

Second-Party Opinion

# Gharb Paper and Carton Green Securitization Framework



## Evaluation Summary

Sustainalytics is of the opinion that the Gharb Paper and Carton Green Securitization Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021. This assessment is based on the following:



**USE OF PROCEEDS** The eligible category for the use of proceeds – Pollution Prevention and Control – is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 9.



**PROJECT EVALUATION AND SELECTION** GPC’s Environmental Social Governance and Corporate Social Responsible Committee will be responsible for project selection and evaluation under the Framework. The committee consists of the managing director, members from the Human Resources Department and the Learning Development team, and environmental health and safety specialists. GPC will manage potential environmental and social risks associated with the assets financed by ensuring compliance with its Sustainable Development Policy. Sustainalytics considers the project selection process to be in line with market practice.



**MANAGEMENT OF PROCEEDS** GPC’s Treasury Department will be responsible for the allocation, management and tracking of net proceeds. The allocation of proceeds will be tracked using a securitized green bond register. GPC intends to allocate the proceeds to the securitization fund at the time of issuance. This is in line with market practice.



**REPORTING** GPC will report on the allocation of proceeds on its website on an annual basis until full allocation. The allocation reporting will include the total amount of proceeds allocated to eligible projects and assets, the balance of unallocated proceeds, and the amount or the percentage of new financing and refinancing. In addition, GPC intends to report on relevant impact metrics for the Kenitra facility and include them in its annual report on its website. Sustainalytics views GPC’s allocation and impact reporting as aligned with market practice.

<b>Evaluation Date</b>	December 03, 2024
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<b>Issuer Location</b>	Casablanca, Morocco
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## Introduction

Gharb Paper and Carton ("GPC" or the "Company") is a paper and cardboard packaging production company headquartered in Casablanca, Morocco. Founded in 1992, GPC is a subsidiary of Ynna Holding and had approximately 1,000 employees as of December 2024. The Company has four production units in the Gharb, Souss Massa Draa and Grand Casablanca regions.

GPC has developed the Gharb Paper and Carton Green Securitization Framework dated December 2024 (the "Framework") under which it intends to issue secured green standard bonds<sup>1</sup> and use the proceeds to refinance, in whole or in part, existing or future projects intended to contribute to resource efficiency and pollution prevention. The Framework defines eligibility criteria in one area:

### 1. Pollution Prevention and Control

GPC engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).<sup>2</sup> The Framework will be published in a separate document.<sup>3</sup>

### Scope of work and limitations of Sustainalytics' Second-Party Opinion

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent<sup>4</sup> opinion on alignment of the Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Green Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.17, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various representatives of GPC's to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. GPC representatives have confirmed (1) they understand it is the sole responsibility of GPC to ensure that the information provided is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with it.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and GPC.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realized allocation of the bond proceeds towards eligible activities.

<sup>1</sup> Sustainalytics notes that securitizations will include a secured green standard bond, as defined by ICMA under Appendix 1 (June 2022) of the GBP. GPC will be the originator of a securitization fund, which will act as a special purpose vehicle and the issuing entity of the secured green standard bond. For any securitization issued as a secured green standard bond, the net proceeds of the offering will be exclusively applied to refinance eligible projects. Sustainalytics further notes that GPC will clearly specify the type of securitization and outline additional details in the offering document and that there will be no double counting of eligible projects under a secured green bond with any other type of outstanding green financing instruments, including any issuances by any special purpose vehicle.

<sup>2</sup> The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

<sup>3</sup> The Gharb Paper and Carton Green Securitization Framework will be available on GPC's website at: <http://www.gpccarton.com/>.

<sup>4</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that GPC has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Gharb Paper and Carton Green Securitization Framework

