

2015



BANK AL-MAGHRIB
CORPORATE SOCIAL RESPONSABILITY
REPORT
AN ONGOING COMMITMENT





BANK AL-MAGHRIB
CORPORATE SOCIAL RESPONSABILITY
REPORT
AN ONGOING COMMITMENT



CONTENTS

Governor's Foreword	P.06
<hr/>	
Chapter 1	
Bank Al-Maghrib at a Glance	P.07
<hr/>	
Chapter 2	
Corporate Social Responsibility at Bank Al-Maghrib: A Strategic Direction	P.09
<hr/>	
Chapter 3	
Ethics: The Cornerstone of Governance Framework	P.13
<hr/>	
Chapter 4	
Human Capital: A Performance Driver	P.14
<hr/>	
Chapter 5	
Community Involvement An Asserted Responsibility	P.20
<hr/>	
Chapter 6	
Responsible Procurement: Transparency and Equity	P.25
<hr/>	
Chapter 7	
Environmental Responsibility: Reduction of our Footprint	P.26
<hr/>	
Chapter 8	
Bank Al-Maghrib's reporting on Corporate Social Responsibility	P.32
<hr/>	

Governor's Foreword

Against a backdrop of collective awareness about environmental, social and economic challenges, the international community signaled its determination to contain global warming, through the commitment made by States during the 21st Conference Of Parties (COP 21) held in Paris in 2015.

The 22nd Conference of Parties (COP 22), hosted by Morocco in Marrakech in November 2016, rightly ambitions to contribute by developing an action plan aiming to deliver on the adoption of procedures and mechanisms to implement the Paris Agreement, as well as the commitments made by the States.

Internationally, the monetary and prudential authorities, which share some responsibility in bringing about transition towards a more sustainable economy, place an increased importance on measures that can be adopted to align the financial sector with the requirements for sound management of climate risks and promote funding of sustainable development projects.

In Morocco, several banking and financial institutions have over the past years undertaken to embed the environmental and social dimension within their operating procedures. Such a challenge would, however, require a comprehensive sustainable finance policy.

In the same vein, a large collaborative process involving stakeholders, professional federations and regulators was initiated by the COP 22 Scientific Committee, in coordination with Bank Al-Maghrib. The process helped to define the broad lines of the roadmap for the Moroccan financial sector to respond to sustainable development challenges.

In consultation with other regulators, Bank Al-Maghrib will also ensure that a new dimension on climate change risks is incorporated in the financial stability mission.

As a business entity, the Bank has for about a decade incorporated sustainable development as a guiding principle under its three-year strategic planning. Thus it centered its focus on the protection of the environment, the promotion of financial inclusion and education, the development of human capital and the conduct of a constructive dialogue with various stakeholders, all within a framework of sound and transparent governance.

The publication of this first corporate social responsibility report clearly illustrates all of these commitments and marks the culmination of the Bank's sustained efforts in this regard. It also underlines the Bank's determination to adopt a responsible, sustainable approach in the performance of its actions, while consolidating its role as a regulator of the banking sector.

This initiative also attests to the Bank's mobilization to support the commitments undertaken by our country, under COP 21 and COP 22, and confirms its willingness to act as a point of reference in Corporate Social Responsibility.

1

Bank Al-Maghrib at a glance

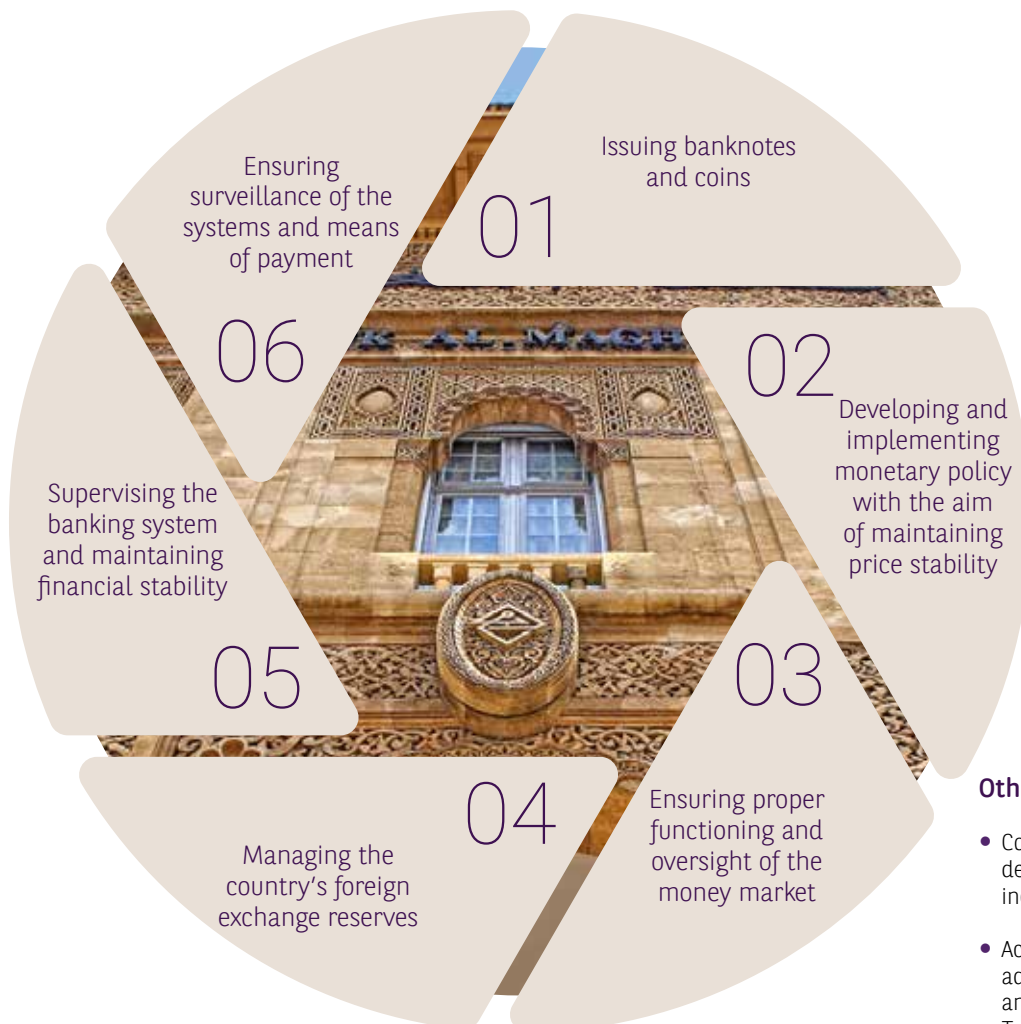
Bank Al-Maghrib, which was established by Royal decree No. 1-59-233 of 23 hija 1378 AH (30 June 1959), is a public legal entity with financial autonomy. Its object, functions, operations, as well as the methods of its administration, management and supervision have been amended and supplemented by Law No. 76-03 and by its implementing regulations.

Its headquarters is located in Rabat and operates through 20 branches established through the main cities of the Kingdom.

