intends to hold the leading position for phosphate fertilizer by 2017, with nearly 12 million metric tons of fertilizer.

Moreover, OCP is implementing innovative solutions, since it will cover the additional water needs of the Khouribga mining complex and the Jorf Lasfar industrial complex without any additional use of conventional water sources, notably through of the desalination unit, the wastewater treatment plants, and dam adduction projects.

#### -2-

#### **Cost leadership**

OCP maintains one of the industry's most competitive cost positions. Its industrial development program makes the most of this position. It works to improve operational efficiency and cost management across the value chain, especially of mining operations and transport, through the implementation of new technologies, processes, and modes of operation. In particular, the slurry pipeline connecting Khouribga to Jorf Lasfar was intended to convey more than 38 million metric tons of phosphate slurry annually and, as it increased in effectiveness, it has generated more and more considerable gains in terms of freight and energy costs thanks to the transport of pulp via pipeline.

Furthermore, the development of the Jorf Lasfar industrial complex allowed the Group to boost its capacities while optimizing costs by capitalizing on existing complexes and the centralization of certain activities. OCP continues to invest in the industrial infrastructure, in R&D, and in innovation to maintain the most competitive cashcosts internationally.

#### -3-Industrial Flexibility and Commercial Agility

OCP holds a unique position in the industry with its strong presence in all three stages of the value chain (rock, acid, and fertilizer). The capacity to quickly adapt its product mix to produce different volumes of ore, acid, and fertilizer, and to adapt to the volatility and seasonality of the market, constitutes a genuine competitive advantage.

The Group's diversification of the product/region/customer portfolio, strong industrial presence, and strong sales allow for maximal agility and flexibility while reinforcing its leadership.

## **New Fertilizer Production Units**



Four integrated fertilizer production units are planned for the Jorf Lasfar industrial complex by 2017. They will each have a production capacity of a million metric tons per year.

The first production unit, namely "Africa Fertilizer Complex" (AFC), came on stream in late 2015. Its royal inauguration is planned early 2016. These new units are fully consistent with OCP's ambitious investment strategy, which aims to strengthen its position on the world fertilizer market by increasing its production capacity from 4.5 million metric tons per year in 2010 to 12 million metric tons per year by 2017, becoming the world's largest producer of fertilizer.

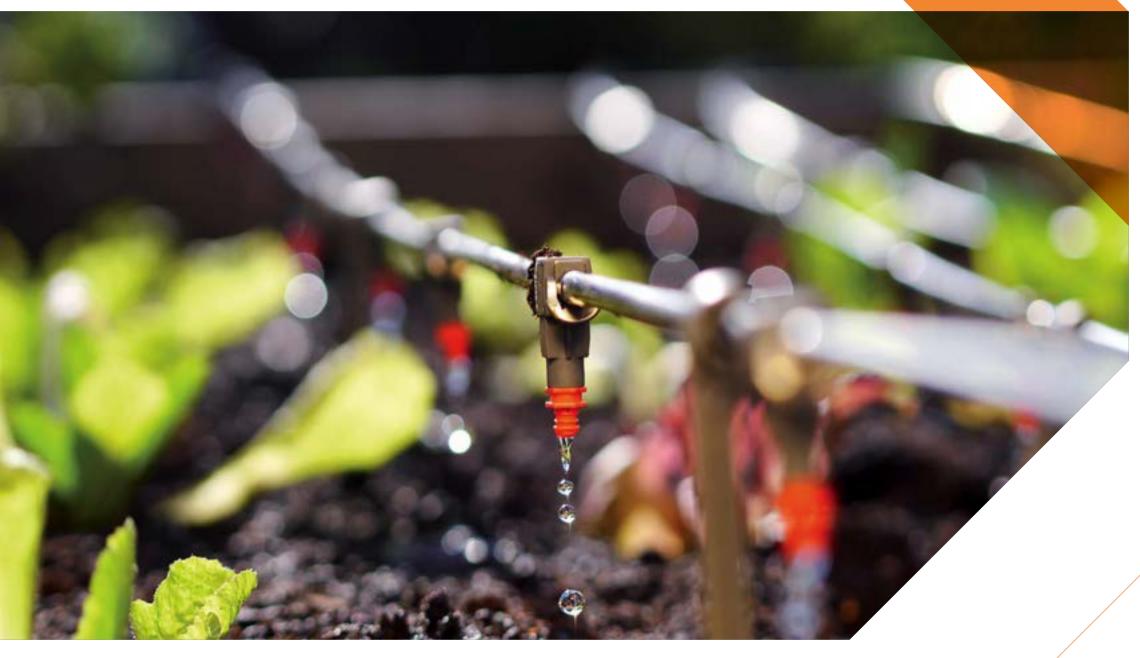
The production capacity of the first unit will be dedicated to the African continent. In Africa, 70% of the population earns their living through agriculture, 80% of arable land is not yet being exploited, and the population consumes 10 times less fertilizer than the world average. Along with other factors, OCP works to ensure phosphate fertilizer market supply in Africa in a sustainable manner, which will also enable African farmers to improve their output and rely on appropriate fertilizer for their soil and crops. The Group has therefore implemented an industrial strategy dedicating specific volumes to the needs of African agriculture.

OCP AFRICA In 2015, the Group created

a subsidiary to achieve its o achieve this goal by offering

tailored products, safeguarding the production of competitive fertilizers near major

## A Customized Product Offering



OCP Group has adopted a proactive approach based on anticipation, adaptability, and a strong presence on all five continents. The goal is getting closer to customers to fully understand their needs in order to offer customized products. The Group therefore consolidated a large customer portfolio across 160 countries by building strategic alliances with local partners.

In this perspective, OCP opened representative offices and created entities across the globe (Paris, Saõ Paulo, New Delhi, Buenos Aires, Istanbul, etc.) and maintained its momentum, particularly with the recent 2015 opening of offices in Singapore, Abidjan, Abu Dhabi and Addis Ababa. OCP offers a range of customized products and logistics services that meet a two-pronged objective of reactivity and cost management. Its industrial leadership will also allow it to demonstrate its position upstream, earning it the top spot in the market for phosphate in all its forms.

This approach allows the Group to develop new niches of growth, further asserting its mission to contribute to ensuring food security by means of increasingly innovative and tailored products. In addition, the introduction of precision fertilizer allows the Group to position itself in a market of high added-value crops, specifically tailored to micro-irrigation systems, with highly promising international growth prospects. OCP counts on further galvanizing its operations and diversifying its products in order to maintain its place as a leader in the global market.

## Focus on the Industrial Program

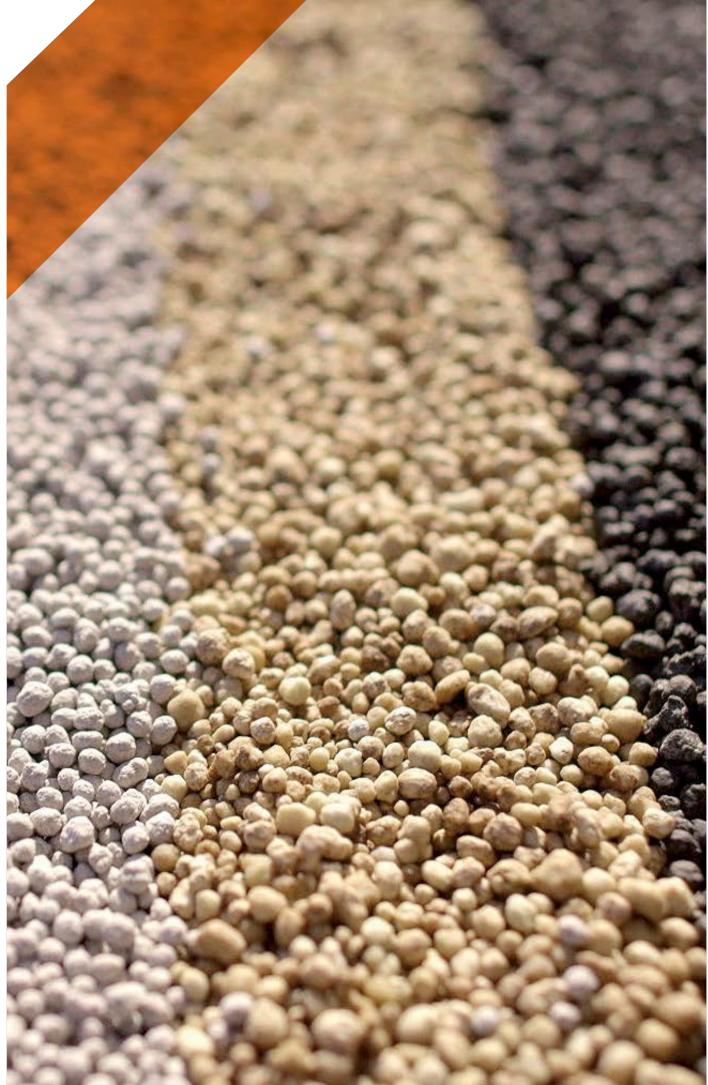
Substantial financial commitments will assert the Group's leadership and reinforce its purpose as a creator of wealth for the entire community.

Major projects to increase the Group's production capacities, the implementation of the slurry pipeline to modernize and optimize transportation, the development of a phosphate valorization hub, and the enhancement of port infrastructure... all of it had to be accomplished while optimizing production costs.

The Group's industrial transformation began taking shape as the first projects came on stream in 2014 and 2015, and various projects are advancing according to plan.

The investment program covers all of the Group's production sites and will be deployed in three phases :

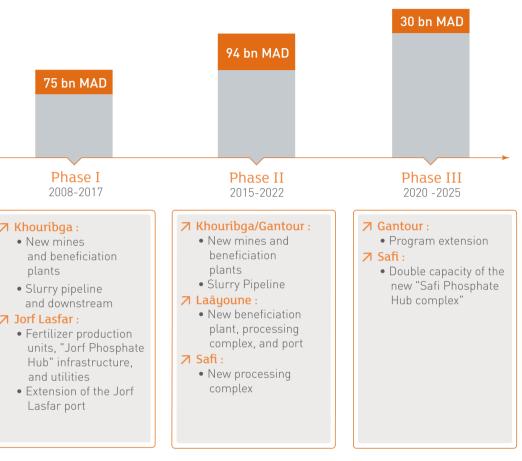
- The first phase, consisting of nearly fifty projects, is taking place between 2008 and 2017.
- The second phase began in 2015, with completion scheduled for 2022. It is dedicated to the construction of new industrial production units and to the development and equipping of new mines.
- The third, to begin in 2020 and last until 2025, will concern the expansion of the Gantour program. All Group regions and sites are affected by this program.



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#### Three-Step Phasing





#### Industrial Program Main Highlights and Achievements

15, the industrial program progressed according to plan, with significant achievements. e slurry pipeline connecting Khouribga to Jorf Lasfar helpe strengthen the Group' cost ture thanks to the reduction in freight and energy costs. In 2015, 6.5 million metric tons of phosphate pulp were transported at year ending 2015.

The first fertilizer production unit in Jorf Lasfar was launched at year end. The new Beni 'Amir mine and washing plant, the largest phosphate washing plant in the world, began operations as well. The seawater desalination unit also successfully began operations after testing conducted in July 2015, as well as the two wastewater treatement plants at Benguerir and Youssoufia. Lastly, this year also marked the launch of the surface water adduction program starting at the Al Massira dam aimed at meeting water needs of mining sites.

## Sustainable growth and ressources: at the core of the strategy



OCP Group therefore aims to fulfill both conditions at once: meet world agricultural needs and ensure environmental conservation.

Therefore, a strategy was fully implemented to optimize, conserve, and rationalize the use of water and energy, and to reduce the environmental footprint of all Group operations. For the past few years, OCP has been committed to an approach of environmental excellence aligned with its industrial excellence strategy. As such, all investment projects systematically incorporate the aspect of sustainable development. By implementing a structured, transversal environmental approach, the Group transforms environmental challenges into value-creating opportunities to the benefit of its stakeholders.

As part of this environmental approach, the Group has deployed an energy mix diversification strategy, emphasizing energy efficiency and the use of renewable energy. It also established a water conservation strategy by developing its supply from unconventional and easily renewable water sources.

Every year, OCP makes significant environmental investments in order to conserve water, energy, and mining resources, and drastically reduce its environmental impact at all levels of the value chain. The completed projects, such as the slurry pipeline inaugurated in 2014, often make use of cutting-edge technology. This project in particular had a major impact on improving the carbon footprint of OCP operations. By improving the performance of its mining and processing units and optimizing mining operations, the Group also decreases the loss of materials and optimizes the management of this vital resource. At the same time, OCP endows its industrial facilities with equipment so as to reduce polluting gas emissions. In order to control its air emissions in strict compliance < with current standards, the Group deployed a gaseous effluent modeling solution to effectively manage production lines (mining and processing). This solution also makes it possible to establish air quality forecasts at the site and surrounding areas based on weather conditions and emissions.

The Group's goals embody a responsible vision. Sustainable progress is the motto of all the development programs, both in mining and processing.

#### **Atmospheric Emissions**

A daily concern for the Group, the environmental footprint can be seen through several actions. To reduce sulfur dioxide emissions by 96%, an innovative technology called Sulfacid was implemented on the first phosphoric acid production line at Jorf Lasfar.

This solution reinforces the reduction following the adaptation of the first phosphoric lines at Jorf Lasfar for the use of the slurry pipeline for transporting slurry, thereby lowering fluorine emissions and allowing for the complete elimination of dust emissions.

The Group's other sites also benefit from innovative solutions. The Safi and Gantour sites were equipped with a system for modeling the dispersion of gaseous effluent into the atmosphere. This air quality and dispersion forecasting and modeling tool allows for the optimal control of facilities by taking into account the combined weather conditions.

#### Water

Water also remains a major concern. The Group's strategy relies on three main components: water conservation, the optimal management of water resources, and the use of unconventional water resources.

For this purpose, the Group launched two urban wastewater treatment plants in Ben Guerir and Youssoufia (capacity of 5M m<sup>3</sup>/ year). It also began production tests of a seawater desalination unit in Jorf Lasfar (capacity of 25M m<sup>3</sup>/year).



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#### Energy

Constantly seeking for innovative solutions, the Group invested in the development of clean energy. It also undertook its first experience as a self-producer of electricity. In 2015, the construction of the Group's thermoelectric plant reached 80% completion. Once complete, the Green Energy Park located in Ben Guerir will operate at a capacity of 1 MW based on CSP technology (Concentrating Solar Power) combined with an Organic Rankine Cycle turbine in partnership with IRESEN (Institut de Recherche en Energie Solaire et en Energies Nouvelles).



OCP was one of the first Moroccan companies to undertake a"Bilan Carbone" of its activities. A tool to calculate its carbon footprint was set up, allowing to track the impact of its projects in terms of CO<sub>2</sub> footprint. The tool, based on the ISO 14064 standard, allows for identifying activities that emit the most carbon and defining control actions.

As regards industrial facilities, OCP introduced a heat recuperation system (HRS) in its sulfuric units (in particular at Jorf Lasfar and Safi), allowing it to recuperate the vapor generated during the process and to apply it to produce electrical energy, intended to meet the needs of the site.

#### Waste Management : Targeted Programs for Eliminating Waste

Mine and industrial waste treatment and recovery are at the core of OCP Group's responsible development policy. Building upon the expertise of partners who are leaders in their field, OCP implemented environmentally friendly waste and by-product management through innovative methods. The recuperation, recycling, recovery, and disposal of waste occur according to the regulations in effect and under the strictest conditions.

Reducing the root cause of waste production, establishing dedicated areas with a controlled environmental impact for storage, and the elimination of industrial waste are also some of the responsible management actions led by the Group.

#### Mine Rehabilitation

Operating a mine is not limited to extracting market value rock. OCP's responsible approach requires it to rethink the mine once it is closed. In it, the Group sees an opportunity for shared value creation for both its own benefit and that of neighboring communities. To reach this goal, OCP created a strategic rehabilitation plan offering region-specific scenarios and taking into account the area's climate and local cultures and traditions.

It was in this context that OCP continued its ambitious tree planting program covering nearly 146 hectares of land : Gantour (100ha), Khouribga (43ha), and Laâyoune (3ha). Some 300 hectares were also developed in preparation for future planting activities.



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As an example of 2015 main achievements, the recovery of the used vanadium catalyzer through recycling performed by one of the Group's suppliers at Jorf Lasfar equivalent to 432 m<sup>3</sup>.

Another example is the progress of the PCB (PolyChloroBiphenile) elimination and safe mangament program that allowed to eliminate 100% of unused equipment containing PCB, not to mention the used computer equipment recovered through recycling or through reuse by educational programs run by specialized associations.

## **THE DRIVERS**



# Cutting-Edge Logistics

Competitiveness and flexibility are fundamental to drive growth and leadership and require total control throughout the value chain. OCP Group is more than ever confronted with the reality of a strongly competitive market, and has therefore massively invested in transportation to fight a commercial war that can only be won by controlling operating costs.  $\setminus$ 

OCP's access to a great variety and quality of reserves - the world's largest reserve base estimated - enables the Group to position itself strategically on the phosphate value chain while achieving significant cost effectiveness and economies of scale. OCP's industrial assets and flexible production system enable the Group to meet the needs of its clients by offering a mix of high quality products and focusing increasingly on niche products that answer the needs of farmers. The Group's international presence on all five continents places us within reach of customers in every part of the world while providing OCP with access to storage facilities that are close to local consumers and with a distributor network that is at the service of the farming sector.

Thanks to its global logistics platforms and marketing channels, OCP maintains a constant flow of exports in response to the expectations of our 160 clients in more than 35 countries.

Such cutting-edge logistics provide farmers with readily available quality products at the right time, in sufficient quantities and at a fair price. The entire farming sector will be able to develop in a sustainable manner, new jobs and companies will be created, and local economies will fully reap the benefits.

The creation of branches, particularly at the international level, provides OCP Group with a competitive time-to-market advantage over its chief competitors, in part due to relatively low transportation costs in some markets, particularly in South America, Europe, West Africa and the United States.

#### Flexibility and Supply Security : A Competitive Advantage

Phosphate rock is exported from the ports of Casablanca, Jorf Lasfar, and Safi, as well as from the Laayoune Wharf. The ports of Jorf Lasfar and Safi are also used for the exportation of fertilizer (in bulk or in bags), phosphoric acid and purified phosphoric acid, as well as for the importation of raw materials like sulfur, ammonia, potash, sodium hydroxide, and sulfuric acid.

> Multiple supply charging points allow flexibility and supply security for customers.

#### Supply charging points :

To serve Group activities, OCP has equipped certain areas of Casablanca, Jorf Lasfar and Safi ports owned by the Moroccan State.

The Laayoune Wharf consists of a dock terminal for loading ships with phosphate and an intermediate dock for unloading ships carrying heavy crude oil intended for the processing plant. It supports the entire Phosboucraa industrial infrastructure.

#### New development era

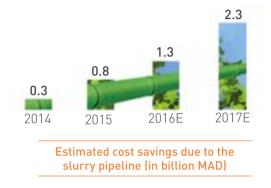
In order to concretize its ambitious industrial strategy, in 2008, OCP began a new era of development with a number of megaprojects within the Group's production sites that revolutionized both the company's production facilities and its industrial practices.

Among the projects undertaken by OCP as part of the implementation of its industrial development program was the slurry pipeline, which has been operational since April 2014 on the integrated Khouribga-Jorf Lasfar line.

Thanks to this innovation, 38 million metric tons of phosphate will be transported to the processing units at Jorf Lasfar, to cover a distance of 187 km. This innovation at both ends of the value chain has helped allow OCP to double its mining capacity while improving production chain flexibility and logistics and significantly reducing the cost of the phosphate being delivered to Jorf Lasfar.



This process has many additional virtues, particularly at the environment level. It will generate savings of nearly 3 million  $m^3$  of water per year thanks to the preservation of the rock's natural moisture. The slurry pipeline also has a positive impact on the Group's carbon footprint by reducing CO<sub>2</sub> emissions by 930,000 tons per year and producing fuel savings of 160,000 metric tons per year.

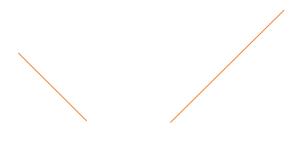


The Group is planning to build a second slurry pipeline from Gantour to Safi covering a distance of 155 km with a 10 million metric ton capacity.

