



Corporate Social Responsibility

United Nations Global Compact:
Communication on Progress (COP), 2016



Statement by the Chief Executive Officer & Managing Director

On behalf of Dhiraagu, it is my pleasure to submit our Communication on Progress (COP) Report for the year 2016 to the United Nations Global Compact (UNGC).

We continued our CSR programme which ensures we run our business with the highest level of integrity and professionalism, while contributing to our community and protecting our environment.

We remain committed to the 10 principles of the Global Compact covering the core areas of Human Rights, Labour, Environment and Anti-Corruption. This report outlines our policies and actions and the progress we have made in implementing the Global Compact principles.

The report will be available on our website dhiraagu.com.mv

Sincerely,

A handwritten signature in blue ink, consisting of a stylized 'I' and 'R' followed by a horizontal line.

Ismail Rasheed

Chief Executive Officer & Managing Director



Introduction

DHIRAAGU became a signatory to the United Nations Global Compact in December 2012 and this report is the fifth Communication on Progress (COP) Report issued by the company. The reporting period is for the year 2016, from January - December.

The report is divided into two parts;

Section 1

Provides an overview about the company and our approach to corporate social responsibility

Section 2

Describes our policies, implementation and outcomes in relation to the specific Global Compact Principles.



A decorative graphic in the bottom-left corner consisting of several overlapping, rounded rectangular bars in shades of teal, orange, and red, arranged diagonally.

Section 1

About Dhiraagu

About Dhiraagu

Dhiraagu is the leading and largest digital services provider offering total solutions and a comprehensive range of mobile, internet, data and fixed line services throughout the Maldives. BTC Islands Limited (Batelco) holding 52%, and the Government of Maldives holding 41.8%, are the two substantial shareholders of Dhiraagu. The remaining 6.2% of shares are held by the general public. Our business is based on a commitment to providing innovative products and services and a philosophy that places high value on customer experience. Our customers include individual consumers, small to medium businesses, corporate and government institutions. We provide total solutions and cater to specific needs ranging from simple telephone services to complex integrated private networking solutions for global corporate customers. With half a million customers, and employing 99% trained qualified Maldivians present in 10 strategically located operating centres across

the country, we remain the largest telecommunications provider in the Maldives. We overcome geographic barriers and stay close to customers through the nation's largest retail and distribution network of 40 exclusive partners, 40 distributors, 120 agents and over 3,000 retailers across the country. We provide the widest coverage in Maldives, which includes all of the country's 199 inhabited islands, all resort islands and all major industrial islands. We are the first operator to have linked the Maldives from North to South through a 1,253km long fibre optic submarine cable network which supports the nation's largest 3G and 4G LTE and fixed broadband network. With nearly three decades of excellence and a proven record of success, we continue to lead the market, holding a superior market position on high value segments such as mobile, enterprise and fixed broadband.

Our Mission



To lead the market through excellence in customer experience.

Our Vision



Enrich lives through digital services.

Our Values



Collaborate

We work together to offer our customers a seamless experience



Serve

We keep our customer at the heart of all we do, because we win when they do



Innovate

We constantly innovate to provide our customers with the latest and best in digital services



Inspire

We empower people, and never lose sight of the bigger picture of nation-building and growth

Corporate Social Responsibility

The 3 pillars



Our People



Our Community



Our Environment

Key community focus areas



Child Protection
and Support



Empowerment
of Youth

At Dhiraagu, our work is motivated by the principles of remaining a good corporate citizen. We seek to set an example for the rest of society by adhering to the highest levels of integrity, sound ethics, transparency and accountability. These are values that are clearly reflected in our core business processes. We are actively committed to reinforce the ties that bind us to the greater Maldivian community by contributing towards causes that promote nation building and societal development. We have sought to ensure our CSR initiatives are strategically programmed, have

maximum impact and ensures sustainability. In the past, we have identified three key pillars of focus for our CSR initiatives- namely our people, our community and our environment. Our people refers to the Dhiraagu family of staff, whose welfare and wellbeing remain a principal concern of ours. Likewise, we are a distinctly Maldivian company who play an important role in strengthening the social fabric of our society, which is why we remain committed to programmes that protect and preserve the sanctity of children, provide development opportunities for young people and foster

a culture of learning within the community. As one of the most climate vulnerable countries in the world, we are committed to ensuring environmental protection and building a more climate-resilient country in the Maldives. We are committed to protecting our oceans and reduce our carbon footprint by remaining as one of the largest utiliser of renewable energy in the Maldives.

