



ENVIRONMENT, SOCIAL & GOVERNANCE REPORT **2023**

CONTENTS

**Executive
Summary**

03

**Health &
Safety**

19

**MWSC's
Objectives**

05

Social

22

**ESG
Strategies**

08

Governance

30

Environment

12

**Future
Outlook**

31



MESSAGE FROM MANAGING DIRECTOR

Dear Stakeholders,

“ I am thrilled to present our Environment, Social and Governance (ESG) report, a testament to MWSC’S unwavering commitment to sustainability and responsible business practices.

At MWSC, we firmly believe that businesses have a crucial role to play in fostering an inclusive equitable, and environmentally conscious world. As Managing Director, I am personally dedicated to integrating sustainability into every facet of our operations.

While we take pride in our accomplishments thus far, we recognize that our journey is ongoing. We are proud to collaborate with our employees, partners and communities in our shared mission to build a more sustainable world.

Together, we can make meaningful impact and pave the way for a brighter, more sustainable future for generations to come.

Thank you for your continued dedication to our ESG goals. Your passion and commitment are truly inspiring. ”

Abdul Matheen Mohamed

Managing Director



EXECUTIVE SUMMARY

The ESG Report 2023 of MWSC provides a comprehensive overview of the Company's Environmental, Social and Governance (ESG) performance and initiatives undertaken throughout the past year. This report encapsulates key findings and highlights demonstrating our commitment to sustainable practices and responsible corporate citizenship.

About MWSC

Established in 1995, Male' Water and Sewerage Company (MWSC) has been leading the charge in tackling water scarcity and inadequate sewerage infrastructure in the Maldives. Initially concentrated in the Greater Male' region, beginning with a focus on water supply and wastewater disposal, the company has expanded its scope to encompass electricity and waste management services, adapting to the evolving needs of the community it serves.

In 2002, MWSC diversified its portfolio by founding Island Beverages Maldives (IBM) a subsidiary company, focusing on the production and distribution of bottled water. This strategic move enabled MWSC to address additional consumer requirements while leveraging its expertise in the water sector.

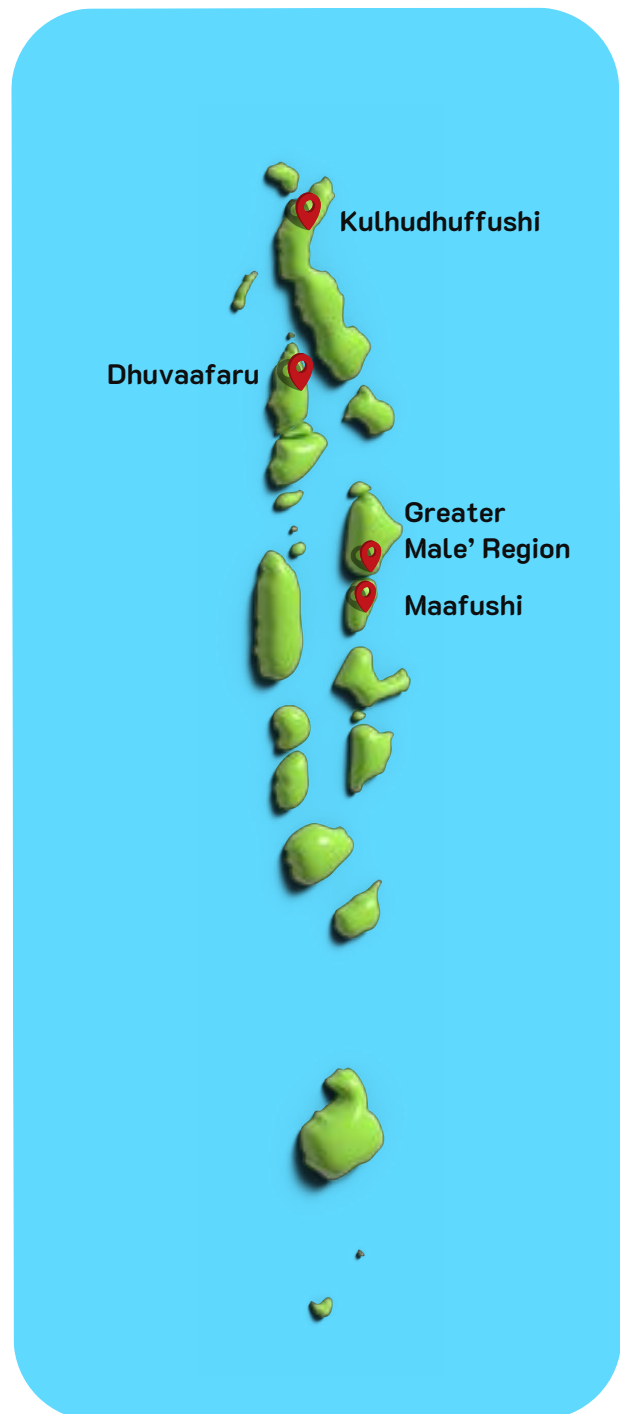


Continuing its diversification efforts, MWSC entered the pipe production arena in 2015, becoming the first pipe manufacturer in the Maldives. By locally producing PE and PVC pipes, MWSC ensured a consistent supply while contributing to the country's infrastructure.

