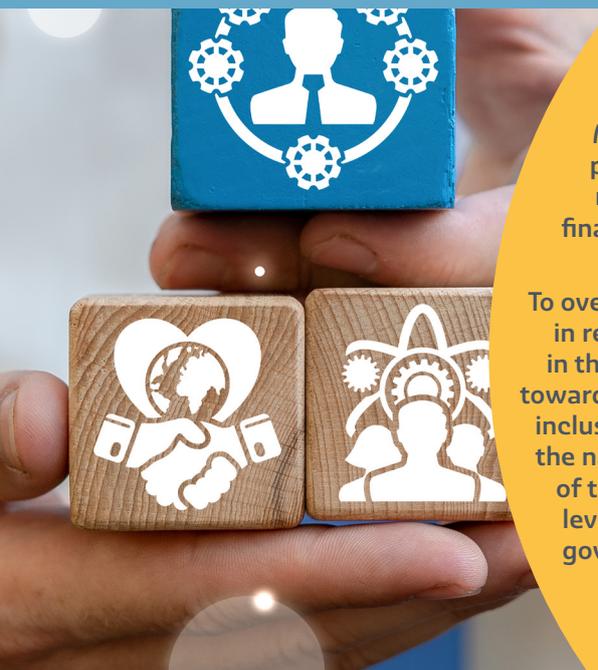




Bank Al-Maghrib's **Corporate Social Responsibility**

October 2021



CSR at Bank Al-Maghrib: An inherently related responsibility to BAM's missions

Bank Al-Maghrib's CSR is **inherently related to its fundamental mandate**, focusing primarily on the general interest. Indeed, Morocco's Central Bank contributes effectively and significantly to the prosperity of the country. This includes, and is best illustrated through, maintaining price stability, preserving robustness and resilience of the financial system, reinforcing the security of payment means, and promoting financial inclusion.

To overcome the multiplication of economic, environmental and social challenges in recent years, the Bank has been resolutely involved, alongside other actors in this ecosystem, in large-scale projects that testify to its strong commitment toward society. These projects include, but are not limited to, the national financial inclusion strategy, the integrated support and financing program for businesses, the national mobile payment solution, and the roadmap related to the alignment of the national financial sector with sustainable development. At the internal level, the Bank has also been implementing several actions to strengthen its governance, enhance its social commitment to its employees and reduce its environmental impact.

Capitalizing on the progress made, Bank Al Maghrib launched in 2020 the project of implementing a CSR approach, in order to better structure and sustain its social commitment, through a relevant and credible CSR policy, a roadmap applied to all organization levels, and appropriate monitoring and reporting mechanisms.



A structured CSR approach

Building a structured approach for the Bank's CSR required a clear definition of priorities, which was the subject of the first stage of the project "Structuring the CSR policy". This policy must be implemented through practical actions, defined in the second stage, "Operational application of the CSR policy". For a successful implementation of the approach, it is important to embed CSR in daily behavior patterns and to set up monitoring and reporting systems that will allow the implementation to be monitored and the results to be assessed. These are the objectives of the third stage "The deployment and assessment of CSR performance".



How did we define our CSR policy?

...First, by outlining the scope of our social responsibility.

Due to the wide variety of areas covered by CSR, the first step was to set the core areas defining the Bank's social responsibility. Thus, the bank's CSR issues were identified by taking into account, on the one hand, activities, stakeholders and the Bank's CSR practices, and on the other hand, the results of a benchmark among several central banks and other national and international financial institutions.

31 CSR ISSUES RELATED TO FIVE AXES

Legal and ethical responsibility

- 1. Bank Governance
- 2. Ethics & Transparency
- 3. Anti-Corruption
- 4. Risk Management
- 5. Human Rights
- 6. Financial security
- 7. Compliance
- 8. Privacy protection
- 9. Cybersecurity
- 10. Dialogue & Partnerships

Economic responsibility

- 11. Financial inclusion
- 12. Consumer Protection
- 13. Fair Competition
- 14. Socio-economic contribution
- 15. Research & economics
- 16. Bank's presence
- 17. Innovation
- 18. Sustainable purchasing
- 19. Responsible and sustainable investment

Social responsibility

- 20. Employment, work relationships and conditions
- 21. Diversity and equal opportunity
- 22. Human capital development
- 23. Health and safety at work
- 24. Social dialogue

Environmental responsibility

- 25. Climate Change & Green Finance
- 26. Environment protection & preservation
- 27. Energy
- 28. Circular economy

Societal responsibility

- 29. Economic and financial education
- 30. Development of territories and communities
- 31. Art & culture

Defining the scope of the Bank's societal responsibility also required the mapping of stakeholders with whom the Bank interacts.