Our CSR actions are informed by our CSR strategy and guided by Dhiraagu CSR Committee. The Committee is chaired by

the Chief Executive Officer & Managing Director and is represented by senior management from various departments. We remain committed to our obligations under the United Nations Global Compact, the largest voluntary CSR initiative in the world, and remain steadfast in our commitment to promote the key areas of Human Rights, Labour, the Environment and Anti-Corruption.



Our Community

Care for Children

We undertook the following initiatives to support and help protect children.

200 children participated in Dhiraagu Special Sports Festival 2016, an annual event organized and driven by Dhiraagu for children with disabilities in collaboration with various NGOs.

With 3,000 participants, organised the Dhiraagu Maldives Road Race 2016 for the 10th consecutive year. Donated financial grants of MVR 200,000 to 5 local NGOs working in the area of child protection and support.

Contributed indoor playground equipment and established a Children's Play Area at Indira Gandhi Memorial Hospital to support children and families visiting the hospital.

On children's day, supported the NGO, Care Society to help establish an Early Intervention Class to support skills development for children with disabilities under the ages of 7.

On World Autism Awareness Day, collaborated with Detune Band and conducted the "#1000Likes-#ThePowerIsYours" campaign on social media to promote a special video song dedicated to help raise awareness on Autism

Contributed developmental resources to Special Education Needs classes in Laamu Atoll and Baa Atoll

On World Down Syndrome Day, volunteers from Dhiraagu participated in the “Buddy Walk” to support the NGO- Beautiful Eyes Down Syndrome Association to help raise awareness on Downs Syndrome.

Contributed computer systems to the Kuda Kudhinge Hiya orphanage and organized a special children’s evening for the children during school holidays. Also renewed our commitment to sponsor and support the arrangement of 3 teachers at the orphanage for another year.

Distributed gifts for children across the country as a goodwill gesture on Eid Day.

Supported the local artist Unoosha, to launch a special Eid Song dedicated to helping children with disabilities.

Renewed membership of ‘GSMA Mobile Alliance Against Child Sexual Abuse Content’ with the Internet Watch Foundation, to block child sexual abuse content from Dhiraagu’s network. Dhiraagu was the first and the only

operator from Maldives to have joined this alliance along with other leading telecom operators from around the world.

Continued to support the Child Helpline 1412 which provides assistance to all children across the country in need of protection to access help via a toll free number.



Empowering Youth

Enrolled 25 new apprentices in Dhiraagu Apprenticeship Program, one of our biggest CSR programmes. The programme is targeted for youth to enhance their work skills development.

By 2016, 149 young people had benefited from this educational and training programme from Dhiraagu.