The major overhaul of the Group's industrial process is based on the technological advance provided by a hydraulic transportation solution in order to achieve the dual objective of increasing volumes and maximizing cost effectiveness across the entire value chain. This technological breakthrough profoundly alters the industrial process as the production chain moves from a discrete mode to a continuous and fully integrated mode all the way from mining and processing to product shipping and exportation. The Group estimates total costs of the two slurry pipelines to reach nearly MAD 7.9 billion.

In addition to that, an extension of harbor installations is also planned to support of the expected increased volumes and centralize operations at Jorf Lasfar and Safi ports.





#### The Slurry Pipeline Revolution

A new era is beginning for the Moroccan phosphate industry. The opening of the slurry pipeline in April 2014 substantially impacted the production capacities of the world's leading exporter of phosphate.

The slurry pipeline radically moved the way phosphate is transported in Morocco by fundamentally altering the Group's industrial value chain. Whereas the processes used to be based on a discontinuous production mode, pipeline transport now allows OCP to move to a fully integrated mode based on the hydraulic transportation of phosphate pulp.

Lying two meters below surface, this pipeline allows OCP Group to expand its mining capacity from 18 to reach over time 38 million metric tons per year.

In line with the new OCP industrial policy, the building of the slurry pipeline required major changes in mining and processing activities. All related industrial facilities have been transformed.

More cost-effective, more environment-friendly and more mindful of nature, this mode of transportation considerably improves the cost per volume competitiveness of the Group while efficiently reducing our environmental footprint. At the cutting edge of mining technology, the slurry pipeline gives OCP extra flexibility on international markets while further confirming the Group's global leadership position and commitment to sustainable agriculture.

The slurry pipeline will also help OCP maximize cost effectiveness, invest in R&D and reinforce the Group's world-class position by combining performance with industrial development.

The slurry pipeline ensures the uninterrupted transportation of phosphate from Khouribga to the Jorf Lasfar complex before being processed into derivative products or exported in its raw state while reducing several intermediate steps.

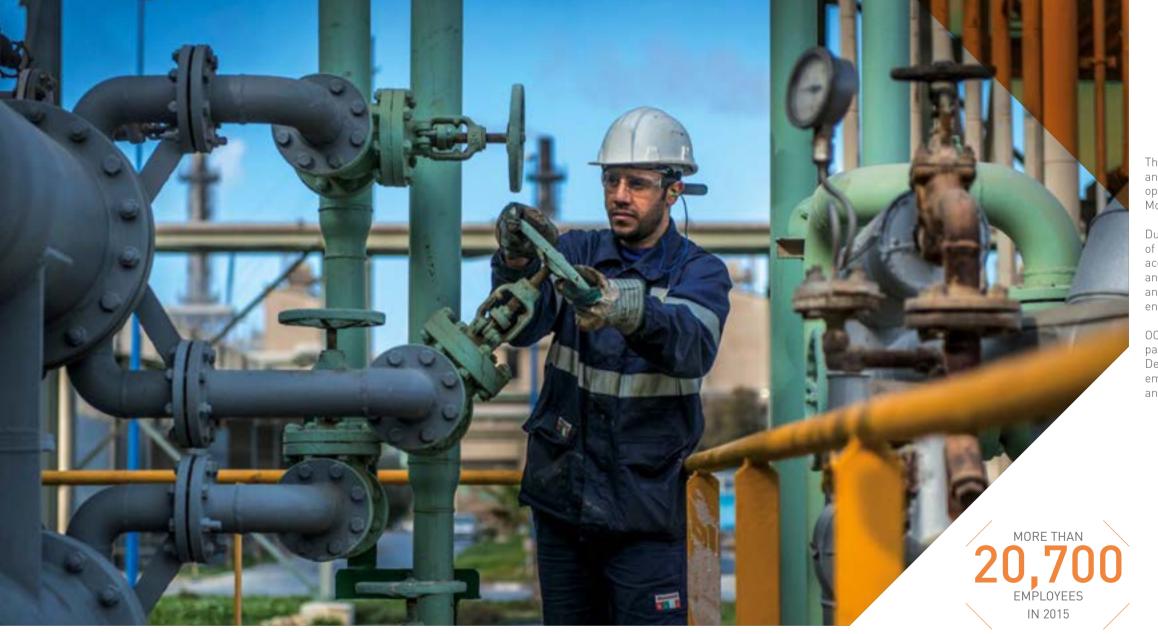
The pipeline technology also allows for a considerable increase in cost per volume competitiveness and substantial reductions in OCP's environmental footprint thanks to significant water and energy savings.



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#### SLURRY PIPELINE full integration of the Khouribga - Jorf Lasfar line

# A Large Talent Pool

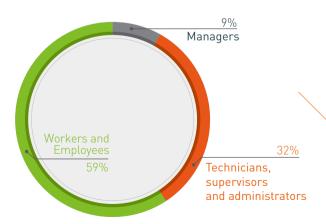


The Group's policy aims to attract and retain the best talents and motivate them in order to develop future leaders, promote operational excellence and provide world-class managers to the Moroccan and international economies.

Due to activity diversification and size, OCP covers a wide range of skills and expertise. The Group's employees can therefore access the right environment to help them achieve their potential and develop their skills. Fostered by a culture of respect, equity and transparency, the Group's values of professionalism and engagement play a major role in employees's career management.

OCP supports its employees along their professional development paths while providing them with major development opportunities. Development paths also take into account the differences in employee backgrounds and needs while encouraging geographic and professional transversality.

Human capital is the main asset the Group uses to achieve its strategic ambition to consolidate its world leading position. Mineral deposits only become an asset when the know-how and the expertise exist to transform it into a shared value for the benefit of local areas and communities.



#### Employee breakdown by category

#### An Ambitious Training Program

Skills development and enhancement are provided through an ambitious training program suitable to all backgrounds and all Group categories. The Corporate Training Institute and Industrial Skills Centers are both represented on each of the Group's production sites and act as champions of OCP's adopted training policy.

The Group's policy is based on human capital as key driver of success. This policy's objectives are:

- A development of the skills required to meet the changing needs of the Group's activities ;
- $oldsymbol{
  eq}$  support of all training and professional development programs ;
- **↗** effective onboarding of new hires.

In 2015, a total of 2,249 training activities were carried out for the benefit of all employees corresponding to a total of of 65,574 training days.

- 21,782 participants took part in the continuous training program for Technicians / Supervisors and Workers / Employees.
- ↗ 3,889 employees participated in the Manager development program.



#### Corporate Training Institute : knowldge co-construction process is key to business expertise development

Created in 2010, the Corporate Training Institute supports the Group's transformation by providing concrete responses to employees's training needs.

Through its existing program, which included a large part of the Group's businesses, the Corporate Training Institute facilitates individual and group staff training throughout their careers while enhancing know-how sharing and synergy development.



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In 2015, the Corporate Training Institute expanded its activities and the pool of international partners, gaining therefore momentum in terms of program quality, especially as the first digital experiences generated great achievements.

#### The Corporate Training Institute's programs are jointly designed by managers expert in their field and are carried out in partnership with prestigious international institutions.

In parallel, OCP Group fosters the contributions of internal competencies in order to make training programs more relevant to the organization's real world context and to the environment at large. Internal guest speakers are featured as part of flagship programs, and internal teaching managers also contribute to specific training modules.

2015 key figures:

- ➤ Nearly 150 executives and managers participated to training sessions as part of the MIT partnership program. partnership with MIT.
- ➤ Nearly 600 managers participated to training sessions as part of the HEC Paris partnership program.
- ➤ More than 1,000 employees were trained as part of the Industrial Performance Management Program.
- ↗ Nearly 500 managers were trained as part of the Soft Skills Program.



Far from being static, training models regularly call on new technology and new global trends to enrich the established programs, often with the help of a selection of relevant monthly Massive Online Open Courses and by offering more e-learning and blended-learning opportunities. This makes modules more flexible and consistent with changes

The ICCBU is responsible for the four centers located in Khouribga, Jorf Lasfar, Ben Guerir and Safi. A fifth center is due to open shortly in Laayoune.

Making the most of OCP's heritage, these centers offer continuous education courses for the development of staff competencies as well as employee integration courses delivered to new hires by trainers who are selected on the basis of their teaching skills and field experience.

business.

. standards.

operational progress.

The ICCs provide training engineering in specific skills relating to phosphate, to the processing industry and to the environment. These centers are open to encompass the entire industrial ecosystem in order to help Group partners benefit from best practices in the areas of knowledge and expertise in support of skills development.



Industrial Skills Center - Khouribga.

#### Industrial Skills Centers foster operational excellence

The Industrial Skills Centers (ICC) are the Group's second training entity. To that effect, an Industrial Skills Centers Business Unit (ICCBU) was created in 2014.

This new organization also aims to increase transversality for a better sharing of expertise between the four ICC's and for the development of new training formulas to better meet the needs of the Group and of its ecosystem.



The training sessions answer a variety of strategic objectives :

**↗** Support Morocco's large industrial development projects.

↗ Introduce a culture of operational performance.

A Share the know-how and expertise that are at the core of OCP's

**↗** Set up training courses that are compatible with international

#### Innovative technical platforms

cenarios as part of workshops

# Sharing of expertise



One of OCP's priority commitments as the exclusive manager of the world's largest phosphate resources is the sharing of knowhow and expertise that goes back nearly 100 years. OCP spares no effort to help others benefit from its expertise with the ultimate objective of contributing to the world's food security through the support of sustainable farming performance. To that extent, the sharing of expertise is one of the basic values of the Group's commitment.

OCP endeavors to share its expertise through multiple national actions such as the integrated farming development program led by OCP Foundation. OCP's concern for sharing expertise and know-how transcends national boundaries. In fact, the Group is currently sharing its experience with the farmers of many South-South Cooperation countries. Major projects were initiated throughout the world and particularly in Africa, a continent with strong agricultural potential.

Africa and India are priority partners for the Group, and for good reason, at a time when the African continent is preparing for its first "Green Revolution" and when India has already entered its second one. These two major partners are well positioned to promote and implement the concept of productive, optimized and innovative "precision agriculture" aimed at increasing soil fertility.

In this sense, OCP is now building a large ensemble in which the sharing of experience, the strengthening of South-South cooperation and the creation or partnerships are the harbingers of a period of sustainable food security.

#### Nearly 100 Years of Expertise for the Benefit of our Partners



#### **OCP Agricultural Caravans** : Another sharing initiative in Other Sub-Saharan African Countries

Among the many sharing initiatives launched by OCP in Africa are the Group's Agricultural Caravans serving farmers in many countries across the continent. Having organized nearly 14 editions of this program already, the Group has acquired significant knowhow in the business of supporting farmers and producers. OCP is sharing this expertise with our African partners while trying above all to adapt it to the African context as part of our commitment to the sustainable agricultural development of the continent. Beyond Morocco, the Agricultural Caravans organized in Mali, Ivory Coast, and Senegal and the Farmer Field Schools initiated in Ivory Coast, Nigeria, Guinea, Ethiopia, and Kenya are exemplary illustrations of OCP's African commitment.

The Group helps promote the sharing of knowledge and experience, the strengthening of cooperation, the creation of partnerships at the continental level and the implementation of innovative solutions for the African agriculture sector's financing and investment needs.

OCP is committed to implementing concrete actions in Africa on the basis of a mutually beneficial collaboration through multiple channels, including

Africa Fertilizer Complex 1 million metric tons dedicated to Africa / Sustainable supply of the African market.

Dedicated volumes

Accessible and appropriate Sustainable and innovative fertilizers Innovative fertilizer products suited to local soil / Fertility map /

Package contracts.

Sharing of know-how / Partnerships for the sustainable development of African agriculture / Farmer field support.

partnerships

In 2015, OCP made a 3-year commitment to help 100,000 farmers from 6 East African and West African countries access appropriate, affordable and reliable fertilizers and related products as well as services they could use to increase their productivity and revenues. This \$5 million commitment will be implemented in close collaboration with partners and stakeholders in each of the 6 countries in order to make sure that this service model properly takes into account the specificities of each country and suits each local context, thus guaranteeing maximum impact .



Globally, commitment to sustainable agriculture took many forms in many parts of the world :

#### → Agricultural support in Gambia :

An agricultural production program for two cooperatives involving some 500 women was initiated in partnership with the "Mujeres por África" Foundation (FMA) and the local NGO "The Future is Our Country".

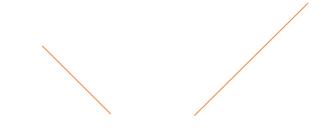
Planned over a two-year period, this project is built around the dissemination of good farming practices, the promotion of a rational use of fertilizers, the strengthening of infrastructure and the promotion and marketing of production. So far, the project has helped the cooperatives develop their technical and human capacities and set up demonstration platforms for the dissemination of good farming practices.

#### 7 2 successful Agricultural Caravans in Guinea and Ivory Coast :

Two Agricultural Caravans were organized around various crops in Guinea-Conakry and around the cocoa industry in Ivory Coast. Agricultural Caravans are outstanding examples of the Group's desire to build up the industry with local farmers, to share expertise with them and to promote rational fertilizer use.

#### ↗ Launch of soil fertility maps :

Two soil fertility maps were launched with local partners to provide small local African farmers with products that are increasingly adapted to their needs and help them define the fertilizers that can best enhance the fertility of their soils.



#### Knowledge-Sharing Between Morocco and India

In India, OCP's contribution is based on field actions, in particular the AES (Agricultural Extension Services) project supporting thousands of farmers in the subcontinent's poorest areas. This support program introduces them to sustainable agriculture and to measured fertilization techniques while providing a social component based on human development. It helps farmers increase their revenues.

A four-year integrated agricultural development program was launched in 2014 in the Rajasthan State to promote the dissemination of good farming practices and the use of communication technologies through a call center providing agricultural advice to small farmers.

Another OCP knowledge-sharing project is the Morocco-India initiative for the rehabilitation of legumes, which will extend to 2018 with the direct participation of 10,000 farmers in Morocco and 15,000 in India. Given India's vast agronomical R&D experience in the area of sustainable agriculture, Morocco stands to benefit from a valuable technology transfer as part of these exchanges. This program is being implemented in partnership with many key organizations such as the National Institute for Agronomic Research (INRA), the Hassan II Institute of Agronomy and Veterinary Medicine (IAV), the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), the International Center for Agricultural Research in the Dry Areas (ICARDA) and the M.S. Swaminatan Research Foundation (MSSRF).



#### 4 Strategic Partnerships in Ivory Coast

OCP is working through a variety of programs initiated in Ivory Coast to promote the improvement of agricultural productivity and the socio-economic development of Ivorian producers. The implementation of these projects covering the main sectors of Ivory Coast's agricultural industry will certainly be a major boost for local productivity while increasing revenues, helping producers improve their living and production conditions.

In 2015, OCP concretized a number of strategic partnerships in view of this goal, namely with the the Coffee-Cocoa Board (Conseil Café-Cacao), the National Rural Development Agency (ANADER), the National Center for Agronomic Research (CNRA) and the International Institute of Tropical Agriculture (IITA). Areas of intervention range from training and technical support to farmer services through the development and testing of new fertilizer formulas.

In the case of the Group's cooperation with the Coffee-Cocoa Board, in particular, new fertilizer formulas will be developed to suit local soils and crops and provide solutions for making appropriate fertilizers more accessible and affordable.

The joint organization of the Cocoa Agricultural Caravan by OCP Foundation and the Coffee-Cocoa Board in October 2015 was an integral part of this ongoing cooperation. By providing field support to small farmers, the Cocoa Agricultural Caravan provides them with specific training in order to help them adopt good farming practices and thus increase their productivity and, eventually, their revenues.

This ambitious partnership, in the long run, is based on exchanging experience and seeking synergies. It aims to create added value at the local level and to help the cocoa industry develop its full potential.

## R&D at the Core of Industrial Performance



The R&D strategy implemented by the Group is part of an overall goal of meeting agricultural needs in Morocco, Africa, and other parts of the world.  $\setminus$ 

Fully oriented towards value creation, OCP Group relies on R&D to diversify its product portfolio and to develop new specialty products and increasing fertilizer efficiency. The R&D strategy also aims to meet the growing need of the market for specific products, particularly in Africa. R&D is also exploring and developing recuperation processes for byproducts and others.

To be more effective and closer to the demand from the field, OCP launched the transformation of its R&D in 2015 to respond to the Group's challenges through the following objectives :

- of expertise.
- a committee.
- University.

OCP has entered into partnerships with world-class laboratories and technology suppliers in order to develop R&D projects and innovative new products and technologies. This year notably

ecosystem capable of interacting and innovating with the centers of scientific excellence (X-teams) by working in collaboration.

**↗** Agile organization composed of development centers by area

**7** Operate in project mode with multidisciplinary teams assembled in a joint R&D unit between OCP and the Mohammed VI Polytechnic University, with project monitoring by a PMO and

**7** Build a virtuous circle, an excellence incubator and a source of skills and expertise with the Mohammed VI Polytechnic

**↗** Set up three-level governance: Strategic (OpsCom), Scientific (advice of external experts) and Operational (Project Steering Committeel.

**↗** Strengthen the current research staff with senior employees and high-level junior employees in all necessary skill areas.

#### **Open Innovation**



#### Symphos 2015 - Focused on Innovation. Science and Technology

leading players in the field of phosphates allowed participating industry leaders manufacturers, equipment envision the future of the

## GOVERNANCE & SHARED RESPONSIBILITY

-4-

As an essential part of our organizational and operational modes, OCP governance is focused on long-term development and shared responsibility. As such, it is both a sound management imperative and a useful strategic tool.

Good governance implies well established procedures, rules and structures to ensure the transparency of the organization's operation and power balance. Based on an effective decisionmaking process and on management practices that involve all of the Group's stakeholders, OCP not only ensures adherence to applicable regulations, but also fosters the vitality of the organization's guiding principles, vision, and ambitions. It is based on the fundamental values to be found at all levels of the organization's activity, which are integrity, ethical behavior and transparency.

These principles also shape OCP's corporate culture and are the reason for the pride experienced by those belonging to the Group. OCP's administrative organs make it possible for these principles to apply to all levels of the organization.



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## **Board of Directors**

The Board of Directors examines all questions that concern the proper functioning of OCP. Through its deliberations, the Board of Directors regulates matters concerning the Group, subject to powers that are expressly attributed to shareholder meetings and within the scope of the mission statement.

The members of the Board of Directors\* are :

- Mr. Mostafa Terrab
- Chairman, Chairman and Chief Executive Officer of OCP
- ↗ Mr. Mohamed Hassad Minister of the Interior
- ↗ Mr. Moulay Hafid Elalamy Minister of Industry, Trade, Investment and Digital Economy
- ↗ Mr. Salaheddine Mezouar Minister of Foreign Affairs and Cooperation
- ➤ Mr. Mohamed Louafa Deputy Minister to the Head of the Government in charge of General Affairs and Governance
- ↗ Mr. Abdelkader Amara Minister of Energy, Mining, Water and Environment
- ↗ Mr. Mohamed Boussaid Minister of Economy and Finance
- ↗ Mr. Mohammed Sadiki General Secretary of the ministry of Agriculture and Fisheries
- A Banque Centrale Populaire Represented by its Chief Executive Officer, Mr. Mohamed Benchaaboun

## Audit and Risk Committee

The Audit and Risk Committee is in charge of assisting the Board of Directors in its supervisory function and of reviewing half-year and year-end accounts. The Committee's main functions are:

- **↗** Evaluate the Group's internal control adequacy and monitor the internal and external audit control functions ;
- $\neg$  Approve the annual internal audit program ;

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- $\neg$  Evaluate accounting principles and methods ;
- **7** Examine risks and evaluating the importance of such risks :
- ➤ Monitor compliance with the recommendations made at the previous meeting by the Audit and Risk Committee ;
- **↗** Help the Board of Directors improve internal control, risk management and network and information security.

