



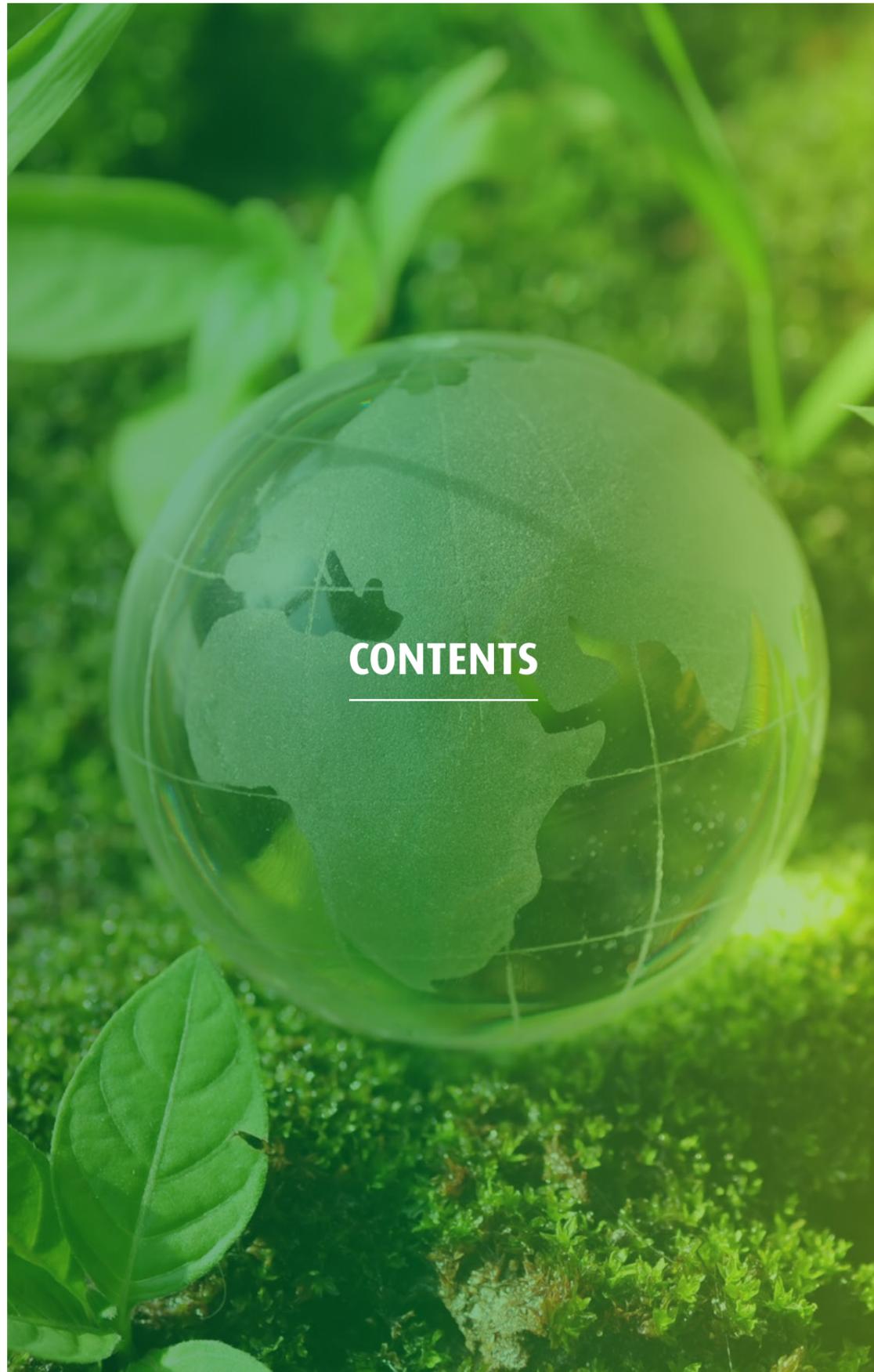
# SUSTAINABLE DEVELOPMENT REPORT

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# 2018







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## CHAIRMAN'S MESSAGE



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The cooperative and solidarity-based model of “Banque Populaire” shows that purpose and profitability do not conflict. Convinced that our responsible conduct stimulates our long-term growth, we strive to integrate the notion of sustainability in our operations and offers, across all the countries we operate in. As a result, our actions fit perfectly into the global framework of the Sustainable Development Goals (SDGs) as listed in the UN 2030 Agenda. These goals, which represent the massive challenges facing humanity in the next decade, will continue to guide our future actions.

Beyond the search for financial benefits, it is the quest for creating value for all that drives us. Since the creation of our banking group in 1926, we have contributed to local economic development in all regions of the Kingdom by supporting industries as well as many small and medium scale businesses. Over the last decades, our principle of social responsibility has also been demonstrated through our major role in financial inclusion. We also measure, as a leading financial institution, the impact that our financing decisions can have on all our stakeholders and also on the environment.

We have been preparing for this since 2012, when we launched our Environmental and Social Risk Management System. In 2016, we launched our first green financing products (Green bonds and Eco Energy Invest). The following year, we went further by creating a Sustainable Development Department to structure our commitments and drive their deployment. In 2018, we conducted a process to define our CSR commitments. It highlighted 15 strategic commitments to be achieved by 2023, based on four main themes: demonstrating ethical practices in our daily practices, committing to socio-economic development, acting against climate change and acting as a responsible employer. From 2020, we will integrate these commitments in our future strategic plan, in order to converge our global strategy and CSR strategy in one direction, that of sustainable growth.

In this regard, it should be recalled that our actions were rewarded this year with we earning the “Top Performer CSR” ranking at the national level and the “Best Emerging Markets Performers” ranking at the international level per the Vigeo-Eiris rating agency as well as with our integration of the new Environment, Social and Governance reference index “Casablanca ESG 10”, set up by the Casablanca Stock Exchange. We also received the CGEM CSR Label on the eve of the publication of this report.

And, for a first in Africa, we are preparing to launch Social Bonds through our powerhouse subsidiary in West Africa, Atlantic Business International (ABI), present in 8 member countries of the WAEMU space. These bonds are intended to finance large social projects (hospitals, social housing, schools ...), in partnership with the International Finance Corporation (IFC) of the World Bank Group.

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**Mohamed Karim MOUNIR**  
Président

# A PAN-AFRICAN BANKING GROUP, ANCHORED LOCALLY AND WITH AN INCLUSIVE MISSION



The « Banque Populaire Group » is composed of the « Banque Centrale Populaire (BCP)”, The central body of the Group, eight Regional « Banques Populaires » (BPR), with branches in Morocco, Sub-Saharan Africa and in Europe, as well as other foundations.

The “Banque Populaire” group positions itself today as a universal financial group to the benefit of all social and economic categories : private individuals, professionals and companies of all sizes are served with their banking products, insurance packages and other services.



## A HISTORIC CORPORATE CITIZEN

Introduced in Morocco through the Dahir of May 25, 1926, the Group's organizational and commercial model is based, right from the onset on the concepts of mutuality, solidarity and citizenship.

After independence, the public authorities proceeded to restructure the "Crédit Populaire du Maroc (CPM)", through the Dahir of 02 February 1961, dedicating it to the development of craftworks and small and medium scale enterprises. More recently, the Dahir of October 17, 2000 reaffirmed the mission of financing small and medium-sized enterprises, crafts, industrial works and services whiles emphasizing on the regional mission of the Bank.



### Laws making provision for the CPM reform

*Dahir n°1-60-232 of 16 chaabane 1380 (2 February 1961) on the reform of popular credit, article 1:*

*The "Crédit populaire du Maroc" is particularly responsible for promoting the activity and development of Craftworks and any small or medium scale enterprise, through the distribution of short, medium and long term credits, both from its own resources and from its client deposits as well as from other funds made available to it in any form whatsoever.*

*The "Crédit Populaire du Maroc" may, in addition, be empowered, under special laws, to provide financial or technical assistance to any other sector of activity than those mentioned above. "*

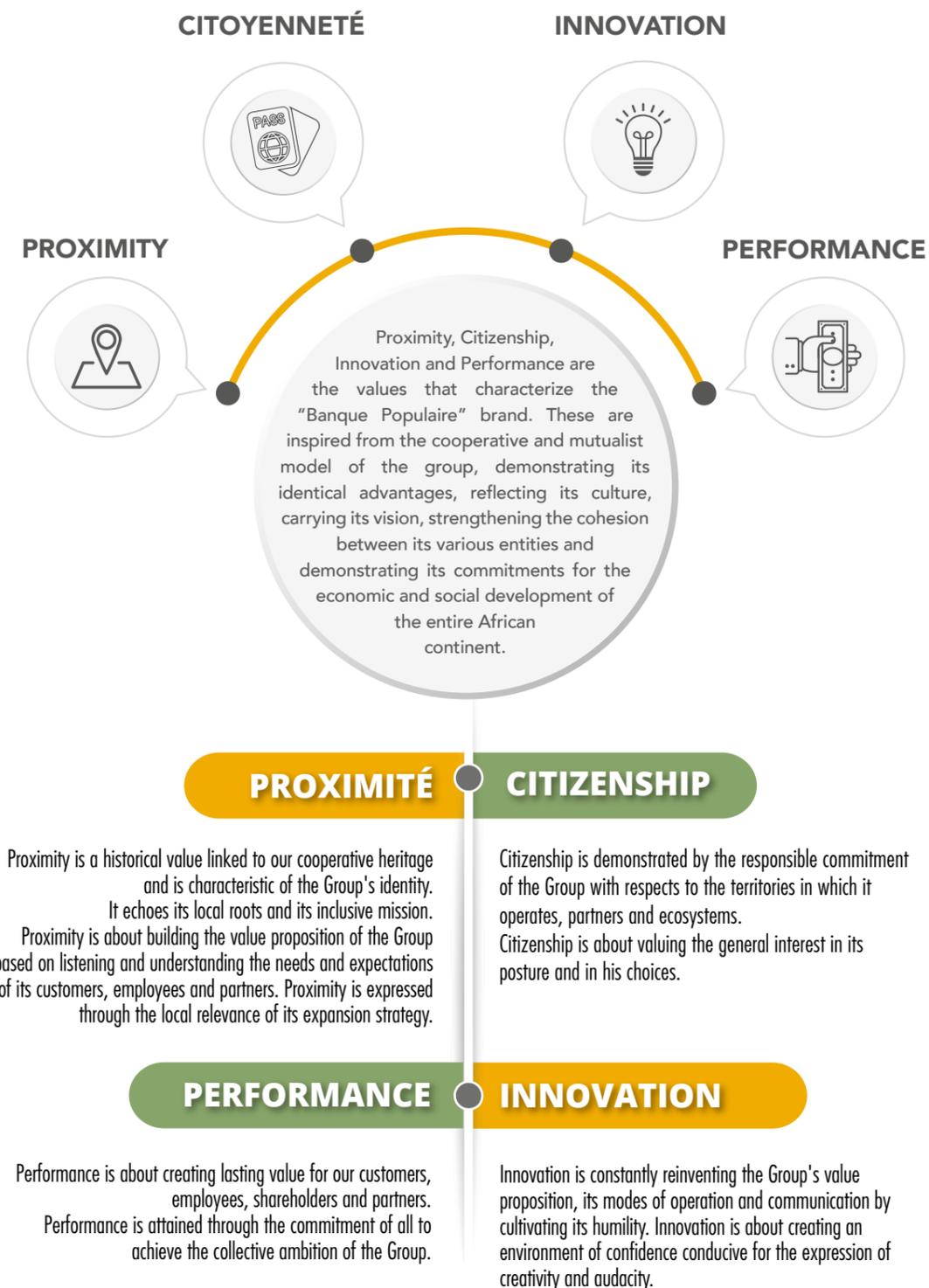
*Dahir No. 1-00-70 of 19 rejeb 1421 (October 17, 2000) promulgating the law n ° 12-96 on the "Crédit Populaire du Maroc" reform, article 1:*

*The "Crédit populaire du Maroc" is particularly responsible for promoting the activities and the development of any medium or small scale enterprise, craftwork, industrial works or services through the distribution of short, medium and long term credits.*

*It contributes to the mobilization of savings, its use within the regions where it is collected and the promotion of banking activities at the local and regional levels. "*

## THE VALUES OF THE « BANQUE POPULAIRE GROUP »

The Group stands out for its strong regional roots and its inclusive mutualist model. Our 17,530 employees across our 28 countries of operations demonstrate our values of proximity, citizenship, innovation and performance on a daily basis.



# « BANQUE POPULAIRE » IN FIGURES



## PRESENCE IN 28 COUNTRIES

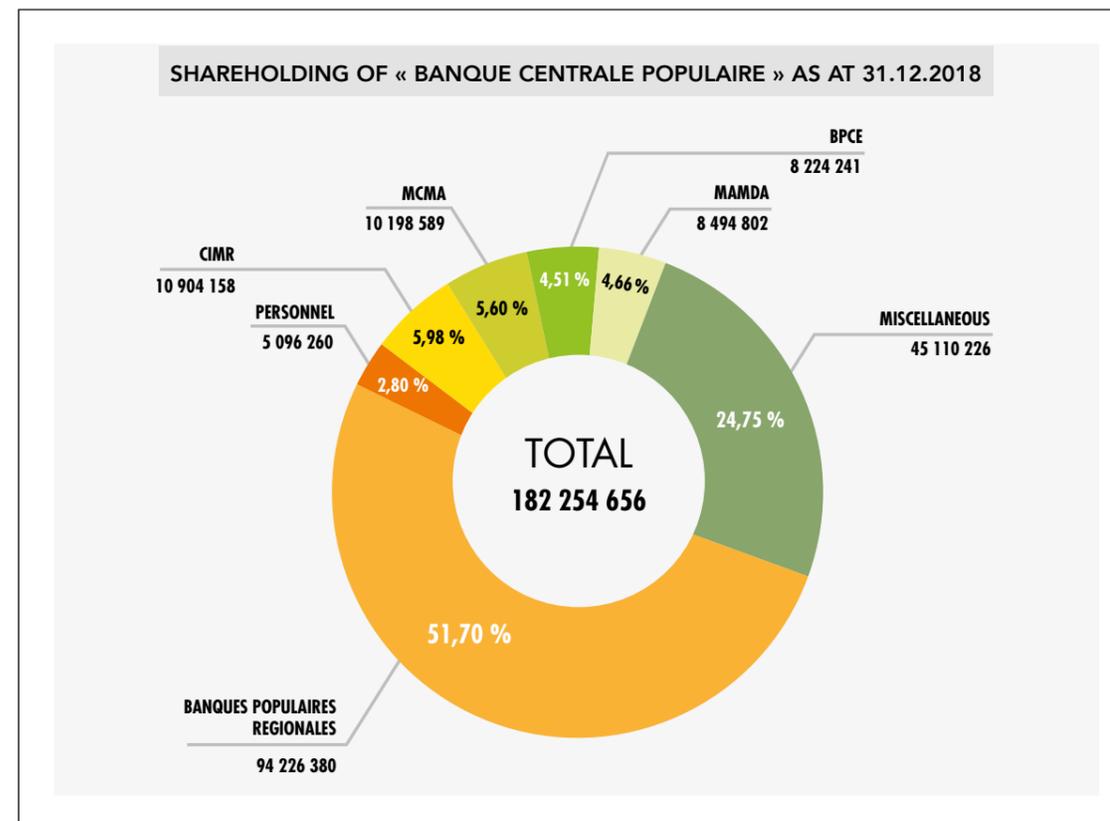
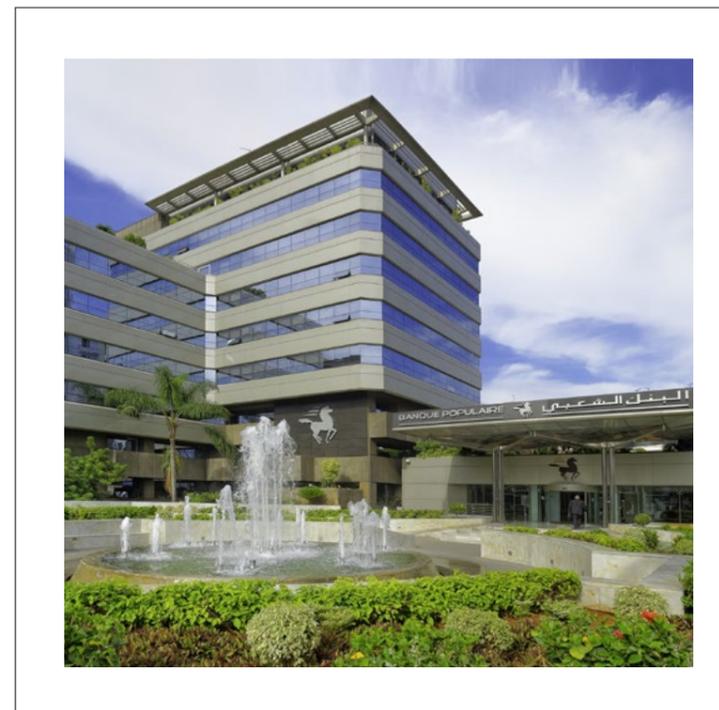


**1<sup>er</sup>**  
Savings collector of the Moroccan Banking system.  
In the repatriation of savings of Moroccans living abroad.

# SHAREHOLDING

The "Banque Centrale Populaire (BCP)", whose headquarters is located in Casablanca, is a Limited Liability Company with an Executive Board and a Capital of 1.822.546.560 DH. It is the Central Body of the eight "Regional Banques Populaires (BPR) » which are Variable-capital cooperative Companies and holds in each of them majority equivalent shares. The group formed by the BCP and the BPRs constitute the « Crédit Populaire du Maroc (CPM) ».

Several institutional bodies (Retirement Fund, Mutual funds, Insurance, Banques,...) hold significant parts of BCP's capital.



# THE GOVERNANCE OF « CRÉDIT POPULAIRE DU MAROC »

Crédit Populaire du Maroc (CPM) is a group of banks made up of the Banque Centrale Populaire (BCP) and the Regional "Banque Populaire" Banks (BPR). The BPRs, whose clients are members, are dedicated to regional development through their cooperative model. Since 1961, this mode of mutualist governance, placing the members at the heart of the decision-making processes, fits perfectly into a perspective of sustainable growth.

## The coordination between the BPRs and the BCP

The "Banque Centrale Populaire" manages the Group's financial management through its dual function of a credit institution and that of a central banking body of the CPM. It coordinates the Group's financial policy and manages the refinancing of BPRs. The BPR clients are equally members and hold 48% of the capital in the form of ordinary

shares, remunerated at a rate decided by the Board of Directors and voted at the Ordinary General Meetings.

As a guarantor of the decision-making balance between the BCP and the BPRs, the Board of Directors is made up of five BCP administrators and five Presidents of the Supervisory Boards of the BPRs.

It is the supreme authority of CPM that validates the strategic directions of the Group, exercises administrative, technical and financial control and controls the common operating rules and takes the necessary measures for the the proper functioning of the CPM organizations.

## Governance of the BCP

As a limited liability company with a Board of Directors, the BCP has been listed on the stock market since July 8, 2004. The Board of Directors determines the strategic orientations of the BCP and oversees their implementation by the management body. Its

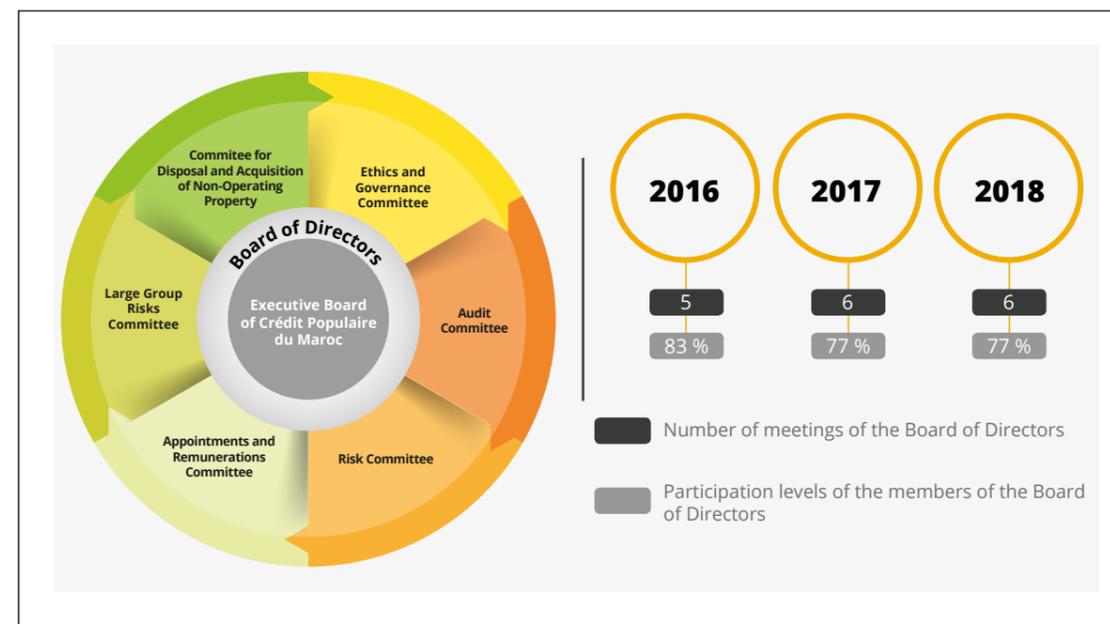
12 members, designated by the Ordinary General Assembly, are appointed for a period of six years. Since 2014, they have benefited from the Hakama training program, in partnership with the Rabat International University. This program, delivered in five modules,

addresses the rules of good governance as well as general topics on finance, strategy and risk management.

The Board of directors of the BCP is subject to an annual assessment carried out by an external independent body.

	2016	2017	2018
Number of beneficiary directors of the cumulative Hakama training program	42	59	75

Emanating from the Board of Directors, the specialized committees deal with specific subjects. In 2017, the "Ethics & Governance", "Large Group Risks" and "Disposal and Acquisition of Non-Operating Property" Committees were created to ensure greater involvement of the directors in the day-to-day business of the Bank. The Ethics and Governance Committee gives its opinion on the functioning of the various committees, the selection of directors and the setting up of charters, like the one, currently being defined, dealing with conflicts of interest within the governance institutions.



## The independence of the Governance bodies

BCP's Board of Directors has three independent members out of a total of twelve members, with the appointment in 2017 of a third independent director.

The independence criteria used are those of Bank Al-Maghreb in its circular n ° 5 / W / 16. Five of the six specialized committees have at least one independent director. Two of the three directors of the Appointments and Remuneration Committee are independent, including the Chairman. This Committee does not include any of the seven shareholder directors. The Risk Committee is also chaired by an independent director.



OF THE BCP DIRECTORS ARE INDEPENDENT

## The mutualist mode of Governance of the BPRs

At all levels of governance of the BRPs, the question of representation and equity is raised. Corporate clients exercise their power with regards to the management and life of their Bank via their Supervisory Boards and the various specialized committees that emanate from them (audit, risks, etc.). The Supervisory Boards are representative of all the sectors of activity in the region. The executive management of each BPR is carried out by a Management Board.

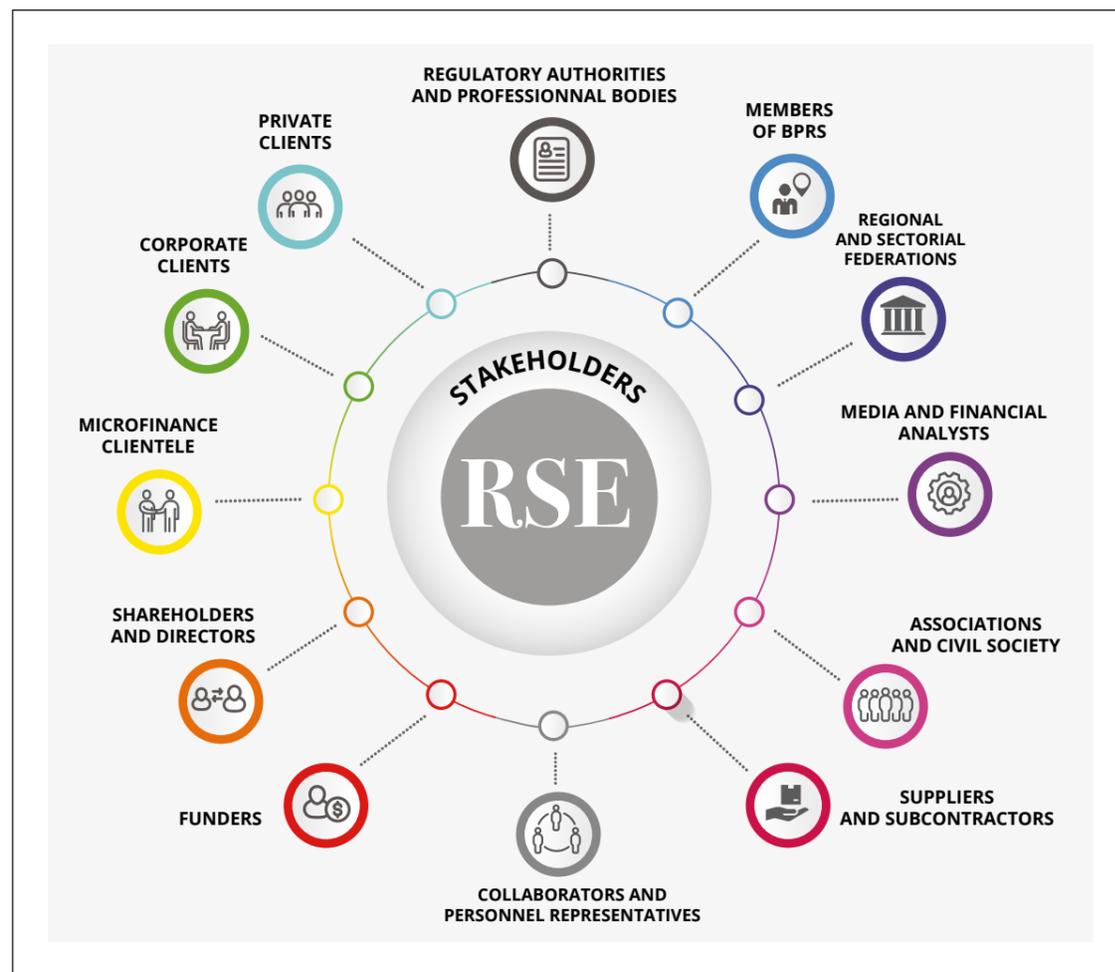
# DIALOGUE WITH STAKEHOLDERS

The “Banque Populaire” Group maintains regular exchanges with each of its stakeholders. Suitable dialogue channels are used by the different groups of stakeholders and their correspondents within the Group. These exchanges are conducted, depending on the case, at determined frequencies, either punctually or continuously.

This ongoing dialogue enables the Group to understand the challenges and expectations of its various stakeholders and take them into consideration in its strategic decision making, its operations, the development of its offers as well as in its societal actions.

This report focuses on informing the various stakeholders of the Group’s social responsibility challenges and the responses it provides. This mapping of stakeholders, their expectations and dialogue channels, was carried out based on the degree of relationship between the Group and each of them and the interviews conducted with the offices in line with the preparation of this report.