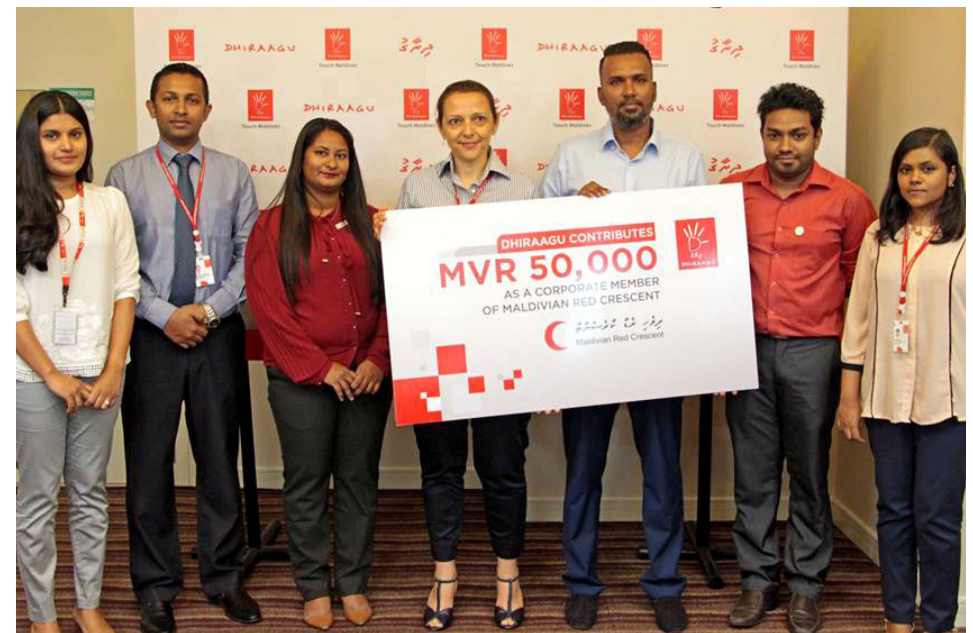
Disaster Relief and Other Support

Supported disaster relief efforts in Thinadhoo, following the fire incident in the island's powerhouse. We lent a generator to the Disaster Relief Centre at Thinadhoo, and distributed water, candles and torches to the people of Thinadhoo during the crisis. We set up phone charging services and activated an Emergency Pack with 500 free mins and 1GB free data for the people of Thinadhoo to help them stay connected during the crisis.

Donated oxygen concentrators to regional hospitals in four atolls.

Provided a special add-on to the Blind and Visually Impaired Society of Maldives enabling all their members across the country to use mobile conference calling service for free of charge.

Provided Mega Access Network solution free of charge for the Centre for Holy Quran to digitally connect and conduct classes across five atolls.



- Information under "Caring for our People" and "Caring for our Environment" is detailed under Section 2 of the report under the respective Global Compact Principles.



Section 2

Global Compact Principles



United Nations Global Compact- Human Rights Principles



Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights and;



Principle 2

Make sure that they are not complicit in human rights abuses, Assessment, Policy and Goals

Caring for our People

Our committed and talented workforce is the most important and distinct strength, and the driving force behind our continued growth and success. We closed the year with 599 full time staff, of which 99% remains Maldivians, signifying our continued efforts to employ, retain and develop local talent.



Grievance Policy and Procedure

Our Grievance Policy and Procedure sets out the mechanism for employees to raise any concerns regarding any work related matters.

Whistle Blowing and Fraud Reporting

Our “Whistle blowing and Fraud Reporting Policy” protects our employees who wish to raise concerns about any irregularities within the company.

Medical Care

We have an in-house medical benefits scheme that offers more benefits and is more comprehensive than a basic health insurance scheme. The medical benefits scheme applies to all staff and to their dependents under age of 18.

Retirement Care

We continue to contribute 10% to the employee pension fund, which is beyond the 7% required by law. We have had a Retirement and Redundancy Policy and a voluntary retirement benefit scheme in place, even before the establishment of the national pension scheme in 2009.

Code of Conduct

We place great emphasis to conduct our affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. We have adopted internal policies which promote ethical and responsible conduct. These policies provide guidance to our Directors, management and employees on the standards of ethical business and personal conduct required of all employees in undertaking their daily business activities.

We target for all our employees to become familiar with our Ethics Policy and Code of Conduct. Our Ethics Policy, recognizes that our success depends on the ability to establish and maintain positive relationships, both internally within employees and externally with our stakeholders



Health and Safety

We are committed to ensuring the health and safety of all our staff. Apart from complying with local legislations, we work towards achieving international best practices in relevant areas relating to our industry and specific work environments.

We have the following targets:

- 🚒 To ensure that work activities are not harmful to the health of employees or to the general public and are as safe as is reasonably practicable
- 🚒 To provide and to maintain adequate measures to control health and safety risks arising from work activities in order to prevent accidents and cases or work- related ill health
- 🚒 To provide staff with relevant information, instruction, training and supervision to ensure health and safety at work
- 🚒 To ensure that a conducive work environment is established for our staff

Implementation

The Maldives is a signatory to the Universal Declaration of Human Rights and we remain committed to comply with all local laws and regulations pertaining to it.

