

**Beyond Business for a better tomorrow**

# Our Sustainability Journey 2024

Since our inception, STO 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 STO, 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.”**

— STO 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 STO

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 STO’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 STO, 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.

## STO’s Sustainability Reporting

STO 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 (CI) 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
<b>Customers</b>	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"> <li>Customers sent complaints and queries through dedicated channels.</li> <li>Received 25,007 queries through call center.</li> <li>Received customer feedback on the quality of goods sold.</li> <li>Received requests to ensure stability of product prices and availability during Ramadan.</li> <li>Held 78 promotions in 2024 (39 in 2023) including opportunities given to customers, to personally experience the quality of STO products, including tasting events.</li> <li>Attended to over 1,667 queries (2,600 queries in 2023) on social media channels in 2024.</li> <li>STO PC Service Center attended 2,265 jobs (2,348 jobs in 2023), completing 100% jobs registered during the year.</li> <li>Makita Service Center attended 4,377 (4,112 in 2023) repairs, completing 99% of the jobs registered during the year.</li> </ul>	<ul style="list-style-type: none"> <li>STO closely monitored and ensured price stability and availability by making essential products presented throughout Ramadan.</li> <li>Top performing customers of major segments were recognized and rewarded.</li> <li>Expanded sustainable product range.</li> </ul>	<ul style="list-style-type: none"> <li>Improve on customer experience through ESG targets.</li> <li>Enhance digital customer engagement channels.</li> </ul>
<b>Employees</b>	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"> <li>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.</li> <li>HR newsletters are published and circulated through email, monthly.</li> <li>In 2024, the Recreation Club held 23 activities (11 in 2023).</li> <li>33% employees were engaged in training and development programs (20% in 2023), focusing on key areas identified for improvement past year.</li> </ul>	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.
<b>Shareholders</b>	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"> <li>Published quarterly reports within deadlines,</li> <li>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.</li> <li>Whistleblowing and shareholder concern submitting facilities are make available through website.</li> <li>All major news were informed through press releases, news media and website.</li> </ul>	Enhanced transparency in sustainability reporting, strengthened risk management function.	Improve transparency by improving the website and accessibility to board and company by shareholders.
<b>Suppliers and partners</b>	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"> <li>42 visits were made to suppliers (37 in 2023).</li> <li>Attended 4 trade fairs (3 in 2023)</li> <li>Supplier performance review policies are being drafted.</li> <li>Supplier screening policy drafted. Now ongoing are the system integrations works.</li> <li>Procurement policy is in review with focus on sustainable sourcing and human rights.</li> </ul>	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
<b>Regulators</b>	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"> <li>Regular reports as required by the regulations were published or provided, within due timeframe.</li> <li>Company officers participated in trainings, networking events and meetings conducted by regulators.</li> </ul>	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.
<b>Distributors and agents</b>	Regular meetings, business development visits, networking events.	Continuous	Product availability, logistics efficiency, market support.	<ul style="list-style-type: none"> <li>520 agents registered with STO making it easier for STO products to be made available across the country.</li> </ul>	Optimized logistic operations and communication channels.	Improve logistic solutions and distribution management process.
<b>Media</b>	Press releases, media briefings, interviews, social media updates.	Continuous	Transparency, achievements, community impact.	<ul style="list-style-type: none"> <li>78 media briefs (Over 50 in 2023) on different matters regarding the company,</li> <li>Media was invited to all major events of the company,</li> <li>Media performance in quarterly evaluated and graded.</li> <li>Partnered with over 40 medias (over 30 in 2023) on advertising and marketing efforts.</li> <li>We are highly engaged on social media platforms including X, Facebook, Instagram, LinkedIn and TikTok</li> </ul>	Enhanced transparency in reporting, and proactive media engagement.	Increase regularity of sustainability and community engagement focused communications, including stories highlighting impact.
<b>Educational Institutes</b>	Internship programs, research partnerships, guest lectures, career fairs.	Continuous	Skill development opportunities.	<ul style="list-style-type: none"> <li>3 internship programs were conducted during the reporting period.</li> </ul>	Expanded internship programs, launched collaborative research projects.	Expand on relations.
<b>Communities</b>	Community meetings, outreach events, CSR initiatives, volunteer programs.	Continuous	Local economic impact, environmental protection initiatives, social responsibility.	<ul style="list-style-type: none"> <li>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.</li> <li>Spent MVR10.9m in 2024 (MVR17.3m in 2023)</li> </ul>	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**

