

ENCHANT ENTHRAL ENRAPTURE

*Memories Group Limited
Sustainability Report 2019*



This report describes our sustainability performance for the period 1 April 2018 – 31 March 2019 (“FY2019”). It covers all of Memories Group Limited’s (the “Company”, or collectively with its subsidiaries, “Memories Group”) activities in Myanmar and includes acquisitions that were completed by 31 March 2019 unless otherwise stated, and has been prepared taking reference from the SGX Sustainability Reporting Guidelines (set out in Listing Rule 711A and 711B of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalyst). This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards – “Core” Option, which represents the global best practice for reporting on a range of economic, environmental and social impacts.

The GRI Standards has been adopted as a framework for Memories Group Sustainability Report as it is internationally recognised and widely used sustainability reporting framework, which allows us to address our social, environmental and economic performance.

The boundary for this report is based on our operations in Myanmar.

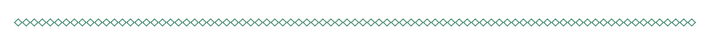
Our annual Sustainability Report also provides us with a valuable opportunity to engage our stakeholders and respond to issues that matter most to them and to our business. It will continue to inform shareholders on company risk management, strategy development and stakeholder engagement activities as we work to further focus and prioritise our sustainability and corporate social responsibility initiatives.

Our Sustainability Report is produced on a yearly basis and is also available online on our corporate website.

We welcome comments and feedback on our sustainability report at sustainability@memoriesgroup.com.

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The Board of Directors (the “Board”) is pleased to present Memories Group’s Sustainability Report 2019, which is our Group’s second Sustainability Report. Memories Group’s sustainability approach is aligned to that of our affiliated company, Yoma Strategic Holdings Ltd., (“Yoma Strategic”) and premised on the recognition that Environmental, Social and Governance (“ESG”) aspects are increasingly important to our stakeholders. The Board, together with the Management, is committed to managing relevant ESG risks and opportunities across our different assets, while contributing positively to the environment and society. The Board has considered the material ESG factors as part of its strategic formulation, determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

Tourism has received increasing attention as a major economic driver, in particular for developing countries, and is also recognised as a mechanism to foster economic growth and development. It is essential for us to change our approach and optimise performance if we are to decouple the growth of our business from the increasing use of natural resources.

Material ESG topics were identified in our first materiality assessment conducted in FY2018. In this Report for FY2019, we have continued to report on our sustainability performance in the Five Focus Areas - Governance, Respect for the Environment, Employability and Local Development, Our Customers and Preserving Local Heritage and Culture. The Board has considered the material ESG factors as part of its strategic formulation, determined the material ESG factors and overseen the management and monitoring of the material ESG factors. The report’s content has been reviewed and approved by the Board and Management of Memories Group and our Sustainability Committee.

Memories Group’s sustainability efforts are structured around the guiding principles of the United Nations Sustainable Development Goals (“UNSDGs”), and our targets are aligned with the Myanmar Sustainable Development Plan (“MSDP”) 2018 - 2030, enabling us to create long-term value for our stakeholders.



Memories Group sets its sights on being Myanmar's leading tourism company in *providing an unparalleled customer experience.*

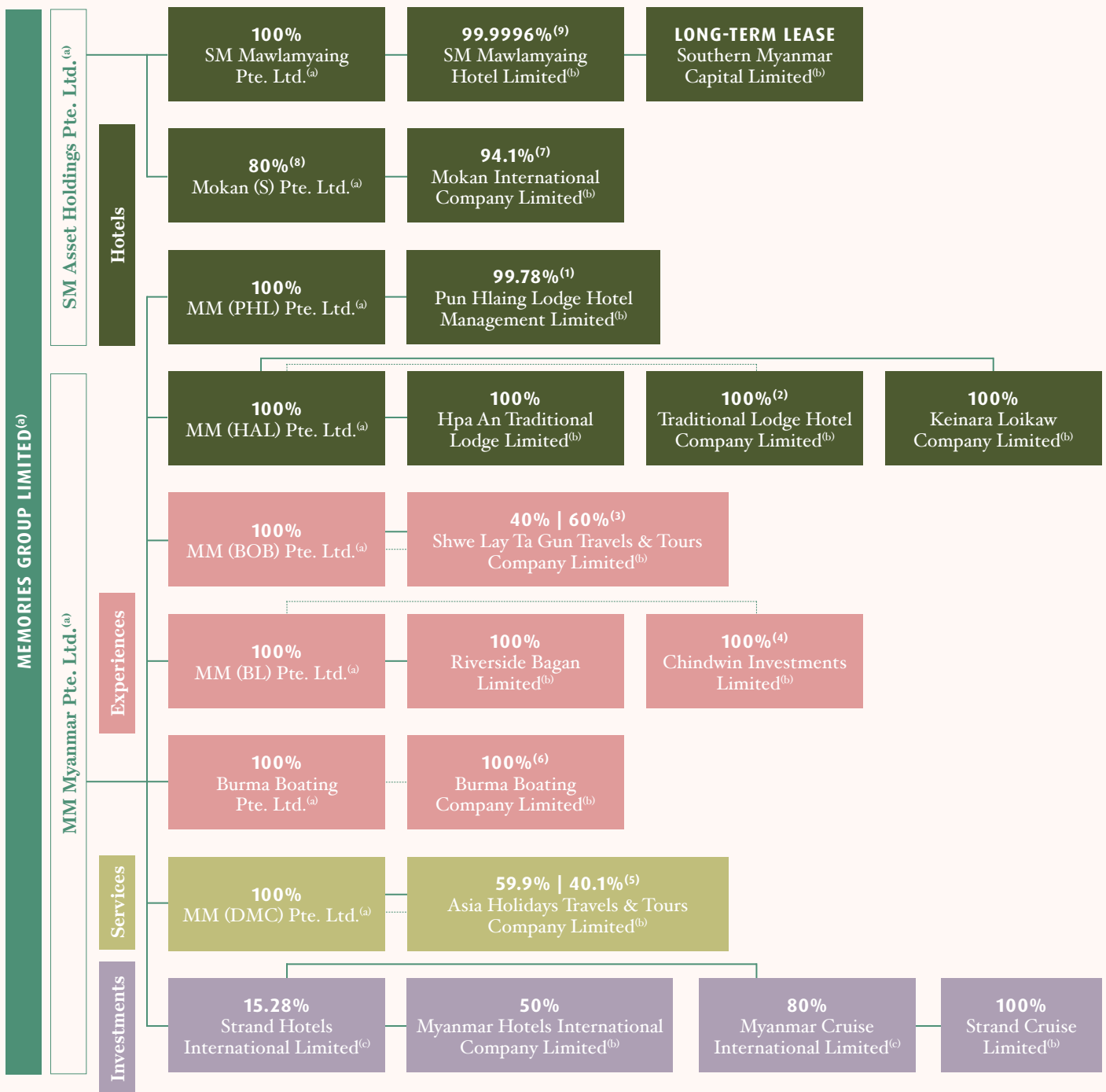
Memories Group operates an “Integrated Tourism Platform” in Myanmar. Operating a combination of Experiences, Hotels and Services, Memories Group offers seamless, one of a kind experiences aimed at creating lasting memories. The Company was listed on the Catalist board of the SGX-ST on 5 January 2018. Memories Group sets its sights on being Myanmar's leading tourism company in providing an unparalleled customer experience, backed by best-in-class operational excellence in all sectors that it operates in.

Memories Group is affiliated with Yoma Strategic and First Myanmar Investment Public Company Limited (“FMI”), two publicly listed conglomerates with a long track record in Myanmar. This affiliation allows Memories Group access to unique local opportunities and networks on top of its own growing presence with local customers. Yoma Strategic was listed on the Main Board of the SGX-ST in 2006, while FMI was the first company to be listed on the Yangon Stock Exchange (“YSX”) in 2016.

The collective mission of Yoma Strategic, FMI and Memories Group is to “Build a Better Myanmar for its People”.

CORPORATE STRUCTURE

(As at 29 August 2019)



NOTES:-

- ^(a) Incorporated in Singapore
- ^(b) Incorporated in Myanmar
- ^(c) Incorporated in British Virgin Islands
- ⁽¹⁾ Remaining 0.22% interest is held by MM Myanmar Pte. Ltd.
- ⁽²⁾ MM(HAL) Pte. Ltd. holds economic interest in respect of 100% interest in Traditional Lodge Hotel Company Limited
- ⁽³⁾ MM(BOB) Pte. Ltd. holds economic interest in respect of 60% interest in Shwe Lay Ta Gun Travels & Tours Company Limited
- ⁽⁴⁾ MM(BL) Pte. Ltd. holds economic interest in respect of 100% interest in Chindwin Investments Limited
- ⁽⁵⁾ MM(DMC) Pte. Ltd. holds economic interest in respect of 40.1% interest in Asia Holidays Travel & Tours Company Limited
- ⁽⁶⁾ Burma Boating Pte. Ltd. holds economic interest in respect of 100% interest in Burma Boating Company Limited
- ⁽⁷⁾ Remaining 5.9% interest is held by SM Asset Holdings Pte. Ltd.
- ⁽⁸⁾ Remaining 20% interest is held by Memories Group Limited
- ⁽⁹⁾ Remaining 0.0004% interest is held by SM Asset Holdings Pte. Ltd.