Employee Induction Programme

The Ethics Policy together with the code of conduct is communicated with all new employees as part of the Employee Induction Programme and is shared on the online employee portal for further reference

Committee to Prevent Sexual Harassment at Workplace

Our Committee to Prevent Sexual Harassment at the Workplace is primarily responsible for increasing awareness to prevent sexual harassment, conduct investigations regarding any complaints and to take necessary actions against any persons who is proved to have carried out an act of sexual harassment.

Health and Safety implementation

Our Health and Safety Policy is applicable to all Dhiraagu employees and contractors. All senior managers are responsible to ensure that the Safety policy is implemented in their respective functions. As part of the Induction Programme, all staff are briefed with regard to safety procedures including fire and first aid procedures.

A Safety Committee with representatives from all departments and regional centres is in place and a Safety Management Review is organised once a month in order to monitor and review the programme.

The company implements the following in accordance to the Health and Safety Policy

- ☒ Ensure that safe systems of work are implemented and reviewed.
- ☒ Ensure that all personnel are given information, instruction, training and supervision as appropriate in order to carry out their work safely.
- ☒ Carry out assessments of risk to the health and safety of persons involved in or affected by the operations of their departments
- ☒ Arrange induction safety training for all new employees.
- ☒ Ensure that all fire- fighting equipment is regularly inspected and serviced.

Measurement of Outcomes

- ☑ The Induction Programme was conducted for ALL new staff and the ethics policy, code of conduct and safety procedures were briefed to ensure that employees are familiar with the policies from the very beginning.
- ☑ 60 staff were trained as industrial fire squad for our Head Office.
- ☑ Basic fire awareness trainings were conducted in all regional centres with fire drills conducted at Dhiraagu Head Office and all regional centres.
- ☑ Basic Fire Awareness training and Basic First aid trainings were completed for all newly joined staff.



United Nations Global Compact- Labour Principles

We ensure to comply with local employment laws in the Maldives. We do not engage or employ child and forced labour in any of our operations. We also ensure to eliminate discrimination with respect to employment in all our operations.



Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;



Principle 4

The elimination of all forms of forced and compulsory labor;



Principle 5

The effective abolition of child labor; and



Principle 6

The elimination of discrimination in respect of employment and occupation.





Implementation

We believe in open, transparent dialogue with regard to labor related issues within the organization.

We adhere to the Maldives Employment Act to ensure the elimination of all forms of forced and compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation.



Staff Development

Dhiraagu Human Resources Development Strategy focuses on providing a wide range of training and developmental opportunities to support our staff in achieving business objectives along with their career goals. As part of our commitment to groom local staff for leadership roles and to support their career development, a special management development programme composing of three modules under the theme – “Agility in Execution”, was conducted during the year. This programme was designed and delivered by an internationally renowned institution in the field of management and leadership development. Senior management and middle management level 57 staff participated and completed the programme

Staff Engagement

We have a well-rounded, structured programme to motivate and engage staff. A wide range of events were conducted during the past year, which gave the opportunity for staff and families to participate. Key events included the DESCUP Football Tournament, 28th Anniversary Talent Show, Staff Karaoke Competition (DhiRaagu 2016), Roadha Festival, 3ON3 Futsal Tournament and Staff Picnic.

HRD Board

To periodically review human resource development plans, policies and procedures and recommend strategic directions, a Human Resources Board (HRD Board) is established and the committee convenes regularly.



Legal Reviews

Dhiraagu's General Counsel regularly gives legal advice on employment issues to deal within the bounds of the Employment law and company procedures.

Measurement of Outcomes

By the end of 2016, we conducted 34 Training Programmes where 396 staff were trained in technical and non-technical areas. These included academic programs at masters, and undergraduate level. 45 staff also completed professional certification programmes.





