



Memories
GROUP

RESTORE
REFRESH
REJUVENATE

Sustainability Report 2020



This Sustainability Report has been reviewed by the Company's sponsor, Prime Partners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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CORE VALUES

Innovation, Teamwork, Integrity and Respect

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.

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ABOUT THIS REPORT

This Report describes our sustainability performance for the period 1 April 2019 – 30 September 2020 (“FP2020”). 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 30 September 2020 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’s 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 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 an annual basis and is available online on our corporate website.

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



BOARD STATEMENT

The Board of Directors (the “Board”) is pleased to present Memories Group’s Sustainability Report 2020, which is our Group’s third Sustainability Report. Memories Group’s sustainability approach is aligned to that of our affiliated company, Yoma Strategic Holdings Ltd., (“Yoma Strategic”) and First Myanmar Investment Public Company Limited (“FMI”), and is 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.

In FP2020, we continued to report on our sustainability performance in these five focus areas – Governance, Respect for the Environment, Employability and Local Development, Our Customers and Preserving Local Heritage and Culture. The content of this Report 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.



ABOUT US

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 Holdings Ltd., (“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”.

OUR BUSINESS PORTFOLIO SNAPSHOT

Memories Group’s “Integrated Tourism Platform” synergistically connects all our businesses and provides our travellers a seamless, one-of-a-kind experience aimed at creating lasting memories. It comprises three business segments:

HOTELS	EXPERIENCES	SERVICES
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. Our hotels and resorts include the following: <ul style="list-style-type: none"> – Keinnara Loikaw – Keinnara Hpa-An – Hotel Suggati Mawlamyaing – Awei Pila – Awei Metta 	Businesses providing experiences such as hot air ballooning, trekking, boating, diving and eco-tourism. <ul style="list-style-type: none"> – Balloons Over Bagan – Balloons Over Inle – Balloon Safaris (Inle Lake and Pindaya) – Burma Boating 	Travel and destination management services, creating new opportunities to explore regions previously unknown to international travellers. <ul style="list-style-type: none"> – Memories Travel – Memories F&B Management

HIGHLIGHTS

Keinnara Hpa-An, Keinnara Loikaw, Awei Pila and Balloons over Bagan, listed in TripAdvisor’s 2020 Traveller’s Choice Awards

Memories Group awarded Earth Hour Hero Award by WWF¹ in 2020

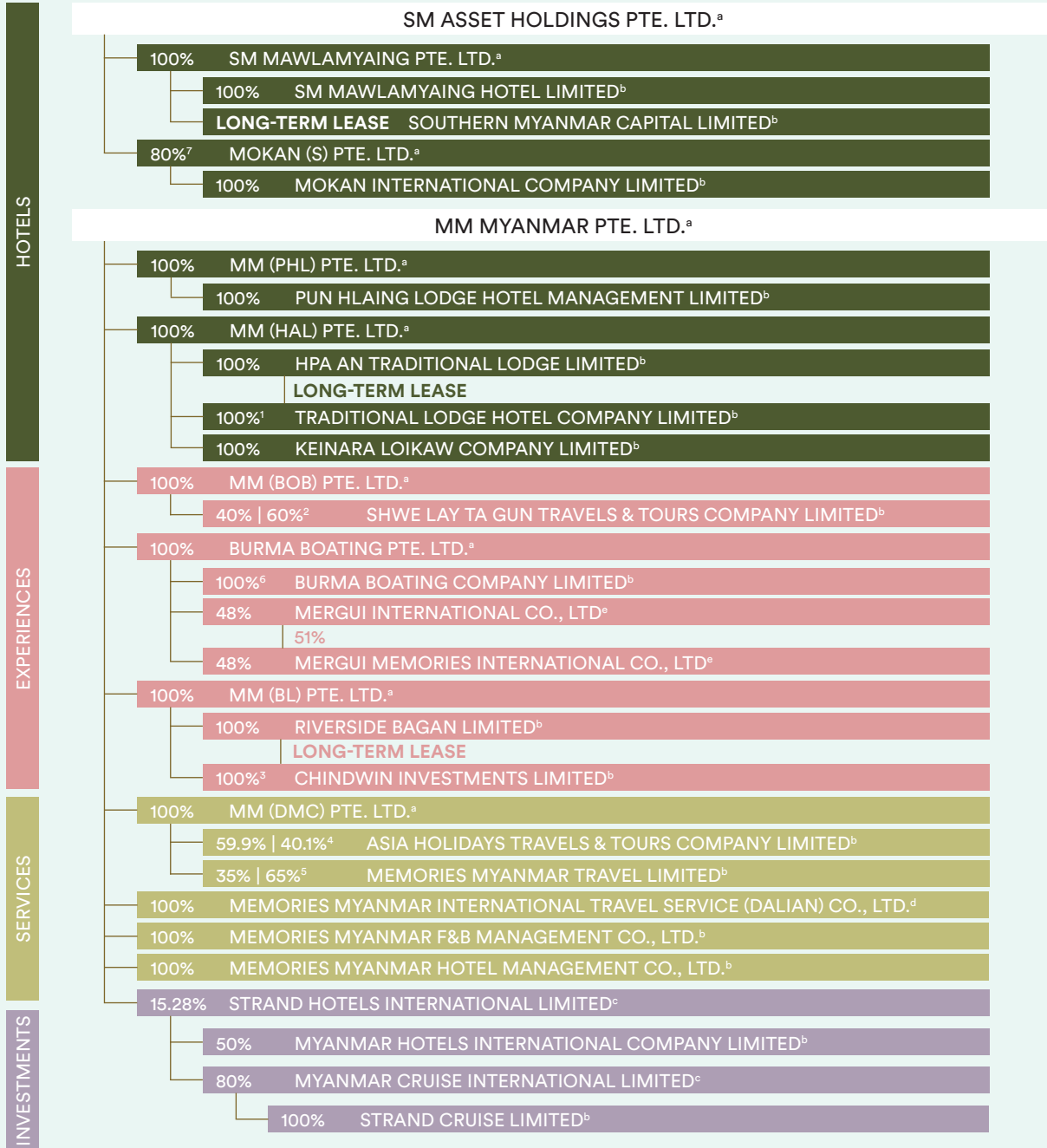


¹ World Wide Fund for Nature

CORPORATE STRUCTURE

(As at 11 January 2021)
(From Annual Report 2020)

MEMORIES GROUP LIMITED^a



Notes:

- (a) Incorporated in Singapore
- (b) Incorporated in Myanmar
- (c) Incorporated in British Virgin Islands
- (d) Incorporated in People's Republic of China
- (e) Incorporated in Thailand
- (1) MM (HAL) Pte. Ltd. holds economic interest in respect of 100% interest in Traditional Lodge Hotel Company Limited
- (2) MM (BOB) Pte. Ltd. holds economic interest in respect of 60% interest in Shwe Lay Ta Gun Travels & Tours Company Limited
- (3) MM (BL) Pte. Ltd. holds economic interest in respect of 100% interest in Chindwin Investments Limited
- (4) MM (DMC) Pte. Ltd. holds economic interest in respect of 40.1% interest in Asia Holdings Travel & Tours Company Limited
- (5) MM (DMC) Pte. Ltd. holds economic interest in respect of 65% interest in Memories Myanmar Travel Limited
- (6) Burma Boating Pte. Ltd. holds economic interest in respect of 100% interest in Burma Boating Company Limited
- (7) Remaining 20% interest is held by Memories Group Limited

HOW WE CONTRIBUTE TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDGs)

(Refer to Annual Report 2020, Pg. 23 & 24)

The Group is committed in supporting the UNSDGs in its business operations.