OUR MISSION

*To be the First Choice
in Creating Warm and
Genuine Memories of
Myanmar and Beyond.*



OUR VISION

*To become the leading
tourism company in
Myanmar in terms of
diversity in geographical
reach, innovation in
products and customer
experience and to achieve
this in a sustainable and
socially responsible way.*



CORE VALUES

*Innovation,
Teamwork,
Integrity
and Respect*

ESG PERFORMANCE SCORECARD

MATERIAL ESG FACTORS	FY2018	WHAT WE HAVE ACHIEVED IN FY2019	FY2020 TARGETS
GOVERNANCE			
Business Ethics	No reported cases of fraud and theft	No reported cases of corruption [*]	Strive to maintain zero substantiated cases of corruption
Compliance	No significant fines or non-monetary sanctions	No significant fines or non-monetary sanctions [*]	Strive to fully comply with rules and regulations in all jurisdictions where we operate
Child labour, human rights	No reported cases	No reported cases	Advocate and raise awareness in our supply chain against use of child labour
ENVIRONMENTAL			
CO ₂ emissions (t)	268 ^{**}	782	Collect environmental data to set the targets in FY2021 [^]
Total energy consumption (MJ)	3,225,624	10,351,265	
Carbon emission intensity per room per year for hotels (tCO ₂ / room / year)	5.47 ^{**}	4.11	
Scope 1 Emissions (tCO ₂)	163.6 ^{**}	582.3	
Scope 2 Emissions (tCO ₂)	104.5	199.2	
Water consumption (m ³)	2,532.0	17,860	
Non-hazardous waste (t)	3.5	2.7	Reduce the use of plastics
Waste recycled (t)	1.75	2.3	

NOTES:-

- + To align the reporting of our material topic "Compliance" with the GRI Standards where possible, we have refined the reporting of this material topic to focus on GRI 419-1 – Socioeconomic Compliance. The metrics used for reporting this material topic would be significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.
- * To align the reporting of our material topic "Business Ethics" with the GRI Standards where possible, we have refined the reporting of this material topic to focus on GRI 205 – Anti Corruption. The metrics used for reporting this material topic would be the number of confirmed incidents of corruption.
- ** Restatement due to re-calculations and additional data included for FY2018
- ^ 3 years of data (FY2018, FY2019 and FY2020) will be collected and analysed before targets are set, thus our targets will be set in FY2021 instead of FY2020 as previously stated in our Sustainability Report 2018.



ESG PERFORMANCE SCORECARD

MATERIAL ESG FACTORS	FY2018	WHAT WE HAVE ACHIEVED IN FY2019	FY2020 TARGETS
SOCIAL			
DIVERSITY & EQUAL OPPORTUNITY			
		50% of managers have been trained on anti-harrassment in FY2019 and our target has been met.	
Workforce number	362	643	80% of all managers to have received anti-harrassment training by FY2020.
Female employee	23%	28.6%	
Male employee	77%	71.4%	
New hires	59	285	
Nationalities	9	18	
Employee turnover rate	9.6%	25%	
TRAINING, DEVELOPMENT & TALENT RETENTION			
Average training hours (females) / year	49	23 ^{&}	25 hours per employee per year
Average training hours (males) / year	39	40 ^{&}	
LOCAL COMMUNITIES			
Supporting local communities	<p>Provided in-kind donations to build 3 schools in Nyaung-U and donated 22 million MMK to build an entire school in Ywar Pale Village</p> <p>Data for volunteer hours was not available</p>	<p>Worked together with local communities, participated in environmental conservation and provided emergency relief.</p> <p>2 hours of volunteer hours per employee was achieved.</p>	<p>Establish a tracking system across our Group to quantify and monitor the volunteer hours for each employee</p> <p>2 volunteer hours per employee per year</p>

NOTES:-

& Due to employees busy schedules, they were sometimes unable to attend the training which was planned. Thus the target of 50% increase in training hours for FY2019 could not be met.

ESG PERFORMANCE SCORECARD

FINANCIAL	FY 2018	WHAT WE HAVE ACHIEVED IN FY 2019	FY 2020 TARGETS
DIRECT VALUE GENERATED			
Direct Value Generated; that includes revenue and other income – net (US\$ Million)	8.84	10.09	Expand both Hotels and Experiences offerings into the lesser travelled areas of Myanmar
ECONOMIC VALUE DISTRIBUTED			
Material and Services Cost (US\$ Million)	4.77 ¹	7.83	Expand both Hotels and Experiences offerings into the lesser travelled areas of Myanmar
Employees; include wages, salaries and benefits (US\$ Million)	3.26 ²	4.96	
Government; include taxes paid (US\$ Million)	0.21	0.06	
Capital Providers; include dividends and interest expenses on borrowings and other finance cost – including currency loss (US\$ Million)	0 [#]	1.09	
Community; include voluntary donations and investment of funds in the broader community (US\$ Million)	0.01	0.15	
Total Economic Value Gains/Losses (US\$ Million)	0.59 ³	(4.00)	

NOTES:-

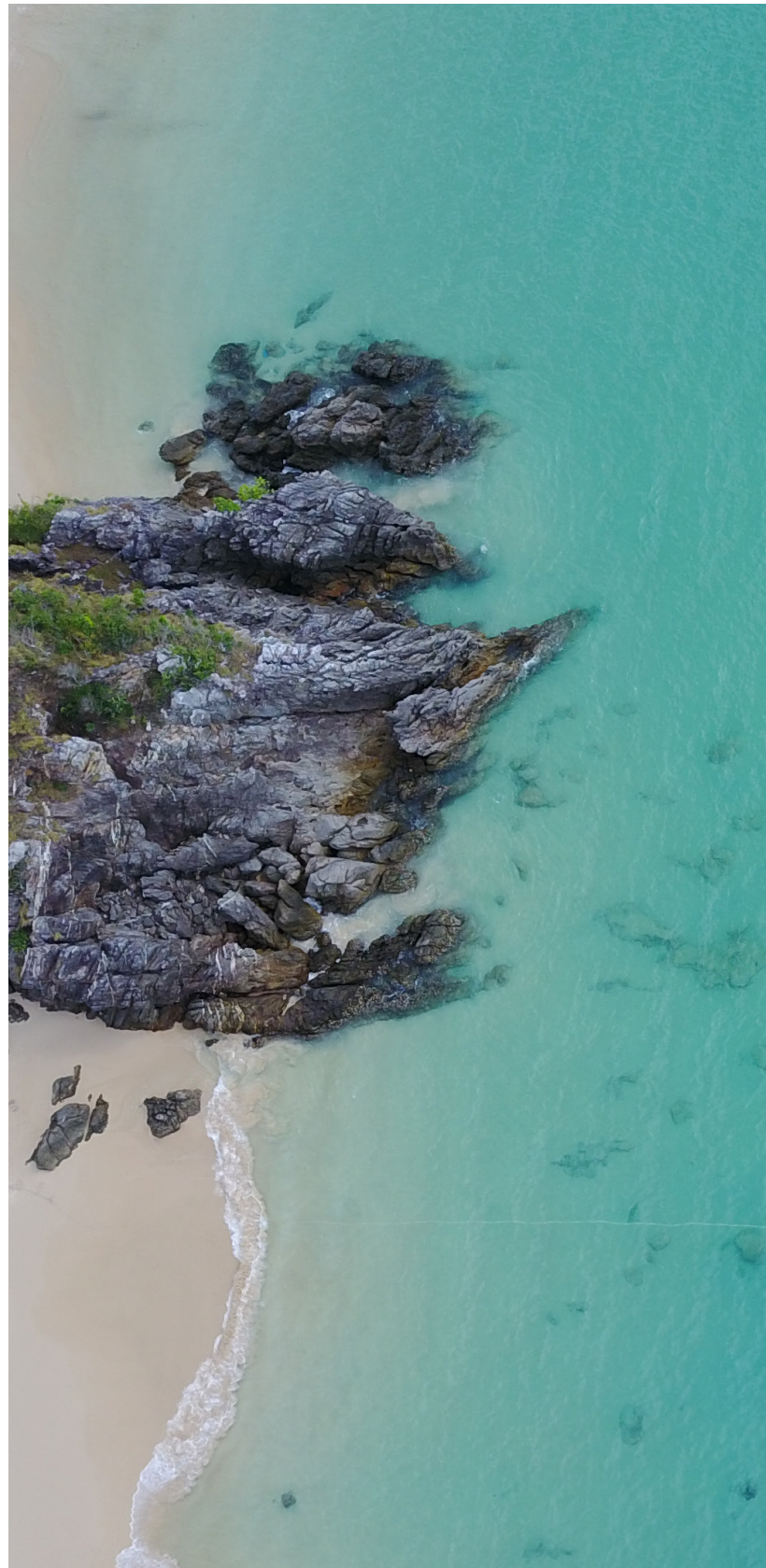
- # Memories Group, a spin-off of Yoma Strategic, completed a reverse takeover of SHC Capital Asia in December 2017. No dividend or interest expense was paid following the completion of the reverse takeover in December 2017 and in FY2018.
- 1 The cost has been restated to include professional services which was previously excluded.
- 2 This figure has been restated due to a change in the presentation of certain expenditures and administrative expenses. Restated figures are obtained from FY2019 Annual Report pages 70,80 and 81.
- 3 The Total Economic Value for FY2018 has been restated due to recalculations of Material and Services Cost and Employee Wages and Benefits.





