

CHALLENGES AND OPPORTUNITIES





This Sustainability Report covers Singapore Myanmar Investco Limited's ("**SMI**" or the "**Group**") relating to Environmental, Social and Governance ("**ESG**") aspects.

The scope of this report covers the financial year from **1 April 2019 to 31 March 2020**. The Sustainability Report follows the Global Reporting Initiative ("**GRI**") Standards 2016, Core option. Unless otherwise stated, the report covers the ESG performance of the Group across its core operations in Singapore and Myanmar. The Group has not sought external independent assurance for the preparation of this report.

In addition, as part of our continual efforts on improving the report, we also welcome stakeholders to submit their feedback to enquiries@sin-mi.com.

OUR BUSINESS AND STRATEGIES



Dear Stakeholders,

Sustainable growth is an important consideration for SMI's business. The Board of Directors of SMI (the "**Board**") has considered the sustainability topics as part of our business strategy. The Board oversees the monitoring and management of the material ESG aspects.

Last year, we have established some sustainability targets in our inaugural sustainability report. This year, we present our sustainability report for FY2020 to share our sustainability progress and milestones that we have achieved.

During the past year, we have taken measures to reduce plastic usage in our Food & Beverage (F&B) and Travel & Fashion Retail operations, reducing plastic bag usage as well as the usage of plastic cups in our restaurants. In the upcoming years, we will look into implementing more initiatives to further reduce plastic waste in our operations.

In order to deliver quality services to our consumers, we place heavy emphasis in recruiting, training and developing service-oriented employees across all our business lines. We greatly value our people and seek to continue to grow our talent pool through our investments in training and development of our employees.

As we strive to become one of Myanmar's leading Retail and F&B group with a strong focus on the consumer, we continue to contribute to the development of local communities by creating jobs, paying taxes and doing business with local enterprises. And we have been a major sponsorship of Room to Read the educational charity and have also sponsored performance by young Myanmar nationals who are developing an interest in classical music.

SMI is an investment and management company focused on emerging economy of Myanmar. SMI strives to play an active and pioneering role in modernisation and growth of Myanmar by introducing ground-breaking international products and services to Myanmar to meet emerging consumer and development demand.

OUR BUSINESS AND STRATEGIES

SMI is listed on the Main Board of Singapore Stock Exchange and is led by an experienced and talented management team. With deep-rooted track records of success in Myanmar, SMI has established itself as reputable partner of choice in Myanmar for global brands.



Travel and Fashion Retail

World class multi-category duty free brands supplied by DFS and a wide range of international fashion and lifestyle brands at the International Airport and in domestic malls.



Food and Beverage

Franchise or license agreements with reputable F&B brands, such as Crystal Jade Kitchen, Coffee Bean and Tea Leaf and Ippudo.

Beverage distribution of Wine, Monin Syrups and San Pellegrino Water to hotels and restaurants, patisseries and coffee shops.



OUR BUSINESS AND STRATEGIES

Logistics Services

International standards of logistics services including trucking, warehousing and cold storage facilities.



The First Warehouse In Yangon Offers State-of-the-art (Japanese Technology) Cold and Cool Storage Facilities



High Synergies With Many Businesses Within SMI Group – Especially Retail and F&B

STAKEHOLDER ENGAGEMENT

Our key stakeholders include our employees, investors, business partners, the community, government departments and national agencies and we review our ESG commitments taking into account input and obligation from these stakeholders.

