UNDP

Baseline Study on

Corporate Social Responsibility Practices in Maldives

FJS Consulting Pvt. Ltd.

Baseline Study on Corporate Social Responsibility Practices in Maldives

Authors

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Acknowledgement

We wish to express our appreciation to the following parties without whom this research would not have been possible.

First and foremost, our gratitude goes to the business leaders who devoted tremendous amounts of time with us sharing their views and CSR practices, and for the in-depth discussions on the current situation and ways and means of improving CSR promotion and implementation in the Maldives. We were pleasantly surprised by the enthusiasm shown by the private sector and their willingness to meet with us and share their experience, often on very short notice. Without the support from these leaders our study would not have been possible.

Second, we would like to thank the support we got from non-business stakeholders, including government agencies and state institutions, business associations, media and academic institutions. We were always greeted by the most senior level officials who were open and willing to share information with us.

Our deepest appreciation goes to Maldives National Chamber of Commerce and Industry, Ministry of Economic Development and UNPD for organizing this study and appointing us to undertake the study. It has given us deeper insight into the Maldives business environment and enabled us to gain valuable experience from this exercise.

Finally, we wish to thank Raniya Sobir, Fathmath Shahuzeen and other staff at UNDP who helped us to organize the research and were always available for discussion.

We have definitely enjoyed working with you all on this project.

Thank you.

Fareeha Shareef and Hamid Sodique FJS Consulting Pvt Ltd

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List of Abbreviations

CMCGI	Capital Markets and Corporate Governance Institute
CMDA	Capital Markets Development Authority
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
EEZ	Exclusive Economic Zone
GDP	Gross Domestic Product
HRC	Human Rights Commission
MACI	Maldives Association of Construction Industry
MATI	Maldives Association of Tourism Industry
MCHE	Maldives Centre for Higher Education
MED	Ministry of Economic Development
NGO	Non-Government Organisations
PLC	Public Limited Company
PR	Public Relations
SOE	State Owned Enterprises
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Program
UNICEF	The United Nations Children's Fund

1 Executive Summary

The main goal of this study was to measure the level of CSR engagement among the business community and non-corporate stakeholders of CSR promotion in the Maldives, and develop recommendations for a CSR policy framework for the Maldives. This study was commissioned by the Ministry of Economic Development (MED) and the Maldives National Chamber for Commerce and Industry (MNCCI) with support from UNDP, and conducted by FJS Consulting Pvt Ltd from June 2010 to August 2010. The research methodology, which was developed in consultation with MED, MNCCI and UNDP, primarily makes use of qualitative methods and desk research.

Main Findings

- 1. In the business sector the concept of CSR is not widely understood, and the term itself is seldom used to describe CSR related activities. The concept of CSR is often reduced to acts of philanthropy and charity.
- 2. The level of awareness on CSR in general is low among promoters of CSR as well. None of the non-business stakeholder groups can be seen as playing a particularly significant role in CSR promotion. The main promoters of CSR in Maldives are the businesses themselves.
- 3. Majority of companies (68%) do not have a formal CSR strategy, and only 23% of companies have consulted stakeholders in planning their CSR activities. A mere 9% of companies have conducted any form of performance assessment. Public disclosure is unusual except by listed companies and resort operators.
- 4. The primary target of CSR efforts for most businesses is underprivileged individuals in the society mainly in the form of financial assistance towards medical treatment. Employees are the second most frequently targeted group.
- 5. CSR involvement is relatively high in the tourism sector. The primary target of CSR efforts in the tourism sector is environmental protection, followed by employee welfare.
- 6. The Government does not have a CSR policy and there is no designated focal point for CSR within the Government. Government institutions generally do not play a significant role in CSR promotion apart from regulatory enforcement.

- 7. The link between NGOs and business sector is weak. There is no NGO that specifically targets CSR promotion; there are NGOs that target specific areas such as environment protection or community development.
- 8. CSR awareness in the media is low. CSR is not a topic of interest in the media. It is rather considered as free advertising. At the same time, the dependence of media on advertising income prevents media from reporting freely on negative CSR activities.
- 9. Higher education institutions are few in numbers, and have come to existence only recently. None of the colleges run a specific program on CSR or features CSR in a major way within a program. Management and professional programs feature modules on professional and business ethics rather than CSR in its broad sense.

General Recommendations for Non-Business Promoters of CSR

- Creating awareness Awareness programs should target all stakeholders including businesses, employees, customers, general public and non-business sector stakeholders. It is important to define CSR within the local context in order to create a common platform and understanding of CSR among stakeholders.
- Consumer pressure the incentives for businesses to incorporate CSR practices should ultimately be driven by consumers and the public. Awareness programs should target consumers and empower them to exert pressure on businesses to deliver on CSR. No business can afford to ignore consumer demand.
- 3. Promoting the business case for CSR if businesses were made to better understand and identify with the business case for CSR they would embrace it.
- 4. Capacity building capacity building on CSR implementation is required within both businesses and among non-business stakeholders. Capacity building programs for businesses should target management, employees and board of directors.
- 5. Research and information sharing on CSR research into exploration of business case for CSR and ways to strengthen CSR practices can broaden the understanding of CSR.

Recommendations for Businesses

1. *CSR strategy* – Companies should aim to incorporate CSR into their core values and articulate a specific CSR strategy.

- 2. Stakeholder engagement in formulating the CSR strategy companies should identify the stakeholders and develop a policy for communicating with the stakeholders. Promoters of CSR should exert greater effort to raise the awareness of CSR in the business sector.
- 3. Performance management and governance evaluation measures is an integral part of the CSR strategy. When companies formulate their CSR strategies it should clearly state the indicators of performance, and in the course of strategy implementation performance shall be monitored to ensure that the CSR goals are being achieved. There should be at least a designated senior person within the company, who ensures governance in CSR implementation.
- 4. *Public disclosure* business should aim to disclose their CSR engagement to the public. Transparent reporting will improve the organization's credibility. It will open up opportunities for coordination of CSR initiatives across businesses, and facilitate better research and inter-stakeholder dialogue resulting in general improvement of CSR.
- 5. *CSR awareness* companies should strive to permeate the principles of CSR through own efforts to educate themselves and employees on CSR. In the absence of adequate CSR promotion by the non-business sector, the avenues for companies to learn about CSR are limited, except through their own ingenuity.

2 Introduction

2.1 Maldivian Economy

Maldives is an island nation comprising of 1,190 islands of which some 200 islands are inhibited. These islands are small in size; it is only three islands that have a land area greater than 3 square kilometres and only 33 islands have a land area in excess of one square kilometre.

The Maldives population is 314,542¹. The population is widely dispersed among the 200 inhabited islands. Only 4 islands have a population of over 5,000 people while 67% of all the inhabited islands have a population less than 1,000 people². One-third of the population live on the Capital Male'. Male' is also the business hub and centre of economic activities.

The economy of Maldives is predominantly dependent on fisheries and tourism, with tourism accounting for a third of GDP³. The country's economic development has been constrained by its limited agricultural and mineral resources and the small size of its domestic market⁴. In spite of the lack of natural endowments, Maldives has recorded remarkable economic growth over the past few decades and is on the threshold of graduating from Least Developed Country (LDC) status to the middle-income group. The steady economic growth seen over the recent years is primarily due to the expansion of fisheries and tourism sectors and related economic activities.

The rapid economic development has resulted in an influx of expatriate labour, particularly in low-skilled jobs. Human resources development has not kept pace with economic development which has also resulted in a significant increase in expatriates at executive and professional jobs. It is estimated that currently over 72,000 expatriates are working in the Maldives⁵.

The country went through an important political transition in 2008. A new constitution was adopted in August, followed by the first multiparty presidential election in November, which brought in a new government. The newly elected administration professes of the need for swift economic reform pivoted on greater private sector involvement in the development of the country and has already initiated privatization and private-public partnership programs in several sectors⁶.

¹ Department of National Planning, projected population for 2009

² Department of National Planning, Census 2006

³ Maldives Monetary Authority, Annual Economic Review 2008

⁴ Asian Development Bank, Country Assessment Plan for Maldives (2000-2002)

 $^{^5\,}$ Maldives Monitory Authority Monthly Statistics, July 2010

⁶ Invest Maldives, Ministry of Economic Development [www.investmaldives.org]

The state owned enterprises (SOEs) have historically played a key role in the economy. Over the years, operations of SOEs have covered a wide range of activities including banking activities, air and sea transport, international shipping, communications and the provision of electricity, fisheries operations, tourism and importing and distributing a large share of essential food and oil products. However, in recent years there has been a move towards private-public-partnership arrangements and privatization in the provision of services that could more efficiently be undertaken by the private sector. Hence, private sector will play an increasing wider role in the country's economy.

Table 1: Economic Indicators

	2000	2005	2006	2007	2008	2009
GDP (figures for 2009 are estimates)						
RGDP (1995 constant prices) US\$ mn.	539.1	673.4	794.5	852.0	904.5	876.2
NGDP (in millions of US\$ at current price)	624.3	749.7	915.4	1054.4	1260.2	1307.4
(Annual percentage change)						
RGDP (1995 constant prices) Rf mn.	4.8	-4.6	18.0	7.2	6.2	-3.1
NGDP (in millions of Rf at current price)	6.0	-3.4	22.1	15.2	19.5	3.7
TOURISM						
Tourist arrivals ('000)	467.2	395.3	601.9	675.9	683.0	655.
Bed capacity (Resorts/Hotels)	15812.2	13946.2	16175.3	17511.0	19081.3	20097.
Capacity utilization rate (%)	68.2	64.5	81.7	82.9	78.3	70.4
FISH PRODUCTION						
Landings excluding EEZ ('000 MTs)	115.4	182.9	181.0	141.1	131.7	115.
Total fish exports ('000 MTs)	28.3	82.1	111.4	65.8	63.1	39.
Total fish exports (US\$ mn.)	34.0	96.6	128.8	102.5	120.7	71.9
INFLATION, AVERAGE CONSUME	R PRICES					
National	-	-	3.5	7.4	12.3	4.
EMPLOYMENT						
Government employees (permanent)	20336	27636	30243	32788	-	
Total expatriate labour force (end of period)	27716	44845	53901	70075	80839	70259.
PUBLIC FINANCE (Rf mn)						
Total revenue and grants	2372.7	4612.9	6154.1	7571.2	7456.5	5957.
(percent of GDP)						
Total revenue and grants	32.3	48.1	52.5	56.1	46.2	35.
	3.8	3.6	4.2	4.1	3.5	2
o.w. Tourism tax	5.0					٥.
o.w. Tourism tax o.w. Import duty	8.9	13.0	14.4	15.5	15.2	
		13.0 59.0	14.4 59.3	15.5 60.8	15.2 63.1	3. 10. 65.

Source: Maldives Monetary Authority, Monthly Statistics, Vol.11 No.7, July 2010

2.2 Research Aim

Understanding CSR represents one of the most progressive developments in the private sector, and CSR in the Maldives is still at its infant stages of development. The Ministry of Economic Development (MED) and the Maldives National Chamber of Commerce and Industry (MNCCI) with support from the United Nations Development Program (UNDP) has commissioned this baseline study on CSR in the Maldives. The purpose of this diagnostic exercise is to map out the potential areas for CSR in the Maldives and to develop recommendations for a strategic framework for promoting CSR.

The main objectives of the research are (1) study the extent to which CSR practices are understood and implemented by the different groups involved which include businesses registered in Maldives, the government institutions, the media, academic institutions, and the non-governmental organizations, and to reveal the main drivers and obstacles to the spread of CSR in the Maldives; and (2) make recommendations for establishing a national framework to advance CSR in the country.

2.3 Research Methodology

This study was conducted by FJS Consulting Pvt Ltd from June 2010 to August 2010. The research methodology, which was developed in consultation with MED, MNCCI and UNDP, primarily makes use of qualitative methods and desk research. The information has been collected by means of a standardized in-depth interview. The interview questions were developed incorporating the principles of the Global Compact and other internationally accepted dimensions of CSR. The sample of companies was selected to reflect the structure of the Maldivian economy. Tourism being the most significant industrial sector in Maldives, a broader sample of resort operators was selected. In addition to the business sector, interviews were also held with the government agencies, civil society organizations, educational institutions and the media. A list of the interviewed companies and other stakeholders is attached as Annex 2.

Table 2: Numbers of Businesses and Other Institutions Interviewed

Stakeholder Group	No of companies/institutions interviewed
Businesses:	
Public Companies (PLCs & SOEs)	12
Private Businesses	40
Government Institutions	14
Civil Society Organizations	10
Media	5
Academic Institutions	4
Business Associations	2
TOTAL	87

2.4 Research Limitations

The primary limitations of the research are:-

- Apart from the businesses operating in the tourism industry, the businesses selected for the study were based in the capital Male'. Business based on other islands was generally not covered due to logistical and budgetary constraints.
- The sample of businesses selected for the study represents to a great extent SOEs, large enterprises & resort operators; fewer micro and small companies were represented in the sample.

• Information from businesses is obtained primarily through personal interviews with managers and owners; companies had limited documentary evidence and statistical records to share on their CSR involvement. Input from employees and public is limited to occasional informal discussions.

2.5 Defining CSR

An official definition of Corporate Social Responsibility is yet to be adopted in Maldives. Moreover, there is no single commonly accepted definition of corporate social responsibility globally. Definitions of CSR adopted by the European Commission and the World Bank are widely used. The European Commission defines CSR as:

"A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis"

Amongst other things, this definition emphasizes that:

- CSR is not or should not be separate from business strategy and operations: it is about integrating social and environmental concerns into business strategy and operations
- CSR is a voluntary concept

An important aspect of CSR is how enterprises interact with their internal and external stakeholders (employees, customers, neighbours, non-governmental organizations, public authorities, etc.).

According to the World Bank:

"Corporate social responsibility is the commitment of business to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve their lives in ways that are good for business and for development."

CSR is conceptualized as a sustainable process which supports the three pillars of sustainable development – economic growth, development of society and environment protection.

The above two definitions capture the core concept of CSR, which are used as references for the purpose of this study.

⁷ Green Paper on Promoting a European Framework for CSR, Brussels, COM (2001)366

2.5.1 Local Context

While CSR is a complex multi-dimensional concept, CSR is often understood by Maldivian businesses in its external social dimension alone. Most businesses understand CSR as a concept where businesses help the communities, especially the disadvantaged groups by means of philanthropy and donations. CSR is also perceived as a one-way street where the businesses give and the society receives. Businesses do not expect or believe they receive anything in return for their social contribution. The perception is that if something is expected or received in return (for example, providing better working conditions that result in higher productivity), it is out of the realm of CSR. This perception is arguably rooted in the close-knit culture and the Islamic tradition of alms-giving (Zakath and Sadaqath), where those who are better off have a responsibility towards the less unfortunate.

The literal translation of Corporate Social Responsibility to local Dhivehi language is "Kunfuneege Ijthimaa'ee Zinma", a term used in the annual reports of some public listed companies. This terminology creates some confusion due to its literal meaning:

- 'Kunfuni' is referred to companies (connotation to large businesses) which makes CSR appear to be the realm of only companies while most businesses found in Maldives are sole-proprietors and small family businesses.
- '*Ijthimaa'ee*' is often used to refer to the social dimension and society, leaving out the environmental and internal dimensions of CSR.
- 'Zinma' takes the literal meaning of responsibility which gives the appearance that CSR is enforced and a burden rather than a proactive voluntarily initiative.

Sustainable Development or "Dhemehettenivi Tharaggee" is a related term which businesses and public are relatively more familiar due to its frequent appearance in government policy papers, publications and in the general media.

