

A photograph of three fishermen on a traditional wooden boat on a body of water with lily pads. The fishermen are wearing light blue shirts, orange trousers, and traditional conical hats. One hat is plain, another has red patterns, and the third is a woven straw hat. They are using long green poles to navigate the boat. A large fishing net is visible on the right side of the boat.

# BUILD A BETTER MYANMAR FOR ITS PEOPLE

SUSTAINABILITY REPORT  
2018

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**YOMA**  
STRATEGIC HOLDINGS LTD.

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# HIGHLIGHTS



## AWARDS

Singapore Corporate Awards  
**Best Managed Board Award GOLD**

for S\$300 million to S\$1 billion market cap category

2016

ASEAN Corporate Governance Scorecard ranked

**#26**

**TOP 5%**

in Governance & Transparency Index

2017

59 out of 780 selected as

**SGX Fast Track Companies**

2018



## KEY ACHIEVEMENTS

- Strengthening of sustainability through appointment of Group Head of Sustainability and creating Sustainability Committee.
- Extensive stakeholder engagement.
- Definition of key sustainability issues (and Board sign off).
- Release of inaugural sustainability report.
- Number of jobs created in FY2018 - 602.
- Total amount of community investments - US\$3.279m.
- Number of SMEs supported through MBCA-683: 12 workshops on Responsible Business Practices and UNGC were conducted with over 410 attendees in 11 cities.



## YOMA MICRO POWER

10

micro power plants

197

MWh Annual power generation

167

.3t Annual CO2 emissions avoided



## YOMA CENTRAL

- Total value of community donations by Yoma Central - US\$1,063,406.

Please see 'How Yoma Strategic is impacting local communities' on page 33 for details.



## KFC

**22 STORES NATIONWIDE**

serving over 10,000 customers daily<sup>1</sup>

**99%**

**LOCAL WORKFORCE**

employing over 1,016 staff

SUPPLY CHAIN APPROVED TO INTERNATIONAL STANDARDS

WORKING WITH LOCAL SUPPLIERS TO UPGRADE THEIR CAPABILITIES



## WAVE MONEY<sup>2</sup>

- Over 4 million people empowered since inception.
- Over 32,000 Wave agents the largest agent network in the country.
- More than 13 times the size of the traditional bank network.

- The use of informal financial services dropped significantly as close to 40% of people using financial remittance services switched to mobile money, thereby reducing their exposure to unregulated service providers and making them less financially vulnerable.



## YOMA MOTORS

- Hire agreements empower farmers by providing them access to modern agricultural technology that would otherwise be beyond their means.
- The Group sold 911 tractors in FY2018, of which 91% were by hire purchase arrangement.

<sup>1</sup>As at 31 March 2018.

<sup>2</sup>Wave Money's internal data as at 31 March 2018.

# STATEMENT BY THE BOARD

THE BOARD OF YOMA STRATEGIC CONSIDERS SUSTAINABILITY A KEY ELEMENT OF ITS MISSION TO BUILD A BETTER MYANMAR FOR ITS PEOPLE. THE BOARD HAS CONSIDERED THE MATERIAL ESG TOPICS AS PART OF ITS STRATEGIC FORMULATION, DETERMINED THE MATERIAL ESG FACTORS AND OVERSEEN THE MANAGEMENT AND MONITORING OF THE MATERIAL ESG FACTORS IDENTIFIED.



The Group's mission and targets are aligned closely to its Sustainability & Responsibility ("S&R") strategy, enabling us to create greater value for our stakeholders. Our focus on the highest standards of governance, ethics, sustainability and responsibility also reflect our commitment as one of Myanmar's pillars in the industry.

Yoma Strategic's sustainability efforts are structured around the Sustainable Development Goals ("SDGs") and the UN Global Compact ("UNGC") as a framework and our inaugural sustainability report is organised around **People, Planet and Profit**.

The Group is committed to:

- being a responsible employer and improving the living standards of the communities in which it operates in.
- foster environmental stewardship in the communities in which it operates.
- build its businesses responsibly by harnessing the potential of a Shared Value Approach to generate economic value.



PEOPLE






PLANET



PROFIT

# OVERVIEW OF YOMA STRATEGIC'S MATERIAL ESG ISSUES

## YSH SUSTAINABILITY MATERIALITY & TARGETS FOR FY2019

GOVERNANCE 		PLANET 	PROFIT 
ANTI-CORRUPTION & PUBLIC POLICY	COMPLIANCE	CLIMATE CHANGE, ENERGY AND WATER USE, WASTE & EFFLUENTS	DIRECT VALUE GENERATED
<p><b>PERFORMANCE:</b></p> <p>6 minor frauds and theft</p>	<p><b>PERFORMANCE:</b></p> <p>No significant fines or non-monetary sanctions</p>	<p><b>PERFORMANCE:</b></p> <p>CO<sub>2</sub> e emissions (t): 7,681.1                      Carbon emission intensity per GFA (t of CO<sub>2</sub> e/m<sup>2</sup>): 0.018                      Energy intensity per GFA (MJ/m<sup>2</sup>): 182.7                      Total Energy consumption (MJ): 91,362,869.1                      Water consumption (m<sup>3</sup>): 5,003,632.0                      Non-hazardous waste (t): 104,343.0                      Hazardous waste (t): 37.0</p>	<p><b>PERFORMANCE:</b></p> <p>Direct Value Generated: S\$ 165.7 million                      Economic Value Distributed: S\$ 149.3 million                      Total Economic Value Retained: S\$ 16.4 million</p>
<p><b>TARGET:</b></p> <p>Uphold and adhere to the Group's <b>0 TOLERANCE</b> approach to corruption, bribery and fraud.</p>	<p><b>TARGET:</b></p> <p><b>Strive to maintain FULL COMPLIANCE</b> with the relevant national environmental policies, laws and regulations as well as IFC performance standards and the ADB's Safeguard policy.</p>	<p><b>TARGET:</b></p> <p>Collect baseline environmental data in FY2018 &amp; FY2019 to set numeric target in FY2020</p> <p><b>REDUCE THE USE OF PLASTICS</b> and minimise harm to the environment</p>	<p><b>TARGET:</b></p> <p>Refer to Yoma Strategic Financial Report, Pages 116 to 250 in YSH Annual Report</p>

# OVERVIEW OF YOMA STRATEGIC'S MATERIAL ESG ISSUES

## PEOPLE

DIVERSITY & EQUAL OPPORTUNITY	TRAINING, DEVELOPMENT & TALENT RETENTION	LABOUR MANAGEMENT RELATIONS, CHILD LABOUR, COLLECTIVE BARGAINING, FORCE LABOUR	HEALTH & SAFETY	LOCAL COMMUNITIES
<p><b>PERFORMANCE:</b></p> <p>Workforce Number: 4,065.0                      Female employee: 41%                      Male employee: 59%                      New Hires: 602                      Nationalities: 24                      Employee Turnover Rate: 15%</p>	<p><b>PERFORMANCE:</b></p> <p>Total Training (hours): 21,976.0</p>	<p><b>PERFORMANCE:</b></p> <p>0 Child Labor</p>	<p><b>PERFORMANCE:</b></p> <p>Health &amp; Safety Training (hours): 14,896.5</p>	<p><b>PERFORMANCE:</b></p> <p>Supporting Communities: S\$ 4.4 million*</p>
<p><b>TARGET:</b></p> <p><b>Training 50%</b>                      of managers to be trained in anti-harassment</p>	<p><b>TARGET:</b></p> <p><b>40,650 HOURS</b>                      per year by FY 2020</p>	<p><b>TARGET:</b></p> <p><b>Maintain 0 TOLERANCE</b>                      Prevent the use of child labour by raising awareness on how to identify children at work.</p>	<p><b>TARGET:</b></p> <p><b>5%</b>                      Increase from FY 2018</p>	<p><b>TARGET:</b></p> <p><b>8,000 HOURS</b>                      of volunteer work</p>

\* Total community contribution was approximately US\$3.279 million and the conversion rate adopted was 1 USD = 1.3566 SGD.

# MESSAGE FROM THE CEO

As a Group, our long-term goal is to serve the needs of the people of Myanmar. We feel a collective responsibility to serve the market effectively and have refined our business strategy to reinforce our commitment to provide sustainable growth and development to the communities in which we operate. This is embodied in our inaugural Global Reporting Initiative (“GRI”) compliant report.

As you are aware, sustainability is not something new to us as we have already been reporting on our various sustainability initiatives in previous annual reports. However, this new reporting format will allow us to consolidate all of our sustainability efforts and holistically measure our performance and impact on communities and the environment, while at the same time achieving our financial and value creation objectives.

We believe that true corporate sustainability cannot be achieved in isolation but instead can be achieved through balancing the interests and concerns of a wide variety of our stakeholders. These include shareholders, employees, customers, communities in which we operate, government and regulators, partners and financial institutions.

Yoma Strategic is listed in Singapore, which provides a strong foundation in governance as well as access to the international capital markets. At the same time, our business remains firmly rooted in Myanmar and our future is inseparable from that of our home country, as we continue on our journey towards fulfilling our mission to Build a Better Myanmar for its People.

In Myanmar, economic inclusivity remains a challenge. We feel a collective responsibility to serve the market effectively and have refined our business strategy to reinforce our commitment to provide sustainable growth and development to serve the communities in which we operate. Our four core business pillars – Real Estate, Consumer, Automotive & Heavy Equipment and Financial Services and our portfolio of investments, in particular, our investment in a solar micro power business, aims to bridge gaps in capacity, quality, accessibility, and affordability.

## YOMA LAND

We firmly believe in the long-term potential of the real estate market as Myanmar continues its economic development. Today, we offer a range of residential units that caters to several market segments, as we work towards our goal of empowering the people of Myanmar by bringing home ownership within the reach of many. In November 2018, we expanded our real estate offering with City Loft, a new division of modern and affordable housing that targets the underserved middle-income market in Yangon.

## YOMA F&B

To serve Myanmar’s growing consumer market, the Group is building an end-to-end food & beverage (“F&B”) platform comprising restaurant chains, the bottling and distribution of beverages and the provision of food wholesale and logistics services. Our F&B Platform goes beyond simply introducing exciting new dining options to the country. It also aim to create jobs across the country, nurture the development of our employees and improve the awareness of food safety and preparation practices.

## YOMA MOTORS

Our passenger and commercial vehicles segment, and the expanding distribution footprint of our automotive brands - Volkswagen, Ducati, Mitsubishi Motors and Hino Motors - caters to the expected long-term growth of the automotive industry. Meanwhile, our heavy equipment segment which includes New Holland Tractor and JCB brands, support the continued mechanisation of the agriculture sector and an upturn in infrastructure build-out in Myanmar.

## YOMA FINANCIAL SERVICES

More than 80% of Myanmar’s 53 million people remain unbanked<sup>3</sup>. To help these people gain access to financial services, inclusive financial systems are crucial to achieving economic and societal progress. The Group is building a technology-driven non-bank financial services platform. At its inception, the platform will start with Yoma Fleet for automotive and equipment leasing, as well as hire purchase, while Wave Money will serve as the payments, distribution and data nucleus of the platform.

<sup>3</sup> <https://www.channelnewsasia.com/news/videos/myanmar-plays-catch-up-with-the-world-over-cashless->





### Key achievements

Our inaugural sustainability report has been prepared in accordance with the Global Reporting Initiative's ("GRI") Standards: Core Option and following extensive stakeholder engagement. It showcases our involvement in some of the important areas of Myanmar's future such as financial inclusion, providing electricity in off grid rural communities using solar-based micro power plants and mini-grids, and mechanisation of rural farming.

Preparing this report has allowed us to leverage the strengths of the GRI Standards framework to review the Group's operations from a Sustainability perspective. We continue to discover opportunities while identifying new challenges and risks in our continuously changing environment.

We are committed to closing any remaining gaps in future reports, as we will be expanding the scope of this report with each year. In doing so, our

engagement with sustainability will continue to be guided by the Sustainable Development Goals, of which we are a proud supporter, also in our capacity as one of Myanmar's longest standing members of the United Nations Global Compact. Please see section "Outlook - What you can expect from Yoma Strategic in the years ahead" for more details.

I would be delighted to receive your feedback on any aspects of our sustainability journey. Please address your comments to our Head of Sustainability, Dr. Virginia Alzina, [sustainability@yoma.com.mm](mailto:sustainability@yoma.com.mm).

Thank you for your interest in our company and our engagement with sustainability - I am looking forward to continuing on this exciting path with you, our stakeholders.

#### NOTE ON CERTAIN STANDARD DISCLOSURES:

For readers who are familiar with the GRI Standards, please note that you will find details on a number of required standard report profile parameters, such as the scope of this report, materiality and stakeholder engagement on material issues, as well as the boundaries of the report and the material issues in the section "About This Report" from page 59 at the end of this Sustainability Report, immediately before the GRI Content Index.

# ABOUT YOMA STRATEGIC

Yoma Strategic Holdings Ltd. (“Yoma Strategic”, the “Company”, or collectively with its subsidiaries, the “Group”) is primarily based in Myanmar and was listed on the Mainboard of the Singapore Stock Exchange in 2006. Its market capitalisation as of 31 March 2018 was S\$795.3 million. Today, the Group is one of the leading conglomerates in the Republic of the Union of Myanmar (“Myanmar”).

Over the last 10 years, Yoma Strategic has built a diversified portfolio of businesses in Myanmar through organic business expansions and collaborations with established international and local partners. The Company’s four core business divisions are Real Estate (“Yoma Land”), Automotive & Heavy Equipment (“Yoma Motors”), Consumer (“Yoma F&B”) and Financial Services (“Yoma Financial Services”). The Group has also several other Investments with established multinational players.

Yoma Strategic was founded by Mr. Serge Pun. Born in Myanmar, Mr. Pun immigrated to Beijing in 1965 and subsequently moved to Hong Kong SAR (“Hong Kong”) in 1973, where he began a career in real estate. In 1983, he founded Serge Pun & Associates Limited (“SPA”), a company which at the time primarily focused on real estate brokerage and development. Mr. Pun has led many real estate developments in Hong Kong and China, as well as regional hubs such as Bangkok and Kuala Lumpur. After returning to Myanmar in 1991, he founded First Myanmar Investment Co., Ltd (“FMI”), one of Myanmar’s earliest public companies, which later became the first company to be listed on the Yangon Stock Exchange in March 2016.

Leveraging on the Group’s experience in Myanmar and a strong commitment to corporate governance, Yoma Strategic has forged partnerships with international players such as Mitsubishi Corporation, Mitsubishi Estate Co., Ltd, Sumitomo Corporation, Hongkong and Shanghai Hotels, Limited, Yum! Brands, Inc., Telenor, Pernod Ricard, the International Finance Corporation (“IFC”), the Asian Development Bank (“ADB”) and Norfund. These partners provide invaluable expertise and capabilities which add to the Group’s capacity to execute its business strategy and help ensure that its projects adhere to international standards.

## MISSION: BUILD A BETTER MYANMAR FOR ITS PEOPLE

### INVESTOR/CUSTOMER/ EMPLOYEE (“ICE”) VISION:

#### INVESTOR SATISFACTION

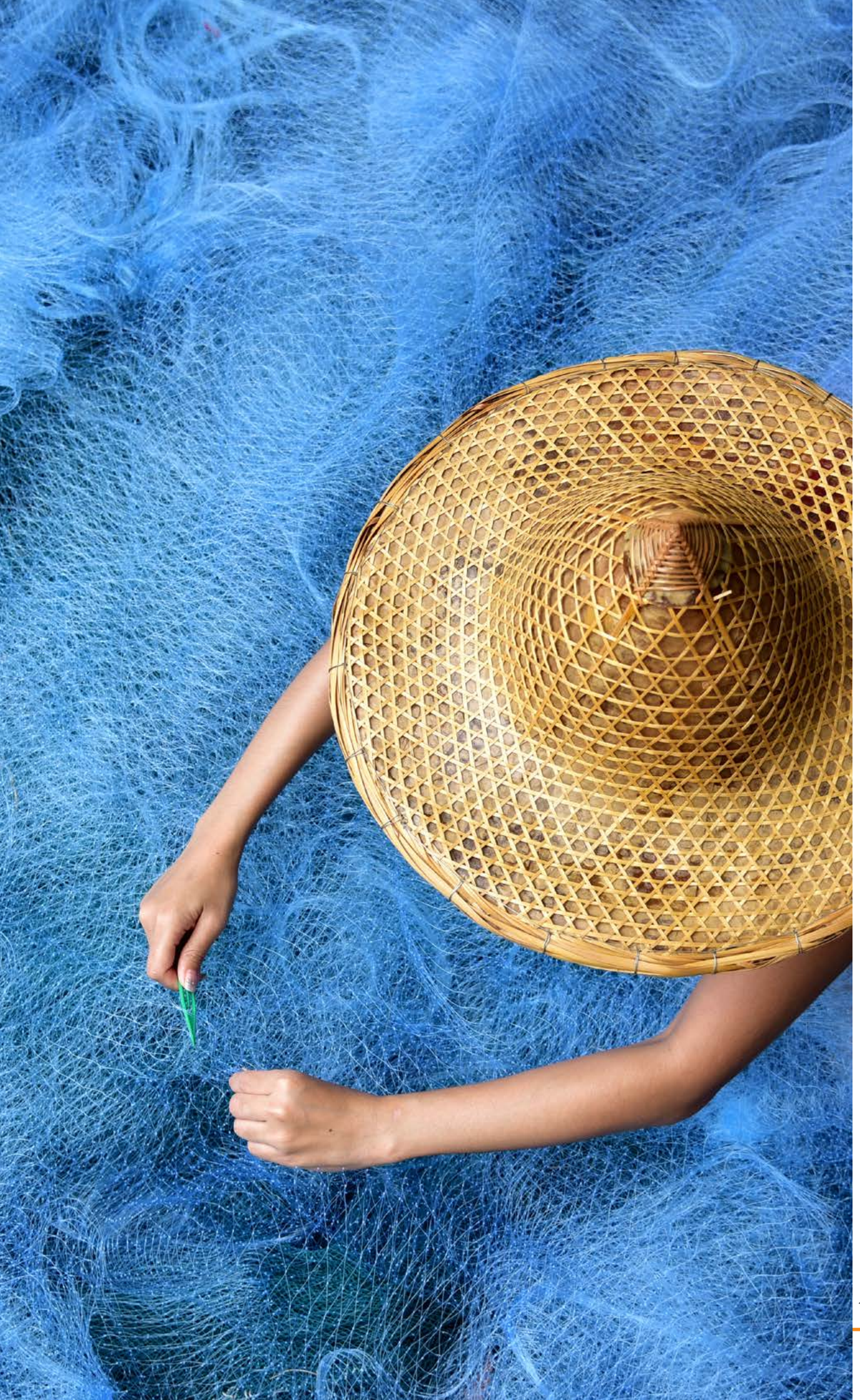
We create sustainable investment opportunities by leading with integrity and engaging in ethical and equitable business practices.

#### CUSTOMER SATISFACTION

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

#### EMPLOYEE SATISFACTION

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



# UNITED NATIONS GLOBAL COMPACT PRINCIPLES

The Group is committed to upholding the United Nations Global Compact's 10 principles<sup>4</sup> on human rights, labour, environment and anti-corruption. The table below provides a summary of its assessment, commitment, policies, goals and implementation activities to meet the UN Global Compact requirements.



## HUMAN RIGHTS PRINCIPLES

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.