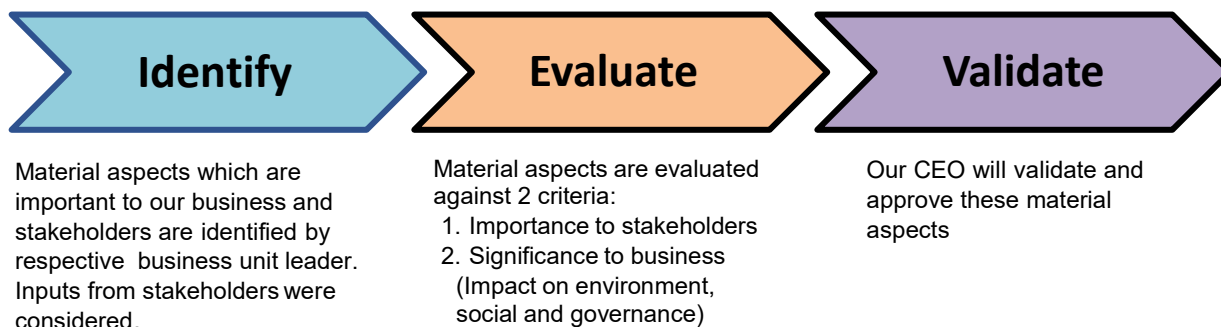
The table below summarises the various stakeholder engagement activities, which we have gathered and platforms which SMI utilises to reach out to our stakeholders.

Stakeholder	Platforms	Frequency	Key Feedback and Concerns
Employees ¹	Interviews / feedback sessions	Ad-hoc	<ul style="list-style-type: none"> Employee safety and welfare. These have become a major priority as we started to prepare for the impact of Covid-19. Staff training and development opportunities Remuneration and benefits Fair and competitive employment practices Overseas training trips
	Regular dialogue sessions with senior management	Bi-monthly	
	Performance appraisal	Annual	
	Team bonding sessions	Ad-hoc	
	Training	Ad-hoc	
Investors	Annual and extraordinary general meetings	Annual	<ul style="list-style-type: none"> Updates on financial performance Economic and political environment in Myanmar Compliance to international standards on anti-corruption Long-term growth prospects
	Analyst reports	Quarterly	
	Investor relations contact	Annual	
	SGX announcement, media release and interviews	Ad-hoc	
	Company website	Perpetual	
Government Departments and National Agencies	Official visits	Ad-hoc	<ul style="list-style-type: none"> Compliance with laws and regulations relating to various business sectors Facilitating the growth of the Myanmar economy
	Meetings, briefings and regular reporting	Ad-hoc	
	Joining trade associations and industry forums	Ad-hoc	
The Community	Sustainability report	Annual	<ul style="list-style-type: none"> Supporting the local community Provide job opportunities and development
	Corporate social responsibility activities	Ad-hoc	
Franchisers	Meetings, briefings and regular reporting	Ad-hoc	<ul style="list-style-type: none"> Establishing and maintaining good relationships Compliance to contract requirements
Suppliers/ Vendors	Vendor evaluation	Annual	<ul style="list-style-type: none"> Maintaining good relationship Quality products and services Environmental compliance Certification compliance
	Regular meeting with key suppliers	Ad-hoc	
	Quality control inspections	Ad-hoc	

¹“Employees”, in the context of this Sustainability Report, refers collectively to the employees of SMI and its local business partners

MATERIALITY ASSESSMENT




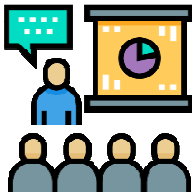

We have reviewed materiality analysis to identify sustainability issues that are of importance to our business and stakeholders. This assessment helps us bring focus to key areas that we seek to improve on as we make progress in achieving the long-term sustainability of our business.



Led by our CEO, the various Business Unit Heads assist in providing inputs and execution of initiatives related to the Group’s sustainability. Our review focuses on 3 key aspects (Environment, Social, and Governance) and 5 identified material topics, with the factors being plotted based on their importance to stakeholders against the significance to our business in the materiality matrix below.