Sustainable tourism is essential for the future of Memories Group's business and growth. We are committed to protecting natural and cultural heritage during development so that people can explore Myanmar, embrace the culture of this country, and experience the beauty of its untouched, natural environment. It is important for us, Memories Group, to also promote Myanmar as a sustainable destination and raise travellers' awareness of sustainability issues while promoting sustainable tourism practices.

Our efforts are needed to integrate social and environmental responsibility throughout our operations and improve our travellers' experience. As we broaden our hotel offering and further enhance our Integrated Tourism Platform, we continue to support the UN World Tourism Organisation Global Code of Ethics in sustainable development, safeguarding of cultural and natural heritage, integration of the local community and supporting worker's rights.



Memories Group's Integrated Tourism Platform offers a range of quality products and services under a cohesive brand. Through the "*Integrated Tourism Platform*" which synergistically connects all our businesses, we aim to provide our travellers a seamless, one-of-a-kind experience aimed at creating lasting memories. Memories Group's strategy is to leverage our first-mover advantage and further establish our position as a leading tourism company in Myanmar.



Memories Group’s Integrated Tourism Platform comprises three business segments. As of 31 March 2019, our operations for the three business segments include the following:



HOTELS

Hotels, resorts and lodges throughout the country’s major tourist and business destinations, as well as the development of new high potential tourism destinations in Myanmar. In FY2018, we have only covered Keinnara Hpa-An in our hotel operations. In FY2019, we have included new hotels and resorts which became operational in this fiscal year.

- Keinnara Loikaw
- Hotel Suggati Mawlamyaing
- Awei Pila
- Awei Metta



EXPERIENCES

Businesses providing experiences such as hot air ballooning, trekking, boating, diving and eco-tourism.

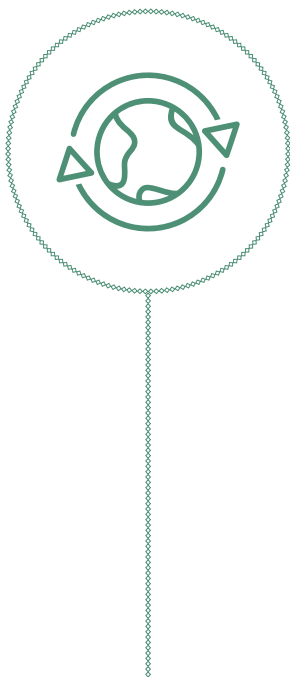
- Balloons Over Bagan
- Balloons Over Inle
- Burma Boating



SERVICES

Travel and destination management services, creating new opportunities to explore regions previously unknown to international travellers.

- Asia Holidays Travels and Tours (“AHTT”) / Memories Travel



For Memories Group, being sustainable means doing business while contributing to the economic and social progress of the communities in which the company is present, taking into account its environmental impact and fostering stable relationships with its main stakeholders. This commitment to sustainability involves ensuring that strong ethical, social and environmental criteria are integrated in the Company’s strategy and business model and in its internal policies and processes.



Memories Group has a defined sustainability governance structure, both at the corporate and local level.

- The Board approves Memories Group’s general policies and strategies, including those relating to sustainability. It also approves the sustainability report.



- The Board oversees the sustainability initiatives and directions of the Company, making sure they are followed and are aimed at creating value for the Company and its stakeholders.



- The Board is responsible for guiding Memories Group to work towards achieving common goals and targets set at the parent company level.



- The Board reviews the sustainability performance of the business units annually.



EXTERNAL INITIATIVES OF MEMORIES GROUP

- Organisation for Economic Co-operation and Development (“OECD”) Guidelines for the Protection of Human Rights and Social Development
- Universal Declaration of Human Rights (“UDHR”)
- International Labor Organisation’s (“ILO”) Core Conventions
- International Finance Corporation’s (“IFC”) Performance Standards
- Asian Development Bank’s (“ADB”) Safeguard Policy Statement
- Ten Principles of the United Nations Global Compact (“UNGC”)
- Myanmar Business Coalition on Aid (“MBCA”)

MEMBERSHIP OF ASSOCIATIONS

- Myanmar Hotelier Association “MHA”
- Union of Myanmar Travel Association “UMTA”
- Myanmar Tourism Marketing “MTM”



The impacts of our material topics are important, both for our long-term success as a company, and for our stakeholders. We understand that they affect the decisions that stakeholders make in relation to Memories Group. We also recognise that we have an impact on a wide range of stakeholders, both directly and indirectly.

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Our stakeholders identified include customers, suppliers, employees, investors, and the local community. These stakeholder groups are defined by the various businesses we engage in, and the people that we interact with and are accountable to. In FY2019, we initiated an internal employee survey to better understand what were the most material topics to them. We also have a team who engages frequently with the local community in areas where we operate, for example, at Pila Island, where our resort Awei Pila is located. Across Memories Group, the engagement with various stakeholders is summarised below.

STAKEHOLDER GROUP	FREQUENCY OF ENGAGEMENT	MODE OF ENGAGEMENT
Customers	Continuous	Face-to-face feedback Emails Online platforms such as tripadvisor.com
Suppliers	Continuous	Emails, Phone calls, Messaging Apps (Viber, Whatsapp, etc.)
Employees	Continuous Monthly	Face-to-face feedback with supervisors Group meetings with General Manager
Investors	Continuous	Quarterly announcements on stock exchange Emails Face-to-Face discussions
Local Community	Monthly	Face-to-Face discussion with local village heads and local government bodies

OUR MATERIAL TOPICS

The criteria for Memories Group’s material analysis were explored and selected based on industry international standards, peer benchmarking based on companies with similar operations, media analysis, internal responses and management awareness. Memories Group also considered the 17 United Nations Sustainable Development Goals (“SDGs”), major indices from external rating agencies, and both international and Myanmar focused environmental assessment and policy reports. The material topics identified from our initial workshop in 2018 were reviewed internally in 2019, and additional disclosures relevant for the material topics have been included in our report this year.

OUR SUSTAINABILITY FOCUS AREAS					
	OUR CUSTOMERS	RESPECT FOR THE ENVIRONMENT	PRESERVING LOCAL HERITAGE AND CULTURE	GOVERNANCE	EMPLOYABILITY & LOCAL DEVELOPMENT
Our Material Topics ↑ Increasing level of Importance	Customer Satisfaction	Reduce impact of operations on environment, reduce use of plastics / Introducing and increasing recycling efforts GRI 306-2	Identifying “No-Go” activities or sensitive areas which are not suitable for tourism	Compliance with laws and legislations GRI 419-1	Employee skills training and development GRI 404-1 GRI 404-2
	Experiential and authentic travel for our customers	Water scarcity ^GRI 303-1 GRI 306-1		Responsible suppliers	Employee engagement
	Safety and crisis management	Food wastage		Business ethics GRI 205-3	Gender pay, anti-discrimination GRI 405-2
		Greenhouse gas emissions reduction ^GRI 302-1 ^GRI 302-3 GRI 305-1 GRI 305-2		Child labour, human rights	Diversity of workforce and inclusivity GRI 401-1
					Supporting local community projects

NOTES:-
^ New addition for FY2019



OUR APPROACH

Memories Group’s portfolio of hotels, experiences and services in unique locations of Myanmar provides our guests with personalised, authentic and experience-driven travel. By interweaving the natural, historical and cultural elements of the country together, we create treasured memories for our guests. It is important that we embed our operations deeper into the life of the community we serve. We have also introduced nature-inspired programmes in some of our hotels to raise awareness amongst our guests and showcase the ecological heritage and biodiversity of these locations. It is important that the experience of our guests forms an important part of their overall experience of visiting Myanmar.



Our Vision: Customer Satisfaction

We serve our customers by being their trusted partner and by delivering the best products and services that cater to their needs.

WHAT WE HAVE DONE

Experiential and authentic travel for our customers

At Awei Pila, activities such as trekking, snorkelling, kayaking and scuba diving allow our guests to explore the unspoilt environment of the island and the diversity of the marine life.

In planning for experiential holidays, AHTT / Memories Travel provides for those seeking adventure and immersion, ecotourism, luxurious cruises, wellness journeys, family holidays and honeymoons. Excursions are chosen with care, and before offering them to tourists they are evaluated on whether they are sustainable and comply with the standards set by AHTT / Memories Travel. No harm is done to the environment, heritage, animals or social aspects of the community that we operate in.

Safety and crisis management

Health and safety are important for both our customers and our staff. Our operations are equipped with all necessary safety equipment and signage and frequent quality checks are carried out on equipment with any replacements being made as necessary. First aid, fire safety and emergency evacuation training is provided to appropriate team members and any incidents of injury or illness are thoroughly investigated, with procedural changes put in place to prevent recurrence.

Safety briefings are provided to our Burma Boating, Balloons Over Bagan and Balloons Over Inle customers as well as those who join our experiential trips through AHTT / Memories Travel. More than half of our staff from Balloons Over Bagan and Balloons Over Inle are trained in basic first aid. Emergency drills are also carried out once every season for each location in Bagan and Inle, and there is also a safety management system in place with safe work procedures and a crisis management plan.

Customer satisfaction

Our frontline staff, managers of the hotels, guides from our experiential travel services and crew on the yachts and hot air balloons all strive to get to know our customers personally – their likes and dislikes, suggestions and concerns. Customer feedback is constantly analysed by management and team members in order to implement corrective and preventative actions accordingly. This helps in resolving issues quickly for our customers and builds our ongoing relationships with them. The strong commitment of all team members ensures a consistently high level of guest satisfaction.

