

Sustainability Report 2022



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VANTAGE

This Sustainability Report (SR2022) covers SMI Vantage Limited's ("**SMI**" or the "**Group**") strategies, initiatives and performance in relation to Environmental, Social and Governance (ESG) issues. It covers the sustainability performance of the Group's operations for the financial year 2022 (FY2022) from **1 April 2021 to 31 March 2022**.

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.

In prior years, we have established some sustainability targets in our inaugural sustainability report. This year, we need to advise that only limited progress could be made as most of the operations in Myanmar, particularly our largest operation Travel Retail, were closed throughout nearly all of the year.

Measures have been taken 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.

We have focused this year on providing opportunities and funding for the people working on our business in Myanmar to be vaccinated for COVID-19, more than 300 people have benefited so far, with 280 being vaccinated with 2 doses and 100 people with booster shoots. In addition, we have acquired oxygen supply equipment for emergency treatment. We have also supplied dedicated transport so that those working in the domestic market can move safely and securely between their homes and places of work. In Singapore, we have implemented work from home in accordance with government regulations.

We greatly value our people and seek to continue to grow our talent pool through our investments in training and development of our employees which we plan to renew after recovery of the local economy and opening up to international travel.

We have contributed to the development of local communities by creating jobs, paying taxes and doing business with local enterprises. 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.

OUR BUSINESS AND STRATEGIES

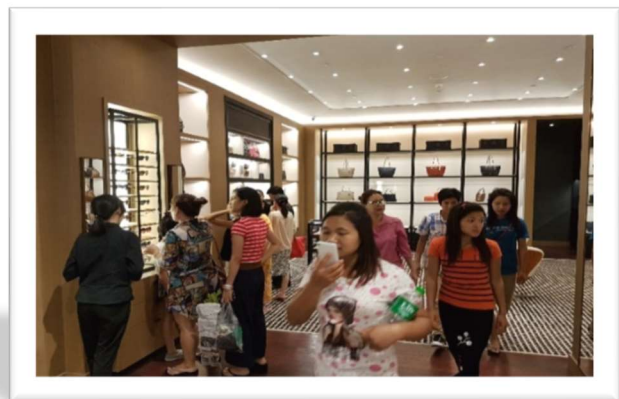
SMI is an investment and management company hitherto focused on the emerging economy of Myanmar. SMI will retain a focused attention on this business whilst at the same time developing new businesses in accordance with its recent announcement.

SMI is listed on the Main Board of Singapore Stock Exchange and is led by an experienced and talented management team. SMI has established itself as a partner of choice for many international brands, companies, and businesses.



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 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.



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.

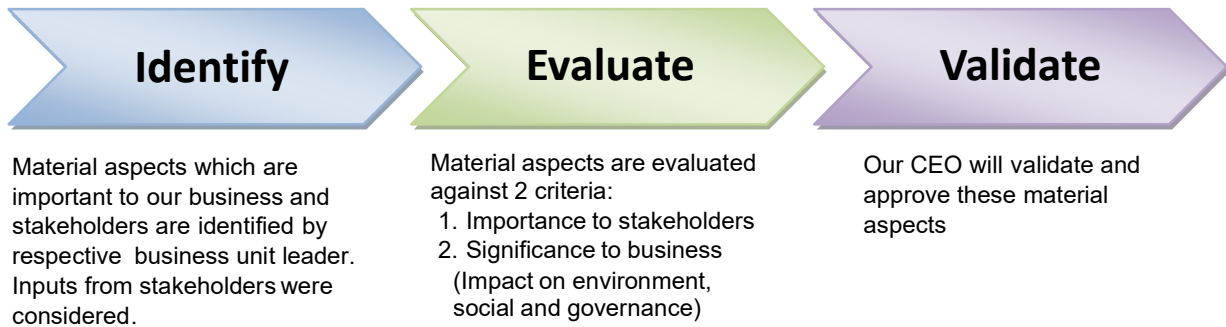
The table below summarises the various stakeholder engagement activities, which we have gathered and platforms which SMI utilises to reach out to our stakeholders.

| 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 the pandemic has spread and grown in intensity throughout FY2022. Staff training and development opportunities Remuneration and benefits Fair and competitive employment practices |
| | 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 | Meetings, briefings and regular reporting | Ad-hoc | <ul style="list-style-type: none"> Compliance with laws and regulations relating to various business sectors |
| The Community | Sustainability report | Annual | <ul style="list-style-type: none"> Supporting the local community |
| | 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 | |