MATERIAL TOPICS

Material Topics	Relevance to SMI	How are we addressing the issue
Governance Dimension		
Regulatory Compliance 	SMI is committed to conduct and manage its business and assets in compliance with applicable laws and regulations, which is essential for the long-term sustainability of the business.	SMI has put in place internal controls and procedures to embed compliance into its day-to-day operations. In addition to proactively identifying and responding to applicable new rules and regulations, internal audits are also carried out annually to ensure compliance.
Corporate Governance 	Good corporate governance is necessary to enable SMI to operate more efficiently, effectively as well as mitigating risk and safeguarding the interests of our stakeholders.	SMI is committed to good corporate governance and transparency in its endeavours. All employees are aware of the corporate code of conduct and are expected to abide by it.
Social Dimension		
Diverse and Equal Opportunities 	An inclusive workforce provides SMI with diverse perspectives, skills and talents. As such, SMI ensures that everyone is given fair opportunities regardless of ethnicity and gender.	SMI adopts merit-based recruitment practices and emphasizes diversity and inclusiveness, with the individual's competencies and job fit being the basis of hiring.
Employee Training and Development 	Our people are critical assets to the Group, and it is therefore crucial for us to invest and support them in their development.	Employees are sent for training programs to upgrade and improve their skillset. The training courses include language classes on English and Mandarin, allowing our local Burmese employees to better serve our international customers, customer service, food safety and handling, leadership, etc.
Environmental Dimension		
Reduction of Plastic use 	We aim to identify opportunities to replace plastic with biodegradable materials wherever possible.	Paper bags have been introduced to reduce the usage of plastic bags at our retail stores. During FY2020, biodegradable paper packaging has been used for the newly created food delivery service and products.

GOVERNANCE

Regulatory Compliance



FY2020 Performance

The Group has achieved zero incidents of non-compliance with laws and regulations for which significant fines or non-monetary penalties were incurred.

We seek to comply with all relevant laws and regulations including the Listing Manual of the Singapore Exchange Securities Trading Limited, Companies Act and Employment Act.

In addition, we have attained the required Business Permits and Licenses for all our operations in Myanmar. Examples of the Business Permits and Licenses that we have attained include Business Licenses for the operation of SMI Rental Ltd, SMI Food Concept Ltd and Mar Myanmar Ltd in Myanmar, as well as the warehouse operation permit for Senko-SMI Myanmar Co Limited.

All our restaurant outlets have also been issued the required restaurant permits by Yangon City Development Committee (YCDC) for operations.

Corporate Governance



FY2020 Performance

In FY2020, the Group has issued warnings to **28** employees for misconduct and terminated **53** employees due to breach of Code of Conduct.

SMI ensures that our businesses are carried on and conducted in a proper and efficient manner adhering to the principles and guidelines of the Code of Corporate Governance 2012.

Additionally, we strive to inculcate a strong corporate culture within our Group and have zero tolerance towards corruption and fraud. Our ethical practices are spelled out in our Code of Conduct, as well as in policies about corporate governance, anti-corruption, occupational health and safety, supplier conduct, and data privacy.

Risk Assessment and Management

SMI aims to mitigate our exposures through appropriate risk management strategies and internal controls. The Board is responsible in overseeing the risk governance of the Group, ensuring that the Management maintains a sound system of risk management and internal controls to safeguard stakeholders' interests and our Group's assets. Internal audits are also carried out annually to provide independent assurance to the Audit Committee ("**AC**") on the effectiveness and adequacy of our internal control and compliance processes.

Details of the Group's approach to risk management and internal controls are set out in the Corporate Governance Report, which can be found in the Annual Report.

GOVERNANCE

On top of our risk management approach, policies and procedures including the Employees' Code of Conduct, anti-corruption and whistle blowing are also in place to instill the value of integrity and transparency within the Group.

Employees' Code of Conduct

The behavior expected from our employees is codified in our employees' Code of Conduct. The underlying principle for our Code of Conduct is that we expect our employees to act with integrity towards those with whom we have business dealings, to the larger society with whom we conduct our business, and towards each other.

An employee handbook that covers penalties for misconduct and fraud and guides all employees in their everyday conduct is made available to all employees. For new hires, they are made aware of our stance against corruption and fraudulent activities during the orientation programme.

The Employees' Code of Conduct provides the following examples of misconduct that shall lead to disciplinary actions:

- Dishonest actions or unethical conduct;
- Unauthorised dissemination of the Group's confidential documents and data;
- Acting beyond the authority granted to his/her position; and
- Receiving of gifts or money from business counterparts without prior approval from the Group

Anti-Corruption

We strive to inculcate a strong corporate culture within our Group and have zero tolerance towards corruption and fraud. An Anti-Corruption policy is in place, setting out rules governing the following areas:

- Reporting on actual or suspected corruption and bribery
- Guidance on gift giving and acceptance
- Training and awareness
- Disciplinary action

The Anti-Corruption policy is communicated to all employees during the initial staff onboarding process.