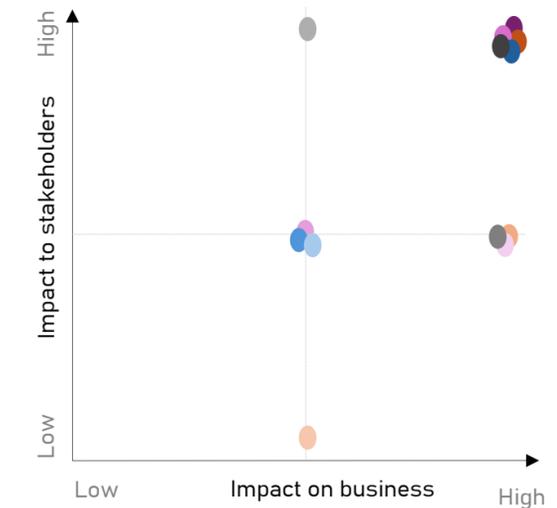
**Social:**

**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	●



Note: The current materiality analysis has been made through an internal assessment.



# Mapping our Material Topics with UN SDG Goals and GRI Standards

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



# Mapping our Material Topics with UN SDG Goals and GRI Standards

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



# 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 &amp; Ethics – Legal complaints, corruption prevention, and conflict of interest policies (G01–G05).</p> <p>Grievance &amp; 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 &amp; 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 CO<sub>2</sub>e 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 CO<sub>2</sub>e 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 CO<sub>2</sub> per liter compared to Marine Gas Oil (MGO), its usage aligns with global environmental regulations aimed at reducing sulfur oxide (SO<sub>x</sub>) 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 CO<sub>2</sub> 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 STO, 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, STO 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 CO<sub>2</sub> 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, STO launched a solar panel pilot project at the STO Staple Warehouse in 2022. Once activated, the solar panels are expected to generate approximately 54,376 kWh per year, reducing CO<sub>2</sub> 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. STO 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 CO<sub>2</sub> emissions, further enhancing our sustainability efforts.

### A Future of Green Buildings & Smart Infrastructure

Looking ahead, STO 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 STO 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 STO, 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, Maldives 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.





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.



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 <a href="https://sto.mv/contact-us">https://sto.mv/contact-us</a>	Refer <a href="https://sto.mv/contact-us">https://sto.mv/contact-us</a>	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 Matrices - General Company Information	GI5	Operational Model	<ul style="list-style-type: none"> <li>Describes the operational model of the organization. Select all that apply:</li> <li>Production/Manufacturing: Production and/or manufacturing of goods (e.g., farming, construction, manufacturing)</li> <li>Processing/Packaging: Processing and/or packaging of goods (can include both raw materials, such as wheat, and secondary materials/ goods, such as baked bread)</li> <li>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)</li> <li>Wholesale/Retail: Intermediary organization that purchases goods and sells them to new target clients</li> <li>Services: Services such as education, health, communications, transportation, and social services, excluding financial services</li> <li>Financial Services: Financial products and services]</li> <li>Other (write-in)</li> </ul>	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 LFSO, which emits more CO <sub>2</sub> 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"> <li>Recycled/Reused</li> <li>Landfill</li> <li>Incinerated</li> <li>Composted</li> <li>Other</li> </ul>	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.

