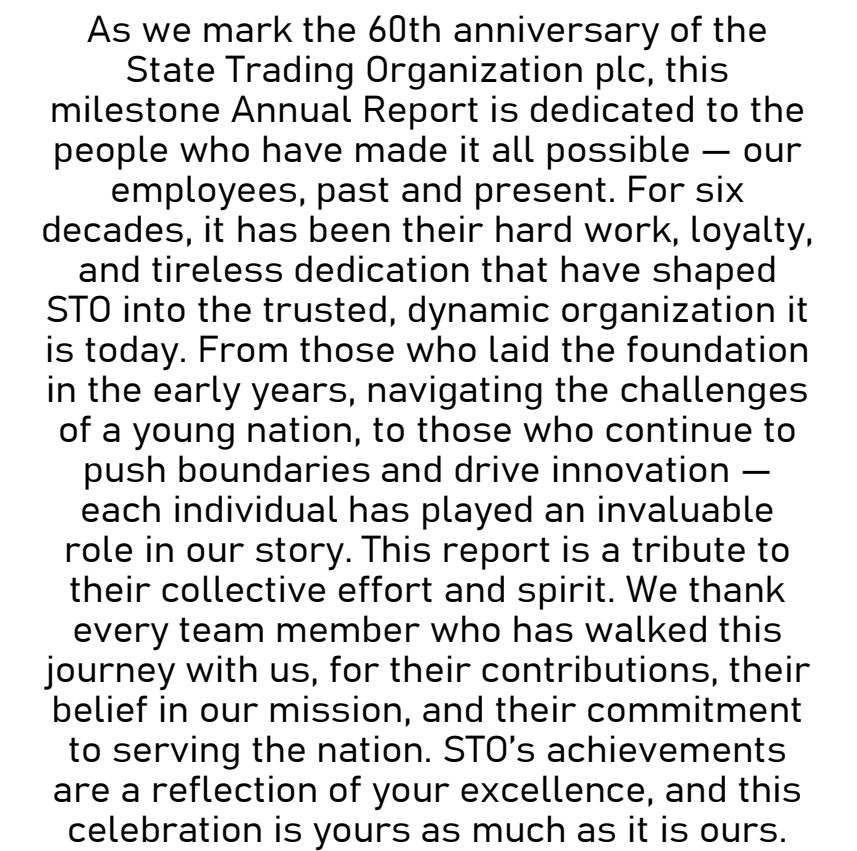




This report is dedicated to our
employees, past and present. This
milestone belongs to you.

Annual *Report* 2024



As we mark the 60th anniversary of the State Trading Organization plc, this milestone Annual Report is dedicated to the people who have made it all possible — our employees, past and present. For six decades, it has been their hard work, loyalty, and tireless dedication that have shaped STO into the trusted, dynamic organization it is today. From those who laid the foundation in the early years, navigating the challenges of a young nation, to those who continue to push boundaries and drive innovation — each individual has played an invaluable role in our story. This report is a tribute to their collective effort and spirit. We thank every team member who has walked this journey with us, for their contributions, their belief in our mission, and their commitment to serving the nation. STO's achievements are a reflection of your excellence, and this celebration is yours as much as it is ours.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

This report comprises the Annual Report of State Trading Organization plc prepared in accordance with the Companies Act (07/2023), listing rules of Maldives Stock Exchange, Maldives Securities Act (02/2006), Securities (Continuing Disclosure and Obligations of Issuers) Regulation (R-1050/2019) of Capital Market Development Authority and Corporate Governance Code of Capital Market Development Authority requirements. Unless otherwise stated in this Annual Report, the terms 'STO', 'Company', 'Group', 'we', 'us' and 'our' refer to State Trading Organization plc and its subsidiaries, associates and joint ventures collectively. STO prepares its financial statements in accordance with International Financial Reporting Standards (IFRS). References to a year in this report are, unless otherwise indicated, references to the Company's financial year ending 31st December 2024. In this report, financial and statistical information is, unless otherwise indicated, stated based on the Company's financial year. Information has been updated to the most practical date. This Annual Report contains forward looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward looking statements often use words such as 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'will', 'may', 'should', 'would', 'could' or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and STO plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. STO cannot guarantee future results, levels of activity, performance or achievements.

About

State Trading Organization plc



Corporate Overview

STO Group is a leading conglomerate in the Maldives, playing a pivotal role in ensuring national resilience and economic development. With a diversified portfolio spanning fuel, gas, consumer goods, construction materials, medical supplies, insurance and shipping, STO is a trusted provider of essential products and services that support everyday life across the country. Guided by a strong sense of purpose, a commitment to sustainability, and a focus on innovation, STO continues to serve as a cornerstone of progress, empowering communities and driving growth across the Maldives.

Vision

‘Enriching Lives.’

At STO, ‘Enriching Lives’ is more than a vision— it is the foundation of everything we do. It reflects our commitment to improving the quality of life for the people of the Maldives through reliable access to essential goods and services, innovative solutions, and sustainable development. By placing community well-being, environmental stewardship, and inclusive economic growth at the heart of our operations, we strive to create long-term value for all our stakeholders.

Mission

‘Expand through sustainable business practices, achieve customer excellence and encourage community engagement.’

We aim to grow in a way that balances economic success with environmental care and social responsibility, ensuring our operations create lasting, positive impact across the Maldives.

Purpose

To enrich lives by delivering essential products and services with excellence, driving sustainable growth, and pioneering innovations that benefit our community and beyond. We are committed to advancing economic development and ensuring a more prosperous future for everyone.

Strategy

At STO, our strategy is centered on sustainable growth, improve our core businesses and explore and invest in potential sectors. We aim to solidify our position as a leader in essential sectors, including fuel, construction, and healthcare, while expanding into emerging markets like renewable energy and digital solutions.

Values

- Think Big
- Determined to Deliver
- Tech Driven
- Unified to Make and Impact
- Do Things Right

Milestones

1964	1979	1985	1987	1992	1993	1995	1997	1999	2000	2000	2001	2002	2003	2011	2016	2020	2020	2023	2024
Athireemaafannu Trading Account (ATA) formed	Renamed to State Trading Organization (STO)	Established Allied Insurance Company of the Maldives Pvt Ltd	First Electronics Showroom opened	First Supermart Showroom opened	First Easy fill Fuel Station Opened	First Pharmacy Opened	Established STO Maldives (Singapore) Pte Ltd	Established Maldiv Gas Pvt Ltd	Established Maldives Structural Products Pvt Ltd	Established Fuel Supplies Maldives Pvt Ltd	Became a public listed company	Established Maldives Cement Company with Lafarge Zurich. However later partnered with Raysut Oman	Established Maldives National Oil Company Ltd	All Island pharmacy project initiated	Maldives Industrial Fisheries Company Pvt Ltd became a subsidiary	Established Maldives State Shipping Company Pvt Ltd	First ecommerce platform “Estore” established	First hypermarket was opened & the first Smart Store in Southeast Asia opened MIFCO left STO Group	Invested in the Maldives Industrial Development Free Zone Company & initiated international bunkering services in Ihavandhippolthu

Subsidiaries of State Trading Organization plc, as at 31.12.2024

										
	Allied Insurance Company of the Maldives Pvt Ltd	STO Maldives (Singapore) Pte Ltd	Maldivian Gas Pvt Ltd	Maldives Structural Products Pvt Ltd	Fuel Supplies Maldives Pvt Ltd	Raysut Maldives Cement Pvt Ltd**	Maldives National Oil Company Pvt Ltd	STO Hotel & Resorts Pvt Ltd	Maldives State Shipping Company Pvt Ltd	Maldives Industrial Development Free Zone
Incorporated Date:	01st November 1985	30th November 1997	30th November 1997	03rd October 2000	18th December 2000	07th January 2002	06th October 2003	7th February 2012	04th February 2020	04th February 2020
Area of business:	Insurance	Trading	Gas Distribution	Roofing material manufacturer	Fuel distribution	Cement manufacturer	Energy trade	Tourism Sector	Shipping	Industrial Development
Incorporated in:	Maldives	Singapore	Maldives	Maldives	Maldives	Maldives	Maldives	Maldives	Maldives	Maldives
Operated in:	Maldives	Singapore	Maldives	Maldives	Maldives	Maldives	Maldives	Maldives	Maldives	Maldives
Shareholders:	STO 99.99% & MGPL 0.01%	STO 100%	STO 90% & Champa Oil & Gas 10%	STO 50% & Rainbow Enterprises 50%	STO 99.99% & Allied 0.01%	STO 99.99% & Allied 0.01%	STO 99.99% & MSS 0.01%	STO 99.99% & FSM 0.01%	STO 99.99% & FSM 0.01%	STO 20% MTCC 20% MPL 20% MACL 20% HDC 20%
Registered Address:	Allied Building, 3rd floor, Chaandhanee Magu, Malé 20156 Maldives T: +960 3341001 E: 1600@allied.mv Website: allied.mv	#39-10 International Plaza, 10 Anson Road 079903, Singapore T: (65) 6324 4668 E: stosing@stomaldives.com.sg	#02-21 STO Trade Centre, 2nd Floor, Orchid Magu, Male' 20188, Maldives T: +960 3335614 E: info@maldivegas.com W: maldivegas.com	G. Marinespike Building, 2nd Floor, Alikilegefaanu Magu, Male' 20117, Maldives T: +960 3337720 E: msroof@dhivehinet.mv W: msp.com.mv	FSM Building, Block A, 4th Floor, Boduthakurufaanu Magu, Malé 20026, Maldives T: +(960) 3336655 E: info@fsm.mv W: fsm.mv	Faamudheyridge, 2nd Floor, 2A Male'20209, Maldives T: +960 3315314 E: info@raysutmaldives.com	STO Head Office Building, Kan'baa Aisa Rani Hingun, Male' 20345, Maldives T: +960 3344333 E: info@mnoc.com	STO Head Office Building, Kan'baa Aisa Rani Hingun, Male' 20345, Maldives T: +960 3344209 E: hotels@sto.mv	STO Head Office Building, Kan'baa Aisa Rani Hingun, Male' 20345, Maldives T: +960 3029200 E: info@stateshipping.mv W: stateshipping.mv	STO Head Office Building, Kan'baa Aisa Rani Hingun, Male' 20345, Maldives T: +960 3344383 E: corporateaffairs@midf.com.mv





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Our Year 2024

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**As we celebrate
six decades of
service, we
remain
committed to
enriching lives
through
sustainable
growth, strategic
innovation, and
unwavering
dedication.**

— Amir Mansoor,
Chairman

Chairman's *Letter*

Dear Shareholders,

2024 was a defining year for STO Group, one that demonstrated our ability to lead with purpose, adapt with resilience, and deliver with impact. In an environment marked by global economic uncertainty, geopolitical volatility, and continued inflationary pressures, STO Group maintained its role as a stabilizing force for the Maldives.

Throughout the year, we strived to ensure the consistent supply of essential goods and services across our diversified portfolio from fuel and medical supplies to food security and construction solutions. Our continued operational resilience in the face of global supply chain pressures, reinforced the trust placed in us by customers, communities, and the government alike.

We are pleased to propose a dividend of MVR 80 per share for the year 2024, maintaining consistency with the dividend declared in the previous year. This recommendation reflects the Company's continued commitment to delivering stable shareholder returns, while also ensuring sufficient reinvestment into the business to support long-term growth and operational resilience. The proposed dividend is aligned with our performance for the year and underscores the Board's confidence in the Company's financial position and future outlook.

We successfully launched our new digital core through the go-live of SAP S/4HANA, positioning STO to operate with greater efficiency, visibility, and agility. This investment in our future strengthens our ability to serve our stakeholders with precision and speed.

We also made significant headway in expanding our strategic footprint through the partnership with Vitol, setting the foundation for an international bunkering operation based in the Maldives. This development, alongside the planned relocation of our fuel terminal to Thilafushi, signals a new phase of infrastructure readiness and energy security.

During the year, the Board remained actively engaged, endorsing key initiatives in fleet expansion, organizational restructuring, and the development of commercial assets. I am particularly proud of STO Group's recognition as the highest-ranked entity in the Corporate Governance Transparency Index, a clear reflection of our commitment to accountability, integrity, and public trust.

Looking forward, our priorities are well defined. We are focused on business growth, aligned with our strategic direction to sustain our core businesses, and continued investment in digital capability. With key infrastructure and partnership foundations now in place, STO Group is positioned to unlock new value across the economy contributing not only to our own growth, but to that of the nation.

I would like to thank our employees across all levels of the organization for their extraordinary contributions this year. Their commitment, especially during major transitions, has been instrumental in delivering the results we now see. I also thank our shareholders for their confidence, and the Government of Maldives for its support and partnership in shaping STO Group's strategic direction.

Together, we move into 2025 with purpose, with progress, and with an unwavering commitment to delivering long-term value for all our stakeholders.

Amir Mansoor
Chairman

Share Performance

Review

In 2024, STO navigated a complex and volatile business environment while advancing our long-term strategy, improving operational performance, and reinforcing our position as a responsible and sustainable enterprise in the Maldives. We extend our sincere appreciation to our shareholders for your continued trust, commitment, and partnership throughout the year.

Performance Overview and Market Context

Global market uncertainty persisted during 2024, influenced by inflationary pressures, geopolitical tensions, and fluctuations in demand across industries. Against this backdrop, STO remained resilient, focusing on operational efficiencies, prudent cost management, and customer-centric improvement. We observed stable market conditions compared to 2023, although consumer sentiment continued to be cautious.

Strategic Progress and Value Creation

Our overarching aim remains the delivery of sustainable value creation for shareholders. In 2024, STO executed a range of strategic initiatives to strengthen our competitiveness:

- Profitability enhancement:** We continued to implement efficiency improvement programmes across the Group, including cost rationalization, improved procurement strategies, and automation in certain operations.
- Capital discipline:** We focused on high-impact investments and optimized our asset portfolio, prioritizing initiatives that align with our long-term growth strategy.
- Sustainability integration:** As part of our Environmental, Social, and Governance (ESG) commitments, we introduced sustainability performance indicators into key operational metrics.

Key Financial Highlights

- Group Revenue:** STO recorded MVR 16.8 billion in revenue for 2024, a 2% decline driven by global fuel price normalization and the impact of divestments.
- Profitability:** Net profit stood at MVR 772 million, reflecting stable performance across core segments despite margin pressure and elevated finance costs.
- Dividend:** A dividend of MVR 80 per share was declared, maintaining the prior year's level and reinforcing STO's commitment to steady shareholder returns.

Capital Market Engagement

In 2024, we continued to engage transparently in our capital market and with our investors. STO remained committed to regular, timely disclosures and held engagement sessions with investors. Our investor relations efforts focused on sharing our strategic vision, operational updates, and key achievements.

STO's shares remained listed on the Maldives Stock Exchange (MSE), and we are pleased with the continued investor interest and trading activity across the year. The improved clarity in our disclosures and the execution of our long-term strategy were positively received by the market.

Shareholders

At the end of 2024, the Company had approximately 4,100 registered shareholders. Each nominee register is entered in the share register as one shareholder.

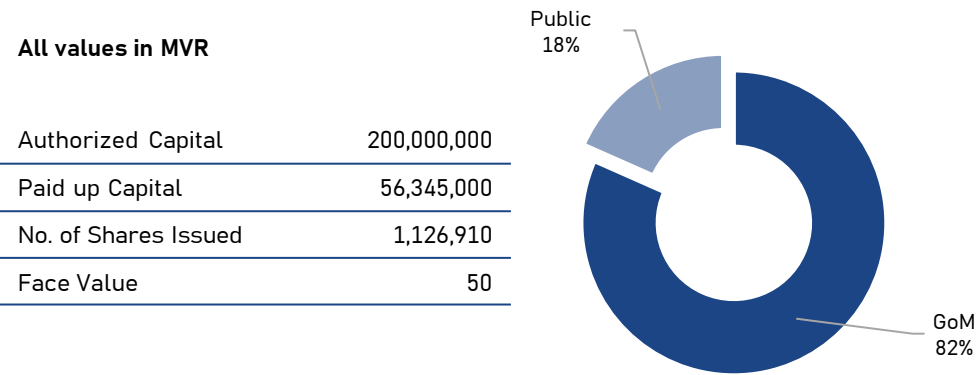
The free float of shares, excluding shareholders with holdings of more than 5% of shares or votes, is 207,041 shares, corresponding to 18.3% of the total number of shares issued. The largest shareholder in the Company is the Government of Maldives holding 919,869 shares of the Company.

Ownership Distribution

Following diagram demonstrates the ownership distribution of the Company by type of shareholders.

	shares	%
Government of Maldives	919,869	81.6%
Companies	27,782	2.5%
Individuals	163, 079	14.5%
Associations / Funds	16,180	1.4%

Following table shows the ownership distribution of the Company by shareholding percentage.



Governance and Shareholder Rights

We are committed to maintaining high standards of governance and transparency. STO successfully convened its Annual General Meeting (AGM) in 2024, with shareholders holding 84% of the total shareholding in attendance, ensuring full compliance with all regulatory requirements. Shareholders exercised their rights, including voting on dividends, board appointments, and approvals.

Annual General Meeting

The Annual General Meeting (AGM) of State Trading Organization Plc for the year 2024 is scheduled to be held on 17th May 2025. All shareholders are cordially invited and strongly encouraged to participate in this important event. The AGM serves as a vital platform for shareholders to engage with the Board and management, review the Company's performance, approve key resolutions, and gain insight into STO's strategic direction for the upcoming year.



Share Trading

	2020	2021	2022	2023	2024
Last traded price (MVR)	455	581	1,330	1500	1098
Highest traded price (MVR)	700	700	1,450	1700	1500
Lowest traded price (MVR)	455	550	1,265	1150	1000
Weighted average traded price (MVR)	480	600	1,303	1,280	1,128
Number of shares traded	1,057	97	491	727	910
Number of trades	14	6	24	43	43
Market Capitalization (MVR)	513	655	1,499	1,690	1,335

Share Performance Overview (2021–2024)

- STO’s share trading activity across the MSE has demonstrated a resilient and evolving performance pattern from 2021 to 2024. Share price trends have reflected broader macroeconomic dynamics, investor confidence, and internal business developments.
- The following highlights summarize this evolution:
- **Growth in Trading Volume:** Share trade volume increased steadily from just 97 shares in 2021 to 910 shares in 2024, signaling rising market participation and investor interest.
 - **Share Price Appreciation:** From a weighted average price of MVR 599.90 in 2021, STO shares more than doubled by 2022 and remained strong through 2024.
 - **Stabilization in 2023–2024:** Although prices softened slightly, the average share price remained above MVR 1,200, underscoring confidence in STO’s performance and fundamentals.
 - **Total Value Traded:** Total Value Traded reached a peak of over MVR 1.1 million in 2024, the highest in the recorded period, reflecting both higher volume and value appreciation.

Investor Sentiment

The steady rise in traded value and volume over the years reflects strong investor sentiment and confidence in STO’s growth trajectory. The data underscores STO’s increasing visibility and reputation as a dependable and long-term investment within the Maldivian capital market.

This upward momentum aligns closely with the organization’s strategic vision—delivering consistent performance, enhancing transparency, and maximizing value for shareholders. As STO continues to evolve and adapt, the capital market’s response affirms our role as a key player in national economic development and a trusted partner for investors.

Dividend

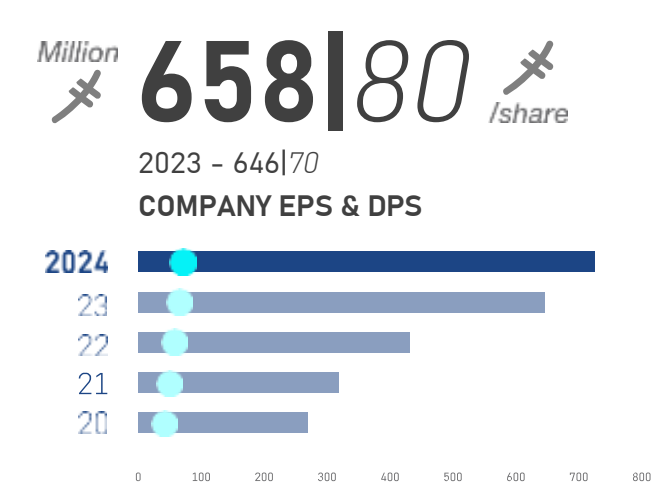
STO remains committed to delivering long-term value to its shareholders through consistent and sustainable dividend payments, aligned with the Company’s profitability, financial position, and strategic priorities.

For the financial year ended 31 December 2024, the Board of Directors has proposed a dividend of MVR 80 per share, reflecting the Company’s financial performance and cash flow generation during the year. This proposed distribution corresponds to a dividend payout ratio of 12% of net profit attributable to equity holders.

The dividend proposal is subject to approval at the Annual General Meeting scheduled for May 17, 2025. If approved, the dividend will be paid out to shareholders registered in the share register as of the record date.

STO’s dividend policy aims to ensure a stable and predictable return to shareholders while retaining sufficient earnings to fund future growth and maintain financial flexibility.

Following diagram demonstrates EPS and DPS information for the Company.



Outlook for 2025 and Beyond

- Looking ahead, we remain cautiously optimistic. We expect continued macroeconomic volatility but also identify strong growth opportunities across healthcare, and energy. Our focus will remain on:
- Delivering on our digital transformation roadmap to enhance efficiency and customer experience;
 - Expanding sustainable product offerings, especially in eco-friendly goods and services;
 - Deepening supply chain resilience and building long-term supplier partnerships;
 - Fostering a performance-driven culture, guided by clear KPIs, accountability, and continuous improvements.

On behalf of the Board of Directors and the management team, I thank all our shareholders for their steadfast support.

Amir Mansoor
Chairman



CEO's Message

A conversation with Shimad Ibrahim, STO Group CEO

Q 2024 was a more challenging year for STO Group compared to 2023. How do you reflect on the overall performance?

A Yes, 2024 was certainly more complex and challenging than the year before. Despite the robust tourism growth, widening fiscal deficit, high private and public debt and significant trade deficit affected our business adversely. Challenges in construction industry and fisheries industry along with limited access to working capital and foreign exchange added to these complexities.

While we did not achieve the same revenue and profit levels as in 2023, I believe our performance demonstrated resilience and strategic discipline. Global commodity volatility, supply chain disruptions, and pricing pressures across markets affected our topline and profitability ratios. However, we focused on sustaining our essential operations and building a stronger foundation for long-term growth. That was, and remains, our priority.

Q With the Maldivian economy facing fiscal tightening and reduced liquidity, how is STO adapting its priorities?

A The macroeconomic challenges in the Maldives are as a result of continuous budget deficit and non-concessional borrowings for infrastructure projects which do not generate significant revenue or foreign exchange. This resulted in fiscal and external vulnerabilities and ultimately depletion of foreign reserves. Government entities and state-owned enterprises are very significant portion of our customer base. Any shocks to those businesses has a direct impact on our businesses.

To discharge our key responsibilities during this challenging time, we (1) focus heavily on foreign currency earning segments, (2) re-analyze and re-evaluate our capital expenditure project, (3) actively work on liquidity and receivable management, and (4) conduct a continuous dialogue with our key stakeholders, especially Ministry of Finance.

Internally, we have intensified cost rationalization and optimized logistics and procurement to maintain healthy margins. This is not a time for business as usual — it is a time for sharper focus, stronger controls, and resilience in action.

“ Our greatest strength has always been our people— their passion, resilience, and purpose continue to drive STO forward and shape the future of our nation.

— Shimad Ibrahim, STO Group CEO

Q In light of these challenges, what were the main areas of focus for you and your leadership team?

A Our strategic compass remained clear: ensure uninterrupted delivery of essential goods and services — fuel, food, and medical supplies — while reshaping our business for the future. We prioritized national supply security, improved internal efficiencies, and began unlocking capacity through infrastructure development. Operational stability during difficult periods is where STO's value to the nation is most visible, and we are committed to meet the expectation of the citizens.



Q *Infrastructure and investment seem to be key themes in 2024. What are the priorities in this space?*

A Indeed, we are addressing several long-standing infrastructure limitations. One major step forward was the initiation of a new warehousing project — a response to the aging and capacity-constrained facilities we rely on today. We are also at the preliminary stage of developing a multipurpose commercial building at the STO Head Office site. It's a future-focused asset that will generate economic returns while providing a decent working environment for our staff. Alongside this, planning began for relocating our fuel terminal to Thilafushi, which will enhance storage capacity, achieve economies of scale and operational readiness for decades to come.

Q *You've placed strong emphasis on expanding the fuel segment. Why is this strategic?*

A Fuel continues to be our core business both in terms of revenue and foreign income. Hence, continuous improvement of performance in this segment is vital for our overall performance management. In 2024, we expanded our vessel fleet size — acquiring new delivery barges to improve service frequency and reliability across atolls. We also focused on optimizing our pricing and capturing higher-margin demand, particularly from the resort sector. This is not just about sales volume — it's about increasing our foreign currency inflows and reinforcing our position in a highly competitive market.

Q *STO's digital transformation took a major step forward this year. What has been achieved and what comes next?*

A The successful implementation of SAP S/4HANA was a major milestone that we achieved during the year. The upgrading of our ERP platform from the previous ECC to the S/4 Hana was more than a systems upgrade; it contributes to achieving operational efficiencies, make better decisions, and serve our customers better. We now have access to real-time data, centralized workflows, and far better integration across departments. This foundation allows us to scale digital services, automate further, and improve how we engage with our suppliers and partners.

Q *Access to affordable, high-quality medicine is a key national priority. How is STO addressing this?*

A Our role in healthcare is both strategic and social. We've worked to expand regional pharmacy coverage and improve logistics to ensure better availability across the country. 2024 was a particularly challenging year as far as medicine availability is concerned. A combination of many factors affected the availability and supply of medicines into the country. Despite the various challenges faced in importing medicines to the country, STO is committed and is working very closely with key stakeholders to maintain at least one high quality generic from the essential medicines list and approved drug list maintained by Maldives Food and Drug Authority.

Q *How are you balancing commercial performance with national service obligations?*

A It's a constant act of balancing between profitability and affordability. While maximizing the shareholder wealth and improving the profitability are among our key objectives, we do not focus on profitability growth year on year. Our commitment is to deliver profitability through efficiency and volume — not at the expense of access or affordability. We are committed to maintaining consistent delivery of staple foods, fuel, and pharmaceuticals across all regions. At the same time, we're optimizing internal processes, strengthening logistics, and reshaping our portfolio for a more sustainable model.

Q *Despite a difficult financial year, STO still made bold long-term objectives. What gives you confidence looking ahead?*

A The economic outlook of Maldives articulated by international institutions warned us about the challenges we would face in 2024 and even in the few years ahead. Any changes to macro-economic factors such as public debt, government policies, national budget, interest rates and exchange rates has a direct impact on STO's business.

I believe that there would be opportunities even in the most difficult times and events. I have personally experienced many such situations at a leadership level in the past.

I am confident because I am working under a visionary leadership of the President, with guidance from a dynamic board and with an energetic team who helps me on implementing our strategies and attend to day-to-day operations on a timely manner.

I'm also confident because we've used this year to identifying and addressing structural issues in our organization. We're modernizing our infrastructure, strengthening our fleet, digitizing our operations, and diversifying revenue streams. These are strategic investments — not short-term responses. The transformation is underway, and we're starting to see its benefits take shape. That gives me real confidence about our ability to deliver sustainable, profitable growth.

Q *How is STO embedding sustainability and ESG principles into its long-term strategy?*

A Sustainability is increasingly central to how we operate and think. While our core mandate is delivering essential goods and services, we recognize that we must do so in a way that minimizes environmental impact and maximizes social value.

In 2024, we took tangible steps in this direction — from participating in clean energy feasibility studies to reducing waste in pharmaceutical supply chains. We also introduced technologies like ocean-cleaning drones and pursued more energy-efficient infrastructure design.

Our goal is to align with national net-zero ambitions and global ESG standards by integrating sustainability across procurement, logistics, and operations. It's not a separate stream of work — it's becoming part of how we deliver STO's mandate.

Q *What steps is STO taking to develop internal capabilities and empower its people?*

A Our people are the driving force behind every achievement at STO. In 2024, we undertook one of the most complex change initiatives in our history — Implementation of SAP S/4 Hana across the company. It required not just technology, but capability. I'm proud of how our teams embraced the challenges we faced. We had to make the go-no-go decision and the go-live decisions during a very difficult time – the latter felt on Ramadan. I would like to put on record my sincere appreciation to everyone who were involved in the implementation.

We continue to invest in training, digital literacy, and operational excellence programs — from pharmacy staff to logistics, from finance to frontline sales. Our goal is to build a workforce that is digitally enabled, commercially savvy, and nationally responsive.

We've also enhanced internal communications and performance management systems to create a more empowered and accountable work culture. The organization we're building is not just more modern — it's more human, more capable, and more future-ready.

Q *As we enter the era of AI, how is STO preparing to harness its potential beyond ERP systems?*

A Artificial Intelligence is no longer a distant concept — it is here, and it is redefining how businesses operate. At STO, we see AI not as a buzzword, but as a powerful tool to enhance precision, responsiveness, and decision-making across our operations. I am happy to note that some of our key staff have already start utilizing AI in their day to day works.

Following the successful rollout of SAP implementation, we now have a digital foundation capable of supporting intelligent technologies. Our focus is on using AI to generate actionable insights — from inventory forecasting and demand prediction to smarter procurement, credit risk profiling, and even automating customer support.

We've already begun using Microsoft Copilot for analytics and reporting to improve management visibility and reduce manual processing time. Looking ahead, we will use our own models and agents to embed AI deeper into our logistics, planning, and medical supply chain to reduce inefficiencies and ensure faster, more data-informed responses.

We are entering this new era with a clear objective. AI is not meant to replace our people — it will rather empower them to focus on tasks that would add value to the organization. The way forward for STO is clear: combine digital infrastructure with intelligent automation to create a more agile, competitive, and customer-focused organization.

Q *What message would you like to share with employees, partners, and shareholders?*

A To our employees: Thank you for your commitment through a transformative year. Your resilience and dedication have been invaluable.

To our partners: We appreciate your continued support in our mission to serve the nation.

And to our shareholders: While the numbers may not match last year's record, the direction is right. We are investing smartly, operating responsibly, and transforming this organization for the future. Together, we will continue to move forward — with discipline, clarity, and purpose.



Shimad Ibrahim
STO Group CEO

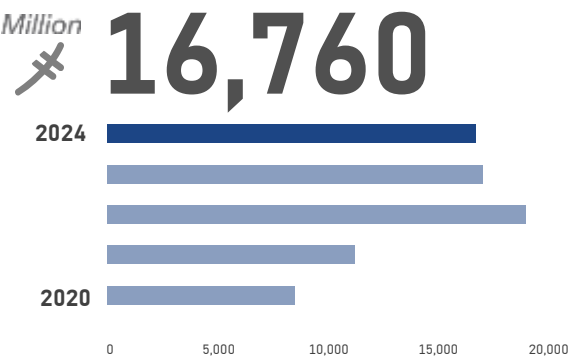
Key Figures

Group

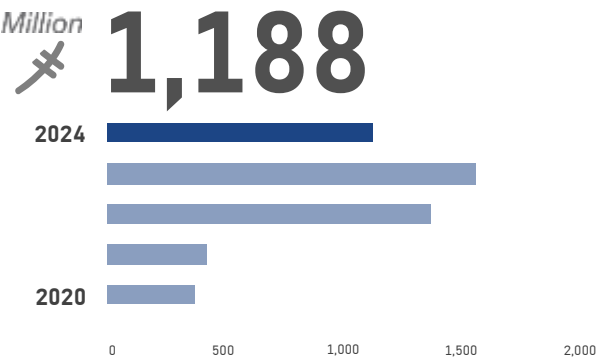
	2024	2023	2022	Target	Performance against target
Revenue Growth	-2%	10%	70%	>8% per annum	●
Gross Profit Growth	-12%	30%	41%	>5% per annum	●
ROCE	9%	14%	13%	>10%	●
Net Debt to Equity	1.27	1.17	2.24	1.60	●

● Achieved ● On track ● Not achieved

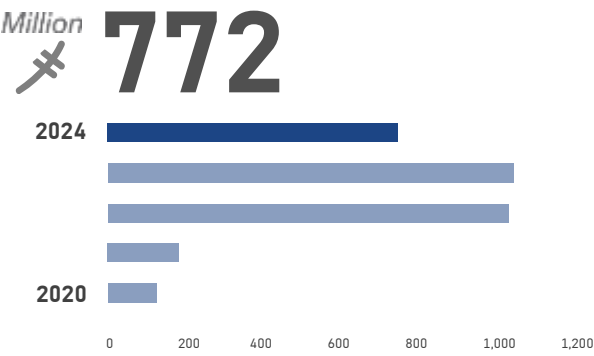
Revenue



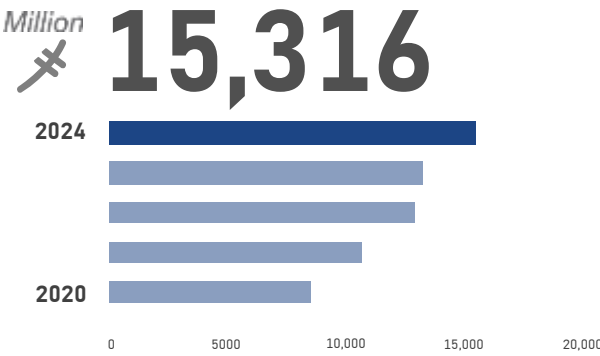
Operating Profit



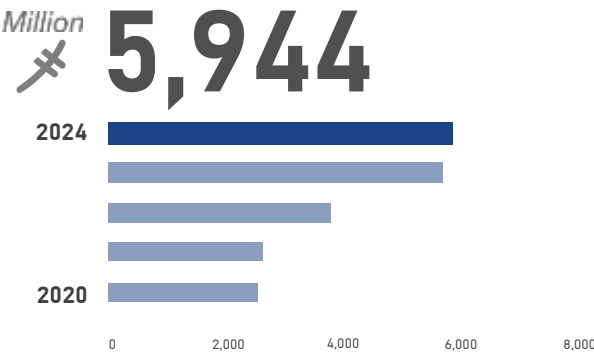
Profit after Tax



Total Assets



Total Equity



Profit from continued operations

Earnings per Share

MVR 658

2023: MVR 726

Female Staff Ratio

34%

2023: 34%

Employees

3,554

2023: 3,345

Training Spend

MVR11.8m

2023: MVR11.3m



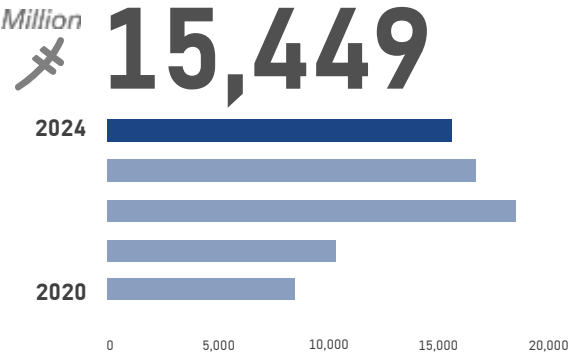
Key Figures

Company

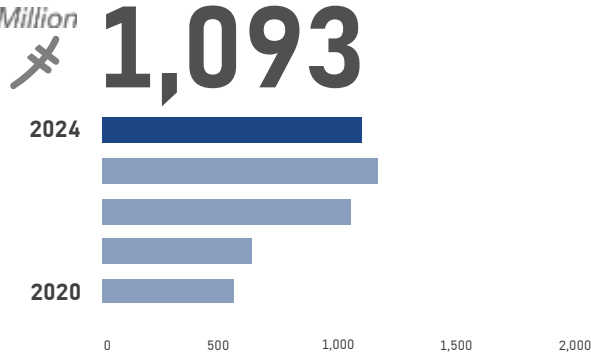
	2024	2023	2022	Target	Performance against target
Revenue Growth	-6%	-10%	79%	>8% per annum	●
Gross Profit Growth	-12%	23%	41%	>5% per annum	●
ROCE	9%	12%	10%	>10%	●
Net Debt to Equity	1.56	1.42	1.91	1.60	●
Dividend per Share (MVR)	80	80	77	75	●

● Achieved ● On track ● Not achieved

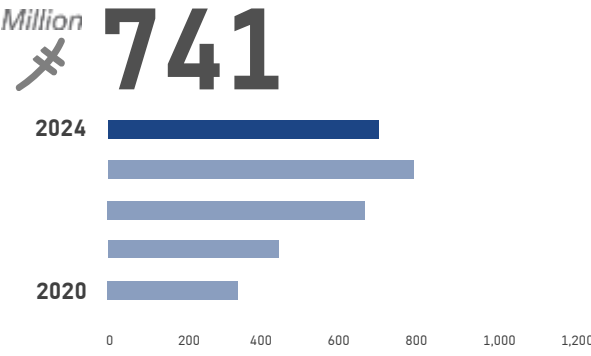
Revenue



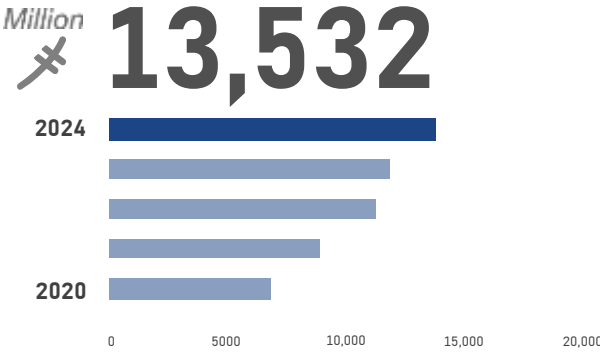
Operating Profit



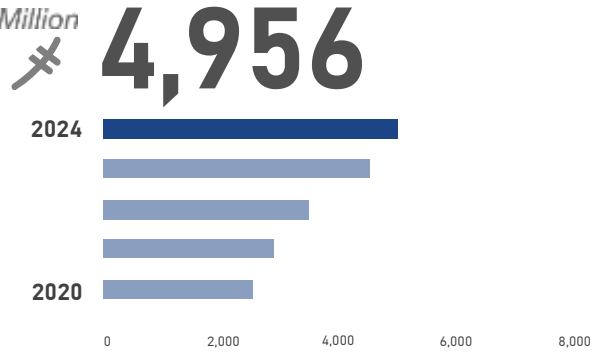
Profit after Tax



Total Assets



Total Equity



Earning
per
Share

MVR 658

Per share

MVR 726 in
2023

Staff
Satisfaction
Score 2024

85%

81% in 2023

Proposed
Dividend for
2024

MVR 80

Per share

2023: MVR80 per
share

Training
Spend

MVR10.2m

2023: MVR9.5m

Employees

2,370

2023: 2,249



Key Events

In 2024, STO achieved steady revenue growth across its key business segments, reinforcing its role as a critical pillar of the Maldivian economy. The Company's diversified operations in energy, healthcare, construction, general trading, and logistics delivered strong results, driven by strategic investments, enhanced operational efficiency, and customer-focused innovations. This growth solidified STO's position as a reliable provider of essential goods and services, contributing significantly to national economic resilience and development.



One of the most notable achievements of the year was the **launch of International Bunkering Operations in Ihavandhippolhu**, a strategic move aimed at elevating the Maldives' position in the global maritime industry. In collaboration with Vitol Asia, this initiative established a high-capacity refueling hub capable of serving international vessels along key shipping routes. The project not only diversifies STO's revenue streams but also supports the broader national vision of transforming the northern atolls into a gateway for economic expansion and maritime trade.



In response to declining global energy prices, STO took a socially responsible step by **reducing fuel prices three times during the year**. These reductions helped stabilize inflation and ease cost-of-living pressures, directly supporting the nation's economic well-being.



STO also made critical strides in national infrastructure by **initiating the relocation of the Funadhoo Fuel Terminal to Thilafushi and rolling out the Fuel Storage Skid Project across 19 atolls**. These projects enhance energy security, safety, and distribution capabilities across the Maldives.



In corporate governance, STO continued to lead by example, being **ranked highest in the Corporate Governance Transparency Index (CGTI) by Transparency Maldives**—an acknowledgment of the company's deep-rooted commitment to integrity and accountability.



The Company also **successfully transitioned its ERP platform to SAP S/4HANA**, a significant digital transformation that will enhance operational agility, data accuracy, and decision-making across the organization.

Our Business Model

Inputs	Core Activities	Value Creation	Main Customer Groups	Revenue	Output and Outcomes
<p>Financial Capital</p> <p>Stable financial performance with strategic investments to support expansion and innovation.</p>	<p>Energy: National supplier of petroleum products and gas (via STO Energy, FSM, and Maldive Gas). International bunkering operations and fuel terminal infrastructure development.</p>	<p>Procurement: Secures essential goods and services from global suppliers.</p>	<ul style="list-style-type: none">Households (for LPG and fuel for generators)Government utilities and power stations (for electricity generation)Businesses and resorts (for operational fuel needs)Transport operators (buses, ferries, logistics)Aviation and maritime sectors (jet fuel and marine bunkering)International vessels (via bunkering operations)	<p>Sales: MVR 12,368 million</p>	<p>Reliable delivery of essential goods and services.</p>
<p>Human Capital</p> <p>A skilled and dedicated workforce of over 4,000 employees across diverse business areas throughout STO Group.</p>	<p>General Trading: Sale of consumer goods, electronics, appliances, and staple foods via STO People's Choice and regional outlets.</p>	<p>Distribution: Nationwide delivery via retail outlets, fuel tankers, warehouses, and shipping lines.</p>	<ul style="list-style-type: none">General public/households (groceries, appliances, electronics)Hotels and guesthousesSmall businesses and retailers (B2B wholesale supply)Online shoppers (via eStore)	<p>Sales: MVR 1,085 million</p>	<p>Regular and steadfast returns to shareholders (MVR 80 in 2024 and 2023 as dividend).</p>
<p>Intellectual Capital</p> <p>Strong brand reputation, ERP systems (SAP S/4HANA), and proprietary digital platforms.</p>	<p>Healthcare Solutions: Nationwide medical supply network (190+ pharmacies) offering pharmaceuticals, equipment, and consumables to healthcare institutions and individuals.</p>	<p>Innovation & Digitalization: Invest in AI, automation, ERP (SAP S/4HANA), and customer-facing platforms.</p>	<ul style="list-style-type: none">General public (via 190+ pharmacies nationwide)Hospitals and health centers (public and private)Clinics, laboratories, and diagnostic centersMinistry of Health and public procurement bodiesNGOs and health-related projects	<p>Sales: MVR 1,426 million</p>	<p>National infrastructure development and national economic contributions.</p>
<p>Manufactured Capital</p> <p>Warehouses, retail outlets, terminals, construction plants, fuel barges, and storage infrastructure.</p>	<p>Construction Solutions: Distributor of ready-mix concrete, cement, construction equipment, elevators, paint, and other premium building materials.</p>	<p>Customer Engagement: Ensures affordability, quality, and accessibility through strong customer service and regional presence.</p>	<ul style="list-style-type: none">Construction contractors and developersGovernment infrastructure projectsResort and hotel developersHomeowners and small-scale buildersEngineering firms (for elevators, waterproofing, etc.)	<p>Sales: MVR 623 million</p>	<p>Job creation, vocational training, health and wellbeing and employee development.</p>
<p>Social and Relationship Capital</p> <p>Long-standing partnerships with global brands, suppliers, and national institutions.</p>	<p>Insurance: Through Allied Insurance, offering general, life, and takaful solutions with growing digital outreach.</p>	<p>Governance & Risk Management: High corporate governance standards and transparent reporting.</p>	<ul style="list-style-type: none">Individuals (life, medical, vehicle, property insurance)Businesses (corporate and resort insurance products)Government entities and institutionsIslamic customers (via Takaful products)	<p>Sales: MVR 761 million</p>	<p>Environmental stewardship through fuel efficiency, solar power, and ESG programs.</p>
	<p>Shipping Services: Operated by Maldives State Shipping (MSS), offering cargo, feeder, and NVOCC services across South Asia and beyond.</p>	<p>Sustainability Focus: ESG-aligned operations, alternative energy initiatives, and waste reduction efforts.</p>	<ul style="list-style-type: none">Importers and exportersWholesale distributors and retailersBusinesses dependent on regular cargo (e.g., construction, medical, food)Government agenciesRegional ports and international trade partners	<p>Sales: MVR 431 million</p>	<p>Community empowerment through education, healthcare access, training programs, and meaningful social impact initiatives (MVR 10.9m given back to the community in 2024).</p>





Business *Report*

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Our Strategies For Growth and Efficiency

Our Strategic Ambition

As we celebrate 60 years of dedicated service, ST0 enters a new era of strategic clarity and national relevance. Our ambition is to serve as the engine that powers sustainable progress throughout the country—by delivering essential services, expanding accessibility, and leading the way in innovation, operational excellence, and inclusive growth.