Sustainalytics is of the opinion that the Gharb Paper and Carton Green Securitization Framework is credible and impactful, and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible category – Pollution Prevention and Control– is aligned with those recognized by the Green Bond Principles.
  - GPC has established a look-back period of 36 months for the refinancing of capital expenditures.
  - Under the Pollution Prevention and Control category, GPC intends to finance or refinance the construction and operation of a recycling unit in Kenitra.
    - The pulp and paper industry is highly energy-intensive, largely due to the substantial heat required for chemical pulp production and paper drying processes, with drying alone accounting for about 70% of the total energy consumption.<sup>5,6</sup> Despite the growing reliance on renewable energy sources in the sector, particularly biomass inputs and process by-products such as black liquor, fossil fuels remain in use, especially for the high-temperature calcination process in lime kilns. As a result, the sector accounted for approximately 2% of the global industrial emissions in 2022.<sup>7</sup> With global paper production projected to increase by about 1% annually through 2030, reducing emissions intensity is vital. This requires transitioning from fossil fuels, improving energy efficiency, deploying industrial heat pumps, and innovating heat-reduction technologies for pulp and paper drying.<sup>8</sup>
    - In this context, Sustainalytics notes that net proceeds under the Framework may be used to finance or refinance energy-intensive systems, processes, technologies and equipment at the Kenitra production facility as the Company transitions away from fossil fuel dependency. GPC aims to address this dependency through initiatives such as increased use of renewable energy, adoption of high-temperature heat pumps, enhancements in energy efficiency, and employee awareness and training programs.
    - Sustainalytics also notes that financing and refinancing under the Framework will be limited to investments in the Kenitra facility which is expected to achieve a carbon intensity of 0.308 tCO<sub>2</sub>/t of pulp, paper and paperboard by 2030. This aligns with the Transition Pathway Initiative's (TPI) 2030 Below 2°C scenario benchmark of 0.353 tCO<sub>2</sub>/t of pulp, paper and paperboard for the pulp and paper industry.<sup>9,10</sup>
    - Additionally, the Framework notes that GPC's carbon intensity in 2022 was 0.709 tCO<sub>2</sub>/t of pulp, paper and paperboard. The Company has set a target to reduce this value to 0.530 tCO<sub>2</sub>/t of pulp, paper and paperboard by 2025.

<sup>5</sup> Japan Ministry of Economy, Trade and Industry, "Technology Roadmap for "Transition Finance" in Pulp and Paper Sector", (2022), at: [https://www.meti.go.jp/policy/energy\\_environment/global\\_warming/transition/transition\\_finance\\_technology\\_roadmap\\_paper\\_eng.pdf](https://www.meti.go.jp/policy/energy_environment/global_warming/transition/transition_finance_technology_roadmap_paper_eng.pdf)

<sup>6</sup> IEA, "Pulp and Paper", at: <https://www.iea.org/reports/pulp-and-paper>

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> Transition Pathway Initiative, "Carbon Performance Assessment of Paper Producers: Note on Methodology", (2021), at:

<https://www.transitionpathwayinitiative.org/publications/uploads/2021-carbon-performance-assessment-of-paper-note-on-methodology-2021>

<sup>10</sup> The TPI provides three decarbonization scenarios – Paris Pledges (aligned with national commitments under the Paris Agreement), 2 Degrees (consistent with limiting warming to 2°C), and Below 2 Degrees (aligned with a 1.5°C trajectory) – to assess companies' alignment with climate goals.

Sustainalytics notes that this target aligns with the TPI's Paris Pledges pathway.<sup>11</sup>

- By limiting the use of proceeds to the targeted asset, Sustainalytics expects the financing to contribute to climate change mitigation while reducing the risk of locking in carbon-intensive assets.
  - However, Sustainalytics notes that GPC's 2025 target remains above TPI's Below 2°C pathway and that issuances under the Framework are expected to have a tenure of three years, during which the Company has committed to further reduce the facility's carbon intensity to align with the Below 2°C scenario by 2030.
  - Sustainalytics considers it good practice to achieve a carbon intensity aligned with a sustainable pathway within the tenure of the transaction and encourages GPC to: i) establish robust interim decarbonization targets; ii) provide transparent reporting on Kenitra's facility-level emissions intensity and alignment with the 2030 benchmark; and iii) establish mechanisms for post-bond monitoring to actively monitor that the full decarbonization pathway remains on track through to 2030.
- The Framework excludes expenditures related to: waste-to-energy activities where removal of recyclables prior to incineration cannot be ensured; biomass or biofuel renewable energy projects of non-sustainable origin<sup>12</sup>; projects with high environmental or social risks or that cause material harm to achieving GPC's sustainability and SDG commitments; fossil fuel energy; investments related to pure internal combustion engines; gambling; tobacco; alcohol; and weapons.
- Project Evaluation and Selection:
  - GPC has established an Environmental Social Governance and Corporate Social Responsible Committee that is responsible for project selection and evaluation under the Framework. The committee consists of the managing director, members from the Human Resources Department and the Learning Development team, and environmental and health and safety specialists. The committee meets quarterly and provides the final approval on the eligible projects. The committee is also responsible for the review, update and implementation of the processes described in the Framework.
  - The Company will manage potential environmental and social risks associated with the assets financed by ensuring compliance with its Sustainable Development Policy as well as applicable laws and regulations. For additional details, please refer to Section 2.
  - Based on the defined role and responsibility for project evaluation and selection and the environmental and social risk management systems in place, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
  - The Treasury Department will be responsible for monitoring the full list of eligible projects and assets under the Framework and the management of proceeds. The department will track the allocation of proceeds using an internal tracking system, managed through an internal ledger or a sub-ledger system. A financial auditor will review the proceeds' allocation.
  - GPC intends to allocate the proceeds to the securitization fund under a securitized green bond register at the time of issuance. GPC has communicated to Sustainalytics that the transaction has a tenure of three years, starting from the issuance date. Pending full allocation, GPC will allocate the net proceeds in its treasury liquidity portfolio, in cash or other short-term and liquid instruments.
  - Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - GPC will report on the allocation of proceeds and related impacts annually that will be available to investors and published in a report on its website.

