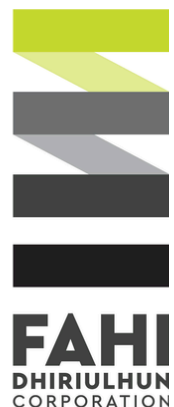

2023

**ENVIRONMENTAL
SOCIAL
GOVERNANCE
REPORT**



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STATEMENT BY MANAGING DIRECTOR

I am pleased to present the Environmental, Social, Governance (ESG) Report of Fahi Dhiriulhun Corporation (FDC) for the year 2023. This report reflects our unwavering commitment to sustainable and responsible business practices, which are integral to our mandate and strategic goals.

Over the past year, we have made significant strides in reducing our environmental footprint, enhancing our social impact, and strengthening our governance frameworks. Our efforts have been guided by a clear vision: to create long-term value for our stakeholders while contributing positively to the communities and environments in which we operate.

We are proud to report that in 2023, FDC recorded no environmental incidents and fully complied with environmental laws and regulations. We strive to minimize our environmental impact and positively contribute to our communities through innovation, waste reduction, and optimized resource use for a sustainable future.

Our commitment to social responsibility is reflected in our initiatives to support diversity, equity, and inclusion within our workforce and beyond. We have launched several community programs aimed at education, health, and economic empowerment, ensuring that we contribute to the well-being of society at large.



Strong governance is the backbone of our operations. We have enhanced our governance structures to ensure transparency, accountability, and ethical conduct across all levels of our organization. Our Board of Directors and Board Committees continue to provide robust oversight, ensuring that we adhere to the highest standards of corporate governance.

This report is a testament to the hard work and dedication of our team, partners, and stakeholders. Together, we are paving and building a sustainable future for everyone.

A handwritten signature in blue ink, appearing to read 'Hamdhan Shakeel'.

Hamdhan Shakeel
Managing Director

COMPANY BACKGROUND

Fahi Dhiriulhun Corporation Limited (FDC) is a 100% state-owned enterprise established in 2019 with the specific mandate to cater to the housing needs of first-time homebuyers and spearhead housing development projects across the Maldives.

At present, FDC is managing two major projects, each comprising 2000 housing units. The process of allocating these housing units is expected to begin in the year 2024. Additionally, in order to ensure that essential amenities are easily accessible for the residents, FDC plans to lease out commercial units as part of the developments. FDC has experienced remarkable and consistent growth within the four years since its inception and is firmly set on maintaining this positive trend.

Continual improvement and innovation are at the core of FDC's mission. The company is committed to exploring various avenues to enhance housing solutions and expand its sphere of influence. FDC takes immense pride in ensuring the highest quality in its housing units and remains dedicated to providing safe, secure, and highly comfortable housing options.



Vision

Better Living, Brighter Future



Mission

Providing accessible and affordable housing solutions across the Maldives



Core Values

*Affordability
Accessibility
Secure Housing
Social Harmony*

OUR ESG STRATEGY

In 2023, we started to align our business practices with ESG (Environmental, Social, and Governance) principles. We acknowledge the significance of integrating environmental stewardship, social responsibility, and transparent governance into our operations. Our ESG strategy centers on integrating FDC's corporate, operational practices, and governance structure. It acts as the driving force behind our dedication to sustainability, ethical business conduct, and engaging with stakeholders.

In this report, FDC offers a comprehensive overview of our activities throughout the fiscal year 2023 (1st January 2023 to 31st December 2023). We offer stakeholders clear and detailed insights into our ESG efforts by outlining our initiatives, progress, and accomplishments.

Our commitment to these principles is reflected in our efforts to enhance awareness and understanding of ESG matters among our staff and stakeholders. The FDC Environmental, Social, and Governance Report 2023 focuses on the ESG topics identified in the Guideline on Integrated Sustainability Reporting of SOEs published by the Privatization and Corporatization Board (Ref: 454/CIR/2024/5) on 3rd March 2024, and any areas material to our business and our stakeholders. While this report primarily covers these pillars/topics, we have also identified additional ESG-related topics that are material to the company's operation and its stakeholders.

OUR COMMITMENT

■ Environmental

In alignment with our inaugural ESG assessment report for 2023, our organization is dedicated to fostering environmental stewardship in all our initiatives. As an environmentally conscious entity, we are committed to employing construction methods that are both eco-friendly and sustainable. Our primary focus is on achieving carbon neutrality and ensuring zero waste construction sites, with the aim of safeguarding our planet for both current and future generations.

