



STATE ELECTRIC COMPANY LIMITED
Environmental, Social &
Governance Report

2023

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Message from the Managing Director

I am pleased to present our 2023 Environment, Social, and Governance (ESG) Report.

As the utility service provider providing services to the majority of the nation's population, we recognize the critical importance of integrating environmental and social responsibility into every aspect of our operations. Sustainability and environmental stewardship are at the heart of many of our decisions.

Over the past year, we have made significant progress in expanding our use of renewable energy sources, driven by our commitment to reducing our carbon footprint and minimizing the environmental impact of our operations.

In addition to our environmental efforts, we continue to be a major contributor to Corporate Social Responsibility (CSR) initiatives in the local communities where we operate.

At STELCO, we firmly believe that long-term corporate growth and success are only achievable if we remain committed to the well-being and development of these communities.

I am confident that, together with our dedicated employees, our management team, and our valued stakeholders, we can continue to build a more sustainable and profitable future for the generations to come.

Hussain Fahmy
Managing Director

A photograph of a male worker in a blue uniform, yellow hard hat, and safety glasses. He is wearing green gloves and is working on a large, light-colored industrial machine. The machine has several large cylindrical components and a complex network of pipes and bolts. The worker is looking upwards and to the right, with his hands on the machine. The background is slightly blurred, showing more of the industrial environment.

SECTION ONE

Company Information



About STELCO



Although the company was officially incorporated in 1997 as a corporate enterprise, STELCO has roots dating back to 1949, when electricity service provision was first initiated in Malé city with a 14 kW generator set.

Over the years, STELCO has expanded its operations, transforming from a corporate enterprise solely focused on electricity service provision to offering additional utility services such as water and sewerage in the communities where we operate.

Today, we provide electricity service to more than 85 thousand consumers across 35 islands. Our utility services have also broadly expanded, with water services provided in 9 islands and sewerage services in over 10 islands.

Additionally, we have significantly improved our renewable energy production, with Solar PV production capacity today accounting for more than 6.4% of our total power generation sources (13 MWp from Solar PV based renewable energy sources, compared to 194 MW generated from diesel-based systems).




We also operate a Sales Center in Malé city, retailing common electrical products such as cables and wires, electrical meters, distribution boxes, circuit breakers, and various accessories used for electrical installations. Additionally, we operate a Service Center that provides engineering consultancy and other electrical-related services.

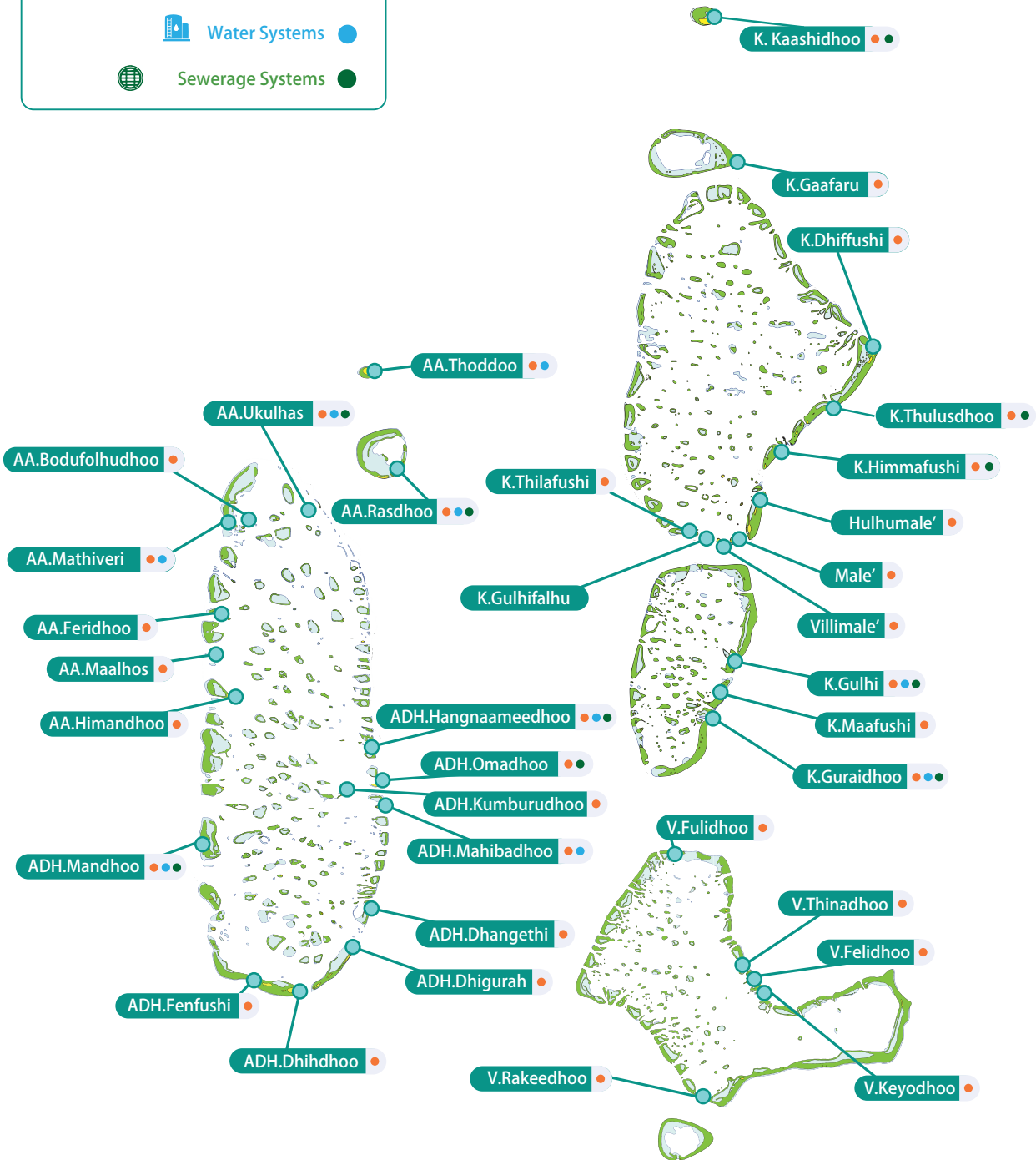


STELCO Service Provided Islands

(As at Sep 2024)

LEGEND

-  Powerhouses ●
-  Water Systems ●
-  Sewerage Systems ●





Our Core Values

Ensuring a healthy and safe environment for both our staff and customers while guaranteeing the safety of the service we deliver.

Health & Safety



Promote staff development and cultivate an engaging work environment where everyone is valued & respected.

