

**STAMFORD** *TYRES*

STAMFORD TYRES CORPORATION LIMITED

# SUSTAINABILITY REPORT 2020

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# Contents

	Page
Board statement	1
Reporting framework and market benchmarking	2
Reporting period and scope	2
Feedback	3
Stakeholder engagement	3
Policy, practice and performance reporting	4 - 5
Material factors	5 - 16
Supporting the UN Sustainable Development Goals	17 - 18
GRI content index	18 - 21

# FY2020 Sustainability Report – Stamford Tyres Corporation Limited

## 1. Board statement

We reaffirm our commitment to sustainability with the publication of our sustainability report (“Report”) guided by the Global Reporting Initiative (“GRI”) Standards: Core option. For this Report, we provide insights into the way we do business, while highlighting our environmental, social, governance (“ESG”) factors and economic performance.

Whilst mindful of our profit-oriented objective, we are committed to strike a balance between growth, profit, governance, environment, the development of our people and well-being of our communities to secure the long-term future of our Group. This commitment is reflected in our sustainable business strategy and the material ESG factors which are shown in this Report.

A sustainability policy (“SR Policy”) covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material ESG factors has been established and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material ESG factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

The global economic outlook remains challenging as a result of the global oversupply of tyres, intense market competition and uncertainties arising from the Coronavirus disease 2019 (“COVID-19” or “Pandemic”). To cushion the impact of the above developments and Pandemic, we deployed resources and implemented strategies to diversify our product offerings to adapt to the ongoing market changes. In addition, we have taken steps to (i) right-size our operations; (ii) grow our sales of tyres, SSW wheels, truck tyres and mining tyres; (iii) improve our sales productivity; and (iv) upgrade our value-adding business segments such as Stamford Tyres Mart retail chain and truck centres.

Given the volatile nature of the Pandemic and the uncertain outlook, we will continue to engage our stakeholders through providing timely updates on business developments via announcements on the platform of Singapore Exchange Limited (“SGX”). In addition, we will provide more details on our sustainability strategy in relation to the Pandemic in our next Report when there is more clarity.

A summary of our sustainability performance in FY2020 is as follows:

S/N	Material factor	Reporting priority	Sustainability performance
<b>General disclosure</b>			
1	Customer satisfaction	I	Our extensive international distribution network currently spans across 10 countries and it brings us close to the markets and customers we serve
<b>Economic</b>			
2	Sustainable business performance	I	We experienced a loss mainly due to: <ul style="list-style-type: none"><li>Lower revenue arising from increased competition and oversupply in the tyre market;</li><li>A one-time expense relating to the closure of a loss-making operation in Australia; and</li><li>Higher allowance for doubtful receivables as a result of delayed and non-payment of trade receivables when due from customers, inter alia, to the current Pandemic and the various government-imposed lockdowns in our key markets.</li></ul> Despite a challenging year, we declared and paid a dividend of 0.5 Singapore cent per share.
3	Proactive anti-corruption practices	II	No complaints on serious offence <sup>1</sup>

<sup>1</sup> A serious offence is defined as one that involves fraud or dishonesty amounting to not less than SGD 100,000 and punishable by imprisonment for a term of not less than 2 years which is being or has been committed against the company by officers or employees of the company.

# FY2020 Sustainability Report – Stamford Tyres Corporation Limited

S/N	Material factor	Reporting priority	Sustainability performance
<b>Environmental</b>			
4	Energy conservation	II	<ul style="list-style-type: none"> <li>Electricity consumption rate is 63.3 (kWh/ '000 SGD revenue)</li> <li>Liquefied petroleum gas (“LPG”) consumption rate is 150.4 (kg/ '000 SGD revenue)</li> <li>Fuel consumption rate is 4.7 (litre/ '000 SGD revenue)</li> </ul>
5	Waste optimisation	II	89% of the aluminium chips generated from production is recycled
6	Water conservation and wastewater treatment	III	Water consumption rate is 0.7 (CuM/ '000 SGD revenue)
<b>Social</b>			
7	Commitment to quality products	I	Zero incident of safety related defect which resulted in an accident that caused injury to a customer
8	Employee retention	I	81% of the employees have more than 3 years of service with us
9	Equality and diversity in the workplace	I	<ul style="list-style-type: none"> <li>Percentage of female to total permanent employees is 26% and about 38% of managers are females</li> <li>46% of our workforce is over 40 years old</li> <li>Percentages of employees with tertiary and non-tertiary education are 27% and 73% respectively</li> </ul>
10	Safe working environment	II	<ul style="list-style-type: none"> <li>Zero incident of workplace fatality</li> <li>9 non-fatal workplace injuries which resulted in 26 man-days lost</li> </ul>
11	Ongoing community engagement	III	Initiated and maintain various campaigns to help the communities
<b>Governance</b>			
12	Robust corporate governance framework	I	Our overall Singapore Governance and Transparency Index (“SGTI”) score assessed by National University of Singapore Business School is 76 for year 2020

## 2. Reporting framework and market benchmarking

This Report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Core option and published in pursuant to the Singapore Exchange Securities Trading Limited (“SGX-ST”) listing rules 711A and 711B. We have chosen to report using GRI Standards: Core option as it is an internationally recognised reporting framework.

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

## 3. Reporting period and scope

This Report is applicable for our financial year from 1 May 2019 to 30 April 2020 (“FY2020” or “Reporting Period”) and a copy of which can be found in our corporate website <http://www.stamfordtyres.com>. A sustainability report will be published annually in accordance with our SR Policy.

This Report covers the key operating entities within the Group which contributed approximately 96% (FY2019: 94%) of the Group’s total revenue for the Reporting Period.

## 4. Feedback

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

## 5. Stakeholder engagement

Our efforts on sustainability are focused on creating sustainable value for our key stakeholders, which comprise communities, customers, employees, regulators, shareholders and suppliers. Key stakeholders are determined for each material factor identified, based on the extent of which they can affect or are affected by our operations.

