MALDIVES SUSTAINABILITY REPORTING FRAMEWORK

CMDA

CAPITAL MARKET DEVELOPMENT AUTHORITY
2024

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Executive Summary

The report on the Maldives Sustainability Reporting Framework, commissioned by CMDA and UNDP Maldives, not only underscores the pivotal role of sustainability reporting in the Maldives but also architects the framework itself and proposes actionable solutions for its national implementation. Starting with CMDA's commitment to standardize reporting approaches, the framework prioritizes fairness, accountability, and clarity from the listed companies, who are the primary focus of the framework. Through stakeholder engagement and comprehensive analysis, tailored recommendations have been developed to design the framework according to the specific needs of the Maldivian context. Recommendations cover various aspects, including mandatory versus voluntary reporting elements, materiality assessment approaches, metrics and reporting standards. Moving forward, the key strategies identified include continuous monitoring, ongoing stakeholder dialogue, and the development of local capabilities as well as a digital infrastructure to support the implementation of the frameworks and amplify its benefits on the Maldives. The impact of the Maldives Sustainability Reporting Framework is expected to be significant, promising increased transparency, accountability, and alignment with national sustainable development objectives, while also potentially becoming a reference for other Small Island Developing States. Additionally, the Maldives Sustainability Reporting Framework stands as a message to global financial markets that the Maldives is set to become a serious player in sustainable finance, thus contributing to the attraction of foreign capital for sustainable development.

Foreword

In today's global and ever-changing business world, regardless of size, industry and location, business entities and other institutions will be required to provide sustainability-related information in some form.

We embarked upon developing Sustainability Reporting Framework under the revised CMDA Corporate Governance Code in 2021 that mandated sustainability reporting to enhance transparency in disclosure. Since 2014, listed companies in the Maldives have been reporting on sustainability on a voluntary basis.

Transparency in corporate operations is crucial for fostering trust, openness, and accountability, which are essential for sustainable development. The Sustainability Reporting Framework for the Maldives has been meticulously developed to provide a robust structure for organizations to disclose their environmental, social, and governance (ESG) performance.

This framework enhances comparability across organizations by standardizing metrics and methodologies, enabling stakeholders to make informed decisions. This comparability is vital for investors seeking reliable data to assess the long-term viability and ethical standing of their investments, thereby promoting transparency and increasing investor confidence.

We extend our gratitude to the United Nations Development Programme (UNDP) Maldives, PlusValue, the UK consultancy firm and the Local Advisory Committee for their invaluable contributions. Special thanks to the Maldives Stock Exchange, the Institute of Chartered Accountants of the Maldives (CA Maldives), and the Privatization and Corporatization Board (PCB) for their significant efforts. We also acknowledge the contributions of listed companies, government ministries, local experts, market intermediaries, and the staff of the Capital Market Development Authority, whose collaboration has been instrumental in the development of this framework.

The framework is mandatory for listed companies in the Maldives Stock Exchange (MSE) and we encourage State-Owned Enterprises (SOEs), financial institutions, and private businesses to adopt the framework. As the lowest lying islands in the world, the Maldives faces unique environmental challenges, making sustainable practices essential for the nation's future. This framework will guide organizations towards greater transparency and sustainability, building a more resilient future for all.

Mohamed Hussain Maniku,
Chief Executive Officer

Glossary

ATM - AMANA TAKAFUL MALDIVES PLC
BML - BANK OF MALDIVES PLC
CDP - CARBON DISCLOSURE PROJECT
CDSB - CLIMATE DISCLOSURE STANDARDS BOARD
CMDA - CAPITAL MARKET DEVELOPMENT AUTHORITY
CPLC - CENTURION PLC
CSRD - CORPORATE SUSTAINABILITY REPORTING DIRECTIVE
DHR - DHIVEHI RAAJJEYGE GULHUN PLC
ESG - ENVIRONMENTAL, SOCIAL, AND GOVERNANCE
ESRS - EUROPEAN SUSTAINABILITY REPORTING STANDARDS
EFRAG - EUROPEAN FINANCIAL REPORTING ADVISORY GROUP
FDI - FOREIGN DIRECT INVESTMENT
FRESA - FUND FOR RENEWABLE ENERGY SYSTEM APPLICATIONS
GCF - GREEN CLIMATE FUND
GDP - GROSS DOMESTIC PRODUCT
GHG - GREENHOUSE GAS
GRI - GLOBAL REPORTING INITIATIVE
HDFC – HOUSING DEVELOPMENT FINANCE CORPORATION PLC
HRDD - HUMAN RIGHTS DUE DILIGENCE
IFAD - INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
IFRS - INTERNATIONAL FINANCIAL REPORTING STANDARDS
ILO - INTERNATIONAL LABOUR ORGANIZATION
IMF - INTERNATIONAL MONETARY FUND
INFF - INTEGRATED NATIONAL FINANCING FRAMEWORK
IOSCO – INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS
IIRC – INTERNATIONAL INTEGRATED REPORTING COUNCIL
ISSB - INTERNATIONAL SUSTAINABILITY STANDARDS BOARD
KPIS - KEY PERFORMANCE INDICATORS
MIB - MALDIVES ISLAMIC BANK PLC
MMA - MALDIVES MONETARY AUTHORITY
MGF - MALDIVES GREEN FUND
MPAO - MALDIVES PENSION ADMINISTRATION OFFICE
MRPS - MALDIVES RETIREMENT PENSION SCHEME
MTCC - MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC
MTDC - MALDIVES TOURISM DEVELOPMENT CORPORATION PLC
MVR - MALDIVIAN RUFIYAA (CURRENCY)
NCDS - NONCOMMUNICABLE DISEASES
OMPL - OOREDOO MALDIVES PLC
PLC - PUBLIC LIMITED COMPANY
RED - RENEWABLE ENERGY DEVELOPMENT
ROE - RETURN ON EQUITY
SAP - SUSTAINABLE ACTION PLAN
SASB - SUSTAINABLE ACCOUNTING STANDARDS BOARD
SBTI – SCIENCE BASED TARGETS INITIATIVE
SDGS - SUSTAINABLE DEVELOPMENT GOALS
SEC - SECURITIES AND EXCHANGE COMMISSION
SIDS - SMALL ISLAND DEVELOPING STATES
STO – STATE TRADING ORGANIZATION
TCFD - TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
TNFD - TASK-FORCE ON NATURE-RELATED FINANCIAL DISCLOSURE
UK – UNITED KINGDOM
US - UNITED STATES
WEF – WORLD ECONOMIC FORUM
WHO - WORLD HEALTH ORGANIZATION

1 Introduction

Sustainability reporting has emerged as a vital tool for businesses worldwide, reflecting a growing recognition of the interconnectedness between environmental, social, and governance (ESG) factors and long-term financial performance. In recent years, stakeholders ranging from investors and regulators to consumers and employees have increasingly demanded transparency and accountability from companies regarding their ESG practices. This demand stems from the understanding that sustainable business practices not only mitigate risks but also create opportunities for value creation, innovation, and long-term resilience. In the Maldives, the Capital Market Development Authority (CMDA), as a member of the International Organization of Securities Commissions (IOSCO), has committed to implementing a framework for the reporting of sustainability information on companies. This commitment aims to standardize reporting approaches, making requirements, procedures, and methodologies clear and equal for all companies. Such standardization will contribute to a more level playing field, enhancing accountability and clarity for companies' stakeholders, including the general public. Ultimately, this initiative supports the development of a sustainable finance market, helping the country achieve its sustainable development and climate adaptation, mitigation, and transition, as well as social inclusion goals.

Furthermore, the Maldives Sustainability Reporting Framework aims to do more than just enhancing local sustainability practices - it also aims to create the enabling conditions for Maldivian corporate sector to gain exposure to international sustainability markets and also attract international sustainability-driven investors into the country. By aligning with global best practices and standards, the framework seeks to bolster the country's appeal to sustainability-savvy investors, thereby increasing its ability to raise capital for climate adaptation, mitigation, and transition, while pursuing its social objectives. This trajectory mirrors the development of Europe's ESG finance market[1], currently the world's largest, which has been closely linked to the European Union's implementation of the most stringent sustainability regulations globally. This sustainability framework also lays the foundation for further strengthening sustainability reporting towards impact reporting and reporting against the SDG targets, raising ambition gradually and consistently overtime.

[1] With USD14tn, the EU accounts for close to half of the USD30tn in ESG Assets Under Management globally. Source: Global Sustainable Investment Alliance, 2022. Global Sustainable Investment Review 2022. Available at: https://www.gsi-alliance.org/wp-content/uploads/2023/12/GSIA-Report-2022.pdf.

The development of the sustainability reporting framework in the Maldives represents a significant milestone in the nation's commitment to sustainable development and responsible business practices. This comprehensive endeavour involved extensive research on international ESG standards and frameworks to identify best practices adaptable to the Maldivian context. Moreover, recognizing the importance of considering local specificities, the project also entailed thorough analysis and stakeholder consultations to tailor the framework to the unique socioeconomic and environmental conditions of the Maldives. Through collaboration with key stakeholders, including government agencies, industry associations, and civil society organizations, the project aimed to ensure the framework's relevance, effectiveness, and widespread adoption across the Maldivian business community.

The development of the sustainability reporting framework in the Maldives was guided by a robust methodology that integrated both quantitative and qualitative research methods. This involved extensive literature reviews, benchmarking studies, and comparative analyses of existing ESG standards and reporting frameworks. Additionally, the methodology outlined the stakeholder engagement process, which included semi-structured interviews, focus group discussions, and surveys to gather insights and feedback from a diverse range of stakeholders. By employing a participatory approach, the project ensured that the sustainability reporting framework reflected the needs, priorities, and aspirations of the Maldivian business community while aligning with global best practices in sustainability reporting.

The report begins with an examination of international ESG reporting standards, summarizing best practices globally and analysing their applicability to the Maldivian context. It then delves into an analysis of the Maldivian capital market and listed companies, along with an assessment of local environmental, social, and governance challenges specific to the Maldives. The report proceeds to discuss key design choices for the sustainability reporting framework, including the extent of mandatory versus voluntary reporting elements, materiality assessment approaches, reporting standards and metrics, and reporting formats. An implementation roadmap is then outlined, providing a detailed plan for the phased implementation of the framework and recommendations for CMDA on monitoring and enforcing compliance, as well as capacity building for companies. We also assess the possibility of standardizing ESG reporting in the country, by detailing a plan for joint endorsement of ESG standards across key regulators. Additionally, the report provides an overview of support mechanisms and resources available to listed companies for implementing the framework, along with recommendations for ongoing stakeholder engagement and feedback collection to refine the framework. Finally, the conclusion recaps the importance of the sustainability reporting framework for the Maldives and offers final recommendations to ensure successful implementation and long-term impact.

2 Research Findings

This section focuses on the foundational research findings that have informed the development of the Maldives Sustainability Reporting Framework, largely derived from the stakeholder-driven consultations and surveys conducted prior and during the drafting process. Beginning with an exploration of international sustainability reporting standards, we provide a comprehensive summary of global best practices in sustainability reporting, shedding light on key methodologies and frameworks embraced by leading organizations worldwide. We then pivot to a detailed analysis of the Maldivian context, offering insights into the unique dynamics of the Maldivian capital market and the specific challenges faced by listed companies operating within its purview.

Drawing upon feedback gathered from local stakeholders and international experts, we uncover nuanced perspectives on ESG considerations tailored to the Maldives' distinctive socio-economic and environmental landscape. Through this dual lens of global standards and local realities, we lay the groundwork for a robust and contextually relevant sustainability reporting framework that aligns with international best practices while addressing the specific needs and priorities of the Maldivian market.

2.1 International Sustainability Reporting Standards

In the sustainability reporting landscape, it is essential to acknowledge the foundational pillars upon which the Maldives Sustainability Reporting Framework is built. While an extensive analysis of international sustainability reporting standards is beyond the scope of the present report, in this section, we delve into significant frameworks that have set the stage for comprehensive ESG disclosure. In a comparative analysis, it is evident that each international sustainability reporting framework offers distinctive attributes, various perspectives and solutions that can contribute to shaping the Maldives Sustainability Reporting Framework.

First of all, the Global Reporting Initiative (GRI)[2], known for its detailed guidelines, provides organizations with a structured approach to transparently disclose ESG performance. Despite its complexity, GRI's comprehensive scope and detailed KPIs

[2] Global Reporting Initiative (2024). GRI standards English Language. Available at: https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/.

ensure thorough coverage across diverse sustainability dimensions. In contrast, the Sustainable Accounting Standards Board (SASB)[3] stands out for its sector-specific approach, offering tailored guidance for reporting on financially material ESG issues. This granularity ensures that companies in specific industries can focus on metrics most relevant to their operations and stakeholders. Furthermore, SASB's emphasis on financial materiality aligns well with the objectives of the International Financial Reporting Standards (IFRS), making it a suitable framework for integration into the Maldives' reporting landscape.

The United Nations' Sustainable Development Goals (SDGs) provide a universal framework transcending borders and industries, offering a common language for sustainability endeavours worldwide. By aligning with the SDGs, Maldivian companies can underscore their contributions to global sustainability objectives while addressing local priorities and challenges comprehensively. The SDGs' holistic approach has been formalized in a set of internal management standards by SDG Impact, a UNDP initiative that has the objective to operationalize the SDGs to allow sustainability evaluation of businesses worldwide[4]. The SDG Impact standards encompass strategy, management, transparency and governance of businesses, and have been a major source of inspiration for the design of the Maldives Sustainability Reporting Framework. Importantly, with the Government of Maldives having committed to tagging its entire budget against the SDGs, we understand that the drive to understand the number of resources being channelled towards the SDGs is a national priority. The government is also currently tagging its national budget against Climate Change at a more granular level. There is growing interest in Maldives to understand the levels of investment that are currently being channelled towards the global goals and its own strategic goals, and importantly, to understand the investment deficit. Acknowledging that a substantial proportion of the investment made into goals such as climate change and renewable energy are made by the private sector, this report recommends taking measures to gradually make progress towards linking the country's sustainability reporting to national and global development targets. The report recommends this transition through a managed maturation plan, which is annexed with this document.

Similarly, the emergence of the International Financial Reporting Standards (IFRS) S1 and S2 introduces a new paradigm for sustainability disclosure, integrating financial materiality and climate-related risks into mainstream financial reporting.

3 Sustainability Accounting Standards Board (2020). SASB Conceptual Framework & Rules Of Procedure. Available at: https://sasb.org/wp-content/uploads/2021/07/PCP-package_vF.pdf.

4 SDG Impact (2023). About the SDG Impact Standards. Available at: https://sdgimpact.undp.org/assets/20230502-about-the-sdg-impact-standards.pdf.

As these standards gain global traction, they are poised to become fundamental to sustainability reporting, shaping the future landscape of corporate disclosure. The alignment between IFRS S1 and S2 with frameworks like SASB underscores the interconnectedness of financial and sustainability reporting, highlighting the imperative for integrated approaches to ESG disclosure.

Finally, in addition to the generalist frameworks presented above – which also include the World Economic Forum's Stakeholder Capitalism Metrics[5] – initiatives such as the Carbon Disclosure Project (CDP), Task Force on Nature-related Financial Disclosure (TNFD), and Task Force on Climate-related Financial Disclosures (TCFD)[6] offer specialized guidance on specific sustainability topics, such as climate change and nature-related risks. While these frameworks cater to niche areas, their focused approach provides valuable insights and metrics for companies seeking to address specific sustainability challenges.

The diverse array of international sustainability reporting frameworks presents a range of methodologies and best practices that can inform the development of the Maldives Sustainability Reporting Framework. By leveraging the strengths of each framework and tailoring them to local contexts, the Maldives can create a comprehensive and robust reporting framework that meets international standards while addressing the unique ESG priorities of the nation, as explored in the following section, which focuses on summarizing best practices in sustainability reporting across different world jurisdiction

2.2 International Best Practices in Sustainability Reporting Policies

National regulatory approaches to sustainability reporting have evolved significantly in the past 5 years, with a spectrum of approaches reflecting the unique contexts and challenges faced by different jurisdictions. Nevertheless, there are signs of a consensus building globally on the need for national regulation to move in the direction of making ESG reporting part of mandatory business reporting. At the forefront of this movement is the European Union (EU), which has implemented a comprehensive framework for corporate sustainability reporting

5 World Economic Forum (2024) Measuring Stakeholder Capitalism. Explore the Metrics. Available at: https://www.weforum.org/stakeholdercapitalism/our-metrics/

6 While the Task Force on Climate-related Financial Disclosures has concluded its work and its role has merged into IFRS, the standards it produced remain relevant and constitute a crucial reference for the Maldives Sustainability Reporting Framework.

through the Corporate Sustainability Reporting Directive (CSRD)[7]. This directive extends reporting requirements to encompass ESG impacts, aligning with the European Taxonomy and European Sustainability Reporting Standards (ESRS)[8]. The EU's holistic approach emphasizes double materiality and due diligence categories, providing companies with a structured framework for assessing and disclosing their ESG performance.

In contrast, the United States (US) has adopted a more principles-based approach to sustainability reporting, with specific ESG disclosures mandated by the Securities and Exchange Commission (SEC) limited primarily to climate-related risks. However, there is a growing trend towards more prescriptive disclosure rules, reflecting increasing investor demands for comparability, transparency and accountability[9]. Similarly to the US, the United Kingdom (UK) is undergoing significant transformations in its sustainability reporting landscape, with forthcoming Sustainability Disclosure Standards (SDS)[10] set to refine reporting protocols and provide investors with decision-useful information on environmental and social impacts. Additionally, initiatives such as the Streamlined Energy and Carbon Reporting (SECR)[11] mandate further disclosure on energy consumption and greenhouse gas emissions, underscoring the UK's commitment to sustainable finance and climate action.

In China, sustainability reporting operates under the governance of diverse regulations and guidelines, with the Ministry of Ecology and Environment (MEE) playing a pivotal role. Since 2018, listed companies have been encouraged to disclose ESG information under the Listed Company Governance Code, with voluntary disclosure guidelines introduced by the China Enterprise Reform and Development Society (CERDS) focusing on China-specific ESG priorities[12]. Recently an initiative led by the Shanghai Stock Exchange has been announced, with the objective to create a tripartite system of mandatory disclosure, guided disclosure and encouraged disclosure. Additionally, a growing emphasis on climate-related disclosures aligns China with global frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD), signalling the nation's commitment to sustainable finance and corporate transparency.

