

CORPORATE SOCIAL RESPONSIBILITY REPORT 2012



Touch Maldives

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STATEMENT BY THE CHIEF EXECUTIVE

On behalf of Dhiraagu, I am pleased to submit the company's first Communication On Progress Report to the United Nations Global Compact (UNGC).

Corporate Social Responsibility is a top priority for the company and to further strengthen our focus on CSR, Dhiraagu became a signatory to the UNGC on 28th December 2012. We support and remain committed to the ten principles of the Global Compact with respect to Human Rights, Labour, Environment and Anti-Corruption.

In the pages that follow, we have described our policies and the implementation of our operations to support the Global Compact Principles. We will be sharing this information with our stakeholders through our website www.dhiraagu.com.mv Thank you in advance for taking the time to read this report and we welcome your feedback.

Sincerely,

Ismail Rasheed CHIEF EXECUTIVE



We support and remain committed to the ten principles of the Global Compact with respect to Human Rights, Labour, Environment and Anti-Corruption.

INTRODUCTION

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

The Report is divided into two parts



provides an overview about the company and the approach to corporate social responsibility.



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

This report was reviewed and approved by Dhiraagu CSR Committee





Corporate Social Responsibility Report 2012

ABOUT DHIRAAGU

DHIRAGU PLC is the leading and the largest telecommunication operator offering a comprehensive range of fixed, mobile, Internet and data services throughout Maldives.

In addition to the strong presence in the Capital Male', the company has 9 strategically located operating centers to serve over 350,000 customers spread across the nation's 199 inhabited islands and over 100 industrial islands including tourist resorts. This is augmented by the largest retail and distribution network established in the country.

Dhiraagu provides the widest coverage in Maldives covering all inhabited islands and resort islands. With over 25 years of service, Dhiraagu continues to be the market leader and the No. 1 Brand in the Maldives.

With a nation-wide submarine fiber optic cable network system established, Dhiraagu is currently focused on expanding and rolling out broadband services across the country.

Corporate Social Responsibility at Dhiraagu

The corporate social responsibility strategy of Dhiraagu is based on responsibly grounded business decision-making that considers the broad impact of corporate actions on people, communities and the environment. Dhiraagu strives to give importance to the socio-economic developments of the country and engage in operations and services in a conscientious and responsible manner.

Key aspects of Dhiraagu's CSR programme include



Positive contribution to the social and economic development of the community.



Encourage and nurture best practices in our activities.



Respect for the culture, values and human rights throughout our operation.



Contribute towards protecting the environment.

SECTION I

Supporting the Community

Dhiraagu is actively involved in community activities and regularly sponsors and contributes to worthy causes, in the areas of education, youth development and healthcare. Dhiraagu also actively supports island communities in their social activities and partners with NGOs to raise public awareness on social issues such as drug abuse and child protection.

Key initiatives and contributions in this area include the following



Dhiraagu Apprenticeship Programme (DAP)

DAP is a training programme that supports the work skill

development of young Maldivians. While giving opportunities for youth to gain experience in a professional work environment, the programme also provides educational experiences along with soft skill development training that includes communicational skills, problem solving and decision making skills, planning, organizing and time management skills etc.

As of 2012, 62 apprentices have been given the opportunity to take part in the programme. Out of the 16 apprentices that were selected in the Year 2012, 11 apprentices were based in Male' and 5 apprentices were based across Dhiraagu regional centers across the country.



Child Helpline

Since 2009, Dhiraagu continues to provide support to the Child Helpline 1412. The service provides

assistance to all children across the country in need of care and protection to access help by means of mobiles and landlines via a toll free number. The service was launched together with the Ministry of Gender, Family and Human Rights in Maldives and Child Helpline International, a global network of telephone helplines, operating in over 150 countries that provide outreach services to children and young people.



Supporting Kuda Kudhinge Hiyaa (orphanage)

Dhiraagu provides free internet to 'Kudakudhinge Hiya' orphanage,

where a resource center and computer facilities are also established. Similarly, the company provides free internet to the home for people with special needs in Guraidhoo and to the National Thalassaemia Centre where a cyber-center is established.



GSMA Mobile Alliance Against Child Sexual Abuse Content

Since 2008, Dhiraagu has been a member of the 'GSMA Mobile Alliance Against Child Sexual Abuse Content' and blocks child sexual abuse content on Dhiraagu internet.