Yoma Strategic is committed to safeguarding human rights with applicable international and national practices, including the Universal Declaration of Human Rights ("UDHR").

The Group's Code of Conduct provides the basic foundation and guideline to all employees and business partners on the importance of proper business conduct.

The Whistle Blowing Policy provides additional encouragement to individuals to raise any concerns, or to contact senior management directly to make a disclosure, as well as the Risk Management Department for any disputes, discrimination or any other breach of human rights.

**Principle 2:** Make sure that they are not complicit in human rights abuses.



## LABOUR

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

The Group fully supports and practices the (International Labour Organization's ("ILO") eight fundamental core conventions, and the International Finance Corporation's ("IFC") Labour and Working Conditions Standards. The Group strongly prohibits child labour in all its business operations and projects.

**Principle 4:** Elimination of all forms of forced and compulsory labour.

Yoma Strategic prohibits any form of discrimination including any distinction, exclusion or preference made on the basis of race, colour, sex, religion, or political opinion which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation.

**Principle 5:** Effective abolition of child labour.

The Group's Employee Handbook was prepared in accordance with the rules and regulations of respective national employment laws, ILO's eight fundamental core conventions, IFC's Performance Standard 2: Labour and Working Conditions, and the Asian Development Bank's ("ADB") policy on Gender and Development as the key strategies for promoting gender equality and women's empowerment across the Group.

**Principle 6:** Elimination of discrimination in respect of employment and occupation.

<sup>4</sup> Its full Communication on Progress can be found at: [https://www.unglobalcompact.org/system/attachments/cop\\_2017/433681/original/Communication\\_on\\_Progress\\_Report\\_-\\_FMI\\_2017.pdf?1509432258](https://www.unglobalcompact.org/system/attachments/cop_2017/433681/original/Communication_on_Progress_Report_-_FMI_2017.pdf?1509432258)



## ENVIRONMENTAL PRINCIPLES

**Principle 7:** Businesses should support a precautionary approach to environmental challenges.

Yoma Strategic has adopted a Corporate Environmental and Social Management System (“ESMS”) across the group which includes environmental management as one of the key focus areas. It helps to manage the Environmental, Social Health and Safety (“ESHS”) risks arising from the various activities of the Group as well as carrying out business in a more sustainable manner.

**Principle 8:** Undertake initiatives to promote greater environmental responsibility.

Yoma Strategic’s ESMS implementation includes Environmental and Social screening and due diligence of potential projects. High-level initial assessments and screenings are carried out to identify the Environmental and Social issues and to provisionally categorise each project.

**Principle 9:** Encourage the development and diffusion of environmentally friendly technologies.

In addition to the internal audit program, Environmental and Social Impact Assessments are conducted as part of the internal audit program, and a due diligence process is applied to ensure a precautionary approach is taken to address environmental challenges.



## ANTI-CORRUPTION PRINCIPLES

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

The Group has implemented a Code of Conduct prohibiting the acceptance of gifts, bribes or entertainment under obligatory circumstances. The Group’s Employee Handbook also provides guidance on rules and standards of conduct.

All personnel and business partners are required to comply with the Code of Conduct and it is communicated through the supply chain.

The Group has implemented an Anti-Bribery Policy and supports of a Group-wide Corporate Governance framework in preventing bribery and corruption.

Yoma Strategic is involved in some of Myanmar’s most important economic sectors and caters for the rapid growth in domestic consumption. Below table shows the breakdown of Yoma Strategic’s FY2018 revenue.

SEGMENT		REVENUE (\$\$ MILLION)	% OF GROUP REVENUE
Yoma Land	- Real Estate Development	22.9	21.2
	- Real Estate Services	18.4	17.1
Yoma Motors		44.2	41.0
Yoma F&B		14.2	13.2
Yoma Financial Services		6.8	6.3
Investments		1.3	1.2

# YOMA STRATEGIC'S GROUP STRUCTURE

(As at 30 November 2018)

## YOMA LAND

### DEVELOPMENT PROPERTIES

#### Pun Hlaing Estate

Yoma Development Group Limited	100%
Lion Century Properties Limited	100%

#### StarCity

Thanlyin Estate Development Limited	70%
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#### Yoma Central & The Peninsula Yangon

Meeyahta Development Limited	48% <sup>2</sup>
Peninsula Yangon Holdings Pte. Limited	24%

### INVESTMENT PROPERTIES

#### Star Residences & Commercial Units at StarCity

Thanlyin Estate Development Limited	70%
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#### The Residence at Pun Hlaing

Yoma Development Group Limited	100%
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#### Dulwich College Yangon

Yangon Sand Industries Limited (Pun Hlaing Campus)	100%
Star City International School Company Limited (StarCity Campus)	70%

### CONSTRUCTION & PROJECT SERVICES

SPA Design & Project Services Limited	100%
SPA Design Pte. Ltd.	100%
BYMA Pte. Ltd.	40%

## YOMA MOTORS

### HEAVY EQUIPMENT

#### New Holland

Convenience Prosperity Company Limited	100%
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#### Yoma JCB

Convenience Prosperity Company Limited	100%
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### PASSENGER & COMMERCIAL VEHICLES

#### Volkswagen

Yoma German Motors Limited	100%
German Car Industries Company Limited	100%

#### Mitsubishi Motors

MM Cars Myanmar Limited	50%
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#### Hino Motors

Summit SPA Motors Limited	40%
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#### Bridgestone Tyres

First Japan Tire Services Company Limited	30%
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#### Denso

D Service (Myanmar) Limited	40%
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## YOMA F&B

### F&B RETAIL

#### KFC

Summit Brands Restaurant Group Company Limited	100%
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#### Little Sheep

Altai Myanmar Company Limited	100%
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#### Auntie Anne's™

Blue Ridge Company Limited	100%
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### BOTTLING

Access Myanmar Distribution Company Limited	30% <sup>3</sup>
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### LOGISTICS

KOSPA Limited	50%
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METRO Wholesale Myanmar Ltd.	15%
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## YOMA FINANCIAL SERVICES

### WAVE MONEY

Digital Money Myanmar Ltd.	34%
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### FLEET LEASING

Yoma Fleet Limited	100%
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## INVESTMENTS

### TOURISM

Memories Group Limited	33.3% <sup>4</sup>
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### TELECOMMUNICATIONS TOWERS

edotco Investments Singapore Pte. Ltd.	12.5%
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### DISTRIBUTED POWER NETWORK

Yoma Micro Power (S) Pte. Ltd.	35% <sup>2</sup>
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### AGRICULTURE

Plantation Resources Pte. Ltd.	100%
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Yoma Agriculture Company Limited	100%
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### DALIAN SHOPPING MALL

XunXiang (Dalian) Enterprise Co., Ltd.	100%
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### MITSUBISHI ELEVATORS

MC Elevator (Myanmar) Limited	40%
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### MANDALAY AIRPORT

MC-Jalux Airport Services Company Limited	9%
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### PRIVATE INVESTMENTS

Welbeck Global Limited	100%
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### YOMA STRATEGIC HOLDINGS LTD.

Unless otherwise stated, effective interests are held through direct and/or deemed wholly-owned subsidiaries. The complete list of subsidiary corporations and associated companies is available at the Company's website: [http://www.yomastrategic.com/html/about\\_corporate.php](http://www.yomastrategic.com/html/about_corporate.php)

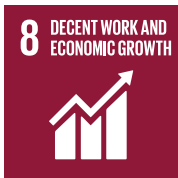
1 All interests are held by a wholly-owned intermediary holding company, Yoma Strategic Investments Ltd.

2 Ultimate effective interest upon the satisfaction of certain conditions.

3 Effective interest held through a 60%-owned subsidiary, Access Myanmar Holding Company Pte. Ltd.

4 Listed on the Catalist Board of the SGX-ST.

# YOMA STRATEGIC'S CORE BUSINESSES AND PORTFOLIO OF INVESTMENTS



## YOMA LAND

### *Building Better Communities for the Future of Myanmar*

The Group is a leading developer and landlord in Myanmar with one of the largest landbanks in the country and a focus on township projects. Yoma Land's vision is to build communities that are attractive, safe and vibrant which appeal to those seeking a healthy and community-centric lifestyle. The Group currently has three large-scale property developments comprising two residential projects – StarCity and Pun Hlaing Estate – and a mixed-used development – Yoma Central and The Peninsula Yangon. These three key projects aim to transform Yangon's cityscape through an emphasis on innovative designs, building standards and product range.

From an operations perspective, Yoma Land plans to build on its existing strengths and resources in project and construction management. This will allow Yoma Land to expand its capabilities, deliver a larger proportion of construction in-house, and improve cost competitiveness by reducing outsourcing. Adoption of new technologies such as modular construction, prefabrication, and the partial industrialisation of the production process, will further enhance Yoma Land's capabilities.

Meanwhile, the Group continues to work towards achieving a more resilient structure by expanding its portfolio of investment properties which will provide recurring real estate services revenue for the Group. It will also continue to leverage on the amenities and environment offered at Pun Hlaing Estate and StarCity, including the two Dulwich International Schools, to enhance the community value for its residents.



## YOMA MOTORS

### *One of the Most Comprehensive Suites of Automotive Brands in Myanmar*

The Group manages the importation, distribution and after-sales servicing of a comprehensive product range across agriculture equipment, construction equipment, and passenger and commercial vehicles through a nationwide network of branches and showrooms.

Convenience Prosperity Company Limited (aka Yoma Heavy Equipment), which is the largest revenue contributor for Yoma Motors, is the distributor for New Holland Agriculture, Case Agriculture, Maschio, CAM and Fieldking Implements, FPT Generators and JCB Construction Equipment in Myanmar.

Introduced in 2012, New Holland continues to be one of the leading tractor brands in the country. Myanmar has been the biggest market for New Holland tractors in Southeast Asia since 2015<sup>5</sup>. Yoma Heavy Equipment recently introduced the first A8000 Sugar Cane Harvester and TC5.30 Combine Harvester to the market and continues to import a selection of the latest implements that are tailor-made for the needs of farmers in Myanmar. Yoma Heavy Equipment was recently awarded sponsorship by Livelihoods and Food Security Trust Fund ("LIFT"), a UN-based NGO, for advanced operator training in Myanmar and will play a key role in rolling out this initiative. For more information on how Yoma Strategic contributes to the mechanisation of the agriculture industry, please see 'Myanmar's Agriculture Sector' on page 35.

Yoma JCB offers a wide range of construction equipment such as skid-steer loaders, backhoe loaders, compactors, telehandlers, wheel loaders and excavators to its customers. During the year, Yoma JCB expanded its presence and participated in many trade shows including the Construction, Power & Mining Show, which was the biggest industrial event in Myanmar. More recently, Yoma Heavy Equipment introduced Yoma Equipment and Power Rental, which focuses on the rental of JCB construction equipment, New Holland tractors and FPT generators.

The Group partners with several complementary passenger and commercial vehicle brands to cater to different segments of the vehicle market including Volkswagen, Ducati, Mitsubishi, Hino Motors and Bridgestone Tyres.

<sup>5</sup> Interview with Mr. Gerhard Hartzberg, Managing Director of Yoma Heavy Equipment.



# YOMA STRATEGIC'S CORE BUSINESSES AND PORTFOLIO OF INVESTMENTS



## YOMA F&B

### *Building a Leading Multi-Brand Consumer Platform in Myanmar*

The Group is building an end-to-end food & beverage ("F&B") platform comprising a chain of restaurants, bottling and distribution of beverages and the provision of food wholesale and logistics services.

The Group is the franchisee for KFC in Myanmar, KFC was the first global quick-service restaurant brand to enter the country. The Group opened the country's first KFC store in June 2015 and has been expanding rapidly over the past three years. KFC Myanmar is now one of the leading consumer brands in the country, with a presence in Yangon, Mandalay, Taunggyi, Bago, Monywa, Pyay and Kyite Htee Yoe. The Group has 22 stores nationwide as at 31 March 2018, and remains on track to achieve its next target of having 32 stores nationwide by the financial year ending 31 March 2019.

For details about how Yoma Strategic leverages on its market presence in this segment to improve Myanmar's domestic supply chain procedures, please see 'Managing KFC's Supply Chain in Myanmar' on page 31.

In May 2018 and in November 2018, the Group announced that it will be bringing Little Sheep, an international hot pot brand, and Auntie Anne's™, an international hand-rolled soft pretzel franchise, to Myanmar. The Group will continue to explore bringing additional F&B restaurant concepts to the country, including both international franchises as well as local brands. As the Group develops its F&B business, it will continue to improve its supply chain management.

With the opening of more F&B establishments, the need to bring reliable and safe food to the people of Myanmar is expected to increase. The Group's joint ventures with Kokubu Group and Metro Group aim to modernise supply chain infrastructure in the country.

KOSPA is a joint venture with the Kokubu Group that offers third-party logistics services through inventory management and transportation principally to customers who are in the hotel, restaurant, catering, agricultural and fast-moving consumer goods sectors. KOSPA operates a 45,000 square feet multi-temperature warehouse facility in Yangon and a fleet of trucks serving a range of customers. KOSPA also offers ambient service and provide transportation and warehousing services to multinational brewers and non-alcoholic beverage producers in Myanmar. Meanwhile, the Group has a partnership with Metro Group, a leading international specialist in food wholesale and retail, to establish a one-stop food distribution platform in Myanmar catering for food and beverages related businesses. It aims to address the evolving needs of the local professional customers, who now increasingly seek products of consistently reliable quality and good value.



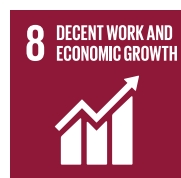
## YOMA FINANCIAL SERVICES

### *Bringing Financial Inclusion Through Technology*

More than 80% of Myanmar's population of 53 million people remains unbanked<sup>6</sup>. To help these people gain access to financial services, the Group is building a technology-driven, non-bank financial services platform. At its inception, the platform started with Yoma Fleet for automotive and equipment leasing and hire purchase transactions, and may expand to other forms of consumer credit over time. Meanwhile, Wave Money serves as the payments, distribution and data nucleus of the platform.

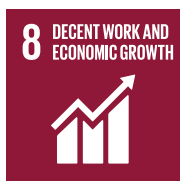
Yoma Fleet was launched in early 2014 and has since grown to become one of the largest vehicle rental and contract hire operators in the country with 720 vehicles and trailers as of 31 March 2018. It predominantly provides medium to long-term fleet leasing solutions to multinational corporations and medium-sized enterprises with clients coming from a range of industries including the FMCG, telecommunications, agriculture and construction sectors. Yoma Fleet also has a growing daily rental business served by 15 branch offices across 11 cities, where a majority of the branches are located in downtown areas and travel centres (e.g. airports and train stations).

For details on Wave Money and how it is set to bring economic empowerment to millions of Myanmar citizens, please see 'Case Study 2: Wave Money' on page 35.



<sup>6</sup> <https://www.channelnewsasia.com/news/videos/myanmar-plays-catch-up-with-the-world-over-cashless-payments-9907986>

# YOMA STRATEGIC'S CORE BUSINESSES AND PORTFOLIO OF INVESTMENTS



## PORTFOLIO OF INVESTMENTS

### *Maximising Shareholders' Value Through Strategic Investments*

The Group aims to generate good returns to shareholders and local stakeholders alike through a strategic investment portfolio which focused primarily on infrastructure development and emerging growth sectors. The investments include Yoma Micro Power a joint venture with Nonfund and IFC to provide reliable and rural electrification to rural customers, and edotco, a joint venture that builds and operates telecommunications towers in Myanmar. The Group also owns the rights to 100,000 acres of agricultural land in the Ayerwaddy Division of Myanmar, of which approximately 3,700 acres has been earmarked for a robusta coffee plantation.

As the Group builds its core businesses, it will continue to rebalance its investment portfolio by constantly assessing the long-term potential of its investments, while unlocking value and recycling capital for better returns. An example was the successful spin-off of the Group's tourism assets to Memories Group Limited in January 2018 as it believes the divestment of its tourism-related assets into a dedicated platform, in partnership with other tourism players in Myanmar, will unlock better value for its shareholders in the long run.

### **DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED FOR FINANCIAL YEAR ENDED 31 MARCH 2018 IS SHOWN IN THE TABLE BELOW.**

GRI 201-1

	<b>S\$ MILLION</b>	<b>NOTES</b>
<b>Direct Value Generated</b>	165.7	These include revenue and other income - net

<b>ECONOMIC VALUE DISTRIBUTED</b>	<b>S\$ MILLION</b>	<b>NOTES</b>
Material and Services Cost	93.0	These include cost of goods, administrative expenses excluding employee compensation
Employees	31.4	These include wages, salaries and benefits
Government	2.1	These include income tax expense
Capital providers	18.4	These include dividends and interest expenses on borrowings and other finance cost
Community	4.4*	These include voluntary donations and investment of funds in the broader community

Total economic value retained for the year is S\$ 16.4 million.

\* Total community contribution was approximately US\$3.279 million and the conversion rate adopted was 1 USD = 1.3566 SGD.

# OVERVIEW OF YOMA STRATEGIC'S MATERIAL ESG ISSUES

GRI 102-47

THE GROUP'S KEY MATERIAL SUSTAINABILITY ISSUES ARE:

## GOVERNANCE



ANTI-CORRUPTION  
& PUBLIC POLICY



COMPLIANCE

## PLANET



CLIMATE CHANGE,  
ENERGY & WATER USE,  
WASTE & EFFLUENTS

## PEOPLE



DIVERSITY & EQUAL  
OPPORTUNITY



LABOUR MANAGEMENT  
RELATIONS, CHILD  
LABOUR, FORCED  
LABOUR, COLLECTIVE  
BARGAINING



TRAINING,  
DEVELOPMENT  
& TALENT  
RETENTION



HEALTH  
& SAFETY



LOCAL  
COMMUNITIES

## PROFIT



ECONOMIC  
PERFORMANCE

For a materiality matrix and details on how the materiality of these issues for the Group was determined, kindly refer to subsection "Stakeholder Engagement and Materiality" in section "About This Report" from page 60.

