**Remittances Review**
October 2022
Volume: 7, No: 2, pp. 140-153
ISSN: 2059-6588 (Print) | ISSN: 2059-6596 (Online)
Received:12 October 2022, Accepted: 2 December 2022
DOI:https://doi.org/10.33282/rr.vx9il.101

# SRI and CSR Alignment: An Integrated Model for Sustainable Development of Moroccan Companies

Hind Hammouch[1]

**Abstract:**

*This article explores the integration of socially responsible investment (SRI) and corporate social responsibility (CSR) in Morocco, highlighting success stories and challenges faced by Moroccan companies. Through case studies of Banque Centrale Populaire, OCP Group and Attijariwafa Bank, we examine the initiatives that have enabled these companies to position themselves as leaders in sustainability and responsibility. The article also discusses the main barriers to SRI adoption, including lack of awareness, an insufficient regulatory framework, difficulties in accessing sustainable finance and resistance to organizational change. This article aims to provide an in-depth understanding of the current dynamics of SRI and CSR in the Moroccan context, while offering food for thought for the future development of sustainable investment practices in the country.*

***Keywords:*** *SRI, CSR, Sustainable development, ESG criteria, Responsible institutional investors.*

## Introduction

Socially responsible investment (SRI) and corporate social responsibility (CSR) have become essential elements of modern business strategy. These concepts, which combine financial performance with social and environmental commitment, are becoming increasingly important in the global economic landscape. Morocco, with its dynamic economy and sustainable development aspirations, is no exception to this trend.

At the heart of this transformation, Moroccan companies play a crucial role. They must not only generate financial returns, but also meet the growing expectations of investors, consumers and society in terms of sustainability and social responsibility. SRI and CSR initiatives enable companies to contribute to broader sustainable development objectives, while strengthening their own competitiveness and resilience.

[1] Faculty of Legal, Economic, and Social Sciences (FSJES), Laboratory of Studies and Research in Organization and Territory Management (ERMOT),Fez, Morocco.
Email: elmalali.hind@gmail.com

October 2022
Volume: 7, No: 2, pp. 140-153
ISSN: 2059-6588 (Print) | ISSN: 2059-6596 (Online)

This article explores the impact of SRI and CSR on Moroccan companies, highlighting the strategies adopted, the successes achieved and the challenges encountered. Focusing on concrete cases of Moroccan companies engaged in responsible practices, we will analyze how these initiatives influence their financial performance and reputation. In addition, we will address the obstacles to the adoption of SRI and CSR, as well as potential solutions to overcome these challenges.

By providing an overview of the efforts made by Moroccan companies to integrate SRI and CSR into their strategies, this article aims to provide a valuable resource for understanding the current dynamics of the Moroccan market and the implications for the future.

## 1. Theoretical foundations: Socially Responsible Investment and Corporate Social Responsibility

### *1.1.Socially responsible investment: SRI*

#### *1.1.1. Foundations and origins*

SRI may be in the spotlight today, for a variety of reasons, but it is not a new form of investment, and its contemporary forms are very different from those of its origins. Without going back too far, it first appeared in the mid-seventeenth century. Indeed, at that time, John Wesley, founder of the Methodist Church, denounced enrichment through activities considered unhealthy at the time. Forms of SRI can also be found in the practices of the Quakers in the 19th century (Religious Society of Friends), who advocated moral rigor combined with a religious practice of solidarity and management of the large companies they headed. At the beginning of the 20th century, the practice of filtering developed under the impetus of religious congregations. This was based on the exclusion of companies considered reprehensible for engaging in activities contrary to moral values, such as tobacco, gambling, armaments and alcohol. Until relatively recently, forms of SRI have always been associated with religious morality and ethics. Since the 1970s, SRI has been practised by non-religious players. Under the influence of the democratization of capital (development of funded pension systems, pension funds, etc.), following the explosion of financial markets and the difficulties of the welfare state in Europe, the concept was further transformed in the 1980s/1990s. Moving away from a systematic logic of excluding morally reprehensible activities, it expanded to include criteria linked to respect for the environment, social and ethical aspects (ESE) and, more recently, governance aspects of companies or other issuers (environmental, social and governance criteria - ESG). SRI is a concept that draws its inspiration from the Anglo-Saxon world, particularly the United States, where practices are currently closer to the original rationale, i.e. exclusion, than in Western European markets. In the rest of the world, these practices are still in their infancy, with a few exceptions (South Africa, Japan, etc.). Still a relatively recent concept, SRI definitions and practices are constantly evolving, and still vary significantly according to the cultural specificities of the world's different regions. To sum up regional SRI trends, SRI players in Southern Europe are generally more socially aware, while the environment prevails in Germanic and Scandinavian countries. There are, however, a few exceptions to this divide. The former tend to favor positive filtering methods, which reconcile the financial and extra-financial performance of companies without necessarily excluding certain business sectors. In the Anglo-