National Drug Abuse Helpline

Dhiraagu provides support to the National Drug Abuse Helpline 1410

since its inception in 2011. This is a collaboration between United Nations Office on Drugs and Crime (UNODC), the Department of Drug Prevention and Rehabilitation Services (DDPRS) and the Government of Maldives. The service is targeted to the general community providing, counseling and support relating to drug abuse.



Dhiraagu Maldives Road Race

Dhiraagu's annual road race is dedicated to a social cause and the theme for 2012 was to raise awareness against child abuse and domestic violence. The event also provides a platform for different NGOs to raise funds for their various social campaigns. There were

2,799 participants in the event held in 2012.



Special Sports Festival

Special Sports Festival is an annual event organized and conducted by Dhiraagu in association with various stakeholders in Maldives. The festival aims to provide opportunities for children with special needs to participate in sports activities. The event

creates a platform for further collaboration among institutions and helps to advocate for children in need of special care. A number of Dhiraagu employees voluntarily participate in organizing the event every year. Nearly 200 students had the opportunity to take part in the event in 2012.









GLOBAL COMPACT PRINCIPLES

Corporate Social Responsibility Report 2012

SECTION II

2.1 UNITED NATIONS GLOBAL COMPACT-HUMAN RIGHTS PRINCIPLES



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



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

Maldives is a signatory to the Universal Declaration of Human Rights and Dhiraagu complies with all local laws and regulations. The respect for the culture, values and human rights throughout our operation is one of our key principles in our Corporate Social Responsibility Strategy.

Ethics Policy-Code of Conduct

Dhiraagu's Ethics Policy recognizes that the company's success depends on the ability, as a company and as individuals to establish and maintain positive relationships, both internally with our colleagues and externally with our stakeholders. It specifies the ethical standards of behavior expected of all Dhiraagu employees in their interactions with each other, customers, suppliers, government, business partners and the wider community in which we operate and targets all staff to be familiar with the policy.



Health and Safety

Dhiraagu is committed to ensuring the health and safety of all staff and providing a safe work environment. Dhiraagu takes responsibility to comply with local laws and regulations and work towards achieving international best practice in relevant areas relating to our industry and specific work environments. In particular, the company has 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

Medical Care and Retirement Benefits:

The company has successfully run its own medical benefits scheme for several years, which applies to all employees and dependents and is more comprehensive than a basic health insurance scheme. The company also had a voluntary retirement's benefit scheme in place, even before the establishment of the national pension scheme in 2009. The Company contributes 10% to the employee pension fund which is beyond the 7% required by law.

2.1.1 Implementation

Employee Induction Programme

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.

Health and Safety implementation

In order to implement our commitments relating to Health and Safety, a policy and manual was issued in 2011 which describes the responsibilities and the arrangements for Health and Safety within Dhiraagu. The policy is applicable to all Dhiraagu employees and contractors. The Chief Executive Officer is responsible for the implementation of the policy and ensures that the policy is adhered to and regularly reviewed. Furthermore all senior managers and managers are responsible to ensure that the Safety policy is implemented in all functions under their control. As part of the Induction Programme, all staff are briefed with regard to safety procedures including fire and first aid procedures.

A dedicated Health and Safety Officer is appointed to support the Chief Executive to promote all aspects of Health and Safety at work and assist in developing and maintaining safe working practices in accordance with the Safety Policy. Comprising of the Chief Executive and the Health and Safety Officer, a Safety Committee with representatives from all departments and regional centres is in place. The committee is comprised of 10 Safety Representatives, which includes 5 representatives for Male' and 5 representatives for regional centers. 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.



Ensure that all fire- fighting equipment is regularly inspected and serviced.



Arrange induction safety training for all new employees.

2.1.2

Measurement of Outcomes



In 2012, one accident resulted in losttime. This accident involving one of our speed boats resulted in a collision at sea with minor injuries to a staff.



282 staff were provided with Health and Safety related awareness training sessions.



An 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.



34 staff were given training on Work and Rescue at Height.



86 staff were given training on Electrical Safety



2.2 United Nations Global Compact- Labour Principles



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



The elimination of all forms of forced and compulsory labor;



The effective abolition of child labor; and



The elimination of discrimination in respect of employment and occupation.

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.