Teamwork



Integrity

Trust, transparency and honesty in conducting business and taking responsibility for our actions



Our Core Values

Excellence

Our services and operations are exceptional, reliable and efficient.



Customer Centric

Striving to be honest, friendly and courteous and treat all customers as valued customers.



Sustainability



Creating long term value by using innovation and modern technology to improve quality of service focusing on ecological, social and economic development.

Corporate Objectives



OUR VISION

Prosperity through excellence in utility service



OUR MISSION

Provide efficient and reliable utility services using renewables and innovative technologies.



Our Strategic Goals

1 INCREASE CAPACITY 	2 INCREASE EFFICIENCY 	3 IMPROVE HEALTH & SAFETY 	4 STRENGTHEN CYBERSECURITY 	5 ENHANCE STAFF SKILLS
6 GENDER EQUALITY 		7 MINIMISE DOWNTIME 	8 UPGRADE ELECTRICAL NETWORK 	9 UPGRADE WATER SYSTEMS
STRATEGIC GOALS				
10 POWER & WATER SECURITY 	11 INCREASE RENEWABLES 	12 ECO-CONSCIOUS OPERATIONS 	13 DIGITAL CUSTOMER EXPERIENCE 	14 IMPLEMENT SMART METERING
15 POSITIVE CORPORATE IMAGE 	16 IMPROVE CASH FLOW 	17 MANAGE DEBT 	18 TRACK PERFORMANCE 	19 DIVERSIFY PORTFOLIO



SECTION TWO
Sustainability
Pillars One
Environment



Energy Conservation

Carbon footprint reduction and increasing renewable energy utilisation

Historically, STELCO has consistently invested significantly to increase the level of renewable energy in power generation across different islands. Key projects include the installation of solar panels on STELCO powerhouses as well as on commercial and residential rooftops. These initiatives are part of a long-term strategic objective to enhance STELCO's renewable energy portfolio in power generation.

Over the past few years, we have actively worked to diversify our energy mix by incorporating various renewable energy sources. While our current focus is on solar installations, we are also exploring the feasibility of other emerging renewable energy sources, such as wind and ocean resources.

Additionally, we have initiated projects that incorporate Battery Energy Storage Systems (BESS). These efforts align with our commitment to support the government's goal of developing renewable energy systems capable of providing 33% of the nation's electrical needs.

STELCO currently relies on four major schemes to increase renewable energy utilization:

- (a) Installation of Solar panels on STELCO powerhouses.
- (b) Avikatha Roof Rental.
- (c) Greenlife Solar installation.
- (d) Net-Metering.

1 - Installation of Solar Panels on STELCO Powerhouse rooftops



Figure 1 - Solar Installation STELCO Powerhouse rooftops

Driven by the targeted aim of reducing reliance on conventional energy sources such as diesel and the financial savings associated with renewable energy adoption, STELCO has, in recent years, stepped up the installation of Solar PV systems on the rooftops of STELCO powerhouses.

We have successfully installed Solar PV systems at over 50 STELCO premises. This initiative is expected to significantly reduce fuel consumption and operational costs, contributing to a more sustainable and economically efficient energy production model.



2 - Roof Rental Solar Installation

In June 2022, STELCO launched the Avikatha Roof Rental scheme, whereby customers can lease their rooftops to STELCO for the installation of solar panels in return for fixed monthly payments from STELCO. These payments are proportional to the number of Solar panels installed in the rented space.

By the end of 2023, more than 59.52 kWp of Solar PV systems had been installed through the Avikatha Roof Rental initiative.



Figure 2 - Solar Installation on Aa. Dhigurah powerhouse rooftop

3 - Greenlife Solar Installation

The Greenlife Solar Installation scheme, launched in 2020, was still operational in the past year. It allowed customers to apply for the installation of Solar PV systems on their residences, either on an upfront cash or installment payment basis, with the installation carried out by STELCO. Customers benefited from reduced electricity bills due to the power produced by the Solar panels being used for their consumption.

By the end of 2023, more than 152 kWp of Solar PV systems had been installed by STELCO under the Green life scheme.

4 - Net Metering

Adhering to the Net Metering regulation of the Maldives, STELCO has processed numerous applications from customers installing solar PV systems on a Net Metering basis at their residences. Under the Net Metering scheme, customers purchase Solar installation equipment and accessories, install the system, and apply to STELCO for grid connection.

The power generated by the Solar panels is connected to customers' residences via a kWh meter, allowing them to utilize the power produced for their consumption. This reduces their consumption from the main grid and lowers customers utility bills.

As of December 2023, more than 1,821 kWp of Solar PV systems had been integrated into the STELCO grid under Net Metering basis arrangements.



Distribution Network Upgrades

STELCO periodically carries out distribution network upgrades, replacing aging cables with new ones that are more durable, fire-resistant, and efficient. These upgrades help reduce electricity distribution losses, thereby ensuring greater efficacy and improved utilization of the generated and transmitted power, which in turn reduces wastage.



Figure 3 - Distribution Network upgrades, Hulhumale Phase 2

In Malé, Hulhumalé, and some islands, we have established substations at key locations with the aim of reducing distribution losses that occur from transmitting power over long distances.

To mitigate distribution losses, we step up the voltage on the electricity generation side and then step it down in substations before distributing the electricity to final consumers.

Energy Conservation in the Power Generation Process

Many of the changes and modifications to existing infrastructure are made with the aim of increasing the department's energy efficiency.

A percentage of the power generated in Hulhumalé is used to run essential auxiliary systems at the powerhouse, such as seawater pumps, fuel pumps, air compressors, and control systems. Additionally, electricity is also consumed for general use, including office equipment, workshop equipment, and powering other staff areas.

Internal energy consumption typically accounts for around 1.5% of the energy generated. The goal is to maintain this consumption well below 4%.



Public awareness Campaigns in Media about Energy Conservation



Figure 4 - STELCO staff providing information to the general public about energy conservation on TVM.

Every year, typically in the first or second quarter, electricity consumption tends to rise significantly due to increased usage from both residential and commercial sectors. This spike can be attributed to factors like seasonal weather changes as well as gradual increase in usage of electrical appliances.

To effectively manage this surge in demand, STELCO carries out various programs aimed at educating customers on how to economize electricity usage. These initiatives provide practical tips and strategies for reducing energy consumption, such as using energy-efficient appliances and adjusting usage patterns.

We also routinely air energy conservation videos on local media and utilize our social media channels to promote energy-saving, aiming to increase public awareness and aid customers in managing and controlling their energy expenditure.



