

2021



SUSTAINABILITY REPORT



EMBRACING A BETTER FUTURE TOGETHER



2025 RETAIL PLAN

ABOUT US

Operating in Myanmar since 1996, CMHL is a family-owned company leading the Myanmar retail market with the highest market share in each retail format. CMHL is part of City Holdings Ltd.¹ a company led by Daw Win Win Tint. Our main brands are:

As the market is evolving quickly, we are investing in expanding our footprint, developing new concepts and offering new products and services to serve our customers better. The transformation of our company is essential to achieving those objectives.



Number of stores

180+



Number of employees

5,400+



**Number of transactions between
October 2020 and September 2021**

30+ million

OUR MAIN BRANDS



TRUST AND DEPENDABLE
VARIETY AND FRESHNESS



FAST, FUN AND FRIENDLY
ASPIRATIONAL AND AFFORDABLE LIFESTYLE



TRENDY AND INNOVATIVE
SHARING THAT PASSION FOR FINE FOOD



ACCESSIBLE AND EASY
EASE AND CONVENIENCE



ON THE GO
24/7 CONVENIENCE



YOUNG, RELIABLE AND EXCITING
TRUSTED ONLINE MARKETPLACE



RELIABLE AND TRUSTED
TRUSTED PARTNER IN HEALTH
AND BEAUTY



WARM AND PLAYFUL
SAFE, NURTURING AND INSPIRING



SMART AND TRENDY
INSPIRATION FOR HEART AND SOUL

¹ See: <https://www.cityholdings.com.mm/>

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About this report

This report is CMHL's fifth sustainability report. It aims to provide our main stakeholders with an update on the progress of our 2025 retail plan. This report reflects how we want to run our business and activities: transparently and responsibly. In this report, those interested in our non-financial performance will find a balance of quantitative data and statements describing our goals, actions, and current results.

More information and content are available on our website: <http://www.cmhl.com.mm/sustainability/>

STRATEGIC REPORT

Leadership statement

Dear stakeholders,

2021 was undoubtedly the most challenging year since CMHL's inception in 1996. All of us – our staff, suppliers and customers – were impacted by the compounding effects of the political, economic, and health crises. As a responsible business, we cannot thrive when people suffer: even our survival was at stake for the first time, as we dealt with prolonged uncertainty and extreme market conditions.

Driven by our values and mission, we trusted our people and decided to communicate openly with them about the difficulties we faced. Unfortunately, we temporarily had to reduce salaries, but we were humbled to see employees volunteering to help the company. The quality and commitment of our team made everything possible: branch managers stepped up to protect their staff and consumers whenever safety and security were at risk; merchandisers worked continuously with our suppliers and farmers to find new products, locally sourced and produced, to ensure the continuity of supply in our 180+ stores; and truck drivers and logisticians managed to deliver goods across the country and cities. Security guards, cleaners, cashiers: we were all on a mission to do our job, and do it right.

We are incredibly grateful and honoured to lead such a team. Therefore, it was our responsibility to look not only after them but also after our customers, partners, and communities. We invested more than MMK 1.5 billion in supporting our staff and partners. We strived to act as a responsible employer: we built our own facilities to help our employees during the third wave of

COVID-19, offered them emergency loans and protected jobs: we did not lay off any of our people. We stood by our suppliers and did our best to pay the most vulnerable ones in cash as quickly as possible, even when banks were not operating normally. We partnered with various organisations to provide fragile communities with humanitarian assistance that benefited thousands of households. Despite all the adversity, we did our best to act as and be a responsible company.

More than ever, we know that our customers and team members choose to shop with, and work for, a company that is driven by clear and inspiring values. With this fifth sustainability report, we aim to provide you with data on our progress: nowadays, transparency is crucial to building trust. It is, for us, a vital step in embracing a better future together. Should you have any comments or questions about our report, do not hesitate to contact our sustainability manager by email at sustainability@cmhl.com.mm.

Yours sincerely



Win Win Tint
Group CEO
City Holdings Limited.



Glen Attewell
CEO
City Mart Holding Co., Ltd.



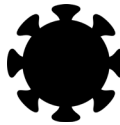
2021 Highlights

OUR CONTRIBUTION FOR THE FISCAL YEAR 2020/2021

Every day, we do our best to provide **safe & appropriate working conditions** to our **5,400+** employees.



CMHL invested **MMK 1.5 Billion in health and Safety** to establish notably a testing centre, **80 beds for quarantine** for our staff, and a dedicated team to support our people.



85% of our staff are fully vaccinated against COVID-19



60% of our employees were trained in FY20/21 with a clear focus on safety and security



People



Product



Planet



Company

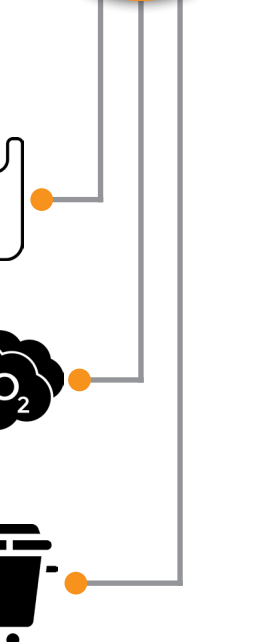
We distributed **22% less plastic bags** in FY20/21 compared to FY19/20



We reduced the **GHG intensity of our operations by 40%** in FY20/21 compared to FY19/20.