Whistle Blowing

We have whistleblowing policy and channels to allow employees to report concerns over any unlawful conduct, financial malpractice or other wrong doings that poses risks to the Group, the public or the environment. Under this policy, employees may report suspected matters of wrongdoing affecting the Group to the Whistle Blowing Officer via the following email: whistleblowing@sin-mi.com. Through our independent whistleblowing channel, employees are able to report any suspected misconducts without reprisal.

For further details, please refer to our Corporate Governance Report in our Annual Report 2020.



Targets

- Maintain zero incidents of non-compliance with laws and regulations for the coming year.
- Strive towards zero instances of breach in corporate governance.

SOCIAL

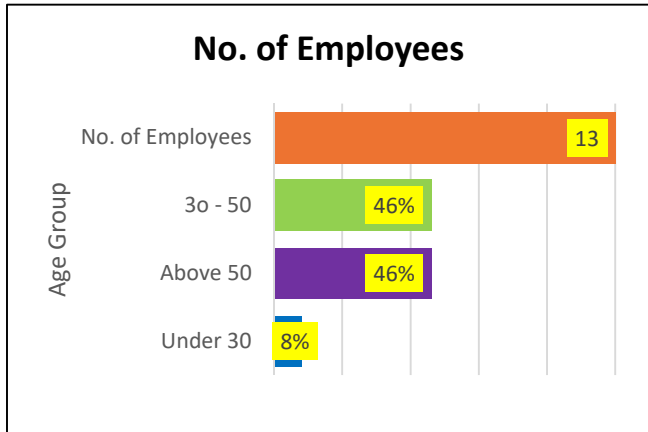
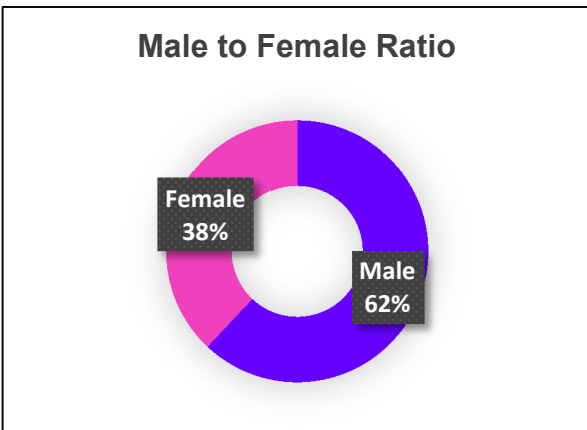
SMI recognizes that our employees' efforts contribute to the overall performance of the group. It is the Group's responsibility to empower our employees with opportunities for progression and further learning exposures and ensure we operate ethically.

Our Employees

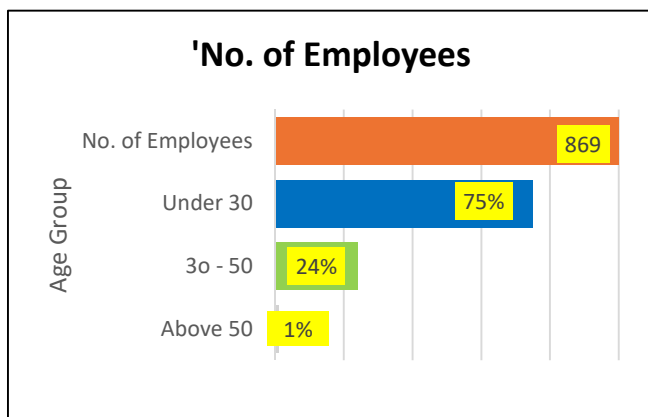
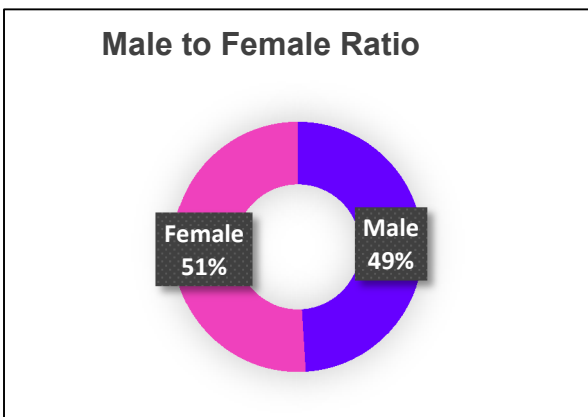
SMI's businesses (group and local business partners) employ over 882 individuals from diverse ethnicities and backgrounds. We acknowledge the importance of providing equal opportunity to employees regardless of age, gender, nationality and ethnicity. The breakdown of our workforce in Singapore and Myanmar offices as at 31 March 2020 is as follows:



Employee Distribution – Singapore Head Office



Employee Distribution – Myanmar Office



Employee Training and Development



FY2020 Performance

79% of our employees have undergone at least one training held by SMI / Business Partners

We provide training opportunities to our employees to develop their skills. Firstly, we provide language trainings for employees working at the airport to enhance their ability to communicate effectively with tourists and business travelers from different nationalities.

In addition, we have product orientation training programs for employees working as brand representatives for our business partners to ensure they are adequately equipped with product knowledge and information for their customers.



In the F&B franchised outlets, we provide training on food handling, hygiene and safety.





Targets

50% of all employees to undergo at least one training activity in FY2020

Employee Engagement

At SMI, we strive to create a positive and healthy work environment for our employees. We actively engage employees in various activities to promote and organise work-life balance initiatives within the Group. We have instigated safety protocols for our retail, F&B and office staff after the spread of Covid-19 during Q4 FY20.

Over FY2020, we have organised several team bonding events, dinners and charity engagements for our employees.

SMI Management Meeting was held on 19 June 2019 for a full day at Hotel Melia for about 100 employees to align the organization behind the future direction. There was basic wine sharing knowledge, group break out activities; and Dr Thant Thaw Kaung, a representative from the Room to Read shared on the improved literacy rate of the Burmese children. Dr. Thant is also the Executive Director of Myanmar Book Aid and Preservation Foundation.



Workplace Health and Safety



FY2020 Performance

Zero workplace accident in FY2020.

Covid-19

Our employees' safety, and their physical and mental health are of utmost importance to us. We take great effort in ensuring a safe and conducive work environment for our employees. We perform periodic safety inspections at all our premises to ensure that our employees work in a safe environment.





Targets

To maintain zero workplace accident in FY2020.

Community Involvement

At SMI, we aim to deliver positive impact to the local communities we operate in. Therefore, over the years, the Group actively engages the local community and partake in various social initiatives to improve the living standards and conditions of the locals. The following are some activities we have supported in FY2020.

Room to Read



Room to Read was founded in 2000 with the vision of a world in which all children can pursue a quality education that enables them to reach their full potential and contribute to their communities and the world. SMI is proud to be supporting Room to Read’s two-year literacy project in Myanmar. Our President & CEO, Mark Bedingham, is also a committee member of the ASEAN Regional Board for Room to Read

- Modernizing 150 community libraries
- Have trained over 3,000 librarians in Myanmar
- Work closely with Ministry of Information and Ministry of Education
- Have been implementing diversified projects on Digital and Information literacy, Communication for Development, Women Empowerment, Safe Migration, Teachers Training

Under the Room to Read program, SMI works with the local business partner, Myanmar Book Aid and Preservation Foundation to establish and support 20 libraries in three regions in schools as well as give educators in the schools the skills and tools to sustain the libraries so that students have the opportunity to foster a habit of reading.

Philharmonic Society of Myanmar’s Festival and Competition



The Philharmonic Society of Myanmar’s Festival and Competition is the country’s premier classical music festival, designed for music professionals, and students. The festival aims to create a conducive environment for musicians in Myanmar to work under the guidance of international artists, and to build international friendships through music. SMI has contributed to the event and further the cause of promoting music amongst local students.

Community Involvement Programs

At SMI, we encourage our employees to initiate and propose community involvement programs to engage the local communities. In FY2019, we have sent our employees for several visits to villages and communities to engage with the locals and provided support through donations.