## Mapping Of Stakeholders



### ● MAIN DIALOGUE CHANNELS

### ● MAIN CHALLENGES AND EXPECTATIONS

<p><b>Customer relations centre Network</b> Satisfaction surveys Internet portal Awareness creation and financial education</p> <p>.....</p> <p>Transparency Service quality More insurance and assistance products Time periods and conditions for granting credits</p>	<p><b>Customer relations centre Network</b> Satisfaction surveys Internet portal Dedicated Emails Regional meetings Awareness creation and financial education</p> <p>.....</p> <p>Transparency Service quality Tips to accessing adapted credit Time periods and conditions for granting credits Cash management support</p>	<p><b>Network Financial Education</b> Client guide</p> <p>.....</p> <p>Encouraging savings Responding to the health insurance needs Increasing credit limits</p>	<p><b>Assemblées générales Communiqués</b></p> <p>.....</p> <p>Profitability Cost-efficiency Transparency Risk management Good governance Sustainable growth</p>
<p><b>Annual interviews</b> Internal social media Face-to-face and distance meetings Internal communication Permanent social dialogue within Joint committees</p> <p>.....</p> <p>Transparence et équité Diversité au niveau des postes de responsabilités Plus d'assurance santé complémentaire pour maladies lourdes</p>	<p><b>Emails Meetings</b></p> <p>.....</p> <p>Compliance Risk consideration ESG in terms of funding</p>	<p><b>Emails Contracts Partnerships</b></p> <p>.....</p> <p>Simplification of administrative procedures Payment periods Support Balanced and sustainable relationship</p>	<p><b>Partnerships and programs through the "Banque Populaire" Foundation Meetings and gatherings</b></p> <p>.....</p> <p>Financial and technical support for issues of common interest Structured long-term commitment Responding to requests</p>
<p><b>Permanent communication with management</b> Press conferences Results presentation</p> <p>.....</p> <p>Regular and transparent information</p>	<p><b>Meetings</b></p> <p>.....</p> <p>Support and funding for SMEs &amp; micro businesses Support and funding for vulnerable sectors with high potential Support and funding for regions</p>	<p><b>General Assemblies Communiqués</b></p> <p>.....</p> <p>Profitability Cost-efficiency Funding and support for regions Sustainable growth Representativeness et equity</p>	<p><b>GPBM Commissions CGEM Commissions Meetings Official mails Email</b></p> <p>.....</p> <p>Regulatory compliance Participating in ongoing projects Dialogues on the new regulations</p>

# MATERIAL ISSUES

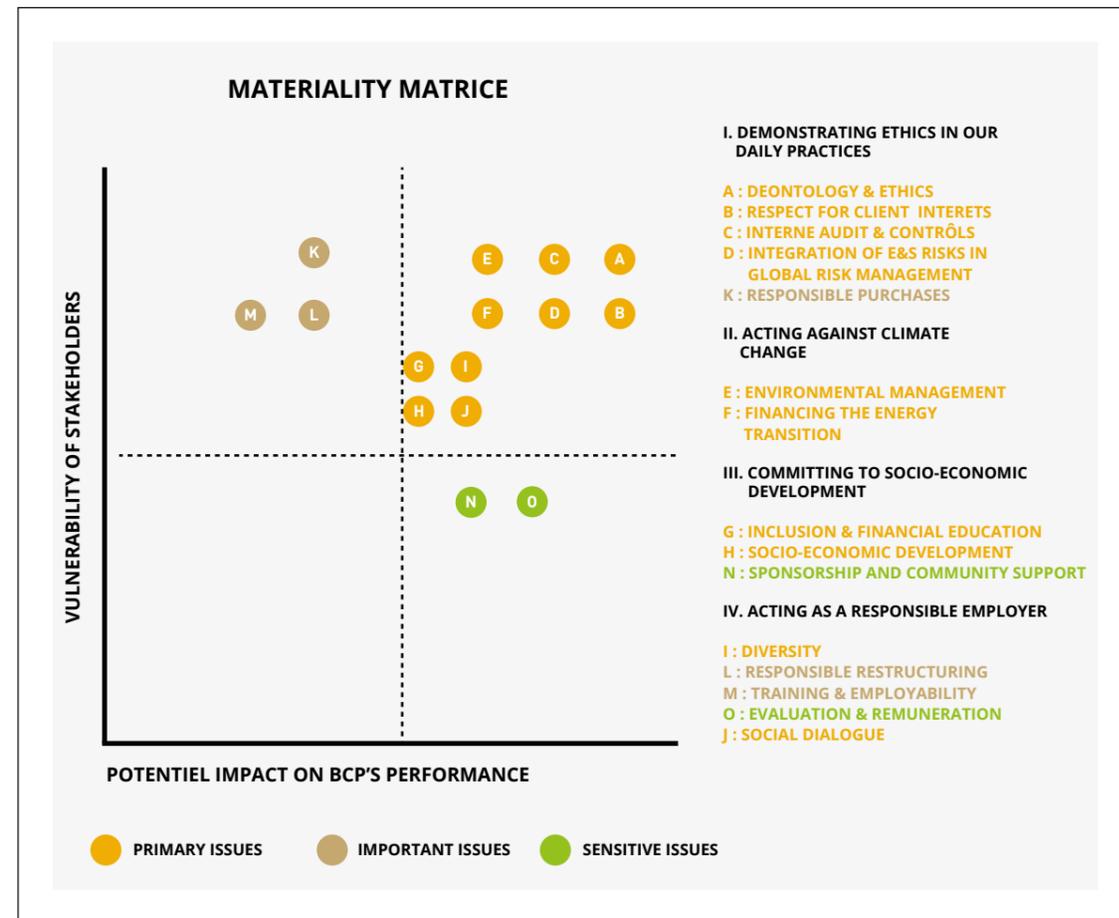
## Primary material issues

In order to define its material issues, the Bank relied on a risk analysis of twenty-six social responsibility issues. These potential issues come from the ISO 26000 standard, the CGEM CSR charter and a sector benchmark.

The internal interviews and workshops, conducted by a third party expert on a wide range of business and support offices, made it possible to measure the potential impact on the Bank's performance and the vulnerability of the stakeholders for each issue. Stakeholder expectations have been defined through internal interviews with employees in regular contact with different stakeholders. A sectoral

reference developed by a third party expert made it possible to complete this internal analysis.

The materiality analysis gave rise to a hierarchy of issues with regards to four risk categories. In the end, this exercise makes it possible to highlight the societal priority issues that are important and primary for the Group's sustainable growth. The Bank's approach has been judged by the third-party expert as showing an advanced degree of maturity with regards to the integration of the seven core issues and the materiality of the dialogue with the stakeholders targeted by ISO 26000.



## Correlation between the material issues and the Global Reporting Initiative (GRI) standards

MATERIAL ISSUES OF BANQUE POPULAIRE	SPECIFIC ISSUES OF THE GRI STANDARDS
DEONTOLOGY & ETHICS	GRI 205 / Fight against corruption
RESPECT FOR CLIENT INTERESTS	GRI 417 / Marketing and labelling GRI 418 / Confidentiality of client data
INTERNAL AUDIT & CONTROLS	GRI 419 / Socio-economic compliance
INTEGRATING E&S RISKS IN GLOBAL RISK MANAGEMENT	GRI Additional sectoral financing
RESPONSIBLE PURCHASES	GRI 204 Purchasing practices GRI 414 Social evaluation of suppliers
INCLUSION & FINANCIAL EDUCATION	GRI Additional sectoral financing
SOCIO-ECONOMIC DEVELOPMENT	GRI Additional sectoral financing
SPONSORSHIP AND COMMUNITY SUPPORT	GRI 203 Indirect economic impacts
ENVIRONMENTAL MANAGEMENT	GRI 302 Energy
FINANCING THE ENERGY TRANSITION	GRI Additional sectoral financing
DIVERSITY	GRI 405 Diversity and equal opportunities
SOCIAL DIALOGUE	GRI 407 Union freedom and collective negotiations
RESPONSIBLE RESTRUCTURING	GRI 402 Employee/Management Relations
TRAINING & EMPLOYABILITY	GRI 404 Training and Education
EVALUATION & REMUNERATION	GRI 404 Training and Education

## THE 15 STRATEGIC CSR COMMITMENTS OF “BANQUE POPULAIRE” GROUP



## THE GROUP’S CONTRIBUTION TOWARDS ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS (SDG) OF THE UNO

**WHAT ARE THE SDGs ?**

Introduced in 2016, the sustainable development goals provide a universal reference framework to eradicate poverty, protect the planet and guarantee prosperity for all. These 17 objectives, defined by all nations, require the implication of all and sets a common goal for the different public, private and associative actors. They have been given specific targets to reach by 2030. The SDGs give meaning to the current actions of businesses and direct their future actions, to put them in phase with opportunities represented by these huge challenges facing humanity. These objective, cannot be achieved by 2030 without the strong contributions of the private sector and Civil society.

The “Banque Populaire” Group is convinced of the importance of its contribution to achieving the SDGs through its core business, internal operations and philanthropic activities.

An analysis of products and services, internal programs and operations involving various functions of the Bank, the Attawfiq Micro-finance subsidiary and the “Banque Populaire” Foundation, made it possible to identify the Group’s contribution to the SDGs.

Through its core business, the “Banque Populaire” Group makes a strategic contribution to four SDGs, on which it has the greatest impact. Four complementary SDGs echo programs in which the Group is heavily committed, whether through its Foundation, funding or internal operations. SDGs 16 and 17 are the foundations for the good conduct of the Group’s business with all of its stakeholders. They make particular reference to partnerships with donors, regulatory authorities, states and associations as well as employee representation at all levels of decision-making.



For each of the priority and complementary objectives, the question of the most relevant targets for the Group came up, and is summarized in the table below.

	PERTINENT TARGETS FOR THE GROUP	STRATEGIC ISSUE FOR THE GROUP
STRATEGIC GOALS		
<b>1 NO POVERTY</b> 	1.4 Access to basic services, land ownership, new technologies and financial services including microfinance.	Inclusion & financial education
<b>7 AFFORDABLE AND CLEAN ENERGY</b> 	7.1 Access to reliable and modern energy services at affordable costs	Socio-economic development
	7.2 Increase renewable energies in the global energy mix	Financing the energy transition
	7.3 Double the global improvement rate for Energy efficiency	Financing the energy transition
<b>8 DECENT WORK AND ECONOMIC GROWTH</b> 	8.2 Achieving a high level of economic productivity through diversification and innovation, Especially emphasizing on sectors with high added value and high intensity workforce	Socio-economic development Inclusion & financial education
	8.3 Promoting policies that encourage production, employment, entrepreneurship, innovation, the growth of micro businesses and SMEs and their integration in the formal sector, including access to financial services	Socio-economic development Inclusion & financial education
	8.10 Encouraging and generalizing access to financial services and insurance for all.	Inclusion & financial education
<b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b> 	9.2 Promoting sustainable industrialization and globally increasing the contribution of industry to employment and GDP	Socio-economic development
	9.3 Increasing company access, especially small industrial enterprises, to financial services, including loan grants with affordable conditions, and their integration in the value chain and the market	Socio-economic development
	9.a Facilitate the setting up of sustainable infrastructure in Developing countries and by strengthening financial, technological and Technical support rendered to African countries	Socio-economic development

	PERTINENT TARGETS FOR THE GROUP	STRATEGIC ISSUE FOR THE GROUP
COMPLEMENTARY GOALS		
<b>2 ZERO HUNGER</b> 	2.3 Double agricultural productivity and the revenue of small food producers by ensuring equal access to financial services	Socio-economic development Inclusion & financial education
<b>4 QUALITY EDUCATION</b> 	4.1 Ensure access for all, boys and girls, equally, to free and quality primary and secondary education	Sponsorship and community support
	4.4 Increasing the number of youths and adults with the necessary skills for employment and entrepreneurship	Sponsorship and community support
<b>10 REDUCED INEQUALITIES</b> 	10.2 Empowering all persons and encouraging social and economic integration without discrimination	Inclusion & financial education
	10.b Stimulating public aid for development and cash flows, including foreign direct investments in favour of developing countries, particularly in Africa.	Socio-economic development
	10.c attaining less than 3 % of transaction costs fund transfers carried out by migrants and Eliminating fund transfer circuits with costs higher than 5 %.	Inclusion & financial education
<b>11 SUSTAINABLE CITIES AND COMMUNITIES</b> 	11.1 Ensuring access to proper and affordable housing for all and sanitizing slums.	Inclusion & financial education
	11.4 Doubling efforts to protect and preserve the world's natural and cultural heritage.	Sponsorship and community support
	11.6 Reducing the negative environmental impact of cities especially with respects to air quality and waste management.	Sponsorship and community support

# DEMONSTRATING ETHICS IN OUR DAILY PRACTICES

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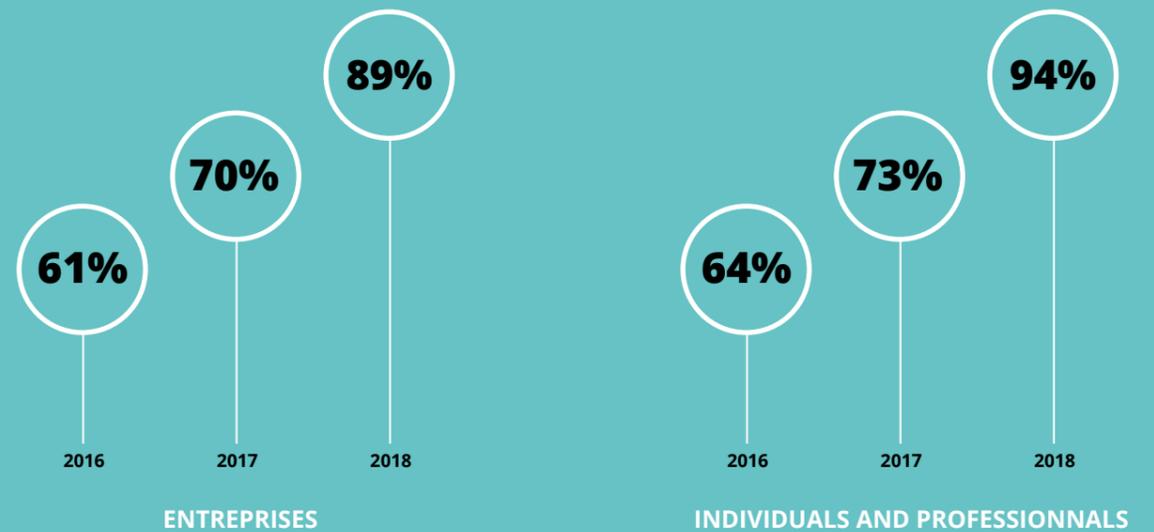
BPR AGENTS TRAINED  
IN EMS BETWEEN  
2016 AND 2018



**100 %**

DÉPLOIEMENT OF EMS  
ACROSS THE WHOLE  
GROUP

## PERCENTAGE OF RESOLUTION OF CUSTOMER CLAIMS



## ACTING WITH DEONTOLOGY AND ETHICS



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The “Banque Populaire” Group prioritizes the compliance of its activities with the existing laws and regulations while making reference to best practices. It thus scrupulously strives to minimize its exposure to the deontological risks characteristic of the banking sector, namely corruption, money laundering and terrorist financing. This ultimately allows the Group to guard against reputational risks and sanctions, thus securing its development process.

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### A well-defined governance and mission of the Group Compliance Department

The Group Compliance department is an independent structure, directly attached, since 2017, to the Management Board.

Its prerogatives cover, in particular, the fight against money laundering and the financing of terrorism as well

as the fight against corruption, abuse of market and conflicts of interest.

Compliance officers, present

in each Group entity, ensure the implementation of the global strategy. The Ethics and Governance Committee, emanating from the Board of Directors of BCP, deals with all issues of ethics and deontology submitted to it by CPM organizations, subsidiaries and Foundations.

The Compliance department prevents and manages issues of conflicts of interest that may arise, particularly in the relations between customers and employees or management bodies. It prevents cases of corruption through, among other things, the implementation of

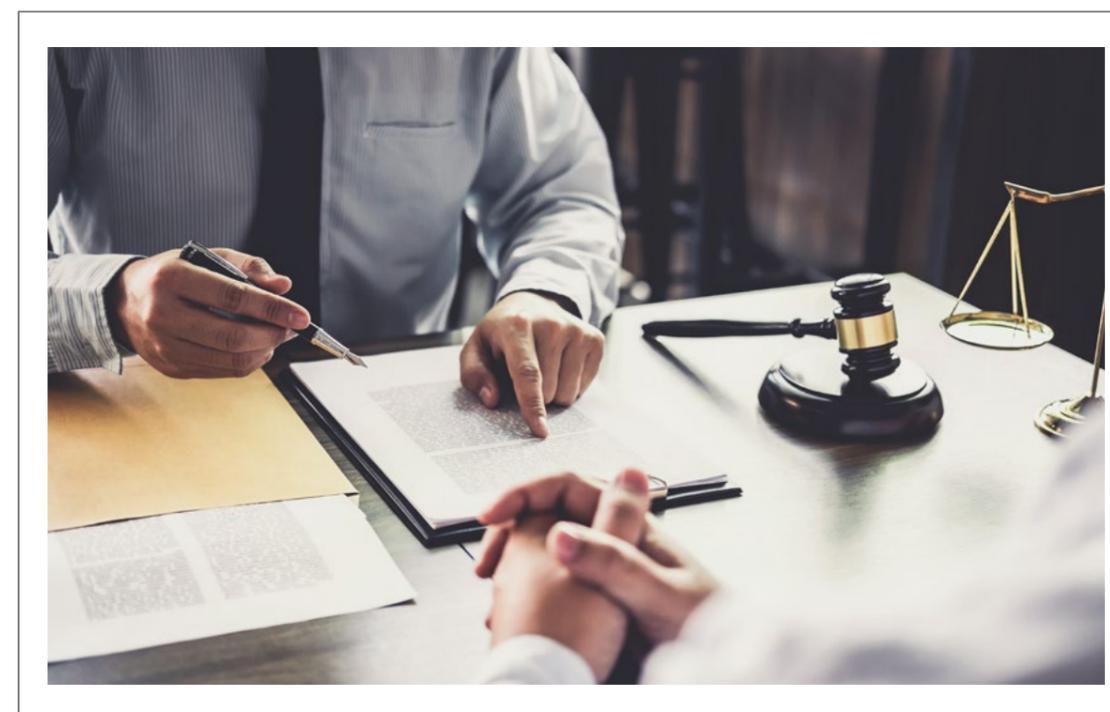
dedicated mapping, the training of managers and staff the most exposed to the risks of corruption and influence traffic. Finally, it prevents and detects market abuse.

### The Deontology and Ethics code

The Code of Ethics and Conduct outlines the company’s fundamental values and principles, highlights its responsibilities and commitments with regards to its stakeholders (collaborators, partners, clients, suppliers, etc.), and defines a common framework aiming at the respect of laws, regulations and other professional codes. Signed by all the collaborators

and available on the Bank’s website, it is inspired from the existing legal and regulatory provisions and universal ethical values such as integrity, loyalty, professionalism, quality, confidentiality, transparency and solidarity. The anti-corruption system is enacted by the code of Conduct and Ethics and allows any Group employee to signal any unethical behavior.

The role of the compliance officer is to ensure the respect and implementation of ethical rules and procedures ; he/she receives alerts and informs the management body of any situation of non-compliance with the provisions of the Code of Ethics. As a result, he/she has a strategic role due to his/her functional independence from other operational offices.



## The prevention of corruption, money laundering and market abuse

The issues of corruption, Anti-Money Laundering and Terrorist Financing (AML / CFT) are addressed by the Code of Conduct and Ethics as well as a dedicated policy made available to employees on the intranet. A set of concrete devices help deal with these questions, namely :

- a regularly updated risk map designed to identify, analyze and prioritize the risk of the entity's exposure to solicitations ;
- an assessment of the measures implemented in response to the corruption risk mapping, by sector of activity and by geographical area ;
- a committee for the prevention of corruption and fraud within the Ethics and Compliance Committee ;
- integration of corruption risks into the internal audit perimeter ;
- a system of double signatures and authorization by profile preventing the accumulation of tasks (imputation, checks and validation) ;
- training for executives and staff at the most risk of corruption and being influenced ;
- training of managers and collaborators concerned with the detection and prevention techniques of unusual or complex operations ;
- a ranking, for each business relationship, of clients in terms of the risk of money laundering and terrorist financing ;
- an ethics alert procedure guaranteeing anonymity ;
- procedures to follow regarding gifts received and offered.

In 2018, the Group ensured that it complies with Bank Al-Maghreb's new 5W circular, which specifically covers AML / CFT issues.



## Creating awareness among collaborators and partners

*The values of deontology and ethics of the Group are the subject of awareness and training programs right from recruitment and throughout the year. Training is provided by the Head of Ethics and Deontology to new recruits, employees of the trading room and the Corporate office. Illustrative posters complement this system by addressing, in a didactic manner, the topics of conflicts of interest and data confidentiality.*

*At the level of the governance bodies, 100% of the administrators of the BCP signed the commitment and were sensitized, at various Committees, on ethics and the fight against corruption. In addition, the members of the Management Committee, the Management Body, the Supervisory Boards of the BPRs, the Presidents of Executive Boards as well as all the employees of the Finance, Corporate and Investment Banking division, the management of governance and sensitive departments, are subject to increased awareness with regards to these topics. During this awareness creation, particular attention is paid to the management of conflicts of interest, insider trading and the fight against corruption.*

*The bank's external stakeholders (customers, suppliers, subcontractors and principals) are also informed of the company's commitment to these principles. Suppliers, as occasional insiders, sign a commitment to comply with the Code of Conduct at contract tenders.*



## ENSURING THE RESPECT OF CLIENT INTERESTS

Customers and their expectations are at the heart of all Group decisions, whose primary mission is to offer accessible products and services. The protection of customers in accordance with the regulatory framework and international best practices is therefore a priority for the Group.

The protection of the customers passes by the setting up of a dedicated reference system as well as by the sensitization of the collaborators to the rules of good conduct.

Claims management, the transparency of the offer, the prevention of over-indebtedness and the protection of data meet the expectations of customers, in full compliance with the requirements of partners and regulators. In recent years, innovation and digital technology have been used to constantly improve the customer experience and bring added value.

### An open dialogue with the clients

In order to continue to meet their expectations, it is essential for the Bank to continually listen to its customers. To measure their satisfaction, the Bank conducts customer satisfaction surveys every year with regard to the services and products offered. Following these surveys, action plans are carried out with the various stakeholders in order to improve the quality of service. The most common claims are related to account closures, electronic banking and bancassurance.

All results, concerning the quality barometer, customer complaints, mystery calling exercises and satisfaction surveys, can be consulted on the Intranet site.

The claims management process was completely redesigned in 2017 following a thorough diagnosis. This new process, currently being deployed, relies on a new dedicated entity :

“Monitoring and Claims Management”. This single point centralizes, analyzes and tracks all CPM claims, in order to comply with regulatory requirements and improve the handling of customer complaints. These are collected through various channels :

- client visits ;
- claim forms ;
- telephone calls ;
- postal mails or email ;
- Websites : Chaabi Net or the institutional website ;
- Social media (Twitter and Facebook) since 2017 with dedicated teams.

Les Clients are systematically informed of the time taken to process their complaints and the possibilities of appeal in the event of non-response. Rigorous reporting helps to drive response times. To ensure continuous improvement, training and awareness creation programs are carried out annually for Bank staff and new recruits on the complaints handling system and the Quality Management System.

In 2017, the Quality Management System deployed for the following activities: “Electronic banking”, “Credits and Documentary Remittances” and “Market Activities”, was certified ISO 9001 v2015.

## QUALITY MONITORING INDICATORS\*

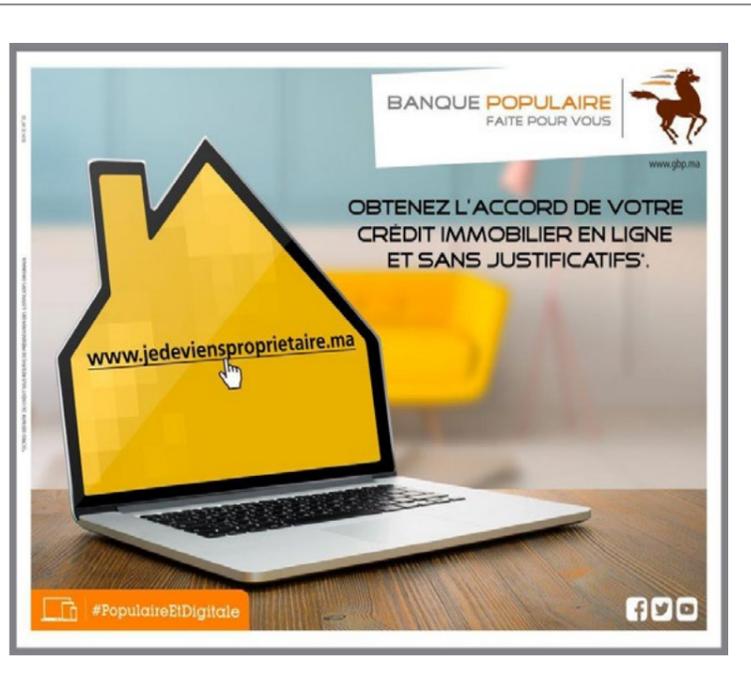
	Client category	2016	2017	2018
Number of claims	Combined	4 858	4 046	6 364
Time period for consideration of client claims (days)	Individuals and Professionals	82	60	34
	Moroccans across the world	67	51	42
	Companies	70	64	49
Percentage of client claims resolved	Individuals and Professionals	64%	73%	94%
	Moroccans across the world	77%	74%	93%
	Companies	61%	70%	89%
Rate of client claims Closed within deadlines	Individuals and Professionals	32%	48%	75%
	Moroccans across the world	43%	52%	69%
	Companies	35%	44%	62%
Client satisfaction rate	Individuals and Professionals	94%	94%	94%
	Companies	84%	84%	84%

\* The scope covers the CPM and Mediafinance, Al Wassit, PCA and CTN subsidiaries, except for satisfaction rates whose scope is CPM only

## Offer transparency

The transparency of the offer and the communication sessions feed the relationship of trust that the Group maintains with its customers. The General Management of Retail Banking and the Group Compliance Division, for the regulatory part, bear the responsibility of informing customers. The Markets design the products and start the business relations. The Group Compliance Department finally gives a notice of compliance on all forms and contracts intended for customers.

Product sheets, accessible on the Group's corporate website, describe the various offers for each customer segment. Rates are published transparently through a breviary of the fees and commissions at the Bpnet portal and a grid of the main conditions is displayed at the agencies. In compliance with the law 31-08 on the protection of consumers, all these communication procedures scrupulously avoid deceptive advertising messages. No cases of non-compliance with marketing communication regulations were noted from 2016 to 2018.



### Boosting client relations digitally

*In 2018, two client itineraries (account creation and Home financing agreement request) were digitized leading to the birth of « jedeiensclient.ma » and « jedeiensproprietaire.ma ».*

*These paths have a real impact on time periods for treating requests, while reducing physical movements and the quantity of documents. The advisors henceforth enjoy seeing their administrative tasks optimised, thereby improving the quality of time spent with their clients, to have more time to communicate on products as well as et do more of awareness creation activities.*

## Preventing indebtedness

Credit processes integrate a set of controls and checks that condition customer access to credit. Risk analysis thus makes it possible to study the solvency of the customer, his/her repayment conditions as well as his/her economic justifications and coverage. For individuals, the Credit Bureau is systematically consulted, providing information on the credits already contracted by the customer. The customer's rating as well as review of the credit file is carried out at least once a year and each time there is a significant event affecting the client's situation. The purpose of these due diligence processes is to prevent over-indebtedness and eliminate risk-categorized credit files. In the event of a difficult situation, the Bank may grant a suspension of repayments up to 24 months, in accordance with Law 31-08.

The group also remains attentive to the evolution of its risk indicators and those of the Moroccan banking center.

## Data protection

Sanctioned by law 09-08 (relating to the protection of individuals with regard to the processing of personal data) and the labor code, the issue of the disclosure of customers' personal data is of utmost importance to the Group. The Bank therefore ensures the protection of its customers'

data throughout its business processes and in its partnership and service agreements. As such, the Group Compliance Division has obtained the necessary authorizations from the National Commission for the Protection of Personal Data (CNDP).