We actively engage our key stakeholders through the following channels:

S/N	Key stakeholder	Engagement channel	Frequency of engagement	Key concern raised by stakeholder
1	Communities	Community campaigns	Regularly	Social inclusion
2	Customers (mainly retailers and sub-distributors)	<ul style="list-style-type: none"> <li>▪ Meetings and visits</li> <li>▪ Calls</li> <li>▪ Email communications</li> </ul>	Regularly	<ul style="list-style-type: none"> <li>▪ Customer service</li> <li>▪ Product diversification</li> <li>▪ Product quality and safety</li> <li>▪ Product pricing</li> </ul>
3	Employees	<ul style="list-style-type: none"> <li>▪ Meetings and talks held by the Management</li> <li>▪ Email communications</li> </ul>	Regularly	<ul style="list-style-type: none"> <li>▪ Equal employment opportunity</li> <li>▪ Job security</li> <li>▪ Remuneration and benefits</li> <li>▪ Career development</li> <li>▪ Workplace safety and health</li> </ul>
		Staff evaluation sessions	Annually	
4	Regulators	Consultations and briefing organised by key regulatory bodies such as SGX-ST	As and when required	<ul style="list-style-type: none"> <li>▪ Corporate governance</li> <li>▪ Workplace safety and health</li> <li>▪ Regulatory development towards environmental goals</li> </ul>
5	Shareholders	<ul style="list-style-type: none"> <li>▪ Annual report</li> <li>▪ Annual general meeting</li> </ul>	Annually	<ul style="list-style-type: none"> <li>▪ Sustainable business performance</li> <li>▪ Market valuation</li> <li>▪ Dividend payment</li> <li>▪ Corporate governance</li> </ul>
		Result announcements	Half-yearly	
		Dedicated email account for investor relations	Ongoing	
6	Suppliers	Supplier evaluation	Annually	Demand volatility
		<ul style="list-style-type: none"> <li>▪ Meetings and visits</li> <li>▪ Calls</li> <li>▪ Email communications</li> </ul>	Regularly	

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

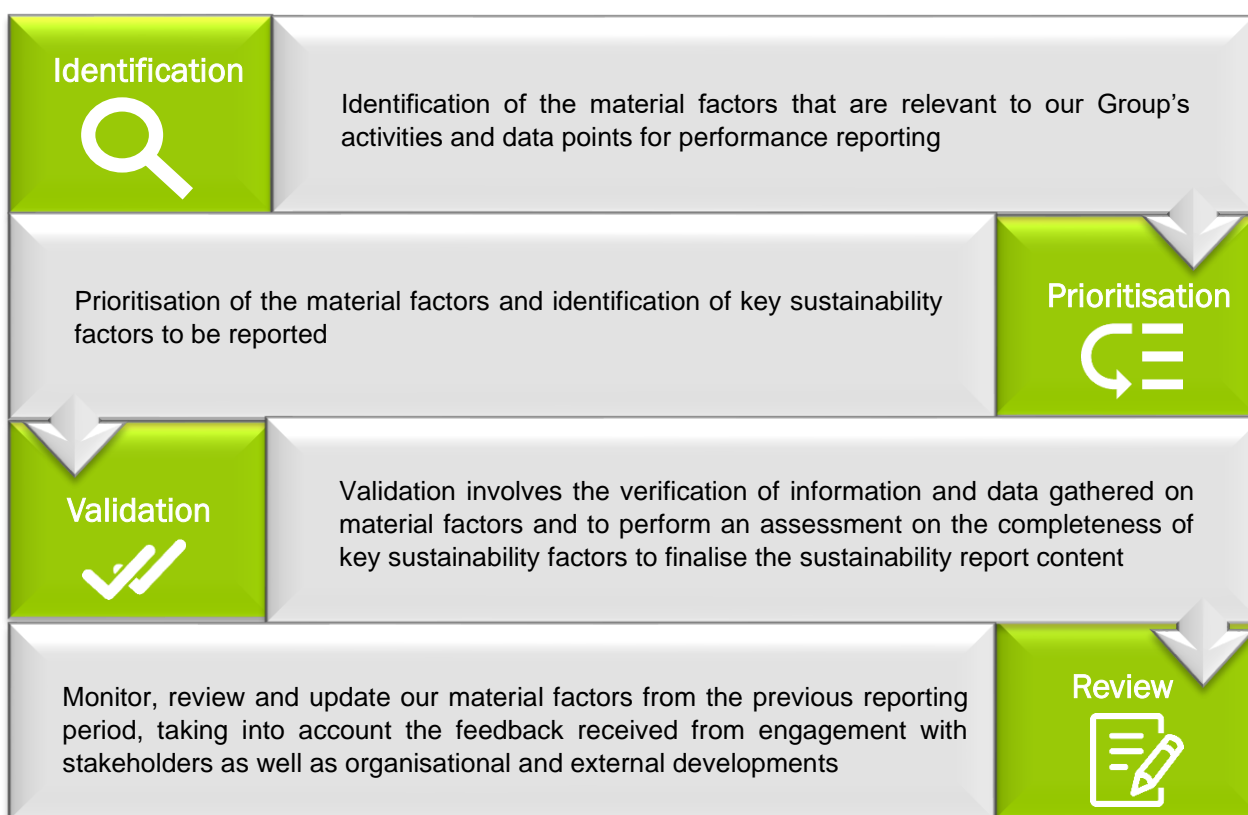
## 6. Policy, practice and performance reporting

### 6.1 Reporting structure

Our sustainability strategy is developed and directed by the senior management in consultation with the Board of Directors. Our Sustainability Committee, which includes senior management executives, is led by our Executive Director, and tasked to develop the sustainability strategy, review our material impacts, consider stakeholder priorities and set goals and targets, as well as collect, verify, monitor and report performance data for this Report.

### 6.2 Sustainability reporting processes

Under our SR policy, our sustainability process begins with the identification of relevant factors. Relevant factors are then prioritised as material factors which are then validated. The end result of this process is a list of material factors disclosed in this Report. Processes involved are as shown in the chart below:



### 6.3 Materiality assessment

Under our SR Policy, each sustainability factor is assigned a reporting priority that determines the actions required as illustrated in the table below:

Reporting priority	Description	Criteria
I	High	Factors with high reporting priority are reported on in detail.
II	Medium	Factors with medium reporting priority are considered for inclusion in the Report. If it is decided that such factors are not material, they may be excluded from the Report.
III	Low	Factors with low reporting priority may be reported to fulfil regulatory or other reporting requirements. They are not included in this Report if not material.

The reporting priority is supported by a material factor matrix which considers the level of concern to external stakeholders (“Stakeholders’ Concern”) and significance of our impacts on the economy, environment and society (“Business Impact”).

# FY2020 Sustainability Report – Stamford Tyres Corporation Limited

## 6.4 Performance tracking and reporting

We track the progress of our material sustainability factors by identifying the relevant data points (i.e. the information source of the relevant factor) and measuring them. In addition, performance targets that are aligned with our strategy are set to ensure that we maintain the right course in our path to sustainability. We seek to constantly enhance our performance-monitoring processes and data capture systems.