7 European Commission (2024). Corporate sustainability reporting. Available at: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en.

8 European Commission (2023). COMMISSION DELEGATED REGULATION (EU) 2023/2772 of 31 July 2023. Available at: https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32023R2772.

9 United States Securities and Exchange Commission (2023). Climate-Related Disclosures/ESG Investing. Available at: https://www.sec.gov/securities-topics/climate-esg.

10 United Kingdom Government (2023). UK Sustainability Disclosure Standards. Available at: https://www.gov.uk/guidance/uk-sustainability-disclosure-standards.

11 United Kingdom Government(2024). Streamlined Energy and Carbon Reporting (SECR) for academy trusts. Available at: https://www.gov.uk/government/publications/academy-trust-financial-management-good-practice-guides/streamlined-energy-and-carbon-reporting.

12 Shanghai Stock Exchange (2024). Market Overview. Available at: http://www.sse.com.cn/lawandrules/publicadvice/c/c_20240208_5735507.shtml.

Looking at other Asian major financial centres, Singapore and Hong Kong have also taken significant steps to enhance sustainability reporting in their respective markets. In Singapore, the Singapore Exchange (SGX) has introduced guidelines and requirements for listed companies to disclose their ESG performance[13]. Since 2023, climate reporting has been made mandatory for businesses engaging in financial, agriculture, energy, food, and forest products industries, with reporting mandated for all businesses on a comply or explain basis since 2022. The SGX aims to mandate disclosures consistent with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, further promoting transparency and accountability in ESG reporting practices.

Meanwhile, in Hong Kong, the Hong Kong Stock Exchange (HKEX) introduced a requirement in 2016 for listed companies to publish annual ESG reports[14], including specified mandatory disclosures[15]. These requirements were upgraded in 2020 and 2022 to steer issuers towards more TCFD-aligned climate risk disclosure. Part B of the ESG Reporting Guide in the HKEX mandates disclosure requirements for ESG reports, while Part C requires companies to explain any deviations from these provisions. Additionally, Hong Kong's Securities and Futures Commission (SFC) has implemented ESG requirements for SFC-authorized unit trusts and mutual funds, further reinforcing the importance of sustainability reporting in the region's financial markets.

Emerging economies like Mongolia[16] and Thailand[17] are also actively promoting sustainability reporting through guidelines and training initiatives, laying the groundwork for more robust and transparent reporting practices in the future. Although neither of them has yet made sustainability reporting mandatory, the extensive work carried out by their national governments in partnership with international organizations like the UNDP and World Bank has served as reference for the Maldives Sustainability Reporting Framework.

13 Singapore Stock Exchange (2024). Sustainability reporting. Available at: https://www.sgx.com/sustainable-finance/sustainability-reporting.

14 Hong Kong Stock Exchange (2024). ESG Reporting Guide. Available at: https://www.hkex.com.hk/Listing/Sustainability/ESG-Academy/Rules-and-Regulations?sc_lang=en.

15 Hong Kong Stock Exchange. Appendix 27 Environmental, Social and Governance Reporting Guide. Available at: https://www.hkex.com.hk/-/media/hkex-market/listing/rules-and-guidance/listing-rules-contingency/main-board-listing-rules/appendices/appendix_27.

16 UNDP Mongolia (2022). ESG and Sustainability Reporting Guidance for Mongolian Companies. Available at: https://www.undp.org/mongolia/publications/esg-and-sustainability-reporting-guidance-mongolian-companies.

17 UNDP Thailand (2023). SDG Guidebook for Thai Listed Companies. Available at: https://www.undp.org/thailand/publications/sdg-guidebook-thai-listed-companies.

2.3 Maldivian Context Analysis

2.3.1 Economic Resilience and Vulnerabilities

The Maldivian economy is heavily reliant on tourism, serving as the primary driver of economic growth. However, this dependency exposes the country to significant vulnerabilities from macroeconomic and external shocks. High levels of public sector debt, combined with extensive government spending and infrastructure investments funded through external borrowing, further exacerbate fiscal vulnerabilities. Additionally, blanket subsidies on major consumption items contribute to economic challenges. Despite growth in tourism earnings, the current account deficit has doubled to 16.5% of GDP due to increased costs of oil imports and capital imports for large-scale projects. While the economy is projected to grow by a yearly average of 5.6% in the medium term, sustained efforts to reduce fiscal deficits and implement subsidy and public investment management reforms are necessary to mitigate vulnerabilities and ensure long-term economic stability[18].

In recent years, the Maldivian economy has exhibited remarkable resilience amidst fluctuating global economic tides. The year 2019 witnessed a surge in economic activity propelled by a record influx of tourists, marking a GDP growth of 5.3%. This surge, driven predominantly by the tourism sector, underscored its pivotal role as the primary engine of growth and employment generation in the Maldives. However, the onset of the COVID-19 pandemic in 2020 cast a shadow over the Maldives' economic landscape, unleashing disruptions that reverberated across key sectors and further compromised an economy characterized by a 139.3% debt-to-DGP ratio[19].

The pandemic-induced global travel restrictions dealt a severe blow to the Maldives' tourism-dependent economy, precipitating a sharp decline in tourist arrivals and hotel occupancy rates. Consequently, the tourism sector, along with its ancillary industries such as hospitality and aviation, bore the brunt of the crisis, plunging the economy into a recession. The construction sector, another significant contributor to the Maldives' GDP, also witnessed a slowdown as projects grappled with logistical challenges and labour shortages amidst the pandemic-induced restrictions.

18 World Bank (2023). Maldives at a Glance. Available at: https://www.worldbank.org/en/country/maldives/overview

19 World Bank (2021). Maldives Development Update. Available at: https://thedocs.worldbank.org/en/doc/93bdbd79b45eeb504743f4514f1095e1-0310062021/related/April-2021-MDU-Exec-Summary.pdf.

2.3.2 Navigating Economic Challenges

Against this backdrop of economic challenges, the Maldives faces a confluence of structural constraints and vulnerabilities that underscore the imperative for diversified economic strategies and resilience-building measures. Escalating global commodity prices, particularly for oil and capital goods, have fuelled inflationary pressures, posing challenges across sectors such as food, transportation, and healthcare. The widening current account deficit, exacerbated by soaring import costs, has underscored the vulnerability of the Maldives' external trade position and the imperative for sustainable debt management practices.

While the tourism sector remains the cornerstone of the Maldives' economy, efforts to diversify the economic base and enhance resilience have gained traction, including within tourism diversification. Outside the tourism sector, several initiatives to promote sustainable agriculture and fisheries, financial services, harness renewable energy sources, and foster innovation and entrepreneurship have emerged as key pillars of the Maldives' economic transformation agenda. Moreover, investments in infrastructure development, including transportation networks and digital connectivity, are pivotal to unlocking the full potential of the Maldives' economy and fostering inclusive growth across regions.

2.3.3 Financial Landscape

In tandem with its economic evolution, the Maldives' financial landscape has witnessed significant strides given the country's size, but still remains hampered by some structural inefficiencies. The Maldives Monetary Authority (MMA), as the central bank and regulator of the financial system, plays a pivotal role in maintaining monetary stability, overseeing financial institutions, and fostering innovation in financial services.

The influx of foreign capital into the country has long been crucial for its development but remains constrained by certain structural conditions. Despite attracting substantial Foreign Direct Investments (FDI), amounting to 11.7% of GDP in 2022[20], the tourism sector absorbs the majority (65%) of these investments,

[20] World Development Indicator, World Bank https://data.worldbank.org/indicator/BX.KLT.DINV.WD.GD.ZS?locations=MV

with transportation (27%) and telecommunications (4%) trailing behind[21]. At the same time, the limited presence of tourism in the Maldivian listed capital market has resulted in minimal engagement from foreign investors, while domestic investors predominantly shape investment activity. This situation is primarily attributed to perceived currency risks associated with local investments and complex regulatory rules on land ownership within the country.

The listed market is limited in size, with 9 companies and a total market capitalization of roughly USD2 billion. The market is regulated by the Capital Market Development Authority (CMDA). Established in 2006 under the Capital Market Development Act, the CMDA is responsible for overseeing the functioning of capital markets, protecting investor interests, and promoting market integrity. It regulates various aspects of the capital market, including securities issuance, trading, and intermediaries' activities. The CMDA also works to enhance market transparency, foster investor education, and ensure compliance with regulatory standards. By facilitating a conducive environment for capital market growth and innovation, the CMDA aims to mobilize domestic savings, attract foreign investment, and support economic development initiatives in the Maldives.

The Maldives Stock Exchange (MSE) is a strategic financial intermediary acting as the provider of a platform for trading securities and mobilizing capital. The MSE offers a regulated marketplace for listing and trading equities, debt instruments, and other financial products. It plays a pivotal role in channelling savings into productive investments, facilitating corporate fundraising, and enabling investors to diversify their portfolios.

In recent years, sustainable finance has emerged as a transformative force in the Maldivian financial market, catalysing investments aligned with ESG principles. The integration of sustainable finance principles into regulatory frameworks and corporate governance practices reflects a growing recognition of the imperative to mainstream sustainability considerations into investment decisions and capital allocation strategies. Initiatives to promote green bonds, ethical investments, and climate-resilient infrastructure projects underscore the Maldives' commitment to advancing sustainable development goals and mitigating climate change risks.

[21] Mohamed Shahudh (2022). The case for de-risking investments to attract private capital for underserved sectors in the Maldives. UNDP MALDIVES - ECONOMIC BULLETIN. Issue 4. Available at: https://www.undp.org/sites/g/files/zskgke326/files/2022-11/Economic%20Bulletin.%20UNDP%20MV.%20Issue%2004%2C%20Aug%202022%20%282%29.pdf

2.3.4 Sustainability Challenges and Objectives

Amidst the allure of its pristine natural beauty, the Maldives faces stark sustainability challenges as a Small Island Developing State (SIDS). Grappling with a multitude of environmental vulnerabilities exacerbated by climate change, including rising sea levels, coastal erosion, and coral reef degradation, the country is one of the most climate-vulnerable nations globally. Given its low-lying nature and limited elevation above sea level, coupled with its status as the sixth smallest country in terms of land area and one of the most geographically dispersed sovereign states, the Maldives is particularly sensitive to environmental shifts. Its economy and society are acutely impacted by sea level rise, coastal storms, and flooding, as critical infrastructure, including communications, four international airports, and over 100 harbours, are concentrated in regions within 100 meters of the coastline[22]. Moreover, the tourism industry's infrastructure, fisheries sector, population centres, and housing structures are predominantly situated in these vulnerable coastal areas. Consequently, the country has high vulnerability to extreme weather events, temperature increases, flooding, and sea level rise.

Furthermore, the Maldives faces socio-economic disparities and development challenges, with regional disparities exacerbating inequalities in access to essential services, healthcare, and education. The COVID-19 pandemic has exacerbated these socio-economic fault lines, exposing vulnerabilities in the Maldives' social fabric and highlighting the imperative for inclusive and equitable development strategies. Initiatives to promote community resilience, enhance social protection mechanisms, and foster cultural preservation underscore the Maldives' commitment to advancing the Sustainable Development Goals (SDGs) and leaving no one behind in its quest for sustainable development.

For these reasons, and in the face of evolving economic dynamics and sustainability imperatives, the Maldives have embraced a holistic approach that integrates economic, environmental, and social considerations into its development paradigm. This is testified by the Government's efforts, supported by UNDP in developing Maldives' Integrated National Financing Framework (INFF)[23], a strategic document that addresses the country's financing needs in achieving its sustainability objectives. Harnessing the synergies between economic prosperity

[22] World Bank (2021). Maldives - Climate Change Knowledge Portal. Available at: https://climateknowledgeportal.worldbank.org/country/maldives

[23] Maldives Ministry of Finance (2023). Maldives Integrated National Financing Framework (INFF). Gender-Responsive Climate Financing Strategy.

and sustainability will be instrumental in building a resilient and inclusive society that thrives in harmony with its natural surroundings. The journey towards sustainable development demands bold leadership, visionary policymaking, and active engagement from all stakeholders, including government agencies, private sector actors, civil society organizations, and local communities.

3 Framework Design Choices

This section delves into the pivotal decisions driving the design of the Maldives Sustainability Reporting Framework, exploring the overarching framework design choices. The latter are presented here as recommended solutions after having undergone public scrutiny through multiple stakeholder engagement sessions. At its core lies the strategic move towards making sustainability reporting mandatory for listed companies, aligning with CMDA's proactive stance and the Maldivian Government's commitment to sustainable finance. The chapter also navigates the nuanced approach to implementation, balancing regulatory requirements with organizational flexibility to ensure a smooth transition. Furthermore, it discusses the enforcement of compliance through penalties, the adoption of a double materiality assessment approach, the reporting format, and the selection of appropriate sustainability metrics. By weaving together these elements, the framework aims to provide a comprehensive yet adaptable mechanism that aligns with global best practices while addressing the unique sustainability challenges of the Maldives.

3.1 A Framework for Mandatory Reporting and Raising Ambition.

In developing the Maldives Sustainability Reporting Framework, we confront a multifaceted challenge entwined with both opportunity and complexity. At its core lies the pivotal question of the framework's legal nature—a question that not only dictates the regulatory landscape but also shapes the ethos of corporate accountability and sustainable governance within the Maldivian context.

Underpinning this endeavour is the existing regulatory framework governed by Law no. 2/2006 (Maldives Securities Act)[24], which vests CMDA with the authority to regulate listed companies and enforce compliance. Building upon this foundation, CMDA's Corporate Governance Code[25], published in 2008 and revised in 2021, sets the stage for integrating sustainability reporting into corporate practices, signalling a proactive stance towards aligning business conduct with broader sustainability objectives.

Based on CMDA's stance and the Maldivian Government's commitment to support the growth of a domestic sustainable finance market – signalled among other things by the Maldives Integrated National Financing Framework[26], a gender-responsive climate financing strategy published in 2023 – a consensus was reached to make the Maldives Sustainability Reporting Framework mandatory for listed companies. This decision, which is in line with the feedback collected during the stakeholder engagement sessions, represents more than a mere regulatory obligation; it embodies a strategic commitment to sustainable development. By making reporting mandatory, the framework reinforces accountability, transparency, and investor confidence—cornerstones of a resilient and ethical business ecosystem. Moreover, it positions the Maldives as a responsible global player, attracting investment and fostering long-term economic stability.

However, recognizing the diversity of capacities and capabilities among listed companies, we recommend a staggered implementation approach. Softening the initial requirements allows companies the necessary time and flexibility to build capacity, integrate sustainability principles, and adapt reporting systems gradually. This balanced approach ensures regulatory compliance without unduly burdening businesses, fostering a culture of continuous improvement and innovation.

Crucially, the framework must strike a delicate balance between regulatory stringency and organizational flexibility. While mandating reporting sets a minimum standard for accountability, providing guidance on reporting standards while allowing autonomy in implementation empowers companies to align sustainability efforts with their strategic objectives. This flexibility encourages innovation, fosters stakeholder engagement, and drives continuous improvement in sustainability practices.

Positioning sustainability reporting as a national strategy underscores the Maldives' commitment to sustainable development. By mandating reporting for listed

24 Capital Market Development Authority (2020). Maldives Securities Act Consolidated English Translation. Available at: https://cmda.gov.mv/storage/uploads/ArovBZoj/iwkhpshh.pdf.

25 Capital Market Development Authority (2022). orporate Governance Code (CG Code). Available at: https://cmda.gov.mv/en/downloads/corporate-governance-code.

26 Maldives Ministry of Finance (2023). Maldives Integrated National Financing Framework (INFF). Gender-Responsive Climate Financing Strategy.

companies, the framework not only enhances market credibility but also attracts responsible investment, driving long-term economic resilience and prosperity. This strategy serves as a beacon for sustainable capital market development, fostering a culture of transparency, accountability, and environmental stewardship.

Enforcing compliance: the role of penalties

Looking at various jurisdictions worldwide, companies failing to comply with sustainability reporting requirements can face substantial fines and other penalties, reflecting the growing importance of ESG compliance globally, even in countries who have been traditionally more cautious in the adoption of sustainability standards. The specifics of these penalties vary by legislation and region but highlight the financial and reputational risks of non-compliance.

Internationally, there is a clear trend towards implementing monetary penalties as a means to enforce sustainability reporting obligations. For instance, while the Corporate Sustainability Reporting Directive (CSRD) requires European Union member states to define sanctions while ratifying the directive, according to early indications, companies failing to comply may face fines of up to 1% of their annual turnover. This approach resonates with the consensus among the international experts interviewed as part of the initial research work, that penalties are an effective mechanism to ensure adherence to sustainability reporting standards.

The staggered approach to implementation proposed below aligns well with the idea of enforcing compliance through penalties. By gradually phasing in reporting requirements, Maldivian companies will be given ample time to adapt, making the imposition of penalties a logical step in incentivizing timely adoption. At the same time, aligning penalties with other national regulations on business conduct is crucial to maintain consistency and coherence in regulatory frameworks. Drawing from the leadership in ESG regulation of the European Union, where penalties for non-compliance with sustainability obligations are enforced with fines proportionate to the company's revenue, the Maldives can establish a robust enforcement mechanism that underscores the importance of ESG compliance within the broader context of corporate governance.

The imposition of financial sanctions for non-compliance with sustainability reporting obligations is not only consistent with international best practices but also aligns with the staggered implementation approach considered for the Maldives Sustainability Reporting Framework. By signaling a firm commitment to regulatory enforcement, CMDA can ensure orderly adoption of sustainability reporting while fostering a culture of transparency, accountability, and responsible corporate citizenship within the Maldivian business landscape.

3.2 A Double Materiality Assessment Approach

In the realm of sustainability reporting, the concept of materiality serves as a guiding principle, determining the significance and relevance of information disclosed by companies. Traditionally, materiality assessments have predominantly focused on financial impacts, evaluating issues that are likely to affect a company's financial condition or operating performance, in line with the traditional financial interpretation[27]. However, the emergence of double materiality represents a paradigm shift, extending the scope of assessment to encompass both the inward and outward impacts of sustainability issues on a company.