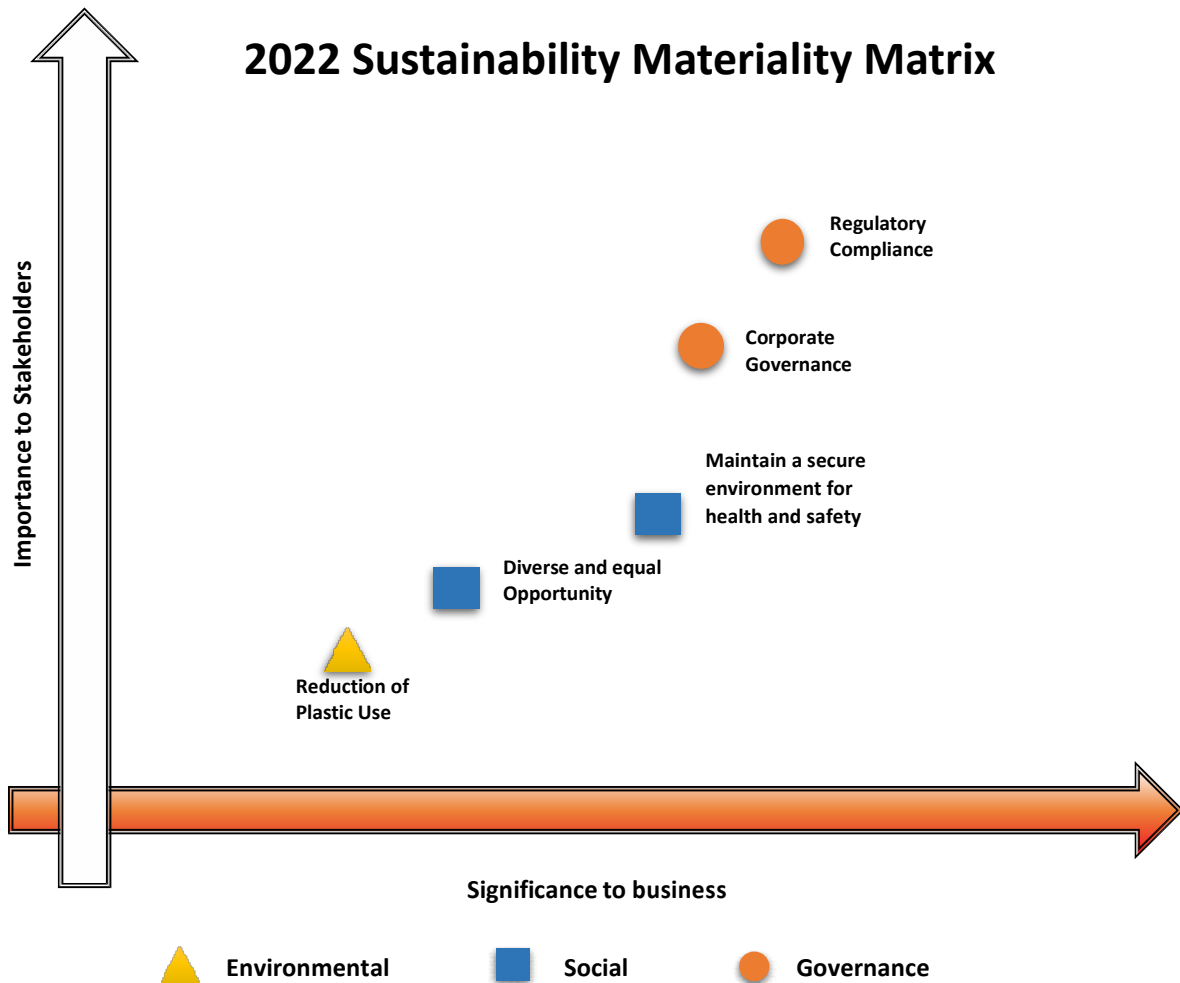
“Employees”, in the context of this Sustainability Report, refers collectively to the employees of SMI and its local business partners

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. |
| 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, the focus this year has been on providing as much support as possible for health and safety in a difficult operating environment. | Employees have been provided with opportunities for vaccination in the country and have received financial support both for vaccination and for anyone who contracted COVID. Also employees have been provided with safe and secure private transport to and from their homes to their place of work. Work from home has been implemented wherever possible. |
| 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. Since FY2021, biodegradable paper packaging has been used for the newly created food delivery service and products. |

GOVERNANCE

Regulatory Compliance



FY2022 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



FY2022 Performance

In FY2022, the Group terminated **6** 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.

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.

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.

GOVERNANCE

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, who is also a member of the Audit Committee, 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 2022.