The quantity of waste produced by our operations decreased by **66%** last year.



50% of our sales are made with **myanmar-made food products**. This is **7%** more compare to FY19/20.



Pride of MYANMAR



We source directly from farmers in Shan State, who can get better prices and items and conditions for their products.



We conducted **425 audits** in our stores with heightened diligence on security and safety.



98% of our customers would recommend us to others

EMBRACING A BETTER FUTURE TOGETHER



We ranked **2nd** in the 2020 *Pwint Thit Sa* report.



We manage **53 ethical incidents** and resolve all of them.



We trained **100%** of the new hires in anticorruption and business ethics.



We dedicated **54 million MMK** to our philanthropic activities and joined forces with various partners to help thousands of vulnerable people.

2025 RETAIL PLAN

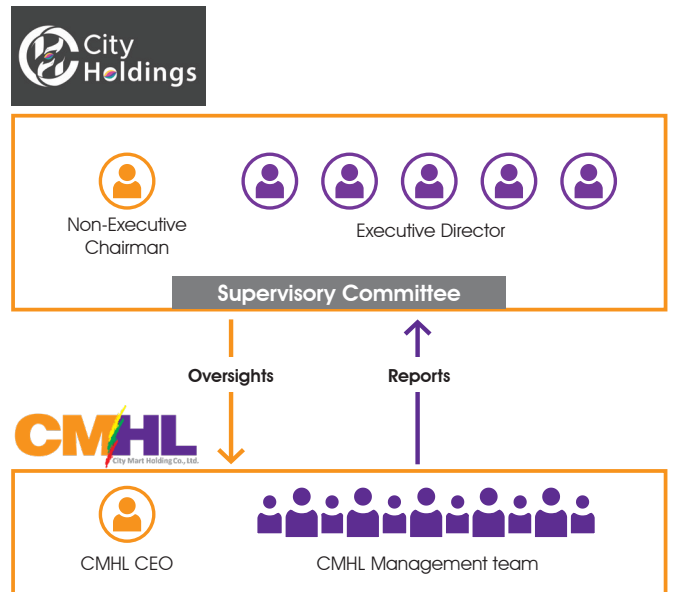
Corporate Governance

In 2019, CMHL became part of City Holdings, a holding company led by Daw Win Win Tint and owned by her family.² A new corporate governance structure was also laid out, and new leaders joined the company.

City Holdings' Board of Directors has established a dedicated Committee to oversee CMHL: the Supervisory Committee. In 2021, the Board met four times, and all Board members attended the meetings.³ CMHL's top management reports to City Holdings' Supervisory Committee every quarter.

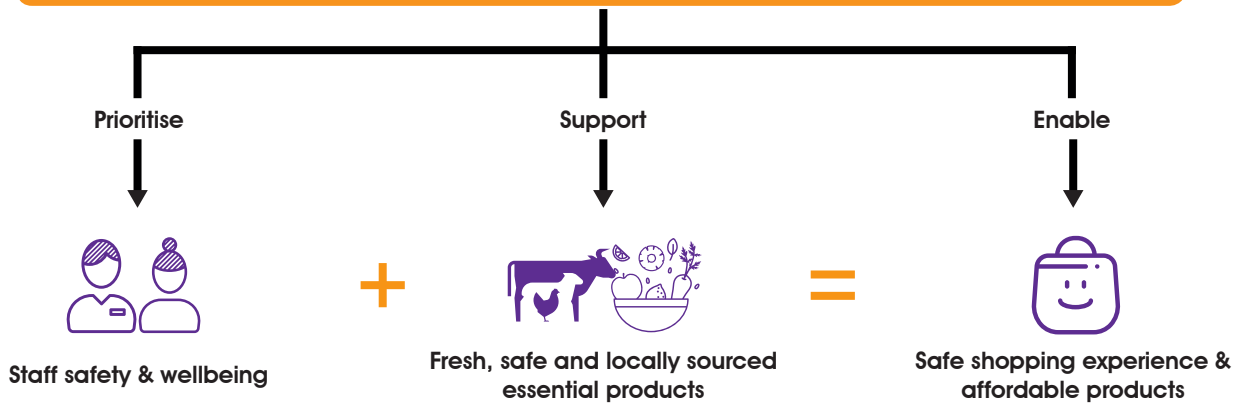
In 2020, City Holdings established a Group's Business Continuity Plan (BCP) and CMHL set up a task force to implement the BCP to manage the consequences of the COVID-19 pandemic.