ST0 is deeply embedded in the daily lives of Maldivians—from the fuel that lights homes and powers transport, to the healthcare solutions that sustain life, to the building materials that shape our nation's infrastructure. Our role is vital, and our responsibility is growing. Looking ahead, we aim to deepen our impact by delivering long-term value for all stakeholders.

Our Strategic Priorities and KPI's

ST0's value creation is guided by eight core strategic pillars that ensure sustainable impact, growth, and performance across all business segments. These pillars are not just operational focus areas; they are the foundation of our transformation into a future-ready, customer-driven, and purpose-led organization. Each pillar reflects a deliberate strategic intent and aligns with our ambition to build national resilience, enhance accessibility, and promote inclusive prosperity. As we move toward 2025 and beyond, these priorities shape our investments, inform our decision-making, and drive measurable value for our customers, partners, and stakeholders nationwide.

“As ST0 grows, we do so with a deep sense of duty—to be present in every home, every island, and every solution that moves the nation forward.

— ST0 Leadership

Our Strategic Pillars

- 1 Financial Strength
- 2 Innovation & Technology Driven Growth
- 3 People Development
- 4 Customer-Centric Transformation
- 5 Market Expansion
- 6 Operational Enhancement
- 7 Infrastructure Development
- 8 Sustainability Alignment



1

Financial Strength

STO's financial strength underpins our ability to grow, innovate, and deliver long-term value. We aim to maintain healthy financial fundamentals, ensure efficient capital deployment, and provide consistent returns to our shareholders.

Strong financial health enables strategic investments and long-term growth. STO's financial priorities include maintaining profitability, optimizing cash flow, delivering competitive shareholder returns, and managing risk effectively. We aim to maintain steady returns while reinvesting in transformative initiatives.

2024 Developments

STO maintained strong financial health, achieving 13% equity growth and sustaining a profit margin above 5%. These results allowed the company to propose a dividend of MVR 80 per share, same as last year. Prudent capital allocation and consistent revenue performance across sectors contributed to STO's stable financial foundation.

2025 Outlook

We aim to maintain our momentum with consistent revenue and profitability growth, supported by prudent cost management and strategic reinvestment. STO will continue to deliver attractive shareholder returns while ensuring the financial flexibility to fund infrastructure and digital innovation.

2

Innovation & Technology-Driven Growth

Innovation is not just a goal—it's a mindset that shapes STO's future. We are leveraging new technologies to improve performance, create new value, and evolve into a smarter, more responsive organization.

Technology is central to our future growth strategy. We are integrating artificial intelligence, analytics, and automation to modernize operations, improve decision-making, and create scalable innovations across all business units. Our goal is to become a more agile, digital-first organization.

2024 Developments

In 2024, STO accelerated its digital transformation journey through several key technology initiatives aimed at enhancing operational efficiency, scalability, and customer engagement. A major milestone was the implementation of Project Samuga, which marked the successful migration from SAP ECC to the RISE with SAP S/4HANA cloud-based ERP system. This shift to an AI-powered, data-driven platform modernized STO's enterprise operations, improving agility and laying the groundwork for future innovation. Complementing this, STO expanded its AI-powered Smart Store in Hulhumalé to 24/7 operations, integrating artificial intelligence and IoT technologies to deliver a seamless, intelligent retail experience.

2025 Outlook

Innovation efforts will center around deploying smart logistics, predictive analytics, and cloud-based platforms. We will also explore pilot programs using AI and blockchain for product traceability, inventory optimization, and customer insights.

3

People Development

Our people are the foundation of our strategy. By investing in training, leadership, wellbeing, and opportunity, we are building a capable, future-ready workforce that drives our long-term success and societal impact.

Our people are the foundation of our success. We are building a capable and future-ready workforce through professional development, leadership training, vocational partnerships, and wellbeing programs. A strong internal culture enables sustained high performance and positive societal impact.

2024 Developments

Workforce development remained a core focus. Over 700 individuals participated in STO's training and development programs. The CAST vocational training program, launched in collaboration with Villa College, provided practical learning for future professionals. The first batch of students from the STO-GE Diploma in Radiography graduated in 2024. STO also received national recognition for its employee wellness and HR practices, reflecting our ongoing commitment to a people-first culture.

2025 Outlook

Our people strategy in 2025 includes launching a Leadership Development Academy, scaling CAST and vocational programs, and expanding performance management systems. STO will continue prioritizing wellbeing, diversity, and internal promotion to foster a resilient and engaged workforce.

Revenue Growth	Gross Profit Growth	Return on Equity	Adopting to emerging Tech	Key Processes Digitalized	Average Training hours per staff	Attrition Rate	Employee Satisfaction Score
-2%	-12%	13.8%	75%	45%	10.8	16%	85%
-10% in 2023 Target: 8% YoY	30% in 2023 Target: 5% YoY	24.5% in 2023 Target: 12%	35% in 2023 Target: 100%	15% in 2023 Target: 100% by 2028	17.1in 2023 Target: >15 hours per staff	12% in 2023 Target: <20%	81% in 2023 Target: >80%



4

Customer-Centric Transformation

We place customers at the heart of everything we do. Through digitalization, improved accessibility, and personalized service, we aim to create meaningful and reliable experiences for every household and business we serve. Delivering consistent and high-quality service experiences is at the heart of STO's transformation. By enhancing digital platforms, expanding e-commerce services, and personalizing interactions, we aim to meet customers wherever they are—on every island and across every channel.

2024 Developments

In 2024, STO took decisive steps toward strengthening its customer-centric transformation through a range of digital and service-oriented initiatives. One of the key innovations was the introduction of the STO Digital Calendar — a sustainability-focused solution designed to replace traditional printed calendars with an interactive digital platform. To enhance service accessibility, the STO Smart Store in Hulhumale' Phase I was transitioned to a 24-hour operation, providing greater convenience and flexibility to customers. In parallel, STO rolled out company-wide training programs focused on customer relationship management and effective communication, equipping employees with the skills needed to deliver high-quality, responsive service. Furthermore, the groundwork was laid for the integration of emerging technologies such as Artificial Intelligence (AI) and the Internet of Things (IoT) to modernize customer experience and improve operational efficiency.

2025 Outlook

Customer experience will be elevated through e-commerce platform enhancements, faster service delivery, and expanded personalization across channels. STO will expand its AI-based customer support systems and invest in community outreach to align services with evolving customer needs.

5

Market Expansion

Market expansion is central to STO's mission of delivering universal access to essential services. As the Maldives continues to grow, we are committed to reaching every inhabited island and tapping into new sectors and global opportunities that align with our core strengths. STO is focused on expanding its presence in underserved regions and entering new growth markets. This involves strengthening retail and pharmacy networks, extending fuel and construction materials supply chains, and tapping into international opportunities such as shipping and maritime services.

2024 Developments

In 2024, STO implemented several strategic market expansion initiatives to diversify its services and strengthen its market presence. In March, STO signed a term sheet agreement with Vitol Group, the world's largest independent energy trader, to establish an international bunkering hub in Ihavandhippothu Atoll. Under this partnership, Vitol will market the Maldives as a bunkering hub in the Indian Ocean and enhance STO's technical capabilities in the industry. In April, STO inaugurated the STO Construction Solutions Showroom in Hulhumalé, offering a paperless, one-stop shopping experience that streamlined operations and improved customer service. In the healthcare sector, STO introduced Trister brand products to the Maldivian market, providing a range of health monitoring devices suitable for both professional and home settings. Further strengthening its healthcare services, STO Medical Services launched a modern pharmacy within Dharumavantha Hospital in July, offering a comprehensive selection of medicines, medical equipment, and personal care products, enhancing convenience for patients and visitors.

2025 Outlook

We aim to maintain our momentum with consistent revenue and profitability growth, supported by prudent cost management and strategic reinvestment. STO will continue to deliver attractive shareholder returns while ensuring the financial flexibility to fund infrastructure and digital innovation.

6

Operational Enhancements

Enhancing operational excellence is key to improving service quality and internal efficiency. We are modernizing our processes and systems to ensure agile, cost-effective, and transparent operations across all business units.

Efficiency is a critical enabler of value delivery. STO is enhancing operational performance by adopting modern enterprise systems, automating workflows, and refining procurement, logistics, and inventory management. These efforts are aimed at reducing waste, increasing speed, and supporting data-informed decision-making.

2024 Developments

Operational efficiency was bolstered with the successful implementation of SAP S/4HANA. This digital transformation streamlined enterprise resource planning and enabled data-driven decision-making. Ariba and our proprietary POS systems—Raytail—were also rolled out to enhance real-time visibility and accountability across retail operations.

2025 Outlook

STO will advance to the next phase of ERP optimization and expand automation across inventory, procurement, and finance. Emphasis will be placed on reducing lead times, increasing real-time visibility, and enhancing internal compliance through improved process governance.

Key
Projects
Completed

62%

Target: 100%

New Service
/ Outlet /
Fleet

6

Target: 11

Cost
Saving

7%

-12% in 2023

Target: 5% per annum
(Process and Cost Efficiency)



7

Infrastructure Development

Reliable infrastructure is the backbone of national service delivery. STO is prioritizing strategic investments that enhance energy security, logistics capabilities, and supply chain infrastructure across all regions to support growing demand.

Resilient and scalable infrastructure is essential for STO to meet rising demand across energy, healthcare, construction, and logistics. We are investing in fuel terminals, warehouses, regional distribution centers, and fleet expansion to enhance nationwide service reliability and future readiness.

2024 Developments

STO made significant headway in strengthening infrastructure. The relocation of the Funadhoo Fuel Terminal to Thilafushi commenced—a strategic move to enhance national fuel security. Simultaneously, fuel storage capacity expansion project was initiated across 19 atolls, and three new vessels were added to the STO fleet, supporting both logistics and inter-island connectivity.

2025 Outlook

Our infrastructure strategy will focus on completing key milestones such as the relocation of the Funadhoo Fuel Terminal to Thilafushi and expanding regional fuel storage. New distribution centers, warehousing facilities, and shipping assets will be commissioned to improve capacity, supply reliability, and national logistics efficiency.

8

Sustainability Alignment

Our sustainability strategy reflects a deep responsibility toward the environment and future generations. STO is embedding sustainable practices into every aspect of our operations, aligning with national and global climate goals.

STO is committed to responsible growth and climate action. We are embedding ESG principles into our business operations by advancing renewable energy usage, reducing emissions, promoting eco-efficient logistics, and launching sustainable product lines.

2024 Developments

In alignment with STO's ESG goals, solar energy systems were installed across key operational sites, including retail warehouses and storage facilities. Routes and delivery networks were optimized for fuel efficiency, and STO continued to integrate green product alternatives into its offerings.

2025 Outlook

Our sustainability roadmap for 2025 includes increasing renewable energy use across operations, launching eco-certified product lines, and setting emission-reduction targets at the segment level. We will integrate ESG impact tracking into reporting structures and promote circular economy practices in our logistics and construction segments.

Key
Projects
completed

98%

96% in 2023
Target: 100%

Identifying and
integrating
key ESG
matrices

15%

Target: Complete and
integrate
Sustainability matrices
by 2026 end

Looking Ahead

STO's vision for the future is built on a foundation of strategic foresight and national alignment. As we move into 2025 and beyond, our focus is on deepening the impact of our eight strategic pillars. We will continue to invest in infrastructure and technology, while pursuing bold market expansion strategies that ensure equitable access to essential goods and services across all islands.

Our energy and fuel division will see continued modernization with the relocation of key infrastructure, while our retail and healthcare platforms will embrace more digital capabilities to enhance customer convenience. Sustainability will remain at the core of every project, with increased adoption of solar energy, eco-efficient logistics, and green products.

In parallel, we aim to nurture a dynamic, future-ready workforce through robust learning and development programs. As part of our people-first approach, we will continue to prioritize employee wellbeing, internal growth, and leadership development. Financially, our focus remains on delivering value to shareholders through solid performance, prudent capital management, and strategic reinvestments.

STO is committed to being more than a service provider—we are a national partner in resilience, innovation, and inclusive development. We look ahead with confidence, driven by purpose, strengthened by people, and guided by our responsibility to the Maldives.

“ Our journey is powered by purpose. As we step into the future, we remain anchored in our values, guided by strategy, and driven by the needs of every community we serve.

— STO Leadership



Business Environment

Economic and Industry Context

According to the International Monetary Fund (IMF), global GDP grew by 3.2% in 2024, maintaining the same growth rate as in 2023.

The Maldivian economy faced notable challenges in 2024. The Maldives Monetary Authority (MMA) reported a slowdown in economic activity during the second quarter, following a strong 9.8% annual growth in the first quarter. Despite these fluctuations, the economy demonstrated resilience, achieving a real GDP growth of 4.7% for the year. This growth was primarily driven by the robust performance of the tourism sector, which welcomed a record-breaking 2 million visitors, reinforcing its role as the cornerstone of the nation's economy.

Inflation remained low at 0.5% in the first half of 2024. However, food prices rose significantly by 6.7% during the same period, reflecting global supply chain disruptions and increased import costs.

Global energy prices experienced a slight decline throughout the year, prompting ST0 to reduce fuel prices on three occasions. These price adjustments contributed to overall inflation stabilization and supported economic stability.

The trade deficit widened to \$1.5 billion, accounting for 12.5% of GDP in 2024. This persistent deficit presents an ongoing challenge for the government's financial management, emphasizing the need for fiscal reforms and enhanced revenue generation strategies to ensure long-term economic stability.

Outlook 2025:

Navigating Challenges and Opportunities

The global economic environment continues to influence the Maldivian economy. According to the IMF's January 2025 World Economic Outlook Update, global GDP growth is projected at 3.3% for both 2025 and 2026, remaining below the historical average of 3.7%.

The Maldivian economy is forecasted to grow by 6.4% in 2025, building on the momentum of 2024. This growth is expected to be driven by continued strength in the tourism sector and substantial public investment in infrastructure projects.

Inflation is projected to moderate to 3.6% in 2025, influenced by declining global food and energy prices and ongoing domestic fiscal consolidation efforts. This moderation is expected to improve consumer purchasing power and create a more favorable business environment.

The Government's proposed 2025 budget totals MVR 56.6 billion, with a strong emphasis on economic stability and sustainable growth. A substantial allocation of MVR 12.4 billion is designated for the Public Sector Investment Program (PSIP), which focuses on critical infrastructure projects aimed at enhancing connectivity, expanding tourism capacity, and improving overall economic efficiency.



Our Businesses

Strengthening Diversification and Strategic Growth

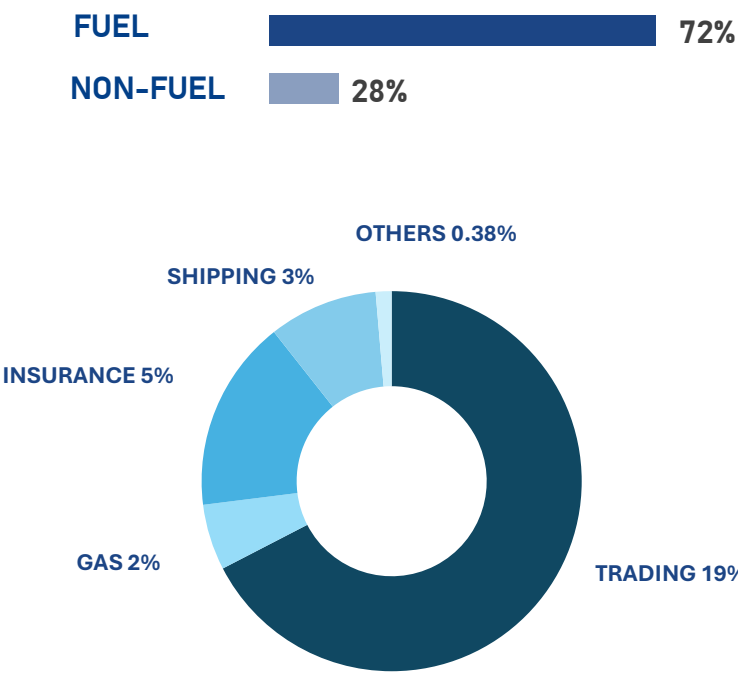
In 2024, STO Group’s diversified portfolio demonstrated a resilient performance across its core business segments, highlighting the strength of its integrated operations and the success of its strategic repositioning. Total revenue was primarily driven by the Fuel segment, while growth across non-fuel businesses reinforced the Group’s continued progress in diversifying its portfolio and strengthening its position within essential national supply chains.

The Fuel segment, accounting for over 72% of total revenue, generated MVR 12.1 billion, representing a 7% decline attributable to global price stabilization. Despite this, volume sales remained strong, and significant strategic groundwork was undertaken to support the Group’s entry into international bunkering and broader market expansion. In contrast, all other major segments achieved year-on-year growth, underscoring the effectiveness of STO’s diversification strategy. Trading revenue rose by 8% to MVR 3.1 billion, driven by solid performances in medical, construction solutions, staple foods, and the expanded wholesale footprint of General Trading. The Gas segment reported a 4% increase, supported by network expansion initiatives and operational upgrades in distribution infrastructure.

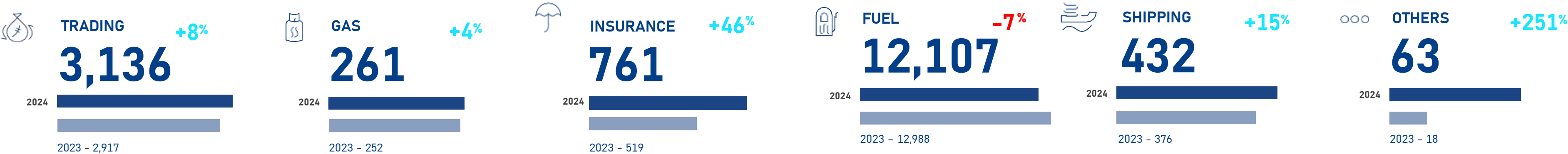
The Insurance segment delivered outstanding growth, with revenue surging 46% to MVR 761 million, reflecting greater digital adoption and broader market reach. Shipping maintained its positive momentum, increasing by 15% year-on-year through improved route efficiency and market optimization. Other revenue, largely comprising project revenue from the medical sector, grew by MVR45m from a smaller base as the Group expanded its support services and explored new opportunities.

Overall, the Group’s 2024 performance reflects consistent execution, strong underlying demand, and disciplined operational management across all sectors. As STO moves into 2025, it does so from a position of financial strength and strategic focus, with a clear pathway to further enhance earnings quality through service excellence, digital transformation, and continued market expansion.

Share of Segment Revenue



Segment Revenue

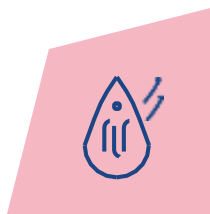


Energy

Leading the Future of Energy Solutions

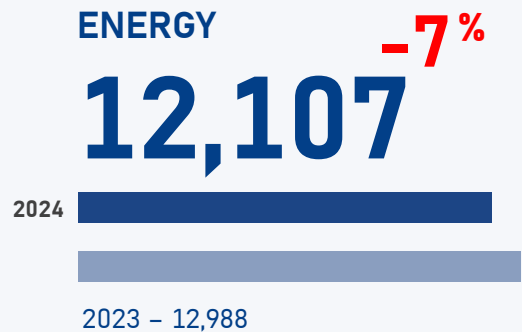
In 2024, STO's Energy segment continued to lead the transformation toward advanced energy solutions through strategic expansion, innovation, and operational efficiency. As the market leader in the sale, distribution, and marketing of petroleum products across the Maldives, we strengthened our supply chain, expanded international operations, and explored next-generation energy initiatives as part of our long-term vision for energy security and sustainability. While sustainable energy remains a future direction, our commitment to fostering environmental responsibility and national development remains steadfast.





Energy

Performance



In 2024, the fuel segment generated revenue of MVR 12,107 million, compared to MVR 12,988 million in 2023. The decline was primarily driven by fluctuations in global fuel prices. In response, STO implemented three fuel price reductions throughout the year, with adjustments in both the first and second quarters, ensuring competitive pricing for consumers.

Operational Excellence and Supply Chain Optimization

Throughout 2024, STO focused on optimizing its fuel supply chain by enhancing logistics planning and inventory management. This ensured the seamless nationwide distribution of fuel through Fuel Supplies Maldives (FSM).

Key initiatives included:

- Continued supply of Jet A-1 fuel to the Maldives Airport Company and regional airports via our dedicated Jet A-1 barge, improving quality assurance and delivery efficiency.
- Strategic investments in infrastructure, storage capacity, and distribution networks to solidify STO's position as the leading energy provider in the Maldives.
- Reinforcement of fire protection measures, along with the commencement of firefighting and first aid training for Funadhoo terminal staff.
- Jetty repairs and the implementation of coastal protection measures to enhance operational resilience.

Sustainability and ESG

In line with STO's commitment to sustainable development, the Energy Segment prioritized initiatives aimed at minimizing the environmental impact of fuel operations. Key efforts included:

- Advancing plans to transition towards low-carbon and renewable energy sources, with a focus on Liquefied Natural Gas (LNG) as an interim solution.
- Promoting operational efficiency through strategic infrastructure enhancements, reducing energy consumption and emissions across storage and distribution facilities.
- Implementing coastal protection measures to safeguard terminal operations against climate-related risks.
- Strengthening compliance with national and international environmental standards, ensuring that all fuel supply operations uphold the highest ESG (Environmental, Social, and Governance) principles.

STO remains firmly committed to supporting the Maldives' broader decarbonization agenda, targeting net zero carbon emissions by 2050.

Challenges and Mitigation

The Energy Segment faced several challenges in 2024, primarily driven by global market volatility and operational risks:

- Global Fuel Price Fluctuations:** Sharp movements in international oil prices impacted revenue stability. In response, STO implemented proactive pricing strategies, conducting multiple price adjustments to maintain competitiveness and affordability for consumers.
- Logistics and Supply Chain Constraints:** Adverse weather conditions and logistical disruptions posed risks to the timely delivery of fuel products across the islands. To mitigate this, STO invested in fleet expansion and introduced additional storage facilities through the Fuel Storage Skid Project.
- Infrastructure Aging:** Maintaining aging infrastructure, particularly at terminal facilities, presented operational and safety risks. STO addressed this through continuous reinforcement of fire protection systems, jetty repairs, and the relocation of critical infrastructure such as the Funadhoo fuel terminal.
- Environmental and Regulatory Pressures:** Increasing expectations around environmental performance required the organization to accelerate its transition to cleaner energy sources and improve operational resilience.

2025 Outlook and Strategic Focus

Expansion into international bunkering

In September 2024, STO launched international bunkering operations in Ihavandhippolhu Atoll, leveraging the Maldives' strategic position along global trade routes. Through a partnership with Vitol Asia, a renowned international bunker trader. This initiative is expected to attract international vessels, boost maritime traffic, and generate significant economic benefits by increasing fuel trade revenues, creating job opportunities, and strengthening the country's strategic role in the global shipping industry.

Fleet Expansion and Distribution Enhancement

To meet the rising fuel demand, STO expanded its fleet with 3 additional coastal tankers in 2024. Moving forward, the company plans to further enhance its distribution capacity by acquiring 10 more barges and 2 more coastal tankers. This expansion will improve service reliability, strengthen logistics networks, and enhance the efficiency of fuel distribution across the Maldives.

Recognizing the importance of sustainable energy solutions, STO remains committed to achieving carbon neutrality by 2050. To achieve this, the company is actively seeking to invest in renewable energy projects. LNG has been identified as a key transition fuel to meet short-term climate goals. STO has engaged with the Ministry of Tourism and Environment to explore potential collaborations on power projects and renewable energy ventures.



* Photos from the inauguration ceremony of bunkering services at Ihavandhippolhu.

Fuel Storage Skid Project

In November 2023, President Mohamed Muizzu launched the Fuel Storage Skid Project across 19 atolls. This initiative, scheduled for implementation in 2024, aims to establish fuel storage facilities in all atolls, ensuring stable fuel prices to support the fishing and transport industries.

New Fuel Terminal Development

A key infrastructure project initiated in 2024 is the relocation of the Funadhoo fuel terminal to Thilafushi 2. Initially planned for Maagiri Lagoon, the project was revised to a reclaimed site in Thilafushi to enhance storage capacity, operational efficiency, and safety standards. The terminal will be developed to cater to our fuel storage requirements for next 60 years and will improve operational efficiency and safety by adopting latest technology in terminal automation. Our landed cost of fuel will be reduced significantly with the additional storage capacity as well as vessel berthing capacity to accommodate LR1 tankers.

Commitment to Innovation and Energy security

STO remains dedicated to delivering reliable energy solutions while driving innovation in the sector. By expanding storage capacity, optimizing infrastructure, and strengthening distribution networks, STO will continue to meet the evolving energy demands of the nation while advancing environmental sustainability. The company's strategic vision ensures that the Maldives remains at the forefront of energy transformation, creating long-term value for businesses, communities, and the national economy.

A background image of three women in a supermarket aisle. The woman on the left is wearing a white shirt and has sunglasses on her head. The woman in the center is wearing a red hijab and a matching top, also with sunglasses on her head, and is holding a brown shopping bag with the 'sto' logo and 'sto.mv/estore' text. The woman on the right is wearing a grey jacket and is holding a coffee cup. They are all smiling and looking towards the right. The shelves in the background are stocked with various products.

Trading

Driving Growth and National Prosperity in 2024

In 2024, the Trading segment remained a cornerstone of STO Group, playing a vital role in sustaining the nation's supply chain and driving economic growth. Through strategic resilience and operational excellence, this segment continued to ensure an uninterrupted flow of essential goods and services, reinforcing STO's commitment to national development and economic stability. As the most diverse segment within the Group, our portfolio spans multiple industries, including construction materials, household appliances, supermarket goods, and medical services. This year, we further strengthened our role as a key enabler of progress by expanding product availability, enhancing service efficiency, and optimizing supply chain solutions.

Ensuring Food Security and Retail Excellence

Our General Trading segment remained at the forefront of delivering a seamless shopping experience. By maintaining a strong commitment to affordability and accessibility, we ensured that staple foods and essential household items were available at affordable prices. Our People Choice supermarket and regional outlets expanded their reach, providing a one-stop solution for groceries, home improvement products, electronic appliances, general construction materials—enhancing convenience for communities nationwide. In 2024, STO's Trading segment not only upheld its legacy of excellence but also adapted to evolving market demands, reinforcing its role as a key driver of national prosperity and economic resilience.

Advancing Healthcare Access

Our unwavering commitment to the health and well-being of the nation was evident in our expanded medical supplies and services. By providing high-quality pharmaceuticals, critical hospital consumables, and advanced medical equipment, we ensured healthcare providers and communities had reliable access to essential resources, reinforcing STO's role in strengthening the national healthcare infrastructure.

Supporting the Construction Industry

STO continued to be a trusted partner in the construction sector, delivering superior-quality materials and innovative solutions. In 2024, we further diversified our offerings, supplying key products such as elevators, premium-grade paint, ready-mix concrete, cement, and other essential construction materials, contributing to the development of robust infrastructure across the country.



Construction Solutions

Leader in Construction Excellence

The STO Construction segment continues to be a market leader in supplying high-quality construction materials across the Maldives. In 2024, the company reinforced its position through a strategic focus on efficiency, innovation, and sustainability. By offering a comprehensive range of products, including roofing sheets, ready-mix cement solutions, and premium construction materials, STO has ensured affordability and accessibility for businesses and communities.

Our strategic direction remains centered on cost-effective and efficient solutions, leveraging our market position and logistics. Through strong partnerships with reputable customers and industry stakeholders, we have reinforced our reliability as a trusted supplier.



Construction Solutions-

Performance

CONSTRUCTION SOLUTIONS

-4%

623

2024

2023 - 647

The Construction segment recorded a revenue of MVR 623 million in 2024, marking a 4% decline from MVR 647 million in 2023. Despite this downturn, the segment delivered 30,725 CBM of concrete, including the single largest pour of 2,700 CBM for a major apartment development project. Market share for construction materials remained steady at 24%, supported by operational efficiency initiatives and strategic focus on cost control, even as broader industry headwinds persisted.

Operational Excellence and Supply Chain Optimization

The sales performance of key brands such as Nippon Paint and MAKITA power tools showed significant improvement in the year. STO also achieved KONE's 2024 sales target, attaining Gold distributor status.

Strengthening strategic partnerships was a major focus, with a landmark agreement signed with Apollo Company for the supply of 46 elevators for a 1,000-apartment project in Hulhumale. Additionally, a collaboration with Sonee Hardware ensured a consistent supply of sand and aggregates.

Retail expansion played a crucial role in improving accessibility and service quality. A new Construction Solutions showroom was opened in Hulhumale in April 2024, enhancing customer engagement. To support brand visibility and outreach, an in-house digital marketing content creation team was also established. The network of construction agents was expanded with the addition of 12 new agents to strengthen market reach.

Sustainability and ESG

The Construction segment remains committed to sustainability and environmental responsibility. A comprehensive ESG and sustainability assessment is planned for Q2 - 2025, focusing on water conservation and the recycling of waste materials in ready-mix concrete sites. KONE's energy-efficient elevator solutions, incorporating regenerative technology, reduce energy consumption by up to 45% by recovering energy generated during use. Nippon Paint continues to promote sustainability with its water-based solutions that emit fewer volatile organic compounds (VOCs) compared to traditional oil-based paints.

The introduction of Portland Limestone Cement (PLC), containing 5-15% limestone, marks a significant step in lowering the carbon footprint of concrete production by approximately 10%. These initiatives reflect STO's ongoing commitment to reducing emissions and improving resource efficiency in the construction industry.

Challenges and Mitigation

A major challenge faced in 2024 was the reduced government spending on Public Sector Investment Program (PSIP) projects. Additionally, the influx of counterfeit construction materials and weak regulatory enforcement posed risks to market integrity.

To mitigate these issues, we focused on private sector initiatives, including tourism sector to improve our contribution. Engaging with regulatory authorities to strengthen enforcement against counterfeit products has also been a priority.

2025 Outlook and Strategic Focus

Looking ahead, STO aims to expand its footprint in the construction sector by diversifying its product portfolio and exploring new market opportunities. The company plans to enhance its supply chain and logistics capabilities, ensuring operational efficiency and cost competitiveness. Increasing material availability across the atolls and targeting high-value projects, particularly in the resort construction segment, will drive revenue growth.

A review of the credit policy is planned for 2025 to provide more flexibility to valuable clients, fostering long-term business relationships. Sustainability will remain a core focus, with a commitment to promoting eco-friendly building materials and energy-efficient solutions.

With a strategic emphasis on innovation, sustainability, and customer-centric solutions, STO Construction is well-positioned for continued growth and industry leadership in 2025. Strengthening partnerships, improving service quality, and enhancing operational efficiencies will be key drivers of success in the coming year.

* Photos of new Construction Showroom and ready-mix concrete.



Healthcare Solutions

Excellence in Medical supplies and healthcare solutions

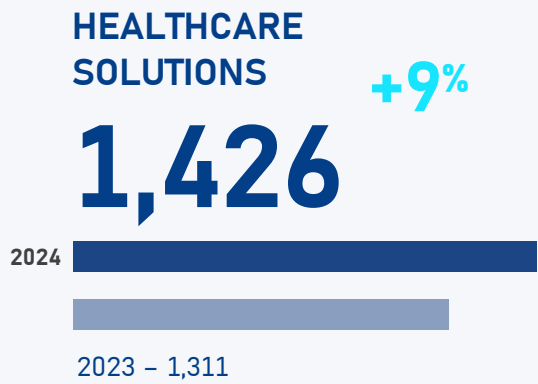
Since its establishment in 1983, the STO Medical Supplies and Pharmacy segment has remained a cornerstone of healthcare solutions in the Maldives. In 2024, STO reinforced its leadership by strengthening strategic partnerships, enhancing operational efficiency, and expanding product and service offerings to meet the evolving demands of the healthcare sector. With a network of over 190 pharmacies, supported by three warehouses and a workforce exceeding 700 professionals, STO continues to ensure accessibility and reliability in medical supply distribution.





Healthcare Solutions

Performance



Revenue increased to MVR 1,426 million in 2024 from MVR 1,311 million in 2023, maintaining a strong market share in biomedical, pharmaceuticals, and hospital consumables. A total of 81 new products were registered, while 131 were re-registered.

Key Achievements in 2024

We expanded our product portfolio with nine globally recognized medical brands, improving access to high-value healthcare solutions. Enhanced service delivery and an efficient distribution network contributed to greater customer loyalty and trust.

Key product launches included Foxiga, Symbicort Turbuhaler, and Pulmicort Respules in partnership with AstraZeneca. Other additions included glucometers, rapid testing kits, and laboratory diagnostic equipment from SD Biosensor, along with consumer medical and wellness products under the Trister brand.

STO signed strategic agreements with GE Healthcare for ultrasound scan systems, SD Biosensor for diagnostic equipment, and Arjo for hospital furniture and patient lifters. Major installations were completed at key hospitals, including Dharumavantha Hospital, Hulhumale' Hospital, and the IGMH Central Sterilization Services Department. Additional installations included MRI facilities at R. Ungoofaaru and ten digital X-ray systems in atoll hospitals.

The inauguration of a flagship pharmacy at Dharumavantha Hospital in July 2024 expanded our pharmacy services. We also hosted the Nexus of Care Symposium in Q4 2024, focusing on sustainability, efficiency, and patient care, and participated in Health Expo 2024 to showcase medical innovations.

Sustainability and ESG

Sustainability remains a key focus for our healthcare solutions. The transition to a paperless system through the Odihanu digital platform was initiated, with implementation at the Ministry of Health, Hulhumale' Hospital, and regional hospitals. Public awareness campaigns were conducted on critical health issues, including diabetes, cancer, thalassemia, schizophrenia, and proper medication intake. Additionally, we partnered with hospitals and sports organizations to promote physiotherapy awareness and active lifestyles.

Governance improvements included the implementation of seven new Standard Operating Procedures (SOPs), covering areas such as storage and pharmacy self-inspection, corrective and preventive actions, change management, cold chain management, training, SOP documentation, and pest control procedures.

Challenges and Mitigation

A major challenge faced in 2024 was the reduced government spending on Public Sector Investment Program (PSIP) projects. Additionally, the influx of counterfeit construction materials and weak regulatory enforcement posed risks to market integrity.

To mitigate these issues, we focused on private sector initiatives, including tourism sector to improve our contribution. Engaging with regulatory authorities to strengthen enforcement against counterfeit products has also been a priority.

2025 Outlook and Strategic Focus

Looking ahead, we aim to strengthen our market leadership in medical supplies and healthcare solutions by focusing on innovation, sustainability, and improved accessibility. Plans for 2025 include the completion of the central main warehouse and the establishment of regional storage facilities to enhance logistics and distribution capabilities. Customer service training programs will be expanded to improve service quality and operational efficiency.

Technology-driven optimizations will be at the forefront of our strategy, ensuring better product availability and improved inventory management. Sustainability initiatives will continue, with further digital transformation efforts aimed at reducing environmental impact and improving efficiency.

By continuously adapting to the evolving healthcare landscape and prioritizing customer needs, we remain committed to delivering excellence in medical supplies and services. With a focus on high-quality products, robust partnerships, and innovative solutions, we ensure that healthcare providers and communities across the Maldives have access to the best medical care and technology available.

* Photos of new pharmacy opened in Dharumavantha Hospital





General Trading

Ensuring Food Security and Retail Excellence

STO General Trading continued to strengthen its market presence and operational capabilities, reinforcing its position as a key player in the retail and distribution sector. The company remained committed to delivering high-quality home appliances and various consumer goods, optimizing logistics, and enhancing customer engagement. Throughout the year, STO successfully navigated market challenges while implementing strategic initiatives to drive growth and sustainability.



General Trading

Performance



Financially, STO experienced a significant increase in revenue. In 2023, revenue stood at MVR 958 million, which increased to MVR 1,085 million in 2024, reflecting strong business performance and effective market strategies.

Key Achievements

STO successfully conducted warehouse sales in Kulhudhuffushi, Male, and Addu, offering a variety of products at competitive discounts while fostering an engaging shopping environment for customers. The company sustained a strong market presence in key electronic and FMCG categories, with HITACHI and Choice vegetable oil remaining top contributors. Further expanding its product range, STO introduced new additions such as HITACHI dishwashers and CHIOS Garden Juice, catering to evolving consumer needs. The Ramazan Bazaar Sale, held from January to April 2024, provided customers with discounts of up to 25% on a diverse selection of products at People's Choice outlets. Additionally, STO took part in Living Expo 2024, where it prominently featured its home and lifestyle product line, including Russell Hobbs appliances and other fast-moving consumer goods.

Operational enhancements remained a priority, with renovations to the staple foods office and counter area aimed at improving workflow efficiency and customer service. These efforts contributed to a more streamlined and productive business environment.

Sustainability and ESG

STO continued its commitment to sustainability by launching HITACHI's energy-efficient products under the 'Hakathari' label, which included refrigerators, washing machines, and air conditioners. This initiative was aligned with the Ministry of Climate Change, Environment, and Energy's program to promote energy efficiency in household appliances. The company also upheld responsible sourcing practices, ensuring the availability of high-quality and health-conscious products for its customers. Furthermore, solar panels were installed in the staple warehouse, reflecting STO's dedication to reducing its environmental footprint and optimizing energy use.

Challenges and Mitigation

In 2024, General Trading faced a dynamic operating environment influenced by several key challenges:

- **Supply Chain Disruptions:** Global shipping delays and supply shortages affected the timely availability of some product categories. STO mitigated these impacts by strengthening supplier relationships, diversifying sourcing channels, and enhancing inventory management practices to maintain stock levels.
- **Fluctuating Consumer Demand:** Changes in consumer behavior and spending patterns, particularly in the electronics and FMCG sectors, posed risks to sales performance. STO responded with strategic promotions, diversified product offerings, and flexible pricing strategies to meet evolving customer needs.
- **Competitive Market Pressures:** Increased competition from local and regional players required continuous innovation in marketing and customer engagement. STO intensified its brand-building efforts, launched new product lines under established brands like HITACHI, and prioritized customer loyalty initiatives.
- **Operational Efficiency Requirements:** Maintaining service excellence while managing expanded product ranges and warehouse operations demanded operational improvements. Process enhancements, system upgrades, and workflow optimizations were implemented to ensure efficient service delivery and improve the overall customer experience.

Through proactive risk management, agile business strategies, and operational resilience, STO's General Trading Segment successfully navigated the challenges and continued its trajectory of growth and performance excellence.

2025 Outlook and Strategic Focus

Looking ahead, we aim to enhance customer engagement through in-person surveys, collaboration with local influencers, and appreciation events. The company will continue optimizing inventory management and logistics to minimize damage risks and improve supply chain efficiency. Efforts will be directed towards identifying the right audience for home appliances and FMCG products, ensuring that strategic marketing initiatives align with consumer preferences in an increasingly competitive market. Investments in brand-building and promotional activities will be prioritized to cater to evolving market needs.

Additionally, STO plans to further strengthen its supply chain strategy by aligning stock distribution with regional demand using data-driven planning. Logistics improvements will continue, with a focus on category-specific handling and optimized storage capacity to ensure seamless distribution. Sustainability efforts will remain at the forefront, with continued investment in energy-efficient products and renewable energy initiatives.

We remain committed to delivering high-quality products and services, improving operational efficiency, and fostering sustainable growth. The company will continue to adapt to market dynamics, ensuring that it meets customer expectations while maintaining a strong market presence.

* STO People's Choice showroom in Male'.



Insurance

Strategy for Growth and Innovation of Sales

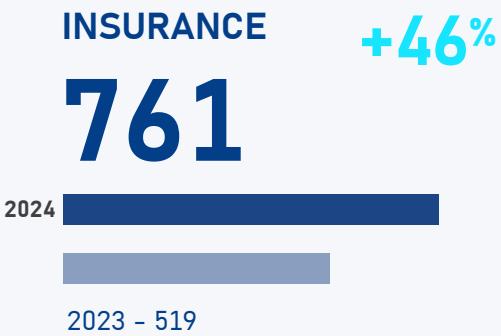
Allied Insurance Company of the Maldives, a subsidiary of STO, has solidified its position as a leading insurance provider in the country. Offering a diverse range of general, life, and takaful insurance services, the company caters to a wide client base, from small business owners to large resort operators. In 2024, Allied focused on reinforcing its market leadership through strategic innovation, digital transformation, and customer-centric service delivery. The company remained committed to providing accessible and comprehensive insurance solutions that address the evolving needs of customers while maintaining financial stability and long-term growth.





Insurance

Performance



Allied Insurance recorded a significant milestone in 2024, with revenue reaching MVR 761 million for the first time, representing a 46% growth compared to 2023, marking a substantial turnaround from the previous year’s overall performance. This financial growth was driven by innovative sales strategy, risk management, product development, and enhanced digital platforms that streamlined customer service and operational efficiency.

Operational Excellence and Supply Chain Optimization

Operational advancements played a crucial role in the company’s success. Allied strengthened its online insurance services by automating processes for paperless operation and improving customer accessibility. The My Allied App and myallied.mv platform underwent significant upgrades, incorporating a more intuitive UI/UX design, real-time notifications, and personalized service features. The underwriting process was optimized to expedite policy issuance, enhance the customer experience, and improve service efficiency.

The company also focused on customer engagement through targeted marketing and promotional campaigns. Initiatives such as the Women’s Day Special on TVM, promotional events across various media channels, and engaging social media content increased brand visibility and consumer trust. Furthermore, Allied continued to expand its product offerings, introducing Airport and Aviation insurance to cater to new market demands.

In 2024 we marked Allied’s 39th anniversary, the 10th anniversary of Ayady Takaful, and successfully concluding the 3rd Edition of Allied Fest. Additionally, Ayady Takaful won the Gold Award for Takaful Window/Unit of the Year at the IFFSA Awards, highlighting the company’s excellence in the Takaful sector. The company also witnessed a 30% average increase in renewal premiums across the entire Allied and Ayady portfolio, strengthening its market presence and customer loyalty.

Sustainability and ESG

Allied Insurance remains committed to embedding sustainability principles into its operations and community engagements:

- **Promoting Financial Literacy:** Allied expanded its educational outreach programs, raising awareness about insurance, risk management, and financial planning among schools, corporates, and the broader community.
- **Digital Innovation for Environmental Impact Reduction:** By digitizing processes and promoting paperless operations, Allied significantly reduced its environmental footprint while improving service efficiency.

- **Community Development:** Allied continued its active role in community development initiatives, supporting programs that build financial resilience and promote social responsibility.

Allied’s commitment to responsible business practices supports the broader national sustainability agenda and reinforces its long-term vision of creating shared value for all stakeholders.

Challenges and Mitigation

In 2024, the insurance segment encountered several operational and market challenges:

- **Intensifying Market Competition:** Increased competition in the insurance sector, especially with the entry of new players and alternative insurance models, exerted pressure on pricing and customer retention. Allied mitigated this by differentiating through enhanced digital service platforms, personalized insurance solutions, and loyalty-driven initiatives.
- **Regulatory Changes:** Evolving regulatory requirements demanded continuous compliance updates and reporting enhancements. Allied proactively strengthened its compliance framework and invested in regulatory training and system upgrades to ensure adherence.
- **Cybersecurity and Data Privacy Risks:** As digital transformation accelerated, cybersecurity threats and data protection became critical risks. Allied reinforced its cybersecurity infrastructure, implemented advanced encryption technologies, and enhanced employee awareness programs to safeguard customer information.
- **Changing Customer Expectations:** Rising demand for faster, more personalized digital services challenged traditional service models. Allied responded by upgrading its My Allied app, introducing AI-powered service features, and optimizing the underwriting process for faster turnaround times.

Through a forward-looking strategy focused on innovation, operational resilience, and customer-centricity, Allied Insurance successfully mitigated these challenges while strengthening its market leadership.

2025 Outlook and Strategic Focus

Looking ahead, Allied Insurance aims to sustain its growth trajectory with ambitious targets for 2025. Strategic priorities for the year include strengthening customer experience through personalized service, leveraging technology for operational efficiency, and expanding market presence through partnerships and targeted marketing efforts.

Innovation and digital transformation will remain at the core of Allied’s strategy. The company will continue to invest in AI-powered recommendation models, CRM system enhancements, and automation to improve service efficiency. Expanding the product portfolio with tailored insurance solutions will also be a focus area, ensuring that Allied remains competitive in a dynamic market.

Sustainability initiatives will be integrated into business operations, with a focus on community development and responsible business practices. The company will enhance financial literacy and insurance awareness through educational sessions in schools, corporate offices, and community events. These efforts aim to foster a better understanding of the importance of insurance and promote responsible financial planning among individuals and businesses.

Allied remains committed to continuous innovation, adapting to evolving market needs, and driving long-term success for its stakeholders. By leveraging its expertise, technology, and customer-first approach, the company is well-positioned to achieve its strategic objectives and maintain its leadership in the Maldivian insurance industry.