# OVERVIEW OF YOMA STRATEGIC'S MATERIAL ESG ISSUES

GRI 102-47

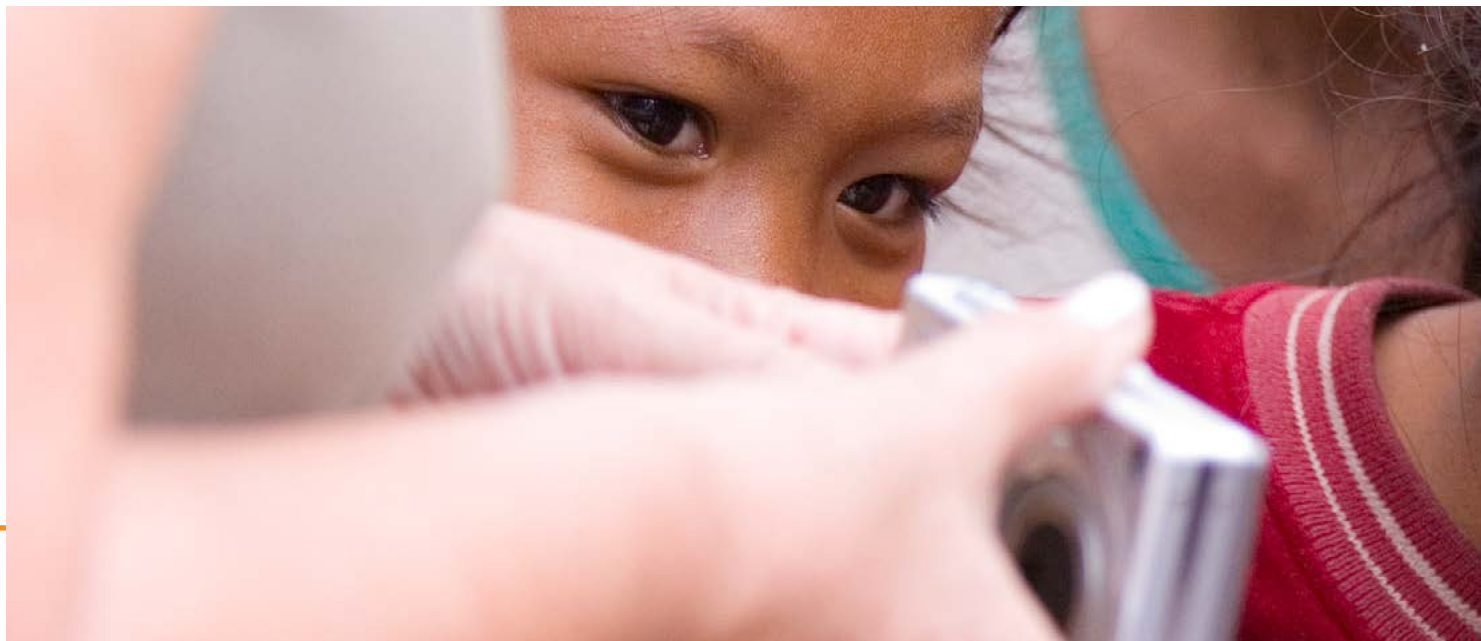
## ESG PERFORMANCE SCORECARD

### GOVERNANCE

MATERIAL ESG FACTORS	FY 2018 PERFORMANCE	FY 2019 TARGETS
Anti-Corruption & Public Policy	6 minor frauds and theft	To uphold and adhere to the Group's zero tolerance approach to corruption, bribery and fraud.
Compliance	No significant fines or non-monetary sanctions	We strive to maintain full compliance with the relevant national environmental policies, laws and regulations as well as IFC performance standards and the ADB's Safeguard policy.

### ENVIRONMENTAL

CO <sub>2</sub> e emissions (t)	7,681.1	
Carbon emission intensity per GFA (t of CO <sub>2</sub> e/m <sup>2</sup> )	0.018	
Energy intensity per GFA (MJ/m <sup>2</sup> )	182.7	
Total Energy consumption (MJ)	91,362,869.1	
- Diesel consumption (MJ)	39,059,303.4	Collect baseline data
- Petrol consumption (MJ)	63,648.3	
- Renewable Energy/solar energy consumption (MJ)	285,562.8	
- Electricity used (MJ)	49,776,091.3	
- Cooling Consumption (MJ)	2,178,267.7	
Water consumption (m <sup>3</sup> )	5,003,632.0	
Non-hazardous waste (t)	104,343.0	Reduce the use of plastics
Hazardous waste (t)	37.0	



# OVERVIEW OF YOMA STRATEGIC'S MATERIAL ESG ISSUES

GRI 102-47

SOCIAL		
MATERIAL ESG FACTORS	FY 2018 PERFORMANCE	FY 2019 TARGETS
<b>Diversity &amp; Equal Opportunity</b>		
Workforce Number	4,065	
Female employee	41%	
Male employee	59%	
New Hires	602	Anti-harassment training 50% of managers to be trained
Nationalities	24	
Employee Turnover Rate	15%	
<b>Training, Development &amp; Talent Retention</b>		
Total Training (hr)	21,976	40,650 hrs per year by FY 2020
<b>Health &amp; Safety</b>		
- Health & Safety Training (hr)	14,896.5	Increase by 5% from FY 2018
- Fatal Accidents	0	
<b>Labour Management Relations, Child Labour, Collective Bargaining, Forced Labour</b>		
Child Labour	0	To maintain zero tolerance, we want to prevent the use of child labour by raising awareness people to identify children at work.
<b>Local Communities</b>		
Supporting Communities (S\$ Million)	4.4*	8,000 hours of volunteer work

\*Total community contribution was approximately US\$3.279 million and the conversation rate adopted was 1 USD = 1.3566 SGD.



# GOVERNANCE AND RISK MANAGEMENT AT YOMA STRATEGIC

GRI 102-16

■ BUILD A BETTER MYANMAR FOR ITS PEOPLE



The Group continuously advocates a strong corporate governance culture among its employees to ensure that they operate in an ethical and responsible manner. The Group is known to be one of the front-runners for corporate governance in Myanmar and is the partner of several multinational companies and development banks including ADB and IFC.

The Group's Enterprise Risk Management ("ERM") system is designed to achieve a prudent and reasonable balance between risk and return, while providing the framework for managing risk and future events effectively to both protect and enhance the business in meeting its strategic objectives. It sets out the governance structure for the Group's risk philosophy, risk appetite, tolerance levels and approach to managing risks. For details on the Group's Risk Management, please refer to pages 78 to 81 in the Yoma Strategic FY2018 Annual Report.

Yoma Strategic has a strong commitment to the independence of its Board of Directors (the "Board" or "Directors"). The Board also provides an appropriate balance and diversity of skills, experience, gender, knowledge of the Group's businesses and the necessary core competencies to meet the needs of Yoma Strategic and to allow for diverse and objective discussions on its strategic direction and growth.

To emphasise the importance of sustainability to Yoma Strategic's business, it created the position of Group Head of Sustainability in 2017 and appointed Dr. Virginia Alzina, previously Principal Consultant and Director of ENVIRON in Myanmar, for this role. Dr. Alzina oversees the Group's Sustainability Committee which reports directly to the Board of Directors, ensuring that the Group's sustainability strategy is integrated with its corporate growth strategy and its day-to-day operations.

## COMPLIANCE

### TARGET

- We strive to maintain full compliance with the relevant national environmental policies, laws and regulations as well as IFC Performance Standards and the ADB's Safeguard Policy.

## MANAGEMENT APPROACH:

GRI 103-1 | 103-2 | 103-3

### *Why this is Material to Yoma Strategic*

Yoma Strategic has implemented appropriate procedures and management systems to ensure adherence to the relevant national environmental policies laws and regulations, as well as IFC Performance Standards, and the ADB's Safeguard policy.

### *Management and Evaluation*

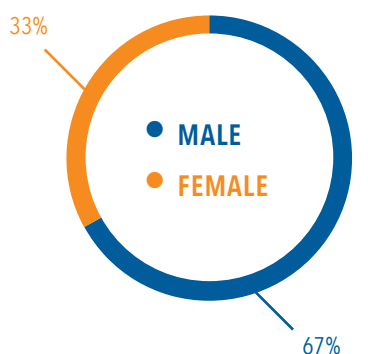
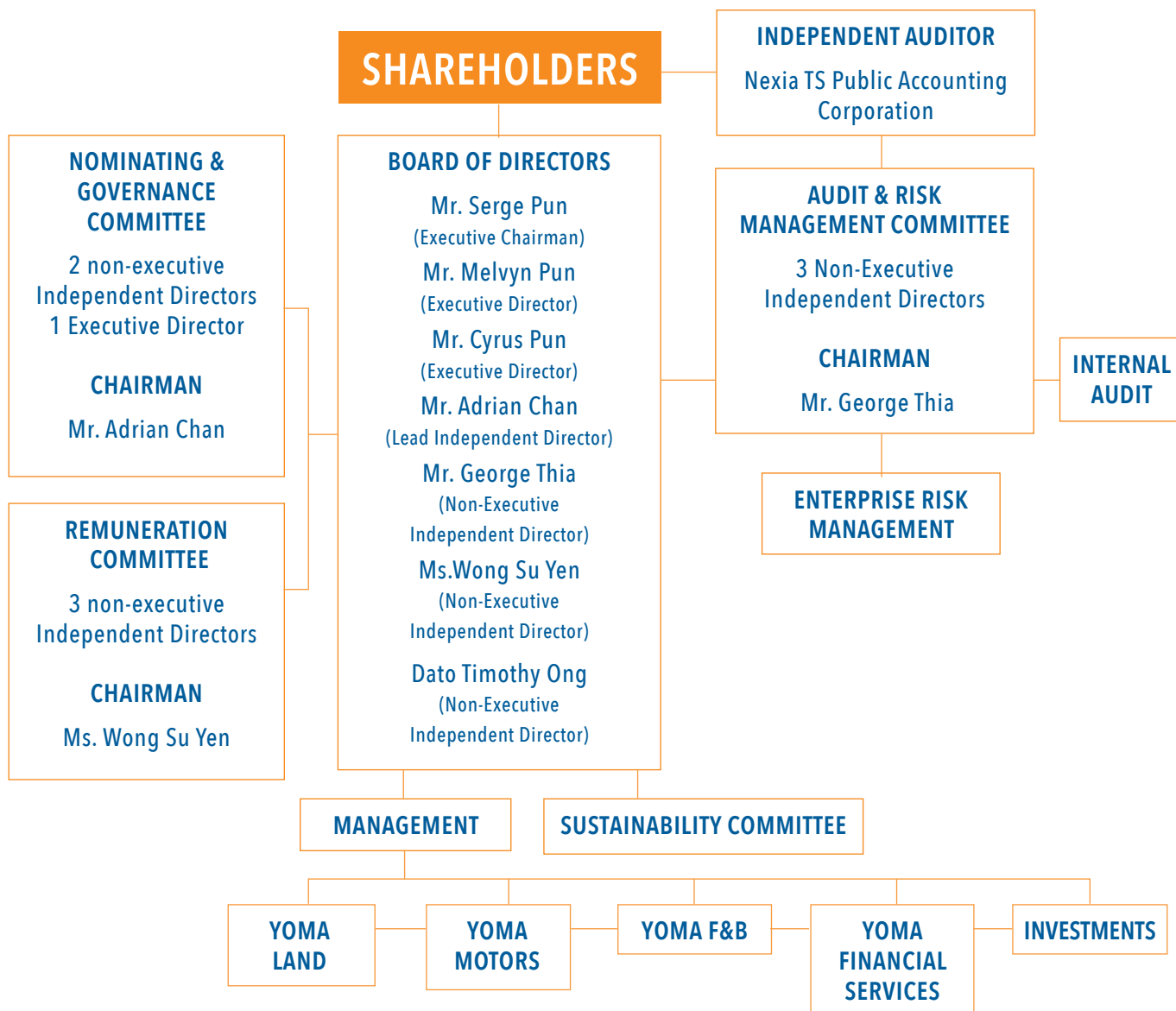
Key policies include:

- Code of Conduct
- Environmental, Health and Safety Policy
- Human Rights Policy

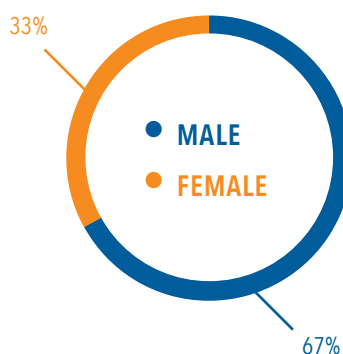
Details of these policies are publicly available on Yoma Strategic's website at [http://www.yomastrategic.com/html/ir\\_code.php](http://www.yomastrategic.com/html/ir_code.php).

# YOMA STRATEGIC'S GOVERNANCE STRUCTURE

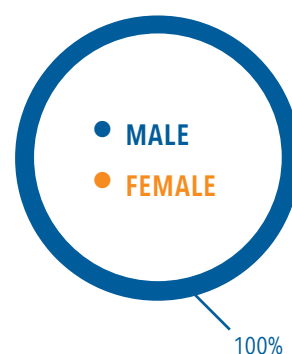
GRI 102-18



**AUDIT & RISK MANAGEMENT COMMITTEE**



**REMUNERATION COMMITTEE**



**NOMINATING & GOVERNANCE COMMITTEE**

# YOMA STRATEGIC'S SUSTAINABILITY GOVERNANCE

GRI 102-18

Yoma Strategic has a defined sustainability governance structure, both at the corporate and local level.

At the highest level, the Board approves the Group's general policies and strategies, including those relating to sustainability and the sustainability report.

Reporting to the Board is the Sustainability Committee (the "Committee"), which oversees the sustainability initiatives and directions of the Company. The Committee is made up of Yoma Strategic's CEO, and its Head of Risk Management and Assurance, Human Resources, Investor Relations and Sustainability. Also on the Committee are the leaders of Yoma Strategic's four key pillars, Yoma Land, Yoma Motors, Yoma F&B and Yoma Financial Services. The CEO sits on the Board, and the Head of Sustainability who oversees the sustainability performance and targets for Yoma Strategic and its subsidiaries, is responsible for guiding the Group on the sustainability work towards achieving common goals and targets. The Committee meets at least once a year to review the sustainability performance of the business units.

During FY2018, several Sub-Committees were established for the following projects: Yoma Heavy Equipment, StarCity and Pun Hlaing Estate, as well as at The Campus (the headquarters of the Group). These committees meet quarterly to discuss sustainability initiatives at a business unit level and drive performance on achieving Yoma Strategic's sustainability targets.





# YOMA STRATEGIC'S SUSTAINABILITY GOVERNANCE

## EXTERNAL INITIATIVES AND MEMBERSHIP OF ASSOCIATIONS

Yoma Strategic's strong commitment to sustainability is also reflected in a large number of external initiatives supported by the Group and the personal commitment of its CEO and other members of senior management:

### *External Initiatives*

GRI 102-12

- 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*

GRI 102-13

- United Nations Global Compact
- Myanmar Institute of Directors ("MloD"), where CEO Melvyn Pun is a Board member and member of the Executive Committee. MloD is driven by the International Finance Corporation with support from the governments of both the UK and Australia. It is Myanmar's first private sector-led organisation to promote corporate governance and best business practices in Myanmar. With the aim of boosting investor confidence in the country, MloD will work to advance professionalism, promote business ethics and transparency, and create networks between corporate leaders and stakeholders.
- M2030, a movement in partnership with the Asia Pacific Leaders Malaria Alliance ("APLMA") and the Global Fund to raise awareness about malaria with the target of eradicating malaria by 2030
- Smart Power Myanmar, a partnership with the Rockefeller Foundation, the ADB, the World Bank and USAID to help improve lives of people in Myanmar by providing electricity access in off-grid communities in Myanmar to help people lift themselves out of poverty (Case Study 4).



# YOMA STRATEGIC'S MISSION

FROM REAL ESTATE DEVELOPER TO A MORE BALANCED, DIVERSIFIED CONGLOMERATE WITH EXPOSURE TO SOME OF MYANMAR'S MOST IMPORTANT ECONOMIC SECTORS: YOMA STRATEGIC'S MISSION HELPS IT CHART THE WAY TO A SUSTAINABLE FUTURE – FOR THE COMPANY AND THE PEOPLE OF MYANMAR

Historically, Yoma Strategic's main focus was on Real Estate development, establishing itself as one of the leading developers in Myanmar with a reputation for high-quality housing projects over the past 10 years. Yoma Strategic has leveraged partnerships with local and international players to diversify its businesses into a number of Myanmar's most exciting growth sectors.

In 2014, Yoma Strategic made a commitment to build its Non-Real Estate businesses to match the scale of its Real Estate operations by 2020. The Group was able to achieve this goal in FY2018. In the next five years, Yoma Strategic will be working to accelerate its next phase of growth by focusing on scaling up its four key business pillars and expanding its operational footprint beyond the majorities to the whole country to meet the needs of Myanmar people.

As the Group continues to transform, it has pledged to ensure that the Myanmar of tomorrow is better compared to today. In particular, Yoma Strategic's Investor/Customer/Employee ("ICE") vision, is an expression of the Group's belief that its stakeholders play a critical role on its journey towards fulfilling its mission.

## INVESTOR SATISFACTION

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

## CUSTOMER SATISFACTION

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

## EMPLOYEE SATISFACTION

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

In line with its mission, the Group has incorporated the role of sustainability into its strategic planning and day-to-day operations. More importantly, the Group's mission and vision shapes the way it conducts business.

Yoma Strategic's sustainability efforts are structured around the Sustainable Development Goals ("SDGs") of the United Nations Global Compact ("UNGC") as a framework and organised around People, Planet and Profit. Yoma Strategic's new mission expands the usually narrow definition of corporate success to include the most important idea of sustainability: a company can only be successful in the long-term if it includes the people it impacts - and by extension the natural environment which the wider community lives in.

The Group's mission perfectly reflects its ambition to be a major contributor to nation building in a country that finally has an opportunity to develop to its potential. As the Group continues to implement its strategy of rapid growth and diversification, the mission guides its employees to remain focused on the greater good and the concept of shared value.

# HISTORY AND MILESTONES

Building on the success of its affiliate companies FMI and SPA in the early 1990s, Yoma Strategic was established in 2006 and listed on the Singapore Stock Exchange that same year. Its roots are in the development of and investment in Real Estate. The Company has strategically expanded into three other key sectors, starting with Automotive and Heavy Equipment, and Consumer, including food and beverages. In April 2018, the Group added Financial Services as one of its key pillars.

<p><b>PURE PLAY REAL ESTATE DEVELOPER</b></p> <p><b>2006 -2010</b></p> <ul style="list-style-type: none"> <li>• More than 90% of revenue from Real Estate sales</li> <li>• Focused on Real Estate business</li> <li>• Leveraged the Group's strongest core competency</li> <li>• Minimal exposure in other sectors</li> </ul>	<p><b>CONSOLIDATION OF CORE OPERATIONS</b></p> <p><b>2015 -2017</b></p> <ul style="list-style-type: none"> <li>• Fast expansion of Non-Real Estate businesses</li> <li>• Monetisation of non-core businesses and assets</li> </ul>
<p><b>DIVERSIFICATION INTO NEW BUSINESSES</b></p> <p><b>2011 -2013</b></p> <ul style="list-style-type: none"> <li>• Diversified broadly into different sectors</li> <li>• Acted as an incubator for new businesses</li> <li>• Leveraged the Group's position as the partner of choice</li> </ul>	<p><b>TRANSITION FROM A REAL ESTATE COMPANY TO A MORE BALANCED DIVERSIFIED CONGLOMERATE</b></p> <p><b>2018</b></p> <ul style="list-style-type: none"> <li>• Ahead of the Group's 2020 Vision: Automotive &amp; Heavy Equipment and Consumer businesses contributed 54.2% of FY2018 revenue</li> <li>• Unveiled the Group's 4th core business pillar in the Financial Services with a focus on technology and non-bank financial offerings</li> </ul>
<p><b>IDENTIFICATION OF CORE FOCUS SECTORS</b></p> <p><b>2014</b></p> <ul style="list-style-type: none"> <li>• Streamlined into the three most promising pillars – Real Estate, Consumer and Automotive &amp; Heavy Equipment</li> <li>• Set a 2020 target to have at least 50% of the revenue generated by Non-Real Estate businesses and to increase recurring Real Estate services revenue</li> </ul>	<p><b>ACCELERATION OF NEXT PHASE OF GROWTH</b></p> <p><b>2019 -2023</b></p> <ul style="list-style-type: none"> <li>• Build dominant positions and nationwide footprints in four core business pillars</li> <li>• Enhance autonomy and prepare for opportunities to unlock value through spin-offs</li> <li>• Nurture our high growth portfolio of investments</li> <li>• Further rationalisation of non-core businesses and assets</li> </ul>

# LEADERSHIP STARTS FROM THE TOP

Sustainability is a top priority for Yoma Strategic. This is reflected in its governance structures and especially in the importance that CEO, Mr. Melvyn Pun is placing on ESG topics. Mr. Pun is an advocate for corporate governance and sustainability issues in Myanmar and is actively involved in a number of sustainability-related initiatives.