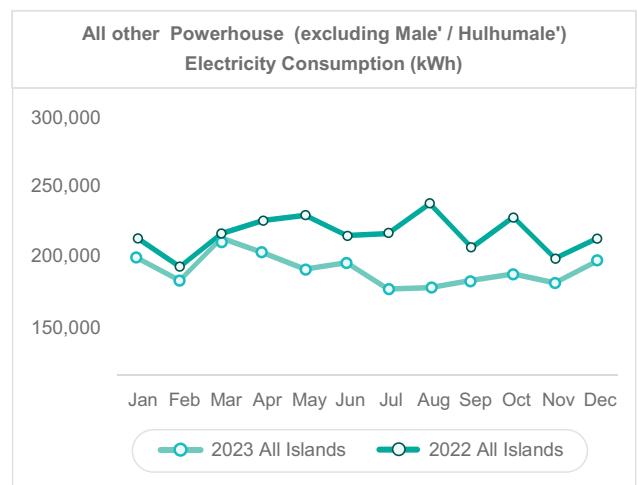
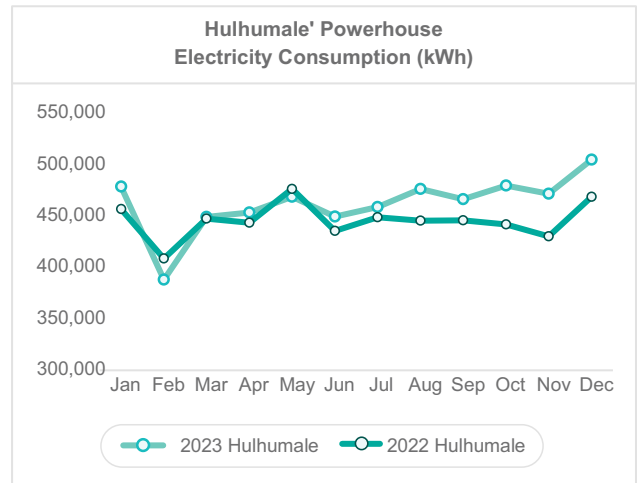
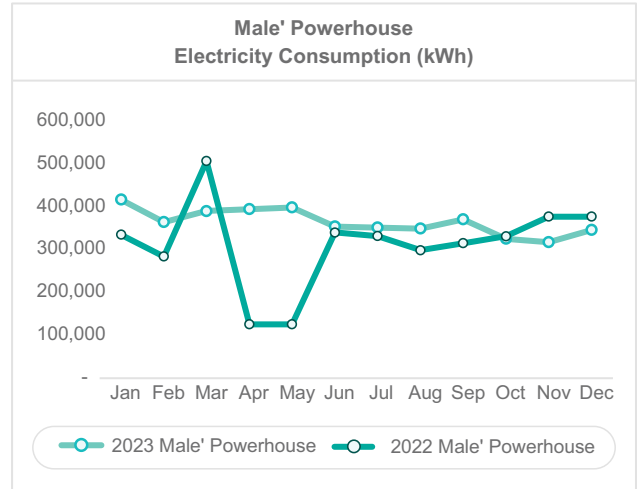
Figure 5 - Awareness campaign videos run on social media channels, promoting energy conservation

By promoting these practices, STELCO not only helps customers save on their bills but also fosters a culture of energy conservation within the community.



Annual Electricity Consumption (in kWh) STELCO Powerhouses

Island	2022	2023
K. Kaashidhoo	100,537	128,023
K. Gaafaru	132,177	148,504
K. Dhiffushi	89,026	108,807
K. Thulusdhoo	81,599	86,205
K. Himmafushi	21,873	20,773
K. Hulhumale	5,354,600	5,551,300
K. Thilafushi	35,020	97,504
K. Gulhifalhu	57,405	72,444
K. Male'	3,441,730	4,038,188
K. Vilingili	320,202	352,172
K. Gulhi	93,611	87,461
K. Maafushi	91,712	78,707
K. Guraidhoo	151,174	143,928
Aa. Thoddoo	62,715	63,130
Aa. Ukulhas	65,372	76,408
Aa. Mathiveri	39,586	70,558
Aa. Bodufolhudhoo	36,116	32,496
Aa. Feridhoo	53,041	68,851
Aa. Maalhos	89,099	69,082
Aa. Himandhoo	39,489	39,968
Aa. Rasdhoo	79,810	88,407
Adh. Mandhoo	25,635	29,037
Adh. Omadhoo	44,620	53,746
Adh. Hangnameedhoo	43,419	40,201
Adh. Mahibadhoo	99,412	119,911
Adh. Kumburudhoo	56,023	65,228
Adh. Dhigurah	86,715	90,677
Adh. Fenfushi	45,148	68,601
Adh. Dhihdhoo	27,661	40,670
Adh. Dhangethi	30,995	30,747
V. Fulidhoo	46,349	37,725
V. Felidhoo	49,633	59,533
V. Thinadhoo	13,446	27,890
V. Keyodhoo	58,101	71,079
V. Rakeedhoo	35,463	36,622
TOTAL	11,098,514	12,194,583

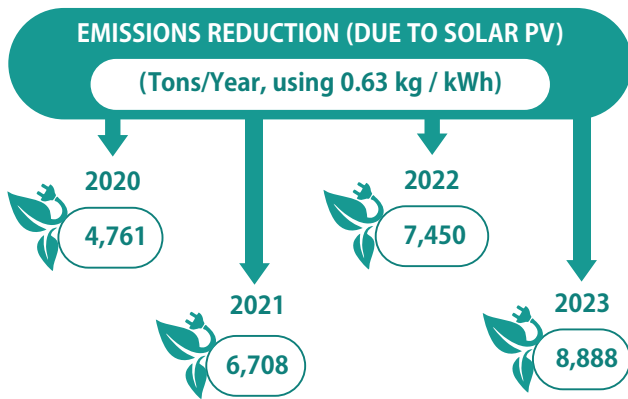




Benefit of increasing renewable energy utilization by STELCO

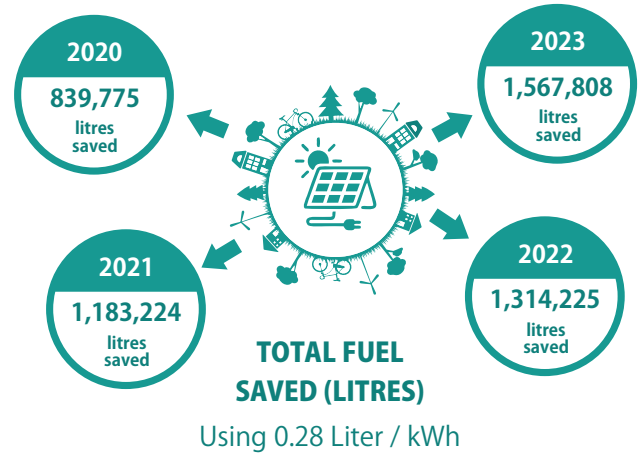
Increasing STELCO's renewable energy portfolio brings numerous benefits. The integration of solar panels into STELCO grid has reduced fuel costs and supports STELCO's sustainability initiatives by decreasing dependency on conventional energy sources. In the first quarter of this year alone, STELCO estimated potential financial savings of approximately MVR 1.2 million, attributed to the reduction in diesel fuel consumption through the use of solar PV systems

Implementing solar hybrid systems has been shown to potentially minimize generator usage by up to 12 hours, thereby reducing carbon emissions and fuel expenses.



