

EMBRACING A BETTER
FUTURE TOGETHER



COMPANY



PEOPLE



PRODUCT



PLANET



2020

SUSTAINABILITY REPORT

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 Limited, a company led by Daw Win Win Tint.¹

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



Number of stores 210+



Number of employees 6,800+



Number of transaction in one year 52+ Million

OUR MAIN BRANDS



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

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About this report

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

Other information and contents are also available on our website: <http://www.cmhl.com.mm/sustainability/>

STRATEGIC REPORT



Leadership statement

During a crisis like the COVID-19 pandemic, our role as a retailer is essential. Our community and customers rely on us to provide them with essential everyday services and products. We also act as a bridge: the products on our shelves represent jobs for the people who made and produced them. Therefore, as CMHL aims to act as a responsible company, we always pay attention to our suppliers; we stand with those who share our business ethics.

COVID-19 pandemic has dramatically transformed our lives and how we operate our business. If no one could have anticipated the magnitude of the impacts, we started to adapt our operations as early as February 2020. Driven by our values and mission, we worked as one team to overcome all the challenges we encountered: this crisis revealed the quality of our team and our strength when we managed to work together to achieve a common goal. In 2020, our continuous focus was on the safety of our colleagues and customers; and managing CMHL's sustainability.

The commitment of our people made everything possible. They worked together to find new solutions. They framed new ideas, which helped, for instance, farmers in Shan state and all across the country. They developed new tools to ensure each other safety or to expand our e-commerce platform and online solutions. Our cashiers, security guards, cleaners, all our staff served tirelessly our customers every day, overcoming their fears. Their trust honours us, and we are humbled to lead such a team.

Despite this adversity, we strived to act as a responsible employer. We did everything we reasonably could to stand by our people, safeguard jobs and our employees' livelihoods. As it was still possible for us in 2020, we decided to enhance the health insurance of our staff and cover their families to cope with the consequences of the COVID-19 pandemic.

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 fourth sustainability report, we aim to provide you with data and information on our progress: transparency is crucial to building trust. It is for us a vital enabler for embracing a better future together. Should you have any comments or questions about our report, do not hesitate to reach 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.

2020 Highlights

Strategic pillar	Sustainability priorities	Outcomes
 <p>The Innovative company</p>	 <p>Company Transformation</p>	<ul style="list-style-type: none"> ■ We served millions of customers and ensured their safety, despite the COVID-related challenges. ■ CMHL invested in expanding the capacity of City Mall, our online store: it can manage 8 times more transactions. ■ 50% more clients are using our e-commerce platform compared to last year.
 <p>The First-choice company</p>	 <p>Supply Chain Management</p>	<ul style="list-style-type: none"> ■ Together with DOCA, CMHL engaged 500+ suppliers to raise awareness of the Consumer Protection Law and its labelling consequences. ■ 11 criteria were included in our check-list to monitor our stores' compliance against MOHS guidelines: our experts conducted 2,550+ audits.
 <p>The Market-leading company</p>	 <p>Responsible Offer</p>	<ul style="list-style-type: none"> ■ Our Great Value Project helped reduce the price of 12 essential food products (meat, poultry, eggs and veggie) to support our customers during the pandemic. Opening of 18 new stores to be closer to our customers.
 <p>The Valued company</p>	 <p>Responsible Offer</p>	<ul style="list-style-type: none"> ■ 47% of our sales are made with Myanmar made food products. ■ To support Myanmar farmers who could not export their products anymore, CMHL has organised "Local Support", a campaign to help them selling their products since May 2020.
 <p>The Homegrown company</p>	 <p>Company Transformation</p>	<ul style="list-style-type: none"> ■ Our Business Continuity Plan, established in February 2020, was essential to safeguard our ability to operate safely. ■ CMHL used technology massively to ensure the continuity of its operations.
 <p>The Employee's company</p>	 <p>Working Conditions</p>	<ul style="list-style-type: none"> ■ The pandemic impacted 2,300+ employees, and 310 were tested positive in 2020. ■ CMHL made sure no one was left behind: we invested massively to support our employees. ■ In July 2020, we conducted our first survey to assess the satisfaction of our staff.
 <p>The Employee's company</p>	 <p>Talent management</p>	<ul style="list-style-type: none"> ■ We maintained our training efforts despite the different challenges: all the new comers were trained on business ethics.
 <p>The Responsible company</p>	 <p>Stakeholders Engagement</p>	<ul style="list-style-type: none"> ■ CMHL communicated proactively and transparently to inform its consumers during the pandemic. ■ We ranked 2nd in the 2020 <i>Pwint Thit Sa</i> ranking. ■ CMHL supported the Myanmar Women Entrepreneur Network and engaged 100+ women entrepreneurs.
 <p>The Responsible company</p>	 <p>Waste Management</p>	<ul style="list-style-type: none"> ■ We distributed 4% fewer plastic bags for FY19/20 compared to FY18/20. ■ CMHL consulted a panel of experts to discuss its plan for reducing its plastic footprint and started the implementation of its action plan.

Our 2025 strategic vision

The Innovative Company

serving through our physical and digital platforms, always enhancing customer experience through innovative technology.



The First-choice Company

the preferred business partner because of our integrity, knowledge of the market, ability to execute and volume.



The Market-leading Company

in each retail format with highest market share and zero loss making stores.



The Valued Company

which provides safe, quality-assured, healthy products and sources locally wherever possible.



The Homegrown Company

which is independent, publicly listed and partly employee owned.



The Responsible Company

the benchmark of excellence for responsible business practices and a leading contributor in helping the government create economic value.



The Employee's Company

the no 1 employer of choice in the retail industry because of the culture and values that we embody and the growth opportunities we offer.



Our business model

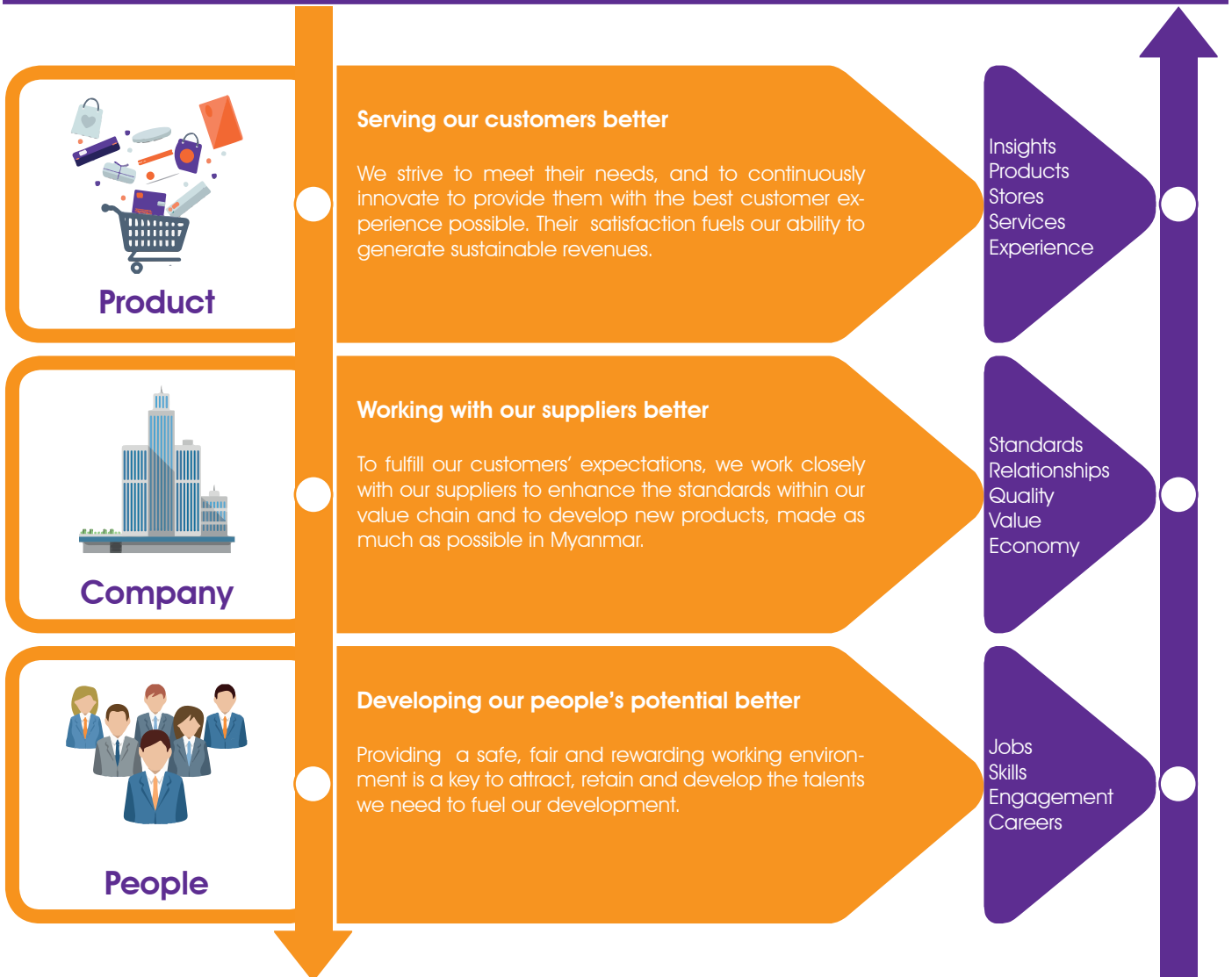
How do we create value responsibly?

OUR 2025 STRATEGIC VISION

- The Innovative Company**
The ability to create and deliver new products and services that meet the needs of our customers and drive sustainable growth.
- The First-choice Company**
The ability to provide the best customer experience and drive sustainable growth.
- The Market-leading Company**
The ability to be the leader in our market and drive sustainable growth.
- The Valued Company**
The ability to create and deliver value to our customers and drive sustainable growth.
- The Homegrown Company**
The ability to create and deliver value to our customers and drive sustainable growth.
- The Responsible Company**
The ability to create and deliver value to our customers and drive sustainable growth.
- The Employee's Company**
The ability to create and deliver value to our customers and drive sustainable growth.

We invest for embracing a better future together.

