

STAMFORD TYRES

SUSTAINABILITY REPORT

20
24

STAMFORD TYRES
CORPORATION LIMITED



FY2024 Sustainability Report – Stamford Tyres Corporation Limited

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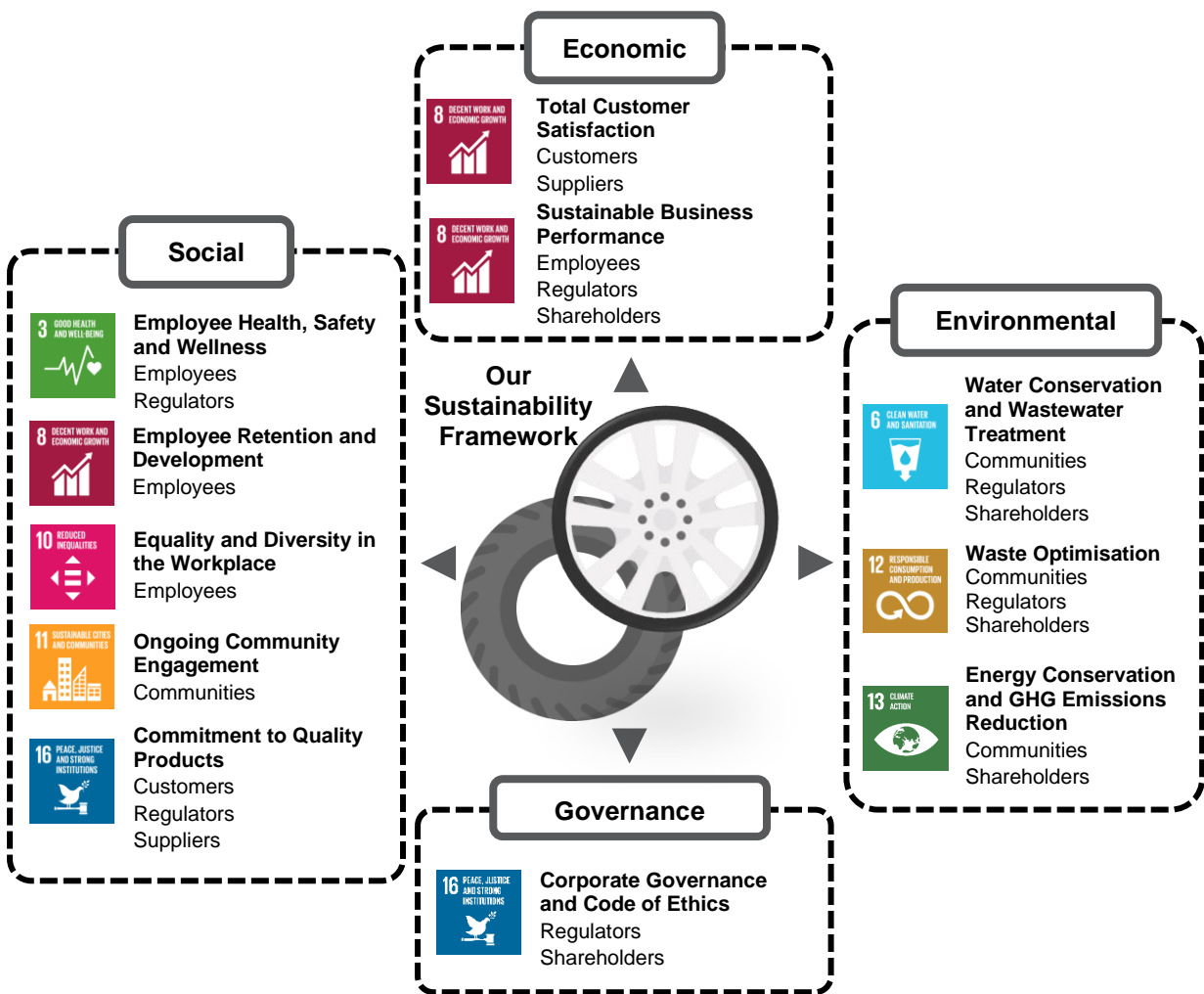
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1. Board Statement

The Board of Directors (“**Board**”) of Stamford Tyres Corporation Limited (or the “**Company**”) and its subsidiaries (collectively known as the “**Group**” or “**we**”), reaffirm our commitment to sustainability with the publication of this sustainability report (“**Report**”). For this Report, we provide insights into the way we do business, while highlighting our material sustainability factors under the economic, environmental, social and governance pillars (collectively as “**Sustainability Factors**”).

We are committed to strike a balance between growth, profit, governance, environment, the development of our people and well-being of our communities to secure the long-term future of the Group. In line with our commitment, the Board, having considered sustainability issues as part of its strategic formulation, determined the material Sustainability Factors and overseen the management and monitoring of the material Sustainability Factors.

Our sustainability framework communicates our commitment towards supporting the United Nations’ Sustainable Development Goals (“**SDGs**”). We work closely with key stakeholders in our value chain and their inputs are considered in driving our material Sustainability Factors towards the SDGs as follows:



Please refer to section 11 ‘Supporting the SDGs’ for more details on the alignment of our material Sustainability Factors with SDGs.

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2. Performance at a Glance

A summary of our key sustainability performance in financial year (“FY”) 2024 is as follows:

Sustainability Pillar	Performance Indicator	Sustainability Performance	
		FY2024	FY2023
Economic	Market presence	One of the largest independent tyre and wheel distributors in Southeast Asia (“SEA”)	One of the largest independent tyre and wheel distributors in SEA
	Number of retail outlets (Singapore)	19	16
	Economic value generated ¹ (S\$ million)	191.09	195.10
	Operating costs ² (S\$ million)	131.53	144.88
	Salaries to employees (S\$ million)	26.59	25.83
	Tax to governments (S\$ million)	1.89	2.48
	Payments to providers of capital ³ (S\$ million)	8.39	8.13
Environmental	Water consumption rate (Cu M/revenue S\$'000)	0.86	0.80
	Percentage of wastewater treated by water treatment plant (%)	100	100
	Percentage of aluminium chips recycled (%)	87	88
	Greenhouse gas (“GHG”) emissions intensity (tonnes CO ₂ e/revenue S\$'000)	0.059	0.058 ⁴
Social	Number of workplace fatalities	-	1
	Number of high consequence work-related injuries ⁵	-	-
	Number of recordable work-related injuries	19	11
	Number of work-related ill health cases ⁶	-	-
	Average training hours per full-time employee (hours)	6	7
	Turnover rate (%)	18	18
	Number of reported incidents of unlawful discrimination against an employee ⁷	-	-
Governance	Number of safety related defects which caused an accident and/or injury	-	-
	Number of serious offences ⁸	1	-

¹ Economic value generated includes revenue, other revenue and share of results of joint ventures, net of government grant.

² Operating costs include purchases, marketing and distribution, utilities, repairs and maintenance, lease expenses, principal element of lease payments, other operating expenses, net of foreign exchange loss/(gain), allowance for inventory obsolescence, fair value (gain)/loss on derivative and (write-back of)/allowance for expected credit loss.

³ Payments to providers of capital include dividends to shareholders and interest payments to providers of financing.

⁴ Figure has been restated as a correction.

⁵ A high consequence work-related injury refers to an injury from which the worker cannot recover or cannot recover fully to pre-injury health status within six months.

⁶ A work-related ill health case refers to a case with negative impacts on health arising from exposure to hazards at work.

⁷ An unlawful discrimination refers to an incident of discrimination whereby the relevant authority has commenced investigation and resulted in a penalty to a company.

⁸ A serious offence is defined as one that involves fraud or dishonesty involving an amount not less than SGD 100,000 and is punishable by imprisonment for a term of not less than two years, which is being or has been committed against a company by its officers or employees of the company.

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3. Reporting Framework

This Report is prepared in accordance with 711A and 711B of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) listing rules and with reference to the Global Reporting Initiative (“**GRI**”) Standards for the period from 1 May 2023 to 30 April 2024 (“**Reporting Period**” or “**FY2024**”). We chose to report using the GRI framework as it is an internationally recognised reporting framework. The GRI content index can be found on section 12 of this Report.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 (“**UN Sustainability Agenda**”). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are 17 SDGs, which form an urgent call for action by all countries – developed and developing – in a global partnership. We incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

Our climate-related disclosures are produced based on the Task Force on Climate-Related Financial Disclosures (“**TCFD**”).

We relied on internal data monitoring and verification, and appointed a Sustainability Reporting Consultant, to ensure the accuracy of this Report. An internal review on the sustainability reporting process was performed during the Reporting Period and we will work towards external assurance for our future sustainability reports subject to market trends and regulatory requirements.

4. Reporting Scope

This Report is applicable for FY2024 and a copy of which can be found in our corporate website <http://www.stamfordtyres.com>.

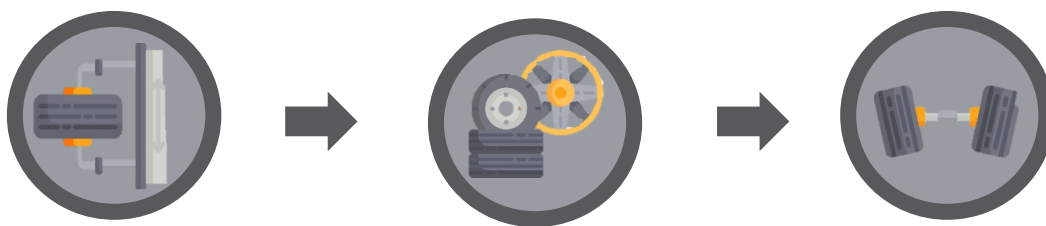
This Report covers the following key operating entities within the Group which contributed to approximately 96% (FY2023: 98%) of the Group’s total revenue for the Reporting Period:

S/N	Entity
1	Stamford Tyres Corporation Limited
2	Stamford Tyres International Pte Ltd (“ STIPL ”)
3	Stamford Tyres (M) Sdn Bhd (“ STM ”)
4	PT Stamford Tyres Distributor Indonesia
5	PT Stamford Tyres Indonesia
6	Stamford Sport Wheels Company Limited (“ SSW ”)
7	Stamford Tires Distributor Co., Ltd
8	Stamford Tyres (Africa) (Pty) Limited

5. Feedback

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback to our investor relations email account: weisze@stamfordtyres.com or siti@stamfordtyres.com.