Additionally, solar installations have contributed to lowering greenhouse gas emissions and improving air quality.

In the first quarter of this year alone, STELCO has offset the use of 148,751 liters of diesel, resulting in an approximate reduction of 385,502 kg of CO2 emissions.



Total Installed Solar PV	Capacity
Net Metering	1,822 kWp
Greenlife	153 kWp
STELCO Powerhouse	1,731 kWp
Power Purchasing Agreement	7,947 kWp
JICA	781 kWp
Avikatha	65 kWp
Total	12,498 kWp

The benefits of increasing renewable energy utilisation extend beyond STELCO, positively impacting all the islands in the Maldives, and a cleaner environment for the entire nation, fostering a sustainable future for all citizens and enterprises alike.



Environment Conservation

Adherence to regulations in our daily operations

There are multiple environmental laws that apply to our operations, particularly those related to environmental protection. These laws guide our practices and ensure compliance with regulations aimed at safeguarding the environment. We are committed to adhering to these legal frameworks as we work towards enhancing our sustainability efforts. These legal frameworks are also reflected in our SOPs.

Below are some of the major environmental laws and regulations that we adhere to.

LAWS ADHERED TO

- 1 - Environment Protection Act 4/93.
- 2 - Tree Protection Act 12/2011.
- 3 - Climate Emergency Act 9/2021.
- 4 - Utility Regulatory Act 26/2020.
- 5 - Energy Act 18/2021.

As the company ramps up its sustainability efforts and renewable energy plays a major role in its future growth, a comprehensive and all-encompassing policy will help ensure that we comply with all relevant environmental laws and regulations. This can result in cost savings and improved operational performance by preventing incidents that could lead to environmental damage and associated costs.

Guidelines in water and sewerage operations

Currently, our sustainability policies are still in the process of active development. However, we do adhere to guidelines designed to enhance environmental protection and sustainability during water and sewerage operations.



Figure 6 - Water Supply Facilities at K. Thulusdoo

For water systems, we are implementing energy-efficient technologies for water production and distribution to reduce overall energy consumption. Brine discharge and sewerage outfall locations are selected and constructed based on approved Environmental Impact Assessments (EIAs) to mitigate adverse environmental effects.

In sewerage systems, we optimize pump station capacities to minimize energy use and rigorously test the network for groundwater infiltration to prevent unnecessary groundwater extraction. Furthermore, we are planning to deploy Sewage Treatment Plants (STPs) on major islands to ensure that the treated effluent meets environmental standards before discharge through sea outfalls.



Environment Conservation

ISO 14001:2015 Environmental Management Systems

STELCO achieved ISO 14001:2015 (Environmental Management Systems) certification in 2022, and the certificate was renewed in January 2024.

Achieving ISO 14001:2015 certification has conferred numerous benefits to STELCO, including enhancing the company's public image and improving aspects of our reporting and business operations.

Single Use Plastics Usage Minimization

In 2021, we ceased plastic water bottle production to reduce the impact of single-use plastics.

As part of its Greenlife initiative, the company continues to distribute reusable water bottles and bags to staff and has also installed water dispensers in each department.



Figure 7 - Disposable Water Bottles and reusable bags distributed to STELCO staff

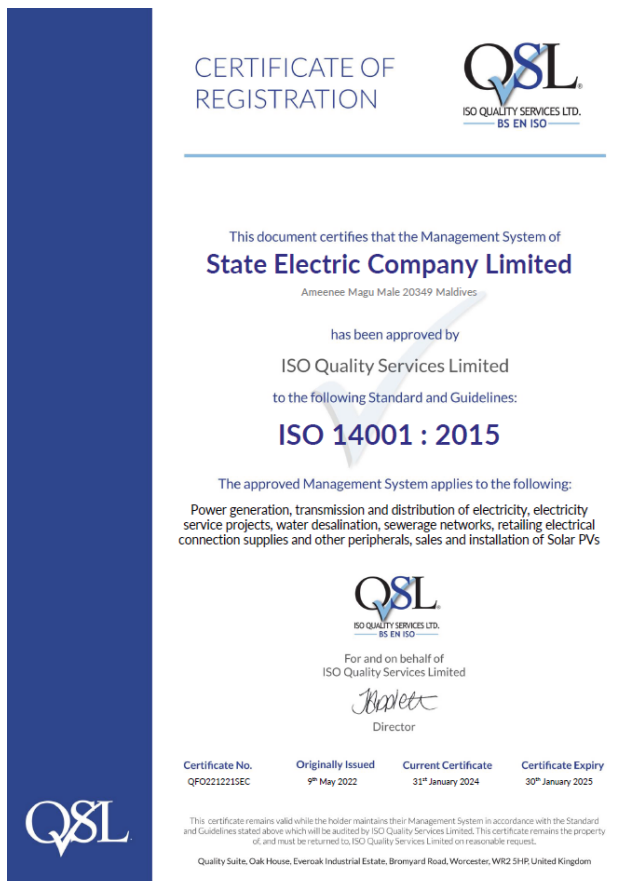


Figure 5 - ISO 14001:2015 Certificate



Environmental Incidents Reporting

Although our SOPs and operational standards are designed to minimize the risk of environmental incidents, some incidents do occur. When they do, we take strict measures to investigate and address them to prevent recurrence.

In 2023, there were four reported incidents. The first occurred in ADh. Hangnaameedhoo on January 1, 2023. The second happened in AA. Rasdhoo on January 2, 2023. The third occurred in AA. Bodufolhudhoo on January 4, 2023, and the last incident took place in ADh. Hangnaameedhoo on March 12, 2023.

All four incidents were isolated events caused by human error. We are taking the necessary steps to ensure that such incidents do not occur in the future.

Fuel Tank Bund

All of our fuel tank reservoirs are designed and constructed with surrounding enclosures to prevent fuel seepage into the ground and subsequent groundwater contamination.