We were aware from our customer feedback, that the competency of English of our staff was highlighted as an area for improvement. We have thus rolled out English classes across our Group in FY2019 for all employees. More than half of our customers from our hotels, experiences and services who were surveyed in FY2019 have rated our services as either good or excellent.

WHAT WE PLAN TO DO

Monitoring the satisfaction of our customers is an important issue for AHTT / Memories Travel in order to continuously provide strategies which meet our travellers' needs and preferences. As part of a longer term training and development program for our staff, there are also plans for the staff to be enrolled in Business English speaking and writing classes.





OUR APPROACH

Stewardship of the environment is an ongoing challenge as our business grows. Memories Group promotes responsible environmental practices by all our hotels and experiences and supports the hotels to improve environmental performance.

In Myanmar, solid waste is typically dumped into landfills and there is currently only one waste-to-energy plant located in Shwepyithar Township in the northern part of Yangon. This waste to energy plant is able to handle 60 tonnes of waste per day, which is only about 2% of the estimated total waste of 2,500 tonnes generated every day in Yangon*.

NOTES:-

* <http://www.jfe-eng.co.jp/en/news/2017/20170410.html>

**MSDP GOAL 5:
Natural Resources & the Environment
for the Posterity of the Nation**



Memories Group is conscious of our own levels of resource consumption and waste generation, and has put in place various policies to minimize resource consumption and manage waste effectively. We have implemented a policy on “Environment, Health and Safety” (“EH&S”) in support of a group wide Corporate Governance framework, to:

1. foster greater awareness of sustainable approaches across Memories Group;
2. enhance our capabilities to identify and manage adverse impacts from all business activities; and
3. instil a culture of “no harm, less pollution and wider conservation approaches to protect the environment” in all business operations.

We are committed to managing our waste properly, implementing the concept of a circular economy – reducing, reusing, recycling and replacing throughout our operations, where possible.

WHAT WE ARE DOING

Reduce impact of operations on environment, reduce use of plastics / Introducing and increasing recycling efforts

The issue of single-use plastics is a concern and one that clearly requires global commitment and collaborative action. In 2018 we embarked on the removal of plastic waste from our head office in Yangon, and this is currently being implemented across all our hotel operations, boating business and hot air balloon operations. As part of the Refill Not Landfill Southeast Asia programme, we have rolled out the use of stainless-steel bottles at targeted resorts/hotels to replace plastic bottles. Guests are provided with an aluminium bottle that can be refilled with water free of charge at more than 100 designated water refilling stations around Myanmar. This is a first step to transition away from single-use plastics, and other items such as packaging and bathroom amenities are being assessed for reduction or replacement with sustainable alternatives. In line with our FY2019 target to minimise the use of plastics, approximately 5,500 reusable aluminium bottles have been distributed in our hotels and experiences in FY2019 which has enabled us to avoid the use of approximately 189,360⁵ plastic bottles.

The nature of our operations produces waste that needs to be effectively managed. We are committed to managing our waste properly, implementing the concept of a circular economy – reducing, reusing, recycling and replacing throughout our operations, where possible. In line with our FY2019 target which was to minimise the use of plastics and harm to the environment, we have recycled 1.91 tonnes of glass and 425kg of plastic which were generated from our ballooning and hotels businesses.

NOTES:-

⁵ This is based on hotels rooms at Keinnara Hpa-An (19 rooms), Keinnara Loikaw (26 rooms), Awei Pila (24 rooms) and Hotel Suggati (72 rooms). Assumptions: Each of the rooms will have 2 guests, each guest may consume up to 4 bottles of 500ml bottled water per day. Weight of each plastic bottle is 10g. Since not all hotels were fully operational in FY2019, we have factored that into no. of plastic bottles generated based operational months.

The hotels have implemented a number of programmes that are specific to local circumstances for waste management, including waste segregation and recycling. At Awei Pila, our island resort and Burma Boating, which operates our sailing yachts, garbage separation is done to ensure that waste which can be recycled is sent for recycling. Reusable stainless-steel bottles are provided to our guests and no plastic straws or plastic bottles are used.

Awei Pila and Burma Boating hosted an expedition in May 2019 by a team of nine divers and five surface support crew to clear lost and disused fishing nets, also known as ghost nets, from the coral reefs in the Mergui Archipelago. Within four days, the divers recovered some 300kg of abandoned, lost or discarded fishing gear from the surrounding reefs at depths of up to 25 meters. The team was led by Ocean Quest Global, a Southeast Asia-based organisation dedicated to the protection and rehabilitation of coral reefs. Plans are in place for more of such similar activities to be conducted later this year. Awei Pila is also developing eco-friendly land and water activities for guests, as well as surveying the island reefs and mangroves to identify species and working out ways to encourage conservation and protection, including with the Moken and Burmese fishermen. A coral nursery is planned in the coming months which will be used to re-populate areas with damaged coral, and this project will be run in collaboration with the local Mokens.

Burma Boating has in its fleet, a fully solar-run yacht which is the first of its kind to sail in Asia. The yacht’s 30 mounted solar panels create 10 kWh, allowing it to cruise an unlimited distance on a regular sunny day – but also maintains a fuel-based back-up engine. It can reach a maximum speed of 12 knots thanks to its two 30kW motors. This solar-run yacht leaves a minimal environmental footprint, but offers travellers unprecedented sailing comfort.



RESPECT FOR THE ENVIRONMENT

On 30 March 2019, we carried out numerous activities across our business to show our commitment to protecting nature and to raise awareness of Earth Hour.



HOTEL SUGGATI MAWLAMYAING

- Initiated a rubbish clean up around the children's hospital and pagoda
- Lights at the hotel reception were dimmed and candles were used at the restaurant during this time
- Paper straws and recycled corn boxes were used



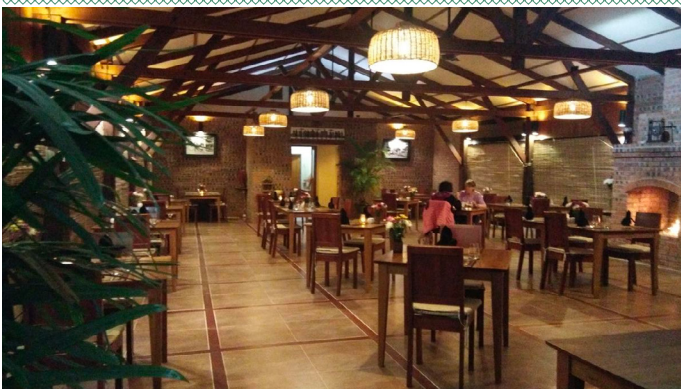
AWEI PILA

- Only grilled food which had been prepared without the use of electricity was provided
- Lights were switched off and candles were used during dinner



AWEI METTA

- Electricity was switched off from 9am to 9pm
- Only gas or steam was used for cooking in the kitchen
- Candles were used in the restaurant, lobby and bar
- A special note was delivered to each guest's room informing them to switch off the air conditioning in the room
- There was no laundry in operation on that day



KEINNARA LOIKAW

- Lights were switched off from 6am to 6pm
- No air-conditioning or lights were used at the restaurant
- Plastic bottles were replaced with refillable glass bottles

RESPECT FOR THE ENVIRONMENT

Waste by type and disposal method GRI 306-2

BUSINESS SEGMENT	ENTITIES	NON-HAZARDOUS WASTE TYPE	DISPOSAL METHOD	VOLUME GENERATED	
				FY2018	FY2019
Experiences	Balloons Over Bagan Balloons Over Inle	Glass ⁶	Recycled & reused	1.75 tonnes	1.91 tonnes
Hotels	Keinnara Loikaw	Plastic	Recycled	Not Operational	425 kg

NOTES:-

⁶ Glass disposed is from champagne bottles, assume weight of one empty champagne bottle is 500g.



Memories Group is part of the **Refill Not Landfill** campaign. This initiative aims to cut down on the millions of plastic water bottles discarded each year by offering an alternative: reusable aluminium bottles. These bottles can be refilled free of charge at our hotels and resorts, at our yachts and premises operated by our associated and affiliated companies, such as The Campus, Convenience Prosperity Company Limited (“CPCI”) branches, Pun Hlaing Estate, Yoma Bank branches across Myanmar, as well as other partners of the Refill Not Landfill program.

Water scarcity

Extreme weather conditions such as floods and droughts often affect Myanmar’s access to clean water. Management of water resources is important to ensure that there is a sustainable supply of water from ground water sources, or from the lakes and rivers. Memories Group wants to be recognised as a prudent and responsible user of water that does not adversely impact on local water resources.

Our hot air balloon business located in Bagan and Inle rely on well water which is used for cleaning the balloons and washing of linen. In FY2019, we used almost three times more water than we did in FY2018 for our ballooning business, which is largely due to an increase in the number of flights that have been provided and the additional cleaning required. The hotel operations largely rely on ground water and it is estimated⁷ that approximately 14,580m³ of water was consumed in FY2019. As most of our resorts and hotels in our portfolio became fully operational only in the second half of FY2019, we will continue to measure and monitor our water consumption to have a better understanding of our baseline.