In our first major undertaking—a 4,000-unit social housing project—we conducted a comprehensive Environmental Impact Assessment (EIA), which has been thoroughly recorded and implemented. This project exemplifies our adherence to outstanding environmental practices in accordance with local regulations.

Our commitment extends beyond individual projects; we strive to embed environmental consciousness into every facet of our operations and advocate for sustainable practices throughout our value chain. Through these efforts, we aim to minimize environmental impact and contribute positively to the communities in which we operate. By integrating advanced technologies, reducing waste, and optimizing resource use, we are dedicated to creating a greener and more sustainable future for all.

OPERATION OF THE ENVIRONMENTAL MANAGEMENT SYSTEM

Environmental Education

Contractors for FDC's projects conduct environmental education on dust scattering, noise, waste management, and worker protection at both the head office and on-site to enhance employees' awareness of environmental management. Throughout the year 2023, training sessions on the environmental management system and environmental management competencies were held for on-site environmental workers, and we continue to enhance our work capabilities. In the future, we plan to appoint environmental experts at all sites to strengthen our environmental management efforts. To improve environmental management awareness among employees and partner companies, we are providing education on pollution prevention, waste separation, and disposal to promote ESG management. In 2023, a total of 2,056 workers participated in environmental training sessions.

Several environmental awareness programs were conducted by FDC contractors in multiple occasions and World Environment Day 2023 was celebrated.



1. ENVIRONMENTAL POLICIES

FDC follows the Maldives EIA Regulations 2012 to effectively manage environmental impacts and risks associated with its business activities, maintaining these regulated standards at all workplaces through annual post-examination or renewal reviews. Throughout construction, continuous improvements are implemented in accordance with the "Plan → Do → Check → Act" process. Starting from the 2024 ESG reporting, FDC management will implement an environmental policy with specific environmental goals and key tasks in alignment with EIA regulations.

- **Zero Environmental Incidents**

FDC recorded zero environmental incidents during 2023 and received zero fines or penalties for violating environmental laws.

Minimizing Environmental Impacts

- **Environmental Pollution Management**

REDUCTION OF SCATTERING DUST

In 2023, we achieved zero environmental accidents by complying with environmental laws and regulations related to construction work and managing pollutants to prevent leakage. In particular, we conducted intensive control of dust that is directly discharged into the atmosphere without passing through designated outlets at the construction site, as such dust affects the respiratory system. To adhere to environmental laws and regulations concerning dust scattering and the guidelines of the Ministry of Environment, we implemented the following measures:

Dust Control Measures:

- Dust-proof fences are installed at site boundaries to reduce scattering dust up to the second-floor level. Additionally, from the 2nd floor level all windows are covered with dust screens to prevent the spread of scattering dust that may occur during on-site work.
- To minimize harm to local residents, we regularly clean the roads around work sites, install wheel-washing facilities at site entrances, and assign dedicated personnel to prevent soil from construction sites from being leaked outside through the tires of vehicles.

Dust Mitigation at Concrete Batching Plants:

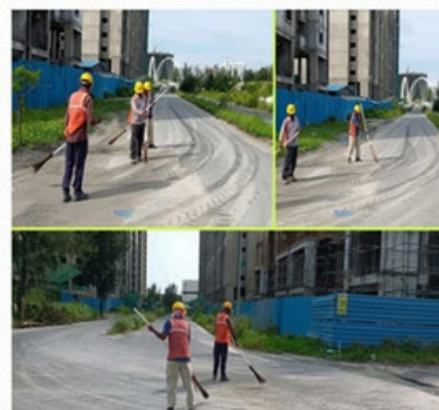
- We implemented dust collectors at batching plants and additionally applied water suppression methods to enhance dust mitigation at concrete batching plants.
- Installed exhaust extensions on all diesel generators at the site to direct exhaust fumes away from work areas, thereby improving air quality and reducing exposure to harmful gases for workers and nearby personnel. Additionally, all diesel generators used at the site are soundproofed to avoid noise pollution.



Dust screen arrangements were implemented at the ongoing construction site in 2023.



Regular road cleaning and dust prevention methods are implemented at the FDC work site.



Concrete batching plants and surrounding areas are covered with dust screen. Dust collectors have been implemented at the dust discharging hose area to control and reduce dust pollution.