2.2.1 **Impler**

Implementation

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

The elimination of all forms of forced and compulsory labour

In accordance to the Maldives Employment Act, the company declares that no person is compelled or forced into employment and undertakes Forced Employment to mean any service of labour obtained from a person under the threat of punishment, undue influence or intimidation and does not include services or labour performed of his own violation by any person (Chapter 3, Employment Act, Maldives)

The effective abolition of child labor:

In relation to the above, the company adheres to the Maldives Employment Act and does not employ minors

The elimination of discrimination in respect of employment and occupation:

The company complies to the Employment Act with regard to the above and ensures not to discriminate amongst persons carrying out equal work either in the granting of employment, determination of remuneration, increase in remuneration, provision of training, determination of conditions and manner of employment, dismissal from employment or resolution of other employment related matters, based on race, colour, social standing, religion, political beliefs or affiliation with any political party, sex, marital status, family obligations etc (in accordance to Chapter 2, Part 4 of the Employment Act) Dhiraagu's legal department regularly reviews to ensure that the company adheres to all local laws with regard to labour principles.

HRD Board

A Human Resources Board (HRD Board) is established to periodically review Labour issues by senior management. The HRD Board convenes every month or as and when required if there is an urgent issue to be dealt with. Mandate of the board includes reviewing HR policies and procedures and to make strategic decisions.

2.2.2 Measurement of Outcomes

There have been no major employment issues in the reported period. The HRD Board ensures that employment issues are dealt fairly and harmoniously as per the employment law of the Maldives. Dhiraagu's General Counsel regularly gives legal advice on employment issues to deal within the bounds of the Employment law and company procedures.

2.3 United Nations Global Compact- Environment Principles



Business should support a precautionary approach to environmental challenges.



Business should undertake initiatives to promote greater environmental responsibility; and



Business should encourage the development and diffusion of environmentally friendly technologies

2.3.1 Implementation

The company targets to reduce the environmental impacts and the footprints of our activities by implementing the following;

Use of Renewable Energy

Since 1988, Dhiraagu has been one of the highest users of renewable energy in the Maldives. Dhiraagu uses renewable energy both as a primary and as a secondary source of power in some of its equipment sites. Over 10% of Dhiraagu's total power consumption in remote stations across the nation is generated from renewable energy.

Energy Efficiency at Dhiraagu Head Office

The new building of Dhiraagu Head Office was inaugurated in October 2012; a project that incorporated energy efficiency measures by implementing sustainable green design features. This not only helps to achieve energy consumption efficiency for the building, but also contributes to achieving a sustainable energy efficiency structure for our operations and for the society.

The green initiatives incorporated in the building include the following



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.









Moving Towards Green Data Centers

Data Center energy requirements continue to increase and the company targets to minimize consumption through appropriate design considerations.



A modular and scalable design which enables infrastructure to be deployed when needed and through right-sizing avoids inefficiencies from overcapacity.



Managing airflow and adopting more efficient equipment cooling architecture. Free cooling is utilized by eliminating hot hair without entirely depending on air conditioning.



Adaptation of energy efficient power equipment and optimization of power distribution.

Green Billing

Dhiraagu Online Services was established in September 2012, which enables customers to view and pay bills online via www.dhiraagu.com.mv . While providing more convenience and simplicity for customers, this initiative encourages customers to adopt paperless billing which supports the environment by reducing the amount of paper used.

2.2.2

Measurement of Outcomes

There are 174 islands where Dhiraagu has installed solar power systems, covering an area of more than 1,901 sqm solar across the country and producing 228,476KWh of renewable energy per year.

The energy saving features incorporated in Dhiraagu Head Office in 2012, has 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.

2.4 United Nations Global Compact Anti-Corruption Principles



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

Policy and Goals

In September, 2011 Dhiraagu Ethics Policy was further revised to include an Anti-Bribery policy to work against corruption and to strengthen our commitment to operate professionally, fairly and with integrity. The company targets all employees to be familiar with this policy.

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.



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



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.

2.4.1 Implementation

Supplier Code of Conduct

In 2012, a Supplier Code of Conduct was issued to better implement and to extend the commitments in our policies to our suppliers. All our suppliers are strongly encouraged to sign this code of conduct when doing business with us, which addresses the commitment to comply with applicable laws and regulations concerning bribery, corruption, fraud, and any other prohibited business practices.

Anti-Bribery Training

The company targeted for all employees to be fully familiar with the Anti-Bribery Policy and thereby conducted an Anti-Bribery Training Course in 2012. It was made compulsory for all employees to take the course and to pass an assessment. The course could be followed online and a downloadable Bribery Act Training Pack was available. A 90% pass mark for the assessment was required to complete the course.

2.4.2

Measurement of Outcomes



100% of the employees took the Anti-Bribery Policy Training course and all participants achieved the pass mark.





Touch Maldives

www.dhiraagu.com.mv