6. Our Business



Our Suppliers

Our suppliers mainly comprise:

- Tyre manufacturers from major brands such as Falken, Dunlop, Continental, Sumo Firenza, Maxam and Kumho;
- Contract manufacturers (“CMS”);
- Major suppliers of raw materials for manufacturing.

Our Operations

Our operations include:

- Manufacturing of aluminium alloy wheels;
- Wholesale and retail sale of tyres and wheels;
- Servicing of motor vehicles;
- Retreading of worn tyres;
- Commercial fleet servicing.

Our Customers

Our customers comprise:

- Retailers and sub-distributors;
- Fleet operators;
- End-user retail customers.

7. Stakeholder Engagement

We recognise that constructive engagement with stakeholders, accurate interpretation of their needs and incorporating them in our corporate strategic planning are necessary. Through an internal stakeholder mapping exercise, we identified key stakeholder groups which we prioritise our engagements with. These include entities or individuals that have an interest that are affected or could be affected by our activities as follows:

S/N	Key Stakeholder	Engagement Channel	Frequency of Engagement	Key Concern Raised
1	Communities	Community campaigns	Regularly	<ul style="list-style-type: none"> ▪ Social inclusion ▪ Environmental initiatives
		Sustainability report	Annually	
2	Customers	<ul style="list-style-type: none"> ▪ Physical meetings and visits ▪ Remote meetings ▪ Calls ▪ Email communications ▪ Social media 	Regularly	<ul style="list-style-type: none"> ▪ Customer service ▪ Product diversification ▪ Product quality and safety ▪ Product pricing
3	Employees	<ul style="list-style-type: none"> ▪ Physical meetings and talks held by the management ▪ Remote meetings ▪ Email communications 	Regularly	<ul style="list-style-type: none"> ▪ Equal employment opportunities ▪ Job security ▪ Remuneration and benefits ▪ Career development and training opportunities ▪ Workplace health and safety
		Staff evaluation sessions for eligible employees	Annually	
4	Regulators	Consultations and briefings organised by key regulatory bodies such as SGX-ST	As and when required	<ul style="list-style-type: none"> ▪ Corporate governance ▪ Workplace health and safety ▪ Regulatory compliance

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S/N	Key Stakeholder	Engagement Channel	Frequency of Engagement	Key Concern Raised
5	Shareholders	<ul style="list-style-type: none"> ▪ Annual report (“AR”) ▪ Sustainability report ▪ Annual General Meeting 	Annually	<ul style="list-style-type: none"> ▪ Sustainable business performance ▪ Market valuation ▪ Dividend payment ▪ Corporate governance
		Result announcements	Half-yearly	
		Dedicated email account for investor relations	Ongoing	
6	Suppliers	Supplier evaluation	Annually	<ul style="list-style-type: none"> ▪ Demand volatility ▪ Timely payment to suppliers and service providers
		<ul style="list-style-type: none"> ▪ Physical meetings and visits ▪ Remote meetings ▪ Calls ▪ Email communications 	Regularly	

Through the above channels, we seek to understand the views of key stakeholders, communicate effectively with them and respond to their concerns.

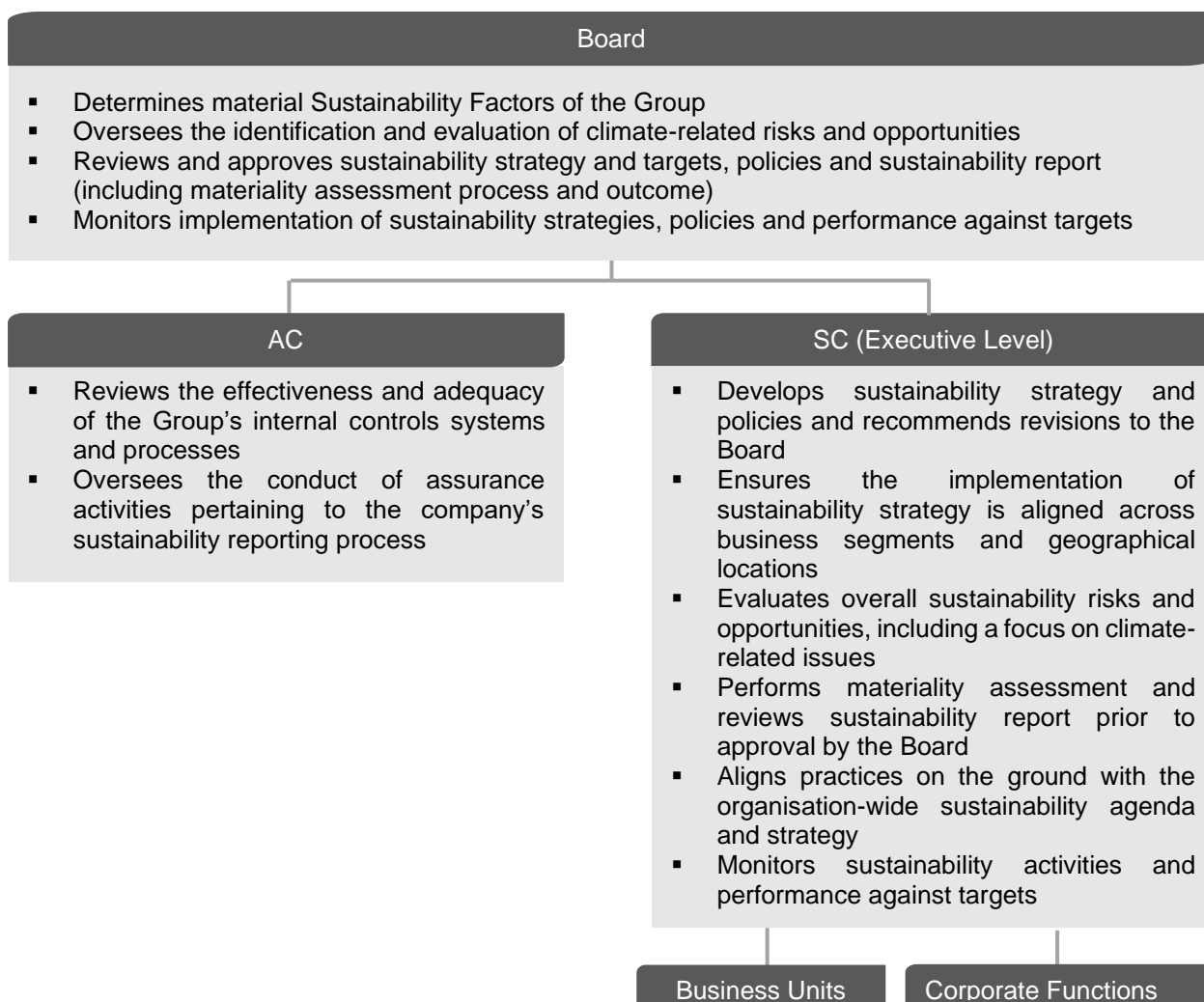
8. Policy, Practice and Performance Reporting

8.1 Sustainability Governance Structure

The Board is ultimately responsible for the Group’s strategic direction on sustainability including, but not limited to, advising and supervising the development of sustainability strategy and performance targets setting while being supported by an executive level Sustainability Committee (“**SC**”) by virtue of delegation.

As part of our continual efforts to upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of listing rule 720 (7) of SGX-ST, we confirm that as at 30 April 2024, all the directors attended one of the approved sustainability training courses.

Our SC, comprises senior management executives from various functions and Country Heads, is led by our Executive Directors (“**EDs**”) and Chief Executive Officer (“**CEO**”). Our SC assists the Board with strategic management of the organisation’s material Sustainability Factors and is tasked with the development of the sustainability strategy, undertaking of materiality assessment on sustainability-related impacts as well as monitoring of the implementation of sustainability initiatives and progress towards achieving performance targets. Beside the SC, the Board is supported by the Audit Committee (“**AC**”) and the Sustainability Reporting Consultant on specific sustainability matters under its terms of reference. Our sustainability governance structure and the responsibilities of component parties are detailed as follows:



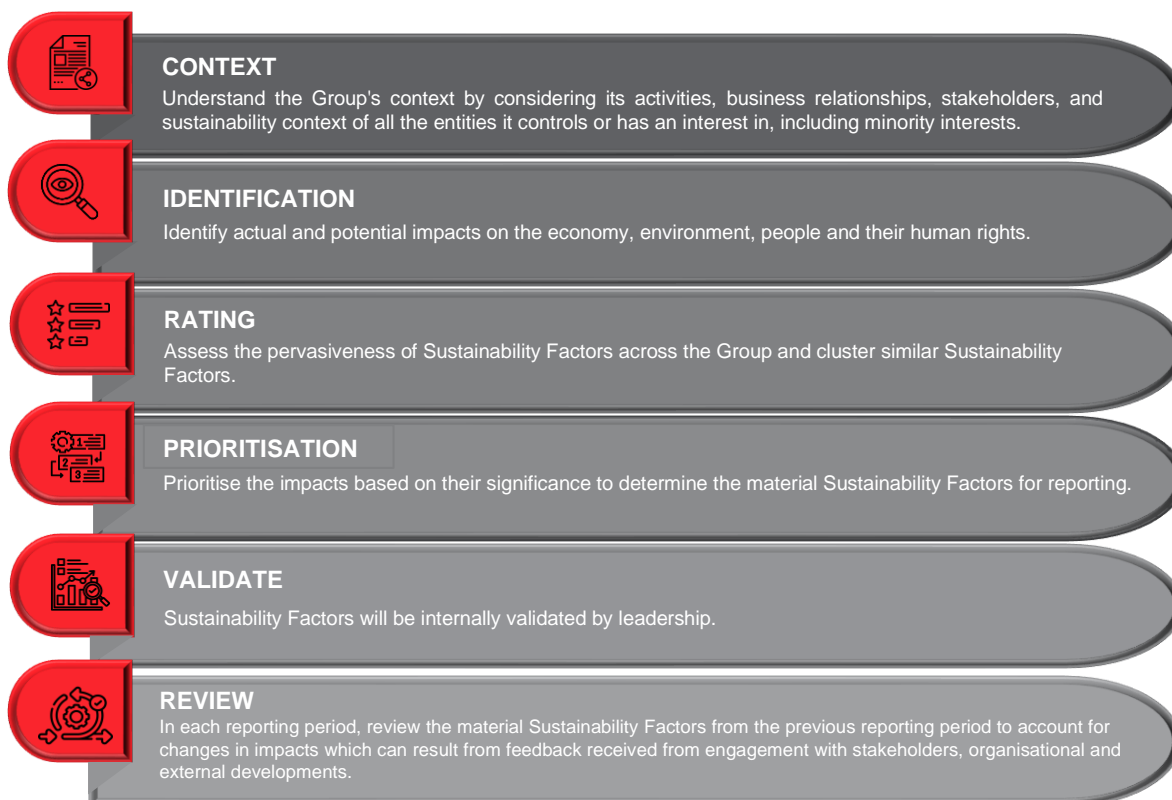
As we are still refining our sustainability related performance indicator measuring and tracking mechanism, we will link SC’s remuneration to sustainability performance when the mechanism is more mature and stable.

