

# INTEGRATED SUSTAINABILITY REPORT

## 1. STATEMENT BY MANAGING DIRECTOR

It brings me great pleasure to present the first Annual Sustainability Report of Aasandha Company Limited for the financial year 2023, a testament to our commitment to transparency, responsibility, and progress into future endeavours.

## 2. INFORMATION/BACKGROUND OF THE COMPANY

Aasandha Company Limited, is a 100% government-owned Company governed by a Board of Directors appointed by the Privatization and Corporatization Board of Maldives. Aasandha Company Limited is registered at Ministry of Economic Development, under the Act No. 15/2011 on 21<sup>st</sup> December 2011.

## 3. OUR ESG JOURNEY

### 3.1 INTRODUCTION

In 2023, we continued to execute our ESG strategy and implementation plan. We strengthened our internal capacity through various means, including webinars, videos and to enhance the awareness and understanding of ESG matters among our staff.

To continually make progress towards meeting our ESG targets, we have implemented annual ESG key performance indicators ('KPIs') for different business units since 2022, and the Board of Directors ('the Board' hereinafter) receives regular progress updates.

Aasandha Company's Environmental, Social and Governance Report 2023 describes our sustainability performance and the challenges we encountered in 2023. It focuses on the ESG topics identified in the Guideline on Integrated Sustainability Reporting of SOEs published by the Privatisation and Corporatisation Board (Ref: 454/CIR/2024/5) on 3<sup>rd</sup> March 2024 and any area that are material to our business and our stakeholders.

This report has also been prepared with reference to the Global Reporting Initiative ('GRI') Standards.

Aasandha Company's ESG Champions are responsible for coordinating our data collection. To ensure the quality, accuracy and transparency of our ESG disclosure, we have continued to use Aasandha Company's "Three Lines of Defence" framework to collect and validate our ESG data, which is overseen by our Managing Director.



## 3.2 MATERIALITY ASSESSMENT

Whilst this report primarily reports on the pillars/topics identified in the Guideline on Integrated Sustainability Reporting of SOEs published by the Privatisation and Corporatisation Board (Ref: 454/CIR/2024/5) on 3<sup>rd</sup> March 2024.

However, had the management and those charged with governance identified additional ESG-related topics that are material for the company and its stakeholders, they are also covered in this report.

## 3.3 OUR SUSTAINABILITY PILLARS

The company Disclose information about the Company's sustainability related risks and opportunities (SRROs) that is useful to primary users of general-purpose financial reports (primary users) in making decisions relating to providing resources to the organisation.

- **ENVIRONMENT**
- **HEALTH AND SAFETY**
- **SOCIAL ISSUES**
- **GOVERNANCE**

### PILLAR 1: ENVIRONMENT

*To protect the planet for present and future generations, we are endeavouring to optimise the use of resources. We aim to conduct our business in an environmentally conscious manner and advocate for good practices in our value chain.*

#### 1. Environmental Policies

- Currently the Company does not have a policy or procedure separately that promotes protecting or sustaining the environment and its natural habitat.
- No material accidents/ incidents related to the economic activities of the company that had an impact on the natural habitat, biodiversity, and the overall environment happened during the financial year 2023.

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## 2. Water

- In the ongoing operations of the Company's standardization project, a draft guideline for water conservation has been produced. It has yet to be formally endorsed and implemented. Strategies to ensure reduction of water consumption and reuse water efficiently are yet to be established.
- 777.55 CBM of water costing MVR 83,136.82 for the financial year 2023.

## 3. Electricity

- In the ongoing operations standardization project, a draft guideline for electricity conservation has been produced. This would address the issue to a certain limit. It has yet to be formally endorsed. Strategies to ensure reduction of electricity usage and achieve environmentally friendly energy efficiency are yet to be established.
- *Total electricity consumed* 169,351.19 kWh of Power costing MVR 932,456.74 for the financial year 2023.

## 4. Waste

- *Total waste produced* Not recorded yet. Major waste is household waste and used paper. The company has developed guidelines to be followed by the staff in managing waste within the Company.
- *Waste management procedures* assigned to WAMCO

## 5. Environmental Activities

- The Company did not undertake any environmental activities during the period.
- No cost incurred on environmental activities since the company did not undertake any such activities during the period.

# PILLAR 2: HEALTH AND SAFETY

## 1. Health and Safety Policies

- In the ongoing operations standardization project, a draft guideline to ensure health and safety of our staff has been produced. It has yet to be formally endorsed. A policy or procedure including SOPS needs to be established to implement existing legislation on work safety, health and environment or ensuring occupational safety and workplace accident mitigation.: No assessments to identify health-related risks were conducted during the period.

## 2. Work Injury

- There were no occupational injuries that affected the employees of the company during the period.

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### **3. Awareness**

- There were no general health and safety awareness sessions conducted for employees during the period. No awareness sessions were conducted for employees on the company's internal policies and procedures relating to health and safety (risk identification, risk management strategy etc.) during the period.