All the site diesel generators are soundproof, and their exhaust pipes are extended to direct toxic fumes away from work areas, ensuring a safer environment for workers.

2. WATER

FDC is dedicated to integrating Environmental, Social, and Governance (ESG) principles into our operations. Recognizing the significant global challenges posed by water shortages, climate change, and urbanization, we are committed to sustainable water management. As part of our commitment to sustainability, our Water Conservation Strategy is designed to reduce water consumption and ensure efficient reuse, fully compliant with the Maldives Environmental Impact Assessment (EIA) regulations.

The World Meteorological Organization (WMO) predicts that 5 billion people will suffer from water shortages by 2050 due to water pollution and climate change driven by industrialization. Global warming, climate change, and rapid urbanization are accelerating the decline in water resources and negatively affecting aquatic ecosystems. In response to these challenges, FDC is implementing comprehensive measures to manage water resources responsibly and sustainably.

- To minimize water usage, we have installed water-saving fixtures such as low-flow taps, showerheads, and dual-flush toilets in all construction site facilities. These fixtures significantly reduce water consumption without compromising functionality, contributing to our overall water conservation goals.
- Regular inspections and maintenance of water supply systems are conducted to promptly detect and repair leaks. By preventing unnecessary water loss, we ensure that water resources are used efficiently and sustainably. Our proactive maintenance strategy helps maintain the integrity of our water systems and minimizes wastage.
- We have implemented best practices for water use among workers, including comprehensive training programs on water conservation techniques and the importance of minimizing water wastage. By raising awareness and educating our workforce, we promote responsible water use behaviors that contribute to our conservation efforts.

By integrating these water conservation strategies into our operations, FDC aims to significantly reduce water consumption and promote efficient water reuse. This approach aligns with the Maldives' EIA regulations and contributes to the sustainable development of our construction projects while ensuring environmental stewardship, social responsibility, and robust governance practices.

- A total of 256,492 kiloliters of water were consumed in relation to the economic activities and operations of the company.

3. ELECTRICITY

Our Electricity Conservation Strategy is designed to reduce electricity consumption and ensure the implementation of solar lighting solutions. This strategy aligns with sustainable practices and aims to minimize our environmental footprint while promoting energy efficiency across all our projects.

1) Reducing Electricity Consumption:

- Use energy-efficient appliances and equipment in all construction site facilities to reduce electricity consumption. This includes the use of Energy Star-rated devices and high-efficiency motors.
- Replace traditional lighting with LED lights, which consume less energy and have a longer lifespan. LEDs are used in both indoor and outdoor settings to maximize energy savings.

2) Solar Lighting Solutions:

- Install solar-powered lights throughout construction sites and project areas to reduce reliance on grid electricity. These lights are used for outdoor lighting, pathways, and other critical areas.

3) Promoting Renewable Energy:

- Conduct training programs and awareness campaigns for employees and contractors to educate them about the importance of energy conservation and the benefits of using renewable energy sources.

4) Conducting energy auditing and Reporting:

- Perform regular energy audits to identify areas for improvement and track progress in reducing electricity consumption. These audits help pinpoint inefficiencies and implement corrective measures.

By integrating these electricity conservation strategies into our operations, FDC aims to significantly reduce electricity consumption and promote the use of renewable energy sources. This approach aligns with our ESG principles, contributing to environmental stewardship, social responsibility, and robust governance practices.

- A total of 75,940 kilowatt-hours of electricity were consumed in relation to the economic activities and operations of the company

Implemented solar lights and LED lights at FDC work sites to reduce electricity consumption.



Work site contractors conduct regular energy audits, ELCB and MCCB testing, and training for electricians with the aim of reducing electricity consumption.



4. WASTE

Waste Management Procedures

For waste disposal, FDC adheres to EIA regulations by requiring our contractors to segregate construction waste. Reusable items are separated from other waste materials and are either repurposed for other construction needs or sent to WAMCO and subsequently to Thilafushi in accordance with EIA regulations. A total 512.6-ton construction waste produced during 2023.



Construction waste is segregated on-site, with reusable items being separated. The remaining waste is then sent to WAMCO.

Waste from the labour camp is collected directly by WAMCO.



Contractors are repurposing material packing wooden pieces to create pallets for storing work materials and for other site storage purposes.