In 2021, the Supervisory Committee reviewed the risk management plan prepared by CMHL's top management. The key risks for 2021 induced by the health, political and economic crises and the mitigation measures are summarised on [our website](#).



Our priorities for 2021 are outlined below

CMHL Our 2025 vision offers a long-term and strategic compass to focus the CMHL's efforts. we focused on the following areas to manage as effectively as possible the health, economic and political crises.



It would be impossible to serve our customers without the commitment of our staff. Therefore, we invested 1.5 billion to ensure that the working conditions were safe and that all employees had sufficient support. CMHL had to cut salaries temporarily between March and April 2021.

The pandemic and political crises disrupted our supply chain : Myanmar suppliers and imports were severely impacted. We work more closely with Myanmar farmers and food producers by sourcing more products from them, offering them new alternatives, and supporting them as much as we could.

Our customers expect to get reliable information from CMHL and to shop safely in our stores. We adapted our working procedures to safeguard their safety and security. Furthermore, we did our best to ensure (i) a constant supply of essential products across our stores and (ii) their affordability.

² See: <https://www.cityholdings.com.mm/companies>

³ The biographical details of our BOD members, Board meeting attendance records, and our governing policies are available on our website.

Our approach to sustainability

Initiated in 2017, our sustainability strategy is a means to align CMHL's priorities with our stakeholders' interests. Structured around 4 axes and 12 priorities, our 2025 retail plan now constitutes our sustainability DNA. Each of these priorities helps us sustain and develop our operations and creates value for our stakeholders. This integrated approach is our way to deliver our 2025 strategic vision and be The Responsible Company, the benchmark for responsible business practices in Myanmar.

Every year, our sustainability team, led by our sustainability manager, assesses the relevance of our approach following a four-step methodology.

1. Engagement with our most critical stakeholders to get their feedback. Our team met five representatives of different organisations in December 2021 and January 2022.
2. Review previously identified issues to confirm their importance for CMHL's business and stakeholders. We revised our materiality analysis, which is available on [our website](#).
3. Results monitoring (see our dashboard below) and data collection to report our performance internally and externally.
4. Corporate disclosure to comply with international standards and facilitate the assessment of our performance.

| Pillar | Priorities | KPIs | FY 19/20 | More Details |
|-------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------------------------------------------------|----------|--------------|
|  People | Working conditions | Accident frequency rate (per 200,000 hours worked) | 0.40 | p. 7 |
| | | Turnover rate (%) | 58% | p. 8 |
| | | % of women holding a management position | 43% | p. 16 |
| | Talent management | Average training hours per trainee | 7.1 | p. 17 |
| | | % of people trained | 60% | p. 17 |
|  Planet | Waste management | Waste intensity of the saleable area (kg/sqft) | 0.8 | p. 14 |
| | | Number of plastic bags handed out per sale | 1.7 | p. 14 |
| | Food waste | % of food waste recovered | 6% | p. 14 |
| | Resource consumption | Greenhouse gas (GHG) intensity of the saleable area (CO ₂ kg. eq./sqft) | 43 | p. 13 |
| | | Energy intensity of the saleable area (kWh / sqft) | 43 | p. 13 |
| | | Water intensity of the saleable area (m ³ /sqft) | 0.27 | p. 13 |
|  Product | Food safety | % of customer complaints related to food safety | 52% | p. 12 |
| | | Number of food safety incidents | 0 | p. 11 |
| | Responsible offer | % of sales involving Myanmar-made food products | 50% | p. 12 |
| | Product quality | % of customer complaints related to product quality | 48% | p. 12 |
|  Company | Company transformation | % of customer experience index | 98% | p. 11 |
| | Stakeholders engagement | % of ethical incidents resolved | 100% | p. 16 |
| | Supply chain management | Number of stores audits | 425 | p. 11 |
| | Shared value | Expenditure on philanthropic activities (MMK million) | 54.9 | p. 10 |



PEOPLE

The commitment of our 5,400+ people to serving our customers is our greatest asset. In 2021, we had to deal with multiple crises, and CMHL always prioritised its staff's health, safety and security and did everything it could to safeguard jobs and the livelihoods of its employees and families.

Preventing COVID-19

As a retailer, our employees were on the frontlines of the pandemic. We estimate that the COVID-19 pandemic directly or indirectly impacted 70% of our people and that 25% of our workforce was sick. To support them, CMHL allocated MMK 1.5 billion to:

- setting up its own testing centre and providing 80 beds for those who tested positive;
- establishing a dedicated medical team with six doctors to offer clear guidance and professional advice to our people and answer their questions on how to prevent infection, care for those who were sick at home, etc. – on average, these doctors responded to 70 calls daily;
- reinforcing our communication efforts: an HR hotline was created to ensure people knew whom to contact quickly, and our corporate communication team regularly shared reliable information across the organisation to reassure our people and help them cope with stressful situations;
- securing 300 oxygen concentrators for use by our employees and their families;

- organising a vaccination campaign for all our employees, during which 85% of our staff were fully vaccinated in January 2022.