MWSC's diversification journey has propelled it into a reputable multi-disciplinary Engineering and Manufacturing Company. With four core business units- Utility, Operations, Manufacturing operations, Engineering solutions and Trading – MWSC remains committed to innovation and adaptation to meet the changing needs of customers and the market.

Though its comprehensive service offerings and steadfast commitment to quality and sustainability, MWSC continues to play a crucial role in the Maldivian economy and welfare of its citizens.

Today, MWSC operates in various locations including R. Dhuvaafaru, Hdh. Kulhdhuffushi and K.Maafushi.



MWSC OBJECTIVES

To carry on construct, install, develop, operate, manage, provide and maintain efficient, sustainable, environment friendly and cost-effective water production and distribution and facilities and services for public water supply, water treatment and sewerage services in Republic of Maldives.



To produce, supply and sell all types of processed and packaged water and to acquire establish develop, operate and manage factories, equipment, machinery, plant, vessels and vehicles for that purpose and to acquire, build, construct and lease premises, equipment, machinery, plant, vessels and vehicles for that purpose.

To engage in import and trading of plant, machinery, equipment and materials relating to water and wastewater treatment and distribution services and act as distributors, agents and representatives of manufactures of such plant, machinery, equipment and materials in Republic of Maldives.



To carry on, engage design, construct, develop, operate, manage, maintain and provide engineering and contracting services for water and wastewater related facilities, public water supply, water treatment and sanitation and sewerage services.

To administer as agent, representative or contractor of the government, for any projects implemented through any loan, aid or grant on such terms as the Government of Maldives may direct.



To carry on business as financiers, promoter's brokers of infrastructure, commercial or industrial projects and to undertake and carry on and execute all kinds of related operations.

To buy, invest in and acquire shares, stocks debentures, debenture stocks, bonds, obligations and securities of by way of original subscription or otherwise, and to participate in any investment syndicate.



To borrow or raise money in such manner as the Board of Directors of the company shall think fit and in particular by the issue (whether at part or at a premium or discount and for such consideration as the company may think fit) of bonds, mortgages or charges, perpetual or otherwise, if so thought fit, convertible into any stock or shares of the company or any other company, and collaterally or further to secure any obligations of the company by a trust deed or other assurance.

To negotiate or obtain loans from any source including any international aid or loan giving agency and foreign bank.



To promote, organize and assist or aid in forming, promoting, organizing, companies, syndicates, institutions or partnerships of all kinds for the purpose of undertaking any industrial or commercial ventures or enterprises.

To train personnel and workers, to obtain technical proficiency in various specialties connected with the objects of the company or any of them.



To assist communities and communities-based organizations financially or otherwise, in achieving their goals.

ESG STRATEGIES

Water Conservation Strategy

The **"Water Heroes"** and **"Iskurun Fen"** campaigns represent commendable efforts aimed at promoting water conservation and sustainable water usage habits. These initiatives play a crucial role in advancing the company's objectives of environmental responsibility by fostering awareness and promoting behavioral change.

The Iskurun Fen campaign is particularly noteworthy for its focus on educating school children about the process of reverse osmosis and the importance of conserving water resources. However, to enhance the effectiveness of the educational sessions, it might be beneficial to incorporate interactive activities or demonstrations to make the learning experience more engaging and memorable for the students. Additionally, ensuring that the information presented is age appropriate and tailored to the specific audience can further optimize the impact of these programs.



The initiative to donate water filters to four islands is a laudable CSR effort that not only provides access to plastic free drinking water but also reduces reliance on single-use plastic bottles within these communities. To maximize the long term sustainability of this initiative, it could be beneficial to accompany the distribution of water filters with educational campaigns emphasizing the importance of using tap water as a sustainable alternative and proper maintenance of the filters to ensure their longevity.

Similarly, distributing reusable flasks to staff as part of the "Nala office" campaign is a proactive step towards reducing plastic waste in the workplace. To encourage widespread adoption of reusable containers, consider implementing incentives or rewards for employees who consistently use them, such as discounts on refillable beverages or recognition for sustainability efforts.

The collaboration with HDC to develop drinking water fountains in public spaces is an excellent strategy to promote access to safe drinking water while discouraging the use of single-use plastic bottles. To enhance the visibility and accessibility of these fountains consider installing signage or conducting promotional campaigns to raise awareness among the public about their availability and benefits.

Overall, these initiatives demonstrates a strong commitment to environmental stewardship and sustainability. By continuously refining and expanding upon these efforts, the company can make significant strides towards achieving its goals of water conservation and environmental responsibility.



Energy Conservation Strategy

Annual Energy audits are integral to our operation, serving as a proactive measure to identify inefficiencies within our production processes and building energy systems. These audits enable us to pinpoint opportunities for energy savings and optimization. Following each audit, we meticulously analyze the findings to formulate targeted strategies aimed at improving energy usage through out our operation.