5. ENVIRONMENTAL ACTIVITIES

1. World Environment Day 2023:

- We celebrated World Environment Day 2023 by conducting awareness programs and tree planting sessions, with two of our contractors participating and approximately 2000 workers involved.
- FDC has instructed contractors to conduct weekly housekeeping programs within the work site premises with all the workforce to enhance cleanliness in the project environment.



World Environment Day was celebrated on 5th June 2023 with our contractors through awareness programs and tree planting activities.



Contractors were scheduled for periodic house keeping days, with all the workforce participating regularly.



6. ECO-FRIENDLY CONSTRUCTION METHOD

At FDC, our commitment to sustainability is reflected in our adoption of eco-friendly construction methods. For our current project, which features a building structure of G+18 levels, we have implemented the MIVAN Aluminium Shuttering method. This method aligns with our goal of minimizing environmental impact and embracing zero-waste practices.

- **MIVAN Aluminium Shuttering:**

The MIVAN Aluminium Shuttering method is a cornerstone of our eco-friendly construction approach. This technique is both highly efficient and environmentally sustainable, as it reduces reliance on timber and other single-use materials.

For the current project, 85% of the construction up to the 18th level utilizes MIVAN Aluminium Shuttering. Its reusability not only enhances efficiency but also significantly reduces waste, as the formwork can be repurposed for future projects.

The MIVAN Aluminium Shuttering system is renowned for its durability, which allows it to withstand repeated use over time. This durability results in fewer replacements and repairs, thereby decreasing the environmental impact associated with material consumption.

Environmental Impact Reduction:

By minimizing the need for timber formwork, the MIVAN method helps reduce deforestation and its associated environmental effects. Additionally, aluminum used in the system is recyclable, further enhancing its eco-friendly credentials.

Faster Construction:

The efficiency of the MIVAN system accelerates the construction process, leading to shorter project timelines and lower overall environmental impact.

- **Future Projects:**

Commitment to Sustainability:

The successful implementation of the MIVAN Aluminium Shuttering method in this project reflects our ongoing commitment to sustainable construction practices. We are dedicated to exploring and integrating innovative methods that align with our environmental objectives.

Conventional Shuttering:

Conventional shuttering methods are utilized for the Ground Floor (GF) and First Floor of the project. This approach is practical for the initial stages of construction.



Material Repurposing:

Once the construction up to the First Floor is completed, the plywood used for conventional shuttering will be repurposed for cantilever scaffolding platforms. This practice supports our sustainability goals by extending the life of the materials and reducing waste.

Resource Efficiency:

The reusable nature of the MIVAN system and the repurposing of plywood from conventional shuttering underscore our strategy of maximizing resource efficiency and minimizing waste.

FDC’s use of the MIVAN Aluminium Shuttering method exemplifies our dedication to eco-friendly construction practices. By reducing waste and enhancing the efficiency of our building processes, we are setting a standard for responsible and sustainable construction in industry.



■ Health and Safety

FDC is at the forefront of one of the most significant and prestigious developments in Hulhumale Phase 2. Our HSE aim is to have zero incidents and accidents while overseeing the construction of 4,000 social housing units. This ambitious project features 32 eighteen-story structures, with 2,000 units being executed by NBCC (I) Limited and an additional 2,000 units managed by Kalpataru Projects International Limited. As of December 31, 2023, the project has employed an average daily workforce of 3,456, accumulating a total of 11,742,559 safe man-hours.

The FDC HSE team plays a critical role in ensuring daily compliance with approved HSE plans and local regulations. They provide daily safety observation reports and conduct quarterly labor camp HSE and welfare status reviews. The FDC HSE team ensures that contractors conduct safety inductions, daily toolbox talks (TBT), job-specific training, and implement all necessary safety precautionary measures for all activities on site. They also ensure the welfare of workers both on the worksite and in the labor camp facilities

Our primary objective is to ensure both site and public safety, and we are committed to the welfare of all workers engaged in our projects. To date, the project has been successfully managed without any reportable incidents, reflecting our unwavering dedication to maintaining the highest standards of safety and operational excellence.

1. HEALTH AND SAFETY POLICIES

We are in the process of creating a permanent safety policy for FDC's projects for the next reporting year, 2024. During the current reporting period, our company has undertaken significant steps to enhance health and safety standards within our operations. We adhere strictly to local regulations of the state of Maldives, including Regulation Health Safety Environment at Construction Site 2019/R-156, Employment Act Law No. 2/2008, and guidelines from the Maldives National Association of Construction Industry (MNACI).