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8.2 Sustainability Reporting Processes

A sustainability report is published annually in accordance with our Sustainability Reporting Policy (“**SR Policy**”). Under our SR Policy, our sustainability reporting process begins with an understanding of the Group’s context. This is followed by the ongoing identification and assessment of the Group’s impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of material Sustainability Factors disclosed in this Report.

Processes involved are shown in the chart below:



8.3 Materiality Assessment

We consistently refine our management approach towards sustainability reporting in order to effectively respond and adapt to the various shifts in dynamics within the business landscape. In this regard, we undertake an annual materiality assessment to review and confirm the ongoing relevance and materiality of the sustainability issues which are addressed and disclosed in our sustainability reports.

The scope of the materiality assessment covers both the positive and negative as well as the actual and potential impacts of the sustainability issues. The assessment also considers: (i) the likelihood of occurrence of such impacts; and (ii) their significance in relation to the economy, the environment and society, and in terms of their contribution to sustainable development.

8.4 Performance Tracking and Reporting

We track the progress of our material Sustainability Factors by identifying the relevant data points, measuring and monitoring them. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We will consistently enhance our performance-monitoring processes and improve our data capturing systems.

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9. Material Sustainability Factors

In FY2024, the SC conducted a stakeholder engagement session and materiality assessment⁹ to understand the concerns and expectations of our stakeholders. Through the stakeholder engagement session and materiality assessment, factors material to the sustainability of our business and their reporting priority level were updated. In this Report, we also reported our progress in managing these factors and set related targets to improve our sustainability performance.

Our material Sustainability Factors are presented in the table below:

S/N	Material Sustainability Factor	SDG	Key Stakeholder
Economic			
1	Total Customer Satisfaction	Decent work and economic growth	<ul style="list-style-type: none"> ▪ Customers ▪ Suppliers
2	Sustainable Business Performance	Decent work and economic growth	<ul style="list-style-type: none"> ▪ Employees ▪ Regulators ▪ Shareholders
Environmental			
3	Water Conservation and Wastewater Treatment	Clean water and sanitation	<ul style="list-style-type: none"> ▪ Communities ▪ Regulators ▪ Shareholders
4	Waste Optimisation	Responsible consumption and production	<ul style="list-style-type: none"> ▪ Communities ▪ Regulators ▪ Shareholders
5	Energy Conservation and GHG Emissions Reduction	Climate action	<ul style="list-style-type: none"> ▪ Communities ▪ Shareholders
Social			
6	Employee Health, Safety and Wellness	Good health and well-being	<ul style="list-style-type: none"> ▪ Employees ▪ Regulators
7	Employee Retention and Development	Decent work and economic growth	<ul style="list-style-type: none"> ▪ Employees
8	Equality and Diversity in the Workplace	Reduced inequalities	Employees
9	Ongoing Community Engagement	Sustainable cities and communities	Communities
10	Commitment to Quality Products	Peace, justice and strong institutions	<ul style="list-style-type: none"> ▪ Customers ▪ Regulators ▪ Suppliers
Governance			
11	Corporate Governance and Code of Ethics	Peace, justice and strong institutions	<ul style="list-style-type: none"> ▪ Regulators ▪ Shareholders

We update the material Sustainability Factors on an annual basis to reflect changes in business operations, environment, stakeholders' feedback and sustainability trends.

⁹ In FY2024, the Company engaged internal and external stakeholders of customers, employees and suppliers for the materiality assessment performed.

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The details of each material Sustainability Factor are presented as follows:

9.1 Total Customer Satisfaction

Our Commitment

As one of the largest independent tyre and wheel distributors in SEA, we are committed to deliver excellence in customer satisfaction.

Our Approach

We adopted the following strategies to improve customer satisfaction:

Cultivate Long-Term and Sustainable Relationship with our Partners

We develop strategic relationships with our key partners including Sumitomo, Continental, Maxam and Kumho, allowing us to access and distribute a diverse range of products to meet our customers' needs. A strong business relationship with our key partners allows us to secure competitive pricing for our purchases which we can then pass on to our customers through value-for-money products.

Adopt Market Standards for the Quality and Safety of our Products

Tyres under our proprietary brands are manufactured by selected CMS located across Asia adhering to international quality standards. The adoption of such standards supports our ability to consistently provide safe and quality products to meet our customers' requirements.

For product safety and consistency in quality, refer to Section 9.10 'Commitment to Quality Product' for further details.

Maintain Presence and Proximity to Our Customers

We are one of the largest independent tyre and wheel distributors in SEA with an international distribution network that spans across Singapore, Malaysia, Thailand, Indonesia and South Africa. Our extensive network and close proximity with our customers enable us to build deeper understanding of our customers' requirements and provide more responsive after-sales services.

Nurture a Team of Highly Trained and Experienced Employees

We are dependent on a team of highly trained and experienced employees who plays a pivotal role in serving our customers with the products we distribute. Our employee development programmes and trainings equip them with necessary skillsets in delivering quality service to our customers.

Please refer to Section '9.7 Employee Retention and Development' for further details on our efforts to train and retain our valued employees.

Our Performance

Maintain Presence and Proximity to Our Customers

During the Reporting Period, we operate a total of 19 retail outlets in Singapore (FY2023: 16 retail outlets).

9.2 Sustainable Business Performance

Our Commitment

We are committed to creating long-term economic value for stakeholders including promoting economic development, creating employment opportunities and contributing to the local communities.

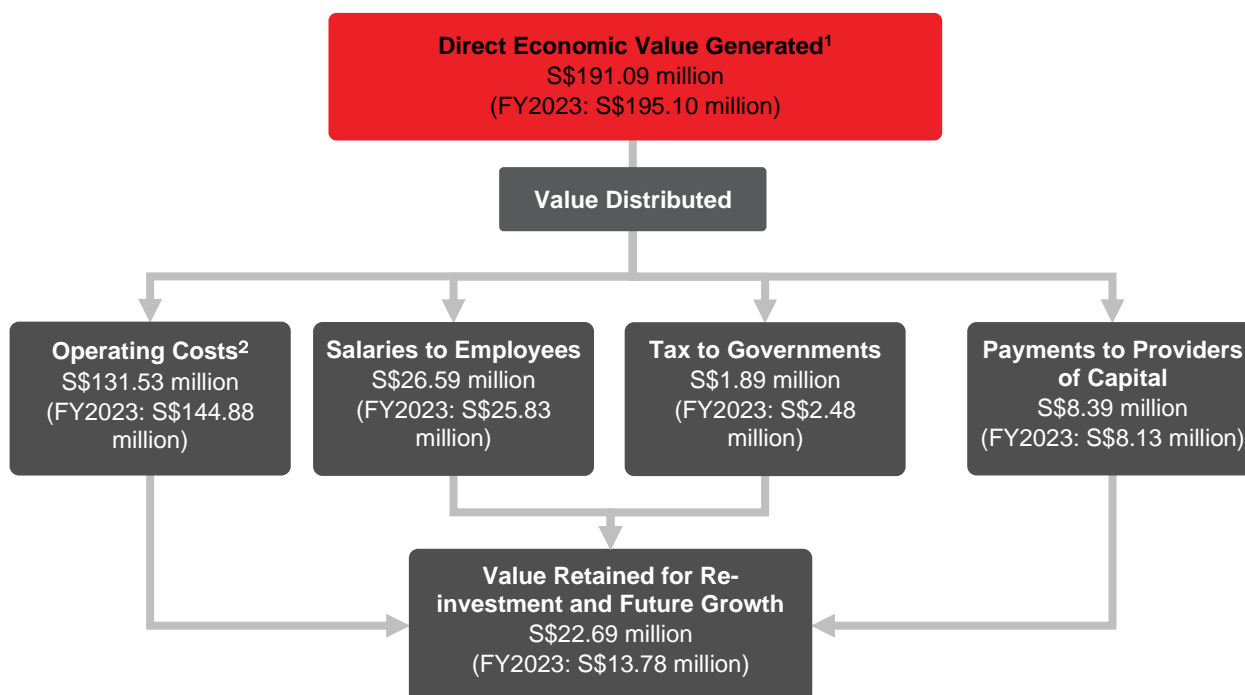
Our Approach

We generate and distribute economic value by executing the Group's strategy. Refer to our AR, 'Letter to Shareholders – Commitment to the Group's Strategies' for an overview of how we execute our strategies.

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Our Performance

In line with this commitment, we present the distribution of our values create in FY2024 as follows:



Further details of our economic performance can be found in the financial contents and audited financial statements of our AR24 which is available at our website: https://www.stamfordtyres.com/investor_ar.html.

9.3 Water Conservation and Wastewater Treatment

Our Commitment

We are committed to responsible usage of water resources through enhancing our water consumption efficiency and managing wastewater quality.

Our Approach

a. Water Conservation

Our water sources are primarily derived from the relevant public utilities company in the relevant countries¹⁰.

Water is consumed for: (i) office use; (ii) wheel factory in Thailand (“**Wheel Factory**”); and (iii) retreading operations, with a substantial amount consumed by our Wheel Factory. Water consumed by our Wheel Factory is used for cooling and washing purposes in the manufacturing process, such as in cooling towers, for heat quenching baths, casting hydraulic systems, as machines coolant, for painting pre-treatment and basic washing of wheels before paint application.