Our 2025 strategic vision is driving CMHL management. We are allocating the Company's resources to innovate, develop our assets and to create more socio-economic value for our different stakeholders.





Company



People

To prosper, we aim to manage our business responsibly and transparently to sustain our development.



Product



Planet

Our 2025 retail plan contributes to CMHL 2025 strategic vision. Its 12 priorities are contributing to transform our business model and to ensure that CMHL will always operate as a responsible Company.


CMHL sustainability approach



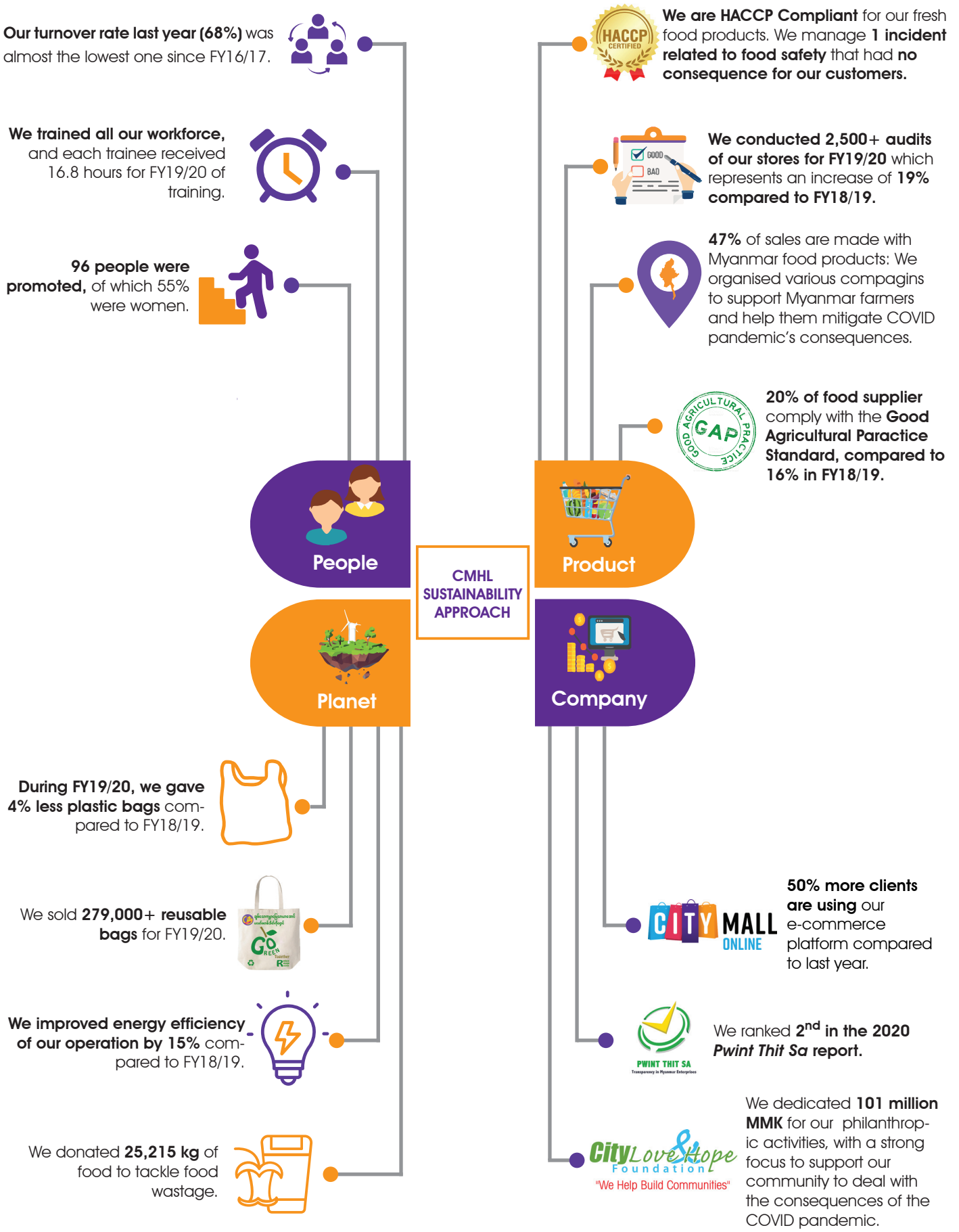
Initiated in 2017, our sustainability strategy is a strategic means to align CMHL interests with our stakeholders' interests. Structured around 4 axes and 12 priorities, our 2025 retail plan constitutes now our sustainability DNA. Each of these priorities helps us not only to sustain and develop our operations but also creates value for our stakeholders. This integrated approach is our way to deliver our 2025 strategic vision and be The Responsible Company, the benchmark of responsible business practices in Myanmar.

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

1. Engagement with our most critical stakeholders to get their feedback. Our team met 11 representatives of different organisations in November and December 2020.
2. Prioritisation of the issues identified to focus on those which benefit both CMHL business and a broader group of stakeholders (see our materiality matrix page 33).
3. Results' monitoring (see our dashboard) and data-collection to report our performance internally and externally.
4. Corporate disclosure to comply with international standards to facilitate the assessment of our performance.

Pillar	Priorities	KPIs	FY 19/20	More Details
 <p>Company</p>	Company transformation	% of Customer Satisfaction	81%	p. 27
	Supply chain management	Number of local Myanmar food supplier audits	13	p. 15
	Shared value	Budget for philanthropic activities (MMK million)	101	p. 18
 <p>People</p>	Working conditions	Turnover rate (in %)	68%	p. 35
		% of women holding a management position	37%	p. 20
	Talent management	Average training hours per trainee	16.8	p. 22
		% of people trained	111%	p. 35
 <p>Product</p>	Food safety	% of customer complaints related to food safety	4%	p. 26
		Number of food safety incidents	1	p. 26
	Responsible offer	% of sales made with Myanmar made food products	47%	p. 26
	Product quality	% of customer complaints related to product quality	37%	p. 26
 <p>Planet</p>	Waste management	Waste intensity of the saleable area (kg per sqft)	2.2	p. 30
		Number of plastic bags handed out per sale	1.23	p. 30
	Food waste	Amount of food donated (Kg)	25,215	p. 29
	Resources consumption	Greenhouse gas (GHG) intensity of the saleable area (CO2Kg.eq./sqft)	23	p. 36
		Energy intensity of the saleable area (kWh / sqft)	52	p. 30
		Water intensity of the saleable area (m ³ / sqft)	0.42	p. 29

Our contribution for the fiscal year 19/20



COMPANY



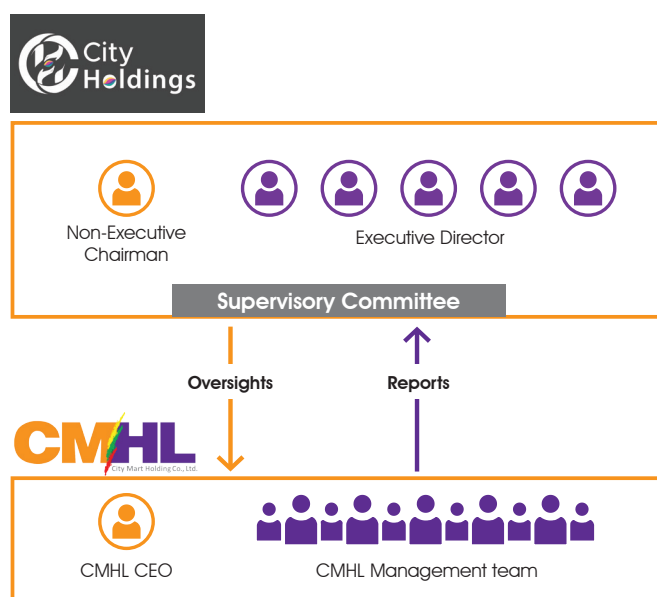
Our 2025 vision defines our long-term strategic goals. To achieve them, we transform CMHL to continuously adapt our business model and safeguard our ability to create long-term value for all our stakeholders. In 2020, the COVID pandemic tested our ability to operate under stringent constraints: our Management team empowered our organisation, managed risk effectively, and CMHL invested massively to support our staff, customers and suppliers.

Focusing on what matters

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. Since 2019, the Board met 6 times.³ Every quarter, CMHL top management reports to City Holdings’ Supervisory Committee. This new structure enables the CMHL management team to focus on the priorities validated by City Holdings to safeguard the business’ sustainability.

The changes impulsed in 2019 proved to be crucial for managing the dramatic consequences induced by the COVID pandemic. Indeed, supply chains were severely disrupted all around the globe: moving goods was extremely complicated, the logistics slower, etc. Likewise, serving millions of consumers safely while ensuring the staff’s integrity during a pandemic is a major challenge for all retailers: sales were impacted, costs increased; this scissor effect had to be carefully managed to safeguard the business’ sustainability. To do so, CMHL’s approach articulated three components: (i) enhanced teamwork to focus our efforts on the most material priorities continuously, (ii) a sound risk management framework, and (iii) a Business Continuity Plan, which was aligned with City Holding’s standards.



