

Press release

— Marrakech, October 10, 2023 —

IFC and OCP sign an agreement for a €100 million green loan to Build €360 million Solar Power Plants for Low-Carbon Fertilizer Production.

IFC and OCP Group, the world's largest phosphate-based fertilizer producer, today announced an agreement to increase production of low-carbon fertilizers using solar energy, helping green global food systems and reducing their vulnerability to fluctuations in hydrocarbon prices.

Over the past three years, the COVID-19 pandemic and the war in Ukraine have pressured global food supply chains, leading to supply disruptions and price fluctuations. Reducing the sector's dependence on hydrocarbons helps ensure sustainable food production, price stability and improved food security in developing and emerging countries.

Under the agreement IFC will provide OCP with a €100 million green loan for the construction of two solar power plants. These plants will provide zero-emission power to OCP's operations in the mining towns of Benguerir and Khouribga, home to Morocco's – and the world's – largest phosphate reserves. The plants will have a combined capacity of 400 megawatts peak (MWp) and up to 100 megawatt hours (MWh) of battery storage, making this the first large scale solar photovoltaic project with integrated storage infrastructure in Morocco – and the largest in North Africa.

A green loan is a form of financing for eligible projects that contribute to environmental objectives such as climate change mitigation or adaptation.

"Today's agreement is a major milestone towards our target of using 100% renewable energy in our fertilizer production by 2027", said OCP Group Chairman and CEO Mostafa Terrab. "Our deepening collaboration with IFC reflects our alignment on the urgency of addressing the global challenges of food security and climate change simultaneously".

"IFC is proud to support OCP in its journey to reduce its carbon footprint, a strategy that will have long-term positive effects not only in Morocco, but also on the global food supply," said Makhtar Diop, IFC Managing Director. "The fertilizer industry needs leading companies like OCP to embrace a sustainable path forward, and IFC is committed to supporting this important shift."

Today's announcement marks IFC's second green loan to OCP this year. In April 2023, as part of the first phase of OCP's 1.2 gigawatts peak (GWp) solar program, IFC provided a €100 million loan for the construction of four solar power plants, also in Benguerir and Khouribga, for a combined capacity of 202 MWp.

OCP's solar program is implemented by OCP Green Energy SA, a wholly-owned subsidiary of OCP created in 2022 to develop the company's renewable energy generation activities. It is part of OCP's \$13 billion Green Investment Program, which aims to increase its green fertiliser production and convert its operations fully to green energy by 2027.

The project will also leverage the expertise of INNOVX, a multi-sectorial venture platform launched by Mohammed VI Polytechnic University (UM6P) that is dedicated to building innovative and sustainable businesses and ecosystems with a strong local impact.

IFC's green loan agreement with OCP is part of its strategy to increase climate-related investments and projects in emerging markets, decarbonise economies, and adapt to a warming planet. The project also aligns with IFC's Global Food Security Platform, a \$6 billion financing facility launched in 2022 to strengthen the private sector's ability to respond to the food crisis and help support the sustainable production of food.

About IFC

IFC - a member of the World Bank Group - is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2023, IFC committed a record \$43.7 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of global compounding crises.

For more information, visit: www.ifc.org

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About OCP Group

OCP Group helps feed a growing global population by providing it with the essential elements for soil fertility and plant growth. With a century of expertise and a turnover of more than US\$ 11.3 billion in 2022, OCP is the world leader in plant nutrition solutions and phosphate-based fertilizers. Headquartered in Morocco and present on five continents, OCP Group has approximately 20,000 employees and works closely with more than 350 customers around the world. OCP recently launched a new green investment strategy, dedicated to increasing fertilizer production and investing in renewable energy. The strategy foresees an overall investment of approximately \$13 billion over the period 2023-2027, which will enable the Group to use 100% renewable energy by 2027 and achieve full carbon neutrality by 2040. The strategy also aims to reach a water desalination capacity of 560 million m³ in 2026 and to increase the production of green fertilizers. The Group is firmly convinced that leadership and profitability are synonymous with social responsibility and sustainable development. Its strategic vision sits at the junction of these two dimensions.

For more information: www.ocpgroup.ma

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