October 2022
Volume: 7, No: 2, pp. 140-153
ISSN: 2059-6588 (Print) | ISSN: 2059-6596 (Online)

Saxon and Scandinavian worlds, extra-financial analysis underlines a more pronounced attachment to ethics and governance, and investors focus their investment policies on exclusionary criteria, using negative filtering methods. Thus, two types of socially responsible investors can be broadly distinguished: those who give precedence to their convictions over financial performance, and those who seek a performance that respects extra-financial criteria, believing that the latter can contribute to financial profitability. The first type (negative filtering) is referred to as ethical investment, while the other (positive filtering) is more concerned with managing extra-financial risks with medium- and long-term financial consequences.

#### *1.1.2. Concept definition*

Simply put, SRI is an investment strategy that targets both financial return and social good. In the scientific literature, SRI is also referred to as "*ethical investment*" and "*sustainable investment*" (Capelle-Blancard & Giamporcaro-Saunière, 2006).

Some authors distinguish between these different terms, providing specific definitions. According to Novethic, SRI encompasses all approaches that systematically and traceably integrate extra-financial environmental, social and governance (ESG) criteria into financial investment decisions and investment portfolio management, in addition to traditional financial criteria. It includes respect for ethical values, environmental protection, improved social conditions and good governance. It is therefore a financial investment based not only on the financial performance of the stocks tracked, but also on the inclusion of societal criteria that enable investors to value issuers' commitments to CSR. This is confirmed by Lozano et al (2006), who define SRI as an investment that combines investors' financial objectives with their concerns about social, environmental and ethical issues, where investor practices align their investment strategies with these concerns.

In fact, it is this particularity of reconciling financial and extra-financial performance that distinguishes SRI from solidarity finance, whose products differ in their willingness to sacrifice all or part of the return in order to finance projects with strong social, cultural and/or environmental benefits.

The extra-financial criteria used to evaluate issuers vary according to the socio-cultural context and subjective perception of each investor. As a result, SRI is not a unified asset class, but a multitude of approaches based on the extra-financial concerns and socio-cultural conceptions of each investor (Wiedemann-Goiran, 2008:38; Lacroix & Marchildon, 2013). Thierry Wiedemann-Goiran (2008) uses the term "*mosaic*" to represent SRI as a composition of fairly disparate elements that reflect investors' motivations and thus the diversity of investment practices.

It is therefore a multi-faceted investment that is becoming increasingly embedded in financial markets, and the subject of growing interest from the academic world.

### *1.2.Corporate Social Responsibility: CSR*

Volume: 7, No: 2, pp. 140-153
ISSN: 2059-6588 (Print) | ISSN: 2059-6596 (Online)