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

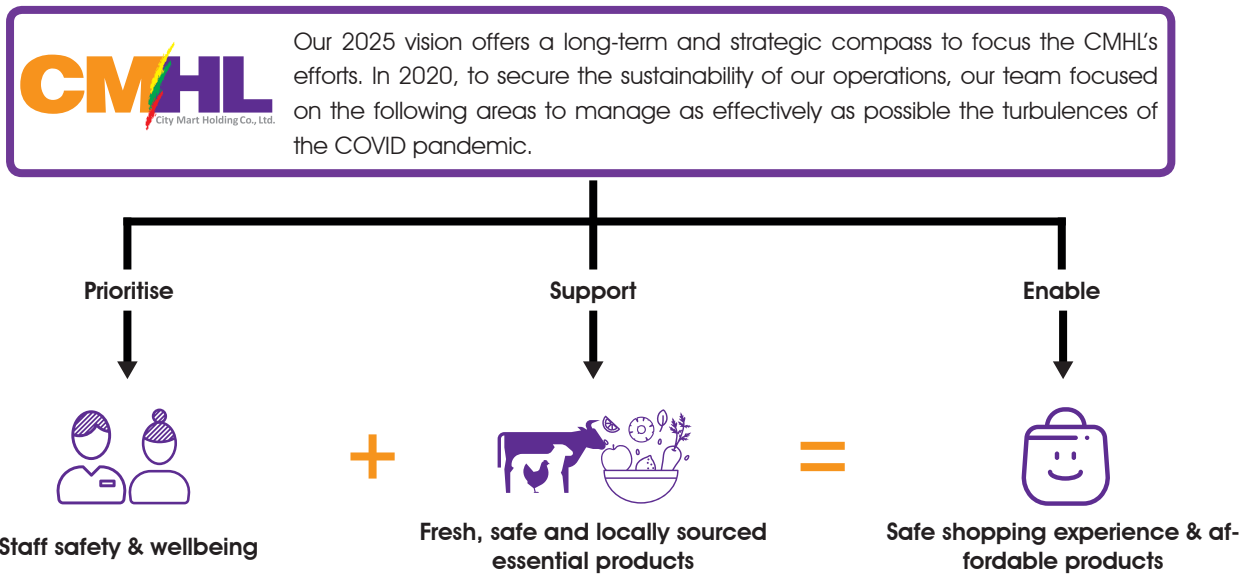
³ More details are available on our website: the biographical details of our BOD members, the Board attendance and our governing policies.



“We initiated the transformation of the Finances function in 2019: we strengthened our risk management framework, reinforced our internal controls, and analysed our data more strategically to extract key insights for CMHL’s and City Holdings’ decision-makers. This move helped us to be better prepared to deal with all the COVID pandemic challenges. It proved to be crucial to optimise the allocation of our resources in 2020, and it enables us to invest massively not only to protect our staff but also to support our community.”

Khin Dali Theinhan
Chief Financial Officer, City Mart Holding Co., Ltd.

Fostering teamwork to overcome turbulent times



It would be impossible to serve our customers without the commitment of our staff. Therefore, we invested massively to ensure that the working conditions were safe and that all employees had sufficient support. CMHL did not cut salaries during the period and decided to increase the benefits of its employees. See page 19 for more details.

To offer fresh, healthy and good products to our customers, we rely on our suppliers. As the pandemic disrupted the supply chain, Myanmar food producers were severely impacted. We worked more closely with them by sourcing more products from them, offering them new alternatives, and supporting them as much as we could. See page 15 for further information.

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. Furthermore, we worked closely with Myanmar authorities to ensure (i) a constant supply of essential products across our stores and (ii) their affordability. More information is available on page 27.

Our Principles



The ILO Declaration on Fundamental Principles and Rights at Work



The Guiding Principles on Business and Human Rights



The Universal Declaration of Human Rights



The United Nations Global Compact

Adapting our risk management approach

The Finance team is accountable and responsible for monitoring the risks across CMHL. It maintains a register of the different risks that might impact CMHL. The risks identified are broad and are related to various factors (market conditions, business continuity, reputation, supply chain, people, etc.).

Every month, the Finance team reviews and updates the risk register based on the different departments' feedback. The most significant risks are then identified: mitigation plans are developed and shared with CMHL's CEO and reviewed and approved by City Holdings' Supervisory Committee.

In 2020, the risks related to the COVID pandemic had multiple effects on CMHL's operations. Some of them are detailed below:

Risks	Impacts	Approach
Safety	<ul style="list-style-type: none"> Safety of the staff and customers New guidelines issued by relevant authorities 	<ul style="list-style-type: none"> Adaptation of the working procedures Installation of new protective equipment New benefits provided to the staff (health insurance, ad hoc support for those impacted by the pandemic, etc.) Compliance with the law and new regulations
Customers relationships	<ul style="list-style-type: none"> Panic buying resulting from the lack of reliable information 	<ul style="list-style-type: none"> Proactive and transparent communication to inform our customers regularly
Supply chain disruption	<ul style="list-style-type: none"> Delays in the import process Higher logistic costs 	<ul style="list-style-type: none"> Optimisation of inventory management Further engagement of Myanmar food producers
Competition	<ul style="list-style-type: none"> Emergence of new market players, especially online Increase in counterfeit products 	<ul style="list-style-type: none"> Investment in developing City Mall capabilities Screening processes to ensure product safety and quality
Finance	<ul style="list-style-type: none"> Contraction of the sales Increase in capital expenditures 	<ul style="list-style-type: none"> Strengthening of cash flow management and internal controls

Ensuring the continuity of our operations

When City Holdings identified COVID as a potential business threat, it decided to embrace a very proactive approach to developing a common approach. In February 2020, the Group decided to establish a Command Centre responsible for developing the Group's Business Continuity Plan (BCP) and coordinating the work of its affiliates. The task force was monitoring closely various parameters to assess and anticipate the potential impacts on its affiliates' operations. As one of City Holdings affiliates, CMHL set up a specific task force. As a result, CMHL benefited from the Group's capabilities: it was essential to accelerate and strengthen its preparedness. The roles and responsibilities between the Group and CMHL are summarised below:



At CMHL's level, the task force was led by CMHL CEO and met regularly and as frequently as needed since February to discuss:

- The different impacts on CMHL's activities, especially its ability to operate safely and according to the rules and regulations defined by the relevant authorities.
- The engagement of its internal and external stakeholders to align the messaging, ensure the effectiveness of CMHL's communication, etc.

These meetings were crucial to constantly align the team internally and foster trust and collaboration between the different departments during these very difficult times. Therefore, when Myanmar confirmed its first COVID-19 case on the March 23 2020 and authorities decided to implement a set of measures such as Stay At Home orders to tackle the pandemic's spread in April 2020, CMHL was prepared. The table below summarised our efforts to manage the COVID-19 pandemic.



Who	What
City Holdings & CMHL	<ul style="list-style-type: none"> • Establishment of City Holdings' Command Centre and development of its Business Continuity Plan. • CMHL set up its tasks force and developed specific Standards Operating Procedures to deal with the COVID-19.
CMHL	<ul style="list-style-type: none"> • Distribution of masks to all the staff • Hand sanitisers available for the customers who need to wash their hands before using trolleys and baskets and for the cashiers and employees working in the receiving areas • Temperature checking • Sanitisation three times a day of the most exposed surfaces (trolleys, baskets, handrails, etc.) • Installation of cashier counter cover to further protect CMHL's staff in all branches and distribution of faceshield for all the cashiers • Increase of the number of ferries to facilitate the transportation of the employees and ensure social distancing • Implementation of social distancing measures in the branches and limitation of the customers' number • CMHL's audit team started to monitor the compliance with MOHS' guidelines • Deployment of "Safety Marshals" who were responsible for guiding the customers to respect social distancing rules • Adjustment of the opening hours to comply with the curfew announcement • Reinforcement of the benefits for the staff to support all those impacted by the pandemic

Safeguarding the integrity of our operations

Ensuring the compliance of our activities

To operate responsibly, CMHL must comply with different laws and regulations. As Myanmar laws and regulations are constantly evolving, and on several fronts, it is crucial to monitor these changes and anticipate the potential impacts in our operations. To do so, CMHL is supported by City Holdings' Legal team.

In 2020, CMHL worked on three main areas:

1. Consumer protection - with the new Consumer Protection Law enacted in 2019, the Myanmar Government aims to empower Myanmar consumers by providing them with better and clearer information about the products they purchase. These information had to be written in Myanmar. To comply, all the food producers in Myanmar shall check their packaging include all the necessary information. CMHL was concerned as a food producer and as a retailer of products manufactured by others: we had to ensure that the labelling of 40,000+ products was consistent with the law's requirements. To do so, we engaged 500+ suppliers through four in-house training sessions and CMHL supplier workshop. DOCA officials acknowledged CMHL's contribution to awareness-raising and commitment to compliance across its supply chain.
2. Safety – the Occupational Safety and Health (OSH) Law was approved in 2019. CMHL further reinforced its internal organisation to strengthen its compliance: fire wardens are clearly identified, drilling exercises organised, emergency procedures tested, etc. Furthermore, CMHL worked closely with the relevant authorities to comply with the different rules and regulations to prevent the spread of the COVID-19 (see page 13 for the measures undertaken by CMHL).
3. Human Resources – CMHL had to hire more than 650+ people with a short term contract to manage the consequences of the COVID-19. CMHL streamlined some of its HR processes to ensure full compliance with relevant laws.

Fostering business ethics

At CMHL, we expect everyone, from the Board of Directors to the employees, to comply with our values (see page 19), principles and Code of Conduct.⁴ They shape our ethics: we take a zero-tolerance approach to corruption or bribery. We encourage our employees, business partners and stakeholders to get in touch with us if they suspect any misconduct.

As part of its commitment to act as a responsible company, CMHL updated its Code of Conduct in January 2020: a new section on privacy and data protection was included; additional guidance was included to further align our practices on receiving gifts and hospitality with the President's Office guidelines.

Our policies protect whistle-blowers who can report their concerns freely. A dedicated team, including audit, HR and legal experts, reviews all the reports and investigates to determine and confirm if these reports are real breaches. If they are confirmed, they take action.

Our legal team is responsible for defining and implementing an action plan related to our Code of Conduct to mitigate these cases. One of the components of this roadmap is related to training. Therefore, our training department has included business ethics in the orientation programme of our new hires. Last year, 100% of the people who joined our Company were trained in business ethics.

Key Figures



1 Non-Executive
Director is chairing
City Holdings' Board.



100% of our BOD
members attended
all the meetings



3,960+
people were trained
in business ethics

⁴Our Code of Conduct is available on our website.



“Our audit team check the compliance of our suppliers against our internal criteria. Every year, our audit team will select the products categories that are the most sensitive and control the suppliers in the respective categories. Last year, our team’s work was impacted by the limitations induced by the measures to avoid the spread of the COVID-19: 13 suppliers were audited before May 2020. We look forward to resuming our operations as soon as possible with our suppliers.”

Oo Oo Khin
SCD Manager, City Mart Holding Co., Ltd.

Building long-term relationships with our suppliers

Our customers expect to find safe, quality-assured and healthy products in our stores. To meet their expectations, we rely on our suppliers. To deliver our 2025 strategy, we aim to source as much as possible from Myanmar: it helps sustain jobs across the country while enabling us to offer our customers higher-quality products.