SDG	MEMORIES GROUP'S CONTRIBUTIONS FOR FP2020
 <p>2 ZERO HUNGER</p>	<p>Vegetables are grown at our hotels – Keinnara Hpa-An, Keinnara Loikaw and Awei Pila. Food waste is composted and mixed with soil, after which it is used to grow vegetables for our hotels and restaurants. This helps us to avoid over-reliance on vegetables to be delivered from far distances, especially for Awei Pila. Apart from providing our guests and employees with pesticide-free and fresh vegetables, these vegetables also have a lower carbon footprint and help us to establish a sustainable food production system. The vegetables grown at our hotels comprise between 15% to 40% of the total vegetables consumed by guests and employees.</p>
 <p>4 QUALITY EDUCATION</p>	<p>The Group provides long-term training and development programs to its employees across various business units. Each employee has achieved on average more than 40 hours of training during FP2020. Burma Boating provides Moken youths with learning opportunities on handcrafting of traditional boat models from the elder Moken population, and the sales of these boat models are available on Burma Boating trips. Burma Boating also provides schooling supplies for Moken children as well as basic photography skills trainings.</p>
 <p>5 GENDER EQUALITY</p>	<p>Approximately 29% of the Group's workforce are female. Females are represented at the executive as well as the senior management levels across the Group. In FP2020, 100% of managers have completed training on Code of Conduct and on the topic of anti-harassment.</p>
 <p>6 CLEAN WATER AND SANITATION</p>	<p>Awei Pila provides electricity and waste collection for the nearby villages and educates the local community on the impacts of improper dumping of waste.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>The Group's businesses provide a total of approximately 571 jobs to the local communities in Myanmar. All employees are paid at least the government prescribed minimum wage. It fully supports and practices the International Labour Organisation's eight fundamental core conventions and the International Finance Corporation's Labour and Working Conditions Standards. The Group prohibits child labour at all of its business operations and projects, and there was no case of child labour reported in FP2020.</p> <p>Through partnerships with local social enterprises in Yangon and Bagan, the Group's Hotels segment and Experiences segment provide a platform for these social enterprises to market and sell their handcrafted products. Seafood for restaurant at Awei Pila is purchased from the local fishermen and the resort employs the local communities living at nearby villages.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Memories Travel has increased the number of community-based tour operators for activities in Magyeekan Village in Salay near Bagan and Panpet in Loikaw. The number of local artisan crafts in our programmes have also increased to include painting in a Bagan lacquerware workshop and hands-on activities in a wooden pipes workshop in Mawlamyaing. With this approach, the Group is also able to upskill local labour, build local capacity and contribute to economic growth in the local communities.</p>

HOW WE CONTRIBUTE TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDGs)

SDG	MEMORIES GROUP'S CONTRIBUTIONS FOR FP2020
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Renewable energy produced from solar panels installed at Awei Pila covers approximately 40% of total energy consumption of the resort. Guest rooms at Awei Pila are designed to optimise the use of natural light during the day so as to minimise the use of artificial lighting in the room.</p> <p>Technical improvements have been made to Burma Boating's yacht, SY Meta IV, to allow it to sail at higher speeds with low winds so that fuel consumption can be reduced.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>At Awei Pila, all amenities are free from plastic, as plastic bottles are not being used in the guest rooms and all glass bottles are crushed to be recycled and used for road construction. Plastic straws are also not being used on yachts for Burma Boating.</p> <p>Burma Boating is partnering with "Tide Ocean" to implement a new bottle disposal system in Ranong and Kawthaung whereby yachts as well as the local communities can actively collect ocean plastic bottles to be upcycled and transformed into premium raw material that can be used to produce new sustainable products.</p> <p>Regular beach cleanups have been organized at Awei Pila to remove debris which is transferred to the mainland to be recycled properly. Various recycling methods are currently being explored to assess the possibility of transforming the debris into valuable resources such as building materials which can then be used by the local communities.</p>
 <p>14 LIFE BELOW WATER</p>	<p>Awei Pila partnered with Ocean Quest (an environmental organisation based on Malaysia) in a coral conservation project in September 2019. Two sites – Long Beach and Honeymoon Bay, have been identified for the development of coral nurseries. In addition to cataloguing the marine life around Pila Island, nine coral nurseries were established on Pila Island in October 2019 and this repopulating program will continue for four years. An alternative coral rehabilitation method is being used in the north bay where coral nurseries are difficult to establish. Parts of the reef on this bay already show encouraging signs of coral resilience in the short-term.</p> <p>In June 2019, Burma Boating, together with Awei Pila, partnered with Ocean Quest to remove over 310kg of ghost fishing nets and over 10,000kg of general waste from four coral reefs around Pila Island to be recycled on shore.</p>
 <p>15 LIFE ON LAND</p>	<p>Since November 2019, the conservation team of Ocean Quest has created more than 10km of trail across the jungle and also started monitoring and cataloguing local species of birds on Pila Island to better understand the biodiversity of the area. The improved access to the remote parts of the island enable the team to identify local fauna and flora more efficiently.</p> <p>Observation points have been built while minimizing disturbance to the existing landscape in order to allow us to observe birds and mammals in their native habitats. Indigenous tree species and ancient mangrove species, some of which are endangered species, have been discovered. Programmes to protect and conserve these endangered species are currently under study.</p>