The essence of double materiality lies in its dual perspective, considering not only how external factors influence a company but also how a company's actions impact the environment and society[28]. This holistic approach recognizes that ESG issues can significantly affect a company's financial performance, while the company, in turn, can shape sustainability outcomes. The European Commission's Non-Financial Reporting Directive introduced double materiality in 2014[29], emphasizing the need for companies to assess and report on both financial implications and sustainability impacts.

Despite the growing recognition of double materiality's significance, some sustainability reporting frameworks still adhere to a single materiality approach. However, the European Union's Corporate Sustainability Reporting Directive (CSRD) stands as a notable exception, mandating double materiality as a foundational principle. This reflects a broader trend wherein stakeholders demand greater transparency and accountability regarding companies' ESG performance, driving the adoption of comprehensive reporting frameworks.

The Maldives, positioned at the forefront of environmental challenges such as climate change and biodiversity loss, stands to gain significantly by adopting both an inward and outward look at their sustainability impacts. This is recognized among other things by the Nationally Determined Contributions[30], a policy adopted by the Maldivian government that outlines the country's emission reduction targets

27 United States Securities and Exchange Commission (1999). SEC Staff Accounting Bulletin: No. 99 – Materiality. Available at: https://www.sec.gov/interps/account/sab99.htm.

28 Gourdel , R. et al. (2023). The double materiality of climate physical and transition risks in the euro area. European Central Bank, Working Paper Series.

European Commission (2019). Guidelines on non-financial reporting: Supplement on reporting climate-related information. Communication from the Commission (2019/C 209/01). Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019XC0620(01)&from=EN.

Ministry of Climate Change, Environment and Energy (2020). Update of Nationally Determined Contribution of Maldives. Available at: https://unfccc.int/sites/default/files/NDC/202206/Maldives%20Nationally%20Determined%20Contribution%202020.pdf and adaptation measures to combat climate change, in line with the country's Paris Agreement's commitments. In the NDC the Maldivian Governments sets out a clear commitment to enforce the country's ambition to ensure that the local economy has a positive impact on key environmental dimensions.

For this reason, it is recommended that the Maldives Sustainability Reporting Framework adopt a double materiality approach in selecting sustainability metrics. This method ensures that companies account for both their financial performance and their wider environmental and social impacts, aligning with the nation's broader sustainability goals. In addition to this, local stakeholders have shown a strong preference for double materiality, acknowledging its importance in the Maldivian context and the necessity for thorough reporting that mirrors the country's distinct vulnerabilities and responsibilities.

Furthermore, international experts have echoed support for double materiality, emphasizing the global significance of preserving natural assets like the Maldives' coral reefs. With close to 3% of the world's coral reefs located in the Maldives, there is a shared responsibility to safeguard these ecosystems, underscoring the importance of adopting reporting frameworks that capture both financial and ESG impacts.

In light of these considerations, a double materiality assessment approach emerges as a compelling choice for the Maldives' sustainability reporting framework. It not only aligns with global best practices but also reflects the country's commitment to sustainable development and environmental stewardship. By embracing double materiality, the framework can provide a comprehensive view of companies' risks and contributions to sustainable development, driving progress towards a more resilient and responsible economy.

Double materiality for the Maldives Sustainability Reporting Framework is a fundamental design choice, evident in both the selected metrics and the sustainability reporting standards it aligns with. Firstly, many of the metrics emphasize outward ESG significance, focusing on the impact of companies' activities on the planet and communities. This contrasts with inward significance, which considers only the financial materiality of ESG themes for companies. Secondly, the Framework's alignment with standards such as the Global Reporting Initiative underscores its commitment to double materiality. This approach is further reinforced by the adoption of technical reporting protocols based on the Global Impact Investing Network's IRIS+ system, the world's leading impact measurement standard. This alignment indicates the Maldives Sustainability Reporting Framework's ambition to transcend traditional sustainability assessments and, as outlined in the maturation plan, move towards comprehensive impact measurement.

3.3 Integrated Reporting Format

In designing the reporting format for sustainability disclosures within the Maldives' inaugural sustainability reporting framework, one of the critical considerations revolves around whether sustainability reporting should be integrated with financial reporting or published separately.

Integrated reporting presents a holistic approach by combining financial and sustainability information within a single comprehensive report. This aligns with international standards advocated by bodies such as the International Financial Reporting Standards (IFRS)[31] and regulatory frameworks like the European Union's Corporate Sustainability Reporting Directive (CSRD). By integrating sustainability and financial disclosures, companies can offer stakeholders a cohesive narrative of their performance, emphasizing the interconnectedness between financial and non-financial aspects of value creation.

For the Maldives, adopting integrated reporting could bolster the credibility and usefulness of sustainability disclosures for investors and other stakeholders. It allows for a holistic assessment of a company's performance, considering not only its financial health but also its ESG impacts. However, implementing integrated reporting may necessitate additional resources and effort from local companies to ensure the accuracy and integrity of their disclosures. Alternatively, sustainability reporting could be published as a standalone report, distinct from financial disclosures. This approach allows companies to focus exclusively on their ESG impacts, providing stakeholders with detailed insights into their sustainability practices and performance. While separate reporting may be more manageable for companies, particularly those at early stages of reporting maturity, it deviates from the global trend towards integrated reporting.

Given the global momentum towards integrated reporting and its alignment with international standards, we recommended for the Maldives to integrate sustainability and financial reporting. This approach offers numerous benefits, including enhanced transparency, coherence, and comparability of information. It enables stakeholders to make informed decisions by providing a holistic view of a company's value creation process, considering both financial and ESG factors.

While local stakeholders did not express a strong position on reporting format, it is noteworthy that 4 out of the 9 listed companies in the Maldives already

31 International Financial Reporting Standards (2024). Integrated reporting. Available at: https://www.ifrs.org/issued-standards/integrated-reporting/.

implement integrated reporting. Furthermore, international experts consulted strongly advocated for integrated reporting, citing its widespread adoption by companies worldwide and its ability to provide stakeholders with a comprehensive understanding of a company's performance and value creation journey. Integrated reporting constitutes therefore the preferred option for the Maldives' sustainability reporting framework, aligning with international best practices and stakeholder expectations. By adopting integrated reporting, the Maldives can demonstrate its commitment to transparency, accountability, and sustainable development, fostering investor confidence and driving long-term value creation.

3.4 Metrics: A Hybrid Regime

Sustainability metrics represent the cornerstone of measuring an organization's sustainability practices and performance. These metrics not only help quantify a company's sustainable development goals but also enable stakeholders to assess the long-term viability and ethical impact of their operations. Internationally, there is a diverse landscape of sustainability frameworks, each designed to guide and standardize the reporting of ESG practices.

Frameworks such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) offer guidelines that are globally recognized, while region-specific standards aim to harmonize at national/macro-regional level. Generally, there is a global trend toward aligning with these established frameworks, though often with local customization.

For example, countries like the United States are shaping their own standards through the Securities and Exchange Commission (SEC), proposing climate disclosure regulations that reflect the American market's unique characteristics. Similarly, Australia tailored the International Sustainability Standard Board (ISSB) standards to local conditions, while the EU's through its CSRD and ESRS aims to integrate broader international frameworks into a more unified European approach. At the same time, some other countries, such as China, endorse domestic guidelines, with the China Securities Regulatory Commission (CSRC) providing a distinct framework that addresses local sustainability issues. A further approach consists in defining higher level guidelines aligned with international standards but

[32] Sustainability Accounting Standards Board(2022). SASB Standards. Available at: https://sasb.org/standards/download/.

leaving some degree of freedom to the companies complying with them, such as the case of Mongolia and Thailand. It should be noted, though, that these constitute guidance rather than legally enforceable measures and do not seem appropriate in the context of a reporting framework aiming at nation-wide harmonization.

In the context of designing the Maldives Sustainability Reporting Framework, local stakeholders have voiced specific concerns that reflect the unique sustainability challenges of the nation, which would support the need for a more tailored approach. Therefore, the selection of appropriate metrics highlighted the need to strike a balance between globally recognized standards and locally relevant considerations. For this reason, at the heart of the framework hereby proposed lies a hybrid approach, carefully crafted to integrate cross-industry metrics tailored to the unique Maldivian context with industry-specific indicators identified by the Sustainability Accounting Standards Board[32].

First of all, cross-industry metrics are standardized indicators that apply universally across all sectors, offering a baseline assessment of key ESG aspects. These metrics ensure consistency and comparability of reporting across diverse industries, facilitating broader analyses of Maldives' sustainability trends. Conversely, industry-specific metrics are tailored to the unique characteristics and challenges of particular sectors, providing deeper insights into sector-specific ESG issues. Derived from SASB standards, these metrics enable more nuanced evaluations of industry-specific sustainability practices, allowing for targeted interventions and improvements within each sector. This hybrid model not only ensures a comprehensive assessment of sustainability performance but also acknowledges the diverse needs and challenges facing different sectors within the Maldivian economy.

3.4.1 Cross-industry metrics

The cross-industry metrics, customized to reflect the specific environmental, social, and governance challenges prevalent in the Maldives, will be structured within a mixed regime comprising both mandatory and voluntary components. This approach recognizes the varying degrees of readiness and capacity among listed companies while providing a clear pathway for continuous improvement in sustainability reporting practices.

In the inaugural year, companies will be provided with a "report or explain" mechanism for mandatory metrics, offering flexibility in reporting while maintaining accountability. This pragmatic approach acknowledges the potential challenges companies may encounter in the initial stages of sustainability reporting and fosters a culture of transparency and continuous learning. From the second year onwards, mandatory metrics will form the cornerstone of reporting, with exemptions based on the "report or explain" regime applicable only to metrics for which an exemption has been granted. Voluntary metrics, deemed less critical or challenging to report, will remain non-mandatory, allowing companies to prioritize their sustainability efforts while retaining flexibility for future enhancements to the framework.

3.4.2 Industry-specific metrics

Industry-specific metrics, curated by SASB to capture sector-specific sustainability considerations, will initially be designated as voluntary in the first year. However, recognizing the importance of sector-specific disclosures in providing a comprehensive view of sustainability performance, these metrics will transition to mandatory status from the second year onward. The same "report or explain" mechanism introduced for cross industry metrics will also apply to industry specific metrics, starting from the second year of reporting. From the third year onwards, all industry specific metrics will be mandatory, with the exception of those companies for which an exemption was granted under the "report or explain" regime. This phased approach reflects a commitment to alignment with global best practices while accommodating the diverse needs of different industries operating in the Maldives.

It is essential to underscore that while the framework establishes minimum standards for sustainability reporting, companies are encouraged to go above and beyond these requirements and report on additional metrics deemed relevant to their operations and stakeholder expectations.

Greater details on the composition of the Cross-Industry Metrics Catalogue and the application of SASB standard to derive industry-specific metrics will be provided below in section 6 (Sustainability Metrics Overview).

4 Framework Governance and Implementation Roadmap

In charting the course for the implementation of the Maldives Sustainability Reporting Framework, a comprehensive and meticulously structured approach has been devised. This approach, grounded in the core principles of transparency, accountability, and adaptability, aims to foster a culture of sustainable business conduct while accommodating the unique dynamics of the Maldivian market. The objective of the implementation roadmap hereby presented (see Figure 2) is to lay out the strategy to a) complete the work required to finalize the framework; b) oversee its implementation and adoption by Maldivian companies; c) enforce compliance through CMDA's regulatory mechanisms; and d) ensure that the framework stays abreast of evolution in the Maldivian financial and sustainability landscape by means of continuous monitoring, auditing, and updates. This roadmap includes finalizing and approving the framework, establishing compliance and disclosure requirements, implementing capacity-building initiatives, and governing the framework through collaboration with auditing bodies like the CA Maldives. Additionally, it encompasses the enforcement strategy via CMDA's directives and the involvement of the Enforcement Committee, as well as provisions for iterative revisions recommended by the subcommittee on sustainability reporting in collaboration with stakeholders.

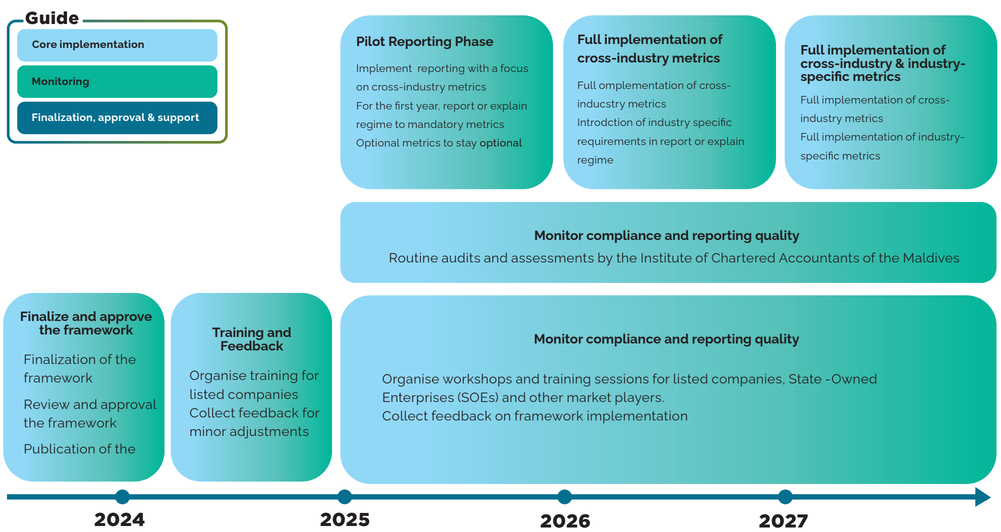


Figure 2: Implementation roadmap

4.1 Finalization, Approval, and Support

By the conclusion of the quarter of 2024, the sustainability reporting framework shall undergo finalization, paving the way for formal approval and publication by CMDA. This expedited timeline underscores the urgency of implementing standardized ESG reporting practices to meet the evolving expectations of investors and stakeholders. Additionally, the timely finalization of the framework ensures clarity and certainty for listed companies, enabling them to prepare for the forthcoming reporting obligations.

The reporting requirements will be established in the CMDA CG Code. CMDA CG Code 2021 mandates sustainability reporting, which has been voluntary since 2014 but will become mandatory once the Sustainability Reporting Framework is completed. A Reporting Guideline in alignment with the CMDA CG Code and the Sustainability Reporting Framework will be issued to provide detailed guidance.

Subsequently, from the second quarter of 2024 onwards, capacity-building initiatives tailored to the specific needs of listed companies are designed and rolled out. These initiatives, complemented by ongoing feedback collection mechanisms, ensure continuous refinement of the framework, fostering greater alignment with market dynamics and stakeholder expectations. By providing companies with the necessary tools and resources to navigate the complexities of sustainability reporting, capacity-building initiatives play a pivotal role in facilitating compliance and promoting best practices.

As the framework gains traction, the process of capacity-building and feedback collection evolves into a structured and integrated component of implementation. From 2025 onwards, these sessions are extended to encompass state-owned enterprises and other market players, facilitating broader adoption and harmonization of sustainability reporting practices across the Maldivian business landscape. This inclusive approach underscores the importance of stakeholder engagement and collaboration in driving sustainable development outcomes.

4.2 Framework Implementation

Commencing in 2025, the pilot reporting phase serves as a foundational step towards embedding sustainability reporting practices within Maldivian listed companies. During this pivotal phase, companies will be mandated to report on cross-industry metrics, marking the initial foray into standardized ESG reporting. Importantly, companies will have the option to adopt a “report or explain” approach to mandatory metrics, allowing for flexibility in compliance while facilitating the gradual assimilation of reporting requirements.

The pilot phase represents a crucial learning opportunity for both regulators and companies alike. It provides invaluable insights into the practical challenges and opportunities associated with sustainability reporting, enabling iterative refinement of reporting frameworks and processes. Moreover, the pilot phase fosters stakeholder engagement and awareness, laying the groundwork for broader acceptance and adoption of sustainability reporting principles.

Building upon the foundation laid in the pilot phase, 2026 heralds the transition to a more comprehensive reporting regime. Companies will be obligated to report on all mandatory metrics, reflecting a maturation of reporting standards and practices. Exceptions will be granted only for metrics eligible for the “report or explain” provision, ensuring a consistent and coherent approach to disclosure. Concurrently, the reporting scope expands to encompass voluntary reporting of industry-specific metrics, thereby addressing the nuanced sustainability challenges faced by different sectors.

By 2027, the reporting landscape matures further as companies are mandated to disclose all industry-specific metrics, subject to the “report or explain” mechanism. This phased approach allows for a gradual assimilation of industry-specific reporting standards, empowering companies to adapt their internal processes and systems iteratively. Importantly, the “report or explain” provision serves as a mechanism to encourage continuous improvement in sustainability performance while providing companies with the flexibility to address unique operational challenges.

It is imperative to note that all dates specified denote the commencement of the reporting period, ensuring alignment with fiscal cycles and facilitating a seamless transition for companies. Additionally, the phased implementation approach is designed to minimize disruption to business operations while maximizing the effectiveness of sustainability reporting initiatives.

4.2.1 Compliance and Disclosure Requirements for ESG Reporting

To ensure compliance with the Maldives Sustainability Reporting Framework, companies are required to disclose their ESG performance using two main channels:

- Firstly, they must utilize the data collection matrix provided by CMDA, which will be accessible digitally to all companies. This matrix, detailed in Annex II, serves as a standardized tool for collecting ESG data and will be shared exclusively with CMDA for evaluation purposes. This requirement only applies to cross-industry metrics.

- Secondly, companies are mandated to publicly disclose their ESG metrics as identified by the framework through a sustainability report. This report must be made readily available on the company's official corporate website, allowing stakeholders to access and review the disclosed information. This requirement applies to both cross-industry and industry-specific metrics.

While companies have the flexibility to present additional information beyond the prescribed metrics, adherence to the reporting format outlined in the framework is essential. Companies are furthermore required to adopt integrated reporting practices, integrating their sustainability report within their annual report format and adhering to the corresponding reporting deadlines mandated for annual financial reporting.

4.2.2 Monitoring and Audit

Central to the successful implementation of the sustainability reporting framework is robust monitoring and audit mechanisms. Institute of Chartered Accountants of the Maldives assumes the pivotal role of monitoring and auditing companies' adherence to the sustainability reporting framework. This oversight function underscores the importance of independent verification in upholding the integrity and credibility of sustainability disclosures.