Shipping

Navigating Beyond Horizons / Steering the Future

Maldives State Shipping (MSS) continued its growth trajectory in 2024, solidifying its position as a key player in regional and international shipping and logistics. Serving as national shipping liner, MSS plays a vital role in ensuring reliable maritime trade routes for Maldivian businesses. The company expanded its services, increased fleet capacity, and enhanced operational efficiencies to support the evolving demands of the market.



Shipping

Performance



The Shipping segment experienced robust growth in 2024, propelled by strategic initiatives and operational efficiency. Net revenue reached MVR 432 million, marking a substantial 15% increase from 2023. This growth underscores MSS’s success in capitalizing on new market opportunities and expanding its service portfolio. However, despite the strong revenue performance, the year presented challenges in terms of operating results.

Fleet and Operational Growth

MSS operated five vessels in 2024, comprising three owned and two chartered vessels. MSS Galena and MSS Graphene operate as feeder vessels between Colombo and Male’. Notable changes included the introduction of YC Barrier, a larger 1,105 TEU cellular container vessel, which replaced Blue Skye, increasing MSS’s cargo capacity on the Malé-Colombo corridor. Additionally, MSS Opal continued strengthening domestic transshipment services within the Maldives.

MSS successfully conducted 92 voyages throughout the year, with 76% focused on international trade and 24% on domestic transshipment. The company maintained a market share of 60-65% in the competitive Colombo-Malé corridor, reinforcing its leadership in the region.

Market Leadership and International Presence

MSS expanded its NVOCC service by increasing its container inventory to 2,555 TEUs, adding new ports of call in Japan and Türkiye, and securing a strong presence across the Middle East, Indian Subcontinent, and Southeast Asia. As a result, MSS ranked as the second-largest COC operator in Malé after CMA CGM, surpassing global competitors such as Maersk and MSC.

* Photos of MSS vessel



Expansion of Services

MSS has implemented various environmental and operational sustainability measures to enhance efficiency and reduce environmental impact. Through fleet optimization, the company has minimized fuel consumption by introducing efficient voyage planning. To tackle waste reduction, the company installed RO water purifiers on vessels, significantly decreasing plastic bottle usage, while also enhancing food waste management protocols. Additionally, MSS has embraced paperless operations by adopting digital systems, including HR and procurement software, e-signatures, and document digitization, thereby reducing paper consumption and streamlining processes.

ESG Initiatives

MSS has implemented various environmental and operational sustainability measures to enhance efficiency and reduce environmental impact. Through fleet optimization, the company has minimized fuel consumption by introducing efficient voyage planning. To tackle waste reduction, the company installed RO water purifiers on vessels, significantly decreasing plastic bottle usage, while also enhancing food waste management protocols. Additionally, MSS has embraced paperless operations by adopting digital systems, including HR and procurement software, e-signatures, and document digitization, thereby reducing paper consumption and streamlining processes.

Corporate Social Responsibility (CSR)

MSS actively contributed to social and community initiatives, including:

- Kalaaseen Scholarship Program: Supporting Maldivian students in maritime education through partnerships with Akademi Laut Malaysia (ALAM) and CINEC Sri Lanka.
- Industry Engagement: MSS sponsored key maritime events such as the Maldives Marine Industry Forum and actively participated in global shipping conferences.

Commitment to Innovation and Energy security

MSS is focused on strategic expansion to strengthen its shipping capabilities. Plans for fleet expansion include acquiring additional vessels and containers to support trade growth. Additionally, MSS aims to develop a dedicated port facility, reducing reliance on Malé Commercial Harbour. Internationally, the company seeks to expand its presence in Europe and Africa, aligning with its vision of becoming a global feeder operator.

In line with its commitment to digitalization and innovation, MSS is implementing eBMS Solutions, an advanced logistics software that enables seamless real-time operations. The integration of AI-driven analytics will further optimize fleet management and route planning, while automation in NVOCC operations will enhance tracking and customer service.

To support long-term growth, MSS is also prioritizing human capital development. Investments in workforce training programs will equip Maldivians with essential maritime skills, while strategic recruitment efforts will address talent gaps in technical and managerial roles. Leadership development initiatives will further strengthen expertise within the organization.

MSS has demonstrated remarkable resilience and growth in 2024, reinforcing its market leadership while advancing sustainability, digital transformation, and human capital development. With a clear strategy for the future, MSS is well-positioned for further regional and international expansion, cementing its role as the national shipping line of the Maldives.



Gas

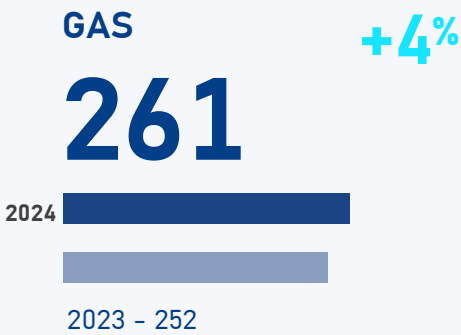
Powering Growth, Driving Innovation

The year 2024 was a milestone for the Gas segment, marked by strong financial performance, strategic expansions, and significant operational advancements at our subsidiary, Maldives Gas Pvt. Ltd. (MGPL). As the leading supplier of Liquefied Petroleum Gas (LPG) and industrial gases in the Maldives, MGPL reinforced its market leadership through innovation, customer-centric services, and infrastructure development. Despite industry-wide challenges, including fluctuating global LPG prices and heightened competition, the company remained resilient, forward-focused, and financially strong.



Gas

Performance



The year 2024 was a milestone for the Gas segment, marked by strong financial performance, strategic expansions, and significant operational advancements at our subsidiary, Maldiv Gas Pvt. Ltd. (MGPL). As the leading supplier of Liquefied Petroleum Gas (LPG) and industrial gases in the Maldives, MGPL reinforced its market leadership through innovation, customer-centric services, and infrastructure development. Despite industry-wide challenges, including fluctuating global LPG prices and heightened competition, the company remained resilient, forward-focused, and financially strong.

Operational Excellence and Supply Chain Optimization

The Gas segment continued its market expansion and service optimization, reinforcing its leadership in LPG, industrial gases, and medical gas solutions. The company successfully increased its LPG market share in the Greater Malé region to 58%, underscoring its dominance in household and commercial segments. Additionally, total orders delivered increased by 5%, supported by logistics improvements, real-time vehicle tracking, and optimized route planning, which reduced average delivery time from 82 minutes to 77 minutes.

Strategic Developments: Advancing Growth and Innovation

To sustain growth, MGPL secured financing for the Thilafushi LPG Storage Expansion Project, a strategic investment that will increase storage capacity from 1,175 MT to 3,175 MT, ensuring supply chain resilience and cost efficiency. In the industrial sector, MGPL expanded its product portfolio, notably completing the supply and installation of CO2 and N2O Cylinder Manifold Systems at Hulhumale’ Hospital, strengthening its foothold in the medical gas industry.

Expansion of Services

Technology and digital transformation were major priorities in 2024, with MGPL implementing real-time vehicle tracking, digital customer records, and AI-powered service notifications. These advancements improved transparency. The company also invested in HR automation, streamlining administrative processes and enhancing employee management.

2023 Outlook and Strategic Focus

As MGPL moves into 2025 and beyond, its strategy focuses on expanding infrastructure, strengthening financial performance, advancing digitalization, and reinforcing sustainability initiatives. The completion of the Thilafushi Storage Expansion Project will be a major milestone, significantly enhancing cost efficiencies and stabilizing LPG supply. Additionally, the company will accelerate efficiencies and stabilizing LPG supply. Furthermore, the company will accelerate the Thinadhoo Project, reinforcing its geographic presence and business growth in the southern atolls.

Diversification remains a core strategy, with MGPL expanding its medical and industrial gas segments by developing liquid CO2 and liquid nitrogen production facilities. This expansion will reduce dependency on LPG revenue, mitigating risks associated with global fuel price fluctuations. Financially, MGPL is targeting MVR 300 million in revenue for 2025, alongside optimized operational costs and improved cash flow management.

To maintain its leadership position, MGPL will continue investing in technology-driven enhancements, including AI-powered notifications for LPG refills, automated fleet tracking, and digital service innovations. Strengthening its human capital is also a priority, with expanded training programs, leadership development initiatives, and performance-based recognition systems. Sustainability efforts will be further reinforced by carbon footprint reduction measures, optimized logistics, and new renewable energy initiatives.

MGPL remains committed to long-term growth, stakeholder value creation, and operational excellence. With a clear roadmap for 2025, the company is well-positioned to drive the future of gas solutions in the Maldives, ensuring reliability, sustainability, and innovation.

* Photos of Maldiv Gas LPG Plant in Thilafushi





Financial *Review*

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Strengthening the Core. Advancing the Future.

2024 marked a pivotal year for State Trading Organization PLC (STO), a year where resilience met recalibration. Following an extraordinary performance in 2023, the Group strategically shifted its momentum to consolidate operational foundations, reposition key businesses for sustainable expansion, and reinvest in core infrastructure and digital transformation.

Despite reporting a moderated topline and lower profit compared to the prior year, STO maintained a strong operational rhythm, generating over MVR 772 million in net profit and delivering MVR 398 million in operating cash flows, underscoring the Group's ability to generate consistent value from its continuing operations.

The year's financial performance reaffirms the Group's agility and readiness to transition from a capital-protective stance toward forward-leaning growth investments in 2025 and beyond.

REVENUE

16,760

2023 – 17,070

Revenue

Total consolidated revenue for the year reached MVR 16.76 billion, reflecting a 1.8% decline from MVR 17.07 billion in 2023. This reduction was primarily driven by two external forces:

- Softening global fuel prices, and strong competitiveness which directly affected the Group's fuel trading revenues despite higher distribution volumes.
- Structural adjustments, most notably the absence of the fisheries segment, following its divestment at the end of 2023.

Nonetheless, STO's underlying sales activity remained solid. The Fuel segment — while price-sensitive — sustained volume growth. Gas and Healthcare segments continued their expansion trajectories, while the Insurance segment delivered record top-line growth through increased policy penetration and enhanced digital offerings. These gains reflect STO's successful efforts to buffer its topline performance through sectoral diversification.

GROSS PROFIT

3,088

2023 – 3,511

Gross Profit

Gross profit for the year was MVR 3.09 billion, compared to MVR 3.51 billion in 2023, a 12% reduction in absolute terms. Gross margin narrowed slightly to 18.4%, down from 20.6% the year prior.

The decline reflects the contraction in fuel-related gross margin due to lower prices, as well as the loss of margin contribution from divested business units. However, operating segments such as Insurance and Medical Services performed above expectations and contributed positively to Group-wide margin preservation.

Strategic procurement improvements, better supplier terms, and efficiency gains in logistics operations also helped offset pressure on input costs. These improvements were particularly impactful in managing price volatility and reducing cost of sales in core segments.

OPERATING PROFIT

1,188

2023 – 1,586

Operating Profit

STO reported an operating profit of MVR 1.19 billion, down from MVR 1.59 billion in 2023, a 25% decline. This reflects both the lower gross profit and increased operating expenditures related to:

- Digital transformation investments, including enterprise-wide ERP and software related expenses.
- Logistics infrastructure enhancements, particularly in the fuel and healthcare segments.
- Strategic workforce development, aligned with future-facing business areas.

While operating margins declined, the underlying cost structure remained sound. STO's emphasis on internal process reengineering, automation, and procurement optimization is expected to yield sustainable operating leverage in the medium term.



Net Finance Cost

Finance costs increased in 2024 as the Group faced higher short-term funding requirements. The rise in receivables from Government Entities and State-Owned Enterprises (SOEs) exerted pressure on working capital, necessitating extended credit lines and higher interest costs.

This trend was compounded by elevated global and domestic interest rates, resulting in higher finance charges on both new and refinanced facilities.

In response, STO has initiated targeted treasury actions:

Engagement with the Ministry of Finance & Planning for SOE payment scheduling.

Fixed term mechanisms for fuel price-linked contracts.

With the strategic financial planning and optimizing liquidity position, net finance cost decreased as a result of active portfolio management of surplus cash via high-yield treasury instruments.

NET PROFIT

772

2023 – 1,087

Net Profit

Net profit for the year was MVR 772 million, compared to MVR 1.09 billion in 2023, a 29% decline. The decrease reflects the combined effect of lower operating profit and higher finance costs.

The performance demonstrates a stable and profitable core business. In fact, each of STO's primary operating entities such as Fuel, Insurance, Gas, and Healthcare — remained profitable, highlighting the strength of the diversified portfolio and the soundness of business continuity planning.

The Group's earnings continue to support its dividend capacity and strategic reinvestment plan.

Financial Position

STO's balance sheet remains strong and conservatively leveraged. As of 31 December 2024, total assets continued to grow through strategic capital allocation, particularly into infrastructure and logistics.

Key developments during the year included:

- Initiation of the fleet expansion project designed to enhance long-term storage and reduce operational bottlenecks.
- Investment in warehouse infrastructure development and distribution capacity to support storage and supply chain management.
- Expansion of IT infrastructure to facilitate the Group's SAP integration and automation efforts.

The equity base remains healthy, enabling the Group to maintain its credit profile and dividend strategy.

Liquidity

Working capital remained strong at MVR 1.4 billion, despite being lower than the MVR 1.6 billion generated in 2023. The reduction is in line with profit performance and reflects increased working capital tied up in receivables.

The Group maintained sufficient liquidity buffers throughout the year and secured rolling credit arrangements to support operational continuity. A focus on disciplined cash flow forecasting, optimized sourcing and supply chain management, and careful liquidity oversight and visibility helped ensure financial agility.

Going forward, tighter working capital governance, enhanced digital receivables tracking, and prioritized collections from government-related entities will be key focus areas.

Cash Flow

Cash flow from operations was MVR 398 million, with additional cash movements relating to:

- Ongoing infrastructure investment,
- Early repayment of selected short-term loans,
- Dividend distributions to shareholders.

Capital expenditure was directed toward high-impact assets with a strong future earnings profile, including vessel acquisitions, warehouse automation, and retail digitization. The Group exercised caution in financing, using internally generated cash and short-term instruments in a measured, project-linked manner.

The overall cash position at year-end was adequate, with no significant drawdowns expected in the first half of 2025.

EQUITY

5,944

2023 – 5,259

Equity and Shareholder Value

STO's equity position remained stable in 2024, underpinned by retained earnings and prudent dividend policy. The Group's dividend declaration of MVR 80 per share was maintained in line with the prior year, reaffirming the Board's commitment to value return even during a transitional performance phase.

The Return on Equity (ROE) declined from 24.5% in 2023 to 13.8% in 2024, reflecting the moderated earnings base. However, core return generation remained solid relative to industry benchmarks and is expected to recover as infrastructure-led revenue and margin contributions accelerate in 2025.

Looking Ahead

With core operations stabilized and major infrastructure underway, STO is well-positioned to reaccelerate growth in 2025. The Group's strategic roadmap is built on five pillars:

- 1. Fuel and Energy Transformation:** With the international bunkering joint venture and new terminal capacity expected to come online.
- 2. Healthcare Expansion:** Supporting state hospitals and regional clinics through gas infrastructure and medical distribution networks.
- 3. Digital Commerce and Efficiency:** Leveraging AI-powered planning, sourcing e-commerce integration, and ERP maturity.
- 4. Risk and Treasury Optimization:** Strengthening balance sheet resilience through better forecasting, hedging, and liquidity controls.
- 5. Sustainability and ESG Progression:** Including scope-based carbon tracking, renewable energy exploration, and sustainable procurement.

STO enters the new year with financial integrity, operational readiness, and strategic clarity supported by a seasoned leadership team, committed workforce, and resilient national mandate.





Governance

Report

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Board of Directors Profiles



Amir Mansoor
Chairman

Amir Mansoor was appointed as the Chairman of STO in December 2023, representing the company's majority shareholder, the Government of the Maldives. A seasoned entrepreneur with over 37 years of experience in business development and management, he has played a pivotal role in establishing and leading multiple enterprises across various industries. Currently, he serves as the Managing Director of several companies, including Lily International Pvt Ltd, Carpe Diem Maldives Pvt Ltd, Grape Expectation Pvt Ltd, Salt and Rock Real Estate Pvt Ltd, Huruvalhi Beach Resort Investments Pvt Ltd, Mariculture Maldives Pvt Ltd, and H.I.M Management Company Services Pvt Ltd. Additionally, he is the owner of The Standard Huruvalhi Maldives Resort.

Beyond his business ventures, Amir actively contributes to industry organizations. He serves as an Executive Board Member of the Maldives Liveaboard Association. In November 2023, he was elected President of the National Boating Association of Maldives. His previous tenure on the STO Board spanned from 2012 to 2019.

Amir holds a Master's degree in Business Administration from Tarlac State University, Philippines and an Executive Diploma in Directorship from Singapore Management University. He has also completed the Qualified Risk Director Program at the Institute of Enterprise Risk Practitioners in Malaysia.



Shimad Ibrahim
CEO & MD

Shimad Ibrahim was first appointed to the Board of Directors in May 2019 as a representative of the majority shareholder and later assumed the role of Managing Director on November 28, 2023.

A Chartered Accountant with over 20 years of professional experience, he holds a Bachelor of Accounting (Honors) degree from the International Islamic University of Malaysia, where he was recognized as the Best Student in Management Accounting.

Currently, Shimad is a Director at SFG Corporate Services, SFG Logistics, S&A Tax and Financial Services, and Lisa Maldives. Additionally, he serves as the Managing Director of Maldives Industrial Development Free Zone PLC and a Chairman at Maldives National Oil Company Ltd. His extensive career includes leadership roles such as Chief Financial Officer at Villa Group, Head of Finance at Maldives Islamic Bank, and Chief Finance Executive at the Ministry of Finance. He has also served as a Board Director at Maldives Islamic Bank PLC, Maldives Tourism Development Corporation PLC, Thilafushi Corporation Limited, and Upper South Utilities Limited. Furthermore, Shimad has contributed to national financial matters as a member of the National Debt Management Committee.



Mohamed Nizam
CFO & Executive Director

Mohamed Nizam with a tenure at STO since 2010, currently serving as the Chief Financial Officer and Executive Director. Throughout his tenure at the Company, Nizam has demonstrated exemplary performance in several key roles, including Head of Procurement, Senior Finance Manager, Chief Risk Officer, and Senior Information System Manager in the IT department. As of now, Nizam holds the position of Chairman at Raysut Maldives Cement Pvt Ltd, Chairman of STO Maldives (Singapore) Pvt Ltd and Board Director to Maldives National Oil Company Ltd.

Nizam has previously served as a Chairman of Fuel Supplies Maldives. His extensive experience in governance is further demonstrated through previous directorships, including Board Director to Maldives State Shipping Company Pvt Ltd, and Board Director at Maldives Industrial Fisheries Company Ltd. Moreover, Nizam has led as the Chairman of the Board of Directors at Allied Insurance Company of the Maldives Pvt Ltd. He has also notably represented STO on the Board of the Maldives Stock Exchange and the Maldives Securities Depository, showcasing his leadership in the financial sector.

Nizam is a Fellow member of the AICPA & CIMA (FCMA, CGMA), UK. He obtained Master's degree in Business Administration with a specialization in financial management from the University of Ballarat, Australia, Bachelor of Arts (Honors) degree in Finance and Accounting from the University of East London, UK. His professional credentials include membership in the Institute of Enterprise Risk Practitioners (IERP) as a certified Enterprise Risk Advisor (ERA), and Certified associate consultant in SAP Finance and Controlling, underscoring his expertise in financial analysis, risk management, and business information systems.



Mohamed Ahsan Saleem
Non-Executive, Independent Director

Mohamed Ahsan Saleem was elected to the Board of Directors at the Annual General Meeting in June 2023, representing the interests of the company's 18% public shareholders.

He holds a Master's degree in International Tourism and Hotel Management from Southern Cross University, Singapore and a Bachelor's degree in International Hotel and Resort Management from Blue Mountain International Hotel Management School, Australia. Additionally, he has an Associate Diploma in Hotel Management from Les Roches School of Hotel Management, Switzerland, along with a Business Administration qualification in Food & Beverage Operations. Ahsan has also successfully completed the Board Certificate Exam from Corporate Directors International. Furthermore, Ahsan holds a Private Pilot License from Seletar Flying Club, Singapore.

Currently, Ahsan serves as the Director of Operations at Tree Top Hospital Maldives, where he previously held the position of Head of Information Technology. His diverse professional background spans multiple industries, with roles including Front Desk Agent at Maldives Tourism Promotion Board, Research Assistant at the Maldives Association of Tourism Industry, and other various hospitality positions. He has also worked as a service staff at College DU Leman in Switzerland, Front Office Management Trainee at Hilton Seychelles Northholme Resort & Spa and Conrad Rangali Island, Open Water Scuba Instructor at Diveclub, Front Desk Manager at Elysium Guest House, and Application Developer at EPrivate Limited.

Board of Directors Profiles



Dhaanish Mohamed Ameen
Non-Executive, Independent Director

Dhaanish Mohamed Ameen was appointed to the Board of Directors as an Independent, Non-Executive Director on December 18, 2023, representing the majority shareholder. He holds an LLB (Hons) from the University of Warwick and a Master’s in Law from the University of Law (UK), qualifying him as a Solicitor (UK). Additionally, he is a member of the Chartered Institute of Arbitrators (CI Arb).

Currently, Dhaanish serves as an Attorney at SHC Law & Tax, specializing in banking and finance, tourism, and infrastructure law. His expertise has been recognized internationally—he was ranked as a Rising Star Partner by Global IFLR and Chambers & Partners in 2023 and was listed as a Notable Practitioner by Asia Law for Mergers & Acquisitions between 2019 and 2023. In addition to his legal practice, Dhaanish has contributed to academia as a visiting lecturer at Villa College.



Reesha Abdul Munnim
Non-Executive, Independent Director

Reesha Abdul Munnim was appointed to the Board of Directors of STO as an Independent, Non-Executive Director in January 2024, representing the majority shareholders.

She holds a Master’s in Business Administration from the University of Mysore, India, and a Bachelor’s in Business Management from JSS College for Women in India. Additionally, she has earned a Diploma in Airline Marketing for Leadership from IATA, Singapore, an Associate Diploma in Organizational Learning and Development from CIPD, UK, and a Diploma in Foreign Trade.

Reesha previously served as the Senior Manager of the Learning and Development function at Island Aviation Services Ltd and has held various roles in the Company’s commercial and human resource sectors, showcasing her expertise in workforce development and business operations.

Beyond her corporate experience, Reesha is a passionate educator, serving as a part-time lecturer at several institutions, including MAPS College, Villa College, Clique College, Avid College, and Male’ Business School. She is also an active member of the Singapore chapter of Women in Aviation International, USA, Active Member of Maldives Association of Human Resource Professionals (MAHRP) and Maldives Professional Speakers Association.



Mohamed Murad
Non-Executive, Non-Independent Director (Former)

Mohamed Murad served as a Non-Independent, Non-Executive Director of the company, appointed to the Board of Directors on December 5, 2023, as a representative of the majority shareholders. He later resigned from the position on January 7, 2025.

Murad holds a Master of Business Administration from Cambridge College of Business and Management, along with a BTEC First Diploma and a BTEC Higher National Diploma from the Academy of Design, Northumbria University, UK.

His career at State Trading Organization Plc began in 1998 as a sales representative, and he steadily advanced through various roles, including Store Operations Manager, Home Improvement Manager, and Service Center Manager. From 2013 to 2021, he held the position of General Manager at STO.

Beyond STO, Murad has served as a Board Director for Allied Insurance Company of the Maldives, Maldives Gas Pvt Ltd, and Maldives Structural Products Pvt Ltd, and COO of Fenaka Corporation Limited, bringing his extensive experience and leadership from multiple organizations.



Aishath Fazeena
Non-Executive, Independent Director

Aishath Fazeena was appointed to the Board of Directors of STO as an Independent, Non-Executive Director in March 2025, representing the majority shareholders.

Fazeena is an Affiliate member of the Association of Chartered Certified Accountants (ACCA). She holds a Master of Business Administration (MBA) from the University of the West of England, UK, and a Bachelor of Science in Applied Accounting from Oxford Brookes University, UK. In addition to her academic qualifications, she has completed an Executive Diploma in Directorship and successfully undergone the CMDA Director’s Training Program.

She currently serves as an Accountant at Waldives Pvt Ltd, where she oversees financial operations and compliance. Her previous board roles include serving as a Board Director of Maldives Transport and Contracting Company (MTCC), Maldives Tourism Development Corporation (MTDC), and the Maldives Pension Administration Office (MPAO). She has also previously served as Board Director to STO, back in 2018. In addition to her corporate responsibilities, she has served as a Visiting Lecturer at Villa College and MAPS College, and as a Lecturer at the Maldives National University (MNU).

Senior Management Profiles



Shimad Ibrahim
CEO & MD

Shimad Ibrahim was first appointed to the Board of Directors in May 2019 as a representative of the majority shareholder and later assumed the role of Managing Director on November 28, 2023.

A Chartered Accountant with over 20 years of professional experience, he holds a Bachelor of Accounting (Honors) degree from the International Islamic University of Malaysia, where he was recognized as the Best Student in Management Accounting.

Currently, Shimad is a Director at SFG Corporate Services, SFG Logistics, S&A Tax and Financial Services, and Lisa Maldives. Additionally, he serves as the Managing Director of Maldives Industrial Development Free Zone PLC and a Chairman at Maldives National Oil Company Ltd. His extensive career includes leadership roles such as Chief Financial Officer at Villa Group, Head of Finance at Maldives Islamic Bank, and Chief Finance Executive at the Ministry of Finance. He has also served as a Board Director at Maldives Islamic Bank PLC, Maldives Tourism Development Corporation PLC, Thilafushi Corporation Limited, and Upper South Utilities Limited. Furthermore, Shimad has contributed to national financial matters as a member of the National Debt Management Committee.



Mohamed Nizam
CFO & Executive Director

Mohamed Nizam with a tenure at STO since 2010, currently serving as the Chief Financial Officer and Executive Director. Throughout his tenure at the Company, Nizam has demonstrated exemplary performance in several key roles, including Head of Procurement, Senior Finance Manager, Chief Risk Officer, and Senior Information System Manager in the IT department. As of now, Nizam holds the position of Chairman at Raysut Maldives Cement Pvt Ltd, Chairman of STO Maldives (Singapore) Pvt Ltd and Board Director to Maldives National Oil Company Ltd.

Nizam has previously served as a Chairman of Fuel Supplies Maldives. His extensive experience in governance is further demonstrated through previous directorships, including Board Director to Maldives State Shipping Company Pvt Ltd, and Board Director at Maldives Industrial Fisheries Company Ltd. Moreover, Nizam has led as the Chairman of the Board of Directors at Allied Insurance Company of the Maldives Pvt Ltd. He has also notably represented STO on the Board of the Maldives Stock Exchange and the Maldives Securities Depository, showcasing his leadership in the financial sector.

Nizam is a Fellow member of the AICPA & CIMA (FCMA, CGMA), UK. He obtained Master’s degree in Business Administration with a specialization in financial management from the University of Ballarat, Australia, Bachelor of Arts (Honors) degree in Finance and Accounting from the University of East London, UK. His professional credentials include membership in the Institute of Enterprise Risk Practitioners (IERP) as a certified Enterprise Risk Advisor (ERA), and Certified associate consultant in SAP Finance and Controlling, underscoring his expertise in financial analysis, risk management, and business information systems.



Hawwa Nafia
Chief Audit Executive

Hawwa Nafia began her career at STO in 2014 as an Accountant and was appointed to Chief Audit Executive in 2021. She currently oversees the company’s Internal Audit Department. With over 10 years of experience in Accounting and Auditing. She has held key positions in various institutions, including Junior Assistant Auditor at the Auditor General’s Office (S. Hithadhoo Branch), Internal Auditor at the Capital Market Development Authority, and Investigation Officer at the Anti-Corruption Commission.

Additionally, she has served as a Board Director at Allied Insurance Company of the Maldives Pvt Ltd and was a member of both the Audit and Risk Management Committee and the Corporate Governance and Compliance Committee.

Nafia is a certified member of the Association of Chartered Certified Accountants (ACCA-UK) and holds a First-Class Honors Bachelor of Science degree in Applied Accounting from Oxford Brookes University. She is also a Certified Internal Auditor. (CIA)



Ahmed Shifan
Director of Corporate Marketing Communications

After nearly five years of service in the Maldives National Defense Force, Shifan joined STO in 2003 as an Assistant Manager. He currently holds the position of Director of the Corporate Marketing Communications Department.

Throughout his tenure at STO, Shifan has held various leadership roles, including General Manager of STO People’s Choice, where he oversaw STO People’s Choice, Regional Sales, the Service Centre, and Staple Foods. Additionally, he has led multiple departments within STO, such as Medicals, Information Communication Technology, Human Resources, Administration, Store Operations, Home Improvement, Electronics, Super Mart, and Regional Sales.

Shifan is presently a Board Director of Maldives State Shipping Company Pvt Ltd and has previously served as a Board Director to Fuel Supplies Maldives Pvt Ltd, Board Director to Maldives Structural Products Pvt Ltd, and Board Director to Maldives Industrial Fisheries Company Ltd, where he also held the position of Chairman. He has also served as Chairman of Maldives Gas Pvt Ltd and STO Recreational Club, as well as Managing Director of STO Hotel and Resorts Pvt Ltd. Furthermore, he was a member of the Board of Advisors for the SAP Asia Pacific Japan Regional Services Board.

Shifan holds a Master of Business Administration with Honors from Auckland University of Technology (AUT), New Zealand, and a Bachelor of Science with Joint Honors (First Class) in Business Information Systems and Business Studies from Middlesex University, UK.

Senior Management Profiles



Ali Nabeeh
Director of Logistics

Ali Nabeeh joined STO in 2005, beginning his career as an officer in the Transport Department. Over the years, he held various roles within the department before advancing to his current position as Director of the Logistics Department. In this role, he oversees Marine Transport, Distribution Services, and Engineering Services. Nabeeh also serves as the Chairman of Fuel Supplies Maldives Pvt. Ltd. He has previously served as a Board Director at Maldives State Shipping Company Pvt Ltd. and has served as a board director to Fuel Supplies Maldives Pvt Ltd and as a Board Director of Maldives Gas Pvt Ltd.

He holds a Bachelor of Arts degree with First-Class Honors in Logistics Management from USCI University, Malaysia, and has undergone extensive training in international trade and maritime operations.



Ismail Mifrah
Chief Technology Officer

Ismail Mifrah joined STO in 2006 as a Technical Support Engineer. He later worked his way up to the position of Senior Information Systems Manager where he was responsible for creating organizational level ICT policies and best practices and developing procedure for business continuity & development. After resigning in October 2017, he later rejoined the Company in May 2019 as the Chief Information Officer.

Mifrah also serves as the Chairman of STO Hotels and Resorts, Board Director of STO Maldives (Singapore) Pvt Ltd and Board Director of Allied Insurance Company of the Maldives Pvt Ltd. He has previously served as a Board Director of Fuel Supplies Maldives Pvt Ltd, Board Director of Maldives State Shipping Company Pvt Ltd and Board Director of Maldives Industrial Fisheries Company Limited. Mifrah has also served as a Chairman of Allied Insurance Company of the Maldives Pvt Ltd, Chairman of STO Maldives (Singapore) Pvt Ltd and Chairman of Maldives Gas Pvt Ltd.

Mifrah holds a Master's in Technology Management from Asia Pacific Institute for Information Technology (APIIT), Malaysia and a Bachelor of Science in Information Technology from Edith Cowan University, Australia. He is also a Microsoft Certified Professional and an SAP MM Associate Consultant.



Mariyam Nuzla
Director of Human Resources

Mariyam Nuzla serves as the Director of Human Resources. She joined the Company in 1999, starting out as a Sales Officer. Nuzla's dedication and strong performance have propelled her into key leadership roles. Her decades long career of service has spanned to include several key positions at the organization, such as the Head of Corporate and Legal Affairs, the Head of Procurement (General), Head of Administration Department and as the Personal Assistant to the Managing Director.

Nuzla's educational qualification includes a Master's degree in Business from Cardiff Metropolitan University, United Kingdom, and a Bachelor Degree in Business (Marketing and Management) from Edith Cowan University, Australia.

She currently serves as a Board Director to Maldives State Shipping and previously served as a Board Director to Fuel Supplies Maldives Pvt Ltd. She has also served as a Board Director to Maldives Gas Pvt Ltd, Board Director to Allied Insurance Company of the Maldives Pvt Ltd, and Board Director to Maldives Industrial Fisheries Company Pvt Ltd on prior occasions.



Abdul Wahid Moosa
Director of Procurement

Abdul Wahid Moosa joined STO after earning a Bachelor's degree in Business with a specialization in Management and Marketing from Edith Cowan University, Australia.

He began his career in the STO Transport Department, managing the company's fleet, before pursuing his passion for shipping, particularly in technical and operational management of foreign-going vessels. To gain industry experience, he worked at Thome Ship Management in Singapore, a leading ship management company. Wahid is a certified Company Security Officer and is qualified to conduct ship audits and inspections under ISM, ISPS, and ISO 9001:2015 standards. Currently, he serves as the Director of Procurement and has previously led the Fuel, Logistics, and Construction Department.

Wahid also holds key leadership roles, currently serving as Chairman of the Maldives State Shipping Company Pvt Ltd and Managing Director of Maldives National Oil Company Ltd. He has previously served as a Chairman of Fuel Supplies Maldives Pvt Ltd and a Board Director at Raysut Maldives Cement Ltd.

Senior Management Profiles



Aishath Shaffana Rasheed
Director of Corporate Affairs / Company Secretary

Aishath Shaffana Rasheed joined ST0 in 2004 and serves as the Company Secretary since 2007. She is also the Director of Corporate Affairs, overseeing the Managing Director's Bureau, Governance, Sustainability, Strategy, Compliance, and the Legal Affairs.

Shaffana has previously worked in the ST0 Supermart and Marketing Department. She has also managed the company's CSR initiatives and media engagements.

She holds a Master of Law and a Master of Business Administration from Cardiff Metropolitan University, UK, as well as a Bachelor of Business (Marketing and Management) from Edith Cowan University, Australia. Shaffana is a member of the Corporate Governance Institute of Ireland and has completed both a Diploma in Corporate Governance and a Diploma in ESG from the same institute.



Mohamed Eman
Director of Construction Solutions

Mohamed Eman joined ST0 in 2005 and currently leads the Construction Solutions Department. Over the years, he has held various key positions, including Senior Manager of the Construction Materials Department and Manager of the Logistics, Enterprise Information System, and Fuel & energy operations.

In addition to his role at ST0, Eman serves as the Chairman of Maldives Gas Pvt Ltd. He has previously served as a Board Director of Maldives Structural Products Pvt, Board Director of Maldives Gas Pvt Ltd and Board Director of Raysut Maldives Cement Ltd., as well as the Chairman of the ST0 Recreation Club.

Eman holds a Bachelor of Arts in Economics from JSS College of Arts, Commerce & Science, India. He is also a certified Associate Consultant in SAP Materials Management.



Mohamed Ihsan Waheed
Director of Projects & Assets

Mohamed Ihsan Waheed is the Director of the Projects and Assets Department, overseeing infrastructure projects and property management operations for the Company. With over 13 years of experience at ST0, Ihsan has previously served as an officer in the Asset Management Department, a Contracting Officer in the Procurement Department, a Delivery Manager in the Logistics Department, and a Senior Manager in the Projects Section of Business Research & Property Management.

Ihsan represents ST0 on the Board of Maldives Structural Products Pvt Ltd as its Chairman and also serves as a Board Director for ST0 Hotels and Resorts Pvt Ltd.

He holds a Master's Degree in Business Administration from Anglia Ruskin University, UK, and a Bachelor's Degree in Logistics Management from USCI University, Malaysia.



Ahmed Niushad
Director of Healthcare Solutions

Ahmed Niushad joined ST0 in 2012 as a Project Manager and has since taken on key leadership roles, now serving as the Director of Healthcare Solutions. With over a decade of experience, he has been instrumental in driving ST0's healthcare initiatives, focusing on innovation, operational efficiency, and strategic growth.

A Certified Project Management Professional (PMP®), Niushad holds a Master's Degree in Business Administration from Anglia Ruskin University, UK, and a Bachelor of Arts in Architecture from the Maldives National University.

Beyond his role in ST0 healthcare, Niushad is the Managing Director of ST0 Hotel and Resorts and a Board Director at Allied Insurance Company of the Maldives Pvt Ltd. He has also previously served as a Board Director at Fuel Supplies Maldives Pvt Ltd.

Senior Management Profiles



Mohamed Shuaib Ahmed
Director of Energy

Mohamed Shuaib Ahmed is an accomplished leader in the Maldivian Oil & Gas industry, bringing over a decade of expertise in sales, operations, and business development. In December 2024, he was appointed Director of Energy, following a decade-long tenure as Terminal Manager of STO Port Facility and Funadhoo Terminal from 2014 to 2024.

His experience extends beyond his executive role, previously serving as a Board Director at Maldivian Gas and as a Board Director of Maldivian Industrial Fisheries Company Ltd. He currently serves as a Board Director at Fuel Supplies Maldives Pvt Ltd and Board Director at Maldivian National Oil Company Ltd.

Shuaib holds a Bachelor of Business Administration (BBA) with First-Class Honors in Oil & Gas Management and a Master of Business Administration (MBA).

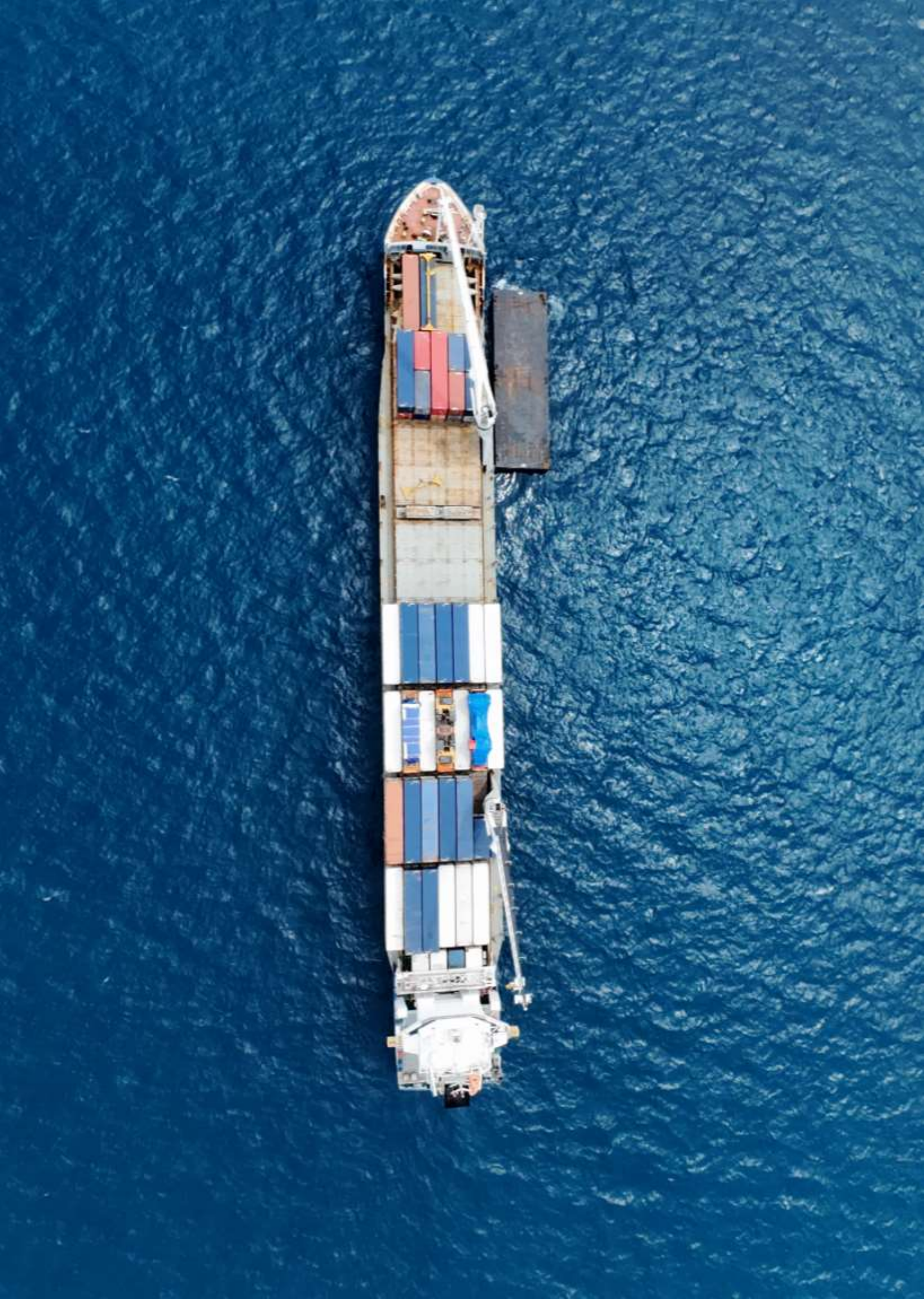


Ibrahim Mirzaq
Director of General Trading

Ibrahim Mirzaq was appointed as the Director of General Trading in December 2024, overseeing STO People's Choice, Staple Foods, and Regional Operations. He began his journey with STO in 2009 as an Officer and has since held key positions, including Procurement Manager, and Operations Manager. He also played a pivotal role in leading the SAP S/4HANA implementation project as a Project Lead and later served as a Business Transformation Manager.

Mirzaq currently serves as a Board Director for Maldivian Structural Products and previously served as a Board Director at Fuel Supplies Maldives Pvt Ltd.

He holds a Master's degree in Business Administration from Anglia Ruskin University and a Diploma in Information Technology. Additionally, he is a Certified SAP Materials Management Professional, a Certified Project Manager, and a Certified International Procurement Manager from the International Purchasing and Supply Chain Management Institute.



Corporate Governance Principles and Structure

1.1. Compliance with Corporate Governance Code

The Board of Directors (referred to herein as the "Board") and the management of ST0 (referred to herein as the "Company"), along with its subsidiaries (referred to herein as the "ST0 Group"), are dedicated to upholding high standards of corporate governance. Our aim is to foster robust and firmly established corporate governance practices for the benefit of shareholders and various stakeholders, including the government, customers, suppliers, employees, and the wider public.

The Company strictly adheres to relevant laws and regulations and follows the guidelines and rules issued by regulatory authorities. Periodic assessments of the corporate governance framework are conducted to ensure alignment with industry best practices.

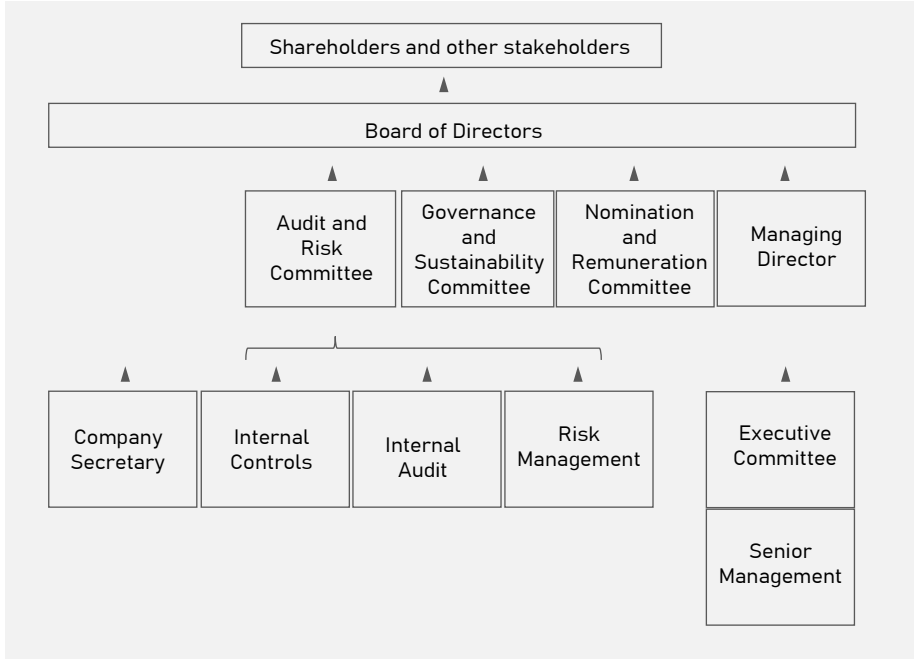
As a limited liability company, ST0 operates in accordance with the Companies Act 7/2023 (referred to herein as the "Act"), the Corporate Governance Code (referred to herein as "the Code") of the Capital Market Development Authority (CMDA), the Securities Act of Maldives, the Listing Rules of the Maldives Stock Exchange Pvt. Ltd (MSE), and the Securities Continuing Disclosure Obligations of Issuers Regulations 2019 (SCDOI Regulation) of CMDA, alongside other pertinent legislations. ST0 also adheres to its Articles of Association (AOA), the Board's procedural rules, delegation of authority to management, and policy documents of the Company.