ESG PERFORMANCE SCORECARD⁸

MATERIAL ESG FACTORS	FY2020 ⁹ TARGET	FP2020 PERFORMANCE		FY2021 TARGET
GOVERNANCE				
Business Ethics	Strive to maintain zero substantiated cases of corruption	No reported cases of corruption		80% of employees trained in the Group's internal Code of Conduct
Compliance	Strive to fully comply with rules and regulations in all jurisdictions where we operate	No significant fines or non-monetary sanctions and the Group has fully complied with all rules and regulations in the jurisdictions that it operates		Strive to maintain compliance with the relevant rules and regulations where we operate
Child labour, human rights	Advocate and raise awareness in our supply chain against use of child labour	No cases reported and the Group had advocated and raised awareness in our supply chain against the use of child labour		To continue to advocate and raise awareness in our supply chain against use of child labour
ENVIRONMENTAL				
		12M-Mar2020	6M-Sept2020	
CO ₂ emissions (t)	Collect environmental data to set the targets in FY2021	880	506	Collect environmental data from FY2018 to FY2021 and set targets in FY2021
Total energy consumption		15,290,736 MJ	5,913,908 MJ	
Carbon emission intensity per room per year for hotels (tCO ₂ /room/year)		0.04	0.11	
Scope 1 Emissions (tCO ₂)		171.0	151.3	
Scope 2 Emissions (tCO ₂)		708.7	354.9	
Water consumption (m ³)		38,999	12,202	
Non-hazardous waste (t)		Reduce the use of plastics	2.7	
Waste recycled (t)	0.1		2.0	
Waste reused (t)	1.5		0.1	
	– ¹⁰			

Notes:

(8) FP2020 figures reported in the ESG Performance Scorecard are based on actual data collected for the periods 12M-Mar2020 and 6M-Sept2020.

To provide year-on-year comparison for our environmental data, we have provided a breakdown of data for 12M-Mar2020 which covers the same period as in FY2019.

(9) 12-month period from 1 April 2019 to 31 March 2020

(10) Data was not included in FY2019 Sustainability Report

ESG PERFORMANCE SCORECARD

MATERIAL ESG FACTORS	FY2020 TARGET	FP2020 PERFORMANCE	FY2021 TARGET
SOCIAL			
Diversity & Equal Opportunity	80% of all managers to have received anti-harassment training by FY2020	100% of all our managers have received anti-harassment training	100% of all new managers to have received anti-harassment training by FY2021
Female employees	28.6%	29%	–
Male employees	71.4%	71%	
Nationalities	18	12	
Training Development & Talent Retention	25 average training hours per employee per year	46 average training hours per employee	48 average training hours per employee per year
Local Community	<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>	<p>Tracking system across our Group established to quantify and monitor the volunteer hours for each employee</p> <p>Achieved 2 volunteer hours per employee</p>	To maintain 2 volunteer hours per employee per year on average

ESG PERFORMANCE SCORECARD

MATERIAL ESG FACTORS	FY2020 TARGET	FP2020 PERFORMANCE	FY2021 TARGET
FINANCIAL (USD\$ Million)			
Direct Value Generated	Expand both Hotels and Experiences offerings into the lesser travelled areas of Myanmar	Expanded both hotels and experiences offerings ¹⁵	Expand both Hotels and Experiences offerings into the lesser travelled areas of Myanmar. While the said expansion plans were targeted for FY2020, the Group had not been able to achieve such targets in FY2020 due to COVID-19 which had adversely impacted the Group financially and operationally. Accordingly, such plans have been postponed to FY2021.
Includes revenue and other income (net)		9.76	
Economic Value Distributed			
Material and Services Cost		5.722	
Employees ¹¹		8.635	
Government ¹²		0.08	
Capital Providers ¹³		3.79	
Community ¹⁴		0.24	
Total Economic Value retained		(8.7)	

Notes:

- (11) Includes wages, salaries and benefits
- (12) Includes taxes paid
- (13) Includes dividends and interest expenses on borrowings and other finance cost – including currency loss
- (14) Includes voluntary donations and investment of funds in the broader community
- (15) In May 2019, Memories Group completed the acquisition of a 15.28% interest in Strand Hotel International Limited which has a 50% interest in The Strand Hotel, Inya Lake Hotel and Hotel G Yangon, and an 80% interest in the Strand Cruise.



SUSTAINABILITY AT MEMORIES GROUP

(From Annual Report 2020, pg. 22)

OUR SUSTAINABILITY COMMITMENT

Being sustainable means doing business while contributing to the economic and social progress of the communities in that, the company is involved in taking into account its environmental impact and fostering stable relationships with its main stakeholders.

Our sustainability focus areas are closely aligned with the United Nations’ Sustainable Development Goals (“**UNSDGs**”) of the 2030 Agenda for Sustainable Development, and our targets are aligned with the Myanmar Sustainable Development Plan (“**MSDP**”) 2018 – 2030.

We support the Ten Principles of the UN Global Compact (“**UNGC**”) and 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.

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 sustainable and socially responsible ways.

OUR SUSTAINABILITY FOCUS AREAS

OUR CUSTOMERS



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

RESPECT FOR THE ENVIRONMENT



We promote responsible environmental practices in all our hotels and provide support to the hotels to improve their environmental performance.

PRESERVING LOCAL HERITAGE AND CULTURE



We support responsible travel by connecting guests with cultural and natural heritage to create stewardship in preserving local heritage and culture.

GOVERNANCE



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

EMPLOYABILITY & LOCAL DEVELOPMENT



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

OUR MATERIAL TOPICS



- Customer satisfaction
- Experiential and authentic travel for our customers
- Safety and crisis management



- Compliance with relevant laws and regulations
- Responsible suppliers
- Business ethics
- Anti-Child labour, human rights



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



- Reduce use of plastics/Increase recycling efforts
- Water scarcity
- Food scarcity
- Greenhouse gas emissions reductions



- Employee skills training and career development
- Employee engagement
- Equal gender pay, anti-discrimination
- Diversity of workforce and inclusivity
- Support local community projects

SUSTAINABILITY COMMITTEE

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, business model and 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 Sustainability Committee 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 Sustainability Committee comprises the Chief Executive Officer ("CEO"), and the Heads of the various business units in Memories Group. The CEO sits on the Board of Directors and is responsible for guiding Memories Group to work towards achieving common goals and targets set at the parent company level.
- The Sustainability Committee meets at least once a year to review the sustainability performance of the business units.

EXTERNAL ENGAGEMENT 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 Labour Organization'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"

OUR STAKEHOLDERS

Memories Group uses various approaches and methods to communicate with our various stakeholder groups. Stakeholder's requirements collected are addressed in a timely manner through collaboration with related business unit heads. Our identified stakeholders 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. 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 Phone calls Emails Online platforms such as tripadvisor.com, social media channels
Suppliers	Continuous	Emails, Phone calls, Messaging Apps (Viber, Whatsapp, etc.)
Employees	Continuous	Face-to-face feedback with supervisors Virtual and physical group meetings with General Manager
Investors	Continuous	Announcements released on the SGXNet Emails Face-to-Face discussions Virtual meetings
Local Community	Continuous	Face-to-Face discussions 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 (“UNSDGs”), major indices from external rating agencies, and both international and Myanmar focused environmental assessments and policy reports. The material topics that were identified in 2018, were reviewed internally and continue to remain significant to the business in FP2020. Memories Group is taking a phased approach to gradually include additional GRI disclosure as reporting and data collection matures.