The CA Maldives, as the regulatory body overseeing the audit profession including licensing of auditors in the Maldives, will ensure rigorous scrutiny of reported data. Sustainability reporting will be carried out based on regulations and guidance provided by CA Maldives. In this regard, CA Maldives will be responsible for the Quality Assurance of audits carried out.

Institute of Chartered Accountants of the Maldives brings a wealth of expertise and impartiality to the monitoring and audit process, ensuring rigorous scrutiny of reported data. By conducting comprehensive audits, Institute of Chartered Accountants of the Maldives plays a critical role in verifying the accuracy and completeness of sustainability disclosures, thereby enhancing transparency and accountability in corporate reporting practices.

4.2.3 Enforcement and Revisions

Reporting requirements will be enforced by CMDA, which will utilize its Enforcement Committee to oversee matters related to disclosure and compliance. CMDA will issue relevant directives under the Continuing Disclosure Obligations of Issuers (CDOI) for listed companies to follow the reporting guidelines. The reporting requirements will be enforced as per the CDOI, and other matters arising will be addressed in collaboration with relevant authorities and institutions.

Any revisions to the framework shall be recommended through the subcommittee on sustainability reporting, potentially engaging the United Nations Development Programme (UNDP) and other relevant stakeholders. This collaborative approach ensures that the framework remains dynamic and responsive to both local and international developments in sustainability reporting.

In summary, the implementation roadmap outlines a phased and structured approach to embedding sustainability reporting within Maldivian listed companies, supported by robust governance, compliance, and monitoring mechanisms. Through continuous stakeholder engagement and iterative refinement, the framework aims to foster sustainable business practices and transparency, contributing to the broader goals of sustainable development in the Maldives.

4.3 Maturation Plan: Advancing Beyond the Present Framework

The Maldives Sustainability Reporting Framework presented in this report has been designed as a double materiality framework, recognizing the importance of both financial and non-financial impacts on sustainable development. However, the ambition of the framework extends beyond its current scope, aiming to adapt to the evolving needs and aspirations of the Maldivian government and of companies that seek to go beyond traditional reporting practices. In order to guide this ambition, we introduce the idea of a maturation plan which should, at a minimum, focus on the following areas of development:

- Integration of Advanced Impact Measurement Protocols
- Evaluation of Supply Chain Sustainability
- Increasing Complexity and Granularity of Reporting
- Innovation in Reporting Practices
- Governance and Collaboration

First of all, as part of the maturation plan, the framework will gradually incorporate advanced impact measurement protocols that extend beyond traditional ESG metrics. These protocols will enable companies to quantify the broader impact of their operations on environmental and social systems. To achieve this, collaboration with international experts will be sought to define and standardize impact metrics within the Maldives Sustainability Reporting Framework, while also aligning with global frameworks such as GRI, SASB, SDG Impact Standards, the Global Impact Investing Network's IRIS+, TCFD and TNFD. Pilot programs will be implemented with select companies to test and refine these impact metrics, ensuring they are practical and actionable. Specialized training will be provided to companies on how to measure and report on these advanced impact metrics, ensuring they have the skills and tools needed to comply with the enhanced reporting requirements. Integration with existing frameworks will be ensured to maintain consistency and comparability.

Recognizing the importance of sustainable supply chains, the maturation plan ensures that the framework will incorporate measures to evaluate and report on the sustainability of supply chains. This will involve encouraging companies to map their supply chains and identify key environmental and social risks at each stage. Guidelines will be developed for assessing the sustainability practices of suppliers, including criteria for environmental impact, labor practices, and ethical governance. Training and capacity-building initiatives will be provided to companies and suppliers to enhance sustainability practices throughout the supply chain. Mandating disclosure of supply chain sustainability practices and performance in annual sustainability reports will promote transparency and accountability. Collaborative initiatives among companies will be facilitated to share best practices and resources for improving supply chain sustainability.

As companies become more familiar with sustainability reporting, the framework will evolve to include more complex and granular reporting requirements. This phased approach ensures companies can progressively build their reporting capabilities. To achieve this, tiered levels of reporting complexity will be introduced, where companies start with basic metrics and gradually progress to more detailed and sophisticated disclosures. Sector-specific reporting guidelines will be developed to address the unique sustainability challenges and opportunities of different industries, providing tailored guidance for more precise reporting. Additionally, programs will be developed to facilitate capital raising based on adherence to specific impact reporting frameworks with focuses such as blue economy, biodiversity, carbon emissions, etc. Continuous learning opportunities, such as workshops and webinars, will be offered to help companies enhance their reporting skills and stay updated on best practices and emerging trends. A feedback loop will be established where companies can share their experiences and challenges with the framework, allowing for iterative improvements and updates to the reporting requirements.

To foster innovation in sustainability reporting, the maturation plan encourages the adoption of cutting-edge technologies and methodologies. Innovative approaches include developing digital platforms that facilitate real-time data collection, analysis, and reporting, making the reporting process more efficient and transparent. Exploring the use of blockchain technology to enhance the transparency and traceability of reported data will ensure its accuracy and integrity. Utilizing artificial intelligence and big data analytics to analyze complex sustainability data, identify trends, and generate actionable insights for companies and stakeholders will be encouraged. Implementation of tools for engaging with stakeholders, such as interactive dashboards and visualizations, will allow for more dynamic and meaningful communication of sustainability performance.

Effective governance and collaboration are crucial for the successful maturation of the framework. To achieve this, CMDA will continue to oversee the implementation and enforcement of the framework, ensuring compliance and addressing any emerging issues. Collaborative governance structures will be established, involving key stakeholders such as companies, auditors, government agencies, and international organizations, to guide the framework's evolution. Regular reviews of the framework will be conducted to ensure it remains relevant and aligned with global best practices and the evolving needs of the Maldivian market.

5 Support and Resources to Facilitate Adoption

This section presents a range of support mechanisms and resources that may be made available to listed companies in the Maldives as they navigate the implementation of the sustainability reporting framework. It outlines CMDA's options for capacity-building and other initiatives designed to equip companies with the knowledge and skills necessary for effective sustainability reporting and foster a culture of sustainability and responsible business practices. The purpose of the chapter is to ensure that the Maldives Sustainability Reporting Framework is not simply imposed on companies who may perceive it simply as a source additional cost, but rather constructed as an adaptable tool for companies to make the most of the growing opportunities offered by sustainable finance globally.

5.1 Support Mechanisms for Listed Companies

Implementing a sustainability reporting framework requires listed companies to possess the necessary knowledge and skills to collect, analyse, and report on ESG metrics effectively. To address this need, CMDA has developed a comprehensive suite of capacity-building initiatives tailored to the specific requirements of Maldivian companies. These initiatives aim to enhance the capacity of listed companies to understand, implement, and comply with the sustainability reporting framework, thereby fostering a culture of sustainability and responsible business practices.

5.1.1 Capacity Building

Capacity-building workshops are foundational to equipping listed companies with the knowledge and skills necessary for successful sustainability reporting. To ensure timely preparation for the pilot reporting phase starting in 2025, workshops will commence as early as possible in 2024. These workshops will be held annually thereafter, providing ongoing support and guidance to listed companies as they navigate the sustainability reporting process.

The workshops will cover a comprehensive range of topics, including

- Introduction to Sustainability Reporting: An overview of the importance of sustainability reporting and its relevance to listed companies in the Maldivian context.
- Understanding Reporting Guidelines: Detailed exploration of reporting guidelines, focusing on both cross-industry metrics and industry-specific metrics. The workshops will provide in-depth training on the methodologies outlined by the Sustainability Accounting Standards Board (SASB) to ensure participants have a thorough understanding of reporting requirements.
- Data Collection and Analysis: Techniques and best practices for collecting, analysing, and interpreting ESG data, with a focus on identifying material issues and assessing their impact on business performance.
- Reporting Best Practices: Guidance on developing high-quality sustainability reports that effectively communicate ESG performance and progress towards sustainability goals.
- Case Studies and Practical Examples: Real-world case studies and examples demonstrating successful sustainability reporting practices, highlighting lessons learned and best practices from leading companies.

The workshops will be facilitated by industry experts, sustainability practitioners, and regulatory specialists, providing participants with valuable insights and practical guidance to support their sustainability reporting efforts.

5.1.2 Technical Assistance Services

In addition to capacity-building workshops, CMDA will offer technical assistance services to listed companies seeking personalized support and guidance on sustainability reporting-related issues. These services will include:

- Individual Consultations: Listed companies can request one-on-one consultations with certified advisory firms in the Maldives specializing in ESG reporting. These consultations will provide personalized guidance and support tailored to the specific needs and challenges of each company.
- Sustainability Reporting Help Service: CMDA will establish a dedicated website to serve as a central point of contact for companies seeking clarification, support, and guidance on sustainability reporting issues. Companies can submit inquiries and requests for assistance through the website, which will be managed and responded to promptly by CMDA and certified advisory firms.
- Review and Feedback: Listed companies can submit their sustainability reports for review and feedback, receiving constructive input and recommendations for improvement from certified advisory firms. This feedback mechanism will ensure ongoing improvement and refinement of sustainability reporting practices.

In order to elevate the standards of ESG reporting services available to listed companies in the Maldives, CMDA can gain significant benefits from establishing a comprehensive regime for the identification, certification, and quality assurance of consultancy companies. This section outlines the proposed mechanisms for training consultancy companies, establishing a certification regime, and ensuring quality assurance through partnerships with independent international accreditors.

5.2.1 Training for Consultancy Companies

CMDA can play a pivotal role in facilitating training programs and capacity-building initiatives aimed at enhancing the capabilities of both Maldivian and international consultancy companies in the country. By empowering these firms with the requisite knowledge and skills, CMDA can ensure they provide high-quality ESG reporting services to listed companies, in line with the requirements of the sustainability reporting framework. The training programs would need to encompass various aspects:

- Understanding sustainability frameworks: Consultancy firms need a deep understanding of the Maldives Sustainability Reporting Framework, as well as other international ESG standards to guide listed companies effectively through the reporting process. Training sessions can provide comprehensive insights into the structure and requirements of the framework, and the Sustainability Accounting Standards Board (SASB) Standards.

- Technical skills development: Workshops and practical exercises can focus on developing technical skills related to data collection, analysis, and reporting. Consultants may benefit from hands-on training in areas such as ESG data management, stakeholder engagement, materiality assessment, and report drafting.

- Regulatory compliance: Given the evolving regulatory landscape, consultancy firms must stay abreast of relevant regulations and best practices. Training sessions can offer insights into regulatory requirements and guidance on compliance with local and international reporting regulations.

- Ethical and professional standards: Upholding ethical conduct and professional integrity is paramount in the consulting profession. Training programs should emphasize the importance of adhering to ethical principles, maintaining client confidentiality, and avoiding conflicts of interest.

5.2.2 Certification regime

By offering comprehensive training programs tailored to the specific needs of consultancy companies, CMDA can empower them to deliver effective and reliable ESG reporting services to listed companies in the Maldives. But in order to ensure control over such processes, it appears necessary to define a shortlist of certified advisory services providers. Establishing a certification regime for consultancy companies offering ESG reporting services can provide CMDA with a mechanism to ensure the competence, professionalism, and ethical conduct of certified firms. The certification process could involve several key steps.

First of all, CMDA would have to define clear eligibility criteria that consultancy companies must meet to qualify for certification. These criteria may include factors such as relevant experience, expertise in ESG reporting, adherence to ethical standards, compliance with regulatory requirements, and participation to the CMDA training program. Secondly, consultancy firms seeking certification

would be required to submit detailed applications outlining their qualifications, experience, track record, and commitment to ethical conduct. CMDA could review these applications and assess whether the firms meet the eligibility criteria. CMDA would then have to conduct a thorough assessment of each consultancy company's capabilities, competence, and adherence to professional standards. This assessment could include a review of past projects, interviews with key personnel, and an evaluation of the firm's internal processes and procedures.

Based on the assessment results, CMDA would make certification decisions, granting certification to companies that meet the requirements and providing feedback to those that do not. Certified firms would receive official recognition from CMDA, demonstrating their commitment to excellence in ESG reporting. Finally, certified consultancy companies would then be issued a certification valid for a specified period, subject to ongoing compliance with certification requirements. Renewal of certification would be contingent upon continued adherence to professional standards and best practices.

5.2.3 Quality assurance partnership

Collaborating with independent international accreditors and quality assurance bodies can further enhance the credibility and reliability of ESG reporting services offered by consultancy companies in the Maldives. Through strategic partnerships, CMDA can enter into strategic partnerships with independent international accreditors and quality assurance bodies to enhance the credibility and reliability of ESG reporting services offered by consultancy companies in the Maldives. These partnerships can facilitate periodic external audits of the certification process, ensuring compliance with international standards and best practices. Additionally, engagement with stakeholders and ongoing feedback collection can foster transparency, trust, and accountability in the certification regime and the consultancy companies certified under it.

While numerous international bodies could potentially serve as accreditors for the CMDA ESG advisory certification regime, selecting a trusted partner with a strong international reputation and a deep understanding of the local context is crucial. In this regard, UNDP Maldives emerges as an ideal candidate for such a role, given its extensive involvement in the development of the Maldives' Sustainability Reporting Framework from its inception.

6 Sustainability Metrics Overview

The process of defining the final catalogue of sustainability indicators for the Maldives Sustainability Reporting Framework involved a comprehensive analysis and consultation process aimed at ensuring the relevance, feasibility, and effectiveness of the selected metrics. Drawing on a combination of factors, including materiality, alignment with international standards, stakeholder expectations, national priorities, industry relevance, data availability and reliability, and stakeholder relevance, the framework was developed to provide a balanced and comprehensive view of ESG performance among listed companies. It's crucial to note that none of these factors can override the others; rather, they were implemented conjunctly to determine the final set of indicators.

As presented above, the process began with a desk research phase, during which an analysis of the main national and supranational sustainability reporting frameworks, as well as ESG standards such as the Global Reporting Initiative (GRI), Task Force on Climate-related Financial Disclosures (TCFD), and Sustainability Accounting Standards Board (SASB), was conducted. This phase provided a foundational understanding of existing best practices and standards in sustainability reporting. Subsequently, extensive consultations were conducted with local stakeholders, including government agencies, regulatory bodies, financial institutions, and listed companies, to gather insights and perspectives on the selection of sustainability metrics. These consultations were complemented by engagements with international experts representing various market players, contributing valuable insights and expertise to the process.

During the stakeholder consultations, the theme of metrics selection emerged as a major focus area, with both institutional players and listed companies providing inputs on which metrics to include and exclude. The discussions were guided by the overarching goal of developing a framework that addresses the unique sustainability challenges and opportunities facing the Maldives while aligning with global best practices and stakeholder expectations.

The selection of metrics for the Maldives Sustainability Reporting Framework was guided by several key rationales, ensuring relevance, comprehensiveness, and feasibility. These included materiality to the Maldivian context, alignment with international standards, national priorities and policies, reporting complexity, data availability, and stakeholder relevance. While each rationale played a crucial role in determining the final catalogue of metrics, none of them is individually significant enough to allow overriding of any of the others – they should instead be interpreted collectively as part of a multifaced approach. The rationales are explored in detail in the following table.

Table 1: Metrics Selection Rationales

Sustainability Materiality	Metrics were selected based on their materiality to the Maldivian context and their relevance to local industrial sectors represented by the companies listed on the Maldives Stock Exchange as well as other important businesses. This ensured that the chosen indicators provide meaningful insights into the ESG performance of target companies while avoiding information overload.
Alignment with international standards and international markets expectations	Metrics aligned with widely recognized international standards and frameworks were included to enhance comparability and ensure consistency with global best practices, providing a comprehensive view of ESG performance. This rationale was considered in conjunction of the expectations of international markets – a perspective that was deemed important to ensure that the Maldives Sustainability Reporting Framework becomes an integral part of the country's efforts to raise capital for climate transition.
National priorities and policies	Metrics aligned with the Maldives' national priorities and sustainable development goals were included to support the country's strategic objectives and policy initiatives. Among them, the main policies incorporated in the evaluation of metrics are the following: • Integrated National Financing Framework (INFF) , a strategic document drafted by the government of the Maldives to address the country's financing needs in achieving its sustainability objectives. • Strategic Action Plan of the Government of Maldives , a central policy framework and planning document that guides the development direction of the Maldives . • Nationally Determined Contributions , which outline the country's emission reduction targets and adaptation measures to combat climate change, in line with the country's Paris Agreement's commitments. • Gender and Equality Action Plan , a road map for the government to advance gender-related policies signal its commitment to gender equality despite.

Maldives Ministry of Finance (2023). Maldives Integrated National Financing Framework (INFF). Gender-Responsive Climate Financing Strategy.

Government of the Maldives (2019). Strategic Action Plan 2019-2023. Available at: https://storage.googleapis.com/presidency.gov.mv/Documents/SAP2019-2023.pdf

An updated version of the Strategic Action Plan is expected for 2024.

Ministry of Climate Change, Environment and Energy (2020). Update of Nationally Determined Contribution of Maldives. Available at: https://unfccc.int/sites/default/files/NDC/202206/Maldives%20Nationally%20Determined%20Contribution%202020.pdf

Ministry of Gender, Family and Social Services (2022). National Gender Equality Action Plan. Available at: http://gender.gov.mv/en/wp-content/uploads/sites/1/2022/03/GEAPFinal.pdf

	• National Biodiversity Strategy and Action Plan[38], a strategic framework designed to conserve biodiversity, promote sustainable development, and address climate change challenges through coordinated action and policy integration across sectors.
Reporting complexity and data availability	Metrics whose complexity in reporting was considered to be more manageable were prioritized in order to limit the burden to be imposed on Maldivian companies. Similarly, metrics for which reliable data is readily available and more easily accessible were prioritized, while those with challenges in data collection and verification were excluded to maintain the integrity and credibility of the framework.
Stakeholder relevance	Metrics that were proposed by local key stakeholders, including investors, regulators, and companies, were given particular focus in order to prioritize sustainability issues that are of greater importance and interest locally, and to deliver a framework that is not simply theoretically valid, but that also works for the people and the organizations who will benefit from it.