Throughout the reporting period, ST0 placed significant emphasis on maintaining exemplary levels of compliance with all relevant regulations. Any instances of deviation are elucidated in accordance with the "comply" or "explain" principle outlined in this report.

As such, below is the summary of the non-compliant issues with the Code and its explanation and action plan.

Referenc e to CMDA Code	CMDA Code Requirement	Compliance Status	Explanation & Action Plan
1.2 (c)	Composition of the Board <i>At least half the Board should comprise of non-executive directors, with most of such non-executive directors being independent directors.</i>	Compliant, though concerning	1 non-independent director in Board due to family relationship, as the director's wife was employed in a key department of the Company. Action Plan <i>Although the director has resigned from post now, reviews are being made to strengthen the independence requirement of directors in the Board procedural documents.</i>
1.6 (a) vi.	Duties of the Board as a whole <i>Adopt policies and procedures to ensure women participation on Boards to be initially set at minimum 2 women Board members on each Board.</i>	Not compliant	There was only one female director in the Board. Action Plan <i>ST0 is actively working to encourage shareholders to nominate female directors to the Board.</i> <i>The Board has also revised the Board procedural documents to encourage at least 2 female directors to sit in the Board. Also, as of reporting date, there are 2 female directors in the Board.</i>

1.2. Governance Reporting Structure



Key matters reserved to the Board	Board committee structure	MD/CEO, the executive committee, and the delegated authorities
The Board retains the authority to make decisions on significant matters pertaining to strategy, finance, and governance. The table provided on page 52-53 delineates these key matters reserved by the Board for decision-making.	The Board has assigned responsibility of its primary governance functions to three principal committees, namely the Audit and Risk Committee, Nomination and Remuneration Committee, and Governance and Sustainability Committee (referred to collectively as the "Board Committees"), with their respective duties detailed on page 42-74. The activities and decisions made by these committees throughout the year are documented in their individual reports.	The MD/CEO oversees the business in accordance with the strategy endorsed by the Board and is answerable to it. Specific duties of the MD/CEO are outlined on page 50. The MD/CEO is aided by the Executive Committee in executing the strategy and overseeing operational performance. Additionally, as the Group CEO, he has implemented authority frameworks within the Group, delegating certain managerial decisions to designated individuals and management.



Leadership

2.1. Board Roles

In the past year, the Board was composed of 7 members, consisting of 2 executive directors, 1 non-executive non-independent director, and 4 non-executive independent directors.

The roles of chairman and managing director were held by distinct individuals. Both positions are selected from among the non-executive independent members of the Board, while the Managing Directors role upon appointment changes to an executive position.

The Board operated within a coherent framework outlined in its charter, which delineates clear responsibilities and accountabilities aimed at safeguarding and enhancing long-term shareholder value and providing a robust foundation for realizing the Group's strategy. This Charter furnishes Directors with guidelines concerning their responsibilities, authorities, composition, meetings, appointments, training, evaluation, and disclosure.

The collective roles and responsibilities of the Board encompass:

- Formulating corporate vision, mission, and strategies
- Approving business plans and budgets
- Overseeing risks and providing guidance on mitigation strategies
- Monitoring and directing financial performance and asset management
- Establishing the appropriate technology direction
- Supervising the overall operations of the STO Group
- Determining dividend policy
- Issuing requisite reports for shareholders
- Developing an appropriate governance and sustainability framework for the Company

A summary of responsibilities of the Board roles is given in the below.

Chairman

- Guides the Board in determining strategy and achieving objectives.
- Leads the Board in aligning culture with its vision, mission, values, and strategy, ensuring all directors uphold integrity, set an example, and foster the desired culture.
- Provides leadership and manages the Board to ensure directors are well-informed about issues discussed at meetings and receive timely, complete, and reliable information.
- Approves agendas for Board meetings, considering the concerns and issues of Board members.
- Promotes active engagement of Board members, leveraging their skills, experience, and knowledge.
- Establishes effective corporate governance practices and procedures, facilitating transparent communication with shareholders and stakeholders.
- Provides oversight, guidance, advice, and leadership to the Managing Director.

MD / CEO and the Executive Director

- Is also entrusted with the responsibilities of Group CEO and Group CFO.
- Formulates and recommends the strategy of the Group to the Board.
- Executes the policies and strategies across the Group, as agreed with the Board.
- Makes and implements operational decisions and manages the business day-to-day.
- Leads the Group, business, and the management team.
- Ensures that the Board is kept informed in a timely manner on current affairs of the Group.

Non-Executive Directors

- Participates in Board meetings to provide independent judgment on matters related to strategy, policy, performance, accountability, resource allocation, key appointments, and standards of conduct.
- Takes the lead in addressing or discussing potential conflicts of interest.
- Scrutinize the Group's performance in attaining agreed corporate goals and objectives and oversee performance reporting.
- Contributes positively to the development of the Group's strategy and policies by offering independent, constructive, and well-informed feedback.
- Encourages the alignment of STO's culture with its vision, mission, values, and strategy, ensuring all directors demonstrate integrity, set examples, and promote the desired culture. This culture should consistently reinforce STO's values of lawful, ethical, and responsible conduct.
- Engages with Senior Management and other relevant parties to ensure that various concerns and issues pertinent to the management and oversight of the Company's and the Group's business and operations are adequately addressed.

2.2. Board Composition and Diversity

The Board recognizes that a critical factor in its effectiveness is the presence of a diverse array of skills, experiences, knowledge, and independence among its members fostering cohesive team dynamics. Additionally, the Board acknowledges the importance of age and gender diversity as contributing factors to its success. STO's Board consistently strives to achieve a balance of these attributes, encompassing diversity in age, gender, experience, and expertise. To this end, the Board has endorsed the Board Candidacy Guideline, delineating key diversity policy for STO Group.

In 2024, the Board comprised 1 female director and 6 male directors, falling short of the Code's requirement for at least 2 female representations. To address this, the Company actively encouraged shareholders to nominate female candidates for Board appointments. Consequently, as of the report's publication date, the Board now includes 2 female directors, meeting the required threshold.

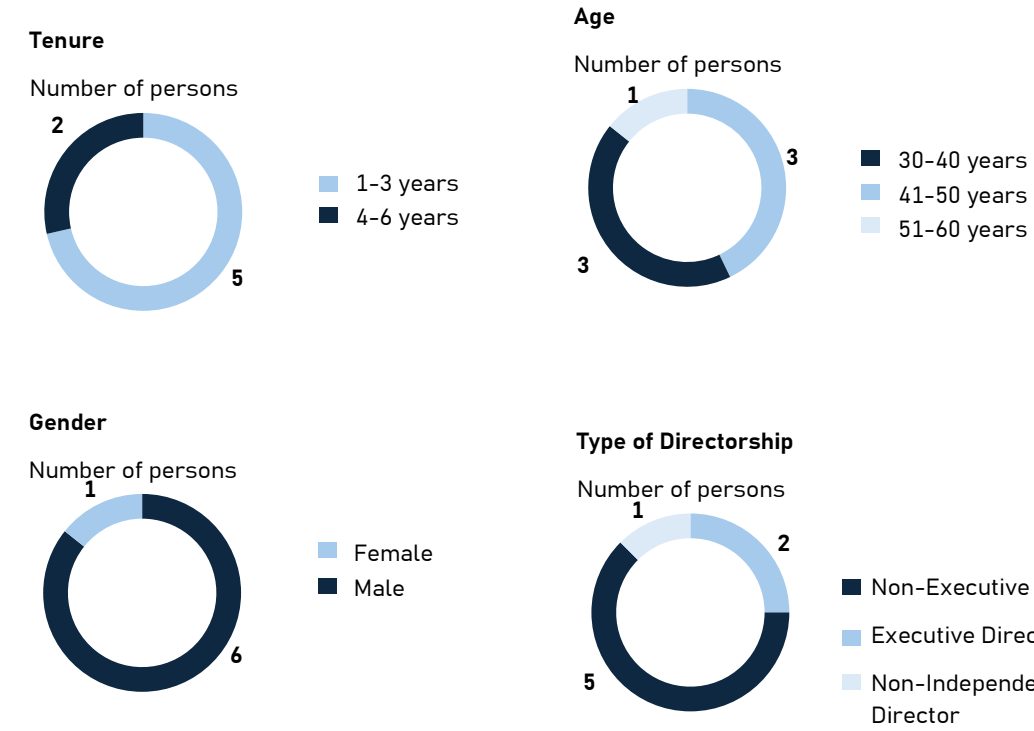
The accompanying diagrams below, provides an overview of the Board's composition and diversity profile, while detailed biographies of the directors can be found on pages 44-48 of this report.

Key features of the Board composition in 2024	
Diversity	The Board maintained a balance in terms of age, skills, and expertise, with some members having relevant industry-specific experience, with the presence of 1 female member in the Board.
Independence	Majority of the members are deemed independent as per the CMDA CG Code. Director Mohamed Murad is classified as non-independent due to his ineligibility under 1.2(ii) of the Code, as his spouse holds an active employee position in the Company.
Relationship among directors	To the best of the Board members' knowledge, as of the date of this report, there are no relationships among the Board members beyond those (including financial, business, family, and other material and relevant relationships) documented in this report and in the directors' biographies.

2.3. Tenure

The current directors have varying terms ranging from 0 to 4 years on the Board. Mr. Ismail Zumayl Rasheed was removed from Board on 22nd January 2024 and Ms. Reesha Abdul Munnim was appointed to the Board on 28th January 2024. There were no further changes to the Board in 2024.

As of the current date, none of the non-executive independent directors serve on the Board for more than 6 years.



2.4. Board Skill Matrix

A Board Skill Matrix is a structured tool used to assess the collective expertise, experience, and competencies of the Board of Directors. It helps ensure that the Board possesses the diverse skills and knowledge required to effectively oversee corporate governance, strategic decision-making, and risk management.

The matrix identifies key areas of expertise, including financial management, corporate governance, risk oversight, sustainability, digital transformation, and industry-specific knowledge. By mapping out the strengths and gaps within the Board, the Company can:

- Ensure well-rounded decision-making and strategic oversight.
- Identify areas for director development through training and professional growth.
- Guide future board appointments to align with the Company’s evolving needs and governance best practices.

The following Board Skill Matrix provides an overview of the current directors' competencies, ensuring the Board remains capable, independent, and forward-thinking in driving corporate success.

Qualification and/or adequate experienced in.	Amir Mansoor	Shimad Ibrahim	Mohamed Nizam	Mohamed Ahsan Saleem	Reesha Abdul Munnim	Dhaanish Mohamed Ameen	Mohamed Murad
Strategic Thinking & Decision Making	***	***	**	**	**	**	**
Corporate Governance & Compliance	***	***	***	*	*	**	**
Polymaking & Oversight		***	***	**	**	**	**
Experience in leading Board & its committees	***	***	***	*	*	*	***
Strategic Financial Management	***	***	***	**	**	**	***
Risk Management, Internal Controls & Audit	***	***	***	*			***
Mergers, Acquisitions & Growth Strategy	***	***	**			**	
Commercial Acumen	***	***	***		***	**	***
Sustainability & ESG (Environmental, Social, Governance)	*		*	*	*	*	
Digital Transformation & Information Technology			***	**	*		
Human Resources & Talent Strategy	***				***		

*** = **Advanced Expertise** (More than 10 years of direct experience) ** = **Intermediate expertise** (5-10 years of experience) * = **Emerging Expertise** (Less than 5 years of experience)

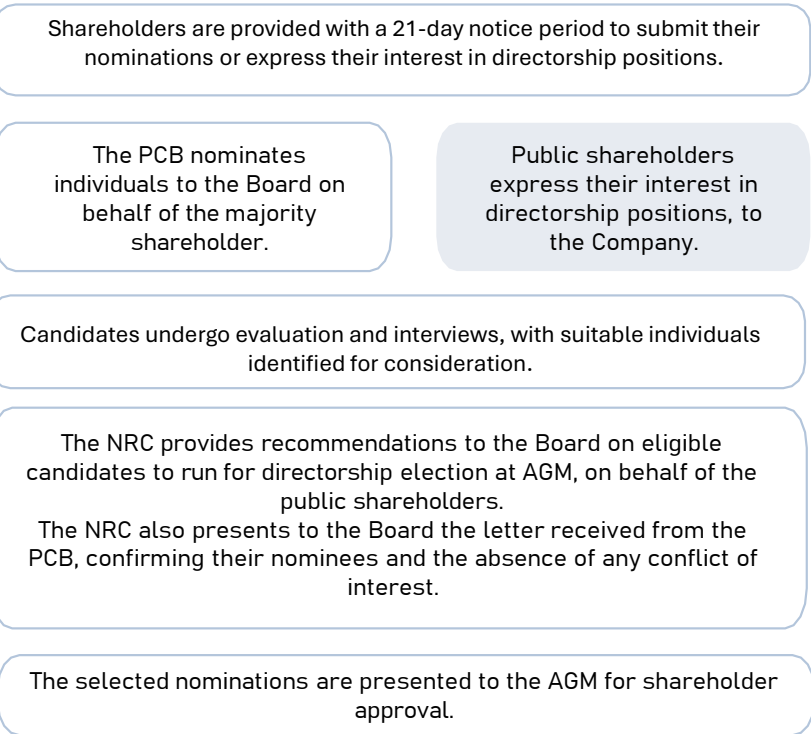
2.5. Process of Re-Election and Appointment of New Directors

All Board appointments are based on merit, taking into consideration the skills, experience, and gender diversity necessary for the effective functioning of the Board as a whole.

Therefore, the Board acknowledges the importance of ensuring that both the Board and Senior Management are adequately equipped with the requisite skills and experience to effectively execute the Group’s strategy.

A formal and transparent procedure governs the appointment of new directors to the Board, with the primary responsibility delegated to the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has established a formal process for selecting new directors to enhance the transparency of the nomination and election process, which involves identifying and evaluating nominees for the Board. The process is outlined below.



In 2024, 2 candidates from the public shareholders expressed interest in directorship. All candidates participated in interviews with the Nomination and Remuneration Committee. After considering the interview results and other relevant information in accordance with the Board Candidacy Guideline and applicable regulations, both candidates were recommended to the AGM for shareholder decision. Shareholders appointed Mr. Mohamed Ahsan Saleem to represent public shareholders on the Board for a second term.

All nominations made by the PCB to the Board were also ratified at the AGM, with the appointed directors representing the interests of the majority shareholder.

All directors are appointed for a one-year term and may be re-elected or replaced in between or at the subsequent AGM.

2.6. Independence

All Directors are obligated to exercise independent judgment in the best interests of the Company. The Board affirms that the non-executive independent directors possess the requisite caliber and representation to ensure their perspectives carry significant weight in the Board's deliberations and decisions.

According to the Code, a majority of board members must be independent of the Company. Independence criteria are further outlined in the Code, which specifies that for a director to be deemed independent, neither the director nor an immediate family member should be holding or have held a key position in the Company during the past year. Additionally, the director or an immediate family member should not have engaged in substantial financial dealings with the Company during the same period. Significant financial dealings encompass any form of remuneration, fees, or wages provided by the Company for services rendered, or any transactions equivalent to or exceeding 0.1% of the Company revenue.

Consequently, it is determined that 4 out of the 5 non-executive members met the independence criteria outlined in the Code. Mr. Mohamed Murad was deemed non-independent as his spouse is a full-time employee of the Company.

2.7. Conflict of Interest and Materially Significant, Related Party Transactions

Directors are legally obligated to prevent situations in which their interests’ conflict with those of the Company. Accordingly, the Company has implemented a Board-approved Conflict of Interest Declaration Policy, which applies to Directors, Senior Management, and other employees of the Group. Under this Policy, directors must disclose any direct or indirect interests they or their immediate family members have in any proposal, transaction, arrangement, or contract that is significant in relation to the Company's business. This includes interests in entities connected to the director that are considered material. The information provided is reviewed and, if necessary, cross-referenced with relevant authorities to verify its accuracy.

All significant third-party transactions, monetary transactions, or relationships between the Company and its Directors, Management, Subsidiaries, or relatives are disclosed in note 48 of the audited financials.

2.8. Other Directorships Held

None of the directors have held directorships in any other Public Listed Companies during the past year. However, executive directors do serve on the Boards of some of the STO Group Companies, while some non-executive directors are affiliated with private companies and non-profit organizations. Nonetheless, all directors have dedicated adequate time and effort to fulfilling their duties as board members of the Company. Additional information on other directorships held by the directors can be found in their respective profiles.



2.9. Director’s Securities Transactions

The Company has implemented the "Policy on Prohibition of Dealing in Securities by Connected Persons with access to unpublished information" issued by the CMDA and has also established a Board-approved Guideline on Trading in Securities. This Guideline is applicable to all individuals identified as having access to unpublished information and classified as "restricted persons". Both the Board of Directors and Senior Management adhere to this Guideline in their transactions involving the Company securities.

Throughout 2024, all directors complied with this Policy in all their securities dealings. Additionally, the Company regularly updated the "restricted persons list" in accordance with the Policy and promptly notified relevant authorities.

2.10. Board Induction and Continuing Education

The Company acknowledges the importance of regularly reviewing and addressing the training needs of each director to ensure they remain abreast of key business developments, thereby maintaining and enhancing their effectiveness.

To facilitate this, the Company has implemented a Board-approved Director Induction and Training Policy, which includes a comprehensive orientation program designed for newly appointed directors. Conducted by the Company Secretariat, this program familiarizes directors with the Group's business and governance policies, enabling them to assimilate into their new roles effectively.

Since 2018, the Company has provided directors with a training analysis report upon their appointment, which identifies areas for development based on their education and experience. This report assists directors in focusing on specific areas during their tenure. The Policy underwent review in 2023, resulting in the preparation of a Skill Assessment Policy to complement the Training Policy. The purpose of this Policy is to identify skill, knowledge, and experience gaps among board directors and any future requirements for the Company.

In 2024, directors participated in a total of 12 different training programs, both abroad and online. These programs covered various areas such as leadership for sustainability development, Using AI in strategic management, Corporate Directors International Board Director Certification, ISACA Certified Risk and Information System Controls Exam, board directorship certification at SMU-SID Singapore. A total of MVR1.1m was spent on the trainings.

Amir Mansoor	-
Shimad Ibrahim	Leadership for sustainability development, Using AI in strategic management
Mohamed Nizam	Leadership for sustainability development, Using AI in strategic management
Mohamed Ahsan Saleem	Corporate Directors International Board Director Certification, ISACA Certified Risk and Information System Controls Exam
Mohamed Murad	SMU_SID Module 04 - Risk Management and Cybersecurity Governance
Reesha Abdul Munnim	SMU-SID Module 05 - Sustainability Governance, SMU-SID Module 06 – Effective Succession Planning and Compensation, CMDA Directors Training Program
Dhaanish Mohamed Ameen	SMU-SID Module 04 - Risk Management and Cybersecurity Governance, SMU-SID Module 05 - Sustainability Governance

As part of the ongoing professional development program, Board members periodically receive presentations from Senior Executives on significant business matters. These presentations encompass a range of topics, including financial plans such as budgets and forecasts, updates on corporate strategy, and discussions on ESG issues. These matters are regularly reviewed and discussed during Board meetings.

2.11. Board Remuneration

The Company has established a Remuneration and Benefits Policy, which outlines a formal and transparent procedure for determining the remuneration packages of Board Directors and Senior Management.

Comprehensive details regarding the remuneration policies, remuneration payable to senior management, and other pertinent information are provided in the Remuneration Report of this Annual Report, located on pages 64.

2.12. Company Secretary

All Directors have access to the services and advice of the Company Secretary, who plays a crucial role in supporting the Board and its individual members. The Company Secretary provides guidance on fulfilling directorial responsibilities in the best interests of the Company. Additionally, the Company Secretary facilitates the Board process and fosters communication among Board members, shareholders, and management.

The Company Secretary consistently updates her knowledge of developments in Corporate Governance best practices and regulations. For further details on the Company Secretary's profile, please refer to page 47.

The Board remains satisfied in the competency and experience of the Company Secretary.



3.1. Board's Responsibilities and Delegation

The Company is governed by a Board tasked with steering its success through oversight of overall strategy, and responsible and effective supervision of its affairs. The Board also establishes the Group's core values and adopts standards to ensure integrity and compliance with relevant rules and regulations.

Boards formal documentation delineates matters reserved for the Board and those delegated to Management. Management, led by the MD/CEO, is responsible for daily operations and administrative functions. The Board has provided clear directives to Management regarding matters requiring Board approval before decisions are made or commitments entered on behalf of the Company. Decisions delegated to Management include implementing Board-determined strategy and direction, overseeing business operations, preparing financial statements, operating budgets, and ensuring compliance with laws and regulations. These arrangements are subject to periodic review to ensure alignment with the Company's needs.

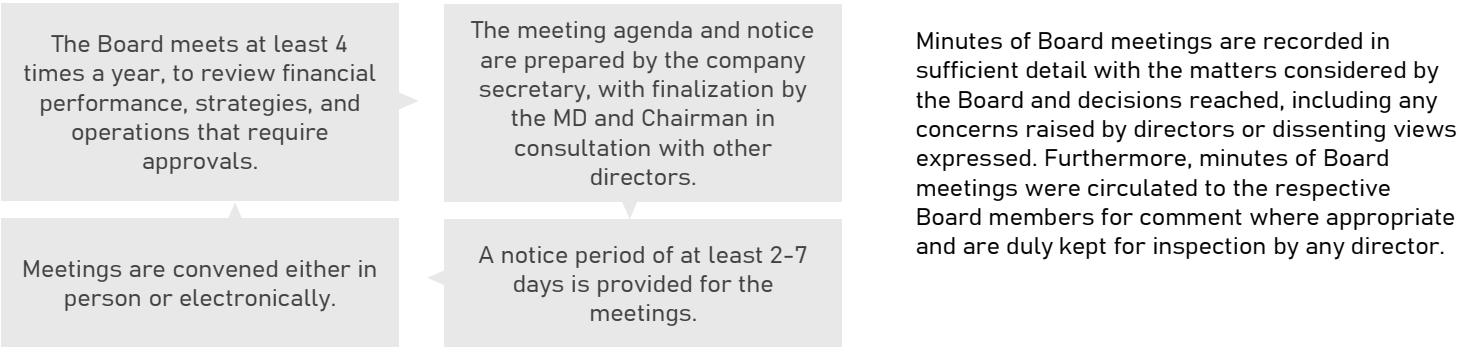
Key matters reserved for Board approval	
<p>Risk Management and Fraud Prevention</p> <p>The Board plays a critical role in overseeing the risk management framework to ensure that the Company operates within acceptable risk parameters while safeguarding its assets and reputation. This includes:</p> <ul style="list-style-type: none">• Risk Appetite & Control Processes: Approval of the Company/Group's risk appetite statements, defining the level of risk the organization is willing to accept in pursuit of its strategic objectives.• Risk & Control Oversight: Reviewing reports on the effectiveness of risk management and internal control processes, ensuring they align with corporate strategy and regulatory requirements.• Fraud & Bribery Prevention: Approving and overseeing the implementation of procedures to detect fraud and prevent bribery, ensuring compliance with legal and ethical standards.	<p>Financial and Strategic Oversight</p> <p>The Board is responsible for approving key financial and strategic decisions to ensure transparency, compliance, and alignment with corporate objectives. This includes:</p> <ul style="list-style-type: none">• Financial Reporting & Policies: Approval of quarterly reports, interim management statements, annual reports and accounts, including the corporate governance statement and directors’ remuneration report.• Dividends & Shareholder Returns: Approval of the Dividend Policy, declaration of interim dividends, and recommendation of final dividends.• Accounting & Treasury Policies: Authorization of significant changes in accounting policies or practices and approval of treasury policies, including foreign currency exposure and financial derivatives usage.• Budget & Capital Expenditures: Approval of the annual corporate budget and any significant revisions, as well as material unbudgeted capital or operating expenditures beyond established tolerances.• Strategic Planning & Public Announcements: Approval of long-term business plans and authorization of press releases related to financial performance or major corporate events.
<p>Borrowing, Indebtedness, and Financial Commitments</p> <p>The Board must review and approve any agreements related to STO's borrowing or indebtedness that exceed the thresholds established by the Board or relevant committee. This includes entering into new borrowing agreements or making material amendments to existing ones.</p> <p>Additionally, the Board's approval is required for granting security interests, guarantees, or sureties involving STO assets if they exceed the predefined authority limits, ensuring financial prudence, risk management, and alignment with corporate strategy.</p>	<p>Related-Party Transactions</p> <p>Approval of any transaction with a director, officer, major shareholder, or any related party beyond ordinary course, in accordance with STO's Related-Party Transaction Policy and local regulations.</p>
<p>Board and Executive Appointments</p> <p>The Board is responsible for overseeing and approving changes to its structure, size, and composition, ensuring a well-balanced mix of skills and experience. This includes appointing new directors, selecting the Chairman and Managing Director, and determining committee memberships. The Board must also ensure succession planning for both the Board and senior management to maintain leadership stability.</p> <p>Additionally, the Board oversees the continuation, re-election, suspension, or termination of directors, in line with legal requirements and service contracts. It also approves appointments and removals of the Company Secretary, external auditors (subject to shareholder approval at the AGM), and directors of subsidiary boards to maintain governance consistency across the organization.</p>	<p>Remuneration and Incentive Plans</p> <p>The Board is responsible for establishing and approving the remuneration policy for directors, the Managing Director, the Company Secretary, and senior executives, ensuring alignment with market standards and corporate objectives. It also determines the remuneration of non-executive directors, subject to the Articles of Association and shareholder approval where required.</p> <p>Additionally, the Board must review and approve the introduction of new share incentive or bonus plans, as well as significant changes to existing plans, ensuring they align with corporate strategy and shareholder interests, before presenting them for shareholder approval.</p>



Legal Proceedings Initiation or settlement of major legal proceedings that could significantly impact STO's financial position or reputation.	Delegation and authority The Board is responsible for clearly defining and documenting the division of responsibilities between the Chairman, Managing Director, and other executive and non-executive directors, ensuring effective governance. It must approve the delegated authority levels, including the Managing Director's authority limits, and oversee the establishment and governance of Board committees, including their terms of reference and any material changes. Additionally, the Board must review reports from committees to ensure alignment with strategic objectives and regulatory compliance.
Adoption or Amendment of Key Governance and Executive Policies The Board is required to review and approve the adoption or amendment of key governance and executive policies to ensure alignment with regulatory requirements, industry best practices, and the Company's strategic direction.	Technology Strategy and Infrastructure Investments The Board is required to review and approve the Company's overall technology strategy and infrastructure to ensure alignment with the strategic direction, operational efficiency, and cybersecurity priorities.
As other tasks specified by law, by STO's Articles of Association, by Board resolution, Company Policies and Procedures or by any applicable regulatory requirement.	

3.2. Board Meetings

Regular Meetings



Other key features of Board Process	
Timely updates and discussion	The directors were supplied in a timely manner with all relevant documentation and financial information to assist them in discharge of their duties. Monthly updates of the financial performance of the Group were furnished to the Board between regular Board Meetings through Boardpaq / Diligent.
	Senior Management was invited to attend Board meetings, where appropriate, to report on matters relating to their areas of responsibility, and to brief and present details to the directors on recommendations submitted for the Board's consideration. Additional information or clarification required were furnished, particularly with respect to complex and technical issues tabled to the Board.
	The Company has adopted the SCDOI Regulations of CMDA and its implementation guideline on monitoring, reporting, and disseminating inside information.
	The Group's operational and developmental concerns were promptly communicated to the Board and addressed accordingly.
	Management's proposals to the Board for approval provided background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact and budget requirements, regulatory implications, expected outcomes and recommendations.
	The Chief Audit Executive also provided to the Audit and Risk Committee and where necessary to the Board, information on the audit findings.

3.3. Board Activities

Board activities are organized to help the Board achieve its objectives and to provide support and guidance to Senior Management in implementing the strategy within a transparent governance framework.

Below are the main areas of focus and decisions by the Board, which were discussed as agenda items throughout 2024. Focused discussions on these items help the Board make informed decisions based on the long-term opportunities for the business.

Financial Oversight and Strategic Planning

The agenda focused on financial oversight and strategic planning, ensuring effective management of receivables, financial facilities, and budget approvals. Discussions include quarterly and annual performance reviews, budget evaluations, and regular financial updates, supporting sound financial governance, operational efficiency, and long-term sustainability.

ESG

The agenda included a focus on sustainability and energy transition, with discussions on renewable energy exploration, feasibility assessments, and potential impact.

IT

The agenda included technology and digital transformation initiatives, focusing on SAP system enhancements, IT project updates, and contract renewals. Discussions aimed to ensure system efficiency, optimize digital capabilities, and support operational excellence through strategic IT investments and innovative solutions.

Strategic Business Decisions, Risk Management, And Operational Planning

The agenda emphasized strategic business decisions, risk management, and operational planning to support the Company's long-term growth. Key discussions include business expansion initiatives, risk control measures, and infrastructure development projects, ensuring operational resilience, regulatory compliance, and strategic alignment with corporate objectives.

Operational

The agenda emphasized on operational development, ensuring alignment with the Company's long-term growth objectives. Discussions focus on capital investments, infrastructure projects, and procurement decisions to enhance efficiency and expand business operations. Additionally, the Board reviewed subsidiary performance, financial governance, and key contractual agreements, ensuring compliance, risk mitigation, and value creation.

Governance

The agenda focused on corporate governance, strategic oversight, and operational efficiency, ensuring effective decision-making and regulatory compliance. Discussions include governance updates by board committees, board and subsidiary management, policy approvals, and structural changes to enhance transparency and accountability. Additionally, preparations for key corporate events and engagements, such as the AGM and non-executive director meetings, reinforced stakeholder communication and long-term sustainability.

HR

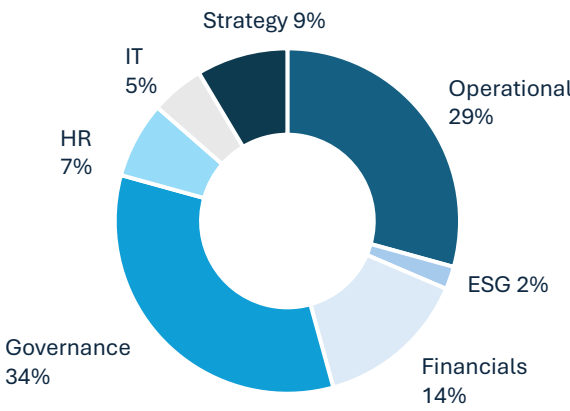
The agenda encompassed key strategic human resource matters, ensuring alignment with the Company's long-term objectives. Discussions focus on resources and infrastructure development, workforce planning, policy decisions, financial management, and governance enhancements. The Board reviewed organizational efficiency, employee well-being, and corporate culture, while also addressing whether compliance, risk management, and business expansion strategies were met it HR resources. These deliberations aimed to strengthen corporate governance, optimize resource allocation, and drive sustainable growth.

3.4. Main Activities

Regular Meetings

In 2024, a total of 19 Board meetings were convened. Among these, 4 meetings were primarily held to review quarterly business performance, one meeting was dedicated to reviewing business strategy with management, and the remainder focused on seeking directors' approval on various matters. The Board is confident that Directors allocated sufficient time to adequately address the matters discussed during these meetings.

The below chart provides and overview of how the Board allocated its agenda time during the year.



Directors are expected to attend all meetings of the Board and the Committees on which they serve and to devote sufficient time to the Company to perform their duties. Where directors were unable to attend a meeting, they receive papers for that meeting and are given the opportunity to raise any issues with the Chairman in advance of the meeting.

At quarterly meetings, the Board receives updates from the MD/CEO and the CFO on the financial and operational performance and any specific developments in the areas of the businesses.

Chairmen of the respective Board committees would also report on matters discussed and/or approved at the relevant Board Committee meetings held prior to the Board meetings. Meetings are structured to allow for thorough consideration and discussion of all matters.



3.5. Committees

The Board's work is supported through its committees – the Audit and Risk Committee, the Nomination and Remuneration Committee and the Governance and Sustainability Committee. Committee Chairpersons and members are appointed by the Board annually, and their performance is reviewed regularly.

Each Committee is required to convene at least twice a year and operates based on charters approved by the Board, detailing their membership, responsibilities, and activities. These details are further elaborated in the individual committee reports.

The Nomination and Remuneration Committee is combined for the purpose of expediency since most of the same Directors are entrusted with the functions of both Committees.

The Committee Chairperson and the Company Secretary determines the frequency and duration of the Committee meetings. Committee reports, including their decisions or recommendations, are submitted to the Board on a regular basis, unless there are legal, regulatory, or conflicting restrictions on their ability to do so.

The Board may also establish committees on an ad hoc basis to approve specific projects as deemed necessary.

3.6. Board Evaluation

The Board recognizes the importance of regularly assessing its own performance to support the leadership of the Group. Led by the Governance and Sustainability Committee, the Board has established a formal process for evaluating the performance of both the Board and its Committees. This evaluation aims to ensure continued effectiveness and efficiency in fulfilling their respective duties, providing a valuable opportunity for continuous improvement.

The objectives of the evaluation include building upon previous improvements, enhancing the collective contribution of the Board, and improving the competence and effectiveness of individual directors. The Board regularly reviews this evaluation framework, conducting the assessment through an annual online questionnaire.

The evaluation process involves the following 3 stages.

Stage 1

Determine the scope

Review the evaluation framework to assess whether adjustments are necessary in response to policy, procedural changes, or new regulations.

Determine the approach

The evaluation is carried out using an online questionnaire.

Stage 3

Action plan agreed

- Following review of the results, the Board draws conclusions and agrees on the improvements.

Stage 2

Discuss and review the results

- The Company Secretary drafts the results report.
- The draft results are discussed with the Chairman of the Board.
- Any matters requiring separate discussion with individual directors are addressed by the Chairman of the Board and where necessary the NRC Chairman.
- The final report is presented to the Board.
- Action items are identified and decided upon.

The evaluation for the year 2024 was completed in January 2025, identifying areas for improvement, and engaging in discussions accordingly. Key aspects covered in the evaluation include:

- Board composition and structure
- Effectiveness of Board processes
- Directors' contribution during Board meetings
- Strategic and operational oversight
- Professional development opportunities
- Board support
- Communication with shareholders and stakeholders

The overall performance of the directors was assessed as significantly fair, with all sections of the evaluation receiving an overall rating above 3 out of 5. However, several key areas for improvement were identified to enhance governance effectiveness and strategic alignment.

One of the primary areas highlighted was the need for better alignment between the company's strategies, its core remit, and existing capabilities. This would ensure that the company's objectives are both realistic and aligned with its operational strengths. Additionally, it was suggested that some directors should come better prepared for meetings to facilitate more productive discussions and decision-making processes. Another key recommendation was to improve the clarity of information presented to the Board to support more informed and efficient decision-making.

To strengthen governance practices, it was also recommended to enhance the company's internal controls and financial principles. Additionally, greater emphasis should be placed on deploying technology that improves overall organizational effectiveness, ensuring that the company remains competitive and operates efficiently.

Overall, while the directors demonstrated strong performance, these areas of improvement present opportunities to further enhance governance and decision-making within the organization.

3.7. Board meetings, committee meetings and general meetings

The following diagram illustrates the Board, Board Committee meetings and general meetings held during 2024.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
01 BM	02 BM	03 BM	05 BM	06 BM	07 BM	10 BM	13 BM	15 BM	16 BM	17 BM	19 BM
01 ARC		04 BM		03 ARC	08 BM	11 BM	14 BM	05 ARC	06 ARC	18 BM	08 ARC
		02 ARC		02 NR C	09 BM	12 BM		03 NR C	03 GSC	07 ARC	09 ARC
		01 NR C			01 GSC	04 ARC		02 GSC		04 NR C	10 ARC
										04 GSC	01 NE D
						AGM		SM's			

BM – Board Meeting, ARC – Audit and Risk Committee, NRC – Nomination and Remuneration Committee, GSC – Governance and Sustainability Committee, AGM – AGM, NED – Non-executive directors meeting, SM-Strategic Meetings

3.8. Director’s Attendance

During 2024, the overall attendance rate of directors at Board meetings was 97% (2023: 98%). Details of the attendance of each director at the Board meeting, Board Committee meetings and general meeting are set out in below table.

Name of Director	Meeting attended / held in 2024				
	BM	ARC	NRC	GSC	NED
Amir Mansoor (Chairman)	19/19				1/1
Shimad Ibrahim (MD & CEO)	19/19				
Mohamed Nizam	19/19				
Mohamed Murad	19/19	9/10	4/4	4/4	1/1
Mohamed Ahsan Saleem	19/19	10/10		4/4	1/1
Dhaanish Mohamed Ameen	16/19	8/9	3/4	4/4	1/1
Reesha Abdul Munnim	19/19		4/4	4/4	1/1
Ismail Zumayl Rasheed (member of the Board until 22 nd January 2024)		1/1			

Notes: The attendance represents actual attendance/the number of meetings a director is entitled to attend.

Accountability and Audit

4.1. Good Governance, Policies, Procedures and Guidelines

Over the years, the Board has developed and reviewed the Company's Corporate Governance Principles to help fulfil its corporate responsibility towards the stakeholders. These principles ensure that the Board has the necessary authority and processes to review and evaluate the operations when required. Furthermore, these guidelines allow the Board to make decisions that are independent of the Management.

STO first established its Governance Guideline in 2006. Thereon, the Company has reviewed and made changes to it, considering the various amendments brought to the relevant regulations and the international codes. However, the Company now adheres to the CMDA CG CODE. The Company further established its first Code for the Group in 2014. This Code was last revised in 2023.

STO has in place, policies, and procedures to govern its subsidiary companies and major commercial activities, a manual for Board Directors and a Code of Ethics for Directors. Furthermore, STO has timely reviewed the Board and its Committee Charters and Corporate Governance Guidelines. STO also, has in effect a guideline on holding AGMs and preparation of Annual Reports for its Group Companies. These policies, procedures and guidelines are believed to provide the Group with guidance and emphasize the importance of proper governance within the Companies.

The Group also has in effect a Board Candidacy Guideline and a Guideline on Administration and Control of STO Group Companies. These guidelines define the characteristics and procedure for making nominations, appointment, and removal of board members to the Boards of STO Group of Companies.

4.2. Financial Reporting

The Board acknowledges its responsibility for presenting a balanced, clear, and comprehensive assessment of the Group's performance, position, and prospects. The Board is also responsible for the preparation of financial statements for each financial year which gives a true and fair view of the situation of the Group on going concern basis. The practices of the Company on the timeline for publication of financial results and the related reports are set out below:

Annual results
<ul style="list-style-type: none">Publish by end of April monthApprove financials at the AGM
Quarterly results
<ul style="list-style-type: none">Publish report by end of preceding month after each quarter



The Board has reviewed and approved the financial results of 2024. In presenting these results, the Board has aimed to provide shareholders with a balanced and clear assessment of the Group's position and prospects.

As required by the Code and SCDOI Regulation, the MD/CEO, Audit Committee Chairman and CFO certifications on the financials are provided with this report. The Board, to the best of their knowledge, confirms that the Financial Statements for the period from January 01, 2024, to December 31, 2024, have been prepared in accordance with the applicable accounting standards and gives a true and fair view of the Group and the Company's consolidated and separate assets, liabilities, financial position and results of operations.

4.3. Risk Management

At STO, risk refers to potential actions, events, or circumstances that could positively or negatively affect the Company's ability to achieve its business strategies and objectives. Understanding and effectively managing these risks are crucial for the Company's sustained success in its operations.

In line with the commitment to delivering sustainable business value, STO has implemented a comprehensive risk management and internal control framework. This framework, based on the "Three Lines of Defense" model, is overseen by the Board of Directors with support from the Audit and Risk Committee. Their responsibility is to monitor key business risks and evaluate the design and effectiveness of the Company's risk management and internal control systems.

During the year, a structural change was implemented whereby the Risk Management function, which was previously embedded within the Legal Department, was transitioned under the purview of the Finance Department. This change was undertaken to enhance the alignment of risk management with financial planning, reporting, and enterprise-level decision-making processes. The repositioning aims to ensure a more integrated approach to risk oversight, enabling better assessment of financial exposures, improved internal controls, and strengthened compliance with corporate governance standards.

4.4. Internal Controls

The internal controls and monitoring systems within the company ensure that the Group's objectives are achieved efficiently, compliance with relevant policies, laws, and regulations is maintained, and financial reporting is reliable.

The Board of Directors holds the overall responsibility for establishing an effective system of internal control, with the Audit and Risk Committee assisting in overseeing its adequacy. The MD/CEO is tasked with managing and maintaining these internal controls.

STO's control environment is defined by various policies, procedures, manuals, codes, and IT systems, all of which are effectively communicated to employees by management. Training on these systems and policies reinforces the Company's commitment to compliance and integrity in business conduct. Additionally, STO has implemented numerous policies to provide detailed guidance to employees on compliance with rules and laws, including those related to preventing bribery and corruption. Any violation of these controls is treated seriously and may result in disciplinary action, including termination of employment.

Regular monitoring and testing of control activities are conducted to ensure their adequacy, with the Internal Audit and Risk Department overseeing this process and reporting to the Audit and Risk Committee and Management. Any failed controls are remediated through corrective actions. Employees are also provided with confidential and anonymous channels for reporting concerns or suspected misconduct.

Furthermore, as part of the company's commitment to financial integrity, relevant senior executives regularly verify the accuracy and completeness of quarterly financial statements and confirm compliance with key internal controls.

The Board is confident that the system of internal controls in place adequately addresses material risks within the Company's current business environment, including financial, operational, compliance, and information technology risks and is not aware of any significant areas of concern affecting shareholders.

4.5. System for Raising Concerns

The Company has established mechanisms to allow employees, management, and other stakeholders to report any concerns regarding non-compliance, fraud, or misconduct, whether confidentially or otherwise.

STO has implemented a Whistleblower Policy. Employees and other stakeholders can utilize the "Whistleblower Facility" feature on the company's website and intranet. Messages submitted through this facility are forwarded directly to the Chairman of the Audit and Risk Committee, along with the Chief Audit Executive for further review and action.

In 2024, a total of 29 notifications were received through the whistleblower facility, all of which were addressed, and necessary actions were taken. For further details on how these cases were handled and resolved, please refer to the Sustainability Report on page 75

Additionally, STO has set up an Appeal Committee, as well as a Sexual Harassment Prevention and Gender Equality Committee, to address concerns and grievances raised by employees. These Committees are dedicated to investigating and resolving issues related to disciplinary matters, grievances, and gender equality, including sexual harassment.

A total of 3 cases were submitted to the Appeal Committee, while 1 case was submitted to the Sexual Harassment Prevention and Gender Equality Committee. All cases were reviewed, addressed, and appropriate actions were taken. For further details, please refer to the Sustainability Report on page 75.

Furthermore, in 2019, the Company introduced the "Raise Your Concern" facility, enabling stakeholders to submit their concerns directly to the MD/CEO for prompt attention and resolution. In 2024, 5 queries and suggestions were received through this platform. Details on the handling and resolution of these cases can be found in the Sustainability Report on page 75.

4.5. Insider Information

In relation to procedures and internal controls for handling and disseminating inside information, the Company ensures the following:

- a. Acknowledges its obligations under the SCDOI Regulations and the Listing Rules, prioritizing the immediate announcement of inside information if it falls under the requirements and safe harbors provided in the SCDOI Regulation.
- b. Conducts its operations in compliance with the applicable laws and regulations of the country.
- c. Includes in the Employee Handbook and Code of Conduct a strict prohibition on the unauthorized use of non-public or inside information.
- d. Identifies authorized spokespersons of the Company and delineates their responsibilities for communicating with stakeholders.

Additionally, the Company has established a Guideline on Trading in Company Securities to govern, monitor, and report trading by insiders. This guideline outlines practices and procedures for disclosing price-sensitive information and other ongoing disclosures, along with penalties for non-compliance.

4.7. Internal Audit

To aid the Audit Committee in its oversight and monitoring responsibilities, the Company maintains an independent Internal Audit function. This function ensures that the system of internal controls is effective and operating as intended, providing objective assurance to the Audit Committee.

To maintain its independence, the Chief Audit Executive directly reports to the Audit Committee on audit matters and to the MD/CEO on administrative issues. The Chief Audit Executive is also authorized to communicate directly with the Chairman of the Board, the Chairman of the Audit Committee, and other Board members, as necessary.

To uphold the quality of the Internal Audit function and ensure compliance with the standards of the Institute of Internal Auditors, comprehensive and continuous quality assurance and improvement programs are implemented. Additionally, the Audit Committee periodically commissions an independent review of the Internal Audit function.

Each year, Internal Audit conducts a risk assessment to select audits, considering input from process owners, the risk management team, senior executives, the external auditor, and the Board. The resulting audit plan prioritizes areas with significant risks or strategic importance to the business. The Audit Committee reviews the audit plan and receives quarterly updates on its performance and key findings. The plan is adjusted as needed to address emerging risks or changes in business plans, and ad hoc reviews are conducted for areas of concern.