Unfortunately, we lost two of our colleagues to COVID-19. To secure the continuity of our operations, CMHL hired 600+ temporary staff and provided all of them with training on safety, COVID-19 prevention and ethics.

Strengthening safety and security

The safety of our people is paramount, and we had to adapt our operations as the political situation evolved after February 2021. CMHL set up a specific committee responsible for monitoring and managing health, safety, and environmental risks. We recorded 14 work-related accidents in FY20/21, compared to 39 in FY19/20, and CMHL revised and updated its standards operating procedures to:

- Empower branch managers. They were dealing directly with what was happening on the ground and were best positioned to determine when it was appropriate to close their stores to safeguard their employees and customers.
- Reduce the opening hours of CMHL's branches and facilities to ensure that all staff could safely return home before curfew. Likewise, CMHL decided to double the number of company transports: they were arranged so that all staff could safely commute to and from work.
- Provide specific training for security guards to ensure they are ready to handle potentially sensitive situations.
- Authorise employees to stay overnight when situations were too risky. The company provided its employees with essential items such as food, toothbrushes and blankets.

“As a family-owned company, our values shape our culture. For us, prioritising the safety of our people and customers was natural. CMHL decided to support its staff as much as possible – and their commitment and dedication to working for and serving the Myanmar people were astonishing and humbling. We found ways to move forward despite all odds – we are definitely stronger together.”

Phyoe Min Kyaw
Chief Operating Officer

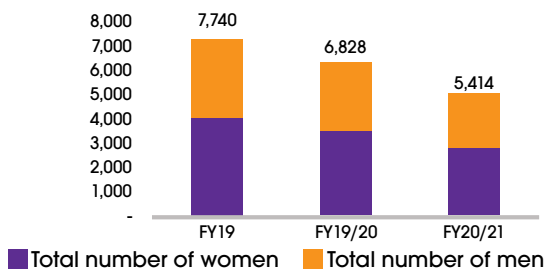


Protecting jobs

In March 2021, CMHL had to make difficult decisions to manage the consequences of the socio-economic crisis. We did not replace all those who decided to leave the company, and the natural turnover led to a 21% reduction in our workforce between October 2020 and September 2021. Salaries were reduced to protect jobs for the first time since the company’s inception in 1996. The top management organised a special meeting to explain the situation and why the decision was essential for CMHL’s survival.

The lowest levels of the organisation were not affected, to protect the most vulnerable employees, while top- managers had their salaries reduced by 30% on average. The payment of bonuses was also suspended. This provisional and exceptional measure ended in June 2021, and in November 2021 the payment of bonuses resumed. To support its staff, City Holdings set up a fund with MMK 300 million for emergency loans, of which 70% were available to CMHL’s employees. Furthermore, as access to cash was extremely difficult for everyone in Myanmar, the company managed to pay all salaries in cash.

Evolution of our headcount



Key Figures

Our **5,400+** employees serve our customers daily

56% of our workforce are women

CMHL allocated MMK **1.5** billion to support its employees

85% of our employees were fully vaccinated against COVID-19 in January 2022

60% of our staff were trained, and we provided **23,150+** hours of training.

We recorded **14** work-related accidents compared to **39** last year.

As CMHL is a member of the Myanmar Business Coalition for Gender Equality, we ensure that our workplace is gender-balanced. 56% of our employees were women last year, a proportion that has remained stable over time.



We doubled the number of company transports and ensured social distancing during commuting.



We offered all our staff the chance to be vaccinated against COVID-19. 85% were fully vaccinated in January 2022.





COMPANY

We rely on our suppliers to provide our customers with healthy, quality-assured and affordable products. To secure our supply chain and sustain jobs across the country, we source as much as possible from Myanmar farmers and food producers. We are proud also to partner with various organisations to help vulnerable people.

Reinforcing our supply chain

After February 2021, our ability to import goods was significantly affected: costs increased by up to three times, and the receipt of goods was delayed. Likewise, managing logistics and transporting goods from our distribution centre to our stores across the country was more challenging: risks related to safety and extortion had to be considered. As a result, CMHL decided to:

- Ensure that truck drivers always had all the necessary documents to travel safely across the country (uniforms, COVID test results, certificates of employment by the company, proof of vaccination, etc.). CMHL worked with its different logistics partners to share information as quickly as possible to optimise route management and always prioritise the safety and security of its drivers.

- Give clear instructions when security forces were conducting in-depth cargo inspections: drivers' safety was paramount.
- Ask suppliers to deliver mainly to CMHL's distribution centre to reduce the number of deliveries to the stores, in order to reduce risks. Before, stores received up to 6 deliveries per week, compared to only 3 in 2021.
- Use its Supplier Portal to communicate more frequently with all suppliers and plan all the deliveries more effectively to reduce delivery time and optimise the logistics process, which was also essential in mitigating and managing the risks related to COVID-19 for our partners.