Its governance framework rests on the following bodies:

- Governing and management bodies consisting of the Bank Board, the Governor and the Management Committee;
- Supervisory bodies consisting of the Government's Representative, the Statutory Auditor and the Court of Auditors.

CORE MISSIONS



Other missions:

- Contributing to the development of financial inclusion and education;
- Acting as the financial adviser to the Government and as an Agent of the Treasury for its banking transactions in Morocco and abroad.

For more information, please visit our website: www.bkam.ma



BANK AL-MAGHRIB: A BANK ROOTED IN THE HISTORY OF THE COUNTRY

12 KEY DATES

July
1959

1993
Reform of the banking law, which reinforced Bank Al-Maghrib's powers in terms of regulation and oversight of the activities of credit institutions

October
1959
Adoption of the dirham as the national currency of Morocco

2002
Inauguration by His Majesty Mohammed VI of Bank Al-Maghrib Museum

1967
Enactment of the first banking law authorizing Bank Al-Maghrib to ensure oversight of banking activities

2006
Enactment of new statutes of Bank Al-Maghrib and new banking law conferring more independence to it in the implementation of monetary policy and banking supervision

1974
Replacement of the franc by the issue of the centime as a fraction of the dirham

2008
Entry into force of staff regulations with new principles on Human Resources Management

1987
Adoption of the designation "Bank Al-Maghrib" and inauguration of Dar As-Sikkah by the late King Hassan II

2009
Commemoration of the 50th anniversary of the Bank and organization of an international symposium on "the role of central banks and the IMF in detecting and managing financial crises"

1991
Introduction of indirect control measures in the conduct of monetary policy

2013
Triple certification of Dar As-Sikkah to Quality, Safety and Environment (QSE) standards

Corporate Social Responsibility at Bank Al-Maghrib: a strategic direction



Manager's Day, January 2016

As part of a voluntary approach, Bank Al-Maghrib formalized its commitments to Corporate Social Responsibility under its strategic plans



Promotion of financial inclusion, which is reflected by a set of actions aimed to the following:

- Expanded access to banking services (bankarization)
- Facilitated access to banking products and services
- Financial education
- Consumer protection

Mainstreaming sustainable development requirements throughout the Bank's operating procedures

Enhancing the process of openness, transparency and communication about the Bank's missions

Commitment, as a responsible employer, to the development of human capital

KEY GUIDING PRINCIPLES

GOVERNANCE

Code of conduct and ethics
Risk management
Internal audit and control

SOCIAL

Development of human capital
Respect for human rights and social dialogue
Occupational health and safety

SOCIETAL

Financial inclusion
Financial education
Consumer protection
Sustainable finance

ENVIRONMENTAL

Compliance with legal and regulatory requirements
Control of environmental impact

GOVERNANCE AND APPROACH

The guidelines of Corporate Social Responsibility approach are defined under the Bank's three-year action plans, which are submitted to the Board for consideration after their validation by the Management Committee. These guidelines are broken down into action plans and are reviewed periodically.

This approach sets out the commitments of the Bank to sustainable development, as provided in national legislation such as the Moroccan Constitution, and international instruments such as the Universal Declaration of Human Rights, the International Labour Organization's Fundamental Conventions, the principles of the UN Global Compact and the ISO 26000 Guidance on Social Responsibility.

All entities of the Bank are engaged in the implementation of this approach.

A QUALITY MANAGEMENT APPROACH

Bank Al-Maghrib adopted, in its first strategic plan 2004-2006, a quality management approach based on the international standard ISO 9001, which enabled it to standardize and formalize its internal practices. This approach which has mobilized all of the Bank's staff members, was crowned by the obtention of the Quality Management System (QMS) certification in 2008.



Nour-dine HAJJAMI Head of the Organization and Information System Department

In an earnest endeavor to achieve further progress in our operating procedures, improve understanding and meet expectations of different stakeholders, we have been pursuing a quality

management approach based on the international standard ISO 9001. This participatory approach engaging all staff members was crowned in 2008 with the certification of all processes across the Bank.

Also aware of the impact of its activities on the environment and on the health and safety of its staff members, the Bank expanded its quality management system to cover these areas and obtained in 2013 a triple certification: to ISO 9001, ISO 14001 and OHSAS 18001 for Dar As-Sikkah and the entire operating processes. Our ambition is to roll out this comprehensive approach across the Bank through gradual certification of its different sites.



10 KEY FIGURES IN 2015

68%

ACCOUNT PENETRATION RATE
(BANKARIZATION)

78%

OF ADULT POPULATION HAVING AT
LEAST ONE BANK DEPOSIT ACCOUNT

-31%

OF PAPER CONSUMPTION COMPARED
TO 2012

95%

OF INDUSTRIAL WASTE RECOVERED

150

AWARENESS-RAISING SESSIONS
ABOUT THE ENVIRONMENT

50%

OF THE BANK'S STAFF
RECEIVED TRAININGS

40%

FEMALE REPRESENTATION IN THE
OVERALL NUMBER OF STAFF

36%

OF FEMALE REPRESENTATION
AT MANAGEMENT LEVEL

-38%

OCCUPATIONAL ACCIDENTS
COMPARED WITH 2014

6 391

VISITORS TO
BANK AL-MAGHRIB MUSEUM

OUTREACH TO STAKEHOLDERS



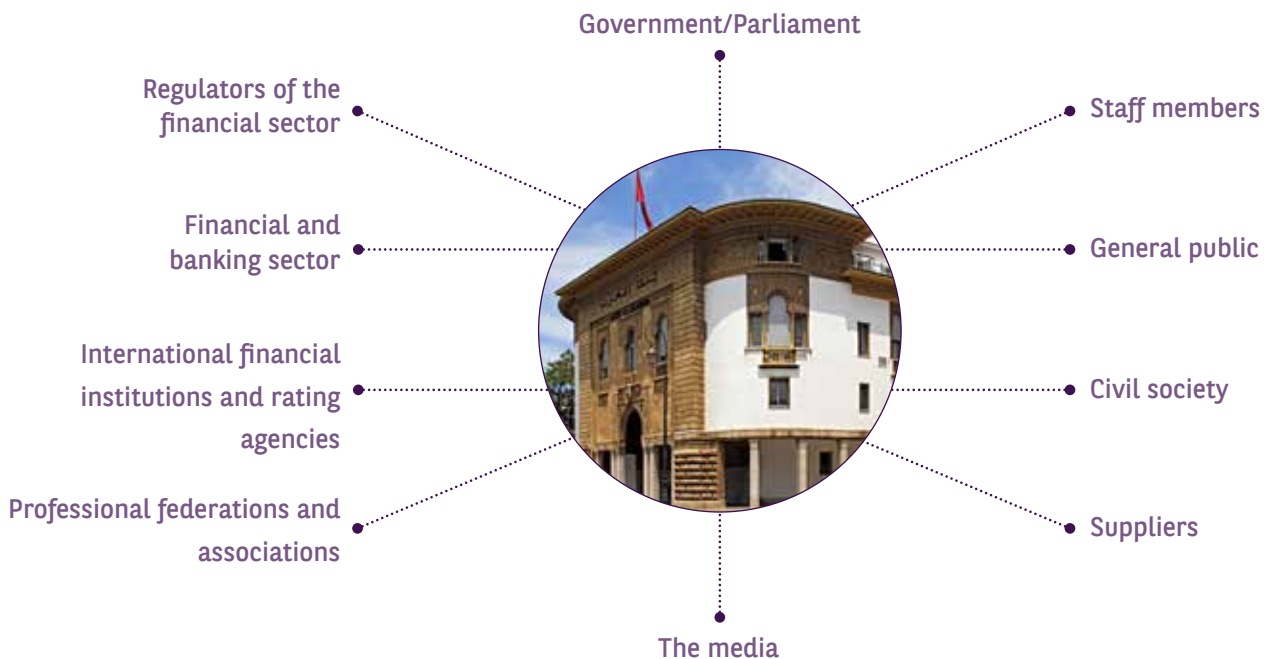
Press briefing by the Governor following the quarterly meeting of the Bank Board