Sustainable Development is a much wider concept than CSR and does not concern just companies. Sustainable development refers to "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". CSR is the application of Sustainable Development to the activities and accompanying responsibilities of businesses. Via CSR, companies can give a concrete interpretation to the term Sustainable Development from their perspective. Hence, it is important to draw the attention to the link between CSR and sustainable development in defining CSR.

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⁸ World Commission on Environment and Development, http://www.un-documents.net/ocf-02.htm#I

2.5.2 United Nations Global Compact

The United Nations Global Compact is a voluntary corporate citizenship initiative and a forum for the cooperation between the UN and the business community to promote implementation of CSR practices. It was established in 2000 to engage business leaders, UN agencies, labour organizations and civil society groups in the promotion of sustainable and responsible business practices.

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption. It asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption⁹.

Global Compact Local Networks are self governed multi-stakeholder bodies led by business that support companies in their efforts in implementing the Global Compact and thereby performs important roles in rooting the UN Global Compact within national and cultural contexts in their respective countries.

⁹ Refer to www.unglobalcompact.org for further information on Global Compact

3 Research Findings

3.1 Summary of Findings of the Research

- 1. In the business sector the concept of CSR is not widely understood, and the term itself is seldom used to describe CSR related activities. The concept of CSR is often reduced to acts of philanthropy and charity. Companies claiming to be involved in CSR typically name their philanthropic activities and social contributions as the only examples. Few companies practice CSR in its broader sense. The 'Global Compact' is virtually unheard of by business sector or any other stakeholder group.
- 2. The level of awareness on CSR in general is low among key stakeholders or promoters of CSR as well including government institutions, CSOs, academic institutions & the media.
- 3. None of the stakeholder groups is seen to be playing a particularly significant role in CSR promotion. The main promoters/implementers of CSR in Maldives are the businesses themselves. Companies plan and conduct CSR activities largely by themselves without the involvement of or advocacy from CSOs, business associations or the Government.
- 4. A company's degree of CSR implementation is to a large extent a product of the vision and beliefs of its owner(s). This is attributable to the close involvement of owners in decision making and the day to day management of the business. As most businesses have a recent history and are fairly small operations, the founders of the business are often active in their professional and management capacity.
- 5. Owing to a small and close-knit society, businesses and their owners are often directly approached for financial assistance by people in need through family/friendship networks. For small businesses the number of requests for assistance they receive through family/friendship circles exceeds the amount they can spend in the way of charity. Hence, there is little involvement in organized CSR (which is also rooted in the misconception with regard to what CSR encompasses).
- 6. The primary target of CSR efforts for most businesses is underprivileged individuals in the society mainly in the form of financial assistance towards medical treatment and education. Employees are the second most frequently targeted group; many companies contribute to staff entertainment, medical expenses, training, and financial assistance schemes to staff.
- 7. In the tourism sector, quite distinct from other sectors, the primary target of CSR efforts is environmental protection. Environmental protection is recognized as having a direct bearing on business sustainability. The second priority target group for the resort operators is staff.

- 8. Tourism sector implements a wide range of CSR initiatives. The reasons include greater customer demand, more stringent rules and regulations, better recognition for CSR efforts, relatively large size of industry players, and existence of a large number of international players.
- 9. The Government does not have a CSR policy and there is no designated focal point for CSR within the government. Government institutions generally do not play a significant role in CSR promotion. While the Government's role is largely limited to regulatory enforcement, the Government is criticized for lack of adequate legislature and more so for weak enforcement of regulations that are in existence.
- 10. There is no NGO that specifically targets CSR promotion; there are NGOs that target specific areas including environmental protection and social development. The link between CSOs and business sector in general is weak. NGO activities are largely funded by international donors and through their own fund raising activities.
- 11. CSR is not a topic of interest in the media, and CSR awareness in the media is low. Reporting positive CSR activities of businesses is seen akin to providing free promotion. At the same time, socially irresponsible practices are not exposed due to dependence of media on advertising income from businesses.
- 12. Higher education institutions are few in numbers, and have come to existence only recently. Most institutions run external programs at certificate and diploma level which have set syllabuses. None of the colleges run a specific program on CSR or features CSR in a major way within a program. MCHE offers the highest number of locally developed and accredited programs. These programs feature modules on professional ethics rather than CSR in its broad sense.

3.2 Non-Business Stakeholders in CSR Promotion

3.2.1 Business Associations

The most eminent business associations in Maldives are the Maldives National Chamber of Commerce and Industry (MNCCI), Maldives Association of Tourism Industry (MATI), and Maldives Association of Construction Industry (MACI). While MATI and MACI are industry specific associations, MNCCI membership is open to all businesses and persons engaged in commercial activities.

Although business associations are actively engaged in promoting commerce and industry, currently little is being done in the way of promoting CSR. MNCCI has recently taken an active interest in CSR promotion, and in collaboration with the

Ministry of Economic Development and UNDP has sanctioned this baseline study on CSR practices as a starting point for advancement of CSR. MNCCI has plans to establish the Maldives' chapter of the UN Global Compact Local Network in the near future.

Due to the voluntary nature of participation in the business associations and the limited commercial leverage associations currently provide to members, associations do not have a strong clout within the industry or even with their members. For example, according to MACI they advocate for higher professional and work safety standards in the construction industry, but members often do not collaborate on the grounds that trying to adhere to such standards only raises their costs unnecessarily making them uncompetitive compared to those who do not follow those standards. The reason being that price is largely the deciding factor in the construction industry, even for Government projects. Private and individual clients are even less concerned whether contractors adhere to safety standards or how they treat their employees. Much effort is needed to raise the general level of awareness of the importance and extent of CSR to convince the industry players to embrace the broader concept of CSR.

Business associations like MACI operate on membership fees and donations from members. On the one hand, associations claim that as most members do not regularly pay the membership fees even, they do not have the financial capacity to organize activities. On the other hand, businesses claim that associations are not doing enough for them.

3.2.2 Civil Society Organizations

In many countries Civil Society Organizations are often the most active players in promoting and implementing CSR. Countries often have NGOs dedicated to promoting CSR who advocate and assist companies to integrate and implement CSR, and conduct contextual research on the topic.

In the Maldives a number of community-based NGOs are in existence and are actively involved in community development initiatives. Though there are no NGOs dedicated to promoting the holistic concept of CSR, there are NGOs that target specific areas relating to CSR, e.g.: environmental protection, human rights and anti-corruption. Most NGOs are formed with a social purpose, such as assisting community development or helping the poor and vulnerable. NGOs activities are largely conducted with assistance from international donor agencies and through own fund raising activities. Often NGOs do not have a sustained relationship with the business community. The main reason for this is the limited availability of information in the business community on activities of NGOs leading to doubt and mistrust towards the NGO sector. As a result donations, charity and partnership efforts are often targeted directly at recipients by the business sector.

In an effort to address the need for strengthening NGO sector, the Government and UNDP recently signed a two year project on "Strengthening and Enhancing Civic Engagement in the Maldives"¹⁰. The goal of the project is to assist civil society organizations to become more efficient, accountable development partners, to engage meaningfully in advocacy, and increase the delivery of services to the public, particularly to the poor, vulnerable and disadvantaged.

3.2.3 State and Government Institutions

Taking note of the concept of CSR as a voluntary exercise by companies, the primary role of the government is to facilitate and create a conducive environment for companies to practice CSR rather than to make direct interventions.

Currently there is no national CSR policy, however, the Government's *Aneh Dhivehiraajje* Strategic Action Plan 2009-2013 for Maldives¹¹ recognizes the importance of promoting CSR in order to engage private sector in the socioeconomic development of the country. It envisions Ministry of Economic Development to play an important role in enhancing private sector engagement in communities and promoting CSR in business sectors. Yet in practice little has been done in institutionalizing the promotion of CSR. Nonetheless, MED has recently taken an active interest in promoting CSR, and has commissioned this study in collaboration with MNCCI and UNDP as one of the first steps taken in this direction.

Even though CSR is not yet addressed in its holistic sense by the government, several laws, regulations, conventions, and state bodies exist that deals with various aspects of CSR (refer Annex 1).

Environmental Protection:

Maldives, being made of low lying coral islands, is considered extremely vulnerable to effects of climate change, global warming and sea level rise. The livelihood of Maldives depends on the protection of its fragile ecosystem. Recognizing the importance of protection and preservation of the natural environment for the future survival of the country and the globe, the Government has always placed a high importance on environmental protection. Most recently the Government has set a bold milestone for the country, that is, to become the world's first carbon neutral country within 10 years time. To this end, the Government has ratified numerous environment conventions and enacted several laws and regulations. Many of the laws and regulations relating to the environment are targeted at the tourism industry and have been addressed via the Tourism Act 2/1999, which mandates that proper

¹⁰ UNDP Maldives, http://undp.org.mv/v2/?lid=99&dcid=162

¹¹ National Framework for Development 2009 – 2013, Presidents Office, Government of Maldives

environmental impact assessment are to be carried out and submitted for approval from Ministry of Environment before undertaking any development activity on a tourist resort that may permanently change the natural environment of the island, such as land reclamation, dredging of lagoon, and felling of coconut palm and trees. The Ministry of Tourism also has set operational guidelines for resorts including proper waste disposal, use of ground water, fire safety, maintaining parity on employment of local people, food hygiene and general standard of services. Other key laws include Environment Protection and Preservation Act 4/1993, Environment Impact Analysis Regulations 2007 and Environment Protection and Preservation Act 4/1993. The Government has also established two environmental awards: Green Leaf Award, targeted at individual groups that have contributed to environmental conservation in the Maldives and The President of Maldives Green Resort Award aimed at encouraging tourist resorts to adopt and embed sustainable tourism and green policies in their development and operation.

Anti-Corruption:

Corruption eradication has been identified as one of the key targets of the government. A number of agencies have been formed and laws enacted to combat corruption over the years.

The Anti-Corruption Commission, first established as Anti-Corruption Board in 1991 by a presidential decree, became an independent statutory body in pursuant to the Anti-Corruption Commission Act (Act No. 13/2008). The Commission has mandate of creating awareness of corruption issues in the government sector and general public. Under this, the Commission conducts awareness programmes targeted at both the private sector and general public, specifically focusing on the rules of procurement of government. Commission plans to conduct workshops targeted at CSOs, SOEs and the Government employees. In 2010, the Commission plans to introduce "Integrity Award" which aims to reward exemplary work done to eradicate corruption by the citizens, NGO's, associations, public institutions and the private sector.

The Audit Act (Act No. 4/2007) established an independent Auditor General's Office in 2008 in an attempt to further strengthen the accountability and governance in the public sector, including the state owned enterprises.

As part of the integrity drive, the Maldives has also signed the United Nations Convention Against Corruption (UNCAC), which defines a set of internationally agreed benchmarks for strengthening the national integrity institutions in the party states. The gaps between UNCAC the current Maldivian laws and regulations are currently being analysed.

A Presidential Commission was established on 2009 to investigate high level corruption allegations about the former government and these investigations are still ongoing.

Most of the anti-corruption initiatives of the state is targeted at the public sector and currently there is a lack of coordination among government agencies and private sector and civil society in combating corruption.

Human Rights and Labour:

In the recent past human rights advocacy has considerably increased in Maldives. In this regard, a number of international conventions have been ratified and institutions and laws established in the Maldives.

The Human Rights Commission of the Maldives was first established in 2003 as an independent and autonomous statutory body by a presidential decree. The Commission was later re-established under the Human Rights Commission's Act in 2006. The aim of the Commission is to lead the promotion and protection of human rights under the Maldives Constitution, Islamic Shari'ah and regional and international human rights conventions ratified by Maldives. Although Human Rights Commission currently focuses mainly on the public sector, the Commission also works with the private sector, specifically in creating awareness on human rights issues.

The Employment Act (Act No. 2/2008) gave clear definitions and guides to labour rights and duties. Pursuant to this Act, the Labour Tribunal was established to examine and arbitrate legal matters arising in the work environment. The Act has increased the awareness of legal rights of employees.

Corporate Governance:

Corporate governance and its concepts have been introduced very recently to the Maldives. The Capital Market Development Authority (CMDA), established under the Maldives Securities Act 2/2006, is actively involved in creating awareness of corporate governance amongst the private sector and state owned enterprises. CMDA formulated the Corporate Governance Code in 2006, and it became mandatory on public limited companies in 2008.

In order to provide training and certification to ensure the good conduct and to promote good corporate governance CMDA established Capital Markets and Corporate Governance Institute (CMCGI) in 2006. CMCGI now regularly provides trainings aimed at Board Directors and Company Secretaries on governance principles and good conduct. CMDA is currently working with the Ministry of Finance and Treasury to mandate the Corporate Governance Code on the SOEs. CMDA has also taken the initiative to establish the Corporate Governance Award. The Award, first established in 2007, aims to encourage companies to improve their governance practices. Companies listed on the Maldives Stock Exchange and other companies registered in the Maldives are eligible to apply for the award for Excellence in Corporate Governance starting from January 2009.

Consumer rights and protection is one of the weakest regulated areas in the Maldives. Although there is a Consumer Protection Act, it is very basic in content, and the institutional framework for its effective implementation is very weak. There

are no adequate regulations on advertising content, counterfeit products, product safety, and institutional arrangements to monitor such claims. This is not only apparent in the trade sector, but also can be seen in other sectors, such as the construction industry. Due to this, counterfeit products and false product information and advertising are major concerns highlighted by both businesses and general public.

Implementation of Laws and Regulations:

Although there are a number of laws and regulations that address the major areas of CSR and minimum business standards in the Maldives, implementation of these laws are generally poor. This is a concern for all stakeholders of CSR as it creates a disincentive for good practices.

3.2.4 Media

CSR is a topic of little interest for the media presently; at this time of swift political transition, favourable reporting on companies does not make sensational news. Another reason why media is not enthusiastic to cover CSR activities by businesses is because media considers it as providing free advertising. Thus, media agencies generally cover PR and CSR activities of those companies that regularly advertise with them as a way of maintaining business relationships.

Media companies are also reluctant to expose irresponsible and unethical behaviour of businesses because media is to a large extent funded from advertising revenue. This interdependence prevents media from reporting freely on negative CSR activities.

Failure of proper media communication on the part of businesses also contributes to the lack of CSR coverage. Businesses do not provide adequate information to media on their CSR activities and events or have a suitable media communications strategy.

The media also receives little direction or input from other stakeholder groups regarding CSR promotion. Media is essentially a communications vehicle, relying on other stakeholders for CSR content. Media agencies noted that if government institutions and other CSR promoters are able to inform the media on their CSR agendas, media would be able to provide better coverage. As CSR is a relatively new area, media needs to be educated on CSR first before the media can educate the public.

There is absolutely no dedicated CSR coverage in local media. However, environmental and social issues are often covered in general but not in light of their CSR aspects. Dedicated business news segments are common within news; typically covers news of the economy and business activities of various companies such as product introductions and sales promotions. Talk shows sometime do cover CSR activities of businesses.

3.2.5 Academic Institutions

Post secondary education system in Maldives is still in its early stages of development. The first university of the country is yet to be established. Maldives College of Higher Education (MCHE), a government college established in 1988, is the oldest and most advanced tertiary academic institution in the country. Apart from MCHE, there are only four other private colleges in the country, of which the oldest is Villa College, established in 2007.

Corporate social responsibility is yet to become an area of academic interest. None of the educational institutions offer a program or even a specific module on CSR. In academic and professional programs offered by the colleges, CSR is at most featured as business and professional ethics rather than in its broad sense of corporate social responsibility. Research in general is limited in academia, and nonexistent with regard to CSR due to capacity and resource limitations.