By promptly addressing areas of concern identified in the audit, such as outdated equipment or inefficient processes, we can implement tailored solutions to enhance energy efficiency. These solutions may include upgrading equipment to more energy efficient models, optimizing manufacturing processes, or enhancing building insulation.

Furthermore, regular follow up actions are crucial to track the progress of our energy saving initiatives and ensure that our operation remains committed to continuous improvement in energy management. By consistently monitoring and refining our energy usage practices, we do not only reduce operational costs but also maximize our environmental footprint and contribute to sustainable business practices.



Prioritizing Environmental, Social & Governance

Our ESG strategy embodies the deliberate fusion of MWSC's corporate, operational practices and governance structure. It serves as the guiding force behind our commitment to environmental stewardship, social responsibility and transparent governance.

In this report, MWSC offers comprehensive overview of our activities throughout the fiscal year 2023 (January 1, 2023 to December 31, 2023). We detail our initiatives progress, and achievements, providing stakeholders with transparent and insightful information regarding our ESG endeavors.

Through this report, we aim to demonstrate the tangible integration of ESG principles into every facet of our organization, showcasing our dedication to sustainability, ethical business conduct and stakeholder engagement.



ENVIRONMENT

Environment Policies

The Company has integrated environmental consideration into operational decisions adhering to URA regulations and fostering a culture sustainability.