CMHL decided to work more closely with local food producers and Myanmar farmers to mitigate import challenges, especially in Shan State, where CMHL set up an office in Aung Ban to engage more effectively with local farmers. Working with them is a way not only to sustain jobs in the community but also to source products whose prices are less impacted by the kyat devaluation. This helps to guarantee affordability (see page 12).

CMHL did its best to support its suppliers by paying them in cash as much as possible. We also cut the average number of days it took to pay our suppliers by more than half, from 45 days in FY19/20 to 21 days last year. The table below summarises how we adapted our payment system to help our most fragile suppliers and act as a partner. Our ability to manage cash and ensure a constant supply was critical. We also had to reinforce the safety and security of people handling cash, as COVID-19 was also a risk for them.

| | Before February 2021 | March – May 2021 | From June 2021 onwards |
|--------------------|----------------------|------------------|------------------------|
| Cash | | 100% | 67% |
| Electronic payment | ≈ 100% | | 6.5% |
| Others | | | 26.5% |



"Access to cash was extremely complicated in 2021. We wanted to support our partners as much as possible and decided to pay our most fragile suppliers, like small farmers and food producers, in cash. Likewise, we always accepted electronic payment by our customers, and we did not charge any commission when they decided to use this method. It was our way to be customer-focused and act with courage during these critical times."

Khin Dali Theinhan,
Chief Financial Officer

Offering a helping hand

CMHL provided MMK 54.9 million in 2021 to support various charitable activities through the City Hope and Love Foundation. Through the Foundation, we partnered with multiple players to help vulnerable people. For instance, CMHL partnered with Zigway, a local social enterprise, on two projects in 2021 to provide humanitarian assistance:

- During the first project, CMHL donated food, including 6 tonnes of rice and healthcare packages. Zigway packaged and distributed these donations to 3,000 underprivileged households in the Yangon region, and reaching 14,000 beneficiaries.
- For the second project, CMHL organised, during Thadingyut, a "Buy and Donate" campaign, in which customers were invited to offer products in a special box. CMHL collected all the goods and gave them to Zigway for distribution: 23 organisations and 1,930+ people benefited from the generosity of CMHL's customers.

CMHL partnered with the Myan Ku Fund project, operated by Sequa and financed by the EU, to support thousands of vulnerable women who received voucher cards to buy essential goods, food, etc. In November 2021, 2,250 beneficiaries, all women who had lost their jobs, received support and were able to collect their items at Hlaing Thayar Ocean, CityMart Insein or CityMart Shwe Pyi Thar. Moreover, CMHL donated 7,590 eggs to 1,265 women: providing free eggs helps address critical shortfalls in protein intake for pregnant and lactating mothers, as only 28% of the women surveyed by Myan Ku were eating an adequate number of eggs in June 2021.



"ZigWay is proud to partner with CMHL to take a leading role in helping economically vulnerable people in our community.

With poverty rising across Myanmar, the support of the private sector is crucial, and together with CMHL, we are making a positive difference in the lives of thousands of people."

Miranda Phua,
Co-founder and CEO, Zigway



PRODUCT

Every day, we do our best to serve and ensure the safety of our customers in our stores and through our digital platform. Their loyalty and satisfaction help us sustain our business and to build strong and meaningful brands and, most importantly, trusted relationships.

Standing with our customers

CMHL continuously monitored the situation to ensure the safety and security of the millions of people who visited our 180+ stores in 2021. We had to adjust our opening hours: convenience stores like City Express or branches that used to be open 24/7 had to be closed during the night because of curfew. Likewise, internet shutdowns impacted City Mall Online, our e-commerce platform: our customers could not shop online between February and April 2021. Furthermore, for the first time since 2016, we had to reduce the number of stores we operate, as some could not generate enough income. As a result, we recorded 42% fewer transactions in FY20/21 than in FY19/20.

New procedures were developed to reinforce security measures, as risks were heightened:

- an Emergency Response Plan was developed to respond to high-risk situations and provide branch managers with clear guidance when, for instance, security forces entered CMHL's premises. This proved crucial when a bomb exploded next to Ocean North Point: the branch manager and the staff did everything to protect the customers and keep everyone safe.

- CMHL's audit team uses new safety and security criteria: 425 audits were performed in FY20/21. Likewise, the HSE team and the branch managers regularly checked that security equipment was operational.

Conscious that access to cash was complicated for Myanmar people, CMHL always accepted electronic payments and did everything to facilitate them: CMHL did not charge any commission or place conditions on electronic payments. Today, up to 40% of our customers pay electronically.

To support our customers and make online shopping more accessible, we launched a new version of our e-commerce platform and loyalty program. Our app was downloaded 35,100+ times between October and December 2021. Customers decided to buy more frequently online, as it was seen as a safe and convenient option: we recorded 65% more transactions on our platform in FY20/21 than in FY19/20. To protect the confidentiality and privacy of our consumers' data, we engaged a third party to test the security of our apps. Some vulnerabilities were identified, and an action plan was developed to fix them.