The code of ethics, the internal regulatory machinery, the intranet communications and the general conditions of the Group's corporate website highlighting the obligations of protection of information of customers, Internet users and stakeholders.

The Group Compliance department ensures their application through continuous awareness creation activities in the commercial subsidiaries, like a recent intranet campaign dealing with professional secrecy. The Security, Standards and Controls Department defines the strategy and the security initiatives, which are the subject of several charters and circulars. IT authorizations

are managed by profile and any new application for authorization is subject to review by a committee. In case of any incidents, the Bank refers to its current procedures.

In Europe, the Chaabi Bank subsidiary is already compliant to the RGPD law for its own activities. This law, although European, is applicable to the Group given its various banking and non-banking activities

in Morocco and abroad. It is therefore being applied in Morocco at the Group level, under the supervision of Bank Al-Maghreb and CNDP. It will improve the security and confidentiality of personal data while reinforcing the Group's position internationally. From 2016 to 2018, no substantiated complaint about breaches of customer data confidentiality was noted.

## Smart Campaign Certification

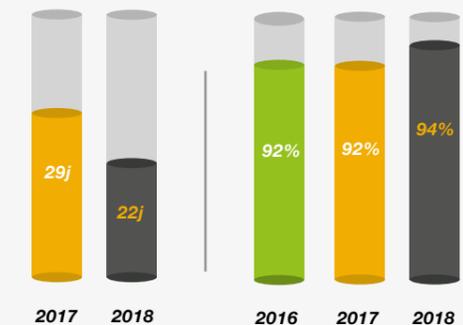
*In 2017, Attawfiq Micro-finance subsidiary joined the club of microfinance institutions who distinguish themselves with the Smart Campaign » certification for client protection. The certification process is based on 7 principles inspired by the best international standards for customer protection :*

- the development of appropriate products and distribution ;
- the prevention of over-indebtedness ;
- transparency ;
- responsible pricing ;
- respectful and fair treatment of clients ;
- the confidentiality of customer data ;
- complaint resolution mechanisms.

*The subsidiary has been able to transcribe these great universal principles in its internal management systems as well as in its customer relations.*

*The claims indicators are consolidated regionally and are regularly presented to the Board of Directors. Satisfaction surveys are conducted every two years. menées tous les deux ans.*

### ATTAWFIQ MICRO-FINANCE QUALITY MONITORING INDICATORS



Time period for consideration of claims

Percentage of claims resolved

**90%**

CLIENT SATISFACTION RATE

## INTEGRATING ENVIRONMENTAL AND SOCIAL RISKS IN AUDIT AND CONTROLS

The banking crises that occurred internationally over the last decade have highlighted the important role of banking supervision in the financial stability of economies. These events call for the utmost vigilance of any banking institution, whose responsibility towards its depositors and all its stakeholders is major.

Internal controls and the auditing of accounts by independent third parties ensure the control of risks, the safeguarding of assets and the quality of information. The organization and procedures that govern the implementation of these audits naturally serve the performance and sustainability of the business.

Extending the review of risks to socio-environmental and governance issues will ultimately help to protect against emerging risks.

### Audit of accounts

The consolidated accounts of "Banque Centrale Populaire" include all the companies under exclusive control, jointly or under significant influence. They are established in accordance with International Financial Reporting Standards (IFRS) and are audited by two auditors who do not provide consulting services to the Bank. From 2016 to 2018, the accounts have been certified without reservation.

### Organization of the Internal Audits

The Risk Committee, emanating from the Board of Directors, is responsible for monitoring the risks to which the BCP is exposed, adherence



to strategy and general risk management policies as well as compliance with risk regulations. The Audit Committee notably ensures the monitoring and evaluation of the implementation of internal control systems.

These governance bodies are based on a permanent control charter and an internal audit charter. The results of internal audits conducted by the Bank are presented to these two committees as well as to the General Management. Procedures are in place to verify the effective implementation of recommendations from internal audits.

From 2016 to 2018, no case of non-compliance with social and economic laws and regulations was observed.

## Mapping of socio-environmental risks in operations

BCP develops its risk mapping based on its internal policies, national (Bank Al-Maghreb) and international (Basel) guidelines. This mapping is also developed from workshops organized with the various business experts of the Bank, the internal incident database and knowledge of the risks common to the sector. It gives rise to a periodically followed action plan.

Front Risk IT system provides access to operational risk mapping for all concerned employees who can trace incidents in real time.

A number of social risks are already integrated into risk mapping, mainly those related to human resources, purchasing and customer relations (including the breach of data confidentiality). The review of this mapping supports the integration of possible new social risks related to operational risks.

The Group assists subsidiaries by disseminating a template, running workshops and holding meetings with operational risk relays. The subsidiaries, however, remain independent in the validation and mapping of their risks, which the Group integrates into its overall risk management system.

# INTEGRATING ENVIRONMENTAL AND SOCIAL RISKS IN GLOBAL RISK MANAGEMENT

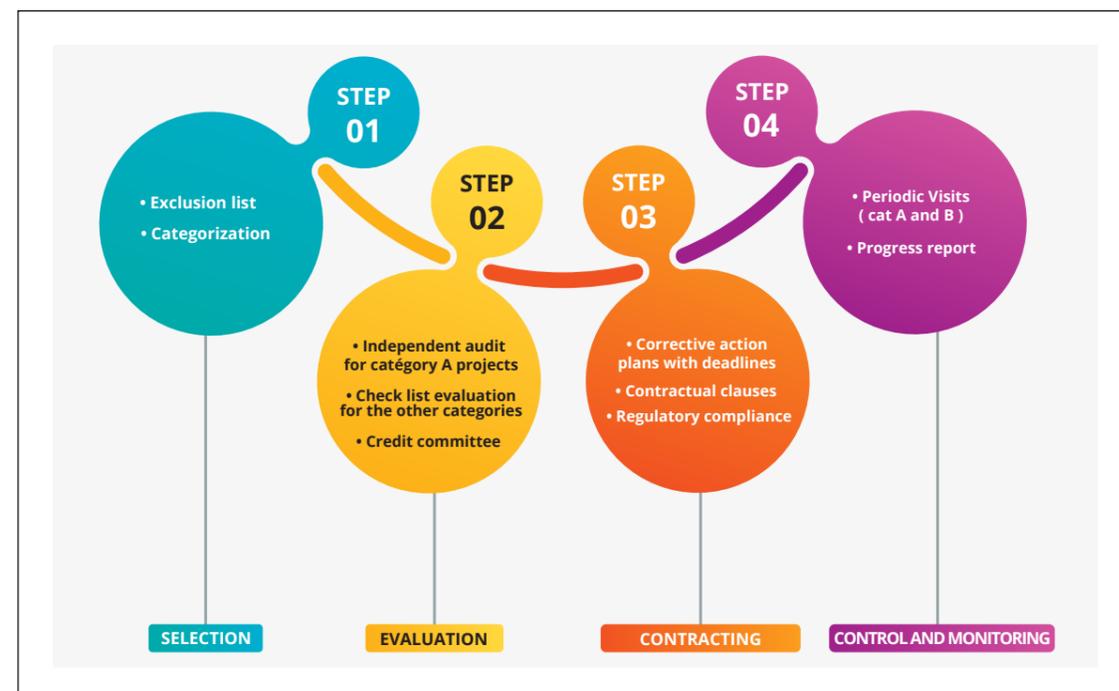
Global awareness of environmental & social issues (E & S), combined with the growing understanding of the impact of E & S risks on business performance by the financial sector, is driving financial institutions to integrate sustainable development data into their financing decisions.

As early as 2011, the “Banque Populaire” Group initiated a vast project to consider the environmental and social impact in all of its investment financing projects. With this ambitious program, it wished to improve its risk assessment processes to international best practices, meeting the growing expectations of its stakeholders, especially its donors, civil society and regulatory authorities. Through this, it intends to participate in the implementation of Morocco’s National Sustainable Development Strategy while anticipating future regulatory changes. The Group is thus involved in a fundamental movement, guided by international tools and benchmarks, for sustainable finance for the benefit of sound growth.

## Measuring E&S risks in funding – a rigorous process

As early as 2011, the “Banque Populaire” Group set up an Environmental and Social Management System (ESMS), integrated as part of the overall risk assessment process that precedes the granting of financing. Derived from international standards, particularly those of the International Finance Corporation (IFC), ESMS covers all corporate investment financing transactions. It was fully deployed between 2014 and 2017, firstly at the BCP level, then within the Group’s BPRs and financial subsidiaries in Morocco and Africa (Morocco Leasing, Upline, Chaabi LLD, CIB Offshore, ABI Group).

A dedicated IT application automates the E & S risk assessment process in the following 4 steps :



### 1/ VERIFICATION ACCORDING TO THE EXCLUSION LIST

This refers to the illegal activities, weapons, alcohol, tobacco, gambling, radioactive materials or materials containing asbestos fibers, certain activities of deep sea fishing, activities in the rainforest, wood or forest goods from sustainably managed forests as well as activities involving child labor or forced labor.

### 2/ CATEGORIZATION ACCORDING TO THE TYPE OF E&S IMPACTS

A for significant impacts, B for limited impacts, C for minimal or zero impacts as well as services and FI for financial intermediation projects.

### 3/ EVALUATION ACCORDING TO THE IDENTIFIED CATEGORY AND TRANSFER TO THE CREDIT COMMITTEE

For Category A projects, an Environmental and Social Impact Assessment (ESIA) is conducted by a specialized firm. It identifies the risks, proposes an action plan and conditions the authorization of the authorities and the financing of the Bank. For category B or C projects, the E & S risk assessment is done by the “Chargé d’affaires” who are trained on the evaluation method. These “chargé d’affaires” can call on the technical support department if need be, or the concerned central offices, as well as the Sustainable Development Department to finalize the evaluation. Transfer to the credit committee is conditioned by the realization of the E & S risk assessment.

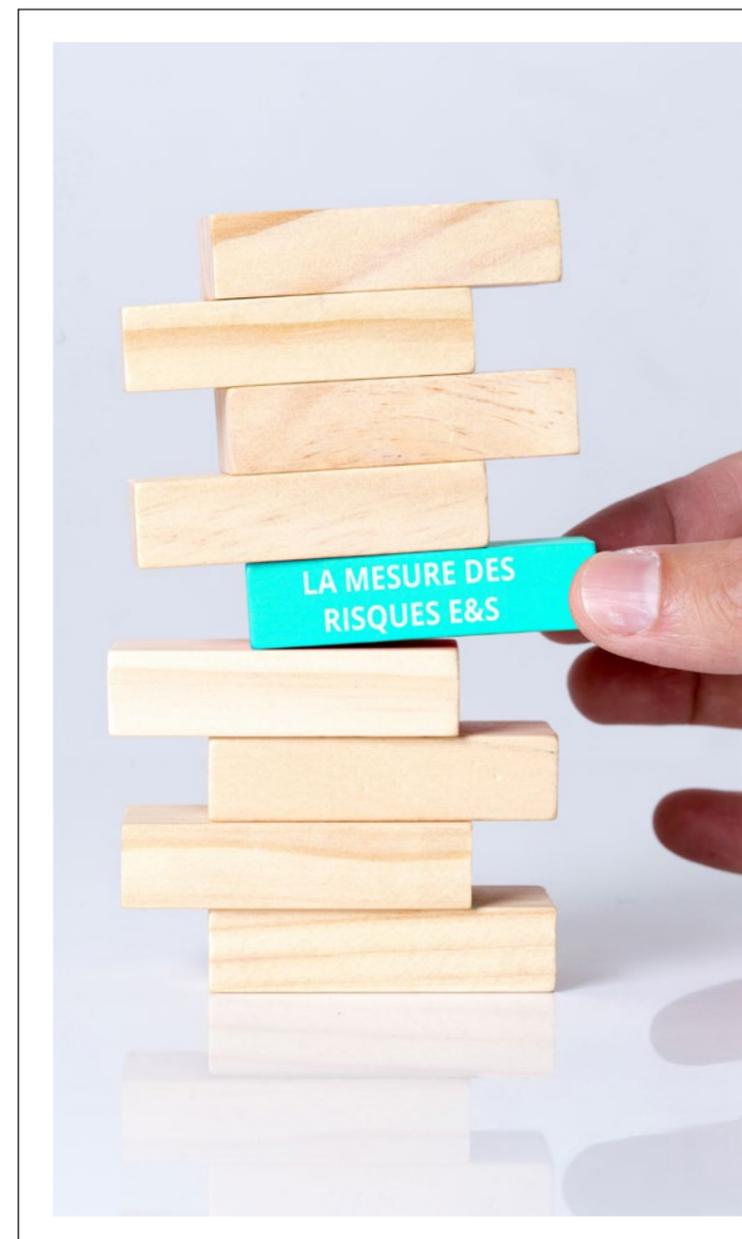
### 4/ CONTRACTUALIZATION OF CORRECTIVE ACTION PLANS

Based on the assessment and above before all financing activities, corrective actions are defined for the identified and unidentified E & S risks. The customer is expected to respond to each of them, according to negotiated deadlines.

The corrective action plans generated by the application of the ESMS have a contractual value and are monitored by the account managers in their relationship with the client.

### 5/ CONTROL AND MONITORING

It is carried out through progress reports sent by customers carrying category A projects and an annual site visit by the project managers. For categories B and C, on-site visits every two to three years as well as interviews of the business representatives with their clients ensure follow-up.



## Deployment and training on environnementaux & sociaux risks management

The deployment of the SGES was done with the help of a dedicated procedure describing the tools, steps and responsibilities and circular letters circulated to the credit committees. The Sustainable Development office trains business managers and all employees involved in the process of granting loans to businesses. The training of 22 trainers within the BPRs allows the Sustainable Development Department to rely on relays in the regions. Since 2016, the SGES training has been part of the integration process for all new recruits in the network.

In line with permanently listening to its stakeholders, a mechanism for managing complaints concerning the E & S impact of Bank-financed projects is being put in place. It defines the process, responsibilities and response times for a grievance issued by a complaining stakeholder.



OF TRAINERS CARRIED OUT IN 2016 (2 PER REGION)

BPR	Number of persons trained in 2016 by the link trainers	Number of persons trained in 2017 by the link trainers	Number of persons trained in 2018 by the Group's Sustainable Development Department
OUJDA	26		
NADOR-AL HOCEIMA			
TANGER-TETOUAN	34		22
CENTRE-SUD		11	
RABAT-KENITRA			26
FÈS-MEKNES	61		31
LAAYOUNE	10		
MARRAKECH-BENI MELLAL	37		26
POLE BANQUE CASABLANCA	132	18	
<b>TOTAL</b>	<b>300</b>	<b>29</b>	<b>105</b>

## IMPLEMENTING RESPONSIBLE PURCHASES

The "Banque Populaire" Group's purchasing approach is guided by principles of fairness and transparency and strictly complies with regulatory requirements.

It aims to favor local purchases by the "Banques Populaires Régionales" and favors, where appropriate, small suppliers.

### A strict selection process

The "Banque Populaire" Group systematically applies the principles of competition and resorts to calls for tenders beyond a purchase amount of 200,000 dirhams. The buyers' teams refer to an internal circular recalling the conditions, selection criteria and the decision-making bodies for any procurement. In calls for tenders, detailed specifications require that

tenderers provide evidence of their social and fiscal compliance. The study of the balance sheets makes it possible to ensure the non-dependence of the bidders to the only "Banque Populaire".

Some purchases require special attention with regards to Human Rights and

are as such subjected to strict contractual terms referring to the regulatory provisions, in particular the Labor Code. The respect of the personal data is as systematically highlighted in all specifications booklets and contracts. In this respect, the Bank's information system is highly secure to ensure the non-intrusion of providers operating on site.

For energy-intensive equipment and furniture purchases, the Bank provides for environmental clauses and directs its choices towards environmentally friendly equipment even when it is more expensive.





## Rigorous monitoring of social conditions and security

*The Bank is particularly attentive to the execution of certain services with very high security risks or which violate human rights.*

*Unannounced audits with regards to CNSS declarations take place regularly.*

*In 2018, the contract of one of the Service providers was terminated due to its incapacity to provide documents justifying that the security personnel and cleaners were declared.*

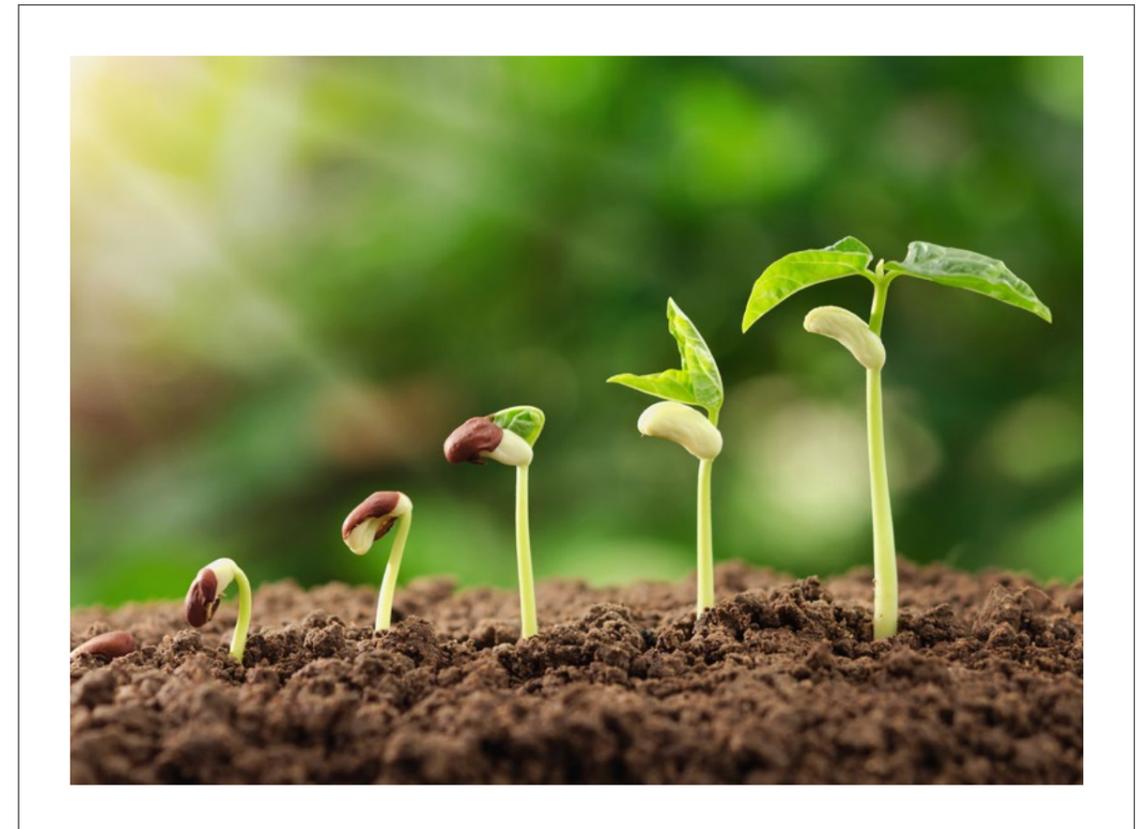
*In this case, the Bank insisted that The new service provider replacing the the other be obliged to maintain the jobs of the workers that wish to work with them and to train the latter to adapt to its working procedures.*

*The employees are informed by the Multi-technical maintenance director of the bank about their rights and those of the chosen service provider.*

*The Bank is equally attentive to the salary conditions of its security agents who are paid for additional hours with premiums when they work at night or during the week-end.*

## Monitoring of payments to suppliers in progress

Implementing the new Victis platform enables budget management and end-to-end scheduling. The automation of the bill payment system has made it easier and more secure. Indeed, audit trails now make it possible to know the status of the invoice in real time. With this new system deployed in 2018, the Bank plans to improve from 15 to 10 days of payment terms to suppliers from 2019.



## Favoring local service providers and SMEs

Through its mutualist nature, the “Banque Populaire” Group naturally favors local purchases. Apart from a few strategic or risky purchases, priority is given to the regions.

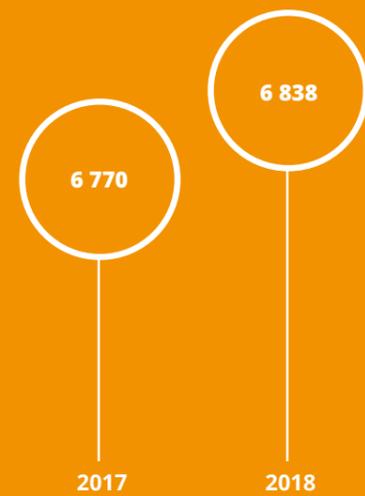
The Bank has also established for certain purchases of less than 100,000 dhs that it lends itself, a list of SME service providers who are consulted exclusively. This list signed and validated by several Directors allows to give all opportunities to providers who could not be competitive if they were competing with large companies. This citizen initiative has been shared with other banking institutions.

# COMMITTING TO SOCIO-ECONOMIC DEVELOPMENT OF TERRITORIES

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**1441** AGENCIES



AMOUNT OF CRÉDITS ACCORDÉD  
SMES (IN MILLIONS OF MAD)



NUMBER OF MICRO-CRÉDIT CLIENTS



**18** COLLABORATORS

OF THE BANQUE POPULAIRE  
FOUNDATION PROVIDING  
SPONSORSHIPS AND  
SUPPORT TO COMMUNITIES

## ENCOURAGING INCLUSION AND FINANCIAL EDUCATION

Financial inclusion ranks high among the 17 UN Sustainable Development Goals for 2030; 8 of these objectives refer to access to adapted financial services.

Generally, financial inclusion allows :

- The financial integration of the promoters of social economy projects and the limitation of the share of the informal economy ;
- The mobilisation of public savings ;
- The financial education of populations excluded economically or disadvantaged ;
- The democratization of access to banking and financial services and the extension of the use of these services.

In Morocco, following the high royal instructions, a national strategy of financial inclusion

is being defined by Bank Al-Maghreb under the Ministry of Economy and Finance.

The mission of financial inclusion is part of the primary mission of the Banque Populaire Group, which for decades, has been contributing to all inclusive initiatives or sectoral promotion projects. As a result, the Group has historically been one of the best-positioned financial institutions to meet the challenge of inclusion nationally and continentally. To do this, it relies on major assets, including its strong territorial presence, inclusive offers and services in constant evolution and a strong relay composed of its subsidiaries specialized in microfinance and mobile payment in Morocco and abroad.

## An accessible and diversified offer for all

Banque Populaire's banking offer is characterized by tailor-made packages, adapted pricing and, moreover, an inclusive vision that seeks to best meet the needs of a varied and multi-criteria clientele.

Hence, Banque Populaire counts among its offers :

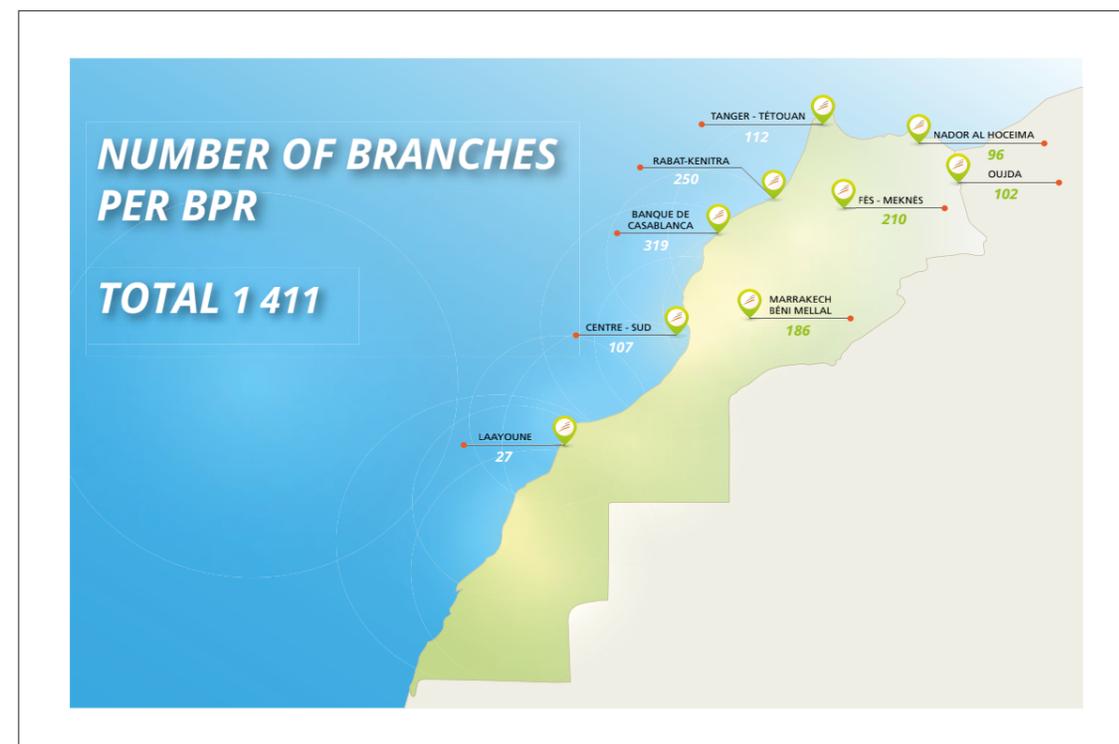
- a package dedicated to civil servants and enforcement officers ;
- a package dedicated to pensioners ;
- a package dedicated to students ;
- an offer targeting the youth ;
- an offer dedicated to working women ;
- and a special offer specific to clients with low income status LIB (Low Income Banking).

The basic offer is supplemented by sectoral or trade-union agreements, providing for marginal account-keeping rates and real-estate financing formulas and/ or preferential rate consumer loans.

## A strong territorial presence

As of December 31, 2018, the "Banque Populaire" network had a total of **1 442 sales points**, , including 1 411 branches and 31 business centers.

This network is distributed by "Banque Régionale" according to the existing territorial division.



## HOME OWNERSHIP IN SOUTHERN PROVINCES

Having been one of the leaders in the financing of social housing for many years, the Banque Populaire Group is nonetheless always attentive to the authorities and the social needs of the territories.

In this regard, the Banque Populaire of Laayoune defined in 2018, in collaboration with the Agency for the Promotion and Economic and Social Development of the Southern Provinces, a housing finance product allowing fishermen from villages in the region to access property near their place of work and at good financial conditions even before completion of the work and publication of titles. The cyclical and informal character of the artisanal fishing activity makes these financing activities complex and risky, especially since the State Guarantee Fund only partially contributes capital. The Bank's effort will ultimately support the Agency's ambition to organize small-scale fishing and create integrated fishing villages. The overall cost of the program is several million Dhs and involves the construction of more than 3,000 housing units, financed in part by a State contribution and by the Bank.

In parallel with this program, an offer dedicated to fishermen has been put in place, with symbolic pricing, adapted to this population.

Whiles such endeavours allow to meet the needs of a large population, there is still a significant portion of the population that cannot access the services of the conventional banking network and for which alternative networks, represented by the subsidiaries Attawfiq Mirco-finance or M2T constitute a first step towards financial inclusion.