<sup>11</sup> The TPI's Paris Pledges decarbonization trajectory for the Paper sector has set a carbon intensity threshold of 0.658 tCO<sub>2</sub>/t of pulp, paper and paperboard for the year 2025. Transition Pathway Initiative, "Paper", at: <https://www.transitionpathwayinitiative.org/sectors/paper#carbon-performance>

<sup>12</sup> GPC has communicated to Sustainalytics that it defines biomass or biofuel as "non-sustainable" if sourced in environmentally harmful ways, such as through energy-intensive transport. GPC intends to source biomass for energy production from olive oil by-products, such as olive pomace. This sourcing is contingent on local availability in Morocco, with the Company closely monitoring production levels to ensure a reliable and sustainable supply.

- The allocation reporting will include the total amount of proceeds allocated to eligible projects and assets, the balance of unallocated proceeds, and the amount or the percentage of new financing and refinancing.
- GPC has confirmed to Sustainalytics that considering the integrated nature of the use of proceeds categories, the allocation of the proceeds and the corresponding impact will not be double counted.
- The impact reporting will be included in GPC's annual report. Impact metrics for the Kenitra facility may include estimated energy savings (in GWh), estimated emissions avoided (in tCO<sub>2</sub>e), estimated reduction in water usage (in litres per hour). GPC will also complete a CO<sub>2</sub> assessment to establish a baseline and benchmark the emissions. Furthermore, the Committee will track progress against the emissions intensity target to ensure alignment with the TPI's Below 2°C scenario.
- Based on the commitments on allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

### Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Gharb Paper and Carton Green Securitization Framework aligns with the four core components of the GBP.

## Section 2: Sustainability Strategy of GPC

### Contribution to GPC's sustainability strategy

GPC's Sustainable Development Policy lists objectives under two environmental areas: environmental protection and energy efficiency.<sup>13</sup> For environmental protection, GPC is committed to adhering to relevant environmental standards and regulations for the treatment of liquid, solid and gaseous effluents, minimizing resource and energy wastage and actively recycling wastepaper from its operations and supply chain. For energy efficiency, GPC is committed to improving its energy performance through the implementation of energy efficiency improvements and ensuring the presence of staff to monitor and control energy usage.<sup>14</sup> GPC has implemented an energy management system in accordance with ISO 50001:2018 to improve energy efficiency and reduce energy costs, setting energy objectives, and continuously monitoring and optimizing energy use across operations.<sup>15,16</sup>

In 2022, GPC completed a carbon footprint study and developed an action plan targeting a 10% reduction in scope 1, 2 and 3 GHG emissions by 2025, compared to 2022 levels.<sup>17</sup> To achieve this, the Company prioritizes areas such as energy consumption, procurement processes for input materials and services, commuting and business travel for employees, and waste management.<sup>18</sup> GPC aims to reduce scope 1 GHG emissions by replacing existing fuel oil boilers with biomass boilers.<sup>19</sup> For scope 2 GHG emissions, the Company plans to install photovoltaic systems to supply 38% of its total electricity consumption by 2025, and implement a leakage detection and sealing system to reduce compressed air losses by 10% by 2025.<sup>20</sup> To address scope 3 GHG emissions, GPC aims to encourage employees to adopt eco-driving practices, and use company-owned buses for commuting.<sup>21</sup>

GPC's plan for monitoring and evaluating emissions reduction actions consists of setting measurable objectives, tracking GHG emissions, conducting periodic evaluation on progress and results, communicating progress, making necessary adjustments, and publishing reports for relevant internal and external stakeholders.<sup>22</sup> Additionally, GPC has committed to aligning the GHG emissions intensity of all its production units with the TPI's Below 2°C pathway. The Company has also communicated to Sustainalytics of its intention to incorporate this commitment into its future strategic plans and public progress reports.