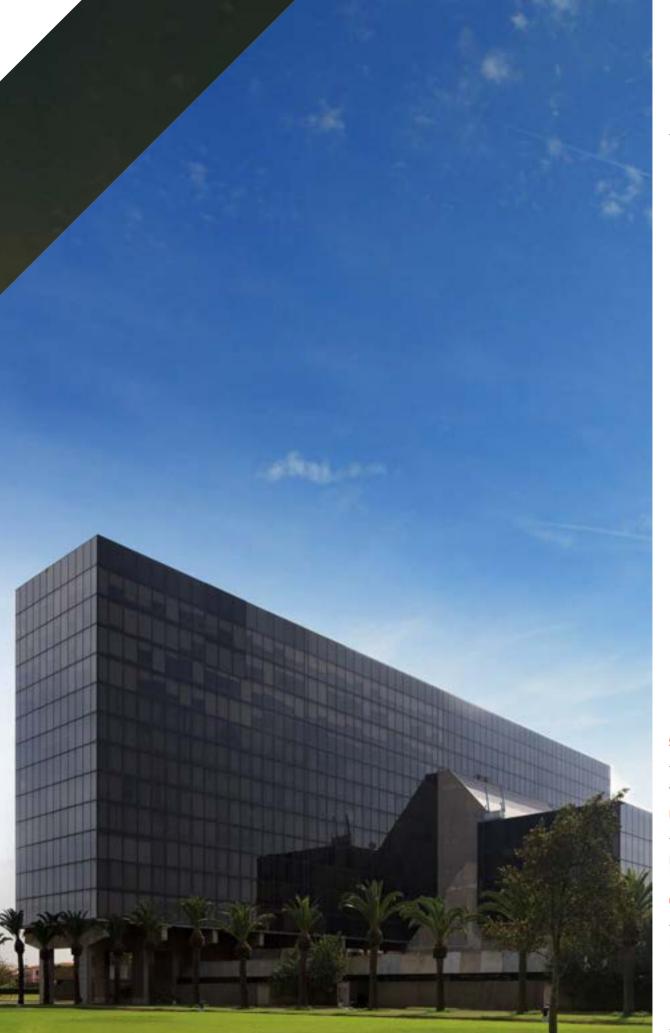
The Audit and Risk Committee is represented by four members, including the Chief Executive Officer, Vice President, the Committee Secretary, and a BCP representative.

The Committee meets twice a year according to legal provisions, or more if necessary.

## Top Management

OCP Group's top management is structured in two levels :

- **↗** General Management, including the Chief Executive Officer and the Deputy Managing Directors, in charge of the Group's long-term processing strategy, of ensuring transversality and sponsoring the Executive Vice Presidents.
- **7** Executive Vice Presidents, in charge of the operational management of the Group's main functions and activities.



OCP Headquarters - Casablanca

- Mr. Tarik Choho

- 7 Mr. Iliass Elfali

The Top Management\* members are :

7 Mr. Mostafa Terrab Chairman and Chief Executive Officer

7 Mr. Mohammed El Kadiri Deputy Managing Director – Secretary General

Deputy Managing Director

7 Mr. Mustapha El Ouafi Deputy Managing Director

7 Mr. Jamal Belahrach Deputy Managing Director

↗ Mr. Marouane Ameziane Executive Director, Strategy & Corporate Development

Mrs. Ghislane Guedira Executive Director, Finance and Management Control

↗ Mr. Otmane Bennani-Smires Executive Director, Legal Affairs

Mr. Soufiyane El Kassi Executive Director, Industrial Development

Executive Vice President, Industrial Operations

7 Mr. Mohamed Belhoussain Executive Director, Sales & Marketing

7 Mr. Faris Derrij Executive Director, Human Capital

7 Mr. Talal Zouaoui Executive Director, Public Affairs & Group Communication

## Three committees to support governance:

#### **Strategic Committee**

The Strategic Committee focuses on medium- and long-term OCP strategy. It is chaired by the CEO and the Deputy Managing Directors.

#### Management Committee

The Management Committee is in charge of validating the Group's medium- and long-term strategic plan decisions approved by the Strategic Committee. It is chaired by the CEO and includes Director Managing Directors and Executive Directors.

#### **Operational Committee**

The Operational Committee is in charge of short-term decisions and operational coordination. It includes operational managers and is chaired on a rotating basis by an Executive Director.



# 2015 **Performance**

## **INDUSTRIAL PERFORMANCE** : **REALIZATION OF PIONEERING PROJECTS**

Sandadi Va

for niche products.

2015 was a challenging year for all Group activities. Production was perfectly aligned with operational forecasts for mining extraction, processing and the launch of the Group's new projects.

The focus was put on the development of specialty products for strong value-added markets. Therefore, although global production matched the previous year's results in terms of volume, it still reflected the relevance of the Group's business and industrial choices in a context characterized by a strong demand

That performance was reflected on the business and financial levels as the Group completed yet another year of steady growth with some of the best margins in the industry and profitability that met all expectations.



# Mining: Planned capacity increases are now a reality

Remarkable operational performance was achieved on each of the Group's mining production sites, as exemplified by the Khouribga site's record production volumes.

Extraction tonnages increased from 20.5 million metric tons in 2014 to 21.4 million metric tons in 2015. Commercial production also increased considerably, growing from 18.1 million metric tons in 2014 to 18.6 million metric tons in 2015 with a recordbreaking performance in Merah El Ahrach, where total extraction reached 9.47 million metric tons at the end of 2015 compared to 8.9 million metric tons in 2014. On that same site, the Merah El Ahrach washing plant was able to support 6.41 Mt of production, an increase over 2014.

Furthermore, the Boucraa mine is not yet delivering record volumes as it is still undergoing the transformation process to reach higher performance and production levels. At year ending 2015, extracted tonnages reached 1.6 million metric tons versus 1.8 million metric tons in 2014. Many improvement projects were initiated this year.

Record extracted tonnages were achieved at the Khouribga site in 2015. Records were also achieved at the Ben Guerir and Mzinda sites, with 3.77 million metric tons of dried and commercial phosphate and 1.84 million metric tons of dried and commercial phosphate respectively. Also worth mentioning is the performance of the Gantour site in the niche product sector.

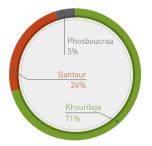




All in all, the operational performance of the mining sites was supported by the opening of several installations as well as by storage, transportation and industrial pre-treatment units.

2015 extracted tonnage : 30.3 million metric tons +2.4%

#### 2015 commercial production : 26.2 million metric tons -0.2%



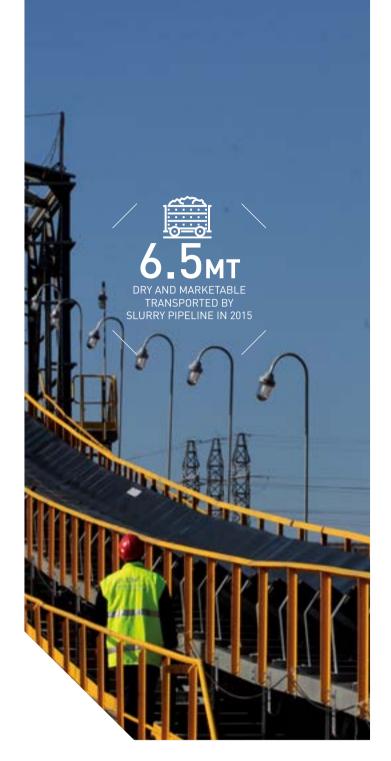
## 2015 Operational Highlights

## R&D

#### Кеу achievements of 2015

### "Innovative products and processes"

- Recovery of the sludge from washing phosphates through microhydrocycloning/ industrialization now taking place at Khouribga.
- Reduction of gamma element activity in phosphogypsum through
- ↗ Development of a



## Khouribga Site

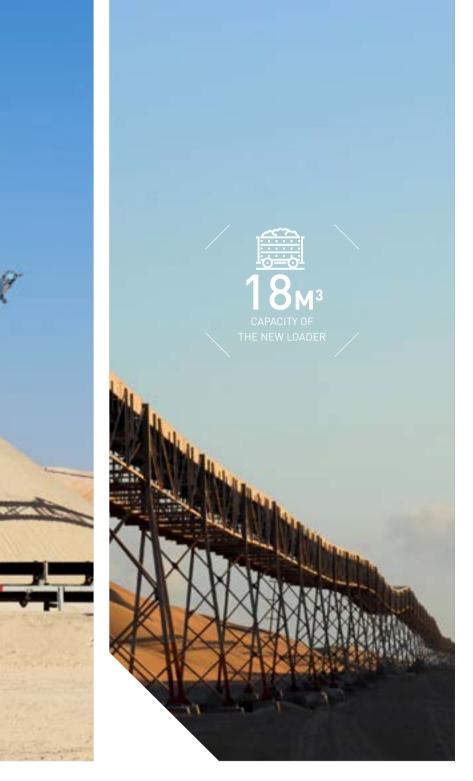
- **7** Commissioning of the new Beni Amir washing plant installations : commissioning of the High Grade line, service tests on the Low Grade line and commissioning of pulp operations at the Beni Amir pumping station.
- ↗ Regarding transportation, the gradual commissioning of the slurry pipeline is beginning to take effect. Some 6.5 million metric tons of dried and marketable product have transited through the slurry pipeline. The largest batch being moved through the pipeline had a volume of 42,300 m<sup>3</sup>.
- → Realization of a pilot project dealing with the recovery of clay minerals contained in the ore washing sludge at Merah El Ahrach.



## Ben Guerir & Gantour Sites

- 2015.
- **7** Commissioning of the mobile screening facility by the end of **7** Commissioning of a new loader with an 18 m<sup>3</sup> capacity, installation January 2015 at the Ben Guerir and Bouchane mines. This of 3 pile moorings on the loading dock and commissioning of the technology for preventing sterile transformation over long slag line. distances is part of our quest for competitive operating costs, one more objective reached in 2015.
- → Start of construction work for the 11 km conveyor link project between the Mzinda mine and the Youssoufia washing plant.

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## Phosboucraa Site

Commissioning of the new fixed installation at Mzinda in June
Sinking and prospection work through 2015 at the North Boucraa mine.

Safety Awareness Activities Carried Out Every Day

## Safety

batety is a key value of OCP Group. It is an integral part of management's daily activities at all levels of the organization that provides bermanent safety for OCP personnel at their working stations and risk control on all installations. Thanks to safety management systems and to constant improvements, the Group makes sure that a prevention policy and a strong "safety culture" approach are in place in all of its entities.

The sharing of best practices through awareness actions and the creation of safety teams by all stakeholders, including subcontractors, is part of this approach. Standards for performance review and analysis are determined and implemented during periodic steering committee and management meetings as part of a system optimization and continuous improvement approach.



fore concretely, in 2015, the Group continued to deploy overnance and operational standards such as VOSE, IASE, EVEPS, ADRPT risk analysis, confined spaces, verhead jobs, lock-out/tag-out, and personal protective quipment (PPE), thus providing those involved with basic raining, communication and mobilization, and supporting eld operators on all worksites and in all workshops.

The **« OCP Zero Incident »** project deployed on all sites, including the Khouribga site, with targeted actions, provides nearly permanent coaching, all of which is being reflected in the Safety Days organized for the Khouribga site agents (3,600 participants) to improve safe behaviors and adherence to work standards. Safety mobilization plans and awareness were emphasized among employees for a 7-month period. As agents and subcontractors were included in this deployment strategy, 1 250 agents were trained along with OCP personnel.

ne s ite, v ne d f a s xcept nonth ware ehav nobili ame emphasis was put on safety at the Gantour where HSE Task Forces were created to accelerate evelopment of operational safety standards and afety culture onsite. The Phosboucraa site was no ion. It also acquired an HSE Task Force, and a onemobilization operation was held to make staffers of safety matters and bring them to adapt their fors to safety standards. A yearly program of thematic zations on HSE issues was also implemented.

Deployment of Environmental Standards

## Environmental responsibility

Excellence Program



- ↗ Khouribga

- Progress on emission reduction of some 124,000 T of CO<sub>2</sub> equivalent.
- ↗ Benguerir - Development and rehabilitation of 250 acres of former operations areas in Ben Guerir and planting of 42,000 trees.
- Construction of a tree nursery at the Ben Guerir mine to meet rehabilitation needs plant of a water basin equipped with solar pumping for track watering and tree watering.
- ↗ Boucraa
- Completion of the liquid and airborne waste assessment campaigns.
  Cleaning of the sea coast around the Phosboucraa Wharf.

#### Main achievements at :

- EKPI, waste management and ancillary product management, and organization of an initial training initiative.
  Successful completion of IMANOR's ISO 14001 follow-up audit with an expansion of the certified zone.

# Processing Activities : Strengthening Leadership





## 2015 Operational Highlights

## R&D

#### Key achievements of 2015

#### Filing of two patents :

fertilizers and one for the production of commercial fluorine

#### **Biotechnology** :

- ↗ Development of new biofertilizer formulas.
- $\checkmark$  Improvement of phosphates for plant nutrition through the

#### Phosphate processing :

- of Maroc Chimie phosphoric acid and search for methods of
- abla Launch of a pilot unit building program on the basis of R&D
- $\checkmark$  Selection and study of rheology modifiers for the improvement of phosphate pulp behavior.

- ↗ Integration of desalinated water into the sulfuric acid dilutior

#### Analysis techniques :



## Jorf Lasfar Site

#### **Production records** :

- → Record yearly PMP phosphoric acid production of 427,000 metric tons P<sub>2</sub>O<sub>2</sub>, representing a 6% increase for the year and a 14% increase in nominal capacity.
- → Historic increase in yearly NPK production, reaching 0.56 million metric tons compared to 0.39 metric tons in 2014.
- ↗ Record yearly local fertilizer sales reaching 0.54 million metric tons compared to 0.53 million metric tons in 2014.

#### **Highlights**:

- ↗ Opening of the JFO phosphoric line in April 2015 and of the XY phosphoric line in September 2015. These new operations increased the installed potential for supplying processing activity (based on existing capacities) via pipeline to around 70%.
- ↗ 24 fertilizer grades were produced with 8 new varieties, including NPK (14-18-18), NPK (14-18-18-B), NPK (15-15-15-B), NPS (20-20), NPS (12-40-0.5Zn), NPK with copper and NPS (16-20)...
- ↗ On the exportation side, 2015 witnessed the largest ever sea shipment activity with a 80,000 metric ton (DAP and MAP) cargo on the TONDA SEA, the largest in the Group's history (in March 2015).
- ↗ Opening of the innovative SULFACID project in October 2015 on the 01Z sulfuric line in Jorf Lasfar with the objective of reducing SO<sub>2</sub> emissions by 15 ppm ;

#### New development projects :

- 7 Opening of the new H3 solid sulfur storage hangar with a 100,000 metric ton capacity increase.
- ↗ Opening of the new sulfur melting/filtration unit with a 6,000 metric ton per day capacity.
- **7** Commissioning of 3 new tanks for the new ammonia storage unit (with a storage capacity of 25,000 metric tons each).
- → Start of the first desalination unit test (production of 25 million m<sup>3</sup>) of water in phase one) in July 2015.
- ↗ Commissioning of the HE6 fertilizer hangar with a capacity of 100,000 metric tons.
- ↗ Opening of the new fertilizer loading circuits, including the new loading gantries installed on the Dock 1 extension.
- → Start of the fertilizer pilot.

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## Safi site

- ↗ Historic production record for the Safi site, reaching 1.43 million metric tons  $P_0O_{\epsilon}$  compared to 1.42 million metric tons  $P_0O_{\epsilon}$  in the previous year.
- ↗ Record special grade phosphoric acid production ("Tessenderlo") ACP 54%) with a 40.7%, or 273,704 metric ton, P<sub>2</sub>O<sub>2</sub> increase over 2014.
- **7** The MCP reached its nominal speed for the first time as a result of corrections brought to the installations.

## Highlights :

Production records :

 A Exceptional mooring of 3 phosphoric acid and TSP ships

 simultaneously.

#### Deployment of HSE Standards

## Safety

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In 2015, the Group delivered the second phase of its HSE Operational Standard Acceleration Task Force project on the Jorf Lasfar site by providing training to 2,225 workers and increasing soft skills. For its part, the Safi site managed to deploy 100% of operational standards for lockout-tagout and confined spaces while deploying new standards for work at heights, MOC, external subcontracting firms' HSE, Individual Protective Equipment (IPE) and circulation. Work safety workshops were also programmed. The workshop on « Safety: What to Change for Tomorrow ? » reached 500 participants, and the TH and EE standards awareness daus involved a further 360 people.

Additional safety awareness operations educated 5,000 operational staffers and agents of external companies on topics ranging from fire extinction to gas leaks to rescue and first aid.

evaluations: a safety perception survey relating to all

#### Deployment of Environmental Standards

## Environmental Responsability

#### Safi Site :

- impact of the Safi site sulfuric units.

- 7 Safi site launch and initial deployment of EKPIs, Waste Management and Secondary



#### Jorf Lasfar Site :

#### ↗ Atmospheric emission treatment

discontinuation of the dry grinding of phosphates.

#### ↗ Industrial waste

its environmental acceptability in confirmed. - Elimination of sorted industrial waste at the ecological recovery park with the

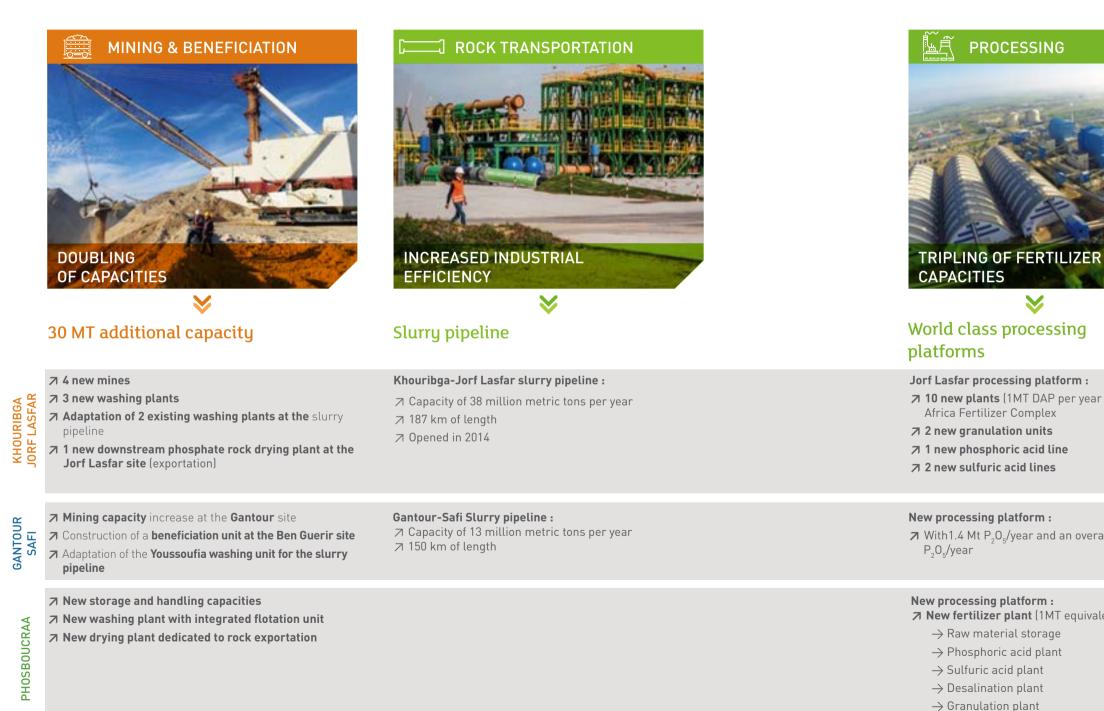
#### ↗ Utility management

#### 

Retention of the site's ISO 14001 certification by both IMANOR and Bureau VERITAS following the n°1 joint follow-up audit.
 Development and initial deployment of 3 new environmental standards (EKPIs,

# Industrial Development for Managed Growth









 $\boldsymbol{\boldsymbol{\otimes}}$ 

## **Expansion of port** installations

ar each), including	<ul> <li>Port of Jorf Lasfar :</li> <li>↗ New docks, 1.5 km in length</li> <li>↗ Rehabilitation and deepening of existing docks</li> <li>↗ Installation of new loading/unloading capacities</li> </ul>
erall objective of 5 MT	<ul> <li>New Port at Safi</li> <li>Construction of new docks with a total length of 1.9 km</li> <li>Installation of new loading/unloading capacities</li> </ul>
alent DAP), including :	<ul> <li>Laayoune Wharf :</li> <li>↗ New port for processing operations</li> <li>↗ Installation of superstructures for the loading / unloading of solid and liquid products</li> </ul>