6.1 Framework Implementation

This section introduces the cross-industry metrics comprising the sustainability reporting framework, aimed at providing a robust assessment of Maldivian businesses' sustainability performance. Through meticulous research and stakeholder engagement, a set of 36 metrics has been identified, encompassing 11 environmental, 12 social, 7 governance, and 6 general information metrics (Figure 3). Of these metrics, 29 are mandatory, covering a range of environmental, social, governance, and basic company information aspects, while the remaining 7 are voluntary, primarily focusing on environmental and governance factors. This selection has been strategically designed to balance standardized reporting requirements with the varying capacities of Maldivian firms, ensuring both comprehensiveness and feasibility.

[33] Ministry of Environment and Energy (2016). National Biodiversity Strategy and Action Plan. Available at: https://www.environment.gov.mv/biodiversity/wp-content/uploads/2016/01/NBSAP-Maldives-2016-2025.pdf

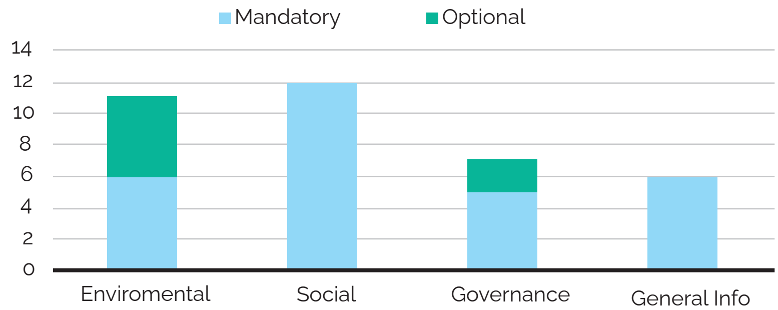


Figure 3: Metrics per ESG Theme

Aligned with internationally recognized sustainability standards such as the GRI, the ISO Standards, and the World Economic Forum's framework on measuring Stakeholder Capitalism, TCFD, TNFD, UN SDGs, OECD Guidelines for Multinational Enterprises[39], these metrics provide compatibility with other major national and supranational frameworks, including the EU's ESRS and CSRD. Additionally, the metrics in the Framework align with the Global Impact Investing Network's IRIS+ System, which has been used as a reference to define the Framework's technical reporting protocols.

IRIS+: Foundation for Enhanced Impact Assessment

While not a sustainability reporting framework in the traditional sense, IRIS+ is a comprehensive system for measuring, managing, and optimizing impact, developed by the Global Impact Investing Network (GIIN). It offers a standardized approach to impact measurement, featuring a catalog of generally accepted metrics and associated methodologies. This system assists organizations in translating their social, environmental, and financial goals into clear, comparable metrics, thereby enhancing decision-making and reporting.

In the Maldives Sustainability Reporting Framework, IRIS+ has been adopted with two primary objectives. Firstly, it provides Maldivian companies with a reference set of protocols to comply with the Framework's requirements, ensuring consistency and reliability in reporting. The protocols and measurement tools are available free of charge at https://iris.thegiin.org. Secondly, it signals the Framework's ambition to move beyond traditional sustainability assessment towards double materiality and comprehensive impact assessment, as outlined in the maturation plan. This integration underscores a commitment to robust, internationally recognized standards while paving the way for advanced impact measurement and management practices in the Maldives.

[33] Even though the metrics included in the Maldives Sustainability Reporting Framework have been selected with careful consideration of all these standards, the metrics catalogue below focuses on alignment with the following: GRI, ISO Standards, the World Economic Forum's framework on measuring Stakeholder Capitalism, TCFD, and TNFD. Some frameworks were excluded from direct reference due to their industry-specific nature (e.g., SASB) or the lack of specific measurement protocols for most metrics.

In the following section each metric is presented through a concise fiche, outlining its code, name, definition, the national policies it aligns with, the international sustainability standards it references mandatory or voluntary status, ESG theme and reporting format. Each metric is also accompanied by detailed usage guidance, offering reporting entities essential information on methodologies and additional online resources for reference. The metrics are presented following a traditional ESG structure, with Environmental metrics first, followed by Social and Governance metrics. Lastly, a set of General Information metrics are introduced.

Sustainability Standards Interplay

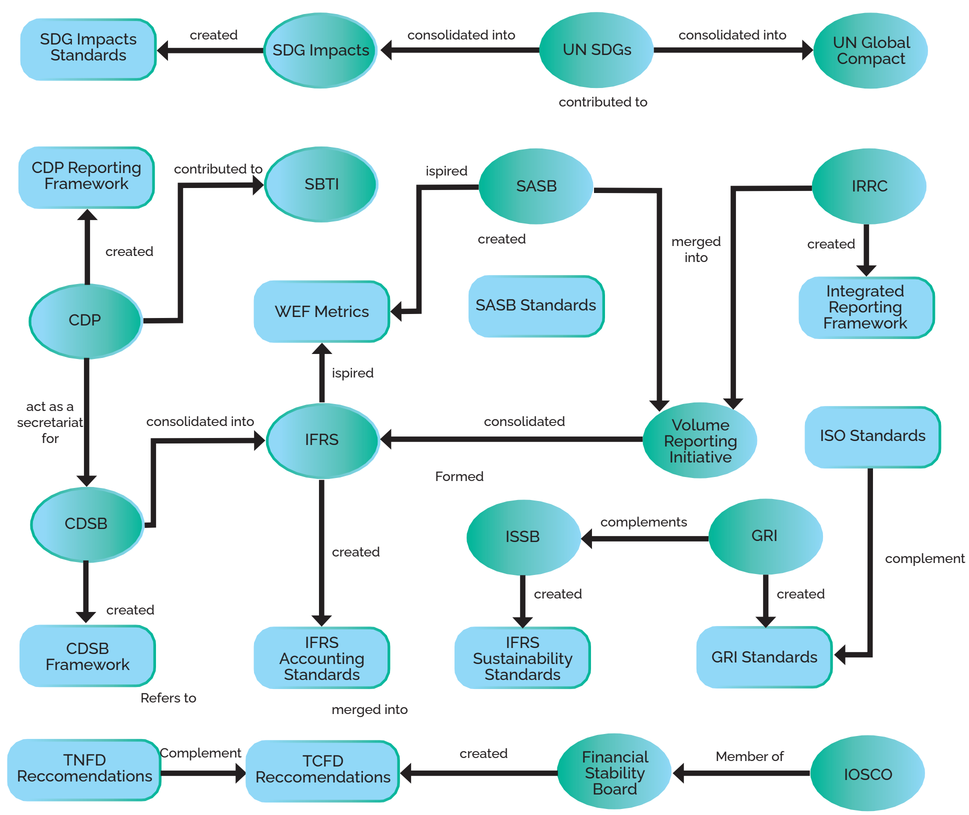


Figure 5: Sustainability standards interplay (Author's elaboration from: ESG Professionals Networks, 2023; Ascentys ESG, 2023; J. Rivals, 2022)

E01 – Greenhouse Gas Emissions Strategy

This metric was selected based on its materiality to the Maldivian context and its relevance to local industrial sectors represented by the companies listed on the Maldivian Stock Exchange. It ensures meaningful insights into the ESG performance of target companies while aligning with widely recognized international standards and frameworks and limiting the reporting complexity. Additionally, it supports the Maldives' national priorities and sustainable development goals, particularly in addressing climate change and promoting environmental sustainability. The inclusion of this metric also reflects stakeholder relevance, as it aligns with the expectations of local investors, regulators, and companies who prioritize sustainability issues.

Code	E01
Metric Name	Greenhouse Gas Emissions Strategy
Definition	Indicates whether the organization implements a strategy to reduce greenhouse gas (GHG) emissions.
Relevant National and International Policies	• Maldives Nationally Determined Contributions • Maldives Integrated National Financing Framework • National Biodiversity Strategy and Action Plan • Strategic Action Plan
International Standards	• GRI 305-5 • IRIS+ OI8237 • IFRS S1
Mandatory / Voluntary	Mandatory
ESG Theme	Environmental
Reporting Format	Yes/No
Usage Guidance	This metric is intended to capture whether or not an organization has a greenhouse gas emissions strategy and to provide, in footnotes, detailed information on that strategy. It does not, however, evaluate the success with which that strategy is implemented. The Greenhouse Gas Protocol (GHG Protocol) is the most widely used international accounting tool to understand, quantify, and manage greenhouse gas emissions. The GHG Protocol defines direct and indirect emissions as follows:

Usage Guidance	• Direct GHG emissions are emissions from sources that are owned or controlled by the reporting entity. • Indirect GHG emissions are emissions that result from the activities of the reporting entity but that occur at sources owned or controlled by other entities. The GHG Protocol further categorizes these direct and indirect emissions into three broad scopes. For more information on the GHG Protocol, organizations should refer to the following: • Greenhouse Gas Protocol Standards • Greenhouse Gas Protocol Calculators

E02 - Greenhouse Gas Emissions: Total

This metric provides a comprehensive view of an organization's environmental impact by quantifying total greenhouse gas emissions, aligning with international standards and expectations for reporting on climate-related risks and opportunities. It supports the Maldives' efforts towards the country's strategic objectives and policy initiatives, as outlined in the Integrated National Financing Framework (INFF). By prioritizing metrics with manageable reporting complexity and data availability, this indicator ensures reliable and accessible information for stakeholders, enhancing transparency and accountability in ESG reporting.

Code	E02
Metric Name	Greenhouse Gas Emissions: Total
Definition	Amount of greenhouse gases (GHG) emitted as a result of the organization's operations during the reporting period.
Relevant National Policies	• Nationally Determined Contributions • Integrated National Financing Framework • National Biodiversity Strategy and Action Plan • Strategic Action Plan
International Standards	• GRI 305-1, 305-2, 305-3 • IRIS+ OI1479 • TCFD • IFRS S2
Mandatory / Voluntary	Mandatory

ESG Theme	Environmental
Reporting Format	Tonnes of CO2 Equivalent (tCO2e)
Usage Guidance	This metric is intended to capture the total amount of greenhouse gases emitted during the reporting period. For tools that may be helpful in calculating this and related metrics, see GHG Protocol Calculators.

E03 - Greenhouse Gas Emissions: Direct (Scope 1)

This metric quantifies an organization's direct greenhouse gas emissions from sources under its operational control, providing insights into its carbon footprint and environmental impact. By including this metric, the sustainability reporting framework supports the Maldives' goals for climate mitigation and adaptation, aligning with international standards and expectations for reporting on greenhouse gas emissions.

Code	E03
Metric Name	Greenhouse Gas Emissions: Direct (Scope 1)
Definition	Amount of greenhouse gases (GHG) emitted from direct emissions sources as a result of the organization's operations during the reporting period.
Mandatory / Voluntary	Voluntary
Relevant National Policies	• Nationally Determined Contributions • Integrated National Financing Framework • National Biodiversity Strategy and Action Plan • Strategic Action Plan
International Standards	• GRI 305-1 • IRIS+ OI4112 • TCFD • IFRS S2
ESG Theme	Environmental
Reporting Format	Tonnes of CO2 Equivalent (tCO2e)

Usage Guidance	This metric is intended to capture the amount of greenhouse gases emitted directly from sources owned or controlled by the organization during the reporting period. The Greenhouse Gas Protocol (GHG Protocol) is the most widely used international accounting tool to understand, quantify, and manage greenhouse gas emissions. The GHG Protocol defines direct and indirect emissions as follows: • Direct GHG emissions are emissions from sources that are owned or controlled by the reporting entity. • Indirect GHG emissions are emissions that result from the activities of the reporting entity but that occur at sources owned or controlled by other entities. The GHG Protocol further categorizes these direct and indirect emissions into three broad scopes. For more information on the GHG Protocol, organizations should refer to the following: • Greenhouse Gas Protocol Standards • Greenhouse Gas Protocol Calculators

E04 - Greenhouse Gas Emissions: Indirect (Scope 2)

This metric quantifies an organization's indirect greenhouse gas emissions from purchased electricity, heat, or steam, providing insights into its energy consumption and carbon footprint. By including this metric, the sustainability reporting framework supports efforts to promote energy efficiency and reduce emissions in the Maldives. It aligns with international standards and expectations for reporting on greenhouse gas emissions, enhancing the framework's comparability and consistency with global best practices.

Code	E04
Metric Name	Greenhouse Gas Emissions: Indirect (Scope 2)
Definition	Amount of greenhouse gases (GHG) emitted from indirect emissions sources as a result of the organization's operations during the reporting period.
Relevant National Policies	• Nationally Determined Contributions • Integrated National Financing Framework • National Biodiversity Strategy and Action Plan • Strategic Action Plan

International Standards	• GRI 305-2 • IRIS+ OI9604 • TCFD • IFRS S2
Mandatory / Voluntary	Voluntary
ESG Theme	Environmental
Reporting Format	Tonnes of CO2 Equivalent (tCO2e)
Usage Guidance	This metric is intended to capture the amount of greenhouse gases emitted indirectly by the organization from the generation of purchased energy during the reporting period. The Greenhouse Gas Protocol (GHG Protocol), the most widely used international accounting tool to understand, quantify, and manage greenhouse gas emissions, defines indirect emissions as emissions that result from the activities of the reporting entity but that occur at sources owned or controlled by other entities. The GHG Protocol further categorizes indirect emissions into "Scope 2" and "Scope 3." Scope 2 includes GHG emissions resulting from the consumption of purchased electricity, heat, or steam. Scope 3 includes indirect emissions such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g., Transition and Distribution losses) not covered in Scope 2, outsourced activities, and waste disposal, among other sources. For more information on the GHG Protocol, organizations should refer to the following: • Greenhouse Gas Protocol Standards • Greenhouse Gas Protocol Calculators In the context of this metric, indirect emissions refer to GHG emissions from the generation of electricity, heat, or steam that is imported and consumed by the reporting organization.

E05 - Greenhouse Gas Emissions: Other Indirect (Scope 3)

This metric quantifies an organization's other indirect greenhouse gas emissions, such as those from its supply chain, transportation, and waste disposal activities. By including this metric, the sustainability reporting framework provides a comprehensive view of an organization's carbon footprint and environmental impact, supporting efforts to identify and address emissions hotspots across its value chain. It aligns with international standards and expectations for reporting on greenhouse gas emissions, enhancing the framework's credibility and relevance to stakeholders. The relevance of this stakeholder is testified by estimations that up 70% of a company's total emission takes place across its supply chains and is therefore covered by Scope 3 evaluations[40].

Code	E05
Metric Name	Greenhouse Gas Emissions: Other Indirect (Scope 3)
Definition	Amount of greenhouse gases (GHG) emitted from all other indirect sources that are a consequence of the organization's activities but occur from sources not owned or controlled by the organization, during the reporting period. This includes emissions associated with the organization's supply chain, disposal of the products it produces, and other outsourced activities.
Relevant National Policies	• Nationally Determined Contributions • Integrated National Financing Framework • National Biodiversity Strategy and Action Plan • Strategic Action Plan
International Standards	• GRI 305-3 • TCFD • IFRS S2
Mandatory / Voluntary	Voluntary
ESG Theme	Environmental
Reporting Format	Tonnes of CO2 Equivalent (tCO2e)

[40] World Economic Forum (2023). Scope 3 emissions are key to decarbonization – but what are they and how do we tackle them? Available at:https://www.weforum.org/agenda/2023/09/scope-3-emissions-are-key-to-decarbonization-but-what-are-they-and-how-do-we-tackle-them/.

Usage Guidance	This metric is intended to capture the amount of greenhouse gases emitted indirectly by the organization from activities not included in Scope 2, typically associated with the production of purchased goods and services, business travel, employee commuting, transportation, and distribution of products in vehicles not owned or controlled by the reporting entity, and waste disposal, among other sources, during the reporting period. For tools that may be helpful in calculating this and related metrics, see GHG Protocol Calculators. The Greenhouse Gas Protocol (GHG Protocol), the most widely used international accounting tool to understand, quantify, and manage greenhouse gas emissions, defines these indirect emissions under Scope 3. They encompass emissions that are a consequence of the operations of the reporting entity but occur from sources not owned or controlled by it. Examples of Scope 3 emissions include, but are not limited to: • Emissions related to the extraction and production of purchased materials and fuels. • Transport-related activities in vehicles not owned or controlled by the reporting entity. • Electricity-related activities not covered in Scope 2 (e.g., Transition and Distribution losses). • Outsourced activities. • Waste disposal.

E06 - Total Energy Consumption

Included to assess energy usage patterns and promote resource conservation, this metric supports the Maldives' goals of sustainable development and energy efficiency. It aligns with international standards and expectations, ensuring comparability and consistency with global best practices. This metric also reflects some of the priorities mentioned by stakeholders during the consultations, such as monitoring air-conditioning usage. This indicator addresses sustainability issues that are of greater importance and interest locally, contributing to the effectiveness and relevance of the sustainability reporting framework.

Code	E06
Metric Name	Total Energy Consumption
Definition	Total energy consumption as a result of the organization's operations during the reporting period.
Relevant National Policies	• Nationally Determined Contributions • Integrated National Financing Framework • Strategic Action Plan
Mandatory / Voluntary	• GRI 302-1 • TCFD • IFRS S2
Mandatory / Voluntary	Mandatory
ESG Theme	Environmental
Reporting Format	Kilowatt-hour (kWh)
Usage Guidance	This metric is intended to capture the total amount of energy consumed during the reporting period. Valid sources include utility energy invoices and utility meters. Organizations are additionally encouraged to share in their Sustainability Report the breakdown on the source(s) for energy consumed. Select all that apply: Non-renewable sources: • Coal • Crude oil derivatives • Natural gas • Other (write-in) Renewable sources: • Biomass • Geothermal • Hydro energy • Nuclear • Solar • Wind • Other (write-in) • Other (write-in)

E07 - Biodiversity Assessment

This metric evaluates an organization's impact on biodiversity and ecosystem health, supporting environmental stewardship and conservation efforts in the Maldives. It aligns with national priorities and policies, including the INFF, which emphasizes the importance of biodiversity conservation in achieving sustainability objectives. By prioritizing simplicity and stakeholder relevance, this indicator reflects the interests and concerns of local stakeholders, ensuring that the sustainability reporting framework delivers meaningful insights and benefits to the Maldivian community.