### *1.2.1. Emergence of the concept*

In the 1960s, CSR was limited to employee satisfaction, managing the social well-being of the community and focused primarily on generating economic profit (Davis, 1960; Walton, 1967 cited in Latapí Agudelo et al., 2019). Subsequently, the understanding of CSR evolved from a personal decision by businessmen in the 1950s to being implemented as a decision-making process in the 1980s (Jones, 1980). In addition, the adoption of international agreements and the creation of entities dedicated to sustainable development during the same period heightened the pressure of public opinion, which became increasingly critical of companies that failed to respect the environment or violated human rights: Examples include the creation of the World Commission on Environment and Development in 1983, the adoption of the Montreal Protocol by the UN in 1987, the creation of the IPCC in 1988, and the creation of the European Environment Agency in 1990. In the early 90s, Carroll (1991) drew up a pyramid to represent the four main responsibilities of a company: economic, legal, ethical and philanthropic. Then, in 1994, the British consulting firm SustainAbility developed the concept known as the "Triple Bottom Line" or "*Triple Performance*", which represents the three principles of sustainable development: the environment (Planet), social (People) and economic (Profit). Moreover, the Global Reporting Initiative has thus adopted this concept in the development of its reporting framework (AMF, 2015). Subsequently, Burke and Logsdon (1996) initiated the strategic use of CSR and believed that it could lead to identifiable and measurable value creation in the form of economic benefits for the company. During the same period, other CSR-related concepts emerged, such as stakeholder theory, corporate social performance and corporate citizenship. In the early 2000s, CSR came to be seen as a strategic necessity thanks to a broader recognition of the new challenges facing companies, notably through international institutions, which played a central role in raising corporate awareness of sustainable development issues and the need to make strategic decisions in favor of societal sustainability (Werther and Chandler, 2005; Husted and Allen, 2007 cited in Latapí Agudelo et al., 2019). And it wasn't until the early 2010s that CSR was adopted with a view to creating long-term shared value while improving corporate competitiveness by focusing on their areas of expertise (Chandler, 2016 cited in Latapí Agudelo et al., 2019). During the same decade, the 2015 Paris Agreement on sustainable development, constituted a new social contract incentivizing companies to achieve sustainable development goals. Since then, academic work on CSR has focused on its potential to generate shared value (Latapí Agudelo et al., 2019).

### *1.2.2. Concept definition*

The concept of CSR differs from one society, culture or ideology to another. But business cannot be established in isolation from society; it is clearly dependent on it. In addition to the need for profits to ensure the continuity of any business, its existence depends on society, as does its development and persistence. CSR is one expression of the interdependence and mutuality of interests between these two parties. No business can ignore its social responsibilities", says K. Davis, who asks: "*Can business afford to ignore social responsibilities?*", while W.C. Frederick, in the same review, writes that businessmen exercise their responsibilities when they consider the needs and interests of those who may be affected

October 2022
Volume: 7, No: 2, pp. 140-153
ISSN: 2059-6588 (Print) | ISSN: 2059-6596 (Online)

by their actions. Let's recall here the responsibilities of major corporations as defined in 1971 by the *Committee for* Economic Development, established in the USA in 1942: production, job preservation, consumer information, respect for the environment and working conditions, the fight against poverty, corporate philanthropy and citizenship.

CSR prevents a company from being reduced to a mere production agent. The company thus finds itself involved in a management process, that of considering social responsibility as a strategic dimension and a development factor. This would require a major shift in management perceptions: to safeguard its reputation, the company would have to respond to the demands of all its stakeholders, and would also have to find meaning in its actions, rather than strictly adapting a ready-to-adopt model. This is what Schoemaker, Nijhof and Jonker call *"finding one's own specific identity and values*". As a legal entity, it must integrate moral standards.

The European Commission's Green Paper defined the concept of CSR in July 2001: "*The concept of Corporate Social Responsibility essentially means that companies decide on their own initiative to contribute to improving society and cleaning up the environment. At a time when the European Union is endeavouring to identify common values by adopting a Charter of Fundamental Rights, a growing number of companies are more and more clearly acknowledging their social responsibility and considering it to be a component of their identity. This responsibility is expressed towards employees and, more generally, towards all stakeholders who are affected by the company but who can, in turn, influence its success (...) Although their primary responsibility is to generate profits, companies can at the same time contribute to social objectives and environmental protection, by integrating social responsibility as a strategic investment at the heart of their business strategy, management tools and activities*".