In 2024, Internal Audit issued multiple reports covering significant operational and financial units, regularly monitoring management action plans resulting from audit findings and reporting progress to the Audit Committee. Moreover, Internal Audit investigates certain allegations of potential policy violations, collaborating with Legal, Human Resources and other experts as needed. The results of these investigations, required actions, and status updates are communicated to management and the Audit Committee.

The Board, with the support of the Audit Committee, regularly evaluates the effectiveness of the Company's internal control system, considering all material risks and controls, including financial, operational, information technology, and compliance controls. The Board is satisfied with the effectiveness of the internal audit function and their performance.

4.8. External Audit

The appointment of the External Auditor undergoes an annual review by the Audit and Risk Committee. The Committee then advises the Board on the outcome of this assessment, which is subsequently presented to the AGM for shareholders' approval. The Board values the impartial opinions and recommendations provided by the appointed Independent Auditors and endeavors to address the findings highlighted in the Auditor's Report.

In 2024, the shareholders re-appointed Deloitte as the External Auditor of the Company. While this marks the fifth consecutive year of audit services provided by the same local team, it is important to note that PwC Maldives exited the PwC global network and joined the Deloitte network in 2023, and a new engagement partner was appointed in 2024.In accordance with the Corporate Governance Code of the Capital Market Development Authority (CMDA), Clause C.3 (b), a change in audit firm or engagement partner resets the tenure. Therefore, for the purpose of regulatory compliance, 2024 is considered the first year of Deloitte's audit tenure. Deloitte has issued independent audit opinions for both the standalone financial statements of STO and the consolidated financial statements of the STO Group, in accordance with applicable international auditing standards.

4.8.1. Independence of External Auditors

The Group's external auditor, Deloitte, is primarily compensated for its audit services rendered to the Group. The Company has implemented a Policy governing the engagement of the external auditor, which includes guidelines for providing non-audit services. According to this Policy, the external auditor must adhere to the independence requirements outlined in the CMDA Code for Professional Accountants.

The auditors have confirmed that no conflicts of interest existed between themselves, the company, or any related stakeholders during the audit period. As a result, they maintained their independent qualification in accordance requirements set forth by the Chartered Accountants, Maldives, and the Code of CMDA.

4.8.2. Remuneration of External Auditors

The fees payable to Deloitte for audit services in 2024 amount to USD65,500, compared to USD63,800 in 2023.



4.9. Management Review and Responsibility

The Company's vision is to enrich lives through sustainable growth, innovative products and services, operational excellence, and dedicated employees. STO aims to develop smarter, more accessible, and resource-efficient solutions to meet people's needs and enhance their everyday lives.

STO's operations include trading in fuel, supermarket products, home improvement items, staple foods, construction materials, medical services, and pharmaceuticals, spanning across the country. These businesses are supported by various departments including Finance, Human Resources, Projects and Assets, Procurement, Information Technology, Corporate Affairs, Corporate Marketing Communications, Internal Audit and Logistics.

The STO Group operates in diverse sectors such as insurance, fuel distribution and logistics, commodity trade, gas distribution, shipping, and manufacture of roofing sheets, managed as Subsidiary Companies under STO's governance.

With over 3000 employees, STO Group serves both the community and the country. The Nomination and Remuneration Committee reviews and recommends compensation and benefits for all Executive Board Members, while the Managing Director evaluates and promotes members of the Executive Team, adhering to the Board approved salary and benefits structure.

Representatives such as the Managing Director, Chief Financial Officer, and Head of Corporate Marketing Communications engage with investors, the media, and the Government. The Head of Human Resources interacts with employees, while individual Executives handle client relations.

4.10. Group Management

The Board of Directors has designated the MD/CEO of STO to oversee its Group of Companies, effectively serving as the Group Chief Executive Officer. Various measures have been implemented to promote good governance practices within the Group, including the adoption of a Corporate Governance Code, a Board Manual and a Code of Ethics approved for all Group companies.

As of the end of 2024, STO had 6 subsidiaries where it held more than 90% of shares. Additionally, STO had 1 Joint Venture Company with equal share distribution alongside Rainbow Enterprises, and it held less than or equal to 25% of shares in 4 other companies. Detailed information on STO's shareholdings in these companies, as required by the SCDOI Regulations, can be found on page 5 of the report.

4.11. Subsidiary Governance

STO is committed to strong corporate governance across its Group companies, ensuring alignment with the Company's strategic objectives, regulatory requirements, and best governance practices. To reinforce transparency, accountability, and oversight, STO has established a Group Governance Code, which sets out the governance framework for all subsidiary boards, management structures, and operational oversight mechanisms.

As part of our commitment to enhanced disclosure and governance reporting, all subsidiary companies began publishing their own governance reports from 2023, providing stakeholders with insights into their board composition, management structure, risk management, and compliance frameworks. These reports are available on each subsidiary's respective website and can also be accessed through the STO corporate website.

The governance of subsidiaries is overseen by dedicated boards, with members appointed based on expertise, independence, and alignment with corporate strategy. STO ensures that these boards maintain effective leadership and oversight, while subsidiary management teams are responsible for day-to-day operations, risk mitigation, and performance management.

STO continues to strengthen its subsidiary governance framework by monitoring compliance, providing strategic guidance, and ensuring governance standards remain aligned with international best practices. Through structured board appointments, independent oversight, and transparent reporting, STO Group companies are well-positioned to drive sustainable growth, operational efficiency, and value creation for stakeholders.

Shareholders

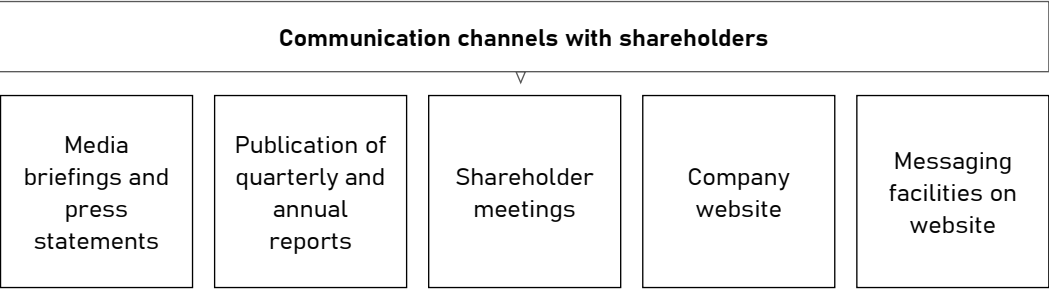
5.1. Shareholder Communication Policy

STO is devoted to providing transparent and clear communications with shareholders, potential investors and analysts to help them form a better understanding of the Group's business development and future prospects.

5.2. Communication with Shareholders

STO is committed to ensuring that the shareholder community, potential investors, and analysts have timely and equal access to fair, balanced, and understandable information regarding the Company's financial performance, corporate strategies, and ESG initiatives. Additionally, the Company is dedicated to safeguarding shareholders' interests and believes that effective communication with shareholders and other stakeholders is vital for enhancing investor relations and understanding of the Group's business performance and strategies.

STO regularly updates its website (<https://sto.mv>) to provide easy access to the public with information about the affairs of the Company. This includes financial reports, announcements, statutory publications, presentation materials, press releases, major corporate news, financial calendars, and dividend announcements.



5.3. Constructive Use of Shareholder Meetings

The AGM and other general meetings serve as the main platform for communication between the Company and the shareholders, allowing for shareholder participation. The Board encourages shareholders to attend these meetings as they offer an important opportunity to discuss matters regarding the Company, its corporate governance, and other significant issues. Notice of the AGM and related documents are provided at least 14 clear business days before the meeting date, including a summary of the agenda items.

Shareholders can participate in decision-making by attending the meeting personally or appointing a proxy. They must also be registered in the share register by a specified date before the meeting and follow the prescribed registration process. Decisions at the meeting are typically made based on a simple majority.

During the AGM, the Company organizes a question-and-answer session, allowing shareholders to directly communicate with the Chairman, Board, and Senior Management.

5.4. Annual General Meetings

The 2023 AGM was held on July 15, 2024, at the Noovilu Seaplane Terminal, Hulhule and on Microsoft Teams Live events. A total of 189 shareholders representing a total of 84.1% of the share capital were represented at the AGM.

Matters Resolved at the AGM 2023
Approval of the audited consolidated financial statements and the reports of the directors and the independent auditor
Declaration of MVR80 as final dividend per share
Election of directors to the Board
Re-appointment of PwC (Deloitte) as the Company's auditor for a remuneration of USD65,500

5.5. Shareholder Rights

5.5.1. Procedures for Convening a General Meeting

Shareholders holding a minimum of 10% of the total voting rights of the Company can request the Board to convene a general meeting by requisition. This request should adhere to the procedures outlined in the Company's Articles of Association. The requisition must include the general nature of the business to be discussed at the meeting and be submitted to the registered office of the Company, addressed to the Company Secretary.

5.5.2. Voting Rights

STO's share capital consists solely of ordinary shares. Each share grants its holder an equal stake in the company's assets and earnings, as well as equal entitlement to dividends. As per the Articles of Association revised last year, each shareholder carries one vote per each share they represent.

5.5.3. Remote E-Voting at the AGM

To facilitate shareholder voting on resolutions proposed at the AGM, the Company has introduced an e-voting facility. This initiative has streamlined and expedited the meeting process. The e-voting platform was developed in-house by the STO IT Department, and it has been successfully utilized at the last 9 AGM.

5.5.4. Constitutional Documents

The rights of shareholders are also outlined in the AOA. In 2024, two amendments were made to the AOA in line with changes to the Companies Act. One key amendment involved the voting threshold for extraordinary resolutions. Previously, a resolution could be passed with the approval of ¾ of the members, but this was revised to require 75% of the votes from eligible voters present at the meeting.

The other amendment pertained to voting at the AGM. Except for votes concerning share types, each member is now entitled to one vote per share held. Previously, voting was conducted on a one-vote-per-shareholder basis by a show of hands, unless shareholders representing at least 10% of the shareholding requested a poll.

An up-to-date consolidated version of the AOA is available on the Company's website.

5.7. Shareholding Structure

STO's shares are listed on the Maldives Stock Exchange (MSE). The Government of Maldives owns 81.6% of the shares, while the remaining 18.4% is owned by the General Public. There were no changes to the shareholding structure during the past year.

As of the end of 2024, there were 4,187 (2023:4,043) registered shareholders of the Company. These shareholders include institutions, private investors, related parties such as substantial shareholders, directors, employees of the Company, and others.

None of the individual shareholders, apart from the Government, hold shares amounting to more than 5% of the Company.



Declaration

6.1. Details of Non-Compliance

No penalties have been imposed by MSE, CMDA, or the Registrar of Companies, and there have been no instances of non-compliance with legislative requirements pertaining to the capital market throughout the year 2024.

6.2. Going Concern Declaration and Future Outlook

Going Concern Declaration

The Board of Directors, after thorough assessment, affirms that ST0 remains a going concern. In making this determination, the Board has reviewed the Group's financial position, business strategy, risk management framework, cash flow projections, access to funding, and overall economic and industry conditions.

ST0 maintains a strong financial position, with stable revenue streams, prudent financial management, and adequate liquidity to meet operational and financial obligations. The Group has sufficient reserves and financing facilities to support business continuity and sustain its commitments.

Furthermore, the Board has considered potential risks and uncertainties, including macroeconomic factors, regulatory changes, and market volatility, and remains confident that the Group has the necessary risk mitigation measures, operational controls, and strategic flexibility to navigate these challenges.

Based on this assessment, the Board is satisfied that ST0 has the necessary resources to continue its operations for the foreseeable future, and as such, the financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and corporate governance best practices.

Future Outlook Statement

Looking ahead, ST0 is positioned for long-term growth and resilience, driven by its strategic initiatives, digital transformation, expansion projects, and commitment to sustainability.

Key focus areas for the upcoming year include:

- Strengthening the energy sector by expanding its services, resources, investments, and optimizing fuel supply chain management.
- Enhancing operational efficiency through digitalization, automation, and modernization of IT infrastructure.
- Investing in infrastructure development, including fuel storage expansion, retail network growth, and logistics enhancements.
- Advancing sustainability initiatives, with a strong focus on ESG compliance, green energy solutions, and waste reduction strategies.
- Strengthening governance and transparency, ensuring compliance with regulatory requirements and enhancing risk management frameworks

Despite global economic uncertainties and evolving market dynamics, ST0 remains committed to delivering value to its stakeholders, fostering innovation, and sustaining its leadership position in key industries. With a strategic vision, prudent financial management, and operational excellence, the Group is well-equipped to seize new opportunities, mitigate risks, and drive sustainable growth in the coming years.

The Board remains confident in ST0's ability to navigate challenges and capitalize on emerging opportunities, ensuring long-term profitability and continued success.



Amir Mansoor
Chairman



Shimad Ibrahim
Managing Director





Corporate Governance & Sustainability Committee

Report

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Membership and Attendance

This report encompasses the activities of the Governance and Sustainability Committee (GSC) of the Board from January1, 2024, to December 31, 2024. Ismail Zumayl Rasheed was a member from June 15, 2023, till January 22,2024. No meetings were held in 2024 during his tenure in committee that period.

During 2024, the members and meeting attendance of the GSC were as follows.

Meetings were also attended by members of the Committee and, by invitation, the Chairman of the Board, the Managing Director, the Chief Financial Officer and other relevant people from the business, when appropriate.



Dhaanish Mohamed Ameen
Chairman
Member since Jan 29,2024, till Dec 2024



Mohamed Murad
Member since Jan 29,2024, till January 9, 2025



Mohamed Ahsan Saleem
Member since Jan 29,2024, till date



Reesha Abdul Munnim
Member since Jan 29,2024, till date

Committee member	No. of meetings attended	No. of meetings required to attend	% meeting attendance
Dhaanish Mohamed Ameen	4	4	100
Mohamed Ahsan Saleem	4	4	100
Reesha Abdul Munnim	4	4	100
Mohamed Murad	4	4	100

Composition of the Committee

All but one member of the Committee (Mr. Mohamed Murad) were non-executive independent directors, selected for their expertise in governance and sustainability. Mr. Ismail Zumayl Rasheed served as a committee member until January 22, 2024, but did not attend any meetings during his brief tenure that year. Additionally, Mr. Mohamed Murad resigned from the Board in January 2025 and is no longer a member of the Committee.

Terms of Reference and Major Activities

The responsibilities and duties of the NRC, as outlined in its Terms of Reference, undergo periodic review, considering pertinent regulatory modifications and recommended best practices. Below are the principal responsibilities of the NRC and notable matters addressed in 2024:

Corporate Governance Principles, Policies and Compliance matters

Responsibilities:

- Monitor and review evolving corporate governance trends and best practices, and as it determines appropriate, consider other matters of corporate governance, and make recommendations to the Board regarding, or act with respect to, such matters.
- Develop and recommend appropriate policies and procedures (in accordance with the Policy Development Framework) to ensure that the company has the appropriate governance structures in place and recommend revisions as required, to assist in fulfilling its oversight responsibilities at all levels.
- Undertake an annual review of corporate governance issues and practices for the company and make recommendations for improvements where necessary.
- Develop a process for assessing the effectiveness of the Company, Board, individual directors, and its committees and ensure that the board conducts these evaluations, annually.
- Assist the Board in discharging its responsibilities relating to the development and recommend to the Board of Directors on corporate governance guidelines and principles applicable to the Company.

Matters attended in 2024:

The GSC conducted a comprehensive review of the Group and Company’s key documents, including policies, procedures, frameworks, and guidelines, to ensure their ongoing relevance, compliance, and alignment with evolving governance standards and industry best practices. Recognizing the dynamic nature of corporate governance, this review process remains an ongoing initiative to continually strengthen governance structures and improve operational effectiveness.

In 2024, the Committee made substantial strides in strengthening corporate governance by approving the Organizational Health and Safety Policy, reaffirming STO’s dedication to workplace safety and employee well-being. Additionally, 59 policies and procedures were reviewed, with new policies and procedures being drafted in response to audit recommendations and control issues identified through strategic evaluations. This initiative commenced in the third quarter of 2024, and the Committee continues to systematically review, and release documents based on priority, ensuring their effectiveness in upholding operational integrity and regulatory compliance.

To further enhance the efficiency and timeliness of decision-making, the GSC assessed and refined the Board paper formats used for presenting critical information. These refinements were aimed at ensuring that Board members receive well-structured, concise yet comprehensive reports that facilitate informed and strategic discussions, enabling more effective governance oversight.

Additionally, as part of its continuous improvement efforts, the Committee conducted a detailed review of its Charter, reinforcing its governance mandate and refining its responsibilities to better support the Company’s strategic objectives.

In alignment with its 2023 resolution, the Group-wide Skill Assessment Matrix was implemented across STO’s subsidiary Boards to evaluate the expertise, competencies, and qualifications of directors. The findings indicated that while most subsidiary Boards were well-composed and had diverse skill sets, certain areas required enhancements to strengthen leadership effectiveness. Based on these insights, strategic adjustments were made to the composition of select Subsidiary Boards, ensuring they are optimally structured to support STO’s long-term strategic vision and governance priorities.

Corporate Responsibility and ESG

Responsibilities:

- Review and monitor the Company’s corporate responsibility and sustainability plans, strategies, priorities, policies, targets, practices, and frameworks, and make recommendations to the Board.
- Establish and monitor ESG targets approved by the Board on a regular basis.
- As it determines appropriate, consider environmental, social responsibility, and governance (“ESG”) matters and make recommendations to the Board regarding, or act with respect to, such matters.

Matters attended in 2024:

As part of its commitment to fostering a culture of environmental responsibility, the GSC approved the Green Office Campaign, an ongoing initiative aimed at promoting the sustainable and responsible use of office resources. This campaign encourages employees to adopt environmentally friendly practices in their daily work routines, such as reducing paper waste, optimizing energy consumption, and implementing eco-friendly workplace habits.

The Campaign is designed not only to improve operational sustainability within STO but also to generate a broader ESG impact, reinforcing the organization’s role as a leader in corporate sustainability. Through a combination of awareness sessions, behavioral change initiatives, and structured impact measurement, the Green Office Campaign serves as a foundational step in STO’s journey toward embedding sustainability in workplace culture.


Furthermore, with the Sustainability Framework for the Maldives introduced by the CMDA, the GSC has initiated a structured preparation process to ensure that STO is fully equipped to comply with new sustainability reporting standards. This effort includes:

- Conducting gap assessments to identify areas requiring improvement to meet the new regulatory framework.
- Enhancing data collection and ESG performance tracking mechanisms to support accurate and transparent reporting.
- Engaging with stakeholders and sustainability experts to align STO’s reporting practices with global best practices.

The GSC confirms that its members have the necessary knowledge, skills, and expertise to effectively carry out their delegated responsibilities. Each member demonstrates a strong understanding of Governance, ESG, and related areas, ensuring that the Committee possesses the collective competence required to oversee matters relevant to the sectors in which the STO Group operates.

Additionally, the Committee expresses satisfaction with the activities conducted throughout the year.

In the upcoming year, the Committee provides assurance that it will maintain its focus on the key areas of responsibility assigned to it by the Board. It will ensure that standards of good governance are upheld, and appropriate assurance is attained across all business areas. There will be a particular emphasis made on addressing the Group’s compliance and sustainability risks, evaluating a suitable framework and targets for finalization, and enhancing the appropriate approach to effective reporting.



Dhaanish Mohamed Ameen

Chairman





Nomination & Remuneration Committee

Report

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Membership and Attendance

This report encompasses the activities of the Nomination and Remuneration Committee (NRC) of the Board from January1, 2024, to December 31, 2024.

The Company has a combined Nomination Committee and Remuneration Committee for the purpose of expediency, since the same members are entrusted with the functions of both the Nomination and Remuneration Committees. Members of the Committee are mindful of their dual roles, which are clearly reflected and demarcated in the agendas of each meeting.

Ismail Zumayl Rasheed was a member from June 15, 2023, till January 22,2024. No meetings were held in 2024 during his tenure in committee that period.

During 2024, the members and meeting attendance of the GSC were as follows.

Meetings were also attended by members of the Committee and, by invitation, the Chairman of the Board, the Managing Director, the Chief Financial Officer and other relevant people from the business, when appropriate.



Reesha Abdul Munnim
Chairman
Member since Jan 29,2024, till date



Dhaanish Mohamed Ameen
Member since Jan 29,2024, till Dec 2024



Mohamed Murad
Member since Jan 29,2024, till January 9, 2025

Committee member	No. of meetings attended	No. of meetings required to attend	% meeting attendance
Reesha Abdul Munnim	4	4	100
Dhaanish Mohamed Ameen	3	4	75
Mohamed Murad	4	4	100

Composition of the Committee

All but one member of the Committee (Mr. Mohamed Murad) were non-executive independent directors, selected for their expertise and experience in human resource management. Mr. Ismail Zumayl Rasheed served as a committee member until January 22, 2024, but did not attend any meetings during his brief tenure that year. Additionally, Mr. Mohamed Murad resigned from the Board in January 2025 and is no longer a member of the Committee.

Ms. Reesha Abdul Munnim was appointed as the Committee Chairperson on January 29, 2024.

Terms of Reference and Major Activities

The responsibilities and duties of the NRC, as outlined in its Terms of Reference, undergo periodic review, considering pertinent regulatory modifications and recommended best practices. Below are the principal responsibilities of the NRC and notable matters addressed in 2024:

Remuneration Matters

Responsibilities:

- Develop and enforce a remuneration policy for the directors and employees of the company.
- Periodically review the effectiveness of remuneration and benefits policies, structures and packages, and make recommendations to the board on improvements.

Matters attended in 2024:

Following a comprehensive review of employees’ remuneration and benefits in 2023, the Committee determined that a one-year interval before initiating another evaluation would be appropriate.

During the annual board assessment, directors expressed their view that the current remuneration structure for board members was adequate and met the Board's expectations.

In light of this feedback, the Nomination and Remuneration Committee (NRC) reaffirms that the Company's Remuneration Policy remains effective and continues to align with the Board's requirements and industry standards.

Refer to page 65-67 on detailed report on remuneration provided to directors in 2024.

Composition, recruitment and structure of directors, management and organization

Responsibilities:

- Regularly review the size, structure and composition of the board/organization and make recommendations to the board regarding changes.
- Identify and advice the board on suitable candidates for board appointments.

Matters attended in 2024:

The Nomination and Remuneration Committee (NRC) reviewed to assess whether the size, composition, and structure of the Board remained optimal for ensuring effective governance. The Committee confirms that the current Board structure was appropriate and aligned with the organization’s strategic objectives and operational requirements.

As part of broader organizational improvements, a revision of the corporate structure was undertaken to enhance business efficiency. This involved merging certain departments and decentralizing key functions to optimize operational effectiveness. These structural changes came into effect in November 2024.

Additionally, the Committee reviewed the Board Candidacy Guidelines to ensure alignment with prevailing governance standards. In parallel, the Board initiated the process of filling vacancies created by retiring members, inviting shareholders to express their interest in directorship positions. The NRC reviewed and approved the related announcements and application documents. Applications received were subjected to a rigorous evaluation process, including interviews, to identify the most suitable candidates. Based on this assessment, the NRC presented its recommendations to the Board of Directors, which subsequently forwarded them to the Annual General Meeting (AGM) for election.

In 2024, two candidates from public shareholders submitted applications, both of whom participated in interviews conducted by the NRC. Following a comprehensive evaluation, all candidates were approved for nomination at the AGM. Notably, Mr. Mohamed Ahsan Saleem was re-elected through a shareholder vote to continue representing public shareholders on the Board. Additionally, the government nominated six directors, all of whom secured majority votes for re-election, ensuring the continuation of the existing government-appointed representatives for another term.

Conflict of Interest

Responsibilities:

- Develop and monitor a Conflict-of-Interest Declaration Policy for the directors, executive members, and employees of the company.

Matters attended in 2024:

In 2024, the NRC confirmed that no conflicts of interest arose in matters discussed between the Board members and the Company. Furthermore, the Committee affirmed the adequacy of the existing Conflict-of-Interest Declaration Policy, ensuring its effectiveness in maintaining transparency and ethical governance.

Declaration

The NRC affirms that the Committee members possess the requisite knowledge, skills, and experience to fulfill their delegated duties effectively. Each member satisfactorily possesses knowledge on recruitment and remuneration matters, ensuring the Committee collectively has the necessary competence relevant to the sectors in which the STO Group operates.

Additionally, the Committee expresses satisfaction with the activities conducted throughout the year.

Looking Forward

In the upcoming year, the Committee provides assurance that it will maintain its focus on the key areas of responsibility assigned to it by the Board. It will ensure that standards of good governance are upheld, and appropriate assurance is attained throughout the Company.



Reesha Abdul Munnim
Chairperson





Remuneration *Report*

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This Remuneration Report has been compiled to inform shareholders about the compensation allocated to both executive and non-executive directors. It covers the period from January 01, 2024, to December 31, 2024. There have been no alterations to the remuneration granted to directors since it was approved at the 2010 AGM.

Remuneration Philosophy

STO's remuneration philosophy is founded on principles of fairness, performance, and sustainability. The Company is dedicated to offering competitive and equitable compensation to its employees, acknowledging their contributions and accomplishments. STO's remuneration strategies aim to stimulate high performance, promote behavior based on values, and cultivate a culture of accountability and excellence. The Company is steadfast in its commitment to ensuring employees are justly compensated for their endeavors, aligning remuneration practices with organizational values and long-term objectives.

Governance

The Board of Directors has the overall responsibility for defining the compensation principles for the company. The remuneration Board of Directors, however, is subject to approval by the shareholders, upon proposal by the Board of Directors.

As of December 31, 2024, the governance for setting the compensation is defined as follows:

Remuneration of	Recommended by	Approved by
Board of Directors as a whole	Board of Directors	Shareholders
Executive Directors remuneration for their executive position in the company	Nomination and Remuneration Committee	Board of Directors
Staff of the Company	Management – Nomination and Remuneration Committee	Board of Directors

Policy on Employee Remuneration and Incentives

A structured evaluation process is implemented for each employee to determine their appropriate compensation level and position within the organizational hierarchy. Remuneration comprises both fixed and performance-based elements, with annual assessments conducted to gauge employees' adherence to role requirements and attainment of predetermined performance goals. Fixed compensation is benchmarked against industry standards for comparable positions.

Employees are eligible to receive performance-based incentives, such as bonuses and related allowances. Trading in the Company's securities is permissible in accordance with the Company's Trading in Securities Guideline.

The Company abides by the Regulations of the Maldives Pension Administration Office concerning employee pension provisions. Employees contribute 7% of their basic salary, matched by a corresponding contribution from the Company.

Furthermore, employees are entitled to retirement, termination, and severance payments as applicable. They also have access to credit scheme and interest-free loans provided by the Company.

In 2024, staff remuneration and other expenses totaled to MVR560m (MVR512m in 2023)

Policy on Board remuneration and incentives

The remuneration awarded to the Board of Directors for their service is established and ratified by the shareholders during the AGM. Executive directors receive equivalent compensation to other directors, supplemented by an additional payment for their executive responsibilities within the Company. These particulars are also disclosed in the Audited Financial Statements.

The remuneration for executive directors adheres to employee remuneration and incentive principles, subject to review by the NRC before approval from the Board of Directors.

The remuneration framework for board members encompasses various components, including monthly compensation, attendance fees per meeting, and a chairman's allowance for the board chairman. According to the guiding principles of board director compensation, non-executive directors are compensated through fees to recognize their roles on the Board and its sub-committees. Similarly, executive directors receive identical fees to non-executive directors for their Board membership. Additionally, executive directors receive variable salaries, benchmarked against market standards for companies of similar market segment, business complexity, and international scope. Additionally, they receive bonuses contingent upon meeting performance targets and attaining predetermined financial objectives.

Board remuneration comprises of:

<i>MVR10,000</i> <i>Monthly fee of directors</i>
<i>MVR500</i> <i>Sitting fee of directors</i>
<i>MVR1000</i> <i>Monthly Chairman fee</i>

Policy vs. Action 2024

	Executive directors	Non-executive directors
Remuneration and Allowances	<p>Policy</p> <ul style="list-style-type: none">Board remuneration provided as approved by shareholders at AGM.Salary provided for the executive position in the company, as per Board approved salary structure.Both remunerations provided monthly.All remuneration benchmarked against market practices in Maldives with companies that are comparable in size, business, and complexity.Salary provided for the executive position is based on the role, qualification, individual skills, and experience. <p>Action</p> <ul style="list-style-type: none">Paid monthly.No increase or decrease was granted.	<p>Policy</p> <ul style="list-style-type: none">Board remuneration provided as approved by shareholders at AGM.Remuneration is provided monthly.Board remuneration benchmarked against market practices in Maldives with companies that are comparable in size, business, and complexity.Remuneration is based on the guideline issued by the Ministry of Finance and PCB, on determining directors' remuneration. <p>Action</p> <ul style="list-style-type: none">Paid monthly.No increase or decrease was granted.
Pension Fund	<p>Policy</p> <ul style="list-style-type: none">Provided as per Maldives Pension Administration Office regulations. <p>Action</p> <ul style="list-style-type: none">Paid to Maldives Pension Administration monthly.7% of basic salary contributed from employee's salary,7% of basic salary contributed from STO.	<p>Policy</p> <ul style="list-style-type: none">Non-executive directors are not eligible for this fund. <p>Action</p> <ul style="list-style-type: none">No payments for pension were made for non-executive directors.
Life Insurance	<p>Policy</p> <ul style="list-style-type: none">Allied Insurance Life Insurance package subscribed for executive directors. <p>Action</p> <ul style="list-style-type: none">MVR180 per person paid annually.	<p>Policy</p> <ul style="list-style-type: none">Allied Insurance Life Insurance package subscribed for non-executive directors. <p>Action</p> <ul style="list-style-type: none">MVR180 per person paid annually.
Health Insurance	<p>Policy</p> <ul style="list-style-type: none">Allied Insurance Gold package subscribed for executive directors.Individual director insurance cost is borne by the Company,Covers 1 spouse and 2 children of below 18 years of age,Cost depends on the age of Director and the dependent,Director must bear any insurance for additional dependents,The package now includes add-on for insurance of parents. <p>Action</p> <ul style="list-style-type: none">Package obtained from Allied Insurance Company of the Maldives for a 1-year period and renewed annually.	<p>Policy</p> <ul style="list-style-type: none">Allied Insurance Gold package subscribed for non-executive directors.Individual director insurance cost is borne by the Company,Covers 1 spouse and 2 children of below 18 years of age,Cost depends on the age of Director and the dependent,Director must bear any insurance for additional dependents,The package now includes add-on for insurance of parents. <p>Action</p> <ul style="list-style-type: none">Package obtained from Allied Insurance Company of the Maldives for a 1-year period and renewed annually.



	Executive directors	Non-executive directors
Annual and deferred bonus	<p>Policy</p> <ul style="list-style-type: none">Bonus for Executive Directors are provided as per the Executive Charter approved by the Board,Bonus is given annually, upon achievement of the annual key ratios and other key performance indicators, determined and approved by the Board,Bonus is distributed by the Board of Directors, in a manner that reflects the Executives contribution and performance in achieving the years targets. <p>Action</p> <ul style="list-style-type: none">Bonus of the year 2023 was paid in 2024,Both executive directors were determined by the Board of Directors to have fulfilled their tasks exceptionally well,There was no deferred bonus paid to any of the executive directors,Directors are not eligible for any other employee bonus or sales incentive schemes of the Company.	<p>Policy</p> <ul style="list-style-type: none">Non-executive directors are not provided annual or deferred bonus.Non-executive directors are not eligible for any employee bonus or sales incentive schemes either. <p>Action</p> <ul style="list-style-type: none">No bonus of any kind was provided to any non-executive directors.
Service Contract, Notice Period and Severance Fee	<p>Policy</p> <ul style="list-style-type: none">All directors are appointed for a term of one year (i.e., from one AGM to another)Service contracts must be signed between the executive directors and the company.Executive directors are eligible for notice periods and severance fees. <p>Action</p> <ul style="list-style-type: none">The executive directors were last appointed to the Board on July 12, 2024,Both directors have signed service contracts with the Company,Additionally, both directors have signed the Board Charter, which describes their duties as members of the Board,There was no change to executive directors of the company,None of the executive directors were eligible for notice period or severance fees.	<p>Policy</p> <ul style="list-style-type: none">All directors are appointed for a term of one year (i.e., from one AGM to another)All directors must sign the Board charter, upon appointment.Non-executive directors are not eligible for notice periods and severance fees. <p>Action</p> <ul style="list-style-type: none">The non-executive directors were last appointed to the Board on July 12, 2024,All directors have signed the Board Charter, which describes their roles and responsibilities as members of the Board,The PCB informed on removing Mr. Ismail Zumayl Rasheed on January 22, 2024. This vacancy was filled by Ms. Reesha Abdul Munnim on January 28, 2024.

	Executive directors	Non-executive directors
Share options and Trading in Securities	<p>Policy</p> <ul style="list-style-type: none">Directors may hold shares in the Company and share trading must only be made in accordance with relevant policies of the Company. <p>Action</p> <ul style="list-style-type: none">None of the members traded any shares of the company, during the year,Trading in Securities are implemented according to the Trading in Securities Guideline of the Company,All changes to the restricted persons list, was informed to relevant authorities, within due time.	<p>Policy</p> <ul style="list-style-type: none">Directors may hold shares in the Company and share trading must only be made in accordance with relevant policies of the Company. <p>Action</p> <ul style="list-style-type: none">None of the members traded any shares of the company, during the year,Trading in Securities are implemented according to the Trading in Securities Guideline of the Company,All changes to the restricted persons list, was informed to relevant authorities, within due time.
Travelling	<p>Policy</p> <ul style="list-style-type: none">The Company's Travel Policy applies to all directors. <p>Action</p> <ul style="list-style-type: none">Expenses including accommodation, and other expenses incurred with regard to travels made as a director of Company to represent the Company were provided as per Travel Policy.MVR 981,467.4 (2023: MVR1,557,592.70) was provided for executive directors' travels in 2024.	<p>Policy</p> <ul style="list-style-type: none">The Company's Travel Policy applies to all directors. <p>Action</p> <ul style="list-style-type: none">Expenses including accommodation, and other expenses incurred with regard to travels made as a director of Company to represent the Company were provided as per Travel Policy.MVR 546,715.63 (2023: MVR 685,467.42) was provided for non-executive directors' travels in 2024.
Other benefits	<p>Policy</p> <ul style="list-style-type: none">Both directors are entitled to other benefits applicable to the employees of the Company. This includes the use of company car, launch and other vehicles / vessels, discount from STO stores and acceptance of gifts from company on certain occasions, as per the benefits list approved by the Board.Executive members are eligible to receive Ramazan allowance, as allowed by the regulations. <p>Action</p> <ul style="list-style-type: none">The executive directors used the company launch for no (2023:6) personal trips as allowed by the Launch use Policy. Both directors were billed for the trips, and by the end of the year, both directors had settled all dues.Both directors received MVR3,000 as Ramazan allowance in 2023.	<p>Policy</p> <ul style="list-style-type: none">All directors are entitled to other benefits applicable to the employees of the company. This includes the use of company car, launch and other vehicles / vessels, discount from STO stores and acceptance of gifts from company on certain occasions, as per the benefits list approved by the Board.Non-executive members are not eligible for Ramazan allowance. <p>Action</p> <ul style="list-style-type: none">The non-executive directors used the company launch for 4 (2023:10) personal trips as allowed by the Launch use Policy. All directors were billed for their respective trips made, and by the end of the year, all directors had settled all dues.None of the non-executive members received Ramazan allowance in 2023.

The overarching aim of the Company's Remuneration Policy is to attract and retain high-caliber directors and employees, motivating them to develop and implement the Company's business strategy effectively to optimize long-term shareholder value creation.

Paid Remuneration to Board of Directors

In 2024, the Board of Directors were compensated with a total remuneration amounting to MVR 1,041,588 (2023: MVR 1,013,124.46) for their services. Similarly, the executive directors received a combined remuneration of MVR 2,238,700 (2023: MVR 2,325,932) for their respective executive roles within the Company.

Paid Remuneration to Top Management

In response to disparities in the employment market, the Board of Directors has made the decision to withhold the disclosure of individual remuneration packages for both top management and executive directors. This measure is intended to maintain confidentiality while addressing prevailing salary variations.

An aggregate sum of MVR12,588,670 (2023: MVR11.02 million) was disbursed to the senior management team, excluding the executive directors, encompassing various components such as basic salaries and allowances.

Loans

Granting loans to members of the Board of Directors is strictly prohibited. Accordingly, no directors, including executive board members, received any form of loan or credit scheme, ensuring compliance with corporate governance standards and financial integrity.

Additionally, no compensation was paid to related parties of members of the Board of Directors and there were no loans outstanding to related parties.

Directors Shareholding in the Company

The Directors have the right to subscribe for securities in the Company, in accordance with the Trading in Securities Guideline of the Company. However, they do not have the right to subscribe for securities in the subsidiaries.

Below table describes the number of direct and indirect shares held by directors, in the Company.

Name	Position in Board	Total remuneration received for the position in Board	Direct shares held	Indirect shares held (spouse and kids)
Amir Mansoor	Chairman	262,000		-
Shimad Ibrahim	MD / CEO	129,500	55	-
Ismail Zumayl Rasheed	Former Director	7,596.77		-
Mohamed Ahsan Saleem	Director	137,000	200	-
Reesha Abdul Munnim	Director	124,467.70		-
Dhaanish Mohamed Ameen	Director	113,023.46		-
Mohamed Murad	Director	138,500		-
Mohamed Nizam	Director	129,500		-

Director's Membership on Other Boards

In adherence to the Company's Subsidiaries and Major Commercial Activities Policy, executive directors and senior management personnel are permitted to hold positions on the Boards of STO group companies. This Policy allows for their involvement in overseeing and guiding the strategic direction of subsidiary entities and major commercial endeavors.

Conversely, the CMDA Governance Code sets clear limitations on directorships, restricting directors from serving on the boards of three or more Public Listed Companies simultaneously. This regulation is designed to ensure that directors can dedicate sufficient time and attention to their responsibilities without being overextended across multiple organizations. Additionally, the Companies Candidacy Policy imposes even stricter constraints, limiting directors to holding only one directorship in a Public Listed Company, further reinforcing governance standards and accountability. As such, no director of STO Board, holds additional directorship in another listed company.

To provide transparency regarding director compensation, the table below presents any additional remuneration received by directors for their involvement on other boards during the 2024. This information enables stakeholders to understand the extent of directors' external board commitments and any associated financial implications.

	Directorships held	Remuneration	Total Remuneration Received
Shimad Ibrahim (Jan 01, 2024 – Dec 31, 2024)	Chairman of MNOC	No fee	
	Represented STO at the Port City Development Consortium	No fee	
	Represent STO at Maldives Industrial Development Free Zone PLC	No Fee	
	Board member at Fenaka Corporation	MVR12,800 monthly fee and MVR500 (caped at MVR1500 per month)	MVR49,007
Mohamed Nizam (Jan 01, 2024 – Dec 31, 2024)	Director of MNOC	No Fee	
	Chairman of Fuel Supplies Maldiv e Pvt Ltd	MVR5000 monthly fee and MVR250 sitting fee	MVR57,610
	Chairman of Raysut Maldives Pvt Ltd	MVR7,000	MVR84,000
	Board member at Fenaka Corporation	MVR7,500 monthly fee and MVR500 (caped at MVR1500 per month)	MVR30,750

Looking Forward

Looking ahead, STO remains committed to upholding the principles of fairness, performance, and sustainability in our remuneration approach. As the evolving market conditions and regulatory requirements are navigated, the Company will continue to review and refine its policies to ensure alignment with best practices and industry standards. Additionally, STO will strive to maintain open communication with stakeholders and uphold the highest standards of corporate governance in all aspects of its remuneration strategy. Through these efforts, the Company aim to attract and retain top talent, drive performance, and create long-term value for our shareholders and stakeholders alike.

Declaration

This Remuneration Report was approved by the Board and signed on its behalf by the Chairperson of NRC.



Reesha Abdul Munnim

Chairperson





Audit & Risk Committee

Report

In this Section

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Membership and Attendance

This report encompasses the activities of the Audit and Risk Committee (ARC) of the Board from January1, 2024, to December 31, 2024.

Meetings were also attended by members of the Committee and, by invitation, the Chairman of the Board, the Managing Director, the Chief Financial Officer and other relevant people from the business, when appropriate.

All but one member of the Committee (Mr. Mohamed Murad) were non-executive independent directors, selected for their finance, auditing and risk. Mr. Ismail Zumayl Rasheed served as a committee member until January 22, 2024, but did not attend any meetings during his brief tenure that year. Mr. Dhaanish Mohamed Ameen was appointed to replace the vacancy created by Mr. Ismail Zumayl Rasheed’s removal. Additionally, Mr. Mohamed Murad resigned from the Board in January 2025 and is no longer a member of the Committee.



Mohamed Ahsan Saleem
Chairman
Member since Jan 29,2024, till date



Dhaanish Mohamed Ameen
Member since Jan 29,2024, till Dec 2024



Mohamed Murad
Member since Jan 29,2024, till January 9, 2025

	No. of meetings attended	No. of meetings required to attend	% meeting attendance
Ismail Zumayl Rasheed	1	1	100
Dhaanish Mohamed Ameen	8	9	88
Mohamed Ahsan Saleem	9	9	100
Mohamed Murad	9	9	100

Composition of the Committee

All but one member of the Committee (Mr. Mohamed Murad) were non-executive independent directors, selected for their expertise and experience in finance and risk oversight. Mr. Ismail Zumayl Rasheed served as a committee member until January 22, 2024, and attended one committee during his brief tenure. Mr. Mohamed Murad resigned from the Board in January 2025 and is no longer a member of the Committee.

Mr. Mohamed Ahsan Saleem was appointed as the Committee Chairperson on January 29, 2024.

Terms of Reference and Major Activities

The responsibilities and duties of the ARC, as outlined in its Terms of Reference, undergo periodic review, considering pertinent regulatory modifications and recommended best practices. Below are the principal responsibilities of the ARC and notable matters addressed in 2023:

Risk Management and Internal Controls

Responsibilities:

- Assessing the efficacy of the risk management and internal control framework.

Matters attended in 2024:

An external review of the Risk Management function was conducted, and based on the recommendations provided by the consultants, the committee decided to transfer the Risk Management function from the Legal Affairs Department, previously under the supervision of the Chief Legal Officer, to the Finance Department under the oversight of the Chief Financial Officer.

Additionally, the committee reviewed and revised the Risk Committee Charter to incorporate the necessary structural changes and strengthen governance practices.

Furthermore, the Risk Management Policy and Procedure, including defined risk tolerance levels, underwent a comprehensive review. The committee also evaluated the risk management process and assessed the allocation of staff dedicated to this function to ensure efficiency and effectiveness.

Responsibilities:

- Ensuring the accuracy and reliability of the financial statements, including annual and quarterly reports.
- Monitoring the implementation of recommendations outlined in the management letters, by Group Companies.
- Assessing the potential effects on consolidated financial statements resulting from the company's strategic initiatives.
- Providing guidance to the Board on whether the Annual Report is fair, balanced, and comprehensible, and offers shareholders the necessary insights to evaluate the Company's status, performance, business model, and strategy.
- Reviewing and engaging in discussions with management regarding the suitability of decisions made concerning the application of accounting principles and disclosure regulations.
- Evaluating and discussing the effectiveness of the company's budgets and plans compared to actual budgets.

Matters attended in 2024:

i. Fair, balanced and understandable assessment

The ARC reviewed the Company's unaudited interim financial statements for all quarters of 2024 and the annual external auditor's report with the Board, management, and, where necessary, external auditors. The ARC conveyed to the Board its belief that the 2024 Annual Report, encompassing the financial statements for the year ending December 31, 2024, is fair, balanced, and easily comprehensible. It provided shareholders with the necessary information to evaluate STO's position, performance, business model, and strategy.

ii. Going concern and viability statement

The ARC reviewed and deliberated on the Directors' statements for the full year regarding the going concern basis of accounting. It supports this accounting method and believes the business aligns with the best practice guidance issued by the IFRC.

Compliance and Governance

Responsibilities:

- Reviewing the functioning and reports arising from the whistleblowing facility.
- Overseeing compliance with applicable legal and regulatory requirements.

Matters attended in 2024:

i. Whistleblowing investigations

The ARC is responsible for establishing and monitoring the implementation of procedures for the receipt, retention, investigation, and follow-up actions of complaints received. The ARC reviewed whistleblowing reports and internal audit reports and considered management's responses to the findings in these reports. In 2024, 29 allegations and inquiries were received, of which 100% cases were attended and closed. 22 cases out of the 29 were found to be substantial and were primarily in the areas involving harassment, conflicts of interest and protection of assets.

ii. Regulatory developments

The ARC received updates on regulatory advancements covering various areas, including disclosures related to sustainability, as well as other developments in accounting and reporting, and any changes to the policies and procedures.

iii. ARC annual evaluation

The Board, along with ARC members, conducted an annual assessment of its performance and efficacy. The evaluation was conducted internally by the Board of Directors. It was determined that the ARC's performance in 2024 was effective, and it had fulfilled its responsibilities as outlined in its Terms of Reference.