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

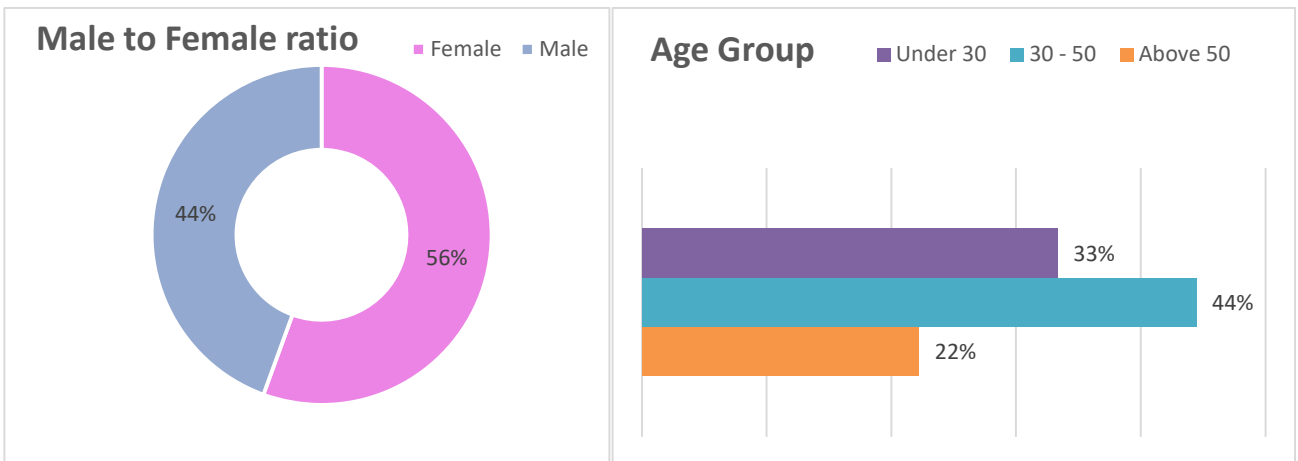
SMI recognizes that our employees’ efforts contribute to the overall performance of the group. It is the Group’s responsibility to empower our employees with opportunities for progression and further learning exposures and ensure we operate ethically.

Our Employees

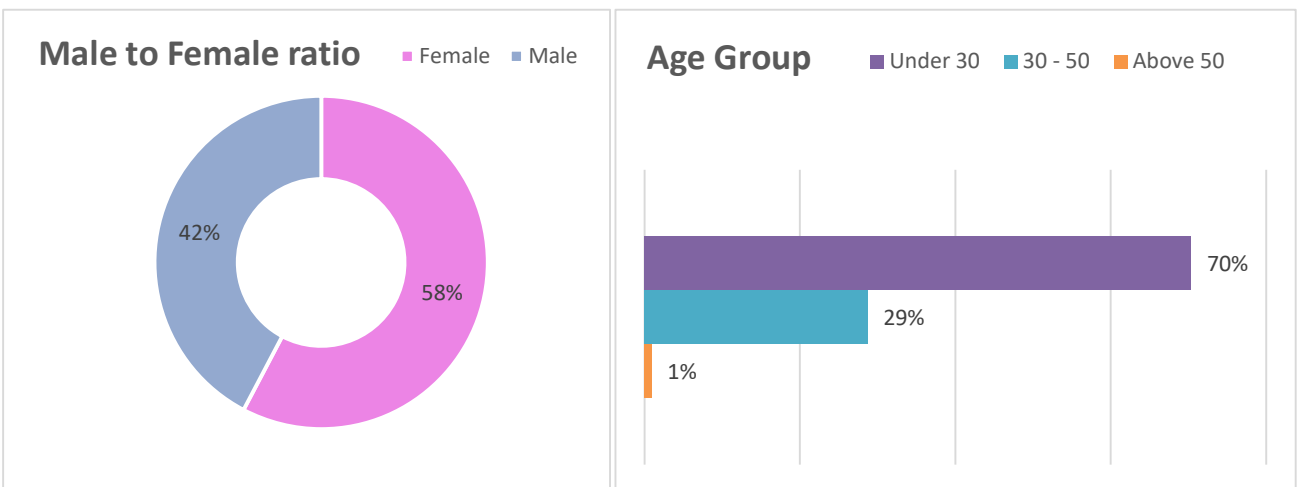
SMI’s businesses (group and local business partners) employ over 333 individuals from diverse ethnicities and backgrounds. We acknowledge the importance of providing equal opportunity to employees regardless of age, gender, nationality, and ethnicity. The breakdown of our workforce in Singapore and Myanmar offices as at 31 March 2022 is as follows:



Employee Distribution – Singapore Head Office



Employee Distribution – Myanmar Office



Employee Training and Development



FY2022 Performance

Owing to the major disruption to the business caused by COVID-19 and other developments in Myanmar, it was not possible to carry out organized training in FY2022.

In previous years, we have provided training opportunities to our employees to develop their skills. This has included 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 provided 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

Owing to the major disruption to the business caused by COVID-19 and other developments in Myanmar, it was not possible to carry out organized training in FY2022.

Employee Engagement

We have instigated safety protocols for our retail, F&B and office staff after the spread of Covid-19 throughout FY2022.

Workplace Health and Safety



FY2022 Performance

Zero workplace accident in FY2022.

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 FY2022.

Community Involvement

At SMI, we aim to deliver positive impact to the local communities we operate in. Therefore, over the past few years, the Group has actively engaged with the local community and partake in various social initiatives to improve the living standards and conditions of the locals.

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

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.

Community Involvement Programs

At SMI, we encourage our employees to initiate and propose community involvement programs to engage the local communities.

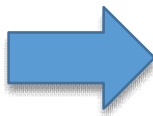
ENVIRONMENTAL



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.

Since FY2021, 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 |