Figure 8 - Hulhumale' Fuel Storage Tanks

In Malé and at most of our operational centers, we have implemented controls to monitor fuel line connections, allowing for the early detection of incidents such as oil spills.



Figure 9 - Hulhumale Fuel line connections

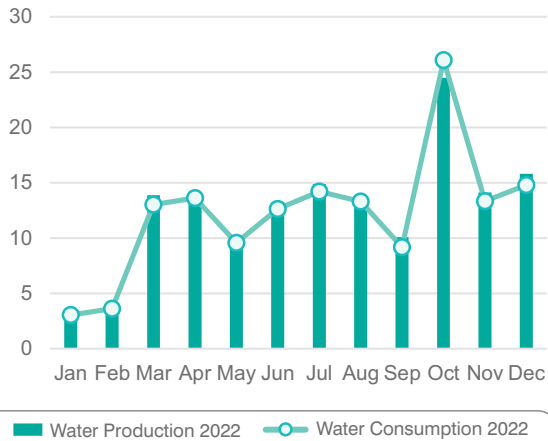


Water Conservation

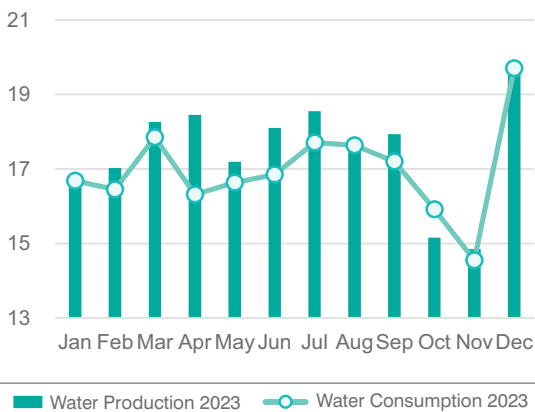
Water and Sewerage Operations

STELCO operates RO plants to produce and supply water to consumers on 10 islands. The charts below show water production and consumption from these plants in 2022 and 2023.

Water Production and Consumption from all STELCO RO Plants (in thousand cbm) - in 2022



Water Production and Consumption from all STELCO RO Plants (in thousand cbm) - in 2023



The table below details the total water production and consumption from all STELCO RO plants combined for 2022 and 2023.

Category	2022	2023
Production (in cbm)	150,389	209,291
Consumption (in cbm)	146,414	203,479

Operation of our water and sewerage facilities incorporates several key elements to ensure efficient water use and sustainability.

In islands where STELCO provides water services to consumers, we conduct monthly water audits to identify usage patterns and areas of excessive consumption. By analyzing the installed water readings and distribution/production data, we are able to detect significant water loss in our systems.



Figure 10 - Aa.Rasdho STELCO RO Plant

We also prioritize leak detection and repair by regularly assessing production and distribution meter data and implementing prompt rectification and repair plans for systems with higher levels of non-revenue water (NRW).



Water Conservation in the Power Generation Process

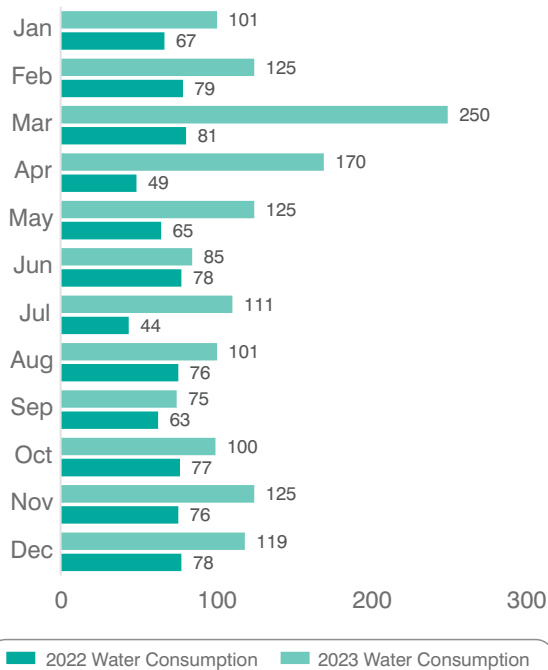
To ensure the continuous and reliable operation of our diesel generator sets, which depend on water for engine cooling, we generate water from HRSG-recovered steam. This process enhances the efficiency of MED plants by utilizing waste heat from engine exhaust, improving overall plant efficiency while minimizing environmental impact.

The water produced is stored in tanks with a total capacity of 800 cubic meters, with 80% of produced water reserved for the firefighting system.



Figure 11 - Hulhumale' Water Storage tanks

Hulhumale' Powerhouse Internal Monthly Water Usage (in thousands of litres).



By producing water in this manner, the company gains independence in fulfilling its water needs and reduces reliance on external sources. This approach also lowers our water acquisition costs, as depending on external sources would increase production expenses in power generation.



Figure 12 - Hulhumale' Water Production system



Waste Management

Internally generated waste disposal

In Malé and Hulhumalé powerhouses, the company has established guidelines for the handling and disposal of waste.

Daily waste produced from power plants is classified into two distinct categories: domestic waste and industrial waste. Domestic waste, is collected and delivered to WAMCO for disposal each day.

Industrial waste, which arises from the operational processes of the power plants, is handled differently. This type of waste is managed by a third-party contractor, and its disposal occurs on a periodical basis rather than daily. This arrangement allows for specialized handling and processing of industrial waste, ensuring that it is disposed of in a manner that minimizes impact on the environment.

Auction of Used Lube oil

In Malé powerhouse, where the majority of our power generation operations are carried out, we store used lubricating oil in drums. These drums are then auctioned off for recycling and potential reuse.



Figure 13 - Used Lube oil barrels stored prior to disposal



Environmental Activities

Tree Plantation Programs

STELCO routinely carries out tree plantation programs in Malé and regional islands to support government initiatives, such as achieving net-zero emissions by 2030. As an island nation heavily reliant on diesel and other carbon sources for power generation, the Maldives faces significant challenges related to reducing carbon emissions and increasing the utilization of renewable energy.



Figure 14 - "Rahfehi program" Tree Plantation event carried out in K. Thilafushi

STELCO has previously launched several programs to support government-led tree-planting initiatives, including the "Rahfehi Program." At the COP28 summit held in Dubai in December 2023, President Dr. Mohamed Muizzu announced a plan for the Maldives to strive to plant 5 million trees over the next five years. To support this initiative, STELCO has also pledged to planting 500,000 trees during that period to assist the government in reaching its objectives.