Water conservation measures implemented in our operations include the following:

- Water consumption trends are regularly tracked, analysed and corrective actions are taken when unusual consumption patterns are observed;
- Systematic maintenance programme for operating equipment to maintain water efficiency for our Wheel Factory.

b. Wastewater Treatment (Wheel Factory)

Wastewater comprises coolant oil and paint sludge which are generated from the following wheel manufacturing processes:

Waste	Source
Coolant oil	Generated from machining process, which is a mixture of oil, coolant chemical and water

¹⁰ Based on the World Resources Institute Aqueduct Water Risk Atlas, our entities in Thailand, which is involved in the manufacturing of aluminium alloy wheels, operates in an area with water stress. We are monitoring steps taken at the governmental level to mitigate water stress in Thailand, whilst strengthening our water conservation efforts.

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Waste	Source
Paint sludge	Generated from painting process, which is a mixture of water, paint chemical, thinner, and other particles captured by the water curtains inside the painting booths



We take active measures to manage water quality such as ensuring that wastewater is processed by our own water treatment plants at the Wheel Factory before it is released into the waterways and conducting sampling checks to inspect water quality.

Our Performance

a. Water Conservation

Key statistics on water consumption and wastewater generated from our wheel manufacturing processes during the Reporting Period are as follows:

Resource	Water Consumption (Cu M)		Water Consumption Intensity (Cu M/revenue S\$'000)	
	FY2024	FY2023	FY2024	FY2023
Water	152,210	147,707	0.86	0.80

For the Reporting Period, our total water consumption intensity increased as we implemented more stringent washing and cleaning processes in our Wheel Factory. We will continue to intensify our water management efforts by tracking our water generated, observe fluctuation patterns and take corrective actions if required.

b. Wastewater Treatment (Wheel Factory)

During the Reporting Period, our Wheel Factory generated 6,270 tonnes of wastewater (FY2023: 8,036 tonnes) and 100% of wastewater generated from our Wheel Factory is treated by our own water treatment plant (FY2023: 100%).

9.4 Waste Optimisation

Our Commitment

We are committed to environmental preservation by integrating reuse and recycling practices into our operations to foster sustainability.

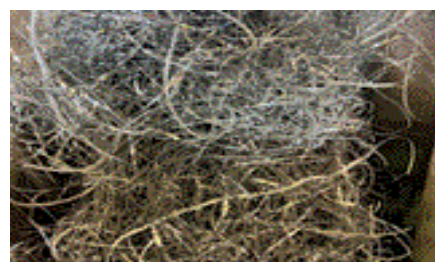
Our Approach

Segregation of Aluminium Chips for Recycling

The primary waste materials generated from our operations are aluminium chips derived from wheel production. These aluminium chips are collected for outsourced recycling.



Aluminium chips



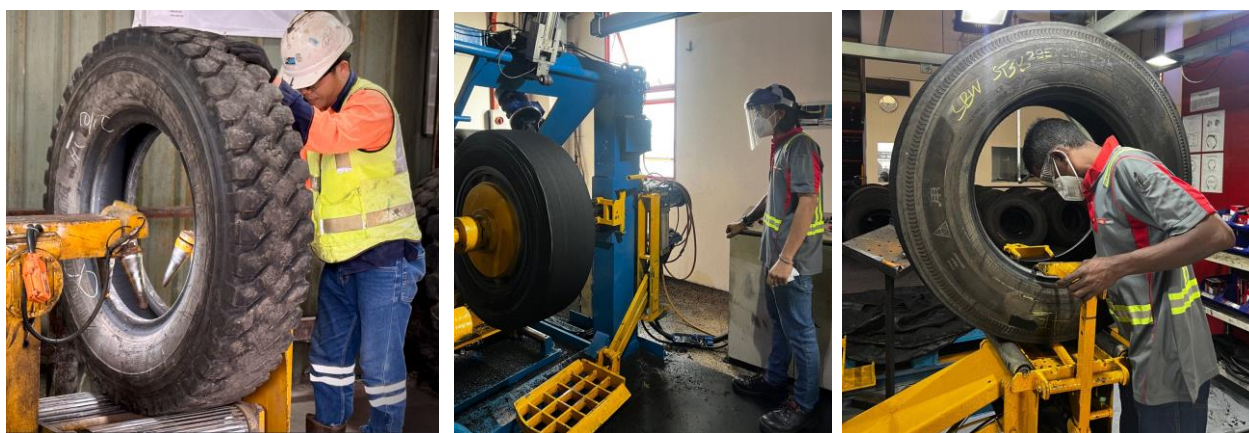
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Conserve Valuable Resources through Tyre Retreading

We are actively involved in recycling used tyres through our retreading plants located in Singapore, Malaysia and Indonesia. The retreading plants serve to extend the life span of tyres, thus saving valuable natural resources used in the production of tyres. During the retreading process, used tyres with worn-out tread surfaces are buffed and bonded with new tread rubber liners through application of heat and pressure. We also ensure that all retreated tyres are rigorously inspected to ensure quality and safety.

We provide tyre retreading services to various markets as follows:

- For Singapore, services are rendered to waste disposal, transportation and industrial companies;
- For Malaysia, services are rendered to transportation and retail companies;
- For Indonesia, services are rendered primarily to mining companies.



Support Singapore's Zero Waste Nation

As a low-lying island state, climate change poses an existential threat to Singapore. Effective management of waste plays a crucial role in combating the threat and tackling of climate change.

Our waste management approach is aligned with Singapore's goal towards becoming a Zero Waste Nation through sustainable production and consumption while promoting a circular economy. As part of our commitment, waste generated from our warehouse in Singapore is disposed of by a licensed waste collector whereas vehicle rubber waste generated from our tyre retreading services is sent to a licensed waste disposal facility for recycling purposes.

Our Performance

Segregation of Aluminium Chips for Recycling

During the Reporting Period, 87% (FY2023: 88%) of the 3,390 tonnes (FY2023: 3,189 tonnes) of aluminium chips generated from production is recycled.

For the Reporting Period, our recycling rate remains fairly constant when compared against the prior Reporting Period. We will continue to intensify our waste management efforts by tracking our waste generated, observe fluctuation patterns and take corrective actions if required.

Support Singapore's Zero Waste Nation

During the Reporting Period, 100% of waste generated from our warehouse in Singapore is disposed by a licensed waste collector (FY2023: 100%) and 100% rubber waste generated from our tyre retreading process is sent to a licensed waste disposal facility for recycling (FY2023: 100%).

9.5 Energy Conservation and GHG Emissions Reduction

Our Commitment

Energy conservation and GHG emissions management is of vital concern to us in our sustainability journey. As our operations involved manufacturing of aluminium alloy wheels and product transportation, the resultant GHG emissions contribute to air pollution and climate change. Accordingly, we are committed to reduce our carbon footprint whilst open to capitalise on opportunities that may help us transit to become a low-carbon organisation.

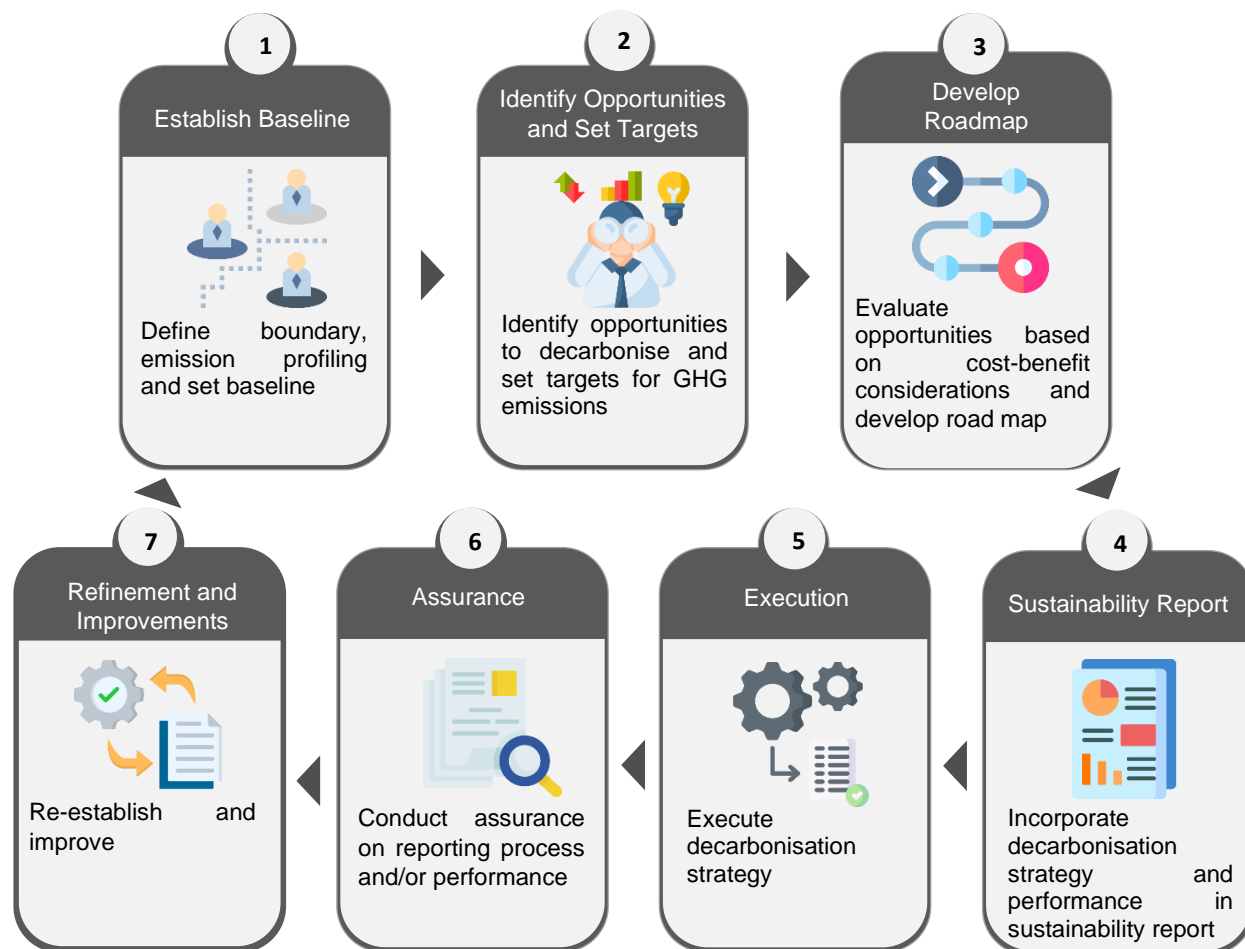
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Our Approach

We aim to reduce our carbon footprint and at the same time, establish operational resilience to deliver long-term and sustainable value to our stakeholders of communities, shareholders, employees, customers and suppliers. We adopt a balanced approach in effectively managing and minimising the impacts arising from our business operations.