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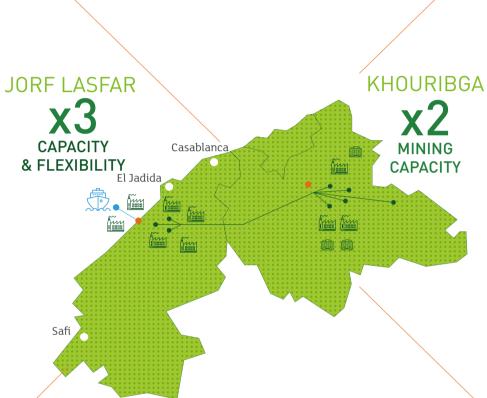
PROJECT KHOURIBGA - JORF LASFAR INTEGRATED AXIS)

# 38

BILLION DIRHAMS PORTION OF INVESTMENT DEDICATED TO NATIONAL VENTURES +60 % OF COMMITMENTS



## Key achievements of the first phase of the Khouribga-Jorf Lasfar integrated axis development program



#### 4 fertilizer plants

- Capacity : 1 MT/year each - Start date 1<sup>st</sup> plant : end of 2015 - CAPEX : ~ 5,4 billion dirhams each

## **2 DAP granulation plants** - Capacity : **1MT/year**

- Start date : 2013 - CAPEX : 2,7 billion dirhams

## 1 new phosphoric acid plant & adaptations - Capacité : 0,5 MT/year - Start date : 2014

- CAPEX : 2,3 billion dirhams

#### Processing platform infrastructure

- CAPEX : ~11 billion dirhams

#### Downstream – pulp and phosphate drying

- Démarrage : 2015 - CAPEX : 3,6 billion dirhams

#### Port installations

- Capacity : de 14 to 41 MT/year - Start date : 2014 - CAPEX : 3,2 billion dirhams

- 1 new mine Capacity : 6,5 MT/year
- Start date : 2015
- CAPEX : 2,1 billion dirhams

#### 1 new washing plant

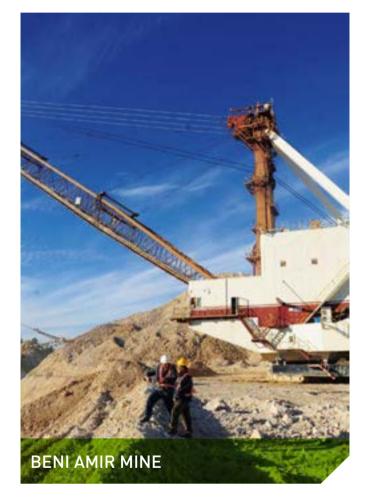
- Capacity : 12 MT/year
- Start date : 2015
- CAPEX : 4,3 billion dirhams

## Adaptation of 2 washing plants : - Capacity : 9 to 7 MT/year

- Start date : 2014
- CAPEX : ~2,5 billion dirhams

- Slurry pipeline Capacity : 38 MT/year Length 235 km
- Start date : 2014
- CAPEX : 5 billion dirhams

Key **2015** achievements Khouribga-Jorf Lasfar integrated axis



Operational in 2015

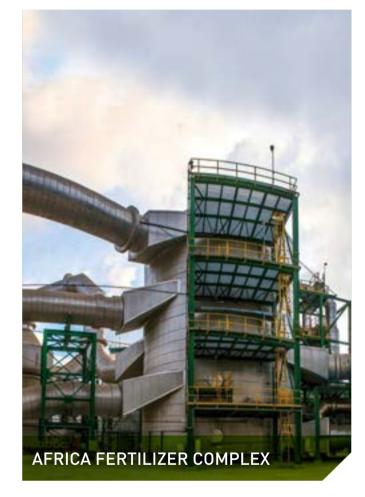




Operational in 2015

ZMT/year PRODUCTION CAPACITY





Finalized in 2015 / Inauguration planned for early 2016





Finalized in 2015 / Inauguration planned for early 2016



## Key projects planned for **2016-2017** Khouribga-Jorf Lasfar integrated axis

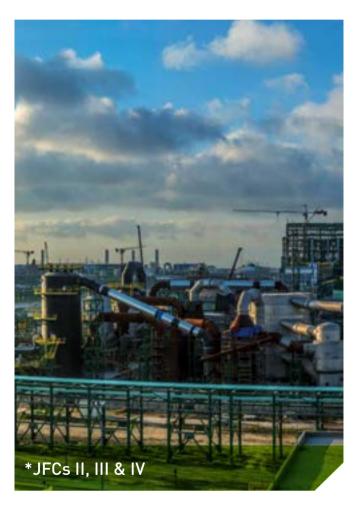


## EXPANSION OF THE MERAH EL AHRACH WASHING PLANT

## Opening planned in 2017

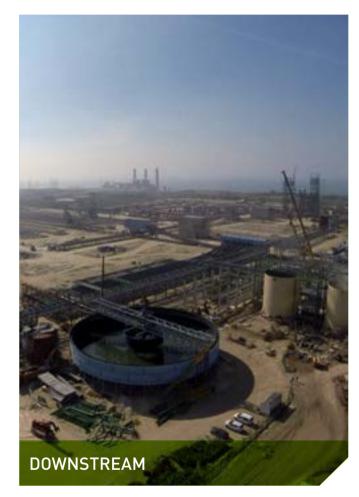
**3MT/year** ADDITIONAL CAPACITY (BETWEEN 9 AND 12 MT OF PHOSPHATE PROCESSED)

**U.97** BILLION DIRHAMS INVESTMENT



### Opening of the 3 JFCs in 2016 & 2017

MT/yearFERTILIZERPRODUCTIONCAPACITY EACHFOR EACH



## Opening planned in 2016



102

2015

5



Opening planned in 2016





## Gantour – Safi axis development program

### Capacity

- Doubling of mining capacity from 6 to 12 million metric tons per year
- New processing platform and doubling of annual capacity to 2.8
   MT P<sub>2</sub>O<sub>5</sub> and 5 MT P<sub>2</sub>O<sub>5</sub> at the end of the project

#### Cost

- **30% reduction** of logistics costs : Gantour-Safi Slurry Pipeline
- **65% reduction** of processing costs : new technologies

## Flexibility

- Special grades of phosphoric acid
- New fertilizer product ranges

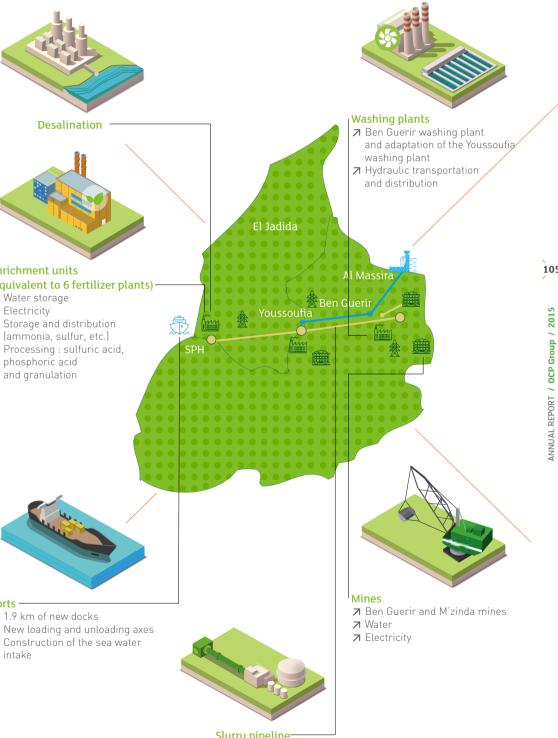
#### Environment and sustainable development

- Valorization of poor grade layers
- Balanced deposit exploitation
- Reduction of water consumption
- Energy efficiency



Safi Port.





## Phosboucraa **Development Program**

#### Competitiveness improvement

- Product portfolio enrichment: Rock / Acid / Fertilizer line
- Logistics capability development: **New exportation wharf**

#### Sustainable development and environment

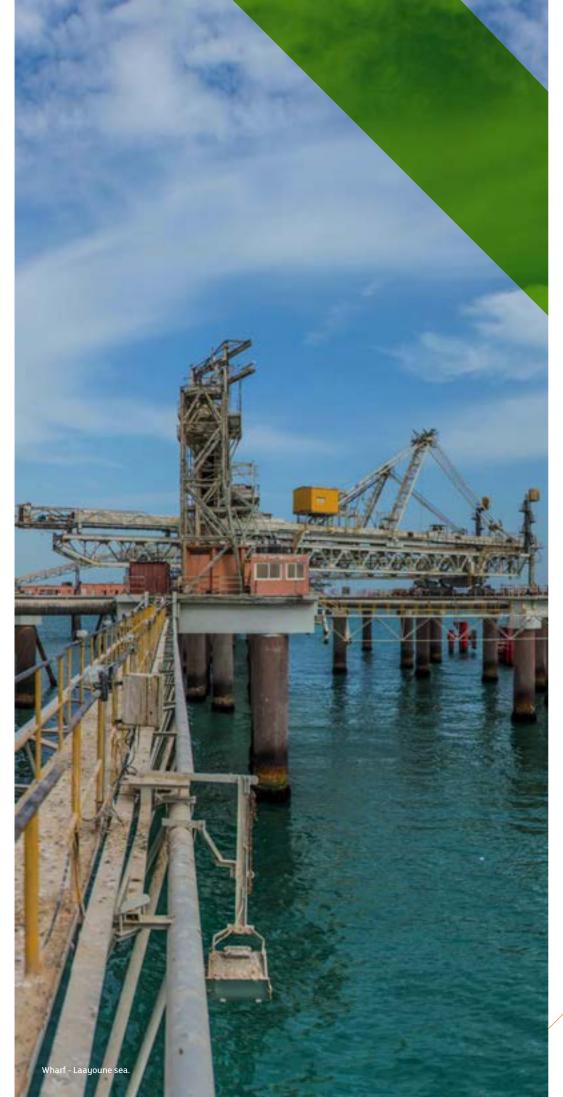
- Valorization of low grade layers: **New enrichment technologies** 

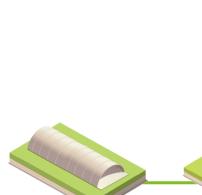
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- Sea water desalination to meet the industrial site's needs
- **Use of cogeneration** to meet the industrial site's energy needs



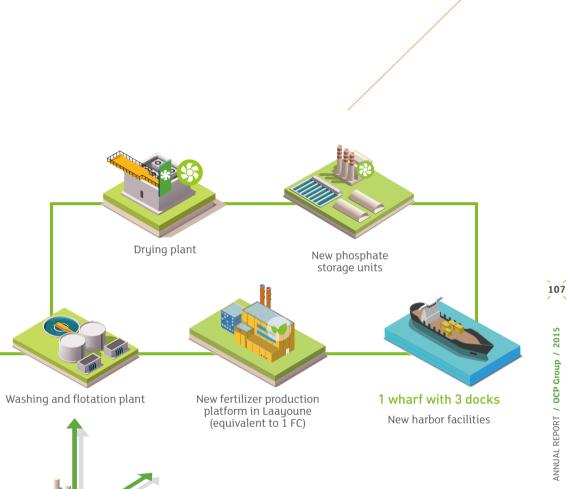
MILLIONS PERSON/DAYS JOBS DURING THE CONSTRUCTION PHASE





Phosphogypsum storage





Desalination plant



The production capacity increase and cost control objective was reflected in the implementation of leading edge technological infrastructure.

The Beni Amir washing plant is at the forefront of the Group's greatest new achievements. Thanks to a MAD 4.3 billion investment, the Group delivered this new washing plant in order to complete a production scheme based on slurry pipeline transportation.

The Beni Amir washing plant is a central point between the extraction and processing activities. Its vocation is to treat the mined rock in order to facilitate its transportation by pipeline towards Jorf Lasfar. This technology prevents material losses and helps transport all mined products, including low-grade rock. This means that the 12 million metric tons of phosphate pulp being produced by the Beni Amir washing plant will be brought directly to the pipeline's head station located some 15 kilometers away.

The washing plant is comprised of two washing lines each developing a treatment capacity of 1,600 metric tons per hour. The facility houses six crushers as well as a flotation facility, three product thickeners, two sludge dewaterers and 120 ha dyke for a sludge spreading and water recovery system complying with environmental objectives. 4.3 BILLION DIRHAMS INVESTMENT

## The Beni Amir washing plant, the largest in the world



Beni 'Amir Washing Plant.





Definitely proving the Group's commitment to the sustainability of African agriculture, the Africa Fertilizer Complex is a major project that required a MAD 6.2 billion investment.

This state-of-the-art fertilizer complex is an industrial development center built in accordance with the Group's vision.

Responding to the expressed wishes and fertilizer needs of the African continent, the Africa Fertilizer Complex strives to meet Africa's agricultural needs and to supply products that are suited to the various crops being developed on the continent.

The Africa Fertilizer Complex is an industrial connection involving several independent and interdependent production units. The complex includes a fertilizer unit with a 1 million metric ton capacity, a phosphoric acid unit with a capacity of 450, 000 metric tons per year, and a sulfuric acid unit with a capacity of 1.4 million metric tons per year.

The complex produces its own energy through a 62 MW thermoelectric power station with a 200,000 metric ton, or two month, fertilizer storage capacity. That station is fully integrated into the Jorf Lasfar industrial platform, ensuring a full supply of raw materials (electrical power, water, steam). The platform also handles the exportation of finished products.

The last six months of 2015 were devoted to the completion of the construction work and the commissioning phase of the fertilizer production plant dedicated to Africa.



25 REDUCTION IN UNTREATED WATER USE

Sulfuric Unit - AFC - Jorf Lasfar.



**MT/year** FERTILIZER PRODUCTION CAPACITY

# Africa Fertilizer Complex, des capacités dédiées au continent

ZERO DUST EMANATION PHOSPHORIC UNI

40% REDUCTION OF SEA WATER USE

In line with its sustainable development strategy, the Group has relied on unconventional resources to meet its water needs.

The Jorf Lasfar platform, which is Morocco's largest industrial complex, requires vast quantities of water and, according to the Group's development program, its growth calls for increased capacities for that resource.

The installation of a sea water desalination unit was one of the solutions devised to meet this growing need while conserving a scarce resource.

Planned in three phases, the Jorf Lasfar desalination plant will eventually develop a treatment capacity of 75 million m<sup>3</sup> per year. One third of that capacity is currently operational following a phase one implementation investment of MAD 800 million.

The desalination plant is comprised of five units :

112

- ↗ A sea water pumping unit that is directly linked to the main channel feeding the platform from the ocean and maintains a flow of 7,700 m<sup>3</sup> per hour, as well as a screening station for the elimination of algae and impurities larger than 3 mm.
- ↗ A sea water pre-treatment unit using dissolved air coagulation and flocculation as well as flotation processes.
- ↗ An ultra-filtration unit for the elimination of ultrafine particles (of less than 0.03 µm).
- ↗ A reverse osmosis unit for the elimination of chlorides through hyper-filtration comprised of six trains including 6 high pressure pumping units and 6 energy recovery systems (allowing for a 40% reduction in the electrical energy consumed by the plant).
- $\checkmark$  A post-treatment CO<sub>2</sub> and lime addition unit to adjust the characteristics required by drinking water.

800 FOR PHASE ON

3 ADDITIONAL TREATMENT UNITS

Desalination plant - Jorf Lasfar.



A desalination unit to meet water needs sustainably



# **INDUSTRY AND THE ENVIRONMENT :** ENSURING SUSTAINABLE GROWTH

The mining production capacity increase and the reinforcement of industrial input were planned from day one to limit the environmental footprint. The choice of a slurry pipeline for rock transportation, the large investments made for the preservation of water resources, the building of onsite facilities for the limitation of gas and dust emissions and the rehabilitation of mining sites are some of the projects reflecting the Group's efforts to achieve strong growth within a responsible and environment-friendly vision.

Environmental concerns are fully embedded in every aspect of OCP Group's development strategy. Growth planning is squarely built on smart facilities whose state-of-the-art technology and production processes respond to the need to safeguard the natural ecosystem.



# The Slurry Pipeline : A Highly Positive Preliminary Environmental Assessment

# LEGR ead station of the Slurry Pipeline - Khouril

This innovative mode of transportation reinforced the Group's commercial competitiveness while meeting environmental expectations. A preliminary assessment of CO, emissions made in 2015 indicated that the transportation of pulp by slurry pipeline instead of railroad had created a reduction of 276 627 metric tons of CO<sub>2</sub> equivalent, thus reducing the phosphate sector's specific carbon footprint in Morocco. Also, the transportation of the projected 38 million metric tons of phosphates by pipeline stands to save the energy used by railroad transportation and eliminate at least 930,000 metric tons of CO<sub>2</sub> equivalent in 2025.

With capacity increases, the additional needs of processing plants will partly be met by the Jorf Lasfar sea water desalination station. As a reminder, the slurry pipeline construction involved an overall investment of MAD 5 billion.

An innovative and environmentally friendly type of infrastructure, the pipeline linking the mining sites to the Jorf Lasfar industrial complex generated savings of MAD 800 million in 2015.



With the water contained in phosphate (with a moisture level of up to 12%) being directly recovered in the Jorf Lasfar industrial installation, yearly water savings will reach 3 million cubic meters for a production of 38 million metric tons of phosphate in 2025.

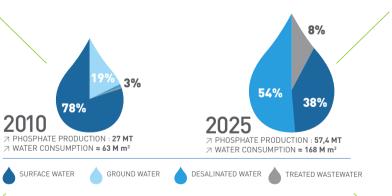
## A Strong Water Policy



The major growth challenge for the Group is to conserve rational water ressource use while meeting the needs of OCP mining and industrial installations. At 85 million m<sup>3</sup> in 2014, these needs will ultimately surpass 160 million m<sup>3</sup> per annum.

To this is added the necessity of integrating the development requirements of nearby urban populations.

One part of the Group's water conservation strategy concerns the mobilization of so-called unconventional resources through the implementation of wastewater treatment and reuse plants (Khouribga, Ben Guerir, and Youssoufia) and sea water desalination units. In addition to the Khouribga wastewater treatment plant, the Group began operating two urban wastewater treatment plants in Ben Guerir /Youssoufia (capacity of 5M m³/year) in 2015.



In perfect harmony with the Group's water optimization and use policy, OCP encourages the use of surface water as a substitute for groundwater.

In this regard, OCP launched a surface water adduction program from the Al Massira Dam in order to meet the industrial water needs of its site in Gantour.

The goal of the project is to ensure the annual transfer of 18M m<sup>3</sup> of surface water from Oued Oum Rbiaa to the Ben Guerir and Youssoufia mining facilities using water adduction from the Al Massira Dam. The supply of water to the facilities is guaranteed by a network of pipelines transporting water to the units.

The project, requiring a total investment of MAD 725 million, MAD 317 million of which was covered by OCP Group and MAD 408 million shared in part with ONEE, is divided into three parts.

- abla The first consists of 15 km of infrastructure connecting to the Ben Guerir mine and washing plant.
- abla The second links the water source to the Youssoufia washing plant over 73 linear kilometers.
- earrow The third part of the project consists of implementingmobilization and transportation infrastructure over 13 linear kilometers to the Mzinda mine. The project began in 2015, with the current progress of work reaching over 40%.

**8** Mm³/year OF SURFACE WATER TRANSPORTED

# 725

MILLION DIRHAMS INVESTED F WHICH **317 MILLION** 5 MOBILIZED BY OCP GROU

120



Water adduction project from the Al Massira Dam



OCP invested in the reuse of urban wastewater to further develop the treatment and beneficiation of phosphate. The construction of the Ben Guerir and Youssoufia wastewater treatment plants, in operation since 2015, falls within this framework.

The plants were designed and equipped with purification structures for treating wastewater using activated sludge through several steps. Raw sewage arrives for pre-treatment, during which it is successively subjected to screening, straining, grit removal, and oil removal before proceeding to the disposal of suspended solids (SS) and different pollutants. The treated water is then disinfected and the sludge produced over the course of the treatment steps is thickened, dehydrated to decrease its volume, and then dried. Air odor control is then performed to prevent odor pollution. Lastly, the sludge is evacuated and placed in dryers.

The water is sufficiently clean to be reused. It is transported by pipeline to the washing plants to be reused in the washing and flotation of phosphate.

The Ben Guerir and Youssoufia wastewater treatment plants are sized for a treatment capacity of 2.6 M m<sup>3</sup> per year each, allowing them to not only partially cover phosphate washing and beneficiation needs, but also be used for watering green spaces, thereby significantly reducing withdrawals from the region's groundwater tables.