As part of Mr. Pun's active engagement, he is currently the:

- Asia Pacific Council member, The Nature Conservancy
- Executive Committee and Board member, Myanmar Institute of Directors' ("MIoD"). The MIoD aims to promote corporate governance and best business practices in Myanmar
- Board member, OneSky, a non-profit organization creating and implementing simple, replicable, model early learning programs for vulnerable young children across multiple developing countries

Through his conduct, both within Yoma Strategic and in his various roles with other organisations, Mr. Pun is demonstrating the importance of corporate sustainability even and especially as the Group is engaged in its most ambitious growth phase to date.



## PIONEERING THE SDGS IN MYANMAR

Yoma Strategic has been a member and active supporter of the UNGC since 2012. The Group also provides the funding for the administrative expenses of Myanmar Business Coalition on Aid ("MBCA"), the implementing partner of UNGC in Myanmar. The Group embraces and promotes the Principles of the UNGC within its daily operations and is proud to be an early adopter of the SDGs.

The various parts of the Group's business are making positive contributions to many of the SDGs, but Yoma Strategic has adopted the following goals as areas of particular focus in its operations:



Throughout this report, the Group has highlighted its alignment of specific activities with these SDGs, by showing the appropriate SDG logo(s) in the margin next to the corresponding paragraph.

The Group is planning to integrate the SDGs more tightly into its strategy and operations, by determining specific, suitable SDG targets within its performance metrics and aligning them with the targets being set in fulfilment of SGX requirements.

The Group will report on the progress of these plans in its FY2019 Sustainability Report.

# BUILT ON A FOUNDATION OF TRUST: UNCOMPROMISING STANCE ON ANTI-CORRUPTION

GRI 102-16

**“CORRUPTION  
IS A CANCER  
TO SOCIETY.”**

Serge Pun, Executive Chairman

In a time when corruption in its many forms may have been an inevitable part of doing business in the region, the Group has always taken a firm stance. The Group is strongly opposed to bribery and all other kinds of corruption. This also extends to its business dealings with third-party service providers and vendors.

Its steadfast adherence to prudent business principles has seen Yoma Strategic become a trusted partner to some of the world's leading brands as they look to expand into Myanmar. The Group also has the continued active support of IFC and ADB who are working in partnership to help the Group fulfil its Mission according to these same principles.



**ANTI-CORRUPTION AND PUBLIC POLICY**

**TARGET**

GRI 102-9

- To uphold and adhere to the Group's zero tolerance approach to corruption, bribery and fraud.

**MANAGEMENT APPROACH:**

GRI 103-1 | 103-2 | 103-3 | 205-3

*Why this is Material to Yoma Strategic*

Yoma Strategic manages the Group's exposure to corruption risks by applying and emphasising good corporate governance, business ethics and transparency. Its reputation is one of its greatest assets. Corruption represents a risk to an organisation's business and reputation. Direct or indirect contributions to political causes may also represent a corruption risk because they can be used to exert undue influence on the political process.

*Management and Evaluation*

The Group is committed to a high standard of corporate governance for the long term sustainability of the Group's business. It has a zero tolerance approach to corruption, bribery and fraud, and has developed a number of key policies:

- Anti-Bribery Policy
- Anti-Corruption Procedure
- Code of Conduct
- Conflict of Interest Policy
- Whistle Blowing Policy

These policies are disseminated and published to all employees, contractors, suppliers and business partners and are also publicly available on Yoma Strategic's website at [http://www.yomastrategic.com/html/ir\\_code.php](http://www.yomastrategic.com/html/ir_code.php).

The Group is also prohibited from dealing with companies (and/or individuals) on the UN, US and EU sanction lists.

However six minor cases of theft and fraud were seen in 2017. The Group has followed up on these cases and taken measures to prevent similar incidents.

The Group conducts mandatory trainings for new employees covering its policies on Anti-Bribery, Anti-Corruption, Code of Conduct, Conflicts of interest and Whistle Blowing.

**RECOGNITION FOR YOMA STRATEGIC'S EXCELLENCE IN CORPORATE GOVERNANCE**

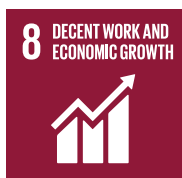
Yoma Strategic has been recognised and has won several awards. In recognition of the continuous commitment to corporate governance, the Group was ranked in the top 5% of the Governance and Transparency Index 2018 and ranked 26th out of the top 100 largest Singapore companies in the ASEAN Corporate Governance Scorecard 2017. The Group's Board of Directors was also the recipient of the prestigious award of Best Managed Board Award (Gold) for the mid-cap category in 2016 and Best Managed Board Award (Silver) for the mid-cap category in 2015. More recently, the Group has obtained the "Fast Track" or "Green Lane" status launched by the Singapore Exchange Regulations (SGX RegCo) which will have prioritised clearance on selected corporate action submissions to SGX RegCo. Only 59 companies out of 780 listed companies have obtained the status and these companies are being recognised as having a good corporate governance standing and compliance track record.

# PARTNERSHIPS FOR A BETTER MYANMAR — YOMA STRATEGIC, ITS SUPPLY CHAIN PARTNERS AND JOINT VENTURES

GRI 102-9

## A COMPANY OF YOMA STRATEGIC'S SIZE AND AMBITION NEEDS A SOUND SUPPLY CHAIN AND STRONG PARTNERS TO CREATE THE GREATEST POSSIBLE VALUE FOR ITS STAKEHOLDERS.

Yoma Strategic recognises the need to work on this area and intends to conduct a supply chain review in the near future. For some operations, Yoma Strategic has started to source only from suppliers who meet international standards such as the Hazard Analysis and Critical Control Point ("HACCP"), and also screen new suppliers using environmental and social criteria. Plans are in place to expand best practices across the Group, and progress will be shared in future reports.



### MANAGING KFC'S SUPPLY CHAIN IN MYANMAR

As outlined above, the Group is committed to extending sustainability into the supply chains of its various business units. The rapidly expanding KFC franchise is a case in point - and may also serve as a good example of the challenges the Group have yet to overcome. KFC is committed to using local suppliers wherever it can throughout the organisation. The Group have put in place dedicated supply chain and quality assurance resources to elevate local suppliers to international standards through a stringent supplier qualification process, constant guidance and audits. More importantly, the Group is not running supply chain development as a stand-alone program, but as an integrated function throughout the organization.

KFC sources only from suppliers who meet international standards (e.g. HACCP) in the areas of food safety and quality. It also ensures that its supply chain undergoes yearly food safety audits carried out by independent auditors. The restaurants follow strict standard operating procedures for food handling, hygiene and storage and are subject to regular checks by the in-house quality assurance team.

Initial conversations with new suppliers are designed to help them understand what is required to meet international standards. The Group then work with these suppliers to implement the processes, procedures and documentation to be on-boarded as a "KFC approved" supplier. Once a supplier enters into a supply arrangement with KFC, the supplier code of conduct is strictly enforced. Furthermore, a number of the Group's partners are committed to elevating the capabilities of the local supply chain. For example, the joint venture with Metro Group is working with a range of local suppliers to provide the hospitality and restaurant sector with quality goods and to focus not only on food safety, but also on traceability back to source. It is the intention of KFC Myanmar to work with the Metro joint venture in this initiative to expand its local supplier footprint.



# SECTION 1: PEOPLE

## **BUILDING A NATION STARTS WITH ITS PEOPLE: YOMA STRATEGIC'S BUSINESS FOCUSES ON THE PEOPLE OF MYANMAR – IN ITS WORKFORCE AND THE COMMUNITY AT LARGE**

The second part of the Group's Mission, Build a Better Myanmar for Its People, is critical to its significance. We strongly believe that a sense of purpose is required to unlock a company's true potential and to deliver the best returns – for its shareholders and for society. The Group believes building a better Myanmar that does not consider the needs of the people of the country would be a hollow victory.

Yoma Strategic is, therefore, building its business with Myanmar's people firmly in mind. In the early years of Yoma Strategic's history, this was mostly limited to developing and investing in real-estate projects. As the firm strategically expanded into new business segments, it found that focusing on its people helped it to achieve clarity on the best way to grow, following a path that will bring inclusive prosperity to Myanmar and in return, create the foundation for long-term, sustained growth of Yoma Strategic.





# HOW YOMA STRATEGIC IS IMPACTING LOCAL COMMUNITIES

GRI 103-1 | 103-2 | 103-3 | 413-1

Yoma Strategic's engagement with local communities dates back to its inception. When Yoma Strategic was listed on the SGX in 2006, most businesses in Myanmar were facing major sanctions by the international community, leading to a severe shortage of resources and support from international partners. Leveraging the Group's experience in Myanmar and its strong commitment to corporate governance, Yoma Strategic has forged strategic alliances with many international players, bringing much needed international expertise and business practices to Myanmar. Listing in Singapore, coupled with its reputation as

the partner of choice in Myanmar, allowed Yoma Strategic to access opportunities that were inaccessible to most of its main domestic competitors.

As many of the more intractable sustainability issues, such as climate change, were beyond its means to impact at that time, the Group initially focused its engagement with sustainability on what is commonly described as Corporate Social Responsibility ("CSR").

## Yoma Central made various donations to the community during the reporting period with a total value US\$1,063,406:

### 1. Donation of kitchen units

Second-hand kitchen units from the showcase at the Yoma Central sales gallery with a value of approximately US\$3,000 were donated to the Catering and Hospitality Training Academy for Young People without education.

Number of Trainees	:	approximately 150
Training Period	:	8 months
Age range of trainees	:	18 - 25 years old

### 2. Construction of New RC Box Drain (1.2m x 1.2m)

A public drain was built along Bogyoke Road over a total length of 376 meters, benefitting the local community by providing flood relief during rainy seasons. Cost of the drain was US\$1,055,206.8

### 3. Donation of plywood

Plywood used in a mock-up showcase was donated to Mahar Thukha Monastery to be used as ceiling materials. Cost of plywood was approximately US\$5,200

Starting in 2010, the Group adopted international standards to assess its performance on human rights and labour rights, including the OECD guidelines published in 2011 for the protection of human rights and social development. In 2012, Yoma Strategic joined the UNGC as one of its first members from Myanmar and has been a proud pioneer for the SDGs since their inception. Today, a majority of the Group's operations have implemented local community engagements.

In order for these principles to be meaningful and provide tangible benefits to Yoma Strategic and all its stakeholders, the Group realised that it needed to further its efforts. Using the UNGC as a benchmark, it created a department to promote membership with the Global Compact and to coordinate its own activities more strategically.

# HOW YOMA STRATEGIC IS IMPACTING LOCAL COMMUNITIES

GRI 103-1 | 103-2 | 103-3 | 413-1

## LOCAL COMMUNITIES

### TARGET

- Number of hours Yoma Strategic staff volunteer for community activities : 8,000 hours in FY2019.

### MANAGEMENT APPROACH:

GRI 103-1 | 103-2 | 103-3

#### *Why this is Material to Yoma Strategic*

The Group's Corporate Social Responsibility ("CSR") is committed to contribute to Myanmar's development and drive positive change to the communities in which Yoma Strategic operates. Its community framework focuses on improving education for children, promoting and raising awareness on responsible business practices and protecting its people and the environment. CSR is integrated into the Group's business practices and behaviour, as well as into its involvement in various community projects.

#### *Management and Evaluation*

The Group complies with Myanmar laws and regulations and involves local communities affected by our projects when these projects require an Environmental Impact Assessment ("EIA") or an Initial Environmental Examination ("IEE").

The Group is a signatory to and actively supports and promotes the 10 Principles of the United Nations Global Compact.

In order to promote Responsible Business in Myanmar, the Group has used the Myanmar Business Coalition on Aid ("MBCA") to deliver its CSR activities since July 2014. Beneficiaries are Small and Medium-sized Enterprises ("SME") owners and their management teams. These projects are mainly educational and focus on promoting sustainable responsible business practices. Seminars and workshops are held for SME owners and their management teams throughout Myanmar.

Over the past year, more than 1,800 individuals have attended MBCA seminars and workshops. With 80% of all businesses in Myanmar made up of SMEs, the Group is committed to supporting this group of owners and helping them thrive and grow, which will eventually lead to more employment and empowerment in local communities.

The Group CSR Committee sets the strategy and reviews the CSR activities, and its own performance annually.

The Group will continue to make its CSR efforts more sustainable. For example, instead of simply donating an amount of cash to a village, the Group strive to also assist villagers to create a committee that will manage this money, help them open a bank account, and teach them how to make the money last for the longest possible amount of time. This vision of CSR—sustainable, long-lasting and as a capacity-builder—is the next step of evolution.



# HOW YOMA STRATEGIC IS IMPACTING LOCAL COMMUNITIES

GRI 103-1 | 103-2 | 103-3 | 413-1



## Case Study 1: Mechanising Myanmar's Agricultural Sector

The agriculture sector dominates Myanmar's economy, contributing 38% of GDP and employing more than 60% of the workforces<sup>7</sup>.

Yoma Strategic is actively working to enable mechanisation in farming, bringing the latest agricultural technology, including implements, to Myanmar. Apart from offering a solution to the shortage of labour, mechanisation also serves the purpose of making farming more sustainable, through the efficient use of land, seeds, and fertiliser and reduced greenhouse gas emissions from nitrogen oxides.

Financing machinery purchases, however, is a significant issue. The Group is, therefore, working with its affiliated company, Yoma Bank Limited, to provide 5-year hire purchase agreements to local farmers, the first company in Myanmar to do so.

As it is already seeing the effects of climate change in Myanmar's rural areas, the Group's Heavy Equipment business is intentionally diversifying its product offering to help vulnerable farmers mitigate some of those effects and provide stability in a fast-changing environment.

New Holland has a dedicated maintenance team and 30 fully equipped mobile maintenance vehicles throughout Myanmar to help farmers maintain their machines. The team helps farmers fine-tune their machines for better fuel consumption and also provide synthetic oils to stretch the servicing intervals of the engines. The used oil is then recycled for other agricultural equipment where a lower grade of oil is required. This helps to prevent the disposal of used oil in soil and rivers.



## Case Study 2: Wave Money

More than 80% of Myanmar's population is currently unbanked<sup>8</sup> – fundamentally limiting their ability to participate in economic activities many consider to be basic necessities.

In March 2018, Yoma Strategic announced its entry into Financial Services with the acquisition of a 34% stake in the leading mobile payment provider, Wave Money.

Mr. Serge Pun, Yoma Strategic's Executive Chairman said, "Adding Financial Services as our Fourth Pillar is one of the most significant developments for Yoma Strategic in recent years. Financial Services is the backbone of the economy. Currently, the lack of credit and limitations in financial access is hampering growth. We aim to push innovative mobile financial services, including payment and credit extensions, to drive efficiency in the sector. Wave Money has an excellent head start with its broad reach across the country, and is a platform that we will leverage as we develop our offering in the sector".

Wave Money is the first and leading mobile financial services company in Myanmar, providing a simple and fast way of sending and receiving money either over the counter, at a Wave Money agent or via an easy to use mobile app. Wave Money has an extensive network of more than 32,000 agents throughout Myanmar, more than 13 times the number of bank branches and six times the number of ATM's in the Country<sup>9</sup>. The agent network currently covers 85% of the country, this includes those residing in rural areas with limited or no access to traditional banking services. Through Wave Money, thousands of people a day are now sending money to support their families and facilitate business operations, providing financial inclusion to millions of people. As one of the leading FinTech companies in Myanmar, Wave Money also provides digital payment solutions to facilitate utility bill payments, e-commerce payments and salary disbursements.

Wave Money caters to Myanmar's migrant worker population who are moving to Myanmar's urban centres for work and who need to support their families in their home villages by periodically sending a part of their earned wages. Wave Money successfully addresses the financial exclusion and weak economic integration of millions of Myanmar citizens.

<sup>7</sup> <https://blogs.worldbank.org/eastasiapacific/unleashing-myanmar-agricultural-potential>

<sup>8</sup> <https://www.channelnewsasia.com/news/videos/myanmar-plays-catchup-with-the-world-over-cashless-payment-9907986>

<sup>9</sup> Wave Money internal data as at 31 March 2018

# HOW YOMA STRATEGIC IS IMPACTING LOCAL COMMUNITIES

GRI 103-1 | 103-2 | 103-3 | 413-1

## *Selected Philanthropic Activities*

The Group, together with Yangon City Development Committee ("YCDC") and FMI, holds an annual marathon in the city of Yangon. The Yoma Yangon International Marathon ("YYIM") which started in 2013 aims to inspire athletes and connect communities both locally and internationally through the promotion of healthy living. YYIM will continue its charity theme of "Run for Children" and raise funds for underprivileged children in Myanmar.

Growing in popularity with each year, 8,787 local runners and 408 international runners registered to participate in YYIM 2018 compared to 8,000 runners in YYIM 2017.

An important part of YYIM is fundraising for charity. With each YYIM event held, proceeds of fundraising have been donated to improve the lives of youth in Myanmar. With the theme of 'Run for Children', YYIM 2018 fundraising efforts were donated to the following four charity groups in Yangon Division:

- YCDC Non-Profit Child Day Care Centre for Low-Income Citizens
- Su Htoo Pan Youth Development Centre, (Thanlyin)
- Happy Haven Humanitarian Project, (Tapin Shwe Htee Rd, East Dagon, Ward 11)
- Zayar Shwe Taung Youth Development Centre, (Hlegu)
- Myanmar Red Cross Society

## **LABOUR MANAGEMENT RELATIONS, CHILD LABOUR, FORCED LABOUR, COLLECTIVE BARGAINING**

### **TARGET**

- We want to prevent the use of child labour by raising awareness to identify children at work.

## **MANAGEMENT APPROACH:**

GRI 103-1 | 103-2 | 103-3

### *Why this is Material to Yoma Strategic*

Labour management includes basic labour practices such as those described by the ILO such as not hiring child labour or forced labour. This material issue also covers collective bargaining, freedom of association, and sub-issues as a minimum number of weeks' notice provided to employees prior to significant operational changes.

### *Management and Evaluation*

Yoma Strategic's Human Rights Policy sets out the Group's clear stance on Human Rights. This policy is publicly available on the Yoma Strategic's website at [http://www.yomastrategic.com/html/ir\\_code.php](http://www.yomastrategic.com/html/ir_code.php).

# BUILDING A BETTER MYANMAR FOR ITS PEOPLE – WITH ITS PEOPLE

GRI 102-7

Strongly committed to being a responsible employer in Myanmar, Yoma Strategic is setting the benchmark for domestic and international companies operating in the country. From state-of-the-art workplaces in its new corporate headquarters, The Campus at Pun Hlaing Estate, to the working conditions and career opportunities that the Group is bringing to all parts of Myanmar, Yoma Strategic is creating a work environment that reflects the best international business has to offer.

As of 31 March 2018, Yoma Strategic employed 4,065 employees in total. The Group's operations is made up of 36 corporate entities, the vast majority of which are based in Myanmar.