Decarbonisation Approach

To achieve our decarbonisation goals, we set up a seven-step continuous circular process for our decarbonisation efforts as follows:

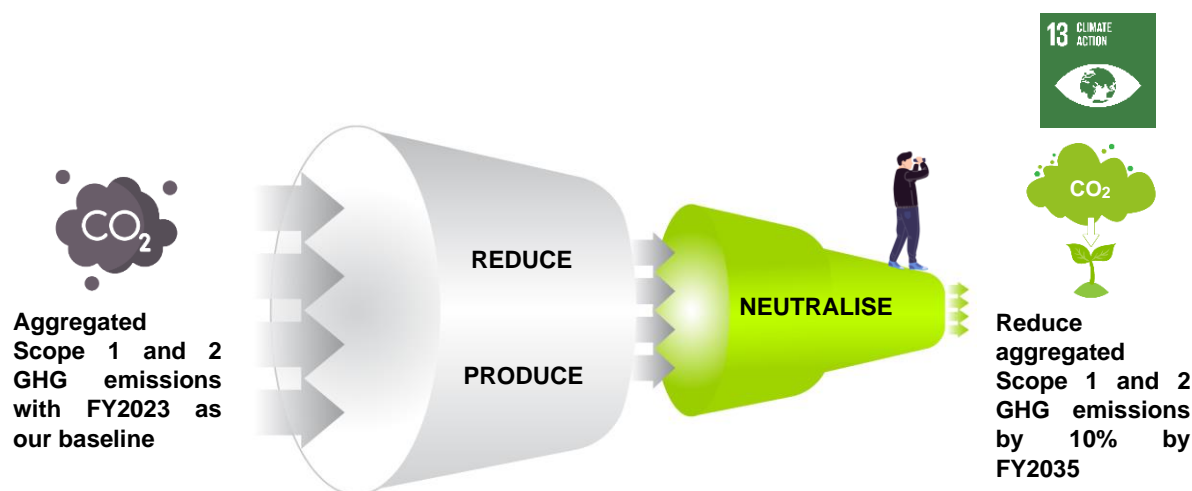


This year, we conducted a GHG emission profiling exercise for our Scope 1, 2 and 3 GHG emissions based on defined organisational boundaries. We track and monitor our Scope 1, 2 and certain categories of Scope 3 GHG emissions closely and are developing mechanisms to track our other categories of our scope 3 GHG emissions, where relevant and practicable. We developed a climate change transition plan and will refine and improve our climate change transition plan as we progressively implement the plan, by considering changes in business operations, environment and market trends. Progress updates and performance will be provided in our Report with assurance on the reporting process covered by an internal review.

Climate Change Transition Plan

Our climate change transition plan steers us on our decarbonisation journey. Under this strategy, we commit to reduce 10% of our aggregated Scope 1 and 2 GHG emissions by FY2035, with FY2023 as our baseline. Our climate change transition plan is focused on three strategic levers of reduce, produce and neutralise as follows:

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Details of our strategic levers are as follows:

Lever	Reduce	Produce	Neutralise
Description	<ul style="list-style-type: none"> Reduce aggregated GHG emissions first within our operations and followed by our supply chain Replace existing energy source with low or zero-carbon sources 	On-site generation of green or renewable energy	Neutralise unavoidable residual GHG emissions
Focus Area	<ul style="list-style-type: none"> Energy efficiency <ul style="list-style-type: none"> Machinery and equipment Motor vehicles Cooling Lighting Building design Local supply Clean energy Electric vehicles 	Solar energy	<ul style="list-style-type: none"> Renewable energy certificates (“REC”) Carbon credits

We track and review spending on energy consumption regularly to control usage and take corrective actions when unusual consumption patterns are observed. We continuously strive to improve our energy use and efficiency through the following initiatives:

Lever	Key Initiative	Description
Reduce	Reduction in energy consumption through efficient machinery and equipment	Our initiatives on this front include: <ul style="list-style-type: none"> Regular maintenance of machinery and equipment to ensure good working conditions to optimise energy efficiency; Regular cleaning of filters for air-conditioning systems to reduce air flow resistance; Adopt greener work practices such as switching off appliances when not in use and enabling power saving modes.
	Reduction in energy consumption through energy efficient lighting	We install energy-saving light emitting diode where practicable.
	Reduction through replacement of motor vehicles and generators with internal combustion engines	Our generators in Thailand and motor vehicles are currently powered by diesel which emit more GHG emissions than green generators and electric vehicles. We plan to replace our current diesel-powered generators and motor vehicles to green power generators and electric-powered motor vehicles where practicable.

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Lever	Key Initiative	Description
	Reduction in energy consumption by switching to renewable energy source(s)	We constantly explore opportunities to adopt clean and/or renewable energy in the locations that we operate in.
<u>Produce</u>	Solar energy	<p>Solar panels are installed on the rooftop of our buildings at STIPL and SSW to generate electricity. The solar panels help to bring down the roof surface's temperature and cool the facility. During the Reporting Period, we generated 11,706 gigajoules ("GJ") (FY2023: 8,978 GJ) of electricity from the installed solar panels. An overview of the solar panels installed as follows:</p>  <p><i>Solar panels on the rooftop of STIPL headquarter</i></p>  <p><i>Solar panels on the rooftop at SSW Wheel Factory</i></p>
<u>Neutralise</u>	<ul style="list-style-type: none"> ▪ REC ▪ Carbon credits 	We plan to explore the use of REC and carbon credits to offset unavoidable residual GHG emissions when the relevant markets mature.

To run our operations, we rely on the following energy resources:

- Electricity for machineries used in the manufacturing of aluminium alloy wheels and equipment used in our offices such as lighting, cooling and office equipment;
- Liquefied petroleum gas ("LPG") for machineries used in the manufacturing of aluminium alloy wheels, specifically for wheel casting;
- Diesel fuel for operating generators in our Wheel Factory and operating motor vehicles such as trucks and forklifts.

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Our Performance

Key statistics on energy consumption and GHG emissions during the Reporting Period are as follows:

Performance Indicator	Unit of Measurement	FY2024	FY2023
Energy Consumption			
LPG consumption	GJ	44,352	43,649
Petrol consumption	GJ	9,121	8,122
Diesel fuel consumption	GJ	18,046	16,650
Purchased electricity consumption	GJ	44,917	40,969
Amount of Clean Energy Generated			
Electricity generated by our solar panels	GJ	11,706	8,978
Energy Consumption Intensity			
LPG consumption intensity	GJ/revenue S\$'000	0.25	0.24
Petrol consumption intensity	GJ/revenue S\$'000	0.05	0.04
Diesel fuel consumption intensity	GJ/revenue S\$'000	0.10	0.09
Purchased electricity consumption intensity	GJ/revenue S\$'000	0.26	0.23
GHG Emissions			
Scope 1 ¹¹ GHG emissions (Direct emissions)	tonnes CO ₂ e	4,807	4,587 ⁴
Scope 2 ¹² GHG emissions (Indirect emissions from electricity)	tonnes CO ₂ e	5,639	5,961 ⁴
Aggregated Scope 1 and 2 GHG emissions	tonnes CO ₂ e	10,446	10,548 ⁴
Aggregated Scope 1 and 2 GHG emissions intensity	tonnes CO ₂ e/revenue S\$'000	0.059	0.058 ⁴

For the Reporting Period, there were no material changes in GHG emissions intensity compared to the previous prior Reporting Period.

During the Reporting Period, we started tracking selected Scope 3 GHG emissions of our operations in Singapore as follows:

Category	Coverage	Entity	Unit of Measurement	FY2024 ¹³
Category 1: Purchased goods and services	Tyres	Singapore	tonnes CO ₂ e	7,169
Category 6: Business Travel	Business Air Travel		tonnes CO ₂ e	25
Category 7: Employee commuting	Transportation of employees between their homes and their worksites		tonnes CO ₂ e	22

¹¹ GHG emissions from consumption of LPG, petrol and diesel fuel controlled by the Company (Scope 1) are calculated based on the emissions factors published by the Intergovernmental Panel on Climate Change.

¹² GHG emissions from electricity purchased by the Company (Scope 2) are calculated based on the average emissions factors published by the relevant authorities.

¹³ No comparative data is available as we started tracking Scope 3 GHG emissions in FY2024. Scope 3 GHG emissions are calculated using a mix of emission factors from 'Life cycle assessment of water supply in Singapore — A water-scarce urban city with multiple water sources', and calculation tools comprising International Civil Aviation Organization Carbon Emissions Calculator and Carbon and Emissions Recording Tool and U.S. Environmental Protection Agency.

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9.6 Employee Health, Safety and Wellness

Our Commitment

In the Group’s daily operations, workers are required to operate heavy lifting equipment such as forklifts for inventory handling. For our Wheel Factory, workers also operate in a high-temperature environment with the use of chemicals such as paints. Given the potential hazards in our operating environment, we strive to maintain a safety-conscious culture.

Our Approach

To manage health and safety, we implemented the following measures:

- Implementation of safety rules and regulations;
- Regularly track and monitor workplace accidents;
- Regular safety inspections are performed by Safety Committees and reported to designated senior managers;
- Corrective action plans are implemented to prevent recurrences of accidents;
- New employees are briefed on safety procedures during orientation;
- A dedicated first-aid room is maintained at our Wheel Factory to provide immediate and effective medical treatment to injured personnel.



First aid room in our Wheel Factory

Our Performance

Our retail and fleet operations in Singapore are bizSAFE 3 certified by the Workplace Safety and Health Council of Singapore.