3.3 CSR Implementation in Businesses

3.3.1 Awareness of CSR

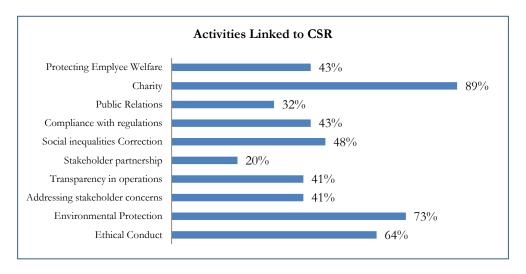
Discussions with businesses and other stakeholder groups revealed that CSR activities in Maldives are primarily driven by the businesses themselves. In this way, businesses have played an important indirect role in CSR promotion through setting examples to one another.

However, this does not mean that CSR is widely understood or practiced by the business sector. In fact, the research found that the notion of CSR is poorly understood and narrowly defined in the minds of business owners and managers. Most businesses miss the point that CSR is inseparable from company strategy or the way it conducts business. Instead CSR is often described as a series of activities and events a company participates, such as a donation to a NGO, contribution to a staff party, or undertaking a community related project.

When asked what CSR means, most interviewees identified with the external dimension of CSR, primarily cantered on philanthropy and financial assistance to community. While some businesses remarked protection of the natural environment and employee welfare as CSR. Only a few businesses cited internal business practices of honesty, transparency, governance, anti-discrimination, anti-corruption and protection of human rights among CSR.

Interestingly, once interviewees were prompted with a list of possible activities and asked to identify activities that they would consider as CSR, many respondents identified environmental protection, and ethical conduct among activities linked to

CSR (see Graph 1). This reflects that although businesses consider environmental protection and ethical conduct as responsible business practices, they do not identify these behaviours directly with "Corporate Social Responsibility".



Graph 1: Activities Linked to CSR (Note: Stakeholders refer to customers, employees, shareholders, government, local community CSOs, etc.)

3.3.2 Strategy

Few companies (32% of companies interviewed) have a formal CSR strategy integrated within their business strategy. Companies that have a formal CSR strategy are mostly resorts operated by international hotel chains and the very large public companies.

Generally public companies and to some extent SOEs have annual CSR budgets. Companies that do not have a CSR strategy may still have an annual budget allocation for CSR events such as donations. 39% of companies have annual budget allocation to CSR. These budgets are set at fixed amounts per year rather than dedicate a percentage of revenue or profit to CSR as a policy.

Majority of companies neither have a CSR strategy nor make a budget allocation for CSR. However, almost all companies interviewed have implemented or funded at least one CSR activity, mainly in the way of charity or sponsorship during the past 3 years. The decision as to which activities to get involved or how much to spend are frequently ad-hoc decisions made on a case-by-case basis.

Not surprisingly, companies that do not have a CSR strategy (i.e. majority of the companies) do not expect any economic return for their CSR expenditure. Companies that have a CSR strategy believe there are direct and indirect benefits to the company from engagement in CSR.

3.3.3 Stakeholder Engagement

Companies that do not have a CSR strategy have typically not engaged stakeholders in planning their CSR activities. Even those companies that have developed CSR strategies do not systematically engage stakeholders in strategizing or planning their activities. Only 23% of the respondents claimed to have consulted relevant stakeholders in planning their activities. CSR activities are rather planned based on what the company believes is best for the stakeholders. 41% of respondents claimed that the needs of the community and stakeholders were taken into consideration in developing their CSR activities.

3.3.4 Performance Management

Companies that do not have a CSR strategy also do not measure the success of their CSR activities. They consider performance management of little value since they do not expect a return to the company from CSR engagement. Performance management is also low among those companies that have CSR strategies. Companies may on occasions monitor implementation of longer term or higher value projects during the implementation phases. However they normally do not measure the impact of those activities. Formal performance managements and audits often tend to be costly and amounts involved too small to justify such audits. Since the community is small they get informal feedback as to the effectiveness of the programs to some extent. Only 9% of companies interviewed have conducted any form of performance assessment.

3.3.5 Reporting and Public Disclosure

Many private companies do not report or publicly disclose their CSR activities. Most such companies do not consider there is a benefit to the company to be gained from reporting, and would rather prefer discreteness. The reason being that since such assistances is not provided in a structured manner through an official scheme, publicity may attract too many requests for assistance. This modesty may also be attributable to cultural and religious values of being inconspicuous about one's charitable donations..

On the other hand, listed companies often report their CSR involvement in their annual reports as well as on their websites. Tourist resorts and hotel chains also report CSR engagements on their websites, and make use of CSR engagement for marketing purposes.

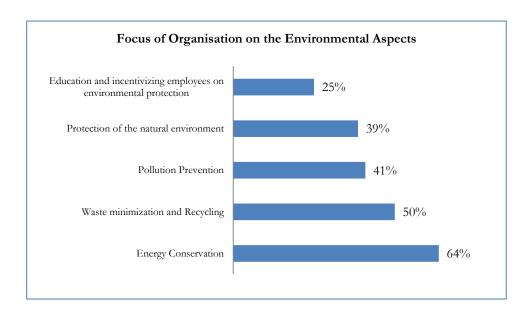
3.3.6 Common CSR practices and Attitudes

CSR activities which are commonly practiced in the business sector include:-

Table 3: CSR Activities Commonly Practiced in Business Sector

Target Area	Activity
Environmental protection and conservation	 Setting air-conditioner temperatures at 24 degrees or higher Switch to energy saving inverter type air-conditioners and energy save lights Minimize use of paper, and using both sides of paper
Employee welfare	 Staff training (large companies only) Preference to locals in staff recruitment Staff recreational activities Medical benefits Staff loans
Community participation	 Assistance to individuals for medical treatment and education purposes Assistance to events organized by schools and NGOs Participation social events

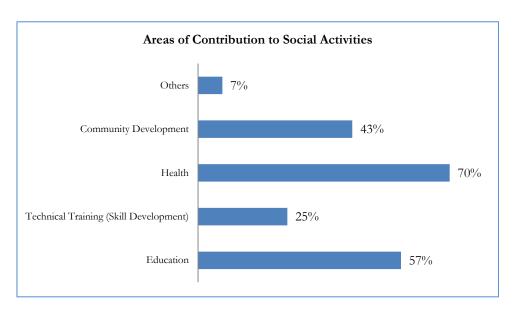
An interesting finding during the interviews was that, businesses acknowledge that minimizing impact on the environment is expected of a responsible corporation. However, businesses that operate outside of tourism sector are often of the opinion that environmental consideration is only relevant to resorts in the construction of major structures. Businesses that practice energy conservation measures do them primarily for cost reduction purposes due to high energy costs. 64% of businesses have energy conservation measures while only 25% of companies actually educate and incentivize employees on environmental protection (see Graph 2)



Graph 2: Focus of Organisations on Environmental Aspects

Long-term training opportunities are provided to staff by the larger organisations, and the aim is developing local capacity. Small companies which in the past provided long-term training opportunities to staff have in fact discontinued as it has had no significant impact on staff retention and hence become a cost without much return.

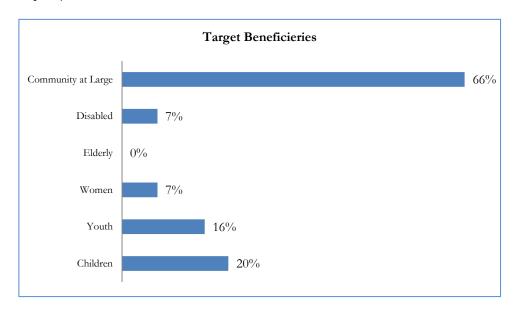
Majority of businesses target their CSR towards social causes, mainly towards health and education. 70% of the companies interviewed have contributed towards health, while 57% have contributed to education.



Graph 3: Areas of Contribution to Social Activities

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Primary CSR activity in the area of health is in the form of donations to individuals for medical treatment (identified as 'community at large' in Graph 3), and CSR activities in the area of education is mainly grants and sponsorships to schools to organize various student events and activities (identified as 'children' and 'youth' in Graph 4).



Graph 4: Target Beneficiaries

3.4 CSR in Tourism Sector

Tourist resorts and hoteliers are generally better versed with the concept of CSR. Virtually all resorts have elements of CSR embedded in their business practices. The primary CSR target for the resort sector is environmental protection, followed by staff training and recreation.

There are persuasive reasons for having better CSR practices in the resort sector, which include:-

• **Consumer demand** – the Maldives tourism industry is built on the natural beauty of its islands with their white sandy beaches, crystal clear lagoons and colourful house reefs abundant in marine life. The clean and green environment is among the top selling points for the Maldives' resorts¹².

The target market of the Maldives' tourism is primarily the Western Europeans. Visitors from such advanced economies are sophisticated discerning travellers who demand better CSR practices from their hosts. Tourists are increasingly becoming conscious of the natural environment, and as a result, resorts embraced environmental protection as their primary CSR engagement.

¹² Ministry of Tourism, www.tourism.gov.mv

Maldives, being considered an expensive up-market destination, tourists also expect high standard of service from resort operators. In service industries such as tourism a highly trained and motivated workforce is a must to deliver impeccable service. Hence, resorts also place a particular focus on training of staff and providing adequate staff facilities and recreational activities.

Competition is also on the rise in the tourism industry. The number of resorts in operation has reached 96 and another 67 resorts are in various stages of development¹³. Maldives as a tourist destination is also amenable to global competition. Service quality and 'green resort' concept have emerged as an important trend in product differentiation and marketing.

- Regulatory requirement in contrast to other industries, more elaborate and stringent rules and regulations exist in the tourism sector, which includes standards on environmental protection (e.g.; requirement on EIA, waste disposal, ground water use, limit on built up area, etc.), social aspects (e.g.; minimum local staff ratio, standard staff facilities), and product quality standards (e.g.; pre-requisites for operating license, inspection visits from Ministry of Tourism). In fact, most islands for resort development have been leased by the Government through a public bidding process where bids are evaluated based on not only price, but also on the proposed resort concept including measures on environmental protection, guest and staff facilities, local employment generation, etc.
- Recognition and incentives There are two national level awards targeting CSR related themes specifically in the tourism industry. One is the President of Maldives Green Resort Award introduced in 1997 to encourage tourist resorts to adopt and embed green policies in their development and operation. The winner of the annual award is presented with a shield and a logo which can be used for promotional purposes in publications. Second is the President's Award for Human Resource Development in the Tourism Industry given annually to the tourist resort which contributes most to the development of Human Resources in the tourism industry, based on the training efforts of tourist resorts as well as their staff facilities and recreation.
- Profitability & Scale tourism is considered to be the most profitable industry in Maldives, and resort operations are relatively large businesses in terms of revenue and employment. Hence, resorts are able to allocate bigger CSR budgets and undertake larger scale, more visible CSR initiatives than most businesses in other sectors.
- *International players* the potential of the Maldives tourism industry has attracted some of the world's best international hotel chains into the country. With them they bring international best practices in terms of service standards and CSR.

Thus it comes as no surprise that of all the economic sectors CSR practices are most prominent in the tourism sector. However, within the tourism industry CSR practices vary widely.

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¹³ Ministry of Tourism Arts and Culture

A distinction can be drawn between CSR practices of resorts operated by international hotel chains and those under local ownership. International hotel chains generally have formal CSR strategies, written policies and systematic implementation mechanisms. Local companies are more fluid in their CSR practices. International chains are more focused on green resort concept, and often conduct more comprehensive staff training than local counterparts. Community projects are managed/handled by local owners of the resorts rather than the international management firms. Local owners tend to be prominent individuals who also have political involvement, and thus have an active interest to be involved with the local community. For both local and international chains, the primary CSR focus is on environmental protection.

As the industry has evolved to be more conscious of CSR, newly developed resorts generally provide better staff facilities and better waste minimization and environmental protection measures in the resort development and operation concept.

Common CSR Practices in Tourism Sector

Resort operators stands out from other businesses in terms of the number and variety of CSR activities they implement. CSR activities which are commonly practiced across the resort sector include:-

Table 4: Common CSR Practices in the Tourism Industry

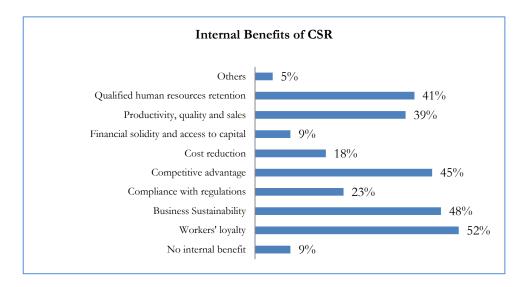
Target Area	Activity
Waste minimization and recycling	 Linen re-use programs to save energy and water and to minimize use of detergent Use of refillable glass bottles for water instead of disposable plastic bottles Treatment and re-use of waste water for gardening and flush tanks Compacting tin cans and bottles Use of glass crusher to dispose-off glass bottles Use of incinerator for general waste disposal Treatment of sewerage affluent (regulatory requirement)
Energy conservation	 Generate hot water from solar water heaters or from heat recovery from air-conditioners Outdoor and pathway lights connected to auto on-off timers Reminder notices to guests to switch off lights and appliances when leaving room

Protecting natural environment	Beach cleaning
	Banning of fishing on house reef and lagoon
	Tree plantation programs
	Minimize felling of coconut palms and trees
	Environmental assessment (regulatory requirement)
Health and safety	Food hygiene standards and protocols
	 Fire safety system (regulatory requirement)
	Lightning protection
Employee welfare	 Local employees to foreign employees ratio targets (regulatory requirement)
	Regular in-house staff training programs
	Staff recreation and sports
	Service charge and medical benefits
	 Transportation arrangements to staff from nearby islands to visit home on off days
Community participation	Assistance for infrastructure development
	 Assistance to island schools and health centres
	 Volunteering of staff to mark special days on islands
	Tours arranged for the tourist to local islands to increase
	the sale of local products to the tourists.

Though not common, some resorts have established partnerships with island communities and community-based NGOs. For instance, one resort has an arrangement with the nearby inhabited islands where the resort transports away waste from the inhabited islands free of charge on the condition that the islanders do not throw away rubbish into the sea which in turn gets marooned on the beaches of the resort. Where the results of partnerships with island communities are successful resorts happened to sustain the partnerships. A more unique example of a partnership arrangement would be the Baa Atoll Resort Project, where all the resorts in the atoll gather regularly, and often invite members of the island communities, to promote conservation of the marine environment.

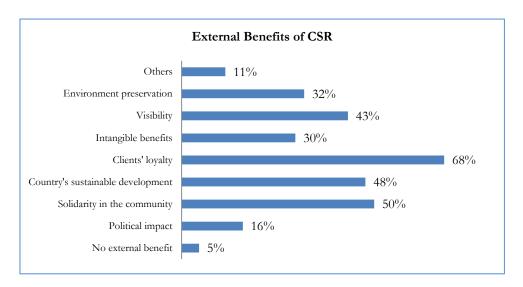
3.5 Promoting CSR practices

Graph 5 depicts the perceptions of businesses on the internal benefits of CSR. Majority of businesses believe that CSR improves employee loyalty towards company. Almost half of the businesses believe that CSR helps business' sustainability and create competitive advantage. Only 18% of the companies believe that CSR can help in costs reduction per se.



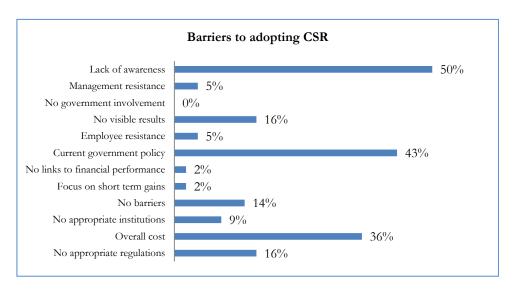
Graph 5: Internal Benefits of CSR

Graph 6 depicts the perceptions of businesses on the external benefits of CSR. The most notable observation is that 68% of businesses interviewed believe CSR results in better customer loyalty. Country's sustainable development and solidarity in the community were also ranked relatively high among external benefits. Only a third of the businesses identified environmental preservation on its own rights as a benefit of CSR. Environmental protection is seen rather as an avenue to business sustainability and competitive advantage.