CMHL managed to source more products locally and to buy better products for its consumers in 2020:

- After establishing a local office in Shan State to interact more effectively with the farmers, we sourced 80% of our fresh products from Shan State, representing a 20% increase compared to 2019. The consequences of the COVID pandemic severely impacted Myanmar farmers, and our marketing and merchandising teams were together to find innovative solutions to support them (more information page 26).
- Likewise, since 2018, we constantly managed to increase the volume of products from suppliers complying with GAP standards: it was 20% last year compared to 16% in 2019 and 8% in 2018. To further improve these results, CMHL hired in 2020 a GAP expert to offer further support to our suppliers.



Empowering Women entrepreneurship

The Myanmar Women Entrepreneurs Network and the MSME Department of the Ministry of Commerce organised a workshop in December 2020 to discuss market opportunities in the FMCG market for women entrepreneurs. We shared our insights with 90+ businesses from Magway Division, Mon and Rakhine States. We hope to partner with them to build a strong Made-in-Myanmar product portfolio.

“Our relationship with CMHL is synergetic: we started to work with CMHL more than 15 years ago. Over the years, we managed to grow our sales volume by 50 times: it enables us to invest in expanding our capacities, hiring more people, and improving our standards’ quality. Today, 500+ employees are working with us, and we work indirectly with 2,000+ farmers based in Rakhine, Mon, Tanintharyi or the delta.”

Ingyine Khine
Marketing Manager, Top Cashew Nuts.



Reinforcing our logistics capacities

In 2019, CMHL started operating a new Distribution Centre, three times larger than the previous one. This new asset was crucial to manage and mitigate the impacts on our supply chain. Indeed, inventory management was crucial to ensure a constant supply of products across our network of stores. Our approach had two components:

- For the imported products, the shipping costs increased dramatically during the pandemic: containers were not as available as before, and the COVID-19 almost froze up the import and export process. Optimising the inventory management was essential: frequent discussions were held between the merchandising, operations, and supply chain teams to identify the products and suppliers that were the more sensitive and find alternatives and options with them.
- For the local products, an analysis of the sales enabled CMHL to identify the evolution of the consumption patterns and focus on the fast-moving items to target our efforts on these products to avoid any shortage.

This approach was central to avoiding any major disruptions and demonstrating to our customers that CMHL had the capacity to deal with the consequences of the COVID pandemic. It was enabled by the previous investment made by CMHL on its GWM software to improve the traceability of its products.



Upgrading the efficiency of our fleet of vehicles

Last year, CMHL invested in purchasing 4 new trucks. They are more energy-efficient and safer, as well. The fleet of vehicles will be modernised and, with the arrival of a dedicated person, CMHL aims to optimise its routes and therefore reduce its energy consumption and thus save costs.



Using technology to reinvent our business

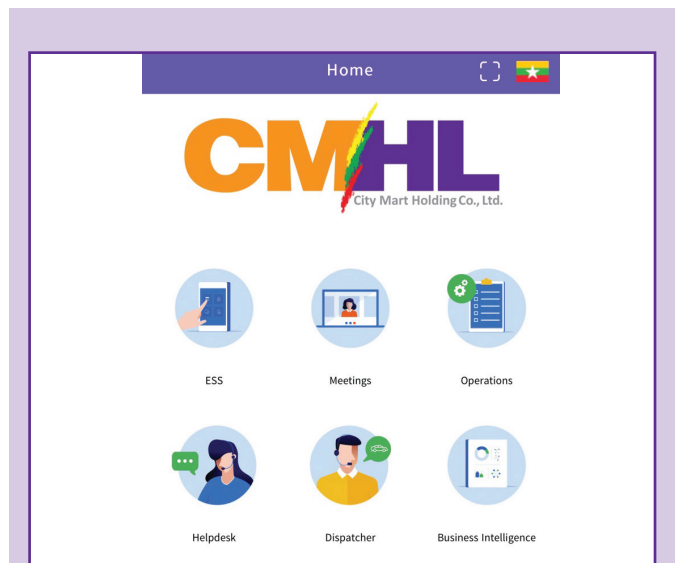
Technology is a powerful enabler for retailers: it helps increase the productivity of our operations and offer new means to enrich our consumers' experience. Furthermore, it was a critical component to tackle the challenges induced by the COVID pandemic:

- For our consumers, it allows them to shop from their home. We invested massively to increase our capacities: we upgraded our infrastructure significantly to manage a higher volume of transactions. Compared to 2019, we can now handle eight times more transactions. CMHL also improved its ability to deliver faster orders: consumers can now select an express delivery option and receive their products within 6 hours.
- For our staff, CMHL's IT team had to ensure that specific people and departments could work remotely efficiently. For all the people who had to work from home, CMHL provided them with the necessary equipment and software. Furthermore, CMHL reinforced its protocols to safeguard the security and confidentiality of its data. Last, the IT team worked to develop new technical solutions to streamline various processes and facilitate, for instance, contact tracing to manage swiftly any potential COVID-case.



“Technology is a crucial component for transforming our business. We have invested massively to ensure the continuity of our operations during the COVID pandemic, especially to offer new solutions that safeguard our staff and employees' safety and security. We believe that these investments will unlock CMHL's potential for growth.”

Ronald Lee
Project Director, City Mart Holding Co., Ltd.



City Family: a digital solution to engage our employees and reduce COVID-related risks

COVID pandemic impacted multiple processes. Our IT Team developed the City Family and included various options such as a QR code scanner. All our employees who are using a ferry, a meeting room, or recording their attendance must use the City Family app. It helps us to ensure the traceability of the different contacts and streamline our HR processes. Hence, when someone is identified as a potential case, it is easy to identify quickly all the persons who should isolate themselves. Technology helps us not only to protect our team; it accelerates the transformation of our business.

Key Figures



500,000 people
joined our City Rewards
programme

50% more people are
using our e-Commerce
platform 2020 compared to
2019



Supporting philanthropic activities

CMHL supports City Holdings corporate Foundation: the City Love & Hope Foundation (CLHF). The CLHF focuses its efforts on 4 pillars: community livelihoods, education, environment and health. All the projects supported must be related to these topics. During the pandemic, the CLHF naturally prioritised projects and initiatives related to health and community livelihoods. In 2020, the main focus of our philanthropic activities was related to COVID-19.

CMHL invited its customers to use its City Rewards app to participate (see below). More than MMK 3 million were collected and used to finance the Yankin COVID treatment centre's operation, which the Foundation donated a total of MMK 320 million to finance its activities from October 2020 till December 2020.




In March and April 2020, CMHL took part in the “Keep The Spirit High” campaign initiated by CLHF where the Foundation pledged MMK 200 million worth of hand sanitisers. All the City Mart, Marketplace and Ocean branches were involved: CMHL’s consumers could come to refill their own bottles of sanitisers and were invited to “Pay what your heart feels”.

Key Figures



"We Help Build Communities"

CMHL dedicated
MMK 101 million
 to support the
 City Love & Hope
 Foundation



PWINT THIT SA
 Transparency in Myanmar Enterprises

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



Our customers donated
 more than **MMK 3 million**
 to support the Yankin
 COVID treatment center

PEOPLE



With 6,800+ people, driven by the same values, and working as one team, we managed to serve our clients safely during the COVID-19 outbreak. CMHL stood by its people last year, investing massively to secure their safety, provide them with adequate benefits, offer them rewarding careers' opportunities and corporate culture to be proud of.

Standing up for each other during hard times

Our corporate values define who we are. In 2020, we successfully managed all the challenges we had to face, mainly because we worked as one team: teamwork was central, it helped us to innovate, frame better solutions, and to deal with extremely adverse conditions. The COVID-19 led us to forge stronger relationships between us, and it revealed who we were, what we were capable of.



“The courage, commitment and dedication of our people to serve our customers, no matter what, humbled us. CMHL fully stood by its people by providing them with a safer working environment and better benefits. We stand up for each other and sharpened our culture: it helped us overcome all the challenges because we worked as one team. It is essential and key to embracing a better future together.”

Phyo Min Kyaw
Chief Operating Officer, City Mart Holding Co., Ltd.

CMHL's values



Integrity



Teamwork



Customer
Focus



People
Development



Strive for
Excellence

Prioritising safety and safeguarding jobs

Quickly, when the pandemic upheld in Myanmar, City Holding's Board of Director made sure that the safety of CMHL's people was our top and shared priority. Under the CMHL CEO's leadership, all the departments worked more closely together to ensure the continuity of CMHL's operations and provide all the support the people needed to work safely. Also, despite adverse conditions and a significant impact on the sales, CMHL did not lay off anyone and did not reduce the staff's salaries. The reduction in the workforce between October 2019 and 2020 (13%) results from the natural turnover, as CMHL did not replace all the people who left the company

Responding to COVID-19 as one team

The impacts of the COVID pandemic were severe: as a retailer, most of our cashiers, janitors, security guards, operators, drivers, etc., were all frontliners. CMHL recorded its first COVID positive case in early September. Within 48 hours, a dedicated team was set up to trace as quickly as possible all the contacts between a potential case and all the people he or she interacted closely with. Its objective? Controlling the spread of the disease and protecting all our employees and customers. All the potential cases were isolated and sent to specific hotels for their quarantine whenever it was possible. This Tracing Team benefited from specific tools developed by CMHL's IT team (see page 17).

As of December 31 2020, a total of 2,300+ people were impacted by the COVID pandemic among our employees and 310 were finally tested positive, which accounts for 4.6% of our workforce.

Key Figures



Our **6,800+** employees are dedicated to serving our customers



55% of our workforce are women



96 people were promoted during the reporting period



55% of the people promoted were women



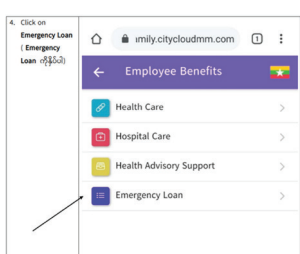
33% of our employees have a management role

Yet, they were all fully committed to doing their job: our absenteeism rate was low (4%), and our turnover rate last year (68%) was almost the lowest one since FY16/17. Why? Simply put, because CMHL cared about its people and provided an unprecedented level of support to its employees: the Company decided to maintain the salaries of its employees impacted by the pandemic and invested an additional MMK 1 billion in the following areas:

Safety equipment for all the staff: masks, face shield, acrylic screen for the counters, etc. Hand-sanitisers were also made available for all the employees.