At present, our worksites follow approved HSE plans from both of our contractors, which adapt these regulations and international standards. This ensures compliance with existing legislation and mitigates workplace accidents. Additionally, we have established the following key policies and Standard Operating Procedures (SOPs) for current projects.



Personal Protective Equipment usage by FDC Employees

Workplace Safety Policy:

This comprehensive policy outlines the safety measures to be observed across all construction sites. It includes guidelines on the use of personal protective equipment (PPE), machinery operation protocols, Machinery safety audit, electrical auditing and safe work practices to prevent accidents.

Training and Awareness Programs:

To ensure all employees are aware of the health and safety policies, regular training sessions and awareness programs have been made mandatory. These sessions cover risk identification, management strategies, and the importance of adhering to safety protocols.

Emergency Response Plans:

We have implemented detailed procedures for responding to workplace emergencies, such as accidental injuries, fires, and chemical spills. These SOPs provide clear instructions on immediate actions to be taken, including first aid measures, emergency contacts, and evacuation plans.

Accident Reporting and Investigation Procedure:

A structured process for reporting and investigating workplace accidents has been established. This ensures that all incidents are documented, root causes are identified, and corrective actions are implemented to prevent recurrence.

Health Monitoring Policy:

This policy mandates regular health check-ups for employees, particularly those involved in high-risk tasks. It includes protocols for monitoring and managing health issues that could impact workplace safety, such as respiratory conditions and ergonomic injuries.

2. WORK INJURY

Occupational Injuries

During the reporting period, our company recorded a total of 2 occupational injuries. Each incident was thoroughly investigated, and appropriate measures were taken to address the root causes and prevent future occurrences. The types of injuries included minor cuts and scrapes. All injured employees received immediate medical attention and support during their recovery period.

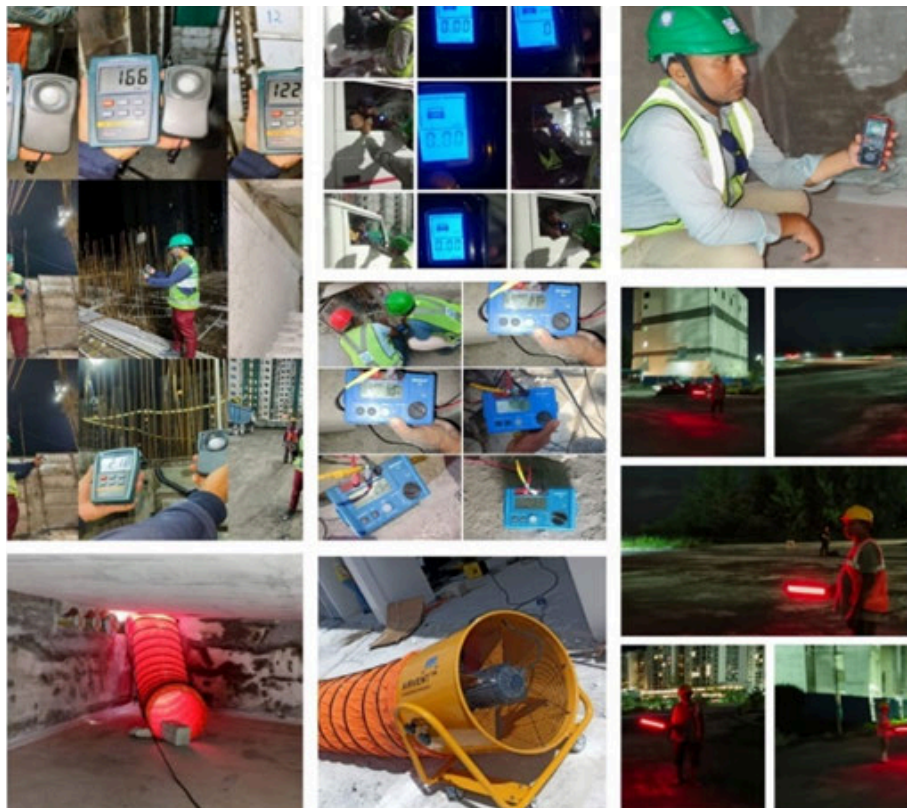
2. AWARENESS

Throughout 2023, to promote a culture of safety and ensure that all employees are well-versed in our health and safety policies, we conducted a total of 2,722 toolbox talks sessions, alongside 690 safety induction training sessions and 401 additional training sessions.