## 7. Material factors

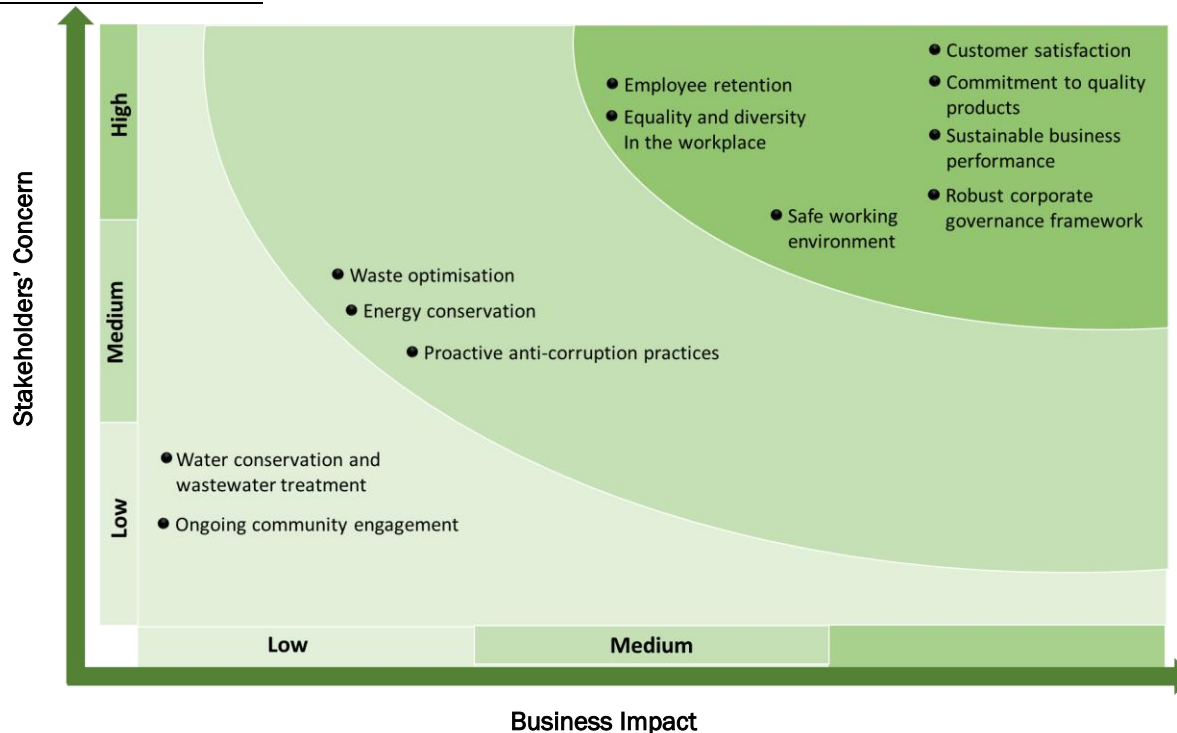
Our materiality assessment performed for FY2020 involved the Group’s senior management in identifying sustainability factors deemed material to our businesses and our stakeholders so as to allow us to channel our resources judiciously to create sustainable value for our stakeholders.

Presented below are a list of material sustainability factors and material factors matrix applicable to our Group:

### List of material sustainability factors

S/N	Material factor	SDG	Reporting priority	Key stakeholder
<b>General disclosure</b>				
1	Customer satisfaction	Decent work and economic growth	I	Customers
<b>Economic</b>				
2	Sustainable business performance	Decent work and economic growth	I	Shareholders
3	Proactive anti-corruption practices	Peace justice and strong institutions	II	<ul style="list-style-type: none"> <li>▪ Shareholders</li> <li>▪ Regulators</li> </ul>
<b>Environmental</b>				
4	Energy conservation	Affordable and clean energy	II	<ul style="list-style-type: none"> <li>▪ Communities</li> <li>▪ Shareholder</li> </ul>
5	Waste optimisation	Responsible consumption and production	II	<ul style="list-style-type: none"> <li>▪ Communities</li> <li>▪ Shareholders</li> <li>▪ Regulators</li> </ul>
6	Water conservation and wastewater treatment	Clean water and sanitation	III	<ul style="list-style-type: none"> <li>▪ Communities</li> <li>▪ Shareholders</li> <li>▪ Regulators</li> </ul>
<b>Social</b>				
7	Commitment to quality products	Decent work and economic growth	I	<ul style="list-style-type: none"> <li>▪ Customers</li> <li>▪ Suppliers</li> </ul>
8	Employee retention	Quality education	I	<ul style="list-style-type: none"> <li>▪ Employees</li> </ul>
9	Equality and diversity in the workplace	Reduced inequalities	I	<ul style="list-style-type: none"> <li>▪ Employees</li> </ul>
10	Safe working environment	Good health and well-being	I	<ul style="list-style-type: none"> <li>▪ Employees</li> </ul>
11	Ongoing community engagement	-	III	<ul style="list-style-type: none"> <li>▪ Communities</li> </ul>
<b>Governance</b>				
12	Robust corporate governance framework	Peace justice and strong institutions	I	<ul style="list-style-type: none"> <li>▪ Shareholders</li> <li>▪ Regulators</li> </ul>

## Material factors matrix



We will update the material factors on an annual basis to reflect changes in business operations, environment, stakeholders' feedback and sustainability trends. The details of each material sustainability factor are presented as follows:

### 7.1 Customer satisfaction

Our strategies towards customer satisfaction are as follows:

#### Cultivate a long-term and sustainable relationship with our partners

With firm relationships established with our strategic partners, we are able to gain access to distribute a diverse range of products under the major brands of Falken, Dunlop, Continental, Bridgestone and Maxam to meet our customers' needs and requirements. In addition, our volume purchases allow us to secure competitive pricing which we can then offer our customers with value-for-money products.

#### Adopt market standards for the quality and safety of our products

For products under our proprietary brands, they are manufactured by selected contracted manufacturers ("CMS") located in Asia under internationally recognised quality standards. The adoption of such standards supports our ability to consistently provide products that meet customers' needs and expectation.

For product safety and consistency in quality, refer to section 7.7 for further details.

#### Maintain presence and proximity to our customers

We have established an international distribution network that spans Singapore, Malaysia, Thailand, Indonesia, Hong Kong, India, Australia, South Africa, and Vietnam. Our extensive network brings us close to the markets we serve and more importantly, to our customers.

#### Nurture a team of highly trained and experienced employees

We are dependent on our highly trained and experienced professional staff to serve our customers on the products we distribute. Our strategy to establish a global footprint is driven by a core regional team of trained and experienced professional staff.



# FY2020 Sustainability Report – Stamford Tyres Corporation Limited

On our efforts to retain our valued staff, refer to section 7.8 for further details.

Target for FY2020	Performance in FY2020	Target for FY2021
Maintain or increase market presence	No material changes in our market presence	Maintain or increase market presence subject to market conditions

## 7.2 Sustainable business performance

We believe in creating long-term economic value for shareholders by rewarding shareholders with consistent profits and dividend payments.