CMHL offered an emergency loan for its employees: 20% of our people applied for this temporary financial support.



A new health insurance was negotiated and offered to all our employees. The provisions were extended and all the family members of our staff benefited as well from the same protection.



Group Policy – Employee Health Care Policy

Policy no	Version	Approved by	Prepared by	Effective/Review date
HR_00002	1/1	Dee Win Win Tun	Peunt P Han	1/5/2020

CMHL doubled the number of ferries to ensure social distancing during its employees' commute and double the number of rooms available for those of its employees who used the dormitories arranged by the Company.



Becoming an employer of choice

Providing a respectful workplace

Our Code of Conduct, policies and Manager Handbook are crucial documents and tools to foster a conducive working environment. We invested in developing our managers' capacities: we believe that the reduction of our turnover rate reflects a general improvement of the working conditions we offer.

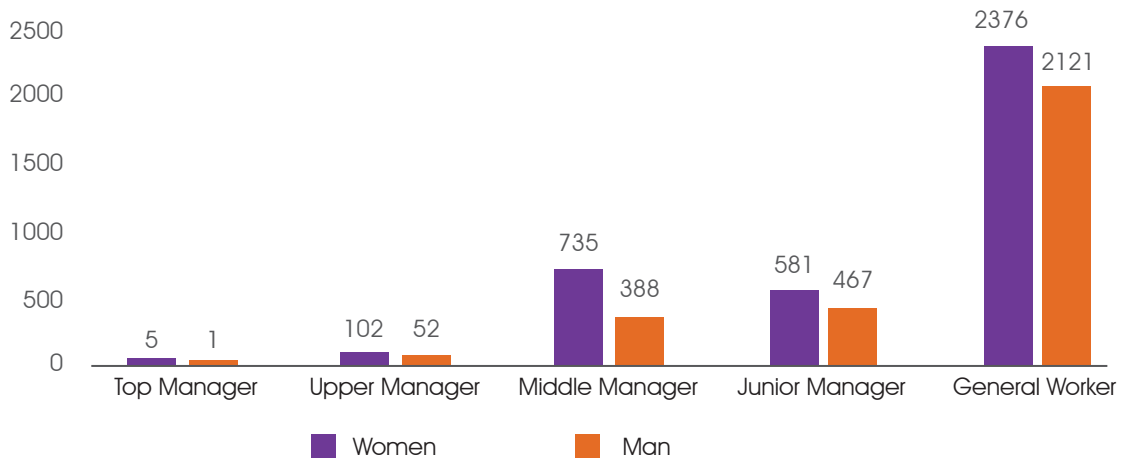


As a signal of our commitment, in 2018 we obtained the EDGE certification, and we are pleased to be the only retailer in Myanmar who managed to do so. CMHL is also a member of the Myanmar Business Coalition for Gender Equality.

Our workplace is gender-balanced, and we consider only performance and merit when promoting colleagues. During the last reporting period, 96 people were promoted, of which 55% were women. Across our Company, 55% of our workforce are women. Our workforce's breakdown by gender and levels is provided in the chart below. The pattern between men and women reflects that CMHL does not discriminate against women. Moreover, in 2019, we established a dedicated room in our headquarter for mothers who need privacy.

We also aim to be a responsible employer, which means we offer opportunities to our people regardless of their gender, race, religion or ethnic group. Diversity is an asset for us, which helps us to reflect Myanmar vibrant society. We developed a recruitment policy to avoid any bias and to welcome anyone who is applying for a job in our Group

Breakdown of our headcount by gender and level



Helping hands – our Quarantine Packs

For all our employees who had to undergo their quarantine a public center, we offered them a Quarantine Bag. These bags, developed by our merchandising team, contained essential items for their stay: food, hand sanitiser, toothbrush and toothpaste, paracetamol, etc. This small gesture was a way to demonstrate that we were united and standing up for each other.



Engaging our people to foster better working conditions

In July 2020, for the first time and following the lead of City Holdings, CMHL conducted a survey to measure its employees' satisfaction using the net promoter score methodology. The survey will be conducted again in 2021. The first assessment results revealed some strengths: the staff are proud to work with and for CMHL. Their work is valuable and seen as essential, they appreciate CMHL's values, and they know that CMHL pays attention to their health and safety. However, they expect CMHL to take more into consideration their opinions, discuss more with their supervisor/manager their opportunities to further evolve in the company, and have better salary and benefits. For the latter, the survey was conducted before the implementation of all the measures detailed before.

Reinforcing safety and security

Regarding safety, our goal is to reach 0 accidents in our workplace. Since 2019, a specific committee is tasked to monitor and manage Health, Safety and Environment (HSE) risks across CMHL.

In 2020, we introduced a new role in our store: the Safety Marshall. Its role? Ensuring that our customers and employees pay attention to safety. Today, 93 of our employees act as Safety Marshall alongside their other responsibilities. Likewise, as explained previously, CMHL reinforced its fire safety procedures (see page 13).

Globally, CMHL safety performance improved. Fortunately, we did not record any fatal accident in 2020. Last year, 40% of the absences were related to occupational diseases: this sharp increase reflects the impacts of the COVID-19 on our organisation.

In 2021, our facility team will work further to improve our level of compliance with the guidelines related to safety: indeed, we have to remodel some areas of our stores for our employees to ensure social distancing in areas that are not accessible to the public, like pantry rooms, storage, etc. These operations needed to be carefully planned not to disrupt our operations and ensure the safety of all the people involved.



“As safety marshalls, our mission is clear. Every day, we ensure that it is safe for everyone in our stores to be there. As front-liners, our contribution is humble yet crucial: we are proud when we see our colleagues serving our customers carefully despite the pandemic. We are the smiling faces you can trust to keep you safe from COVID-19!”

Soe Soe Mar, Thae Thae Aung

Developing our people potential

As a retailer, we are proud to develop our employees' potential: retail is an industry where people can start with a junior position and then climb the management ladder, thanks to training and the careers' opportunities offered. Last year, 96 people were promoted to higher positions.

We increased our training efforts significantly: we trained more people, and we provide them with more hours of training:

- We trained 7,500 people last year.
- On average, our trainee received more hours of training, from 16.8 hours in FY19/20 compared to 15.1 hours in FY19: it means that despite the impacts of the COVID-19, we did not stop training massively our people.
- The main focus for the training last year were the development of technical skills (48% of the training hours were dedicated to this topic), orientation training (37%) and health and safety (5%).

Key Figures



We trained

7,500+ people



On average, our trainee received

16.8
hours of training

PRODUCT



Our customers want products with great value. We strive for providing them with healthy and high-quality products that are affordable. Every day, we do our best to serve them: their loyalty and satisfaction help us sustain our business, build strong and meaningful brands, and, most importantly, trusted relationships.



“COVID-19 impacted our operations significantly: this unprecedented crisis worried our customers, and we did our best to serve them despite supply chain disruption. We had to adapt as consumption patterns changed dramatically. As a result, we managed to offer new market opportunities to Myanmar food-producers to support them during these turbulent times while always ensuring the safety of our customers’ shopping experience. The courage of our staff and their commitment made it possible – we thank all our staff who continuously stand by our clients.”

May Zin Soe Htet
Operations Director, City Mart Holding Co., Ltd.

CMHL, in its 2025 strategic vision, aims to be the Market-leading Company. Until now, we were focused on delivering high-quality products and making them as affordable as possible. Likewise, we were committed to offering market opportunities to Myanmar food-producers. However, COVID-19 challenged us differently: not only we had to keep delivering our promise, but we also had to adapt our operations quickly to ensure that shopping was safe. As an essential service, it was crucial that we could continue our activities to support our customers.

Serving our customers during the COVID-19 pandemic

As an essential service, we needed to maintain our ability to operate. Millions of people visited our 200+ stores during the pandemic: for us, ensuring their safety and wellbeing was at the core of our response to COVID-19. We worked closely with various government bodies, such as the Ministry of Health and Sports, and we shared lessons learnt with City Holdings.

Embracing transparency in our communication

CMHL did its very best to communicate as clearly and straightforwardly as possible during the pandemic. In March 2020, rumours of food shortage appeared on social media, leading to panic buying.

We decided to communicate transparently: it was, for us, the only way to earn the trust of our clients. CMHL CEO engaged with our community on social media in April 2020: this direct and straightforward approach was crucial to act as a leading Myanmar company.

We communicated immediately when we recorded the first COVID-19 case among our people.

City Mart Supermarket Myanmar
4 September 2020

အထူးသတိပေးထုတ်ပြန်ချက် - Covid-19 အတည်ပြုပြီးတွေ့လူနာ ၁ ယောက်တို့ဖြစ်ပွားခဲ့ပါသည်။

နေ့စွဲ ။ ၄ရက် ၉လ ၂၀၂၀ခုနှစ်

City Mart Holding Co., Ltd ၏ သီးခြားနှင့် စီမံခန့်ခွဲမှုမှ ဝန်ထမ်းတွင် Covid ရောဂါပိုးတွေ့ရှိကြောင်းအတည်ပြု ထုတ်ပြန်ချက်

ကျွန်ုပ်တို့၏ သီးခြားနှင့် စီမံခန့်ခွဲမှုမှ တာဝန်ထမ်းဆောင်နေသော ဝန်ထမ်းတစ်ဦးတွင် COVID-19 ရောဂါပိုးအားတွေ့ရှိကြောင်း အတည်ပြုခဲ့ပါသည်။ ယခုအချိန်တွင် ၎င်းဝန်ထမ်းသည် သတိပေးထားသော ဆေးရုံတွင် ကုသမှုခံယူလျက်ရှိပြီး လိုအပ်သည့် စစ်ဆေးမှုများကို ထပ်မံပြုလုပ်လျက်ရှိပါသည်။ ၎င်းဝန်ထမ်းနှင့် စီမံခန့်ခွဲမှုမှ အထူးသတိပေးချက်များကို အတည်ပြုပေးဆောင်ပေးပါသည်။ ၎င်းဝန်ထမ်းနှင့် စီမံခန့်ခွဲမှုမှ အထူးသတိပေးချက်များကို အတည်ပြုပေးဆောင်ပေးပါသည်။ ၎င်းဝန်ထမ်းကိုလည်း ကျွန်ုပ်တို့အားအားပေးကြည့်ရှုရန်အတွက် ကျွန်ုပ်တို့၏ အထူးသတိပေးချက်များကို အတည်ပြုပေးပါသည်။ ၎င်းအထူးသတိပေးချက်များကို အတည်ပြုပေးပါသည်။ ၎င်းအထူးသတိပေးချက်များကို အတည်ပြုပေးပါသည်။