Graph 6: External Benefits of CSR

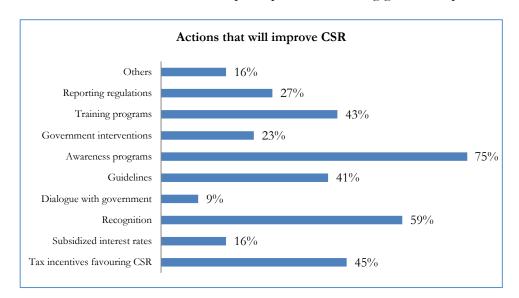
Graph 7 depicts the perceptions of businesses on the barriers to adopting CSR practices. The biggest barrier identified was lack of awareness of CSR. Lack of awareness among public and consumers, the pressure on businesses to practice CSR is low. Moreover, businesses are also ill-equipped to integrate CSR into their operations due to lack of awareness. Due to general lack of awareness among CSR promoters they are effectively engaged in CSR promotion. Existing government policies were identified as the second most frequently cited barrier. The main criticisms were unpredictable government policies and weak law enforcement. Cost of implementation of CSR practices was the third most cited barrier.



Graph 7: Barriers to adopting CSR

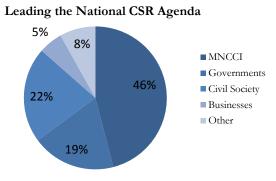
Graph 8 shows the perceptions of businesses on actions that will improve CSR practices. A large majority (75%) of businesses noted that awareness programs on CSR will help improve CSR practices, followed by recognition (59%), tax incentives

(45%), training programs (43%), and guidelines on CSR (41%). Awareness of CSR among businesses is lacking in two respects; one is awareness of the scope of CSR and ways in which CSR can be integrated into business practices, and second is awareness of the benefits and business case for CSR. Understanding of the concept and rationale for CSR is an essential prerequisite to instilling good CSR practices.



Graph 8: Actions that will improve CSR

The largest number of businesses (46%) believed that the task of promoting national CSR agenda should fall under the mandate of an independent business representative organization such as MNCCI. Their rationale is that CSR promotion should be led by an institution that is independent from political affiliation and has business representation, and MNCCI has greatest potential in his regard. Civil society (22%) and Government (19%) has also been proposed to be the lead agency by some businesses. However, most businesses are under the perception that civil society is currently not organized or strong enough to lead CSR. Private sector generally believes in minimal government direction, but recognizes the need for regulatory intervention in setting minimal standards and better implementation of the existing regulations and laws.



Graph 9: Leading the National CSR Agenda

4 Examples of Good CSR Practices in Maldives

No.	Company	CSR Activity/Initiative
1.	Alila Villas Hadaha	Alila Villas Hadaha, a Green Globe certified environmentally conscious resort, has incorporated an innovative way of introducing its clients to local culture and activities. Some of the notable activities incorporated into this are:
	Target Area: Economic Social	 Introducing guests to the art of "Thundhu Kunaa" weaving - The resort invites local islanders who are well versed in this activity to showcase it in the resort, whereby the tourists are able to see the activity and purchase the items from the weavers.
	Target Beneficiaries: Society	 Journeys to experience pole and line fishing – for this activity tourists experience the art of local pole and line fishing by accompanying local fishing crews.
	Customers Key Driver: Corporate Strategy/	- Excursions to local islands where they are exposed to the local cottage industry such as making smoked fish and rihaakuru (a local delicacy).
	Economic Benefits	The Resort also provides a special package "Gift to Share" program where locals only pay full rate only every other night. The guest can pay whatever they wish for the remaining nights, which is dedicated for their CSR programmes. The main focus of this CSR programmes is to assist local islands in building infrastructure for sustainability such as libraries.
2.	Anti-fire Company Pvt	Makes their own envelopes using recycled envelopes. The company then stamps these envelopes as "recycled". According to
	Ltd	the management, there were some negative criticism initially by public and institutions about this practice, especially where
	Target Area:	official letters were concerned. However, now many people are accepting of this innovative process and according to them,
	Economic	some other firms have started the practice as well. This practice has reduced its stationary cost over the years.
	Target Beneficiaries:	
	Internal Operation	
	Key Driver:	
3.	Economic Benefits	T 2007 1
3.	Baa Atoll Project (Resort Forum)	In 2007 a voluntary group of six resorts of Baa Atoll has jointly formed Baa Atoll Project with the mission to promote sustainable environment practices as well as creating awareness and education of threats to local marine life within the Atoll
		and throughout the Maldives. The activities done by this group include lobbying for the protection of Sharks, manta rays and
	Target Area:	turtles, and other marine life protection, night fishing practices, as well as waste disposal and educational programmes among
	Environmental	the local community on environmental concerns.
	Target Beneficiaries:	
	Society	The group meets regularly and in addition to the representatives from the resorts, representatives from the Atoll Ecosystem
	Customers	Conservation Project (A project managed by Ministry of Environment, Energy and Water), island office officials often
	(Four Seasons Resort	participate in the forum and ideas are shared and activities are conducted as a group.

No.	Company	CSR Activity/Initiative
	Maldives, Soneva Fushi Resort & Spa, Reethi Beach Resort, Royal Island Resort & Spa, Coco Palm Dhuni Kolhu, Kihaadhuffaru Resort)	This group has already created a lot of awareness and has been working successfully thus far. Pressure from BAP and efforts of many other green organisations, the Ministry of Fisheries and Agriculture has announced in early March 2009 a complete ban on all shark hunting within the Maldives' atoll and lagoons and in the waters up to 12 miles off the Maldivian atoll coast to protect all types of reef sharks.
	Key Driver: Sustainable Business	
4.	Bandos Island Resort	Bandos Island Resort has the philosophy that CSR is not only beneficial to the society but good for its business as well. Their main focus is their employees and supporting social projects through donations and charity.
	CSR area:	The state of the s
	Social	Employees:
	Internal Operations	Training and Development - Bandos Island Resort Management believes in training and empowering staff not only for the skills required for their job at the resort, but also in life skills and awareness that would enable them to transition from resort
	Target Beneficiaries:	life to island life when they retire from the Resort. Hence, employee trainings are focused on skills that are required for the job
	Society	as well as general skills.
	Employees	Benefits – in providing staff benefits, attention is paid to providing benefits not just to the employee but to the people directly under their care, i.e. parents and children. In this context, the Company often sponsors employee's children education (locally
	Key Driver: Implicit Corporate	and internationally) based on merit and provides medical care to their parents and children. According to the Management, these practices have created loyal and productive staff force with very low turnover in the Company.
	Strategy/	
	Economic Benefits	Society:
		The Company sponsors a number of NGOs in the community and works closely with these groups in fighting against drugs, improving governance, and youth development in the Maldives.
5.	Bank of Maldives PLC	Kiyavaa (Educational) Loan Scheme was introduced in June 2010 is the first dedicated student loan scheme introduced in the Maldives.
	Target Area:	
	Economic	The Scheme is designed to assist students in pursuing with their higher education. The maximum loan amount will be up to 75% of the cost of education including expenses for tuition fee, lodging and annual travel.
	Target Beneficiaries:	
	Youth	The Student loans have concessional rates, longer repayment period, more relaxed security norms and flexible equity
	Society	requirements than commercial loans.
	Key Driver:	The loan scheme caters for the following types of courses:

No.	Company	CSR Activity/Initiative
	Corporate Strategy/	- Diploma and equivalent courses up to 2 years duration
	Economic Benefits	- Advanced Diploma courses up to 3 years duration
		- First degree courses up to 4 years during (excluding foundation courses)
		- Post Degree courses up to three years duration
		The scheme is targeted at Maldivians young people, who has completed grade 10 level education and has an offer of admission
		from an institution accredited by the Maldives Accreditation Board.
		BML has enabled online payment option for Zakath for Maldivians.
6.	Banyan Tree Hotels	Banyan Tree was founded with the core value of driving sustainable development. The values revolved around embracing the
	and Resorts	environment and empowering people. Banyan Tree's triple bottom line (economy, society and environment) helps direct the Company's sustainable development by inspiring associates, guests, and partners to take a wider consideration encompassing a
	CSR area:	long-term view when making business decisions.
	Social	
	Environmental Internal Operations	The Green Imperative Fund (GIF) - In 2001, Banyan Tree set up the Green Imperative Fund (GIF) to continue formalizing its Corporate Social Responsibility (CSR) efforts. The GIF aims to widen the reach and effectiveness of the company's efforts
	internal Operations	by providing financial support to worthy environmental and community based projects in locations where Banyan Tree has a
	Target Beneficiaries:	presence.
	Employees	
	Society	At Banyan Tree properties, every guest is invited to be a supporting partner through a small contribution of US\$2 per room
	Key Driver:	night, under an "opt-out" arrangement. At Angsana properties, the amount is US\$1 per room night. Banyan Tree matches the guest contribution, dollar for dollar.
	Corporate Strategy	guest contribution, donar for donar.
	Sorpointe ountegy	Banyan Tree Global Foundation - In 2009 the Green Imperative Fund was established as an independent, separate entity entitled Banyan Tree Global Foundation. The foundation is based in Singapore and is audited by Ernst and Young. It can only be utilized for projects that benefit the community or environment and offers even greater assurance to contributing guests that the money goes directly to worthy causes where they have a presence.
		Some of the current projects in the Maldives are:
		- Greening Community - Banyan Tree increased its commitment to tackle the issues of climate change by launching Greening Communities in 2007. This program challenges its resorts to plant 2,000 new trees per year for the next 10 years. While the initiative will offset only a small amount of globally produced atmospheric carbon dioxide, the main focus is to drive greater awareness of climate change among communities, associates, and guests.

No.	Company	CSR Activity/Initiative
		 Seedlings - In 2007, Banyan Tree launched Seedlings, a group wide initiative to build the capacity of young people. Seedlings offer candidates guidance and support and is open to youths at risk of societal exclusion. The effort combines mentorship, scholarship, and work experience over the course of 6 years to provide young adults with the means and motivation to complete their education and successfully enter the labour force as well rounded adults.
		- Resource reduction - In 2007, Banyan Tree launched a group wide effort to monitor and systematically reduce the carbon emissions from its resorts.
		- Maldives Deaf & Mute Association (MDA)- As part of the ongoing commitment Banyan Tree has donated a computer laboratory to support them and provide the children with the same learning opportunities as others in the country. Banyan Tree and MDA are now working to increase awareness and learning of international sign language.
		- Turtle Conservation - In 2000 the Company started a turtle head-start program in North Male Atoll on both properties; these islands are natural nesting grounds for green sea turtles. The aim of the program is to rear juvenile turtles for two years, releasing them as juvenile individuals when they are more likely to survive. This program combines conservation with education for both locals and guests. In 2001 satellite tracking tags were fixed to follow the turtle's movements. This tracking revealed the turtles left the area and survived for the following 6 months in open oceans, demonstrating they are able to forage and survive by themselves after the artificial detainment. One turtle even swum to Indonesia! Company continues this work to see if there is more evidence of the program's benefit.
		- Electric Reef - To understand more about the Maldivian corals growth and health, the Marine Laboratory teamed up with two German scientists in 1997 to build the countries first ever electric reef (The Barnacle) in Angsana Ihuru. The following year "The Necklace" was also built and in 2000 the "Lotus" was added to Banyan Tree Vabbinfaru. Now these electric reefs act as "gene banks". Protecting this coral could prove critical for the recovery reefs after other unfavourable environmental events.
		- Coral Gardens - Corals have to be planted in much the same way as plants. Close to 30 coral gardens can now be seen in the lagoons around Vabbinfaru. Sometimes these are located in areas that are aesthetically pleasing, and other times in areas to reduce erosion on the beach. These are often sponsored by guests who help to plant them, and return in future years to see how their own 'coral garden' is developing.
		- Facilitating Scientific Research in the Maldives - the Marine Laboratory often collaborates with international scientists and brings their expertise into the Maldives to find solutions to critical problems about the environment. Such visits also usually provide useful educational outreach to the region.

No.	Company	CSR Activity/Initiative
7.	Batch Construction Private Limited Target Area:	Batch experienced that many of the home owners are not able to complete the construction of their properties with loan finances. As a result projects often were left uncompleted. In order to facilitate proper completion of the project, Batch started to selectively finance a portion of the cost of the construction of private property. If an agreement is reached, the company completes the construction and the charges are paid back to the company over a pre-agreed period of time. There is no
	Economic Target Beneficiaries:	interest charge for these financing arrangements.
	Customers Key Driver:	According to the company, this activity enables Batch to complete a number of projects, which has helped to establish the company's profile and the goodwill generated has increased the company's reputation and credibility within the community.
	Economic Benefits	company's profile and the goodwin generated has increased the company's reputation and electromity within the community.
8.	Crown & Champa Resorts	The group has stopped night fishing as a way to protect the marine environment. This has lead to guest awareness and improved the marine environment around the islands.
	Target Area: Environment Target Beneficiaries: Society	Training and development for employees – recipient of the President of Maldives Award for Human Resource Development in Tourism Industry in 2009 Meeru Island Resort has a major focus on staff development and training. The group has a full-time dedicated instructor and runs an in-house program called "CCR Training University" which provides an orientation for all staff on the tourism industry, fire and safety in addition to optional foreign language classes. In addition, the group supports fully paid leave for education purposes both in Maldives and abroad. Although the group also financially supports distance
	Key Driver: Economic Benefits/ Implicit Corporate Strategy	learning programs the management believes that this type of learning is not very popular among staff.
9.	Dhivehi Rajjege Gulhun Pvt Ltd (Dhiraagu)	Dhiraagu is actively involved in the community development in island, atoll, national and international level. The main areas of focus for Dhiraagu's CSR activities are Health, Education, Environment, Sports, Drugs and Youth Development.
	, , ,	In line with Dhiraagu's concept of "Touch Maldives" the company aims to reach as many people thought out the nation. As a
	Target Area: Social, Environment,	result a number of schools and smaller community projects funding are provided by Dhiraagu. The company has a formal process of applying for funding, which has helped applicants as well as the company to prioritise in
	Economic	funding for the projects. There is an annual budget allocated for external CSR activities which is incorporated into the main marketing budget.
	Target Beneficiaries:	Some of the initiatives undertaken by Dhiraagu under this program include:
	Internal Operations	- Health Sector - contributes in kind and cash to activities conducted by health institutes/ medical associations and
	Society Customers	NGOs that carries out awareness programs and tackling health related issues such as diabetes, cancer and Thalesaemia. Dhiraagu donates cyber centres for National Thalassemia Centre and Society for Health Education Centre.
	Key Driver:	- Education – contributes to education through access to Internet at schools and educational institutions at special