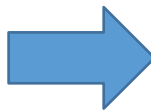
ENVIRONMENTAL



Plastic and other non-biodegradable waste have a harmful effect on our environment and. Hence, reducing plastic waste is one of our key areas of sustainability focus.



At our Coffee Bean and Tea Leaf outlets, we have also replaced plastic cups that were used to contain milk with porcelain jugs. Moving forward, we continue to look to implement more initiatives, such as reducing the use of straws at our outlets to reduce plastic waste.



Through these initiatives, we hope to not only reduce plastic waste produced from our operations, but also create a public awareness for environmental conservation efforts in Myanmar.

Reducing Energy Usage

Therefore, we are committed to taking measures in minimizing our overall energy consumption and improving energy efficiency to reduce the environmental impact of our operations.

In the conduct of our business activities, the main areas of electricity usage are predominantly across our offices, outlets and warehouse operations.

In FY2020, we have retrofitted conventional mercury lamps with more energy efficient LED lightings at our warehouse. The LED lightings are approximately 80% more energy efficient than the mercury lamps.



Environmental Compliance

SMI is committed to comply with all applicable environmental regulations enforced by local authorities in all jurisdictions we operate in. We closely monitor our operations and perform periodic reviews to ensure that we comply with relevant environmental requirements and regulations.



Targets

- Implement more green initiatives to reduce waste output and energy usage.
- Full compliance with relevant environmental regulations in Myanmar and Singapore.

GRI CONTENT INDEX

GRI Standard	Disclosure Title	Page Reference & Remarks
General Disclosure		
Organisational Profile		
Disclosure 102-1	Name of the organisation	Page 1
Disclosure 102-2	Activities, brands, products, and services	Annual Report
Disclosure 102-3	Location of headquarters	300 Beach Road #31-03 The Concourse Singapore 199555
Disclosure 102-4	Location of operations	Annual Report
Disclosure 102-5	Ownership and legal form	
Disclosure 102-6	Markets served	
Disclosure 102-7	Scale of the Organisation	
Disclosure 102-8	Information on employees and other workers	Page 10 – 13
Disclosure 102-9	Supply chain	Annual Report
Disclosure 102-10	Significant changes to the organisation and its supply chain	
Disclosure 102-11	Precautionary Principle or approach	Page 8 – 9
Disclosure 102-12	External initiatives	Page 1
Disclosure 102-13	Membership of associations	None.
Strategy		
Disclosure 102-14	Statement from senior decision maker	Page 2
Disclosure 102-15	Key impacts, risks, and opportunities	Page 6 – 7
Ethics and Integrity		
Disclosure 102-16	Values, principles, standards, and norms of behaviour	Annual Report
Disclosure 102-17	Mechanisms for advice and concerns about ethics	Page 5
Governance		
Disclosure 102-18	Governance structure	Annual Report
Disclosure 102-19	Delegating authority	
Disclosure 102-20	Executive-level responsibility for economic, environmental, and social topics	Page 6
Disclosure 102-21	Consulting stakeholders on economic, environmental and social topics	Page 5
Disclosure 102-22	Composition of the highest governance body and its committee	Annual Report
Disclosure 102-23	Chair of the highest governance body	
Disclosure 102-24	Nominating and selecting the highest governance body	
Disclosure 102-25	Conflicts of interest	
Disclosure 102-26	Role of highest governance body in setting purposes, values, and strategy	
Disclosure 102-27	Collective knowledge of highest governance body	
Disclosure 102-28	Evaluating the highest governance body's performance	
Disclosure 102-29	Identifying and managing economic, environmental, and social impacts	Page 6 – 7
Disclosure 102-30	Effectiveness of risk management process	Annual Report
Disclosure 102-31	Review of economic, environmental, and social topics	Page 6 – 7
Disclosure 102-32	Highest governance body's role in sustainability reporting	Annual Report
Disclosure 102-33	Communicating critical concerns	Page 1
Disclosure 102-34	Nature and total number of critical concerns	Page 8 – 9
Disclosure 102-35	Remuneration policies	Annual Report
Disclosure 102-36	Process for determining remuneration	
Disclosure 102-37	Stakeholders' involvement in remuneration	
Disclosure 102-38	Annual total compensation ratio	
Disclosure 102-39	Percentage increase in annual total compensation ratio	
Stakeholder Engagement		
Disclosure 102-40	List of stakeholder groups	Page 5
Disclosure 102-41	Collective bargaining agreements	None.
Disclosure 102-42	Identifying and selecting stakeholders	Page 5