ကျွန်ုပ်တို့အနေဖြင့် ကျွန်ုပ်တို့၏ ဝန်ထမ်းများနှင့် အားပေးမှုများကို အထူးသတိပေးချက်များကို အတည်ပြုပေးပါသည်။ ၎င်းအထူးသတိပေးချက်များကို အတည်ပြုပေးပါသည်။ ၎င်းအထူးသတိပေးချက်များကို အတည်ပြုပေးပါသည်။

ကျွန်ုပ်တို့၏ ဝန်ထမ်းများ၊ နယ်စပ်သူများနှင့် ပတ်ဝန်းကျင်၏ ကျန်းမာရေးလိုအပ်ချက်များသည် ကျွန်ုပ်တို့၏ အဓိကအလေးထားဆောင်ရွက်ရမည့်အရာဖြစ်သည်။ ယခုအခြေအနေအထားအရ ကျွန်ုပ်တို့၏ ဝန်ထမ်းများသည် အဆိုးဆုံးဖြစ်ပွားနိုင်ရန် အချိန်နှင့်အမျှ ကြိုတင်ဆောင်ရွက်လျက်ရှိပါသည်။ ၎င်း စီမံခန့်ခွဲမှုမှ သီးခြားနှင့်အား ပေးဆောင်ပေးခြင်းဖြင့် ကျွန်ုပ်တို့၏ ဝန်ထမ်းများနှင့် နယ်စပ်သူများအတွက် ရောဂါပိုးအကြောင်းကို မထုတ်ပြန်အထိ ပိတ်ထားမည်ဖြစ်ပါသည်။

We frequently shared messages to raise awareness on social distancing and on the measures to prevent the spread of COVID-19.

Ocean Supercenter Myanmar
4 September 2020

နေရာထပ်လွှမ်းပြည်သူများအား ဆိုင်ခွဲတိုင်းတွင် စီမံခန့်ခွဲမှုမှ တာဝန်ထမ်းဆောင်နေသူများနှင့် မြန်မာနိုင်ငံ ကျန်းမာရေး အကာအကွယ်ပေးရေးအဖွဲ့၏ လမ်းညွှန်ချက်များအတိုင်း အောက်ပါအချက်အလက်များဖြစ်ပွားခဲ့ပါသည်။

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We informed our clients when we experienced some difficulties to source specific products.

marketplace by City Mart
21 April 2020

Dear Customers,

We ask for your patience while we strive to fill our shelves as fast as possible. We are working closely with our suppliers who will be assessed to ensure they meet Ministry of Health and Sports Covid-19 precautionary guidelines for workplaces after water festival re-opening. Unfortunately there may be some delays.

Thank You For Your Understanding

Special Announcement

မိမိပုဂ္ဂိုလ် ကာကွယ်ပါ...

ငေးငေးဖွားငေးပါ...

တစ်ဦးနှင့်တစ်ဦး သတိပေးထားသော အကွာအဝေးမှာ နေပြည်တော်တွင် COVID-19 ရောဂါပိုးကို ကာကွယ်နိုင်ရန် အကွာအဝေးတွင် နေပါ။

၂၀၂၀ ခုနှစ် ဇူလိုင်လ ၂၀ ရက်နေ့တွင် အထူးသတိပေးချက်များကို ထုတ်ပြန်ခဲ့ပါသည်။

ရူပဗျူဟာ ကာကွယ်ပါ

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မိမိပုဂ္ဂိုလ် ကာကွယ်ပါ...

ငရုဂါးပေါင်းစုံ ကာကွယ်ပါ

လက်များကို သန့်ရှင်းစေရန်အတွက် ကျွန်ုပ်တို့၏ ဝန်ထမ်းများသည် အထူးသတိပေးချက်များကို ထုတ်ပြန်ခဲ့ပါသည်။

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ရူပဗျူဟာ ကာကွယ်ပါ...

ကျန်းမာစွာနေကြပါ

မိမိပုဂ္ဂိုလ် ကာကွယ်ပါ...

တိုက်ခိုက်ရေးအင်အား ရောဂါပိုးအတွက် ဝန်ထမ်းများသည် အထူးသတိပေးချက်များကို ထုတ်ပြန်ခဲ့ပါသည်။

လက်ဆေးရည် ဖြန့်ဖြူးခြင်း၊ မိမိပုဂ္ဂိုလ် ကာကွယ်ပါ

ရူပဗျူဟာ ကာကွယ်ပါ ဥပမာ - ပိုလစ်စတီယမ်၊ ရေသန့်စင်စက်များကို သတိပေးချက်များကို ထုတ်ပြန်ခဲ့ပါသည်။

ရူပဗျူဟာ ကာကွယ်ပါ အထူးသတိပေးချက်များကို ထုတ်ပြန်ခဲ့ပါသည်။

Ensuring the health and safety of our customers

CMHL significantly invested in making sure that shopping with us was safe. Quickly, we came together to serve our clients the best we could by enforcing a series of measures (see page 13) and making sure our customers' journey was as safe as possible when they were shopping with us.

Before entering our stores, all the visitors had their body temperature checked.

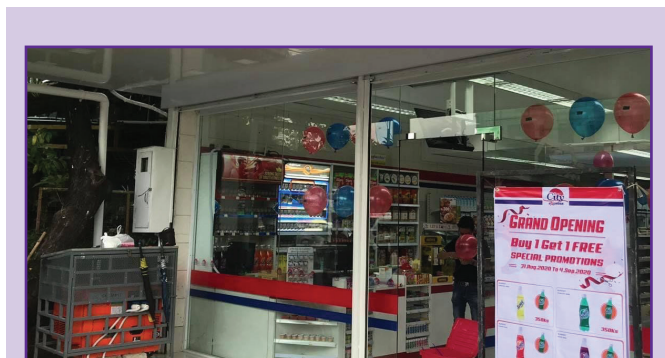


Safety Marshalls were assigned to re-insure our customers and ensure that all the measures were applied.

Social distancing was carefully enforced to protect each other. We regulated the number of customers in our stores and produced a video (see here: <https://www.linkedin.com/company/city-mart-holding-co-ltd/videos/>) to educate everyone about it.



In our stores, we increased the cleaning of "high touch" surfaces such as handrails, baskets, trolleys, etc.



Adapting to a new reality

Likewise, curfews and Stay-At-Home orders disrupted our ability to operate. We had to revise and limit our operating hours: some of our stores like City Express or specific branches that used to be open 24x7 had to adjust.

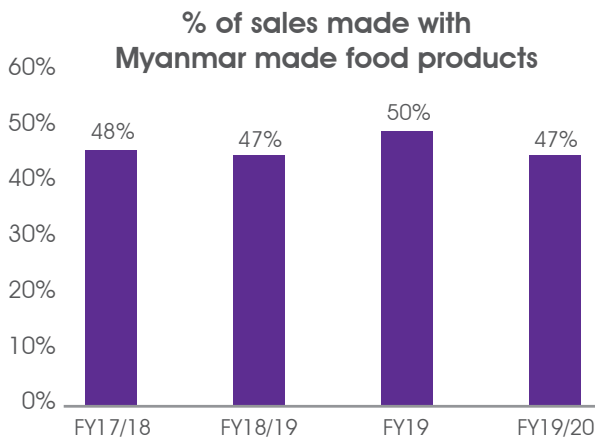
Ramping up our online capacities

50% more customers decided to use our e-commerce platform, City Mall, to shop online during the pandemic. CMHL invested and managed to increase eight times its capacities to serve its clients online.



Fostering the consumption of Myanmar-made products

As a retailer, we also bear responsibility for the products we source, sell and promote. Therefore, we are looking to offer healthy, locally produced products which consumption will not harm the environment. During the pandemic, our customers' needs changed: their main focus was on getting enough food. Sales of non-food products such as home appliances, clothes, etc., dropped by 80% compared to last year. It impacted our revenues and had a negative ripple effect, unfortunately down our supply chain: when we cannot sell these products, we cannot restock and order from our suppliers, impacting them.



When we are sourcing from local suppliers, it benefits them and the Myanmar economy as a whole. To do so, we have to be sure that they will meet our requirements (see page 15). When the suppliers can deliver the products, the success is immediate as Myanmar people are keen to buy local, high-quality products made in Myanmar.

For food products, the volume of sales made with Myanmar made products remained stable compared to the previous year: 47% of our revenues were generated by products manufactured and prepared by Myanmar producers.

However, to foster consumption, we launched a specific campaign to sustain the demand. We also decided to engage farmers in Shan state to sell their products (see box below).

Key Figures



210+ stores



81% of our customers are satisfied when they are shopping with us



Our fresh products are **HACCP** compliant



1 food safety incident



47% of our food products sold are made in Myanmar



We received **453** complaints last year



Supporting Myanmar farmers

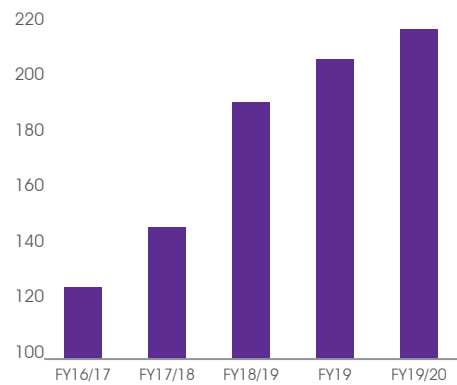
The pandemic struck farmers in Shan state: they could not export their crop anymore. When we heard about this, our team decided to support them. In May 2020, we started a specific campaign to offer them new market opportunities here in Myanmar. The results? CMHL purchased billions of kyat from the farmers: it helped them to generate income during the pandemic. Our customers could buy high-quality and locally sourced products in our stores or online, and it was also a way for CMHL to sustain its activities.