In view of its missions covering monetary policy, banking supervision, contribution to the stability of domestic financial system and promotion of financial inclusion, the Bank organizes regular meetings with various stakeholders. The Bank also pays particular attention to exchanges with the media and strives vigorously

to make of digital communication a vehicle for the implementation of its communication strategy. Equipped with a diverse set of information and awareness-raising tools, the Bank also intends to facilitate understanding of its missions and decisions, particularly those relating to monetary policy.

As a business entity, the Bank maintains regular dialogue with social partners and continued communication with its staff members, supported by an extended range of tools promoting listening, information sharing and the sense of belonging.

MAP OF KEY STAKEHOLDERS



3 Ethics: The Cornerstone of Governance Framework

Bank Al-Maghrib strives constantly to promote the trust it has been inspiring among its partners. In doing so, it has placed the ethical dimension at the heart of its values and strategic vision, in line with the best international practices

100%
of staff members are familiarized with the code of ethics and its specific aspects

SHARED ETHICAL VALUES

Objectivity, rigor, loyalty, impartiality, compliance, management of conflicts of interest and prevention of corruption are among the key values of Bank Al-Maghrib's ethical framework, which is meant to serve as a guarantee for credibility, an indispensable element for the fulfillment of its missions.

Implemented in 2005 based on a participatory approach, this framework includes a code of ethics for members of the Bank's Board, another code for staff members, and specific policies for ethically sensitive core businesses such as procurement and internal audit, as well as a whistle-blowing mechanism.

PREVENTION OF CORRUPTION AND CONFLICTS OF INTERESTS, A PRIORITY

Placing an overriding importance on the prevention of corruption, Bank Al-Maghrib has set out stringent rules on gifts and invitations.

By the same token, staff members are required to disclose any situation involving a conflict of interests, whether it is actual, apparent or potential.

RAISING AWARENESS OF THE BANK'S STAFF MEMBERS FOR STRONGER ENGAGEMENT

Awareness-raising activities are constantly organized for staff members of the Bank with a view to promoting ethical values and ensuring they are embedded into their behavior and daily performance of their activities.

There are also additional aids tailored to each category of functions, including illustrated and educational guides.

CONTROL, AUDIT AND MECHANISMS FOR CONTINUOUS IMPROVEMENT

To ensure effective implementation and efficiency of its ethical framework, Bank Al-Maghrib runs regular compliance controls and audits, in accordance with a risk-based approach. In addition, the ethical framework is reviewed periodically to ensure its enhancement and adaptation with changes in the Bank's activities and environment. Since its implementation, the framework was updated four times: in 2007, 2010, 2012 and 2015. Consistent with the Bank's transparency policy, the core elements of this framework are posted on the Bank's internet portal.



4

Human capital: A Performance Driver

As a responsible employer, Bank Al-Maghrib places human capital at the focus of its concerns

PROFESSIONAL DEVELOPMENT AND WORKING CONDITIONS

TRAINING, A MAJOR VEHICLE FOR EMPLOYEES PROFESSIONAL DEVELOPMENT

The primary objective of the training policy is to keep abreast of the Bank's changing business requirements in order to acquire the necessary skills. In 2015, more than 300 training courses were offered to 50% of staff members in areas covering all processes.

In order to effectively meet some specific needs, the Bank designed new forms of learning, including an e-learning platform.

Looking ahead to the deployment of a regional platform for skills management and exchange of expertise, for

its staff members and partners, Bank Al-Maghrib forged cooperative partnerships with central banks and international financial institutions. In this respect, 10 seminars were organized during 2014-2015 and more than 200 executives of the Bank and national institutions benefited from the training events offered thanks to this platform.

*In 2015,
the average number of training
days per staff member is
6.8 days*

*More than **2000**
participants
signed up for trainings covering
all processes*

*In 2015,
50%
of staff members received
trainings*

*The budget allocated to
training
increased by an average of
9% during 2013-2015*



Regional seminar at Bank Al-Maghrib's training center, November 2015

CAREER MANAGEMENT, A KEY TOOL FOR ANTICIPATING AND ACCOMMODATING DEVELOPMENTS IN CORE BUSINESSES AND MEETING STAFF EXPECTATIONS

100%
of staff members
are subject to an annual performance review

Tailored arrangements have been developed to ensure an individualized HR management and provide staff members with opportunities matching their motivations.

These arrangements rest on a job management and classification system enabling the positioning of all categories of staff members in 5 career paths and different promotion steps.

Annual performance review

The annual performance review is the culmination of the process for reviewing staff contribution and performance. It is intended to recognize and reward on merit the efforts of each and every staff member, based on the principles of equity and differentiation.

Promotion and mobility policy

The promotion process offers the possibility to manage, in a structured way, staff progression in career paths. Progression through career steps reflects both the experience acquired and applied by the staff member in the performance of his/her function, on the one hand, and the ability to meet new requirements for the performance of that function, on the other.

Mobility arrangements are deployed with a view to enhancing individual skills set and diversifying career paths. The objective is to optimize the Bank's staffing requirements and support professional development of staff members who wish to advance their careers in new core businesses.

TALENT MANAGEMENT AND SUCCESSION PLANNING

To support professional development of staff members and anticipate requirements for skills, succession plans have been developed for critical positions based on a concerted, proactive approach enabling succession and retention of the accumulated expertise.

21% of staff members
promoted (average for 2013-2015)

More than 120
staff mobility
in 2015



DEVELOPMENT OF LEADERSHIP AND CROSS-BUSINESS COLLABORATION

Development of managers' behavior skills is a priority under the human resources management policy. A framework for the assessment of managerial practices has been put in place, since 2013, to respond to two objectives, namely: to constantly measure the progress made, and to ensure homogeneity in the practices deployed by managers on the ground. In concrete terms, the framework covers three managerial practices required for managers: annual performance review, identification of training requirements, and optimized use of human resources.

The Bank has also incorporated since 2013 the promotion of cross-business collaboration as one of its priority projects to continuously advance collective performance.