We reduce pollution by ensuring that untreated wastewater from our hotel operations is not released into the natural ecosystem. Where water is used for washing or other purposes at our hotel operations and needs to be discharged into the surface drains, we will treat it with a bio filter and chlorine sterilization before discharge to ensure there is minimal impact to the local waterways. Where possible, water is recycled or reused for activities such as landscaping or for flushing of toilets.

NOTES:-

⁷ This estimation is based on an assumption of 300 litres of water used per guest per night.

Water withdrawal by source
GRI 303-1

BUSINESS SEGMENT	ENTITIES	SOURCE OF WATER	VOLUME OF WATER USED	
			FY2018	FY2019
Experiences	Balloons Over Bagan Balloons Over Inle	Ground Water	420 m ³	1,523 m ³
Hotels	Keinnara Hpa-An ⁸ Keinnara Loikaw ⁸ Hotel Suggati Mawlamyaing Awei Pila	Ground Water	2,112 m ³	14,580 m ³
Services	Memories Travel	Municipal Water	-	1,756 m ³
TOTAL				17,859 m³

NOTES:-

[^] New addition for FY2019

⁸ This estimation is based on an assumption of 300L of water used per guest per night.



Greenhouse gas emissions reduction

Energy Use

In FY2018, our balloons business consumed the most energy through the use of fuel for the hot air balloon trips, however, in FY2019, more energy was consumed from the hotel business through the use of fuel for generators. The total energy consumption for fuel and electricity use for the hotels and experiences was 12,091,943 MJ in FY2019. On average, the energy intensity for the 141 rooms in our hotels is 67,084 MJ/room.

Energy consumption from fuel within the organisation

GRI 302-1

BUSINESS SEGMENT	BUSINESS UNIT	TYPE OF FUEL	FY2018		FY2019	
			VOLUME (L)	ENERGY (MJ)*	VOLUME (L)	ENERGY (MJ)*
Hotels	Keinnara Hpa-An	Diesel	4,925	177,891	209,552	7,569,018
	Keinnara Loikaw	Petrol	2,711	88,872	5,557	182,170
	Awei Metta					
	Awei Pila					
Hotel Suggati Mawlamyaing						
Experiences	Balloons Over Bagan	Diesel	47,340	1,709,920	57,198	2,066,025
	Balloons Over Inle	LPG	4,806	115,935	3,889	93,814
	Burma Boating	Petrol	-	-	460	15,079
TOTAL				2,092,618		9,926,106

Electricity consumed within the organisation

GRI 302-1

BUSINESS SEGMENT	BUSINESS UNIT	FY2018		FY2019	
		ELECTRICITY CONSUMED (kWh)	ENERGY CONSUMED (MJ)*	ELECTRICITY CONSUMED (kWh)*	ENERGY CONSUMED (MJ)*
Hotels	Keinnara Hpa-An	254,571	916,455	472,703	1,707,731
	Keinnara Loikaw				
	Awei Metta				
	Awei Pila				
Hotel Suggati Mawlamyaing					
Experiences	Balloons Over Bagan	60,153	216,551	58,681	211,251
	Balloons Over Inle				
Services	AHTT / Memories Travel	-	-	68,571	246,855
TOTAL		314,724	1,133,006	599,955	2,165,837

NOTES:-

^ Source of conversion factors used are based on GHG Protocol Emissions Factors from Cross Sector Tools (2017)

RESPECT FOR THE ENVIRONMENT

Total energy consumed within the organisation
GRI 302-1

BUSINESS SEGMENT	BUSINESS UNIT	TOTAL ENERGY CONSUMED (MJ) [^]		ENERGY INTENSITY	
		FY2018	FY2019	FY2018	FY2019
Hotels	Keinnara Hpa-An (19 rooms) ^Keinnara Loikaw (26 rooms) ^Awei Metta (46 rooms) ^Awei Pila (24 rooms) ^Hotel Suggati Mawlamyaing (72 rooms)	1,183,218	9,458,919	62,274 MJ / room	67,084 MJ / room
Experiences	Balloons Over Bagan Balloons Over Inle ^Burma Boating	2,042,406	2,386,169	-	371,099 MJ / US\$ million revenue (experiences segment)
Services	^AHTT / Memories Travel	-	246,855	-	98,349 MJ / US\$ million revenue (services segment)
TOTAL		3,225,624	12,091,943		

NOTES:-

[^] New addition for FY2019



RESPECT FOR THE ENVIRONMENT

Emissions

Our Group-wide GHG emissions for FY2019 was 782 tCO₂, which was 2.9 times more than what we used in FY2018. This is due largely to an increase in fuel use from our newly operational hotels, namely Keinnara Loikaw (26 rooms), Hotel Suggati (72 rooms), and Awei Pila (24 rooms). The overall GHG emission intensity in FY2019 for the hotels was 4.11 tCO₂/room compared to 5.47 tCO₂/room in FY2018.

GHG Emissions***

GRI 305-1, GRI 305-2

BUSINESS SEGMENT	BUSINESS UNIT	FUEL	DIRECT SCOPE 1 GHG EMISSIONS FROM FUEL USE (tCO ₂)		ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS FROM ELECTRICITY USE# (tCO ₂)	
			FY2018	FY2019	FY2018	FY2019
Hotels	Keinnara Hpa-An (19 rooms)	Diesel	13.20	409.45	84.50	156.94
	^Keinnara Loikaw (26 rooms)	LPG	-	1.71		
	^Awei Metta (46 rooms)	Petrol	6.15	11.57		
	^Awei Pila (24 rooms)					
^Hotel Suggati Mawlamyaing (72 rooms)						
Experiences	Balloons Over Bagan	Diesel	136.53**	152.14	20.0	19.48
	Balloons Over Inle	LPG	7.74	6.92		
	^Burma Boating	Petrol	-	1.04		
Services	^AHTT / Memories Travel	-	-	-	-	22.77
TOTAL			163.62**	582.83	104.5	199.19

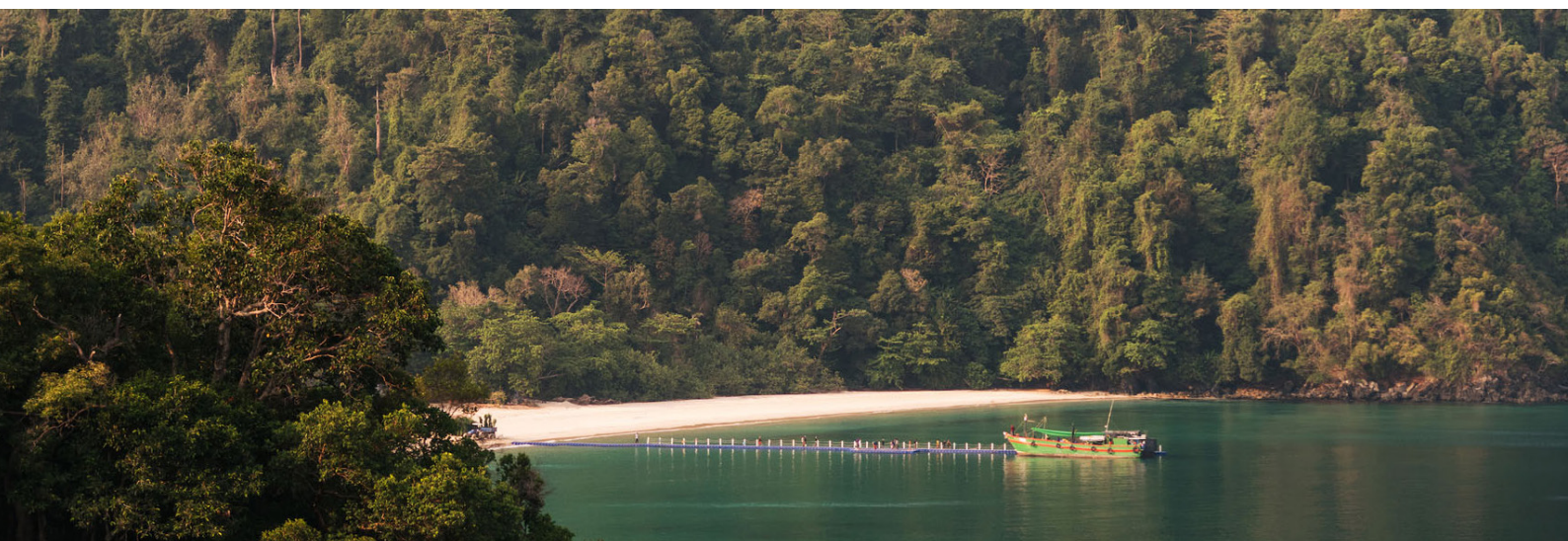
NOTES:-

** Restatement due to additional data included for FY2018.

*** GHG emissions calculated include only CO₂ emissions and does not include CH₄ and N₂O.

Based on Asian Development Bank's 2017 Guidelines for Estimating Greenhouse Gas Emissions, using the Grid Emission Factor of 0.332 tCO₂/MWh of electricity

^ New addition for FY2019





WHAT WE PLAN TO DO

Memories Group has started the monitoring programme for use of fuel and electricity across our various business segments to help us better understand our environmental footprint. We will also continue with our policy of reducing the use of plastic bottles in our hotel rooms, boating operations, hot air balloons operations and our offices. In doing so, we aim to create awareness for our guests and people we work with, on the negative environmental impacts of single use plastics, and at the same time, reduce the amount of plastic waste generated in our operations.