The construction of the two plants, as well as the water transfer conduit for each, is complete. In Ben Guerir, the industrial use of treated water began in January 2015. Currently, the project is undergoing performance testing for delivery scheduled for 2016. The Youssoufia plant is in the sludge method finishing stages.

## 2.6 Mm<sup>3</sup> CAPACITY OF WATER TREATMENT PER YEAR

230 MILLION DIRHAMS

7.500

WATER FLO

60,500

PERSON/DAY FOR 21 MONTHS DURING THE CONSTRUCTION PHASE AND 15 PEOPLE DURING THE OPERATION PHASE

17км

OF PIPELINE FOR TRANSFER TO THE BEN GUERIR WASHING PLANT



## 140 MILLION DIRHAMS



# **BENGUERIR** & YOUSSOUFIA WASTEWATER TREATMENT PLANTS

# 48,500

PERSON/DAY FOR 21 MONTHS DURING THE CONSTRUCTION PHASE AND 15 PEOPLE DURING THE OPERATION PHASE



OF PIPELINE FOR TRANSFER TO THE BEN GUERIR WASHING PLANT

Planned over five years, the Sulfacid project is a technological feat voluntarily programed by the Group as part of its environmental policy.

With the long-term mobilization of a total investment of MAD 480 million, this project will be equipped with 5 treatment lines, one of which has been in operation since August 2015.

The aim of the Sulfacid project is to substantially reduce (by more than 96%) the quantities of SO, gas emitted by the Jorf Lasfar sulfuric acid production units. It is part of the environmental measures that comply with international air quality standards.

The project will ultimately be equipped with 5 treatment lines corresponding to existing Jorf Lasfar sulfuric production lines. This solution will make it possible to reduce SO<sub>2</sub> emissions by 17,500 metric tons per year by 2019.

The first Sulfacid installation has already been completed on unit 01Z in Jorf Lasfar and has contributed to a daily decrease of 10 metric tons of SO<sub>2</sub>. The second reactor is currently under construction on unit 01Y.

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85

MILLION DIRHAMS INVESTMENT FOR LINE 2 UNDER CONSTRUCTION START-UP EXPECTED IN 2016

Decrease in SO<sub>2</sub> Gas Emissions : The Sulfacid Project



REDUCTION IN QUANTITIES OF SO<sub>2</sub> GAS

STRONG COMMERCIAL PERFORMANCE **DESPITE A DIFFICULT** MACROECONOMIC CONTEXT

In 2015, all commodity markets experienced a decline due to macroeconomic and climatic factors, particularly the decrease in energy prices, the weakening of currency values in emerging countries compared with the American dollar (the Indian rupee, the Brazilian real, the Chinese renminbi, etc.), and the slowdown in Chinese and Brazilian growth. The effect was less pronounced on phosphates than on all other commodities, which were more resilient due to basic consumer needs remaining strong.

production level.

2015 marked a year where the phosphate market, and more broadly the commodities market, was more impacted by macroeconomic and climatic conditions than by the price of agricultural goods.

The slowdown of Chinese growth, and, by extension, that of Brazil, the strong appreciation of the US dollar compared with currencies from emerging countries, and draughts brought on by El Niño had an impact on fertilizer prices, particularly starting in the 4<sup>th</sup> guarter. Despite this difficult context, OCP was able to rely on its commercial agility, industrial flexibility, and reduction in operating costs to achieve solid performance. OCP was able to increase its profits while maintaining its global market share.

In particular, demand was supported by strong growth in South Asia, especially Pakistan and India, building on good monsoon forecasts and aiming to rebuild acceptable levels of stock, which more than made up for the decrease in demand in South America (Brazil and Argentina). During this same period, DAP prices were less volatile than in 2014 and stabilized around \$470-\$500 per metric ton. Beginning in the 4th guarter, the Indian monsoon season inferior to forecasts, an increased uncertainty in the macroeconomic context, and the enhanced El Niño effect in South Asia and East Africa brought about lower demand, which resulted in prices dropping to below \$450. On the supply side, 2015 was marked by a solid increase in Chinese exports, with over 3.5 million additional metric tons following the government's easing of the  $\smallsetminus$ export tax. To a lesser extent, Jordan and Senegal also raised their production and export levels, and Saudi Arabia reached its optimal

In this respect, prices of raw materials, especially ammonia and potash, dropped, to the benefit of all phosphate-based fertilizer producers, particularly OCP, which took advantage of geographical proximity to the main suppliers of raw materials.

## **OCP Stands Out** and Achieves Solid Performance in 2015

OCP was able to achieve strong performance with prices slightly higher than in 2014 thanks to its commercial and industrial flexibility. In 2015, OCP continued the development of high valueadded specialty products, allowing it to diversify and gain access to new markets, particularly the African market. Thanks to this product portfolio diversification, commercial flexibility in the regions, the decrease in its operating costs for operating the slurry pipeline, and the decrease in raw materials, OCP managed to increase profitability while maintaining its global market share.

As part of its differentiation strategy and through an increasingly diversified and tailored specialty product portfolio (fertilizers and livestock supplies), the volume of specialty product (NPS, NPK, DCP, and MCP)\* sales jumped nearly 50%, soaring from 796,000 metric tons in 2014 to nearly 1,193,000 metric tons in 2015.

Furthermore, OCP implemented its commitment to sustainable agriculture on the continent by supplying Africa with sufficient tailored quantities of fertilizer in order to provide producers with tools to improve their output and conserve their soils. Fertilizer exports to Africa rose from 648,000 metric tons in 2014 to 994,000 metric tons in 2015.



**ETHIOPIA** Development of tailored formulas with micronutrients for NPS 19-38-0 and NPS 18-36-0 with zinc

## NIGERIA

Launch of tailored products in response to the Nigerian market demand, notably 20-20-0 widespread in Nigeria

**OCEANIA** Development of new copper- and zinc-based niche formulas

> **UNITED STATES** Launch of the most popular formula in the American market : 12-40-0-75

> > with zinc

- NPS: Compound nitrogen-phosphoric fertilizer containing sulphur.

- NPK : a high-performance compound nitrogen-phosphate-potassium fertilizer including all nutrients required for plant growth.

- Dicalcium Phosphate et Monocalcium Phosphate : nutritional components enriched in phosphorus and calcium, used for livestock nutrition.

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## Innovation to Mark its Territory

2015 also marked the culmination of OCP's efforts to develop new formulas tailored to the specific needs of each region : In Ivory Coast, OCP developed specific innovative boron-based fertilizers for the cultivation of cotton. In Nigeria, OCP developed the 20-20-0 formula. For the agri-food needs regulated by Ministry of Agriculture policies in Ethiopia, OCP developed the necessary formulas rich in micronutrients such as zinc, among others. For Oceania and the Americas, OCP created new copper- and zincbased formulas.



Increase in volume of specialty product sales



Increase in volumes exported to Africa

# International development : opening of new offices and strengthened African presence

OCP continued its international development with the opening two offices in Singapore and Abu Dhabi with the goal of strengthening business intelligence and agricultural research activities in the growing East Asian markets.

Moreover, in Africa, OCP successfully established the pillars of its development with the opening of two new offices: OCP West Africa, based in Abidjan, Ivory Coast, and OCP East Africa, in Ethiopia. These offices aim to position the Group closer to its stakeholders in East and West Africa.







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## Outlook : Stable Demand in a Volatile Environment with Improvement in the 2<sup>nd</sup> Half

The phosphate market should continue the trend begun in late 2015, yet maintain the support of strong fundamentals compared with other commodities. The impact of macroeconomic and climatic conditions risks perpetuating market uncertainty. Demand is expected to improve east of Suez, in the North & South America where growth should revive in 2016, when high stock levels and the Indian agricultural subsidy policy will regulate the demand for imports in the east, particularly in the 1<sup>st</sup> half. The offering should only be strengthened by new OCP capacities, which should be reflected in its results and performance. Prices should continue their downward trend begun in late 2015 before gaining strength in the 2<sup>nd</sup> half. Essentially, prices of all raw materials should decrease and thereby support the margins of producers of phosphate-based fertilizers.

## Argus FMB Fertilizer 2015 Brings Together the Fertilizer Industry Players

Since 2010, OCP Group has joined in the organization of Argus FMB Africa Fertilizer 2015, the innovative conference dedicated to fertilizers in Africa, held this year from February 18 to 20 in Addis Ababa, Ethiopia. Fully displaying its commitment to the continent, the Group's participation validates its ambitions in the fertilizer market. The conference attracted nearly 400 representatives from the public and private sectors of the fertilizer and agricultural development industry from 55 countries, including a record number from Africa.

Since the launch of the conference in Morocco in 2010, OCP has been supporting this event, and this year the debate focused on the development mechanisms and outlook of African agriculture and productivity through the process of appropriate fertilization within the continent.





400 PARTICIPANTS FROM THE FERTILIZER SECTOR

55 REPRESENTED COUNTRIES

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## SIAM 2015 : OCP Asserts its Commitment to Sustainable Development and Africa

The Group benefited from the 2015 edition of the SIAM gathering opportunity to assert OCP's commitment to prosperous sustainable agriculture in Africa through different actions in favor of balanced fertilization and support for producers throughout the world. 2015 Edition : 1 million visitors from 59 countries, and 1,200 exhibitors. The 10<sup>th</sup> SIAM (International Agriculture Show in Morocco) was held from April 28 to May 3, 2015, in Meknes, under the theme "Agriculture and Sustainable Food Systems".

The merit award this year was given to OCP Group. This award recognized innovative companies that stood out during the show. This honor was presented by the head of government, Mr. Abdelilah Benkirane, during a ceremony on Thursday, April 30, 2015, in Meknes, presided over by the Minister of Agriculture and Maritime Fishing, Mr. Aziz Akhannouch.



# Agricultural Ambitions in Guinea and Ivory Coast

Relying on its expertise and on that of its African partners, OCP launched two major projects in Guinea-Conakry and Ivory Coast in 2015.

The first Guinea Agricultural Caravan was launched in May 2015, contributing to the step-by-step education and awareness-raising of 300 to 400 corn, rice, palm tree, coffee, and fresh produce growers. Both were a resounding success, allowing for a significant increase in agricultural output and fertilizer use. Several measures were taken to reinforce the capacities of Guinean partners, contributing also to the analysis of soil samples for local producers.

In partnership with the Coffee-Cocoa Board, the Group supported the Cocoa Caravan in October 2015. It is the embodiment of the first part of the draft agreement signed in Abidjan in June 2015.



CÔTE D'IVOIRE

# POUR UNE CACAOCULTURE DURABLE





## 400 FARMERS BENEFITED FROM

TRAINING SESSIONS AT EVERY STAGE OF THE AGRICULTURAL CARAVAN IN GUINEA

> ,200 COCOA PRODUCERS FROM 13 REGIONS IN IVORY COAST



# **FINANCIAL PERFORMANCE** : **OPERATIONAL FLEXIBILITY**

-4-

## **IS PROFITABLE**

In an unfavorable international context marked by the increase in Chinese phosphate exports and the decrease in demand from South American countries, particularly Brazil, OCP Group achieved remarkable financial performance and some of the highest margins of the industrial sector by the end of 2015.

⊐Simultaneous efforts were carried out together to obtain these results both in terms of economies of scale and commercial flexibility and of the reduction in costs.

leader's sales.

This strategy of diversification and the prospecting of other leading markets proved to be successful by providing the Group with important operating leverage and a marked increase in profitability. It also meets OCP's need to maintain its position as an international market leader despite increasingly tight competition.

These results confirmed the Group's leadership in the world phosphate industry, as well as the success of its strategy based on the combination of three factors :

in The Group's strategic repositioning based on the increasedflexibility of its industrial base, its customers in over 160 countries, and its presence across the value chain are all factors that allowed it to find its place in leading markets.

*¬*The high demand for fertilizer in African countries and the resumption of Indian consumption boosted the international

Moreover, the phased investment program allowed the Group additional flexibility and optimal fund allocation. As of April 2015, OCP had successfully raised an international bond issue of USD 1 billion with a 10.5-year maturity and a coupon of 4.5%.

## Financial Highlights



Consolidated revenues



2014 2015 **EBITDA** 



Net profit - Group share



Net financial debt



Consolidated shareholder equity -Group's share

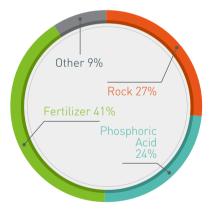
/IFRS-based figures, expressed in million dirhams.



## 2015 consolidated export revenues :



## Split by country/region



Split by product category



2015 Financial Report at www.ocpgroup.ma



## Financial results



During 2015, the Group's performance benefited from a rise in rock and acid prices, stable prices for fertilizers, increased Indian demand, and higher export volumes to Africa.

Moreover, vertical integration coupled with better high-growth market penetration, especially in Africa, boosted sales of new products. In 2015, the African market represented 24% of total fertilizer exports, compared with only 13% the previous year.

The export of phosphate and phosphate derivatives also registered double-digit growth : 16%. Sales reached MAD 44.2 billion in 2015 compared with MAD 38.3 billion in 2014 and MAD 37.3 billion in 2013. Excellent export recovery greatly contributed to the decline in trade deficits, dropping to MAD 77 billion from MAD 114 billion in a single year.

The annual EBITDA reached MAD 17,660 million, rising from MAD 11,402 million in 2014. This improvement is mainly due to the increased gross margin and stored production, as well as lower additional costs thanks to the slurry pipeline and a favorable exchange rate.

The operating profit rose to MAD 13,965 million from MAD 8,932 million in 2014.

# The growth in rock and acid sales counterbalanced the slight drop in fertilizer sales. Consequently, sales for 2015 reached MAD 47,747 million versus MAD 41,436 million in 2014.

The combination of these factors largely offset the drop in Brazilian imports and the rise in Chinese exports.

The gross margin settled at MAD 33,674 million compared with MAD 26,505 million the previous year, taking advantage of the sales gain and the reduction in cost of raw materials.

## Balance Sheet and Cash Flow

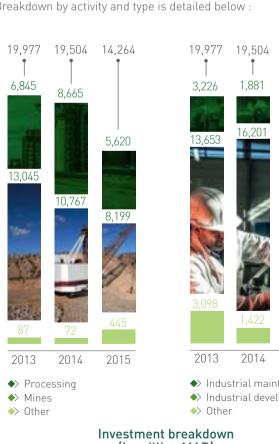
Available cash had reached MAD 9,070 million by December 31, 2015. The net debt had settled at MAD 35,247 million, and the net debt/EBITDA ratio was 1.99 at the end of December 2015.

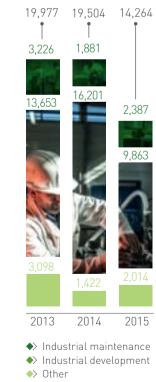
The adjusted cash flow generated by operating activities reached MAD 8,372 million in 2015 compared with MAD 7,338 million in 2014. Investment expenditures for 2015 were MAD 14,264 million.

## **Investments**

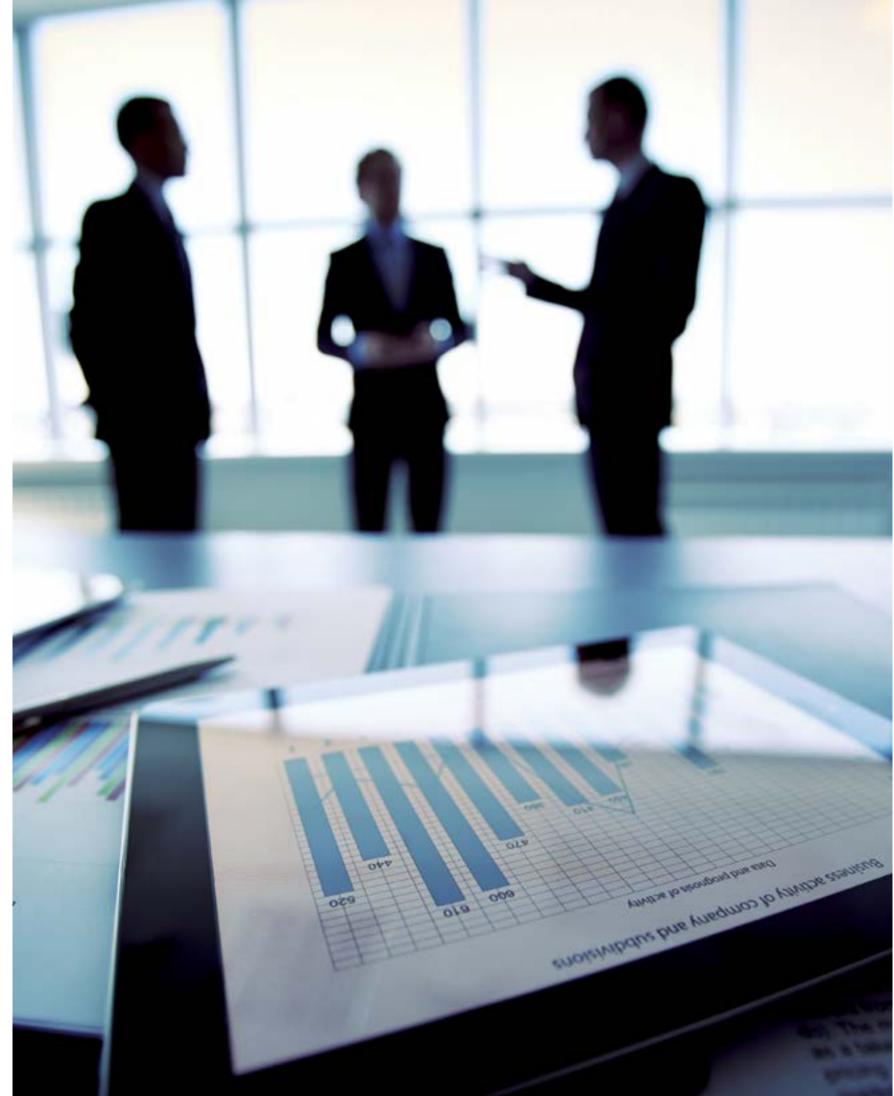
The investment program launched in 2008 continued as planned, with MAD 14,264 million disbursed over the course of 2015. Breakdown by activity and type is detailed below :

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(in million MAD)



## 2016 Outlook

#### The outlook for 2016 is positive. The Group expects gradual improvement in 2016.

Notwithstanding a deteriorating market, the EBITDA should stabilize, supported by the optimization of the costs and scale economies permitted by current company worksites and taking advantage of the lower cost of raw materials. The phosphate market has and should continue to benefit from relative stability compared with other raw materials, supported by the favorable long-term progression of supply and demand. As such, the continued progression of the demand for phosphate-based fertilizers, especially in Africa, should greatly absorb the planned expansion of OCP's production capacity. Therefore, in a favorable global context, the industry leader counts on increased sales and EBITDA in 2016.



# SOCIAL AND SOCIETAL RESPONSIBILITY

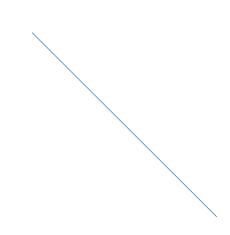
# SOCIAL COMMITMENT

-1-

# Sustainable development is deeply rooted at the core of OCP, notably through the Group's social commitment over the past few decades.

The implementation of shared infrastructure, job creation, the building of schools, measures taken to promote education, support provided to associations: these are all examples of actions taken by the Group over the years in cities and regions in which it operates.

This commitment has made OCP one of the major development players not only on a national level, where it serves as a model for social matters, but also on an international scale.



# **OCP** Foundation **On All Fronts**



Education, health, the fight against poverty, youth employability, agricultural development, entrepreneurship, cultural life : all OCP Foundation projects have a strong social connection.

Whether on its own or with the help of partners, OCP Foundation intervenes, both nationally and internationally, in 5 major areas at Group operating sites :

Its flagship programs, namely Agricultural Development, Social Action and Youth Support, OCP Entrepreneurship Network, and Culture and Heritage are some examples.

Besides these projects, OCP Foundation also developed training and research capacity through the Mohammed VI Polytechnic University and the Ben Guerir School of Excellence. It also takes actions through various methods of reflection by means of OCP Policy Center think tank.