Sustainalytics is of the opinion that the Gharb Paper and Carton Green Securitization Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's actions on its key environmental priorities. Nevertheless, Sustainalytics encourages GPC to establish quantifiable and time-bound targets beyond 2025, and to publicly report on progress periodically.

<sup>13</sup> GPC, "Politique de Développement Durable", (2018), at: <http://www.gpccarton.com/PDD.pdf>

<sup>14</sup> Ibid.

<sup>15</sup> ISO, "ISO 50001", at: <https://www.iso.org/iso-50001-energy-management.html>

<sup>16</sup> GPC shared its ISO 50001:2018 certificate with Sustainalytics confidentially.

<sup>17</sup> Ibid

<sup>18</sup> Ibid.

<sup>19</sup> GPC has shared its Carbon Footprint Action Plan 2022 with Sustainalytics confidentially.

<sup>20</sup> GPC has shared its Carbon Footprint Action Plan 2022 with Sustainalytics confidentially.

<sup>21</sup> GPC has shared its Carbon Footprint Action Plan 2022 with Sustainalytics confidentially.

<sup>22</sup> Ibid.



### Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that proceeds from the instruments issued under the Framework will be directed towards eligible projects expected to have positive environmental impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects may include issues involving: i) land use and biodiversity issues associated with large-scale infrastructure development; ii) emissions, effluents and waste generated in construction; and iii) occupational health and safety (OHS); and iv) resource use and supply chain.

Sustainalytics is of the opinion that GPC is able to manage or mitigate potential risks through implementation of the following:

- To manage risks associated with land use and biodiversity, GPC is required to comply with Morocco's Law No. 49-17 which sets environmental impact assessment requirements for projects impacting ecosystems in Morocco. The law requires the evaluation of potential environmental impacts of a project and proposes measures to mitigate negative effects on land use and biodiversity.<sup>23</sup> This law also requires public consultation and participation to ensure local community engagement on proposed projects.<sup>24</sup>
- With regard to emissions, effluents and waste generated in construction, GPC is certified under ISO 14001:2015 on its Environmental Management System (EMS), indicating compliance with environmental regulations and measures to minimize environmental impacts.<sup>25,26</sup> The Company has in place a Waste Management Procedure which lists a process for handling ordinary industrial waste, hazardous industrial waste, and wastewater and effluent.<sup>27</sup> GPC is also required to comply with Morocco's Law No. 28-00 on waste management and disposal, which regulates the handling and treatment of hazardous waste to minimize environmental and health risks.<sup>28</sup>
- Regarding occupational health and safety, through its Sustainable Development Policy, GPC is required to comply with all relevant standards and regulations, including those related to hygiene and providing safe working conditions for all employees to prevent injuries and illnesses.<sup>29</sup> GPC has OHS management systems for its design, manufacturing, sale and delivery activities, which follow ISO 45001:2018.<sup>30</sup> Furthermore, Morocco's Law No. 65-99 requires GPC to implement all necessary measures to prevent occupational hazards, provide appropriate training and information to employees, and ensure regular health monitoring.<sup>31</sup>
- Regarding resource use and supply chain, GPC's corrugated boards are certified by FSC's Chain of Custody, which certifies the sustainable sourcing of FSC-certified material, including tracking material through the supply chain from forest to final product.<sup>32,33</sup> GPC's quality management system follows ISO 9001:2015 which addresses the selection and evaluation of suppliers, and resource management.<sup>34,35</sup>

Based on these policies, standards and assessments, Sustainalytics is of the opinion that GPC has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

## Section 3: Impact of Use of Proceeds

All use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

### Importance of energy efficiency and reducing GHG emissions in the pulp and paper industry

The pulp and paper industry is energy intensive, with approximately 70% of the energy use driven by the large amounts of water evaporated in drying the pulp and paper. In 2022, the industry was responsible for

<sup>23</sup> UNEP, "Loi n 49-17 relative à l'évaluation environnementale.", (2022), at: <https://leap.unep.org/en/countries/ma/national-legislation/loi-n-49-17-relative-l-evaluation-environnementale>

<sup>24</sup> UNEP, "Loi n 49-17 relative à l'évaluation environnementale.", (2022), at: <https://leap.unep.org/en/countries/ma/national-legislation/loi-n-49-17-relative-l-evaluation-environnementale>

<sup>25</sup> ISO, "ISO 14001:2015", (2015), at: <https://www.iso.org/standard/60857.html>

<sup>26</sup> GPC shared its ISO 14001:2015 certificate with Sustainalytics confidentially.

<sup>27</sup> GPC shared its Waste Management Procedure with Sustainalytics confidentially.