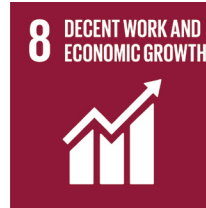
We will continue to monitor our energy usage and have a better understanding of our consumption pattern, energy intensity use and to identify areas for improvement.

TARGET FOR FY2020

Collect baseline environmental data (using 2018 - 2020 data) before setting a numeric target in FY2021

Reduce the use of plastics and minimise harm to the environment

MSDP GOAL 1:
Peace, National Reconciliation,
Security & Good Governance



“

Memories Group adopts corporate policies including, inter alia, business ethics, code of conduct, conflict of interest, environment, health and safety as well as human rights policies.

OUR APPROACH

Creating and maintaining our culture of ethics and integrity starts with our employees and leaders and extends to our business partners and suppliers. Memories Group adopts corporate policies including, *inter alia*, business ethics, code of conduct, conflict of interest, environment, health and safety as well as human rights policies. The policies are also publicly available under the “Corporate Policies” on the Memories Group website.

We have adopted and implemented the Human Rights Policy to:

1. foster greater awareness of human rights throughout Memories Group including (but not limited to) equal opportunity, anti-discrimination, right to life, liberty and security of person;
2. enhance Memories Group’s capabilities to identify and manage adverse impacts from all business activities; and
3. instill a culture of respecting individuals’ right to freedom of thought, conscience, and religion including freedom of opinion and expression without interference in all business operations.

Our Vision: Investor Satisfaction

We create sustainable investment opportunities by leading with integrity and engaging in ethical and equitable business practices.





WHAT WE HAVE DONE

Business ethics (GRI 205-3)

Memories Group has in place a whistle-blowing policy which encourages its employees, in confidence, to raise concerns about possible corporate improprieties related to matters of financial reporting and other matters. Our whistle-blowing policy assures employees who make reports in good faith of malpractice or impropriety in the workplace will not be dismissed, penalised or discriminated against by us as a result of the making of such reports. Details of the whistle-blowing policy can be found in our Annual Report 2019 Pg.44. The way in which we manage business ethics is a crucial part of our growth and expansion. Memories Group guards against ethical irregularities in our businesses through the adoption and deployment of various procedures. In addition, we believe it is our duty and in our longer term interest to support the societies in which we work through fair and ethical employment and payment of taxes and other fees. Memories Group has a zero-tolerance approach to bribery and corruption – any team members suspected of a crime or malpractice will be investigated.

In FY2019, we had zero reported incidents of corruption or bribery and no business partnerships were terminated or not renewed due to corruption.

We have also adopted a Code of Conduct to regulate the standards of ethical conduct for our Directors, officers and employees. They are required to observe the Code of Conduct and also maintain high standards of integrity in compliance with the laws, regulations and our policies. Our ‘Conflict of Interest’ policy assures a high level of ethical conduct of persons employed by or involved in the governance of Memories Group in all that pertains to Memories Group, and to avoid public perceptions and financial consequences detrimental to Memories Group that could arise from the misuse, or perception of misuse, of an individual’s position or influence.

Compliance with laws and legislation (GRI 419-1)

As of 31 March 2019, there were no significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social, environmental and economic area in Memories Group.

Child labour, human rights

Memories Group has strict human rights policies and we have aligned our policies with no forced labour, child labour, slavery or human trafficking in our businesses. We ensure that there is a safe and secure working environment for all our workers. We do not employ children. No breaches have occurred in FY2019, however, if a case were reported it would be thoroughly investigated with swift and appropriate measures administered to rectify the situation. No special programs were run, however, through the contracts that the Company has with suppliers, the suppliers are reminded that no child labour is to be used and human rights of workers have to be respected.

WHAT WE PLAN TO DO

In FY2020, we will continue to review the policies to enhance those which are material to our operations. We will continue to deliver training on anti-corruption and anti-bribery to all the employees in Memories Group.

TARGET FOR FY2020

- Strive to maintain zero substantiated cases of corruption
- Strive to fully comply with rules and regulations in jurisdictions where we operate
- Advocate and raise awareness in our supply chain against use of child labour

MSDP GOAL 5:
Natural Resources & the Environment
for the Posterity of the Nation

8 DECENT WORK AND
ECONOMIC GROWTH



We support responsible travel by connecting guests with cultural and natural heritage to create stewardship and resilience.

OUR APPROACH

Memories Group is committed to conserving the culture and heritage of the destinations that we operate in while sustaining local livelihoods and skills through gainful employment. We support responsible travel by connecting guests with cultural and natural heritage to create stewardship and resilience. It also helps to boost awareness of the tourist site, attraction or area's significance and encourages local residents and visitors to be mindful about their impact on the natural and built environment.

WHAT WE HAVE DONE

Identifying “No-Go” activities or sensitive areas which are not suitable for tourism

At AHTT / Memories Travel, our excursions are chosen with care, and before offering them to tourists, they are evaluated on whether they are sustainable and comply with our internal standards. We endeavour to minimise any harm done to the environment, heritage, animals or social aspects of the destination we bring our tourists to. AHTT / Memories Travel is dedicated to Animal Welfare and assures that the company only works together with suppliers that treat their animals properly. Any signs of negative animal welfare will lead to a termination of contract. Guides are also trained on correct animal welfare practices and customers educated about which excursions to avoid and which items not to purchase.

In FY2019, we had planned for our suppliers providing excursions featuring animals to respect ABTA guidelines (Global Animal Welfare for Animals in Tourism). Examples of such suppliers we work with are Green Hill Valley Elephant Camp, Mae' Zun Taung Star Turtle Conservation near Bagan, and a dolphin conservation program with Wildlife Conservation Society in Mandalay.

Our target in FY2019 was also to increase the number of community based tour (CBT) operators. Examples of such operators that we work with include Magyeekan Village CBT in Salay, Myaing CBT, His The' Village CBT in Mandalay, and Pan Pet Village CBT near Loikaw.

As part of our FY2019 target to increase awareness of local artisan crafts and traditions, AHTT / Memories Travel has been a partner of Doh Eain since 2018, a Yangon based organisation which supports heritage restoration and the upgrading of urban spaces. Doh Eain provides value to the city and its historical and cultural identity, and can also improve people's livelihoods, support neighbourhoods' socio-economic growth, and contribute to social cohesion, health, wellbeing and sustainability.

WHAT WE PLAN TO DO

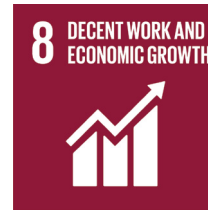
Awei Pila works closely with the nomadic Moken community on Pila Island to utilise their traditional skills where possible. The showcasing of local festivals, folk and tribal performing art traditions adds heritage value to tourism in Myanmar. In FY2020, AHTT / Memories Travel aims to have a 10% increase in the number of community-based tour operators, examples of areas with such activities include Magyeekan Village in Salay near Bagan, and Panpet in Loikaw. At the same time, we also aim to have a 10% increase in local artisan crafts in our programmes, examples of such activities include painting in a Bagan lacquerware workshop and hands-on activities in a wooden pipes workshop in Mawlamyaing. With this approach, we are also able to upskill local labour, build local capacity and contribute to economic growth in the local communities.

TARGET FOR FY2020

10% increase in the number of community based tour operators

10% increase in local artisan crafts in our travel programs offered

**MSDP GOAL 3:
Job Creation & Private
Sector Led Growth**



OUR APPROACH

Memories Group promotes equal access to employment. We recruit and develop individuals solely on the basis of their suitability for the job, regardless of gender, age, nationality, religion or disability. Hiring, training and retaining the right people, a majority of whom are local, is instrumental in shaping the experiences of our guests. As our hotels, resorts and experiences are usually located in a historical parts of the city and at the heart of a vibrant community, we generate value to the surrounding districts and businesses by attracting customers, further contributing to the local economy.

Embedding the principles of diversity and inclusion in the way we do business gives us a better understanding of the needs of our employees, partners, suppliers and customers. A diverse workforce and an inclusive environment that respects and nurtures different people is a way to improve our business performance. Our diversity and inclusion approach focuses on hiring, developing and retaining the best. We provide equal opportunity in recruitment, career development, promotion, training and rewards for all employees. We also hold regular meetings in the communities in which we live and work to foster relationships with individuals and companies, build connections and expand collaboration.

WHAT WE HAVE DONE

Diversity of workforce and inclusivity (GRI 405-1)

With globalisation and demographic shifts, it is common to find employees of different ages, genders, physical abilities, religions, ethnicities, nationalities and other characteristics working alongside one another. Memories Group believes that by having employees from a range of backgrounds work together while respecting one another’s values, new concepts and ways of thinking are created which lead to greater value for the Company. We currently do not have any female representation on our Board, however, 22% of our Management (including business functions) is female.

Memories Group’s employees come from many different backgrounds and cultures. As of 31 March 2019, we had 635 employees from 18 countries. To build a diverse team and induce a sense of belonging, non-locals employed by Memories Group in Myanmar are provided with a comprehensive induction programme that includes familiarisation with the local culture and norms. This helps the individuals who are new to Myanmar to better understand, accept and be comfortable with their local colleagues and the local culture.



We recruit and develop individuals solely on the basis of their suitability for the job, regardless of gender, age, nationality, religion or disability. Hiring, training and retaining the right people, a majority of whom are local, is instrumental in shaping the experiences of our guests.