United Nations Global Compact- Environment Principles



Principle 7

Business should support a precautionary approach to environmental challenges;



Principle 8

Business should undertake initiatives to promote greater environmental responsibility; and



Principle 9

Business should encourage the development and diffusion of Environmentally friendly technologies

Implementation

Protecting and preserving our natural environment and ensuring environmental sustainability in our corporate practices is a priority goal for us.



For the Oceans

Each year, pollutants, including plastic bags and PET bottles, are the principal cause for the deaths of hundreds of endangered marine species including turtles and sharks – which are protected by law. Plastic, furthermore, gets strewn up on our beaches, caught up on delicate corals jeopardizing the health of the entire reef system,

and in turn affecting our food supply and the wellbeing of our communities. As a way of addressing this problem we carried out “For The Oceans” awareness campaign in collaboration with Parley Maldives - encouraging all staff and public to use reusable bags and to reduce single use plastic bags.

We also instituted a company-wide initiative to eliminate the use of single use plastic water bottles and have supplied all our staff with BPA free multi-use water bottles & reusable shopping bags.



Renewable Energy

For a climate vulnerable country such as ours, burning fossil fuels is not a sustainable long term solution. While renewable energies are yet to achieve the same economies of scale as more traditional sources of energy, we are committed to low emission carbon-resilient business practices. This is why we seek to reduce our carbon footprint through increasingly relying on renewable energy to power our various systems. We are a long way off from completely weaning off fossil fuels, yet we take great pride in our role as one the largest producers and users of renewable energy in the country.

In the past year, we have initiated a project to install additional solar panels in our equipment sites where we use renewable energy as a secondary source of power. It is estimated that the additional solar panel installations would produce 219,000 KWh of renewable energy every year, which would result in an approximated reduction of 153 metric tons of CO2 emitted.



Energy Efficiency

The sustainable green design features incorporated in Dhiraagu Head Office leads to significant energy consumption efficiencies.

☑ All the lights used in the building, including emergency lights are 99% LED lights

☑ Motion detectors/sensors are used to switch off the lights in common areas of the building such as corridors, staircases, toilet areas etc, to ensure lights are switched off when not in use.

☑ High heat reflective glass is used in building facade to minimise heat entering into the building

☑ Ozone friendly refrigerant R410A is used in the VRV AC units installed in the building.

☑ Air conditioning is set at a minimum 25 degree Celsius in all main office areas. The office adopts central AC control, where air-conditioning is centrally turned off at pre-set times and is limited to official working hours.

World Environment Day

We collaborated with the Civil Service Commission to support the Aaro Tree Planting programme, in the newly reclaimed land of Hulhumale'.

Measurement of Outcomes

☑ The energy saving features incorporated in Dhiraagu Head Office resulted in an annual reduction of approximately 390,228.00 kwh of electricity, which is also equivalent to 276 metric tonnes of Carbon Dioxide or 636 barrels of oil.



United Nations Global Compact- Anti-Corruption Principles



Principle 10

Business should work against corruption in all its forms, including extortion and bribery

Policy and Goals

Dhiraagu's Anti-Bribery Policy comprehensively addresses in detail with regard to the following;

❑ We do not tolerate bribery, and do not offer , give or receive bribes or improper payments or participate in any kind of corrupt activity, either directly or through a third party.

❑ We do not make facilitation payments and we do not allow others who work for us to make them either.

❑ Any gifts or hospitality or promotional expenditure we receive or give in connection with our business should

always be proportionate and reasonable in terms of value and frequency. Gifts and hospitality should never be offered or accepted if it may be perceived as improperly influencing a business decision about or by us or impair independence or judgment about us.

❑ We do not make political contributions either directly or indirectly to political parties, causes or individuals

❑ We are committed to ensure that those who act on our behalf as representatives, agents, consultants and other providers of services do not bribe on our behalf.



Implementation

Supplier Code of Conduct

From 2013 onwards, it was made mandatory for all our suppliers to sign the Supplier Code of conduct when entering into a contract with us. This code of conduct addresses the commitment to comply with applicable laws and regulations concerning bribery, corruption, fraud, and any other prohibited business practices.

Measurement of Outcomes

☑ ALL suppliers entering into a contract with Dhiraagu signed the Supplier Code of Conduct.