## Banking inclusion through the Attawfiq network

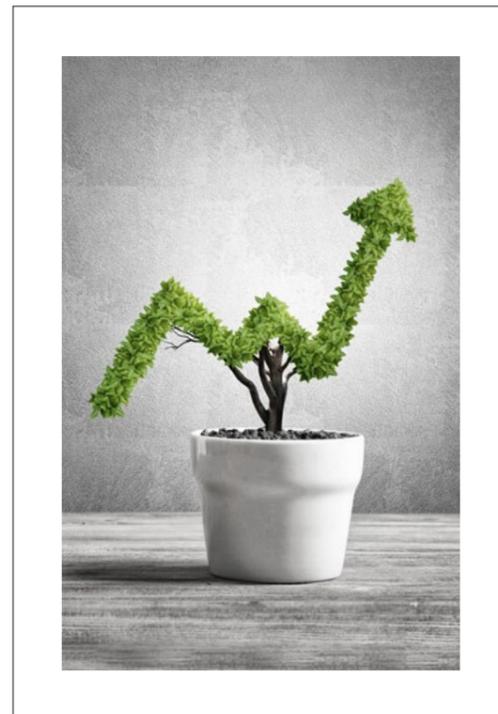
In 2009, the Banque Populaire Group launched a banking inclusion program, through its subsidiary Attawfiq Micro-finance, by signing a banking intermediation agreement.

"IOB mandate" with the said subsidiary. Based on this mandate, the Attawfiq network, made up of 460 outlets including 29 mobile booths, directly recruits and manages the low-income customers.

A (Low Income Banking) LIB offer distributed free-of-charge has allowed to systematically integrate all the customers who come to the Attawfiq network to access the products of the micro-finance products.

microfinance. Other variants of the LIB offer are in the process of being set up to best meet the growing needs and specificities of this clientele.

This inclusion model has allowed recruit more than half a million clients, amongst which 10% hold savings accounts. Towards the end of 2018, the LIB clientele mobilized additional resources to the tune of more than 200 millions DH.



## REGIONAL DISTRIBUTION OF SALES POINTS OF THE ATTAWFIQ SUBSIDIARY

	2017	2018
NORTH CASA	37	41
SOUTH CASA	33	32
DOUKKALA ABDA	40	43
EL HAOUZ	49	45
FES MEKNES	52	52
NORTH	40	40
EASTERN	47	47
RABAT GHARB	53	52
SOUTH	61	63
TADLA OURDIGHA ZAYANE	43	45
<b>TOTAL</b>	<b>455</b>	<b>460</b>

## SHARES OF RURAL CLIENTS OF THE ATTAWFIQ SUBSIDIARY



## MICROFINANCE PRODUCT OFFERS

For populations operating in the informal sector and unable to access bank loans, micro-credit is a first-rate solution for the financing of income-generating activities as well as social and solidarity economy projects.

The Attawfiq network offers two types of credits :

- a solidarity credit formula that may include a group of 2 to 4 persons serving as guarantors for one another ;
- an individual credit formula.

The distribution of micro-credit, and in particular social

credit, is done using a “gender” approach that favors the financing of projects supported by women and / or enabling the employment of young people.

The Attawfiq network also distributes funds to finance the renovation of commercial premises or unhealthy habitats.

Micro-credit activity can be sensitive, especially to climatic hazards that can affect agricultural activities and hinder access to remote areas. As a result, the indicators are closely supervised by weekly and monthly committees.

The teams move to the site if there is a slow-down in activitie.



OF WOMEN AMONGST CLIENTS OF ATTAWFIQ MICRO-FINANCE

THE ATTAWFIQ FOUNDATION IN FIGURES	2016	2017	2018
Number of clients (market share)	270 377 (29,26 %)	281 652 (30,04 %)	284 573 (30,37 %)
Outstanding amount in MAD (market share)	2 283 456 163 (34,96 %)	2 494 539 613 (36,28 %)	2 628 986 969 (36,79 %)
Average amount of a loan in MAD	11812	12316	12634
Average time period of a loan in months	19,4	20,2	20,7



OF RENEWING CLIENTS AMONG THE CLIENTELE OF ATTAWFIQ FOUNDATION

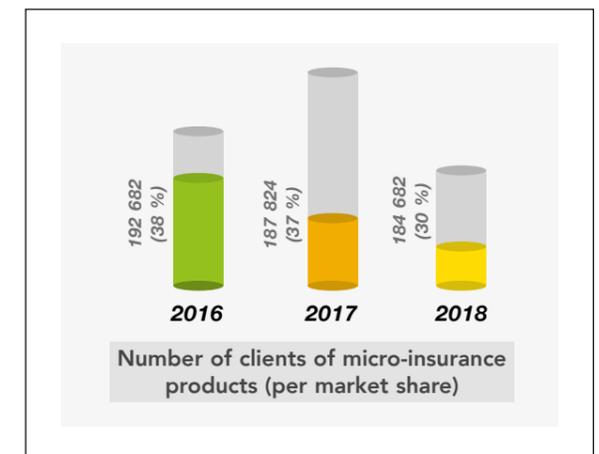
## SPECIFIC CARE ACCORDED TO THE YOUTH BY THE ATTAWFIQ SUBSIDIARY

The Attawfiq subsidiary continues to roll out, in partnership with the Quatari NGO? Silatech, the Bodour program to promote access to financing and support for more than 90,000 micro-enterprises owned or created by young people. The offer combines a dedicated financial product and specific support for young customers through an e-learning platform called

“Fadaa Al Moukawil” available on smartphones, a digital communication device and radio. Financial education, transition to the formal sector, banking, management techniques and sales are all modules taught and validated by tests. The implementation of this program in 170 agencies has lowered the usually higher risk level for the 18-33 age group. The Silatech NGO provides technical support as well as guarantee funds.

## INSURANCE FOR ALL

The Attawfiq Subsidiary clients benefit from a micro-insurance product called « Injad Attawfiq » marketed in partnership with the “Maroc Assistance Internationale” subsidiary. The latter allows, with the help of a small contribution, to benefit from death insurance and daily compensation in case of hospitalisation.



## FINANCIAL EDUCATION AND AWARENESS CREATION ON INDEBTEDNESS

Financial education activities are mostly carried out directly by the Attawfiq network. Customer support starts with a field visit preceding the granting of credit and continues with various training courses on topics such as : knowledge of the business sector, financial management, sales, savings, the use of banking services, over-indebtedness ...

These courses are taught by experts using an educational kit and are supplemented by a “Customer’s Guide” that addresses the rights, duties and awareness of over-indebtedness. The issue of over-indebtedness is also being taught to all development officers and agency heads.



CLIENT GUIDES DISTRIBUTED BY THE ATTAWFIQ FOUNDATION MICRO-FINANCE

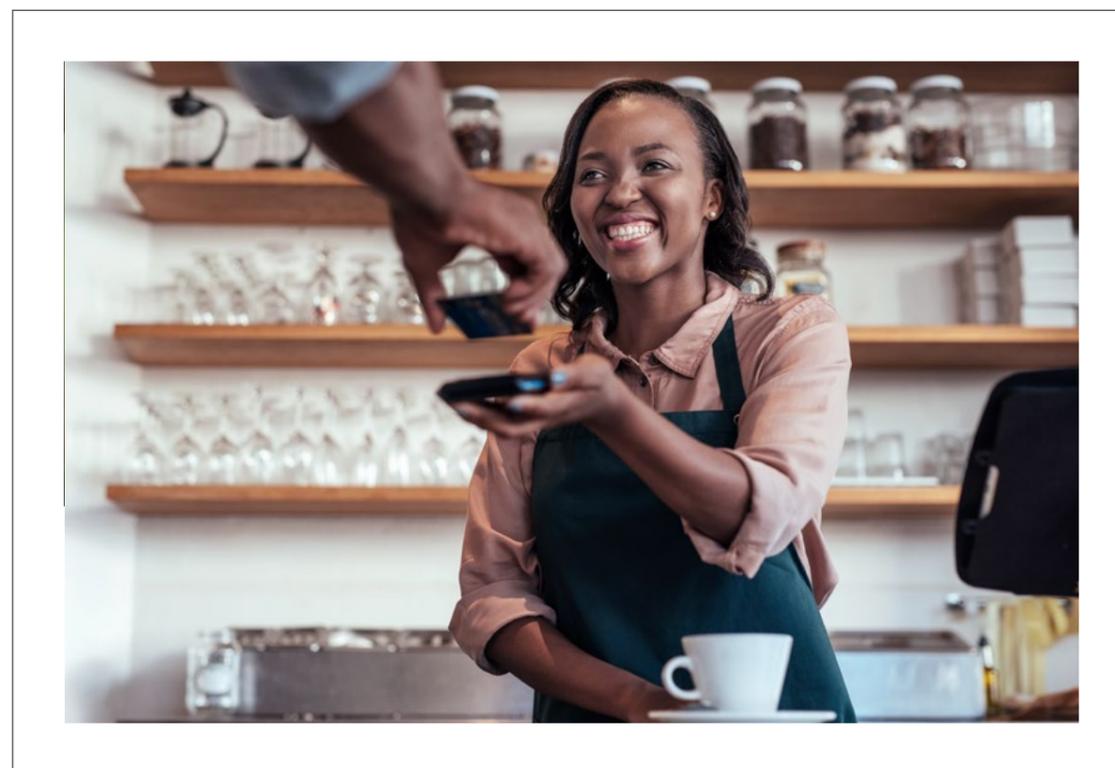
## SUPPORT AND MARKETING AID

Attawfiq organizes fairs and exhibitions for its micro-entrepreneur clients, allowing them to develop their network upstream (suppliers) and and downstream (distributors and customers).

From 2016 to 2018, more than 250 customers benefited from these marketing opportunities.

Micro-entrepreneurs financed by the Foundation are regularly awarded for their innovative activities. The large share of repeat clients demonstrates the Foundation's ability to financially include a large number of disadvantaged people.

## Financial inclusion in Afrique



With its long experience on issues related to financial inclusion, the Banque Populaire Group intends to make every effort to access financial services for the greatest number of people in its host countries. This inclusion will be achieved through greater proximity to customers, by increasing the capillarity of the network by alternative or simpler sales points. For this, the Group relies on its subsidiaries dedicated to financial inclusion : Atlantic Microfinance For Africa (AMIFA) for microfinance, ATPS for mobile payment and money transfer, and more recently Wizall, a start-up acquired in late 2018.

Created in 2014, AMIFA has been operational in Ivory Coast since 2015, in Mali since 2016, and in Guinea since 2017. It aims to expand to 12 countries following the agreements signed by His Majesty King Mohamed VI in 2016. On October 24, 2018, AMIFA signed a strategic partnership with the International Finance Corporation (IFC) for an assistance and advisory agreement for to the tune of \$ 1.4 million. This agreement will allow AMIFA to strengthen its development capabilities for small and medium sized companies. Indeed, micro-credit thresholds in its host countries allow AMIFA to also serve the SMEs.

AMIFA in Figures	2016	2017	2018
Number of sales points in Ivory Coast	5	9	10
Number of sales points in Mali	4	9	10
Number of sales points in Guinée	0	1	5
Number of microfinance clients in the three countries	13 384	21 174	26 072
Proportion of women among the clientele	74,42 %	73,94 %	71,62 %
Proportion of youth among the clientele	8,40 %	9,67 %	11,16 %
Outstanding microcredit debts in the three counties in KMAD	118 749	193 238	314 697
Average time period for a loan in months	14	16	23

## M2T, very active payment Institution in Africa

The M2T subsidiary, which specializes in payments, obtained its payment institution approval in Morocco in 2018. This approval allows it to offer its customers payment accounts as well as Mobile Payment solutions.

M2T's intervention extends beyond the borders of the Kingdom. In effect, ATPS, a Senegalese subsidiary of M2T for 10 years, aggregates more than 6,000 sales points made up of merchants distributing financial services (money transfer and "mobile money"). A capital increase approved at the end of 2018 should allow ATPS to replicate this winning model beyond Senegal. The Senegalese start-up Wizall, for example, servicing the salaries of the employees building the regional express train, was 55% acquired in 2018 in synergy with ATPS.

The Group is also working on the financial inclusion of the agricultural sector in Africa. A major project involving the Group's financial inclusion subsidiaries in Africa is being operationalized with the support of the International Finance Corporation (IFC). This project aims to finance the entire agricultural value chain, ranging from major traders to cooperatives, aggregating small farmers who would be financed by AMIFA and receive their payments in "mobile money" thanks to the network of merchants aggregated by ATPS.

## SUPPORTING AND FINANCING SOCIO-ECONOMIC DEVELOPMENT

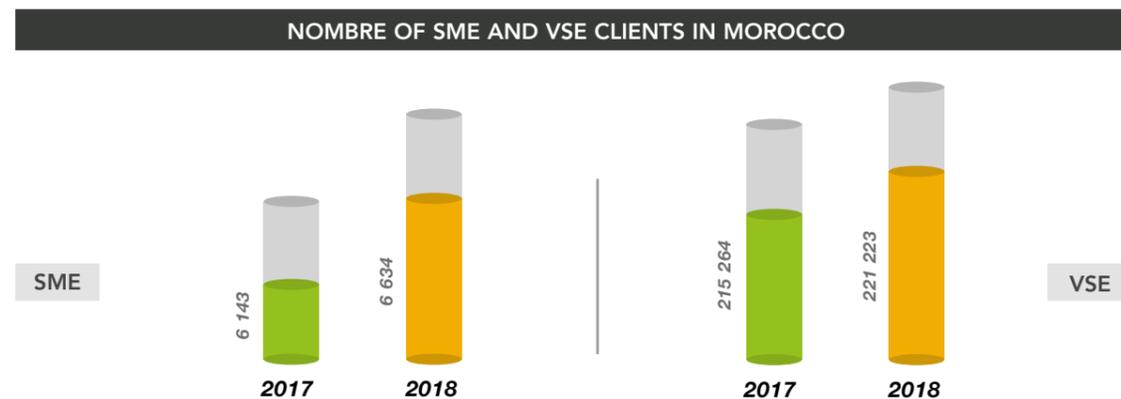


The cooperative model of “Banque Populaire” as well as its strong regional roots makes it an ally of choice to accompany the socio-economic development, placed at the heart of its mission and its statutes.

The role played by the Very Small, Small and Medium Enterprises (SMEs) in the revitalization of economies cannot be underestimated, especially in developing countries. After market access, access to financing is the main difficulty encountered by the SMEs.

The “Banque Populaire” Group therefore takes full responsibility for providing support and financing for the SMEs, which constitute 95% of the Kingdom’s economic fabric and are responsible for half of the jobs created. To this end, the Group is involved in an approach that covers the whole of the entrepreneurial fabric, from the creation of a company by local or Moroccan entrepreneurs from the world to the exporting SMEs, naturally going through the VSEs, self-entrepreneurs and craftsmen. Sectoral ecosystems benefit from specific support, designed in collaboration with the various stakeholders.

In Africa, the Group, through its subsidiary AMIFA, supports the financing of small and medium-sized businesses and continues to support major infrastructure and equipment projects, hence structuring for fast-growing economies.



## Supporting the creation of enterprises across all regions

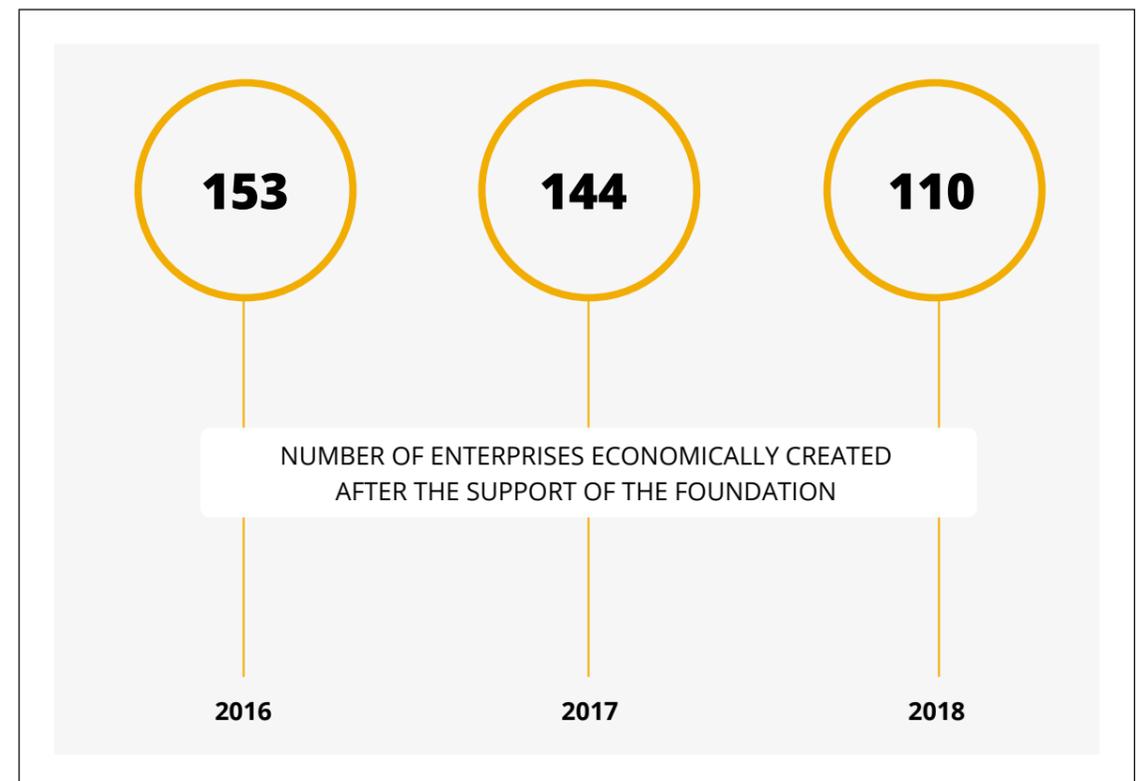
Since 1991, the Banque Populaire Foundation (FBP) has been promoting and supporting the creation of businesses. This association, recognized as a public utility since then, was created to respond to a deep economic crisis and a high unemployment rate then witnessed in Morocco.

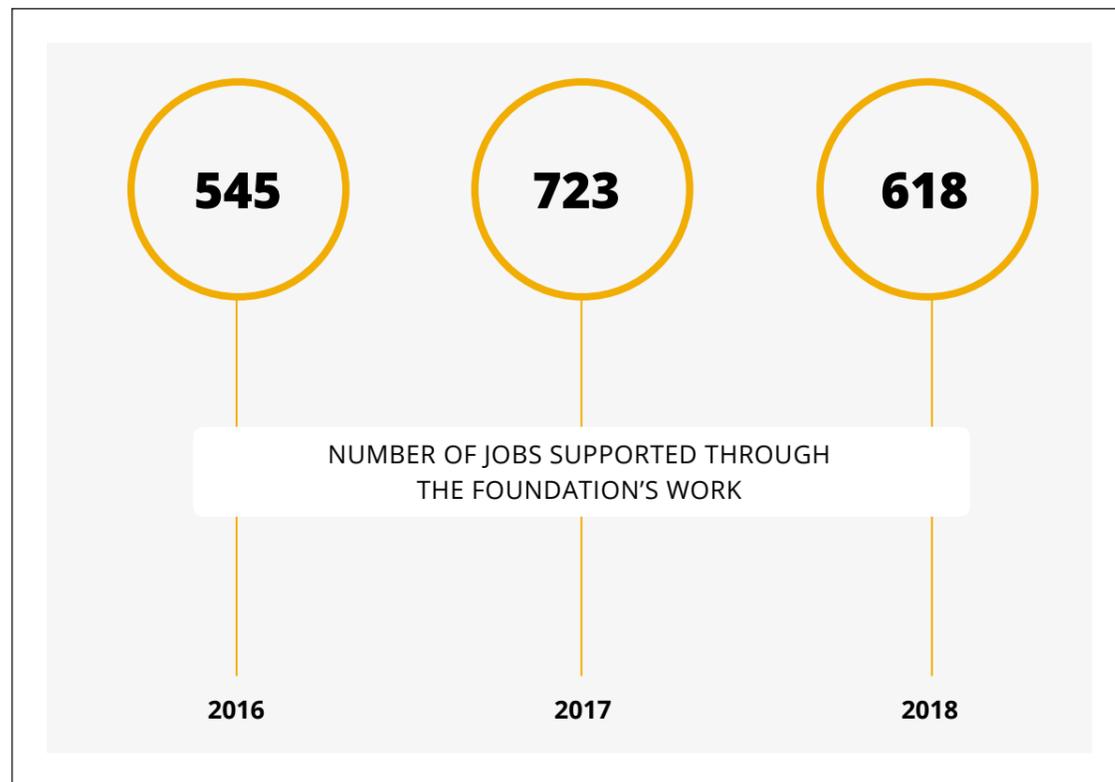
Each year, an support expert specialized by sector of activity makes it possible to inform and follow a hundred project leaders. Present in all regions of Morocco in synergy with the “Banque Populaire” Regional Banks, the FBP deploys many local actions boosting the entrepreneurial spirit, in partnership with CRI, Maroc PME, OFPPT, ANAPEC as well as local universities and associations.

Regional calls for projects are launched within the framework of the “Entreprendre Région” meetings in order to complete the communication system and ensure representativeness of all regions.

In 2017, in partnership with the Dakhla Moubadara Association, a regional pitching session allowing totake a look at six project initiators in renewable energy, education, environment and tourism was organized in Dakhla. It was on this occasion that the partnership agreement between the FBP and the Dakhla Moubadara Association was signed, aiming to support, by 2021, 250 project carriers by strengthening their skills and reviewing their business plan. The Foundation dedicates about 50 days/people per year to this project in skills sponsorship whiles participating in the evaluation jury of and projects selection. Local trainers have been trained to provide these services.

In 2018, another pitching session was launched in the Tangier region with 120 respondents. The pre-selection of 40 project leaders led to the creation of 20 companies.





## A new support system for VSEs

An in-depth diagnosis has been conducted in 2016 as part of a mission of the International Financial Society (IFS). Based on an analysis of internal processes, listening to expectations of customers and international benchmarks, it has allowed to define a new approach taking into account regulatory and technological developments, particularly in relation with the digitalization process. It has been decided, as a result of this diagnosis, to rethink about the management of VSEs, formerly reserved to dedicated agencies and advisers.

A rise in skills of the entire network now allows 1442 agencies of the network to understand.

and take into account the specificities of this category of customers, strategic for the GBP and the good health of the national economy.

This overhaul of support strategy was accompanied by the launch, in 2017, of new dedicated packages (Moukawil Chaabi), proposing credit solutions for operations and investment, enriched 2018 with new funding formulas.

Also in 2018, a new file processing system with guarantee from the Central Guarantee Fund (CCG) was set up. This system makes it possible to delegate to the banks, the decision of granting up to 1 million dirhams of credit; a decision that has considerably

reduced the time taken to grant loans to very small companies.

Passed in December 2018, the law raising the micro-credit threshold to 150,000 dirhams offers the Attawfiq subsidiary new financing prospects for the VSEs, which until then received an average funding of 50,000 dhs from the subsidiary. The latter began preparing for this regulatory change with the support of the IFC, from the end of 2016, through a review of the VSE credit processing and through an adapted offer and guarantee as well as dedicated agencies.

## Reinventing the Bank/Start-up relationship

*A diagnosis conducted in 2016 resulted in a major digital transformation program centered around customer experience and satisfaction.*

*To support this transformation dynamic, which touches the core of its business processes, the Bank is organizing itself to become more open to external sources of innovation by integrating into its ecosystem of partners, the most innovative start-ups in the field of Fintech. The partnership can be part of a client-supplier approach or take the form of a co-construction or an equity investment in the event of a strong synergy between the two entities. The Fintech challenge launched in 2018 aims to select start-ups with whom the Bank will co-build innovative solutions meeting the needs previously collected from the business lines. Out of 400 applications, some sixty start-ups were pre-selected in Casablanca and Abidjan. They will then benefit from accelerated support provided by the Group's experts for 3 days, in order to refine their projects and adapt them to the needs of the business lines. At the end of this selective journey, a dozen start-ups will be offered contracts with the Group.*

	2017	2018
Number of VSE clients	215 264	221 223
Outstanding amount of business loans given to VSEs (in millions of MAD)	6 770	6 838
Share attributed to credits issued by the CPM	4 %	4 %
VSE deposits (in millions of MAD)	9 578	9 874
Share attributed to global deposits of the CPM	4,12 %	4,12 %

## Supporting auto-entrepreneurs and craftsmen

The Bank accompanied the introduction of the new auto-entrepreneur status by defining a strategic roadmap, designing a global offer, ensuring commercial liveliness of the network and a dedicated communication device.

With regards to product offer, the Najah package was launched for the auto-entrepreneur, including the products of the Bank on a daily basis but also a support product with, in particular, a daily allowance in case of hospitalization and a funeral package for the family in case of death. The Bank also offers each of its auto-entrepreneur customers an invoice ledger thereby making it easy to create invoices. By moving to a formal status, self-employed entrepreneurs can benefit from operating and cash loans from the Bank. Regional meetings with various partners, associations and federations in the region have made these devices known and

allowed to group the expectations of the stakeholders. In 2016 and 2017, a communication and awareness creation device was deployed through

the broadcasting of radio adverts on the new status in French, Arabic and the different Amazigh dialects. No less than 19 adverts explain the benefits of the status in terms of taxation, the criteria for obtaining it and the transition to the conventional business model, among other awareness and information topics.

One of the categories covered by the self-employed status is that of artisans, the Bank's historical clientele, whose development responsibility is explicitly mentioned in the Dahirs of 1961 and 2000 on the reform of the Crédit Populaire du Maroc. The Bank has always strived to support this clientele by financing its development by modernizing production techniques and tools. The Bank is making its support to artisans visible, particularly by sponsoring the "Sanaat Bladi" television program which brings together artisans from different regions. Participants are trained by the sales

representatives of the Regional « Banques Populaires » and Attawfiq subsidiary, in order to fine-tune the marketable character of their production.

## Soutenir les secteurs à fort potentiel dans toutes les régions

Morocco has, for the 2014-2020, period, adopted an industrial acceleration plan based on a better sectoral integration, meaning more partnerships between small and large businesses. The Banque Populaire since then positioned itself as a financer of this integration through

support for SMEs in sectors with high development potential. All of these sectoral schemes come to life within the BPRs, whose autonomy in granting 90% of their loans is an important vehicle for accelerating the financing of local economic development. The solidarity-based commitment

between the BPRs and their region of belonging was sealed by the Law 12-92 which specifies that the institution "contributes to the mobilization of savings, to their use in the regions where they are collected and promoting banking activities at national and regional level".