Key statistics on health and safety of our employees are as follows:

Performance Indicator	FY2024	FY2023
Number of workplace fatalities	-	1
Number of high consequence work-related injuries ⁵	-	-
Number of recordable work-related injuries	19	11
Number of recordable work-related ill health cases ⁶	-	-

The increase in recordable work-related injury cases is mainly due to factory accidents such as eye irrigations, swells, burns and cuts. Nonetheless, we remain committed to maintain a safe working environment for all our employees. We take corrective actions responsively to ensure that lessons from the workplace accidents are shared across business units to prevent recurrence.

Parental Leave

Key statistics on maternity leave and paternity leave (collectively as “**Parental Leave**”) taken by confirmed full-time employees are as follows:

Performance Indicator	FY2024		FY2023	
	Male	Female	Male	Female
Number of employees entitled to Parental Leave	3	8	1	11
Number of employees who took Parental Leave	3	8	1	11
Number of employees who returned to work after Parental Leave ended	3	7	1	11

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Performance Indicator	FY2024		FY2023	
	Male	Female	Male	Female
Return to work rate of employees who took Parental Leave	100%	88%	100%	100%
Retention rate of employees 12 months after they returned to work from Parental Leave ¹⁴	-%	100%	100%	100%

9.7 Employee Retention and Development

Our Commitment

The continual success of our business relies on a team of professional and experienced employees and managers. We are committed to retain and develop our valuable human resources to improve the efficiency of our business operations.

Our Approach

Performance-Based Rewards

We recognise that employees are key to the sustainability of our business operations and we are determined to reward capable and dedicated employees.

Remuneration for key executives is based on corporate and individual performance with certain key executives entitled to profit-sharing bonuses based on certain profit on a realised basis. There are appropriate and meaningful measures in place for the purposes of assessing the performance of Executives Directors and key management personnel. Although the recommendations are made in consultation with Management, the remuneration packages are ultimately approved by the Board.

You may refer to 'Remuneration Framework' of AR24 for further details of our Remuneration Policy.

Workplace Culture and Employee Benefits

Our Employee Handbook provides guidance on corporate culture. We also care for our employees through a comprehensive benefit scheme covering healthcare insurance, maternity leave and paternity leave.

Establish a Quality Team

We encourage continual learning and leadership quality improvements for our employees by offering various training programmes to upgrade their skillsets. During the Reporting Period, our full-time employees attended in-house and external training which cover areas such as workplace safety, machine operations and work processes, quality awareness, product specification, accounting and excel skills, supervisory skills and interpersonal skills development.

Through the above initiatives, we aim to attract and retain talent for our business sustainability.

Our Performance

Key statistics on new employee hires and employee turnover are as follows:

New Employee Hires

Key statistics on new hires by gender and age group are as follows:

Performance Indicator	FY2024		FY2023	
	Number of New Hires	Rate of New Hires	Number of New Hires	Rate of New Hires
Gender				
Male	115	18%	92	15%
Female	44	20%	27	13%
Age				
Below 30	71	51%	57	45%
30 to 50	86	16%	59	11%
Above 50	2	1%	3	2%
Overall new hires	159	19%	119	15%

¹⁴ Retention rate is calculated based on employees who took Parental Leave in the preceding reporting period.

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Employee Turnover

Key statistics on employee turnover by gender and age group are as follows:

Performance Indicator	FY2024		FY2023	
	Number of Turnover	Rate of Turnover	Number of Turnover	Rate of Turnover
Gender				
Male	104	17%	115	19%
Female	44	20%	35	17%
Age				
Below 30	54	39%	51	40%
30 to 50	82	15%	84	16%
Above 50	12	7%	15	10%
Overall turnover	148	18%	150	18%

During the Reporting Period, our new hire rate increased primarily due to an expansion of headcount in Malaysia. As a significant market to the Group, we continue to look for opportunities to expand our value-added services in Malaysia.

Key statistics on training hours are as follows:

Performance Indicator	FY2024	FY2023
Overall		
Total training hours	4,610	5,692
Average training hours per employee	6	7
Gender (Male)		
Total training hours	3,700	4,694
Average training hours per employee	6	8
Gender (Female)		
Total training hours	910	998
Average training hours per employee	4	5
Management		
Total training hours	136	235
Average training hours per employee	2	3
Non-management		
Total training hours	4,474	5,457
Average training hours per employee	6	7

The majority of our training curriculum is relating to safety and required for our employees performing their duties at the Wheel Factory before new employees commence work. During the Reporting Period, there were fewer such employees thus resulting in the decrease in average training hours per employee.

Key statistics on performance and career development appraisal are as follows:

Performance Indicator	FY2024	FY2023
Overall	69%	82%
Gender		
Male	68%	89%
Female	74%	63%
Employee Category		
Management	69%	44%
Non-management	69%	86%

During the Reporting Period, we only conducted annual performance appraisal for our office employees and employees who are eligible for promotion. We are working towards improving the percentage of employees receiving regular performance appraisals.

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9.8 Equality and Diversity in the Workplace

Our Commitment

We are committed to the goals of diversity and equal opportunity in employment by providing an environment for our employees that fosters fairness, equality and respect for social and cultural diversity, regardless of their gender, age and educational background.

Our Approach

To promote equal opportunity, we implemented various human resources measures as follows:

- Human Resources Policy and Employee Handbook for recruiting and promoting employees based on merit and competency;
- Assessment is performed regularly to evaluate the performance of employees and provide them with a sense of self-awareness to undertake training that will improve their skills and abilities;
- Recruitment advertisements do not state age, race, gender or religion preferences as a requirement.

Our Performance

As at 30 April 2024, the Group has a total of 838 full-time employees (FY2023: 812) with the following breakdown:

Singapore	Malaysia	Thailand	Indonesia	South Africa	Total
247	97	345	117	32	838

Gender Diversity (%)

On gender diversity, we view diversity on the Board level as an essential element in supporting sustainable development with three female Board members (FY2023: three) or 40% female representation on the Board (FY2023: 43%). The percentage of female to full-time employees is 26% (FY2023: 26%) and about 35% of managers are females (FY2023: 34%) as at 30 April 2024.

Key statistics on gender diversity of our employees are as follows:

Performance Indicator	FY2023		FY2024	
	Male	Female	Male	Female
Overall	74%	26%	74%	26%
Management	65%	35%	66%	34%
Non-management	75%	25%	75%	25%

Age Diversity (%)

We maintain a fair and open Employment Policy through providing fair employment opportunities to both young and mature workers. On age diversity, mature workers are valued for their experience, knowledge and skills.

Key statistics on age diversity of our employees are as follows:

Performance Indicator	FY2024			FY2023		
	Below 30	30 – 50	Over 50	Below 30	30 – 50	Over 50
Overall	16%	64%	20%	16%	66%	18%
Management	1%	60%	39%	1%	61%	38%
Non-management	18%	64%	18%	17%	67%	16%

Educational Diversity (%)

On diversity in educational background, we seek to create an inclusive environment for our employees from different educational backgrounds. The distribution of full-time employees by educational level is as follows:

Educational Qualification	FY2024	FY2023
Tertiary	22%	29%
Non-tertiary	78%	71%

Due to the nature of our business, most of our employees are non-tertiary educated, deployed at our service outlets and Wheel Factory and are employed based on their skillsets.

During the Reporting Period, there were zero (FY2023: zero) reported incidents of unlawful discrimination against an employee.

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9.9 Ongoing Community Engagement

Our Commitment

We recognise that the long-term success of our business is closely related to the health and prosperity of the communities that we operate in. Accordingly, we are committed in contributing back to the communities.

Our Approach and Performance

During the Reporting Period, we initiated the following campaigns to help the communities:

Singapore Red Cross (“SRC”)

We are proud to partake in SRC’s noble mission and have been supporting the servicing and tyre change of SRC vehicles since 2018. During the Reporting Period, we sponsored a total of 10 vehicles (FY2023: 16).



Tyre Sponsorship

During the Reporting Period, STM donated passenger and commercial tyres to Persatuan Kebajikan Rumah Victory Malaysia.



Scholarship Sponsorship

SSW continued to support the students from Demak Aoprathum School and Chumchon Wat Ratniyom Community, through scholarship sponsorships and school supplies such as uniforms, bags and stationery.



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9.10 Commitment to Quality Products

Our Commitment

We are committed to delivering the best to our customers by providing them with quality and safe products for our long-term business sustainability.

Our Approach

Our Proprietary Brands



Our proprietary brands comprise:

- Stamford Sport Wheels, or SSW brand, for alloy wheels which are designed, manufactured and tested in our Wheel Factory;
- Sumo Firenza and Sumo Tire brands for tyres which are produced by our CMS.

The key measures on quality and safety are as follows:

Adoption of Market Standards on Product Quality and Safety

To maintain product quality and safety, our Suppliers and Wheel Factory are certified under the following international quality standards :

Production Line	Brand	Standard Adopted	Certification Centre
CMS	<ul style="list-style-type: none"> ▪ Sumo Firenza ▪ Sumo Tire 	ECE certification	TUV Rheinland, TUV SUD
Wheel Factory	SSW	IATF 16949:2016	TUV Rheinland
		ISO 9001: 2015	TUV Rheinland
		VIA/JWL	Japanese Vehicle Inspection Association/Japan Light Alloy Automotive Wheel Testing Council
		SNI Marking Product Certificate	Center for Material and Technical Product, Product Certification Body B4T LSPRO Bandung, Indonesia
		GOST	Euro-Asian Council & CIS for Standardisation, Metrology and Certification
		ABE (KBA/TUV Germany)	TUV Rheinland Kraftfahrt GmbH
		ECE certification	TUV Rheinland Kraftfahrt GmbH

Robust Quality Control

To uphold high standards on product quality and safety, we implemented the following operational measures:

- Manufacturing Management Policy for compliance with the production standards;
- Procurement Policy to ensure that procurement teams work closely with suppliers to comply with our requirements;
- Regular suppliers’ evaluation through measures such as annual assessments, sampling tests and visits to suppliers’ premises;
- Production lines are supported by a team of experienced engineers and designers to provide quality assurance.

Our Performance

During the Reporting Period, there were zero safety-related defects which caused an accident and/or injury (FY2023: zero safety-related defects).