Details of our economic performance can be found in the financial contents and audited financial statements of the Annual Report 2020. Our Annual Report 2020 is available as a downloadable PDF from our website at [https://www.stamfordtyres.com/investor\\_ar.html](https://www.stamfordtyres.com/investor_ar.html)

Target for FY2020	Performance in FY2020	Target for FY2021
Improve our financial performance subject to economic conditions whilst maintaining our dividend rate where practicable	<p>We experienced a loss mainly due to:</p> <ul style="list-style-type: none"> <li>▪ Lower revenue arising from increased competition and oversupply in the tyre market</li> <li>▪ A one-time expense relating to the closure of a loss-making operation in Australia</li> <li>▪ Higher allowance for doubtful receivables as a result of delayed and non-payment of trade receivables when due from customers, inter alia, to the current Pandemic and the various government-imposed lockdowns in our key markets</li> </ul> <p>Despite a challenging year, we declared and paid a dividend of 0.5 Singapore cent per share.</p>	Improve our financial performance subject to economic conditions whilst maintaining our dividend payout where practicable

## 7.3 Proactive anti-corruption practices

We are committed to carry out business with integrity by avoiding corruption in any form, including bribery, and complying with the Prevention of Corruption Act of Singapore.

An employee handbook is in place to provide guidance to our employees on areas such as conduct in workplace, business conduct, confidentiality of information and conflict of interest.

We have implemented a whistle blowing policy to provide a mechanism for employees to raise concerns through accessible confidential disclosure channels about possible improprieties in matters of financial reporting and others. In FY2020, no complaints on a serious offence<sup>2</sup> are reported (FY2019: None).

Target for FY2020	Performance in FY2020	Target for FY2021
Maintain zero incident of complaint on a serious offence <sup>2</sup> complaint	No complaints on a serious offence <sup>2</sup> are reported	Maintain zero incident of complaint on a serious offence <sup>2</sup>

<sup>2</sup> A serious offence is defined as one that involves fraud or dishonesty amounting to not less than SGD 100,000 and punishable by imprisonment for a term of not less than 2 years which is being or has been committed against the company by officers or employees of the company.

## 7.4 Energy conservation

We are committed to responsible usage of energy to preserve the environment in which we operate in. Our operations consume energy mainly for the following purposes:

- Electricity for machineries used in the manufacturing of aluminium alloy wheels and equipment used in our offices
- LPG for machineries used in the manufacturing of aluminium alloy wheels, specifically for wheel casting
- Fuel for operating motor vehicles such as trucks and forklifts

We believe that a responsible usage of energy resources results in lesser carbon emissions and thus helps to preserve the environment. It also reduces our costs and enhances returns to shareholders. Key initiatives on this front are as follows:

- In April 2019, we entered into a Solar Power Purchase Agreement with Sembcorp Solar Singapore to install a solar photovoltaic system at our headquarters (“Solar Power Project”). Under this agreement, solar panels are installed on the rooftop of our headquarters to generate electricity. The solar panels also help to bring down the roof surface’s temperature and cool the facility. This project enabled us to generate clean energy and at the same time, reduced our utility cost.



- A systematic maintenance program for operating equipment is in place to maintain energy efficiency
- Energy consumption is regularly tracked, analysed and corrective actions are taken when unusual consumption patterns are observed

Key statistics on energy usage during the Reporting Period are as follows:

Energy	Unit of measurement	Energy consumption rate (Consumption/ Revenue)	
		FY2020 Unit/ SGD '000	FY2019 Unit/ SGD '000
Electricity	kWh	63.3	72.5 <sup>3</sup>
LPG <sup>4</sup>	kg	150.4	130.5
Fuel	litre	4.7	4.3

During the Reporting Period, the decrease in electricity consumption is mainly due to a reduced production level at our wheel factory in Thailand (“Wheel Factory”). On the other hand, our LPG and fuel consumption increased mainly due to changes in product mix and level at our Wheel Factory.

<sup>3</sup> Figure has been restated as a correction.

<sup>4</sup> LPG is consumed mainly by our Wheel Factory operations.

# FY2020 Sustainability Report – Stamford Tyres Corporation Limited

Target for FY2020	Performance in FY2020	Target for FY2021
Maintain or reduce energy consumption rate	<ul style="list-style-type: none"> <li>The decrease in electricity consumption is mainly contributed due to a reduced production level at our Wheel Factory</li> <li>Our LPG and fuel consumption increased mainly due to changes in product mix and level at our Wheel Factory</li> </ul>	Maintain or reduce energy consumption rate

## 7.5 Waste optimisation

We are committed to environmental preservation through reuse and recycling to allow us to operate in a sustainable environment.

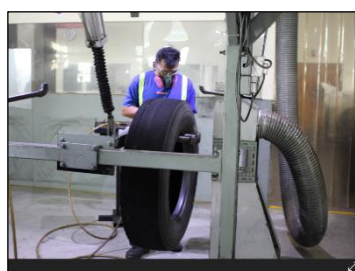
The main waste materials generated from our operations are the aluminium chips from wheel production. All aluminium chips from production are collected for outsource recycling. During the Reporting Period, 89% (FY2019: 89%) of the aluminium chips generated from production is recycled.

### Aluminium chips



In addition, we are actively involved in recycling of used tyres through our retreading plants located in Singapore, Malaysia and Indonesia. The retreading plants serve to extend the life span of tyres, thus saving valuable natural resources used in the production of tyres. Whilst preserving the environment, we also ensure that all retreaded tyres are rigorously inspected to ensure quality and safety.

### Used tyres



### Retreading process



### Retreaded tyres



Target for FY2020	Performance in FY2020	Target for FY2021
Optimise waste generated in operations	No material changes in our recycling rate for aluminium chips generated from production	Optimise waste generated in operations

## 7.6 Water conservation and wastewater treatment

We recognise the importance to effectively manage water consumption as valuable water resources may be depleted and pollution may occur if water consumption and wastewater treatment are not managed properly. To achieve effective water management, we are committed to minimise consumption and manage wastewater quality. This factor is primarily applicable to our wheel manufacturing operations located in Thailand with details as follows:



### a. Water conservation

Process description	Unit of measurement	Water consumption rate (Consumption/ Revenue)	
		FY2020 Unit/ SGD '000	FY2019 Unit/ SGD '000
Used in cooling and washing purposes such as in cooling towers, heat treatment quenching baths, casting hydraulic systems, machining coolant, painting pre-treatment and basic washing of wheels before applying paint.	CuM	0.7	0.8

Water consumption rate decreased in FY2020 mainly due to lesser business activities in our Wheel Factory and rectification of a leakage problem in the underground piping at our operating premises in Singapore.

Water conservation measures adopted by our Wheel Factory include the following:

- A systematic maintenance program is implemented for operating equipment to maintain water efficiency
- Water consumption trends are regularly tracked, analysed and corrective actions are taken when unusual consumption patterns are observed

### b. Wastewater treatment

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

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

During the Reporting Period, the Wheel Factory generated 16,941 tonnes (FY2019: 20,223 tonnes) of wastewater. The decrease in wastewater generated from our Wheel Factory is mainly due to a reduction in production level.

Measures taken to manage water quality include ensuring that wastewater is processed by our own water treatment plants before it is released into the waterways and conducting sampling checks to inspect water quality. During the Reporting Period, 100% (FY2019: 100%) of wastewater generated from our Wheel Factory is treated by our own water treatment plant.