In collaboration with public and private partners, OCP Foundation provides training through the Skills Centers, with its primary target audience being women and youth from local populations in nearly every region in which the Group operates, as well as local associative players. Offering a variety of programs aiming to strengthen skills and development, three Skills Centers currently operate in Youssoufia, Ben Guerir, and Khouribga, with each center accommodating between 600 and 1,000 members.

Rural development is also one of the Foundation's top priorities through better access to education, the building of infrastructure, the strengthening of local capacities, the promotion of volunteerism, and improved living conditions for small farmers.

OCP Foundation also intervenes in health and hygiene through programs dedicated to mothers and children, and works to democratize culture by supporting numerous initiatives related to the promotion of art and the development of a national heritage in regions where populations have limited access.

#### → social development;

- national heritage;
- ↗ training and research;
- ↗ reflection and strategy.



OCP Foundation also invested to offer the most vulnerable communities, often stemming from rural areas, better access to medical care. In particular, it organized 30 multi-disciplinary medical caravans and took responsibility for medical equipment and for the rehabilitation of persons with disabilities.

surgeries, etc.

### **Social Action** and Support for Youth

The double mission of the "Social Action and Youth Support" program, which aims to both contribute to the improvement of the everyday life of the most vulnerable populations and to improve the employability of Moroccan youths, enables the Foundation to take action on a daily basis alongside national partners and local associations to organize various education, youth, health, and local dynamics projects throughout many cities and communes.

36,611 people benefited from care services and medical and hospital treatment. All of these actions rely on partnerships established with the Open Smile Morocco Association for oral health care, the Association Médicale Marocaine de Solidarité (AMMS) for eye care, the Association Caravane Chirurgicale for





### OCPEN and the Promotion of Entrepreneurship

Developing the economic environment and creating sustainable employment opportunities are the main goals of OCP Entrepreneurship Network (OCPEN), created in 2013 to help support entrepreneurship in the creation of lasting jobs.

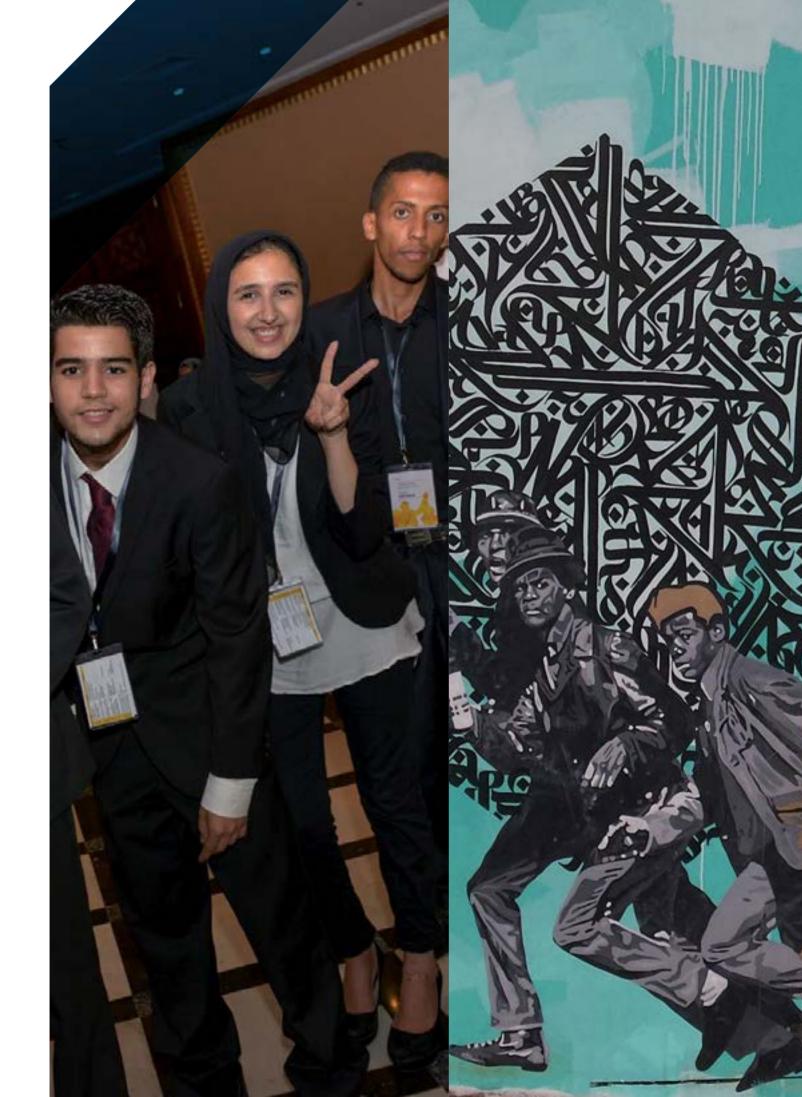
There are several areas of intervention within the scope of OCPEN outreach program, including :

- **↗** Promoting entrepreneurship ;
- Providing technical and financial support for the creation of new businesses, cooperatives and other revenue producing activities (RPA);
- **↗** Supporting the growth of existing businesses ;
- ↗ Fostering innovation, female entrepreneurship and social entrepreneurship.

In 2015, this program reached its cruising speed and brought economic benefits to many populations. The Startup Weekend Tour teams promoting entrepreneurial awareness in partnership with Startup Morocco visited many cities across the Kingdom.

Through a series of practical and entertaining training sessions, OCPEN program's beneficiaries have an opportunity to experience entrepreneurship by presenting projects and preparing feasibility studies. In 2015, OCPEN made stops in 6 OCP cities and 6 others for a total of 12 competitions involving 1,600 participants, MAD 120,000 in prizes, 2,500 young people, and 122 mentors.





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### **Culture and Heritage**

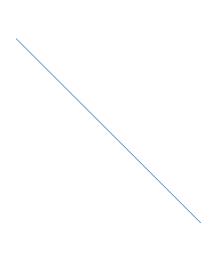
Ever conscious of the importance of cherishing intangible wealth, OCP Foundation's agenda includes the protection of heritage in the hope of making it available to all and transmitting it to future generations.

To that end, OCP Foundation subsidized the publication of a twovolume anthology on the preservation and development of the national Aita musical heritage. As part of another major project undertaken in partnership with the Mohammed VI Foundation for the protection of the national environment, OCP Foundation made a pledge to support the 3<sup>rd</sup> phase of the Marrakesh Palm Grove Protection and Development program to be carried out through 2015 and 2016 as part of the local population enhancement and sustainable development initiative.

In the same spirit, in 2015, OCP Foundation opened the Moroccan Pottery and Ceramics History Museum as a contribution to the preservation of invaluable historical sources. A new initiative named Design Explore was also undertaken this year in partnership with the British Council. This training and development program was specifically designed to help young Safi potters and ceramicists develop their skills and creativity in the areas of artistic craftsmanship and contemporary creation.

In 2015, OCP Foundation supported the expansion of cultural programs in OCP Group cities and other areas of the Kingdom. As part of that initiative, the "Music for All" project presented an annual, diversified and regionally adapted program while providing creative and technical support to young artists and, through dedicated training workshops, helping them embrace a creative career.

Finally, other 2015 pilot projects included OCP Foundation's support of the creation and opening of the first Moroccan music export bureau, MOMEX (Moroccan Music Export), in partnership with the Ministry of Culture and the Hiba Foundation.



# The Phosboucraa Foundation : Spotlight on the Southern Regions



In line with OCP Group values, the Phosboucraa Foundation introduced a variety of agricultural, educational and health programs in the southern regions. The promotion of the regions' cultural, natural and environmental heritage is also a key priority of the Phosboucraa Foundation's commitment.

The Phosboucraa Foundation, headquartered in Laayoune, is looking forward to establishing a presence in all Southern Regions\* through regional representations.

The Phosboucraa Foundation introduced an integrated agricultural program designed to help the South's small farmers and livestock raisers improve their revenues and life conditions while promoting regional agricultural development.

The projects included in the current phase of this program are :

- region).
- dromedaries).

Through the Phosboucraa Foundation, created in 2014 as a vehicle for social involvement, OCP Group, and more specifically Phosboucraa S.A. subsidiary, actively contributes to the human, social and economic development of the country's three Southern Regions\*.

In January 2015, the Phosboucraa Foundation initiated the progressive deployment of its 5-pronged program.

### Toward Sustainable Saharan Agriculture

**7** Improve the revenues and living conditions of small farmers in the irrigated perimeter of Fourm El Oued (Laayoune, 400 ha-1,500 beneficiaries).

→ Produce silage fodder from vegetable crop by-products (Dakhla)

↗ Camel health campaign in the 3 southern regions (100,000)

↗ Phosboucraa Agricultural Caravan (966 beneficiaries in the Guelmim, Laayoune and Dakhla regions).

→ Solidarity actions in the wake of the December 2014 floods; rebuilding of the most severely devastated hydro-agricultural infrastructure following the November 2014 floods (16 sites and 11 local associations in the Tata and Guelmim provinces).

966 **BENEFICIARIES OF** 

THE PHOSBOUCRAA AGRICULTURAL CARAVAN





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### Youth to boost the Regions' Development

The development of the regions is unconditionally linked to the development of young people through schooling. One of the Phosboucraa Foundation's chief priorities is to help make education accessible to all, particularly in rural areas.

Many actions have already been undertaken in this direction :

- ➤ Employability training of 600 youth, thus facilitating their access to the employment market ;
- ➤ Teaching of regionally adapted « Entrepreneurship » modules in the intervention regions to stimulate the entrepreneurial spirit among local youth.

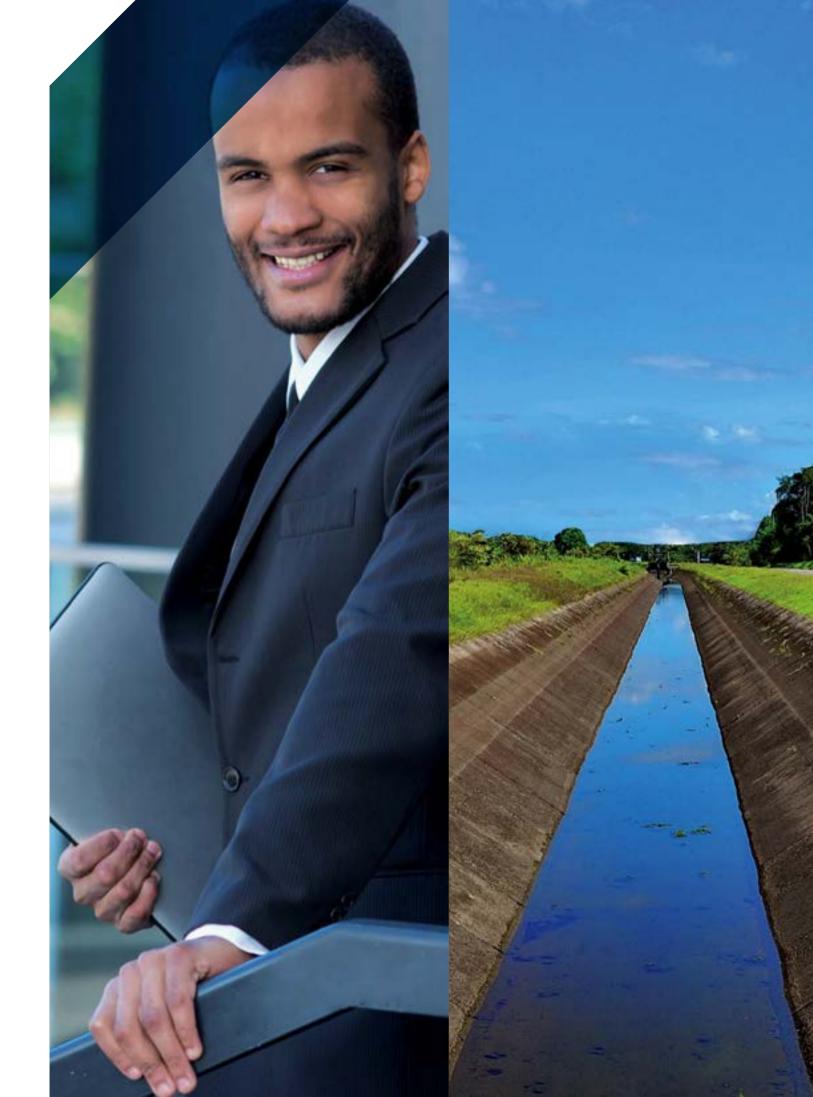
Education is the centerpiece of the youth development program :

**↗** Integration of the performing arts in the school curriculum ;

- ↗ Developing teachers' capacities to make them more supportive of students needs, particularly in the « life skills area » ;
- $oldsymbol{
  eq}$  Helping school principals develop school-wide projects ;
- $oldsymbol{
  abla}$  Enhancing students' scientific and foreign language capacities ;
- **↗** Improving education infrastructure.

Health is also part of the picture. Issues of access to healthcare and the development of additional health services in the southern regions are supported by the Phosboucraa Foundation through actions such as on the « Inaya » program's medical and surgical caravans, which are managed in partnership with the Ministry of Health and have reached more than 20,000 people.

Civil society also benefits from the Foundation's involvement, through a variety of associations, project organizers and cooperatives, with the coaching of 60 associations and the support of 25 cooperatives since the introduction of this program.



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#### Environment

Several programs were initiated by the Phosboucraa Foundation for the protection of the environment and the encouragement of sustainable behaviors along the lines of the following objectives :

- ➤ Contributing to the preservation of the local and regional fauna and flora.
- A Fostering and promoting R&D in the area of environmental protection.
- ➤ Supporting research and studies on technical and technological solutions for the protection of the environment.

The Phosboucraa Foundation's main activities are the support of environmental and natural space preservation projects and the stimulation of R&D in the area of environmental protection.

### Heritage, Culture and Sports

The Phosboucraa Foundation also plays an active role in promoting the arts and heritage preservation in the Southern Regions\*. It contributes to the protection of the South's architectural treasures, to the dissemination of its culture and to the promotion of talents in the areas of art and knowledge.

The Phosboucraa Foundation contributes to the development of sports as a driver of social development and youth integration.

\* Guelmim - Oued Noun, Laayoune - Sakia El Hamra, Dakhla - Oued Ed Dahab.

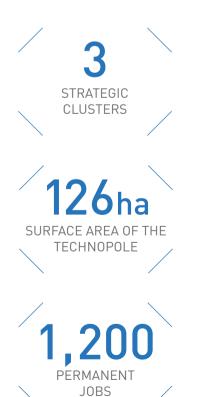
### **Urban Development**

The Phosboucraa Foundation's contributions to sustainability include the creation of innovative ecosystems integrating human, natural and cultural dimensions.

The year 2015 was devoted to preliminary and preparatory work required for Laayoune's Foum El Oued Technopole project, planned for an early 2016 launch. It will occupy a surface area of 126 ha and create 1,200 sustainable jobs when operational. The program's 3 strategic centers are :

- An education and research cluster dealing with specific Saharan environmental issues ;
- An economic development support cluster for the southern regions<sup>∗</sup> (business incubator, business center, etc.).
- A socio-cultural cluster (museum, commercial and craft village, health services, hospitality, recreation, etc.).

These clusters will be supplemented by social infrastructure (health service, hospitality, sports and recreation, planned development of the Gherj El Khil in the Foum El Oued commune) and environmental infrastructure (preservation of the Foum El Oued coastline).







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The Phosboucraa Foundation is also planning the development of 3 main projects during the first phase of the project by 2018. They are :

➤ Laayoune's Mohammed VI Polytechnic University, which will host some 2,500 students and specialize in research and development in the areas of arid zone agriculture, water and the environment;

The Lycée d'Excellence (School of Excellence), a 550-student capacity institution dedicated to the secondary level and preparatory classes for top universities;

 The Industrial Skills Center, with a daily training capacity of 200 participants, targeting OCP employees and professionals from its business network.

This project is indicative of the Phosboucraa Foundation's commitment to the sustainable development of the southern regions and to the wellbeing of local populations. Further urban renewal projects are under study for these regions.

# **OCP** Innovation Fund for Agriculture : A Commitment to Innovative and Sustainable Agriculture



#### Sustaining the growth potential of the agricultural world remains the top ambition of OCP Innovation Fund For Agriculture.

OCP Innovation Fund For Agriculture is an investment fund supporting project owners for innovative projects with high potential in terms of social, economic and environmental benefits, particularly in the area of agriculture and industry. OCP Innovation Fund For Agriculture has a large and diverse portfolio, including dairy transformation, cactus valorisation, e-agriculture and solar energy production for agribusiness.

Committed to sustainable development, and ever conscious of the need to provide its assistance and support at many levels, OCP Innovation Fund For Agriculture delivers a value proposition allowing the Group to make a contribution to the structure, the development and the support of the projects it subsidizes. This value proposition includes the provision of incubation services to innovative projects and the continuous support of a group of OCP sponsored and financed experts.

Beyond its financial and human support, OCP Innovation Fund for Agriculture offers to its beneficiaries the expertise, the national and international outreach and the benefits provided par a strong network of OCP Group partners.



NETWORKING BETWEEN INVESTED COMPANIES AND OCP ECOSYSTEM





200

MILLION DIRHAMS INVESTMENT ENVELOPE

40

DIRECT JOBS

2,100

INDIRECT JOBS

INCLUDING

1,800 LIVESTOCK RAISERS

IMPROVEMENT OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES OF INVESTED COMPANIES

\* Environment, Social and Governance

# SUPPORTING FARMERS IN MOROCCO AND THROUGHOUT THE WORLD



# Getting closer to Small Farmers

For OCP Group, sustainable agriculture is a principled commitment that inspires OCP Foundation to undertake multiple actions designed to expand small farmers' capacities and capabilities and help them increase their productivity and revenues.

Actions begin with the identification of the specific rural development issues of each region and the development of a project in partnership with all stakeholders. All aspects of each project are taken into account at the development stage, including health, infrastructure, the entrepreneurial environment, the employability of local youth and the training or the protection of vulnerable groups (women and children). Impact studies are later produced for the approved projects to determine the benefits to be expected.

OCP Foundation initiatives provide assistance to thousands of small farmers while contributing to the dissemination of good farming practices, the streamlining of fertilizer use, the training and capacity development of small farmers and the promotion of entrepreneurship in rural areas. It is worth remembering that, at the national level, these programs were delivered in partnership with the Moroccan Government, with agricultural research institutions such as the National Institute of Agronomic Research (INRA) and with the distributor and cooperative network.

These initiatives were implemented in multiple cities including Safi, Youssoufia, Khouribga, Midelt, and Ouazzane.

At the international level, the South-South Cooperation played a leading role in the development of projects such as the support program for women cooperatives in Gambia and the Morocco-India initiative for the rehabilitation of legumes.

# Agricultural Caravans : **Outreach and Awareness Raising**



map.

The 2015 OCP Caravan included a brand-new feature in the form of an innovative, more interactive pedagogic approach, making it more engaging for agricultural producers. The new formula used a variety of entertaining activities and lively practical workshops besides presenting participants with opportunities to watch supervised agronomical experiences and discuss agricultural issues as part of video-recorded plenary sessions. Video clips were also played to support the practices being demonstrated by experts, and an "Agricultural Caravan Museum" was also provided as a record of previous editions.

The 2015 Olive Tree Caravan, one of the most successful ones, targeted six national olive-growing areas and nearly 1,500 olive producers. The program included training sessions and effective technical and agronomical support as well as a limited number of field training sessions surrounding 8 experiments carried out along the way. The benefits of this year's Caravan were outstanding. It made it possible to detect the producers' specific fertilizer needs and help them enjoy sustained yields and productivity growth going forward.

In 2015, three caravans made a total of 16 stages in the Kingdom's regions, reaching more than 5,000 farmers :

- ↗ Cereals and Legumes in 8 stages.
- ↗ Citrus Fruit in 4 stages.

Over the years, OCP Agricultural Caravans have become a model national-wide in terms of dissemination of good farming practices and promotion of the appropriate use of fertilizers. They are a remarkable success story.

Targeted programs were established with the help of OCP expertise in the area of soil knowledge, in particular a fertility map covering a 8,9 million ha. The development of new NPK\* fertilizer formulas balancing the nitrogen, phosphate and potassium requirements of various crop and soil types were introduced thanks to the fertility

↗ Olive trees in 4 steps.