In developing its 2025 work plan, the ARC prioritized conducting a limited number of in-depth audits rather than numerous shorter audits, ensuring a more comprehensive and thorough evaluation of key areas.

iii. Annual internal audit plan and assessment of internal audit's effectiveness

Internal Audit

Responsibilities:

- Supervising the qualifications, expertise, resources, and independence of the internal audit function.
- Endorsing the mandate and annual plan of the internal audit function to ensure they align with the business's key risks.
- Examining significant issues identified in internal audits with the Chief Audit Executive, assessing management's response to noteworthy findings and control weaknesses. This involves discussing potential enhancements and agreed-upon actions with management.
- Evaluating the performance and effectiveness of the internal audit function annually.

Matters attended in 2024:

i. Communication with Chief Audit Executive

The ARC engaged in discussions with the Chief Audit Executive regarding the company's risk management and internal control system. They addressed any significant issues identified in internal audits and management's response to notable audit findings and control weaknesses, including planned improvements and agreed-upon actions. Additionally, the ARC frequently held private sessions exclusively with the Chief Audit Executive, excluding members of management. Furthermore, outside of the formal ARC meetings, the Chairman of the ARC maintained regular meetings with the Chief Audit Executive.

ii. Internal Audit Mandate

The internal audit function serves as an independent assurance function, supporting STO's ongoing efforts to enhance its overall control framework. It contributes to maintaining a systematic and disciplined approach to assess and enhance the design and effectiveness of the company's risk management, control, and governance processes. The primary focus of the internal audit function's assurance and investigative activities is to safeguard value by protecting STO's assets, reputation, and sustainability in alignment with the organization's defined goals and objectives.

The ARC delineates the responsibilities and scope of the internal audit function and approves its annual plan. The Chief Audit Executive reports functionally to the Chairman of the ARC and administratively to the Managing Director. The Chairman of the ARC, in consultation with the ARC members, approves all decisions regarding the performance evaluation, appointment, or removal of the Chief Internal Auditor.

iii. Annual internal audit plan and assessment of internal audit's effectiveness

The Chief Audit Executive provided quarterly updates to the ARC on the approved 2024 internal audit plan, discussing its effectiveness in addressing critical areas of risk during a transitional period. The ARC evaluated the performance of the internal audit function and found it to be effective. Additionally, the ARC assessed the performance of the Chief Audit Executive as effective.

Periodically, the Chief Audit Executive evaluates whether the purpose, authority, and responsibilities of the internal audit function enable it to achieve its objectives. The results of these assessments are communicated to the ARC. The Chief Audit Executive also confirms to the ARC the ongoing validity of the internal audit function's charter or proposes updates to it when necessary. Furthermore, the Chief Audit Executive maintains an internal quality assurance and improvement program, including an annual assessment of the effectiveness and efficiency of the internal audit function's activities and compliance with the standards of the Chartered Institute of Internal Auditors (CIIA). The Chief Audit Executive regularly discusses the results of this annual assessment with the ARC.



External Audit

Responsibilities:

- Assessing the qualifications, expertise, resources, independence, and objectivity of the external auditor, and monitoring them regularly.
- Reviewing and endorsing the annual external audit plan.
- Evaluating the performance and effectiveness of the external auditor and the audit process, including an assessment of audit quality.
- Recommending to the Board, for submission to the Company's shareholders at the AGM, the appointment, reappointment, or removal of the external auditor.

Matters attended in 2024:

i. Annual external audit plan and assessment of external audit's effectiveness

The ARC reviewed the annual audit plan, ensuring that planned materiality levels and proposed resources aligned with the audit's scope.

Deloitte regularly updated the ARC on its audit procedures and initial findings, allowing the ARC to oversee the audit's progress and outcomes. Discussions between the ARC and PwC covered strategies for managing audit risks, significant accounting, and audit decisions, identified issues in the management letters of the Group, and any resulting issues.

Throughout the year, the ARC held private meetings with Audit representatives, without management present, to facilitate open and transparent dialogue. Additionally, the Chairman of the ARC met separately with the external auditor periodically.

The ARC is content with Deloitte's continued delivery of a high-quality and effective audit in its fourth year as auditor, maintaining its objectivity, integrity, and impartiality.

ii. Reappointment

The ARC is tasked with evaluating the need for rotation of external auditors to ensure ongoing quality and independence. This includes assessing the advisability and potential impact of conducting a tender process to appoint a different independent audit firm. Additionally, the ARC recommends to the Board whether the Company's shareholders should appoint, reappoint, or remove the external auditor at the AGM.

During the AGM held in May 2024, shareholders approved the reappointment of Deloitte as the external auditor until the conclusion of the subsequent AGM. Deloitte was initially appointed at the May 2020 AGM following a competitive tender process. Therefore, 2024 marks their fifth year serving as the Company's external auditor. According to CMDA's Code requirements, the Company may retain external auditors for up to five years.

iii. Non-audit services

In accordance with the regulations of CA Maldives and the Code of CMDA, ARC confirms that Deloitte did not perform any non-audit services for the Group during 2024.

iv. Fees

At the last AGM, shareholders approved a fee of USD 65,500 to be paid to Deloitte for external audit services.

Declaration

The ARC affirms that the committee members possess the requisite knowledge, skills, and experience to fulfill their delegated duties effectively. Each member possesses appropriate expertise in financial matters and commercial acumen gained from relevant industries, ensuring the committee collectively has the necessary competence relevant to the sectors in which the STO Group operates.

Additionally, the Committee expresses satisfaction with the activities conducted throughout the year.

Looking Forward

In the upcoming year, the Committee provides assurance that it will maintain its focus on the key areas of responsibility assigned to it by the Board. It will ensure that standards of good governance are upheld, and appropriate assurance is attained across all business areas. There will be a particular emphasis on addressing implementation of audit recommendations, reviewing the Group's principal risks, and enhancing the approach to financial reporting.



Mohamed Ahsan Saleem

Chairman





Risk Management

Report

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Overview

In 2024, STO Group reinforced its Enterprise Risk Management (ERM) Framework to navigate an evolving business environment. Under the stewardship of the Board of Directors and its Audit and Risk Committee, our risk strategy focuses on proactive mitigation and strategic opportunity enhancement, ensuring organizational resilience and stakeholder trust. This report outlines our risk governance processes, risk management procedures, mitigation measures, emerging risk landscape, and our approach to long-term risk viability—highlighting our commitment to sustainable value creation and robust risk culture.

Our Approach to Risk Management

Risk is both a challenge and an opportunity. At STO, risk management is a core organizational competency, embedded across business functions and strategic decisions. Our holistic and proactive framework aims to optimize opportunities while minimizing potential threats to our strategic and operational objectives. This dual lens enables STO to build business agility, uphold financial stability, and enhance long-term stakeholder value. Risk management is closely integrated with our strategic planning, investment appraisal, budgeting, and operational planning.

Governance and Risk Oversight

Risk governance at STO group is structured to align with ISO 31000 standards and is guided by our Group Risk Policy and Framework. The Board of Directors retains oversight responsibility, supported by the Audit & Risk Committee (ARC). The Risk Management Function, in collaboration with operational leaders and designated Risk Champions, implements risk identification, assessment, and response mechanisms. Risk evaluations are integral to all investment and strategic decisions, enabling informed governance and operational alignment.

Risk Appetite Statement

STO operates within a well-defined risk appetite framework, maintaining a low tolerance for compliance, safety, and reputational risks, while adopting a moderate risk appetite for innovation and strategic business development. This structure guides decision-making across business units and ensures alignment with STO's long-term objectives.

Risk Management Process

The Group's risk management process is a structured and systematic approach to managing uncertainty. It ensures that risks are proactively identified, assessed, treated, and monitored at all levels of the organization. The process includes:

1.

Risk Identification – Recognizing potential events that could affect the achievement of objectives across all business segments.
2.

Risk Assessment – Evaluating risks in terms of likelihood and impact using qualitative and quantitative methods.
3.

Risk Treatment – Determining appropriate mitigation strategies including acceptance, avoidance, reduction, or transfer of risk.
4.

Monitoring and Review – Continuously tracking risk exposure, effectiveness of mitigation actions, and changes in risk profiles.
5.

Communication and Consultation – Ensuring consistent communication across stakeholders to promote awareness and effective risk engagement.

This process is embedded in our operational and strategic workflows, ensuring real-time responsiveness to emerging risk scenarios and regulatory compliance.

Risk Profile Overview

As a government-majority listed entity, STO operates within a multifaceted risk landscape, shaped by import dependency, fuel sector dominance, and its role in public sector supply. We continuously monitor emerging risks and assess their impact through structured scenario analyses, risk quantification, and long-term forecasting tools. These insights support viability assessments and strategic agility.

STO employs robust mitigation strategies to reduce risk exposure while identifying opportunities to enhance performance. Mitigation measures are tailored to each risk, leveraging technology, training, and strategic partnerships.

Principle Risks and Mitigation Measures

#	Risk Name	Description	Risk Level	Mitigation Measures
1	Commodity Price Volatility	Global fuel food and material price fluctuations affecting procurement and retail pricing.	High	Hedge fuel purchases through forward contracts; negotiate long-term supplier agreements to lock in prices; adjust retail pricing dynamically to reflect cost changes.
2	Supply Chain Disruptions	Delays in importing fuel, pharmaceuticals, or consumer goods due to shipping issues, geopolitical tensions, or natural disasters, disrupting STO's supply to the country and regional distribution.	High	Diversify supplier base across regions; maintain strategic buffer stocks in key locations; establish contingency shipping contracts with multiple logistics providers.
3	Credit and Receivables Risk	Delayed payments from government agencies and SOEs, critical STO customers, straining cash flow amid the dollar shortages and fiscal challenges.	High	Set strict credit terms with phased payment schedules; implement automated receivables tracking and escalation protocols; explore factoring options to liquidate receivables.
4	Operational Hazards	Fire, spills, or equipment failures at fuel farm, vessels or warehouses, risking safety, environmental damage, and operational downtime.	High	Install automated fire suppression and spill detection systems; conduct monthly safety drills and equipment checks; maintain emergency response teams at high-risk sites.
5	Foreign Exchange Risk	Currency shortages increasing the cost of USD-based imports or reducing the value of MVR receivables, a persistent issue in the Countries' forex-constrained economy.	High	Invest in USD earning sources or contracts; maintain USD reserves for critical payments; negotiate MVR-based contracts with local partners where feasible.
6	Cybersecurity Breaches	Cyberattacks targeting STO's digital systems for inventory, sales, or payments, potentially disrupting operations or exposing sensitive data in a digitized trading model.	High	Deploy a dedicated cybersecurity team for 24/7 monitoring; conduct quarterly penetration tests and staff IT training; install advanced firewalls and encryption for data protection.
7	Market Competition Pressure	Intense rivalry from private merchants in retail (e.g., Electronics & FMCG), threatening STO's market share in a price-sensitive market.	High	Launch targeted marketing campaigns highlighting quality and value; introduce exclusive product lines; conduct monthly competitor analysis to stay ahead of pricing trends.
8	Inventory Stock Imbalances	Overstocking or shortages of fuel, medical supplies, or retail goods due to inaccurate demand planning or forecasts, leading to losses or unmet customer needs across islands.	Medium	Implement AI-driven inventory forecasting tools; integrate real-time sales data with SAP S/4Hana systems; conduct quarterly, and annual stock reviews to adjust levels proactively.
9	Economic Downturn Impact	Reduced demand for non-essential goods or government spending cuts during a tourism slump or recession, affecting STO's retail and bulk sales revenue.	Medium	Diversify revenue through essential goods focus (e.g., fuel, food); offer flexible payment plans to retain customers; reduce overhead costs in low-demand periods.
10	Regulatory Compliance Failures	Non-compliance with fuel safety, staple food and pharmaceutical import, or environmental regulations, risking fines or operational bans in a tightly regulated trading environment.	Medium	Conduct biannual compliance audits across operations; train staff on regulatory updates; engage legal advisors to monitor and adapt to local and international standards.

Monitoring Emerging Risks

Our Group continuously monitors emerging risks that could influence our future operations and strategy. These risks may not yet be fully realized but have the potential to grow in significance over time. For 2024, the following are considered the most relevant emerging risks for STO:

- AI-Driven Innovation: Potential operational and ethical challenges arising from rapid integration of artificial intelligence technologies.
- Climate Change & Extreme Weather: Adverse impacts on logistics, infrastructure, and supply continuity.
- Geopolitical Risks: Disruptions in global trade routes and rising regional tensions affecting supply chain reliability.
- Energy Transition: Regulatory and cost pressures from global shifts toward renewable energy and decarbonization.
- Health Crises: Future outbreaks or health emergencies impacting workforce availability and service delivery.
- ESG Compliance: Heightened expectations for transparency and performance on sustainability, social responsibility, and governance.

Through scenario planning and proactive strategies, we address these evolving threats while identifying potential opportunities.

Viability and Long-Term Risk Outlook

STO continually assesses the long-term viability of its business model under a range of adverse but plausible scenarios including global commodity price volatility, fiscal stress, foreign exchange fluctuations, supply chain disruptions, and climate-related events. These scenario-based analyses are designed to test the Group’s ability to maintain solvency, liquidity, and business continuity under extreme but conceivable conditions.

The assessment incorporates macroeconomic forecasts, business segment resilience, projected cash flows, stress on critical supply lines, and risk mitigation capabilities. STO’s Board and Executive Management regularly review the outcomes of these evaluations to refine strategic priorities, enhance operational resilience, and reinforce our capital allocation framework.



Beyond Business for a better tomorrow

Our Sustainability Journey 2024

Since our inception, ST0 has remained committed to serving our customers and society by aligning our business growth with the values of social responsibility and environmental stewardship. We recognize that true corporate success is measured not just by financial performance, but by the lasting, positive impact we create for people and the planet. The 2024 Sustainability Report reflects our continued journey towards this vision—highlighting the steps we are taking to address global and local sustainability challenges, foster innovation, and contribute meaningfully to a resilient and inclusive future. Through this report, we aim to transparently share our progress, reaffirm our commitments, and inspire collective action toward a more sustainable tomorrow.

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“At ST0, sustainability is more than a commitment—it’s a purpose-driven journey towards creating lasting value for our people, our planet, and our nation. Every step we take today is an investment in a brighter, more resilient tomorrow.”

— ST0 Sustainability Journey, 2024

Vision

To be the leading sustainable trade partner in the Maldives, driving value through responsible governance, innovation, and a positive social and environmental impact.

Mission

We are committed to delivering reliable, affordable, and sustainable products to the Maldives, fostering long-term value for our shareholders. Through a focus on minimizing environmental impact, promoting the health, safety, and development of our people, and upholding the highest standards of governance, we aim to create a positive impact on the communities we serve and address global challenges like climate change.

Managing Sustainability at ST0

Sustainability is not just a commitment—it’s embedded in everything we do. We align our operations with best practices for responsible business conduct, ensuring that ethical, environmental, and governance principles guide our decisions. Our approach is reinforced by ST0’s Code of Conduct and other Policy documents of the Company including, the Anti-Bribery and Anti-Corruption Policy and the Conflict-of-Interest Declaration Policy, Gifts, Entertainment and Hospitality Policy and Inventory Management Policy, shaping a culture of integrity, compliance, and sustainable growth.

To safeguard the environment and mitigate risks, we apply the precautionary principle, ensuring responsible decision-making in every step we take. At ST0, the Board of Directors have the overall responsibility for ensuring sustainability in actions through the Governance and Sustainability Committee. The implementation of these strategies is delegated to the MD/CEO and the top management.

At every level, our management team ensures that employees understand and uphold all relevant laws, regulations, and internal policies. We maintain strict compliance standards across our products and services, ensuring they meet industry codes and regulations, reinforcing our commitment to a sustainable and responsible future

Board’s sustainability Competence

The Board is composed of members with diverse backgrounds across various industry sectors. Each member brings substantial experience from holding leadership roles in different functional areas, including those typically associated with sustainability—particularly within the social and governance domains. Several Board members also serve as senior executives in other organizations, providing them with considerable exposure to managing environmental, social, and governance (ESG) impacts in a business context. Additionally, Directors are encouraged and provided opportunities to enhance their understanding of ESG through ongoing training and development initiatives.

ST0's Sustainability Reporting

ST0 reports in accordance with the Maldives Sustainability Reporting Framework (MSRF), developed by CMDA, while mapping it with the United Nations Sustainable Development Goals (UN SDG’s) and Global Reporting Initiative (GRI) Standards, covering the period from January 1, 2024, to December 31, 2024, in alignment with our financial year.

We have been publishing an annual sustainability report since 2022, ensuring transparency in our economic, environmental, social and governance impacts, across our operations and business relationships. Our reporting framework is guided by materiality, focusing on the most significant areas that influence our business and stakeholders.

In 2024, we initiated a reassessment of our materiality analysis in collaboration with key internal stakeholders, aligning with evolving reporting requirements of CMDA’s MSRF.

Assurance

The sustainability data and information disclosed in this report have not undergone external independent verification or third-party assurance. However, the accuracy and reliability of the reported information have been internally reviewed and assured by the Heads of Departments (HODs) and relevant managers responsible for each respective operational area. This internal assurance process ensures that the data provided accurately reflects our sustainability performance, adhering to the standards and guidelines established by the MSRF, the GRI, and the UN SDGs.

We recognize the importance of external validation and are committed to pursuing independent third-party assurance in future reporting periods to further enhance credibility, transparency, and stakeholder confidence.

Pioneering a Sustainable Future for the Maldives

Across the Maldives, where trade and community thrive, STO is driving a new era of sustainability. As the nation’s leading trading company, our commitment extends beyond business—we are shaping a future where economic growth, environmental responsibility, and social progress go hand in hand.

This year, our ESG journey has been more than just a strategy—it has become a movement, inspiring real change and setting new standards for a sustainable future.

Looking back a year of progress

2024 was a pivotal year in STO’s evolution towards sustainability. We took decisive steps to embed ESG principles across our operations, resulting in concrete achievements that set the foundation for the future.

Our focus areas included:



Environmental Impact and Resource Efficiency



Sustainable Resource Management & Waste Minimization



People, Equality, and Workplace Well-being



Responsible Business Practices

A Conversation that shapes our future

At the heart of STO’s sustainability journey is a shared vision among our leadership team—a vision rooted in the belief that sustainable practices must be woven into every aspect of our operations, from the way we source products to how we engage with our communities.

During a recent discussion about the future of the company in light of our ESG (Environmental, Social, and Governance) commitments, one fundamental question emerged:

“Sustainability isn’t just about reducing harm; it’s about creating lasting, positive value. Our commitment goes beyond compliance or mitigation efforts. It’s about transforming our business model to ensure that every decision, every initiative, and every investment reflects the values of environmental responsibility, social equity, and strong governance. We have the opportunity to not just meet the expectations of today but to lead with innovation and purpose, setting new benchmarks for what it means to be a sustainable organization.”



Shimad Ibrahim
CEO/MD

The CEO’s words resonated deeply with the team, reinforcing that sustainability is not just a responsibility, but a competitive advantage and a source of long-term value for the business, community, and the environment.

“Sustainability isn’t just about reducing harm; it’s about creating lasting, positive value. Our commitment goes beyond compliance or mitigation efforts. It’s about transforming our business model to ensure that every decision, every initiative, and every investment reflects the values of environmental responsibility, social equity, and strong governance. We have the opportunity to not just meet the expectations of today but to lead with innovation and purpose, setting new benchmarks for what it means to be a sustainable organization.”

Dhaanish Mohamed Ameen
Chairman of GSC



This conversation highlighted the commitment of the leadership to integrate ESG principles deeply into STO’s culture and decision-making processes. The dialogue also sparked critical thinking on how to align our strategic priorities with long-term sustainability goals, ensuring that every department, every initiative, and every employee at STO understands and embraces the role they play in driving this vision forward.

From the conversation, it also became clear that our ESG journey is not about isolated efforts or short-term wins. Instead, it is about creating a culture where sustainability is embedded in every action and decision, and where we actively seek out opportunities to innovate in ways that benefit not only our business but also the environment and society at large.

With this collective understanding, STO’s leadership has laid the groundwork for an ambitious roadmap ahead—one that focuses on expanding our sustainable initiatives, refining our ESG practices, and setting new standards for corporate responsibility. The roadmap is not just a plan; it is a call to action for every member of the organization to take part in shaping the future of STO and the Maldives in a sustainable, responsible way.

2024 Highlights

A Year of Advancing Our Strategic Goals

In 2024, our company made significant strides in advancing our strategic objectives, focusing on sustainability, operational efficiency, and the well-being of our employees. These efforts have not only enhanced our environmental initiatives but also improved our business operations, employee engagement, and overall governance.

Advancing Sustainable Energy Solutions



LNG continues to play a critical role in our strategy to meet short-term climate goals. In 2024, we engaged in productive discussions with the Ministry of Environment to collaborate on the Greater Malé LNG power plant project. At the same time, we are actively exploring alternative energy solutions as part of our long-term commitment to sustainable energy. These initiatives mark a significant step forward in our efforts to reduce the environmental impact of energy production while transitioning to cleaner, more sustainable sources.



Furthermore, our popular product, Nippon Paint, has been positioned as a sustainable alternative. With its water- based formulation that emits fewer volatile organic compounds (VOCs) compared to oil-based paints, it supports our commitment to reducing the environmental footprint of our products.



Additionally, we've explored sustainable solutions like KONE's regenerative elevator technology, which can reduce energy consumption by up to 45%. This technology recovers energy generated during elevator use, contributing significantly to our energy efficiency goals.

Sustainable Construction Practices



In line with our commitment to greener construction practices, we have undertaken a study into the introduction of Portland Limestone Cement (PLC). With 5–15% limestone content, PLC can reduce the carbon footprint of concrete by up to 10%, aligning with our sustainability goals for the building sector. We also plan to complete a sustainability assessment by Q2 2025, with a focus on water conservation and the recycling of waste materials at our Ready-mix concrete site.

Driving Digital Transformation



We are implementing digital solutions across our business to improve efficiency and enhance customer experience. A key advancement is our digital platform for customer transactions, enabling seamless access to services such as requesting quotes, tracking orders, and managing delivery notes. To further reduce reliance on paper, we are also introducing digital stamps, minimizing the need for printed documents. With a bold vision to become 100% paperless by 2030, we have already achieved 20% progress, marking a significant step toward a more sustainable and efficient future.

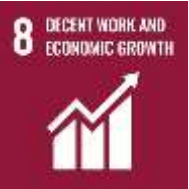
Social Responsibility and Environmental Initiatives



As part of our environmental stewardship, we launched the Ocean Drone Project as part of our Save the Ocean initiative, gifting it to the Maldives Airports Company Limited (MACL) to support ocean conservation efforts.

We also made strides in green procurement, with green purchase practices implemented for all applicable vessels. Furthermore, we achieved notable milestones, such as the approval of the Energy Efficiency Existing Ship Index (EEXI) technical file for relevant vessels and the calculation of the Carbon Intensity Indicator (CII) rating for all vessels above 5,000 GT.

Commitment to Community and Employee Well-Being



Beyond environmental initiatives, our company remains focused on the well-being of the communities we serve and our employees. In 2024, we took significant steps to improve employee health and engagement, offering wellness programs, health camps, and family support initiatives. We also continued our efforts in promoting social responsibility through public awareness campaigns on health issues.

Strengthening Our Commitment to Sustainability

To further strengthen our commitment to sustainability, we established a dedicated ESG function within the organization in 2024. This unit is responsible for integrating environmental, social, and governance considerations into our business strategy, ensuring that sustainability is not just an initiative but a core part of our operations. This strategic move underscores our belief that sustainable practices are integral to our business success and long-term value creation.



Stakeholder Engagement

At STO, we recognize the importance of maintaining strong relationships with our stakeholders to promote sustainability and business growth. Our stakeholders include customers, employees, shareholders, suppliers, business partners, distributors, media, educational institutions, and the communities in which we operate. Through transparent and consistent dialogue, we foster collaboration, mutual trust, and create an environment conducive to long-term success.

Customers

Our commitment to sustainability begins with understanding and responding to the evolving needs of our customers. We strive to be their most trusted partner in delivering high-quality products and services that meet their sustainability goals. We engage with our customers through regular meetings, events, seminars, and conferences. Our customer feedback is actively collected through surveys, ensuring we maintain high levels of satisfaction and foster long-term loyalty. Our communication channels, including reports, marketing materials, and social media, ensure customers are kept informed of our sustainability initiatives.

Employees

At STO, we value our employees as our greatest asset. We are committed to fostering an inclusive and engaging work environment that attracts and retains top talent. By continuously promoting STO as a great place to work, we ensure our team members are equipped with the skills and knowledge to meet both current and future challenges. Regular one-on-one meetings, training programs, and innovation initiatives ensure our employees remain motivated and engaged in our sustainability efforts. We also invite feedback through internal surveys and open forums to keep lines of communication open and support personal and professional growth.

Shareholders

Transparency is key in maintaining strong relationships with our shareholders. We provide them with timely and accurate information about the company's performance, strategic initiatives, and sustainability achievements. Regular updates through reports, shareholder meetings, and investor calls ensure that our shareholders are well-informed. They are particularly interested in our sustainability initiatives, including our efforts to reduce carbon emissions, improve energy efficiency, and promote social responsibility across our operations.

Suppliers

We view our suppliers as strategic partners in achieving our sustainability objectives. We work closely with them to ensure that their practices align with our values, particularly in areas such as ethical sourcing, human rights, environmental impact, and quality standards. Through ongoing dialogue, supplier workshops, and annual events, we collaborate to drive innovation, improve sustainability reporting and reduce carbon footprints. Our supplier assessments and audits ensure that we continue to uphold high standards of compliance and responsibility.

Distributors/ Agents

Our distributors/agents play a crucial role in ensuring that our products and services reach customers across the Maldives. We provide them with the necessary support through commercial, technical, and training resources to drive growth and enhance collaboration. Regular communication through meetings, island visits, and business development programs allows us to strengthen these relationships and maintain a shared commitment to sustainability.

Business Partners

In partnership with innovative companies, we aim to address the challenges posed by urbanization and climate change. By engaging in joint venture, co-innovation programs, and industry events, we enhance the value we offer to our customers. Collaboration with business partners ensures that we stay ahead of industry trends and continue to develop sustainable, smart solutions for the building sector. We maintain an open and continuous dialogue to share information and ensure mutual success.

Media

Our relationship with the media is vital to building and maintaining our reputation. Through press releases, interviews, and media events, we keep the public informed about our sustainability initiatives, business achievements, and contributions to the community. We proactively share news about our efforts to reduce environmental impact, improve energy efficiency, and support sustainable practices in the industries we serve. Media coverage also helps reinforce our position as a leader in the market, attracting potential customers, investors, and employees.

Educational Institutions

We actively engage with educational institutions to attract and develop talent with the skills needed for the future. Through internships, apprenticeships, and collaboration on research projects, we provide students with hands-on experience in the sustainability field. We also partner with universities and colleges to offer career opportunities, guest lectures, and training programs. Our involvement in educational initiatives ensures that we are nurturing the next generation of professionals who will continue to drive STO's sustainability efforts.

Communities Where We Operate

As a responsible corporate citizen, STO is committed to understanding and addressing the local impacts of our operations. We aim to create positive social and environmental outcomes by engaging with local communities and stakeholders. Through volunteer programs, sustainability surveys, and community outreach, we seek to understand and mitigate the economic, environmental, and social impacts of our operations. Our goal is to support the well-being of the communities we serve and ensure that we remain a responsible partner in the regions where we operate.



Stakeholder Engagement Metrics

Stakeholder	Engagement Channels	Frequency	Key Topics Raised	Details of Engagement	STO's Response 2024	Focus in 2025
Customers	Customer feedback, meetings between sales teams and customers, customer services, trade shows and conferences, promotions and loyalty programs, marketing materials, website, ecommerce, social media channels, reporting facilities, rewarding programs.	Continuous	Product quality, sustainability and eco-friendly product options, timely service delivery, competitive pricing, community and ESG impact through our products and services.	<ul style="list-style-type: none">Customers sent complaints and queries through dedicated channels.Received 25,007 queries through call center.Received customer feedback on the quality of goods sold.Received requests to ensure stability of product prices and availability during Ramadan.Held 78 promotions in 2024 (39 in 2023) including opportunities given to customers, to personally experience the quality of STO products, including tasting events.Attended to over 1,667 queries (2,600 queries in 2023) on social media channels in 2024.STO PC Service Center attended 2,265 jobs (2,348 jobs in 2023), completing 100% jobs registered during the year.Makita Service Center attended 4,377 (4,112 in 2023) repairs, completing 99% of the jobs registered during the year.	<ul style="list-style-type: none">STO closely monitored and ensured price stability and availability by making essential products presented throughout Ramadan.Top performing customers of major segments were recognized and rewarded.Expanded sustainable product range.	<ul style="list-style-type: none">Improve on customer experience through ESG targets.Enhance digital customer engagement channels.
Employees	Internal surveys, town halls, training sessions, HR consultations, grievance mechanisms, recreational and wellness events.	Monthly meetings, quarterly surveys, continuous HR support	Employee wellness, career development opportunities, workplace safety, fair pay, work-life balance.	<ul style="list-style-type: none">Continued 1 on 1 meetings with MD, to discuss pressing issues and concerns, and at the same time provide suggestions for improvements on the Company matters.HR newsletters are published and circulated through email, monthly.In 2024, the Recreation Club held 23 activities (11 in 2023).33% employees were engaged in training and development programs (20% in 2023), focusing on key areas identified for improvement past year.	Enhanced employee wellness programs, expanded training and professional development opportunities, implemented comprehensive occupational safety measures.	Formalize flexible working policies, strengthen mental health support systems, expand digital learning platforms.
Shareholders	Annual General Meeting (AGM), quarterly investor updates, sustainability and annual reports, direct communication channels.	Quarterly updates, annual AGM, regular direct communications.	ESG performance, governance transparency, risk management strategies, dividend, appointment of directors, financial performance.	<ul style="list-style-type: none">Published quarterly reports within deadlines,Annual Report was published in July. However, no late penalties were enforced, and extension was sought within deadline. 84.09% (84.25% in 2023) share representation participated in the meeting.Whistleblowing and shareholder concern submitting facilities are make available through website.All major news were informed through press releases, news media and website.	Enhanced transparency in sustainability reporting, strengthened risk management function.	Improve transparency by improving the website and accessibility to board and company by shareholders.
Suppliers and partners	Performance reviews, on-boarding programs, supplier facility visits, training programs, continuous 1 on 1 dialogues, trade fairs and networking events,	Continuous	Ethical sourcing, environmental compliance, product quality, reduction of packaging waste.	<ul style="list-style-type: none">42 visits were made to suppliers (37 in 2023).Attended 4 trade fairs (3 in 2023)Supplier performance review policies are being drafted.Supplier screening policy drafted. Now ongoing are the system integrations works.Procurement policy is in review with focus on sustainable sourcing and human rights.	Revising new procurement guidelines focused on sustainability and ethical compliance.	Complete and implement Supplier Screening Policy and improve on supplier evaluations.



Stakeholder Engagement Metrics

Stakeholder	Engagement Channels	Frequency	Key Topics Raised	Details of Engagement	STO's Response 2024	Focus in 2025
Regulators	Formal compliance reports, meetings, participation in industry roundtables and consultations.	Continuous	Compliance with environmental and safety regulations, accurate sustainability reporting.	<ul style="list-style-type: none">Regular reports as required by the regulations were published or provided, within due timeframe.Company officers participated in trainings, networking events and meetings conducted by regulators.	Improved regulatory compliance systems, proactive participation in regulatory consultations, clear alignment with the Maldives Sustainability Reporting Framework.	Increase transparency and proactive dialogue around emerging regulatory requirements.
Distributors and agents	Regular meetings, business development visits, networking events.	Continuous	Product availability, logistics efficiency, market support.	<ul style="list-style-type: none">520 agents registered with STO making it easier for STO products to be made available across the country.	Optimized logistic operations and communication channels.	Improve logistic solutions and distribution management process.
Media	Press releases, media briefings, interviews, social media updates.	Continuous	Transparency, achievements, community impact.	<ul style="list-style-type: none">78 media briefs (Over 50 in 2023) on different matters regarding the company,Media was invited to all major events of the company,Media performance in quarterly evaluated and graded.Partnered with over 40 medias (over 30 in 2023) on advertising and marketing efforts.We are highly engaged on social media platforms including X, Facebook, Instagram, LinkedIn and TikTok	Enhanced transparency in reporting, and proactive media engagement.	Increase regularity of sustainability and community engagement focused communications, including stories highlighting impact.
Educational Institutes	Internship programs, research partnerships, guest lectures, career fairs.	Continuous	Skill development opportunities.	<ul style="list-style-type: none">3 internship programs were conducted during the reporting period.	Expanded internship programs, launched collaborative research projects.	Expand on relations.
Communities	Community meetings, outreach events, CSR initiatives, volunteer programs.	Continuous	Local economic impact, environmental protection initiatives, social responsibility.	<ul style="list-style-type: none">Met with over 100 local community parties (43 in 2023) to address local concerns and feedback. Community investment programs to support local infrastructure and social services.Spent MVR10.9m in 2024 (MVR17.3m in 2023)	Implemented targeted CSR projects, expanded environmental awareness programs.	Increase community-driven sustainability projects.



Materiality Analysis

Similar to previous years, in 2024 we conducted a materiality refresh to evaluate whether our sustainability focus areas, material topics and UN SDGs are aligned with our strategic sustainability objectives. Moreover, due to the release of the MSRF by CMDA, we re-evaluated to identify the relevant metrics that can be used to monitor performance against material issue.

This assessment involved a thorough analysis of the risks and opportunities that matter most to our stakeholders and that we believe we can influence, ensuring we focus on the key sustainability topics for STO.

Our process included:

- External stakeholder engagements
- Internal stakeholder engagements
- Review of Sustainability Reporting Framework of Maldives, Global Reporting Initiative (GRI) & UN SGD Goals
- Peer benchmarking

Following the completion of the materiality refresh and extensive stakeholder engagement, we reached the following conclusions and next steps:

Our three focus areas for 2023 have been expanded to four focus areas to align with the Sustainability Reporting Framework of the Maldives and ensure comprehensive coverage of all material aspects, enhancing transparency for our stakeholders.

Thirteen material sustainability topics have been identified as critical issues that stakeholders expect us to address.

We reaffirm that STO's roadmap for monitoring, managing, and reporting performance under each focus area and material topic remains on track. In alignment with the Sustainability Reporting Framework issued by CMDA, we continue to enhance our reporting by ensuring comprehensive disclosure of key metrics. The assurance of metrics by our internal audit reinforces our commitment to transparency and accountability in our sustainability performance.

Focus Area

Climate Change:

How STO is Shaping the Maldives Through Smarter, Greener Solutions

Climate Change:

A Greener Supply Chain for the Maldives

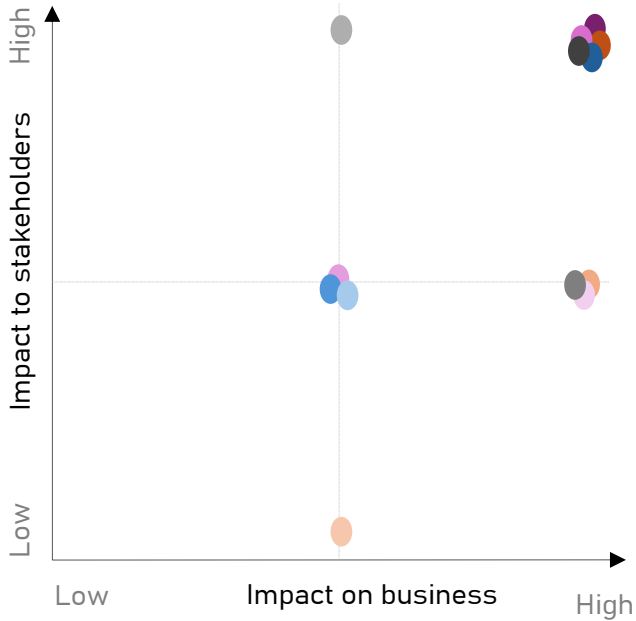
Social:

Inspiring Change, Empowering Lives

Governance:

Ethical Corporate Citizenship

Materiality Topic	code	Importance to Stakeholders	Impact on STO's Business	Focus Area
Energy Efficiency & Emissions Reduction	●	High	High	●
Waste Management & Circular Economy	●	High	High	●
Climate Risk & Environmental Compliance	●	High	High	●
Water Usage & Conservation	●	Medium	Medium	●
Employee Health, Safety, and Well-being	●	High	High	●
Gender Equality and Inclusion	●	Medium	Medium	●
Anti-corruption and Ethical Business Practices	●	High	High	●
Supply Chain Sustainability	●	Medium	High	●
Training & Capacity Building	●	Medium	Medium	●
Digital Transformation for Sustainability	●	Medium	High	●
Community Engagement and Social Responsibility	●	High	Medium	●
Governance & Risk Management	●	Medium	High	●
Biodiversity & Ecosystem Preservation	●	Medium	Low	●



Mapping our Material Topics with UN SDG Goals and GRI Standards

Material Topic	Material Topics	Relevant Metric in MSRF	SDGs	GRI Standard
Environmental Impact and Resource Efficiency	Climate Strategy & Emissions Management – Covers greenhouse gas (GHG) emissions (E01–E05) and the company’s approach to reducing its carbon footprint. Energy Consumption & Efficiency – Total energy use and energy-saving initiatives (E06). Biodiversity & Ecosystem Impact – Assessing biodiversity loss and footprint (E07–E08).	E01 Greenhouse Gas Emission Strategy E02 Greenhouse Gas Emissions: Total (Tonnes of CO2e) E03 Greenhouse Gas Emissions: Direct (Scope 1) (Tonnes of CO2e) E04 Greenhouse Gas Emissions: indirect (Scope 2) (Tonnes of CO2e) E05 Greenhouse Gas Emissions: Other Indirect (Scope 3) (Tonnes of CO2e) E06 Total Energy Consumption (Kilowatt- hour) E07- Biodiversity assessment E08- Biodiversity Footprint (Mean Species Abundance)	SDG 13 (Climate Action) SDG 12 (Responsible Consumption and Production) SDG 7 (Affordable and Clean Energy) SDG 14 (Life Below Water) SDG 15 (Life on Land) SDG 14 (Life Below Water)	GRI 305-1: Direct (Scope 1) GHG emissions GRI 305-2: Indirect (Scope 2) GHG emissions GRI 305-3: Other indirect (Scope 3) GHG emissions GRI 305-4: GHG emissions intensity GRI 305-5: Reduction of GHG emissions GRI 302-1: Energy consumption within the organization GRI 302-2: Energy consumption outside the organization GRI 302-3: Energy intensity GRI 302-4: Reduction of energy consumption GRI 302-5: Reductions in energy requirements of products and services GRI 304-1: Operational sites in or near biodiversity-rich areas GRI 304-2: Significant impacts of activities on biodiversity GRI 304-3: Habitats protected or restored
Environmental Impact and Resource Efficiency	Climate Strategy & Emissions Management – Covers greenhouse gas (GHG) emissions (E01–E05) and the company’s approach to reducing its carbon footprint.	E01 Greenhouse Gas Emission Strategy	SDG 13 (Climate Action)	GRI 305-1: Direct (Scope 1) GHG emissions
Sustainable Resource Management & Waste Minimization	Water Stewardship – Conservation strategies and responsible consumption (E09–E10). Waste Management – Proper disposal and reduction strategies (E11).	E09- Water Conservative Strategy E10- Water Consumed (Tonnes) E11- Waste Disposed (Tonnes)	SDG 6 (Clean Water and Sanitation) SDG 12 (Responsible Consumption and Production) SDG 11 (Sustainable Cities and Communities) SDG 14 (Life Below Water)	GRI 303-1: Interactions with water as a shared resource GRI 303-2: Management of water discharge-related impacts GRI 303-3: Water withdrawal GRI 303-4: Water discharge GRI 303-5: Water consumption GRI 306-1: Waste generation and significant waste-related impacts GRI 306-2: Management of significant waste-related impacts GRI 306-3: Waste generated GRI 306-4: Waste diverted from disposal GRI 306-5: Waste directed to disposal



Mapping our Material Topics with UN SDG Goals and GRI Standards

Material Topic	Material Topics	Relevant Metric in MSRF	SDGs	GRI Standard
People, Equality, and Workplace Well-being	Human Rights & Fair Labor Practices – Policies ensuring ethical labor conditions (S01, S10, S11, S12). Diversity, Equity & Inclusion (DEI) – Representation, gender equity, and anti-discrimination policies (S02–S04, S11). Employee Well-being & Safety – Worker safety, occupational injuries, and workplace harassment prevention (S05–S06, S13). Talent Development & Training – Investment in employee skills and career growth (S07–S09).	S01 Human rights policy	SDG 8 (Decent Work and Economic Growth) SDG 10 (Reduced Inequalities) SDG 16 (Peace, Justice, and Strong Institutions) SDG 5 (Gender Equality) SDG 3 (Good Health and Well-being) SDG 8 (Decent Work and Economic Growth) SDG 4 (Quality Education)	GRI 401-1: New employee hires and employee turnover
		S02 Diverse representation policy		GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees
		S03 Gender Equity Policy		GRI 401-3: Parental leave
		S04 Board of Directors: Female		GRI 405-1: Diversity of governance bodies and employees
		S05- Occupational Injuries (Number)		GRI 405-2: Ratio of basic salary and remuneration of women to men
		S06- Worker Safety Policy		GRI 406-1: Incidents of discrimination and corrective actions taken
		S07- Employees Trained (Number)		GRI 403-1: Occupational health and safety management system
		S08- Employees Training Hours (Number)		GRI 403-2: Hazard identification, risk assessment, and incident investigation
		S09- Employees Training Costs (monetary Value)		GRI 403-3: Occupational health services
		S10- Working hour policy		GRI 403-4: Worker participation, consultation, and communication on occupational health and safety
		S11- Anti-discrimination policy		GRI 403-5: Worker training on occupational health and safety
		S12- Fair Compensation policy		GRI 403-6: Promotion of worker health
		S13- Sexual Harassment Policy		GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked to business relationships
				GRI 403-9: Work-related injuries
				GRI 404-1: Average hours of training per year per employee
				GRI 404-2: Programs for upgrading employee skills and transition assistance programs
				GRI 404-3: Percentage of employees receiving regular performance and career development reviews
				GRI 412-1: Operations that have been subject to human rights reviews or impact assessments
				GRI 412-2: Employee training on human rights policies or procedures
				GRI 412-3: Significant investment agreements and contracts that include human rights clauses
				GRI 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
				GRI 414-1: New suppliers that were screened using social criteria
				GRI 414-2: Negative social impacts in the supply chain and actions taken
				GRI 419-1: Non-compliance with laws and regulations in the social and economic area



Mapping our Material Topics with UN SDG Goals and GRI Standards

Material Topic	Material Topics	Relevant Metric in MSRF	SDGs	GRI Standard
Responsible Business Practices	<p>Regulatory Compliance & Ethics – Legal complaints, corruption prevention, and conflict of interest policies (G01–G05).</p> <p>Grievance & Stakeholder Management – Employee and external complaints handling (G06–G07).</p> <p>Supply Chain Responsibility – Screening policies for suppliers to ensure ethical sourcing (G03).</p> <p>Business Resilience & Risk Management – Policies for continuity in operations during disruptions (G04).</p>	<p>G01- Number of legal and regulatory complaints</p> <p>G02- Conflict of Interest Policy</p> <p>G03- Supplier Screening Policy</p> <p>G04- Business Continuity Management Policy</p> <p>G05- Anti- corruption policy</p> <p>G06- Number of Complaints registered</p> <p>G07- Number of Employee Grievances Registered</p>	<p>SDG 16 – Peace, Justice, and Strong Institutions</p> <p>SDG 16 – Peace, Justice, and Strong Institutions</p> <p>SDG 12 – Responsible Consumption and Production</p> <p>SDG 9 – Industry, Innovation, and Infrastructure</p> <p>SDG 16 – Peace, Justice, and Strong Institutions</p> <p>SDG 8 – Decent Work and Economic Growth</p>	<p>GRI 206–1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</p> <p>GRI 307–1: Non-compliance with environmental laws and regulations</p> <p>GRI 415–1: Political contributions</p> <p>GRI 205–1: Operations assessed for risks related to corruption</p> <p>GRI 205–2: Communication and training about anti-corruption policies and procedures</p> <p>GRI 205–3: Confirmed incidents of corruption and actions taken</p> <p>GRI 419–1: Non-compliance with laws and regulations in the social and economic area</p> <p>GRI 412–1: Operations that have been subject to human rights reviews or impact assessments</p> <p>GRI 412–2: Employee training on human rights policies or procedures</p> <p>GRI 414–1: New suppliers that were screened using social criteria</p> <p>GRI 414–2: Negative social impacts in the supply chain and actions taken</p> <p>GRI 403–9: Work-related injuries</p> <p>GRI 419–1: Non-compliance with laws and regulations in the social and economic area</p>





Climate *Change*

The road to a sustainable future isn't just about transitioning to renewable energy—it's about making every action smarter, reducing our environmental footprint, and optimizing resource use across all aspects of our operations. True sustainability means balancing energy efficiency, resource conservation, and innovative technologies, while minimizing waste and ensuring that solutions are tailored to the unique needs of each business and country. It's about reducing environmental harm through smarter consumption and adopting circular economy principles that allow for the responsible management of resources, water, and waste. By focusing on both impact reduction and resource optimization, we can build a future where energy is cleaner, smarter, and more resilient, with reduced waste and responsible resource management benefiting both the environment and society.