## Workforce by Gender and level of seniority

	YOMA STRATEGIC HEAD OFFICE	REAL ESTATE	AUTOMOTIVE	CONSUMER	FINANCIAL SERVICES	INVESTMENTS	TOTAL
<b>EXECUTIVES</b>							
<b>MALE</b>	4	1	2	1	1	1	10
<b>FEMALE</b>	6						6
<b>SENIOR MANAGEMENT</b>							
<b>MALE</b>	2	13	6	3	2	1	27
<b>FEMALE</b>	4	6	1	1	1		13
<b>NON EXECUTIVES</b>							
<b>MALE</b>	40	1,233	295	586	67	133	2,354
<b>FEMALE</b>	87	856	185	396	15	116	1,655
<b>GRAND TOTAL</b>							4,065

Source: Internal data

## BOARD DIVERSITY PLEDGE

The Board welcomes the push for greater diversity in the boardroom which can provide a more diverse approach to business decision making. The Company had, on 28 August 2015, supported the Board Diversity Pledge initiated by SID and SGX-ST where the Company pledged its commitment to promoting diversity as a key attribute of a well functioning and effective Board and belief that a diverse Board will enhance decision making by harnessing the variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of the members of the Board.

## DIVERSITY AND EQUAL OPPORTUNITY

### TARGET

- Number of managers undergo training on anti-harassment or how to deal with harassments: 50% of managers to be trained in FY2019.

## MANAGEMENT APPROACH:

GRI 103-1 | 103-2 | 103-3

### Why this is Material to Yoma Strategic

The Group recognises that employees are the foundation of its businesses and believes that a strong workforce will provide a better foundation to capitalise on the emerging opportunities in Myanmar. By nurturing their individual talents and providing them with opportunities for personal growth and career development, Yoma Strategic is helping its employees realise their full potential. As an organisation, the Group sees itself as a catalyst to empowering its people to perform at their best.

Yoma Strategic is committed to a working environment that is free of discrimination of any kind. As a committed nation-builder, the Group believes that it has to lead by example and ensure that internationally recognised best practices are established early in Myanmar's rapid development process.

The Group is a founding member of the Business Coalition for Gender Equality ("BCGE") and strives to be a role model to other companies in this regard.

# BUILDING A BETTER MYANMAR FOR ITS PEOPLE – WITH ITS PEOPLE

GRI 102-7

In December 2017, Yoma Strategic established a 10-member Group Diversity and Inclusion Council, which is chaired by the Head of Human Resources and includes nine members of the Yoma Group Executive Committee.

The Council is currently focusing on four initiatives:

- Building Leaders
- Unconscious Bias Training
- Policies
- Training & Awareness

## DIVERSITY AND INCLUSION @ YOMA STRATEGIC



### Management and Evaluation

The relevant principles and policies are reflected in the Group's Code of Conduct, which is publicly available on Yoma Strategic's website at [http://www.yomastrategic.com/html/ir\\_code.php](http://www.yomastrategic.com/html/ir_code.php).

All employee policies, practices and terms and conditions are non-discriminatory.

As members of the Business Coalition for Gender Equality, the Group is currently undergoing the Economic Dividends for Gender Equality EDGE Certification – the global assessment methodology and business certification standard for Gender Equality. The first two assessments will be completed early in FY2019 financial year and future goals and plans will be set based on the assessment report.

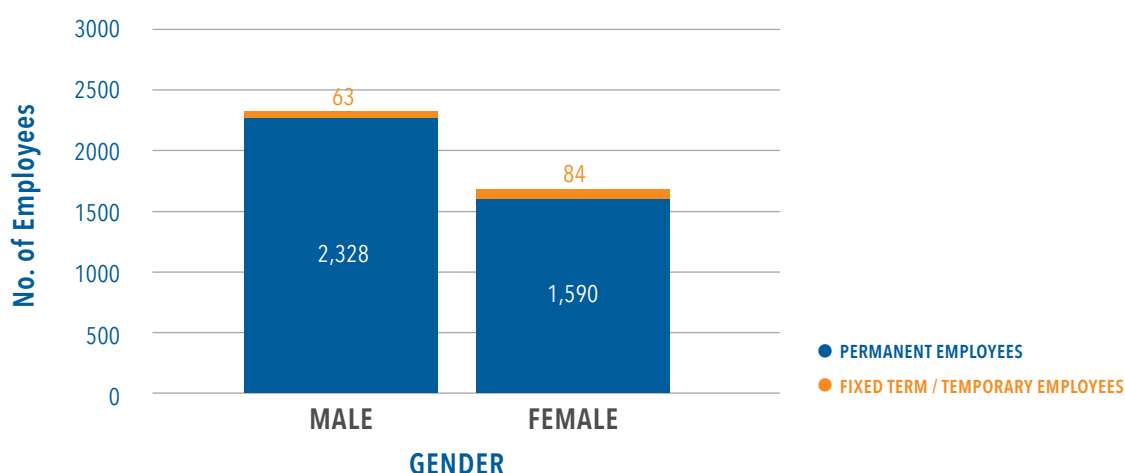
# BUILDING A BETTER MYANMAR FOR ITS PEOPLE — WITH ITS PEOPLE

GRI 102-7

## Employee Engagement

GRI 102-8

The Group invests in its people to build careers around a shared culture of fairness, diversity, empowerment and recognition. Successful employee engagement is a necessary requirement for the Group's ambitious growth plans and progress towards achieving its Mission. To track how Yoma Strategic is doing and to give its employees an opportunity to provide feedback, an employee survey is conducted periodically. Survey results have been overwhelmingly positive, which has led Human Resources to look into ways of getting more nuanced feedback from employees. Among the possibilities currently being evaluated is the use of new technologies to analyse the effectiveness of the Group's training programs. The Group will be reporting on its progress and the evolution of its employee engagement in future sustainability reports.



With the exception of one female part-time employee, all Group employees are full-time.

## Total Number of Employees by Employment Contract, by Country

REGION	PERMANENT	TEMPORARY	TOTAL
Myanmar	3,903	147	4,050
Singapore	15	0	15
Total	3,918	147	4,065

Data has been compiled by Yoma Strategic's Human Resources department and covers the following sectors and projects:

- Real Estate: Pun Hlaing Estate, StarCity, Yoma Central, Yoma Development Group, SPA Design
- Automotive: New Holland, JCB Yoma, Volkswagen, Mitsubishi Motors, Ducati
- Consumer: KFC, KOSPA
- Financial Services: Yoma Fleet
- Investments: Agriculture and Yoma Micro Power

## Merit-Based Employment

Merit-based employment means that all Group employees are given the same level of opportunities to succeed, regardless of their background. The Group understands the importance of giving its people autonomy and room to grow, both as individuals and as valued employees. As such, fulfilling careers are planned for and built upon the numerous opportunities constantly being generated within the Group.

# BUILDING A BETTER MYANMAR FOR ITS PEOPLE – WITH ITS PEOPLE

GRI 102-7

## Succession Planning

While senior management currently comprises a large number of expatriates who provide skills and expertise that would otherwise not be readily available in Myanmar. A key KPI of these managers is to appoint a local replacement to their position within five years. Meeting this KPI involves the planned and coordinated transfer of knowledge to local staff, which provides unique opportunities to the Group’s local employees based on their individual performance, and regardless of gender, religion, or cultural identity.

To support these activities, the Group has also established partnerships with private institutions such as the Global Institute For Tomorrow (“GIFT”) and the Singapore Institute of Management (“SIM”) to develop high impact training courses for the development of its future leaders.

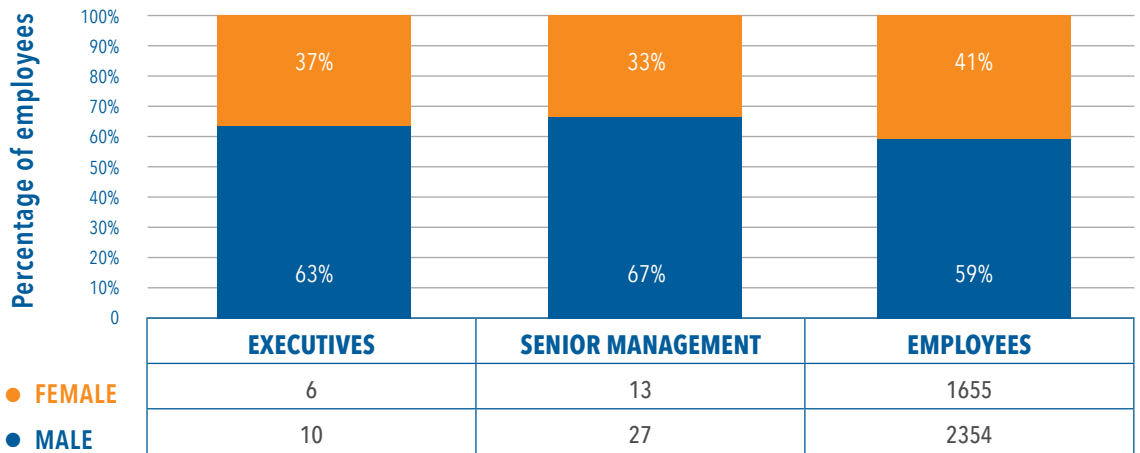
## Embracing Diversity

GRI 405-1 | 406-1

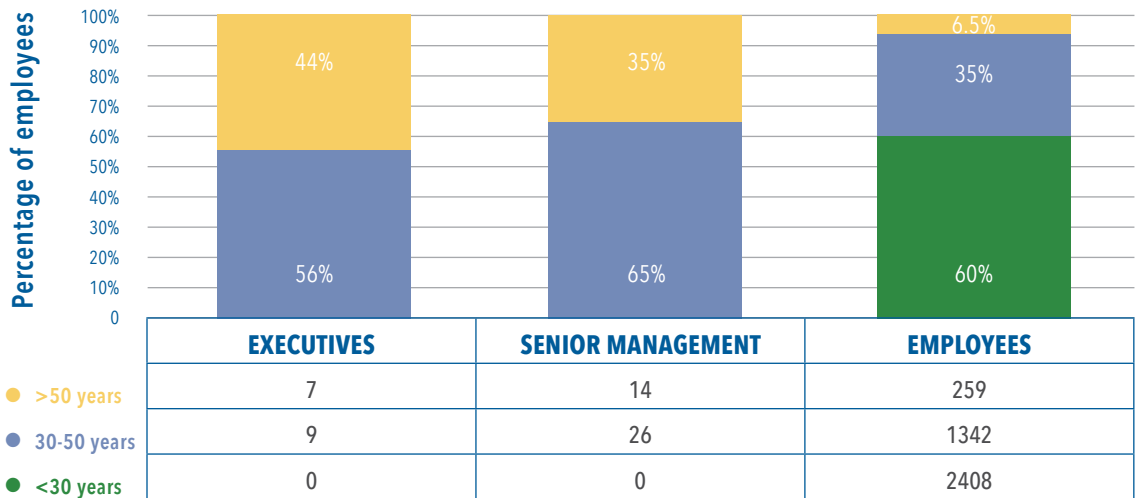
Yoma Strategic’s workforce consists of more than 24 nationalities as well as a large and growing number of returnees - Myanmar citizens returning home and joining the Group to build a better Myanmar for its people.

Lastly, the Group’s employment statistics show a balanced gender balance where female employees represent 41% and male employees represent 59%. No incidents of discrimination were recorded during the reporting period.

**EMPLOYEE CATEGORY AND GENDER**



**EMPLOYEE CATEGORY BY AGE**





# BUILDING A BETTER MYANMAR FOR ITS PEOPLE — WITH ITS PEOPLE

GRI 102-7

## TRAINING, DEVELOPMENT AND TALENT RETENTION

### TARGET

- Number of training hours 40,650 hours per year by FY2020.

### MANAGEMENT APPROACH:

GRI 103-1 | 103-2 | 103-3 | 404-1

#### *Why this is Material to Yoma Strategic*

The Group's Vision: The Group invests in its people to build careers around a shared culture of fairness, diversity, empowerment and recognition. As such the training, development and retention of talent in the organisation is very important to the Group.

#### *Management and Evaluation*

Key practices include:

- Employee Orientation
- Performance Appraisal
- Career Planning
- Training and Development

Developing the Group workforce means providing continuous learning opportunities for its employees. Training and development programs cover a wide variety of topics to equip its employees with the relevant knowledge and skill sets to achieve goals such as higher productivity, efficiency, and workplace harmony but also health and safety, human rights and sustainability-related topics. Health and Safety training relate to safety working in hot climates and confined spaces, handling electrical equipment, fire drills, etc.

Examples of training courses conducted in the reporting period include sustainability topics ranging from impacts of climate change, sustainable consumption, methodologies for obtaining sustainability certification, green meetings, resource efficiency, shared value, waste management and specifically how to eliminate single-use plastics and how to recycle to communicating on sustainability, materiality topics, SDGs, the Refill not Landfill campaign and general sustainability tips. During the reporting period, 21,976 hours of training were conducted for its employees.

#### *Caring for People*

GRI 407-1 | 408-1 | 409-1 | 412-2

The Group cares for its people and their welfare. As people will always be a vital resource in the organisation, employees are treated fairly and with respect. The Group believes in supporting the development of an organisational structure and culture that promotes motivation, performance, mutual respect, trust and transparency. This organisational structure is at the forefront of ethical behaviour in Myanmar.

Yoma Strategic is aware of the human rights risks in its operations and supply chain, including risks of child or forced labour, and operations and suppliers in which the right to freedom of association and collective bargaining may be at risk. It has rolled out training programs on human rights for its employees, and all new employees receive training in HR policies and procedures during their first month of employment. During the reporting period, all new employees were trained in human rights policies or procedures. Yoma Strategic also intends to conduct training on human rights for all new employees and is looking to introduce additional training on human rights for its existing employees in the next reporting period.

No cases of human rights breaches, violations or complaints were identified nor reported during this reporting period.

Trade Unions were legalised in Myanmar in 2012 and in 2015 the Confederation of Trade Unions of Myanmar ("CTUM") was officially recognised. It is an Umbrella body with various federations.

Currently, none of the Yoma Group businesses have Unions. As signatories to the UN Global Compact, Yoma Strategic recognises employees' right to belong to unions, and it also follows Myanmar Labour Law in this regard.

Yoma Strategic does not ask or require employees to disclose if they are members of CTUM or any other Union.

# BUILDING A BETTER MYANMAR FOR ITS PEOPLE — WITH ITS PEOPLE

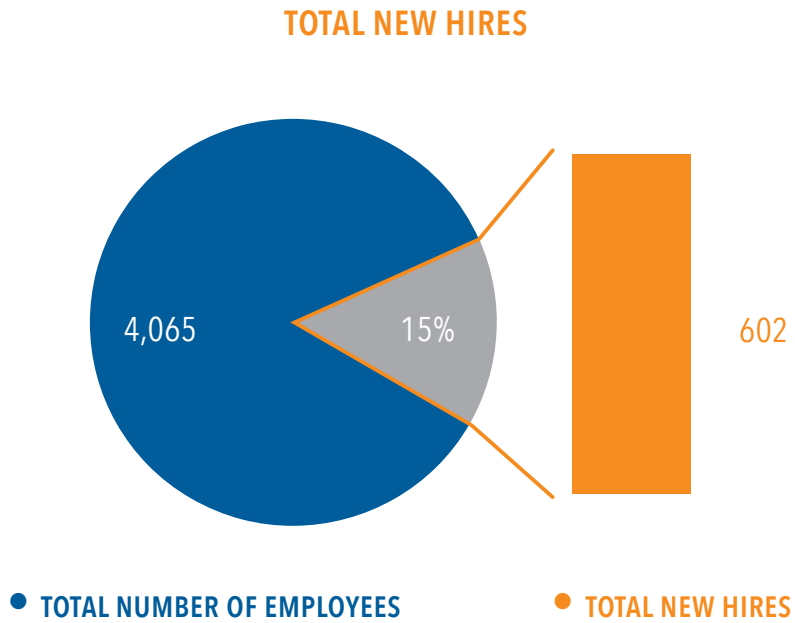
GRI 102-7

## Workforce Movement

GRI 401-1

As of 31 March 2018, the Group has a workforce of 4,065 employees, representing an increase of 17.4% compared to last year. The Group has been building up its Automotive & Heavy Equipment and F&B businesses. The number of New Holland / JCB branches and KFC stores have increased over the last two years. The increase in headcount was largely due to the expansion of these new businesses.

The opening up of Myanmar has led to increased competition for talent, however, the Group has been achieving a healthy retention rate. The hiring rate in FY2018 was 14.8% which was almost equal to the turnover rate of 15.0%.



NEW HIRES BY AGE GROUP	< 30 YEARS	30-50 YEARS	>50 YEARS	TOTAL
Number of New Hires	418	172	12	602
Rate of new hires (As a proportion of total number of employees)	10%	4%	0%	
Rate of new hires (As a proportion of no. of employees in age group)	17%	12%	4%	

# BUILDING A BETTER MYANMAR FOR ITS PEOPLE — WITH ITS PEOPLE

GRI 102-7

NEW HIRES BY GENDER	MALE	FEMALE	TOTAL
Number of new hires	334	268	602
Rate of new hires (As a proportion of total number of employees)	8%	7%	
Rate of new hires (As a proportion of no. of employees in gender group)	14%	16%	

NEW HIRES BY REGION	MYANMAR	SINGAPORE	TOTAL
Number of new hires	602	0	602
Rate of new hires (As a proportion of total number of employees)	15%	0%	
Rate of new hires (As a proportion of no. of employees in region)	15%	0%	

TURNOVER BY AGE GROUP	< 30 YEARS	30-50 YEARS	>50 YEARS	TOTAL
No. of voluntary turnover	396	195	16	607
No. of non-voluntary turnover	0	3	0	3
Rate of voluntary & non-voluntary turnover (As a proportion of total number of employees)	10%	5%	0%	
Rate of voluntary & non-voluntary turnover (As a proportion of no. of employees in age group)	16%	14%	6%	

TURNOVER BY GENDER	MALE	FEMALE	TOTAL
No. of voluntary turnover	377	230	607
No. of non-voluntary turnover	2	1	3
Rate of voluntary & non-voluntary turnover (As a proportion of total number of employees)	9%	6%	
Rate of voluntary & non-voluntary turnover (As a proportion of no. of employees in gender group)	16%	14%	

TURNOVER BY REGION	MYANMAR	SINGAPORE	TOTAL
No. of voluntary turnover	607	0	607
No. of non-voluntary turnover	3	0	3
Rate of voluntary & non-voluntary turnover (As a proportion of total number of employees)	15%	0%	
Rate of voluntary & non-voluntary turnover (As a proportion of no. of employees in region)	15%	0%	

# BUILDING A BETTER MYANMAR FOR ITS PEOPLE – WITH ITS PEOPLE

**5** GENDER EQUALITY

**8** DECENT WORK AND ECONOMIC GROWTH

## Case Study 3: Defining new standards as a responsible employer – Yoma Strategic and the KFC franchise

Yoma Strategic’s Human Resources department has a firm focus on local communities. Wherever possible, Yoma Strategic hires locally, especially outside of the Yangon region. As an example, about 97% of the staff in its KFC restaurants are local. The Group is similarly dedicated to diversity. About half of KFC’s staff in restaurant operations are female, including management positions such as the Heads of Restaurant Excellence, Area Coaches and Restaurant General Managers.

Partnering with strong brands with established track records on sustainability-related topics allows Yoma Strategic to leverage the economic power of these brands to create value propositions that may otherwise be hard to achieve locally. As Yoma Strategic’s CFO and Managing Director of its KFC business puts it: “The beauty of bringing international brands to this country is that it helps us to create awareness for social and HR topics.”