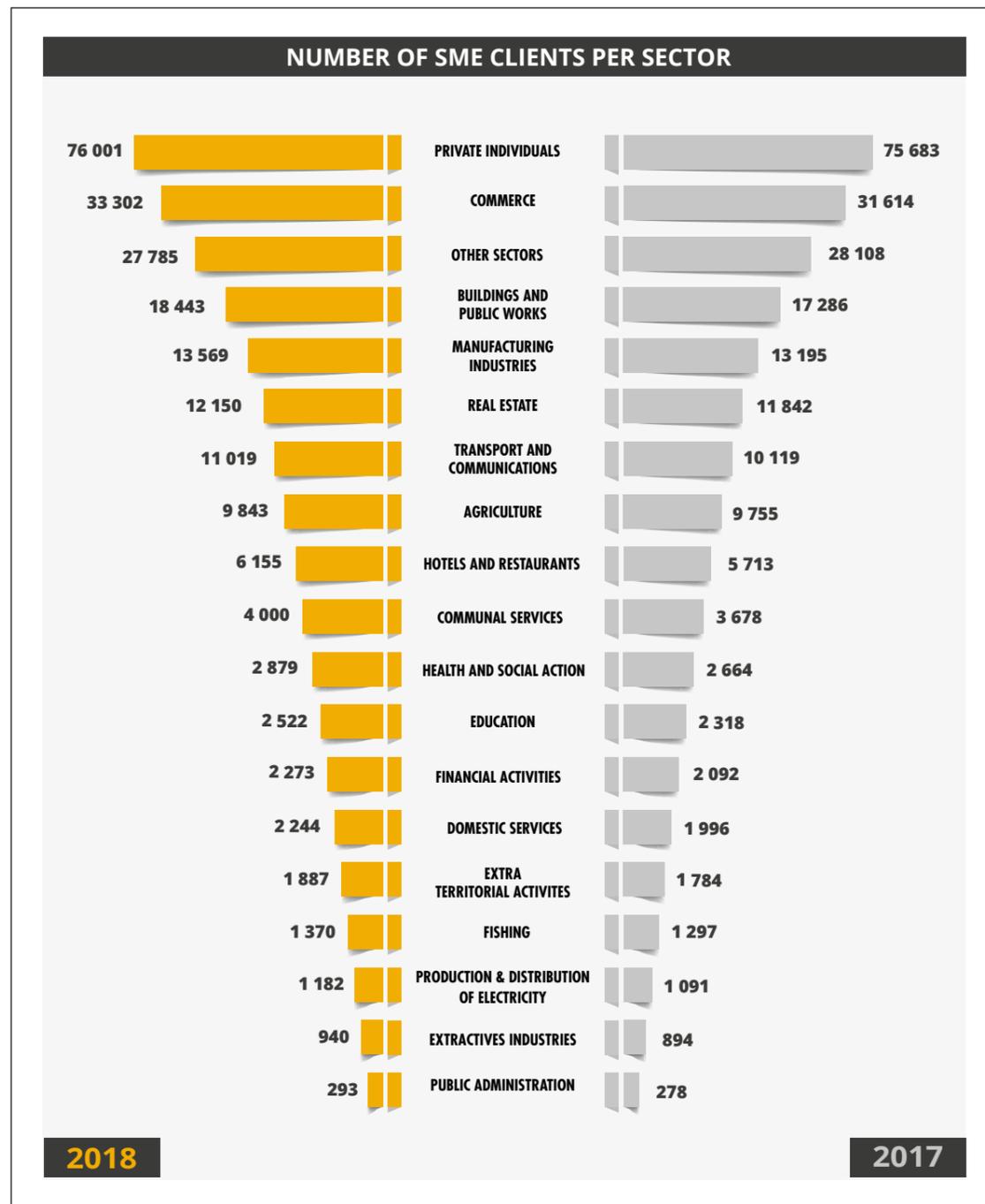
**BANQUE POPULAIRE**  
FAITE POUR VOUS

gbp.ma

**Avec la Banque Populaire, devenir auto-entrepreneur a changé ma vie.**

Auto-entrepreneur  
بنانقة الطاقل الالائ  
Ghita  
TAMIR





## TEXTILES

The Bank is supporting the deployment of six textile ecosystems, the largest private-sector industrial employer and exporter with significant growth opportunities thanks to Morocco's proximity to Europe.

The SMEs of the sector must meet the strong requirements of their European contractors, subject to the duty of vigilance in terms of the environmental and social responsibility of their subcontractors. For all

these reasons, the sector enjoys special attention from the Bank in terms of listening needs, funding and support for exports. Reflections are under way to further support this sector with the assistance of the State.

## AUTOMOBILE

The automotive sector, equally strategic for the development of the country, would earn more in transfer of expertise if more SMEs joined the ecosystem of major international equipment manufacturers. With this observation, GBP held two demonstration sessions in collaboration with the Federation of Industrial Equipment for Vehicles. A first meeting took place in Tangier early 2018 between the SMEs exercising in sectors related to the automotive industry and major equipment manufacturers. A 2nd event took place in April 2018 in Paris, bringing together these same Moroccan SMEs and foreign SMEs approved as equipment manufacturers.

This 2nd meeting Led to concrete partnerships, participating in the creation of business opportunities for European and Moroccan SMEs in the development of automotive ecosystems.

## AGRICULTURE

Employing 40% of the active population, agriculture remains a pillar of the Moroccan economy that Banque Populaire accompanies strongly, granting not less than half of the credits which the sector receives.

Since its launch, the Bank has supported the "Green Morocco" state plan which integrates into its objectives the sustainable management of agricultural water as well as the promotion of gender, the protection of water resources and energy saving.

In 2009 there was the launch of the Filahi program, around financing solutions adapted to the 8 agricultural sectors. In January 2018, two agreements were signed with the Ministry of Agriculture and the Ministry of Industry and New Technologies to finance operators wishing to develop the processing of agricultural products for added value. These agreements also provide a relay financing offer at favorable tariff conditions, for operators waiting to receive the state subsidy. This new relay financing scheme, launched in 2018, was presented through tours in all regions of Morocco, generating ideas for valorization among the present ones.



## Supporting Moroccan transfers and investments across the world

As a historic Bank for Moroccans in the diaspora (MDM), the GBP has since the 60s been alongside the state in its strategy of collecting savings of Moroccans working abroad, in a foreign country. With a 52% market share in terms of deposits, Banque Populaire remains a privileged interlocutor of this clientele, which accounts for no less than 20% of bank deposits and whose transfers are often dedicated to family assistance. As the second largest provider of foreign exchange reserves in Morocco, MDMs represent half of the tourists visiting the country and are hosted and assisted by the annual summer campaign conducted by the Bank. Chaabi bank, a subsidiary of the Group in Europe, the Americas and the Middle East, continues to expand its network with the opening in 2018 of a 10th point of sale in Spain and a new representative office in Doha.

In order to create more local added value, Banque Populaire finances up to 65% of the global cost of start-up and investment projects by MDM in their home country. This device, called Bladi Invest, also provides a state subsidy of 10% of the total amount of the project with a threshold of 5 million dirhams. With the aim of encouraging investment and attracting Moroccan skills to their country of origin, Banque Populaire and its Foundation launched a competition in 2018 called "My BP Project". This competition aims to encourage the entrepreneurial spirit and to make emerge and accompany the best project creation ideas close to the young Moroccans of the World. This initiative, launched on social media networks, rewards three of the most innovative entrepreneurial ideas among the 19 submitted projects. The jury prize of 10,000 euros was awarded to Zakariya LAFTIT, a 27 year old Air Traffic Management Engineer, for "Firnas Aerial Solutions", which aims to exploit drone technology to the benefit of the renewable energy sector.



## Supporting development projects in Africa

With its recent acquisitions in Mauritius and Madagascar, the Banque Populaire Group is now present in 14 countries in sub-Saharan Africa. These acquisitions, completed in 2018, open up new prospects in terms of capturing investment flows from Asia to Africa and supporting the growing investment dynamic between English-speaking Africa and French-speaking Africa.

In Africa, the Banque Populaire Group supports development by financing major state infrastructure projects. Thus, in 2017, the Group signed an agreement with the Ivorian State for a financing of 66.7 billion CFA francs for the modernization of road infrastructures. In Burkina Faso, the Atlantic Bank assisted the National Company for Land and Rural Equipment Development (SONATER) in the acquisition of production equipment at subsidized prices by the State of Burkina Faso, to the benefit of agricultural producers. In Senegal, the Atlantic Bank has participated in several project financing operations in various key sectors of the economy, included in the "Emerging Senegal" Plan, which includes the construction of a speed train.

### Supporting female entrepreneurship in Ivory Coast

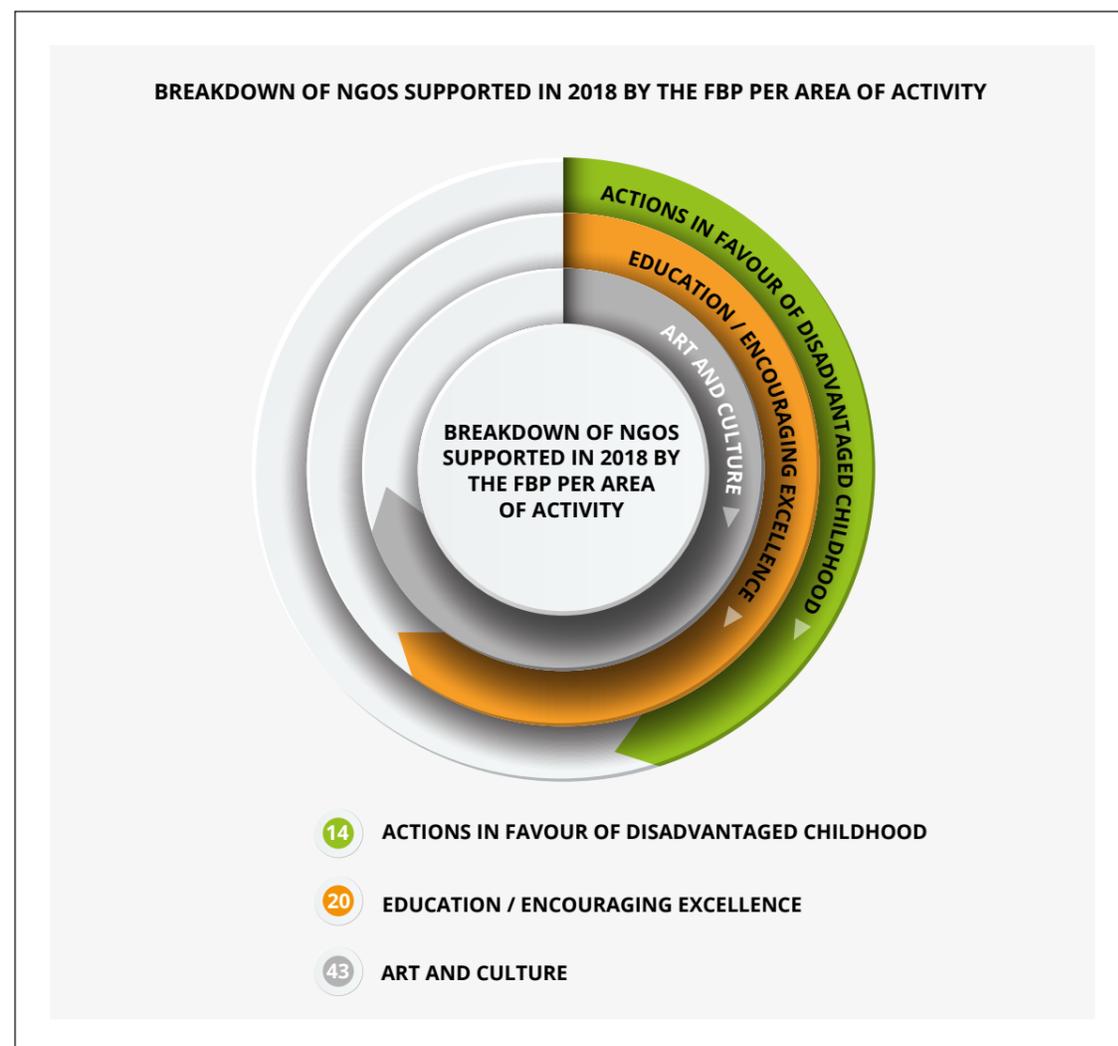
*In Côte d'Ivoire, the Atlantic Bank is one of the leading financiers of SMEs, demonstrated through the mobilization in 2017 of a new financing package of 50 billion CFA francs in loans to this clientele. Also in 2017, the Fund for the Promotion of SMEs and Women Entrepreneurship was launched by the Atlantic Bank and the Ministry of Commerce, Craftsmanship and Promotion of SMEs, with a total of \$ 5 billion CFA. In less than two years, 180 enterprises run by women have benefited from a global financing of CFAF 2.578 billion. The Group is convinced that the growth of businesses stemming from female entrepreneurship is a real driver for economic growth.*

## SUPPORTING COMMUNITIES THROUGH SPONSORSHIP

The role of Banque Populaire in the socio-economic development of Morocco is enshrined in its statutes and is illustrated both by the responsible exercise of its core business mandate and by its patronage activities. As the oldest foundation dedicated to the exercise of citizenship by a Moroccan bank, the Banque Populaire Foundation (FBP) is one of the first NGOs to have been recognized as being of public utility 35 years ago. Established in a developing country, it is important for an institution like the Banque Populaire to meet the expectations of solidarity emanating from civil society and the state.

Being a Citizen and in solidarity, the Foundation participates in socio-economic development at national and local levels through five strategic areas of intervention : working for education, fighting school dropout rates in rural areas and encouraging excellence, promoting artistic creativity, supporting social structures for the poor and those with special needs, preserving the heritage and protecting the environment.

18 of the Foundation's employees are currently running a number of social programs by themselves, not counting the 77 NGOs that are financially supported elsewhere.



## Improving educational conditions and encouraging excellence, a historic position

The PBF was initially created to support the schooling of the children of its Moroccan Diaspora Clients (MDM) who still hold the notion of having the education of their children rooted in the identity of their country of origin. First in Agadir in 1984 and Tangiers in 1997, excellence institutions admitted children of MDM, local students, as well as destitute students for whom tuition fees are offered. Students in both schools have excellent success rates and regularly win trophies in various disciplines.

### PREVENTING SCHOOL DROP-OUTS IN RURAL AREAS

Dropping out of school in Morocco still remains a scourge with well under half of children attending primary school going all the way to get their degrees. The long distances between schools, high schools and home is at the top of the list of reasons

for dropping out of school and particularly in rural areas.

Since 2014, the Bank has been running the "One Banque Populaire branch, One school set up" project,

in collaboration with the Regional Academies of Education and Training (AREF), Mr. Abdelhafid RERHRHAYE and the Najah association. It is a question of rehabilitating the infrastructures of isolated schools while providing them with

monthly subsidies to contribute to their operating expenses. As of December 31, 2018, 5 schools totaling 600 students in the Oriental and Tadla Azilal regions benefited from this subvention program meant to improve the schooling conditions of students and working conditions of teachers. The Foundation aims to eventually cover all regions, starting with the Tangier-Tetouan - Al Hoceima region.

### Supporting Dar Attalibate

*In rural areas, girls are even more affected by the phenomenon of school drop-outs because sometimes the long distance adds to the refusal of a parent to allow his/her child to continue schooling, especially during the crucial transition to secondary school.*

*As such, the "Dar Attalibate" establishments, literally meaning "House of students", are dedicated to admitting in boarding schools, rural girls pursuing their secondary education in a high school far from their family home. These establishments, often located in remote areas, suffer from harsh winter conditions and lack access to hot water. Since 2018, FBP has been equipping these homes with solar panels to heat water. This first year, three institutions were able to benefit from the program in the province of El Hajeb which particularly suffers the cold climate. The Foundation plans to cover another 5 "Dar Attalibate" and "Dar Attalib" in the same region in 2019.*

**368**

PENSIONERS BENEFICIAIRES OF THE DAR ATTALIBATE PROJECT IN 2018

## SUPPORTING DISADVANTAGED CHILDHOOD AND YOUTH

The FBP is one of the major partners of the Oum Kelthoum Social Complex and the El Ghali Cultural Complex in Sidi Moumen, a disadvantaged neighborhood with 350,000 inhabitants on the outskirts of Casablanca. Nurseries at the Oum Kelthoum Complex allow mothers to continue working. Mothers can also be supported in their income-generating business by the Attawfiq subsidiary, which has a micro-credit agency in the center. Unemployed young people benefit from vocational training

## Democratization of art

Through the awareness and social cohesion they generate, the arts undeniably promote socio-economic development. By highlighting the Moroccan and regional cultural specificities, the Foundation is working to consolidate the socio-cultural links of Moroccans with their regions and Moroccans in the diaspora with their country of origin.

The Foundation supports young local painters and MDMs, but theater as well by sponsoring almost all theater festivals in the country, such as "Theater and Cultures", organized by the Living Arts Foundation. The Foundation is also an important patron of cinema and music, having been an official sponsor of the Marrakech International Film Festival since its creation in 2001, as well as festivals in many parts of the Kingdom.

in parallel to the sports and cultural activities offered within the El Ghali Cultural Complex: language classes, music, dance, martial arts, art workshops, studio editing ... In total, the two complexes belonging to the Oum Kelthoum Coalition Association supports an average of 1500 beneficiaries on a daily basis.

## WORKING FOR THE EXCELLENCE OF HIGHER EDUCATION

Improving the learning conditions of in the programs of excellence in higher education today, means working towards the professional integration of tomorrow's graduates. That's why the Foundation has for

## Preserving heritage

The history Banque Populaire, founded in 1926, is closely linked to that of Morocco. It is therefore natural for the Foundation to ensure the preservation and transmission of the heritage.

The Foundation continues to preserve the Flandrin Fund with 40,000 photos acquired in 1994. The photo library is preserved by extensive digital archiving and storage under strict conditions. Clichés are made available to researchers and historians who wish.

In 2017, the Foundation participated alongside the Bank in the production of a documentary film on the political, economic and socio-cultural events that marked the history of Morocco from the second half of the 19th century to the first half of the 20th century.

Built in 1932, the Dar Si Said museum dedicated to wood crafts was rehabilitated in 2017/2018 with the contribution of the FBP.

several years been supporting the preparatory classes by equipping all the centres in the Kingdom with wifi, a feat achieved in 2016 with 8300 student beneficiaries in 25 centres.

The Foundation sponsors, each year, specialized classes for the preparatory classes as well for the PhD students at the university with their research topic being entrepreneurship.

In 2018 a new program designed for preparatory classes for the TSI program admitting high school graduates with

Technical baccalaureates, was launched.

These classes will be equipped with laboratories for carrying out practical works,

with the orals occupying a vital position in the entry exams for the Higher Institutions.

## Environmental protection

Since 2001, FBP takes responsibility for the upgrade and maintenance of 4 beaches in partnership with the Mohammed VI Foundation for the Environment. Two of these coastal resorts enjoy the "Blue Flag" label which certifies the quality of the resort, the compliance of investment to international standards and quality awareness creation and education on environmental preservation led by the Foundation.

Moreover, the two schools of the PBF are adherents to the Eco-School program led by the Mohammed VI Foundation for Environmental protection and the Foundation Environmental Education (FEE). Both schools place great importance on ecological issues in their teaching programs through practical recycling activities, water recovery and gardening.



# ACTING AGAINST CLIMATE CHANGE

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AMOUNT OF FINANCING CREDITS FOR HUGE RENEWABLE ENERGY PROJECTS ISSUED DURING THE YEAR



SHARES OF THE BANK'S ENERGY COMMITMENTS GOING INTO RENEWABLE ENERGY



DEDICATED TO FINANCING ENERGY EFFICIENCY PROJECTS OF SMES

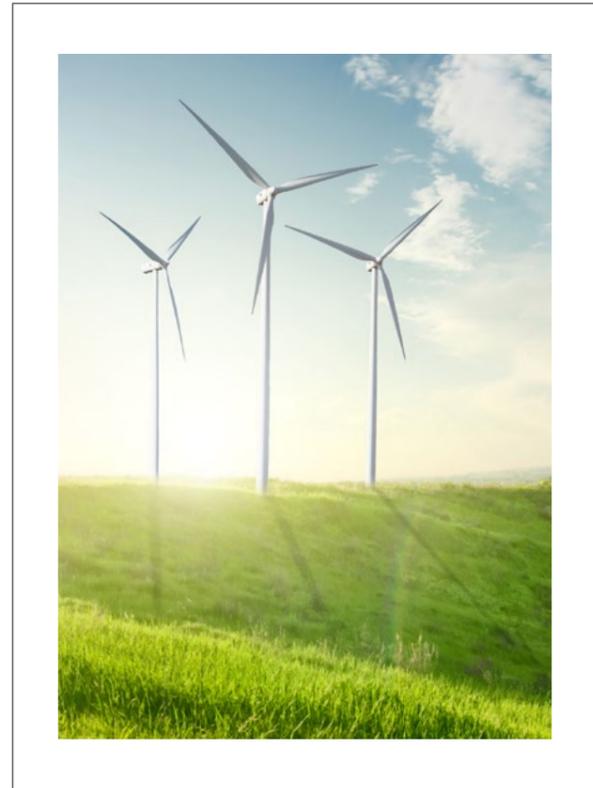


ACTOR IN THE MOROCCAN AND AFRICAN BANKING SECTOR TO ISSUE GREEN BONDS IN CURRENCY



THE ENERGY INTENSITY RATIO OF BIG SITES CERTIFIED (BY M2)

## SUPPORTING THE FINANCING OF THE ENERGY TRANSITION



Morocco has for many years been deploying An important plan to reduce its energy dependence thanks to the investment in renewable energy.

They should represent, according to the set goals, 52% of the national energy mix by 2030. This contributes to Morocco's global commitment of reducing its greenhouse emissions by 42% between 2010 and 2030, supported by the Paris accord. This will, beyond the mobilization of all, require an estimated investment of about 50 billion dollars.

The Banque Populaire Group, supportive of this national and global cause, positions itself as a funder of the energy transition and ensures the positive environmental impact of its investment credits. These actions are in line with the recommendations of the climate action plan defined by Bank Al-Maghreb during COP 22, a conference the Bank naturally participated in.

### Financing renewable energy

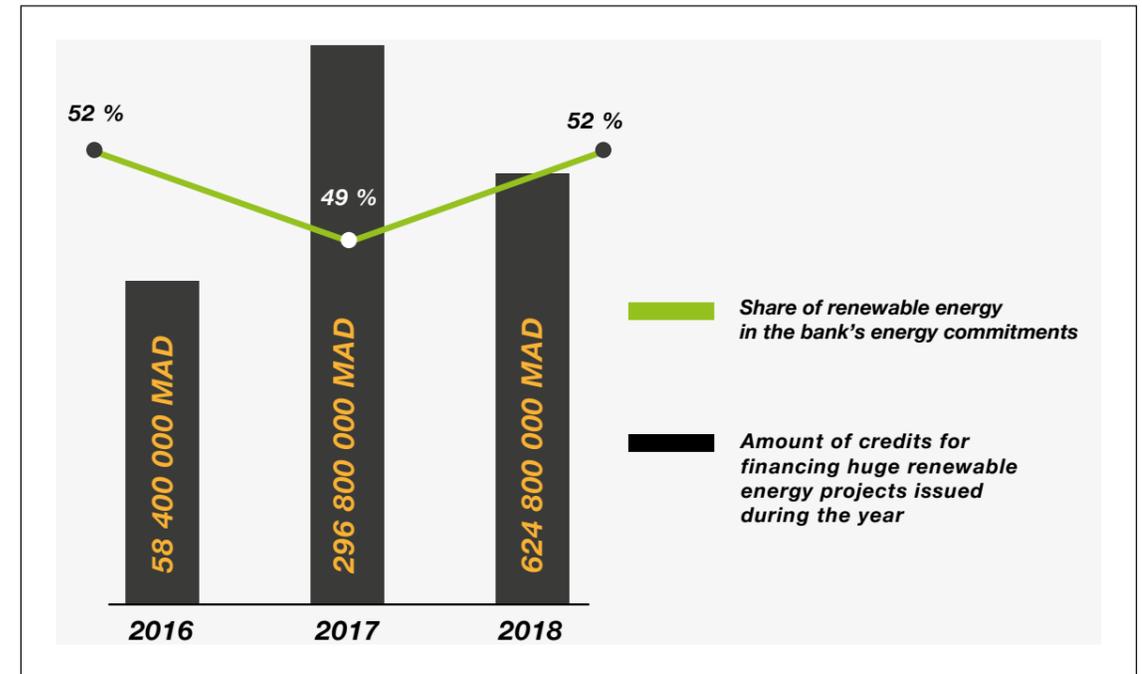
Energy accounts for half of Corporate and Investment Banking (CIB) commitments, responding to steady growth in domestic consumption, and is largely imported. While the Bank has so far mainly financed wind projects, it is now planning to finance solar power generation, which has significant potential and has demonstrated its profitability.

In 2018, the Bank released 800 million dirhams for the Aftissat project south of Laayoune, a project totaling 2 billion dirhams, generating 201 MW.

Thanks to its proven experience in the financing renewable energies, the Bank won in 2018 the call for tenders for the credit management of the financing of the Midelt wind farm,

inscribed in the big integrated ONEE plan for the production of 850 MW.

As a credit agent, the Bank will ensure that the commitments made by Nareva, Enel Green Power and Siemens Wind Power, designers and developers of the project, towards social and environmental protection are respected.



### Issuing of Green Bonds

Banque Populaire is the first player in the Moroccan and African banking sector to issue in 2016 "Green Bonds" intended to refinance renewable energy projects in Morocco. This issue, certified by Green Investment Bank (GIB), was registered in 2017 by International Finance Corporation and Proparco, for respective amounts of 100 and 35 million euros. Identified projects will ultimately enable a wind energy production of 1500 GWh per year, covering the needs of nearly 1.8 million inhabitants

whiles avoiding the emission of 17 MtCO<sub>2</sub> over their lifetime.

The two projects funded so far by the issuing of the Green Bonds issue have been assessed for their carbon footprint in collaboration with the International Finance Corporation (IFC). This assessment reveals a carbon footprint in 2016 and 2017 of respectively 937,800 Tco<sub>2</sub>e / year and 1,101,946.33 Tco<sub>2</sub>e / year



## Evaluating the environmental impact of all investment credits

Any investment credit file must be subject to an environmental risk assessment via a dedicated application, prior to the examination by the Credit Committee. A questionnaire filled by the client covers all the potential environmental impacts,

namely solid and liquid waste, greenhouse gas emissions and the production or use of hazardous materials. The most polluting projects are closely monitored by the Bank's teams through reports, field visits and interviews.

## Moving towards better energy efficiency of enterprises

Beyond cost control, energy efficiency is an indirect development vector for companies in relation with foreign stakeholders whose expectations in terms of environmental responsibility are high. As a result, financing energy efficiency allows the Bank to help support SMEs to seize new opportunities for local growth and export.

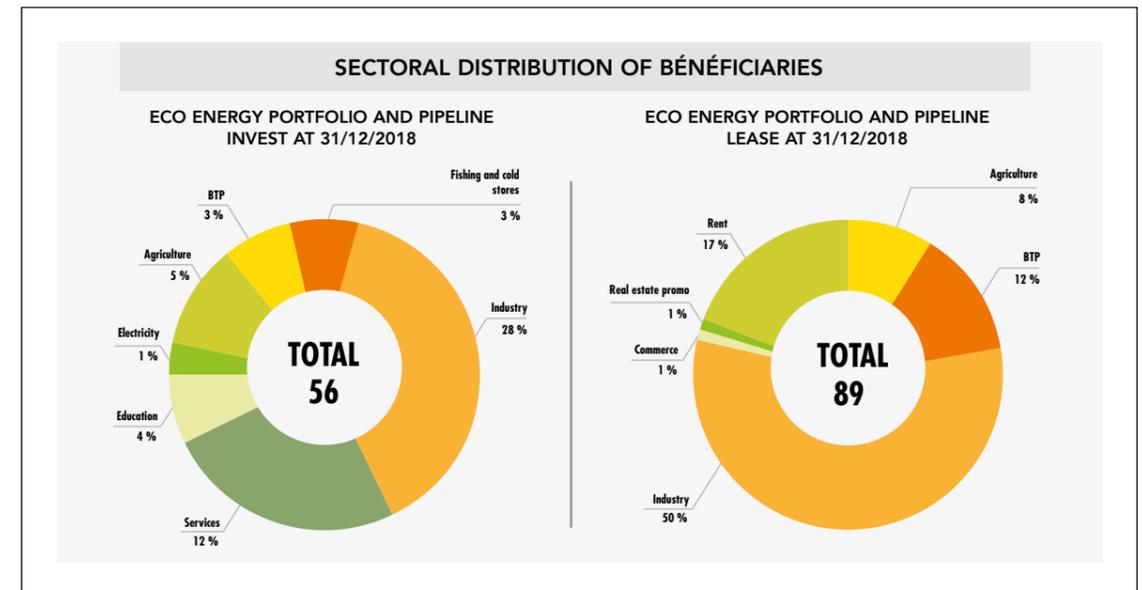
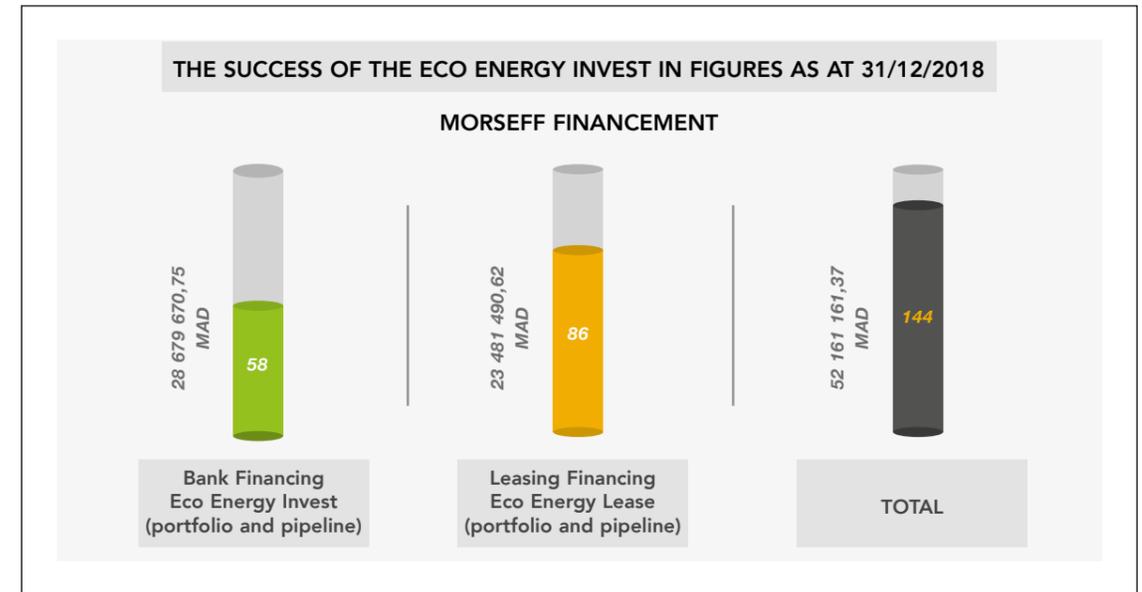
In 2016, the Bank put in place a comprehensive plan to support SMEs in their energy efficiency approach :

- the simplification of access to the energy audit by financing an additional subsidy offered by Moussanada Energy Efficiency Morocco SME;
- financing packages adapted to each case, with the possibility of recourse to investment funds;
- free application fees for the financing of energy efficiency and renewable energy investments;
- the ECOENERGY INVEST offer of tailor-made financing with a subsidy of 10 to 15% of the loan and free technical assistance.