Code	E07
Metric Name	Biodiversity Assessment
Definition	Indicates whether the organization has undertaken biodiversity-related assessments to evaluate the biological diversity and ecosystem condition present on the land that is directly or indirectly controlled by the organization.
Relevant National Policies	• Nationally Determined Contributions • Integrated National Financing Framework • National Biodiversity Strategy and Action Plan • Strategic Action Plan
International Standards	• GRI 304 • IRIS+ OI5929 • TNFD
Mandatory / Voluntary	Mandatory
ESG Theme	Environmental
Reporting Format	Yes/No
Usage Guidance	This metric is intended to capture whether the organization completes any type of biodiversity measurement, from tailormade species inventories in the field to high-level modelling. Examples of information that such assessments may cover, which organizations should footnote, include: the species present in a given area, invasive species present, habitat conditions, overexploitation of natural resources, availability and quality of water resources, potential effect of production on adjacent crops, historical/archaeological importance of the land, impact of climate change or pollutions, or existence of regulations related to the site (e.g., catchments area, protected area). Organizations are also encouraged to footnote details about the frequency and system with which they conduct their biodiversity assessments.

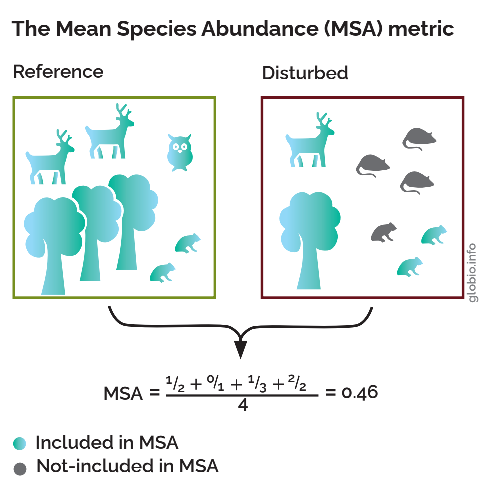
Usage Guidance	Various biodiversity measurement tools are available (for more information, see European Business & Biodiversity Platform's workstream on methods). Organizations are encouraged, albeit with caution, to embrace innovative measurement approaches to improve accuracy. The level of application (e.g., project, site, or organization) and business context of the collected data will heavily inform the type of assessment performed. Examples of business context, to footnote, include screening on biodiversity risks, identifying restoration opportunities, tracking progress against targets (such as biodiversity no net loss or net gain), comparing investment options, and benchmarking.

E08 - Biodiversity Footprint

This metric measures an organization's impact on biodiversity and ecosystem integrity, supporting efforts to preserve and protect natural habitats in the Maldives. By including this metric, the sustainability reporting framework aligns with national priorities and policies, such as the INFF, which emphasizes the importance of biodiversity conservation for sustainable development. It also reflects stakeholder relevance, addressing the interests and concerns of local communities and regulators who prioritize biodiversity conservation and environmental sustainability.
This metric has replaced the Critical Marine Habitat indicator, following a recommendation to include both marine and land ecosystem in the evaluation.

Code	E08
Metric Name	Biodiversity Assessment
Definition	Describes the organization's biodiversity footprint -a measure of ecosystem intactness - on area directly or indirectly controlled by the organization as of the end of the reporting period.
Relevant National Policies	• Nationally Determined Contributions • Integrated National Financing Framework • National Biodiversity Strategy and Action Plan • Strategic Action Plan
International Standards	• GRI 304-2 • IRIS+ PI6887 • TNFD • WEF

Mandatory / Voluntary	Voluntary
ESG Theme	Environmental
Reporting Format	Decimal (Mean Species Abundance)
Usage Guidance	This metric is intended to capture the organization's biodiversity footprint, a measure of impact on the intactness of an ecosystem usually expressed relative to an undisturbed state. Organizations are encouraged to apply Mean Species Abundance (MSA), which expresses the abundance of species remaining. For instance, no biodiversity is left when MSA = 0, while a very pristine area has MSA = 1. The Mean Species Abundance (MSA) metric is an indicator of local biodiversity intactness. MSA ranges from 0 to 1, where 1 means that the species assemblage is fully intact, and 0 means that all original species are extirpated (locally extinct). MSA is calculated based on the abundance of individual species under influence of a given pressure, compared to their abundance in an undisturbed situation (natural situation/reference). Only species present in the undisturbed situation are included and increases in individual species abundance from the reference to the impacted situation are ignored.



09 - Water Conservation Strategy

Included to promote water conservation practices and address water scarcity concerns in the Maldives, this metric supports sustainable water management and environmental sustainability goals. It aligns with international standards and expectations for reporting on water-related risks and opportunities, enhancing the framework's comparability and consistency with global best practices. This indicator ensures that the sustainability reporting framework provides actionable insights and facilitates informed decision-making for local companies and regulators.

Code	E09
Metric Name	Water Conservation Strategy
Definition	Indicates whether the organization implements a conservation strategy to reduce its water usage.
Relevant National Policies	• Nationally Determined Contributions • Integrated National Financing Framework • National Biodiversity Strategy and Action Plan • Strategic Action Plan
International Standards	• GRI 303-1 • IRIS+ OI9326 • TNFD • WEF
Mandatory / Voluntary	Mandatory
ESG Theme	Environmental
Reporting Format	Yes/No
Usage Guidance	This metric is intended to capture detailed information on the organization's water conservation strategy in place but does not evaluate the success with which that strategy is implemented. Water conservation encompasses efforts made to reduce the amount of water needed to execute current processes or tasks. This metric is not intended to capture overall reduced water consumption due to reduced organizational activities (e.g., partial outsourcing of production). Details of water conservation efforts to footnote include organizational or technological innovations that allow a defined process or task to consume water more efficiently. These may include improved water-management practices, process redesign, the conversion and retrofitting of equipment (e.g., water-efficient equipment), or the elimination of unnecessary water use through changes in behaviour. Organizations' water-reduction strategies could also include seeking alternative water sources such as grey water or rainwater capture systems. Organizations should footnote which efforts are components of their strategy.

E10 - Water Consumed

This metric goes a step further from Water Conservation Strategy and quantifies an organization's water usage, providing insights into its water management practices and resource efficiency. By including this metric, the sustainability reporting framework addresses the Maldives' priorities for sustainable water management and environmental conservation. Moreover, it aligns with international standards and expectations from stakeholders - including companies who have repeatedly stressed the importance of this metric - ensuring consistency and comparability with global best practices.

Code	E10
Metric Name	Water Consumed
Definition	Volume of water used for the organization's operations during the reporting period.
Relevant National Policies	• Nationally Determined Contributions • Integrated National Financing Framework • National Biodiversity Strategy and Action Plan • Strategic Action Plan
International Standards	• GRI 303-3 • IRIS+ OI1697 • TNFD • WEF
Mandatory / Voluntary	Mandatory
ESG Theme	Environmental
Reporting Format	Cubic meters (m3)
Usage Guidance	This metric is intended to capture the volume of water used within the organization for any purpose, including but not limited to productive processes (for example, packaging and manufacturing), human consumption, and agricultural purposes. For further guidance on water uses, see the Alliance for Water Efficiency.

Waste Disposed

This metric tracks the amount of waste disposed by the organization, categorized by disposal method, providing insights into its waste management practices and environmental impact. This metric is a particularly sensible one for local communities, as the structural conditions of the Maldives make waste management particularly challenging. Several stakeholders, including both companies and institutions have mentioned this indicator as a core focus of their sustainability efforts. It aligns with international standards and expectations for reporting on waste management, enhancing the framework's comparability and consistency with global best practices.

Code	E11
Metric Name	Waste Disposed
Definition	Amount of waste disposed by the organization during the reporting period, categorized by disposal method: • Recycled/Reused • Landfill • Incinerated • Composted • Other
Relevant National Policies	• Nationally Determined Contributions • Integrated National Financing Framework • National Biodiversity Strategy and Action Plan • Strategic Action Plan
International Standards	• GRI 306-5 • IRIS+ OI6192 • TNFD • WEF
Mandatory / Voluntary	Voluntary
ESG Theme	Environmental
Reporting Format	Tonnes (t)
Usage Guidance	This metric is intended to capture the amount of waste disposed safely by the organization within the reporting period, categorized by disposal method.

S01 - Human Rights Policy

This metric indicates whether the organization has a written policy in place to uphold human rights throughout its operations; an accompanying human rights due diligence process to identify and address human rights abuses; and an operational-level grievance mechanism to identify and human rights abuses which have occurred. By including this metric, the sustainability reporting framework supports efforts to prevent human rights abuses and promote responsible business conduct across all aspects of the organization's activities. It aligns with international standards and expectations for reporting on business and human rights and human rights due diligence, enhancing the framework's credibility and relevance to stakeholders. Moreover, human rights protection was a sustainability theme which emerged frequently as a priority during stakeholders consultations.

Code	S01
Metric Name	Human Rights Policy
Definition	Indicates whether the organization has a written policy in place to uphold human rights throughout its operations; a human rights due diligence process to identify and address adverse human rights impacts; and remediate adverse human rights impacts which have occurred.
Relevant National Policies	• Strategic Action Plan
International Standards	• GRI 2-23 • ISO 26000 • WEF
Mandatory / Voluntary	Mandatory
ESG Theme	Social
Reporting Format	Yes/No
Usage Guidance	This metric is intended to capture whether the organization has policies, processes and mechanisms in place to respect human rights in line with international norms. These policies aim to prevent and address abuses of the full range of internationally recognized human rights (i.e. those contained in international labour rights and human rights declarations and treaties), and corresponding abuses, including forced labor, child labor, discrimination, unsafe working conditions, violations of land and resource rights, infringements on freedom of association and collective bargaining, and environmental degradation and adverse health impacts resulting from business activities, among others. The organization should mention whether they have systems in place to monitor compliance with this policy (e.g. a human rights due diligence process) as well as an operational-level grievance mechanism to remediate abuses. For additional guidance on minimum requirements relating to business and human rights, organizations can refer to the UN Guiding Principles on Business and Human Rights.

S02 - Diverse Representation Policy

This metric indicates whether the organization has a written policy on diverse representation and a system to monitor compliance with this policy. By including this metric, the sustainability reporting framework supports efforts to promote diversity, equity, and inclusion in the workplace. It aligns with national priorities and policies, such as the Maldives' commitment to gender equality and social inclusion, as outlined in the INFF. Prioritizing metrics with manageable reporting complexity and stakeholder relevance ensures that the framework delivers actionable insights and facilitates informed decision-making on diversity and inclusion initiatives.

Code	S02
Metric Name	Diverse Representation Policy
Definition	Indicates whether the company has a written policy on diverse representation and a system to monitor compliance with this policy.
Relevant National Policies	• Integrated National Financing Framework • Strategic Action Plan
International Standards	• GRI 2-23 • IRIS+ OI9485 • WEF
Mandatory / Voluntary	Mandatory
ESG Theme	Social
Reporting Format	Yes/No
Usage Guidance	This metric is intended to capture the organization's policy on diverse representation. Organizations using this metric should consider whether their policy accounts for the representation of women; members of groups historically marginalized on the basis of race and/or ethnicity, including people of colour; gender and sexual minorities; and people living with disabilities.

S03 - Gender Equity Policy

This metric indicates whether the organization has a written policy on gender equity and a system to monitor compliance with this policy. By including this metric, the sustainability reporting framework supports efforts to promote equity, and inclusion for women in the workplace. It aligns with national priorities and policies, such as the Maldives' commitment to gender equality and social inclusion, as outlined in the INFF, the Gender and Equality Action Plan and the Maldivian Government's Strategic Action Plan. Prioritizing metrics with manageable reporting complexity and stakeholder relevance ensures that the framework delivers actionable insights and facilitates informed decision-making on diversity and inclusion initiatives.

Code	S03
Metric Name	Gender Equity Policy
Definition	Indicates whether the company has a written policy on gender equity and a system to monitor compliance with this policy.
Relevant National Policies	• Integrated National Financing Framework • Gender and Equality Action Plan • Strategic Action Plan
International Standards	• GRI 2-23, 405-1, 405-2 • WEF
Mandatory / Voluntary	Mandatory
ESG Theme	Social
Reporting Format	Yes/No
Usage Guidance	This metric aims to capture the organization's policy to promote gender equity within its operations. Organizations should indicate the existence and scope of their Gender Equity Policy, along with mechanisms for monitoring compliance.

S04 - Board of Directors: Female

This metric measures the number of female members of the organization's board of directors or other governing body as of the end of the reporting period, reflecting its commitment to gender diversity and inclusive leadership. By including this metric, the sustainability reporting framework supports efforts to promote women's representation in decision-making roles. It aligns with international standards and expectations for reporting on gender diversity and corporate governance, enhancing the framework's credibility and relevance to stakeholders. This indicator has a manageable reporting complexity and has great relevance to the stakeholder, and thus ensures that the framework delivers meaningful insights into board composition and facilitates informed decision-making on leadership diversity initiatives.

Code	S04
Metric Name	Board of Directors: Female
Definition	Number and percentage of female members of the organization's board of directors or other governing body as of the end of the reporting period.
Relevant National Policies	• Integrated National Financing Framework • Gender and Equality Action Plan • Strategic Action Plan
International Standards	• GRI 405-1 • IRIS+ OI8118 • WEF
Mandatory / Voluntary	Mandatory
ESG Theme	Social
Reporting Format	Number
Usage Guidance	This metric is intended to capture female representation on the board of directors or governing body of an organization. A board of directors is a group of individuals legally responsible to govern a corporation and responsible to the shareholders and other relevant stakeholders. A governing body with a different name (e.g., "advisory body") may be considered a Board of Directors provided it has a fiduciary and/or social responsibility to shareholders and/or other relevant stakeholders.

S05 - Occupational Injuries

This metric measures the number of occupational injuries that affected any full-time, part-time, and temporary employees of the organization during the reporting period, reflecting its commitment to ensuring a safe and healthy work environment. By including this metric, the sustainability reporting framework supports efforts to prioritize employee safety and reduce workplace hazards, one core and social theme in the stakeholder consultations. It aligns with international standards and expectations for reporting on occupational health and safety, enhancing the framework's credibility and relevance to stakeholders.

Code	S05
Metric Name	Occupational Injuries
Definition	Number of occupational injuries which affected any full-time, part-time, and temporary employees of the organization during the reporting period.
Relevant National Policies	Occupational Health and Safety Act 2/2024
International Standards	• GRI 403-9 • IRIS+ OI3757 • ISO 45001 • WEF
Mandatory / Voluntary	Mandatory
ESG Theme	Social
Reporting Format	Number
Usage Guidance	This metric is intended to capture the number of work-related injuries arising from exposure to hazards at work. If the same employee experienced more than one occupational injury, each instance of injury should be counted separately. That is, an individual injured twice during the reporting period would count as two injuries.

S06 - Worker Safety Policy

This metric indicates whether the organization has policies in place to monitor, evaluate, and ensure worker safety, reflecting its commitment to implementing robust safety measures and procedures. By including this metric, the sustainability reporting framework supports efforts to promote a culture of safety and prevent work-related accidents and injuries. It aligns with national priorities and policies aimed at safeguarding worker rights and well-being, as outlined in the INFF.

Code	S06
Metric Name	Worker Safety Policy
Definition	Indicates whether the organization has policies in place to monitor, evaluate, and ensure worker safety.
Relevant National Policies	Employment Act (2/2008) - Chapter 8
International Standards	• GRI 2-23, 403-1 • IRIS+ OI8001 • ISO 45001 • WEF
Mandatory / Voluntary	Mandatory
ESG Theme	Social
Reporting Format	Yes/No
Usage Guidance	This metric is intended to capture whether the organization has created policies in line with international norms to protect the safety of its workers. Worker safety entails placing and maintaining the worker in an environment adapted to the worker's physiological and psychological capabilities; preventing health-related departures caused by working conditions; promoting and maintaining the physical, mental, and social well-being of workers in all occupations; and protecting workers from health risks resulting from working conditions. Examples of relevant policy details to footnote include: the process in place to assess safety risks, the frequency with which these risks are assessed, and the training and equipment provided to mitigate these risks. Examples of training and equipment provided to mitigate worker safety risks include safety training, required protective gear, testing of equipment, and posting of signs.

S07 - Employees Trained

This metric measures the number of employees (full-time, part-time, or temporary) who were trained through programs provided by the organization, both internally and externally, during the reporting period, reflecting its commitment to investing in employee development and skills enhancement. By including this metric, the sustainability reporting framework supports efforts to build a knowledgeable and skilled workforce capable of driving organizational success and innovation. It aligns with international standards and expectations for reporting on human capital management and employee training, enhancing the framework's credibility and relevance to stakeholders.

Code	S07
Metric Name	Employees Trained
Definition	Number of employees (full-time, part-time, or temporary) who were trained through programs provided by the organization (both internally and externally) during the reporting period.
Relevant National Policies	N/A
International Standards	• GRI 404-3 • IRIS+ OI4229 • WEF
Mandatory / Voluntary	Mandatory
ESG Theme	Social
Reporting Format	Number
Usage Guidance	This metric is intended to capture the number of individual employees who received training services of any type from the organization during the reporting period. Training can be categorized as: (a) skills-based training to advance core job responsibilities (enhancing employees' ability to do their jobs effectively); (b) skills-based training on cross-job functions (training beyond regular job responsibilities, enabling employees' to advance in their professions); (c) training on literacy, communications, and other life skills; or (d) trainings related to diversity and inclusion (for example, training on implicit bias or sexual harassment). Organizations should footnote details on the training(s) provided, including the type.

S08 - Employees Training Hours

This metric measures the number of training hours provided for employees (full-time, part-time, or temporary) during the reporting period, reflecting its commitment to investing in continuous learning and professional development opportunities. Examined in conjunction with the previous indicator (Employees Trained) this metric paints a clearer picture of a company's commitment to its workforce's professional development. It aligns both with international standards and with national priorities and policies aimed at promoting human capital development and workforce productivity, as outlined in the INFF.

Code	S08
Metric Name	Employee Training Hours
Definition	Number of training hours provided for employees (full-time, part-time, or temporary) during the reporting period.
Relevant National Policies	• Strategic Action Plan
International Standards	• GRI 404-1 • IRIS+ OI7877 • WEF
Mandatory / Voluntary	Mandatory
ESG Theme	Social
Reporting Format	Number
Usage Guidance	This metric is intended to capture the sum of all training hours provided to employees. It is not intended to capture the average number of training hours per employee. Trainings may include both internal and external opportunities provided by the organization. Training can be categorized as: (a) skills-based training to advance core job responsibilities (enhancing employees' ability to do their jobs effectively); (b) skills-based training on cross-job functions (training beyond regular job responsibilities, enabling employees' to advance in their professions); (c) training on literacy, communications, and other life skills; or (d) trainings related to diversity and inclusion (for example, training on implicit bias or sexual harassment). Organizations should footnote details on the training(s) provided, including the type.