RECRUITMENT POLICY

The purpose of the recruitment policy is to meet the changing requirements in the Bank's core businesses and the growing needs in terms of expertise. The policy focuses on the attraction of highly qualified staff and specialization of resources.

200 new recruits
during 2013-2015

Average turnover
rate during 2013-2015 is
0,5%

A REMUNERATION THAT RECOGNIZES CONTRIBUTION AND PERFORMANCE

The remuneration regime rests on the principles of equity and differentiation. Its structure includes fixed and variable remuneration components, which serve to recognize the contributions and individual and collective performances of staff members. The Bank also offers to its staff members a range of social benefits.

SOCIAL DIALOGUE WITH SOCIAL PARTNERS, IN AN ATMOSPHERE OF SERENITY AND MUTUAL TRUST

The Bank convenes regular meetings with social partners to discuss issues pertaining mainly to its social policy, in an atmosphere of transparent and constructive exchanges. Besides, the Governor presides over annual interactive meetings with staff representatives to review the progress made and consider measures to improve social services.

“



Zakaria HAMIRIFOU
*Head of Human Resources and
Training Department*

We are committed to acting for the professional development of staff members, recognition of their performance, and cultivation of their well-being, with equity and transparency as our watchwords. It should be underlined that we constantly lend a receptive ear to all stakeholders: we listen to entities and their needs to support the implementation of the Bank's strategy and fulfillment of its missions, we listen to staff members and their expectations by giving a meaning to our human resources management frameworks and adopting an approach of continuous improvement of our management practices and we listen to our social partners, through a structured and constructive dialogue enriching the set of our social services.

We of course intend to continue to enhance the necessary conditions for recognition and development of staff members, as concretely demonstrated by our ambitions under the strategic plan 2016-2018.

”

RESPECT AND PROMOTION OF HUMAN RIGHTS, A COMMITMENT OF BANK AL-MAGHRIB

In keeping with its willingness to serve as a responsible employer, Bank Al-Maghrib is committed to upholding the fundamental rights of the individual as defined by the Constitution and the ILO fundamental Conventions

FREEDOM OF ASSOCIATION, A RIGHT EMBEDDED IN BANK AL-MAGHRIB CULTURE

Respect for freedom of association has always been proclaimed as one of the strong commitments of Bank Al-Maghrib. This right is a long-standing feature of the Bank's culture and a responsibility assumed at all levels of organizational structure.

PROMOTION OF EQUAL OPPORTUNITIES FOR WOMEN AND MEN, A PRINCIPLE AT THE CENTER OF BANK AL-MAGHRIB'S COMMITMENTS

Bank Al-Maghrib places a high value on professional gender equality and regards it as a contributory factor to social cohesion, which is an essential driver of performance. This approach is reflected mainly in recruitment, remuneration and access to management positions.

In 2015

Women represent:
40%
of the overall staff number

36%
of management



Sakina CHIHABI
*Head of Bank Al-Maghrib
Branch in Rabat*

Serving as Manager of the Bank's Branch in Rabat since February 2013, I previously worked as assistant Director for 4 years. Since my relocation to this Branch in 1991, I served at various management positions, which enabled me to develop the necessary technical and managerial skills. My professional path is a vivid example of our Institution's willingness to recognize its human capital and ensure their professional fulfillment and growth, by offering them equitable and equal opportunities.

PRESERVATION OF HEALTH AND SAFETY, A CONSTANT PREOCCUPATION

Bank Al-Maghrib considers Occupational Health and Safety of its staff members and service providers at its sites as a fundamental value

OCCUPATIONAL HEALTH AND SAFETY, PRIORITIES FOR BANK AL-MAGHRIB

The Occupational Health and Safety Management System (OHSMS) rests on a proactive approach based on the identification, assessment and control of occupational risks, in accordance with a structured methodology to prevent incident occurrence risks.



DAR AS-SIKKAH SITE: A site certified since 2013 to OHSAS 18001 (Occupational Health and Safety Management System)

An assessment of risks inherent to the work stations of staff members and external personnel working in the site of Dar As-Sikkah was conducted. This assessment, which is annually reviewed, prioritizes risks and defines an action plan to mitigate those judged as significant. The risk assessment is a participatory approach involving all entities concerned. A regular monitoring of laws and regulations pertaining to occupational health and safety is conducted to maintain compliance with the relevant requirements. In addition, the modernization of the machinery for the manufacturing of banknotes, coins and Security documents helped further in controlling risks, mainly by reducing:

- Hardship at work;
- Noise harmfulness;
- Machine accidents;
- Incidents caused by the handling of chemical products.

OCCUPATIONAL HEALTH AND SAFETY ACTION PLAN, AN EMBODIMENT OF BANK AL MAGHRIB'S COMMITMENT

To implement the Occupational Health and Safety Policy, under the Occupational Health and Safety Management System, an action program is defined to ensure the operational control of the system:

- Regulatory control and upgrading of technical equipment and facilities to ensure their compliance;
- Upgrading zones of explosive atmospheres (ATEX) and reinforcement of warning signs and protection means;
- Providing all staff members with Personal Protective Equipment (PPE) adapted to potential hazards;
- Presence of warning signs about the machines and equipment and provision of adequate protection measures (mechanical protection, emergency pushbuttons, etc).

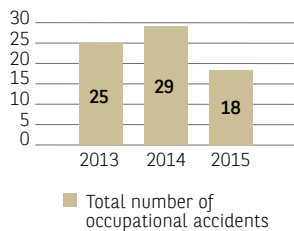


PREVENTIVE MEDICINE AND OCCUPATIONAL MEDICINE, TO MAINTAIN THE HEALTH OF STAFF MEMBERS

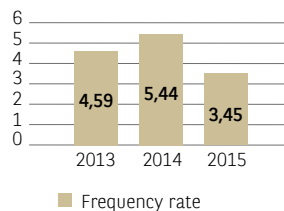
As part of its attentive endeavors to maintain the health of all staff members, the Bank is constantly striving to improve its health services. It has a central medical department with up to ten branches providing staff members with access to several services in preventive medicine and

occupational medicine, mainly by conducting periodical medical visits, vaccine campaigns, awareness-raising events and specific examinations for some business activities.

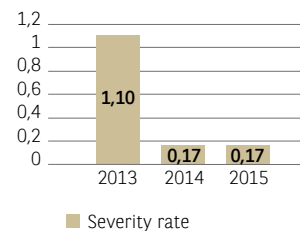
Change in occupational accidents



Change in the frequency rate of occupational accidents



Change in the severity rate of occupational accidents



In 2015

330 female staff members

benefited from the testing campaign for malignant breast tumors

481

male staff members benefited from the testing campaign for malignant prostate tumors

The seasonal flu vaccine

campaign benefited

595 persons.