The ECOENERGY INVEST offer, designed in partnership with the European Bank for Reconstruction and Development (EBRD), the French Development Agency (AFD) and Kreditanstalt für Wiederaufbau (KfW), as part of the MorSEFF financing line (Morocco Sustainable Energy Financing Facility), was a resounding success. It covers the purchase of equipment or investment allowing to achieve at least 20% energy savings (30% in the building) and the installation of small-scale renewable energy technologies.

With an initial budget of 20 million euros, the system was extended at the end of 2016 for an additional 35 million euros, thus responding to the strong enthusiasm encountered. In 2017 and 2018, an average amount of MAD 6 million was awarded in 9 Kingdom regions to 28 and 41 enterprises, respectively, with 40% being industrial.

New offers are being studied, related to targeted and high-potential equipment such as solar pumping.

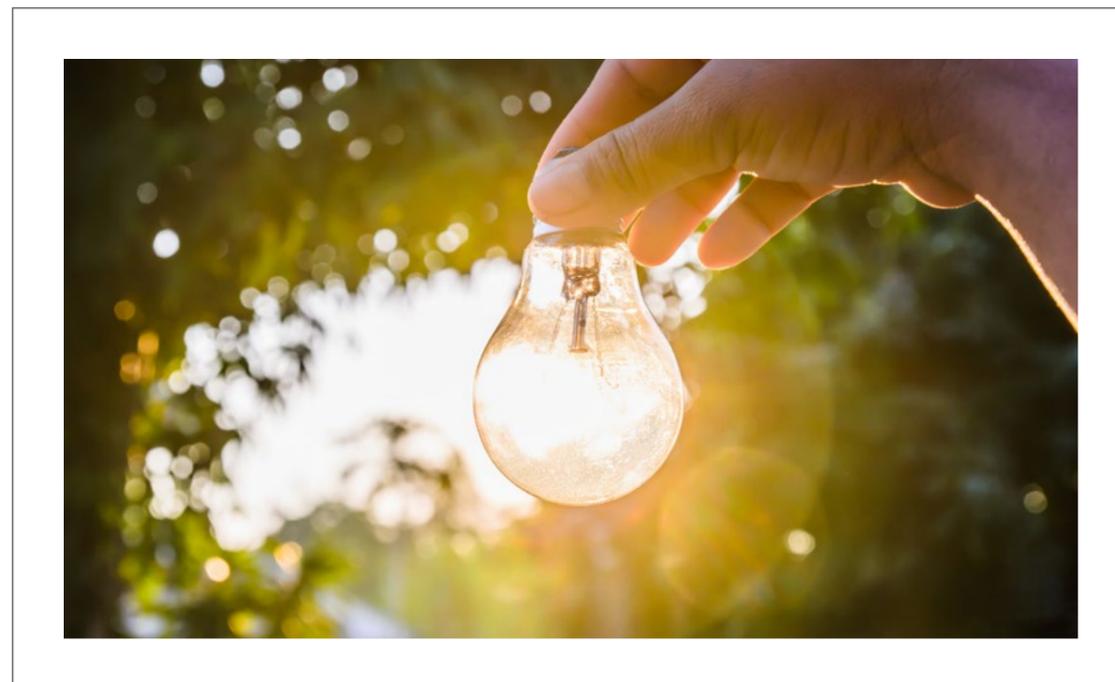


## Relationship between environment and competitiveness : Banque Populaire explains

In April 2016, the Bank organized the forum entitled "Energy Efficiency and Renewable Energies: Levers of Competitiveness of Enterprises" which saw the participation of 300 targeted companies, national and international experts, public and private operators and members of the European Bank for Reconstruction and Development (EBRD), the French Development Agency (AFD) and the German public investment bank KfW. The event aimed at encouraging companies to adopt an energy efficiency approach and to invest in renewable energy in order to reduce their energy bill and their environmental impact, while gaining competitiveness. The forum resulted in a white paper summarizing the recommendations of the various stakeholders.

# REDUCING THE GROUP'S ENVIRONMENTAL FOOTPRINT

With its strong presence in the area, Banque Populaire has a large number of buildings and data centers with high energy consumption. In this context, optimizing its energy needs is essential for the Group and for its contribution to the national and international efforts to combat climate change. Its actions focus on four areas, gradually controlling environmental impacts.



## Management of real estate

Banque Populaire has chosen to begin implementing its energy management system through the headquarters and Datacenters, where a large part of consumption is concentrated. The agencies, although not yet integrated into this energy management system, are for the moment the subject of actions aimed at optimizing electricity and water consumption.

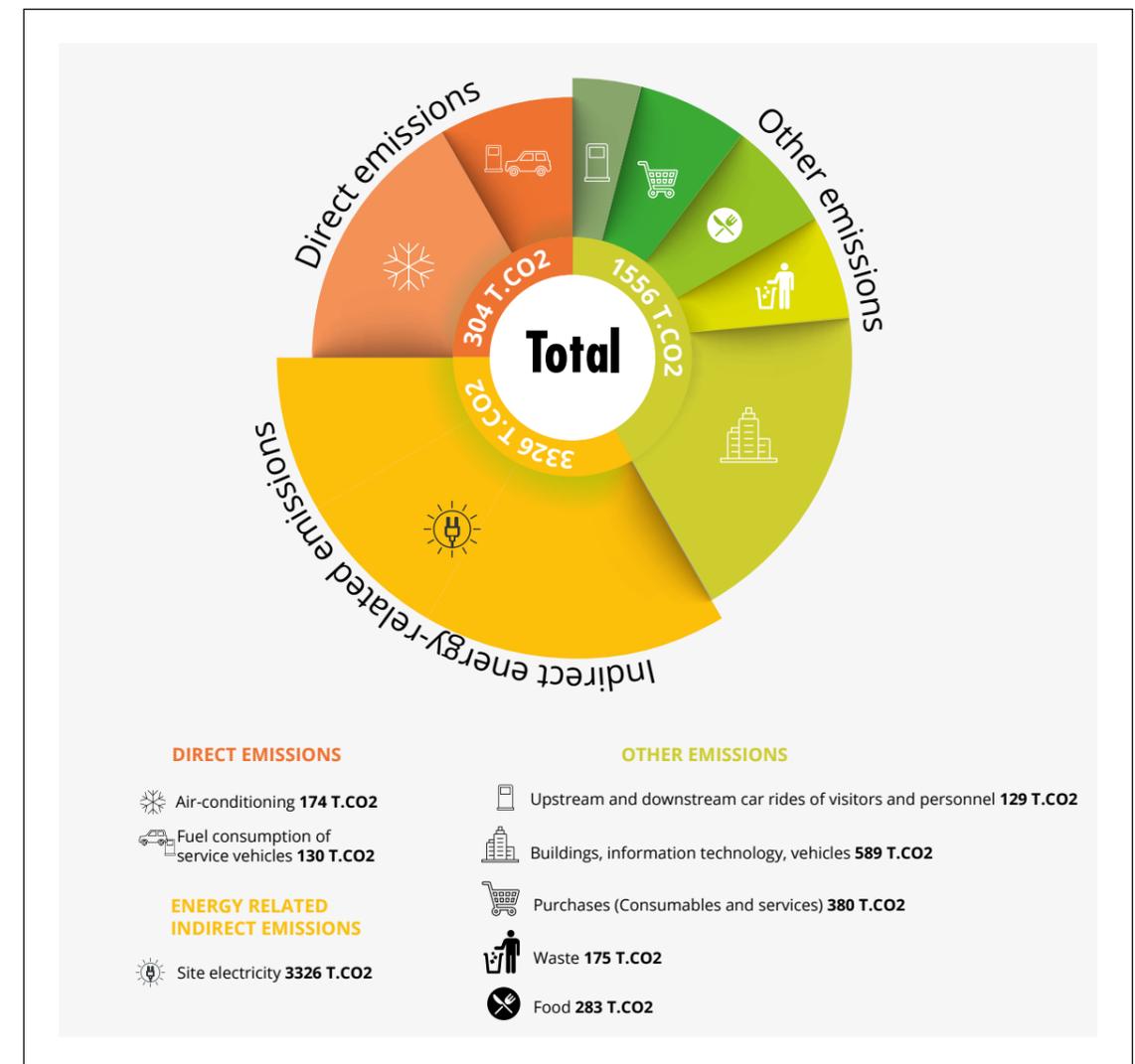
### AT THE HEADQUARTERS

In 2015, the Banque Centrale Populaire (BCP) carried out a carbon audit of its

headquarters in order to estimate the greenhouse emissions generated by fuels and fugitive emissions, electrical energy, purchases, buildings, waste, restauration as well as movements.

It is concluded that the main sources of CO2 emissions are electrical energy buildings, followed by purchases.

The 2015 carbon footprint amounts to 5,186 tonnes of CO2 equivalent. The breakdown of greenhouse gas emissions is as follows :



In 2016, the Bank started an ISO 50001 certification process for energy management systems. The Group's energy policy focuses on improving energy performance, reducing energy consumption and contributing to the reduction of greenhouse gas emissions. It has been signed by the President and is deployed by an internal team made up of the Central BCP team and a regional correspondent at the level of the BPRs. Certification was obtained in November 2016 for the headquarters of BCP, its extension and the

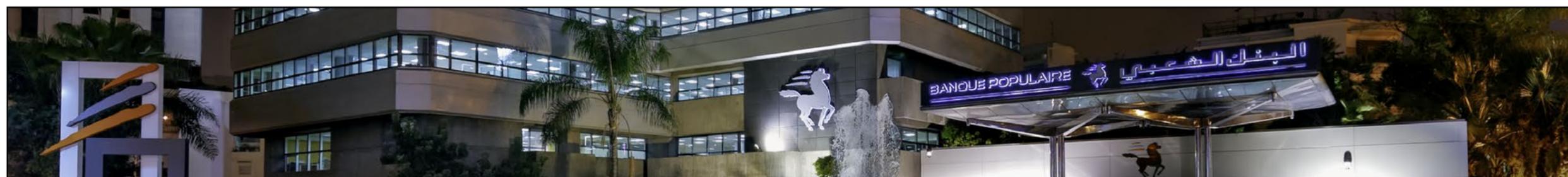
Diouri Datacenter. In 2017, the certification was extended to the 3 regional Banques Populaires (BPR) headquarters in Rabat, Nador and Laayoune, with a goal of generalization to all BPR headquarters by 2021. Since 2016, all the energy referents at the BPR headquarters benefit, every year from ISO 50001 training. Since 2017, the implementation of smart meters has enabled to closely monitor electricity consumption and an acquisition of operational mastery of energy uses. It makes it possible to

anticipate, among other things, leeways and and to carry out equipment inventory. The implementation of the SMé energy management system and these actions have made it possible to improve the headquarters' energy intensity ratio from 89 Kwh / m² to 77.8 Kwh / m² between 2016 and 2018, a reduction of 12.5%, knowing that the three-year objective from 2016-2019 is to reduce the energy consumption (electricity and fuel) of the headquarters by 10%.

INDICATORS	PÉRIMÉTRE	2016	2017	2018
<b>Total fuel consumption coming from non-renewable sources (in KJ)</b>	Certified sites : BCP et BPR Rabat, Laâyoune and Nador*	1 783 702,8	2 514 153,6	2 792 966**
<b>Total electricity consumption (Kwh)</b>	Certified sites : BCP, BPR Rabat, Laâyoune, Nador and Data Center Diouri	9 133 212	9 512 465	9 653 575
<b>Total energy consumption (Kwh)</b>	Certified sites: BCP, BPR Rabat, Laâyoune, Nador and Data Center Diouri	9 628 685	10 210 841	10 429 399
<b>Energy intensity ratio (Kwh/m2)</b>	Certified sites: BCP, BPR Rabat, Nador and Laâyoune	89	83,5	77,79
<b>Quantity of energy consumption reduction attained (Kwh)</b>	Certified sites: BCP, BPR Rabat, Laâyoune, Nador and Data Center Diouri	429 522	291 979	302 884

\* The 2016 data exclude Rabat and Nador

\*\* Extrapolated data based on a diesel PCI of 10



### IN THE AGENCIES

For several years, energy efficiency criteria have dictated the Group's choices in terms of air-conditioning equipment and lighting of new agencies or renovations. Renovation of old agencies continues, allowing 30% a of energy

saving (compared to the old agencies). It is also planned to replace, over the next two years, all lighting sets for CPM headquarters and branches as well as certain subsidiaries' offices and branches with LEDs. In 2016 and 2017, the awareness creating activities were extended to all BCP agencies and continue within the BPRs.

**ECONOMIE DE 7,9 MDHS**

BETWEEN THE PERIOD 2012 AND 2016, THE ÉQUIVALENT OF 14% (CPM)

## Energy saving information technology equipments

The Banque Populaire Group, in its choice of IT equipment, favors international manufacturers committed to a green innovation approach.

It is in this perspective, that the air conditioning and electricity systems of the Datacenters were optimized several years ago, generating 6-7% savings in energy. A project to set up an even more economical New Generation Datacenter is underway.

To date, the virtualization of nearly 1,000 servers via a private cloud being used by the entire Group can optimize space, heat release and mutualize maintenance. This device brings to 97% the share of virtualized servers.

## Optimizing fuel consumption

The cars in the Bank's fleet are renewed every five years taking into account fuel consumption as a criterion. In 2018, a training session in eco-driving was organized for the couriers and drivers of the Bank. These actions reduced fuel consumption by 14% in 2018.

## CHAABI LLD

*CHAABI LLD, a subsidiary of the Group specializing in long-term leasing, began the ISO 14001 certification process of its environmental management system in 2018. This approach is part of national efforts for sustainable mobility and takes into account the significant impacts of the activity in terms of fuel consumption and the production of waste related to vehicle maintenance.*

*The subsidiary acts on fuel consumption and CO2 emissions through the promotion of hybrid vehicles, through a dedicated offer launched in late 2018 in collaboration with a leading importer in Morocco. This offer was designed so that its price positioning is aligned with a similar range of diesel, to encourage companies to incorporate this type of vehicle into their purchasing policy.*

*In addition, the subsidiary closely monitors the CO2 emissions of its replacement fleet and has set itself the ambitious goal of halving the impact of its carbon footprint by 2022 by integrating hybrid and electric vehicles with each renewal.*

*CHAABI LLD has also embarked on an innovative project consisting of internally creating a large catalog of video capsules designed to raise awareness of about eco-driving and preventive driving. These video capsules are made available to its clients either during training seminars or free of charge on its website.*

## Optimising waste production and waste treatment

Banque Populaire has dematerialized for a number of years a number of internal documents and customers, like electronic statements of account. At the end of 2018, 553,286 customers joined this initiative. The automation of two-sided printing in black and white and a responsible printing charter were introduced in 2016. Since 2017, the digitization of the account opening customer journey in Morocco but also in 11 countries of implantation of Chaabi Bank has drastically reduced paper consumption

using a file consolidating all the information collected online. The account opening process "jedeviensclient.ma" was involved, in 2017 and 2018, in 70% of the account openings, ie about 200,000 account openings in total. With a paper saving of 27 pages per account, this equates in 2 years to a savings of 5.4 million printed pages. At the end of 2018, the launch of the customer journey "jedeviensproprietaire.ma" now makes it possible to receive a response to his/her request for mortgage credit without

bringing justifying documents or even moving in the first place.

On the recycling side, discarded prints are retrieved by an external service provider who has a contractual obligation to ensure that it is valued in environmentally friendly centers and data confidentiality.

End-of-life computers are taken over by the Al Jisir Association, which repairs or disassembles them to provide raw materials to Managem, the country's leading mining company.

# ACTING AS A RESPONSIBLE EMPLOYER

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**50 %**

PROPORTION OF WOMEN



**5,5 %**

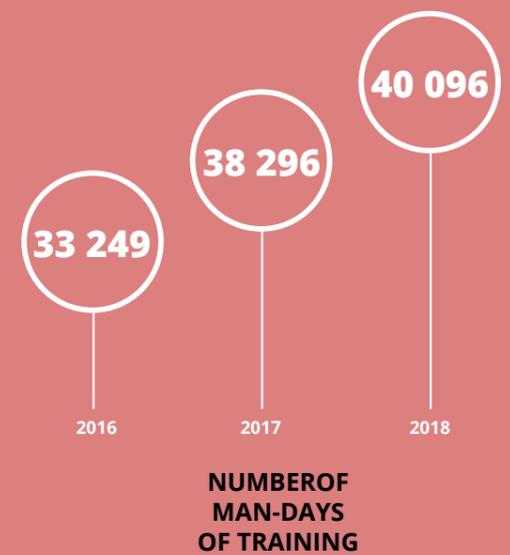


**4,9 %**

PROMOTION RATE



CLOSE TO **99 %**  
OF THE EFFECTIVE BÉNÉFIT FROM  
AN ANNUAL PERFORMANCE REVIEW



# PROMOTING DIVERSITY

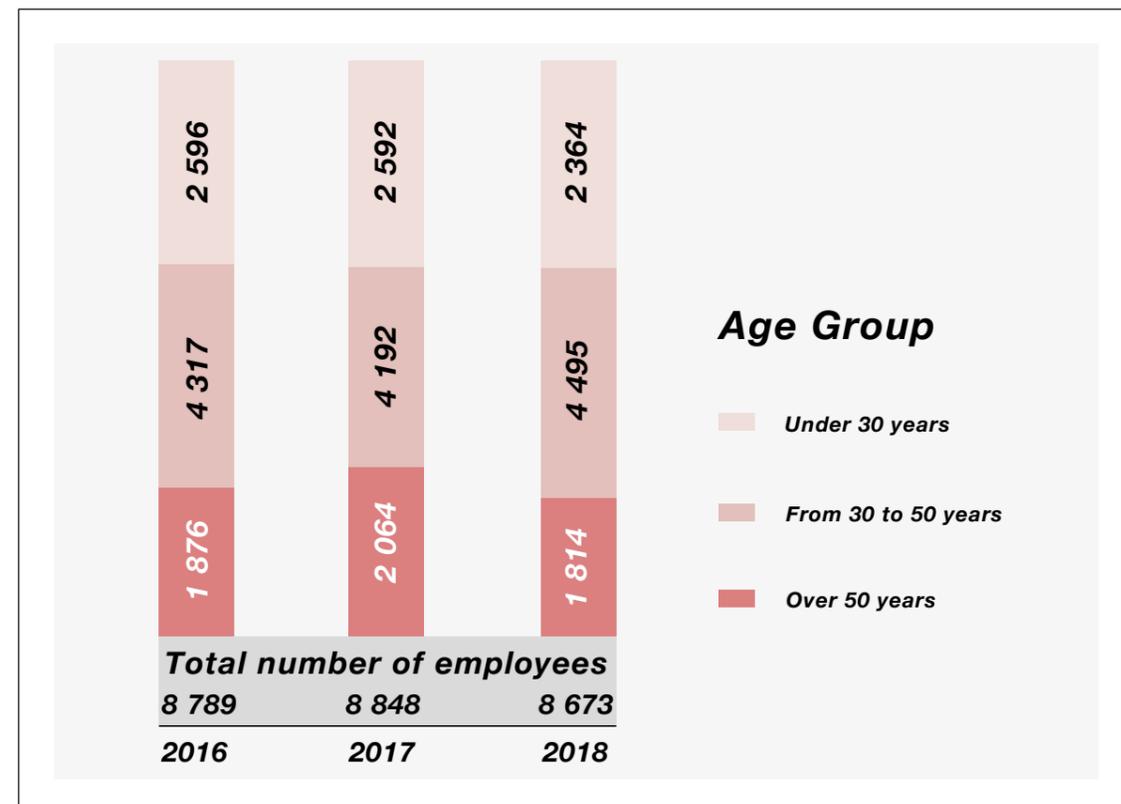
Promoting diversity means fighting against all forms of discrimination but also promoting, with equal skills, the variety of profiles, in terms of age, gender, origin and disability. In addition to managing the risks associated with discrimination, the Banque Populaire Group is convinced that diversity brings wealth and is a real lever for economic and societal performance. Diverse profiles enable the Bank to better understand the expectations of its various customer segments, to innovate and to transform itself.

In terms of its Code of Conduct and Ethics, the Bank is committed to non-discrimination, diversity and the promotion of equal opportunities and treatment.

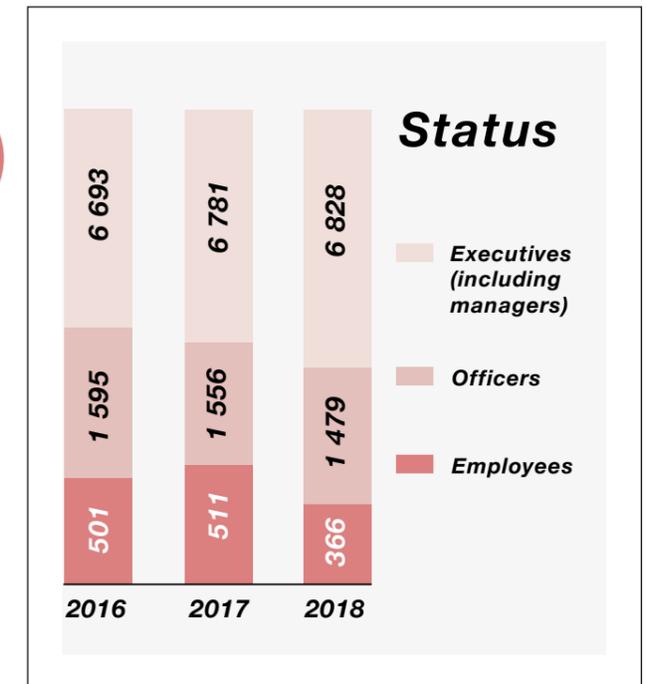
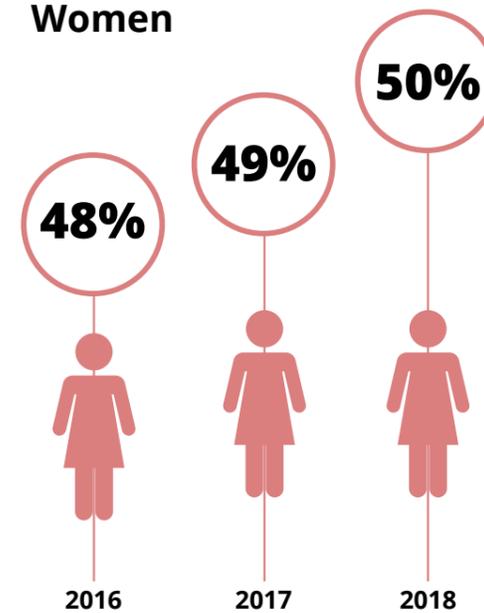
## The human profile of CPM

All CPM employees benefit from permanent employment contracts, that is to say permanent contracts (CDI) or ANAPEC contracts converted into permanent contracts. All of these contracts are full-time.

In addition to CPM's permanent staff, there are nearly 1,531 temporary workers who ensure the safety and cleaning of the headquarters and agencies. Most of these temporary workers are subject to the same working hours as Bank employees, except those working on weekends and at night and benefiting from premiums accordingly.