Enhancing our customers' experience

Despite the crisis last year, we expanded our network of stores: at the end of FY19/20, CMHL operated 210+ branches and 10 formats across the country. Our expansion has been quite significant since FY 16/17; we opened more than 80 branches, 10 in 2020. Furthermore, last year, we renovated one store in Naw Pyi Taw and one in Yangon.

We received 453 complaints from our clients last year (vs 602 in FY 18/19), of which 169 pertained to product quality and 19 to food safety. More importantly, our team detected one incident related to food safety: one lot of pork meat did not meet our criteria, and we sent back the product to our supplier.

Evolution of number of stores



“We are delighted to see that the satisfaction of our customers went from 73% in 2019 to 81% in 2020. This reflects the hard work we all did to ensure that they could come, shop with us safely, and trust our communication. We stood by our customers even when it was difficult for us, and we are thankful for their continuous and strong support.”

Ana Punongbayan
Marketing Director, City Mart Holding Co., Ltd.

Ordering books with our e-Commerce platform

Last year, we started to sell our books on City Mall, our e-commerce platform. It is a way for us to diversify our channels and to serve our clients differently. City Books and Music is looking to develop its activities online soon.



Making food as accessible as possible

During the COVID-19 pandemic, we decided to monitor the price of essential food products carefully. As a result, we launched a specific campaign: the Value for Quality campaign, from October to December 2020. We lowered the price of particular food products, mainly meat and eggs, by 20% on average.



Responding to the pandemic by empowering our customers

City Care regularly engaged its customers to regularly provide them with reliable information to prevent the pandemic's spread. Furthermore, a wide range of products was available in our stores: sanitisers, masks, even health monitoring equipment. City Care managed to develop, manufacture in Myanmar and sell Oximeter products under its own brand. They were available across our network of stores.

PLANET



We rely on natural resources, and as a retailer, our operations impact the environment. To assume 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 business sense: whenever we reduce our energy consumption or the distribution of plastic bags, it enables us to reduce our operational expenditures. We can, therefore, redeploy new financial resources and invest in transforming our business.



“At City Express, we set up a monthly meeting to discuss our results, goals and actions to reduce our energy consumption further. It helps us to identify good practices, diffuse them quickly across our branches, and save costs.”

Ko Aung Bo Bo
General Manager, City Express

Managing our plastic footprint

Managing waste is a challenge for retailers across the globe. In an emerging country like Myanmar, it can be even more complicated. For the time being, we can not monitor precisely the quantity of waste induced by our activities: we estimate it. According to our current estimation, our activities generated 2,800 tonnes of waste in FY 19/20, of which 44% were cardboard, 20% plastic and 36% a mix of different type of waste. We estimate that more than 90% of the plastic produced by our activities comes from the plastic bags distributed by CMHL.

Conscious about our responsibility, CMHL started a specific campaign to raise awareness on plastic reduction 8 years ago. In our first report, CMHL began to report data on its plastic footprint and announced its goal: distributing less than one plastic bag per sale or transaction: this number went from 1.36 in FY 16/17 to 1.23 in FY 19/20. However, the trend last year was not positive: we distributed 11% more bags per transaction compared to FY 18/19. Why?

First, we understand that our customers were prioritising their health during the COVID-19 pandemic, and as plastic was seen as a safeguard, they might have preferred to use more plastic bags. Likewise, some of our customers decided to stock food: the size of their baskets was bigger, which induced more plastic bag per transaction.

Furthermore, in 2019, we surveyed to understand better our customers' practices with plastic bags: (i) almost all the people surveyed (97%) used the plastic bags distributed at the counter in their trash bin; (ii) 91% are supportive of our "No Plastic Bag Day" even though our cashiers have to deal with at least 20 complaints when the campaign is active. Last, according to the Myanmar Retailers Association, modern retailers' market share accounts for only 10% approximately. Therefore, even as the largest modern Myanmar retailer, we cannot solve this problem alone: the solution must be systemic and involve multiple stakeholders.

Therefore, in February 2020, we decided to engage a group of experts and critical friends to share our current approach and get their candid feedback. It helped us to challenge our assumptions and structure our roadmap. Unfortunately, the COVID-19 pandemic impacted our ability to execute our initial plan. Instead, our sustainability team refocused its efforts on the following:

- We stopped the distribution of XL plastic bags at its counters, and we reduced the purchase of plastic bags by 20% in 2020 compared to 2019. We sold 279,000+ bags reusable bags as well last year, and we are doing our best to increase their usage. We hope to see positive results in our future report.
- A specific training module was developed, in Myanmar, to brief the cashiers and packers to pack more effectively the items purchased by our clients: the idea behind this "science of bagging" programme is to reduce the overall number of bags needed. To test our approach, we trained a first team in November, and we will analyse the results soon: if they are positive, we will expand the training.
- In November 2020, Thant Myanmar and the Heinrich Höll Foundation launched the Myanmar Edition of the Plastic Atlas. Schools students were invited to a competition which aimed to raise awareness. Our sustainability manager was one of the judges.⁵



Minimising food waste

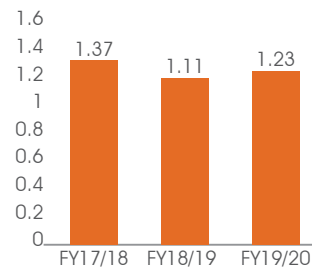
We estimate that 80% of the wastage induced by our activities are related to food. In 2020, CMHL donated more than 25 tonnes of food to various organisations. During the complex and challenging times, we did our best not to waste food.



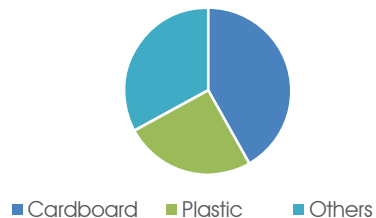
Controlling our water consumption

In FY19/20, we consumed 439,000+ cubic meter of water or 0.42 cubic meter per square foot of saleable area. This number is 30% higher than FY18/19 and reflects the intensity of our efforts to clean more frequently all our facilities to prevent the spread of the COVID-19 pandemic.

Plastic bags handed per transaction



Breakdown of our waste



⁵For more information, see: https://www.thantmyanmar.com/en/awareness/plasticatlas_schools

Optimising the carbon intensity of our operations

Retailers need energy. We need it to power our fleet of vehicles to transport goods between our branches and distribution centres or offer a good shopping experience to our customers through warm lighting and pleasant temperature.

Last year, 99% of the energy used by CMHL was related to electricity (89%) or diesel for powering back-up generators and our fleet of trucks (10%). When we analyse the evolution of our performance over time, we can notice that we reduced the energy intensity by 14% between FY17/18 and FY19/20: it means that we need 14% less energy for each square foot of saleable area operated by CMHL (see chart 1). How did we achieve these results?

To reduce our energy consumption, we installed LED lighting in all our stores, and we optimised the use of our ventilation and air-conditioning system. Whenever we decide to refit on our branch, we invest in installing equipment that is more energy-efficient. For example, in 2020, we renovated two branches: City Mart Zawana in Yangon and Ocean Junction in Nay Pyi Taw. For City Mart Zawana, we upgraded all the lighting system, refrigeration units and displays. To lower our diesel consumption, we are renewing our fleet of vehicles (see page 16).

Likewise, last year, we emitted the equivalent of 23,803 tonnes of carbon dioxide equivalent (CO₂e) from our facilities (scope 1 and 2 emissions). Scope 1 accounts the emissions of the assets we own and use to operate our activities: 20% of our emissions are induced by our refrigeration system and 8% by our fleet of vehicles and generators. As shown in chart 2, the emissions induced by our electricity consumption totalled 72% of total emissions (vs 73% in FY 18/19) – it reflects our scope 2 emissions. When we look at the evolution of our saleable area’s GHG intensity, we manage to reduce this metric by 31% between FY17/18 and FY19/20.

Key Figures



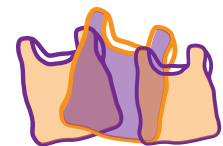
1.23 bags were handed out per sale for FY19/20



-33% of waste intensity between FY18/19 and FY19/20



We sold **279,000+** reusable bags for FY19/20



We distributed **4%** less plastic bags between FY18/19 and FY19/20

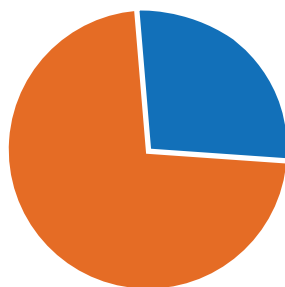


Waste intensity: **2.2 kg** of waste per sqft of saleable area



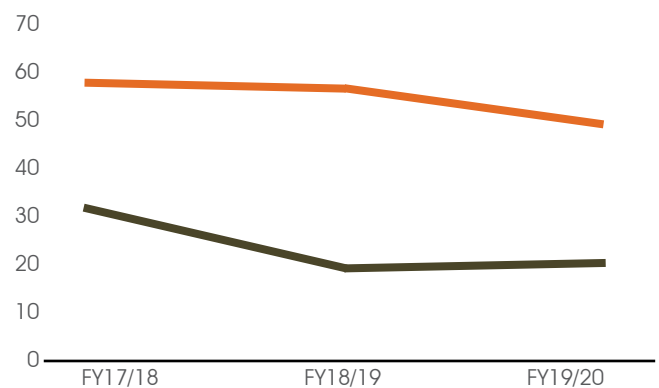
We donated **25** tonnes of food

Chart 2 - Breakdown of our GHG emissions



■ Scope 1 ■ Scope 2

Chart 1 - Evolution of our energy intensity and GHG intensity



— Energy intensity of the saleable area (kWh/sqft)

— GHG intensity (kg CO₂ eq./sqft)

REPORTING



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

This report covers all the activities undertaken by CMHL. All the data included in this report have been reviewed by CMHL management. In this 2020 sustainability report, all the quantitative data cover the period from October 2019 to September 2020 (FY19/20) unless stated otherwise.