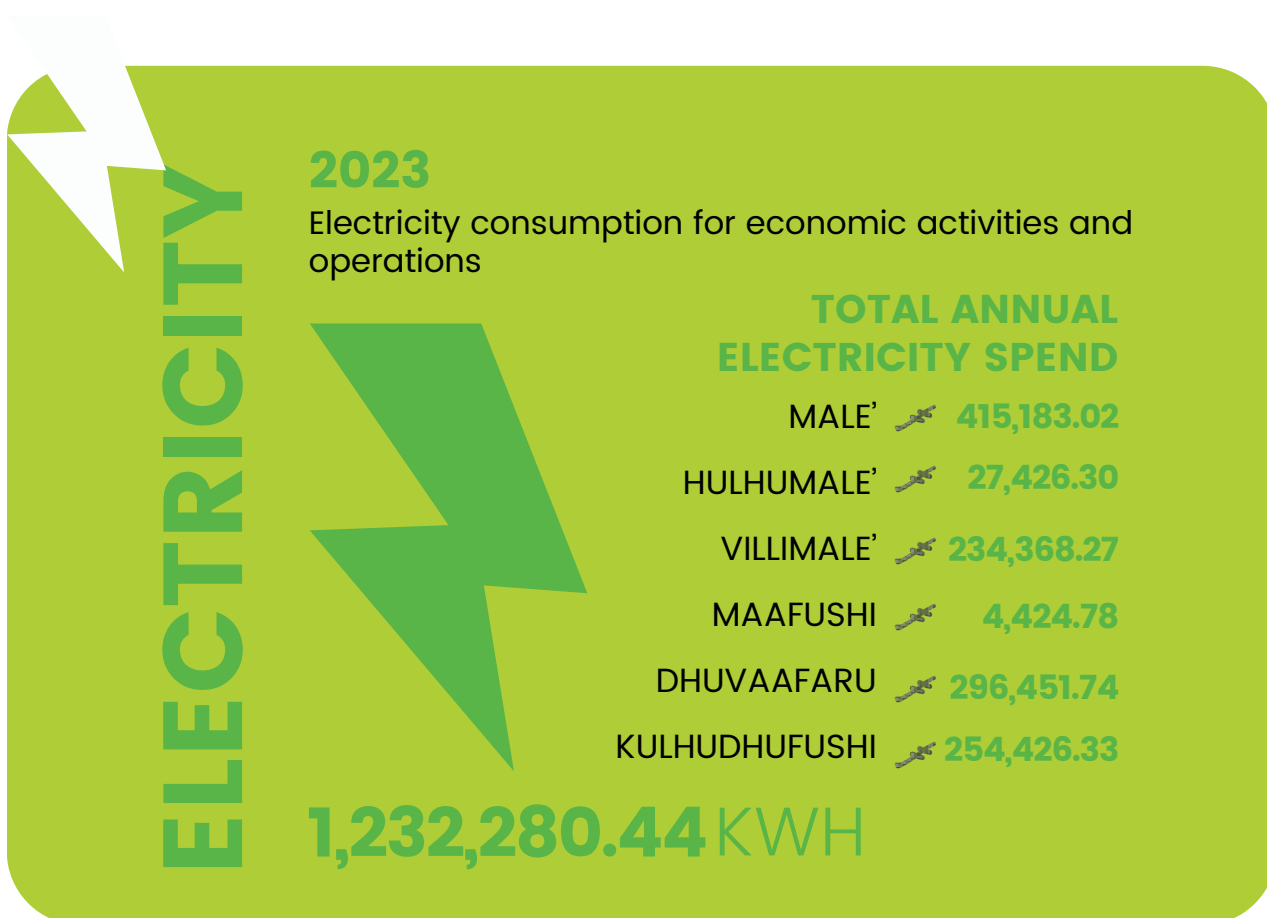
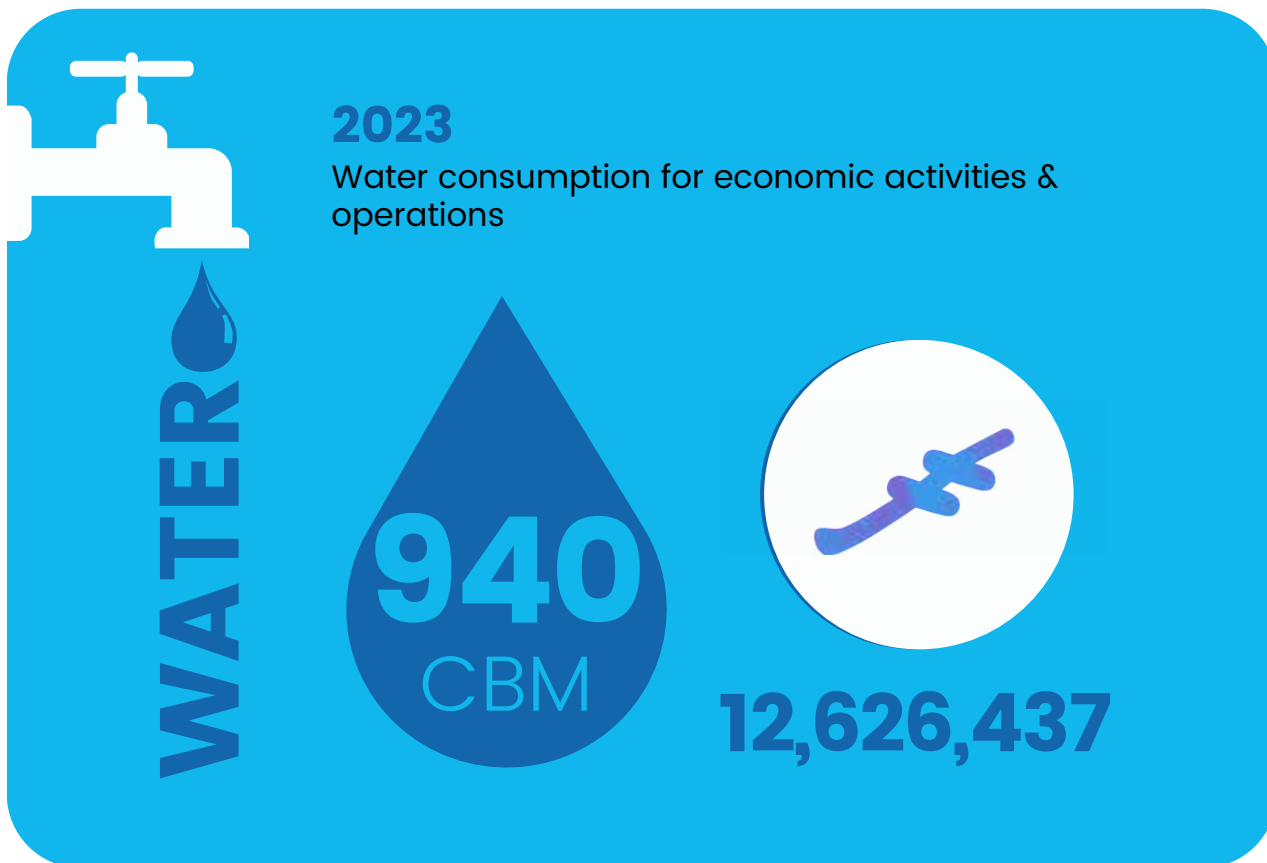
A significant operational shift has been made in the manufacturing segment, with the cessation of production of 330ml single-use plastic bottles. Instead, the focus has been redirected towards the production of returnable glass bottles. This strategic move aims to reduce plastic waste, promote recycling and aligns with the company's commitment to environmental stewardship.



Integration of Environmental Impact Monitoring in Projects

In line with the regulatory mandates and corporate sustainability objectives, the Company has incorporated monitoring mechanisms for environmental impacts into Environmental Impact Assessment (EIA) reports for various projects. These mechanisms are tailored to specific locations and regions across the country, ensuring thorough assessment and mitigation of environmental risks associated with project activities. By integrating environmental considerations into projects planning and execution, MWSC demonstrates the Company's dedication to sustainable development and responsible business practices.

adhering to regulations, embracing sustainable manufacturing practices, and integrating environmental considerations into project planning, the company strives to minimize its environmental footprints and contribute positively to Society.