...Then, by evaluating the CSR issues to define our priorities

Once the CSR issues were identified, they had to be prioritized. An evaluation was thus carried out according to the “Materiality Analysis” methodology, in line with the best standards, which consists of assessing the scope and relevance of each issue for the Bank and its stakeholders. It has been conducted in a participatory manner, involving 150 internal staff, and after consulting, as part of focus groups, five stakeholders (the banking sector, the General Confederation of Moroccan companies, suppliers, civil society organizations, and the academic sphere) in order to identify their expectations.



The synthesis of this assessment has made it possible to draw up the Bank’s materiality matrix, which highlights three categories of CSR issues: Critical issues, which are relevant (with a very high level of materiality) for both the Bank and its stakeholders; Major issues that are relevant for either the Bank or its stakeholders, and Important issues that have a medium to high level relevance to the Bank and its stakeholders.





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...And then, by formulating the axes of our CSR policy

This policy provides the framework that allows the Bank to affirm its CSR commitment toward its various stakeholders. It also reflects the contribution that it wishes to make to the Sustainable Development Goals (SDGs), adopted as part of the United Nations' 2030 Agenda.



AXES AND COMMITMENTS OF BANK AL-MAGHRIB'S CSR POLICY

AXES OF THE CSR POLICY

01 | Legal and ethical axis

Implementing and promoting ethical and transparent governance that reflects our purpose and allows for agile and responsible management on a daily basis.

02 | Economic Axis

Working for the development of an inclusive, innovative and sustainable financial system and maximizing the economic and social impact of our missions.

03 | Social axis

Promoting skill-development, diversity and inclusion and ensuring the protection and well-being of our employees at the workplace.

04 | Environmental axis

Taking climate change into account in our missions and reducing our environmental footprint.

05 | Societal axis

Contributing through partnerships to the development of territories, the support of culture and solidarity actions.

CSR POLICY COMMITMENTS

1. Implementing an ethical and transparent governance that allows us to integrate the principles of social responsibility in our daily activities.
2. Ensuring compliance and managing risks while promoting the Bank's agile transformation.
3. Promoting ethical and transparent governance at the financial sector level, enabling the integration of corporate social responsibility principles.
4. Promoting financial inclusion and encouraging the development of the fintech ecosystem.
5. Developing and supporting research and economic and financial education for the public.
6. Carrying out our missions in a way that maximizes our economic and social impact, locally and nationwide.
7. Developing human capital and ensuring diversity and equality of opportunity.
8. Guaranteeing healthy and safe working conditions and ensuring the protection and well-being of our employees.
9. Taking climate change into account in our missions to strengthen risk management and to promote green finance.
10. Reducing the environmental footprint of our activities.
11. Supporting territorial and national initiatives aimed at creating jobs and income-generating activities and improving access to basic services.
12. Preserving and promoting the numismatic heritage and supporting artistic and cultural activities.

Axes and commitments that contribute to several Sustainable Development Goals (SDGs).



An adapted governance for the deployment and monitoring of the CSR approach

The implementation of the CSR commitments has made it possible to prepare the Bank's CSR program, which will run from 2021 through 2023. An appropriate governance structure was also defined and put in place. The Bank's executive Committee, as sponsor of this approach, defines the guidelines and sets the priorities, while the CSR Committee oversees and monitors the implementation of the approach, supported by a dedicated central entity and a network of CSR referents from the Bank's various entities, agencies and branches.

Employee commitment, a key factor for the successful implementation of the CSR approach

In order to ensure the support and mobilization of employees around this approach, a deployment and mobilization program was defined and launched in 2021. It is centered around 7 main axes: Internal communication, CSR awareness and training, CSR events, CSR governance, CSR watch & benchmarking, Dialogue & partnerships and External Communication.



...The collective commitment of all our employees is a key factor for the success of our CSR approach, which is intended to be exemplary, meaningful and a source of economic, social, environmental and societal values for the Bank and its stakeholders..."

*Abdellatif Jouahri
Governor of Bank Al Maghrib
Extract of bank Al-Maghrib's
CSR Policy*