All contractors under FDC complied with general PPE requirements, including the use of safety helmets, safety shoes and reflective vests at the worksite.



Implemented breath analyzers for alcohol testing, traffic signalling torches for traffic control during night work, industrial exhaust fans and oxygen testers for confined spaces, LUX meters for light level checking, and ELCB/MCCB testing units for advanced electrical safety.





FDC projects ensure that our contractors comply with our approved HSE plans and PPE policies, particularly job-specific PPE for various high-risk activities such as working at heights, hot work, and other hazardous tasks.



Implemented third-party certification for all lifting machinery, including mobile cranes, passenger hoists, RSP and tower cranes. The FDC safety team monitors the periodic renewal of these certifications.

Conducted regular inspections for all machinery and vehicles at FDC projects.



Conducted safety awareness programs with FDC employees regarding the importance of Health, Safety, and Environment (HSE) within the organization.



These efforts were all aimed at maintaining high standards of safety and well-being on site. Additionally, our site contractors-initiated training for drivers, operators, and other technicians through third-party agencies, resulting in certifications for the safe operation of machines and vehicles on site.

Initial Induction and TBT Training:

For new employees, we cover all essential health and safety protocols. Daily toolbox talks (TBT) have been conducted on a regular basis.

Refresher Programs:

In observance of National Safety Day, we conducted HSE awareness programs across FDC projects and distributed prizes for the best safety vigilance.

Specialized Training:

Focused sessions on specific risks and safety measures related to tasks or equipment.

Emergency Drills:

Regular drills to practice emergency response procedures, including evacuation and first aid.

Welfare Facility Arrangements:

The FDC HSE team ensures that labour welfare facilities are functioning in accordance with regulatory requirements. We conduct labour camp audits and review the arrangements of labour rooms, drinking water provisions, toilet facilities, and labour camp kitchen and dining facilities. Additionally, all our contractors have implemented RO water purification plants to provide safe drinking water for laborers. Furthermore, we require contractors to implement routine precautionary measures (fogging and larvicide) against diseases like dengue, malaria, and other mosquito-borne illnesses.

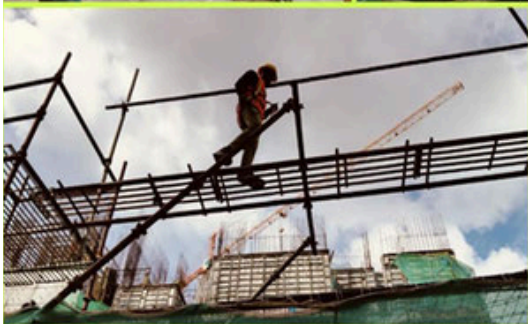
Through these efforts, we aim to foster a proactive safety culture where every employee is empowered to contribute to a safe and healthy working environment. Our commitment to rigorous safety standards and continuous improvement underlines our dedication to the well-being of our workforce and the sustainability of our projects. By prioritizing health, safety, and environmental stewardship, we strive to set a benchmark for excellence in the construction industry, ensuring that our operations benefit both our employees and the communities we serve.



FDC's HSE team conducts monthly walkthrough meetings with site contractors to review HSE performance.



Contractors conduct vertigo tests for all workers engaged in heigh-related tasks to ensure that they are fit for such work.



Organized medical check-up sessions for the site workers on monthly basis.



Training sessions were conducted with FDC employees regarding RSP operations and emergency safety procedures.





Emergency mock drills have been conducted by the contractors at regular intervals on multiple occasions addressing different types of events.



■ Social Impacts

1. EMPLOYMENT POLICIES

The Recruitment Policy, first established in April 2020, has been continually reviewed and refined to ensure a transparent and fair recruitment and selection process, enabling the company to hire the most competent candidates. This policy was most recently reviewed in 2024. The Compensation Policy, first established in 2020, has been continually reviewed and refined to ensure that employees are fairly compensated for their work. This approach aims to motivate employees to perform well and retain competent staff for a productive period of service. The policy was most recently reviewed in 2023.

The Gender Equality Policy, first established in 2022, has been designed to ensure non-discrimination towards employees based on gender, fostering a gender-inclusive work environment. The policy also aims to establish an internal gender equality complaint and appeal mechanism to protect employees' rights and enforce the obligations set forth under the Gender Equality Act (Act Number 18/2016). This policy has not undergone any revisions since its inception. The Grievance on Disciplinary Action Policy, first established in 2022, has been refined to ensure that employees have access to a mechanism through which their grievances can be raised and addressed within a reasonable time frame.