ELECTRICITY CONSUMPTION OF PUMPING STATIONS 2023

AVERAGE CONSUMPTION
ACROSS GREATER MALE' REGION

5,779,289 kWh

AVERAGE MONTHLY CONSUMPTION
ACROSS GREATER MALE' REGION

481,607.4 kWh



Electricity Consumption

Generally higher in the later months



JUNE



SEPTEMBER



STATIONS

01

10

06

03



PUMPS

57

19

20

12



LOCATIONS

Male'

Hulhumale' Phase 1

Hulhumale' Phase 2

Villimale'

3 pump stations in Hulhumalé Phase 2 are operating as temporary, with 3 pumps of 2 kW each, while the other pump stations have pumps ranging from 9 kW to 30 kW.

WASTE

2023 WASTE PRODUCTION FOR ECONOMIC ACTIVITIES AND OPERATIONS



The company has a thorough waste management procedure in place, covering all types of waste generated directly or indirectly through operations. By addressing both daily waste and special case items, we ensure a comprehensive approach to waste reduction and disposal. Using a crusher for glass and plastic bottles demonstrates a commitment to sustainability and efficiency.

1516.8 TONNES TOTAL ANNUAL WASTE

268.8 TONNES IN MALE

1248 TONNES IN HULUMALE'

Environmental Activities

During 2023, MWSC undertook various environmental activities to align with its commitment to sustainability and conservation. "Nala-veshi" beach clean-up campaign was successfully executed at R. Dhuvaafaru ("Nala-Dhuvaafaru" Campaign) and HDh. Kulhudufushi ("Nala-Kulhudhufushi"), aimed at preserving coastal ecosystems and promoting community involvement in environmental stewardship. Furthermore, the "Nala Office" Pump-station greening project was implemented on World Environment Day at the Greater Male' Region to enhance green spaces around company premises, contributing to local biodiversity and public well-being.



Additionally, as part of its strategic approach to waste management, the company provided financial assistance to AA. Feridhoo Council to procure a Waste Management Vehicle, with the aim of improving waste collection and disposal practices on the island, thereby reducing environmental pollution and promoting a cleaner environment on the island. Additionally, MWSC actively participated in the #MadhirinRakka Nationwide Clean-up initiative across the Greater Male' Region. This collaborative endeavor, undertaken in partnership with the Ministry of Health, Male' City Council, and State-Owned Enterprises (SOEs), was designed to combat the proliferation of vector-borne diseases.

The company spent a total of MVR 592,098.55 on environmental activities in the year 2023.



HEALTH AND SAFETY

Health & Safety Policies

An Integrated Quality & Occupational Health and Safety (OH&S) Policy has been established to comprehensively address work safety and occupational health concerns, with a key emphasis on ensuring safety and minimizing workplace accidents.

MWSC has obtained certification for ISO 45001 Occupational Health & Safety Management System, affirming its dedication to upholding stringent standards in emergency preparedness, accident/injury response, and ongoing monitoring. These efforts are facilitated through the following Standard Operating Procedures (SOPs):

1. MWSC-IMS-P-09-01 Emergency Preparedness and Response:

Protocols are in place to promptly and efficiently respond to emergencies, prioritizing the safety and well-being of the workforce.

2. MWSC-IMS-P-12-01 Incident Investigation:

In the event of any incident, thorough investigations are conducted to identify root causes and implement corrective measures to prevent recurrence, promoting a culture of continual improvement.

3. MWSC-IMS-P-01-01 OH&S Risk Assessment:

Regular assessments are carried out to identify potential hazards and risks within the workplace. By addressing these risks proactively, MWSC aims to cultivate a safer working environment for all employees.



4. MWSC-IMS-P-08-02 Work Environment Monitoring & Control:

Includes systematic monitoring and management of various factors within the work environment, such as light levels, noise levels, and ergonomic conditions.

Integrated Management System (IMS) of ISO 45001 & ISO 9001 practiced in MWSC mandates OH&S risk assessment to be carried out for all business processes and to review identified risks at least once a year. At MWSC, Hazard Identification, Risk Assessment, and Determining Controls (HIRADC) method guides our risk assessment process, systematically identifying hazards, evaluating risks, and implementing controls to ensure a safe work environment for all employees during the past period 178 risk assessments have been carried out.

Work Injury

During the past year, the company recorded six cases of minor occupational injuries among its staff. While these injuries were minor, the company underscores the importance of maintaining a safe working environment and implementing effective safety measures.

Awareness Sessions

In efforts to promote a culture of safety and to mitigate the risk of occupational injuries, the company conducted several awareness sessions throughout the year. Three sessions were organized to raise awareness among all staff members regarding general health and safety practices. These sessions aimed to educate employees on various aspects of workplace safety and to encourage work habits. Two sessions were specifically dedicated to familiarizing employees with the established health and safety Standard Operational Procedures (SOPs) and policies. These sessions aimed to ensure that all staff members are knowledgeable about the proper protocols to follow in different work scenarios.