Key Figures



"We decided to communicate proactively and transparently with our customers. We thought it was essential for them to know when and where we would be able to operate and to provide them with factual information to avoid panic buying. Our customers knew we were there for them, and they are today our best ambassadors: 98% would recommend us to others. Their trust and confidence are the best possible recognition for our work."

Ana Punongbayan
Marketing Director



Fostering Myanmar made products

Sourcing locally helps secure the supply chain, sustains jobs across the country and defends consumers' purchasing power. As noted by the UNDP in [a recent report](#), one third of households reduce food consumption as a coping strategy to mitigate their loss of income.

In 2021, CMHL decided to expand its Great-Value products range, focusing on fruit, vegetables, chicken and pork: making good food accessible was crucial to act as a responsible Myanmar retailer. We worked to secure a constant supply of essential food products such as eggs, oil, tea and beans.



We decided to maintain our prices as much as possible to shield consumers from the adverse effects of the kyat's devaluation and increasing logistics costs for these products.

We also monitored our prices closely by conducting weekly market surveys to ensure we were always well positioned. As a result, 50% of our sales involved Myanmar-made food products in FY20/21, a 7% increase over FY19/20.

We developed direct sourcing from farmers in Shan State, to enhance our products' quality and traceability. We expect to buy more from Shan State and leverage our facility in Aung Ban.

Local food producers raised traditional Burmese chicken – sitta gaung. This helped CMHL to offer Great Value Products to its consumers without compromising either product quality or affordability.



As for non-food products, City Care partnered with different local manufacturers to procure masks and oximeters, securing our customers' access to essential products.

To support our customers, we did not increase prices on essential products such as oxygen concentrators and key medicines, prioritising product accessibility and affordability.

Quality management

CMHL monitors the quality of its food products closely. We received 136 complaints from our clients last year (compared to 453 for FY19/20), of which 52% pertained to food safety. However, we did not record any incidents related to food safety. Finally, in FY20/21, our team renewed the HACCP certification for our marketplace stores, a sign that our approach to quality is stronger.





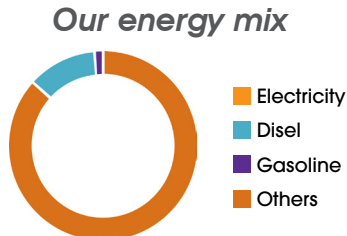
PLANET

We rely on natural resources, and as a retailer, our operations impact the environment. To fulfil our corporate responsibility, we strive to save energy, limit our plastic footprint and engage our stakeholders to develop solutions to protect the planet.

Limiting our environmental footprint makes good business sense: reducing our energy consumption, or the distribution of plastic bags, enables us to reduce our operational expenditure. We can therefore deploy new financial resources and invest in transforming our business.

As we conducted fewer transactions in FY20/21 than in FY19/20, our operations consumed 23% less energy and 40% less water. Likewise, we reduced our waste by 66% in FY20/21 compared to the previous year. However, when we look at the environmental footprint of our operations per transaction, we can also discern a positive trend in multiple indicators.

Energy and carbon

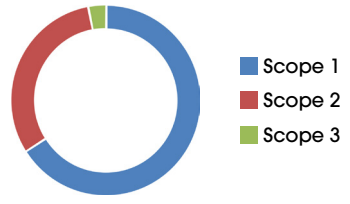


Last year, our operations consumed 42 GWh of energy:

- electricity represented the lion’s share of the energy consumed, at 87%;
- diesel is used to power our generators and our fleet of trucks when power is cut, accounting for 12% of the energy;
- gasoline, used for our fleet of cars, accounted for less than 1%.

As the electricity supply is less stable and the cost of diesel is rising, energy saving is crucial to minimising increases in energy-related operational expenditure. However, the energy intensity of our saleable area fell from 52 kWh/sqft in FY19/20 to 43 last year, an 18% decrease.

Our carbon footprint



In FY20/21, we emitted 42,455 tonnes of carbon dioxide equivalent (CO₂e), compared to 74,892 tonnes in FY19/20.⁴ We assessed the emissions emitted by one of our service providers (scope 3).

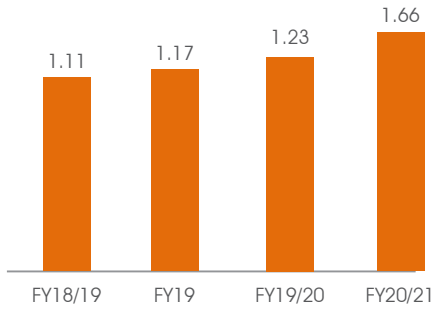
- For scope 1, 62% of our emissions are caused by our air-conditioning and refrigeration systems, and 4% by our fleet of vehicles and generators.
- For scope 2, 31% of our emissions are created by our electricity consumption.
- For scope 3, 3% of our emissions are caused by the provider we used to deliver goods in Yangon and Mandalay.