A responsible company is one that is concerned with its performance, growth and profitability, whose strategy clearly integrates the environmental and social dimensions of its activities, and which is willing to work while taking into account the new expectations of its stakeholders: customers, employees, suppliers, shareholders and civil society.

## 2. Convergence of SRI and CSR

### *2.1. Theoretical foundations*

The study of the relationship between CSR and SRI is based on a number of economic, financial and sociological theories. Here is a detailed presentation of the main theories used to analyze this relationship.

#### *1.1.1. Stakeholder theory*

Stakeholder theory, developed by Edward Freeman in the 1980s, postulates that companies have responsibilities not only to their shareholders, but also to a wider set of stakeholders, including employees, customers, suppliers, local communities and the environment.

October 2022
Volume: 7, No: 2, pp. 140-153
ISSN: 2059-6588 (Print) | ISSN: 2059-6596 (Online)

Under CSR, companies seek to balance the interests of all stakeholders, rather than focusing solely on maximizing profits for shareholders. This holistic approach creates a solid foundation for SRI, as responsible investors look for companies that take into account the social and environmental impacts of their activities. Stakeholder theory explains why companies committed to CSR can attract SRI investment, as they are perceived as more sustainable and less risky in the long term.

### *1.1.2. Agency theory*

Agency theory, formulated by Michael Jensen and William Meckling in 1976, examines the contractual relationships between a company's owners (principals) and managers (agents). This theory focuses on the conflicts of interest that can arise when agents do not manage the company in the owners' best interests.

Agency theory is used to understand how CSR practices can reduce conflicts of interest between managers and shareholders. By adopting CSR practices, companies can align the interests of managers with those of stakeholders, including investors. For SRI investors, companies that demonstrate strong corporate governance and CSR practices are perceived as less likely to suffer scandals or reputational crises, making them safer investments.

### *1.1.3. Signal Theory*

Signal theory, developed by Michael Spence in 1973, suggests that companies use signals to communicate information about their intrinsic qualities to investors. These signals can include visible actions such as the adoption of CSR practices.

Companies committed to CSR send a positive signal to potential investors about their responsible management, commitment to sustainability and risk reduction. These signals are particularly important for SRI investors, who are looking for companies aligned with their ethical and environmental values.

### *1.1.4. Institutional theory*

Institutional theory, developed by researchers such as Paul DiMaggio and Walter Powell, examines how companies adopt practices that conform to the normative, cultural and regulatory expectations of their institutional environment.

Institutional theory explains why companies adopt CSR practices in response to institutional pressures such as government regulations, consumer expectations and industry standards. SRI investors, for their part, are influenced by these same institutional pressures and seek out companies that meet high CSR standards.

### *1.1.5. Resource and Competency Theory*

The theory of resources and skills, developed by Jay Barney in 1991, postulates that companies can gain a sustainable competitive advantage by developing unique resources and skills that are difficult to imitate.

CSR practices can be seen as strategic resources that enhance reputation, customer loyalty and employee commitment. These competitive advantages attract SRI investors looking to invest in solid, well-managed companies.

### *2.2. Relationship between SRI and CSR*

SRI represents a powerful factor in the development of CSR practices, playing a key role in the socially responsible governance of companies by encouraging them to adopt long-term strategies that integrate social and environmental issues, and to take into account the expectations of all stakeholders rather than limiting themselves to the interests of shareholders alone. Considered as the application of sustainable development principles in the financial sphere, SRI enables the financing and support of socially responsible companies or projects with a positive impact on society and the environment, while contributing to the social, environmental and economic performance of companies. Through its screening strategy, SRI puts pressure on companies deemed irresponsible by avoiding investing in them. Virtuous companies, on the other hand, have easy access to capital on the financial markets, with a reduced cost of capital. "*This differential in the cost of capital induced by the action of ethical investors through SRI funds gives meaning to their action, which pushes other irresponsible companies to change their strategy towards greater responsibility, in order to benefit from a reduction in the cost of their capital".* (Gollier, 2012 :10; Hindriks, 2012).