5,000 FARMERS REACHED BY THE THREE CARAVANS IN MOROCCO

.50 **OLIVE PRODUCERS** TARGETED BY OCP'S OLIVE TREE CARAVAN 165

#### Guinea & Ivory Coast Agricultural Caravans

Already successful at home, OCP Caravans started traveling outside of Morocco in 2012 and reached Guinea and Ivory Coast this year.

In May 2015, the first Agricultural Caravan to travel to Guinea reached between 300 and 400 farmers at each stage and provided them with training for maize, rice, palm tree, coffee and vegetable production. The experience was a complete success and led to significant increases in crop yields and fertilizer use.

#### 400 FARMERS TRAINED AT EACH AGRICULTURAL CARAVAN STAGE IN GUINEA **1,200** COCOA PRODUCERS FROM 13 IVORY COAST REGIONS

A Cocoa Agricultural Caravan was presented in Ivory Coast in October 2015 in partnership with the Ivorian Coffee-Cocoa Board (Conseil Café-Cacao). A local training tour in the country's principal growing zones, it disseminated information on the sustainable development of the cocoa industry through the use of phosphate fertilizers.

The initiative was the first phase of an agreement signed in Abidjan in June 2015 between OCP Group and the Ivorian Coffee-Cocoa Board. It reached some 1,200 cocoa farmers from 13 Ivorian cocoaproducing regions. The Cocoa Caravan owes its success to the quality training it provides as well as to the human and material means its calls upon (mobile soil analysis laboratory, traveling village, etc.).

### "Farmer schools in the Field"

In conjunction with the Caravan, OCP deployed an outreach program called «Farmer Schools in the Field» in a number of African countries for the purpose of disseminating good farming practices.

These sessions, held in Ivory Coast, Nigeria (cocoa industry), Ghana (maize industry) and Guinea (more than two industries targeted) were planned to meet the special agricultural needs of each host country.



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### Fertility Map

The fertility map is a major part of OCP's African commitment. Based on a volunteer approach, this commitment revolves around three principal axes :

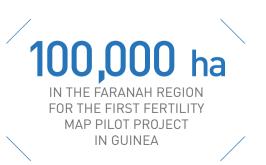
Identify and understand local needs;
Innovate in terms of production;
Support farmers.

Developed in Morocco as a result of a close cooperation between OCP, the Ministry of Agriculture and Fisheries and a national consortium including, among others, the National Institute of Agronomic Research (INRA), the National School of Agriculture, Meknes (ENA) and the Hassan II Institute of Agronomy and Veterinary Medicine (IAV), the fertility map is a major contribution to this approach. It serves this key project's threefold mission of setting up soil geographic databases, develop and improve knowledge of African soil and fertilizer specific needs, and allow for rational use of fertilizer both in quantity and quality.

The first step in the development of the project was the identification of soil and crop needs by OCP thanks to an ambitious soil mapping initiative of the soil found in the African continent's main agricultural zones.

Drawing on the expertise it had acquired during the development of its 2011 fertility map (including 26 operational zones, 6 million hectares of farmland and hundreds of soils tests), OCP was able to duplicate this experience for the benefit of African agriculture.

Undertaken in Guinea, the first African fertility test pilot project covered an area of 100,000 ha in the Faranah region. Other fertility maps are in preparation, including in Ivory Coast thanks to the singing of a strategic partnership between OCP and a number of Ivorian organizations.



# **EMPLOYEE DEVELOPMENT AND WELLBEING**



# OCP Corporate Training Institute

OCP Corporate Training Institute was created in 2010 to support the Group's strategic objectives in the areas of skill development, career advancement opportunities and team engagement in a changing environment. Providing multi-sectorial training that includes all fields of specialization, the Institute follows the most advanced international training trends and uses innovating pedagogic techniques such as digital teaching and the latest learning practices.

programs are :

The four pillars of the OCP Corporate Training Institute's training

managerial and soft skills;

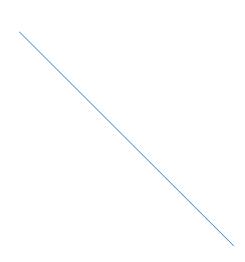
 $\boldsymbol{\varkappa}$  Professionalization of businesses and functions through operational and functional programs strengthening the Group's employee skills and creating information exchange and good practice dissemination networks ;

history, strategy and businesses;

→ Keeping employees informed of the Group's activities through series of conferences, and fostering creativity and openess.

Regular personal interviews are scheduled between employees and their manager to assess performance and serve career development committees. In 2015, all employees completed their career development interviews.

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# Industrial skill Centers

The training programs provided by OCP as part of its industrial strategy are not restricted to Group employees, but is also meant to integrate subcontractors and other partners including African ones.

Four Industrial Skill Centers are already operational in Jorf Lasfar, Safi, Khouribga and Ben Guerir, and a fifth one is planned at The Laayoune's Technopole (under construction).

The Laayoune Industrial Skill Center will cover an area of 1.5 hectares, and required a MAD 80 million investment. Its capacity will be of 30 000 man training days per year. OCP Group is also planning to provide training to 500 young people from the Southern Regions\* within its Industrial Skill Centers network starting from 2016.

The Jorf Lasfar and Safi Centers are specialized in processing activities, while those of Khouribga and Benguerir are specialized in mining activities. These training programs cover areas such as maintenance (mechanical, electrical, instrumental, etc.), mining, processing, logistics, hygiene and safety and support functions.

Designed to host from 850 up to 1,600 participants, these centers are equipped with the latest generation tools and teaching installations (dragline simulator, chemical enrichment line simulator, e-learning, test beds, etc.). All teaching tools and training programs are adapted to fit the real-life working environment.



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Capacity : **1,200** Operations : **processing and maintenance** 



Capacity : **900** Operations : **mining and maintenance** 



Capacity : **850** Operations : **processing and maintenance** 



Capacity : **1,600** Operations : **processing and maintenance** 



(under construction)

Capacity : **850** Operations : **mining and maintenance** 

# A national and international Hub for R&D and Higher Education

Mohammed VI Polytechnic University - Benguerir.

Open to the outside world and primarily focused on emerging African countries, the Mohammed VI Polytechnic University is a high-level institution focused on R&D and higher education and prevailing technology transfer, incubation of innovative projects and close collaboration with the business world.

Aligned with international standards, The University offers a wide range of specialized disciplines ranging from engineering and agriculture to social, economical and political sciences...

#### A sustainable approach and strategic partners

The Mohammed VI Polytechnic University's strategy incorporates global food security challenges and the development of sustainable approach to the use of phosphate, energy, water and other natural resources. In this regard, the University develops international strategic partnerships and aims to become the reference point in terms of knowledge and academic ressources serving priority issues of the African continent.

### EMINES, ESAFE and CAM : the first bridges for excellence

In partnership with the École des Mines de Paris, The School of Industrial Management will provide a theoretical education complemented by field internships and support for individual and collective student projects.

The ESAFE school aims to develop research projects and educate high potential profiles in Agribusiness, for the purpose of raising soil and crop productivity while preserving natural ressources and the environment contributing therefore to food security in a sustainable manner.

The CAM, being the first research center of the University, aims interdisciplinarity through top level fundamental and applied research in cheministry of materials and nanomaterials responding to national and international challenges relating to industrial sectors.

The University also uses innovative technological platforms - Living Labs - such as the "Pilot Mine," the Benguerir solar farm (existing platform: Iresen) and the Safi and Laayoune experimental plants. Based on an "Open Innovation" system, the University will be able to provide strong support to industrial partners along with other national and international universities.

The first components of the Mohammed VI Polytechnic University are the School of Industrial Management (EMINES), the School of Agricultural sciences, Fertilization and the Environment (ESAFE) and the Center for Advanced Materials (CAM).

# Skills' Centers



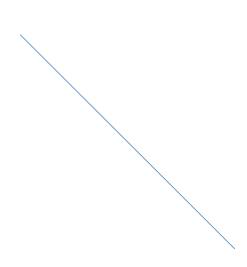
A wide range of programs has been offered since their inception in 2012. The modules available to young people deal with the topics of listening and orientation, job search assistance, personal development, languages, computer science and the arts. A specific program was devised for local associations to teach them how to set up, finance and manage projects that can have a socioeconomic impact on their region. Entrepreneurs can access a training, support and follow-up program enabling them to hone their entrepreneurial skills, develop projects, create their own business and successfully start it up and successfully start it up.

each.

# The activities of the Skills Centers are based on building the skills of young people and civil society as well as on the development of positive local dynamics.

Skills Centers exist on the four OCP sites of Youssoufia, Benguerir, Laayoune and Khouribga with a 600 to 1,000 participant capacity

A network of national and foreign partners supports the deployment of each program to provide participants with a window to the world and help them link up with other experiments and exchange with people from other parts of the country or of the world.



# **IPSE**: Valuing personal growth



Providing children with a quality education is among OCP's strongest social commitments. The Group operates in the field of education through IPSE schools (Institute for Social Advancement and Education), which provide 8,900 children of OCP employees with a quality education in 17 schools in areas where OCP Group operates. These educational services are provided by 703 permanent IPSE employees.

Aligned with international standards, the IPSE school curriculum ranges from junior kindergarten to the end of secondary years.

IPSE teaching places the development of language skills, the initiation of students to experimental thinking and the promotion of science at the forefront of the learning experience, and special courses are provided to students with learning difficulties.



IPSE grew from 2,105 students in 2010-2011 to 8,949 in 2015-2016 at the preschool, elementary and middle school levels in six cities.





**IPSE students** ◆ 2010-2011 school year

♦ 2015-2016 school year

### Extracurricular activities

Students' personal growth is the ever-present goal of the IPSE program through early detection of children's sports and their participation of cross-functional activities (workshops, competitions, theatre,...) throughout the school year.

### Communication

An institutional website and a school life management and school performance tracking IT solution were developed to facilitate communication between all stakeholders.



# Employee Wellbeing

As part of its social policy, the Group provides a full range of social services, including property ownership plans, access to social infrastructure like sports installations in OCP cities and to vacation centers and camps. Medical care is also provided to current employees and their families as well as to former employees as part of their pension benefits.

The overall aim of OCP social policy is to provide all employees with a balance between their professional and personal lives.

OCP Group's reputation as a good corporate citizen and a responsible business goes beyond borders. In July 2015, OCP Group received an award from the French association Entreprise & Convivialité for our work in promoting sports participation among our employees and their families, a prestigious recognition from a world leading award-granting association in the area workplace quality.

#### Cultural Activities and Sports

Employee development has been an OCP Group priority from its very creation. To that end, significant human and material means are mobilized for the operation of the social infrastructure and sports installations (clubs, centers, sports facilities, etc.) that can be found at OCP locations.

2015 was no exception, and a multitude of social, cultural, sports and entertainment events were organized in collaboration with all stakeholders for the benefit of thousands of employees and their families.

To help employees benefit from sports, OCP makes a large network of sports installations available to them and also promotes their membership in sports clubs and facilities.

### Vacation Centers and Camps

The year 2015 saw the inauguration, in Marrakesh and Bouznika, of two new vacation centers fully equipped with 369 cottages spread over the cities of Imouzzer, Mohammedia, Cabo Negro, Marrakesh and Bouznika. More than 3,000 stayed in OCP vacation centers were recorded during the year. Many employees also used these facilities while attending conventions.

A true OCP success story, the Group's vacation camps, whose 2015 theme was « For the love of living together », attracted 4,566 aged 8 to 14 years, while 70 teenagers vacationed in Bouznika in partnership with BCP.

### Pilgrimage to Islam's Holy Places

As it does every year, OCP Group organized a draw to help personnel members make a pilgrimage to Islam's Holy Places. OCP provided financial help to 209 employees make the pilgrimage for the Hijri year 1436.

### Social Partnerships

12 new partnership agreements in a variety of areas signed in December 2014 for which effective implementation was planned over 2015, as part of a continued effort to upgrade employee benefits.

### **Property Ownership**

Property ownership plans were among the earliest social measures offered to OCP employees.

#### Health

Considering medical and social support to be a driver of employee wellbeing, OCP Group has been proactive in that area in 2015 with the opening of medico-social centers in the cities where the Group operates in order to improve benefits and provide greater convenience to current and retired employees and their beneficiaries.

Furthermore, our medical staff was reinforced with additional doctors, nurses and social workers to create general family practices that are better equipped to identify any pathology affecting our employees and their beneficiaries.



SUBSIDIARIES & JVs SUBSIDIARIES & JVs

# **OVERVIEW OF SUBSIDIARIES** & JVS

⊿ Phosboucraa ⊿ Prayon

↗ Jorf Fertilizer Company I (JFC I) ↗ Jorf Fertilizer Company II (JFC II) ↗ Jorf Fertilizer Company III (JFC III) ↗ Jorf Fertilizer Company IV (JFC IV) → Jorf Fertilizer Company V (JFC V) ↗ Indo Maroc Phosphore (IMACID) ↗ Zuari Maroc Phosphates Private Limited (ZMPPL) ↗ Paradeep Phosphates Limited (PPL)

- ⊿ OCP do Brasil
- ↗ OCP Fertilizantes
- ⊿ OCP Africa
- ↗ Team Maroc
- ⊿ SMESI CERPHOS ⊐ COMATAM

- → Fondation OCP
- ⊐ LYDEX

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### Mining & Processing



## International Trade

↗ OCP International SAS

↗ OCP International Coöperatieve

↗ Black Sea Fertilizer Trading Company (BSFT)

↗ OCP de Argentina

→ Fertilizantes Heringer



# Engineering and Consulting

↗ Jacobs Engineering S.A (JESA) ↗ Dupont OCP Operations Consulting





# **Ecosystem Development**

→ Société d'Aménagement et de Développement Vert (SADV)

↗ Société d'Aménagement et de Développement de Mazagan (SAEDM)

↗ OCP Innovation Fund For Agriculture

→ Fondation Phosboucraa

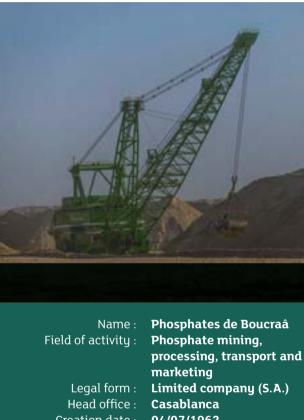
↗ Mohammed VI Polytechnic University

# Phosboucraa

1,905 MILLION DIRHAMS REVENUES IN 2015 359 MILLION DIRHAMS NET PROFIT IN 2015

**3**<sub>MT/year</sub>

PRODUCTION CAPACITY



Creation date : **04/07/1962** Stake date : 24/04/1976 Capital : **MAD 1,000,000,000** Ownership : OCP S.A : 100%

A fully-owned subsidiary of OCP since 2002, Phosboucraa develops the Boucraâ mine, which represents less than 2% of the estimated total national reserves with an overall production capacity of 3 million metric tons per year.

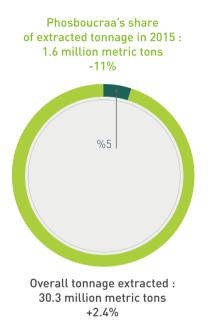
With extraction costs being twice as high as those of OCP's other mines across Morocco, the subsidiary is now investing heavily in operational effectiveness by upgrading its assets and consolidating the mine's durability and infrastructure. These investments are being continued in order to ensure the long-term viability of the Boucraâ reserves, diversify the mine's product portfolio and actively contribute to the socio-economic development of the southern regions.

**Mining Activities** 

The implementation of the industrial program mostly involved capacity assessments and the development of pre-studies for the new wharf, a review of the optimization and design of storage yards in light of their planned extension, as well as readjustments to make the flotation and washing plant more flexible and drastically reduce sea water requirements. Studies required to assess the capacity of the planned drying unit were also successfully completed. Finally, the major goals of the planned new processing complex were set and a first version of its layout was prepared.

### 2015 highlights

In 2015, rock extraction decreased slightly from 1.8 MT in 2014 to 1.6 MT, with shaft boring and prospection work in the Boucraâ Nord mine, among others, and improvement projects such as the commissioning of a new 18 m<sup>3</sup> loader and preparations for the installation of 3 new pile moorings on the wharf.



#### Industrial Development

# Prayon

# Euro Maroc Phosphore (EMAPHOS)



709 MILLION EUROS IN REVENUES IN 2015 9 MILLION EUROS IN NET PROFIT IN 2015



Name : **Prayon** Field of activity :

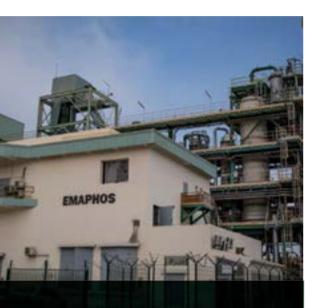
Creation date : Capital : Ownership :

Manufacturing and marketing of a large range of products, mainly phosphate (phosphoric acid and acid and salt derivatives) and fluorinated products, and general chemistry specialties (zinc oxide, sodium hydrosulfite, fluorinated salts, inhibitive pigments, etc.) Legal form : Limited company (S.A.) Head office : Engis (Belgium) 1981 EUR 43,000,000 OCP S.A : 50% Société Régionale d'Investissement de Wallonie : 50%

PURIFIED PHOSPHORIC ACID PRODUCTION CAPACITY 1,693 MILLION DIRHAMS IN REVENUES IN 2015

150 KT/year

ZÖ MILLION DIRHAMS IN REVENUES IN 2015



Field of activity :

Head office : Creation date : Capital :

Name : Euro Maroc Phosphore Production and marketing of purified phosphoric acid Legal form : Limited company (S.A.) Casablanca 29/01/1996 MAD 180,000,000 Ownership : OCP S.A : 33,33% Prayon (Belgium) :33,33% **Chemische Fabrik** Budenheim (Germany) : 33,33%

130 117 2014 2015 Production (In million thousand  $P_2O_5$ ) 2015 OCP

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Emaphos was created in 1996 at Jorf Lasfar and began production in January 1998. It is owned in equal parts by OCP, Prayon and Chemische Fabrik Budenheim. It was OCP's first partnership for processing activities in Morocco. Emaphos processes merchant grade phosphoric acid into purified phosphoric acid using Prayon's liquid-liquid extraction process and marketing.

# Jorf Fertilizer Company I (JFC I)

# Jorf Fertilizer Company II (JFC II)

MT/year DAP PRODUCTION CAPACITY

PRODUCTION

VOLUME IN 2015

188

**183** кт Field of activity :

> Head office : Casablanca Creation date : Capital :

Name : Jorf Fertilizer Company I Manufacturing and marketing of fertilizers and other phosphate derivatives Legal form : Limited company (S.A.) 09/12/2014 MAD 3,000,000,000 Ownership : **OCP S.A : 100%** 

Created in 2014, JFC I, also named Africa Fertilizer Complex and wholly dedicated to the African continent, is a DAP/MAP/NPK fertilizer complex with a capacity of one million tons per year. The new plant is fully integrated into the Jorf Lasfar industrial platform, which provides it with a guaranteed supply of all required raw materials (phosphate, sulfur, ammonia) and utilities (electricity, water, steam). The platform also handles the export of finished products.

JFC I became operational in the 3d quarter of 2015 and benefited from an additional MAD 2 billion investment, providing it with a sound balance sheet as the first unit to be created as part of OCP Group's investment program.



Field of activity :

Legal form : Limited company (S.A.) Head office : **Casablanca** Creation date : **12/02/2015** Capital : MAD 3,000,000,000 Ownership : OCP S.A : 100%

MT/year

DAP PRODUCTION

CAPACITY

JFC II

# Jorf Fertilizer Company III (JFC III)

Name : Jorf Fertilizer Company II Manufacturing and marketing of fertilizers and other phosphate derivatives



Name : Field of activity :

> Legal form : Head office : Creation date : Capital : Ownership :

Jorf Fertilizer Company III Manufacturing and marketing of fertilizers and other phosphate derivatives Limited company (S.A.) Casablanca 12/02/2015 MAD 1,000,000,000 OCP S.A : 100%

MT/year DAP PRODUCTION CAPACITY JFC III

# Jorf Fertilizer Company IV (JFC IV)

# Jorf Fertilizer Company V (JFC V)





Field of activity :

Creation date :

Name : Jorf Fertilizer Company IV Manufacturing and marketing of fertilizers and other phosphate derivatives Legal form : Limited company (S.A.) Head office : Casablanca 12/02/2015 Capital : **MAD 1,000,000,000** Ownership : **OCP S.A : 100%** 

2,572 MILLION DIRHAMS IN REVENUES IN 2015

375 KT/year

PHOSPHORIC ACID PRODUCTION CAPACITY

29 MILLION DIRHAMS IN NET PROFIT IN 2015

> Previously owned in equal parts by OCP and Bunge, Jorf Fertilizer Company V became a wholly-owned subsidiary of OCP Group in 2013. Since becoming operational in 2018, the joint venture produces phosphate base fertilizers for the subsidiaries of the world's agribusiness leader, Bunge, in South America.