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	<i>We serve our customers by being their trusted partner and by delivering the best products and services that cater to their needs.</i>	<i>We promote responsible environmental practices by all our hotels and experiences and support the hotels to improve environmental performance.</i>	<i>We support responsible travel by connecting guests with cultural and natural heritage to create stewardship and resilience.</i>	<i>We create sustainable investment opportunities by leading with integrity and engaging in ethical and equitable business practices.</i>	<i>We invest in our people to build careers around a shared culture of fairness, diversity, empowerment and recognition.</i>
	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 Greenhouse gas emissions reduction GRI 302-1 GRI 302-3 GRI 305-1 GRI 305-2		Business ethics Child labour, human rights	Gender pay, anti-discrimination GRI 405-2 Diversity of workforce and inclusivity GRI 401-1 Supporting local community projects

OUR CUSTOMERS

OUR APPROACH

Myanmar is a vast country full of rich tradition, breath-taking natural sights and delicious local cuisine. Memories Group's portfolio of hotels, resorts, experiences and services which are in unique locations of Myanmar provides our guests with personalised, authentic and experience-driven travel. We aim to provide each of our guests with unforgettable memories of Myanmar that they experience with us – from our hotels and resorts to experiences like sailing and hot air ballooning, and visiting the local sights. 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.

We are also committed to provide each guest with an exceptional level of customer service, and value the opportunity to receive feedback from our guests through different feedback channels. This allows us to better meet the requirements and expectations of our guests and in turn, achieve an exceptional level of customer service.

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

From our hotels to our experiences and services, we aim to create experience rich trips while at the same time ensure the continued sustainability of the destinations and communities we visit. By taking a local approach as much as possible, we hope to provide more authentic experiences for our guests. Memories Travel implements sustainable practices and policies in all parts of the business supply chain and regularly monitors performance of suppliers to ensure they comply with sustainability standards and local regulations. Excursions are chosen with care, taking into consideration whether they are sustainable and comply with the standards set by Memories Travel before offering them to tourists. No harm is done to the environment, heritage, animals or social aspects of the communities that we operate in.

At Awei Pila, we offer our guests a guided 1.5-hour forest trek to the nearby Moken (sea gypsies) village so that they may learn more about the history of this ethnic group as well as their way of life. The Moken are semi-nomadic, sailing around the archipelago during the dry season and taking to land for the fierce monsoon. This group decided to give up their seafaring life because they are no longer allowed to cut down trees to make their traditional boats, which are carved from a single, massive trunk. Their children attend school at Pila Island, and several men from the village work at Awei Pila.



OUR CUSTOMERS

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 with instructions provided. Frequent quality checks are carried out on our equipment and are replaced when necessary. First aid, fire safety and emergency evacuation training is provided to appropriate team members in-charge of the relevant activities 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 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.

Since the initial cases of Covid-19 were announced in Myanmar in March 2020, Memories Group has taken all necessary measures to ensure the safety and well-being of our customers and staff. When the hotels reopened in June 2020 following the guidelines by the Ministry of Health and Sports in Myanmar, Memories Group partnered with Diversey, Inc.* and implemented a thorough process for cleaning and disinfection for all our hotels and experiences, as well as services provided for our guests.

At our hot air balloons experience, a facial protective mask is recommended to be worn by our guests during the visit to Balloon over Bagan's office, at our operation sites, during the bus rides to and from the launch site, as well as during the entire hot air balloon flight. On arrival at our offices and launch sites, our staff conduct temperature screening for all guests. Guests are also informed to respect social distancing requirements of at least one meter away from other guests whenever possible, and to stay in designated areas and not to visit other groups to minimise co-mingling among guests.

These safe distancing requirements, cleaning and disinfection practices and training for our staff form Memories Group's CleanPledge commitment, to ensure that local and international guidelines and best practices are adhered to for our hotels and experiences.

In the best interest of public health, guests' safety and well-being of our employees, Keinnara Hpa-An, Keinnara Loikaw, and Hotel Suggati – Mawlamyaing were closed temporarily from April to September 2020 in light of the second wave of Covid-19.

* Diversey, Inc. is a provider of cleaning, sanitation and maintenance products, systems and services that efficiently integrate chemicals, machines and sustainability programs. Diversey, Inc. provided cleaning and hygiene protocols, tools and resources to help ensure key infection prevention protocols are followed, as well as product solutions for infection prevention and control. (www.diversey.com)



OUR CUSTOMERS

All of Memories Group's businesses which are allowed to operate during the Covid-19 pandemic have received specific approvals and comply with relevant health and safety standard operating procedures (SOPs). Where our frontline staffs are required to be at work, they are provided with twice a day temperature screening and personal protective equipment (PPE) such as face mask, face shield, hair nets and gloves.

Customer satisfaction

Our frontline staff, managers of the hotels, guides from our experiential travel services and crew on the yachts and hot air balloons strive to get to know our customers personally – their likes and dislikes, suggestions and concerns. Customer feedback through feedback forms and online platforms is constantly analysed by management and team members in order to identify improvement points as well as to provide a curated experience that meets our customers' needs. This helps in resolving issues quickly for our customers and builds our ongoing relationships with them. By letting them know that we care, we also aim to build strong bonds with our customers and create customer loyalty for our hotels, experiences and services. The strong commitment of all team members ensures a consistently high level of guest satisfaction. Keinnara Hpa-An, Keinnara Loikaw, Awei Pila and Balloons over Bagan were listed in the TripAdvisor's 2020 Traveller's Choice Awards, with average rating scores of 9 and above achieved for each of them.

In light of the current COVID-19 situation, guests with existing reservations at all our hotels – Keinnara Hpa-An, Keinnara Loikaw and Hotel Suggati Mawlamyaing, experiences and services have the option to either receive a full credit for the same amount of their original booking for use until 31 December 2021 at the same property as per the valid season's rate or a full refund.

WHAT WE PLAN TO DO

Monitoring the satisfaction of our customers is an important issue for Memories Group in order to continuously provide strategies which meet our travellers' needs and preferences. We plan to focus on training at least 80% of our frontline employees in FY2021 on the new normal Guest Experience with an emphasis on Service Standards.



RESPECT FOR THE ENVIRONMENT

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



OUR APPROACH

Improving the environmental performance, such as our energy consumption, water use and waste management in our operations is important to Memories Group. We have a clear ambition to enhance our operational and financial performance while continuously reducing our environmental impact. We have implemented various policies to minimize resource consumption and manage waste effectively, including an “Environment, Health and Safety” (“EH&S”) policy in support of a groupwide 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.

Our key priorities for waste management are to manage our waste properly, implementing the concept of a circular economy – reducing, reusing, recycling and replacing throughout our operations, and to eliminate single-use plastics, where possible.

WHAT WE HAVE DONE

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. 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. All hotels are encouraged to reduce plastic waste through initiatives such as use of refillable bottles or to avoid the use of plastic straws.