Our Vision: Employee Satisfaction

We invest in our people to build careers around a shared culture of fairness, diversity, empowerment and recognition.

Total number of employees by employment contract (permanent and temporary), by region.

PERMANENT EMPLOYEES				
Myanmar	Asia	Europe	Americas	Australia/NZ
594	6	7	1	3

TEMPORARY EMPLOYEES				
Myanmar	Asia	Europe	Canada	Australia/NZ
0	0	20	1	3

Total number of employees by employment contract (permanent and temporary), by gender.

PERMANENT EMPLOYEES		TEMPORARY EMPLOYEES	
Male	Female	Male	Female
427	184	24	0

Total number of employees by employment type (full-time and part-time), by gender.

FULL TIME		PART TIME	
Male	Female	Male	Female
427	184	24	0

New Employee Hires and Turnover (By Age Group)

		NO. OF NEW HIRES	EMPLOYEE TURNOVER
Age Group	Under 30 years old	167	101
	30-50 years old	111	46
	Over 50 years old	7	2

New Employee Hires and Turnover (By Gender)

		NO. OF NEW HIRES	EMPLOYEE TURNOVER
Gender	Male	188	72
	Female	97	77

96% PERMANENT EMPLOYEES

4% TEMPORARY EMPLOYEES

93.5% LOCAL EMPLOYEES

6.5% NON-LOCAL EMPLOYEES

Gender Diversity of Our Employees

71% MALES

29% FEMALES

Employment Types

96.2% FULL TIME EMPLOYEES

3.8% PART TIME EMPLOYEES

Turnover

FY2018 - 9.6%

FY2019 - 23.5%

26.3% OF NEW HIRES UNDER 30 YEARS OLD

17.5% OF NEW HIRES BETWEEN 30-50 YEARS OLD

1.1% OF NEW HIRES OVER 50 YEARS OLD



Employee skills training and development (GRI 404-1, GRI 404-2)

We provide all of our people with ongoing support and training; new staff benefit from a comprehensive induction programme. We encourage all our employees to set personal development goals as part of their yearly performance management plan, which is then tracked by their manager and Human Resources. Our frontline staff, in particular, those that interact with our customers, are provided with English language classes and customer service skills to facilitate communication with our customers, who speak predominantly English or other European languages. Training in Management Skills, Project Management, Basic Fire Fighting Skills and First Aid Skills are examples of the training provided to our employees.

We have achieved a total of 22,495 hours of training across our various business segments in FY2019. As part of Memories Group's FY2019 target, we have achieved the training of at least 50% of our managers on the topic of anti-harassment. In FY2019, 66% of our managers have participated in the "Respectful Workplace" online training, and we will continue to roll out this programme to the managers in the various business segments in FY2020.

Average training hours per year based on gender GRI 404-1

GENDER	TOTAL TRAINING HOURS	AVERAGE TRAINING HOURS
Male	18,260	39.8 hrs
Female	4,235	23 hrs

Average training hours per year based on employee category GRI 404-1

EMPLOYEE CATEGORY	AVERAGE TRAINING HOURS
Senior Management	0
Managerial	22.6
Executive	3.0
Non-Executive	85.3
General	30.2

Gender pay, anti-discrimination (GRI 405-2)

At the Memories Group level, the ratio of average remuneration for managerial and executive staff is almost equal, with the ratios of basic salary of women to men at 1 : 0.8 and 1 : 1 respectively. One of Memories Group's main priorities is to increase recruitment of women into management and leadership roles and increase retention of senior female leaders.

Employee Engagement

Our employees have continuous face-to-face feedback with their supervisors to help drive engagement. This is in addition to the monthly group meetings held with the General Manager for that business unit. There was no formal employee engagement survey done during the last financial year, but a group level engagement survey is planned for FY2020. A high level of engagement is increasingly important for attracting and retaining talented people and, ultimately, for the delivery of business results.



WHAT WE PLAN TO DO

Memories Group has made diversity and inclusion part of our corporate strategy and is promoting them in all workplaces. At Yoma Strategic*, a Diversity Council comprising representatives from different business units and different nationalities of staff established in FY2019. Representatives from Memories Group are also part of the Diversity Council since its inception.

A Leadership Programme is currently being established by Yoma Group. This would also include Memories Group employees. Through mentorship with senior management, and working on assigned case studies over a six-month period, this Leadership Program has the key objective of building future key business leaders and 50 staff have been invited to participate in the Leadership Programme.

NOTES:-

* A controlling shareholder of the Company.

OUR TARGET FOR FY2020

Average number of hours of training/employee/year	25 hours per employee per year
Number of managers to undergo training on anti-harassment or how to deal with harassments	80% of all managers to have received anti-harassment training

OUR SOCIAL CONTRIBUTIONS

**MSDP GOAL 3:
Job Creation & Private
Sector Led Growth**

**3 GOOD HEALTH
AND WELL-BEING**



**4 QUALITY
EDUCATION**



**8 DECENT WORK AND
ECONOMIC GROWTH**



**13 CLIMATE
ACTION**



In doing our business, our focus is to offer positive travel experiences that benefit customers, communities and the Company. This means that while we do our business, we have a responsibility to protect the environment and benefit the communities that we work with. These communities provide the resources, infrastructure and markets that our businesses rely on. It is essential that these communities benefit from having us there. We believe we have a responsibility to deliver positive, lasting impacts that contribute shared and sustained value for all our stakeholders. It is our aim to support the development of our communities by leveraging the strengths in our operations. We hope that through our community partnerships, we can address pressing social needs and reinforce our commitment to enduring positive impact.

In FY2019, we have achieved our target of 2 hours of volunteer hours per employee.

WORKING TOGETHER WITH LOCAL COMMUNITIES

Awei Pila is a new 24-room eco-friendly beachfront resort which started operations in late 2018. It is built on Pila Island, which is also inhabited by the Moken ethnic group, which has had a seminomadic subsistence gathering and foraging for hundreds of years. The Mokens have a few basic huts in one small cove, while enterprising Myanmar fishing families and traders have established their homes in a nearby bay. Our resort has built a bridge to enable cross-village travel during the rainy season, which runs from June to September, and plans are underway to build a new monastery for the local community. Seafood for restaurants at Awei Pila is also purchased locally from the fishermen and other local producers who in turn purchase them from the smaller boats.

Other programs that we have with local communities include:

Amazing Grace social enterprise in Yangon, which brings new opportunities to women living with disabilities through jewelry and craft production. 15 trainers provide training for the women, and flexible employment options bring a regular income to them and their families along with increased confidence, self-respect and the respect of their communities. The well-designed products are sold in a range of shops and social business featuring quality and recycled materials such as bottle caps, inner tube, seeds and glass beads.

Dhala - Chue Chue Recycling Workshop and Café, sells products made from plastic they recycle themselves and are now starting to recycle organic waste from the families in the street.

MBoutik in Bagan is the business of Myanmar Women Craft Producers and a social enterprise initiative of ActionAid.

Hla Day in Yangon works together with Myanmar artisans, disadvantaged groups and small local businesses to design, develop and sell quality handmade products with a contemporary twist. They provide a sustainable market place, business, and design training to support the livelihoods of our producers, many of whom are struggling to overcome disability, exclusion, and poverty. Hla Day aims to capture the unique flavors of Myanmar design by locally sourcing all materials and celebrating traditional skills enabling both customers and artisans to enjoy and benefit from unique and quality Myanmar handicrafts. All profits generated are reinvested in diverse ways that empower our community of producers.

Pomelo is a Fair Trade marketplace based in Yangon supports social businesses throughout Myanmar. Pomelo connects design and impact by contributions for each purchase made, while at the same time, helping to support unique skills and craftsmanship.



OUR SOCIAL CONTRIBUTIONS

ENVIRONMENTAL CONSERVATION

From April to September 2018, during the low tourist season, the team from Shwe Lay Ta Gun Travel & Tours Company Limited, comprising Balloons Over Inle and Balloons Over Bagan actively participate in clearing of plastic waste every Friday and Saturday. Working with other hotels and restaurants in the area, as well as Nyaung Oo football club, banks and tour guides, 45 of our employees are deployed each weekend to work with the external organisations to clear the plastic waste for recycling. A total of 154 hours was contributed by the employees over 6 months for this activity.