Tree Replantation during Hulhumale' Fifth Power Project

Throughout STELCO's Fifth Power Development Project and during the 50 MW power plant construction process, environmental impact mitigation was one of the key challenges.

During the land clearing process for the powerhouse construction, instead of clearing the trees, STELCO relocated many trees and handed them over to HDC for replanting. This was done to reduce the impact of the complete removal of trees on the ecosystem.



Figure 15 - Tree replantation during the land cleaning process, HulhuMale' Fifth Power Project



SECTION THREE

Sustainability

Pillars Two

Health & Safety



Health and Safety

Health & Safety in the Power Generation and Transmission Process

Health and safety remain essential elements in our operations due to the risky nature of our engineering and technical work.

We purchase and provide personal protective equipment for all our staff working in the field, such as safety gloves, safety shoes, boiler suits, and uniforms. This helps reduce the incidence of occupational injuries. We also invest in essential equipment that facilitates our work, such as electric battery cable cutters, which are safer and make tasks like cable cutting easier.



Figure 16 - Substation Maintenance works

Due to the nature of the work carried out in our substations and powerhouses, which involves high voltages and a high risk of electrocution, our staff are highly trained, and all work is conducted under strict supervision to reduce the risk of accidents.



Figure 17 - Generator maintenance works ongoing

The teams carrying out maintenance work at substations are accompanied by experienced staff who mentor and guide them during technical tasks.

We routinely conduct training programs and refresher courses in collaboration with the company's Human Resources department to ensure staff are updated on technical procedures, such as cable termination



Health & Safety in Renewable Energy installation process

We also remain steadfast in enhancing the health and safety of staff engaged in field operations, particularly in high-risk environments such as rooftop solar installations. We continuously implement comprehensive measures to ensure optimal safety standards are upheld.

Our commitment includes the mandatory use of essential personal protective equipment (PPE), such as safety vests, helmets, harnesses, and specialized safety shoes designed for rooftop work. These measures are crucial for safeguarding our personnel from potential hazards associated with working at heights. Additionally, our installation staff utilize GEDA lifts for safe panel handling on steep roofs.

In March 2024, we conducted internal training sessions to emphasize the critical safety protocols that must be followed during rooftop solar installations.



Figure 18 - K. Gaafaru Powerhouse, rooftop Solar Installation

Risk Assessment

In our commitment to sustainability, a comprehensive risk register has been compiled within the company. A risk unit was established to conduct risk assessments as part of the Environmental, Social, and Governance (ESG) framework.

The main goals of these risk assessments are to assist in decision-making, enable the company to implement strategies that effectively minimize or manage risk, and ensure the safety, security, and continuity of operations.

In 2023, risk-based process audits were carried out for the Malé and island powerhouses according to the approved annual audit plan. Follow-up procedures on the implementation status of recommendations are monitored quarterly. By pro-actively addressing these risks, we ensure that our business practices align with our values of sustainability, transparency, and ethical responsibility while safeguarding long-term value creation for our shareholders and the broader community.



Awareness programs

Program

Allied Insurance STELCO Staff awareness Program

This program was carried out to provide details about staff insurance and coverage and reimbursement process.

Basic Fire awareness program given to 442 staff

To enhance fire fighting skills, and emergency response skills.

Fire brigade training

This training was given to prepare participants to act swiftly, decisively, and safely in the event of a fire, with the ultimate goal of minimizing damage, protecting lives, and ensuring the safety of both the public and responders.

Basic First Aid Training

3 batches were conducted and 90 staff were trained.



Figure 19 - Fire Brigade training conducted in collaboration with Sifainge Welfare Company Pvt Ltd (SIWEC).

In 2023, Fire Brigade training course was conducted for 13 staff from various departments of STELCO, to train staff on critical firefighting skills and procedures.

Workplace Injuries

Type of Injury	2022	2023
Major occupational injury	-	5
Minor occupational injury	4	5

At present the company is in need of an all-inclusive health and safety policy, to minimize the risks and incidences of workplace related occupational health injuries.



SECTION FOUR

Sustainability
Pillars Three
Social Issues



Employment and staff related policies

1. GRIEVANCE POLICY

A policy for employees to report workplace-related complaints and have such complaints addressed in a swift, consistent, and fair manner.

2. PREVENTION OF SEXUAL HARASSMENT POLICY

A policy forbidding sexual harassment in the workplace, including communication to employees about what types of behavior constitute sexual harassment, as well as mechanisms for reporting and handling harassment cases and taking disciplinary actions.

3. WHISTLE BLOWING POLICY

A mechanism for employees to report cases of suspected fraud, corruption, or improper activities and have them addressed and dealt with through the company's internal reporting mechanisms.

4. UNIFORM DRESS CODE POLICY

This specifies how and the conditions uniform can be worn during work

5. STAFF LEAVE POLICY

A policy that outlines the types of leave available to company staff, procedures for applying for leave, and leave eligibility.

6. STAFF HIGHER EDUCATION POLICY

A policy that outlines how the company will provide training and scholarship opportunities to STELCO staff, address skill shortages, detail the process for applying for and selecting scholarship recipients, and describe the coverage of fees and allowances awarded to staff during their higher education.

7. EMPLOYMENT POLICY

A policy regarding how the company will recruit staff for vacancies, including the application and selection process, how applicants will be short-listed, interviewed, and evaluated. The policy also outlines employee compensation, procedures for staff termination or retirement, employment agreements, and other issues related to employees.



Employment and staff related policies

8. EMPLOYEE WELFARE POLICY

A policy that outlines the benefits and support provided to employees through welfare.

9. RETIREMENT AND REDUNDANT POLICY

This policy outlines the conditions and benefits employees will receive upon retirement, such as the retirement benefit package. It also details the procedures and support provided to employees in the event of job layoffs or restructuring, including severance packages, outplacement services, and retraining opportunities.

10. TRANSFER POLICY

This policy is a set of guidelines established to regulate the process of transferring employees from one department or role to another within the organization. It typically outlines the procedure for requesting transfers, eligibility criteria, reasons for transfers, and the support provided during the transition.

11. STELCO CHILDCARE SCHEME GUIDELINE

This guideline outlines the process for reimbursement provided to staff who use services from child care centers in the Maldives, up to a limit of MVR 2,000

12. HAJJ AND UMRAH POLICY

This policy outlines the guidelines, conditions, and eligibility criteria for staff who wish to participate in the annual draw for selecting Hajj and Umrah winners. The selected staff members are fully sponsored by STELCO for their Hajj and Umrah trips



Training Opportunities



Figure 20 - Electrical Training program

Staff training is pivotal for improving STELCO's operational capabilities, ensuring adherence to safety standards, and nurturing a proficient workforce that drives innovation and efficiency. By investing in training, STELCO enhances its competitive advantage while fostering a culture of continuous learning and development among its employees.