# FY2020 Sustainability Report – Stamford Tyres Corporation Limited

Target for FY2020	Performance in FY2020	Target for FY2021
Maintain or reduce water consumption rate and improve wastewater management	<ul style="list-style-type: none"> <li>Water consumption decreased mainly due to lesser business activities in our Wheel Factory and rectification of a leakage problem in the underground piping at our operating premises in Singapore</li> <li>100% of wastewater generated from our Wheel Factory is treated by our own water treatment plant</li> </ul>	<ul style="list-style-type: none"> <li>Maintain or reduce water consumption</li> <li>Achieve 100% wastewater treatment for the Wheel Factory</li> </ul>

## 7.7 Commitment to quality products

### Our brands



We are committed to deliver the best to our customers by providing them with quality and safe products for our long-term business sustainability. Our proprietary brands comprise:

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

The key measures on quality and safety are as follows:

a. Adoption of market standards on product quality and safety

To maintain product quality and safety, our suppliers and Wheel Factory are certified under internationally recognised quality standards with the following details:

Production line	Brand	Key standards adopted	Certification Center
CMS	Sumo Firenza, Sumo Tire	ECE certification	TUV Rheinland, TUV SUD
Wheel Factory	SSW	IATF 16949:2016	TUV Rheinland
		ISO 9001: 2015	TUV Rheinland
		VIA/JWL	Japanese Vehicle Inspection Association / Japan Light Alloy Automotive Wheel Testing Council
		SNI Marking Product Certificate	Center for Material and Technical Product, Product Certification Body B4T LSPRO Bandung, Indonesia
		GOST	Euro-Asian Council & CIS for Standardisation, Metrology and Certification
		ABE (KBA/TUV Germany)	TUV Rheinland Kraftfahrt GmbH

b. Robust quality control processes

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

- A manufacturing management policy is in place for compliance with the production standards
- A procurement policy is in place to ensure that procurement teams work closely with suppliers to comply with our requirements
- Strategic suppliers are regularly evaluated through measures such as annual assessments, sampling tests and visits to suppliers' premises
- The production lines are supported by a team of experienced engineers and designers to provide quality assurance for the products

# FY2020 Sustainability Report – Stamford Tyres Corporation Limited

During the Reporting Period, there is no safety related defect which resulted in an accident that caused injury to a customer (FY2019: None).

Target for FY2020	Performance in FY2020	Target for FY2021
Maintain zero safety related defect which resulted in accident and caused injury to customer	Zero incident of safety related defect which resulted in accident that caused injury to customer	Maintain zero safety related defect which resulted in accident and caused injury to customer

## 7.8 Employee retention

The continual success of our business relies on a team of professional, skilled and experienced staff and managers. We are committed to employee retention through the following efforts:

### a. Performance based rewards

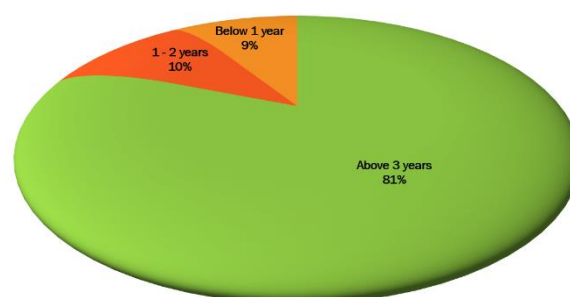
We recognise that employees are key to sustainability and therefore aims to reward capable and dedicated employees. Under our performance share plan for managerial level employees, rewards in the form of shares are granted to key employees to align their interests with that of the Group. The share plan is subject to review and approval by an independent Remuneration Committee and the Board of Directors.

### b. Systematic internal human resource processes

Human resource processes related to employee retention includes:

- An employee handbook is in place to provide guidance on employee benefits and disseminate corporate culture
- Employees are engaged regularly via various channels such as an appraisal exercise which allows employees to gain feedback on their career progress
- In-house and external training courses are organised regularly for employees to improve their professional skills. For example, a systematic training program is in place in Thailand to equip sales staff with the necessary product and service knowledge

**Years of service (all employees)**



We believe that a low turnover improves the sustainability of operations and allows us to contribute positively to the development of social and human capital in a wider community. As at 30 April 2020, 81% (FY2019: 67%) of the employees have more than 3 years of service with us. The increase is mainly due to the implementation of a hiring freeze to tighten our cost controls during these difficult times.

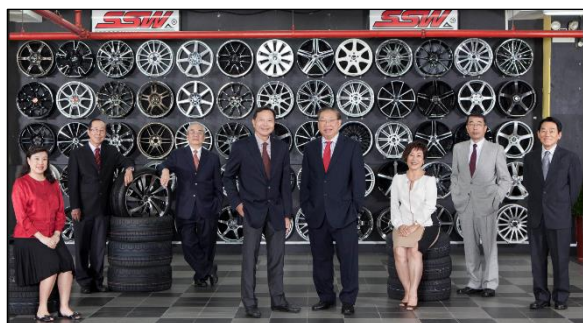
Target for FY2020	Performance in FY2020	Target for FY2021
Improve employee retention rate	Employees have more than 3 years of service with us increased by 14%. The increase in is mainly due to hiring freeze implemented to tighten our cost controls during these difficult times	Maintain or improve employee retention rate subject to market conditions

## 7.9 Equality and diversity in the workplace

We are committed to the goals of diversity and equal opportunity in employment by providing a work environment for our employees that fosters fairness, equality and respect for social and cultural diversity, regardless of their gender, age and educational background. The total number of full-time employees within the Group as at 30 April 2020 is 847 (FY2019: 934). The decrease in the total number of full-time employees is mainly due to the rightsizing of our workforce during these difficult times.

# FY2020 Sustainability Report – Stamford Tyres Corporation Limited

## Our Board



## Our People



On gender diversity, we view diversity on the Board level as an essential element in supporting sustainable development with two (FY2019: two) female Board members. The percentage of female to total permanent employees is 26% (FY2019: 26%) and about 38% (FY2019: 36%) of managers are females as at 30 April 2020.

On age diversity, matured workers are valued for their experience knowledge and skills. As at 30 April 2020, 46% (FY2019: 40%) of our workforce is at least 40 years old.