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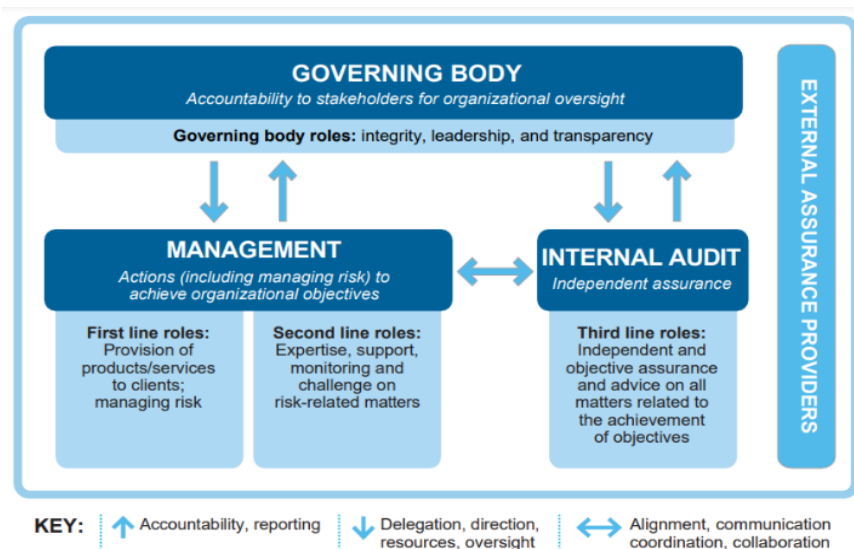
9.11 Corporate Governance and Code of Ethics

Our Commitment

We adhere to the principles and guidelines of the Code of Corporate Governance and are committed to responsible business practices and long-term value creation for all stakeholders.

Our Approach

We aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors (“IIA”). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first line and second-line roles), internal audit (third-line roles) and the relationship among them are defined as follows:



Source: Three Lines Model issued by the IIA

A Whistle Blowing Policy is in place and provide a mechanism for employees to raise concerns through accessible confidential disclosure channels about possible improprieties in matters of financial reporting and others. An employees’ handbook and a code of conduct are in place to provide guidance on corporate behaviour and the culture of the business.

The Group continues to be highly committed to the best practices of corporate governance which ensures a company’s long-term sustainability, by adhering to the Singapore’s Code of Corporate Governance.

Our Performance

During the Reporting Period, there was one (1) incident of serious offence⁸ reported (FY2023: zero incident). The incident relates to forgery committed by a former employee and he was terminated from our employment and we commenced legal proceedings against the employee. The Group takes this matter seriously and we have since revised our internal procedures to ensure that such matters do not recur.

You may refer to page 21 ‘Corporate Governance Report’ of the AR24 for details for our corporate governance practices.

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10. Targets and Performance Highlights

To measure our ongoing sustainability performance and drive continuous improvement, we developed a set of targets related to our key sustainability issues. Our progress against these targets is reviewed and reported on an annual basis with details as follows:

Legend	Progress Tracking
ooo	New target
●●●	Target achieved
●●○	On track to meet target
●○○	Not on track, requires review

S/N	Material Sustainability Factor	Target ¹⁵	Current Year Performance
Economic			
1	Total Customer Satisfaction	<u>Ongoing and long-term¹⁶</u> Maintain or increase market presence subject to market conditions	●●● We maintained market presence and continued to be one of the largest independent tyre and wheel distributors in SEA.
2	Sustainable Business Performance	<u>Short-term</u> Maintain or improve economic value generated subject to market conditions	●○○ Our economic value generated declined slightly to S\$191.09 million.
Environmental			
3	Water Conservation and Wastewater Treatment	<u>Short-term</u> Maintain or reduce water consumption intensity <u>Ongoing and long-term¹⁶</u> Maintain 100% wastewater treatment for our Wheel Factory	●○○ Our water consumption increased slightly to 0.88 Cu M/ revenue S\$'000). ●●● We maintained 100% wastewater treatment for our Wheel Factory.
4	Waste Optimisation	<u>Short-term</u> Maintain or improve the recycling rate for aluminium chips generated from production	●○○ Our recycling rate decline by 1% to 87%.
5	Energy Conservation and GHG Emissions Reduction	<u>Short-term</u> Maintain or reduce GHG emissions intensity by FY2026, with FY2023 as our baseline <u>Medium-term</u> Reduce aggregated Scope 1 and 2 GHG emissions by 10% and by FY2035, with FY2023 as our baseline	●●○ We are on track to reach our target of maintaining our GHG emissions. ○○○ We developed a climate change transition plan and will refine and improve the plan as we progressively implement it, by considering changes in business operations, environment and market trends.

¹⁵ Time horizons for target setting are (1) short-term: before FY2026; (2) medium-term: FY2026 – FY2035; (3) long-term: after FY2035; and (4) On-going: short, medium and long-term time horizons.

¹⁶ We updated the targets for this Sustainability Factor to align with industry practices and aims to provide a more accurate representation of our sustainability performance.



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S/N	Material Sustainability Factor	Target ¹⁵	Current Year Performance
Social			
6	Employee Health, Safety and Wellness	<p><u>Short-term</u> Reduce the number of work-related injuries</p> <p><u>Ongoing and long-term</u> Maintain zero incidents of workplace fatalities, high consequence work-related injuries, recordable work-related injuries and ill health cases</p>	<p>●○○ The number of work-related injuries increased to 19.</p> <p>○○○ We set new ongoing and long-term target for Employee Health, Safety and Wellness.</p>
7	Employee Retention and Development	<p><u>Short-term</u> Maintain or improve employee retention rate subject to market conditions</p>	<p>●●● We maintained our employee retention rate.</p>
8	Equality and Diversity in the Workplace	<p><u>Ongoing and long-term</u> Maintain zero reported incident of unlawful discrimination against an employee</p>	<p>●●● We maintained zero reported incidents of unlawful discrimination against an employee.</p>
9	Ongoing Community Engagement	<p><u>Short-term</u> Initiate various campaigns to help the communities</p>	<p>●●● We continued to initiate various campaigns to help the communities.</p>
10	Commitment to Quality Products	<p><u>Ongoing and long-term</u> Maintain zero safety-related defects which may cause an accident and/or injury</p>	<p>●●● We maintained zero safety-related defects which may cause an accident and/or injury.</p>
Governance			
11	Corporate Governance and Code of Ethics	<p><u>Ongoing and long-term</u> Maintain zero incidents of serious offence</p>	<p>●○○ There was one (1) incident of serious offence.</p>

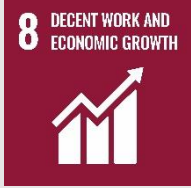


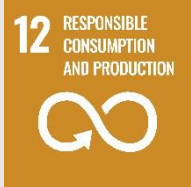


For the material Sustainability Factors identified this Report, the Board and SC have considered the relevance and usefulness of setting related targets in the short, medium and long term horizon. As the historical data trends for certain material Sustainability Factors have yet to stabilise, we have not set the related medium and long-term targets and will disclose such targets in our future sustainability reports when the data trends have stabilised and subject to market trends.

11. Supporting the SDGs

We incorporated the SDGs under the UN Sustainability Agenda, where appropriate, as a supporting framework to shape and guide our sustainability strategy. The results shown below are how our Sustainability Factors relate to these SDGs:

SDG	Our Effort
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p><u>Section 9.6 Employee Health, Safety and Wellness</u> We implement measures to ensure a safe and secure working environment for our employees.</p>
 <p>6 CLEAN WATER AND SANITATION</p> <p>Ensure availability and sustainable management of water and sanitation for all</p>	<p><u>Section 9.3 Water Conservation and Wastewater Treatment</u> We implement checks and measures to reduce water wastage and manage the quality of wastewater generated from our business operations. This in turn helps us to work</p>

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SDG	Our Effort
	towards achieving sustainable management and efficient use of natural resources.
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p><u>Section 9.1 Total Customer Satisfaction</u> We understand that maintaining a high level of customer satisfaction is essential to the continued success of our business. This in turn helps to contribute to economic growth as well as protection and creation of jobs.</p> <p><u>Section 9.2 Sustainable Business Performance</u> We contribute to economic growth through creating long-term value for our stakeholders.</p> <p><u>Section 9.7 Employee Retention and Development</u> We believe in creating decent and fulfilling jobs and a rewarding environment for our employees. This in turn contributes to economic growth through investing in development of our people to upgrade their professional skills and enhance our business competencies.</p>
 <p>Reduce inequality within and among countries</p>	<p><u>Section 9.8 Equality and Diversity in the Workplace</u> We ensure equal opportunity for all employees regardless of age, gender and educational background.</p>
 <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p><u>Section 9.9 Ongoing Community Engagement</u> We initiate various campaigns to give back to the communities we operate in as well as to promote health and prosperity.</p>
 <p>Ensure sustainable consumption and production patterns</p>	<p><u>Section 9.4 Waste Optimisation</u> We implement measures to help reduce waste that is generated from our business operations.</p>
 <p>Take urgent action to combat climate change and its impact</p>	<p><u>Section 9.5 Energy Conservation and GHG Emissions Reduction</u> We maintain a solar photovoltaic system at our headquarters and continuously implement measures to reduce energy consumption as responsible usage of energy resources results in less carbon emissions and thus helps to preserve the environment.</p>
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p><u>Section 9.10 Commitment to Quality Products</u> We ensure compliance to market standards with regards to the quality and safety of our products.</p> <p><u>Section 9.11 Corporate Governance and Code of Ethics</u> We maintain high standards of corporate governance to safeguard our shareholders' interest and maximise long-term shareholder value. We conduct business with integrity by preventing corruption.</p>

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12. Supporting the TCFD

The Group acknowledges that our energy consumption and GHG emissions contribute to climate change impacts. In the journey towards the goal of net zero emissions, we play our part by reducing GHG emissions and adopting environmentally friendly practices in our own business and across value chain, while encouraging our employees to inculcate sustainable habits in their daily lives.

Governance

a. Describe the board's oversight of climate-related risks and opportunities.

The Board is ultimately responsible for the Group's strategic direction on sustainability including, but not limited to, advising and supervising the development of sustainability strategy and performance targets setting, including climate-related issues and takes them into consideration in the determination of the Group's strategic direction and policies, while being supported by the executive level SC by virtue of delegation.

b. Describe management's role in assessing and managing climate-related risks and opportunities.