Trainings conducted in 2023	Number
Short term	121
Long term	3

In 2023, 121 short-term training courses were conducted, providing 1,247 opportunities for staff, with an average duration of 3 hours per training session. Additionally, in 2023, 56 staff members were given the opportunity to participate in long-term courses (Certificate Level 3 and above), which last more than 3 months.

Historically, long-term training initiatives carry a functional risk, if trained personnel leave, the organization will be deprived of their acquired skills and knowledge of the trained individuals. As a result, the company is meticulously selective when choosing staff to participate in such long term training ventures.

Furthermore, island powerhouses face multiple challenges in effectively implementing staff training programs. The geographical dispersion of staff complicates access to centralized training sessions, while budget constraints limit the scope and quality of training initiatives.

Training Expenditure

Training expenditure	MVR
Year 2022	(approx.) 3 million
Year 2023	(approx.) 15 million



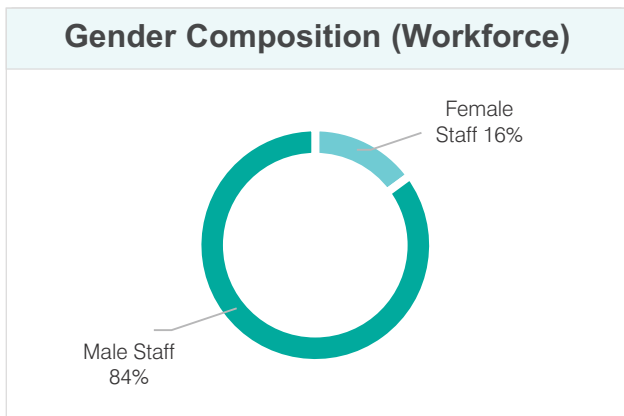
Gender Equality

Ratio of Female representation in workforce.

The ratio of women in the workforce currently stands at 14%. Studies show that increasing female representation in the workforce and in senior management positions can have beneficial impacts on organizational performance, such as improved top-down communication and better group collaboration.

Staff Gender Composition, Dec 2023

Staff Gender	Number
Female staff (including interns)	330
Male staff (including interns)	1,695
Total	2,025



Ratio of female representation in Board of Directors

As of June 2024, there is 1 female director serving on the STELCO Board of Directors. The ratio of female representation on the STELCO Board stands at 14%.

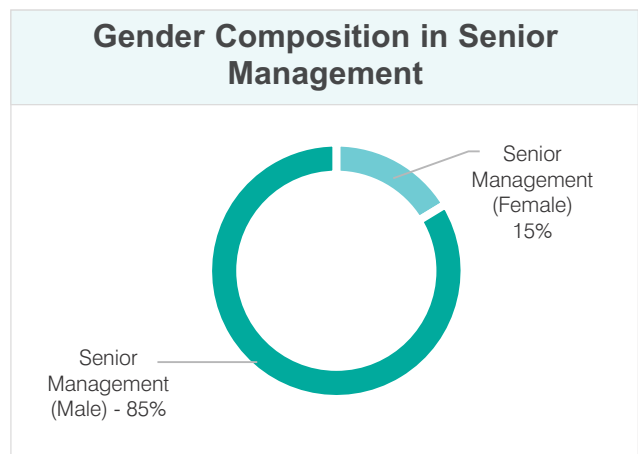
Female Staff in Senior Management

Designation	No.
Deputy Managing Director	1
Chief Financial Officer	1
Heads of Department	3
Unit Heads	15
TOTAL	20

The ratio of female staff representation in senior management at STELCO currently stands at 18%.

Male Staff in Senior Management

Designation	No.
Managing Director	1
Deputy Managing Director	2
CTO, CSO	2
Heads of Department	30
Unit Heads	59
TOTAL	114



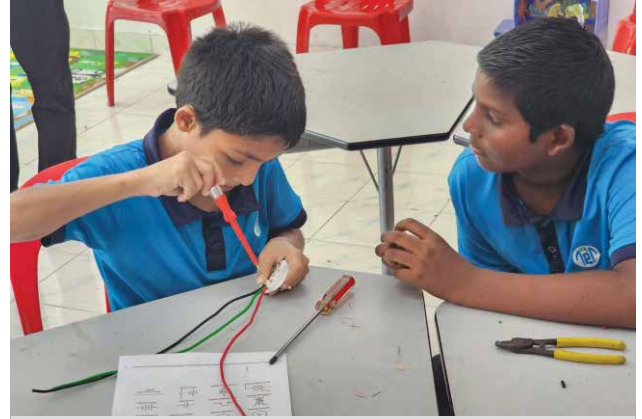


Community Engagement Events



February 2023.

K. Himmafushi Beach cleaning event assistance by Himmafushi powerhouse staff



March 2023.

Basic Electrical Wiring program for V. Atoll educational centre students carried out in collaboration with V. Felidhoo powerhouse staff .



March 2023.

Tree plantation program carried out jointly with Adh. Atoll education centre students and Adh. Mahibadhoo powerhouse staff.



March 2023.

ADh. Kumburudhoo mosque renovation works (A/C installation, sound system donation, repair of lights, and other work by Kumburudhoo Powerhouse staff)



Community Engagement Events



April 2023.

K. Himmafushi school renovation works by K. Himmafushi powerhouse staff.



May 2023.

Participation in Adh. Omadhoo council organized island cleanup program by Adh. Omadhoo powerhouse staff.



May 2023.

K. Dhiffushi Mosquito eradication program participation by Dhiffushi powerhouse staff.



May 2023.

Assisting with K. Himmafushi school organized tree planting program by Himmafushi powerhouse staff.



Community Engagement Events



May 2023.

K. Maafushi mosquito eradication program assistance rendered by Maafushi powerhouse staff.



May 2023.

Adh. Dhigurah mosquito eradication program, assistance by Dhigurah powerhouse staff.



May 2023.

K. Thulusdhoo new hospital construction land clearing works assistance by Thulusdhoo powerhouse staff.



May 2023.

Adh. Mahibadhoo preschool A/C installation assistance by Mahibadhoo powerhouse staff.



Community Engagement Events



May 2023.

Adh. Dhigurah mosque renovation works assistance by Dhigurah powerhouse staff.



June 2023.

K. Himmafushi island cleaning program, assistance by Himmafushi powerhouse staff.



June 2023.

Hulhumale' cleaning program assistance by STELCO staff.



August 2023.

K. Maafushi school renovation works, assistance by Maafushi powerhouse staff.



Community Engagement Events



September 2023.