All parts of the Group, including its KFC outlets, have to follow Group policies on health and safety, anti-corruption, etc. In addition, the Environmental and Social Management System, which the Group has adopted, includes guidelines on employee and labour relations, working conditions, emergency preparedness and Environment and Social requirements on contractors and suppliers. Training hours for all employees are tracked (please see details in main section).

The evidence of the success is in the numbers: while globally, Quick Service Restaurants (“QSR”) can see turnover of up to 300% per year<sup>10</sup>, KFC Myanmar has only a 60% turnover.

Yoma Strategic supports career building with dedicated training and annual performance appraisals, which are conducted regularly to allow employees to prove that they are ready to advance to the next level in their careers.

Being an employer of choice is not just about ‘doing good’; investing in its workforce, combined with high retention rates, also creates economic value, allowing Yoma Strategic to grow stably and sustainably.



<sup>10</sup> KFC Myanmar Internal data

# BUILDING A BETTER MYANMAR FOR ITS PEOPLE — WITH ITS PEOPLE

## HEALTH AND SAFETY

### TARGET

- Average number of training hours per employee per year: 5% increased from FY2018.

### MANAGEMENT APPROACH:

GRI 103-1 | 103-2 | 103-3

#### *Why this is Material to Yoma Strategic*

Providing a healthy and safe work environment for employees, customers, business partners and visitors is one of Yoma Strategic's top priorities. Every employee has a personal responsibility to support this commitment.

Employees are obliged to carry out their work in a safe manner, without causing harm to themselves or others, and to report any potentially unsafe or unhealthy situations immediately.

They must observe and follow all safety and environmental regulations laid down in the operations instructions, including putting on the necessary safety equipment, where applicable.

#### *Management and Evaluation*

GRI 403-2

Key policies include:

- Code of Conduct
- Environmental, Health and Safety Policy

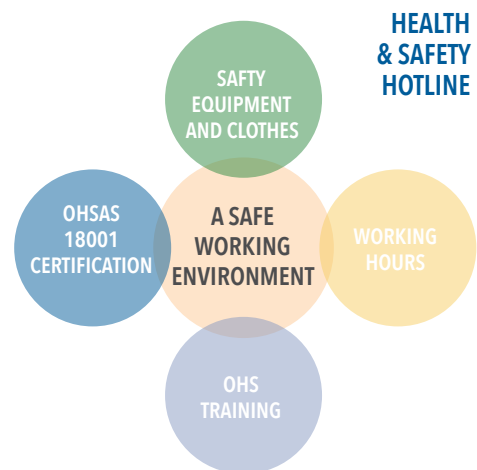
Details of these policies are publicly available on Yoma Strategic's website at [http://www.yomastrategic.com/html/ir\\_code.php](http://www.yomastrategic.com/html/ir_code.php).

An example of how we incorporate environmental and social considerations into business strategy, and allocate adequate resources to manage EH&S risks associated with projects, please see 'WhatsApp Occupational Health & Safety Hotline' below.

#### *WhatsApp Occupational Health & Safety Hotline*

Maintaining a safe and healthy working environment for its workforce is one of Yoma Strategic's top priorities. In the event of a workplace safety incident, the Managers of our Yoma Central and StarCity developments will report it directly to the Group's Head of Risk Management and Assurance, Ms Win Min Htwe through Yoma Strategic's WhatsApp Hotline for Occupational Health & Safety Reporting.

This Hotline was initiated by the Risk Management and Assurance Department to enable robust and instant communication of workplace incidents. The Group is planning to extend the hotline to all parts of its business operations.



# BUILDING A BETTER MYANMAR FOR ITS PEOPLE — WITH ITS PEOPLE

Safety data excludes Yoma Fleet, Ducati and Volkswagen. There were no fatalities or incidences of occupational diseases.

Injury Rate (no. of injuries per million man-hours worked)

	EMPLOYEE		OTHER WORKERS	
	MALE	FEMALE	MALE	FEMALE
FY2017	11.71	6.88	9.03	29.97

Lost Day Rate (no. of lost days per million man-hours worked)

	EMPLOYEE	
	MALE	FEMALE
FY2017	95.47	0

Injury types include animal bites, falls, and road accidents.

System of rules in reporting and recording accidents:

- Draft injury report is delivered within 24 hours and then full formal accident report is issued within 1 week
- The workers report to the estate medical officer for treatment and the medical officer records the number of people who only need first-aid level treatment
- The medical officer will report to the management for any important/serious cases of accidents
- Follows the government labour law and reports to top management and the risk management team

ABSENTEE RATE BY GENDER	MALE	FEMALE
Absentee Rate	0.11%	0.06%
Overall Absentee Rate	0.09%	

ABSENTEE RATE BY REGION	MYANMAR	SINGAPORE
Absentee Rate	0.09%	0%



# SECTION 2: PLANET

## YOMA STRATEGIC AND THE ENVIRONMENT: BALANCING THE NEED FOR RAPID DEVELOPMENT WITH GOOD STEWARDSHIP OF MYANMAR'S RESOURCES

**Balancing the need for rapid development with good stewardship of Myanmar's resources: Yoma Strategic is dedicated to safeguarding, and where possible, improving Myanmar's environment – for the people of Myanmar, and to ensure the sustainability of its own business.**

The Group is mindful of its environmental impact and aware of the complexities involved in topics like climate change and water preservation. Yoma Strategic considers its net impact on the environment to be positive, but many challenges remain in a country developing as rapidly as Myanmar.



# YOMA STRATEGIC AND THE ENVIRONMENT: BALANCING THE NEED FOR RAPID DEVELOPMENT WITH GOOD STEWARDSHIP OF MYANMAR'S RESOURCES

## CLIMATE CHANGE, ENERGY AND WATER USE, WASTE AND EFFLUENTS

### TARGET

- Collect baseline environmental data in FY2018 & FY2019 to set numeric target in FY2020.
- Reduce the use of plastics and minimise harm to the environment.

### MANAGEMENT APPROACH:

GRI 103-1 | 103-2 | 103-3

#### *Why this is Material to Yoma Strategic*

The management of climate-related risks and opportunities is an integral part of Yoma Strategic.

The Group has started collecting data across its subsidiaries to account for their emissions. A set of performance targets will help to reduce the Group's carbon emissions, energy and water consumption and waste. Data collected this year and next will be used as baseline data to set performance targets. The Group aims to set quantitative targets in FY2020. Meanwhile, it also aims to reduce single-use plastic and minimise harm to the environment.

1. Through its many business activities, the Group is impacting the environment and has implemented its policy on EH&S in support of a Group-wide Corporate Governance framework, to:

- foster greater awareness of sustainable approaches across the Group;
- enhance its capabilities to identify and manage adverse impacts from all business activities; and
- instil a culture of 'no harm, less pollution and wider conservation approaches to protect the environment' in all business operations.

More details of the EH&S policy are publicly available on Yoma Strategic's website at [http://www.yomastrategic.com/html/ir\\_code.php](http://www.yomastrategic.com/html/ir_code.php).

2. The Group is a signatory to and actively supports and promotes the 10 Principles of United Nations Global Compact, including the ones pertaining to the Environment:

- Principle 7: Businesses should support a precautionary approach to environmental challenges; and
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

In addition to the Group's Enterprise Risk Management Framework (for details, please see Yoma Strategic's Annual Report 2018, pages 78-81), the Group established an Environmental & Social Management System ("ESMS") in 2014 to enhance the business's resilience and agility. The Group's ESMS developed in line with the requirements of IFC's Performance Standards, is a complete set of Environmental & Social Management policies and procedures that provide a framework and guidelines to help the Group identify anticipated risks and their impact on each business and industry sector.

It has since been updated to comply with ADB's Safeguard Policy Statement requirements to achieve the following:

- Incorporate environmental and social considerations into business strategy, and allocate adequate resources to the ESMS risks associated with projects;
- Promote a safe, clean and healthy environment and a better work culture to minimise any adverse environment, health, safety and social impacts arising out of operations;
- Establish the ESMS system and processes to adhere to and comply with applicable legislation, regulations and other requirements pertaining to the environment, health, safety, labour and the community at large;
- Optimise energy and resources by way of minimising wastes and increasing use of environmentally sustainable products, materials and services;
- Monitor, report and improve applicable procedures and performances (where required) regularly; and
- Communicate the ESMS policy to all employees, contractors, suppliers and business partners.



# YOMA STRATEGIC AND THE ENVIRONMENT: BALANCING THE NEED FOR RAPID DEVELOPMENT WITH GOOD STEWARDSHIP OF MYANMAR'S RESOURCES

The ESMS highlights the Group's commitment to put in place adequate management systems and protocols that will help manage environmental and social risks arising from the various activities of the Group. It plays a key role in combating corruption and safeguarding compliance across the Group, its partners and Yoma Strategic's supply chain.

Climate change is both a local and global challenge. The Group is taking responsibility and is doing its part in the concerted effort to reduce greenhouse gas emissions: not only by reducing energy use in its operations (for example through the installation of solar panels on the rooftop of The Campus in March 2018), but also through its efforts towards reforming the agricultural sector and by bringing solar power to rural areas (see case studies below).

All building and non-building data in this section reflects Yoma Strategic's Headquarters: The Campus located in Yangon, Myanmar (it excludes Yoma Strategic's Singapore office) and the following businesses of Yoma Strategic:

- Yoma Land: Pun Hlaing Estate, StarCity, Yoma Central, Yoma Development Group (excluding SPA Design)
- Yoma Motors: Yoma Heavy Equipment, Volkswagen, Mitsubishi Motors, Ducati
- Yoma F&B<sup>11</sup>: KFC, KOSPA
- Yoma Financial Services: Yoma Fleet
- Investments: MAGT Agriculture and Yoma Micro Power

Yoma Micro Power generated 264,338MJ of solar power and sold it to telecom towers and communities in FY2018. Pun Hlaing Estate generated and consumed 285,562.8MJ of solar power.

KOSPA and YOMA Fleet are the only businesses under Yoma Strategic that has cooling consumption. Cooling consumption in FY2018 was 2,178,267.7 MJ.



<sup>11</sup> Data does not include Little Sheep and Auntie Anne's™ as they were announced in May 2018 and November 2018 respectively.

# YOMA STRATEGIC AND THE ENVIRONMENT: BALANCING THE NEED FOR RAPID DEVELOPMENT WITH GOOD STEWARDSHIP OF MYANMAR'S RESOURCES

## Energy Consumption

GRI 302-1

TOTAL ENERGY CONSUMPTION TABLE IN MJ

	FUEL CONSUMPTION (MJ)		RENEWABLE (MJ)	INDIRECT ENERGY CONSUMPTION		TOTAL ENERGY CONSUMPTION
	DIESEL CONSUMPTION	PETROL CONSUMPTION	SOLAR CONSUMPTION	COOLING CONSUMPTION	ELECTRICITY CONSUMPTION	
Buildings	11,529,349.1	13,928.7	285,562.8	2,178,267.7	48,987,349.3	62,994,456.0
Non Buildings	27,529,954.3	49,719.6	0.0	0.0	788,742.0	28,368,413.1
Total	39,059,303.4	63,648.3	285,562.8	2,178,267.7	49,776,091.3	91,362,869.1

Energy consumption data was calculated from utility bills and meters. Fuel properties were sourced from Greenhouse Gas Protocol Emission Factors from Cross Sector Tools, March 2017 version.

Detailed energy consumption of our four core businesses and other investments are in Annex page 70.

## Energy Intensity

GRI 302-3

The Group's energy intensity is 182.7 MJ/m<sup>2</sup>.

## Greenhouse Gas Emissions ("GHG")

### Total GHG Emissions Table

GRI 305-1 | 305-2

2017 GHG EMISSIONS (tCO <sub>2</sub> e)	
Scope 1	2,191
Scope 2	5,490
TOTAL	7,681

**Scope 1 (Direct emissions): Emissions** being released straight into the atmosphere by direct diesel consumption and petrol consumption<sup>12</sup>. Scope 1; emission factor is based on the GHG Protocol Emission Factors from Cross-Sector Tools (March 2017).

**Scope 2 (Energy indirect emissions): Emissions** being released into the atmosphere associated with consumption of electricity, heat, steam and cooling. Scope 2 Emission factor is based on ADB's 2017 Guidelines for Estimating GHG Emissions of ADB Projects.

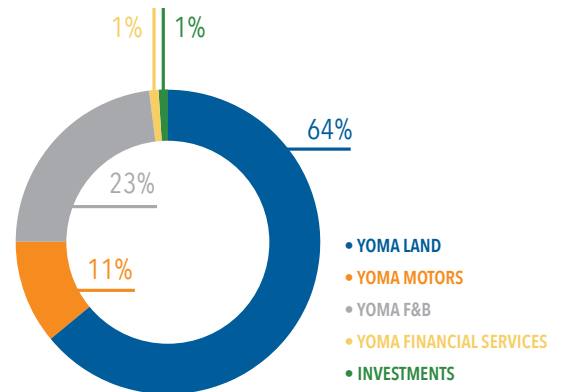
<sup>12</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/69282/pb13309-ghg-guidance-0909011.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69282/pb13309-ghg-guidance-0909011.pdf)

# YOMA STRATEGIC AND THE ENVIRONMENT: BALANCING THE NEED FOR RAPID DEVELOPMENT WITH GOOD STEWARDSHIP OF MYANMAR'S RESOURCES

Total GHG Emissions by tonnes of CO<sub>2</sub>e

TOTAL GHG EMISSIONS	
Yoma Land	4,899.6
Yoma Motors	834.4
Yoma F&B	1,780.4
Yoma Financial Services	49.3
Investments	117.4
<b>TOTAL</b>	<b>7681.10</b>

Total GHG Emissions by tonnes of CO<sub>2</sub>e



## Greenhouse Gas Emissions Intensity

GRI 305-4

The table below shows GHG intensity (including both Scope 1 and 2 emissions) for Yoma Strategic four core business divisions and our investments in tonnes of CO<sub>2</sub>e/m<sup>2</sup>.

GHG INTENSITY (SCOPE 1 AND 2 EMISSIONS) TONNES OF CO <sub>2</sub> e/m <sup>2</sup>	
Yoma Land	0.012
Yoma Motors	0.013
Yoma F&B	0.164
Yoma Financial Services	0.023
Investments	0.018

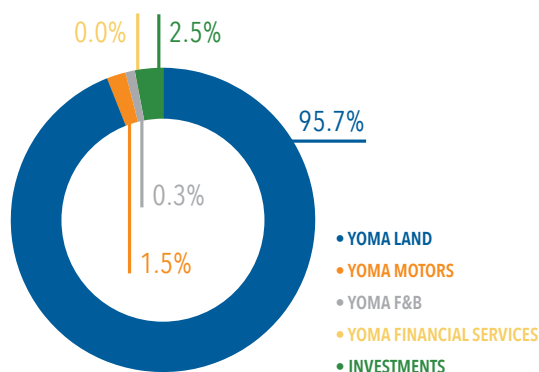
# YOMA STRATEGIC AND THE ENVIRONMENT: BALANCING THE NEED FOR RAPID DEVELOPMENT WITH GOOD STEWARDSHIP OF MYANMAR'S RESOURCES

## Water Consumption

GRI 303-1

TOTAL WATER CONSUMPTION IN CUBIC METERS	
Yoma Land	4,786,032
Yoma Motors	75,395
Yoma F&B	16,812
Yoma Financial Services	0
Investments	125,393
<b>TOTAL</b>	<b>5,003,632</b>

Total Water Consumption in cubic meters



Most of the Group's real estate and automotive use groundwater. Water data includes nine Yoma Heavy Equipment branches, Ducati, Volkswagen, MAGT, Pun Hlaing Estate's buildings, The Campus, StarCity's buildings, KFC restaurants, Pun Hlaing Estate and StarCity golf courses, MAGT's coffee plantation and Mitsubishi. It should be noted that some of the Group companies do not know how much water they consume, as water is taken directly from the well and metering is not available. As Myanmar's infrastructure improves, the Group will be including additional data in future sustainability reports.

## Waste

GRI 306-2

TYPE OF WASTE	DISPOSAL METHOD	WEIGHT (TONNE)
<b>HAZARDOUS WASTE</b>	Reused	1
	Disposed in landfill	36
	<b>Total</b>	<b>37</b>
<b>NON-HAZARDOUS WASTE</b>	Reused	16,981
	Recycled	2,456
	Disposed in landfill	84,906
	<b>Total</b>	<b>104,343</b>

Waste is disposed directly by entities of Yoma Strategic.

# YOMA STRATEGIC AND THE ENVIRONMENT: BALANCING THE NEED FOR RAPID DEVELOPMENT WITH GOOD STEWARDSHIP OF MYANMAR'S RESOURCES

7 AFFORDABLE AND  
CLEAN ENERGY



## *Waste reduction at Yoma Strategic*

Yoma Strategic is raising awareness on reducing the use of single use plastics and the importance of recycling to reduce items being sent to landfill.

The 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 partners venues, including The Campus, Yoma Heavy Equipment branches, Yoma Bank branches, Pun Hlaing Estate and StarCity Country Clubs, and Golf Courses, shops, hotels and restaurants.

Yoma Strategic is implementing guidelines in its procurement practices to substantially reduce waste generation through prevention, reduction, recycling and reuse. Instead of using plastic bottles at its head office, Yoma Strategic uses glass jars to refill from 20L water dispensers. This has had an impact of a yearly reduction on plastic bottles ending in our landfills of over 13,200 bottles per year and economic savings of 89.5%.

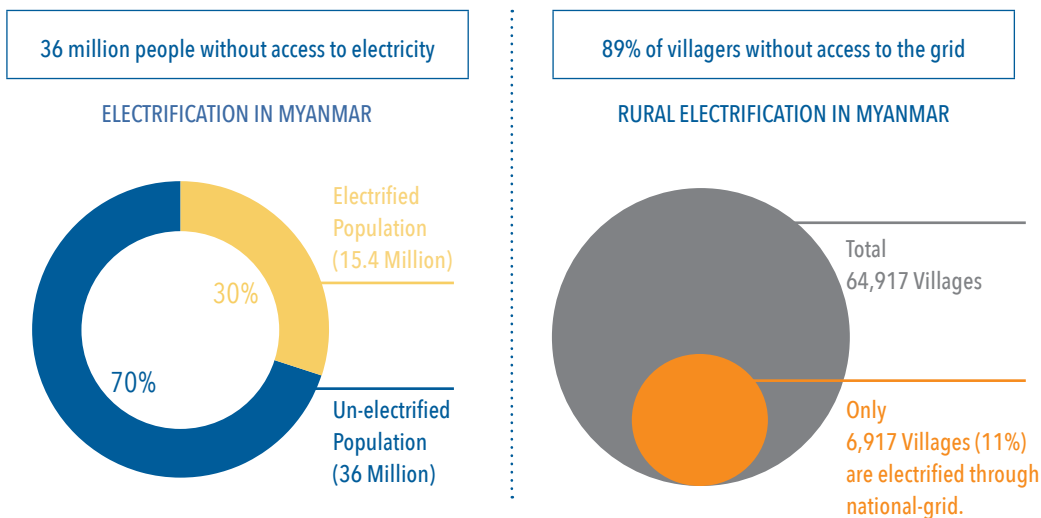


# YOMA STRATEGIC AND THE ENVIRONMENT: BALANCING THE NEED FOR RAPID DEVELOPMENT WITH GOOD STEWARDSHIP OF MYANMAR'S RESOURCES

## Case Study 4: Power to the People – Building Micro Grids in Myanmar's Remote Areas

GRI 305-5

Today, 70% of Myanmar's population – 36 million people, mostly living in rural areas – are still living without access to electricity<sup>13</sup>.