Our SC is led by our EDs, CEO, and supported by senior management executives from various functions, Country Heads and guides our sustainability strategy as part of the Group's overall business strategy. The SC is responsible for the management and monitoring of our material Sustainability Factors, including working with the various business units to ensure that climate-related issues are considered in the development of sustainability strategy, target setting, as well as collection, monitoring and reporting of performance data.

Strategy

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

We recognise that climate change poses different types of risks to our business. The Group's assessment on potential implication of the above climate-related risks was undertaken based on the Network of Central Banks and Supervisors for Greening the Financial System ("NGFS") range of climate scenarios:

Scenario	Description
NGFS – Orderly	This scenario assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued through cohesive stringent climate policies and innovation.
NGFS – Hot house world	This scenario assumes that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. Critical temperature thresholds are exceeded, leading to severe physical risks and irreversible impacts like sea-level rise. Only currently implemented policies are preserved, leading to high physical risks.

We selected NGFS orderly and hot house world scenarios for the purpose of our qualitative climate scenario analysis. The impact of the climate-related risks is analysed on group-wide activities in the short term (by FY2026, medium term (FY2026 – FY2035) and long term (after FY2035). Based on the above-mentioned scenarios, the climate-related risks and opportunities identified by the Group are as follows:

Climate-related Risk	Potential Impact	Mitigating Measure	Climate-related Opportunity
Transition Risk			
Enhanced GHG emissions reporting and increase in regulatory costs	With rising concerns over the effects of climate change, key stakeholders such as the regulators and shareholders are demanding more climate-related information and have tightened regulations such as imposition of carbon tax, which will lead to an increase in GHG emissions reporting and regulatory costs. Failure to comply with enhanced GHG	In view of the increase in GHG emissions reporting and increase regulatory costs, we will continue to use energy resources responsibly, redefine job responsibilities of existing employees and send them for relevant sustainability training.	These risks present us with opportunities to deploy our resources more efficiently across our value chain by installing plant and machinery of higher energy efficiency to further lower our operating costs and increase production capacity. This will also

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Climate-related Risk	Potential Impact	Mitigating Measure	Climate-related Opportunity
	emissions reporting obligations may lead to adverse impacts on the Group's reputation and financial performance. Compliance with the increase in regulations may require the Group to pay carbon tax, invest in new technologies, modify production processes or purchase carbon credits.	<p>We are also taking active steps in managing our resource efficiency through adopting greener practices at our workplace.</p> <p>With the above, we will be in a better position to meet the changes in regulations and rising expectations of stakeholders on the environment.</p>	enhance our adherence to compliance with relevant rules and regulations to avoid negative impacts on business operations.
Changes in customer preferences	With rising concerns over the effects of climate change, shifting consumer preferences for sustainable products that are less carbon intensive may arise, especially amongst younger consumers. A failure to adapt to shifting consumer preferences may adversely affect customer satisfaction, demand for our products and the Group's financial performance.	In view of changing customer preferences, we are constantly exploring opportunities to develop eco-friendly products and processes to reduce environmental impact from our business operations.	This presents us an opportunity to further expand on our products and services such as expansion of our retreading businesses, innovating tires and wheels that are more eco-friendly and allow for more energy efficient drives.
Physical Risk			
Increased severity of extreme weather events	Weather disruptions, rising temperature, global warming and water scarcity arising from climate change may lead to adverse impact on the supply of our materials and consequentially increase their costs.	<p>We developed and disclosed our inaugural climate change transition plan to steer us on our decarbonisation journey.</p> <p>The increased severity of extreme weather events drove us in transiting to renewable energy sources and increasing our operational efficiency, to play our part in addressing climate change.</p> <p>Solar panels installed on the rooftop at STIPL and SSW generate clean energy.</p> <p>You may refer to Energy Conservation and GHG Emissions Reduction section for further details.</p>	This presents us an opportunity to build on our climate resilience by raising awareness amongst our employees to be more environmentally conscious and reducing our environmental impact throughout our operations.

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Warming scenario 1: Orderly

Risk	Significance of Financial Impact ¹⁷		
	Short Term	Medium Term	Long Term
<u>Key Transition Risk Identified</u>			
Enhanced GHG emissions-reporting obligations and increase in regulatory costs	●	●	●
Changes in customer preferences	●	●	●
<u>Key Physical Risk Identified</u>			
Increased severity of extreme weather events	●	●	●

Warming scenario 2: Hot house world

Risk	Significance of Financial Impact		
	Short Term	Medium Term	Long Term
<u>Key Transition Risk Identified</u>			
Enhanced GHG emissions-reporting obligations and increase in regulatory costs	●	●	●
Changes in customer preferences	●	●	●
<u>Key Physical Risk Identified</u>			
Increased severity of extreme weather events	●	●	●

Legend

● Minor ● Moderate ● Major

In terms of our business strategy and financial planning based on the scenarios above, we will continue to formulate adaptation and mitigation plans as well as explore more effective resource distribution towards transitioning to low-carbon practices. We strive to minimise the climate risks associated with our business and will seize opportunities in an effective manner such as expanding collaboration and partnership with key stakeholders to innovate and develop low carbon goods and services for the market.

c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The resilience of an organisation's strategy is dependent on its ability to adapt and thrive in the face of changing circumstances and emerging risks. The climate scenario analysis is crucial in providing insights on the potential extent of the climate-related risk exposure to our businesses as well as the potential opportunities.

Through our climate scenario analysis, we concluded that unmitigated climate risks (under warming scenario Hot house world) may result in a severe financial impact in the long term. Under the warming scenario orderly, the vast majority of the impact will be attributable to transition risks from the cost increase from enhanced GHG emissions-reporting obligations. To address the risks and capitalise on opportunities associated with climate change, we will continuously build on our strategy to remain resilient as we progress in our sustainability journey.

¹⁷ Significance of financial impact is determined based on the risk appetite established in accordance with the Group's climate scenario assessment.

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Risk Management

- a. Describe the organisation's processes for identifying and assessing climate-related risks.*
- b. Describe the organisation's processes for managing climate-related risks.*
- c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.*

We acknowledge that maintaining a sound system of climate-related risk management is imperative to safeguarding the interests of the Group and foster trust with our stakeholders. To keep abreast of any changes in existing regulatory requirements and maintain good corporate governance, we proactively identify any major climate-related risks relevant to our business, as well as reviewing key climate-related risk performance regularly.

Metrics and Targets

- a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.*

We track, measure and report on our environmental performance, including energy consumption, GHG emissions, water and waste management and disclose related metrics in our sustainability reports. Monitoring and reporting these metrics help us in identifying areas with key climate-related risks and enabling us to be more targeted in our efforts.

- b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.*

To support the climate change agenda, we disclosed our Scope 1 and 2 GHG emissions in this Report and set climate-related targets such as those related to GHG emissions, water and waste management.

We recognised the importance of monitoring our indirect Scope 3 GHG emissions and started tracking and disclosing indirect Scope 3 GHG emissions from purchased goods and services (category 1), business travel (category 6) and employee commuting (category 7) in FY2024. We will assess our Scope 3 GHG emissions and expand the reporting coverage of our Scope 3 GHG emissions on categories, where applicable and practicable.

- c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.*

As a commitment towards mitigating climate change, we set climate-related targets related to GHG emissions, water and waste management. For further details, please refer to the section 10 'Targets and Performance Highlights'.

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13. GRI Content Index

Statement of use	Stamford Tyres Corporation Limited has reported the information cited in the GRI Content Index for the period from 1 May 2023 to 30 April 2024 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	AR 1, AR 12 – 13
	2-2 Entities included in the organisation’s sustainability reporting	3
	2-3 Reporting period, frequency and contact point	3
	2-4 Restatements of information	2,16
	2-5 External assurance	3
	2-6 Activities, value chain and other business relationships	4, AR 11 – 18
	2-7 Employees	17 – 20
	2-8 Workers who are not employees	We have approximately 242 workers who are not employees in FY2024. They are mainly workers supplied to our customers, workers for retreading plant and warehouse, factory operators, drivers and cleaners.
	2-9 Governance structure and composition	6, AR 4 – 7
	2-10 Nomination and selection of the highest governance body	AR 33 – 37
	2-11 Chair of the highest governance body	AR 4, 21
	2-12 Role of the highest governance body in overseeing the management of impacts	6 – 7
	2-13 Delegation of responsibility for managing impacts	6 – 7
	2-14 Role of the highest governance body in sustainability reporting	6 – 7
	2-15 Conflicts of interest	AR 21 – 22, AR 49
	2-16 Communication of critical concerns	23, AR 49
	2-17 Collective knowledge of the highest governance body	6
	2-18 Evaluation of the performance of the highest governance body	AR 26 – 31
	2-19 Remuneration policies	AR 37 – 41
	2-20 Process to determine remuneration	AR 37 – 41
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	1
	2-23 Policy commitments	6-7, 20-23, AR 21
	2-24 Embedding policy commitments	6-7, 20-23, AR 21
	2-25 Processes to remediate negative impacts	10 – 16, 23, AR 49
	2-26 Mechanisms for seeking advice and raising concerns	23, AR 49
	2-27 Compliance with laws and regulations	23, AR 21
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	4 – 8

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GRI Standard	Disclosure	Location
	2-30 Collective bargaining agreements	None of our employees are covered by collective bargaining agreements.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	7
	3-2 List of material topics	8
	3-3 Management of material topics	9 – 23
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	9 – 10
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	23
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	12 – 16
	302-3 Energy intensity	12 – 16
GRI 303: Water and Effluents 2018	303-4 Water discharge	10 – 11
	303-5 Water consumption	10 – 11
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	12 – 16
	305-2 Energy indirect (Scope 2) GHG emissions	12 – 16
	305-4 GHG emissions intensity	12 – 16
	305-5 Reduction of GHG emissions	12 – 16
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	11 – 12
	306-3 Waste generated	11 – 12
	306-4 Waste diverted from disposal	11 – 12
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	18 – 19
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	18 – 19
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	17 – 18
	403-10 Work-related ill health	17 – 18
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	18 – 19
	404-2 Programmes for upgrading employee skills and transition assistance programmes	18 – 19
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	20, AR 30 – 31
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	20
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	10 – 16, 21
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	22