The Policy on Prevention of Sexual Harassment and Abuse, first established in 2022, has been refined to require both employers and employees to ensure that no form of sexual harassment or abuse is committed against employees, co-workers, or job applicants. This policy aligns with the subsequent regulations set forth under the Prevention of Sexual Harassment and Abuse Act (Act Number 16/2014).

2. TRAINING OPPORTUNITIES

In 2023, FDC conducted nine training programs to support the professional development of our workforce, training 38 staff members through workshops, forums, and specialized sessions. Key initiatives included Performance Appraisal Training, Company Secretary training, and a Director Training Program. These programs aimed to enhance performance management skills, governance knowledge, and corporate leadership abilities. Additionally, our team members attended the 6th Annual Construction Excellence Conference and participated in industry forums such as the HR EXPO, FIDIC, IFRS, and ERM sessions, ensuring our team remains at the forefront of industry standards and practices.

3. GENDER EQUALITY

- Ratio of female representation in workforce: 32.7%
- Ratio of female representation in senior management positions: 7.14%
- Ratio of female representation in the Company Board of Directors: 33.3%

4. COMMUNITY ENGAGEMENT

- Number of community engagement activities: 2



Governance

FDC is governed by the Code of Corporate Governance (CG Code) for State-Owned Enterprises (SOE's), as well as the guidelines established by the Privatization and Corporatization Board (PCB). Additionally, the Corporation has implemented internal policies and Standard Operating Procedures (SOPs) that outline procedures for employees and other stakeholders.

FDC is dedicated to fulfilling the requirements of the CG Code and upholding compliance through its established Internal Audit and Risk Management functions. FDC continues to maintain and uphold high standards of corporate governance and consistently reviews and enhances its corporate governance framework through a structured hierarchy.

As of 2023, our Board of Directors consists of seven members, including one Executive Director and six Non-Executive Directors (NEDs). All six NEDs are 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.

FDC has two Board Committees, viz., the Audit and Risk Committee, responsible for overseeing the Corporation's governance, risk management, and internal control practices; and the Remuneration Committee, tasked with ensuring that the organization maintains a/n appropriate structure and size, and offers competitive remuneration packages to attract and retain the necessary skills to achieve corporate objectives while safeguarding the interests of the Shareholder.

1. GOVERNANCE POLICIES

In the year 2023, the Charter of the Board of Directors of FDC was drafted, however, it was approved on 2nd May 2024.

2. DISCLOSURE AND TRANSPARENCY

Annual Reports and Audit Reports for the past three years are disclosed on the company website and are available for the stakeholders to view and download. The Company's website underwent significant enhancements over the past year, all executed internally.

3. COMPLAINTS

No legal or regulatory complaints were received in the past year, and the Company did not receive any formal procurement complaints during that time. However, two formal employee grievances were received, which were addressed and resolved in a fair manner.



RISK MANAGEMENT

FDC has an approved Risk Management Policy and Risk Management Framework, which detail the roles and responsibilities of various functions and individuals within the organization and provides comprehensive guidelines for identifying, assessing, and managing risks.

Our risk management approach is anchored in the three-lines-of-defense model, which consists of operational management, Enterprise Risk Management (ERM), and internal audit respectively.

The framework takes reference from the Corporate Governance Codes the company comply with, the COSO ERM Framework 2017 and, ISO 31000:2018 Risk management – Guidelines.

Sustainability Related Risks

The framework covers risk categories pertinent to sustainability, including Compliance and Regulatory Risk (with a focus on governance matters), Environmental Risk, Health and Safety Risk, and Social Risk.

It provides a structured approach for assessing risks, encompassing control measures, likelihood, and consequence assessment criteria. It also includes criteria for evaluating the significance of risks, supporting informed decision-making processes, and the formulation of risk management strategies.

Objective-Driven Risk Management

Our risk management process is intrinsically linked to our organizational objectives. We recognize that risks represent uncertainties that may impact one or more objectives, whether positively, negatively, or both. These risks can give rise to opportunities as well as threats.

To ensure the effectiveness of our risk management process, FDC is committed to setting clear objectives under each ESG component. Moving forward, we plan to revise and develop our frameworks and policies related to ESG, with well-defined objectives and strategies.