No.	Company	CSR Activity/Initiative
	Corporate Strategy	rates.
		 Conducts a Dhiraagu Apprentice Program where every year the company has committed 10 placements for students to gain experience at Dhiraagu through a structured program. Dhiraagu has established a library/computer lab facility and facilitated with a full time teacher at the orphanage in Maldives. Sports – Dhiraagu supports a verity of sports activities though sponsorships. One of the most notable is the "Dhiraagu Dhivehi League" which they have supported for the past 4 consecutive years. Environment – Dhiraagu is the largest user of solar power in Maldives with solar energy being used as the primary source of power in over 80% of the network distribution sites across the country. Drugs – other than contributing to the course of drug irradiation through supporting NGOs and associations, Dhiraagu has established a toll-free helpline at Maldives Narcotics Control Bureau. Also worked with UNICEF and NNCB as a Communications Partner to conduct the nationwide anti-drug awareness campaign called the Wake-Up Campaign. Has a voluntary Pensions system for employees. Has an employee forum that is headed by 5 senior managers elected by votes. They facilitate efficient communication between staff and the management. Has a very comprehensive staff evaluation and appraisal system. This Ramadan Dhiraagu provides free prayer alert and Zakath payment service.
10.	Four Seasons Resorts	At Four Seasons Resorts, the corporate values are focused in three main areas:
	Landaa Giraavaru and Kuda Huraa	 Building Communities - Four Seasons is committed to being a responsible and caring community partner by having a positive economic impact and supporting community goals, both within and outside the hotel.
	CSR area:	- Advancing Cancer Research - Four Seasons is committed to supporting the goal of eradication of cancer.
	Environmental Social	- Supporting Sustainability - Four Seasons involves employees and guests in the preservation and protecting the planet.
	Internal Operations	In Maldives, the Group is actively engage in two of the three values stated above, namely, community building activities and
	Target Beneficiaries: Society	protection of marine environment, often in a value-adding combination. Following are some of the key initiatives currently underway by the Group.
	Customers Employees	- Coral Reef Transplant – Started in 2005, the Group has been propagating corals in Landaa Giraavaru. Since its inception the Group has transplanted over 60,000 fragments of corals in over 400 coral frames in Landaa Giraavaru
	Key Driver:	with 80% survival rate. The Group started the same project in Kuda Huraa in 2007 and has since successfully installed over 18,600 fragments in over 198 frames. The progress of this initiative is regularly monitored by a resident

No.	Company	CSR Activity/Initiative
	Corporate Strategy	marine biologist. This project has revived the marine diversity around the island and increased the coral cover of the island by 20% . Resort guests are offered the opportunity to sponsor coral frames, funds from which are diverted back to the project making it sustainable in the longer run.
		- Research and protection of Whale Sharks and Manta Rays – Four Seasons Landaa Giraavaru is located in Baa Atoll, where there is significant biodiversity. The marine biologists at the Marine Research Center at Four Seasons conducts research on all aspects of manta ray and whale shark biology and behaviour from migration routes, critical habits and population estimates. To date, the project has identified over 1500 individual mantra rays (the largest recorded population of manta ray database in the world), and over 100 sharks and 450 different sightings in its database.
		- Protection of Sea Turtles – Four Seasons Landaa Giraavaru is a breeding ground for Hawksbill and Green Turtles all year around. The Resort has implemented a number of measures to ensure that sea turtles continue to nest and breed on the islands without impediment. The resort's lighting is positioned in such a way as to minimise alarm to hatching turtles and fencing is put around the egg chamber for protection. Marine biologists patrol the beaches at night to monitor and record data on turtle nests. To date, the Resort marine biologists have assisted a number of stranded female turtles on the beach and helped 80 turtle hatchlings to move safely into the ocean.
		- Environmental Education for the local community – the project was launched in 2008, in coordination to schools and by linking to the national curriculum taught in schools and is aimed to provide students with an opportunity to practice techniques thought in classrooms. Thus far, over 300 students and teachers have toured Landaa Giraavaru Marine Research Centre and been given presentations on environment by the Resort's marine biologists.
		- TVET-Certified Apprenticeship Programme – Launched in 2001, the Four Seasons Apprenticeship Programme is a vocational training programme for young Maldivians who wish to enter into the hotel industry. The objective of the program is to provide apprentices with a firm platform of theoretical knowledge and practical skills to perform successfully in the tourism industry in the Maldives. The Programme is open for Maldivians aged between 16 to 20 years and uses a combination of intensive practical on-the-job training and theoretical classroom sessions. The Programmes is of one-year in duration and focuses on all areas relevant to the industry from food and beverage preparation to safe maritime transport and housekeeping. From 2002 to 2009, over 156 Apprentices have been trainee under this programme. Although the Apprentices are not bonded to work for the Resort, a number of the successful Apprentices take jobs with the Group. Apprentices to participate in the programme are selected by the senior management of the Group visiting 20 islands each year and conducting one-to-one interviews. Apprentices are
		provided with complimentary room and board as well as a monthly remuneration and are able to enjoy the facilities

No.	Company	CSR Activity/Initiative
		of the Resorts that are accessible to full-time employees. The Programme costs between USD50,000 to USD100,000 per year to run.
		Four Seasons Kuda Huraa was also the recipient of the President of Maldives Award for Human Resource Development in the Tourism Industry in 2001, 2002 and 2004.
		- Local Island Garbage Disposal – Four Seasons Landhaa Giraavaru has started working with the nearby islands Kamadhoo, Kihaadhoo and Dhonfanu in assisting in their waste disposal process. The process is designed in two stages, first a thorough cleaning and clearing of garbage of the islands, then followed by monthly transport of waste to Thilafushi. The Resort provides bins to be planted at the harbour area in a shelter built by the local community, where garbage will be sorted to glass, plastics and biodegradable by the community. The transportation process is built into the weekly garbage disposal trip of the resort so that there is marginal cost to the Resort and sustainability is assured. Currently, Four Seasons Kuda Huraa is in discussion with the Bodu Huraa community to set up a simila garbage removal system at the neighbouring island.
		- Infrastructure development linked to awareness programmes - Four Seasons has a philosophy of financially supporting nearby islands which supports their environmental preservation initiative. In order to combine these two things, the Resort has come up with an innovative mechanism. Currently working with Kamadhoo, Four Seasons Landaa Giraavaru has agreed to support the renovation of the public school provided a covenant is signed with the local households to protect turtles and turtle eggs. Similar project is being negotiated with other islands of the Atoll.
		- Four Seasons Kuda Huraa and Huraa Community relationship – Kuda Huras has a very good relationship with the neighbouring island Huraa and financially supports on many community projects and activities. For example, for the past ten years Four Seasons has been sponsoring the of 4 teachers and 2 assistants at the Huraa school.
11.	Heat Gym	Heat Gym has been working with the Diabetics Society of Maldives for several years. Their role has been primarily volunteer work and supporting healthy lifestyle campaigns. The Gym conducted a free special exercise program for diabetes patients for
	Target Area:	six years before it was discontinued due to lack of resources to provide for testing facilities for patients before and after
	Social, Economic	exercise.
	Target Beneficiaries:	
	Diabetics Society	The trainers of the gym continues to support awareness programs of healthy lifestyle though volunteering at workshops and seminars held throughout the Maldives in association with the Ministry of Human Resources Youth and Sports.
	Key Driver:	The Gym currently conducts exercise programs at selected schools at cost in an attempt to create awareness and healthy
	Implicit Corporate	lifestyle amongst the youth.
	Strategy	
12.	Kuramathi Island	Kuramathi Island Resort works very closely with nearby island Rasdhoo, providing a lot of support for development and

No.	Company	CSR Activity/Initiative
	Resort	infrastructure. Some examples include:
	Target Area: Social Target Beneficiaries: Employees	 Contribute towards 2 employees salary of Rasdhoo dedicated to looking after the garbage; Bio Station of the resort works regularly with Environment Club of Rasdhoo School in educating young Maldivians about our fragile ecosystem; Occasionally sponsor events and initiatives of Rasdhoo School and Island that are environment related (e.g.: printing campaign materials)
	Key Driver: Implicit Corporate Strategy/ Economic Benefits	 Mark special occasions such as Environment day with Rasdhoo, E.g. Last year planted 200++ trees from Kuramathi nursery on Rasdhoo, Guests also participated; Involved together with Rasdhoo in government meetings to explore the value of making Rasdhoo atoll into a marine protected area; For staff from Rasdhoo - daily Ferry service is provided to encourage employment for locals; Six times week excursion to Rasdhoo for our guest which help boost their incomes; Provide free consultation for the Rasdhoo people whenever there is a specialist doctor at Kuramathi medical centre - Doctors visit Rasdhoo hospitals; Donated hospital equipments such as ECG and scan machines to Rasdhoo hospital; If urgent medical is require, Kuramathi provides this assistance from Kuramathi medical centre; Complimentary transfers to Rasdhoo residents to Male' based on availability. As recycling of batteries and proper disposal of batteries are not available in Maldives, the resort collects all dead batteries into a bin. This bin is placed at the departure area with a pledge for guests to take back to their countries for proper disposal. The management informed us that many guest do appreciate this innovation and often take them back as a way of supporting environmental preservation.
13.	Lily Beach Resort & Spa Target Area: Environment Target Beneficiaries: Society, Customers Key Driver: Implicit Corporate Strategy	The resort has a turtle conservation practice that has been informally done for the past several years. Employees and guests, when they find baby turtles, bring them and put them in a protective cage until they grow to length of about 10 inches. They are then released into the wild. The operation is informal and small at present and managed by the Launch Section of the resort. The resort informs us that this activity, in addition to preserving a protected species, has helped the attractiveness of the reef and hence the diving activity of the resort.

14. Lintel Investments and Lintel's CSR evo	
	lve around environment and community.
	intel has pioneered in many ways in the non-tourism sector. Some of the notable achievements include the
Pvt Ltd following:	
	s one of the first business to stop using plastic bags
Target Area: - Lintel i	s the First accredited CarbonNeutral® company in the Maldives. Lintel achieved this by completing a program
Environmental laid out	by the CarbonNeutral Protocol, the global standard for organisations to reduce their carbon emissions to net
Social zero.	
Internal Operations Target Beneficiaries: This process inv	
This process hiv	olved an independent third party assessment that calculated the CO2 emission levels associated with the
amount of energ	y used at the company's premises, vehicles, business travel, and wastage and employee transportation. Lintel
cnose purchasing	carbon credits in the Sangli Wind Power project in India, a renewable energy project verified to the
Voluntary Carbo	n Standard (VCS), to reduce its CO2 emissions of 178 tonnes to net zero.
Key Driver:	
Implicit Corporate Although Lintel	does not classify the human resources component as part of its CSR program; Lintel believes its human
	otal to the success in achieving Lintel's goals. Hence, Lintel's comprehensive HR policy enables building a
	rained, well remunerated work force that ensures a sound, effective and efficient management.
15. Maldives National A survey conduct	ted by MNBC indicated that youth viewing population for the local channels are very low. With the aim of
	outh demographic and increase their participation and voice in the issues of the country, MNBC launched a slogan "Youth for Youth" the channel is dedicated for youth and is expected to increase youth interest in
	of the nation. The Channel is managed by a group of young people under the direct supervision of the
	or of MNBC. This has given youth an opportunity to showcase their talent and creatively. MNBC has not
	ow up survey on the success of this channel as of yet, but has been getting a lot of positive feedback for the
Youth innovation.	
Key Driver:	
Corporate Strategy	
16. Maldives Post Limited Maldives Post Li	mited saves cost by reusing mail bags. The postal administration of most countries uses disposable mail bags.
Target Area: Maldives Post Limited Maldives Post Limited Hence Maldives	Post is not required to send the empty mail bags back to the dispatching country except for a few countries.
	bags can be used to dispatch mail by Maldives Post both Internationally and domestically. Thus, this
	st of producing mail bags by Maldives Post, contributing to the overall decrease in cost of operations.
Internal Operation	er e- p-sessing ange and state a very contained and the control of operations.
Key Driver:	
Economic Benefits	

No.	Company	CSR Activity/Initiative
17.	Maldives Water and Sewerage Company Limited Target Area: Social Target Beneficiaries: Society Key Driver: Implicit Corporate Strategy	A subsidiary company of MWSC, Island Beverages Pvt Ltd, produces Taza drinking water. The company donates a predetermined amount of money per bottle sold to a charity. The company currently collects empty bottles from home delivery customers during their delivery trips.
18.	Maldivian Air Taxi (MAT) Target Area: Social Target Beneficiaries: Thalasemia patients Key Driver: Corporate Strategy	MAT provides free air transportation to every Thalasemia patient and a guardian on the routes operated by the company. Thalasemia patients living on remote islands frequently have to fly to Male' for medical reasons. MAT assigns unsold seats on their tourist flights to Thalasemia patients without any charge. MAT has been providing this service for the past 10 years.
19.	Megachip Computers Target Area: Economic Target Beneficiaries: Society Key Driver: Economic Benefits	Provides free training on computer maintenance to interested technicians from island communities. The community benefits as they save time and transportation costs in having to ship computers to Male' for repair. The company benefits as they are able to refer to those technicians for after sales support on the islands.
20.	Muni Enterprises Pvt Ltd Target Area: Social Target Beneficiaries: Society Key Driver: Implicit Corporate Strategy/ Economic Benefits	Muni Enterprises Pvt Ltd contributes to the NGO "Women Against Drugs". Muni also recruits rehabilitating drug users at their company to help them integrate back into the society.

No.	Company	CSR Activity/Initiative
21.	Novelty Printers and Publishes Target Area: Social Target Beneficiaries: Society Key Driver: Implicit Corporate Strategy	Often makes donations in kind – i.e. makes print material for no charges for many NGOs. In order to minimize wastage and in turn save cost, the company now purchases paper in rolls, instead of cut paper.
22.	Shangri-La Maldives Resort & Spa CSR area: Social Environmental	Shangri-La Hotels and Resorts has a Mission Statement that embodies CSR into its core values: "We envision a community of responsible and educated citizens who are environmentally conscious, practice social responsibility in their daily lives and inspire others to do the same. We commit to operating in an economically, socially and environmentally responsible manner whilst balancing the interests of diverse stakeholders. We strive to be a leader in corporate
	Internal Operations Target Beneficiaries: Employees Society	citizenship and sustainable development, caring for our employees and customers, seeking to enrich the quality of life for the communities in which we do business, and serving as good stewards of society and the environment." The Group's CSR vision is divided into Environment, Health & Safety, Employees, Stakeholder Relations, Supply Chain, Embrace and Sanctuary.
	Key Driver: Corporate Strategy/ Economic Benefits	Some of the initiatives taken by the Group in the Maldives are: Community: Since October 2009 the Resort signed an agreement with the Foundation for Medhoo Development (FMD), committing to purchase local fruits and vegetables. The resort consumes over 25 different varieties of fresh fruit and vegetable from Medhoo farms in Addu Atoll presently. Since the resort's opening it purchases Maldivian coconut oil, specially made from freshly harvested coconuts by the local community of Fuvmulakah, near Villingili. The coconut oil is used for CHI, The Spa treatments. The partnerships are continuous and successful, providing a win-win situation.
		Environment: The Resort, which is built on an island where turtles breed, actively engages in protection of turtles through protecting the nesting areas by cordon and special signboards. The Resort also runs a manta ray conservation project to preserve manta rays and create awareness among staff, guests and local community. The Resort also works with local NGOs in protecting and preserving the environment. Furthermore the resort was build with the intention to save resources and protect the environment. Solar panels are placed on the roofs of all guest villas to heat water and reduce energy consumption and all