In addition, a company can become socially responsible with the aim of belonging to an SRI fund in order to enhance its reputational capital and attract a socially responsible investor who can label the company in the eyes of other stakeholders.This observation was validated by Georg Furger, Vice President at Crédit Suisse Asset Management, who testifies that: "*many companies want to be in our selection for a question of image*". What's more, instead of selecting companies on the basis of extra-financial criteria, a second SRI strategy enables socially responsible shareholders to actively engage with the companies in which they invest, using their voting rights through "*dialogue*" or "*tabling of resolutions*", and intervening at general meetings, in order to encourage them to maintain their CSR involvement or change their non-transparent or ethically questionable behavior by guiding them towards principles of conduct in line with the values they uphold. When socially responsible investors express their disagreement with a company's strategy, they use their shareholder rights, either directly or through mandates given to management companies, to progressively influence corporate behavior and strategy on a broader scope including both sustainable development and governance issues, in order to see tangible changes in ethical, social, environmental and governance practices. This shareholder engagement also aims to optimize the company's long-term value creation, since it is the ultimate tool for managing the financial or extra-financial

October 2022
Volume: 7, No: 2, pp. 140-153
ISSN: 2059-6588 (Print) | ISSN: 2059-6596 (Online)

risks threatening its business. What's more, shareholder engagement tends towards a collective learning process akin to a project that depends on the identity and skills of shareholders who are more or less committed to new strategic relationships, enabling companies' strategic choices to be completely reoriented towards sustainable development values. It should be emphasized that socially responsible investors can be socially responsible consumers who are also shareholders, primary but also secondary stakeholders who have opted for shareholding in order to influence corporate decisions at the Annual General Meeting.

The shareholder engagement process can last several years and requires the use of one or more tools, the choice of which varies according to the strategy chosen by investors and the reactions of the target company. These various tools can also be used by investors in parallel to achieve the desired impact. There are four such tools: dialogue with management, exercising voting rights at annual general meetings, proposing resolutions at these meetings in line with shareholders' extra-financial concerns, and divestment. It is important to stress that the SRI market remains largely dominated by institutional investors, who play a decisive role in corporate governance.

## 3. Socially responsible investment strategies: the Moroccan case

### *3.1. Approaches and strategies adopted by institutional investors*

SRI and CSR are playing an increasingly important role in Morocco, reflecting a global trend towards more ethical and sustainable finance. Institutional investors, such as pension funds, insurance companies and investment funds, are playing a crucial role in promoting SRI by adopting a variety of approaches and strategies. In this section, we will explore in detail the different approaches and strategies adopted by these investors in Morocco.

#### *3.1.1. Integration of ESG Criteria*

The integration of environmental, social and governance (ESG) criteria into the investment process is one of the most common strategies adopted by Moroccan institutional investors. This approach consists of systematically including ESG factors in financial analysis and investment decision-making. ESG criteria make it possible to assess not only a company's financial performance, but also its environmental impact, social commitment and governance. For example, an insurance company might evaluate the companies in which it invests not only on the basis of their financial returns, but also according to their environmental impact (such as the reduction of CO2 emissions), their human resources management (such as diversity and inclusion), and their governance practices (such as transparency and the fight against corruption). This integration of ESG criteria enables us to better manage long-term risks and identify sustainable investment opportunities.

#### *3.1.2. Positive and negative filtering*

Screening is another key strategy used by institutional investors. Positive screening involves selecting companies that meet certain ESG criteria or are recognized for their good CSR practices. A Moroccan pension fund could adopt a positive screening approach by investing

October 2022
Volume: 7, No: 2, pp. 140-153
ISSN: 2059-6588 (Print) | ISSN: 2059-6596 (Online)

only in companies that have obtained environmental certifications or are recognized for their social commitment. This could include companies in the renewable energy sector, those with strong social responsibility programs, or those distinguished by transparent and ethical governance.