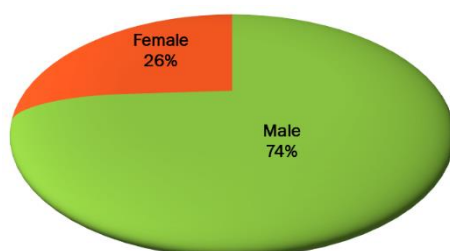
On diversity in educational background, we seek to create an inclusive environment for our employees from different educational background. The distribution of staff by educational level is as follows:

Education qualification	FY2020	FY2019 <sup>5</sup>
Tertiary	27%	31%
Non-tertiary	73%	69%
<b>Total</b>	<b>100%</b>	<b>100%</b>

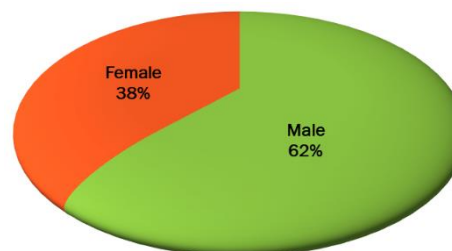
To promote equal opportunity, we have implemented various human resource measures as follows:

- Human resource policy and employee handbook are in place to recruit and promote employees based on merit and competency
- Staff assessment is performed regularly to evaluate the performance of staff and provides staff with sense of self-awareness to undertake training that will improve their skills and abilities
- Staff recruitment advertisements do not state age, race, gender or religion preferences as requirement

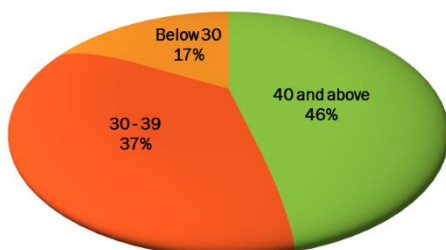
### Gender diversity (all employees)



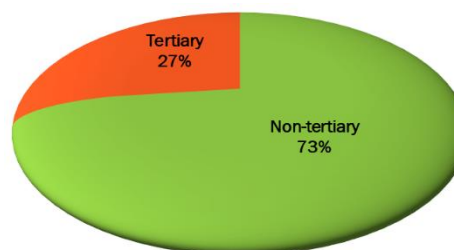
### Gender diversity (managers)



### Age diversity (all employees)



### Educational diversity (all employees)



<sup>5</sup> Figures relating to FY2019 distribution of staff by educational level have been restated as a correction

# FY2020 Sustainability Report – Stamford Tyres Corporation Limited

Target for FY2020	Performance in FY2020	Target for FY2021
Move towards a more balanced gender, age and educational diversity ratio	No material changes in diversity ratios	<ul style="list-style-type: none"> <li>Ratio of female against male employees and managers should not fall below 20%</li> <li>Ratio of employees with age 40 and above should not exceed 50% or less than 20%</li> <li>Ratio of employees with tertiary education should not fall below 20%</li> </ul>

## 7.10 Safe working environment

In our Group's daily operations, the workers are required to handle heavy lifting equipment such as forklift to transfer inventories. For the Wheel Factory, workers also operate in a high temperature environment with the use of chemicals such as paints. Given the nature of activities and operating environment, we are committed to maintain a safety-conscious culture amongst our employees.

The measures implemented to manage health and safety in the workplace environment are as follows:

- A set of safety rules and regulations is in place
- A safety committee is in place and safety inspections are performed regularly by safety officers and reported to senior managers
- All new employees are briefed on safety procedures during orientation
- Regularly track and monitor accidents at the workplace and corrective action plans are established to prevent recurrences of the accidents
- A dedicated first-aid room is maintained at the Wheel Factory to provide immediate and effective medical treatment to workers or others who sustain injuries at the location

### First-aid room in our Wheel Factory



We have recorded zero workplace fatality during the Reporting Period and 9 (FY2019: 12) non-fatal workplace injuries<sup>6</sup>, resulting 26 man-days lost (FY2019: 80 man-days lost) during the Reporting Period. The non-fatal workplace injuries mainly relate to finger, hand and wrist injuries. We will continuously work towards reducing both the occurrence and severity of workplace accidents.

In light of the Pandemic, we put up posters and hand sanitisers at strategic areas of our premises to raise awareness amongst our employees on the safety precautions to be taken during the Pandemic and to facilitate sanitisation. In addition, employees and visitors are required to measure their temperatures before allowing entry into our premises. We also provide complimentary health screening for our Singapore based employees.

### Measures taken during the Pandemic



Posters to raise awareness about the Pandemic



Regular use of hand sanitiser to prevent the spread of the Pandemic



Temperature screening checks for employees and visitors

<sup>6</sup> A workplace accident is defined as one when an employee is injured in a work accident which resulted in (i) hospitalisation for at least 24 hours and/or (ii) medical leave of more than 3 days (regardless if the medical leave is consecutive)



# FY2020 Sustainability Report – Stamford Tyres Corporation Limited

Target for FY2020	Performance in FY2020	Target for FY2021
Reduce the number of workplace accidents	<ul style="list-style-type: none"> <li>Zero incidents of fatal workplace accidents</li> <li>9 non-fatal workplace injuries and resulting in 26 man-days lost, which is an improvement from the previous year</li> </ul>	Reduce the number of workplace accidents

## 7.11 Ongoing community engagement

We recognise that the long-term success of our business is closely related to the health and prosperity of the communities that we operate in. Accordingly, we strive to constantly contribute to the community. During the Reporting Period, the following campaigns are initiated to help the community:

### a. Singapore Red Cross (“SRC”)

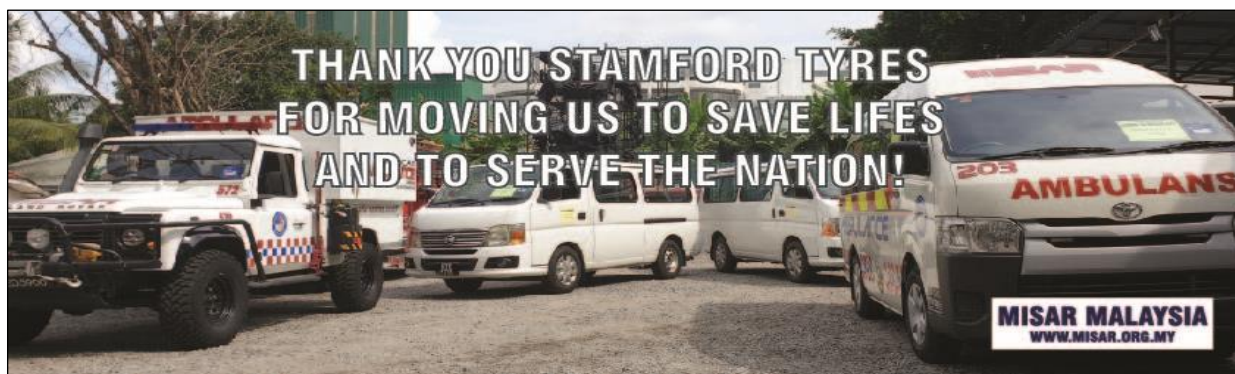
Under an arrangement made with SRC, we have supported the servicing and change of tyres of 18 vehicles since August 2018. The vehicles typically make over 12,000 life-saving trips a year and are deployed all over Singapore. The estimated retail cost of savings for the SRC will be in the region of SGD 15,000 per year. We are proud to partake in the noble mission of SRC.