## **PILLAR 3: SOCIAL ISSUES**

### **1. Employment policies**

- There have been no new policies drafted or approved during the period. However, a new revision of the Promotion policy was implemented during the period. A Training Plan has been compiled based on a training need assessment through a survey conducted among the Company staff. Transparency in the Recruitment process has been addressed via the newly implemented Jobs Portal, where the score sheet will be published during the selection process. This is drafted in the newly developed SOPs of the HR Section. Policies and procedures, including policies, need to be established to promote fairness and transparency in recruitment, training opportunities, promotion, and dismissal.

### **2. Training Opportunities**

- 196 employees were trained through 34 training programs during the period.
- It was not recorded during the period.
- *Employee training costs* as per HR records, MVR 252,249.91

### **3. Gender Equality**

- 62 percent of the company's workforce consists of female employees.
- Out of the 17 employees at the Management Level (Heads of Sections and above), 9 are female, including the Managing Director.
- 29 percent of the Board Directors consists of female representatives.

### **4. Community Engagement**

- No community engagement activities were carried out by the company during the period.
- No CSR projects were undertaken by the company during the period.
- No cost incurred by the company since no community engagement activities and CSR projects were carried out during the period.



## PILLAR 4: GOVERNANCE

Aasandha Company continues to maintain and uphold high standards of corporate governance and consistently reviews and enhances its corporate governance framework through a structured hierarchy.

Since 2023, our Board comprised 07 Directors, of whom two were Executive Directors and five were Non-executive Directors ('NEDs'). Among the 05 NEDs, all were classified as Independent NEDs. There is a strong independent element on the Board, to ensure the independence and objectivity of the Board's decision-making process as well as the thoroughness and impartiality of the Board's oversight of the management.

### 1. **Governance Policies**

- To promote good governance and compliance to existing corporate governance codes, policies established on board member's code of conduct policy was implemented. The Company's code of conduct policy was drafted, and conflict of interest and travel policy was endorsed during the period.

### 2. **Disclosure and Transparency**

- The company has a separate component / tab on the website for governance related matters and publications. Annual, Audit, and Governance report: Completed during the period. The organization endeavours to adhere to all applicable laws, regulations, and the Corporate Governance Code. We have diligently published the annual reports, audit reports, and governance reports for the preceding three years. Additionally, the quarterly financial reports for the same period have been made available on the company's website. However, in its ongoing pursuit of compliance and continuous improvement, the company acknowledges the need to formulate certain mandated policies, such as the Code of Conduct and Grievance Policy. Furthermore, most of the information mandated by the Right to Information Law and the Corporate Governance Code is disclosed on the company's website.
- The website was developed and maintained internally by our developers. No additional cost incurred.

### 3. **Complaints**

- No formal legal and regulatory complaints received, registered, and resolved by the company during the period.
- No formal procurement complaints received, registered, and resolved by the company during the period.
- No formal employee grievances received, registered, and resolved by the company during the period.



## 4. OUR ESG GOVERNANCE

The Company is committed to maintaining and upholding a high standard of governance over our ESG journey, with a view to safeguarding the interests of our shareholders, customers, employees and other stakeholders.

(Bring here governance processes, controls and procedures the Company uses to monitor, manage and oversee SRROs.)

Below is a sample setup that SOEs can have.

### BOARD/ CORPORATE GOVERNANCE AND COMPLIANCE COMMITTEE / RENUMERATION COMMITTEE / AUDIT & RISK COMMITTEE

- Endorse the ESG plan and report
- Provide direction and approve the Company's ESG matters
- Reviews and comment on ESG progress updates at least twice a year
- Notes the results of materiality assessment (in case of any additional topics)

### EXECUTIVE COMMITTEE

- Facilitates the Board's oversight of ESG matters by endorsing and recommending key ESG matters for Board's approval
- Approves the results of materiality assessment (in case of any additional topics)
- Directs and manages the Company's progress towards reaching its ESG targets



## 5. STRATEGY

Company's strategy for maintaining SRROs.

### 1. Setting levels at which ESG will be monitored

- Defining sustainability as an annual change programme.
- Agreed definition of ESG and its importance to the company.

### 2. Assessing the significance

- Determining which ESG risks and opportunities are of strategic significance to the company.
- Identify ESGs and assess all issues relevant to material business of the company.
- List down all material ESG issues and select few strategically significant issues.

### 3. Integrate strategically significant ESG issues into the business strategy of the company

- Positioning the HR Executive as leading person to implement the strategy
- Building a core team to act as a catalyst
- Develop staff with sustainability expertise
- Engaging HR in hiring the right talent and to identify gaps
- Involving accounts section and compliance to manage energy and environment risk
- Competitive benchmarking of human resources in research and innovation
- Sustainability KPIs and measurement and reporting

### 4. Stakeholder Communication

- Shape the company's ESG messages to stakeholders in the context of strategy and long-term value creation
- Address the information needs of stakeholders
- Board Directors to be competent in ESG matters



## 5. Board Oversight

- Ensure that the board has the right knowledge and information to coordinate strategies developed under the ESGs.
- It also requires the company to adjust the strategic objectives of company's core business to the social challenges arising in the context of sustainability.