<sup>28</sup> Government of Morocco, Direction de la réglementation et du contentieux, "Loi n° 28-00 relative à la gestion des déchets et à leur élimination", (2006), at: <https://www.sante.gov.ma/Reglementation/GESTIONETELIMINATIONDESDECHETS/28-00.pdf>

<sup>29</sup> GPC, "Politique de Développement Durable", (2018), at: <http://www.gpccarton.com/PDD.pdf>

<sup>30</sup> GPC shared its ISO 45001:2018 certificate with Sustainalytics confidentially.

<sup>31</sup> Government of Morocco, "Loi no 65-99 relative au Code du travail", (2004), at: [http://www.sgg.gov.ma/Portals/0/lois/code\\_travail\\_fr.pdf](http://www.sgg.gov.ma/Portals/0/lois/code_travail_fr.pdf)

<sup>32</sup> FSC, "Chain of custody certification", at: <https://fsc.org/en/chain-of-custody-certification>

<sup>33</sup> GPC shared its FSC Chain of Custody certification documents (2023) with Sustainalytics confidentially.

<sup>34</sup> ISO, "ISO 9001:2015", (2015), at:

<https://www.iso.org/standard/62085.html#:~:text=ISO%209001%20is%20a%20globally,demonstrate%20their%20commitment%20to%20quality.>

<sup>35</sup> GPC shared its ISO 9001:2015 certificate with Sustainalytics confidentially.

close to 2% of global industrial GHG emissions.<sup>36</sup> Given the projected population and economic growth, the demand of paper and carton packaging is expected to increase by approximately 11% between 2024 and 2030.<sup>37,38</sup> The industry achieved an average annual improvement in energy efficiency of approximately 3% between 2010 and 2022. According to the International Energy Agency (IEA), the emissions intensity of paper production worldwide has to further decline by an average annual 5% between 2022 and 2030 in order to align with the Net Zero Emissions by 2050 (NZE) Scenario.<sup>39,40</sup>

To meet its energy reduction targets, the pulp and paper industry is increasing the share of recycled materials in production, aiming to exceed the 60% requirement prescribed the NZE Scenario by 2030.<sup>41</sup> The shift not only decreases reliance on virgin wood but also reduces the overall energy demand of the sector. Achieving these goals requires transitioning from fossil fuels to near-zero emissions alternatives, with a sectoral goal for bioenergy to constitute 45% to 50% of the energy mix by 2030, leveraging by-products such as black liquor.<sup>42</sup> Furthermore, energy efficiency improvements can be achieved through innovative technologies such as high-temperature heat pumps, which can harness waste heat from the drying process, significantly reducing energy requirements.<sup>43</sup>

Based on the above, Sustainalytics is of the opinion that GPC's investments in reducing its GHG emissions are expected to contribute to the reduction of GHG emissions from the pulp and paper industry in Morocco, consequently supporting the transition towards a low-carbon economy.

### Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Framework are expected to advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Pollution Prevention and Control	9. Industry, innovation and infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

### Conclusion

GPC has developed the Gharb Paper and Carton Green Securitization Framework under which it may issue secured green standard bonds and use the proceeds to finance or refinance, in whole or in part, existing or future projects intended to contribute to resource efficiency and pollution prevention. Sustainalytics considers that the eligible project is expected to provide positive environmental impacts.

The Framework outlines processes for tracking, allocation and management of proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics considers that the Gharb Paper and Carton Green Securitization Framework is aligned with GPC's sustainability strategy and that the use of proceeds will contribute to the advancement of UN Sustainable Development Goal 9. Additionally, Sustainalytics considers that GPC has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that GPC is well positioned to issue green bonds and that the Gharb Paper and Carton Green Securitization Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021.

<sup>36</sup> IEA, "Paper", at: <https://www.iea.org/energy-system/industry/paper>

<sup>37</sup> Ibid.

<sup>38</sup> Statista, "Paper consumption worldwide", (2023), at: <https://www.statista.com/statistics/1089078/demand-paper-globally-until-2030/>

<sup>39</sup> IEA, "Paper", at: <https://www.iea.org/energy-system/industry/paper>

<sup>40</sup> IEA, "Net Zero Emissions by 2050 Scenario (NZE)", at: <https://www.iea.org/reports/global-energy-and-climate-model/net-zero-emissions-by-2050-scenario-nze>

<sup>41</sup> IEA, "Paper", at: <https://www.iea.org/energy-system/industry/paper>

<sup>42</sup> Ibid.

<sup>43</sup> Ibid.

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