Photo courtesy: Singapore Red Cross

### b. Malaysia International Search & Rescue (“MISAR”)

In March 2020, our Malaysia subsidiary sponsored tyres for MISAR and we are proud to be part of this programme. Our sponsorship to some extent helped MISAR’s Emergency Response Team in their mission to serve the nation in search, rescue, relief and emergency response to save life and anyone in needed.



# FY2020 Sustainability Report – Stamford Tyres Corporation Limited

c. Jane Goodall Institute of Singapore (“JGIS”)

JGIS was founded in 2007 to continue Dr. Jane Goodall’s efforts in Singapore. Our Singapore subsidiary has participated and donated in this charity gala dinner to show support towards local wildlife conservation and public education on animal welfare and environmental protection.



d. We supported #SGUnited: The Courage Fund

During April 2020, we matched the sale of each tyre and rim with a dollar of donation and each servicing package with two dollars of donation to Courage Fund administered by the National Council of Social Service.



e. Scholarship at Nakhon Ratchasima Province

Our subsidiary in Thailand participated in a donation program organised by Revo Thailand which offers scholarships to students in the Nakhon Ratchasima Province.



Target for FY2020	Performance in FY2020	Target for FY2021
Initiate various campaigns to help the communities	Initiated various campaigns to help the communities	Initiate various campaigns to help the communities

## 7.12 Robust corporate governance framework

We are committed to high standards of corporate governance and believes that a high standard of corporate governance is integral in ensuring sustainability of our business, as well as safeguarding shareholders’ interests and maximising long-term shareholder’s value.

Our overall SGTI score assessed by National University of Singapore Business School is 76 for year 2020 (year 2019: 62).

The Board and Management firmly believe that the success of our quest for good governance lies in putting in place an effective framework of risk management and internal controls that is aligned with market standards and best practices. Refer to the Corporate Governance Report of the Annual Report 2020 for details for our corporate governance practices.




Target for FY2020	Performance in FY2020	Target for FY2021
Improve our SGTI score	Our overall SGTI score assessed by National University of Singapore Business School is 76 for year 2020, which is an improvement from the previous year	Maintain or improve our SGTI score

## 8. Supporting the UN Sustainable Development Goals

We have incorporated the SDGs under the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, where appropriate, as a supporting framework to shape and guide our sustainability strategy. The results shown below are how our sustainability factors relate to these SDGs:

SDG	Our effort (SR factor)
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p>We implement measures to ensure a safe and secure working environment for our employees. (<b>Section 7.10 Safe working environment</b>)</p>
 <p>4 QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>We help our employees to upgrade their professional skills by investing in training, education and development of our people to also enhance our business competencies. (<b>Section 7.8 Employee retention</b>)</p>
 <p>6 CLEAN WATER AND SANITATION</p> <p>Ensure availability and sustainable management of water and sanitation for all</p>	<p>We implement checks and measures to reduce water wastage and manage the quality of wastewater generated from our business operations, which in turn help us to work towards achieving sustainable management and efficient use of natural resources. (<b>Section 7.6 Water conservation and wastewater treatment</b>)</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>We install a solar photovoltaic system at our headquarters and implement measures to reduce our energy consumption rate as responsible usage of energy resources results in lesser carbon emissions and thus helps to preserve the environment. It also helps us to reduce costs incurred to support our business operations. (<b>Section 7.4 Energy conservation</b>)</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> <li>▪ We place heavy emphasis on customer satisfaction as we understand that maintaining a high level of customer satisfaction is essential to the continued success of our business. This in turn helps to contribute to economic growth as well as protection and creation of jobs. (<b>Section 7.1 Customer satisfaction</b>)</li> <li>▪ We ensure compliance to market standards with regards to the quality and safety of our products as such factors also help us to maintain customer satisfaction and the continued success of our business. This in turn helps to contribute to economic growth and protection and creation of jobs. (<b>Section 7.7 Commitment to quality products</b>)</li> <li>▪ We contribute to economic growth through creating long-term value for our stakeholders. (<b>Section 7.2 Sustainable business performance</b>)</li> </ul>

# FY2020 Sustainability Report – Stamford Tyres Corporation Limited

SDG	Our effort (SR factor)
 <p>10 REDUCED INEQUALITIES</p> <p>Reduce inequality within and among countries</p>	<p>We ensure equal opportunity for all employees regardless of age, gender and educational background. (<b>Section 7.9 Equality and diversity in the workplace</b>)</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Ensure sustainable consumption and production patterns</p>	<p>We implement measures to help prevent and reduce waste that is generated from our business operations. (<b>Section 7.5 Waste optimisation</b>)</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> <li>▪ We maintain zero tolerance towards any form of corruption, including bribery, through measures such as our whistle blowing policy (<b>Section 7.3 Proactive anti-corruption practices</b>)</li> <li>▪ We maintain a high standard of corporate governance to safeguard our shareholder’s interest and maximise long-term shareholder value (<b>Section 7.12 Robust corporate governance framework</b>)</li> </ul>

## 9. GRI content index

GRI standard & disclosure title	Section reference	Page
<b>Organisational profile</b>		
102-1	Name of the organisation	Sustainability Report 2020 > Cover page
102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> <li>▪ Sustainability Report 2020 &gt; Customer Satisfaction</li> <li>▪ Annual Report 2020 (“AR 20”) &gt; Corporate Information</li> <li>▪ AR 20 &gt; Our Products</li> <li>▪ AR 20 &gt; Notes to the Financial Statements &gt; Corporation Information</li> <li>▪ AR 20 &gt; Notes to the Financial Statements &gt; Segment Information</li> <li>▪ AR 20 &gt; Notes to the Financial Statements &gt; Subsidiary, Associated and Joint Venture Companies</li> </ul>
102-3	Location of headquarters	<ul style="list-style-type: none"> <li>▪ AR 20 &gt; Corporate Information</li> <li>▪ AR 20 &gt; Notes to the Financial Statements &gt; Corporation Information</li> </ul>
102-4	Location of operations	<ul style="list-style-type: none"> <li>▪ Sustainability Report 2020 &gt; Customer Satisfaction</li> <li>▪ AR 20 &gt; Our Presence</li> <li>▪ AR 20 &gt; Notes to the Financial Statements &gt; Segment Information</li> </ul>