\*Majority of the un-electrified population are in rural areas

By 2030, Myanmar's electricity demand is expected to be 80,000 GWh - more than six times current consumption<sup>14</sup>. Power generation capacity is not growing quickly enough to meet this rapidly growing national demand and, most importantly, it will not be possible to economically expand the grid into rural areas that have the greatest need to meet SDGs Goal 7 of 100% electrification by 2030.

Without access to electricity, the majority of Myanmar's people will not be able to lift themselves out of poverty. They will not be able to start businesses, find the means to provide their children with a decent education or protect themselves from life's hardships. In order to address this issue and provide an alternative energy solution, Yoma Strategic, in partnership with the Rockefeller Foundation, the World Bank, ADB and USAID, is a founding member of the Smart Power Myanmar initiative.

The Smart Power Myanmar initiative is designed to address these issues by advancing public-private partnerships to accelerate universal rural electrification in Myanmar through decentralised electrification pathways. Smart Power Myanmar will seek to support and coordinate stakeholders in the off-grid/mini-grid industry through market research, information sharing, village-level microfinance, and policy development.

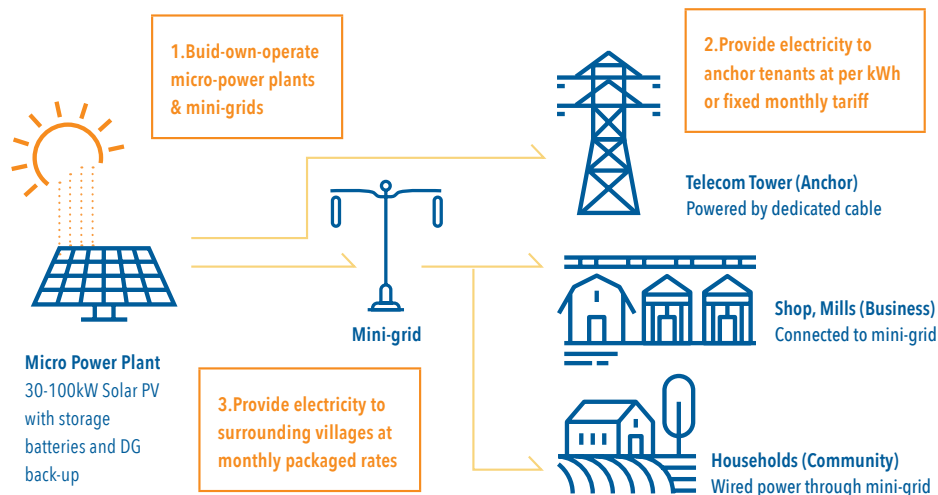
The Group's joint venture company, Yoma Micro Power, will operate both off-grid and grid-connected solar micro power plants with an individual capacity between 30-100kW. Each power plant will come with battery storage and diesel generator backup to ensure uninterrupted service. Long-term power purchase agreements will be put in place with commercial users (e.g. telecommunications towers) as "anchor tenants", while individual customers in the surrounding rural communities will get access through a pre-paid model.

<sup>13</sup> The World Bank. "Project Appraisal Document for a National Electrification Project". 25 August 2015.

<sup>14</sup> Billen, Dieter. "Electrifying Myanmar's power grids". Myanmar Times. 17 Aug 2016. Available at: <https://www.mmtimes.com/business/22004-electrifying-myanmar-s-power-grids.html>

# YOMA STRATEGIC AND THE ENVIRONMENT: BALANCING THE NEED FOR RAPID DEVELOPMENT WITH GOOD STEWARDSHIP OF MYANMAR'S RESOURCES

## Case Study 4: Power to the People – Building Micro Grids in Myanmar's Remote Areas



Below are examples demonstrating the power of shared value from the Group's investment in Yoma Micro Power:

- Villages that have no access to electricity today (nor any hope of electrification in the foreseeable future) will get access to stable, clean and affordable energy without having to wait for major infrastructure investments.
- Businesses that rely on electricity will be able to expand into rural areas, providing an entirely new quality of life to residents as well as business opportunities for Myanmar's next generation of entrepreneurs.
- Some of the electricity will be dedicated to powering telecommunications towers, facilitating the expansion of mobile networks into rural areas and improving the connectivity of Myanmar's population.
- Utilising clean renewable energy to underpin this network allows Myanmar to avoid fossil fuel-based development at its inception

By deploying these decentralised, renewable energy power plants, Yoma Micro Power can expand electricity access while avoiding significant amounts of GHG emissions. In total, Yoma Micro Power made total community investments of US\$2,000,000 as of 31 March 2018 across 10 micro power plants in Sagaing Region. All 10 power plants are providing a lease payment to a village landowner. Four of the ten power plants are providing electricity to members of the village. The remaining six micro power plants provide power only to the telecommunications towers. All 10 plants avoid the greenhouse gasses associated with running a diesel generator 24/7 as was being done before to power the telecommunication towers.

Yoma Micro Power is currently operating ten pilot sites in Sagaing region, and the intention is to scale up operations to more than two thousand sites over the next few years. Yoma Strategic is extremely excited about the potential of this initiative and look forward to reporting on the progress and the impact this is having on local communities in its future reports.

### Key performance data:

- 10 micro power plants & four mini-grids in off-grid, rural areas in Sagaing Region
- Total pilot installation = 165 kW of solar power
- Daily generation from solar = 540 kWh
- Annual generation = 197 MWh
- Annual Diesel Savings = 62,500 l
- Annual reduction in CO<sub>2</sub> = 167.305 ton
- Equivalent number of trees planted = 6,700

# YOMA STRATEGIC AND THE ENVIRONMENT: BALANCING THE NEED FOR RAPID DEVELOPMENT WITH GOOD STEWARDSHIP OF MYANMAR'S RESOURCES



## *Case Study 5: Driving Change – Navigating the challenges in modernizing Myanmar's automotive sector*

In its day-to-day work in Myanmar's rural areas, the Group is already observing some of the effects of climate change. Local microclimate zones are shifting and changing precipitation patterns are increasingly putting the harvests of Myanmar's farmers at risk. Emissions are therefore a material issue in the eyes of many of stakeholders, and the Group is subject to significant scrutiny – because of this, Yoma Strategic is advocating the government tightens the current standards for the automotive industry.

So far, the government has proposed making only the outdated Euro 3 standard mandatory by 2020<sup>15</sup>. This creates obvious problems for the environment and less obvious ones for business operations: The Group is currently working to determine if for example, it will be possible to operate a Volkswagen Euro 4 car in Myanmar, as the available fuel is not compatible. Myanmar is currently still using high Sulphur grades with up to 500ppm Sulphur in standard diesel fuel and 50ppm in premium diesel. The requirement for Euro 5 would be 10ppm. Better fuel is being imported from Singapore but frequently ends up contaminated.

Yoma Strategic has therefore started to lobby the government in collaboration with the European chamber of commerce, to raise emissions and fuel standards – for the environment, the people of Myanmar, and sustainable growth for Yoma Strategic and the economy in general.

This work also extends to road safety for cars and motorcycles. Where the Group is advocating the introduction of mandatory helmet use and the adoption of international standards, contrasting with, for example, Thailand where proprietary standards require separate certification for motorcycle helmets. The outcome of such regulations can end up being paradoxical, as many international brands with proven safety records have ended up being excluded from the Thai market.

The hope is to achieve a better outcome for the people of Myanmar, progress will be reported on in the Yoma Strategic's next sustainability report.

<sup>15</sup> Interview with Mr. Michael Rudenmark, Managing Director of Automotive.







# SECTION 3: PROFIT

## THE BUSINESS CASE FOR SUSTAINABILITY IN MYANMAR

Given the many challenges that Myanmar is facing today, sustainability is an essential requirement of any viable long-term strategy for sustained commercial success. The Group is looking to harness the potential of a Shared Value Approach to generate economic value.

One example of this is the combined effects of developing alternatives to a centralised grid (Case Study 4) which in turn enables the development of rural telecommunication networks. This then drives the adoption of Wave Money in rural communities - all of which leads to significant improvements in the quality of life and the opportunities available to these communities.

Yoma Strategic is acutely aware of both the risks and the opportunities arising from sustainability and it has established strong governance structures around these issues. Sustainability is the key to unlocking the Group's full economic potential and securing its long-term viability as it continues to make significant contributions to Myanmar's rapid development.

Each business entity has been engaged with the Group's Head of Sustainability to develop projects that drive sustainability through efficiency or cost savings and deliver attractive investment returns. Such projects are used as case studies to emphasise the commercial benefits of sustainability for the Group. Examples of this include Yoma Micro Power and Wave Money (Case Studies 2 and 4).

Yoma Strategic's strong commitment to integrity has allowed it to partner with the UNGC and engage with IFC and ADB. This in turn has strengthened the Group's economic position, allowing it to create frameworks benefiting its employees and local communities, and ultimately creating a virtuous cycle that puts the Group in an excellent position to make significant contributions to nation-building in Myanmar.

For more information on the management approach related to Economic Performance, please refer to the Yoma Strategic Annual Report 2018. Targets relating to material ESG issues can be found on pages 53 and 57 of the Report.



# OUTLOOK — WHAT YOU CAN EXPECT FROM YOMA STRATEGIC IN THE YEARS AHEAD

Last year, the Group embarked on its sustainability reporting journey for the first time, and is proud of the efforts in overcoming various challenges to produce this inaugural report that is beyond mere compliance with SGX requirements and the GRI Standards: Core option. However, the Group has expectations of itself for continuous improvement.

With regard to reporting, the Group is committed to expanding the scope of performance data and to close disclosure gaps. Our Sustainability Targets will be included in our Performance Review criteria in FY2019. The Group will continue to collect baseline data for target setting for all its material ESG issues and provide better disclosure of its supply chain.

The Group understands that performance speaks for itself and is therefore committed to improving its performance based on targets set for its material ESG issues this year. In particular,

it's looking to increase training hours of its employees from 21,976 hours in FY2018 to 40,650 hours by FY2020, as well as introducing a new training on how to deal with harassment for 50% of all our managers in FY2019 and for all staff in subsequent years.

Conscious of global and regional sustainability trends and issues, the Group will also continue its work on the elimination of single use of plastics and to be active in the fight to eliminate malaria in Asia Pacific, especially in Myanmar by 2030, where more than 32 million people in the country (around 60% of Myanmar's population) are at risk of malaria<sup>16</sup>.

The Group hopes to obtain B Corp sustainability certification for some of its companies in the near future and it will continue its work to support the United Nations Sustainable Development Goals.

<sup>16</sup> World Malaria Report 2017, WHO



# ABOUT THIS REPORT

GRI 102-45 | 102-46 | 102-50 | 102-52 | 102-54 | 102-56

Yoma Strategic is pleased to present its inaugural sustainability report, which covers the reporting period 1 April 2017 to 31 March 2018. Henceforth, a sustainability report will be published on an annual basis. This sustainability report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core option. The report is aligned with the Singapore Exchange ("SGX") Sustainability Reporting Guide.

The scope of this report covers approximately 80% of the Group's revenues and more than 80% of the Group's total of assets in Singapore and Myanmar. Operations in China as well

as companies and joint ventures where Yoma Strategic holds a share of less than 50% are excluded from the scope of this report<sup>17</sup> (with the exception of Yoma Central 48% and Yoma Micro Power 33%). A complete overview of the Group's entities can be found on page(s) 12-13. This report has not been assured by a third party, but the Group is planning to seek external assurance for future reports, once Yoma Strategic has completed the intended deep integration of sustainability into its operations and verified that all management systems are reliably producing the required metrics.

<sup>17</sup> GRI Standards disclosure 102-45



# STAKEHOLDER ENGAGEMENT AND MATERIALITY

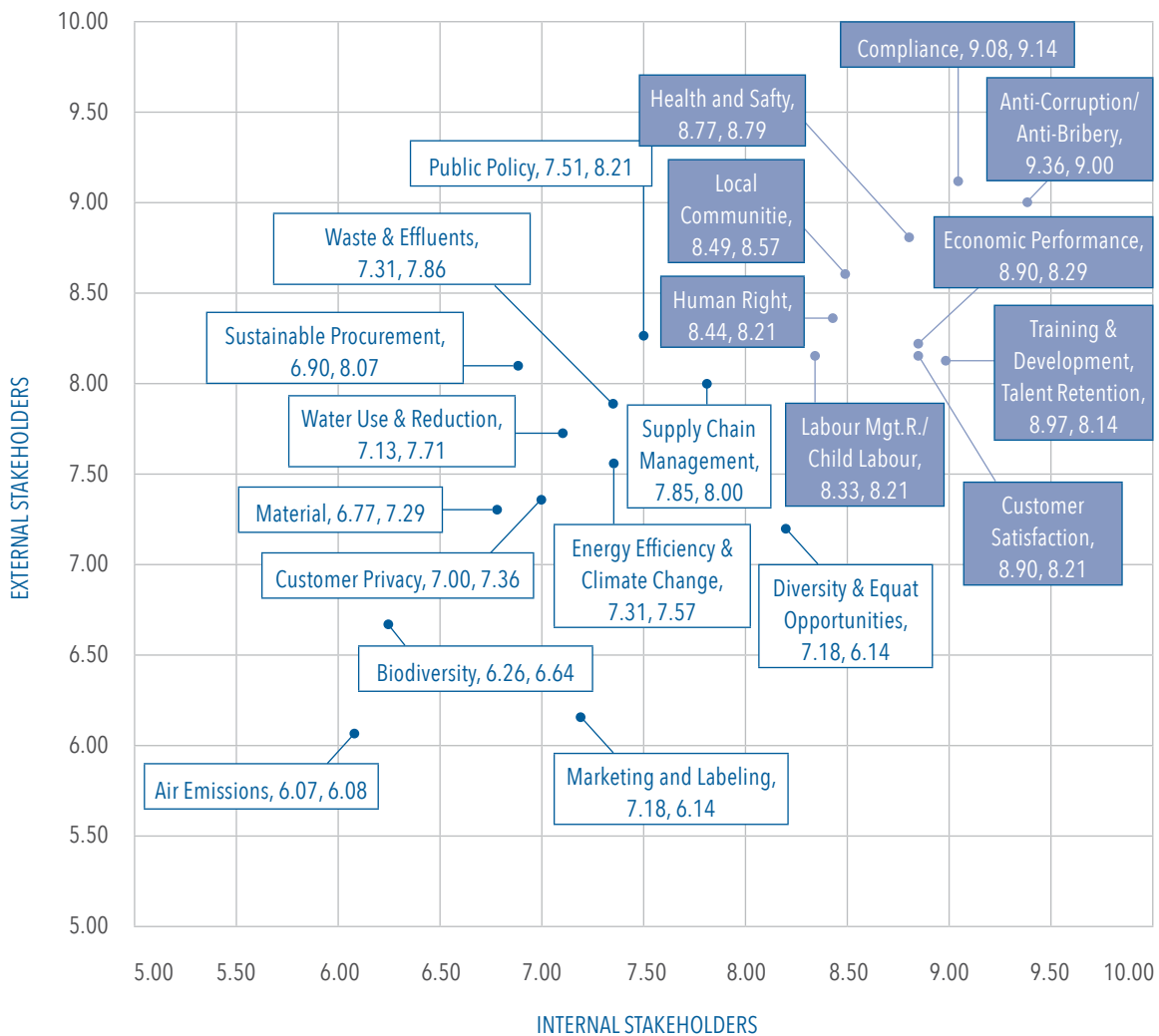
GRI 102-40 | 102-42 | 102-43

In 2018, the Group conducted a materiality assessment and an extensive stakeholder engagement survey for all key stakeholders to gather input on the significant impact of its business. An independent sustainability consultant facilitated the materiality assessment process, which was aligned with GRI Standards and AA1000.

The survey was sent to more than 90 internal and external stakeholders, including regulators, community leaders, business partners, suppliers, customers, employees and representatives from Yoma Strategic's Board of Directors. The stakeholder response rate was a strong 56% and the valuable feedback from this survey was considered in the final determination of the Group's key material issues.

Furthermore, the Group hosted an internal materiality assessment workshop to agree the material issues facing the Group. A wide range of economic, environmental, social and governance topics were identified with the support of an independent consultant through a gap analysis, peer benchmarking and a review of material topics from two international frameworks, the GRI Standards and Sustainability Accounting Standards Board ("SASB").

As a result of the stakeholder engagement survey and the workshop, the Group has determined the materiality matrix for its 2017/2018 fiscal year.



**Figure 1 Materiality Matrix**

After the workshop, Mr. Serge Pun, Executive Chairman and Mr.Melvyn Pun, CEO were engaged through interviews to verify the material issues and approved the following nine key material topics for Yoma Strategic:

# STAKEHOLDER ENGAGEMENT AND MATERIALITY

GRI 102-40 | 102-42 | 102-43

KEY MATERIAL TOPICS	BOUNDARIES	
	WHERE THE IMPACTS OCCUR	INVOLVEMENT
Anti-Corruption & Public Policy	● ●	◆ ◆
Compliance	●	◆
Climate Change, Energy & Water Use, Waste & Effluents	● ●	◆ ◆
Diversity & Equal Opportunity	●	◆
Economic Performance	●	◆
Health & Safety	● ●	◆ ◆
Labour Management Relations, Child Labour, Forced Labour, Collective Bargaining	● ●	◆ ◆
Training, Development & Talent Retention	● ●	◆ ◆
Local Communities	● ●	◆ ◆

Legend:

- Internally: ●                      Direct: ◆
- Business Partners: ●        Indirect: ◆

These key material issues were presented to the Board and approved in May 2018.



# STAKEHOLDER ENGAGEMENT AND MATERIALITY

GRI 102-40 | 102-42 | 102-43

Yoma Strategic is committed to nurturing its employees and values the partnerships with its customers, local communities, business partners, investors and other stakeholder groups. The Group has in place various different channels and platforms to help it communicate with stakeholders to better understand their needs. Please see the table below for an overview of these platforms and topics raised by key stakeholders.