The hotels have implemented a number of programmes that are specific to local circumstances for waste management, including waste segregation and recycling. Burma Boating is partnering with “Tide Ocean” to implement a new bottle disposal system in Ranong and Kawthaung whereby yachts and the local communities can actively collect ocean plastic bottles to be upcycled and transformed into raw materials to produce new sustainable products. Awei Pila, our island resort, together with Burma Boating ensure that garbage separation is done so that waste which can be recycled is sent for recycling.

As part of our strategy to reduce the amount of waste going to landfills, we have also started to compost the food waste from our kitchens. In FP2020, approximately 35% to 50% of food waste was composted instead of being sent to landfills. The resulting composted material was mixed with soil to grow vegetables for our hotels and restaurants at Keinnara Loikaw, Keinnara Hpa-An and Awei Pila. This helps us to produce between 15% to 40% of the total vegetables consumed by our guests and employees. Apart from being pesticide free, these vegetables enables us to establish a sustainable food production system and avoid over-reliance on vegetables to be delivered from far distances, especially for Awei Pila, which also helps to reduce our greenhouse gas emissions and the Group’s carbon footprint since we would use less fuel for transportation of supplies. We have just started collecting the data for waste composted and will be monitoring and reporting on this data in the subsequent years to monitor the success of our initiative and to set relevant targets on this aspect in the future.

RESPECT FOR THE ENVIRONMENT



The organic garden at Awei Pila provides our guests and employees with fresh beans, cabbage, corn, kale, cucumber, pumpkin, okra, herbs, gourds, water melon and many others.

Our food waste is composted with the Bokashi system, helping to avoid approximately 15kg of food waste going to landfill daily. The composted material is then mixed with the soil, creating a nutrient-rich medium for growing our vegetables.

Awei Pila and Burma Boating, in partnership with Ocean Quest, have been organising annual expeditions since May 2019 to clear lost and disused fishing nets, also known as ghost nets, from the coral reefs in the Mergui Archipelago. In May 2020, the expedition resulted in the retrieval of about 300kg of ghost nets. Since September 2019, Awei Pila in partnership with Ocean Quest, has embarked on a coral conservation project at two sites at Pila Island. In addition to cataloguing the marine life around Pila Island, nine coral nurseries were established and this coral repopulation program is planned to continue over the next 4 years.

In recognition of our efforts for “Earth Hour 2020: Business for Nature Challenge”, Memories Group was selected as one of “WWF-Myanmar’s Earth Hour” winners, and was awarded “Earth Hour Encouragement Award – Earth Hour 2020”.

1,600 corals propagated in 450 square metres of coral reef in front of Awei Pila since October 2019 as part of a coral rehabilitation project



Coral repopulation program at Pila Island



“Earth Hour Encouragement” Award

RESPECT FOR THE ENVIRONMENT

Waste by type and disposal method GRI 306-2

Business Segment	Entity	Non-Hazardous Waste (tonnes)				Hazardous Waste (tonnes)	
		FY2018	FY2019	FP2020		FP2020	
				12M-Mar 2020	6M-Sept 2020	12M-Mar 2020	6M-Sept 2020
Hotels	Keinnara Hpa-An Keinnara Loikaw Hotel Suggati Awei Pila Awei Metta	–	0.425	2.73	2.06	0.38	0.04
Experiences	Balloons Over Bagan Balloons Over Inle Balloons Safari	1.75	1.91	0	0	0	0
Services	Memories Travel	–	–	0.004	0	0.001	0
Total		1.75	2.335	2.734	2.06	0.381	0.04

“–” refers to no data collected for that period

In FP2020, we have generated a total of 4.8 tonnes of non-hazardous waste, of which 2.17 tonnes which includes paper, plastic or glass, was recycled. We have also managed to reuse 1.5 tonnes of waste through composting. The volume of waste generated in 12M-Mar2020 is higher than that for the same period in FY2019 due to the disposal of face masks and cleaning materials used because of COVID-19. This increase in non-hazardous waste generated is similarly also seen for 6M-Sept2020 due to the same reason. Since the start of FP2020, we have also started to track and monitor the volume of hazardous waste generated.

At Awei Pila, we have built a sorting area for recyclables and general waste. This enables proper areas for waste segregation and recycling prior to removal from the island. The bricks used to construct this area was hand-made on the island, helping to save costs and fuel for transportation of construction materials from the mainland. As part of our efforts to embrace the circular economy and to minimise the use of natural resources, the bricks were made using crushed recycled glass, clay and sand, all of which were available at Awei Pila.



Hand made bricks constructed using crushed glass, clay and sand



The final waste segregation and recycling area constructed from the hand made bricks

Water scarcity

Extreme weather conditions such as floods and droughts often affect Myanmar’s access to clean water. The management of water resources is important to ensure that there is a sustainable supply of water from ground water 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.

RESPECT FOR THE ENVIRONMENT

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. For the 12 months ended 31 March 2020, we used almost twice as much water than we did in FY2019, with the largest increase coming from our hotels segment. Awei Metta, which is a 46-room resort, was included as part of the data collection process for FP2020, along with Hotel Suggati. These two hotels were not included in the data collection for FY2019. In addition, only 5 months of water consumption data for Awei Pila was collected in FY2019. With the inclusion of full year data from these three hotels, along with increased cleaning activities due to Covid-19, to ensure the health and safety of our guests and employees, our water consumption increased in FP2020. As the size and facilities at our hotels and resorts differ from one another, we will continue to measure and monitor our water consumption for the next three years to have a better understanding of our baseline and set our targets in FY2023.

To ensure that the environment is not polluted by untreated wastewater from our hotel operations, 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 discharging it 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.

At Keinnara Loikaw, a rain garden was constructed to help manage surface runoffs during the rainy weather and secondly to provide shade and natural beauty for our guests and employees. The gardens created help to reduce the amount of runoff during heavy rains on the walkways and also keeps the surrounding areas cool during hot weather.



The area outside the restaurant of Keinnara Loikaw before (left) and after (right) the construction of the rain garden.

Water withdrawal by source GRI 303-1

Business Segment	Entities	Source of Water	Volume of water used (m ³)			
			FY2018	FY2019	FP2020	
					12M-Mar 2020	6M-Sept 2020
Hotels	Keinnara Hpa-An ¹⁶ Keinnara Loikaw ¹⁶ Hotel Suggati Awei Pila Awei Metta ¹⁷	Ground Water	2,112	14,580	35,183	11,648
Experiences	Balloons Over Bagan Balloons Over Inle Balloons Safari	Ground Water	420	1,523	2,253	554
Services	Memories Travel	Municipal Water	-	1,756	1,563	0
TOTAL			2,532	17,859	38,999	12,202

Notes:

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

(17) Awei Metta's water consumption data was not included in FY2019.