For the perimeter, the report includes all the entities operated by CMHL, which are mentioned on page 1. The data disclosed in this report have not been audited by a third-party. For the qualitative data, the reporting period covers 2020 as a calendar year.

Standards

We follow 4 main standards to structure our non-financial reporting:

Standards






GRI Standards

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.⁶ The following GRI material topics are considered relevant to our non-financial reporting:

⁶ You can find our GRI Index on our website

GRI topics	GRI material topics
Economic topics	201 – Economic Performance 203 – Indirect Economic Impacts 204 – Procurement Practices 205 – Anti-Corruption 207 – Tax
Environmental topics	301 – Materials 302 – Energy 303 – Water and Effluents 306 – Effluents and waste
Social topics	401 – Employment 403 – Occupational Health & Safety 404 – Training & Education 405 – Diversity & Equal Opportunities 406 – Non-discrimination 416 – Customer Health and Safety

Sustainable Development Goals

Currently, we consider the following SDGs as the most relevant for CMHL:



Today in Myanmar, providing safe, secure and healthy food is essential. CMHL is working internally and with its suppliers to achieve food safety and promote better agricultural practices.



CMHL is part of City Holdings, a company led by one of the most successful women entrepreneurs in Myanmar. We are deeply committed to women empowerment in Myanmar as it is one of the keys to sustainable development. We aim to be a role model company regarding gender equality and are proud to be part of the Business Coalition for Gender Equality.



As a company, we are working to develop our business; it will contribute to offer good opportunities to Myanmar citizens who are looking for interesting job opportunities but also to our suppliers as they will then be able to expand their own operations.



As a retailer, our goal is to promote sustainable lifestyles. Therefore, we are striving to promote sustainable consumption habits with our consumers. We are also partnering with our suppliers to develop a better working food chain in Myanmar which will waste fewer resources and maximise its shared value.



Myanmar is one of the countries that will be heavily impacted by climate change. Today its economy relies mostly on agriculture. The consequences for Myanmar farmers and the different food chain actors will be quite significant, and our operations may be largely impacted. We are working to reduce our energy consumption and our CO2 emissions.



Through our commitment to comply with all relevant laws and take a zero-tolerance approach to corruption in our organisation, we aim to set a strong example to the Myanmar business community that you can “do well by doing good”.

AA 1000 Standards

In addition, we use the AA 1000 Standards to structure our approach for identifying and prioritising the expectations of our stakeholders. The results are our materiality matrix (see below). It demonstrates CMHL’s adherence to these principles:

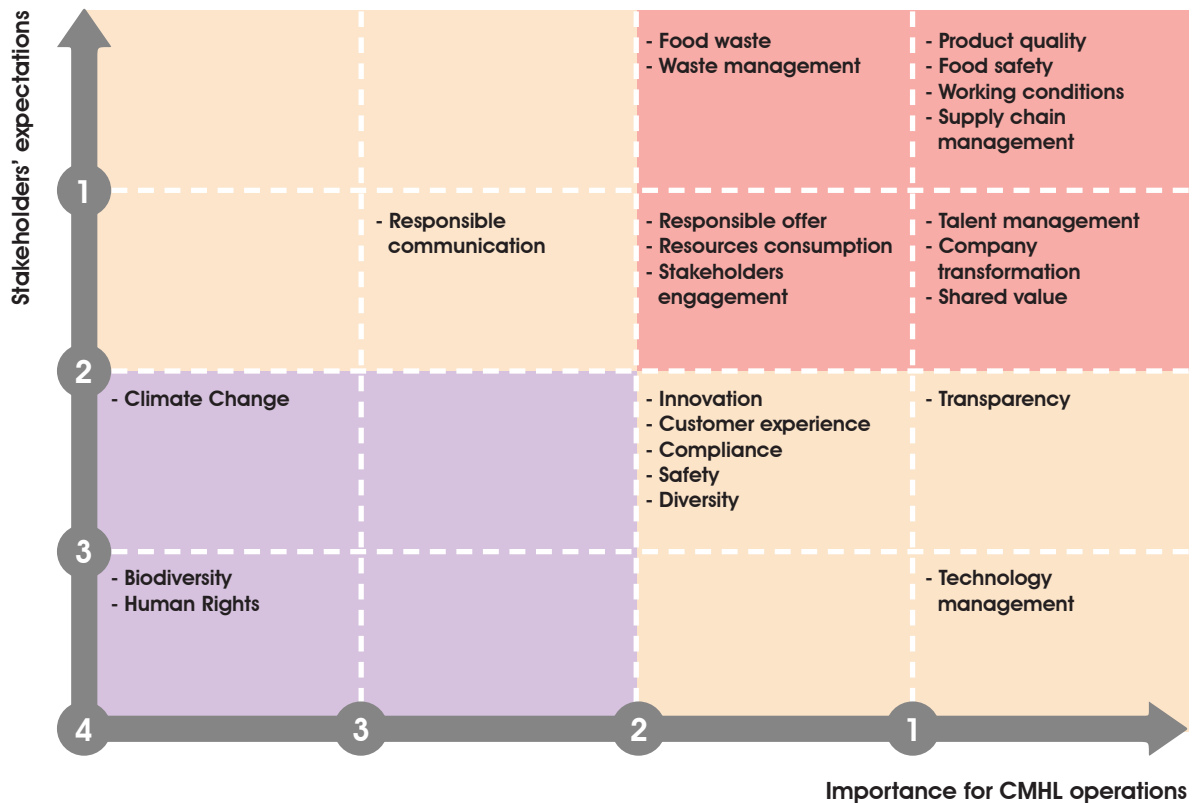
- **Inclusivity:** to understand our stakeholders’ expectations, we engaged them in dialogue. At the Group level and internally, our sustainability team met with our key management. Externally, we discussed with different organisations (NGOs, business partners, experts, etc.) to gather their views regarding CMHL sustainability challenges. In 2020, our sustainability team engaged ten organisations to gather their feedback. At the store level, our managers are in touch with our customers, employees, and communities daily. The mapping of our different stakeholders is available on our website.
- **Materiality:** to focus our efforts on the most important challenges, we conduct peers’ reviews. We selected a list of topics that were relevant to our sector and Myanmar. CMHL top management regularly reviewed the prioritisation of the issues identified.
- **Responsiveness:** we disclose our sustainability report yearly. It is for us a mean to disclose our results and comply with the requirements of the UNGC COP report.

Myanmar Sustainable Development Plan

We also considered for the first time the Myanmar Sustainable Development Plan (MSDP) to identify how our actions are contributing to delivering Myanmar national development vision. Our sustainability report could be seen as our answer to the following action plans: 3.1.5; 3.1.10; 3.2.1; 3.2.3; 3.2.4; 4.4.6; 4.4.8 and 5.1.6.

Materiality analysis

Our materiality matrix is the outcome of our stakeholders’ engagement process. It was validated by our top management in 2017 and reviewed in 2020 by our sustainability team to ensure its consistency and relevance.



Data

Products

KPIs	Unit	Value FY 19/20	GRI Standards	UNGC principles	SDG
Food safety					
Number of food safety incidents	Number	1	416-2		16
Total number of complaints	Number	453	416-2		16
Total number of complaints related to food safety	Number	19	416-2		16
% of sales made with Myanmar made food products	%	47%	204-2		12
% of complaints related to food safety	%	4%	416-2		16
Product quality					
Total number of complaints related to product quality	Number	169	416-2		16
% of complaints related to product quality	%	37%	416-2		16

Company

KPIs	Unit	Value	GRI Standards	UNGC principles	SDG
Company transformation					
% of customer experience index	%	81%	102-44		8
Business ethics					
% of new hires who have been trained on anti-corruption and business ethics	%	100%	205-2	10	16
Supply chain					
Number of local Myanmar food supplier audits	Number	13	102-44		8
Shared value					
Budget for philanthropic activities	Millions MMK	101.5	203-1		9

People

KPIs	Unit	Value	GRI Standards	UNGC principles	SDG
Workplace					
Number of people working for CMHL on 30/09/2020	Number	6,833	102-8	6	8
Number of females	Number	3,799	405-1	6	5,8
Number of males	Number	3,029	405-1	6	5,8
Number of permanent full-time contracts	Number	6,180	102-8	6	8
% of women holding a management position	%	37%	405-1	6	5,8
Total number of departures	Number	5,064	401-1	6	5,8
Total number of resignations	Number	4,254	401-1	6	5,8
Turnover rate	%	68%	401-1	6	5,8
Training					
Total number of people trained	Number	7,569	404-1	6	4,8
Total training hours provided	Hours	127,162	404-1	6	4,8
% of people trained	%	111%	404-1	6	4,8
Average hours of training provided per person	Hours	16.8	404-1	6	4,8
Working Condition					
Total number of hours of absence due to sickness and occupational disease	Hours	212,929	403-10	6	8
Talent Development					
Number of employees promoted in the year to a higher category	Number	96	404-3	6	5,8
Number of women promoted in the year to a higher category	Number	53	404-3	6	5,8

Planet

KPIs	Unit	Value FY 18/19	GRI Standards	UNGC principles	SDG
Energy					
Energy intensity of the saleable area	kWh / sqft	52	302-3	7,8	12,13
Total energy consumed	kWh	54,333,113	302-1	7,8	12,13
GHG					
Greenhouse gas emission (Scope 1)	CO ₂ t eq	6,470	305-1	7,8	13
Greenhouse gas emission (Scope 2)	CO ₂ t eq	17,332	305-2	7,8	13
Greenhouse gas intensity	CO ₂ kg eq / sqft	23	305-4	7,8	13
Waste					
Waste intensity of the saleable area	Kg per sqft	2.2	306-2	7,8	6,12
Number of plastic bags handed out per sale	Number	1.23	301-1	7,8	8,12
Number of plastic bags distributed	Number	64,790,883	301-1	7,8	8,12
Number of reusable bags sold	Number	279,966	301-1	7,8	8,12
Quantity of cardboard	viss	748,075	301-1	7,8	8,12
Quantity of hard plastic	viss	23,388	301-1	7,8	8,12
Food Waste					
Amount of food donated	kg	25,215	203-1	7,8,9	12
Water					
Water consumption	m ³	439,781	301-1	7,8	6
Water intensity	m ³ per sqft	0.42	301-1	7,8	6