## Gender Women



Staff per region	2016	2017	2018
B.P. NADOR-AL HOCEIMA	565	568	542
B.P. CENTRE-SOUTH	578	610	605
B.P. FES-MEKNES	1 114	1 135	1 112
B.P. LAAYOUNE	163	167	165
B.P. MARRAKECH-BENI MELLAL	983	988	932
B.P. OUJDA	562	574	567
B.P. RABAT-KENITRA	1347	1352	1 343
B.P. TANGER-TETOUAN	640	652	636
BANQUE CENTRALE POPULAIRE	2 837	2 802	2 771

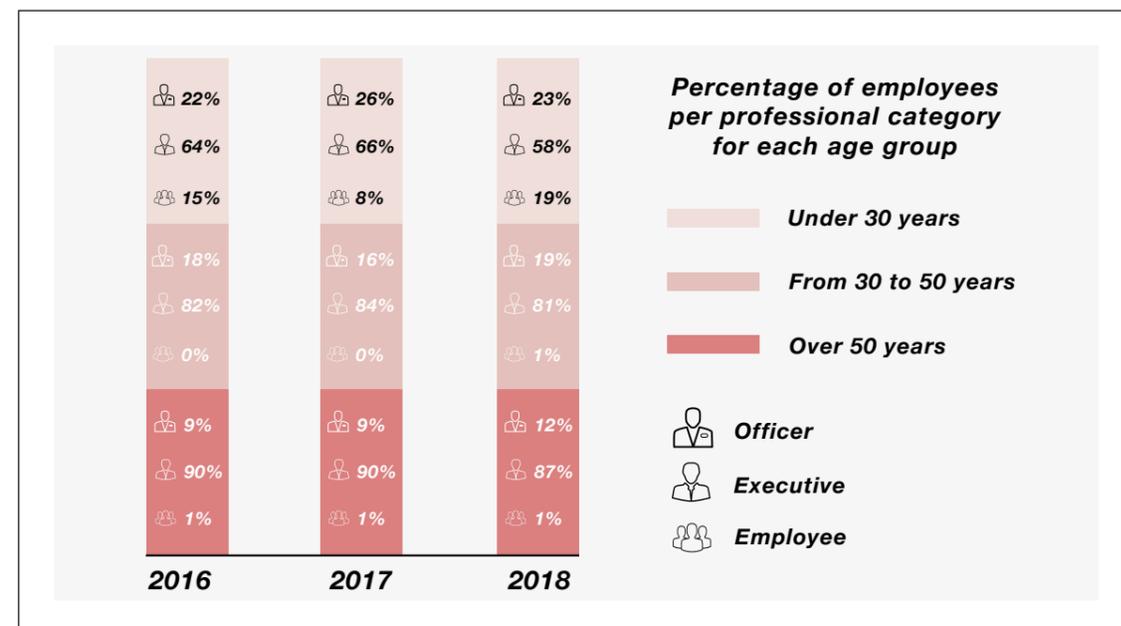
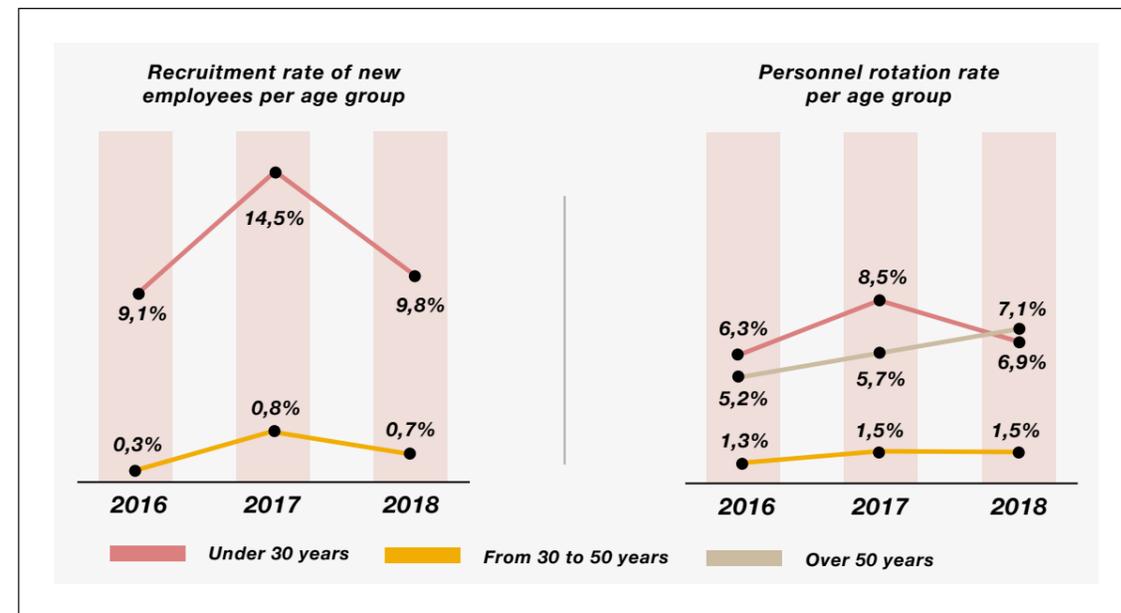
## Age

The Bank promotes the recruitment of young people under 30 years of age. To do this, it relies on its presence in the various job forums and fairs in High Rated Institutions and Universities.

Since 2013, the Bank has also been deploying a proactive policy of recruiting young graduates from Moroccan prestigious schools from its various countries in sub-Saharan Africa. These recruits, after spending two years in Morocco, are deployed to their countries of origin.

The young recruits are accompanied with basic training programs in banking and personal development training.

With one of the highest seniority rates in the industry (13.3 years), Banque Populaire retains its employees thanks to varied and multi-faceted career paths. At age 58 or 59, the Bank's future retirees are accompanied with retirement preparation coaching sessions in order to initiate the construction of the post-retirement life project and ensure the transition.



## Local Employment

The Group favors local employment in all its regions. The Bank relies on its participation in local recruitment forums and the organization of regional recruitment competitions. Partnerships with higher education institutions in the regions complement these arrangements.

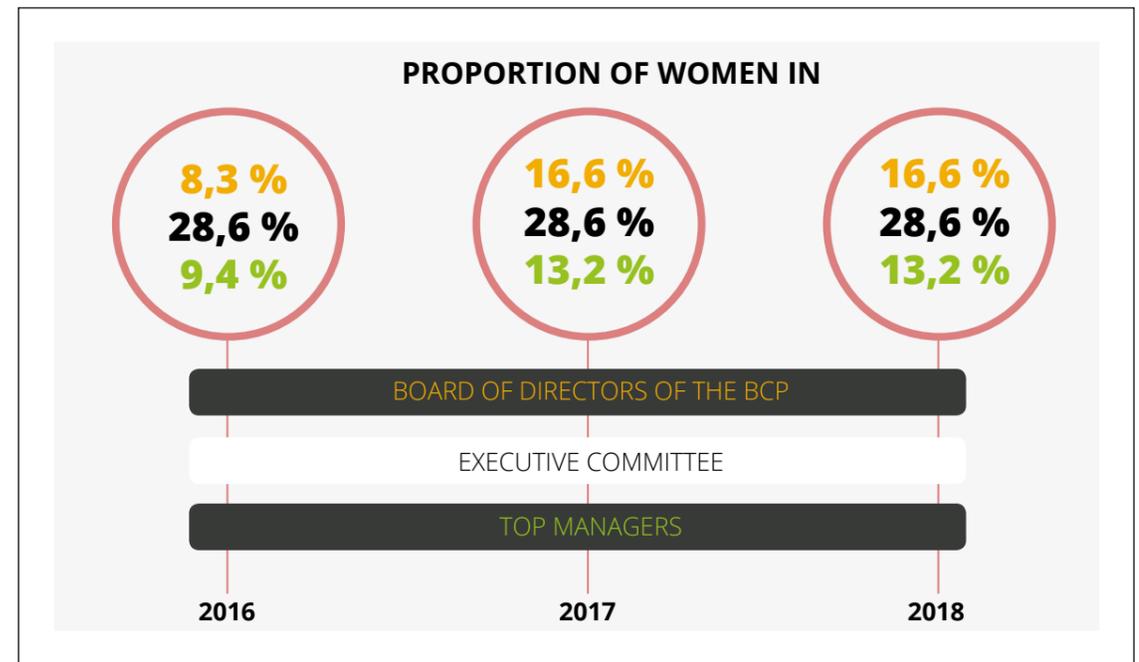
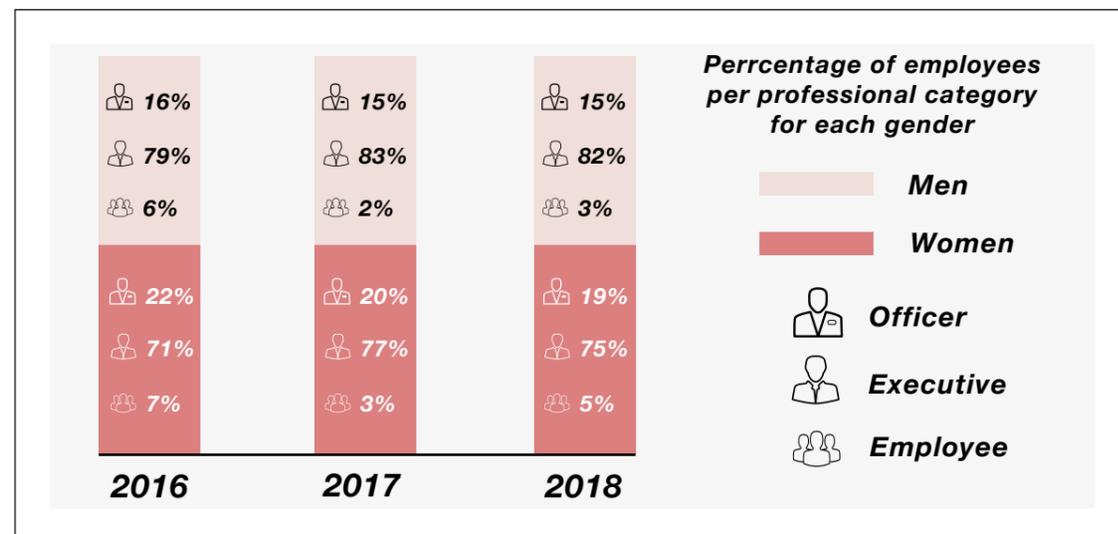
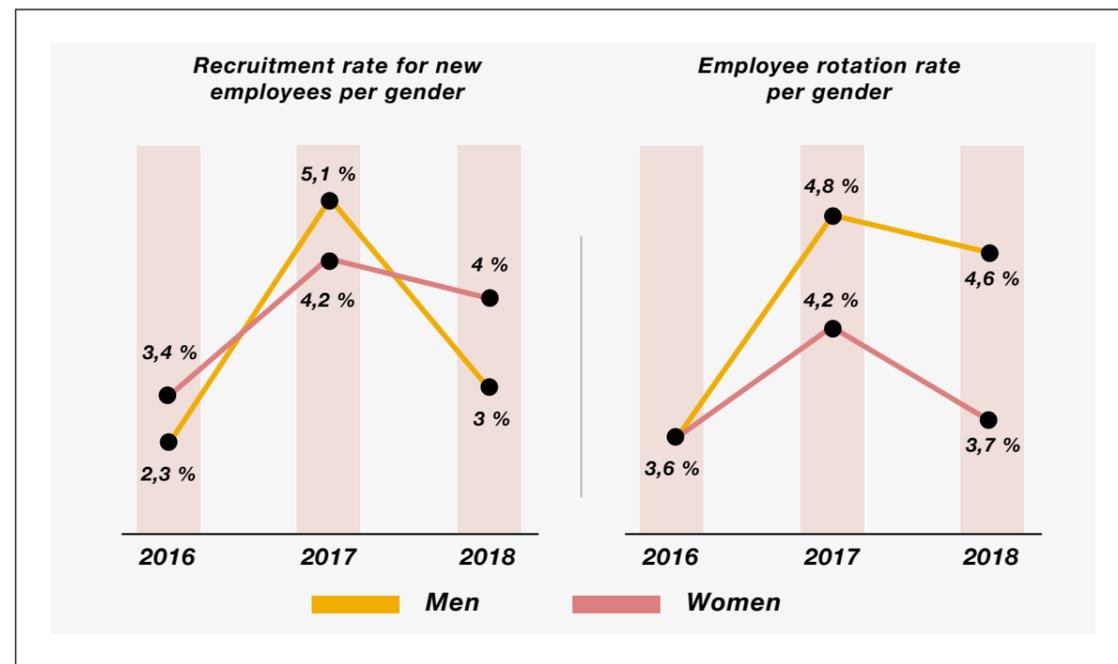
Recruitment rate of new employees per region	2016	2017	2018
B.P. NADOR-AL HOCEIMA	1,6 %	1,9 %	0,0 %
B.P. CENTRE-SUD	0,0 %	9,3 %	6,8 %
B.P. FES-MEKNES	1,8 %	4,7%	1,7 %
B.P. LAAYOUNE	1,8 %	7,8 %	0,0 %
B.P. MARRAKECH-BENI MELLAL	2,4 %	5,4 %	2,1 %
B.P. OUJDA	3,9 %	2,1%	2,1 %
B.P. RABAT-KENITRA	3,3 %	2,4 %	2,4 %
B.P. TANGER-TETOUAN	3,4 %	5,4 %	1,4 %
BANQUE CENTRALE POPULAIRE	3,6 %	4,9 %	4,7 %

Employee rotation rate per region	2016	2017	2018
B.P. NADOR-AL HOCEIMA	1,9%	2,5%	1,8%
B.P. CENTRE-SUD	2,7%	7,2%	6,8%
B.P. FES-MEKNES	2,6%	4,0%	2,7%
B.P. LAAYOUNE	2,1%	5,4%	0,6%
B.P. MARRAKECH-BENI MELLAL	2,8%	4,9%	4,6%
B.P. OUJDA	3,7%	2,6%	2,8%
B.P. RABAT-KENITRA	3,6%	2,6%	2,9%
B.P. TANGER-TETOUAN	3,6%	4,8%	3,3%
BANQUE CENTRALE POPULAIRE	4,8%	5,6%	5,7%

## Gender

At the end of 2018, women represented 50% of the CPM's workforce. However, they are less numerous among managers and officers. To support the evolution of women, the Bank made the decision in 2018 to maintain the rating and grade status of women returning from maternity leave of legal duration. Indeed, valuing the performance of women who have benefited from legal maternity leave takes into account the objectives achieved during the period of presence within the institution. In addition, women have historically benefited from the full maintenance of their wages during this legal period of maternity leave, which they can extend by 6 months with the maintenance of half the salary without this being subject to prior agreement.

Although still not very present among governance bodies and decision-makers, women are increasingly being appointed to key positions. At the end of 2018, there were 3 women among the administrators of the BCP. The Group also has four women members of the BRP Executive Board, five divisional directors and members of the Executive Committee, as well as several divisional heads and directors.



## Handicap

The Bank ensures that disability is not used as a discrimination ground at the time of recruitment. In addition, victims of work accidents and disabilities are redeployed in conditions that respect their dignity and promote their professional development.

In 2018, the Group was a partner for the first time of the Employment Forum "Handicap Morocco".

In order to remove stereotypes about disability, the Bank plans to hold several thematic days entitled "Changing the way" for employees in 2019.



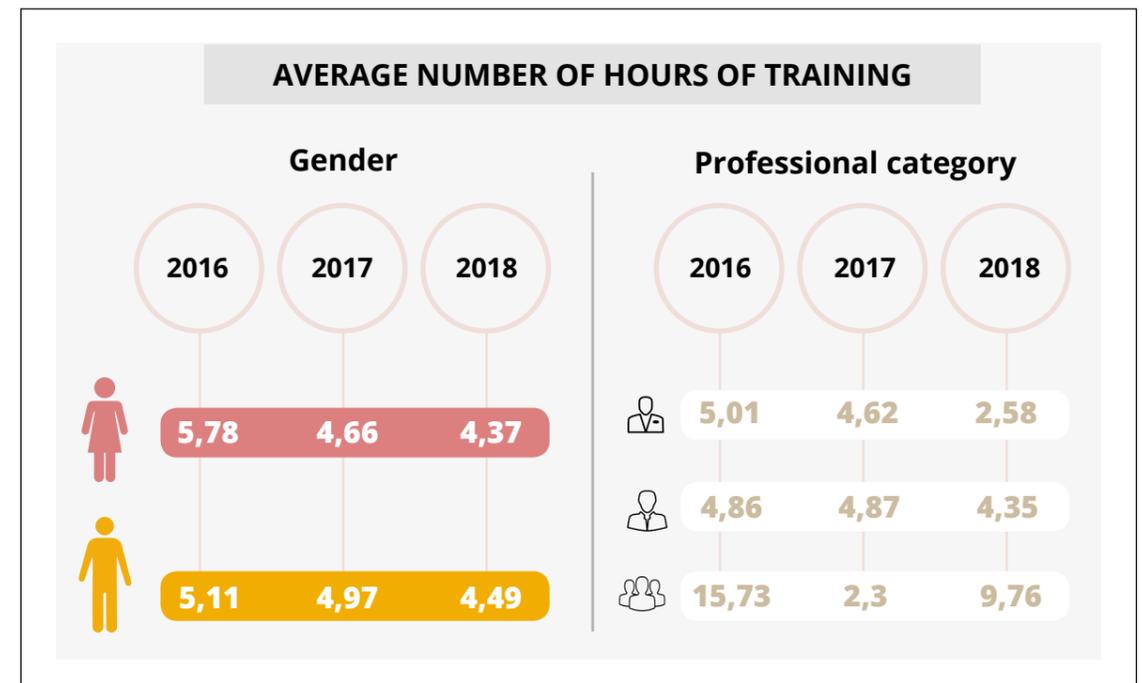
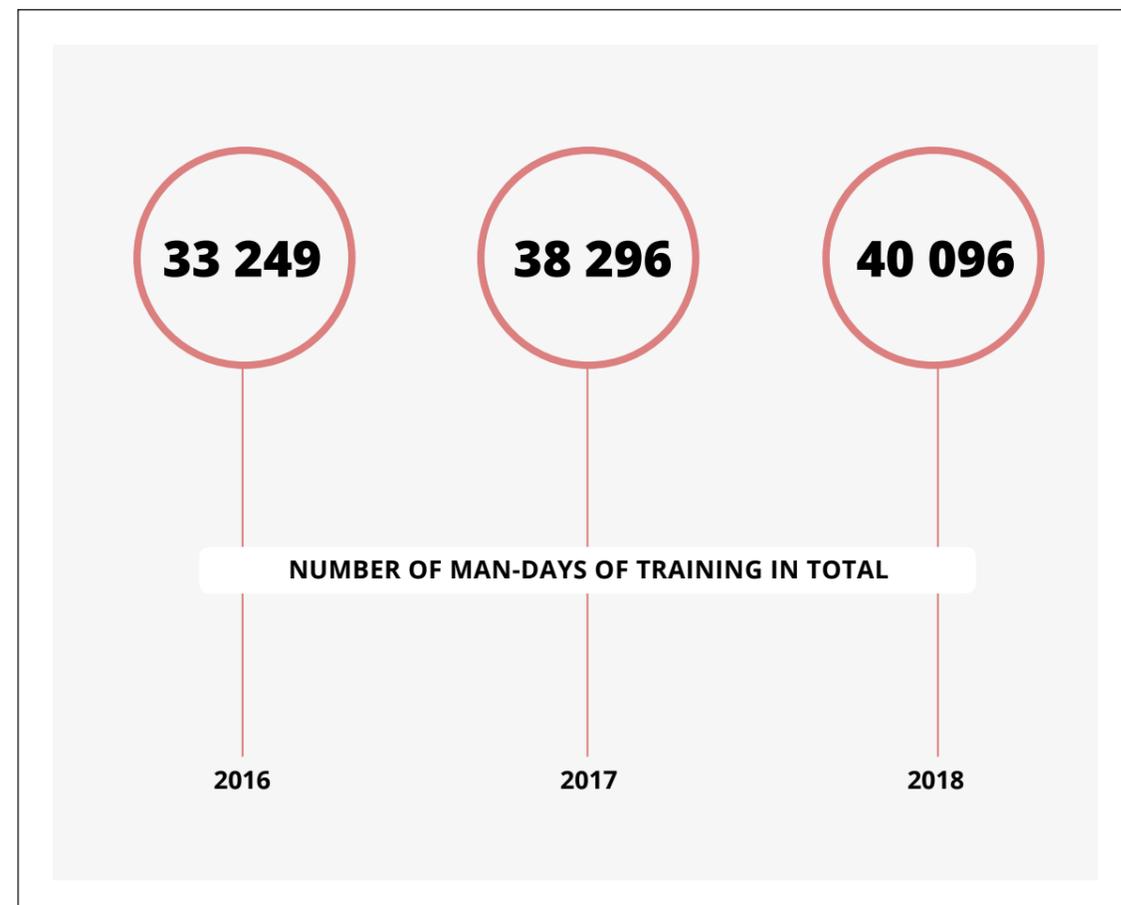
## DEVELOPING EMPLOYABILITY AND COMPETENCES

The significant changes in the financial sector and the digital transformation make the development of the skills of its employees a necessity for the Banque Populaire Group. Through an integrated system of support for skills development and career development, the Group provides support to all socio-professional categories.

Indeed, business training, specific to the banking sector, allows employees to better perform their

functions whereas managerial training is to the service of better management of teams and change. In addition, training naturally increases the satisfaction and retention of employees who see their opportunities for internal development and their employability strengthened. Strong and well-constructed training paths therefore support the Bank's internal promotion policy, which seeks to promote the development of the skills of

its teams. As a result, the Bank is committed providing each of its employees with at least one training session every two years, in line with its needs while taking into account the needs expressed during the annual evaluation by its employees. The Bank relies partly on the transfer of skills from one generation to another, by its internal experts, in a context where more than 90% of network employees are under 30 years of age.



### On-the-job training

The Bank offers three types of training for its business lines, for managers and non-managers :

- core banking and business training;
- upgrading and support training for changes in business lines and processes;
- Diploma banking courses financed at 100% subject to fulfilling the eligibility conditions.

The programs of the first two types of training are taught by internal trainers, business experts, at the level of the Bank and its subsidiaries in Morocco

and sub-Saharan Africa. In 2017, a vast project was launched to professionalize the training of internal trainers with the support of an expert agency. A mapping of active and passive trainers was completed by an evaluation of all internal trainers based on individual interviews. The hundred or so trainers selected at the end of these stages were classified by level of expertise (junior, expert, designer) and followed a three-day training in pedagogical skills.

### Managerial and personal development training

Cross-functional management and personal development courses allow managers to develop their team management and change management skills. Thus, in 2018, training in personal development, Executive Management training courses, relational leadership and support for network management were deployed for 570 managers.

In addition, diploma or certification courses are also financed by the Bank to meet the prerequisites of career paths or changes in business lines and processes.

## Training of Managers of agencies

*In 2017, a new global executive coaching program was designed. A first wave of 300 branch managers with less than three years of seniority was trained in managerial fundamentals. This system is complemented by individual coaching of branch managers transferred to branches or business centers.*

## Innovative apprenticeship

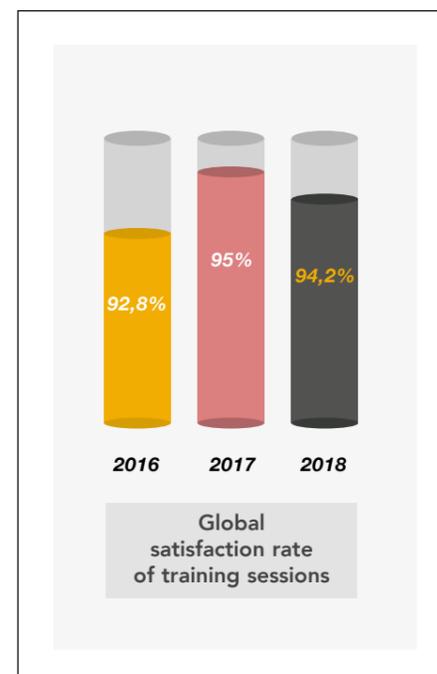
In recent years, video training sessions, video capsules and online training have made it possible to diversify learning methods within the Bank.

Customized "blended learning" pathways have been completed as part of the agency's generic cycle training course. Other training courses in "full e-Learning" and "mobile learning" modes have been set up, thus allowing a great accessibility to training.

Moreover, in addition to the conventional evaluation methods of the knowledge acquired (hot and cold sessions), there are online quizzes, via the e-learning platform, they are administered to the various participants to ensure their level of assimilation and, if necessary, to take corrective measures.

## Assessment of knowledge acquired and trainers

Training is evaluated at three levels : hot assessments, online assessments of acquired knowledge, and cold assessments to ensure the transfer of knowledge acquired in a professional situation. The teaching and knowledge transfer qualities of trainers are also evaluated.



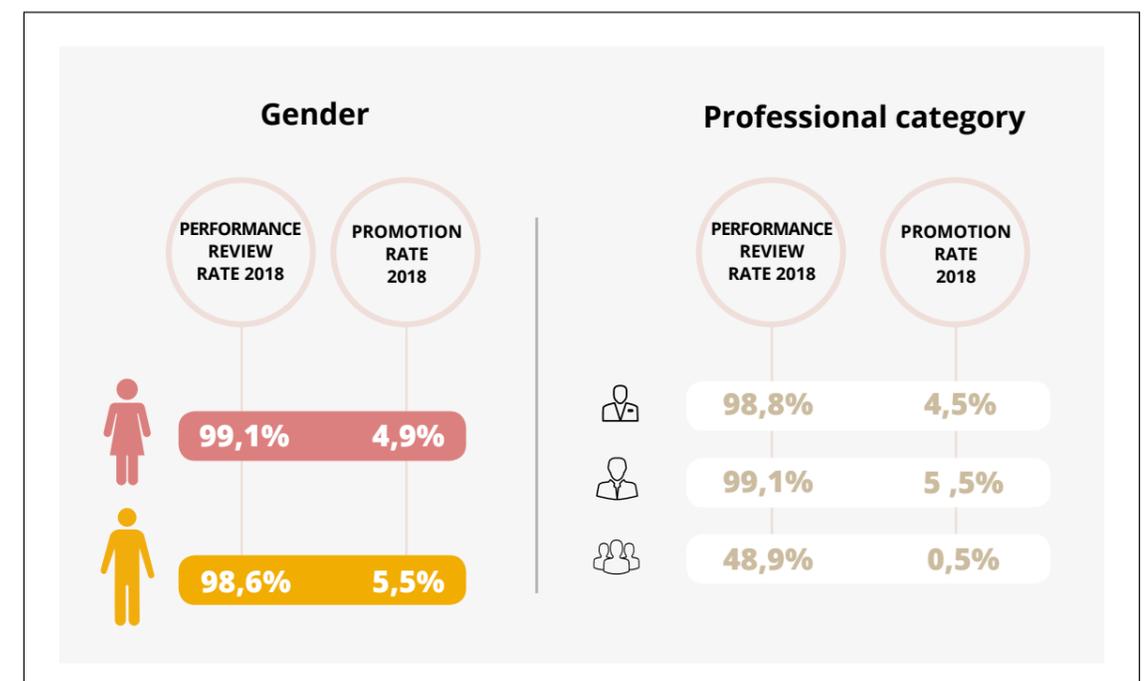
## GARANTEEING EQUITY IN THE PRINCIPLES OF DEVELOPMENT AND REMUNERATION

The Banque Populaire Group, by its size and the diversity of its businesses, offers its employees many development opportunities. Vertical evolutions within the same function make it possible to access managerial positions or to assert one's expertise while horizontal evolutions make it possible to test one's skills acquired within a different business line or entity of the Group. The annual appraisal, the development plans, the succession plans, and the internal mobility grant are all tools used in bringing together employee expectations and Group needs. The constant pursuit of equity thus guides the Bank's evolution and remuneration principles.

## Annual performance assessments

Every year, the majority of employees benefit from an annual evaluation based on collective and individual objectives formalized in correlation with the results of the Bank. In fact, an individual interview makes it possible to review the individual performance of each employee in relation to the collective achievements of their entity.

An evaluation guide available on the intranet reminds managers of the rules for conducting an evaluation interview and recommends the setting of SMART objectives (measurable, specific, attainable, reasonable and fixed in time). Managers can benefit, if necessary, from an assistance system for evaluators. All employees are informed about the evaluation criteria and have the opportunity to express their point of view on the evaluation they have been subjected to.



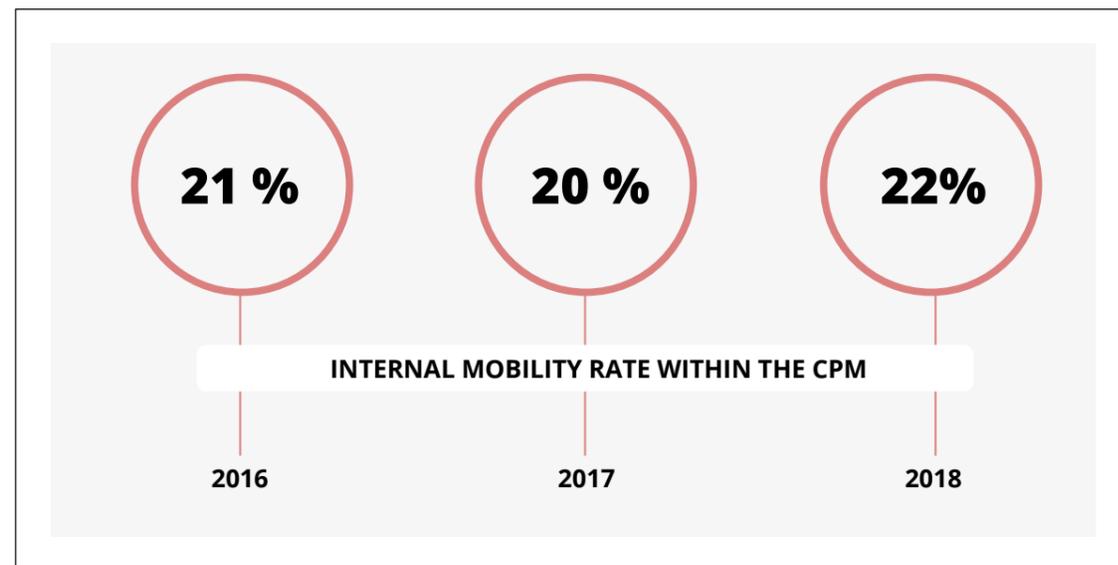
## Career Management

For each business line, career paths are defined through position sheets and evolution plans taking into account possible gateways. These evolution plans make it possible to identify the training programs necessary for a movement. Some sectors such as IT benefit from a career management policy that offers both managerial and expertise paths.