No.	Company	CSR Activity/Initiative
		villas are enveloped by insulation materials to keep-in cooled air and prevent heat gain.
		Employees: In addition to the training and other benefits to the employees, the resort provides daily transportation to and
		from the nearby islands in Addu, enabling a number of staff to live with their families within the local island community. The
		resort offers different employee activities on a weekly basis. Moreover it brings employees and the local community together
		through regular activities like football matches and tree planting.
23.	Soneva by Six Senses	Soneva by Six Senses has CSR embedded in its corporate values. Its core value is "To create innovative and enlightening
		experiences that rejuvenate our guests' love of SLOW LIFE*"
	CSR area:	
	Environmental	*SUSTAINABLE – LOCAL – ORGANIC – WHOLESOME LEARNING – INSPIRING – FUN – EXPERIENCES
	Social	Six Senses focuses on providing sustainable experiences for their guests, hosts and other stakeholders. The group is committed
	Internal Operations	to using sustainable material and local sourcing wherever possible, as well as providing quality and origin of the food that is offered, and to the innovative experiences that not only are fun, but also heighten guests' knowledge.
	Target Beneficiaries:	offered, and to the finovative experiences that not only are fun, but also neighben guests knowledge.
	Society	
	Customers	The group organizes all its operation and systems to ensure reduction of carbon footprints that result from transporting goods over long distances, and sourcing of prime produce from local communities are embedded it to its SLOW LIFE concept. The
	Employees	group also aims to create awareness amongst the guests of the initiatives, the objective being to teach them on how to reflect
	F	the philosophy into their own lives, and how these intelligent alternatives benefit them individually, and our planet as a whole.
	Key Driver:	the philosophy into their own rives, and now these intelligent attenuatives benefit them individually, and our planet as a whole.
	Corporate Strategy	Some of the initiatives taken by the group in Maldives include:
		- Banned importing drinking water. Drinking water is now made on site, by using glass bottles that are reused. This eliminates one way plastic bottles.
		- The guest rooms are designed in such a way to minimize electric usage.
		- Participates in national and local conservation efforts
		- Has a turtle preservation
		- Has a fund allocated to support social and development activities called the "Social and Environmental Responsibilities Fund" (SERF). SERF is funded by 0.5% of total revenue of each resort. This funds Six Senses global efforts on external CSR, as well. In Maldives, proposals submitted to Soneva are reviewed by a committee. The funding priorities are determined by

No.	Company	CSR Activity/Initiative
		Soneva priorities which are aligned with the Millennium Development Goals and national and island priorities. Successful projects are monitored though the implementation stage. Mainly donates on thematic focuses, where environment and biodiversity are always key priorities. Other focuses include livelihood support, education and health care. Examples of other projects include Chilli paste production project and co-financing and building schools. Monitoring of these projects is done through their informal network of staff ambassadors. These projects have created a lot of goodwill in the local communities.
		- Regular interactions with staff: In addition to the monthly "meet the management" forum employees has a GM Flag. These GM Flags allows direct access to the GM on occasions where employees are able to solve issues with the management. No staff with the GM Flag is denied access to GM.
		- Co-value Guardians: There is a dedicated group of people designated to deal with any persons who does not follow these core values. This group is lead by the Chairman & C.E.O. Mr. Sonu Shivdasani.
		- Six Senses has 13 core-values stated as follows:
		o "We display fairness and integrity, and foster mutual trust and care in our dealings with our employees, our business partners and our clients. o We try to deal with others as we would want them to deal with us, and others. o We foster the development of all our employees; we respect each other's contribution and importance. o We are continuously evolving and striving to better ourselves through a passion for self-improvement and learning. o We create a sense of pride and a feeling of "ownership" amongst our hosts and each host strides to own and immediately resolve guest problems. o We are in harmony with the environment and our cultural surroundings. o We contribute our resources, both financial and human to help better the environment and the community, which we live in. o We are creative and innovative. o We are creative and innovative. o We create a work environment of teamwork and imaginative service so that the needs of our guests and each other are met. o We are involved in the planning of the work that affects us. o We appeal to all the Six Senses (sight, sound, smell, taste, touch and beyond) o We believe in Intelligent Luxury, Innovative Style, Redefining Experiences and Balancing Senses.

No.	Company	CSR Activity/Initiative
		o We really enjoy ourselves."
		- Encourages guests' volunteerism through a special package called "Eco Seasons package" where guests are offered free stay for undertaking community work.
24.	State Electric Company Limited (Stelco) Target Area: Social	Stelco has a management committee called "Energy Conservation Committee". The primary function of this committee is to create awareness about electricity usage. The committee organizes ad hoc information sessions with schools. Currently this process is not done is a systematic manner. However, the management believes that it was a social responsibility to create more awareness on electricity wastage and energy conservation and in the future will focus to make the committee more
	Target Beneficiaries: Society Key Driver: Implicit Corporate Strategy	effective.
25.	State Trading	STO is the only dedicated non-tourism sector company that publishes a CSR report. The first CSR report of the company was
	Organisation PLC	released with the 2009 Annual Report of the Company.
	Target Area: Economic Social	STO has CSR embedded to its vision, mission and core values. Its core-values are as follows: "Nation first – national interest is number one priority Customer focus - delight each and every customer
	Internal Operations	Employee well-being – pleasant workplace, learning and growth Leadership – excel with reliability, integrity, honesty and transparency
	Target Beneficiaries: Society	Social Responsibility – care for the society and development."
	Employees	STO's CSR mission spans across 4 main areas – society, market, staff and environment.
	Customers	Some activities undertaken in the past in these areas are briefly listed below:
	Key Driver: Corporate Strategy/ Economic Benefits	Society - Supply of uninterrupted staple foods, medical items and fuel to the Maldivian market STO runs a successful blood donation program in association with Maldives Doctors Association - STO supports a number of NGOs and sponsors many social events Market - Price stabilization through supply of basic food items especially during Ramadan Runs training programs for heavy vehicle drivers in an attempt to increase number of skilled local drivers Employees
		- Emphasizing training and development and creating a good working environment

No.	Company	CSR Activity/Initiative
		Environment
		 Emphasis on supplying environment friendly merchandise, especially white goods to local market. In 2009 the company introduced re-usable, eco-friendly shopping to discourage use of plastic bags. Waste and energy minimization in all aspects of operations.
26.	Universal Enterprises Maldives Pvt Ltd Target Area: Social and economic Target Beneficiaries: Society Key Driver: Implicit Corporate	The group currently supports a virgin coconut oil production facility a project in H.A Kela. The coconut oil production is done by a group of women and Universal has an agreement to purchase the production for use at their spas. Further, the group also donates a certain amount or money per bottle sold to a charity fund. This process helps empower the women community in Kela and provides a sustainable livelihood to the group of entrepreneurs. As a result, the resort spas can showcase Maldivian spa oil, which can also be used as a souvenir.
	Strategy	
27.	Sun Foundation Target Area: Social Target Beneficiaries:	Sun Foundation – a non-profit organisation funded by Olhuveli Beach and Spa Resort, Sun Hotels and Resorts Pvt Ltd and Emerald Resorts Pvt. Ltd executes the external CSR activities of these companies. In addition to contributing to medical need and education and infrastructure projects at a random basis.
	Youth	Some notable initiatives include:
	Key Driver: Corporate Strategy	- Enrichment Program – a workshop style examination preparation session aimed at students and parents undertaking O'Level, A'Level and National Dhivehi and Islam examinations. Resource people travel to selected islands and deliver these courses which help students to better prepare for their examinations, and parents to understand their role in children's education and examination preparation. According to the Foundation, this program has been so successful that they are getting requests to run them as paying participants.
		- In the process of commencing a legal awareness program for grade 8, 9 and 10 students. The program was initially developed by the Attorney General's Office with the assistance of UNICEF. The target institutions for the programs are secondary schools (students, and teachers) and officers working in the island offices. The program was designed to provide information related to activities which are criminal in nature, legal issues and ramification in a simple manner, especially targeted to those who are at a vulnerable age to influences of criminal activities, with the aim of deterring them and creating a positive atmosphere among youth. The program also provides valuable insight for enforcers on similar issues so that enforcement is strengthened and better counselling is available for potential young offenders. The program is 3-days long and is expected to be run in a number of islands in Maldives.

No.	Company	CSR Activity/Initiative
28.	Villa Foundation	The Foundation was registered in 2003. The Foundation was established to implement CSR activities of the Villa group of
	Target Area:	companies. The main CSR focus of the fund is education and health. According to the Management, the foundation has an
	Social	annual budget of USD 7 to 8 million contributed by Villa group companies.
	Target Beneficiaries:	
	Society	The most notable activity of the Foundation is its Educational loans and scholarships scheme. Each year a list of scholarships
	Youth	for specific programs from Villa College and international institutions are advertised nationally. The selection process of
		selection of candidates for these scholarships is transparent and involves an independent selection committee, using evaluation
	Key Driver:	criteria that take into consideration the financial standing of the candidate in addition to the academic merit. This enables a
20	Corporate Strategy	number of persons of limited means achieve higher education locally and internationally.
29.	Wataniya Telecom	Wataniya believes that they should embrace Corporate Social Responsibility (CSR) principles in their work and in the community in which they operate.
	Target Area:	
	Economic, Social	They recognize and accept the need to embrace actions that go beyond the financial obligations of conducting business. Wataniya aims to be recognized as a responsible corporation that values the community it serves, the environment it operates
	Target Beneficiaries: ICT	in and the workplace it offers to its employees. The company has three basic policies:
	Customers	Community Policy – to contribute positively to the community by supporting initiatives that promote sustainable national
	Society	and social development.
	Key Driver:	Environment Policy - recognize that caring for the environment is an important element of their business in the Maldives.
	Corporate Strategy	They aim to adopt practices that reduce the direct and indirect impacts of our business on the environment
		Workplace Policy – to promote safe and healthy environment for all its employees.
		In Maldives Wataniya has committed, by the contract entered into with the Government of Maldives to allocate 1% of total revenue towards CSR programs. Some of the initiatives undertaken by Wataniya include:
		- In partnership with the National Centre for Information Technology (NCIT) and Communications Authority of Maldives (CAM) has begun the process of establishing the first ICT Incubator in the Maldives. The Wataniya Information and Communication Technology (ICT) Incubator was launched on 17th May 2010. As part of its CSR initiatives, Wataniya has pledged its support to the project for 3 years. The Incubator is designed to nurture ideas through a comprehensive business support program, to help them establish and accelerate growth and success. The Wataniya ICT Incubator is expected to provide a vibrant environment for young entrepreneurs to establish ICT ventures, learn valuable business and technical skills. It's a concept that has been successfully adopted throughout the world.

No.	Company	CSR Activity/Initiative
		The Wataniya ICT Incubator will provide infrastructural, business development and investment support to the
		Clients, specifically:
		 Infrastructural support, including fully-equipped plug n play office/cubicles with free phone and Internet services, free meeting room space, free administrative and secretarial support
		 Business development support including specialized and expert consultation on business development, marketing, networking and mentoring services
		 Investment support including matching of ideas/development with potential investors.
		- mLearning, or Mobile Learning, is an innovative and interactive learning concept that uses advanced technologies to provide education anywhere.
		With mLearning, students and learners can use mobile devices, like laptops, to participate in virtual classrooms.
		mLearning uses real-time video and audio streaming that allows students to communicate with both the lecturers and other students.
		This arrangement saves time and cost of travel for students. An archive of lectures is also available for later reference.
		The first mLearning course offered under this initiative, the Executive Diploma in Marketing from the University of
		Colombo, is a 1-year course fully accredited by the Maldives Accreditation Board. Students are expected only to pay
		the tuition fees of the University, and no additional services for the mLearning and internet usage. Wataniya expects
		to introduce other courses in the near future and registration will be available on our website.
		- This Ramadan Wataniya provides free prayer alert and Zakath payment service.

5 Conclusion and Recommendations

5.1 General Recommendations to All Promoters of CSR

The following are general recommendations which are applicable to all stakeholders involved in CSR promotion including the Government, Business Associations, Civil Society Organizations, Media and Academic Institutions.

1. **Awareness Raising and Advocacy** – one of the inhibitors of wider CSR practices is the lack of awareness about CSR across all stakeholders. Any and all non-business stakeholders can play important roles in raising awareness about CSR. Awareness programs should target all stakeholders including businesses, employees, customers, general public and non-business sector stakeholders:

Businesses – awareness raising targetted to broaden the understanding of the concept and scope of CSR, and educate on benefits and business case for CSR, and how to integrate CSR into business practices. Increase awareness of national and international standards and codes of conduct such as Corporate Governance Code and Global Compact principles.

Public and consumer – the incentives for businesses to incorporate CSR practices should ultimately be driven by consumers and the public. Awareness raising campaigns can be used to educate the consumers of the necessity for better CSR practices, to empower consumers to exert pressure on businesses to deliver on CSR. No business can afford to ignore consumer demand. This is evident from the CSR practices in the tourism sector in Maldives.

Employees – on raising awareness of employee rights and empowering them to engage with employers

CSR promoters — on their roles and avenues for partnerships with the businesses and other stakeholders

2. **Promoting the business case for CSR** – if businesses understand the business case for CSR they would embrace it. For instance, if businesses are convinced that better working conditions can minimize staff absenteeism and raise staff productivity, they would be pay closer attention to improving

working conditions for staff. Tourist resorts implement environmental protection measures because they understand it is essential for the long-term sustainability of the business and the industry. The business case for CSR includes revenue growth and market access, cost savings and productivity, access to capital, risk management, brand value and reputation among other benefits.

- 3. *Capacity building* capacity building on CSR implementation is required both within businesses and among non-business stakeholders. Capacity building programs for businesses should target management, employees and board of directors. Capacity building should enable company directors to integrate CSR at strategic level and equip staff and management with the capacity to integrate CSR practices into business operation.
- 4. *Institutional Strengthening* identify focal points within the government and business associations to champion and lead CSR promotion. Establish a CSR forum/network consisting of representatives from business and non-business stakeholder groups to formulate and endorse a national CSR policy framework, ensure wider participation and ownership of CSR, develop strategic action plan for CSR promotion and to establish guidelines for CSR implementation.
- 5. **Research and information sharing on CSR** research aimed to broaden CSR theoretical knowledge, explore business case for CSR and ways to strengthen CSR practices can broaden the understanding of CSR, and identification of CSR best practices for large and small companies acting in different industrial sectors.
- 6. *Endorse voluntary programs* identify and endorse CSR voluntary programs, initiatives and standards that would stimulate business engagement. Eg: Global Compact, Corporate Governance Code, ISO certification.

5.2 Recommendations for Government Institutions

1. **Setting national CSR policy and focal point** – government should create a designated focal point within the government to establish, orchestrate and promote a national CSR agenda. However, CSR should not be made mandatory on businesses. Mandating CSR goes against the general principles of CSR and the corporate sector is also of this opinion.

- 2. **Awareness and capacity building** Government institutions can play a vital role in promoting CSR through creation of awareness and technical assistance for capacity building. General awareness on CSR also needs to be created within their own institutions and public circles.
- 3. *Facilitating stakeholder dialogue* government should facilitate dialogue between all stakeholders and enable sharing experiences within the country.
- 4. Strengthening regulatory framework While it is not recommended that Government regulations are overly restrictive, there is a positive effect when government sets minimum standards on certain aspects of CSR. From the experience of the tourism sector, it is clear that regulations help to promote CSR in two important ways; firstly regulations raises businesses' awareness of the importance of the issue, and secondly, when there are minimum standards companies grasp the direction for progress and strive to go beyond what is required by law. Another example is the recently enacted Employment Act which was an eye opener for many businesses on the importance of employee welfare, and more than a few companies claimed that they strive to do more than what is required in the law. In the experience of MACI, lack of adequate regulations was a deterrent to responsible behaviour. Advertising standards and consumer protection are among areas that need strengthening.

Further, the Government needs to strengthen enforcement of laws and regulations to enable the well-intending companies to prosper and create an advantage for good practice.

- 5. Creating predictable and conducive business environment the Government needs to create a positive, transparent and stable business environment. Due to lack of awareness on government policies and plans, businesses are apprehensive of the Government and doubtful about the future.
- 6. Providing recognition and incentives Government can also offer incentives and recognition for companies implementing CSR initiatives. Such measures may include duty exemptions and subsidies (e.g.; import duty reductions for environment friendly products), and introduction of special CSR awards. Recognition should be given to not only the very top performers (as such awards may not motivate average and mediocre performers to do better) but also recognize and award improvements and meeting of set performance standards.
- 7. *Emphasizing CSR in Government procurement policies* Government procurement policies should be made more sensitive to CSR concerns.