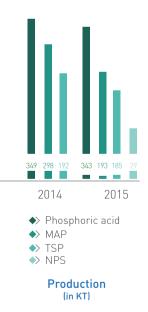
190



Field of activity :

Head office : Creation date :

Name : Jorf Fertilizer Company V Production and marketing of merchant grade acid, phosphate and nitrogen fertilizers and other derivative products Legal form : Limited company (S.A.) Casablanca 15/04/2008 Capital : **MAD 1,300,000,000** Ownership : OCP S.A : 100%



In December 2015, this subsidiary benefitted from an additional capital investment of MAD 400 million.

# Indo Maroc Phosphore (IMACID)

# Pakistan Maroc Phosphore (PMP)

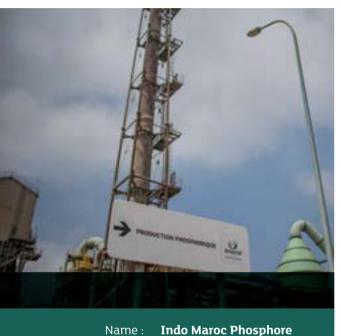


2.77

**BILLION DIRHAMS** 

IN REVENUES

IN 2015 94 **BILLION DIRHAMS** IN NET PROFIT IN 2015



Field of activity :

Legal form : Creation date : Capital : Ownership :

Limited company (S.A.) Head office : **Casablanca** 20/11/1997 MAD 619,998,000 **OCP S.A : 33.33%** Chambal Fertilizers and Chemicals Ltd (India) : 33.33% Tata Chemicals Limited (India) : 33.33%

Production and marketing

of merchant grade acid

Indo Maroc Phosphore (IMACID), an OCP Group subsidiary created in 1997, is a major world producer of phosphoric acid. The raw materials (phosphate and sulfur) are purchased at market price from OCP as part of a supply agreement.

IMACID is one of the 20 Moroccan businesses to have received QSE certification since 2014 with three certifications (ISO 9001 - Quality, OHSAS 18001 - Health & Safety, and ISO 14001 -Environment) for its integrated management system.



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 $\frac{\text{Production}}{(\text{in KT P}_2O_5)}$ 

375 KT/year PHOSPHORIC ACID PRODUCTION CAPACITY 3,123 IN REVENUES IN 2015 L MILLION DIRHAMS IN NET PROFIT IN 2015



Field of activity :

Legal form : Head office : Casablanca Creation date : **09/09/2004** Capital : Ownership :

Name : Pakistan Maroc Phosphore Production and marketing of merchant grade acid Limited company (S.A.) MAD 800,000,000 OCP S.A : 50% Fauji Group (Pakistan) : 50%



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Pakistan Maroc Phosphore (PMP), an OCP Group entity created as part of a joint venture, was inaugurated in 2008 in Jorf Lasfar. This subsidiary includes a phosphoric acid line with a yearly capacity of 375,000 tons P<sub>2</sub>O<sub>5</sub>, a sulfuric acid line with a daily capacity of 3,410 wet metric tons, a thermal power plant, a water treatment unit, and a compressed air station.

# Zuari Maroc Phosphates Private Limited (ZMPPL)\*

# Paradeep Phosphates Limited (PPL)\*

MILLION RUPEES IN REVENUES IN 2015 MILLION RUPEES IN NET PROFIT IN 2015

194

2015



47.9 **BILLION RUPEES** IN REVENUES IN 2015

.8 BILLION RUPEES IN NET PROFIT IN 2015



Field of activity :

Forme juridique : Limited company (S.A.) Creation date : Date shares acquired (from ZMPPL in PPL): **28/02/2002** 

Name : Paradeep Phosphates Limited Production, import, and distribution of fertilizer in India

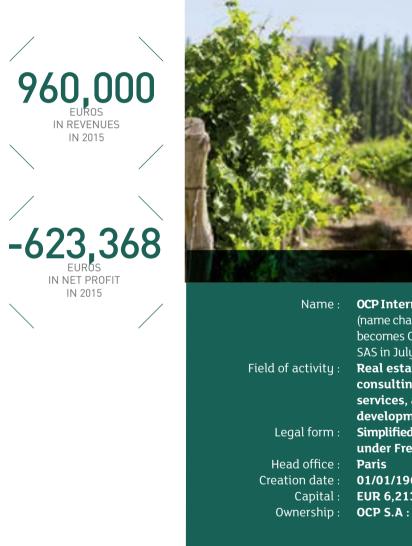
Head office : Bhubaneswar, India 1986

Capital : **5,755 million rupees** Ownership : Zuari Maroc Phosphates Limited : 80.45% Indian government : 19.55%

# **OCP** International SAS (formerly LEJONC & CIE)

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# **OCP** International Coöperatieve







Creation date : **27/04/2011** Ownership : **OCP S.A : 100%** 

Name : **OCP International** Cooperatieve UA Field of activity : Investment holding company Legal form : Limited company (S.A.) Head office : Amsterdam, Netherlands Capital : **EUR 16,896,809** 

# Black Sea Fertilizer Trading Company (BSFT)

-0.73

MILLION TRY

IN 2015



Trade of fertilizer in the regions of the Black Sea, the Balkans and Central Asia Coöperatieve : 70% Toros : 30%





Field of activity :

Creation date : **21/08/2009** 

Name : OCP Do Brasil Ltda Studies of marketing and trends in the fertilizer market and the agrobusiness sector in Brazil, assessment of the agronomic efficiency of OCP products in Brazil. Legal form : Limited liability company Head office : São Paulo, Brazil Capital : **3,790,860 reals** Ownership : **OCP International** Coöperatieve U.A.: 99,9% OCP International SAS : 0,1%

# OCP De Argentina

# OCP Fertilizantes



200





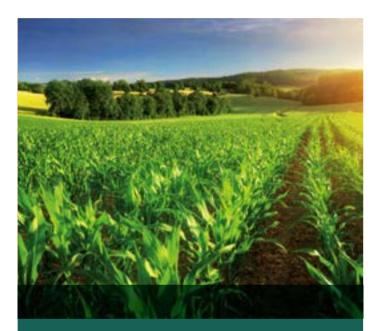
Name : Field of activity : Legal form : Head office : Creation date : Capital : Ownership :

**OCP Fertilizantes Ltda** Distribution of fertilizer Private limited company São Paulo, Brazil 06/05/2013 41,037,842 reals **OCP** International Coöperatieve U.A. : 99.9% OCP International SAS : 0.1%

# Fertilizantes Heringer

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# **OCP** Africa



Field of activity :

Head office : Brazil Creation date : Capital : Ownership :

Name : Fertilizantes Heringer Production, commercialization, and distribution of fertilizer Legal form : Limited company (S.A.) 23/09/1968 585,518,000 reals Heringer Participacoes Ltda (Heringer family) : 51.48% OCP S.A.: 10.00% PCS : 9.50% Others : 29.02%

2015 was a year of creation. Its true mission will bear fruit as from 2016. OCP Africa focuses on four key objectives: improving the fertility and productivity of African soil through a range of products tailored and through research and innovation; securing production of competitive fertilizers near the major agricultural areas; guaranteeing the flow of agricultural inputs, encouraging the development of the local distribution networks; and finally, contributing alongside the African farmers to the development of sustainable agricultural ecosystems.



Name :	OCP Africa
Field of activity :	Commercialization of
	fertilizer, products and
	services that can contribute
	to the development of the
	agricultural industry in
	Africa
Legal form :	Limited company (S.A.)
Head office :	Casablanca
Creation date :	16/12/2015
Capital :	MAD 300,000
Ownership :	OCP S.A : 100%

A 100% subsidiary of OCP Group, OCP Africa is a new African company dedicated to the transformation of agriculture in Africa. OCP Africa offers African farmers a complete range of products, services and support for improving their yields and increasing their revenues.

# Jacobs Engineering S.A (JESA)



2015

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Creation date : **13/08/2010** 

Name : Jacobs Engineering SA Field of activity : **Consulting**, engineering, and management of large-scale projects Legal form : Limited company (S.A.) Head office : **Casablanca** Capital : **MAD 45,000,000** Ownership : **OCP S.A : 50%** Jacobs Engineering Inc. (United States) : 50%



Created in 2010, JESA is a joint venture held equally between OCP and US-based Engineering Inc., a world leader in engineering. Based in Morocco, JESA operates in the sectors of mining, chemicals, energy, cutting-edge industry, infrastructure, construction, and even water and the environment, as well as in a wide range of professional services covering engineering, urban planning, project and/or program management, building contracting, as well as maintenance.

By developing its human resources, creating added value for its customers, optimizing its projects, and offering operational excellence thanks to the use of internationally recognized project management systems and tools and the most advanced technologies, JESA has now built a world-class company that aspires to become a world leader in phosphate engineering and a regional African leader in terms of engineering as a whole.

Currently working on a program valued at nearly 120 billion dirhams, JESA has completed various large-scale projects. In the industrial sector, the main achievement was its role as the PMC (Project Management Consultant) in OCP Group slurry pipeline project. The subsidiary also operates in other fields of expertise, specifically in the field of construction and infrastructure, such as the rehabilitation of the port of Jorf Lasfar, Laayoune Technology Cluster and the Mazagan Master Plan, as well as the Tanger City Center and the football stadium in Agadir. For its part, its 100% owned Team Maroc affiliate also took part in various projects, such as the Casatransport project (construction work at the end of the Casablanca urban highway), planning of Carrefour Azbane, Carrefour Sidi Maarouf (224 meter long cable-stayed bridge) and the dam projects in Tinghir and Tiznit.

#### Maintenance :

#### $\rightarrow$ Deployment of a new business strategy based on opening up to new markets, in Morocco, Africa and internationally, which was materialized by :

### Highlights in 2015

#### $\rightarrow$ Completion of large-scale projects :

#### Process Industry (PMC and EPCM):

- ODI P1 – EPCM - JPH - PMC program - Jorf desalination unit – Train 1 – PMC - DAP storage units 6 & 7 and related installations – EPCM - Extension of Quais 1bis and 4bis (solid sulfur) – PMC - Beni Amir Washing Plant - commissioning of 2 lines, high voltage and medium voltage – PMC - Solid sulfur project - PMC - Molten sulfur project - PMC

#### Building & Infrastructure :

- Mohammed VI Polytechnic University – Segment 1A – PMC/CM - School of Excellence Đ Phase 1 – PMC - Master Planning: GFH / Royal Ranches Marrakech, Laayoune Technology Cluster, Mazagan City Center - Mediathèque Khouribga media center - Siemens / Wind Blade Factory (engineering studies)

- SAP & Energy Improvement project phase I - PAP Maintenance Assessment - Maintenance - Safi - Maintenance Global Assessment

#### $\rightarrow$ Creation of new business units dedicated to the renewable energy sector and to the maintenance sector.

- The signing of contracts with new customers such as Maaden, Siemens, Shell, Hexcel, Royal Ranches, etc.

- The implementation of the development strategy in Africa through the organization of the first edition of the Engineering  $\smallsetminus$ Symposium for Africa (ESA) around the theme « Engineering and Innovative Technologies for Sustainable Development in Africa », and the signing of new contracts in the African market, specifically in Gabon, Ethiopia and Senegal.

- The creation of a new structure under the CFC (Casablanca Finance City) statute called Jacobs Engineering International to facilitate the export of JESA's services.

# **DuPont OCP Operations** Consulting

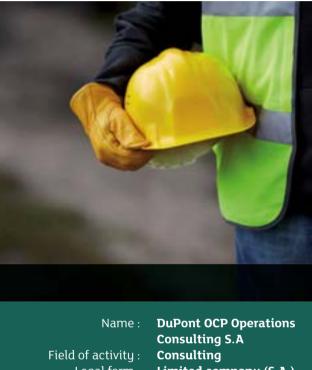
MILLION DIRHAM

IN REVENUES IN 2015

5

MILLION DIRHAMS

IN NET PROFITS IN 2015



Legal form : Creation date : **25/12/2013** Capital :

Limited company (S.A.) Head office : Casablanca MAD 50,000,000 Ownership: **OCP S.A : 50% DuPont de Nemours** (United States) : 50%

**OCP** Innovation Fund For Agriculture

MILLION DIRHAMS INVESTMENT ENVELOPE DIRECT JOBS

invested.



Head office : **Casablanca** Creation date : 24/02/2011

Capital : **MAD 200,000,000** Ownership: OCP S.A: 100%

Launched in 2011 with an initial envelope of 200 million dirhams, this investment fund is open to any promoter of innovative projects that create sustainable value and long-term jobs. It aspires to enable the emergence of agricultural or agro-industrial companies with high potential for national and international reach. Aside from the financial means provided by the investment fund, OCP itself is an asset and an opportunity for the companies and entrepreneurs selected, by making available and sharing the assets of the Group, namely, its network of national and international partners, its entrepreneurial dynamic, and its business ecosystem.

The investment fund has finalized several projects in various industries, specifically, Big Data solutions for the agricultural world, dairy aggregation, development of cactus derivatives, freerange chicken, biofuel, plant nursery activity, etc. The amount currently invested is as much as 90 million dirhams with the creation of more than 400 direct jobs and a clear impact on more than 1,800 livestock breeders in direct relation with the structures

Fueled by its drive to serve sustainable agriculture and backed by the commitment of OCP sponsor in terms of the national economic and social dynamic, the Fund for Agriculture remains mobilized for maintaining the popularity created around this leverage and tapping other investments.

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# Société d'Aménagement et de Développement Vert (SADV)

MILLION DIRHAMS IN REVENUE IN 2015

MILLION DIRHAMS

IN NET PROFITS

IN 2015

Name : Green Development Corporation Planning, development, Field of activity : financing, guarantee, rental, and management of mixed-use real estate projects Limited company (S.A.) Legal form : Head office : Casablanca Creation date : 09/12/2011 MAD 865,000,000 Capital : OCP S.A : 100% Ownership :

Created in 2011 and 100% owned by OCP, SADV manages the planning and development of projects with a strong environmental orientation. SADV is currently participating in two OCP Group flagship projects: the "Mohammed VI Green City" in Ben Guerir, which encompasses an academic excellence center through Mohammed VI Polytechnic University; and the "Green Mine" in Khouribga. Like other major eco-city projects throughout the world, and thanks to the strong commitment of OCP, Morocco now joins the dynamic of cities of the future through these two new urban centers.



# Mohammed VI Green City

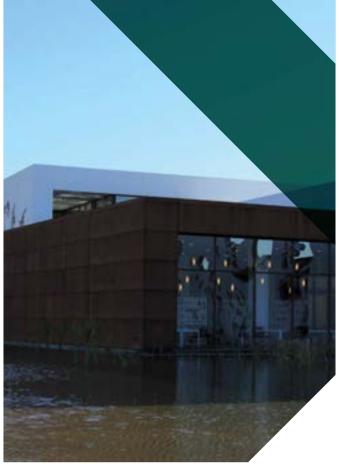
This is a new city with a university vocation developing a living environment that meets the essential criteria of environmentalism and the promotion of sustainable development. Its implementation plan follows strict specifications, in compliance with the highest international certification in the matter, LEED ND (Leadership in Energy and Environmental Design for Neighborhood Development), the first stage of which is already valid today. Covering an area of nearly 1,000 hectares, near the existing city of Ben Guerir, the future city distinguishes itself by its green spaces. 23,000 housing units.

At the local level, the project will have a remarkable urban, economic, and social impact on the neighboring city of Ben Guerir. Moreover, given the design and ambition attached to Mohammed VI Polytechnic University, which is the heart of the new city, this project also has a national dimension. In fact, the university is called upon to play a major role in the success of the strategy of the pact for the Kingdom's industrial emergence, through its contribution in terms of training and research.

#### 2015 progress report :

The high point in 2015 was the validation of Stage 1 of the LEED ND certification for the Mohammed VI Green City project, and the LEED NC certification of the academic building of Mohammed VI Polytechnic University. Furthermore, the Mohammed VI Green City project continued its start-up phase, specifically via the delivery of the first segment of the Lycée d'Excellence (School of Excellence) and the start of school for nearly 200 students in preparatory classes in September. On the real estate front, nearly 50 villas of the Villas Marguerite project were delivered, and a certain number of them have been furnished.

In parallel, the work on the roads and networks has continued at its initial pace.



Green Mine

This project enables the rehabilitation of OCP's former mining site located south-east of the city of Khouribga within a framework of comprehensive sustainable development. The future urban center of about 300 hectares, designed to respect the environment and improve the urban and architectural quality of the city, will offer a living environment of choice with tourist attractions, a residential neighborhood with more than 6,000 housing units, a hotel complex, and even vacation and leisure resorts.

It will be home to 100,000 residents and will include no less than A neighborhood dedicated to media and leisure, called 3M, will include sociocultural facilities such as the media library, a shopping center, local outdoor leisure facilities, and a garden traversing the length of the site.

#### 2015 progress report :

The media library, Médiathèque, with a surface area of nearly 11,000 m<sup>2</sup>, was delivered in its entirety, and its management has been entrusted to OCP Foundation. The work on the outdoor spaces and roads has also been completed.

To promote eco-friendly modes of transportation, the Green Mine project includes a dedicated parking area, of which the first onehectare segment was delivered in 2015.

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# Société d'Aménagement et de Développement de Mazagan (SAEDM)



Name : Mazagan Development Corporation Field of activity : **Planning, development**, and commercialization in the field of real estate Legal form : Limited company (S.A.) Head office : Casablanca Creation date : 24/12/2013 Capital : MAD 608,382,000 Ownership : OCP S.A : 51% Direction des Domaines de l'Etat (Ministry of Economy and Finance) : 49%

#### Mazagan City Center

Owned by OCP Group and the Department of State Property, SAEDM is responsible for the Mazagan City Center (PUMA) project. This project of national interest is part of the new strategy for the development of urban centers elaborated by the Ministère de l'Habitat et de la Politique de la Ville [Ministry of Housing and Urban policy].

Located near the city of El Jadida, this ambitious, innovative and comprehensive project will make it possible to welcome 134,000 residents by 2034 on a total land area of 1,300 hectares, including 311 hectares dedicated to green spaces and forests with development managed in three phases, mobilizing no less than 5 billion dirhams, in terms of development. This project has three dimensions: economic, environmental, and cultural.

 $\rightarrow$  Support the economic and social development of Greater El Jadida by participating in boosting the dynamic of the industrial activities of Jorf Lasfar, in particular the Jorf Lasfar Hub project.

 $\rightarrow$  Develop eco-urbanism, while ensuring sustainable mobility – Mazagan City Center will be constructed in accordance with the best environmental standards.

 $\rightarrow$  Provide an innovative cultural and educational offering – Mazagan City Center will establish a university that meets international standards, and a research and innovation zone aimed at teaching the skills necessary for the development of the region. Mazagan City Center will also include key infrastructure such as a congress center, an exhibition park, and even an artisans' village, in view of enhancing the appeal of the province.

#### Technical aspect :

#### Financial aspect :

- package.

### Highlights in 2015

#### Strategy and development aspect :

- Strategic study: Update of the demographic model, identification of the partnership models, definition of the building programming hypotheses.

- Private partnerships: Definition of the list of assets to be developed (focus on the prioritary segment), preliminary identification of the development options by type of asset, and framing of the process for selection of and negotiation for the private partnerships.

- Public partnerships: Organization of the itemization of the Protocole d'Accord Cadre (framework agreement protocol) into specific conventions, and launch of the negotiations with the public partners concerned.

- Finalization of the urban planning study and establishment of the urban planning regulation.

- Launch and finalization of the environmental impact study (obtaining of environmental acceptability).

- Engineering design firm: diagnostic of the site, finalization of the preliminary designs, ballpark assessment of the costs, and realization of the preliminary geotechnical surveys.

- Launch and finalization of a traffic study relative to the Mazagan City Center project.

- Update of the business plan, and structuring of the financing

- Setup an information system (ERP).

- Management of the fiscal aspect of the project.



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