SOCIAL

Employment Policies

Annex	Title	New/Revision	Summary
Annex 3	Outer island policy amendments	Revision	Outer island rates amended & additional clause on accommodation guidelines
Annex 12	Employee Awards & Recognition Policy	Revision	Changes brought to number of award categories & number of awardees
Annex 15	Hajj Scheme Policy & Procedures	Revision	Eligibility and evaluation revised, changes brought to number of awardees
Annex 32	Remote Working Policy	New Policy	Remote Working eligibility, process and measures established in policy
Annex 27	Policy on Employee Compensation & Remuneration (changes to clause 5.11)	Revision	Marking criteria alteration for appraisal
Annex 23	Policy on Career Advancement and Growth	Revision	Minor changes brought to internal progression, external recruitment evaluation and eligibility for review
	Staff Handbook Clause 9 – Working Hours and Holidays	Revision	Introduction of flexible work hours
	Staff Handbook Clause 10 – Leave Entitlements and Absence (clause 10.8)	Revision	Elaborations to the definition of Unauthorized Absence Days

Annex	Title	New/Revision	Summary
Annex 33	Policy on Work Attire & Appearance	New Policy	Minor changes brought to internal progression, external recruitment evaluation and eligibility for review
Annex 35	Financial Performance Based Payout	New Policy	Introduction of Financial Performance Pay-out, and the mechanisms and criteria established in policy
Annex 6	Disciplinary & Grievance Policy	Revision	Revised relevant related areas due to separation of Grievance Committee & Anti-Sexual Harassment Committee
Annex 19	Policy on Prevention of Sexual Harassment	Revision	Revised relevant related areas due to separation of Grievance Committee & Anti-Sexual Harassment Committee
Annex 20	Policy on Promoting Equal Opportunity and Non-Discrimination	Revision	Revised relevant related areas due to separation of Grievance Committee & Anti-Sexual Harassment Committee
Annex 21	Anti-Sexual Harassment Committee and Grievance Policy	Revision	Officially separated Grievance Committee & Anti-Sexual Harassment Committee and outlined distinctive responsibilities.

Training Opportunities

By allocating 12,336 training hours to 277 staff members, our organization underscores its unwavering commitment to nurturing a skilled workforce. This substantial investment reflects the collective dedication of employees and trainers towards continuous improvement and professional growth. Moreover, the financial commitment of MVR 13,417,379 reinforces our belief in the transformative power of ongoing education and development. This investment not only enriches individual capabilities but also strengthens our company's competitive edge in an ever evolving market.

Gender Equality

It is commendable that there is agender diversity across all levels of our workforce, including representation in senior management positions and on the Board of Directors. This commitment to gender equality is not only admirable but also essential for fostering a culture of inclusivity and equal opportunity within the organization. By ensuring that women have a meaningful presence in leadership roles, the company benefits from a wider range of perspective and experience., ultimately leading to more well rounded decision making and better overall performance.



Overall Workforce

The current representation of female employees in the workforce stands as 13.41%. This statistic underscores the ongoing need for initiatives aimed at enhancing gender diversity and inclusivity in the workplaces. By increasing the participation of women across various sectors, companies can foster more balanced and equitable environments., which in turn yield numerous benefits for individuals and companies alike.

13.41%
Females Employees



Board of Directors

While there has been progress, the Board of Directors still reflects a similar trend, with only 14.29% of its members being female. Although this shows

some advancement, there remains significant room for improvement to achieve more balanced and diverse compositions to the highest level of decision making.

14.29%
Female Board Members

Enhancing gender balance and diversity in leadership is crucial not only for promoting inclusivity but also ensuring that a broad range of perspective and experiences are considered in decision making processes. By actively supporting initiatives that foster diversity and inclusions, we can work towards creating a more equitable environment where all individuals have equal opportunities to contribute and thrive.

Senior Management Positions

The rise to 15.79% representation of female employees in senior management position marks commendable milestone.

15.79%
**Females Employees
in Senior Positions**

Embracing diversity in leadership, not only broadens perspectives but also strengthens organizational efficacy. However, while progress is evident, there's a clear imperative for more significant

strides towards gender parity in leadership roles. Sustained commitment to nurturing inclusivity and empowering women professionally is vital for fostering a truly equitable workplace culture.