The carbon intensity of our operations fell by 40%, from 72 kg CO₂e/sqft in FY19/20 to 43 in FY20/21.

Waste and plastic

Managing waste is a challenge for retailers across the globe. In an emerging economy like Myanmar, it can be even more complicated. For the time being, we cannot precisely monitor the quantity of waste created by our activities; rather, we estimate it. According to our current estimates, our activities generated 1,081 tonnes of plastic waste and 32 tonnes of cardboard in FY20/21, compared to 1,234 tonnes of plastic waste and 39 tonnes of cardboard in FY19/20.

Plastic bags handed per transaction



We distributed 50.6 million plastic bags last year, compared to 64.8 million in FY19/20. While the reduction in absolute value is positive, the number of plastic bags handed out per sale went from 1.23 in FY19/20 to 1.66 last year – a 35% increase and the highest value since we started our sustainability reports in 2017. Why? We understand that, during the pandemic, our customers were prioritising their health, and as plastic was seen as a protective substance, they may have preferred to use more plastic bags. Likewise, some of our customers decided to stock up on food: the size of their baskets was bigger, which required more plastic bags per transaction.

According to the Myanmar Retailers Association, modern retailers account for only around 10% of the Myanmar market. Therefore, although we are the largest modern Myanmar retailer, we cannot solve this problem alone: the solution must be systemic and involve multiple stakeholders.

That is why we tried to continue our work with various stakeholders to reduce our plastic footprint. We partnered with Recygly, a Myanmar startup, to organise an awareness campaign about plastic pollution and recycling. Likewise, CMHL started a new campaign to promote the use of reusable bags – *Go eco for a greener tomorrow*. 90,000+ reusable bags were sold last year.



Minimising food waste

In 2021, CMHL donated more than 31.2 tonnes of food to various organisations. During these challenging times, we did our best not to waste food: last year, we reduced by almost 10% the total amount of food wastage and increased by 68% our ability to recover food wastage compared to FY19/20.

EMBRACING TRANSPARENCY

We report our progress transparently and proactively: we believe this is essential in cultivating our stakeholders' trust. We use international standards to structure our reporting system, identify material topics, and disclose our results.

All the data included in this report has been reviewed by CMHL management. In this 2021 sustainability report, all the quantitative data cover the period from October 2020 to September 2021 (FY20/21) unless otherwise stated.

The report includes all the entities operated by CMHL, which are mentioned on page 1. The data disclosed in this report has not been audited by a third party. The reporting period for the qualitative data covers the calendar year 2021 unless otherwise stated

Standards

We follow four main standards to structure our non-financial reporting.

| | |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Currently, we consider the following SDGs the most relevant to CMHL:</p>  |
|  | <p>Our non-financial reporting is aligned with the Global Reporting Initiative (GRI) Standards, and we consider that this report has been prepared in accordance with the GRI Standards: Core option.⁵</p> |
|  | <p>This report is our answer to the 10 principles of the UN Global Compact. Our previous answers are available on our website and on the UNGC platform.</p> |
|  | <p>We consider the principles of the Integrated Reporting framework in preparing our sustainability reporting.</p> |

AA 1000 Standards

In addition, we use the AA 1000 Standards to structure our approach to identifying and prioritising our stakeholders' expectations. The result is our materiality matrix (see [our website](#)). This demonstrates CMHL's adherence to the following principles.

- **Inclusivity:** to understand our stakeholders' expectations, we engaged them in dialogue. At the Group level and internally, our sustainability team met with our key management. Externally, we held discussions with various organisations (NGOs, business partners, experts, etc.) to gather their views regarding CMHL's sustainability challenges. In 2021, our sustainability team engaged with five stakeholders to gather their feedback. At the store level, our managers are in daily contact with our customers, employees, and communities. The mapping of our different stakeholders is available on our website.
- **Materiality:** to focus our efforts on the most important challenges, we conduct peer reviews. We selected a list of topics that were relevant to our sector and to Myanmar as a whole. CMHL's top management regularly reviewed the prioritisation of the issues identified.
- **Responsiveness:** we disclose our sustainability report yearly.

⁵You can find our GRI Index on our website.

Data

Product

| KPIs | Unit | Value | GRI Standards | UNGC principles | SDG |
|---------------------------------------------------|--------|-------|---------------|-----------------|-----|
| Food safety | | | | | |
| Number of food safety incidents | Number | 0 | 416-2 | | 16 |
| Total number of complaints | Number | 136 | 416-2 | | 16 |
| Total number of complaints related to food safety | Number | 71 | 416-2 | | 16 |
| Sales made with Myanmar made food products | % | 50% | 204-2 | | 12 |
| Complaints related to food safety | % | 52% | 416-2 | | 16 |
| Product quality | | | | | |
| Total complaints related to product quality | Number | 65 | 416-2 | | 16 |
| Complaints related to food safety | % | 48% | 416-2 | | 16 |