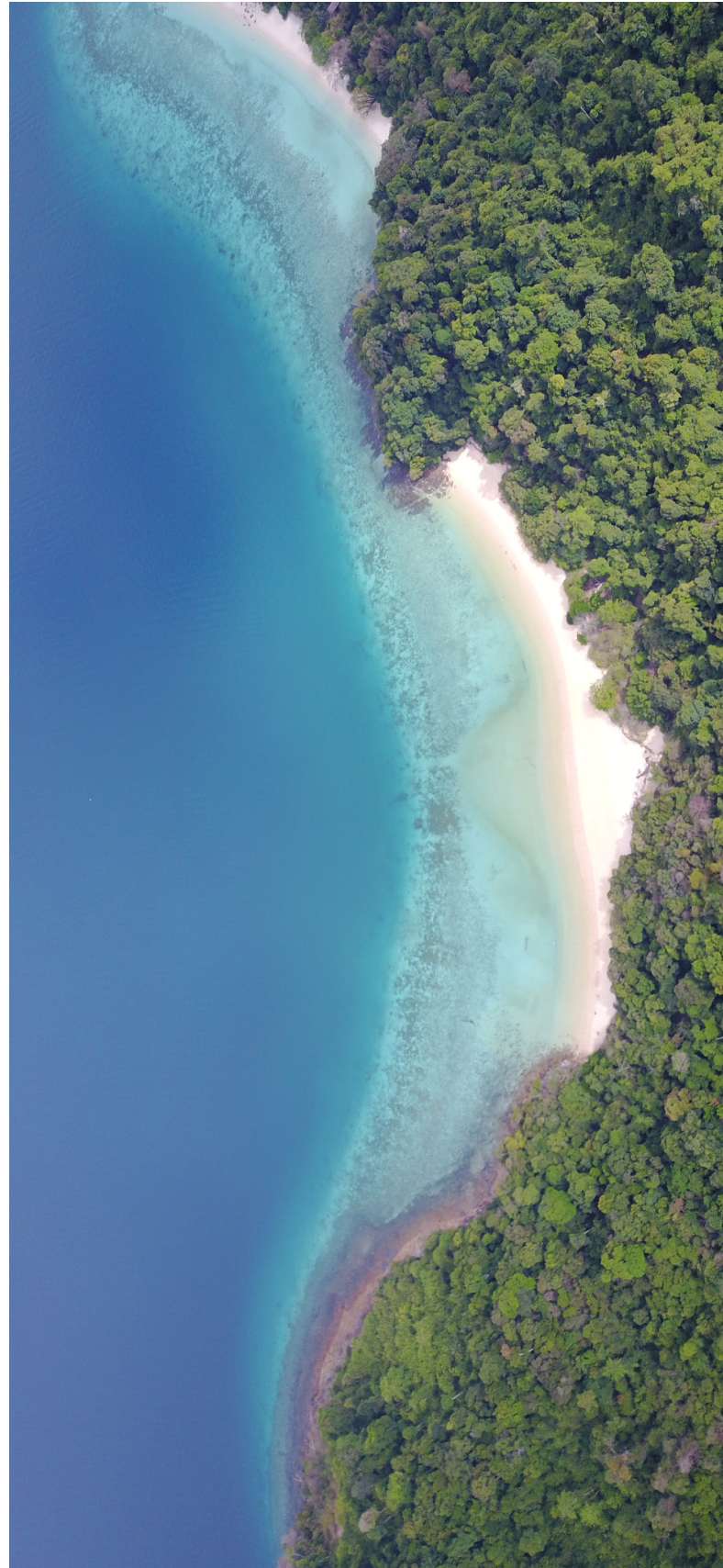
PROVIDING EMERGENCY RELIEF

Nyaung Oo region, which is located in the Mandalay Region, a few kilometres from Old Bagan where Balloons Over Bagan has their ballooning operations, is a dry zone area. These rural areas are highly reliant on rain and collected rainwater in the lakes for their daily water usage. During the dry season from February to May, the lakes occasionally run dry and villagers have difficulties to get access to clean water. During the last dry season in FY2019, Shwe Lay Ta Gun donated 52,800 gallons of water to 12 villages and 7 Buddhist monasteries using 2,400 gallon tanks loaded on our trucks.

In August 2018, Kayin state was affected by a severe monsoon resulting in flooding and thousands of villagers were forced to move into temporary shelters. Keinnara Hpa-An, which is located in Kayin, mobilised 40 employees to assist in the distribution of 300 lunch boxes, 20 sacks of rice, 80 bottles of cooking oil to monasteries, Shwe Yin Myal Pagoda Camp, Kywat Kyite Village High School and Mae Baung Flooding Camp which served as temporary shelters and housed approximately 300 affected villagers from Hpa-An and the surrounding areas. Keinnara Hpa-An also donated 500,000 MMK to the temporary shelters to help provide for daily necessities.

OUR TARGET FOR FY2020

We plan to establish a tracking system across Memories Group to quantify and monitor the hours of volunteer work for each employee, with the aim to achieve 2 hours of volunteer work per employee per year in FY2020.



DISCLOSURE		PAGE NO. / REFERENCE	OMISSION
GRI 102: GENERAL DISCLOSURES 2016			
102-1	Name of the organisation	AR 2019, pg. 1 (Corporate Profile)	
102-2	Activities, brands, products, and services	AR 2019, pg. 1 (Corporate Profile) SR 2019, pg. 9 (Our Business)	
102-3	Location of headquarters	AR 2019, pg. 1 (Corporate Profile)	
102-4	Location of operations	AR 2019, pg. 3 (Corporate Profile)	
102-5	Ownership and legal form	SR 2019, pg. 3 (Corporate Structure)	
102-6	Markets served	AR 2019, pg. 5-9 (Business Segments) SR 2019, Pg. 9 (Our Business)	
102-7	Scale of the organisation	AR 2019, pg. 18 (Group Structure) SR 2019, pg. 9 (Our Business)	
102-8	Information on employees and other workers	SR 2019, pg. 30 (Employability & Local Development)	
102-9	Supply chain	We have approximately 500 suppliers, more than 90% of the suppliers are based in Myanmar and provide materials and services for our various business units.	
102-10	Significant changes to the organisation and its supply chain	None	
102-11	Precautionary Principle or approach	AR 2019, pg. 38-41 (Risk Management)	
102-12	External initiatives	SR 2019, Pg. 12 (External Initiatives)	
102-13	Membership of associations	SR 2019, Pg. 12 (Memberships of Associations)	
102-14	Statement from senior decision-maker	SR 2019, Pg. 1 (Board Statement)	
102-16	Values, principles, standards, and norms of behaviour	SR 2019, Pg. 1 (About Us)	
102-18	Governance structure	AR 2019, Pg.24-47 (Board of Directors) (Report of Corporate Governance) SR 2019, pg. 11 (Sustainability Committee)	
102-40	List of stakeholder groups	SR 2018, Pg 13 (Our Stakeholders)	

102-41	Collective bargaining agreements	There is currently no Union within the Company. As signatories to the UN Global Compact we recognise employees' right to belong to unions, and we also follow Myanmar Labour Law in this regard	
102-42	Identifying and selecting stakeholders	SR 2019, Pg.13 (Our Stakeholders)	
102-43	Approach to stakeholder engagement	SR 2019, Pg. 13 (Our Stakeholders)	
102-44	Key topics and concerns raised	SR 2019, Pg. 14 (Our Material Topics)	
102-45	Entities included in the consolidated financial statements	SR 2019, pg. 3 (Corporate Structure)	
102-46	Defining report content and topic Boundaries	SR 2019, Pg. i (About the Report)	
102-47	List of material topics	SR 2018, Pg. 14 (Our Material Topics)	
102-48	Restatements of information	SR 2019, pg. 24	
102-49	Changes in reporting	None	
102-50	Reporting period	SR 2019, pg. i (About this Report)	
102-51	Date of most recent report	Feb 2019. This is our second report	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	sustainability@memoriesgroup.com	
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core Option	
102-55	GRI content index	SR 2019, Pg. 35-37 (GRI Content Index)	
102-56	External assurance	None	
GRI 103: MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its Boundary	SR 2019, pg. i (About this Report) (Our Sustainability Journey) SR 2019, Pg. 14 (Our Material Topics)	
103-2	The management approach and its components	SR 2019, Pg. 15, 17, 26, 28, 29, 32 Described under the section "Our Approach" for each of the material topics	
103-3	Evaluation of the management approach	SR 2019, Pg. 16, 18-25, 27, 28, 30-32, 34 Described under the section of "What We Have Done" for each of the material topics	

GRI 201: ECONOMIC PERFORMANCE			
201-1	Direct economic value generated and distributed	SR 2019, pg. 7 (ESG Performance Scorecard)	
GRI 302: ENERGY 2016			
302-1	Energy consumption within the organisation	SR 2019, Pg. 22-23, 25 (Respect for the Environment)	
302-3	Energy intensity	SR 2019, Pg. 22-23, 25 (Respect for the Environment)	
GRI 303: WATER 2016			
303-1	Water withdrawal by source	SR 2019, Pg. 21 (Respect for the Environment)	
GRI 305: EMISSIONS			
305-1	Direct (Scope 1) GHG Emissions	SR 2019, Pg. 24-25 (Respect for the Environment)	
305-2	Energy indirect (Scope 2) GHG Emissions	SR 2019, Pg. 24-25 (Respect for the Environment)	
GRI 306: EFFLUENTS AND WASTE			
306-1	Waste discharge by quality and destination	SR 2019, Pg. 20 (Respect for the Environment)	Data for quality of water discharged is not available
306-2	Waste by type and disposal method	SR 2019, Pg. 20 (Respect for the Environment)	
GRI 401: EMPLOYMENT			
401-1	New employee hires and employee turnover	SR 2019, Pg. 29-30 (Employability & Local Development)	
GRI 404: TRAINING AND EDUCATION			
404-1	Average hours of training per employee	SR 2019, Pg. 31 (Employability & Local Development)	
404-2	Programs for upgrading employee skills and transition assistance programmes	SR 2019, Pg. 31 (Employability & Local Development)	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY			
405-2	Ratio of the basic salary and remuneration of women to men	SR 2018, Pg. 31 (Employability & Local Development)	
GRI 419: SOCIOECONOMIC COMPLIANCE			
419-1	Non-compliance with laws and regulations in the social and economic area	SR 2019, Pg. 27 (Governance)	

ENCHANT ENTHRAL ENRAPTURE

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SUSTAINABILITY REPORT 2019



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