As part of our ongoing efforts to measure our environmental impact, we recognize that emissions play a key role in assessing our footprint. In 2024, our operations resulted in emissions of 24,057.65 tonnes of CO₂e from fuel consumption, with a total fuel usage of 8,926,228.50 liters. Additionally, electricity consumption totaled 12,275,117.89 kilowatt-hours, contributing 7,420.55 tonnes of CO₂e to our overall emissions.

A significant contributor to the rise in emissions from fuel consumption was the increased use of Low-Sulfur Fuel Oil (LFSO). While LFSO emits more CO₂ per liter compared to Marine Gas Oil (MGO), its usage aligns with global environmental regulations aimed at reducing sulfur oxide (SOx) emissions. LFSO offers the advantage of lower sulfur content, which helps in minimizing air pollution and mitigating the harmful effects of acid rain. However, its higher carbon intensity has led to an overall rise in Scope 1 emissions.

By analyzing these trends, we aim to develop targeted sustainability initiatives to enhance efficiency, optimize fuel choices, and further reduce our carbon footprint moving forward.

Our Commitments to Environmental Impact and Resource Efficiency;

- **Reducing Greenhouse Gas Emissions:** We are dedicated to lowering our carbon footprint by implementing a robust climate strategy and adopting sustainable emissions management practices.
- **Enhancing Energy Efficiency:** We will actively pursue energy-saving initiatives to optimize consumption and improve overall energy efficiency across our operations.
- **Protecting Biodiversity and Ecosystems:** We will assess our environmental impact to mitigate biodiversity loss and minimize disruptions to natural ecosystems.

Our Commitments to Sustainable Resource Management & Waste Minimization;

- **Responsible Water Stewardship:** We will prioritize water conservation through efficient management practices, ensuring responsible consumption and sustainability.
- **Minimizing Waste and Promoting Circularity:** We will commit to proper waste disposal, reduction strategies, and initiatives that promote a circular economy, minimizing waste generation and environmental impact.

Building a Sustainable Future: How STO is Shaping the Maldives Through Smarter, Greener Solutions

Across the Maldives, where trade fuels progress and communities depend on vital resources, STO is leading the transition toward a more sustainable future. As the nation's leading trading company, we recognize the urgent need to balance economic growth with environmental responsibility. From reducing carbon emissions through energy-efficient products to promoting eco-friendly construction materials and responsible fuel management, we are taking proactive steps to minimize environmental impact while supporting the country's long-term sustainability goals.

As global expectations for sustainability evolve, customers are increasingly seeking solutions that reduce energy consumption and emissions—whether in homes, businesses, or large-scale infrastructure projects. The demand for carbon-neutral technologies continues to grow, driving the adoption of energy-efficient appliances, smart technologies, and sustainable building materials that optimize energy use and reduce environmental impact.

At STO, we are fully aligned with this movement. We believe in making smarter choices that benefit both people and the planet. By introducing sustainable, energy-efficient products to the Maldives, we are not just facilitating trade—we are empowering a lifestyle that is not only more efficient and convenient, but also environmentally conscious.

KONE Regenerative Elevators:

In modern high-rise buildings, elevators are often one of the largest consumers of electricity. KONE's regenerative technology captures and reuses the energy produced during an elevator's operation, such as when it's descending. This energy is fed back into the building's power system, reducing overall consumption. As a result, these elevators can reduce energy usage by up to 45%, helping buildings operate more efficiently. By adopting this technology, we are lowering the carbon footprint of commercial spaces and residential high-rises, helping to build a greener urban landscape in the Maldives.

Hitachi Energy-Efficient Appliances:

The Maldives is a country where energy consumption is critical to sustaining day-to-day life. With Hitachi's energy-efficient air conditioners, refrigerators, and home appliances, we are offering cutting-edge solutions that significantly lower electricity use without sacrificing performance. Hitachi's inverter technology adjusts power usage based on actual demand, which not only ensures that appliances operate at peak efficiency but also minimizes wasted energy. By adopting these energy-efficient products, we are helping reduce the overall electricity demand, which is crucial for maintaining the delicate balance between development and environmental preservation in the Maldives.

STO's products have also been recognized by the Ministry of Climate Change, Environment and Energy, receiving the "Hakathari Star" for 62 (44 at 2023 end) of our major home electronic products over the past three years.

Makita Battery-Powered Tools:

The shift from fuel-powered tools to battery-operated equipment is essential for reducing carbon emissions, particularly in the construction and maintenance sectors. Makita's cordless tools are designed to offer the same high-level performance as their traditional counterparts but without the harmful emissions or high fuel consumption. By providing eco-friendly alternatives for builders and contractors, we are ensuring that cleaner construction and maintenance practices are adopted throughout the country, supporting a sustainable building sector that doesn't compromise on quality or power.

Philips Smart Consumer Electronics:

Today's consumers are increasingly looking for smart, sustainable products that don't compromise on performance. Philips' energy-efficient televisions, lighting, and home entertainment solutions use advanced LED technology, which consumes significantly less power compared to conventional devices. With features like smart power modes and low standby power usage, these products ensure that households across the Maldives can enjoy top-tier entertainment and connectivity while still making responsible energy choices. It's a perfect example of how technology and sustainability can blend seamlessly into everyday life.

Remington and Russell Hobbs Sustainable Appliances:

In addition to major appliances, even everyday household items play a significant role in promoting sustainability. Remington and Russell Hobbs offer a range of energy-efficient small appliances that align with modern eco-conscious living. From low-power grooming tools to energy-efficient kitchen appliances, these products help reduce household energy waste, making it easier for Maldivian consumers to adopt sustainable practices without sacrificing style, convenience, or performance. Every small change adds up to a big impact on reducing energy consumption and carbon emissions at the individual level.



Rethinking Our Urban and Commercial Spaces

The way we build, live, and work is evolving, and as customers increasingly seek sustainable solutions for their homes and businesses, STO is at the forefront of this transformation. We are ensuring that both businesses and households have access to smarter solutions that contribute to a low-carbon future.

One of our key initiatives in this journey is exploring sustainable construction materials that help reduce environmental impact without compromising on quality or durability. A prime example of this is Portland Limestone Cement (PLC), an innovative material that can lower the carbon footprint of concrete production by up to 10% compared to traditional Ordinary Portland Cement (OPC). By incorporating finely ground limestone into the cement mixture, PLC reduces the need for energy-intensive clinker production, which is one of the largest sources of CO₂ emissions in the cement industry.

This initiative is part of our broader sustainability strategy to promote green building practices in the Maldives. As a company that plays a vital role in supplying essential construction materials nationwide, we recognize the importance of adopting eco-friendly alternatives to help build more resilient and energy-efficient infrastructure.

By actively engaging with industry stakeholders, including developers, contractors, and regulatory bodies, we aim to drive awareness and adoption of sustainable building solutions across the country.

Through initiatives like these, STO is not just supplying products—we are shaping the future of construction in the Maldives, paving the way for a greener and more sustainable built environment.

Driving Environmental Responsibility in STO’s Fuel Operations

At STO, we recognize that protecting the Maldives' fragile environment is not just a responsibility, but essential for our nation's future. Our oceans, teeming with vibrant coral reefs and marine life, support coastal communities that depend on these ecosystems for their livelihoods. However, fuel operations carry inherent environmental risks, including oil spills, fuel leaks, and emissions, all of which can harm both marine and terrestrial ecosystems, disrupting biodiversity and local communities.

To mitigate these risks, we have implemented strict spill prevention protocols at our Funadhoo fuel terminal. Our facilities are equipped with advanced containment tools, spill response equipment, and waste management systems to ensure we can respond swiftly and effectively to any incidents.

Beyond the terminal, a significant environmental concern lies in the transportation of fuel to power plants across the islands. Many plants are located far from jetties, requiring long pipelines for fuel transfer, which increases the risk of oil spills on land. These spills can damage soil, vegetation, and freshwater sources, directly impacting the local environment and surrounding communities. To address this issue, we are working closely with stakeholders to explore the possibility of relocating power plants to more accessible locations, enhancing operational efficiency and minimizing environmental risks.

In September 2024, STO expanded into the bunkering business, marking a new chapter in our operations. While bunkering is crucial for fueling the global shipping industry, it also presents environmental challenges, such as the risk of oil spills in marine environments. These incidents can severely affect aquatic life, contaminate water sources, and disrupt the livelihoods of local communities who rely on the sea.

To address these challenges, STO is fully committed to adhering to international protocols and best practices for environmental safety. We follow the stringent guidelines established by the International Maritime Organization (IMO) and the International Convention for the Prevention of Pollution from Ships (MARPOL), ensuring that our bunkering operations are in full compliance with global standards. Additionally, to prevent defects in bunker piping and tanks that could lead to leaks, we conduct thorough pressure testing as part of our safety and integrity measures. We also provide regular staff training to ensure safety at every stage of our operations.

In line with these efforts, we are currently developing a comprehensive Environmental Management Plan (EMP), which will systematically identify, assess, and address the environmental risks associated with our operations. This plan will outline potential impacts and propose mitigation measures to minimize adverse effects, focusing on pollution control and regulatory compliance. Through the EMP, we aim to further enhance our commitment to environmental protection and sustainability.

Looking ahead, the relocation of the Funadhoo fuel terminal is progressing, with an estimated completion date of 2028/29. The new terminal will meet international standards and strengthen our dedication to minimizing environmental impact.

Through these ongoing initiatives, STO is not only ensuring the highest standards of safety and sustainability in the bunkering industry but also fostering long-term ecological preservation. We are committed to protecting the environment and supporting the sustainable future of the Maldives.

It is also worth noting that we had no reported oil spills during 2024 from fuel terminal operations.

Fuel Testing: Supporting Sustainability through Quality Assurance

As part of our commitment to sustainability, STO has established a long-standing partnership with GeoChem for fuel testing. This collaboration plays a crucial role in ensuring that the fuel we distribute is of the highest quality, reducing the risk of contaminants and harmful emissions that can harm the environment.

By thoroughly testing fuel before it enters circulation, we are able to ensure compliance with international environmental standards. This helps mitigate the potential for pollution and reduces the carbon footprint associated with the burning of substandard or adulterated fuels. In addition, it supports the reduction of inefficiencies in engines and machinery, contributing to overall energy efficiency.

Through our fuel testing efforts, STO is actively promoting environmental responsibility, ensuring that only clean, safe fuel is delivered to customers, and minimizing the potential for negative impacts on the Maldives' delicate ecosystems. By prioritizing fuel quality, we are contributing to a cleaner, greener future for the country.

Shaping a Greener Future Together

Sustainability is at the heart of everything we do, from introducing energy-efficient products to promoting eco-friendly construction materials and adopting responsible practices in fuel operations. We are not only transforming the way the Maldives operates but are also contributing to a global movement towards a low-carbon, resource-efficient future. Our strategic initiatives, combined with our collaborations with global brands and industry stakeholders, are paving the way for a more sustainable, resilient, and thriving nation.

The progress we've made is just the beginning. As we continue to innovate, engage with local communities, and work alongside government bodies, we remain committed to shaping a future where economic growth, environmental preservation, and social progress are intertwined. Together, we can build a Maldives that stands as a beacon of sustainability, leading by example for future generations.



Sustaining the Flow: A Greener Supply Chain for the Maldives

What if the essential products that power our industries, feed our communities, and shape our homes were transported and distributed with minimal environmental impact? Imagine a supply chain where every step—from sourcing raw materials to delivering goods across the Maldives—is optimized for sustainability, efficiency, and resilience. At ST0, this vision is becoming a reality. As the country's leading importer and distributor of fuel, gas, staple foods, home appliances, medical items, and construction materials, we are taking bold steps to redefine the way essential goods move, ensuring that progress does not come at the cost of our environment.

Transforming Logistics with Low-Carbon Solutions

Every shipment of fuel, food, home appliances, medical items and construction materials that reaches the Maldives has an environmental footprint. As the country's leading importer and distributor, ST0 recognizes the importance of reducing the carbon emissions associated with its supply chain. To address this challenge, we are reimagining logistics through a sustainability lens—one that prioritizes efficiency, emissions reduction, and long-term environmental responsibility.

By optimizing shipping routes and integrating fuel-efficient vessels into our fleet, we are significantly reducing Scope 1 emissions—the direct emissions generated from the operation of our owned vessels. Given that maritime transport plays a crucial role in our supply chain, improving the efficiency of our fleet is an essential step toward minimizing our overall carbon footprint.

A key part of our journey toward sustainability lies in the improvements we've made to our fleet's carbon intensity. The Carbon Intensity Indicator (CII), a global metric introduced by the International Maritime Organization (IMO), measures the efficiency of vessels based on their CO₂ emissions per unit of transport work. Our goal is to continually enhance this efficiency, ensuring that our fleet aligns with evolving environmental regulations and industry best practices.

In 2023, our owned vessels had varying CII ratings, reflecting both progress and challenges in improving their sustainability performance:

- Alimas received a D rating in 2023, but with ongoing efficiency measures, it is forecasted to achieve a C rating in 2024, marking a significant step forward.

- MSS Chrome, which had an E rating in 2023, is projected to improve to D in 2024, showing our commitment to transitioning toward better-performing vessels.
- MSS Galena, which maintained a D rating in 2023, is forecasted to sustain this level in 2024 as we continue implementing efficiency enhancements.
- MSS Graphene, currently at an E rating, is projected to maintain this rating in 2024, highlighting the challenges we are actively working to address in improving its carbon efficiency.

While these improvements demonstrate our commitment to sustainable operations, we recognize that achieving long-term emissions reductions requires more than just fleet optimization.

Beyond shipping, we are also improving onshore logistics to further minimize emissions. The Maldives Gas Thilafushi Storage Expansion Project is a key initiative in this regard. By increasing total storage capacity from 1,125 MT to 3,160 MT, this expansion will significantly reduce transportation frequency, leading to lower carbon emissions associated with logistics and enhancing overall supply chain efficiency.

By taking a comprehensive approach—optimizing routes, modernizing our fleet, expanding storage capacity, adopting cleaner fuels, and considering offset strategies—we are strengthening our commitment to reducing the carbon footprint of transportation. These efforts are not just about regulatory compliance; they are part of our broader sustainability vision to ensure that every shipment we bring into the Maldives is aligned with a more responsible and environmentally conscious future.

Optimizing Our Water Conservation Efforts

In 2024, our water consumption totaled 54,039,498 liters, with an expenditure of MVR 4.8 million slightly lower than the MVR 5.6 million spent in the previous year. Despite a decrease in spending, we recognize the need to continue improving our water management practices to further reduce both consumption and associated costs.

To achieve this, we are focusing on installing water-efficient fixtures across 30% of our office premises and warehouses by 2027. This initiative is part of a larger sustainability strategy aimed at reducing our environmental impact while maintaining operational efficiency. These fixtures will help minimize water wastage and ensure that our facilities use water in the most efficient manner possible.

Looking ahead, we are committed to exploring additional ways to lower water consumption, incorporating innovative technologies, and promoting best practices throughout the organization. Through these efforts, we aim to significantly decrease our water usage, ultimately contributing to a more sustainable future for both our business and the community.

Harnessing Solar Energy for a Sustainable Future

As part of our transition to sustainable energy, ST0 launched a solar panel pilot project at the ST0 Staple Warehouse in 2022. Once activated, the solar panels are expected to generate approximately 54,376 kWh per year, reducing CO₂ emissions by 43.5 metric tons annually, equivalent to planting 1,983 trees.

Continuing our commitment to sustainable energy, we are expanding solar integration across our facilities. The 5,000 sq. ft. ST0 Medicals Hulhumalé Warehouse, currently under construction, will be fitted with high-efficiency Grade A solar panels utilizing advanced heterojunction (HJT) and N-Type TOPCon cell technologies. This initiative will not only support cleaner energy use in healthcare logistics but also contribute to lowering CO₂ emissions, further enhancing our sustainability efforts.

A Future of Green Buildings & Smart Infrastructure

Looking ahead, ST0 Group is committed to greener infrastructure development. Our upcoming multipurpose building is designed to be a fully green facility, featuring:

- Energy-efficient lighting systems
- Water-efficient fixtures
- Solar panel installations for renewable energy

As we expand, our vision is clear—future ST0 properties will align with sustainable building standards, reinforcing our commitment to a greener, more resilient supply chain for the Maldives.

Minimizing Waste and Maximizing Resource Efficiency

Waste generation, particularly in the form of expired medicines and perishable goods, is a growing concern in the Maldives. The production of medicines requires vast amounts of energy, water, and raw materials, with high emissions associated with manufacturing and transportation. When expired medicines are discarded, they contribute to pollution, contaminating water sources and harming marine ecosystems.

For ST0, the cost of expired medicines and perishable goods is substantial, impacting both financial resources and supply chain efficiency. Beyond our operations, this waste translates into a significant economic loss for the entire nation.

To address this pressing issue, we are actively refining its procurement and inventory management processes to better align with actual demand. A key enabler of this initiative is our new ERP System, SAP S/4HANA's inventory management module, which provides real-time data, predictive analytics, and intelligent automation to optimize stock levels and manage shelf life



Moreover, the SAP S/4HANA system enables us to automatically create purchase requisitions when stock levels fall below predefined thresholds. This proactive approach ensures that we maintain optimal stock levels, minimizing the risk of overstocking or running out of critical products. By automating the procurement process, we can streamline inventory management, avoid unnecessary waste, and better align supply with actual demand.

In addition to system improvements, we are also investing in physical infrastructure to enhance inventory management. Our new warehouse development is incorporating automatic first-in, first-out (FIFO) inventory management shelves, which will significantly reduce the risk of expired goods. These automated shelves are designed to ensure that older stock is accessed first, thus minimizing the chances of products exceeding their shelf life. By automating this process, we can further reduce human error in product rotations and ensure that goods are utilized before they expire. This system will not only streamline operations but also support our goal of reducing waste and optimizing the use of resources in our supply chain.

Additionally, we are working closely with suppliers to explore shelf-life extension strategies and improve product lifecycle management. The SAP S/4HANA system supports this by enabling us to track expiration dates and manage product rotations more effectively, ensuring timely deliveries and reducing waste.

These initiatives go beyond waste reduction—they ensure that essential goods are delivered efficiently while minimizing environmental impact. By improving supply chain efficiency, STO is actively addressing this national challenge and driving a more sustainable, resource-efficient future.

Extending Product Lifespan Through Cylinder Recycling

Beyond minimizing medicine and perishable goods waste, STO is also reducing material waste through resource-efficient recycling initiatives. Our subsidiary, Maldivive Gas, has implemented a Cylinder Requalification Program, which extends the lifespan of gas cylinders by ensuring they are retested, refurbished, and requalified for continued use rather than being discarded.

This significantly reduces metal waste, conserves raw materials, and supports a circular economy, all while maintaining safety and efficiency in gas distribution. By prioritizing resource sustainability across multiple industries, STO is taking a holistic approach to waste reduction, strengthening its commitment to environmental responsibility.

Commitment to a Greener Future

Sustainability is fundamental to STO's operations, shaping the way we source, transport, and distribute essential goods across the Maldives. By rethinking traditional supply chain models and embracing sustainable practices—from reducing carbon emissions and minimizing waste to enhancing energy efficiency and ethical sourcing—we are not only improving our operations but also contributing to the long-term well-being of the environment and the communities we serve.

Our journey toward a greener, more responsible supply chain is ongoing. With each step, we are committing to tangible, measurable actions that will help reduce our environmental footprint while meeting the growing needs of the nation. From integrating renewable energy solutions and optimizing fleet efficiency to embracing circular economy principles and fostering supplier partnerships, we are laying the foundation for a future where sustainability and progress go hand in hand.

As we continue to innovate and scale our sustainability initiatives, STO is determined to lead by example, ensuring that our actions today pave the way for a brighter, more resilient tomorrow. Our commitment is clear: to deliver essential goods for the Maldives in the most efficient, ethical, and environmentally responsible way possible, now and into the future.



A group of four people, three women and one man, are sitting around a wooden table outdoors. They are all smiling and appear to be in a pleasant conversation. The women are wearing hijabs and the man is wearing glasses. They are surrounded by lush greenery and a blue sky in the background. The text 'Inspiring Change, Empowering Lives' is overlaid on the right side of the image.

Inspiring
Change,
Empowering Lives

At STO, we believe that our greatest asset is our people. With a diverse workforce spanning across different regions and backgrounds, we are committed to fostering a workplace where inclusivity, respect, and opportunity are at the core of everything we do. Our focus on social sustainability means prioritizing the well-being, growth, and development of our employees, ensuring they have the support and resources to succeed in a rapidly changing world. We offer continuous learning opportunities, flexible working practices, and a strong culture of collaboration, which empower our team members to reach their full potential. By nurturing a positive and engaging employee experience, we aim to create a great place to work while making a lasting positive impact on the communities we serve.

Our Commitments to Social Responsibility and Workforce Well-being

- **Human Rights & Fair Labor Practices:** We are committed to upholding ethical labor standards by implementing policies that ensure fair and humane working conditions, in alignment with international labor rights principles.
- **Diversity, Equity & Inclusion (DEI):** We strive for a diverse and inclusive workforce by promoting equal representation, gender equity, and anti-discrimination practices across all levels of the organization.
- **Employee Well-being & Safety:** We prioritize the health and safety of our employees by maintaining rigorous safety protocols, reducing occupational risks, and fostering a workplace free from harassment.
- **Talent Development & Training:** We invest in the growth of our employees by providing continuous learning opportunities, skill development programs, and clear pathways for career progression, empowering individuals to reach their full potential.

In response to the evolving social sustainability landscape, we are actively refining our strategies to better align with the latest social governance standards. Our previous objectives were reevaluated to ensure they address emerging trends and best practices in areas such as human rights, diversity, and employee well-being. Moving forward, we are setting new, more comprehensive targets to strengthen fair labor practices, enhance inclusivity, and foster a healthier, safer workplace for all employees. These updated goals will guide our efforts to create a supportive and equitable work environment while prioritizing the growth and development of our workforce, ensuring that we contribute to both social progress and a positive organizational culture.

Championing Employee Well-being and Safety: Creating a Secure and Supportive Work Environment

Fostering a positive workplace culture is central to our values and operations. We are dedicated to providing a supportive and engaging environment where employees can thrive and feel valued throughout their journey. By embracing a culture that prioritizes respect, inclusivity and growth, we ensure that team members are equipped with the tools, resources and opportunities needed to succeed in an ever-changing world. We recognize that each employee's experience is unique, and we strive to create a workplace that meets diverse needs while promoting collaboration and shared purpose.

With a team spread across the Maldives, we focus on understanding the distinct experiences of our employees and how various changes impact them. To ensure that the workplace evolves with the needs of the workforce, we have defined the Employee Journey, a framework that helps us better understand and enhance key moments that matter most. Through continuous feedback and co-creation efforts, we engage our team in shaping a culture where everyone feels heard, respected, and empowered to contribute to collective success. In doing so, we remain committed to an employee-centered approach that cultivates a thriving, positive, and fulfilling work environment.

Award for Excellence in Employee Wellness & Well-being 2024

In recognition of our commitment to employee well-being, State Trading Organization (STO) was honored with the "Excellence in Employee Wellness & Well-being" award for 2024. This prestigious accolade celebrates our ongoing efforts to prioritize the health, safety and overall well-being of our employees. Through comprehensive wellness programs, safety initiatives and mental health support, we strive to create a work environment where employees feel valued, respected and empowered to thrive both professionally and personally.

This achievement highlights STO's dedication to fostering a workplace culture where employee well-being is at the forefront. By integrating wellness into our daily operations, offering flexible working arrangements, and maintaining a proactive approach to health and safety, we continue to cultivate a positive and supportive environment. This award is a testament to the collective effort of our team, and we remain committed to further enhancing the support we provide, ensuring the ongoing success and satisfaction of our employees.

Celebrating Excellence and Achievement

We proudly recognized the outstanding contributions of our employees through the STO Staff Awards, with 26 staff members being honored across 11 categories for their dedication and hard work. This recognition highlights their positive impact in fostering a supportive and thriving workplace. By honoring these achievements, we celebrate both individual and team success, reinforcing our commitment to maintaining high standards of performance, collaboration, and growth. The STO Staff Awards pave the way for continued excellence and inspire further success within our organization.

Employee Working Hours with Purpose

Our working hours are designed to accommodate the diverse nature of our operations across multiple sectors and worksites, some of which operate 24 hours a day. While a specific working hours policy is still in development, the Employee Handbook outlines that the standard working shift is eight hours per day. Employees working beyond the standard hours are eligible for overtime compensation, in accordance with the regulations outlined in the Employment Act.

Working hours are aligned with industry standards and legal requirements, ensuring that employees are treated fairly and in compliance with national labor laws. Although a formal policy is in progress, the current structure adheres to the Employment Act, and regular assessments of overtime hours are conducted every quarter to maintain a healthy work-life balance.

Additionally, working hour patterns are continuously tracked to identify any irregularities or excessive overtime. When such issues are identified, steps are taken to address them promptly, ensuring that employees are not subject to undue stress or burnout. Employee well-being is a priority, and efforts will continue to refine and improve the working hours framework. As such an average employee worked for 5.52 hours during the year compared to 5.45 hours in 2023.



Supporting Employee Health and Well-being

We are dedicated to supporting the health and well-being of our employees by providing a range of initiatives aimed at promoting a healthy work-life balance. From regular health check-ups to wellness activities, we ensure our team members have the resources they need to maintain their physical and mental health. By fostering a culture of well-being, we empower our employees to stay healthy, motivated, and perform at their best in both their professional and personal lives.

Health Check-up Camps

Throughout the year, we organized various health camps for our staff and their family members to ensure their well-being. One of the key initiatives was the eye camp, where employees had the opportunity to check their eye health, determine their eye prescription, and choose frames covered under insurance, with additional special discounts offered through our collaboration with Eyewear. This initiative provided our team with easy access to essential eye care services. Additionally, we held an influenza vaccination camp, offering flu shots to both STO staff and their families. This vaccination program aimed to safeguard the health of our workforce and their loved ones, reducing the risk of illness during flu season. These health camps are part of our ongoing commitment to promoting the overall health and wellness of our employees, ensuring they receive the support they need to lead healthy and fulfilling lives, both at work and at home.

67% of staff participated in these health check-ups in 2024, compared to 37% in 2023.

Supporting Working Parents

The Daycare Financial Assistance Program is designed to support working parents by providing financial aid for childcare services. STO covers a portion of the daycare fees, allowing employees to choose any registered daycare facility that best suits their needs. Currently, 38 children are registered under this program, benefiting from the support we provide. This initiative helps alleviate the financial burden on parents, ensuring they have access to quality childcare while managing their professional responsibilities. By offering this assistance, we aim to create a more family-friendly work environment, enabling parents to focus on their careers with peace of mind, knowing their children are in safe and trusted hands. This program reflects our commitment to supporting our employees' work-life balance and fostering a supportive, inclusive workplace.

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Leave for Exceptional Circumstances

To support our employees during challenging times, we offer special leave of up to three months for those facing critical health issues, such as cancer, kidney transplants, and, more recently, IVF treatments. This initiative is part of our commitment to employee well-being and engagement, ensuring that our team members can focus on their health and recovery without the added stress of work commitments. By providing this critical support, we aim to foster a compassionate and supportive workplace culture, where employees feel valued and cared for during some of their most difficult moments. This approach not only strengthens the bond between the organization and its employees but also reflects our dedication to supporting their health and work-life balance, ultimately contributing to a more engaged and loyal workforce.

Empowering Work-Life Flexibility

We recognize the importance of work-life balance and strive to offer flexibility wherever possible. While we operate in a diverse business environment with roles such as pharmacists, sales representatives, and security personnel that require round-the-clock attention, we make it a priority to offer flexible working options for positions that allow for it. By providing flexibility where feasible, we ensure that our team remains engaged, productive, and able to balance their work with other aspects of their lives.

Promoting Physical Fitness and Well-being

A new and improved gym facility is currently being constructed to provide employees with better access to physical fitness resources and promote a healthy lifestyle. Additionally, to further encourage physical fitness and team spirit, STO Recreation Club has organized a variety of competitions throughout the year, including the inter-department futsal tournament, inter-house "Madhaha" competition, Quran competition, "Masrace", "Digu" competition, 60th Anniversary Fiesta gaming competition, chess tournament, and inter-house volleyball tournament. These events not only boost physical fitness but also foster employee engagement, teamwork, and camaraderie, helping to strengthen relationships within the organization while promoting a culture of health and well-being.

Comprehensive Insurance Coverage for STO Staff and Dependents

We offer comprehensive health and life insurance coverage for all STO employees, along with a special package for their dependents and parents. Employees are responsible for ensuring their dependents and parents, but this package includes additional benefits such as psychological consultancy services, ensuring the mental well-being of both employees and their families. The coverage offers peace of mind, knowing that employees and their loved ones are supported in times of need, reflecting our commitment to overall health, security, and well-being.

Commitment to Employee Well-being and Success

Our commitment to fostering an environment where employees feel valued, supported, and empowered. Our dedication to their well-being extends beyond offering competitive benefits and initiatives; it is about creating a culture that prioritizes work-life balance, personal growth, and both physical and mental health. From health check-ups and daycare assistance to flexible work options and comprehensive insurance coverage, efforts are made to meet the diverse needs of employees. These initiatives not only enhance individual satisfaction but also contribute to the overall success of the organization.

Looking ahead, the focus remains on providing every employee with the resources, opportunities, and support needed to thrive. By continuing to invest in wellness and engagement, we aim to build a stronger, more resilient workforce, capable of navigating the challenges of an ever-changing world. Employees are the organization's greatest asset, and ensuring their well-being and success remains a top priority.



Dedication to Fair Labor and Inclusive Excellence

We are dedicated to maintaining ethical labor practices and upholding human rights across all areas of our business. Our policies ensure that labor conditions meet the highest standards, promoting a fair and safe environment for every employee. We are committed to diversity, equity and inclusion (DEI), with clear anti-discrimination policies in place to support gender equity, equal opportunity, and the fair representation of all individuals, regardless of background. These practices help foster a workplace where respect and equality thrive and where all employees have the opportunity to succeed and grow.

In addition to our ethical labor practices, we actively promote inclusive excellence throughout the organization. This includes robust processes for monitoring and addressing potential discrimination and harassment, with mechanisms in place to ensure that every individual's rights are protected. We are committed to creating a workplace that is welcoming and supportive for all employees. We believe that a fair, inclusive and ethical environment is the foundation for long-term success and employee well-being.

Fair Compensation and Equity

Fair compensation is a core value at STO, and we are committed to ensuring that all employees receive equitable pay for their contributions. A comprehensive compensation policy is currently underway, and we have established systems to monitor and record employee pay. These measures ensure that everyone is paid at least the minimum wage, and we regularly conduct compensation benchmark surveys to assess how our pay practices compare to industry standards, ensuring fairness and competitiveness across the board.

Equally important is our dedication to eliminating any form of discrimination in compensation. We ensure that age, gender, race or any other personal characteristic do not influence the pay employees receive. Our focus is on creating an inclusive and transparent environment where each employee's compensation reflects their skills, experience and the value they bring to the company. The ongoing development of our policy will ensure that fairness remains a top priority in all compensation decisions.

Upholding Human Rights and Fostering Equality

Human rights and equality are taken extremely seriously, with a strong recognition of the importance of fostering a diverse, inclusive, and fair workplace for all employees. The commitment to upholding these values is reflected in the processes, policies, and procedures in place, ensuring that every individual is treated with dignity and respect.

Our Gender Equality Procedure is firmly established, providing a structured approach to promoting equal opportunities regardless of gender. STO also takes a strong stance against any form of discrimination or harassment, with HR Policy "Discrimination & Anti-Harassment" to prohibit discrimination based on age, color, disability, gender expression, gender, marital status, nationality, race and religion. Staff Handbook also includes a specific clause on Equal Employment Opportunity, reinforcing our commitment to fairness and inclusivity. Notably, we currently maintain a board with one female representation.

At STO, we take sexual harassment extremely seriously. We have robust processes in place to report incidents of sexual harassment, as well as clear procedures for investigating and resolving complaints. Victim confidentiality is maintained at all times, and additional support is provided to victims as necessary. Regular awareness sessions are conducted across our sites to educate employees on sexual harassment prevention, and our disciplinary measures for perpetrators are both firm and consistent. We continuously review and update our policies to ensure their effectiveness and compliance. To further strengthen our commitment to workplace safety and equality, we have established a Sexual Harassment Prevention and Gender Equality Committee. This dedicated body plays a pivotal role in reinforcing workplace protections, advocating for gender equality, and ensuring that every employee feels safe, respected, and valued.

STO ensures that individuals with disabilities are actively employed, reflecting our dedication to inclusivity. While we do not yet have a specific policy addressing the representation of ethnic groups or individuals living with disabilities, this area is covered under our Standard Operating Procedures (SOP) and Key Performance Indicators (KPIs), which emphasize diversity and inclusiveness. A policy addressing this matter is currently under development.

Additionally, we have a grievance mechanism in place, offering employees a confidential and anonymous platform to report any concerns. This includes Reach MD and Reach HR, both of which ensure a safe and confidential environment for employees to raise issues. Our whistleblower policy and whistleblower portal further protect individuals, ensuring confidentiality and security for those who speak out. STO takes all reports seriously and is committed to addressing and remedying any abuses swiftly and effectively. STO has established an Appeal Committee to uphold fairness and transparency in addressing employee grievances. By ensuring that all grievances are handled fairly and with due diligence, STO fosters a culture of trust and respect. Employees can be confident that their voices will be heard, and their concerns addressed, reflecting our dedication to maintaining a supportive and responsive workplace.

Human rights, equality, and inclusion are foundational to our culture at STO. We continue to improve and refine our practices to ensure that we not only meet but exceed the expectations of fairness, equity, and respect for all employees.

Building a Culture of Fairness, Inclusion, and Respect

At our organization, we firmly believe that a workplace rooted in fairness, inclusion, and respect is key to fostering a thriving and successful environment. Our commitment to ethical labor practices, human rights, and diversity is at the heart of our workplace culture. With 2,370 employees, we ensure that every individual, regardless of their gender, age, or background, is valued, treated with dignity, and has equal opportunities to succeed. Our policies are designed to promote inclusivity, and we prioritize creating an environment where respect for individual rights is maintained across all levels of the organization.

As of 2024, women make up 37.3% of our total workforce, reflecting our ongoing commitment to gender equality in the workplace. This figure highlights the effectiveness of our policies in fostering a more inclusive environment, in line with our goal of achieving at least 40% women in the workforce by 2030. Women represented 43% of managerial positions, 39% of supervisory roles, and 21% of top management positions in 2024. We are proud to emphasize that hiring decisions are made based on skills and qualifications, not gender, ensuring equal opportunities for all. Career advancement is based on merit, not gender, and there is no salary discrimination based on gender in our organization. Alongside our focus on gender diversity, we also take pride in our growing commitment to inclusivity, with the number of staff members with special needs increasing to 16 in 2024, compared to 15 in 2023.

Fostering Inclusive Excellence Through Generational and Cultural Diversity

Beyond gender and nationality, we also emphasize generational diversity. Our employee demographics span a wide age range, with the largest proportion (46.71%) falling within the 26-35 age group, followed by 28.02% in the 36-45 age group. This diverse generational mix contributes to a dynamic and multi-faceted workplace where experienced employees work alongside younger talent, bringing different perspectives and ideas to the table. This blend of experience and innovation allows us to stay ahead in a rapidly changing world, driving both growth and adaptability in our organization.

Even though we do not yet have a specific policy dedicated to the diverse representation of ethnic groups or individuals living with disabilities, we are currently working on developing one. The new policy, which is underway, will further strengthen our commitment to inclusivity and ensure that all employees, regardless of background or ability, are supported and provided with equal opportunities. We are committed to ensuring that this new policy aligns with our core values and enhances the work environment for all individuals.

As we continue to refine our approach to diversity and inclusion, we remain dedicated to maintaining a transparent environment where fairness, equity, and respect are embedded in every aspect of our operations. By focusing on these core values, we strive to ensure that all employees, regardless of gender, age, nationality, or ability, feel empowered and supported in their careers. We are committed to evolving our practices and policies to create a workplace that celebrates diversity, fosters inclusivity, and provides equal opportunities for everyone to thrive.



Prioritizing Employee Safety

The safety and well-being of our employees is our top priority. We are fully committed to maintaining a robust and comprehensive Occupational Health and Safety (OHS) policy, which is continually revised and improved to meet the highest standards. We understand the critical importance of providing a safe working environment.

Training is a critical part of our approach to occupational health and safety. Specific employees receive comprehensive safety training, which includes first aid, fire safety drills, and targeted training for those working in high-risk areas. These programs are regularly refreshed and expanded to ensure that employees are prepared for any emergency situation. In 2024, we conducted 4 safety training courses (2023:6) for employees (2023:83) to enhance preparedness and safety awareness among our staff.

We ensure that suppliers and partners meet the same high safety standards that we uphold within the organization. External relationships are consistently monitored to ensure they align with our commitment to employee safety, ensuring that everyone involved in our operations is equally invested in maintaining a safe and healthy work environment.

Work-related injuries are taken very seriously. We maintain a proactive approach to preventing accidents and injuries, and we ensure that employees are trained to recognize and avoid potential risks. In the event of an incident, immediate investigations are conducted to prevent future occurrences, and we provide medical care and support to any affected employees.

Safety is not just a policy, but a fundamental principle we live by. We continuously invest in safety measures, training, and systems to protect our workforce, ensuring that employees feel secure in their workplace. By fostering a culture of safety, we demonstrate an unwavering commitment to the well-being of our employees, allowing them to work confidently and thrive in a safe, supportive environment.

Last year, we recorded 1 occupational incident, which accounts for 0.04% of our total employee count. This incident has reinforced our commitment to further strengthen our safety practices and prevent similar occurrences in the future.

Ongoing opportunities For Skill Development

Investing in Our People

Investing in employee development is a core priority, reinforcing the belief that continuous learning is essential for both individual and organizational success. In 2024, 763 employees participated in training programs designed to enhance their skills and expertise. Through structured learning initiatives and targeted development efforts, employees are better equipped to navigate industry changes and contribute meaningfully to the company's long-term growth.

With a total of 24,218 training hours dedicated to upskilling and professional development, our commitment to fostering a learning culture remains unwavering. These training programs have empowered employees to take on new challenges, improve efficiency, and contribute more effectively to the organization's success. By investing in targeted learning initiatives, we continue to nurture a workforce that is adaptable, skilled, and future-ready.

Our investment of MVR 10,202,551 in employee training reflects our dedication to building a high-performing team. This commitment not only enhances individual growth but also strengthens STO's ability to innovate and lead in an evolving industry landscape. Moving forward, we will continue to prioritize learning and development, ensuring that our people have the tools and resources to excel in their careers and drive STO's long-term success.

Growth through Continuous Learning

Employees are encouraged to take charge of their personal and professional development, with access to platforms like Udemy, Coursera, and Ninjio offered upon request. These platforms provide a wide range of courses and resources that allow employees to enhance their skills, stay up to date with industry trends, and explore new areas of interest. This initiative supports continuous learning and ensures that employees have the tools they need to grow.

At STO, we believe in fostering a culture of growth, where employees are empowered to pursue development opportunities that align with their career goals. By offering these learning platforms, we encourage employees to take initiative, expand their knowledge, and advance in their careers. This commitment to skill development not only benefits individuals but also contributes to the overall success and innovation of the organization.

Employee Growth Through Talent and Performance Management

STO prioritizes employee growth and development through its comprehensive Talent Management Procedure and Performance Management Procedure. Our talent management approach involves workforce planning to ensure we have the right size, shape, cost, and ability of employees to meet the company's needs. This includes strategic succession planning, competency evaluations, and mentoring programs to identify and nurture future leaders. The procedures ensure that we are continuously adapting to market demands while developing a workforce that is skilled, agile, and ready for future challenges.

Alongside talent management, our Performance Management Procedure plays a critical role in fostering employee growth. Employees undergo annual performance appraisals that assess their achievements and areas for improvement, guiding their career progression and compensation decisions. Those who meet or exceed expectations are considered for promotions or salary increments, ensuring that employees are rewarded for their contributions and given the opportunity to advance. The performance appraisal process supports employees in recognizing their strengths, areas for growth, and how they align with the company's goals.

Both talent and performance management procedures are designed to align individual growth with organizational success. By providing clear pathways for development, consistent feedback, and a focus on aligning skills with business needs, we create a supportive environment where employees can thrive and advance in their careers. These policies ensure that employees at STO are continuously developing their skills and achieving their full potential within the company.

Building a future of growth and innovation

A strong learning culture is the foundation of a thriving organization. By continuously investing in employee development, we not only enhance individual capabilities but also drive long-term success and innovation. The dedication to upskilling and talent development ensures that employees are prepared to meet evolving industry demands while contributing meaningfully to the company's vision.

With a focus on lifelong learning and career progression, we are shaping a workforce that is skilled, agile, and future-ready. Providing the right tools, resources, and opportunities empowers employees to take charge of their growth, fostering a motivated and high-performing team. As we move forward, our commitment to investing in people remains steadfast, reinforcing the belief that success is built on the continuous advancement of those who drive it.



An aerial photograph of a modern urban environment. In the center, a large, curved building with a green roof is visible. The roof is covered with various plants and trees, and several air conditioning units are mounted on it. To the left of the building is a parking lot filled with many motorcycles. To the right is a large, blue-roofed building. In the foreground, there is a green, landscaped area with trees and a path. The background shows a street with cars and a yellow building. The text "Ethical Corporate Citizenship" is overlaid on the right side of the image.

Ethical Corporate *Citizenship*

Ethical Corporate Citizenship at STO is built on a foundation of strong governance, with a clear focus on sustainability and responsible decision-making. We integrate sustainability into every aspect of our operations, ensuring that transparent engagement with stakeholders is a priority across our value chain. Our policies and management systems provide a framework to navigate risks and opportunities, while holding ourselves accountable to our established commitments. With the Board of Directors overseeing these efforts, we ensure strategic leadership and effective governance, risk management, compliance, and sustainability practices, all aimed at fostering fairness, inclusivity, and long-term value creation for all stakeholders.

Our Commitments to Governance and Ethical Practices

- **Regulatory Compliance & Ethics:** We are dedicated to adhering to all relevant legal requirements, promoting transparency and preventing corruption by enforcing policies on legal compliance, conflict of interest and ethical behavior throughout our operations.
- **Grievance & Stakeholder Management:** We are committed to fostering an open and accountable environment by implementing effective systems for handling both employee and external complaints, ensuring concerns are addressed promptly and fairly.
- **Supply Chain Responsibility:** We uphold the highest ethical standards by screening our suppliers to ensure they adhere to responsible sourcing practices, promoting sustainable and ethical supply chains across our operations.
- **Business Resilience & Risk Management:** We prioritize business continuity and resilience by maintaining robust policies and procedures to manage risks and ensure operational stability during disruptions.

To ensure the highest standards of governance, we are enhancing our strategies to align with evolving best practices and regulatory requirements. Our previous objectives have been reassessed to address key areas such as regulatory compliance, risk management, and ethical business practices. Moving forward, we are setting more comprehensive targets to strengthen legal compliance, improve grievance and stakeholder management systems, and ensure responsible sourcing throughout our supply chain. These updated goals will guide our efforts to maintain strong governance, promote accountability, and manage risks effectively while fostering trust and transparency with all stakeholders.

Enhancing Stakeholder Relations and Conflict Resolution

In 2024, the company received a total of 142 inquiries and cases, which included 1 sexual harassment case, 1 labor relations authority concern, 43 police inquiries, 2 RTI's, 72 disciplinary cases from departments and 24 ACC letters, all of which were integrated into the overall case management process. The company continues to uphold a rigorous approach to handling grievances, ensuring that all allegations, inquiries, and concerns are promptly addressed. Each case is thoroughly investigated to maintain a high standard of ethics and transparency, reflecting the company's unwavering commitment to a safe and ethical work environment.