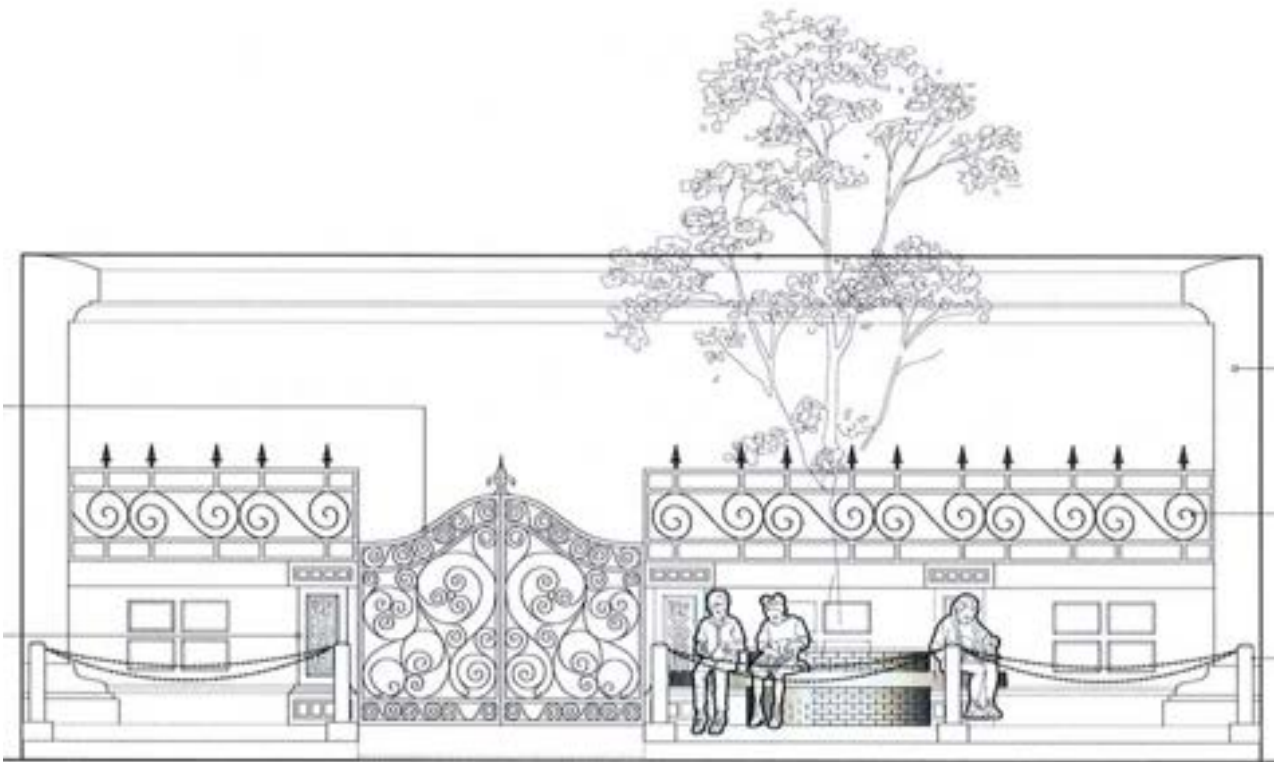
Community Engagement

In the year 2023, the company actively engaged with communities through a series of impactful community engagement activities. Children's Evening focused on fostering connections with children and families under the theme "Fen Fiesta" was conducted at R. Dhuvaafaru ("Dhuvaafaru Fen Fiesta"), HDh. Kulhudhufushi ("Kulhudhufushi Fen Fiesta") and Hulhumale' ("World Water Day Fen Fiesta"). These activities provided platforms for educational activities and interactive sessions, fostering awareness and dialogue on water conservation and environmental sustainability. By reaching out to diverse communities through engaging events, we are reinforcing our commitment to promoting environmental stewardship and community participation in safeguarding natural resources.



In 2023, MWSC in collaboration with the National Centre for Culture and Heritage, undertook the refurbishment and maintenance works of Ali Rasgefaanu Ziyaariy – one of prominent heritage sites in the Maldives. Notably the accessibility of the site for visitors, including individuals with disabilities was improved, through the installation of ramps and pathways at the Ziyaariy. Safety measures were also implemented to protect both visitors and the site itself, with barriers, lighting and surveillance systems.

This demonstrates our commitment to preserve Maldivian history and culture significance of Ali Rasgefaanu Ziyaaraiy, while ensuring its longevity and accessibility for future generations.



In line with our ongoing commitment with Ministry of Education, we have continued to sponsor Principal's Master's Degree programs, as we have done in previous years. This program is aimed to equip principals with essential knowledge and skills, enabling them to excel in their roles and foster positive contributions to the Maldivian Education Sector.

MWSC sponsored Community Safety Partnership Program carried out by the Maldives Police Service. The program is aimed to raise social awareness, empower young people to act responsibly, and promote a safer community, free from crime. It ran throughout the year, involving a range of activities and initiatives including first aid, fire safety sessions, religious workshops cyber safety and entrepreneurship workshops to achieve these goals.

During 2023, MWSC also successfully undertook and completed the development of the Water and Sewerage system at Kudagiri Picnic Island, aligning with our commitment to community welfare through CSR endeavors. This initiative aimed to enhance the island's infrastructure, ensuring access to clean water and efficient sewerage facilities for residents and visitors alike. Moreover, since 2020, MWSC has consistently provided support and funding to the Care Society of Maldives as a testament to our unwavering commitment to empowering individuals with disabilities. Through this initiative, we strive to foster inclusivity, create equal opportunities, and enhance social well-being within the community.

The cost incurred by the company solely relating to community engagement activities and CSR projects carried out during the period.

The company spent over MVR 18.55 million on community engagement and CSR projects during the year 2023.