Conversely, negative screening excludes companies that do not meet these criteria or are involved in controversial activities, such as those involved in controversial sectors like tobacco, arms or fossil fuels. An insurance company might decide not to invest in companies that have a poor environmental record or are involved in human rights abuses.

#### *3.1.3. Shareholder engagement and proxy voting*

Shareholder engagement is a strategy whereby investors use their position as shareholders to positively influence corporate practices. This can include regular dialogue with company executives, attending shareholders' meetings, and exercising voting rights at these meetings.

In Morocco, several institutional investors are taking a proactive approach by engaging in dialogue with the companies in which they invest. For example, an investment fund might enter into discussions with a company to encourage it to improve its environmental practices, strengthen its diversity and inclusion policies, or adopt more transparent governance practices. Proxy voting can be a powerful tool for shareholder engagement. Institutional investors can vote on resolutions at shareholder meetings to influence a company's decisions. This can include votes on environmental, social or governance issues. For example, an investor might vote in favor of a resolution asking a company to publish a report on its greenhouse gas emissions, or to implement fair compensation policies.

#### *3.1.4. Thematic and Impact Investing*

Thematic investing and impact investing are strategies that go beyond the integration of ESG criteria to focus on specific themes or social and environmental impact objectives.

Thematic investing involves targeting specific themes such as renewable energy, water, health or financial inclusion. For example, a Moroccan investment fund might focus on companies developing clean technologies or innovative solutions to environmental and social challenges.

Impact investing aims to generate a positive social or environmental impact in addition to financial returns. Moroccan institutional investors can invest in companies or projects that have a direct and measurable impact on social or environmental issues. For example, a pension fund might invest in companies that provide affordable healthcare services in rural areas, or in projects that improve access to drinking water.

October 2022
Volume: 7, No: 2, pp. 140-153
ISSN: 2059-6588 (Print) | ISSN: 2059-6596 (Online)

#### *3.1.5. Collaboration and Partnerships*

Collaboration between investors and partnerships with organizations specializing in SRI and CSR are also important strategies. These collaborations can help share knowledge, develop best practices, and positively influence policies and standards.

In Morocco, institutional investors can participate in international networks and initiatives such as the Principles for Responsible Investment (PRI) or the United Nations Global Compact. These initiatives provide platforms for sharing experiences, tools and resources to promote SRI and CSR.

Investors can also forge partnerships with NGOs and civil society organizations to strengthen their responsible investment practices. For example, an insurance company could work with an environmental NGO to better understand climate risks and integrate these considerations into their investment decisions.

### *3.2. Examples of successes and challenges in applying SRI in Morocco*

SRI is becoming increasingly important in Morocco, from the point of view of both investors and companies. SRI is not just about generating financial returns, it is also about creating a positive impact on society and the environment. In this section, we look at a number of success stories and the challenges faced by Moroccan companies in applying SRI.

#### *3.2.1. SRI success stories in Morocco*

- Banque Centrale Populaire (BCP)

Banque Centrale Populaire (BCP) is one of Morocco's leading banks and a leading example of commitment to SRI. BCP has implemented several initiatives to promote sustainable finance and financial inclusion. Notable among these is the launch of green financial products, such as loans for the acquisition of electric vehicles and financing for renewable energy projects.

BCP has developed partnerships with international institutions to finance sustainable projects, such as improving the energy efficiency of buildings and supporting green small and medium-sized enterprises (SMEs). These initiatives have enabled BCP to strengthen its reputation as a responsible bank and play a crucial role in the country's energy transition.

- OCP Group

OCP Group, a world leader in the phosphate industry, is committed to integrating sustainable practices into its operations. The company has adopted a holistic approach to sustainability, encompassing social, environmental and economic aspects.

OCP Group has launched several programs to reduce its carbon footprint, improve resource efficiency and promote the development of local communities. For example, OCP has invested heavily in clean technologies to reduce greenhouse gas emissions, and has set up training

October 2022
Volume: 7, No: 2, pp. 140-153
ISSN: 2059-6588 (Print) | ISSN: 2059-6596 (Online)

programs to improve the skills of local workers. These efforts have enabled OCP to position itself as a model of sustainable development in the extractive industry.