5 Community Involvement: An Asserted Responsibility

The mission of Bank Al-Maghrib is an integral part of an approach of responsibility towards community with a view to contributing to its economic and social development. In this respect, the Bank strives through its strategic plans to promote financial inclusion and education, consumer protection and, more recently, sustainable finance

FINANCIAL INCLUSION

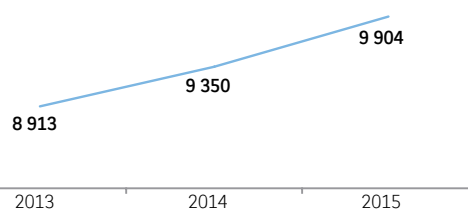
Since its strategic plan 2007-2009, Bank Al-Maghrib has incorporated financial inclusion as a strong commitment and recognized it as one its strategic objectives, by laying down its first building blocks in 2007 as part of a broader strategy aimed at deepening domestic banking market, achievement of integrated development of financial market by 2020 and positioning of our country as a regional financial hub: the objective being to establish and promote sound and solid foundations for a responsible, sustainable finance benefiting various segments of population and businesses.

This commitment is reflected by the following measures:

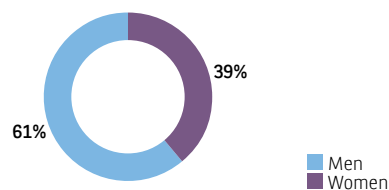
- Setting a three-year objective to promote access to banking services since 2007;
- Lifting barriers to access to banking services, notably:
 - » Provision of free of charge access to several basic banking services;
 - » Possibility to open demand deposit accounts without prior transfer of funds.

- Encouraging banks to develop low income banking strategies for the benefit of low-income citizens and reinforcement of their implementation nationwide, as well as the development of an offer of innovative products and services tailored to each type of customers (individuals, Moroccans living abroad, very small, small and medium enterprises (VSSME), etc).

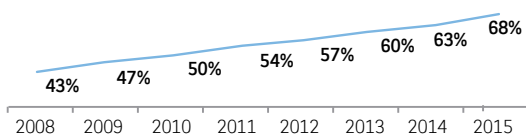
Change in points of access to banking services "deposit and withdrawal"



Breakdown of individual customers of banking institutions by gender-2015



Change in the rate of access to banking services





Participation of Bank Al-Maghrib in the Global Policy Forum organized by the Alliance for Financial Inclusion in Maya in 2012

- Supporting the development of financing of very small, small and medium enterprises through the following actions:
 - » Launch by the Bank and its partners of 3 major awareness-raising campaigns targeting very small, small and medium enterprises (in 2007, 2011 and 2014) in all regions of the Kingdom for the purpose of informing them about financing instruments and support available to them and gathering input about their expectations;
 - » Conclusion in 2005 of a convention on financing conditions for VSSMEs between the Moroccan Bankers' Association (GPBM) and former Federation of SME, under the aegis of Bank Al-Maghrib;
 - » Establishment of the first Credit Bureau in 2009 and the second in 2016 with the mandate of centralizing and diffusing information about banking credit beneficiaries;
 - » Development by Bank Al-Maghrib of a mechanism for banking refinancing for the benefit of VSSMEs, especially those operating in the sectors of industry and exports, thus inaugurating a non-conventional monetary policy;
 - » Establishment of a Financial Support Fund for VSSMEs institutions to co-finance with credit institutions viable VSSMEs experiencing temporary difficulties due to difficult conditions;

- » Establishment of an observatory for VSSMEs with the purpose of providing enterprises and other private and public actors with studies and information on the demographic, economic and financial conditions of the country's production fabric with a view to developing a comprehensive, common and shared vision of the issues of financing and support of VSSMEs.

FINANCIAL EDUCATION

Financial education is regarded by the Bank as a pillar for the promotion of financial inclusion and a major factor in the achievement of sustainable development. In 2013, the Bank established the Moroccan Foundation for Financial Education (MFFE), as part of a public-private partnership.

The Foundation's actions are broken down according to different targets:

Programs targeting young people

The Finance Week: An annual event which has been organized since 2012. Its program features the following activities:

- » Visits by primary and secondary school students to Bank Al-Maghrib agencies, banks agencies, insurance companies, the Casablanca Stock Exchange, Bank Al-Maghrib Museum and Dar As-Sikkah;
- » Provision of training sessions for secondary school students by staff members of Bank Al-Maghrib, banks, insurance companies and the Casablanca Stock Exchange.

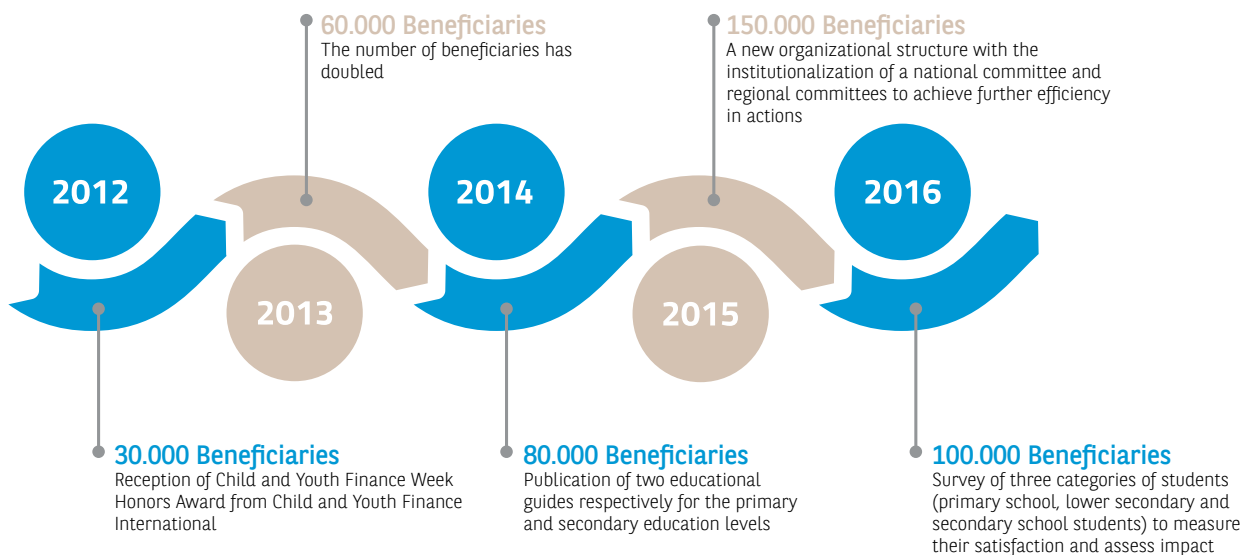
By end 2015

The VSSMEs support Fund financed

1,7 billion dirhams

1,2 billion dirhams
co-financed by banks

183 approved requests



In partnership with the Ministry of National Education, the Foundation has in 2015 launched a project intended to gradually incorporate financial education into curricula. With the assistance of partners, the two co-sponsors developed a learning kit, adapted textbooks of students and provided training for teachers.

Vocational training and university programs

- Incorporation of financial education in the curriculum of apprentice artisans: up to the end of 2015, the Foundation provided training to 120 trainers with a view to building the capacities of the Ministry of Craft and Economic Solidarity in this area;
- Ongoing preparations for a conference program targeting university students to consolidate their knowledge of financial matters.