Government being the biggest customer can have tremendous influence on businesses' CSR practices by aligning its procurement policies to promote CSR.

5.3 Recommendations for Business Associations

- 1. Strengthening link with business sector business associations could potentially play a key role in promoting CSR as they stand closest to businesses. However, as a first step it is essential for the business associations to build stronger clout with their members. Once associations are able to demonstrate that it can add value for the members, businesses will want to be part of the associations and work together to achieve shared goals.
- 2. **Setting voluntary standards for members** Business associations should help lift the general standards in the industry by setting voluntary standards and guidelines for the members which goes above and beyond the mandatory requirements of the law. While the Government regulations set the minimum standards, it is the business associations that can take CSR further by setting higher targets. Business associations are the ideal platforms where businesses can share experiences and best practices on CSR.

Business sector consider business associations as institutions that can become more credible and have the potential to coordinate CSR initiatives and plans of individual member companies to create synergy and attain greater reach and impact. In fact, majority of the businesses interviewed stated that an independent association such as MNCCI would be the ideal focal point to lead CSR promotion. MNCCI can play a lead role in advocating national and international voluntary standards such as endorsing the UN global network principles, the Corporate Governance Code, and management standards such as ISO26,000 and ISO 14000. Business associations should work with government and CSOs to pool resources to advocate good business ethics and practices.

5.4 Recommendations for Civil Society Organizations

1. CSR promotion – NGOs are in an ideal position to promote CSR not only among businesses, but also among the general public. Awareness campaigns targeting general public on ethical consumption and sustainable models of living will not only help lessen individual's impact on the society and the environment, but, in the long run, create pressure on the businesses to take broadly understood human rights/ethical issues into consideration in their

- activities. However, to effectively carry out CSR promotion, more NGOs dedicated to CSR promotion needs to be established.
- 2. **Relationship with business sector** NGOs should strive to build closer cooperation and gain the trust of the business sector in order to align the CSR priorities of NGOs and the businesses. Frequent dialogue, better organization, and greater transparency and accountability in reporting from NGOs will help win the trust and cooperation from the business sector.
- 3. **NGO** capacity building civil society organizations should focus on building their internal capacity on CSR implementation, and accountability and transparency in reporting.

5.5 Recommendations for Media

- 1. *Creating public awareness* media plays an extremely important role in sensitizing and educating the public on CSR. At the same, media should play an important role in promoting responsible and ethical behaviour in the businesses sector.
- 2. **Capacity building** one of the biggest challenges for the media is the lack of qualified and experienced journalists who are able to engage in investigative journalism. Media needs to build expertise on CSR and investigative journalism through capacity building initiatives.
- 3. *Collaboration with other stakeholders* CSR promotion should be a collaborative effort of all the stakeholders involved in CSR promotion. Moreover, since the media lacks content expertise on CSR, government institutions, business associations and CSOs can provide the content for the CSR campaign of media. Media attention can help improve the appeal of CSR awards by communicating to the wider public.

5.6 Recommendations for Educational Institutions

- 1. Integration of CSR into curriculum the biggest contribution educational institutions can make in promoting individual and collective social responsibility is through sensitizing and educating the future generation of managers and employees. The curriculum of programs offered in the faculties of business and economics needs to be more elaborate on CSR education to ensure that future managers are equipped with the right attitude and skills to implement CSR strategies within companies.
- 2. **Executives programs on CSR** executive programs and seminars on CSR can be developed to help educate business leaders and managers on CSR principles and share international and local best practices.

- 3. **Research on CSR** academic institutions should make CSR an area of academic research. Presently there is a dearth of literature on CSR in the Maldivian context. Academic institutions can make an immense contribution to promoting CSR through research findings.
- 4. *Collaboration with other stakeholders* academic institutions can collaborate with businesses to effectively introduce future managers to ethical and responsible business etiquette. Such initiatives include making internship arrangements for practical experience to students at exemplary companies. Students and lecturers can also be involved to conduct process assessments in companies. Academic institutions should also tap into funding and resources from state agencies and business community to develop CSR curricular and facilitate better transition from academia to employment.

5.7 Recommendations for Businesses Sector

1. *CSR strategy* – Companies should aim to develop and articulate a specific CSR strategy. CSR is inseparable from the way companies do business, hence a formal strategy on CSR is essential to incorporate CSR into the core business. A strategy helps direct the attention of managers and employees on CSR, mobilize resources for CSR, and improve the overall CSR performance of the company.

There should be a designated focal point within the Government, or an NGO specializing on CSR that can assist businesses in developing well-rounded CSR strategies suited to their business.

The research indicated that the Global Compact Network could be an ideal starting point to introduce CSR as an integral component of business values and strategy. Such a network will enable sharing of local and global best practices in CSR implementation. The principles of the Global Compact will especially help businesses to integrate the internal dimension of CSR into their strategy.

- 2. **Stakeholder engagement** in formulating the CSR strategy companies should identify the stakeholders and develop a policy for communicating with the stakeholders. Most companies do not appreciate that there is a need for stakeholder engagement because they do not fully comprehend the complexity of CSR. Promoters of CSR should exert greater effort to raise the awareness of CSR in the business sector.
- 3. **Performance management and governance** evaluation measures is an integral part of the CSR strategy. When companies formulate their CSR strategies it should clearly state the indicators of performance, and in the course of strategy implementation performance shall be monitored to ensure that the CSR goals are being achieved. Without performance management measures it would be impossible to know what works and what does not.

Currently, performance management is the area which businesses are weakest in CSR implementation.

Depending on the size of the company, there should be at least a designated senior person within the company, who ensures governance in CSR implementation. This person's role will be to monitor and report to the management on the implementation of CSR strategy. Large companies with extensive CSR involvement may also consider third party assurance as part of governance process.

- 4. **Public disclosure** if companies implement a cohesive CSR strategy companies would be more willing to report their CSR engagement. Currently, companies are hesitant to report their CSR activities because they believe their CSR involvement is not significant or are unconvinced of the business case for CSR. Businesses are doing a lot in terms of CSR under different names. Once businesses formulate their CSR strategy and implement all their activities under the umbrella of CSR, it would be something significant to report on. If businesses are to report their CSR engagements, it will open up opportunities for coordination of CSR initiatives across businesses, and facilitate better research and interstakeholder dialogue resulting in general improvement of CSR.
- 5. *CSR awareness* companies should strive to permeate the principles of CSR through own efforts to educate themselves and employees on CSR. In the absence of adequate CSR promotion by the non-business sector, the avenues for companies to learn about CSR are limited, except through their own ingenuity.

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Annex 1: Laws, Regulations, Conventions, Awards and Institutions Relevant to CSR

(in chronological order)

Year	Name	Details
Anti-Co	rruption	
1991	Anti-Corruption Board	Anti-Corruption Board was established on 21st of April 1991 under a Presidential decree. After the establishment of Anti-Corruption Commission in 2008 this Board was dissolved.
2000	Prevention and Prohibition of Corruption Act (Act No. 2/2000)	Prevention and Prohibition of Corruption Act (Act No. 2/2000) – aims to prevent the offer and acceptance of bribery, the prevention and prohibition of attainment of undue advantage or the facilitation of attainment of undue advantage through use of influence from position, and the prevention of such.
2007	Public Finance Act (Act No. 3/2007)	Sets out procedure for public procurement.
	Audit Act (Act No. 4/2007)	Established an independent Auditor General's Office and sets out roles and responsibilities and powers of the Auditor General.
2008	Anti-Corruption Commission Act (Act No. 13/2008)	Establishes the Anti-Corruption Commission of the Maldives and sets out the functions, powers and responsibilities of the Commission.
Coming	Anti-Corruption Commission Integrity Award	Anti-Corruption Commission is an independent body established under the Anti-Corruption Commission Act in 2008. The responsibilities of the Commission include investigation of corruption complaints, recommend for inquiry by other institutions matters that need to be further dealt by the institutions, recommend prosecution of offenses that require prosecution, conduct surveys and recommend measures to prevent corruption, create public awareness on the debilitating effects of corruption, promote honesty and integrity among public officials and to implement the Prevention and Prohibition of Corruption Act 2/2000 and to formulate and implement the necessary regulations under the Act. The Commission conducts awareness campaigns targeted at private sector, specifically focusing on the rules of procurement of government. The workshops are conducted in Male' as well as other islands. During 2010 the Commission plans to conduct workshops targeted at NGOs, SOEs and the Government employees. Integrity Award is to be introduced in the Republic of Maldives.
Soon	imegniy 24wara	As part of the Anti-Corruption Commission Anti-Corruption Strategy, the Integrity Award aims to reward exemplary work done to eradicate corruption by the citizens, NGO's, associations, public institutions and the private sector.

Year	Name	Details
Enviro	nment	
1986	Convention Concerning the Protection of the World Cultural and Natural Heritage, 23 November 1972	Ratified 22 May 1986
1987	Fisheries Act (Act No. 5/1987)	The Act gives the Ministry of Fisheries and Agriculture the right to prohibit, for a specified period, the fishing, capturing or the taking of such species or the right to establish special sanctuaries from where such species may not be fished, captured or taken for the purpose of conservation of marine species.
1988	Vienna Convention for the Protection of the Ozone Layer	Accession 26 April 1988
	Vienna Convention for the Protection of the Ozone Layer Vienna, 22 March 1985.	Accession 26 Apr 1988
1989	Montreal Protocol on Substances that Deplete the Ozone Layer	Ratified 16 May 1989
	Montreal Protocol on Substances that Deplete the Ozone Layer, Montreal, 16 September 1987.	Ratified 16 May 1989
1992	Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal	Accession 28 April 1992
	Convention on Biological Diversity	Ratified 9 November 1992
	Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal Basel, 22 March 1989.	Accession 28 April 1992
	United Nations Framework Convention on Climate Change New York, 9 May 1992.	Ratified 9 November 1992
	Convention on biological diversity. Rio de Janeiro, 5 June 1992.	Ratified 9 Nov 1992
1993	Environment Protection and Preservation Act (Act No. 4/1993)	
	Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, London, 29 June 1990.	Accession 31 Jul 1993
	Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer London, 29 June 1990.	Accession 31 Jul 1993
1995	Green Leaf Award	This is an award granted to individuals and groups that have contributed to environmental conservation in the Maldives.
1996	Maritime Zones of Maldives Act (Act No. 6/96)	Establishes Maritime zones of the Maldives.

Year	Name	Details
1997	The President of Maldives Green Resort Award	The President of Maldives Green Resort Award was announced in 1997 at a function held to commemorate 25 years of tourism in the Maldives. This aimed to recognize the fragility of the tiny islands of the Maldives and the need for environmental protection to ensure the sustainability of the tourism industry. This award is the only environment award directed at the tourism industry. The Award aims to encourage tourist resorts to adopt and embed green policies in their development and operation.
1998	Kyoto Protocol to the UN Framework Convention on Climate Change	Ratified 30 December 1998
1999	Tourism Act (Act No. 2/1999)	Mandates that proper environmental impact assessment are carried out and submitted for approval from Ministry of Environment before undertaking any development activity on a tourist resort that may permanently change the natural environment of the island, such as land reclamation, dredging of lagoon, and felling of coconut palm and trees. The Ministry of Tourism also has set operational guidelines for resorts including proper waste disposal, use of ground water, fire safety, maintaining parity on employment of local people, food hygiene and general standard of services.
2001	Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, Copenhagen, 25 November	Acceptance 27 Sep 2001
	1992. Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer adopted by the Ninth Meeting of the Parties Montreal, 17 September 1997.	Acceptance 27 Sep 2001
2002	Cartegna Protocol on Biosafety	Accession 3 September 2002
	Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer Beijing, 3 December 1999.	Accession 3 September 2002
	Kyoto Protocol to the United Nations Framework Convention on Climate Change. Kyoto, 11 December 1997.	Ratified 28 Mar 2002
	Cartagena Protocol on Biosafety to the Convention on Biological Diversity Montreal, 29 January 2000.	Accession 3 Sep 2002
	United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa Desertification, Particularly in Africa. Montreal, 16 September 1987.	Accession 3 Sep 2002
2005	International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004	Ratified 22 June 2005

Year	Name	Details
2006	Stockholm Convention on Persistent Organic Pollutants Stockholm, 22 May 2001	Accession 17 Oct 2006
	Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, Rotterdam 10 Sep 1998 Regulation on Protection and Conservation of Environment in	Accession 17 Oct 2006
2007	Tourism Industry	
2007	Environment Impact Analysis Regulations 2007	
Govern	ance	
1996	Companies Act (Act No. 10/1996)	Governs the process of formation and management of companies.
	Partnership Act (Act No. 11/1996)	Governs the process of formation and management of partnerships.
	Consumer Protection Act (Act No. 1/1996)	Specifies conditions for sales of goods and purchases and rights of the consumers. Only one case has been filed under this Act thus far.
2006	Maldives Securities Act 2/2006	This is the law governing securities business in the Maldives. The Act established the Capital Market Development Authority to develop and regulate a capital market in the Maldives, and issue of licenses in relation to capital market activities of the securities market.
	Capital Markets Development Authority	The Capital Market Development Authority (CMDA) is responsible for developing and regulating the capital market in the Maldives. It has statutory powers to license securities market intermediaries including brokers, dealers, investment advisers, as well as stock exchanges and central depositories. The CMDA was established under the Maldives Securities Act, 2006 and commenced operations on 26th January 2006.
		CMDA is actively involved in creating awareness of corporate governance amongst the private sector and state owned enterprises.
		CMDA is currently working with the Ministry of Finance and Treasury to mandate the Corporate Governance Code on the SOEs.
	The Capital Markets and Corporate Governance Institute	The Capital Markets and Corporate Governance Institute (CMCGI) was established by the CMDA on 15th July 2006 with the objective to provide training and certification to ensure the good conduct and professionalism of market intermediaries, to raise market awareness and to promote good corporate governance in the Maldives.
2008	Corporate Governance Code	First written in 2006, the Code became mandatory on public limited companies in 2008. Sets guidelines for corporate governance, accountability and transparency in business operations. Adherence to Corporate Governance Code is mandatory for listed companies.