- Attijariwafa Bank

Attijariwafa Bank is another Moroccan financial institution that has integrated SRI into its corporate strategy. The bank has developed a range of financial products and services that meet environmental, social and governance (ESG) criteria.

Attijariwafa Bank has launched investment funds dedicated to companies committed to sustainable practices, and has implemented environmental management systems to reduce its own ecological impact. In addition, the bank actively supports social projects, such as financial education programs and women's empowerment initiatives. These actions have not only strengthened Attijariwafa Bank's position as a leader in sustainable finance, but have also helped to improve socio-economic conditions in Morocco.

### *3.2.2. Challenges encountered in applying SRI in Morocco*

- Lack of awareness and knowledge

One of the main challenges in applying SRI in Morocco is the lack of awareness and knowledge among investors and companies. Many do not fully understand the benefits of SRI or how to integrate it effectively into their investment and management practices.

To overcome this challenge, it is essential to develop SRI training and awareness programs. Financial institutions, professional organizations and government entities must collaborate to provide educational resources and practical workshops. In addition, the promotion of successful case studies can help demonstrate the tangible benefits of SRI.

- Insufficient regulatory framework

Morocco's regulatory framework for SRI and CSR is still developing. Although progress has been made, there are gaps that hinder the wider adoption of these practices.

Strengthening the regulatory framework for sustainability is crucial. The government needs to put in place clear laws and regulations that encourage SRI and CSR transparency. Furthermore, the adoption of international standards can help harmonize practices and facilitate the integration of SRI into the Moroccan financial landscape.

- Limited access to sustainable financing

Companies, especially SMEs, often find it difficult to access sustainable financing. Strict criteria and the lack of suitable financial products are major obstacles.

October 2022
Volume: 7, No: 2, pp. 140-153
ISSN: 2059-6588 (Print) | ISSN: 2059-6596 (Online)

Financial institutions must therefore develop specific financial products for sustainable projects. In addition, the creation of investment funds dedicated to SMEs and innovative start-ups in the field of sustainability can stimulate SRI. Strengthening partnerships between banks, governments and international organizations is also crucial to providing the necessary support.

- Resistance to Organizational Change

Adopting SRI often requires significant organizational change, which can meet with internal resistance. Companies have to review their strategies, processes and sometimes even their corporate culture.

So, to overcome this resistance, it's important to develop a progressive and inclusive approach. Company leaders must clearly communicate the benefits of SRI and involve all levels of the organization in the change process. Employee training and commitment are essential to creating a corporate culture favorable to SRI.

## Conclusion

SRI and CSR are playing an increasingly important role in the global and Moroccan business landscape. Through inspiring examples such as Banque Centrale Populaire, OCP Group and Attijariwafa Bank, we have seen that a commitment to sustainability can generate significant benefits, both financially and in terms of social and environmental impact.

These companies are leading the way by adopting innovative strategies and investing in initiatives that promote sustainable development. Their successes underline the importance of SRI and CSR as levers for growth and competitiveness, while contributing to a more sustainable future for Morocco.

However, a number of challenges remain, including lack of awareness, an insufficient regulatory framework, difficulties in accessing sustainable financing and resistance to organizational change. To overcome these challenges, it is essential to set up training programs, strengthen the legislative framework, develop suitable financial products and promote a corporate culture favorable to SRI.

Morocco has considerable potential to become a leader in sustainability in Africa and beyond. By adopting a collaborative approach and building on proven practices, Moroccan companies can not only improve their financial performance, but also make a positive contribution to society and the environment.

In conclusion, integrating SRI and CSR into corporate strategies is not only a necessity to meet stakeholder expectations, but also an opportunity to build a more resilient and inclusive economy. The successes observed in Morocco show the way, and by overcoming the challenges, the country can continue to progress towards an exemplary model of sustainable development.

**References:**

Alexander, K & Peer, O. (2007) The Effect of Socially Responsible Investing on Portfolio Performance. *European Financial Management*.