RESPECT FOR THE ENVIRONMENT

Greenhouse gas emissions reduction

Energy Use

For the 12 months ended 31 March 2020, our overall energy consumption from fuel fell across all business segments compared to the same period in FY2019. Our electricity use, however, has approximately doubled due to the inclusion of full year data from hotels which started operations in late FY2019.

Energy consumption within the organization (from non-renewable sources)

GRI 302-1

Business Segment	Business unit	Fuel	Energy Consumed (MJ)			
			FY2018	FY2019	FP2020	
					12M-Mar 2020	6M-Sept 2020
Hotels	Keinnara Hpa-An	Diesel	177,891	7,569,018	493,182 [@]	1,963,879
	Keinnara Loikaw	Petrol	88,872	182,170	209,927	74,588
	Awei Metta					
	Awei Pila					
Hotel Suggati						
Experiences	Balloons Over Bagan	Diesel	1,707,920	2,066,025	1,618,117	6,789
		LPG	115,935	93,814	3,906	0
	Balloons Over Inle	Petrol	-	15,079	0	726
	Burma Boating					
TOTAL			2,092,618	9,926,106	2,325,132	2,045,982

@ Excludes data for the period 12M-Mar2020 from Awei Pila as the data was not available at the time of reporting.

Energy consumption within the organization (from electricity)

GRI 302-1

Business Segment	Business unit	Energy Consumed (MJ)				
		FY2018	FY2019	FP2020		
				12M-Mar 2020	6M-Sept 2020	
Hotels	Keinnara Hpa-An	916,455	1,707,731	7,370,284	3,737,286	
	Keinnara Loikaw					
	Awei Pila					
	Awei Metta					
	Hotel Suggati					
Experiences	Balloons Over Bagan	216,551	211,251	314,302	111,524	
	Balloons Over Inle					
	Balloons Safari					
	Burma Boating					
Services	Memories Travel	-	246,855	234,180	0	
TOTAL			1,133,006	2,165,837	7,918,765	3,848,810

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	FP2020		FY2019	FP2020
				12M- Mar 2020	6M- Sept 2020		
Hotels	Keinnara Hpa-An						
	Keinnara Loikaw						
	Awei Pila	1,183,218	9,458,919	8,073,393	5,775,753	67,084	674 MJ/ room night
	Awei Metta Hotel Suggati						
Experiences	Balloons Over Bagan					371,099	376,440
	Balloons Over Inle	2,042,406	2,386,169	1,936,324	119,039	MJ/US\$	MJ/US\$
	Balloons Safari					million	million
	Burma Boating					revenue	revenue
Services	Memories Travel	-	246,855	234,180	0	98,349	133,057
						MJ/US\$	MJ/US\$
						million	million
						revenue	revenue
TOTAL		3,225,624	12,091,943	10,243,897	589,792		

RESPECT FOR THE ENVIRONMENT

GHG Emissions***
GRI 305-1, GRI 305-2

Business Segment	Business unit	Direct Scope 1 GHG Emissions from fuel use (tCO ₂)				Energy Indirect (Scope 2) GHG Emissions from electricity use# (tCO ₂)			
		FY2018	FY2019	FP2020		FY2018	FY2019	FP2020	
				12M-Mar 2020	6M-Sept 2020			12M-Mar 2020	6M-Sept 2020
Hotels	Keinnara Hpa-An Keinnara Loikaw Awei Metta Awei Pila Hotel Suggati	19.35	422.73	51.10	150.71	84.5	156.94	680	344.7
Experiences	Balloons Over Bagan Balloons Over Inle Balloons Safari Burma Boating	144.27	160.1	120.31	0.55	20	19.48	29	10.3
Services	Memories Travel	-	-	0	0	-	22.77	21.6	0
	TOTAL	163.62	582.83	171.41	151.26	104.5	199.19	709	355

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

*** 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.



RESPECT FOR THE ENVIRONMENT

	Total Scope 1 & Scope 2 GHG Emissions ¹⁸ (tCO ₂)			
	FY2018	FY2019	FP2020	
			12M- Mar 2020	6M- Sept 2020
Scope 1	163.62	582.83	171.4	151.3
Scope 2	104.5	199.19	708.7	354.9
TOTAL	268.12	782.02	880	506

WHAT WE PLAN TO DO

Since FY2018, 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 and to identify areas for improvement.

OUR TARGET FOR FY2021

Collect environmental data to set the targets for energy consumption and emissions in FY2021.



Note:

(18) Scope 1 GHG emissions covers direct emissions from owned or controlled sources. Scope 2 GHG emissions covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by Memories Group.

GOVERNANCE

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



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.

Memories Group takes a zero tolerance approach to acts of bribery or corruption by employees and associates. The Board and senior management team continue to foster a culture within Memories Group in which bribery or corruption is never acceptable. Suspected incidents of bribery and corruption are required to be reported to the Company’s Audit and Risk Management Committee (“ARMC”). The ARMC would monitor the progress and outcomes of investigations conducted and thereafter fully investigated by the Group’s Risk Management and Assurance Team (“ARMC”).

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 and any other parties, 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 2020, Pg.50. Memories Group has a zero-tolerance approach to bribery and corruption – any team members suspected of a crime or malpractice will be investigated.

In FP2020, we have achieved our target with 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, 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.

GOVERNANCE

Compliance with laws and legislation (GRI 419-1)

In FP2020, we have achieved our target set in the last Sustainability Report and there were no significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social 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 and that no underage workers are employed in our operations. Our suppliers are also reminded that no child labour is to be used and human rights of workers have to be respected. We have achieved our target set in the last Sustainability Report and none of such breaches have occurred in FP2020, however, if a case were reported it would be thoroughly investigated with swift and appropriate measures administered to rectify the situation.

WHAT WE PLAN TO DO

In FY2021, we will continue to review the policies to enhance those which are material to our operations. We will continue to deliver training on our internal Code of Conduct, and Awareness on Business Ethics and Human Trafficking. As the tourism sector is one of the world's largest sectors of employment and is responsible for the movement of people, we have a responsibility to make a difference by ensuring that our various business segments are aware of signs of human trafficking, what they should do and how to mitigate this.

OUR TARGET FOR FY2021

Strive to maintain compliance with the relevant rules and regulations where we operate

To continue to advocate and raise awareness in our supply chain against use of child labour

Achieve minimum of 80% training coverage on the Group's internal Code Of Conduct policy and awareness on Business Ethics and Human Trafficking



PRESERVING LOCAL HERITAGE AND CULTURE

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



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 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. Memories Travel is dedicated to protection of 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 trained on sustainable practices related to animal welfare, while customers are advised to not to purchase certain items and avoid certain excursions.