S09 - Employees Training Costs

This metric quantifies the value of costs incurred by the organization as a result of training provided to employees (full-time, part-time, or temporary) during the reporting period, reflecting its investment in human capital development and learning initiatives. By including this metric, the sustainability reporting framework supports efforts to assess the financial resources allocated to employee training and development programs, providing insights into the organization's commitment to building a skilled and knowledgeable workforce, especially if combined with Employees Trained and Employees Training Hours indicators. It aligns with international standards and expectations for reporting on human capital investments and learning expenditures, enhancing the framework's credibility and relevance to stakeholders.

Code	S09
Metric Name	Employee Training Costs
Definition	Value of the costs incurred by the organization as a result of training provided to employees (full-time, part-time, or temporary) during the reporting period.
Relevant National Policies	• Strategic Action Plan
International Standards	• IRIS+ OI7390 • WEF
Mandatory / Voluntary	Mandatory
ESG Theme	Social
Reporting Format	Maldivian Rufiyaa
Usage Guidance	This metric is intended to capture funds spent by the organization to train its employees during the reporting period. These costs should not include salary or payroll expenses that are incurred during training hours. Training costs vary widely depending on the level of services provided to participants, whether or not an organization has staff dedicated to engaging employer networks, the level of need in the community where the program is located (greater need requires more outreach), or provision of financial support to participants. These factors can make comparisons of employee training costs across organizations difficult, if not accompanied by additional metrics that specify the level of services provided and level of local need.

S10 - Working Hour Policy

This metric indicates whether the organization has policies in place to monitor, evaluate, and ensure appropriate working hours for employees, reflecting its commitment to promoting work-life balance and preventing excessive workloads. By including this metric, the sustainability reporting framework supports efforts to uphold labour standards and ensure fair and equitable treatment of employees. It aligns with national priorities and policies aimed at safeguarding worker rights and well-being, as outlined in the INFF. Prioritizing metrics with manageable reporting complexity and stakeholder relevance ensures that the framework delivers meaningful insights into working hour policies and facilitates informed decision-making on workforce management practices.

Code	S10
Metric Name	Working Hour Policy
Definition	Indicates whether the organization has policies in place to monitor, evaluate, and ensure appropriate working hours of employees, as well as a system to monitor compliance.
Relevant National Policies	
International Standards	• GRI 2-23, 403-6 • IRIS+ OI4972 • WEF
Mandatory / Voluntary	Mandatory
ESG Theme	Social
Reporting Format	Yes/No
Usage Guidance	This metric is intended to capture whether the organization has a policy in line with international norms in place to screen for appropriate working hours of employees, as well as a system to monitor compliance with that policy. Organizations may use this metric to screen for appropriate working hours at directly supported/financed enterprises or small and medium-size enterprise (SME) clients. Given complexity of measuring hours worked by employees of SME client organizations, checking for a policy in place is a good alternative. This metric is focused on employees' working hours. For polices related to safety and working conditions of employees, refer to Worker Safety Policy (OI8001). Examples of relevant policy details to footnote include: the process in place to assess safety risks, the frequency with which the risks are assessed, and the training and equipment provided to mitigate these risks.

S11 - Anti-Discrimination Policy

This metric indicates whether the organization has specific, written anti-discrimination policies in place for its employees and a system to monitor compliance with these policies, reflecting its commitment to fostering a diverse, inclusive, and equitable workplace. By including this metric, the sustainability reporting framework supports efforts to prevent discrimination and promote equal opportunities for all employees, regardless of their background or characteristics. It aligns with international standards and expectations for reporting on diversity, equity, and inclusion initiatives, enhancing the framework's credibility and relevance to stakeholders.

Code	S11
Metric Name	Anti-Discrimination Policy
Definition	Indicates whether the organization has specific, written anti-discrimination policy in place for its employees and a system to monitor compliance of this policy.
Relevant National Policies	• Strategic Action Plan
International Standards	• GRI 2-23, 406-1 • IRIS+ OI9331 • ISO 26000 • WEF
Mandatory / Voluntary	Mandatory
ESG Theme	Social
Reporting Format	Yes/No
Usage Guidance	Anti-discrimination policies, oftentimes called non-discrimination or equal employment opportunity policies, create codes to prohibit or penalize discrimination on the basis of age, colour, disability, gender expression, gender identity, HIV status, marital status, national, social & ethnic origin, participation in collective bargaining agreements, political opinion, race, religion, or sexual orientation. These policies prohibit activities such as recruitment, compensation, termination, promotions, and other conditions of employment on the basis of any of the affiliations listed above for any employee or job applicant.

S12 - Fair Compensation Policy

This metric indicates whether the organization has a written policy regarding fair and equitable compensation for employees and a system to monitor compliance with this policy, reflecting its commitment to ensuring fair and competitive wages for all employees. By including this metric, the sustainability reporting framework supports efforts to promote fair labour practices and reduce wage disparities within the organization. It aligns with national priorities and policies aimed at enhancing labour standards and ensuring decent work for all, as outlined in the INFF.

Code	S12
Metric Name	Fair Compensation Policy
Definition	Indicates whether the organization has a written policy regarding fair and equitable compensation for employees and a system to monitor compliance with this policy.
Relevant National Policies	• Strategic Action Plan
International Standards	• GRI 2-23 • IRIS+ OI3819 • WEF
Mandatory / Voluntary	Mandatory
ESG Theme	Social
Reporting Format	Yes/No
Usage Guidance	This metric is intended to capture the organization's policy on equitable compensation. Organizations are encouraged to footnote details on how they determine fair compensation (for example, if they conduct a compensation benchmark survey).

S13 - Sexual Harassment Policy

This metric is intended to capture whether the organization has a policy in place to prevent and address sexual harassment in accordance with international norms, as well as a system to monitor compliance with that policy. By including this metric, the sustainability reporting framework supports efforts to promote a culture of respect and professionalism, free from acts of sexual harassment. It aligns with national priorities and policies aimed at enhancing labor standards and ensuring decent work for all, as outlined in the INFF, the Gender and Equality Action Plan and the Maldivian Government's Strategic Action Plan.

Code	S13
Metric Name	Sexual Harassment Policy
Definition	Indicates whether the organization has a written policy to combat and prevent the sexual harassment of employees and a system to monitor compliance with this policy.
Relevant National Policies	• GRI 2-23 • IRIS+ OI9088 • WEF
Mandatory / Voluntary	Mandatory
Mandatory / Voluntary	Social
ESG Theme	Social
Reporting Format	Yes/No
Usage Guidance	This metric is intended to capture the organization's policy against sexual harassment. Organizations are encouraged to footnote details on the process in place to report incidents of sexual harassment, procedures for investigating and resolving complaints, support mechanisms provided to victims, training programs on sexual harassment prevention, disciplinary measures for perpetrators and regular reviews and updates of the policy to ensure effectiveness and compliance.

Usage Guidance	This metric is intended to capture whether the organization has policies, processes and mechanisms in place to respect human rights in line with international norms. These policies aim to prevent and address abuses of the full range of internationally recognized human rights (i.e. those contained in international labour rights and human rights declarations and treaties), and corresponding abuses, including forced labour, child labour, discrimination, unsafe working conditions, violations of land and resource rights, infringements on freedom of association and collective bargaining, and environmental degradation and adverse health impacts resulting from business activities, among others. The organization should mention whether they have systems in place to monitor compliance with this policy (e.g. a human rights due diligence process) as well as an operational-level grievance mechanism to remediate abuses. For additional guidance on minimum requirements relating to business and human rights, organizations can refer to the UN Guiding Principles on Business and Human Rights.

G01 - Number of Legal and Regulatory Complaints

This metric measures the number of formal legal and regulatory complaints received by the organization, reflecting its legal and regulatory compliance performance. By including this metric, the sustainability reporting framework supports efforts to promote corporate governance and transparency in the Maldives. It aligns with national priorities and policies, such as the INFF, which emphasize the importance of legal and regulatory compliance for sustainable development. Prioritizing metrics with manageable reporting complexity and stakeholder relevance ensures that the framework delivers actionable insights and facilitates informed decision-making on legal and regulatory matters.

Code	G01
Metric Name	Number of Legal and Regulatory Complaints
Definition	Number of formal legal and regulatory complaints received by the organization during the last reporting period.
Relevant National Policies	
International Standards	• GRI 2-25 • IRIS+ OI2165 • WEF
Mandatory / Voluntary	Mandatory
Mandatory / Voluntary	Social
ESG Theme	Governance
Reporting Format	Number
Usage Guidance	This metric is intended to capture the number of formal complaints directed to the organization during the reporting period. A formal legal or regulatory complaint includes any complaint levied against the organization by an individual, other organization, or government body due to the organization's violations of rules of any government, regulatory organization, licensing agency, or professional association governing their professional activities and any resulting externalities.

G02 - Conflict of Interest Policy

This metric indicates whether the organization has a written policy to monitor and disclose potential conflicts of interest between the organization and its board members, owners, or material investors. By including this metric, the sustainability reporting framework supports efforts to promote transparency and integrity in corporate governance. It aligns with international standards and expectations for reporting on governance practices, enhancing the framework's credibility and relevance to stakeholders. Prioritizing metrics with manageable reporting complexity and stakeholder relevance ensures that the framework delivers meaningful insights and facilitates informed decision-making on governance issues.

Code	G02
Metric Name	Conflict of Interest Policy
Definition	Indicates whether the organization has a written policy to monitor and disclose any potential conflicts of interest between the organization and its board members, owners, or material investors.
Relevant National Policies	
International Standards	• GRI 2-23 • IRIS+ OI2596
Mandatory / Voluntary	Mandatory
ESG Theme	Governance
Reporting Format	Yes/No
Usage Guidance	This metric is intended to capture the organization's policies on conflicts of interest. A conflict of interest is a set of circumstances that creates a risk that professional judgment or actions regarding a primary interest will be unduly influenced by a secondary interest.

G03- Supplier Screening Policy

This metric indicates whether the organization has a written policy for evaluating supplier organizations based on their social and environmental performance, along with a system to monitor compliance with this policy. By including this metric, the sustainability reporting framework supports efforts to promote responsible supply chain management and sustainable procurement practices. It aligns with international standards and expectations for reporting on supply chain sustainability, enhancing the framework's credibility and relevance to stakeholders. Prioritizing metrics with manageable reporting complexity and stakeholder relevance ensures that the framework delivers meaningful insights into supply chain practices and facilitates informed decision-making on supplier engagement.

Code	G03
Metric Name	Supplier Screening Policy
Definition	Indicates whether the organization has a written policy of evaluating supplier organizations based on their social and environmental performance and a system to monitor compliance with this policy.
Relevant National Policies	
International Standards	• GRI 2-23 • IRIS+ OI4739 • ISO 20400
Mandatory / Voluntary	Mandatory
ESG Theme	Governance
Reporting Format	Yes/No
Usage Guidance	Screening for social and environmental criteria could include screening for specific negative practices (e.g., no child labour, no negative environmental impacts) or screening for positive practices (e.g., environmentally friendly manufacturing processes, excellent labour practices). Organizations should footnote which factors are considered. If organizations differ in their engagements with suppliers (e.g., significant suppliers), they are also encouraged to footnote how their screening policies differ between types of suppliers.

G04 - Business Continuity Management Policy

This metric indicates whether the organization has a written policy for maintaining critical operations during disruptions, along with mechanisms for regular review and compliance monitoring. Such metric was strongly advocated for by a number of local stakeholders, especially in response to Maldivian businesses' vulnerability to physical and climate risks. By including this metric, the sustainability reporting framework supports efforts to enhance resilience and continuity in business operations. It aligns with national priorities and policies, such as the Maldives' focus on disaster risk reduction and climate adaptation, as outlined in the INFF. Prioritizing metrics with manageable reporting complexity and stakeholder relevance ensures that the framework delivers actionable insights into business continuity practices and facilitates informed decision-making on risk management and preparedness.

Code	G04
Metric Name	Business Continuity Management Policy
Definition	Indicates whether the organization has a written policy for maintaining critical operations during disruptions, with mechanisms for regular review and compliance monitoring.
Relevant National Policies	• Strategic Action Plan
International Standards	• GRI 2-23 • ISO 22301
Mandatory / Voluntary	Mandatory
ESG Theme	Governance
Reporting Format	Yes/No
Usage Guidance	This metric is intended to capture whether the organization has a robust Business Continuity Management (BCM) policy aligned with international standards, such as ISO 22301, in place. The policy should outline the organization's approach to identifying potential threats and risks to business operations, developing strategies to mitigate these risks, and ensuring continuity of critical functions during disruptive events. Organizations are encouraged to provide details on the scope of their BCM policy, including the types of disruptions covered, the roles and responsibilities of key personnel, and the mechanisms for testing and reviewing the effectiveness of the BCM arrangements. For further information on best practices and guidance on BCM policies, organizations may refer to ISO 22301:2019.

G05 - Anti-corruption Policy

This metric indicates whether the organization has a written policy addressing corruption prevention, including clear reporting procedures and enforcement mechanisms. By including this metric, the sustainability reporting framework supports efforts to promote integrity and ethical conduct in business operations. It aligns with international standards and expectations for reporting on anti-corruption measures, enhancing the framework's credibility and relevance to stakeholders. Prioritizing metrics with manageable reporting complexity and stakeholder relevance ensures that the framework delivers meaningful insights into anti-corruption practices and facilitates informed decision-making on governance and compliance.

Code	G05
Metric Name	Anti-Corruption Policy
Definition	Indicates whether the organization has a written policy addressing corruption prevention, including clear reporting procedures and enforcement mechanisms.
Relevant National Policies	• Strategic Action Plan
International Standards	• GRI 205 • ISO 37001 • WEF
Mandatory / Voluntary	Mandatory
ESG Theme	Governance
Reporting Format	Yes/No
Usage Guidance	This metric is intended to capture whether the organization has a robust Business Continuity Management (BCM) policy aligned with international standards, such as ISO 22301, in place. The policy should outline the organization's approach to identifying potential threats and risks to business operations, developing strategies to mitigate these risks, and ensuring continuity of critical functions during disruptive events. Organizations are encouraged to provide details on the scope of their BCM policy, including the types of disruptions covered, the roles and responsibilities of key personnel, and the mechanisms for testing and reviewing the effectiveness of the BCM arrangements. For further information on best practices and guidance on BCM policies, organizations may refer to ISO 22301.

G06 - Number of Complaints Registered

This metric measures the number of complaints registered by clients of the organization during the reporting period, reflecting its customer satisfaction and grievance redressal mechanisms. By including this metric, the sustainability reporting framework supports efforts to promote transparency and accountability in customer relations. It aligns with national priorities and policies, such as the Maldives' focus on consumer protection and service quality, as outlined in the INFF. Prioritizing metrics with manageable reporting complexity and stakeholder relevance ensures that the framework delivers actionable insights into customer feedback and facilitates informed decision-making on service improvement initiatives.

Code	G06
Metric Name	Number of Complaints Registered
Definition	Number of complaints registered by clients of the organization during the reporting period.
Relevant National Policies	
International Standards	• GRI 2-29 • IRIS+ PI2197 • ISO 10002
Mandatory / Voluntary	Voluntary
ESG Theme	Governance
Reporting Format	Number
Usage Guidance	This metric is intended to capture the number of unique complaints made by clients of the organization. The metric assumes that the provider has a complaint tracking system as part of its system for redress.

G07 - Number of Employee Grievances Registered

This metric measures the number of formal grievances registered by employees of the organization during the reporting period, reflecting its commitment to maintaining a positive work environment and addressing employee concerns. By including this metric, the sustainability reporting framework supports efforts to promote employee well-being and fair treatment. It aligns with international standards and expectations for reporting on labour practices and human rights, enhancing the framework's credibility and relevance to stakeholders. Prioritizing metrics with manageable reporting complexity and stakeholder relevance ensures that the framework delivers meaningful insights into employee relations and facilitates informed decision-making on workforce management and engagement strategies.

Code	G07
Metric Name	Number of Employee Grievances Registered
Definition	Number of formal grievances registered by employees of the organization during the reporting period.
Relevant National Policies	
International Standards	• GRI 2-29 • IRIS+ OI1042
Mandatory / Voluntary	Voluntary
ESG Theme	Governance
Reporting Format	Number
Usage Guidance	This metric is intended to capture the number of grievances that were formally entered into the organization's employee grievance mechanism during the reporting period. Organizations are also encouraged to footnote the ownership of the mechanism, the purpose of the mechanism and its relationship to other grievance mechanisms, the organization's activities that are covered by the mechanism, the intended users of the mechanism, how the mechanism is managed, the process to address and resolve grievances (including how decisions are made), and the effectiveness criteria used (see GRI 103-2). Effective grievance mechanisms should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, and a source of continuous learning (GRI 2018). For operational-level mechanisms to be effective, they should be based on engagement and dialogue.

GI1 - Name of Organization

General information metrics were included to provide essential context and background information for the reported data.

Code	GI1
Metric Name	Name of Organization
Definition	Name of the organization.
International Standards	• GRI 2-1 • IRIS+ OD5828
Mandatory / Voluntary	Mandatory
ESG Theme	General Info
Reporting Format	Text
Usage Guidance	This metric is intended to capture a widely recognized name for the organization, such as its legal name.

GI2 - Year Founded

General information metrics were included to provide essential context and background information for the reported data.

Code	GI2
Metric Name	Year Founded
Definition	Year the organization was founded.
International Standards	• IRIS+ OD3520
Mandatory / Voluntary	Mandatory
ESG Theme	General Info
Reporting Format	Date
Usage Guidance	This metric is intended to capture the year the organization began operations.

GI3 - Location of Organization's Headquarters

General information metrics were included to provide essential context and background information for the reported data.