Programs targeting VSSMEs and micro-enterprises

- Organization in 2015 of a touring caravan for financial education covering almost all administrative regions of the Kingdom with the aim of disseminating financial culture among 3,200 self-employed artisans;
- Farmers and micro-entrepreneurs: In partnership with Crédit Agricole du Maroc, the Foundation carried out its first activities targeting this category in 2016 in the Gharb region, building on a survey on the needs of small farmers;

- Micro-enterprise: The Foundation set out an action plan in partnership with Al Amana Association to provide tailored training programs in 2016, based on an educational kit covering both personal finance and the management of this enterprise category.

Programs targeting the general public

- Conducting a radio campaign relaying messages on financial education over a period of 8 months, with an average of 1.5 million listeners per day;
- Digital actions: The Foundation is considering the development of a digital action plan with the aim of reaching out to a broader audience through an educational and interesting content.

Programs targeting sub-Saharan migrants and Moroccans living abroad

The Foundation is considering the development of specific educational programs targeting these two categories.



Conference on financial education in the Arab world: Strategies, implementation and impact, organized in Rabat on 20-21 October 2016

CONSUMER PROTECTION

To produce solid and irreversible results, financial inclusion actions must be supported by measures to ensure good consumer protection and promote the development of credit institutions/customer relationships based on sound and balanced foundations.

The regulatory framework set out by Bank Al-Maghrib in this regard has allowed improving the information of credit institutions' customers and strengthening settlement arrangements of disputes that may arise between the two parties. This framework involves the following key measures:

- Requiring banks:
 - » since 2007, to display their banking conditions in a standardized manner;
 - » since 2010, to send to customers legible bank statements based on a standard vocabulary as well as a summary of commissions and fees charged.

- Creating a Banking Services Price Index (BSPI) in 2013 to accurately keep track of the evolution of bank service costs;
- Establishing a specific control of market practices in January 2016;
- Enhancing the resources of Bank Al-Maghrib's consumer protection unit, particularly regarding the processing of credit institutions' customer complaints;
- Reforming banking mediation arrangements introduced in 2009, in collaboration with the banking community, which resulted in the establishment of an independent mediation center, with additional resources and expanded scope of competence.

SUSTAINABLE FINANCE

In acknowledgment of the importance of environmental, social and governance challenges, Bank Al-Maghrib devotes special attention to issues related to sound finance for sustainable economy.

Over the past years, several Moroccan banking and financial institutions have incorporated these dimensions in their internal activities and services. However, these commitments and initiatives need to be coordinated under a comprehensive, structured policy.

Bank Al-Maghrib has thus prompted a reflection on a "Sustainable Finance" strategy, as part of a working group consisting of representatives of other regulators and financial sector associations. This initiative, which was supported by the COP 22 Scientific Committee, managed to bring together all public and private partners concerned, to define the broad lines of a roadmap enabling better contribution of the financial sector to the development of a domestic green economy.

In consultation with other regulators of the financial sector, Bank Al-Maghrib will also ensure that the banking oversight and financial stability missions incorporate a new dimension concerning the potential risks induced by climate change.



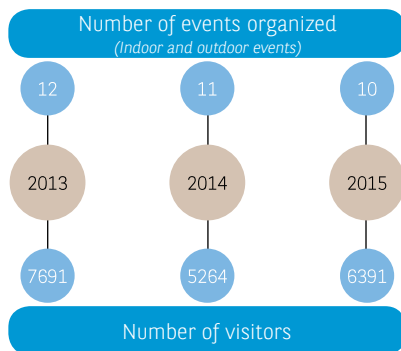
The Sustainable Finance Event organized in 2015 by Bank Al-Maghrib in partnership with the United Nations Environment Programme Finance Initiative (UNEP-FI) and the International Finance Corporation

BANK AL-MAGHRIB MUSEUM, A HISTORY DEEPLY-ROOTED IN MOROCCAN HERITAGE

By establishing its Museum, Bank Al-Maghrib has as its stated objectives to preserve and promote Moroccan numismatic and artistic heritage, make it accessible to the public and contribute to the country's cultural prominence.

The Museum houses a large numismatic collection of more than 30,000 coins, and artistic objects covering more than 800 works. This heritage reflects the Bank's missions and recounts the Kingdom's centuries-old history.

Since 2011, the Museum has been running an annual cultural program consisting of two cycles: a numismatic cycle (Moroccan currency) and an artistic cycle (painting exhibitions: Tribute and Discovery), which features a diverse range of activities, including exhibitions, guided tours, educational workshops, panel discussions and open days.



Educational workshop for children at Bank Al-Maghrib Museum

HIGHLIGHT

Striking a medal in commemoration of the 22nd Conference of the Parties (COP 22) on Climate Change organized by the United Nations in Marrakesh, on November 2016



On April 2010, Bank Al-Maghrib issued a commemorative medal to mark the 40th Anniversary of the Earth Day. Similarly, and on the occasion of the COP 22 held in Marrakech in November 2016, Bank Al-Maghrib struck a silver medal with a weight of 28.28 grams and a diameter of 38.61 millimeters.

On the obverse of the medal is an effigy of His Majesty King Mohammed VI and on the reverse a stylized representation of the Earth and the historic Menara site in Marrakech.

The inscriptions on the circumference read:

« مؤتمر الأمم المتحدة للتغير المناخي »
 « CONFERENCE DES NATIONS UNIES SUR LES
 CHANGEMENTS CLIMATIQUES »
 « MARRAKECH 2016 COP 22 - CMP12 2016 مراكش »

The silver medals, each presented in an individual case, are available for sale to the public at Bank Al-Maghrib Museum and counters.

The proceeds from the sales of these medals will go to Organizations working for environment protection and sustainable development.

6 Responsible Procurement: Transparency and Equity

Under Bank Al-Maghrib's vision, buying responsibly reflects a willingness to build with suppliers and sub-contractors a common adherence to the Corporate Social Responsibility principles beyond technical compliance

PROCUREMENT PRACTICES OF THE BANK, PROMOTION OF ITS CORPORATE SOCIAL RESPONSIBILITY AMONG SUPPLIERS

Bank Al-Maghrib has put in place several arrangements to ensure compliance by suppliers and their sub-contractors with domestic corporate regulations, the ILO International Conventions and regulations relating to the Environment and Occupational Health and Safety (OHS).

The code of conduct of the Bank's suppliers contains aspects relating to the prevention of corruption, conflict of interests, compliance with corporate regulations, Occupational Health and Safety and the protection of the Environment.



RELATIONS WITH SUPPLIERS, A CONTINUOUS IMPROVEMENT

Equal treatment of suppliers

In the procurement contracts entered into under the procurement regulations, the Bank guarantees equal treatment of suppliers. A clear and precise mechanism was developed to describe all stages of the procurement process to those involved.

Payment deadlines

The observance of invoice payment deadlines is a matter of particular attention for the Bank. In this regard, several actions have been undertaken to comply with, the regulations on invoice payment deadlines.