FUTURE OUTLOOK

As we begin implementing a strong ESG framework in our company, our ESG report shows promising prospects for the future. This effort signifies a significant advancement in our dedication to sustainability and ethical business practices.

By integrating environmental, social, and governance considerations into our decision-making and operations, the ESG framework will furnish us with a methodical approach and enable us to consistently identify, gauge, and handle the impacts of our activities in these crucial areas. Moreover, it will increase transparency, build trust with stakeholders, and allow us to proactively manage risks and opportunities.

In conclusion, we see this initiative as a way to establish ourselves as an example of sustainability within our industry and to create long-term value for our shareholders and other stakeholders. We are enthusiastic about the positive impact this initiative will have and look forward to sharing our progress in upcoming ESG reports.

ANNEX

KEY METRICES PERFORMANCE DATA SUMMARY

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)	TARGETS		
								2024	2025	2026
PILLAR 1: ENVIRONMENT										
Environmental Policies	A. Environmental policies									
	1. Is Policy(s) in existence?	-	BoD-approved policy	PCB-Guideline	Qualitative					
	2. If not, target date to develop policy(s)									
	B. Number of environment-related accidents/incidents		Number (eg: 2)	PCB-Guideline	Quantitative	3	5	0	0	0
Water	A. Water conservation strategy									
	1. Is water conservation strategy in existence?	No								
	2. If not, target date to develop							X		
	B. Total water consumed		Kilo Liter		Quantitative		256492			
Electricity	A. Energy conservation strategy									
	1. Is the Strategy in existence?	No								
	2. If not, target date to develop							X		
	B. Total electricity consumed		Kilo Watt		Quantitative		75940			
Waste	A. Waste Management Policy									
	1. The Policy in existence?	No						X		
	2. If not, target date to develop									
	B. Waste management procedures									
	1. SOPs in existence?	No						X		
	2. If not target date to develop									
	C. Amount of Waste Produced		Ton		Quantitative		512.6			
Environmental Activities	A. Number of environmental activities		Number	Approved Project HSE Plan	Quantitative		18			
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							X	
	2. If not target date to develop									
	B. Number of Risk Assessments carried out by the Company		Number	Approved Project HSE Plan	Quantitative		40			
Work Injury	Total number of occupational injuries		Number	As per the HSE monthly report	Quantitative		2			
HSE Awareness	A. Total number of sessions carried out to aware employees on the established health and safety SOPs/Policies									
	Number of Toolbox Talk Conducted		Number	Approved Project HSE Plan	Quantitative		2722			
	Number of Induction Training Conducted		Number	Approved Project HSE Plan	Quantitative		690			
	Number of Training Conducted		Number	Approved Project HSE Plan	Quantitative		401			
PILLAR 3: SOCIAL ISSUES										
Employment Policies	A. Employment policies established by the Company	Yes								
	1. Policy/procedures in existence?	Yes	Board-approved Employment Policies							
	2. If not, target date to develop									
Trainings	A. Total number of employees trained		Number		Quantitative		38			
	B. Total Employees training hours		Number		Quantitative		95			
	C. Total Employees training costs		Currency (MVR)		Quantitative		110743.68			
Gender Equality	A. Ratio of female representative in workforce		Percentage		Quantitative		33.66%			
	B. Ratio of female representation in senior management positions		Percentage		Quantitative		7.14%			
	C. Ratio of female representation in Board of Directors		Percentage		Quantitative		33.30%			
Community Engagement	A. Number of community engagement activities		Number		Quantitative		0			
	B. Number of CSR Projects		Number		Quantitative		0			
	C. Community engagement and CSR project costs		Currency (MVR)		Quantitative		0			
PILLAR 4: GOVERNANCE										
Governance Policies	A. Governance policies established during the period:									
	1. Is Policy/procedures in existence?	Yes	Board Charter	CG Code for SOEs	Qualitative					
	2. If not target date to develop									
Disclosure and Transparency	A. Is Annual audit and Governance Report published?	Yes								
	B. Ha a separate tab on the website for Governance related matters and publications?	No								
	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		Currency (MVR)		Quantitative		0			
Complaints	A. Total number of legal or regulatory complaints received and resolved		Number		Quantitative	0	0	0	0	0
	B. Number of procurement related complaints received, registered, and resolved		Number		Quantitative	0	0	0	0	0
	C. Number of employees grievances received, registered, and resolved		Number		Quantitative	0	2	0	0	0