In FP2020, Memories Travel has increased the number of community-based tour operators in Magyeekan Village in Salay near Bagan, and Panpet in Loikaw. The number of local artisan crafts in our programmes have also increased to include painting in a lacquerware workshop in Bagan 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. We had in the previous Sustainability Report set a target in FP2020 of increasing the number of community-based tour operators by 10%. However, we were unable to meet this target due to a significant decrease in tourism during Covid-19 which in turn resulted in decreased demand for such programs.

WHAT WE PLAN TO DO

In FY2021, we will continue to communicate with our suppliers and tour operators about sustainability including the need to preserve local heritage and culture. Memories Travel's Supplier Code of Conduct also ensures all suppliers and tour operators that we work with adhere to our sustainability guidelines.

OUR TARGET FOR FY2021

Increase in the number of community-based tour operators

Increase in local artisan crafts in our travel programs offered

EMPLOYABILITY AND LOCAL DEVELOPMENT

**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 create 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.

Our Vision: Employee Satisfaction

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

WHAT WE HAVE DONE

Diversity of workforce and inclusivity (GRI 405-1)

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, as of FP2020, 29% of our Management (including business functions) is female.

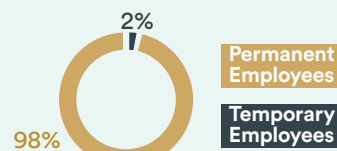
Memories Group's employees come from many different backgrounds and cultures. As of 30 September 2020, we had 580 full-time employees from 12 countries. To build a diverse team and induce a sense of belonging, non-locals employed by Memories Group in Myanmar are provided with a comprehensive induction 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.

EMPLOYABILITY AND LOCAL DEVELOPMENT

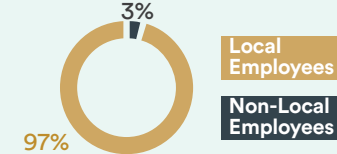
EMPLOYEES' PROFILE AS OF 30 SEPTEMBER 2020

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

PERMANENT EMPLOYEES				
Myanmar	Asia	Europe	Americas	Australia/NZ
563	5	10	2	0

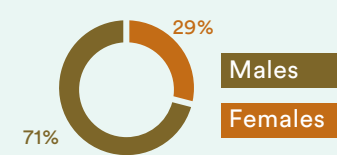


TEMPORARY EMPLOYEES				
Myanmar	Asia	Europe	Canada	Australia/NZ
10	0	0	0	0



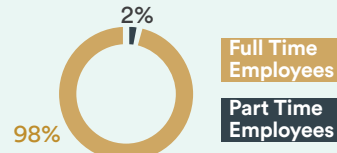
Total number of employees by employment contract (permanent and temporary), by gender.

PERMANENT EMPLOYEES		TEMPORARY EMPLOYEES	
Male	Female	Male	Female
410	170	6	4



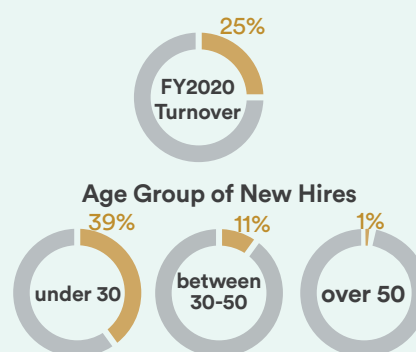
Total number of employees by employment type (full-time and part-time), by gender.

FULL TIME		PART TIME	
Male	Female	Male	Female
410	170	6	4



New Employee Hires and Turnover* (By Age Group & Gender)

		NO. OF NEW HIRES	EMPLOYEE TURNOVER
Age Group	Under 30 years old	262	150
	30-50 years old	74	147
	Over 50 years old	5	8
Gender	Male	242	201
	Female	99	113



Note: Data is for FP2020.

* Turnover includes voluntary and involuntary separation. Our involuntary separation rate for FP2020 was 14.6%. This was due to right-sizing of the Group's employees as there was a drop in tourism during the COVID-19 pandemic.

EMPLOYABILITY AND LOCAL DEVELOPMENT

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.

As part of a longer-term training and development program for our staff, we constantly send them for Business English speaking and writing classes. In FP2020, 18 staff attended a 30-hour Business English Class, while another 185 staff from Balloons over Bagan and Balloons over Inle were enrolled on a 16-hour Basic Conversational English Class.

We have achieved a total of 26,871 hours of training across our various business segments in FP2020, with an average of 46 training hours per employee. We also reached our FY2020 target of training at least 80% of our managers on the topic of anti-harassment. In FP2020, 100% of our managers have completed training on Code of Conduct and on the topic of anti-harassment.

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

		Average No. of Training Hours in FP2020
By Gender	Male	51.7
	Female	31.5
By Employee Category	Management	0
	Executive	40.6
	Non-executive	45.2
	Senior Management	81.0

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: 0.85 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. As of 30 September 2020, 24% of senior management roles in Memories Group were comprised of females.

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. A high level of engagement is increasingly important for attracting and retaining talented people and, ultimately, for the delivery of business results. A Group-wide employee engagement survey was conducted in FP2020 and we have achieved an overall participation rate of 89% from employees in Memories Group. The employee engagement score of 89% obtained generally indicates that 89% of our employees are happy to work with the company. From the survey conducted, we also obtained an Employee Net Promoter Score (eNPS) of 48.9 which reflects that employees would strongly recommend Memories Group as a place to work in. More than 80% of our employees also indicated that they intend to stay with the company for at least the next 3 years.

During the Covid-19 pandemic, close communication with our Group employees was done through online meetings as well as webinar trainings provided by the various Heads of Departments. These webinar trainings covered 26 unique topics ranging from soft skills to technical skills and allowed employees to use this opportunity for upskilling.

EMPLOYABILITY AND LOCAL DEVELOPMENT

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 was 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 from Memories Group have been invited to participate in the Leadership Programme.

We set a FY2020 target of 25 training hours per employee, but have instead achieved an average of 46 training hours per employee. Our FY2020 target of having 80% of managers trained on the topic of anti-harassment has also been achieved. In FP2020, 100% of our managers have received anti-harassment training.

* For this purpose, Yoma Group comprises Yoma Strategic, FMI and Memories Group.

OUR TARGET FOR FY2021

Average number of hours of training/employee/year	48 Hours on average per employee per year
Number of managers to undergo training on anti-harassment or how to deal with harassments	100% of all new managers to have received anti-harassment training by FY2021



OUR SOCIAL CONTRIBUTIONS

MSDP Goal 3: Job Creation & Private Sector Led Growth



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.

Due to the on-going COVID-19 pandemic, many of our community activities and programmes scheduled in 2020 were cancelled or postponed, however we donated approximately US\$23,000 for various community initiatives and provision of personal protective equipment (PPE) during COVID-19. We have also contributed to community hours before the lockdowns. During the 12 months ended 31 March 2020, we have collectively achieved a total of 15,620 of community hours, or approximately 22 volunteer hours per employee. This is above our FY2020 target which was to achieve on average at least 2 volunteer hours per employee.