Continuous management of the resources and skills necessary for the Bank's development makes it possible to identify the external recruitments to be made and the vacant positions that can be filled internally.

Positions open an internal applications are communicated through a mobility grant. Internal promotions are favored and mobility is strongly encouraged for skills development, career development and risk management.

Career committees, with the presence of the Directress of the Human Capital Division and General Management, are in charge of deciding on the allocation of Top Management positions. The committees also manage the Bank's high-potential detection system to ensure succession.



## Remuneration principles

The Bank's remuneration policy is based on fixed salaries, a variable bonuses and social benefits. Constant monitoring of the sector offers employees advantageous remuneration conditions. Performance naturally influences the variable portion of wages and increases. Wage regularization is carried out, on a case-by-case basis, in case of mobility or promotion, taking into account the study of averages by position and level of seniority.

During recruitment, earnings of young people are decided on the basis of a pay grid and that of

seniors according to sector benchmarks.

Each year, a performance and loyalty bonus is distributed to all employees and is therefore a real incentive for the results of the Bank.

In 2018, all CPM employees benefited from a general increase varying according to seniority but not in grade.

In perspective, the Bank plans to place increasing importance on the variable portion of the remuneration system, with a strong focus on the Bank's performance

## MAINTAINING PEACEFUL AND CONSTRUCTIVE SOCIAL DIALOGUE

The involvement of employees through collective bargaining and social dialogue is essential for a large and constantly changing Group. Collective bargaining enables the Banque Populaire to Groupe establish a calm, open and transparent dialogue with the aim of reducing tensions

and preventing conflict. Taking into account the expectations of employees, through constructive partnership, increases their commitment and is part of the shared success goal.

The Bank commits to promoting collective bargaining and social dialogue in its policy on freedom

of association contained in the Staff Regulations, available in Arabic and French. This commitment is first and foremost that of freedom of association and collective bargaining and the exercise of these rights under favorable conditions.



## Respecting union freedom and collective negotiations

The social advisor attached to the Human Capital Development Division is in charge of setting up, deploying and monitoring social dialogue policies, as well as relations with the three unions representing the staff.

Respect for fundamental rights to freedom of association and collective bargaining is applied at all levels of operations of the Banque Populaire Group (BCP, BPR and subsidiaries).

All CPM employees, managers or employees, are covered by the agreements protocols concluded with the representative bodies of the personnel.

To safeguard the right to freedom of association, all shop stewards, who are also staff representatives, are protected against discrimination on statutory basis and within the Code of Conduct and Ethics of

the Banque Populaire Group. The latter prohibits any form of discrimination based on trade union membership or political opinions, which can neither promote the personal or administrative situation of the delegates nor harm them.

## Conditions favorables to social dialogue

A timetable for collective bargaining has been documented since the establishment of the Staff Regulations in 1992. According to this calendar, monthly meetings, framed by documented agendas and minutes, are held between the union representatives and the Human Resources Department. In addition, the systematic handling of complaints by the Human Resources Department helps maintain a social climate of peace and trust.

Within the BCP and BPRs, meeting rooms are reserved for union representatives who also have bulletin boards as well as the ability to use messaging and distribute informational materials to staff.

A working time arrangement, for a few hours a month, allows them to carry out their trade union activities and to follow the training programs organized by their trade union organization. The members of the union office of the BCP maintain relations with the international trade union and participate in its events.

## The Employee Representative Committee And the social advantages

*Since 2004, a Works Council (CE) has been set up at within the BCP and the BCRs.*

*The BCP CE is composed of the Human Resources Director, the Social Advisor, and union representatives who are also staff delegates. Training and awareness modules on the legal requirements relating to the composition, mission and conduct of the EC are organized by the Human Resources Department of BCP to the benefit of the Human Resources Departments of the various BPRs. In December 2018, the CPM initiated a work to set up internal regulations for the EC, mainly on its attributions, composition, deliberations, communications, means of actions and documentation.*

*A National Joint Committee (CPN) is regularly convened in accordance with the provisions of Article 19 of the Special Regulations annexed to the Staff Regulations of the "Banques Populaires". This commission, made up of six representatives of the Bank and six members of the national secretariat of the most representative national union, works to ensure continuous improvement of the benefits offered to the staff. The benefits currently offered include allowances for young students, holiday centers and camps, pilgrimage, as well as the grants for sports and cultural associations.*



## ENCOURAGING HEALTH AND SECURITY

The Group strives to provide its employees with a secure working environment and social protection that goes beyond regulatory standards. The prevention of degenerative diseases takes place beyond regulatory medical visits and the issues of work stress and musculoskeletal disorders, which affect the entire banking sector, are subjected to specific measures.

The Social Life Division, the Department of Occupational Medicine and the Health and Safety Committee are in charge of Occupational Health and Safety (OSH) issues.

### The organisation for health and security

#### OCCUPATIONAL MEDICINE

Occupational medicine at the headquarters is composed of a permanent occupational doctor, four nurses, a medical social assistant and an administrative officer.

It centralises activities related to occupational medicine for BCP, BDC (Bank of Casablanca), BP Shore, Morocco Assistance International and ASSCPBP (Socio- Sportive and Cultural Staff Association of Banque Populaire).

At the BPRs, occupational medicine is provided by individual doctors. All the medical files of the collaborators are kept at the medical department. It is expected that they will soon be dematerialized.

The occupational medicine unit has trained 270 employees, at headquarters, BPR and subsidiaries, to use defibrillators.

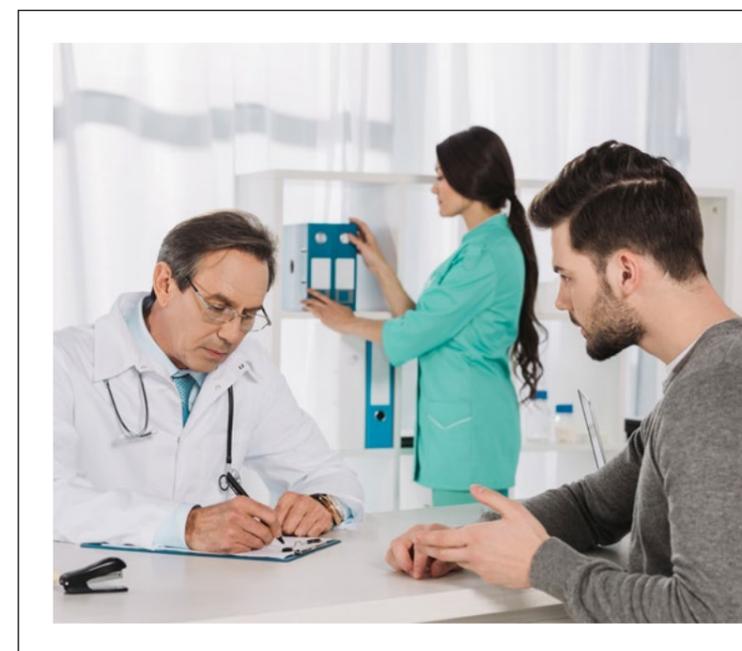
#### HEALTH AND SAFETY COMMITTEE

The Central Health and Safety Committee (CHS) at the BCP is composed of the occupational physician, two staff delegates, two union representatives and is chaired by a representative of the Bank. 78 members of the headquarters CHS and BPRs have been trained and sensitized on OSH risk management.

Regular meetings of the CHS concern the mapping of OHS risks, food safety, the

accident risk management plan ... The CHS establishes an annual report on OHS risk mapping, monitoring frequency rates and accident severity rates, musculoskeletal disorders, cardiovascular risk factors and the fight against stress at work.

In December 2018, the BCP initiated a work to set up regulatory procedures for the CHS, mainly concerning its attribution, composition, missions, secretariat, the holding of its ordinary and extraordinary meetings, site visits, workplace injury reports, annual reports, annual programs and documentary records.

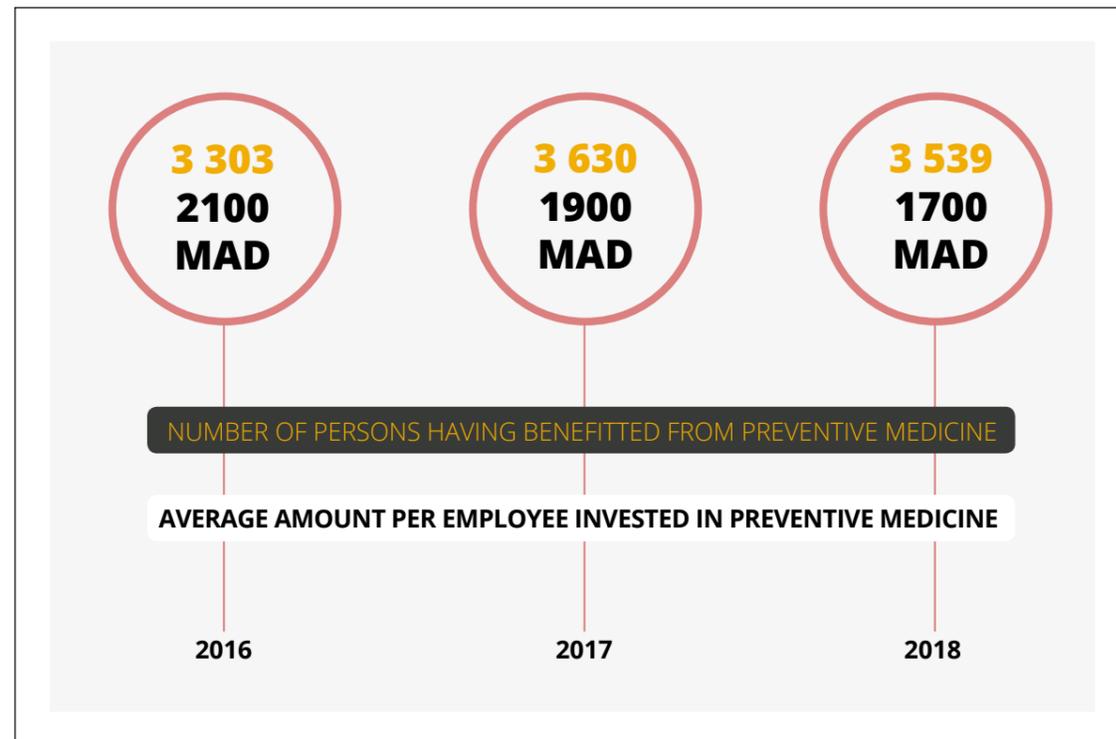


## Prevention

For many years, Occupational Medicine has deployed a broad screening and prevention system. Screening actions are organized for the benefit of targeted collaborators and cover :

- tuberculosis ;
- cardiovascular diseases from 40 years old ;
- prostate cancer in men from the age of 50 ;
- breast and cervical cancers in women.

Anti-smoking activities, vaccination campaigns against influenza and blood donations complete this scheme. Employees traveling on a business trip in sub-Saharan Africa benefit from special monitoring and are sensitized with the help of a prevention guide developed by Occupational Medicine.



## Work stress and Muskulo-skelettal issues

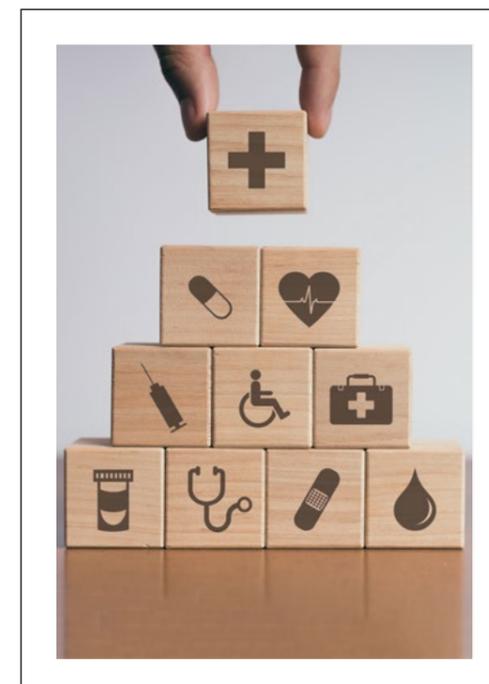
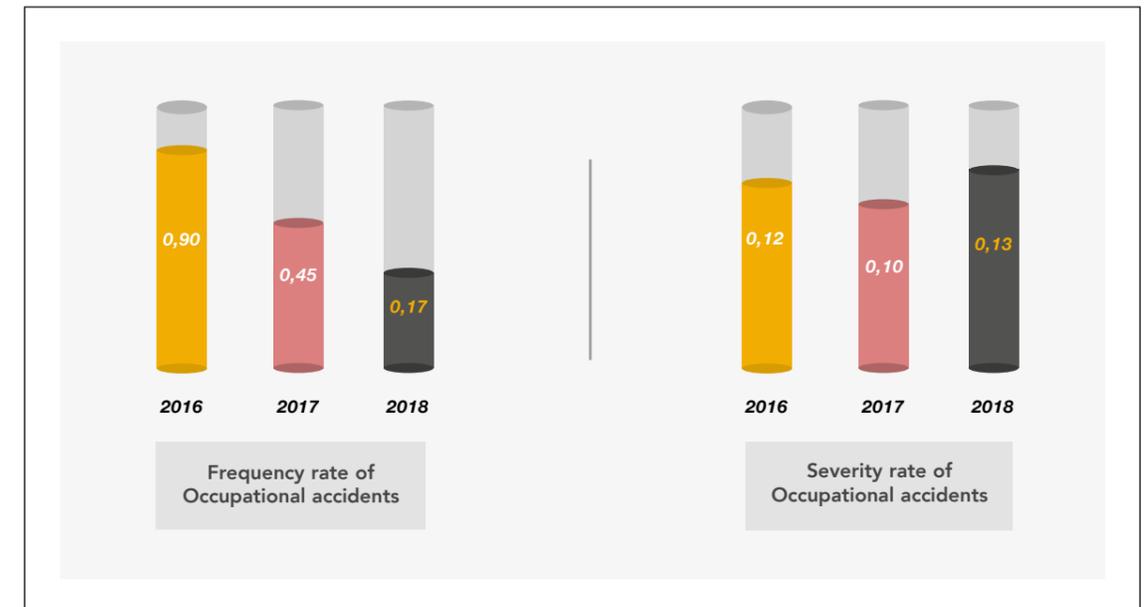
Follow-up and monitoring measures for musculoskeletal disorders have been rolled out across the Group. The CHS provides employees with awareness of the prevention of these risks and the correct postures to adopt. A mapping of psychosocial risks and musculoskeletal disorders

is currently being implemented in collaboration with Occupational Medicine. In addition, people suffering from work-related stress may benefit from workstation redeployment or reclassification measures.

## Safety

To prevent accidents at work, the Bank relies on continuous and targeted employee awareness, proximity to rescue entities and technical equipment (automated detection of fires

and intrusions, video protection...). The Bank's employees include first aid teams trained in first aid. The Business Continuity Plan is tested with all service providers.



## Social Security

The Group provides all its employees with a comprehensive social security system that goes well beyond regulatory requirements. The employees and their successors thus benefit from the mutual insurance fund of the "Banques Populaires" (MPBP) and an additional health insurance of up to one million dirhams. A solidarity fund tops up the scheme, supporting five families with serious illnesses.

The Group's employees also benefit from death insurance and a supplementary double pension (the Inter-professional Retirement Fund and the CPM Supplementary Pension Plan). The Bank finances two-thirds of its employees' contributions to CIMR and MPBP.

All employees have access to all of these benefits as soon as they are integrated, regardless of their status.

## TRANSFORMING RESPONSIBLY WITH REGARDS TO OUR HUMAN CAPITAL

The development of the Group's activities internationally and within the regions requires certain transformations impacting the management of its human capital.

The Group pays utmost attention to mitigating the social consequences of its restructuring in the regions and within its acquisitions in Africa. A notice of several months is issued before the implementation of operational changes that affect employees significantly.

### Restructuring activities in the regions

In 2016, the merger of Banque Centrale Populaire with the Banque Populaire of El Jadida took place. In 2017, the BPR Fez-Taza and Meknes merged to better support the local economy. At each restructuring, the Group implements a redeployment plan that entails changes and reassignments in order to minimize the number of departures.

### International acquisitions

In 2017, the Group acquired the International Bank for Africa in Niger (BIA Niger), becoming the first banking group in the country. The Group has publicly committed to preserving all the jobs and social assets of its new subsidiary. Thus 1886 new employees joined the Banque Populaire Group, which will rely mainly on its local strengths for the development of its newly acquired subsidiaries. Effectively, the Banque Populaire Group has traditionally relied on local General Managements supported by Moroccan expatriates on specific aspects related to risks and control. This ensures compliance with regulatory requirements and conveys the Group's methods and procedures.

### Exemplary management of the Fez and Meknes BPR merger

*The merger of the Fez-Taza and Meknes BPRs has resulted in the birth of the second largest BPR of the Group, whose headquarters is located in Fez.*

*An action plan was deployed in consultation with the social partners who were met beforehand. The Bank collected agents' wishes through meetings in order to assess their level of mobility and the roles they are likely to play.*

*26 employees from the former Meknes headquarters were accompanied through training courses to join the Meknes network. 25 other employees agreed to join the headquarters in Fez and were provided with measures to accompany their movements.*

*The only departures (8) that took place were linked to voluntary early retirement and were done under excellent conditions.*

## GRI INDEX

GRI Code	FR – Name of standard	Chapter of CSR report	AREA OF CSR REPORT AND OTHER SOURCES	PAGES	OMISSIONS AND REASONS
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<b>PROFILE OF THE ORGANIZATION</b>					
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102-2	Activities, brands, products and services	Preamble	A Pan-African banking Group Website <a href="http://www.gbp.ma">www.gbp.ma</a>	8 et 9	
102-3	Main office's geographic location	Preamble	Shareholding	13	
102-4	Geographic location of operation sites	Preamble	The Banque Populaire Group in figures	12	
102-5	Capital and legal structure	Preamble	Shareholding	13	
102-6	Markets served	Preamble	A Pan-African banking Group The Banque Populaire Group in figures Dialogue with stakeholders The whole report	8 et 9 12 16 et 17	
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102-10	Significant modifications of the organisation & its supply chain	Preamble	Shareholding	13	
102-11	Principle of precaution or preventive approach	Chapter II	Integrating E&S risks in audit and controls Integrating E&S criteria in global risk management	34 à 38	
102-12	External Initiatives	Preamble Chapter II	Material issues of the Group Integrating E&S criteria in global risk management	18 36	
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<b>STRATEGY</b>					
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<b>ETHICS AND INTEGRITY</b>					
102-16	Values, principles, norms and rules of conduct	Introduction Chapter II	The values of the Banque Populaire Group Acting avec deontology and ethics Code of deontology and ethics <a href="http://www.gbp.ma/Documents/Codedeonto.pdf">http://www.gbp.ma/Documents/Codedeonto.pdf</a>	11 26 à 29	
<b>GOVERNANCE</b>					
102-18	Governance structure	Preamble	The governance of Crédit Populaire du Maroc The 15 strategic CSR commitments of the Banque Populaire Group	14 et 15 20	
<b>INVOLVEMENT OF STAKEHOLDERS</b>					
102-40	List of groups of stakeholders	Preamble	Dialogue with stakeholders	16 et 17	
102-41	Collective negotiation agreements	Chapter IV	Maintaining constructive and peaceful Social dialogue	91 et 92	
102-42	Identification and selection of stakeholders	Preamble	Dialogue with stakeholders	16 et 17	

GRI Code	FR – Name of standard	Chapter of CSR report	AREA OF CSR REPORT AND OTHER SOURCES	PAGES	OMISSIONS AND REASONS
102-43	Stakeholder involvement approach	Preamble Concerning this report	Dialogue with stakeholders Méthodologie de reporting	16 et 17 100	
102-44	Major issues and concerns raised	Preamble Chapter II	Dialogue with stakeholders Ensuring the respect of client interests	16 et 17 30 à 33	
<b>REPORTING PRACTICES</b>					
102-45	Entities included in the consolidated Financial statements	Concerning this report	Scope of reporting and data consolidation Annual Rapport	100	
102-46	Definition of the report's contents And scope of the issue	Preamble Concerning this report	Material issues of the Group Reporting Methodology	18 100	
102-47	List of pertinent issues	Preamble	Material issues of the Group	18	
102-48	Reassertion of information		Absence of reassertion		
102-49	Modifications relative to the reporting		Analyse de matérialité en 2018		
102-50	Reporting period	Concerning this report	Scope of reporting and data consolidation	100	
102-51	Date of most recent report		2016		
102-52	Reporting Cycle	Concerning this report	Reporting Methodology	100	
102-53	Contact Point for questions relating to the report	Your contacts	Your contacts	100	
102-54	Reporting declarations in compliance with GRI standards	Concerning this report	Reporting Methodology	100	
102-55	GRI content Index	GRI content Index		97-98 et 99	
102-56	External Verification		No external verification of this report		
<b>MANAGERIAL APPROACH</b>					
103-1	Explanation of pertinent issue and its scope		The whole report		
103-2	Managerial approach and its components		The whole report		Certain information could not be shared due to unavailability or confidentiality
103-3	Evaluating the managerial the approach		The whole report		Certain information could not be shared due to unavailability or confidentiality
<b>SPECIFIC ELEMENTS RELATED TO MATERIAL ISSUES</b>					
<b>203/ Indirect economic Impacts</b>					
203-1	Investments in infrastructure and sponsorship	Chapter II	Supporting communities through sponsorshi	62 à 65	
<b>204/ Purchasing practices</b>					
204-1	Share of expenses with local suppliers	Chapter I	Implementing responsible purchases	41	Indicator not monitored actually
<b>204/ Fight against corruption</b>					
205-2	Communication and training relative to policies and procedures in the fight against corruption	Chapter I	Acting with deontology and ethics	26 à 29	
<b>302/ Energy</b>					
302-1	Energy consumption within the organization	Chapter III	Reducing the Group's environmental footprint	72 à 77	
<b>401/ Jobs</b>					
401-1	Recruitment of new employees and personnel rotation	Chapter IV	Promoting diversity	80 à 85	

GRI Code	FR – Name of standard	Chapter of CSR report	AREA OF CSR REPORT AND OTHER SOURCES	PAGES	OMISSIONS AND REASONS
<b>402/ Employee / Management Relations</b>					
402-1	Minimum notice periods for Operational modifications	Chapter IV	Transforming responsibly with regards to our human capital	96	
<b>404/ Training and education</b>					
404-1	Average number of training hours per employee per year	Chapter IV	Developing employability and competences	86 à 88	
404-3	Percentage of employees benefitting from performance reviews and career development	Chapter IV	Garanteeing equity in the principle of evolution and remuneration	89 et 90	
<b>405/ Diversity and equal opportunities</b>					
405-1	Diversity of governance bodies and employees	Chapter IV	Promoting diversity	80 à 85	Distribution of members of governance organs by age group unavailable
<b>407/ Union freedom and collective negotiations</b>					
407-1	Operations suppliers for which the law of union liberty and collective negotiations could be at risk	Chapter IV	Maintaining constructive and peaceful social dialogue	91 et 92	
<b>414/ SOCIAL EVALUATION OF SUPPLIERS</b>					
414-1	New suppliers analyzed with the help of social criteria	Chapter I	Implementing responsible purchases	39 et 40	
<b>417/ Marketing and labelling</b>					
417-3	Cases of non-compliance with regard to marketing communication	Chapter I	Ensuring the respect of client interests	31	
<b>418/ Confidentiality of client data</b>					
418-1	Legitimate complains relative to infringement of client data confidentiality and loss of client data	Chapter I	Ensuring the respect of client interests	32 et 33	
<b>419/ Socio-economic Compliance</b>					
419-1	Non-compliance to socio-economic rules and regulations	Chapter I	Integrating E&S risks in audit and control	35	
<b>Finance sector supplements</b>					
FS 6	Percentage of portfolio per range of products, per region, per company size and per sector	Chapter II	Supporting and financing socio-economic development	52 à 59	For reasons of confidentiality only a part of this information was provided
FS 7	Monetary value of social products and services	Chapter II	Encouraging inclusion and financial education Supporting and financing socio-economic development	44 à 61	
FS 8	Monetary value of environmental Products and services	Chapter III	Supporting the financing of the energy transition	68 à 71	
FS 13	Access points in economically Disadvantaged or sparsely populated zones	Chapter II	Encouraging inclusion and financial education	44 à 47	
FS 14	Initiatives for improving access to financial services for disadvantaged populations	Chapter II	Encouraging inclusion and financial education	44 à 51	

## CONCERNING THIS REPORT

### Reporting Methodology

This report has been prepared in accordance with GRI standards: essential compliance option. It follows the Group's first report, published in 2016. In the future, the Group plans of reporting on its extra-financial performance through bi-annual reporting.

A large number of internal offices were consulted for their elaboration in order to apprehend the managerial approach for each material issue, evaluate the expectations of the stakeholders with whom these

offices are related and collect relevant qualitative and quantitative indicators. These interviews were conducted in the interest of the completeness of the information collected, within the limits of confidentiality constraints and data availability.

These same functions were associated with the analysis of the Group's contribution to the Sustainable Development Goals, in order to position the actions described in this report in a global context.

### Choice of indicators

The indicators come from three sources : the GRI indicators relevant to the material issues, the standard business indicators and the management indicators specific to certain actions of the Bank.

### Scope of reporting and data consolidation

The reporting covers the 2016-2018 period and focuses on explaining the management approach at Group level, and publishing the indicators within the scope of the "Crédit Populaire du Maroc. Some indicators relate to particular entities (foundation or subsidiary).

Each business has calculated its indicators according to its own information systems. As a result, there is sometimes uneven availability of some data necessary for

the calculation of the indicators. Some data are not yet monitored in a formal way or are confidential. Contextualization of the data with respect to regional or national performance could be done in some cases but not always due to lack of data. Consistency checks were carried out on the basis of the evolution of the indicators over the three reporting years.

## YOUR CONTACTS

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## Attestation Niveau de Maturité ISO 26000



**Banque Centrale Populaire (BCP)**  
101, Boulevard Mohamed Zerkouni – Casablanca, Maroc

Date de l'évaluation : **novembre 2018**  
Validité de l'attestation : **18 mois**

**Périmètre évalué**  
Activités :  
Services bancaires et financiers

Vigeo Eiris Entreprise a procédé à l'évaluation du niveau de maturité de la Banque Centrale Populaire (BCP), au regard des lignes directrices de responsabilité sociétale définies par la norme ISO 26000.  
**Nous avons conclu à un niveau de maturité Avancé, Correspondant à un score de 65/100**

### 4 niveaux de maturité



Nous évaluons la « maturité » d'intégration des sept questions du dialogue avec les parties prenantes.

Les questions centrales sont :

1. Gouvernance de l'organisation ;
2. Droits de l'Homme ;
3. Relations et conditions de travail ;
4. Environnement ;
5. Loyauté des pratiques ;
6. Questions relatives aux consommateurs ;
7. Communautés et développement local,

Étant rappelé que la norme ISO 26000 n'est pas éligible à la certification, la présente attestation ne peut être utilisée en qualité de certificat au sens de la législation sur la normalisation.

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