GOVERNANCE

Governance Policies

No significant governance policies have been introduced within the past year. We should assess whether any updates or improvements are necessary and consider implementing them to ensure our governance framework remains effective and aligned with our goals

Disclosure and Transparency

The Annual Report prominently features a dedicated section focusing on audit and governance in alignment with regulatory requirements. This year, in compliance with PCB regulations, we have mandated the quarterly report to be published on our website. The development of the website is efficiently managed using in house resources, ensuring that no additional costs are incurred by the company.

Complaints

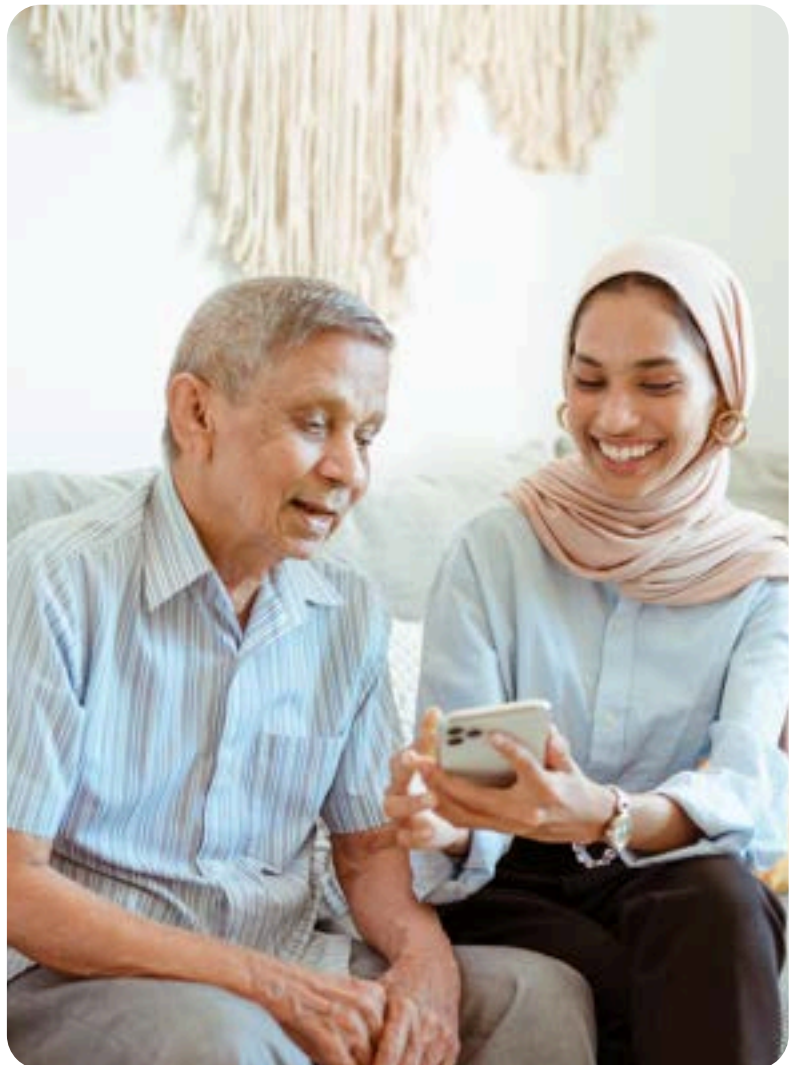
No legal, regulatory or procurement related complaints were received or registered during the year 2023. All grievance cases forwarded were resolved over the past three years, as indicated by the following figures: In 2021, 3 cases were submitted and 3 were resolved. In 2022, 4 cases were submitted and 4 were resolved. In 2022, 4 cases were submitted and 4 were resolved. In 2023, 6 cases were submitted and 6 were resolved.

FUTURE OUTLOOK

Looking ahead, the outlook for our ESG report is promising as we embark on the journey of introducing a robust ESG framework to our company. This initiative marks a significant step forward in our commitment to sustainability and responsible business practices.

The introduction of an ESG framework will provide us with a structured approach to integrating environmental, social, and governance considerations into our decision-making processes and operations. It will enable us to systematically identify, measure, and manage the impacts of our activities on these key areas, ensuring that we not only meet regulatory requirements but also exceed stakeholder expectations

By adopting an ESG framework, we aim to enhance transparency across our organization, enabling stakeholders to gain deeper insights into our sustainability efforts and performance. This transparency will foster trust and credibility, strengthening our relationships with investors, customers, employees, and the wider community.



Furthermore, the ESG framework will empower us to proactively identify, and address risks and opportunities related to environmental, social, and governance factors. By taking a proactive approach to managing these risks and capitalizing on opportunities, we can improve our resilience, drive innovation, and create long-term value for our shareholders and other stakeholders.

Ultimately, the introduction of an ESG framework will not only help us mitigate risks and seize opportunities but also position us as a leader in sustainability within our industry. We are excited about the positive impact this initiative will have on our company, our stakeholders, and the planet, and we look forward to sharing our progress in future ESG reports.