STAKEHOLDERS <sup>18</sup>	HOW THE GROUP LISTENS <sup>19</sup>	WHAT THEY HAVE SAID	WHAT THE GROUP IS DOING <sup>20</sup>
BUSINESS PARTNERS AND SUPPLIERS	<ul style="list-style-type: none"> <li>Email and phone communication</li> <li>Bi-weekly meetings with contractors</li> <li>Weekly site visits</li> </ul>	Key sustainability topics (material issues)	Stakeholder consultation Sharing policies and Code of Conduct
COMMUNITIES	<ul style="list-style-type: none"> <li>Ad hoc meetings</li> <li>Feedback channel</li> <li>Volunteering</li> <li>Sponsorship</li> <li>Ad hoc media relations</li> <li>Ad hoc printed communication (Flyers)</li> </ul>	Good reputation Appreciation Always ready to give a hand	Yoma Yangon Marathon Yoma Micro Power World Earth Hour Clean up activities Fundraising for a natural disaster, for education, Firefighting for communities Creating job opportunities
CUSTOMERS	<ul style="list-style-type: none"> <li>Customer service channels</li> <li>Email and phone communication</li> </ul>	Feedback to improve service products	Quality Control
EMPLOYEES	<ul style="list-style-type: none"> <li>Annual performance reviews</li> <li>Events</li> <li>Email and phone communication</li> <li>Intranet</li> <li>OHS Hotline</li> <li>Whistle Blowing</li> </ul>	Proud of being a part of Group Provide full facilities Get good image by working in group	Training and development Healthcare Safety Creating safe workplace Myanmar New Year celebrations
INVESTORS	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Quarterly Results</li> <li>Announcements released on SGX-ST counter</li> <li>Annual Report</li> <li>Email and phone communication</li> <li>Corporate website</li> <li>Ad hoc meetings</li> </ul>	There has been a positive and increasing focus from investors on ESG reporting in recent years.	In 2017, Yoma Strategic welcomed its Group Head of Sustainability to the team.
FINANCIAL INSTITUTIONS, INCLUDING IFC, ADB	<ul style="list-style-type: none"> <li>Site Visit</li> <li>Email and phone Communication</li> <li>Website</li> </ul>	Apply guidelines Never miss to report	Quarterly Report Annual Report Implementing Environmental management @ construction site
NGOS (SUCH AS WWF, USAID, THE NATURE CONSERVANCY, ROCKEFELLER FOUNDATION)	<ul style="list-style-type: none"> <li>Visits and Meetings</li> <li>Partnerships</li> <li>Events and Conferences</li> </ul>	Open to collaboration in joint projects	Joint events (Earth hour, World Clean Up Day, etc.) and programs
REGULATORS	<ul style="list-style-type: none"> <li>Briefings</li> <li>Site inspections</li> <li>Renewal of government approvals</li> <li>Consultations with statutory bodies</li> </ul>	Appreciation Good feedback for complying with national regulations	Presentations, meetings

<sup>18</sup> GRI Standards disclosure 102-40

<sup>19</sup> GRI Standards disclosure 102-43

<sup>20</sup> GRI Standards disclosure 102-44

# GRI CONTENT INDEX

GRI 102-55

GRI STANDARDS	DISCLOSURE NUMBER AND TITLE	PAGE REFERENCE AND REMARKS
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<b>ORGANISATION PROFILE</b>		
GRI 102: General Disclosures 2016	102-1 Name of the organization	About Yoma Strategic Holdings, p10
	102-2 Activities, brands, products, and services	About Yoma Strategic Holdings, p10 Annual Report 2018, Business Segments, p7
	102-3 Location of headquarters	About Yoma Strategic Holdings, p10 Building a better Myanmar For Its People, p37
	102-4 Location of operations	About Yoma Strategic Holdings, p10 Annual Report 2018, Business Segments, p9, Notes to the Financial Statements, p193-197
	102-5 Ownership and legal form	About Yoma Strategic Holdings, p10
	102-6 Markets served	Yoma Strategic's Core Businesses and Portfolio of Investments, p 14-16 Annual Report 2018, Business Segments, p6
	102-7 Scale of the organization	About Yoma Strategic Holdings, p10,13 Building a better Myanmar for its people - with its people, p37 Annual Report 2018, Business Segments, p8
	102-8 Information on employees and other workers	Building a better Myanmar for its people - with its people, p39 A significant portion of Yoma Strategic's construction activities are performed by contractors.
	102-9 Supply chain	Partnerships for a Better Myanmar, p31
	102-10 Significant changes to the organization and its supply chain	Annual Report 2018, CEO's Statement, p14-17
	102-11 Precautionary Principle or approach	United Nations Global Compact Principles, p13
	102-12 External initiatives	External Initiatives and Membership of Associations, p25
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GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of behavior	Message from the CEO, p8 Governance and Risk Management at Yoma Strategic, p22 Built on a Foundation of Trust, p29

GRI STANDARDS	DISCLOSURE NUMBER AND TITLE	PAGE REFERENCE AND REMARKS
<b>GENERAL DISCLOSURES</b>		
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GRI 102: General Disclosures 2016	102-18 Governance structure	Yoma's Strategic's Governance Structure, p23 Yoma Strategic's Sustainability Governance, p24
<b>STAKEHOLDER ENGAGEMENT</b>		
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	Stakeholder Engagement and Materiality, p62
	102-41 Collective bargaining agreements	Nil
	102-42 Identifying and selecting stakeholders	Stakeholder Engagement and Materiality, p60
	102-43 Approach to stakeholder engagement	Stakeholder Engagement and Materiality, p62
	102-44 Key topics and concerns raised	Stakeholder Engagement and Materiality, p62
<b>REPORTING PRACTICE</b>		
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	Yoma Strategic's Group Structure, p12 About this report, p59
	102-46 Defining report content and topic Boundaries	About this report, p59-61
	102-47 List of material topics	Overview of Yoma Strategic's Material ESG Issues, p17
	102-48 Restatements of information	Not applicable as this is Yoma Strategic's inaugural report.
	102-49 Changes in reporting	Not applicable as this is Yoma Strategic's inaugural report.
	102-50 Reporting period	About this report, p59
	102-51 Date of most recent report	Not applicable as this is Yoma Strategic's inaugural report.
	102-52 Reporting cycle	About this report, p59
	102-53 Contact point for questions regarding the report	Message from the CEO, p8
	102-54 Claims of reporting in accordance with the GRI Standards	About this report, p59
	102-55 GRI content index	GRI Content Index, p63-69
102-56 External assurance	About this report, p59	
<b>ECONOMIC PERFORMANCE</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	The business case for Sustainability in Myanmar, p57 Stakeholder Engagement and Materiality, p61 Annual Report 2018, Chairman's Statement, p10-13, CEO's Message, p14-17
	103-2 The management approach and its components	Annual Report 2018, Chairman's Statement, p10-13, CEO's Message, p14-17, Business Review p44-65
	103-3 Evaluation of the management approach	Annual Report 2018, Chairman's Statement, p10-13, CEO's Message, p14-17
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Yoma Strategic's Core Businesses and Portfolio of Investments, p18



GRI STANDARDS	DISCLOSURE NUMBER AND TITLE	PAGE REFERENCE AND REMARKS
GENERAL DISCLOSURES		
ANTI-CORRUPTION		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	United Nations Global Compact Principles, p12 Built on a foundation of trust, p29-30 Stakeholder Engagement and Materiality, p61
	103-2 The management approach and its components	Built on a foundation of trust, p29-30
	103-3 Evaluation of the management approach	Built on a foundation of trust, p29-30
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Built on a foundation of trust, p29-30
ENERGY		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Yoma Strategic and the environment, p48 Stakeholder Engagement and Materiality, p61
	103-2 The management approach and its components	Yoma Strategic and the environment, p48-49,54-56
	103-3 Evaluation of the management approach	Yoma Strategic and the environment, p48-49,54-56
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Yoma Strategic and the environment, p49
	302-3 Energy intensity	Yoma Strategic and the environment, p50
WATER		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Yoma Strategic and the environment, p48 Stakeholder Engagement and Materiality, p61
	103-2 The management approach and its components	Yoma Strategic and the environment, p48-49
	103-3 Evaluation of the management approach	Yoma Strategic and the environment, p48-49
GRI 303: Water 2016	303-1 Water withdrawal by source	Yoma Strategic and the environment, p52

GRI STANDARDS	DISCLOSURE NUMBER AND TITLE	PAGE REFERENCE AND REMARKS
<b>MATERIAL TOPICS</b>		
<b>EMISSIONS</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Yoma Strategic and the environment, p48 Stakeholder Engagement and Materiality, p61
	103-2 The management approach and its components	Yoma Strategic and the environment, p48-49,54-56
	103-3 Evaluation of the management approach	Yoma Strategic and the environment, p48-49,54-56
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Yoma Strategic and the environment, p50
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Yoma Strategic and the environment, p50
GRI 305: Emissions 2016	305-4 GHG emissions intensity	Yoma Strategic and the environment, p51
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	Case Study 4: Power to the People – Building Micro Grids in Myanmar’s Remote Areas, p54-55
<b>EFFLUENTS AND WASTE</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Yoma Strategic and the environment, p48 Stakeholder Engagement and Materiality, p61
	103-2 The management approach and its components	Yoma Strategic and the environment, p48,53
	103-3 Evaluation of the management approach	Yoma Strategic and the environment, p48,53
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	Yoma Strategic and the environment, p52
<b>ENVIRONMENTAL COMPLIANCE</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Governance and Risk Management at Yoma Strategic, p22 Stakeholder Engagement and Materiality, p61
	103-2 The management approach and its components	Governance and Risk Management at Yoma Strategic, p22 Yoma Strategic and the environment, p48-49
	103-3 Evaluation of the management approach	Governance and Risk Management at Yoma Strategic, p22
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	There were no significant fines or non-monetary sanctions for non-compliance with environmental laws or regulations.
<b>EMPLOYMENT</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Building a better Myanmar for its people – with its people, p41 Stakeholder Engagement and Materiality, p61
	103-2 The management approach and its components	Building a better Myanmar for its people – with its people, p41,44
	103-3 Evaluation of the management approach	Building a better Myanmar for its people – with its people, p42-44
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Building a better Myanmar for its people – with its people, p42-43

GRI STANDARDS	DISCLOSURE NUMBER AND TITLE	PAGE REFERENCE AND REMARKS
<b>MATERIAL TOPICS</b>		
<b>LABOUR-MANAGEMENT RELATIONS</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Building a nation starts with its people: Yoma Strategic's business focuses on the people of Myanmar - in its workforce and the community at large, p36 Stakeholder Engagement and Materiality, p61
	103-2 The management approach and its components	Building a nation starts with its people: Yoma Strategic's business focuses on the people of Myanmar - in its workforce and the community at large, p36
	103-3 Evaluation of the management approach	Building a nation starts with its people: Yoma Strategic's business focuses on the people of Myanmar - in its workforce and the community at large, p36
<b>GRI 402: Labour-Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	Currently undefined. Please note that Myanmar currently does not stipulate a minimum notice period.
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Building a better Myanmar for its people - with its people, p44 Stakeholder Engagement and Materiality, p61
	103-2 The management approach and its components	Building a better Myanmar for its people - with its people, p44-46
	103-3 Evaluation of the management approach	Building a better Myanmar for its people - with its people, p44-46
<b>GRI 403: Occupational Health and Safety 2016</b>	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Building a better Myanmar for its people - with its people, p44-46
<b>TRAINING AND EDUCATION</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Building a better Myanmar for its people - with its people, p41 Stakeholders Engagement and Materiality, p61
	103-2 The management approach and its components	Building a better Myanmar for its people - with its people, p41-44
	103-3 Evaluation of the management approach	Building a better Myanmar for its people - with its people, p41-44
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Building a better Myanmar for its people - with its people, p41 Data broken down by gender and region is currently unavailable, and will be provided in future reports

GRI STANDARDS	DISCLOSURE NUMBER AND TITLE	PAGE REFERENCE AND REMARKS
<b>MATERIAL TOPICS</b>		
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Building a better Myanmar for its people - with its people, p37 Stakeholders Engagement and Materiality, p61
	103-2 The management approach and its components	Building a better Myanmar for its people - with its people, p37-40
	103-3 Evaluation of the management approach	Building a better Myanmar for its people - with its people, p37-40
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Annual Report 2018, Board of Directors, p26 Yoma Strategic's Governance Structure, p23 Building a better Myanmar for its people - with its people, p40
<b>NON-DISCRIMINATION</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Building a better Myanmar for its people - with its people, p37 Stakeholders Engagement and Materiality, p61
	103-2 The management approach and its components	Building a better Myanmar for its people - with its people, p37-40
	103-3 Evaluation of the management approach	Building a better Myanmar for its people - with its people, p37-40
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Building a better Myanmar for its people - with its people, p40
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Building a better Myanmar for its people - with its people, p36 Stakeholders Engagement and Materiality, p61
	103-2 The management approach and its components	Building a better Myanmar for its people - with its people, p36
	103-3 Evaluation of the management approach	Building a better Myanmar for its people - with its people, p36
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Building a better Myanmar for its people - with its people, p41
<b>CHILD LABOUR</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Building a better Myanmar for its people - with its people, p36 Stakeholders Engagement and Materiality, p61
	103-2 The management approach and its components	Building a better Myanmar for its people - with its people, p36
	103-3 Evaluation of the management approach	Building a better Myanmar for its people - with its people, p36
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Building a better Myanmar for its people - with its people, p41
<b>FORCED OR COMPULSORY LABOUR</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Building a better Myanmar for its people - with its people, p36 Stakeholders Engagement and Materiality, p61
	103-2 The management approach and its components	Building a better Myanmar for its people - with its people, p36
	103-3 Evaluation of the management approach	Building a better Myanmar for its people - with its people, p36
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Building a better Myanmar for its people - with its people, p41

GRI STANDARDS	DISCLOSURE NUMBER AND TITLE	PAGE REFERENCE AND REMARKS
<b>MATERIAL TOPICS</b>		
<b>HUMAN RIGHTS ASSESSMENT</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Building a better Myanmar for its people – with its people, p36 Stakeholders Engagement and Materiality, p61
	103-2 The management approach and its components	Building a better Myanmar for its people – with its people, p36
	103-3 Evaluation of the management approach	Building a better Myanmar for its people – with its people, p36
GRI 412: Human Rights Assessment 2016	412-2 Employee training on human rights policies or procedures	Building a better Myanmar for its people – with its people, p41
<b>LOCAL COMMUNITIES</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	How Yoma Strategic is impacting local communities, p34-36 Stakeholder Engagement and Materiality, p61
	103-2 The management approach and its components	How Yoma Strategic is impacting local communities, p34-36
	103-3 Evaluation of the management approach	How Yoma Strategic is impacting local communities, p34-36
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	How Yoma Strategic is impacting local communities, p34-36
<b>PUBLIC POLICY</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Built on a foundation of trust, p30 Stakeholder Engagement and Materiality, p61
	103-2 The management approach and its components	Built on a foundation of trust, p29-30
	103-3 Evaluation of the management approach	Built on a foundation of trust, p30
GRI 415: Public Policy 2016	415-1 Political contributions	Yoma Strategic is not making – and has never made – any financial or in-kind political contributions, directly or indirectly.
<b>SOCIOECONOMIC COMPLIANCE</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Governance and Risk Management at Yoma Strategic, p22 Stakeholder Engagement and Materiality, p61
GRI 103: Management Approach 2016	103-2 The management approach and its components	Governance and Risk Management at Yoma Strategic, p22
GRI 103: Management Approach 2016	103-3 Evaluation of the management approach	Governance and Risk Management at Yoma Strategic, p22
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	There were no significant fines or non-monetary sanctions for non-compliance with laws or regulations in the social and economic area.

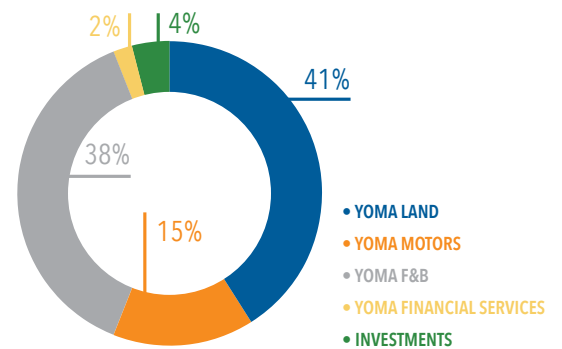
# ANNEX: SELECTED ENVIRONMENTAL DATA

## ENERGY

### Diesel Consumption

TOTAL DIESEL CONSUMPTION (IN MJ)	
Yoma Land	16,223,190.8
Yoma Motors	5,706,118.0
Yoma F&B	14,900,663.4
Yoma Financial Services	645,284.0
Investments	1,584,047.2
<b>TOTAL</b>	<b>39,059,303.4</b>

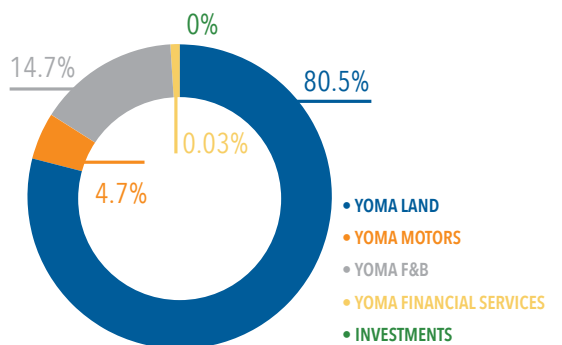
Total Diesel Consumption (in MJ)



### Electricity Consumption

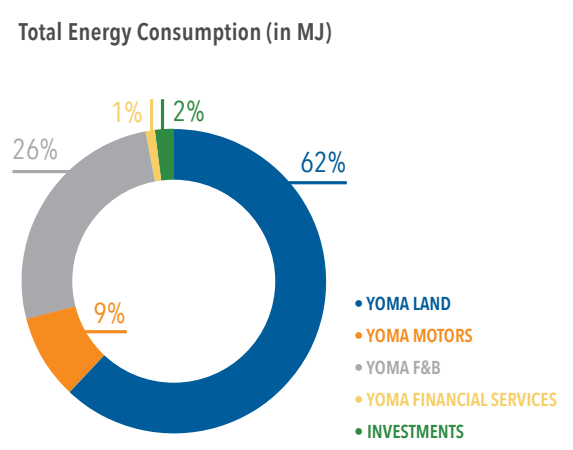
TOTAL ELECTRICITY CONSUMPTION (IN MJ)	
Yoma Land	40,075,905.6
Yoma Motors	2,353,655.5
Yoma F&B	7,330,911.6
Yoma Financial Services	15,618.6
Investments	0.0
<b>TOTAL</b>	<b>49,776,091.3</b>

Total Electricity Consumption (in MJ)



Energy Consumption

TOTAL ENERGY CONSUMPTION (IN MJ)	
Yoma Land	56,584,659.2
Yoma Motors	8,060,889.0
Yoma F&B	24,269,267.6
Yoma Financial Services	801,476.5
Investments	1,646,576.9
<b>TOTAL</b>	<b>91,362,869.1</b>



# ANNEXE: SASB MATERIALITY MAP

	REAL ESTATE			AUTOMOTIVE	CONSUMER	FINANCE	INVESTMENTS
	REAL ESTATE OWNERS, DEVELOPERS AND INVESTMENT TRUSTS	REAL ESTATE SERVICES	ENGINEERING AND CONSTRUCTION SERVICES	AUTOMOBILES	FOOD RETAILERS AND DISTRIBUTORS	CONSUMER FINANCE	INVESTMENT BANKING AND BROKERAGE
<b>ENVIRONMENT</b>							
GHG emissions					X		
Energy management	X				X		
Fuel management					X		
Water and wastewater management	X						
Waste and hazardous materials management				X	X		
Biodiversity impacts			X				
<b>SOCIAL CAPITAL</b>							
Access and affordability						X	
Customer welfare			X			X	
Data security and customer privacy					X	X	
Fair disclosure and labeling					X		
Fair marketing and advertising					X	X	
<b>HUMAN CAPITAL</b>							
Labor relations				X	X		
Fair labor practices					X		
Employee health, safety and wellbeing			X				
Diversity and inclusion							X
Compensation and benefits					X		X
<b>BUSINESS MODEL AND INNOVATION</b>							
Lifecycle impacts of products and services	X	X	X	X			X
Environmental, social impacts on assets & operations	X		X				
Product packaging					X		
Product quality and safety				X	X		
<b>LEADERSHIP AND GOVERNANCE</b>							
Systemic risk management							X
Business ethics and transparency of payments		X					X
Competitive behavior			X				
Materials sourcing				X	X		
Supply chain management					X		



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FOR ITS PEOPLE**