Working together with local communities

Through partnerships with local social enterprises in Yangon and Bagan, the Group's Hotels and Experiences provide a platform for social enterprises to sell their handcrafted products. Seafood for the restaurant at Awei Pila is purchased from local fishermen and the resort employs local communities living at nearby villages. Burma Boating provides Moken youths with learning opportunities on handcrafting of traditional boat models from the elder Moken population, and the sales of these boat models are available on Burma Boating trips. Burma boating also provides schooling supplies for Moken children as well as basic photography skills trainings.

Environmental conservation

From May to September 2020, 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, our employees are deployed each weekend to work with the external organisations to clear the plastic waste for recycling. A total of 2,700 hours was contributed by the employees over five months for this activity.

Education

Balloons over Bagan continues to play an important role in contributing to community projects throughout the Bagan region of Myanmar and to other causes in more remote areas of the country. Their projects focus on three main areas: Education (Rehabilitation of school and facilities), Health and Conservation (Protecting trees, animals, natural heritage, land, etc.). As an active player in the sustainability of the Bagan area, they participate in plastic free projects with other non-governmental organizations (NGOs), with a goal to for this archaeological zone to become a plastic free area. Balloons over Bagan also provides cash donations and school supplies for schools in the neighbouring villages each year – in July 2019, school stationery was distributed to 3 schools in the Nyaung Shwe (Inle) region, while in August 2019, school stationery was similarly distributed to 12 schools in the Bagan/Nyaung Oo regions.

OUR SOCIAL CONTRIBUTIONS

Providing emergency relief

Nyaung Oo region, which is located in the Mandalay Region 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 from May to August 2019, Balloons over Bagan donated 79,200 gallons of water to villages in the Bagan/Nyaung Oo region.

During the floods in Hpa-An in August 2019, Keinnara Hpa-An donated 310 rice boxes, 500 loaves of bread and 360 packs of dried noodles, as well as 5,500,000 MMK for the affected families who had to be evacuated to temporary shelters.

OUR TARGET FOR FY2021

2 volunteer hours per employee per year on average

GRI CONTENT INDEX

DISCLOSURE	DISCLOSURE	PAGE NO/REFERENCE	OMISSION
GRI 102: GENERAL DISCLOSURES 2016			
102-1	Name of the organization	AR 2020, pg. 1 (Corporate Profile)	
102-2	Activities, brands, products, and services	AR 2020, pg. 1 (Corporate Profile)	
102-3	Location of headquarters	AR 2020, pg. 1 (Corporate Profile)	
102-4	Location of operations	AR 2020, pg. 3 (Corporate Profile)	
102-5	Ownership and legal form	AR 2020, pg. 19 (Corporate Structure)	
102-6	Markets served	AR 2020, pg. 4-9 (Business Segments)	
102-7	Scale of the organization	AR 2020, pg. 19 (Group Structure)	
102-8	Information on employees and other workers	SR 2020, pg. 29 (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 organization and its supply chain	None	
102-11	Precautionary Principle or approach	AR 2020, pg. 40-43 (Risk Management)	
102-12	External initiatives	SR 2020, Pg. 12 (External Initiatives)	
102-13	Membership of associations	SR 2020, Pg. 12 (Memberships of Associations)	
102-14	Statement from senior decision-maker	SR 2020, Pg. 3 (Board Statement)	
102-16	Values, principles, standards, and norms of behaviour	SR 2020, Pg. 11 (Sustainability at Memories Group)	
102-18	Governance structure	AR 2020, Pg. 14-16, 25-34 (Board of Directors) (Report of Corporate Governance)	
102-40	List of stakeholder groups	SR 2020, Pg. 13 (Our Stakeholders)	

GRI CONTENT INDEX

DISCLOSURE	DISCLOSURE	PAGE NO/REFERENCE	OMISSION
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 2020, Pg. 13 (Our Stakeholders)	
102-43	Approach to stakeholder engagement	SR 2020, Pg. 13 (Our Stakeholders)	
102-44	Key topics and concerns raised	SR 2020, Pg. 14 (Our Material Topics)	
102-45	Entities included in the consolidated financial statements	SR 2020, Pg. 14	
102-46	Defining report content and topic Boundaries	SR 2020, Pg. 2 (About this Report)	
102-47	List of material topics	SR 2020, Pg. 14 (Our Material Topics)	
102-48	Restatements of information	None	
102-49	Changes in reporting	None	
102-50	Reporting period	SR 2020, Pg. 2 (About this Report)	
102-51	Date of most recent Report	Feb 2021 This is our third 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 2020, Pg. 35-38 (GRI Content Index)	
102-56	External assurance	None	Memories Group may consider external assurance in the future as the reporting and data collection matures.

GRI CONTENT INDEX

DISCLOSURE	DISCLOSURE	PAGE NO/REFERENCE	OMISSION
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	SR 2020, Pg. 14 (Our Material Topics)	
103-2	The management approach and its components	SR 2020, Pg. 15-32 Described under the section “Our Approach” for each of the material topics	
103-3	Evaluation of the management approach	SR 2020, Pg. 15-32 Described under the section of “What We Have Done” for each of the material topics	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	SR Pg. 10 (ESG Performance Scorecard)	
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	SR 2020, Pg. 22 (Respect for the Environment)	
302-3	Energy intensity	SR 2020, Pg. 23 (Respect for the Environment)	
GRI 303: Water 2016			
303-1	Water withdrawal by source	SR 2020, Pg. 21 (Respect for the Environment)	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG Emissions	SR 2020, Pg. 24 (Respect for the Environment)	
305-2	Energy indirect (Scope 2) GHG Emissions	SR 2020, Pg. 24 (Respect for the Environment)	
GRI 306: Effluents and Waste 2016			
306-1	Water discharge by quality and destination	SR 2020, Pg. 21 (Respect for the Environment)	Data for quality of water discharged is not included as it is currently not collected.
306-2	Waste by type and disposal method	SR 2020, Pg. 20 (Respect for the Environment)	

GRI CONTENT INDEX

DISCLOSURE	DISCLOSURE	PAGE NO/REFERENCE	OMISSION
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	SR 2020, Pg. 30 (Employability & Local Development)	
GRI 404: Training and Education 2016			
404-1	Average hours of training per employee	SR 2020, Pg. 31 (Employability & Local Development)	
404-2	Programs for upgrading employee skills and transition assistance programmes	SR 2020, Pg. 30 (Employability & Local Development)	
GRI 405: Diversity and Equal Opportunity 2016			
405-2	Ratio of the basic salary and remuneration of women to men	SR 2020, Pg. 31 (Employability & Local Development)	
GRI 419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	SR 2020, Pg. 27 (Governance)	



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