## 6. RISK MANAGEMENT

(a) Company's processes and related policies to identify, assess, prioritise, and monitor sustainability-related risks.

- A portion on sustainability-related risks will be added to the company's risk management framework which is currently being reviewed and revised for the year 2025.

(b) Company's processes and related policies to identify, assess, prioritise, and monitor sustainability-related opportunities.

- A portion on sustainability related opportunities will be added to the company's risk management framework which is currently being reviewed and revised for the year 2025.
- Moreover, there will be a portion in the risk management framework regarding aligning the framework with company's strategy.

(c) Extent to which, and how, the processes in (a) and (b) are integrated into and inform the organisation's overall risk management process.

- For the year 2025, it is in the Risk Management plan to add these parts to the company's risk management framework and start the implementation process, hopefully enabling the company to address sustainability-related risks and opportunities.



## 7. KEY METRICS-PERFORMANCE DATA SUMMARY

Disclose information for each target set or required to meet.

For each SRRO,

(a) metrics required by an applicable ISSB Standard; and

(b) metrics used to measure and monitor that SRRO and its performance in relation to that SRRO, including progress towards any targets the organisation has set, and any targets it is required to meet by law or regulation.

								TARGETS		
Name of target	Definition of target	YES/NO(where applicable)	Metric used to set target and monitor progress	Source of metric used: (i) ISSB Standards (ii) law or regulation (iii) other source	Quantitative/ qualitative?	2022 (prior Year)	2023 (Current year)	2024	2025	2026
<b>PILLAR 1: ENVIRONMENT</b>										
<b>Environmental Policies</b>	A. Environmental policies									
	1. Is Policy(s) in existence?	No	BoD-approved policy	PCB-Guideline	Qualitative					
	2. If not, target date to develop policy(s)							●		

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	B. Number of environment-related accidents/incidents		0	PCB-Guideline	Quantitative	0	0	0	0	0
Water	A. Water conservation strategy									
	1. Is water conservation strategy in existence?	A draft guideline developed . A policy needs to be developed		PCB-Guideline when developing the policy	Qualitative					
	2. If not, target date to develop							0		
	B. Total water consumed	777.55 CBM								
Electricity	A. Energy conservation strategy									
	1. Is the Strategy in existence?	A draft guideline developed . A policy needs to be developed		PCB-Guideline when developing the policy	Qualitative					

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PILLAR 2: HEALTH AND SAFETY										
Health and safety Policies	A. Health and safety policies established by the Company during the period									
	1. Policy/procedures in existence?	NO		PCB-Guideline when developing the policy	Qualitative					
	2. If not target date to develop								●	
	B. Number of Risk Assessments carried out by the Company	NIL								
Work Injury	Toal number of occupational injuries	NIL								
Awareness	Total number of sessions carried out to aware employees on the established health and safety SOPs/Policies	NIL								
PILLAR 3: SOCIAL ISSUES										
Employment Policies	A. Employment policies established by the Company									
	1. Policy/procedures in existence?	YES (majority developed)		PCB-Guideline when developing the policy	Qualitative					

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				and Employment Law							
	2. If not, target date to develop										
<b>Trainings</b>	A. Total number of employees trained	196									
	B. Total Employees training hours	Not Monitored									
	C. Total Employees training costs	MVR 252,249.9 1									
<b>Gender Equality</b>	A. Ratio of female representative in workforce	62%									
	B. Ratio of female representation in senior management positions	9 out of 17									
	C. Ratio of female representation in Board of Directors	29%									
<b>Community Engagement</b>	A. Number of community engagement activities	24									
	B. Number of CSR Projects	NIL									
	C. Community engagement and CSR project costs	NIL									
<b>PILLAR 4: GOVERNANCE</b>											
<b>Governance Policies</b>	A. Governance policies established during the period:										
	1. Is Policy/procedures in existence?	YES (Majority			PCB- Guideline	Qu alit					

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		developed )		when developing the policy	ative						
	2. If not target date to develop										
<b>Disclosure and Transparency</b>	A. Is Annual audit and Governance Report published?	YES									
	B. Ha a separate tab on the website for Governance related matters and publications?	YES									
	C. Is the Annual Report and Governance Report of past 3 years published on Website?	YES									
	D. Total Website enhancement costs in relation to governance and transparency	NIL									
<b>Complaints</b>	A. Total number of legal or regulatory complaints received and resolved	NIL									
	B. Number of procurement related complaints received, registered, and resolved	NIL									
	C. Number of employees grievances received, registered, and resolved	NIL									

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