GRI Standard	Disclosure Title	Page Reference & Remarks
Disclosure 102-43	Approach to stakeholder engagement	Page 5
Disclosure 102-44	Key topics and concerns raised	Page 5
Reporting Practice		
Disclosure 102-45	Entities included in the consolidated financial statements	Annual Report
Disclosure 102-46	Defining report content and topic boundaries	Page 1
Disclosure 102-47	List of material topics	Page 6 – 7
Disclosure 102-48	Restatements of information	None.
Disclosure 102-49	Changes in reporting	None.
Disclosure 102-50	Reporting period	FY2019
Disclosure 102-51	Date of most recent report	28 Feb 2019
Disclosure 102-52	Reporting cycle	1 Apr 2018 to 31 Mar 2019
Disclosure 102-53	Contact point for questions regarding the report	Page 1
Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	
Disclosure 102-55	GRI content index	Page 16 – 18
Disclosure 102-56	External assurance	None.
Management Approach		
Disclosure 103-1	Explanation of the material topic and its Boundary	Page 6 – 9
Disclosure 103-2	The management approach and its components	
Disclosure 103-3	Evaluation of the management approach	
Economic Performance		
Disclosure 201-1	Direct economic value generated and distributed	Annual Report
Disclosure 201-3	Defined benefit plan obligations and other retirement plans	Annual Report
Anti-Corruption		
Disclosure 205-2	Communication and training about anti-corruption policies and procedures	Page 8 – 9
Disclosure 205-3	Confirmed incidents of corruption and actions taken	
Anti-Competitive Behaviour		
Disclosure 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Page 8 – 9
Energy		
Disclosure 302-4	Reduction of energy consumption	Page 14 – 15
Disclosure 302-5	Reductions in energy requirements of products and services	
Environmental Compliance		
Disclosure 307-1	Non-compliance with environmental laws and regulations	Page 14 – 15
Employment		
Disclosure 401-1	New employee hires and employee turnover	Page 10 – 13
Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
Disclosure 401-3	Parental leave	
Occupational Health and Safety		
Disclosure 403-1	Workers representation in formal joint management-worker health and safety committees	Page 10 – 13
Disclosure 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	
Disclosure 403-3	Workers with high incidence or high risk of diseases related to their occupation	
Disclosure 403-5	Worker training on occupational health and safety	
Disclosure 403-6	Promotion of worker health	
Disclosure 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
Disclosure 403-8	Workers covered by an occupational health and safety management system	
Disclosure 403-9	Work-related injuries	
Disclosure 403-10	Work-related ill health	
Training and Education		
Disclosure 404-1	Average hours of training per year per employee	Page 10 – 13
Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	

GRI Standard	Disclosure Title	Page Reference & Remarks
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	Page 10 – 13
Diversity and Equal Opportunity		
Disclosure 405-1	Diversity of governance bodies and employees	Page 10 – 13
Non-discrimination		
Disclosure 406-1	Incidents of discrimination and corrective actions taken	Page 10 – 13
Freedom of Association and Collective Bargaining		
Disclosure 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None.
Child Labor		
Disclosure 408-1	Operations and suppliers at significant risk for incidents of child labor	None.
Forced or Compulsory Labor		
Disclosure 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	None.
Rights Of Indigenous Peoples		
Disclosure 411-1	Incidents of violations involving rights of indigenous peoples	None.
Local Communities		
Disclosure 413-1	Operations with local community engagement, impact assessments and development programs	Page 10 – 13
Disclosure 413-2	Operations with significant actual and potential negative impacts on local communities	
Customer Privacy		
Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 8 – 9
Socioeconomic Compliance		
Disclosure 419-1	Non-compliance with laws and regulations in the social and economic area	Page 8 – 9