Company

| KPIs | Unit | Value | GRI Standards | UNGC principles | SDG |
|----------------------------------------------------------|--------------|-------|---------------|-----------------|-----|
| Company transformation | | | | | |
| % of customer experience index | % | 98% | 102-44 | | 8 |
| Business ethics | | | | | |
| New hires trained on anti-corruption and business ethics | % | 100% | 205-2 | 10 | 16 |
| Number of ethics-related incidents | Number | 53 | 205-3 | 6, 10 | 16 |
| % of ethics-related incidents resolved | % | 100% | 205-3 | 6, 10 | 16 |
| Supply chain | | | | | |
| Local Myanmar food supplier audits | Number | 3 | 102-44 | | 8 |
| Shared value | | | | | |
| Budget for philanthropic activities | MMK millions | 54.9 | 203-1 | | 9 |

People

| KPIs | Unit | Value | GRI Standards | UNGC principles | SDG |
|---------------------------------------|--------|-------|---------------|-----------------|-----|
| Workplace | | | | | |
| People working for CMHL on 30/09/2020 | Number | 5,414 | 102-8 | 6 | 8 |
| Number of females | Number | 3,017 | 405-1 | 6 | 5,8 |
| Number of males | Number | 2,397 | 405-1 | 6 | 5,8 |
| Permanent full-time contracts | Number | 4,964 | 102-8 | 6 | 8 |
| Women holding a management position | % | 43% | 405-1 | 6 | 5,8 |
| Total departures | Number | 3,057 | 401-1 | 6 | 5,8 |
| Total resignations | Number | 2,122 | 401-1 | 6 | 5,8 |
| Turnover rate | % | 58% | 401-1 | 6 | 5,8 |

| KPIs | Unit | Value | GRI Standards | UNGC principles | SDG |
|-----------------------------------------------------------------|--------|---------|---------------|-----------------|------|
| Training | | | | | |
| Total people trained | Number | 3,263 | 404-1 | 6 | 4, 8 |
| Total training hours provided | Hours | 23,154 | 404-1 | 6 | 4, 8 |
| People trained | % | 60% | 404-1 | 6 | 4, 8 |
| Average hours of training per person | Hours | 7.1 | 404-1 | 6 | 4, 8 |
| Working condition | | | | | |
| Total hours of absence due to sickness and occupational disease | Hours | 707,086 | 403-10 | 6 | 8 |
| Number of workplace accidents | Number | 14 | 403-9 | 6 | 8 |
| Frequency rate (per 200,000 hours worked) | Number | 0.4 | 403-9 | 6 | 8 |
| Number of work related deaths | Number | 0 | 403-9 | 6 | 8 |
| Fatality rate (per 200,000 hours worked) | Number | 0 | 403-9 | 6 | 8 |
| Talent development | | | | | |
| Employees promoted in the year to a higher category | Number | 10 | 404-3 | 6 | 5, 8 |
| Women promoted in the year to a higher category | Number | 7 | 404-3 | 6 | 5, 8 |

Planet

| KPIs | Unit | Value | GRI Standards | UNGC principles | SDG |
|---------------------------------------|------------------------------|------------|---------------|-----------------|--------|
| Energy | | | | | |
| Energy intensity of the saleable area | kWh / sqft | 43 | 302-3 | 7, 8 | 12, 13 |
| Total energy consumed | kWh | 42,040,913 | 302-1 | 7, 8 | 12, 13 |
| GHG | | | | | |
| Greenhouse gas emissions (Scope 1) | CO ₂ t eq | 28,012 | 305-1 | 7, 8 | 13 |
| Greenhouse gas emissions (Scope 2) | CO ₂ t eq | 13,156 | 305-2 | 7, 8 | 13 |
| Greenhouse gas emissions (Scope 3) | CO ₂ t eq | 1,287 | 305-3 | 7, 8 | 13 |
| Greenhouse gas intensity | CO ₂ kg eq / sqft | 43 | 305-4 | 7, 8 | 13 |
| Waste | | | | | |
| Waste intensity of the saleable area | Kg / sqft | 0.8 | 306-2 | 7, 8 | 6, 12 |
| Plastic bags handed out per sale | Number | 1.66 | 301-1 | 7, 8 | 8, 12 |
| Plastic bags distributed | Number | 50,567,084 | 301-1 | 7, 8 | 8, 12 |
| Reusable bags sold | Number | 90,024 | 301-1 | 7, 8 | 8, 12 |
| Quantity of cardboard | Viss | 655,380 | 301-1 | 7, 8 | 8, 12 |
| Quantity of hard plastic | Viss | 19,358 | 301-1 | 7, 8 | 8, 12 |
| Food Waste | | | | | |
| Food donated | kg | 31,162 | 203-1 | 7,8,9 | 12 |
| Water | | | | | |
| Water consumption | m ³ | 263,541 | 301-1 | 7,8 | 6 |
| Water intensity | m ³ / sqft | 0.27 | 301-1 | 7,8 | 6 |