Gathering input about suppliers' expectations

Bank Al-Maghrib convenes periodic meetings with its main suppliers, to discuss aspects relating to the procedures of delivery and production, payment deadlines and actions to improve relations between the two parties.

7 Environmental Responsibility: Reducing our Footprint

In recognition of the importance of challenges relating to climate change and global warming, Bank Al-Maghrib has undertaken actions to reduce its impact on the environment

PRESERVATION OF THE ENVIRONMENT, A STRATEGIC CHALLENGE FOR BANK AL-MAGHRIB

Bank Al-Maghrib has recognized environmental protection as a strategic objective under its recent plans by undertaking the following actions:

- Development and maintenance of an Environmental Management System (EMS) engaging all entities of the Bank;
- Reduction of energy and water consumption;
- Reduction of paper consumption;
- Incorporation of environmental criteria in real estate projects.

THE ENVIRONMENTAL MANAGEMENT SYSTEM, A COMPREHENSIVE APPROACH ACROSS THE BANK

In a constant endeavor to preserve the environment, Bank Al-Maghrib has initiated an Environmental Management approach in line with the international standard ISO 14001.

In this respect, it conducts annual assessments of environmental impact and reviews the Bank's compliance with the relevant legal and regulatory requirements. The aim is to define relevant action plans to mitigate the impacts and comply with

environmental recommendations. All entities participating in the EMS are engaged and ensure its operational control.

EMS internal and external audits are conducted on an annual basis to ensure the Bank's compliance with the normative requirements under the ISO 14001 and efficiency in the performed actions.



Team in charge of the development and implementation of the Management System for Occupational Health-Safety and the Environment

Day on Occupational Health and Safety and the Environment, enhancing awareness, exchange and engagement of all staff members

In 2013, a Day on "Occupational Health and Safety and the Environment" was organized at Dar As-Sikkah to build awareness of those involved in the site about aspects relating to Occupational Health and Safety and the Environment. Topics addressed during this day mainly covered risks related to work stations, especially chemical risks, risks related to machinery and tools, personal protection equipment and waste management.

ORGANIZED EVENTS RELATING TO ENVIRONMENT AND CSR

400 participants

in the Day on "Quality, Safety and the Environment", including providers of outsourced services



Symposium on Corporate Social Responsibility and Award of QSE certificates

To mark the World Environment Day, and in conjunction with the ceremony organized to award the triple certification of Quality, Occupational Health and Safety and the Environment, Bank Al-Maghrib organized a symposium on Corporate Social Responsibility in the banking and financial system. The event brought together several corporate partners of the Bank and representatives of central banks and international institutions.

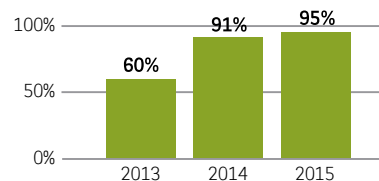


DAR AS-SIKKAH, AN INDUSTRIAL UNIT COMMITTED TO THE PROTECTION OF THE ENVIRONMENT

Over the last three years, thanks to the implementation and improvement of the Environmental Management System (EMS), several actions have been carried out:

- Recycling of more than 97% of water used in production of banknotes by deploying an adapted method which significantly reduces make-up water consumption and corresponding industrial liquid discharges;
- Systematic analysis and monitoring of liquid discharges and air emissions;
- Integrated waste management: separation at source, collection, transport and treatment in dedicated facilities;
- Waste treatment: energy recovery or material recovery;
- Accommodating a dedicated area for pre-sorted waste collection.

Rates of recovered industrial waste



The design elements of the 2011 coin series and the 2012 banknote series have incorporated themes related to sustainable development and protection of the environment.

THE 2011 MOROCCAN COIN SERIES SUSTAINABLE DEVELOPMENT AND PROTECTION OF THE ENVIRONMENT



The bee and the saffron crocus



Water lily and the protection of water



Fish, Coral and protection of seabed



National sovereignty



Hassan II Mosque, an architectural masterpiece of the 20th century



Kalâat M'gouna, deep Morocco



THE 2012 MOROCCAN BANKNOTE SERIES THE PROSPEROUS REIGN OF HIS MAJESTY KING MOHAMMED VI



The city



The countryside



The Sahara



The sea



Nour-eddine GUESSOUS Head of Dar As-Sikkah Department

Since its establishment in 1987, Dar As-Sikkah has been endeavoring to consistently improve its products and services, placing environmental protection and prevention of risks related to Occupational Health and Safety at the heart of its priorities. Dar As-Sikkah has since then incorporated state-of-the-art clean technology and gathered the necessary means to minimize the impact of its activities and products on the environment and improve working conditions for its personnel.

For example, environmental protection was listed among the technical selection criteria for the design of the 2012 banknote series, which resulted in reduced consumption of raw materials (paper and ink), electricity and water.

These efforts have been crowned with a triple certification of the site of Dar As-Sikkah to ISO 9001, OHSAS 18001 and ISO 14001.

This approach enables us to be a real contributor to the improvement of working conditions, the development of culture and skills of our staff members and the preservation of the Environment.

And herein lies our commitment to Corporate Social Responsibility.



ENERGETIC EFFICIENCY, A WIDE RANGE OF MEASURES TO REDUCE ENERGY CONSUMPTION

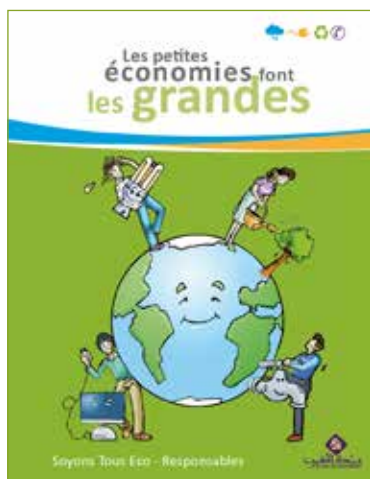
Since 2011, Bank Al-Maghrib has subscribed to energy efficiency as a strategic project covering all of its sites and defined appropriate action plans for this purpose:

- BAS (building automation systems) have been installed in 5 sites of the Bank since 2015, and are projected to be rolled out across the 22 sites by 2018;
- Automated start/stop functions for technical installations;
- Optimization of lighting sources and adoption of LED technology;
- Incorporation of new energy-efficient technologies such as the free cooling system (regulating air conditioning by natural ventilation);
- Substitution of R22 refrigerants in air-conditioning equipment by environment-friendly refrigerants.

WATER PROTECTION, ACTIONS TO PRESERVE THIS RESOURCE

The main actions to preserve water resource include the following:

- Reduction of water running time by deploying solutions such as automatic water shut-off valves and water-efficient flushing systems;
- Considering restructuring of green spaces into mineral spaces to reduce irrigation water and making rigorous choices of plants requiring lower water consumption;
- Re-use of water processed at water treatment stations in the irrigation of green spaces.