K. Gulhi school renovation works, assistance by Maafushi powerhouse staff.



November 2023.

Fund raising event for Palestine by Aa. Himandhoo powerhouse staff.



December 2023.

STELCO staff assisting Male' residents affected by heavy rainfall.



CSR Expenditure

STELCO's corporate social responsibility initiatives underscore the company's commitment to making a positive impact on society and the environment.

In an era where corporations are expected to act ethically and responsibly, STELCO acknowledges its obligation to contribute to community welfare and promote social good. CSR activities are carried out by STELCO, according to a Board endorsed policy which outlines the framework through which STELCO will assess its corporate actions and provide support to initiatives that benefit society, particularly for disadvantaged groups and efforts that strengthen Islamic values.

Eligible areas for CSR assistance include renewable energy projects, sports and entertainment events organized by registered entities, social and religious functions, environmental protection initiatives, and disaster relief during crises.

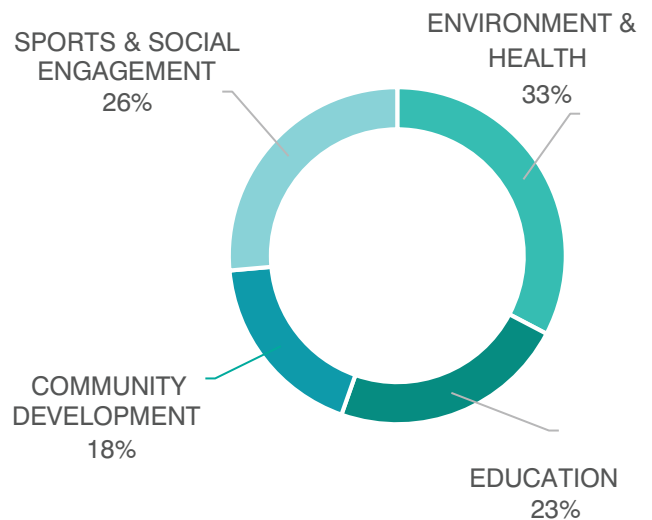
By prioritizing applications from communities where STELCO operates, the company aims to build trust and strengthen relationships with key stakeholders.

The department responsible for CSR evaluates requests based on established criteria and guidelines in the CSR policy. Support rendered may include financial contributions, waivers for utility connection fees, and donations of goods or services. All CSR requests must be submitted in writing with the necessary documentation and must align with the company's ethical standards and policy guidelines.

In 2023, STELCO spent approximately MVR 5.5 million on CSR activities. The table below shows the breakdown of CSR expenditure by category.

Designation	Percentage
Environment & Health	33%
Education	23%
Community Development	18%
Sports & Social Engagement	26%

To ensure accountability, an annual budget for CSR initiatives is established, with planning for future contributions based on previous activities and community needs. Overall, STELCO's CSR Policy demonstrates its commitment to being a responsible corporate citizen, fostering sustainable practices, and driving meaningful social change in the communities it serves.





CSR Aid activities in 2023



January 2023.

Supply of water to Adh. Dhangethi residents through temporary taps installed for public use



October 2023.

Donation to the Palestinian relief fund.



SECTION FIVE

Sustainability

Pillars Four

Corporate
Governance



Corporate Governance Policies

Policy	Year	Details
Board Evaluation Policy	2020	This policy promotes good governance and ensures continuous development and improvement of the Boards processes and Procedures.
Code of Ethics	2021	Code of ethics aims to prevent, detect and eliminate activities related to breaches of the code and established internal standards.
Enterprise Risk Management (ERM) Policy	2022	This policy sets out the rules and mandatory principles for STELCO to ensure that the risk Management is widely spread, learnt, adopted and practices throughout STELCO as a prudent management practice, which is linked to STELCO's Strategy and a key enabler of better performance of STELCO.
Internal Audit Policy	2021	This policy outlines the requirement and framework for the internal audit functions of the company.

Corporate governance policies are crucial for establishing and maintaining accountability, transparency, and ethical behavior within the company. At STELCO, we continuously develop and update policies to meet the company's requirements.

Although this year marks the first time STELCO is publishing an ESG report, the company has routinely published its annual reports on its website. Currently, there is a separate tab in the downloads section of the company's website dedicated to corporate governance.



Legal Enquiries

We do not receive a significant number of legal complaints, however in 2021, a legal case was filed against STELCO in Malé, alleging failure to mitigate fumes from the powerhouse located near residential homes. This case was decided in favor of STELCO by the Civil Court in 2023, but has since been appealed to the High Court.

To reduce the number of legal and regulatory complaints, we recognize the need to regularly review and update our Standard Operating Procedures (SOPs) and policies.

Keeping such documents updated and effective is essential for addressing potential issues pro-actively and ensuring compliance with legal requirements.

By doing so, we can enhance our operational practices, minimize misunderstandings, and foster better communication with stakeholders.

Procurement related Enquiries

Over the past two years, most complaints formally submitted to STELCO regarding procurement issues have been related to contract extensions and payment-related matters.

In 2022 and 2023, we addressed and resolved each formal complaint submitted to the company (in writing). We believe that most procurement-related complaints can be reduced through effective communications and negotiations between consultants, user departments, and suppliers/contractors.

To minimize errors caused by mis-communication and misinformation, we have included a special terms and conditions page in the contract.

Procurement complaints	2022	2023
Recieved	3	4
Registered	3	4
Resolved	3	4



Customer Side



Figure 21 - HulhuMale' Customer Service counters

STELCO operates a Contact Center to respond to customer enquiries, service-related complaints, and issue reporting. The table below shows the total number of formal customer complaints received and resolved, in 2022 and 2023.

Complaints	2022	2023
Phone calls	278	19,812
Social media	no records	11,164
Total complaints Resolved	278	30,976

Note: Social media complaints include issues submitted via Viber, Telegram, WhatsApp and other official company social media channels.

In 2022, the most common complaints received were related to disconnection issues, clarification of account number and meter number, and outstanding amounts.

However, in 2023, the most frequent calls were regarding increased bills, including WAMCO charges in the bill, sudden power interruptions, and disconnection requests due to pending outstanding amounts

The table below shows the breakdown of complaints by type of request in 2022 and 2023.

Complaints	Total	%
Bill increased	5082	42%
Reconnection	3549	29%
Disconnection	1854	15%
Payment issues	797	7%
WAMCO charges included	460	4%
Power cut	367	3%
MIB payment update delay	13	0.1%
Finance (including emails)	2	0.02%
Total	12,124	

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ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

State Electric Company Limited
Male' City, Republic of Maldives
www.stelco.com.mv