Year	Name	Details	
2009	Corporate Governance National Award	The Award, first established in 2007, aims to encourage companies to improve their governance practices. Companies listed on the Maldives Stock Exchange and other companies registered in the Maldives are eligible to apply for the award for Excellence in Corporate Governance starting from January 2009.	
Current	Building Act [under development]	The draft Building Act 2009 sets building standards and performance requirements, and duties of developers, qualified persons, site supervisors, builders and owners.	
Human	Rights and Labour		
1984	International Convention on the Elimination of All Forms of Racial Discrimination	Accession 24 April 1984	
1990	Prevention of Terrorism Act (Act No. 10/1990)	The Act prohibits acts of terrorism, and imposes severe punishment for offenders.	
1991	Convention on the Rights of the Child	Ratified 11 February 1991	
1993	Convention on the Elimination of All Forms of Discrimination Against Women	Accession 1 July 1993	
2002	Optional Protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography	Ratified 10 May 2002	
2004	Convention Against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment	Accession 20 April 2004	
	Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict	Ratified 29 December 2004	
2006	Human Rights Commission Act (Act No. 6/2006)	Established the Human Rights Commission as an independent legal entity mandated to protect, promote and sustain human rights in the Maldives, and to assist NGOs.	
	Human Rights Commission of Maldives	The Human Rights Commission of the Maldives was first established on 10 December 2003 as an independent and autonomous statutory body by Decree by the President of the Republic of the Maldives. The Commission was later reestablished under the Human Rights Commission's Act in 2006. The aim of the Commission is to lead the promotion and protection of Human Rights under the Maldives Constitution, Islamic Shari'ah and regional and international Human Rights Conventions ratified by the Maldives.	
		Although Human Rights Commission currently focuses mainly on the public sector, the Commission also works with the private sector, specifically in creating awareness on human rights issues.	
	Optional Protocol to the International Covenant on Civil and Political Rights (OPICCPR)	Ratified 19 September 2006	
	International Covenant on Economic, Social and Cultural Rights (ICESCR)	Ratified 19 September 2006	
	Optional Protocol to the Convention on the Elimination of All Forms of Discrimination Against Women	Ratified 13 March 2006	

Year	Name	Details
	Optional Protocol to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment	Accession 22 June 2006 (founding member)
2008	Employment Act (Act No. 2/2008)	Specifies the rights and duties of employers and employees. The Employment Act specifically prohibits forced labour, discrimination at work place, and child labour.
2009	Pension Act (Act No. 8/2009)	Mandates upon every employer to enrol all employees on a defined contribution pension scheme
	Employment Tribunal	The Tribunal was established pursuant to the Employment Act with the objectives of examining and arbitrating legal matters arising in the work environment between the employer and employee and any matters ascribed to the Employment Tribunal pursuant to the Employment Act or any other Act or regulation or under any agreement, in an expeditious and simple manner.
2010	The Convention on the Rights of Persons with Disability (CRPD)	Ratified 1 April 2010
	Sexual Harassment Bill [under development]	Defining sexual harassment in work place and assigns responsibilities for prevention of different stakeholders of such acts and sets out penalties for the offenders
[year]	The President of Maldives Award for Human Resource Development in the Tourism Industry	The President of Maldives Award for Human Resource Development in the Tourism Industry was established to encourage hoteliers and resort operators to invest and contribute towards training and development of staff in order to demand for qualified staff within the tourism industry.

Annex 2: List of Persons Met

No	Name of Institution	Type	Name	Designation
1	Clique College	Academia	Naushad Mohamed	President
2	Maldives Centre for Higher	Academia	Aishath Ali	Registrar
	Education		Fayyaz Ali Manik	Vice Rector, Academic
			Hussein Haleem	Vice Rector, Administration
			Mohamed Musthafa Hussein	Director
3	Mandhu College	Academia	Aagisa Moosa	Manager, Promotions
4	Villa College	Academia	Abdul Munnim Mohamed Manik	Chief Financial Officer
			Ali Najeeb	Director
			Mohamed Adil	Dean- Faculty of Computing and Business Management
			Nuha Nizam	Vice Rector
5	AAA & Trading Company Pvt Ltd	Business	Niyaz Mohamed	General Manager, Projects
6	Adaaran (Resorts under Adaaran Management - Water Villas, Vadoo, Ocean Villas, Meedhupparu, Hudhuran Fushi, Rannalhi)	Business	Ahmed Salih Hassan	GM Operations and projects/Director
7	ADK Hospital	Business	Ahmed Afaal	Managing Director
8	Alysen Services Pvt Ltd	Business	Mohamed Ali Janah	CEO
9	Amin Construction	Business	Abdulla Mohmaned	Managing Director
10	Antifire Company Private Limited	Business	Ali Nashid	Assistant Finance Controller
11	Ashrafee Bookshop	Business	Adam Ibrahim	Managing Director
12	Banyan Tree Vabbinfaru	Business	Sofia Ahsaan Adnan	Area CSR Manager
13	Bank of Maldives PLC	Business	Aishath Nooradeen	Executive Director
			Moamhed Haleem	Head of Corporate Affairs
			Ramesh Krishnana	Acting Chief Executive Officer / Chief Operating Officer
14	Bandos Island Resort	Business	Waheed Deen	Managing Director
			Ismail Rasheed	Manager, Human Resources & Administration
15	Batch Construction Pvt Ltd	Business	Mohamed Saeed	Director Operations
16	Calvin Textiles	Business	Nazeer	Owner
17	Crown & Champa Resorts	Business	David Feinburg	Chief Executive Officer

No	Name of Institution	Type	Name	Designation
18	Damas Company Pvt Ltd	Business	Mohamed Shihab	Director, Corporate
			Mohamed Shiman	Affairs Deputy Manager Human Resources & Administration
19	Dhivehi Rajjege Gulhun Pvt Lid (Dhiraagu)	Business	Ismail Rasheed	Chief Executive
20	Driftwood Maldives Pvt Ltd (Owners of Alila Villas Hadaha)	Business	Tilak Conrad	General Manager
21	Euro Marketing	Business	Ali Waseem	Director
22	Filitheo Island Resort	Business	Jabir Abdulla	Resort Manager
23	Four Seasons Resort Maldives at Landaa Giraavaru	Business	Armando Kraenzlin	Regional Vice-President and General Manager
24	Gedor Architecture Pvt Ltd	Business	Fayaz Mansoor	Director
25	Group X	Business	Mohamed Shafeeq	Managing Director
26	Hakatha	Business	Ahmed Athif Saleem	Executive Officer
27	Health Services Corporation Limited	Business	Zubair Mohamed	Managing Director
28	НЕАТ	Business	Shifana Ismail	Manager
29	Housing Development Corporation Ltd	Business	Mahjoob Shujau	Managing Director
31	Lily Beach Resort and Spa	Business	Teodora Stefanova,	Director-Sales
32	Lintel Investment & Management Services (Pvt) Ltd	Business	Abdul Majid	Managing Director
			Moosa Adam	Director
33	Maldives Industrial Fisheries Company Limited	Business	Abdul Shaheed	Chief Superintendent
	Company Emited		Ali Faiz	Managing Director
			Ali Riza	Deputy Managing Director
34	Maldives Ports Limited	Business	Ahmed Rasheed	Harbour Master
			Hessein Naeem	Assistant Managing Director
			Hussein Hilmy	Managing Director
			Mohamed Hashim	Director
35	Maldives Post Ltd	Business	Abdulla Wahed	Deputy Director
			Salva Shafeeq	Director
36	Maldives Tourism Development Corporation PLC	Business	Mohamed Mihad	Managing Director
37	Maldives Water & Sewerage Company	Business	Mohamed Ahmed Didi	Managing Director
38	Maldivian Air Taxi	Business	A.U.M Fawzy	General Manager
			Inthikab Ahmed	Ground Operations Manager
39	Marble Hotel	Business	Ahmed Athif Saleem	Executive Officer
40	Megachip Electronics Pvt Ltd	Business	Ahmed Zabeer	Managing Director
41	Maldives Transport and Contracting Company PLC	Business	Mohamed Shafeeq	Managing Director
42	Muni Enterprises Pvt Ltd	Business	Ahmed Shiham	Director, Business Development

No	Name of Institution	Type	Name	Designation
43	Novelty Printers and Publishers Pvt Ltd (Also manages - Novelty Bookshop, FDI Station Division of Novelty Printers, Novel Investments Pvt Ltd)	Business	Asad Ali	Managing Director
44	Riyan Designs	Business	Fathmath Rasheed	Director
45	Royal Island Resort and Spa	Business	Muaviyath Umar	General Manager
46	Sea Link	Business	Dheena Moosa	Director
47	Sky Tours	Business	Sheraz Moosa	Manager, Marketing and Business Development
48	Soneva Six Senses Resorts & Spa (Resorts under Soneva - Evason Laamu, Soneva Fushi, Soneva Gili)	Business	Musab Ances	Social and Environmental Manager
49	Southern Utilities	Business	Ahmed Zareer	Chairman
50	State Electric Company Limited	Business	Dr. Zaid Mohamed	Managing Director
51	State Trading Organisation PLC	Business	Shahid Ali	Managing Director
52	Sun Hotels and Resorts Pvt Ltd (Resorts and companies owned by Sun Hotels - Sun Travel and Tours Pvt Ltd, Vilu Reef Beach & Spa Resort, Olhiveli Beach & Spa Resort, Irufushi Beach and Spa Resort, Sun International	Business	Abbas Nasir Mohamed Anees	Manger General Manager HR
53	Diving School) Thilafushi Corporation Ltd	Business	Lahfa Asim	Assistant Administrative Officer
		Business	Mariyam Reena,	Marketing Officer
		Business	Mohamed Hussein,	Manager Administration
		Business	Mohamed Latheef	Manager Corporate Affairs and Legal
54	Travelin Maldives Pvt Ltd	Business	Mr. Perera	Group GM
55	Universal Enterprises Pvt Ltd	Business	Natasha Larkin	Vice President of Human Resources - Per Aquum
	(Businesses under Universal in Maldives- Baros Maldives, Kurumba maldives, Kuramathi, Atoll Explorer, Velassaru, Huvafen Fushi, W Retreat & Spa. Trading and Manufacturing businesses under the name Male' Aerated Water Company Pvt Ltd. Travel Agency Business)		Aminath Shaliya	Human Resource Manager
56	W Construction Pvt Ltd	Business	Mohamed Naeem	Chairman
57	Wataniya Maldives Pvt Ltd	Business	Aishath Zamra	Head of Marketing and communication
58	Maldives Association of Construction Industry Limited	Business Association	Alau Ali	Executive Board Member
	Construction mausity Limited	71550CIAU0II	Ahmed Shahid	Executive Board Member
59	Maldives National Chamber of Commerce and Industry	Business Association	Ahmed Saeed	Manger, International Affairs, Research and Development

No	Name of Institution	Type	Name	Designation
60	Bluepeace	CSO	Ali Rilwaan	Founder Member
61	CARE Society	CSO	Shidatha Shareef	Director
	Junior Chambers International	CSO	Hassan Fayaz	National President
62	Maldives		Moobeen Jaleel	National Executive Vice President
63	NGO Federation	CSO	Fathimath Afiya	President
64	Raajje Foundation	CSO	Aishath Niyaz	Environment Consultant
04			Fathimath Nelfa	Programme Officer
65	Sun Foundation (Funded by Olhuveli Beach and Spa Resort, Sun Hotels and Resorts, Emerald Resorts Pvt. Ltd.)	CSO	Ashraf Abdull Raheem	General Manager
66	Transparency Maldives	CSO	Fathimath Mushthaq	Project Coordinator
00		CSO	Ilham Mohamed	Executive Director
67	United Nations Development Programme	CSO	Fathimath Ghina	National Coordinator for GEF Small Grants Programme
			Mohamed Inaz	Assistant Resident Representative
			Zindu Salih	Assistant Resident Representative
60	Villa Foundation	CSO	Mohamed Hameed	Program Director
68	(Funded by Villa group of companies)		(Umarube)	
69	Women Entrepreneurs Council	CSO	Aminath Arif	Co-founder
70	Anti-Corruption Commission of Maldives	State	Mohamed Shafeeu	President
70			Muaviz Rasheed	Vice President
71	Attorney General's Office	Government	Abdulla Muizzu	Solicitor General
72	Capital Market Development Authority	State	Azza Mohamed	Deputy Manager
12	rumonty		Fathimath Nada	Deputy Manger
			Makhzoom Saleem	Senior Manager
			Mariyam Visam	Manager/ Regulation & Policy Section
73	Department of Planning, Ministry of Finance and Treasury	Government	Fathimath Hashiya	Statistical Officer
	minious of Finance and Heasury		Imad Mohamed	Senior Projects Officer
74	Human Rights Commission	State	Ahmed Shaihd	Secretary General
/4			Mohamed Zahid	Vice President
			Moomina	Planning Officer
75	Maldives Inland Revenue Authority	State	Hassan Zareer	Deputy Commissioner General of Taxation
76	Ministry of Economic Development	Government	Ahmed Inaz	Deputy Minister of Trade and Economic Development
			Mahmood Razee	Minister of Trade and Economic Development

No	Name of Institution	Type	Name	Designation
77	Ministry of Education	Government	Ahmed Shafeeu	Director General, Policy Planning and Research
78	Ministry of Finance and Treasury	Government	Ali Hashim	Minister of Finance and Treasury
79	Ministry of Fisheries and Agriculture	Government	Aminath Shafiya	Minister of State for Fisheries and Agriculture
			Dr Hussein Rasheed Hassan Ibrahim Shabau	Minister of State for Fisheries and Agriculture Director, Agriculture Section
80	Ministry of Human Resources Youth and Sports	Government	Mohamed Mahid Shareef	Permanent Secretary
81	Ministry of Islamic Affairs	Government	Mohamed Didi	Permanent Secretary
82	Ministry of Tourism Arts and Culture	Government	Aishath Ali	Director General
			Moosa Zameer Hassan	Assistant Director
83	Public Enterprises Monitoring Unit, Ministry of Finance and Treasury	Government	Ali Shareef	Assistant Director
84	Aafathis	Media	Abdulla Naeem Ibrahim	Editor
85	DhiTV Broadcasting Maldives Pvt Ltd	Media	Yoosuf Nawal	Chief Executive
86	Maldives National Broadcasting Company Limited/ TVM/ VOM	Media	Ibrahim Khaleel	Managing Director
87	Miadhu Daily	Media	Abdula Latheef Adam	Managing Editor
88	Minivan News	Media	J J Robinson	Editor

7 Annex 3: Terms of Reference

Background

CSR represents one of the most progressive developments in the private sector, urging private companies to re-define their boundaries of responsibility vis-à-vis the society and environment and subsequently come up with a new 'social contract'. Traditional, the narrower shareholder value chain approach is giving way to a broader stakeholder view, whereby companies are reaping higher economic profits through simultaneous partnership to promote social, environmental and governance objectives. CSR in the Maldives is still at infant stages of development. To develop a strategic framework for CSR, the Ministry of Economic Development and the Maldives National Chamber of Commerce and Industry (MNCCI) with support from UNDP aims to undertake a diagnosis exercise that will aim to map out the potential areas for CSR in the Maldives, and identify the potential of responsible business practices for private sector development in the Maldives.

Objective

The main objective of the assignment is to establish a baseline for CSR practices in the Maldives and to develop a framework for promotion of CSR.

Roles and Responsibilities

- Review all existing literature and documents on CSR in the Maldives.
- Review of the status of CSR initiatives in the Maldives
- Existing platforms/ structures within the government and mapping of roles of different government entities; private sector and NGOs.
- Legislative frameworks, policies, mandates and standards
- Existing types of CSR and/or activities funded by the different entities that are considered as CSR
- Review any CSR plans by different entities and recommend ways to synergize the plans in a strategic manner
- Identify existing entry points opportunities to promote CSR including the introduction of Global Compact to Maldives private sector
- Provide analysis of CSR in Maldives, its relevance and effectiveness
- Identify gaps and opportunities for the promotion of CSR in the Maldives context
- Assess the level of engagement in CSR of actors/entities through mapping their past (not later than two years) and present good practices on CSR in light of the UN Global Compact principles
- Identify the level of foreign/domestic business engagement in CSR implementation at country level and collect examples of good practices (in particular those that are linked to business case).

- Formulate recommendations for a CSR policy framework and criteria based on and suggest specific activities based on the findings of the survey.
- Identify awareness and understanding of CSR among general public
- Present and validate the findings through a workshop with key stakeholders

Expected Outputs

- A full report reviewing the situation of CSR in the Maldives
- A framework for CSR development that outlines strategic interventions and clear recommendations for the government, civil society and private sector to promote CSR in the Maldives including collaboration with UN Global Compact
- Validation workshop with key stakeholders

Minimum Requirements, Qualifications, and Experience

- At least 10 years of professional experience in a field related to the assignment, including research, work and consultancy.
- Familiarity with the goals and procedures of the UNDP and/or other international agencies.
- Excellent written and oral English-language communications skills.
- Fully e-literate in terms of software and e-networking.
- Good interpersonal skills and ability to establish and maintain effective partnerships
 and working relations in a multi-cultural, multi-ethnic environment with sensitivity
 and respect for diversity, including gender balance
- Experience from working on corporate social responsibility tasks in SAARC would be an advantage