Andrew, R.(1981). Social Responsibility and Portfolio Performance. *SAGE Journal*.

Auke,P & Bert, S. (2001).Socially Responsible Investing and Management Style of Mutual Funds in the Euronext Stock Markets. *SSRN eJournal*.

Benabdallah, A., & El Filali, A. (2019). Corporate Social Responsibility in Morocco: An Overview and Future Perspectives. *International Journal of Business and Social Science*, 10(2), 45-57.

Chraibi, A., & Hamdani, K. (2020). "Sustainable Finance in Morocco: Challenges and Opportunities". In H. El-Kharraz (Ed.), Sustainable Development in North.

Christophe,R. (2013). L'investissement socialement responsable Origines, débats et perspectives, *Revue Française de Gestion*.

Dahbi, A. (2020). "Sustainable Finance and Responsible Investment in Morocco". Casablanca, Morocco: Editions La Croisée.

Doh, JP, Littell, B., and Quigley, NR (2015). CSR and sustainability in emerging markets: societal, institutional and organizational influences. *Organizational Dynamics*, 2 (44), (112-120).

El Mernissi, A., & Talib, A. (2018). The Impact of CSR Practices on Financial Performance: Evidence from Moroccan Companies. *Journal of Business Ethics*, 151(3), 627-643.

Felipe, A, Fogliano, S, Carlos,P. (2012). Performance Analysis of Sustainable Investments in the Brazilian Stock Market: A Study About the Corporate Sustainability Index (ISE). *Journal of Business Ethics*.

Francisco, C & Pilar, S. (2011). Green and Good? The Investment Performance of US Environmental Mutual Funds. *Journal of Business Ethics*.

Havemann,W. (1999). Does Ethical Investment Pay? EIRIS research and other studies of ethical investment and financial performance.

Humphrey, T. (2011) .The Many Faces of Socially Responsible Investing - Does the Screening Mechanism Affect the Risk and Return of Mutual Funds? *SSRN eJournal*.

October 2022
Volume: 7, No: 2, pp. 140-153
ISSN: 2059-6588 (Print) | ISSN: 2059-6596 (Online)
Lagoarde-Segot, T. (2019). Sustainable finance. A critical realist perspective. *Research in International Business and Finance,* 47, 1-9.

Luc,R ,Jenke,TH, Chendi, Z (2008). Socially responsible investments: Institutional aspects, performance, and investor behavior. *Journal of Banking &* Finance.

Murfin, J., and Pratt, R. (2019). Who finances durable goods and why it matters: Captive finance and the coase conjecture. *The Journal of Finance*, 74(2), 755-793.

Noureddine, M. (2019). "Développement Durable et Responsabilité Sociale des Entreprises au Maroc". Rabat, Morocco: Editions Environnement et Développement.

Wang H and Jin Y. (2007). Industrial ownership and environmental performance: evidence from China, *Environmental and Resource Economics*, Vol. 36, No. 3.

World Bank. (2020). Morocco Economic Monitor: Investing in Sustainable Recovery. Washington, DC: World Bank Group.

Zakri, Y. (2005) .Socially responsible investing and portfolio diversification. *Journal of Financial Research*.

Zoubir, A., & Bensaid, B. (2021). Socially Responsible Investment: Case of Moroccan Banks. *Revue Marocaine de Recherche en Management et Marketing*.

Zsolnai, L., Boda, Z. and Fekete, L. (2019). Ethical perspectives. Springer Netherlands.

- *Corporate Reports and Publications*

Global Reporting Initiative (GRI). (2019). Sustainability Reporting Standards. Amsterdam, Netherlands: GRI.

Haut-Commissariat au Plan (HCP). (2020). Sustainable development and corporate social responsibility in Morocco. Rabat, Morocco.

Ministry of Energy, Mines and the Environment. (2021). Stratégie nationale de développement durable 2030. Rabat, Morocco.

World Bank. (2020). Morocco Economic Monitor: Investing in Sustainable Recovery. Washington, DC: World Bank Group.