Employees can submit grievances through the internal grievance system, HumanLot, which provides a confidential and accessible platform for raising concerns. This system ensures that no issue is left unaddressed, and employees feel supported in voicing their concerns without fear of retaliation. The efficient process encourages openness and accountability, empowering employees to report any concerns they may have while knowing that they will be taken seriously and acted upon swiftly.

Once grievances are submitted, the company takes immediate action to investigate and resolve the matter. In 2024, investigations were conducted, and corrective measures were implemented where necessary to prevent the recurrence of issues. This includes addressing a range of concerns, from harassment to conflicts of interest and asset protection. Through this systematic approach, the company maintains a culture of trust and responsibility, demonstrating its dedication to resolving matters efficiently while ensuring that all employees feel heard and respected.

By maintaining comprehensive records of all reported cases and following a structured process for investigation and resolution, the company continuously improves its practices and mitigates risks. The corrective measures put in place after each investigation further demonstrate a commitment to long-term improvement. Transparent handling of grievances strengthens the company's reputation as an ethical employer, fostering greater trust and confidence among employees, stakeholders, and the wider community.

Additionally, employees can also raise concerns through Reach MD facility, Reach HR facility, Appeal Committee and the Whistleblower facility.

In 2024, the Audit and Risk Committee received a total of 29 messages. Of these, 10 were audit-related matters that were duly conducted, concluded, and followed by the necessary actions. The remaining 19 messages, which were more grievance-related than whistleblower disclosures, were referred to management for appropriate decision and action. Out of these 19 cases, 12 have been addressed and resolved, while action is currently ongoing for the remaining 7. All matters submitted to the Committee were attended to during the year.

Upholding Legal Integrity and Ethical Standards

STO is committed to maintaining the highest levels of legal compliance and ethical conduct across all its operations. We adhere strictly to all applicable laws, regulations, and industry standards, ensuring that our business practices are transparent, accountable and in line with global best practices. Our legal and compliance teams work diligently to monitor changes in legislation and ensure that all policies and procedures are up to date, fostering a culture of continuous improvement and risk management.

We also understand that our reputation is built on the trust of our employees, customers, suppliers, and partners. As such, we take proactive steps to ensure that every member of our team understands the importance of ethical conduct in their daily work. This includes fostering an environment where individuals are empowered to make decisions that align with both legal and ethical expectations, ensuring that we maintain a strong and positive relationship with all those we interact with.

Anti-Corruption and Anti-Bribery Commitment

STO is fully committed to upholding the highest standards of integrity, and as part of this commitment, we have implemented a strict Anti-Bribery Policy. While our Anti-Bribery Policy is firmly in place, we are in the process of finalizing our Anti-Corruption Policy, which will further solidify our efforts to combat corruption. We take any form of corruption very seriously and are focused on ensuring that our business operates with the utmost transparency and ethical conduct.

To foster awareness and ensure compliance, STO conducts training programs for employees, including during their orientation, where they are educated on the importance of ethical behavior, the risks of corruption and bribery, and the policies in place to prevent such practices. By engaging employees in these discussions, we ensure that they are fully aware of their responsibilities and the company's commitment to maintaining an ethical work environment.

STO has also established a whistleblower system, which is available not only for employees but also for external parties to report any unethical conduct, corruption, or bribery they may encounter. The system is accessible through the company's intranet and website, allowing individuals to report concerns anonymously, ensuring that all reports are handled confidentially and without fear of retaliation. Additionally, Audit and Risk Committee Chair can be notified directly via email, which allows for an additional layer of reporting that ensures concerns are addressed promptly and effectively.



We uphold a zero-tolerance stance towards corruption, making it clear that any form of unethical behavior will not be tolerated.. We take every possible step to ensure that our employees and external parties understand the importance of protecting whistleblowers and creating a transparent, accountable work environment where integrity is prioritized at all levels of the organization.

Gift and Conflict of Interest Policy

STO maintains strict Gift and Conflict of Interest Policies to uphold the highest standards of integrity and avoid any unethical behavior within the organization. The Gift Policy ensures that employees are clear on which gifts can be accepted and which cannot. To prevent any appearance of favoritism or undue influence, gifts of significant value, or those that could be perceived as attempting to sway business decisions, are prohibited. Our policy encourages employees to always consider the potential impact of accepting or giving gifts, ensuring transparency and fairness in all business relationships.

As part of the Gift Policy, any employee who receives a gift valued at \$500 or more is required to fill out a Gift Declaration Form. This ensures that all substantial gifts are documented and assessed for potential conflicts of interest. By mandating this declaration, we maintain a system of accountability, ensuring that no gift goes unreported and that all gifts are evaluated in terms of their appropriateness and impact on the employee's professional conduct.

Our Conflict-of-Interest Policy, in addition to addressing gift-related matters, covers any situation where personal interests could interfere with professional responsibilities. This policy applies to all aspects of an employee's role, ensuring that decisions made within the company are impartial and free from external pressures. Employees are encouraged to disclose any potential conflicts, whether related to gifts, outside business activities, or personal relationships, to ensure transparency and avoid situations that could undermine the integrity of their work. Together, these policies create a robust framework that safeguards ethical practices throughout the organization.

Ethical Excellence in Practice

Maintaining a culture of integrity and transparency is central to every aspect of our operations. Our policies on legal compliance, anti-corruption, gift acceptance, and conflict of interest are designed to ensure that ethical business practices are upheld across all levels of the organization. These measures safeguard our reputation and contribute to a positive, responsible business environment.

Through ongoing education, diligent monitoring, and clear reporting channels, we remain committed to fostering trust and accountability with our employees, clients, and partners. These efforts help ensure that ethical conduct remains a cornerstone of our business, allowing us to operate with integrity and fairness in all our interactions.

Ethical Sourcing and Supplier Responsibility

Ensuring that all vendors and suppliers meet rigorous standards is a critical aspect of maintaining responsible business operations. Due diligence is conducted to evaluate potential suppliers based on legal compliance, financials and ethical business practices. This vetting process helps to ensure that suppliers align with our company's values, ensuring transparency, integrity and compliance across all levels of the supply chain.

The Supplier Screening Policy has been developed, however is in the system integration phase. Once established, this policy will provide clear guidelines for assessing the ethical and environmental practices of our suppliers. The screening process will focus on evaluating factors such as labor standards, environmental sustainability, and adherence to legal and ethical frameworks. By embedding this policy within our procurement practices, we aim to foster stronger, more responsible relationships with our suppliers.

In the interim, STO continues to engage with suppliers who demonstrate a shared commitment to ethical business practices. We are actively working to implement more robust supplier screening measures, and we will continue to collaborate with vendors to ensure our supply chain remains transparent and responsible. This ongoing commitment to ethical sourcing is integral to building a sustainable and accountable business model.

Building Impactful Communities

In 2024, STO dedicated a total of MVR 10,927,836.21 to various charitable activities that uplifted NGOs, communities, hospitals, islands, healthcare centers, recreational clubs, and schools. This commitment highlights our ongoing responsibility to support and care for the community. Our goal was to make a meaningful difference in the lives of those who need it most.

We have been proud to partner with various organizations, working hand in hand to ensure that essential services and support are accessible to all. Whether it was providing resources for hospitals, supporting recreational clubs to enhance community well-being, or helping healthcare centers with much-needed supplies, our aim has always been to contribute to healthier and more vibrant communities.

At STO, we believe that corporate success should be measured not only by financial growth but also by the positive impact we create. Giving back to the community is at the heart of our values, and we continue to prioritize these efforts to strengthen the fabric of society, demonstrating that together, we can build a brighter future for all.

Risk-Driven Resilience for Business Success

STO is deeply committed to maintaining business resilience and effective risk management through a specialized risk function. This team is instrumental in overseeing risk management activities across the organization, ensuring that risk identification, assessment, and mitigation strategies are seamlessly integrated into daily operations. By working closely with various departments, the risk function helps pinpoint potential risks, evaluates their impact, and ensures the proper steps are taken to manage them. This collaborative approach fosters a proactive risk management culture, enabling the company to swiftly address emerging risks and maintain long-term stability.

Complementing the efforts of the risk function, the company has a comprehensive Risk Management Policy in place. This policy ensures that risk management is embedded in the company's operations, with clear guidelines for identifying and addressing risks at every level. The policy aligns with best practices and industry standards, creating a proactive risk management culture that minimizes the impact of disruptions on business continuity. While the company is in the process of developing a Business Continuity Policy, the existing Risk

Management Policy, Credit Policy and the Inventory Management Policy already identifies and addresses business continuity risks. This approach ensures that the company is prepared for potential disruptions and can continue its operations with minimal impact.

The Audit and Risk Committee, composed of board members, plays a vital role in supporting the board in overseeing the management of key risks. The committee is responsible for reviewing the company's risk management frameworks, guidelines, policies, and processes to ensure they effectively mitigate potential threats. By providing strategic oversight, the committee ensures that risks are appropriately identified, monitored, and mitigated, helping safeguard the company's long-term stability.

To further strengthen its risk management efforts, the company places significant emphasis on the continuous development and improvement of its strategies. By aligning with industry-leading practices, the company ensures that its risk management processes remain proactive, agile, and adaptable to the evolving business landscape. This commitment to comprehensive risk assessment, mitigation, and monitoring allows the company to effectively respond to emerging risks and maintain business continuity, securing long-term value and stability. As work on the Business Continuity Policy progresses, the company's commitment to operational resilience will continue to grow, ensuring all aspects of its business are safeguarded. This approach enables the company to confidently navigate challenges and seize new opportunities.

Commitment to Ethical Excellence and Sustainable Growth

STO continues to reinforce its commitment to ethical corporate citizenship by embedding responsible practices into every facet of the business. Through strong governance, transparent stakeholder engagement, and a focus on sustainability, the company ensures that its operations uphold the highest standards of integrity. This proactive approach allows STO to navigate challenges effectively while fostering long-term value creation for all stakeholders.

By consistently enhancing its policies on governance, risk management, and ethical conduct, STO positions itself as a leader in responsible business practices. With a focus on continuous improvement, the company remains dedicated to creating a safe, inclusive, and sustainable work environment, further strengthening its reputation as a trusted and ethical business partner.



Maldives Sustainability Reporting Framework

Index Referenced

Related Topics	Code	Metrics	Definition	Mandatory/ Voluntary	Reporting Format	2024	2023	Explanation	Action Taken
General Information Matrices – General Company Information	GI1	Name of Organization	Name of Organization	M	Text	State Trading Organization plc	State Trading Organization plc	STO is the legal and recognized name of the organization across all corporate, regulatory, and public communications.	No action required. Name is consistent and in use across all platforms.
General Information Matrices – General Company Information	GI2	Year Founded	Year the organization was founded	M	Date	1964	1964	STO was established in 1964 and has been operational since then.	No action required. Historical accuracy is maintained.
General Information Matrices – General Company Information	GI3	Location of Organization's Headquarters	Address of the organization's legally incorporated headquarters	M	Text	Kan'baa Aisaa Rani Hingun, Maafannu, 20345, Male'	Kan'baa Aisaa Rani Hingun, Maafannu, 20345, Male'	The address is the legally registered headquarters where key executive and strategic functions are carried out.	No action required. Address is publicly available and correctly recorded.
General Information Matrices – General Company Information	GI4	Location of Organization's Operating Facilities	Address of the organization's major operating facilities	M	Text	Refer https://sto.mv/contact-us	Refer https://sto.mv/contact-us	Operating facilities are spread across multiple sites in Malé and other islands, including warehouses, outlets, fuel terminals, and distribution centers.	No action required. Address is publicly available and correctly recorded.
General Information Matrics – General Company Information	GI5	Operational Model	<ul style="list-style-type: none">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 clientsServices: Services such as education, health, communications, transportation, and social services, excluding financial servicesFinancial Services: Financial products and services]Other (write-in)	M	Selection	Wholesale and Retail	Wholesale and Retail	STO operates as a wholesaler and retailer of essential goods including fuel, food, pharmaceuticals, construction materials, and home appliances.	No action required. Operational model confirmed as per business structure.
General Information Matrics – General Company Information	GI6	Organization Web Address	Web address (URL) of the organization	M	Text	sto.mv	sto.mv	This is the official web domain used for all corporate, investor, and customer communications.	Regular updates and enhancements made to ensure user-friendly access and transparency.



Maldives Sustainability Reporting Framework

Index Referenced

Related Topics	Code	Metrics	Definition	Mandatory/ Voluntary	Reporting Format	2024	2023	Explanation	Action Taken
Climate and Other Environment related Metrics - Greenhouse Gas Emission	E01	Greenhouse Gas Emissions Strategy	Indicate whether the organization implements a strategy to reduce greenhouse gas (GHG) emissions.	M	Yes/No	yes	yes	STO is in the process of developing a comprehensive emission reduction strategy in alignment with international GHG Protocol Standards. However, currently we have adopted some strategies including reducing Scope 1 emissions through fuel optimization, adopting energy-efficient technologies, and piloting solar energy projects.	Fuel usage and energy efficiency initiatives are being developed while some initiatives are being tracked and monitored to improve emission outcomes.
Climate and Other Environment related Metrics - Greenhouse Gas Emission	E02	Greenhouse Gas Emissions: Total	Amount of greenhouse gas (GHG) emitted as a result of the organization's operations during the reporting period.	M	Tonnes of CO2 Equivalent (tCO2e)	Not measured	Not measured	Total emissions in 2024 include Scope 1 (direct fuel emissions) and Scope 2 (indirect energy use), with Scope 3 currently not reported.	Steps are being taken to identify and redefine Scope 1 and Scope 2 emission sources while developing methods to map Scope 3 emissions in line with MSRF requirements and expand data capture across the value chain.
Climate and Other Environment related Metrics - Greenhouse Gas Emission	E03	Greenhouse Gas Emissions: Direct (Scope 1)	Amount of greenhouse gas (GHG) emitted from direct emission sources as a result of the organization's operations during the reporting period.	V	Tonnes of CO2 Equivalent (tCO2e)	Not measured	Not measured	Emissions mainly arise from fuel used in STO-owned vessels and power operations. The increase is due to a shift to LFS0, which emits more CO ₂ despite its lower sulfur content.	STO is optimizing fleet efficiency and conducting fuel quality testing to minimize future increases. Bunkering safety protocols are being strengthened.
Climate and Other Environment related Metrics - Greenhouse Gas Emission	E04	Greenhouse Gas Emissions: Indirect (Scope 2)	Amount of greenhouse gas (GHG) emitted from indirect emission sources as a result of the organization's operations during the reporting period.	V	Tonnes of CO2 Equivalent (tCO2e)	7,420.55 tCO2e	6,339.84 tCO2	Emissions stem from purchased electricity across operational sites. Efficiency measures and green building designs are expected to reduce this over time.	A solar panel pilot project was launched in 2022, and more buildings are planned to be equipped with renewable energy systems.
Climate and Other Environment related Metrics - Greenhouse Gas Emission	E05	Greenhouse Gas Emissions: Other indirect (Scope 3)	Amount of greenhouse gas (GHG) emitted from all other indirect emission 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	Tonnes of CO2 Equivalent (tCO2e)	Not measured	Not measured	Data on Scope 3 emissions is not yet available. These would include logistics, business travel, and outsourced services.	STO plans to initiate Scope 3 mapping, using supplier engagement and ERP system data to track upstream and downstream emissions.
Climate and Other Environment related Metrics - Energy	E06	Total Energy Consumption	Total energy consumption as a result of the organization's operations during the reporting period.	M	Kilowatt-hour (kWh)	12,275,117.89 kWh (Spent MVR26.4m)	10,487,394.66 kWh (Spent MVR30.9m)	Includes all electricity used across STO facilities. Energy demand is driven by logistics, warehousing, and retail outlets.	Target to become 100% paperless by 2030 and implement digital transformation to reduce operational energy use. Solar energy integration is ongoing.
Climate and Other Environment related Metrics - Biodiversity	E08	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.	V	Decimal (Mean Species Abundance)	Not measured	Not measured	No data reported on biodiversity footprint or Mean Species Abundance.	A biodiversity policy and assessment framework are being developed, especially for the new Funadhoo terminal and warehouse expansions.



Maldives Sustainability Reporting Framework Index Referenced

Related Topics	Code	Metrics	Definition	Mandatory/Voluntary	Reporting Format	2024	2023	Explanation	Action Taken
Climate and Other Environment related Metrics - Water	E09	Water Conservation Strategy	Indicates whether the organization implements a conservation strategy to reduce its water usage.	M	Yes/No	yes	yes	Water-efficient fixtures have been targeted for 30% of facilities by 2027. Annual water usage is tracked to improve efficiency.	Smart fixtures and awareness campaigns are part of the strategy. Data analytics from ERP systems are used to optimize water consumption.
Climate and Other Environment related Metrics - Water	E10	Water Consumed	Volume of water used for the organization's operations during the reporting period.	M	Cubic meters (m3)	54,039.50 m3 (Spent MVR4.8m)	61,544.56 m3 (Spent MVR5.3m)	Water is used across warehouses, retail outlets, and operations. A marginal reduction in expenditure was achieved despite high usage.	Ongoing upgrades to facilities include low-flow installations and data monitoring. Full metering coverage is planned.
Climate and Other Environment related Metrics - Waste	E11	Waste Disposed	Amount of waste disposed by the organization during the reporting period, categorized by disposal method: <ul style="list-style-type: none">• Recycled/Reused• Landfill• Incinerated• Composted• Other	M	Tonnes (t)	Not measured	Not measured	Includes expired medicines, perishable goods, and operational waste. Majority of waste arises from overstocked and outdated inventory.	Procurement aligned with ERP system (SAP S/4HANA) to optimize stock rotation, apply FIFO practices, and reduce expired goods waste.
Governance related Metrics - Complaints	G01	Number of Legal and Regulatory Complaints	Number of formal legal and regulatory complaints received by the organization during the last reporting period.	M	Number	70	58		STO is enhancing case management systems to track and report all legal and regulatory complaints received, more accurately in future reports.
Governance related Metrics - Policies	G02	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	Yes/No	yes	yes	STO has an established Conflict of Interest policy and a Code of Conduct, aimed at preventing bias in decision-making across leadership and employee levels.	All employees and directors are required to disclose potential conflicts. Annual reviews and declarations are part of standard governance practice.
Governance related Metrics - Policies	G03	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	Yes/No	no	no	Supplier screening based on ESG criteria is not formalized yet, although some sustainability criteria are considered in practice.	A Supplier Screening Policy is being developed as part of the Procurement Policy revision to include environmental, social, and ethical checks.
Governance related Metrics - Policies	G04	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	Yes/No	no	no	STO does not currently have a formal BCM policy aligned with ISO 22301. Business continuity planning is managed informally within departmental risk assessments.	A formal BCM Policy is under development. Risk team is working with key departments to map critical operations and establish continuity protocols.
Governance related Metrics - Policies	G05	Anti-Corruption	Indicates whether the organization has a written policy addressing corruption prevention, including clear reporting procedures and enforcement mechanisms.	M	Yes/No	yes	yes	STO has a formal Anti-Bribery and Anti-Corruption Policy in place.	Regular anti-bribery and ethics training is provided. A whistleblower platform is operational and being strengthened.
Governance related Metrics - Complaints	G06	Number of Complaints Registered	Number of complaints registered by clients of the organization during the reporting period.	V	Number	6,642	6,460	This includes complaints logged under technical faults (AC, DAP), product repair issues, and customer feedback. 98% resolution rate achieved.	Complaint tracking system was used effectively. STO plans to further categorize and automate analysis of customer complaint trends for service improvement.



Maldives Sustainability Reporting Framework

Index Referenced

Related Topics	Code	Metrics	Definition	Mandatory/ Voluntary	Reporting Format	2024	2023	Explanation	Action Taken
Governance related Metrics - Complaints	G07	Number of Employee	Number of formal grievances registered from employees of the organization during the reporting period.	V	Number	23			
Social and Employee Metrics - Policies	S01	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	Yes/No	yes	yes	STO's commitment to human rights is embedded in its HR policies aligned with international standards.	Managed through HR Policy
Social and Employee Metrics - Diversity and Inclusion	S02	Diverse Representation Policy	Indicates whether the company has a written policy on diverse representation and a system to monitor compliance with this policy.	M	Yes/No	yes	yes	STO has policies supporting inclusion of marginalized groups and people with disabilities.	Managed through HR Policy
Social and Employee Metrics - Diversity and Inclusion	S03	Gener Equity Policy	Indicates whether the company has a written policy on gender equity and a system to monitor compliance with this policy.	M	Yes/No	yes	yes	STO promotes gender equity through formal HR policies and tracks metrics including female leadership.	Managed through HR Policy
Social and Employee Metrics - Diversity and Inclusion		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	Ratio	1:1	1:1		
Social and Employee Metrics - Diversity and Inclusion	S04	BoD: 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	Number	1	0	One-third of STO's board comprises women. This is not in line with national regulatory requirements.	Continued focus on leadership diversity in board nominations.
Social and Employee Metrics - Health and Safety	S05	Occupational injuries	Number of occupational injuries which affected any full-time, part-time, and temporary employees of the organization during the reporting period.	M	Number	1	1	One occupational injury recorded, representing 0.04% of the workforce.	Root cause addressed; additional safety measures reinforced.
Social and Employee Metrics - Health and Safety	S06	Worker Safety Policy	Indicates whether the organization has policies in place to monitor, evaluate, and ensure worker safety.	M	Yes/No	yes	yes	STO has a comprehensive OHS Policy, and safety training is routinely conducted.	Managed through Organizational Health and Safety Policy.
Social and Employee Metrics - Training Opportunities	S07	Employees Trained	Number of employees (full-time, parttime, or temporary) who were trained through programs provided by the organization (both internally and externally) during the reporting period.	M	Number	763	427	Training programs covered job skills, safety, wellness, and other life skills.	Training is tracked via HR systems and internal LMS.
Social and Employee Metrics - Training Opportunities	S08	Employee Training Hours	Number of training hours provided for employees (full-time, part-time, or temporary) during the reporting period.	V	Number	24,218	38,464	Includes hours spent on internal training, professional development, and awareness sessions.	Enhanced digital training delivery rolled out via LMS.
Social and Employee Metrics - Training Opportunities	S09	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	Maldivian Rufiyaa	MVR10.2m	MVR9.5m	Covers costs of training delivery, external courses, platforms like Udemy and Coursera.	Training budget aligned with strategic reskilling needs.
Social and Employee Metrics - Policies	S10	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	Yes/No	yes	yes	Standard 8-hour shifts, with overtime regulated per Employment Act.	Compliance monitored quarterly; policy update in progress.
Social and Employee Metrics - Policies	S11	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	Yes/No	yes	yes	Covers protection against all forms of bias in employment, including gender, disability, religion, etc.	Enforced via HR Policy and Employee Handbook.
Social and Employee Metrics - Policies	S12	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	Yes/No	yes	yes	STO ensures competitive and fair compensation, based on job roles and benchmarked salary data.	Regular salary reviews conducted by HR & Finance.
Social and Employee Metrics - Policies	S13	Sexual Harassment Policy	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.	M	Yes/No	yes	yes	Robust policy in place with grievance procedures, awareness programs, and a dedicated committee.	Managed by HR and the Sexual Harassment Prevention and Gender Equality Committee.





Summary of Audited Financial Statements

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STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2024

	Note	Group		Company	
		2024	2023	2024	2023
Revenue	7	16,759,883,731	17,069,672,624	15,449,496,372	16,373,104,633
Cost of sales	10	(13,671,803,162)	(13,559,113,533)	(13,095,293,019)	(13,708,723,835)
Gross profit		3,088,080,569	3,510,559,091	2,354,203,353	2,664,380,798
Other income	8	118,795,581	234,854,313	125,468,829	113,336,332
Administrative expenses	10	(901,415,713)	(899,646,675)	(591,755,181)	(513,727,065)
Selling and marketing expenses	10	(827,230,618)	(794,623,067)	(703,031,822)	(676,805,203)
Impairment loss on trade, other and related party receivables	22, 23 & 24	(282,090,970)	(449,253,081)	(84,120,293)	(294,671,603)
Other operating expenses	10	(8,104,965)	(16,042,881)	(7,723,358)	(15,854,637)
Operating profit		1,188,033,884	1,585,847,699	1,093,041,528	1,276,658,622
Finance income		163,223,958	46,691,773	168,027,264	43,777,500
Finance costs		(437,467,853)	(356,199,873)	(414,918,404)	(323,660,475)
Net finance costs	9	(274,243,895)	(309,508,100)	(246,891,140)	(279,882,975)
Share of profit of Joint venture		15,022,451	15,264,039	-	-
Share of (loss) / profit of associates		(1,539,571)	1,854,617	-	-
Share of profit of equity accounted investees – net of tax	17	13,482,880	17,118,656	-	-
Profit before tax expense from continuing operations		927,272,869	1,293,458,256	846,150,388	996,775,647
Income tax expense	11	(154,902,825)	(206,793,985)	(104,691,816)	(178,476,697)
Profit after tax expense from continuing operations		772,370,044	1,086,664,271	741,458,572	818,298,950
Discontinued operations					
Profit after tax for the year from discontinued operations	16.5	-	295,403,264	-	-
Profit for the year		772,370,044	1,382,067,534	741,458,572	818,298,950

	Note	Group		Company	
		2024	2023	2024	2023
Other comprehensive income					
Items that will not be reclassified to profit or loss from continuing operations					
Remeasurement of defined benefit liability	33	(7,629,070)	(7,690,741)	(6,971,023)	(3,593,313)
Tax related to remeasurement of defined benefit liability		1,144,360	1,153,611	1,045,653	538,997
Equity investment at FVOCI – net change in fair value	18	11,875,000	9,875,000	-	-
Tax related to equity investments at FVOCI – net change in fair value		(1,781,250)	(1,481,250)	-	-
Total other comprehensive (loss)/income – net of tax		3,609,041	1,856,620	(5,925,370)	(3,054,316)
Total comprehensive income for the year from continuing operations		775,979,085	1,088,520,891	735,533,203	815,244,634
Items that will not be reclassified to profit or loss from discontinued operations					
Remeasurement of defined benefit liability		-	374,888	-	-
Total comprehensive income for the year from discontinued operations		-	295,778,151	-	-
Profit attributable to: (Continuing operations)					
Owners of the Company		770,472,086	1,084,049,399	741,458,572	818,298,950
Non – controlling interests	30	1,897,958	2,614,872	-	-
		772,370,044	1,086,664,271	741,458,572	818,298,950
Profit attributable to: (Discontinued operations)					
Owners of the Company		-	295,403,264	-	-
		-	295,403,264	-	-
Total comprehensive income attributable to: (Continuing operations)					
Owners of the Company		774,060,767	1,085,906,435	735,533,203	815,244,634
Non – controlling interests		1,918,318	2,614,456	-	-
		775,979,085	1,088,520,891	735,533,203	815,244,634
Basic and diluted earnings per share	12	684	962	658	726

To download the full set of financial statements with notes <https://r.sto.mv/h3dsih>



STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 31ST DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
ASSETS	Note				
Non-current assets					
Property, plant and equipment	13	2,596,038,310	2,519,504,251	2,020,952,307	1,895,658,128
Investment property	14	359,776,956	366,361,036	359,776,956	366,361,036
Intangible assets	15	124,609,526	85,497,121	98,055,542	65,146,706
Right-of-use assets	19	474,191,400	260,746,951	394,741,703	176,581,287
Lease receivable	20	-	-	52,924,332	79,002,778
Investment in subsidiaries	16	-	-	256,297,041	284,899,650
Equity accounted investees	17	175,521,118	48,678,238	138,627,267	15,267,267
Equity securities at FVOCI	18	107,865,800	95,990,800	2,240,800	2,240,800
Loans receivable	24	293,588,046	371,246,701	-	-
Other financial investments	27	1,396,059,029	1,176,265,016	1,286,774,061	1,017,720,000
Deferred tax assets	11.3	277,699,060	227,815,947	183,651,764	134,500,445
Total non-current assets		5,805,349,245	5,152,106,061	4,794,041,773	4,037,378,097
Current asset					
Inventories	21	1,293,574,196	1,555,787,547	1,163,305,902	1,363,563,751
Lease receivable	20	-	-	26,078,446	23,431,653
Trade and other receivables	22	1,308,336,811	1,026,033,552	645,251,666	472,198,241
Amounts due from related parties	23	4,200,908,732	3,564,970,376	4,897,895,748	4,321,899,931
Loans receivable	24	133,605,505	212,562,686	336,133,138	383,308,916
Insurance contract assets	26.1	96,702,329	19,427,335	-	-
Reinsurance contracts	26.1	209,531,645	209,991,164	-	-
Other financial investments	27	1,183,034,449	436,277,092	988,520,098	90,000,000
Cash and cash equivalents	28	1,085,399,985	1,735,714,234	680,503,274	1,481,079,597
Total current assets		9,511,093,652	8,760,763,986	8,737,688,272	8,135,482,089
Total assets		15,316,442,897	13,912,870,047	13,531,730,045	12,172,860,186

		Group		Company	
		2024	2023	2024	2023
Equity					
Share capital	29	56,345,500	56,345,500	56,345,500	56,345,500
Share premium	29	27,814,500	27,814,500	27,814,500	27,814,500
Claim equalization reserve	29	74,021,509	74,021,509	-	-
Currency translation reserve	29	334,411	334,411	-	-
General reserve	29	1,378,846,427	1,230,554,713	1,369,564,617	1,221,272,903
Fair value reserve	29	48,547,102	38,453,352	(7,234,148)	(7,234,148)
Retained earnings		4,331,763,445	3,806,240,942	3,509,418,988	3,012,330,299
Equity attributable to owners of the Company		5,917,672,894	5,233,764,927	4,955,909,457	4,310,529,054
Non-controlling interests	30	25,894,135	25,575,817	-	-
Total equity		5,943,567,029	5,259,340,744	4,955,909,457	4,310,529,054
LIABILITIES					
Non-current liabilities					
Loans and borrowings	31.2	853,985,320	1,131,032,775	811,013,583	1,070,651,922
Deferred income	35	31,876,865	35,667,894	45,267,113	49,590,531
Deferred tax liability	11.4	10,197,496	3,543,756	-	-
Lease liabilities	32	267,241,594	243,467,520	190,812,986	162,931,285
Defined benefit obligation	33	103,803,130	88,857,393	75,612,662	63,555,919
Total non-current liabilities		1,267,104,405	1,502,569,338	1,122,706,344	1,346,729,657
Current liabilities					
Loans and borrowings	31.3	3,043,051,112	2,629,998,389	3,101,038,266	2,657,847,093
Trade and other payables	34	3,638,952,709	3,481,540,347	3,304,789,282	3,243,591,782
Lease liabilities	32	199,391,768	51,045,275	186,959,607	38,261,300
Deferred income	35	9,273,484	9,160,635	4,323,414	4,323,414
Insurance contracts liabilities	26.1	520,105,451	438,036,505	-	-
Reinsurance contracts	26.1	4,484,859	713,688	-	-
Current tax liabilities	38	59,076,908	186,344,693	52,388,192	123,908,263
Amounts due to related parties	39	190,054,926	210,019,503	362,235,237	306,676,604
Bank overdrafts	28	441,380,246	144,100,930	441,380,246	140,993,019
Total current liabilities		8,105,771,463	7,150,959,965	7,453,114,244	6,515,601,475
Total liabilities		9,372,875,868	8,653,529,303	8,575,820,588	7,862,331,132
Total equity and liabilities		15,316,442,897	13,912,870,047	13,531,730,045	12,172,860,186



STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2024

GROUP	Attributable to owners of the Company							Non-Controlling Interest	Total	
	Share capital	Share premium	Claim equalization reserve	Currency translation reserve	General reserve	Fair value reserve	Retained earnings			Total
Balance as at 1st January 2023	56,345,500	27,814,500	71,861,025	334,411	1,066,894,923	30,059,602	2,317,206,335	3,570,516,296	22,961,361	3,593,477,658
Profit for the year	-	-	-	-	-	-	1,084,049,399	1,084,049,399	2,614,872	1,086,664,271
Profit for the year from discontinuing operations	-	-	-	-	-	-	295,403,264	295,403,264	-	295,403,264
Net change in fair value of Equity Investments at FVOCI - net of tax	-	-	-	-	-	8,393,750	-	8,393,750	-	8,393,750
Remeasurement of defined benefit liability - net of tax	-	-	-	-	-	-	(6,536,714)	(6,536,714)	(416)	(6,537,130)
Total comprehensive income for the year						8,393,750	1,372,915,949	1,381,309,699	2,614,456	1,383,924,155
Transfer to / (from) during the year										
general reserve	-	-	-	-	163,659,790	-	(163,659,790)	-	-	-
claim equalization reserve	-	-	2,160,484	-	-	-	(2,160,484)	-	-	-
Remeasurement of defined benefit liability - net of tax from discontinued operations	-	-	-	-	-	-	374,888	374,888	-	374,888
Transactions with owners of the Company										
Disposal of a subsidiary (Note 16.4)	-	-	-	-	-	-	439,155,158	439,155,158	-	439,155,158
Accumulated provision on receivables due to loss of control (Note 24.6)	-	-	-	-	-	-	(70,819,043)	(70,819,043)	-	(70,819,043)
Dividends (Note 29.4)	-	-	-	-	-	-	(86,772,070)	(86,772,070)	-	(86,772,070)
Total transactions with owners of the Company	-	-	-	-	-	-	281,564,045	281,564,045	-	281,564,045
As at 31st December 2023	56,345,500	27,814,500	74,021,509	334,411	1,230,554,713	38,453,352	3,806,240,942	5,233,764,926	25,575,817	5,259,340,744
Balance at 1st January 2024	56,345,500	27,814,500	74,021,509	334,411	1,230,554,713	38,453,352	3,806,240,942	5,233,764,926	25,575,817	5,259,340,744
Profit for the year from continuing operations	-	-	-	-	-	-	770,472,086	770,472,086	1,897,958	772,370,044
Remeasurement of defined benefit liability - net of tax	-	-	-	-	-	-	(6,505,069)	(6,505,069)	20,360	(6,484,709)
Total comprehensive income for the year						-	763,967,017	763,967,017	1,918,318	765,885,335
Transfer to / (from) during the year										
general reserve	-	-	-	-	148,291,714	-	(148,291,714)	-	-	-
Net change in fair value of equity investments at FVOCI - net of tax	-	-	-	-	-	10,093,750.00	-	10,093,750	-	10,093,750
Transactions with owners of the Company										
Dividends (Note 29.4)	-	-	-	-	-	-	(90,152,800)	(90,152,800)	(1,600,000)	(91,752,800)
Total transactions with owners of the Company	-	-	-	-	-	-	(90,152,800)	(90,152,800)	(1,600,000)	(91,752,800)
As at 31st December 2024	56,345,500	27,814,500	74,021,509	334,411	1,378,846,427	48,547,102	4,331,763,445	5,917,672,893	25,894,135	5,943,567,029

STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2024

COMPANY	Share capital MVR	Share premium MVR	General reserve MVR	Fair value reserve MVR	Retained earnings MVR	Total MVR
Balance at 1st January 2023	56,345,500	27,814,500	1,057,613,113	(7,234,148)	2,447,517,525	3,582,056,490
Profit for the year	-	-	-	-	818,298,950	818,298,950
Other comprehensive loss, net of tax	-	-	-	-	(3,054,316)	(3,054,316)
Total comprehensive income for the year	-	-	-	-	815,244,634	815,244,634
Transfer to / (from) during the year						
- general reserve	-	-	163,659,790	-	(163,659,790)	-
Transactions with owners of the Company						
- Dividends (Note 29.4)	-	-	-	-	(86,772,070)	(86,772,070)
Total transaction with owners of the Company	-	-	-	-	(86,772,070)	(86,772,070)
As at 31st December 2023	56,345,500	27,814,500	1,221,272,903	(7,234,148)	3,012,330,299	4,310,529,054
Balance at 1st January 2024	56,345,500	27,814,500	1,221,272,903	(7,234,148)	3,012,330,299	4,310,529,054
Profit for the year	-	-	-	-	741,458,572	741,458,572
Other comprehensive Loss, net of tax	-	-	-	-	(5,925,370)	(5,925,370)
Total comprehensive income for the year	-	-	-	-	735,533,203	735,533,203
Transfer to / (from) during the year						
- general reserve	-	-	148,291,714	-	(148,291,714)	-
Transactions with owners of the Company						
- Dividends (Note 29.4)	-	-	-	-	(90,152,800)	(90,152,800)
Total transaction with owners of the Company	-	-	-	-	(90,152,800)	(90,152,800)
As at 31st December 2024	56,345,500	27,814,500	1,369,564,617	(7,234,148)	3,509,418,988	4,955,909,460



STATE TRADING ORGANIZATION PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2024

	Note	Group		Company	
		2024	2023	2024	2023
		MVR	MVR	MVR	MVR
Cash flows from operating activities					
Profit before tax from continuing operations		927,272,869	1,293,458,256	846,150,388	996,775,647
Profit before tax from discontinued operations		-	295,403,264	-	-
Adjustments for:					
Depreciation on property, plant and equipment	13	214,374,015	220,706,119	115,337,106	108,409,966
Depreciation on investment properties	14	6,584,080	6,922,926	6,584,080	6,922,926
Amortization on right-of-use assets	19	84,943,635	67,802,878	70,991,546	53,072,039
Interest on lease liabilities	9	33,471,464	32,402,475	26,891,049	19,599,891
Amortization of intangible assets	15	13,179,385	5,551,314	10,156,861	2,420,961
Gain on derecognition of right of use assets		(1,528,333)	(5,624,845)	(1,528,333)	(148,658)
Capital work-in progress written off	15.3	13,052,200	-	-	-
Gain on disposal of property, plant and equipment	8	(287,962)	(2,369,165)	(248,304)	(2,369,165)
Provision for impairment of investment in subsidiaries	10	-	-	28,602,609	-
Impairment of capital work-in progress	10	486,350	29,132,172	-	-
Provision for impairment of trade,other and related party receivable	10	282,090,970	449,253,081	84,120,293	294,671,603
Provision of impairment for slow moving inventories	21.1	66,783,551	11,855,598	67,351,940	8,696,847
Provision for defined benefit obligation	33	10,495,115	10,815,922	7,116,410	6,013,251
Receivable written off	10	5,789,851	391,448	5,789,853	60,000
Share of profit of equity - accounted investees, net of tax	18	(13,482,880)	(17,118,656)	-	-
Interest expense	9	393,434,301	309,549,851	386,470,910	304,060,584
Interest income	9	(90,928,632)	(42,440,518)	(45,540,742)	(35,673,218)
Dividend income	9	(4,207,500)	(3,956,250)	(54,399,800)	(8,000,000)
Operating profit before working capital changes		1,941,522,479	2,661,735,870	1,553,845,866	1,754,512,674
Working capital changes					
Change in inventories		195,429,800	576,402,179	132,905,909	317,044,758
Change in trade and other receivables		(596,309,360)	(353,039,373)	(223,118,477)	(124,666,695)
Accumulated provision on receivables due to loss of control	24	-	(70,819,043)	-	-
Change in amount due from related parties		(479,322,524)	(814,753,916)	(600,536,812)	(209,267,536)
Changes in reinsurance contract assets		459,519	261,834,972	-	-
Changes in insurance contract assets	25	(77,274,994)	(15,255,462)	-	-
Changes in deferred revenue		(3,678,178)	(19,610,138)	(4,323,417)	8,038,148
Change in amount due to related parties		(19,964,577)	44,736,944	55,558,633	7,258,647
Change in trade and other payables		81,698,197	63,199,415	(14,516,665)	302,060,594
Changes in reinsurance contract liabilities		3,771,171	(76,306,099)	-	-
Changes in insurance contract liabilities	37	82,068,947	(38,875,831)	-	-
Cash generated from operating activities		1,128,400,480	2,219,249,517	899,815,035	2,054,980,590
Interest paid		(400,780,485)	(318,339,642)	(387,236,679)	(300,047,791)
Gratuity paid		(3,178,449)	(5,466,765)	(2,030,690)	(1,774,770)
Income tax paid	38	(326,036,873)	(198,271,683)	(224,317,553)	(183,259,347)
Net cash generated from operating activities		398,404,667	1,697,171,427	286,230,114	1,569,898,682

		Group		Company	
		2024	2023	2024	2023
	Note	MVR	MVR	MVR	MVR
Cash flows from investing activities					
Purchase and construction of property, plant and equipment	13	(309,592,881)	(886,837,233)	(243,949,992)	(642,638,268)
Purchase of intangible assets	15	(49,298,031)	(48,606,685)	(39,781,390)	(44,742,543)
Proceeds from sales of property, plant and equipment		2,440,477	38,381,187	282,703	2,424,833
Investment in associates	17	(123,360,000)	771,000	(123,360,000)	-
Investments in finance leases	20	-	-	23,431,653	170,223,077
Purchase of other financial instruments	27	(1,523,893,761)	(252,004,756)	(1,327,174,158)	(15,420,000)
Proceeds from sales of other financial instruments	27	557,342,391	180,184,705	159,600,000	19,275,000
Interest received		90,928,632	42,440,518	45,540,742	35,673,218
Dividend received		14,207,500	11,956,250	60,146,201	8,000,000
Impact on disposal of a subsidiary		-	916,513,563	-	-
Net cash used in investing activities		(1,341,225,676)	2,798,549	(1,445,264,240)	(467,204,683)
Cash flows from financing activities					
Loans and borrowings obtained	31	1,514,502,167	484,761,526	1,514,502,167	488,817,194
Repayments of borrowings	31	(1,066,879,273)	(998,625,342)	(1,019,331,707)	(1,063,749,777)
Loans and borrowings obtained for working capital	31	5,226,084,192	5,987,950,929	5,226,084,192	5,987,950,929
Principal lease payments	32	(124,739,188)	(54,769,763)	(111,043,623)	(50,427,540)
Repayments of working capital loans and borrowings	31	(5,537,701,818)	(6,143,240,807)	(5,537,701,818)	(6,143,240,807)
Dividend paid		(16,038,635)	(17,538,864)	(14,438,635)	(14,888,864)
Net cash (used in) / generated from financing activities		(4,772,556)	(741,462,321)	58,070,576	(795,538,864)
Net increase in cash and cash equivalents					
		(947,593,565)	958,507,655	(1,100,963,550)	307,155,135
Cash and cash equivalents at beginning of the year		1,591,613,304	633,105,649	1,340,086,578	1,032,931,443
Cash and cash equivalents at end of the year	28	644,019,739	1,591,613,304	239,123,028	1,340,086,578



5 Year Group Financial Highlights

MVR, MILLION	2020	2021	2022	2023	2024
Earnings					
Revenue	8,501	11,236	19,064	17,070	16,760
Gross Profit	1,784	1,917	2,709	3,511	3,088
Operating Profit	401	451	1,462	1,586	1,188
Profit before tax	223	288	1,215	1,293	927
Profit for the year	127	186	1,072	1,087	772
Share Data					
Price per share, at year end, MVR	455	581	1,330	1,500	1,098
Earnings per share, MVR	319	432	646	726	658
Dividend per share, MVR*	60	65	77	80	80
Net assets per share, MVR	2,150	2,277	3,189	4,667	5,274
No. of shares	1,126,910	1,126,910	1,126,910	1,126,910	1,126,910
Key Ratios					
Return on equity, %	5.3%	7.4%	34.8%	24.5%	13.8%
Return on capital employed (ROCE)	6%	5%	13%	14%	9%
Equity/asset ratio, %	28.6%	24.4%	25.9%	37.8%	38.8%
Net debt/equity ratio	1.94	2.29	2.24	1.17	1.27
Interest coverage ratio	1.91	2.25	4.69	4.45	2.72
Dividend yield, at year end, %	13.2%	11.2%	5.8%	5.3%	7.3%
Financial Position and Cash Flow					
Total assets	8,482	10,501	13,867	13,913	15,316
Equity	2,423	2,566	3,593	5,259	5,944
Non-current liabilities	783	1,089	1,908	1,503	1,267
Trade and other receivables (including loans)	2,717	3,341	4,480	5,175	5,936
Inventories	1,314	1,556	2,144	1,556	1,294
Trade and other payables	1,984	3,016	3,514	3,692	3,829
Net Operating cash flow	588	436	141	1,697	398

* Proposed dividend for 2024



State Trading Organization plc

Legal form:

A Public Listed Company with limited liability. Initially incorporated as a Government Company – Athireemaafannu Trading Account (ATA) on 20th December 1964. Renamed as State Trading Organization on 9th June 1979. Changed to a public listed company on 14th August 2001.

Stock exchange listing:

Ordinary shares of the Company are listed at the Maldives Stock Exchange Company Pvt Ltd

Registered address:

State Trading Organization plc.
Kan'baa Aisa Rani Hingun,
Maafannu, Malé 20345 Republic of
Maldives

Call Centre: 1422

*Thank you to all our employees,
customers, shareholders,
suppliers and other stakeholders.
We are proud to be working with
you to support and build a more
sustainable Community.*

*Together, let's continue to enrich
lives.*

T. 1422
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