THE HIGH QUALITY ENVIRONMENTAL STANDARD APPROACH FOR BUILDINGS

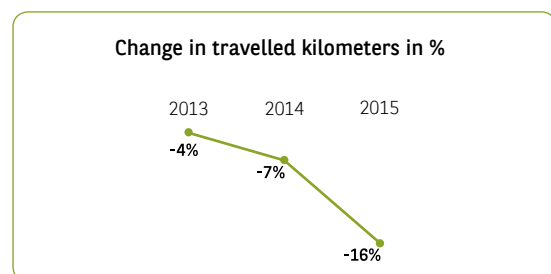
In 2014, Bank Al-Maghrib incorporated adjustment planning of its headquarters in accordance with the High Quality Environmental Standard approach. This voluntary initiative covers 4 aspects: eco-construction, eco-management, comfort and health. It meets 7 targets of the 14 targets of this standard: thermal and acoustic insulation, natural lighting, choice of materials and energy efficiency.



OPTIMIZATION OF TRANSPORTATION

To reduce transportation carbon footprint, the following actions were achieved:

- Establishment of a videoconference system as part of a comprehensive Green IT approach;
- Renewal or reduction of 20% of light-duty vehicle fleet through long-term rentals;
- Optimization of personnel transportation routing and replacement of buses by mini-buses;
- Adoption of a maintenance policy for clean vehicles.





Sabah OUZZANI TOUHAMI
 Head of Real Estate
 and Logistics Department

Recognizing the impact of our buildings, facilities and equipment on the environment, we willingly undertook concrete actions covering all our activities. Since 2011, we incorporated the High Quality Environmental standard approach and energy efficiency in our strategy and launched an energy audit to identify our energy saving potential. We may already announce the achievement of reduced fuel consumption, optimal electricity consumption and a systematic deployment of energy-efficient solutions in our buildings. Given the fact that enormous energy savings come from environment-friendly behavior of staff members and service providers, we have directed the focus of our actions towards mainstreaming of sustainable development culture in our practices.

RESPONSIBLE CONSUMPTION OF PAPER

By removing individual printers and their replacement by multi-function collective printers, paper consumption decreased by 31% between 2012 and 2015.

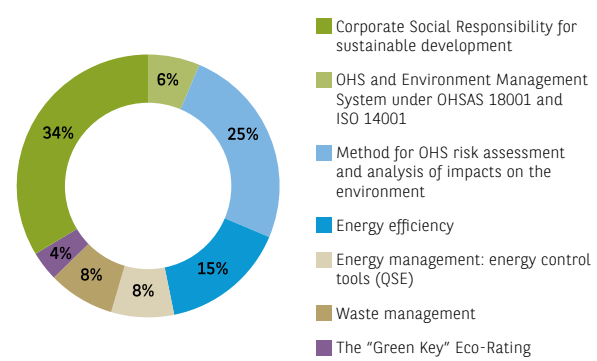
This trend is expected to continue with the ongoing digital transformation project aiming to roll out paperless processes.

BUILDING AWARENESS OF STAFF MEMBERS, A PERFORMANCE DRIVER

From 2013 to 2015, Bank Al-Maghrib carried on its efforts to train and build awareness of teams about the impact of its activities on the environment. Several actions have been undertaken to foster awareness of these challenges among staff members.

150
 environment awareness-raising sessions in 2015

Awareness-raising actions for staff members from 2013 to 2015



IT EQUIPMENT, A DRIVER FOR THE REDUCTION OF ENVIRONMENTAL FOOTPRINT

The Bank promotes recycling of IT equipment through donations to non-profit associations. In the same vein, the 2016-2018 action plan provides for the upgrading of some Datacenter equipment by incorporating environmental criteria.

8

Bank Al-Maghrib's reporting on Corporate Social Responsibility

REPORTING METHODOLOGY

The methodology adopted for the preparation of this first report on Bank Al-Maghrib's Corporate Social Responsibility is drawn from the fourth updated version of GRI reporting guidelines (Global Reporting Initiative), for extra-financial reporting. In doing so, the Bank is striving to comply with the best international standards on Corporate Social Responsibility.

REPORTING SCOPE AND COVERED PERIOD

In this report, the data provided on all central issues of ISO 26 000 as well as environmental, social, corporate and governance aspects cover all activities of Bank Al-Maghrib for the period between 1 January 2013 and 31 December 2015.



GENERAL STANDARD DISCLOSURES**Aspect: Strategy and Analysis**

G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	P. 6
G4-2	Description of key impacts, risks, and opportunities	P. 10

Aspect: Organizational Profile

G4-3	Name of the organization	P. 1
G4-4	Primary missions	P. 7
G4-5	The location of the organization's headquarters	P. 35
G4-6	The number of countries where the organization operates	P. 7
G4-7	The nature of ownership and legal form	P. 7

Aspect: Stakeholder Engagement

G4-24	list of stakeholder groups engaged by the organization	P. 12
-------	--	-------

Aspect: Report Profile

G4-28	Reporting period	P. 32
G4-30	Reporting cycle	P. 32
G4-31	The contact point for questions regarding the report or its contents	P. 36

Aspect: Ethics and Integrity

G4-56	The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	P. 13
-------	---	-------

Aspect-specific disclosures: economic**Aspect: Procurement practices**

G4-DMA	Management approach	P. 25
--------	---------------------	-------

Aspect-specific disclosures: environmental**Aspect: Energy**

G4-DMA	Management approach	P. 26
--------	---------------------	-------

Aspect: Effluents and Waste

G4-DMA	Management approach	P. 28
--------	---------------------	-------

Aspect-specific disclosures: social**LABOR PRACTICES AND DECENT WORK****Aspect: Employment**

G4-DMA	Management approach	P. 18
--------	---------------------	-------

Aspect: Occupational Health and Safety

G4-LA6	Types of injury and injury rate	P. 19
--------	---------------------------------	-------

Aspect: Training and education

G4-LA9	Average hours of training per year per employee	P. 14
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	P. 14 & P. 15
G4-LA11	Percentage of employees receiving regular performance and career development reviews	P. 15

Aspect: Diversity and Equal Opportunity

G4-DMA	Management approach	P. 17
--------	---------------------	-------

HUMAN RIGHTS**Aspect: Non-discrimination**

G4-DMA	Management approach	P. 17
--------	---------------------	-------

Aspect: Freedom of Association and Collective Bargaining

G4-DMA	Management approach	P. 17
--------	---------------------	-------

SOCIETY**Aspect: local communities**

G4-DMA	Management approach	
FS13	Access points in low-populated or economically disadvantaged areas by type	P. 20 & P. 21
FS14	Initiatives to improve access to financial services for disadvantaged people	P. 20 & P. 21

Aspect: Anti-corruption

G4-DMA	Management approach	P. 13
--------	---------------------	-------





*This report was printed on recycled paper confirming
the willingness to preserve and protect the environment*



BANK AL-MAGHRIB

277, Avenue Mohammed V - Rabat - Morocco

Phone: (+212) 5 37 81 81 81

Fax: (+212) 5 37 57 43 92

 www.bkam.ma

 [@BankAlMaghrib](https://twitter.com/BankAlMaghrib)

 [MuseedeBankAlMaghrib](https://www.facebook.com/MuseedeBankAlMaghrib)