Code	GI3
Metric Name	Location of Organization's Headquarters
Definition	Address of the organization's legally incorporated headquarters.
International Standards	• GRI 2-1 • IRIS+ OD6855
Mandatory / Voluntary	Mandatory
ESG Theme	General Info
Reporting Format	Text
Usage Guidance	This metric is intended to capture the organization's headquarters location. The term "headquarters" denotes the location where most, if not all, of the important functions of an organization are coordinated. Organizations are encouraged to include the full address of the headquarters including Street Name and Number, District/City, Postal Code, and Country.

GI4 - Location of Organization's Operating Facilities

General information metrics were included to provide essential context and background information for the reported data.

Code	GI4
Metric Name	Location of Organization's Operating Facilities
Definition	Address of the organization's operating facilities.
International Standards	• GRI 2-1 • IRIS+ OD1777
Mandatory / Voluntary	Mandatory
ESG Theme	General Info
Reporting Format	Text (multiple entries possible)
Usage Guidance	This metric is intended to capture the organization's operational location. Operating facilities can include manufacturing, distribution, or other operating functions. Organizations are encouraged to include the full address of the facilities, including Street Name and Number, District/City, Postal Code, and Country

G15 - Operational Model

General information metrics were included to provide essential context and background information for the reported data.

Code	GI5
Metric Name	Operational Model
Definition	Describes the operational model of the organization. Select all that apply: • Production/Manufacturing: Production and/or manufacturing of goods (e.g., farming, construction, manufacturing) • Processing/Packaging: Processing and/or packaging of goods (can include both raw materials, such as wheat, and secondary materials/goods, such as baked bread) • Distribution: Delivery of goods or services to target customers, whether by traditional transport (e.g., vehicle, rail, air) or infrastructure (e.g., electric grid operator) • Wholesale/Retail: Intermediary organization that purchases goods and sells them to new target customers • Services: Services such as education, health, communications, transportation, and social services, excluding financial services • Financial Services: Financial products and services • Other (write-in)
International Standards	• GRI 2-6 • IRIS+ OD6306
Mandatory / Voluntary	Mandatory
ESG Theme	General Info
Reporting Format	Selection
Usage Guidance	This metric is intended to capture the organization's general categories of business operations.

GI6 - Organization Web Address

General information metrics were included to provide essential context and background information for the reported data.

Code	GI6
Metric Name	Organization Web Address
Definition	Web address (URL) of the organization.
International Standards	• IRIS+ OD7796
Mandatory / Voluntary	Mandatory
ESG Theme	General Info
Reporting Format	Text
Usage Guidance	This metric is intended to capture the primary website address (URL) where the organization offers public-facing information about itself.

6.2 Metrics Excluded from the Cross-Industry Metrics Catalogue

In crafting the metrics catalogue for the Maldives Sustainability Reporting Framework, our aim was to strike a balance between comprehensiveness and practicality. Each proposed metric underwent rigorous scrutiny, considering its potential impact, relevance, and feasibility within the unique socio-economic and environmental landscape of the Maldives.

One metric that garnered significant attention during consultations was the comparison between local and external workers, particularly concerning salary and treatment disparities. While addressing this issue aligns with broader goals of social justice and equality, the metric's omission stemmed from several considerations. Firstly, its absence from established international reporting standards raised concerns about consistency and comparability. Additionally, the complexity involved in gathering reliable data on workforce demographics posed practical challenges, especially for smaller companies with limited resources.

Similarly, the proposal for a whistleblower policy metric highlighted the importance of transparency and governance practices. However, upon closer examination, it became evident that such policies are typically encompassed within broader anti-corruption frameworks. By focusing on anti-corruption measures, which inherently include provisions for whistleblower protection, the framework maintains a streamlined approach to reporting while addressing governance concerns comprehensively.

Another metric under discussion was succession planning, intended to assess companies' readiness for board leadership transitions. While succession planning is undoubtedly crucial for organizational continuity, its exclusion was justified by its limited prominence in existing international reporting standards and its relatively lower materiality within the Maldivian context compared to other indicators.

On the environmental front, suggestions for metrics related to CSR contributions, community engagement, and waste management reflected stakeholders' diverse priorities. However, in our quest for simplicity and clarity, we opted for broader indicators that capture the essence of these concerns without delving into granular details. By focusing on overarching sustainability principles rather than specific CSR initiatives, the framework maintains relevance across diverse industry sectors while minimizing the risk of greenwashing.

Similarly, while metrics targeting individual waste streams like plastic and paper waste could offer valuable insights into environmental impact, their exclusion was a strategic decision to avoid data overload. Instead, we prioritized a holistic approach to waste management, encompassing all waste types within a single metric. This simplification not only streamlines reporting requirements for companies but also ensures consistency and comparability across the board.

Finally, the proposal to monitor air conditioning usage underscored the importance of energy efficiency in combating climate change. Yet, given the framework's existing focus on energy consumption, a separate metric on air conditioning usage was deemed redundant. In fact, by consolidating related indicators under broader themes, we aim to provide a comprehensive yet manageable reporting framework that supports meaningful action towards sustainability.

6.3 Industry-Specific Metrics overview

Industry-specific metrics constitute a cornerstone of the Maldives Sustainability Reporting Framework, tailored to address the nuanced ESG challenges and opportunities inherent to different sectors. Derived from the globally recognized Sustainability Accounting Standards Board (SASB) standard, these metrics serve as key performance indicators, guiding companies in measuring and disclosing their ESG impacts.

The decision to adopt SASB as the foundation for industry-specific metrics is grounded in its reputation as a leading standard for ESG reporting. Renowned for its granular industry-level approach, SASB ensures that the metrics are not only relevant but also comparable and consistent across industries. Furthermore, SASB's alignment with forthcoming International Financial Reporting Standards (IFRS) S1 and S2, mandated by the International Organization of Securities Commissions (IOSCO), positions CMDA and the Maldives Sustainability Reporting Framework for seamless compliance with future international reporting requirements

In order to comply with the Maldives Sustainability Reporting Framework, companies embarking on the utilization of SASB industry-specific metrics must first ascertain their relevant industry classification. SASB offers a user-friendly Sustainable Industry Classification System (SICS) lookup tool[41], empowering companies to identify their industry among thousands of corporations globally, including those domiciled in the Maldives. Should a company not find itself listed in the SASB register, SASB extends its support through a complimentary classification assistance service, ensuring accurate alignment with industry-specific reporting requirements. For companies with intricate business models spanning multiple industries, early preparation is paramount. It is advisable to request classification assistance from SASB's free of charge Classification Request service to ensure precise alignment with industry-specific reporting requirements[42].

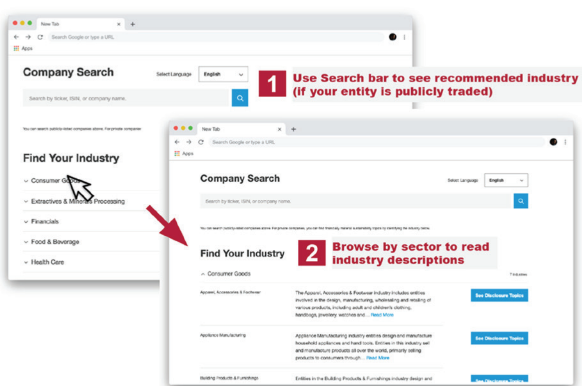


Figure 4: SASB's Sustainable Industry Classification System

[41] SASB's Sustainable Industry Classification System look-up tool is available at the following URL: https://sasb.org/find-your-industry/.

[42] SASB's Sustainable Industry Classification System Classification Request form is available at the following URL https://sasb.org/sics-classification-request/.

Nonetheless, in adherence to the Maldives Sustainability Reporting Framework implementation roadmap, and to allow a smooth introduction of these requirements, reporting on industry-specific metrics will be phased in gradually. Starting from the second year of reporting (2026), companies will adopt a "report or explain" approach, with mandatory reporting commencing from the third reporting year. In contrast to cross-industry metrics, which necessitate data submission through a dedicated form, compliance with industry-specific metrics will be assessed through the publication of pertinent information within the sustainability report.

Companies will be required to disclose ESG information on their official corporate website, in compliance with both the Maldives Sustainability Reporting Framework and other applicable reporting standards and regulatory requirements.

7 Conclusions

Throughout this report, we have delved into the intricacies of sustainability reporting and its significance for the Maldives' sustainable development trajectory. As we draw our analysis to a close, it is essential to acknowledge the depth of insights garnered and their significance in identifying practical pathways towards a more sustainable future for the nation.

The establishment of a sustainability reporting framework represents a pivotal step forward for the Maldives in its journey towards sustainable development and climate resilience. This report has underscored the critical importance of implementing such a framework, aligning it with the country's overarching goals of sustainability and climate adaptation, mitigation, and transition. CMDA's commitment to deliver a framework that works for the Maldives and, as a member of IOSCO, to standardize reporting approaches on the basis of international consensus over ESG standards, further reinforces the framework's significance, promising a more equitable landscape for businesses while enhancing accountability and transparency for all stakeholders. Moreover, the report has highlighted the crucial role the framework can play in signalling the Maldives stance towards sustainability, thus contributing to attracting international investors, who are increasingly putting ESG factors at the core of their investment strategies.

The findings and recommendations presented in the report stress the potential transformative impact of the Maldives Sustainability Reporting Framework. From an analysis of international ESG standards to the examination of local contextual challenges and stakeholder feedback, crucial solutions, as well as a set of metrics and a precise roadmap for CMDA and other stakeholders has been identified, to help them navigate the complexities related to the implementation of the framework effectively. By leveraging such solutions, Maldivian public institutions and companies can enhance transparency, accountability, and stakeholder engagement, laying the groundwork for a sustainable finance market that aligns with the nation's sustainable development and climate goals.

Looking ahead, it is imperative to pursue further avenues of engagement and development. Continuous monitoring and evaluation of the framework's effectiveness, coupled with ongoing stakeholder dialogue, will be essential in refining reporting standards and practices to meet evolving needs and challenges. Moreover, sustained commitment and collaboration among all stakeholders are paramount to ensure the enduring success and impact of the sustainability reporting framework in the Maldives. Further development should encompass promoting the adoption – initially on an voluntary basis – of the framework by all types of companies, including state-owned enterprises, to ensure comprehensive coverage and accountability across the business landscape. Additionally, investing in the development of local capabilities is crucial, not only for listed companies but also for firms offering ESG advisory services in the country. Strengthening digital infrastructures is equally vital to facilitate the seamless implementation of the framework and enhance accessibility for all stakeholders. Furthermore, proactive efforts to promote sustainable investments in the Maldives will play a pivotal role in driving economic growth while advancing the nation's sustainability agenda.

The Maldives Sustainability Reporting Framework not only holds immense promise for the Maldives' future development and sustainability but also underscores the country's collective responsibility to safeguard the global-level natural asset, including its rich and diverse marine ecosystems. As the country embarks on this journey towards sustainability, its institutions should remain steadfast in their dedication to building a resilient and inclusive future for generations to come.

Annex I - Stakeholders Consultation List

This annex provides a comprehensive list of the Maldivian stakeholders who actively participated in the consultation sessions conducted during the development of the sustainability reporting framework for listed companies in the Maldives. These stakeholders represent a diverse range of organizations and institutions, including government agencies, regulatory bodies, financial institutions, and listed companies. Their valuable insights, perspectives, and feedback have played a crucial role in shaping the framework and ensuring its relevance and effectiveness in the Maldivian context.

Consulted stakeholders:

- Amana Takaful Maldives Plc
- Bank of Maldives Plc
- Centurion Plc
- Dhivehi Raajjeyge Gulhun Plc
- First National Finance Corporation Pvt Ltd
- Maldives Fund Management Corporation Ltd
- Maldives Islamic Bank Plc
- Maldives Monetary Authority
- Maldives Pension Administration Office
- Maldives Stock Exchange Company Pvt Ltd
- Morteza Capital Ltd
- Maldives Transport and Contracting Company Plc
- Maldives Tourism Development Corporation Plc
- Ooredoo Maldives Plc
- State Trading Organization Plc

Annex II - Data Collection Matrix

Table 1 - General Information Metrics					
Metrics	Definition	Mandatory/ Voluntary	2024	Explanation	Action Taken
General Company Information					
Name of Organization	Name of the organization.	M			
Year Founded	Year the organization was founded.	M			
Location of Organization's Headquarters	Address of the organization's legally incorporated headquarters.	M			
Location of Organization's Operating Facilities	Address of the organization's operating facilities.	M			
Operational Model	Describes the operational model of the organization. Select all that apply: • Production/Manufacturing: Production and/or manufacturing of goods (e.g., farming, construction, manufacturing) • Processing/Packaging: Processing and/or packaging of goods (can include both raw materials, such as wheat, and secondary materials/ goods, such as baked bread) • Distribution: Delivery of goods or services to target customers, whether by traditional transport (e.g., vehicle, rail, air) or infrastructure (e.g., electric grid operator) • Wholesale/Retail: Intermediary organization that purchases goods and sells them to new target clients • Services: Services such as education, health, communications, transportation, and social services, excluding financial services • Financial Services: Financial products and services • Other (write-in)	M			
Organization Web Address	Web address (URL) of the organiza-tion.	M			

Table 2 - Climate and Other Environment-Related Metrics					
Metrics	Definition	Mandatory/ Voluntary	2024	Explanation	Action Taken
Greenhouse Gas Emissions					
Greenhouse Gas Emissions Strategy	Indicates whether the organization implements a strategy to reduce greenhouse gas (GHG) emissions.	M			
Greenhouse Gas Emissions: Total	Amount of greenhouse gases (GHG) emitted as a result of the organization's operations during the reporting period.	M			
Greenhouse Gas Emissions: Direct (Scope 1)	Amount of greenhouse gases (GHG) emitted from direct emissions sources as a result of the organization's operations during the reporting period	V			
Greenhouse Gas Emissions: Indirect (Scope 2)	Amount of greenhouse gases (GHG) emitted from indirect emissions sources as a result of the organization's operations during the reporting period.	V			
Greenhouse Gas Emissions: Other Indirect (Scope 3)	Amount of greenhouse gases (GHG) emitted from all other indirect sources that are a consequence of the organization's activities but occur from sources not owned or controlled by the organization, during the reporting period. This includes emissions associated with the organization's supply chain, disposal of the products it produces, and other outsourced activities.	V			
Energy					
Total Energy Consumption	Total energy consumption as a result of the organization's operations during the reporting period.	M			
Biodiversity					
Biodiversity Assessment	Indicates whether the organization has undertaken biodiversity-related assessments to evaluate the biological diversity and ecosystem condition present on the land that is directly or indirectly controlled by the organization.	M			
Biodiversity Footprint	Describes the organization's biodiversity footprint -- a measure of ecosystem intactness – on area directly or indirectly controlled by the organization as of the end of the reporting period.				

Table 2 - Climate and Other Environment-Related Metrics					
Metrics	Definition	Mandatory/ Voluntary	2024	Explanation	Action Taken
Greenhouse Gas Emissions					
Water					
Water Conservation Strategy	Indicates whether the organization implements a conservation strategy to reduce its water usage.	M			
Water Consumed	Volume of water used for the organization's operations during the reporting period.	M			
Waste					
Waste Disposed	Amount of waste disposed by the organization during the reporting period, categorized by disposal method: • Recycled/Reused • Landfill • Incinerated • Composted • Other	M			

Table 3 - Governance Related Metrics					
Metrics	Definition	Mandatory/ Voluntary	2023	Explanation	Action Taken
Complaints					
Number of Legal and Regulatory Complaints	Number of formal legal and regulatory complaints received by the organization during the last reporting period.	M			
Number of Complaints Registered	Number of complaints registered by clients of the organization during the reporting period.	V			
Number of Employee Grievances Registered	Number of formal grievances registered by employees of the organization during the reporting period.	V			
Policies					
Conflict of Interest Policy	Indicates whether the organization has a written policy to monitor and disclose any potential conflicts of interest between the organization and its board members, owners, or material investors.	M			
Supplier Screening Policy	Indicates whether the organization has a written policy of evaluating supplier organizations based on their social and environmental performance and a system to monitor compliance with this policy.	M			
Business Continuity Management Policy	Indicates whether the organization has a written policy for maintaining critical operations during disruptions, with mechanisms for regular review and compliance monitoring.	M			
Anti- Corruption Policy	Indicates whether the organization has a written policy addressing corruption prevention, including clear reporting procedures and enforcement mechanisms.	M			

Table 4 - Social and employee Metrics					
Metrics	Definition	Mandatory/ Voluntary	2023	Explanation	Action Taken
Diversity and Inclusion					
Diverse Representation Policy	Indicates whether the company has a written policy on diverse representation and a system to monitor compliance with this policy.	M			
Gender Wage Equity	Ratio of the average wage paid during the reporting period to female employees of the organization for a specified position compared to the average wage paid during the reporting period to male employees of the organization for the same position.	M			
Board of Directors: Female	Number of female members of the organization's board of directors or other governing body as of the end of the reporting period.	M			
Health and Safety					
Occupational Injuries	Number of occupational injuries which affected any full-time, part-time, and temporary employees of the organization during the reporting period.	M			
Worker Safety Policy	Indicates whether the organization has policies in place to monitor, evaluate, and ensure worker safety.	M			
Training Opportunities					
Employees Trained	Number of employees (full-time, part-time, or temporary) who were trained through programs provided by the organization (both internally and externally) during the reporting period.	M			
Employee Training Hours	Number of training hours provided for employees (full-time, part-time, or temporary) during the reporting period.	V			
Employee Training Costs	Value of the costs incurred by the organization as a result of training provided to employees (full-time, part-time, or temporary) during the reporting period.	V			

Table 4 - Social and employee Metrics					
Metrics	Definition	Mandatory/ Voluntary	2023	Explanation	Action Taken
Diversity and Inclusion					
Policies					
Working Hour Policy	Indicates whether the organization has policies in place to monitor, evaluate, and ensure appropriate working hours of employees, as well as a system to monitor compliance.	M			
Anti-Discrimination Policy	Indicates whether the organization has specific, written anti-discrimination policy in place for its employees and a system to monitor compliance of this policy.	M			
Fair Compensation Policy	Indicates whether the organization has specific, written anti-discrimination policy in place for its employees and a system to monitor compliance of this policy.	M			
Human Rights Policy	Indicates whether the organization has a written policy in place to uphold human rights throughout its operations, including provisions for monitoring, evaluating, and ensuring the protection of human rights.	M			

CMDA

Capital Market Development Authority