# FY2020 Sustainability Report – Stamford Tyres Corporation Limited

GRI standard & disclosure title		Section reference	Page
<b>Organisational profile</b>			
102-5	Ownership and legal form	<ul style="list-style-type: none"> <li>▪ AR 20 &gt; Notes to the Financial Statements &gt; Corporation Information</li> <li>▪ AR 20 &gt; Notes to the Financial Statements &gt; Subsidiary, Associated and Joint Venture Companies</li> <li>▪ AR 20 &gt; Statistics of Shareholdings</li> </ul>	65 of AR 20 129 – 133 of AR 20 137 of AR 20
102-6	Markets served	<ul style="list-style-type: none"> <li>▪ Sustainability Report 2020 &gt; Customer Satisfaction</li> <li>▪ AR 20 &gt; Our Presence</li> </ul>	6 - 7 12 - 13 of AR 20
102-7	Scale of the organisation	<ul style="list-style-type: none"> <li>▪ Sustainability Report 2020 &gt; Material Factors &gt; Sustainable Business Performance</li> <li>▪ Sustainability Report 2020 &gt; Material Factors &gt; Equality and Diversity in the Workplace</li> <li>▪ AR 20 &gt; Our Products</li> <li>▪ AR 20 &gt; Financial and Operations Review</li> <li>▪ AR 20 &gt; Financial Highlights</li> <li>▪ AR 20 &gt; Consolidated Income Statement</li> <li>▪ AR 20 &gt; Consolidated Statement of Comprehensive Income</li> <li>▪ AR 20 &gt; Balance Sheets</li> </ul>	7 12 – 14 11 of AR 20 14 – 18 of AR 20 19 of AR 20 58 of AR 20 59 of AR 20 60 of AR 20
102-8	Information on employees and other workers	Sustainability Report 2020 > Material Factors > Equality and Diversity in the Workplace	12 – 14
102-9	Supply chain	AR 20 > Corporate Information	1 of AR 20
102-10	Significant changes to the organisation and its supply chain	There was no significant change to the organisation and its supply chain during the Reporting Period	-
102-11	Precautionary Principle or approach	None	-
102-12	External initiatives	Sustainability Report 2020 > Supporting the UN Sustainable Development Goals	17 - 18
102-13	Membership of associations	None	-
<b>Strategy</b>			
102-14	Statement from senior decision-maker	Sustainability Report > Board Statement	1 - 2
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behaviour	AR 20 > Corporate Governance	21 – 49 of AR 20
<b>Governance</b>			
102-18	Governance structure	<ul style="list-style-type: none"> <li>▪ Sustainability Report 2020 &gt; Policy, Practice and Performance Reporting &gt; Reporting Structure</li> <li>▪ Sustainability Report 2020 &gt; Material Factors &gt; Robust Corporate Governance Framework</li> <li>▪ AR 20 &gt; Corporate Governance</li> </ul>	4 16 21 – 49 of AR 20

## FY2020 Sustainability Report – Stamford Tyres Corporation Limited

GRI standard & disclosure title		Section reference	Page
<b>Stakeholder Engagement</b>			
102-40	List of stakeholder groups	Sustainability Report 2020 > Stakeholder Engagement	3
102-41	Collective bargaining agreements	None of our employees are covered by collective bargaining agreements	-
102-42	Identifying and selecting stakeholders	Sustainability Report 2020 > Stakeholder Engagement	3
102-43	Approach to stakeholder engagement	Sustainability Report 2020 > Stakeholder Engagement	3
102-44	Key topics and concerns raised	<ul style="list-style-type: none"> <li>▪ Sustainability Report 2020 &gt; Stakeholder Engagement</li> <li>▪ Sustainability Report 2020 &gt; Material Factors &gt; Customer Satisfaction</li> </ul>	3 6 - 7
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	AR 20 > Notes to the Financial Statements > Subsidiary, Associated and Joint Venture companies	129 – 133 of AR 20
102-46	Defining report content and topic Boundaries	Sustainability Report 2020 > Policy, Practice and Performance Reporting > Sustainability Reporting Processes	4
102-47	List of material topics	Sustainability Report 2020 > Material Factors	5 - 16
102-48	Restatements of information	There are some minor restatements of the following: <ul style="list-style-type: none"> <li>▪ Sustainability Report 2020 &gt; Material Factors &gt; Energy Conservation</li> <li>▪ Sustainability Report 2020 &gt; Material Factors &gt; Equality and Diversity in the Workplace</li> </ul>	8 - 9 12 - 14
102-49	Changes in reporting	None	-
102-50	Reporting period	Sustainability Report 2020 > Reporting Period and Scope	2
102-51	Date of most recent report	Sustainability Report 2020	-
102-52	Reporting cycle	Sustainability Report 2020 > Reporting Period and Scope	2
102-53	Contact point for questions regarding the report	Sustainability Report 2020 > Feedback	3
102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> <li>▪ Sustainability Report 2020 &gt; Reporting Framework and Market Benchmarking</li> <li>▪ Sustainability Report 2020 &gt; GRI Content Index</li> </ul>	2 18 - 21
102-55	GRI content index	Sustainability Report 2020 > GRI Content Index	18 - 21
102-56	External assurance	We may seek external assurance in the future	-

# FY2020 Sustainability Report – Stamford Tyres Corporation Limited

GRI standard & disclosure title		Section reference	Page
<b>Management approach</b>			
103-1	Explanation of the material topic and its Boundary	Sustainability Report 2020 > Material Factors	5 - 16
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>▪ Sustainability Report 2020 &gt; Board Statement</li> <li>▪ Sustainability Report 2020 &gt; Policy, Practice and Performance Reporting</li> <li>▪ Sustainability Report 2020 &gt; Material Factors</li> </ul>	1 – 2 4 – 5 5 - 16
103-3	Evaluation of the management approach	Sustainability Report 2020 > Material Factors	5 - 16
<b>Category: Economic</b>			
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> <li>▪ Sustainability Report 2020 &gt; Material Factors &gt; Sustainable Business Performance</li> <li>▪ AR 20 &gt; Financial and Operations Review</li> <li>▪ AR 20 &gt; Financial Highlights</li> <li>▪ AR 20 &gt; Consolidated Income Statement</li> <li>▪ AR 20 &gt; Consolidated Statement of Comprehensive Income</li> <li>▪ AR 20 &gt; Balance Sheets</li> </ul>	7 14 – 18 of AR 20 19 of AR 20 58 of AR 20 59 of AR 20 60 of AR 20
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report 2020 > Material Factors > Proactive Anti-Corruption Practices	7
<b>Category: Environmental</b>			
302-3	Energy intensity	Sustainability Report 2020 > Material Factors > Energy Conservation	8 - 9
303-1	Water withdrawal by source	Sustainability Report 2020 > Material Factors > Water Conservation and Wastewater Treatment	10 - 11
306-2	Waste by type and disposal method	Sustainability Report 2020 > Material Factors > Waste Optimisation	9
<b>Category: Social</b>			
401-1	New employee hires and employee turnover	Sustainability Report 2020 > Material Factors > Employee Retention	12
403-9	Work-related injuries	Sustainability Report 2020 > Material Factors > Safe Working Environment	14
405-1	Diversity of governance bodies and employees	Sustainability Report 2020 > Material Factors > Equality and Diversity in the Workplace	12 - 14
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report 2020 > Material Factors > Ongoing Community Engagement	15 - 16
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report 2020 > Material Factors > Commitment to Quality Products	11 - 12