



新世界百貨中國有限公司

New World Department Store China Limited

(於開曼群島註冊成立的有限公司)

(incorporated in the Cayman Islands with limited liability)

(香港上市股份代號 Hong Kong Stock Code: 825)



可持續發展報告 2015  
Sustainability Report 2015

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# ABOUT THIS REPORT





New World Department Store China Limited (“NWDS” or the “Group”; Hong Kong Stock Code: 825) has always endeavored to fulfill our corporate social responsibility. Last year, NWDS published its first sustainability report, which has improved stakeholders’ understanding of our operations and sustainability efforts and encouraged us to continuously optimize related policies.



This year, we are pleased to present the Group's second sustainability report, *NWDS Sustainability Report 2015* (the “Report”), to share our sustainability performance and achievements with our stakeholders.

The Report gives concise account of our major sustainability initiatives and activities relating to community services, environmental protection, staff benefits and development, and operating practices implemented in FY2015 (1 July 2014 to 30 June 2015, “the year under review”). The reporting covers the concessionaire sales and direct sales business in our department store operations in Mainland China, including self-owned stores and managed stores, as well as the operations of Hong Kong Office and Shanghai Management Office. The disclosure of our suppliers has also been strengthened in this Report.

To report our sustainability efforts and performance in a systematic manner, this Report is prepared in accordance with the Core option of the internationally recognized

*Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines* (“G4 Guidelines”) and the *Environmental, Social and Governance (ESG) Reporting Guide* of Hong Kong Exchanges and Clearing Limited (“HKEx”). When defining key topics and content of the Report, in addition to the considerations for our operations and the opinions of our employees, we have taken the views of various stakeholders into account through the “NWDS Stakeholder Engagement Sessions” to further improve the content of the Report. NWDS also commissioned SGS Hong Kong Limited to carry out the verification of our report contents to ensure that the Report is in accordance with the Core option of G4 Guidelines requirements and to enhance the reliability and credibility of the Report.

This Report is available for download at the Group's website at [www.nwds.com.hk](http://www.nwds.com.hk). For further information, readers can refer to NWDS annual reports and other publications of the Group. We welcome all comments and suggestions on this Report or our sustainability performance. Please contact us by email at [nwdsca@nwds.com.hk](mailto:nwdsca@nwds.com.hk).



# MESSAGE FROM THE CHAIRMAN



There is no doubt that 2015 has been a tough year for the Chinese retail industry. The nation's economy, which is currently at the stage of "superimposition of three periods" of slower economic growth, economic restructuring and initial adaptation to new policies, has slowed down its growth. Coupling with the emergence of e-commerce and changes in consumer behavior, these resulted in a deteriorated operating environment for the industry.

In response to these challenges, the Group adjusted its operating structure and implemented stringent cost controls including downsizing one store and bringing one store into closure during the year under review. We also reviewed our business strategies and reiterated our positioning as a "lifestyle department store" to provide mass consumers with products and services addressing their "living" and "lifestyle" needs. While pursuing business development, we continued our sustainability efforts. We believe that the key to corporate sustainable development lies in striking a balance among profits, society, and the environment. To this end, NWDS strives to



generate a reasonable return for our investors, and, at the same time, endeavors to minimize the environmental impact arising from our business operations and improve the living quality of the communities where our operations locate in order to meet the expectations of society.

We are pleased to present the Group's second sustainability report which details our work in sustainable development over the past year and demonstrates our commitment to continuous improvement. During the year under review, the Group set specific and quantifiable sustainability goals to lay out our future work plan. Once again, we commissioned the Hong Kong Productivity Council to conduct the "NWDS Stakeholder Engagement Sessions" to consult a wider range of stakeholders on our work and performance with regard to sustainable development. With reference to the results of the exercise, we addressed stakeholders' concerns by strengthening the disclosures on the sustainability performance of our supply chain in the Report.

Climate change is one of the foremost challenges that the world is facing. Business community should spare no effort to take concrete actions to reduce carbon emissions. During the year under review, NWDS pressed on with climate change mitigation by drawing up a series of waste reduction and energy conservation guidelines and made extra efforts to cut down our principal source of carbon emissions, electricity, and managed to bring the average electricity consumption per sq.m. down by 15% when compared to that in the baseline year in FY2012. It resulted in a record low in power consumption in recent five years. We realize that appropriate mitigation measures could be developed if we know more about our carbon footprint. We therefore conducted the first carbon audit at all of our stores during the year under review and our total carbon emissions amounted to 268,075 tonnes. In the coming year, we will develop "Green Office Policy" and *Sustainable Office Guide* so that our colleagues can better master the green measures within the office and further reduce carbon emissions. We continued promoting green messages to our customers during the year under review and organized the first nationwide green outdoor activity, "Reaching Out to Nature", which took nearly 2,000 customers to farm visits and eco-tours, encouraging them to nurture green habits.

Adhering to the ethos of "giving back to society", we continued to promote the "@Dream Program" during the year under review. We specifically deepened the music and sports aspects of the Program by launching the "@Sports - Cool Soccer" training

program and continued to provide free music, tennis, and soccer training for under-resourced children in Mainland China and have benefited about 7,000 children so far. Furthermore, we title-sponsored the "NWDS Sowers Action Challenging 12 Hours Charity Marathon 2014" for the first time and made a donation of HK\$0.45 million with the enthusiastic support and participation of our management and employees. We also made good use of online platforms like WeChat and Weibo in our promotions to magnify our influence to benefit more people in need. Concurrently, we actively promoted volunteer culture and expanded the scope of our volunteer recruitment to families and friends of our employees. As a result, the size of our volunteer team increased by 9% to over 2,500 members. During the year under review, we organized 260 voluntary activities and recorded nearly 6,700 service hours in total.

We care about the career prospects and personal development of our staff. During the year under review, we launched the largest talent pool building project of the year, "Advanced Project Feipeng - NWDS Management 'Golden Ladder' Nurturing Program", and over 200 staff caring activities to create a harmonious working environment. Suppliers are our important business partners. We successfully invited 25 additional suppliers to sign the *Supplier Code of Conduct* during the year under review, leading to an 313% increase year-on-year in the total number. We also disclosed more details on the sustainability work and performance of our suppliers in the Report in response to the results of the "NWDS Stakeholders Engagement Sessions".

Our efforts in sustainable development were widely affirmed and recognized during the year under review, which came as a great encouragement for our work in the future. I would like to give my sincere thanks to our employees, customers and partners for their efforts to drive us for excellence. Looking ahead, though there are uncertainties of the economy, we will soldier on with our various sustainability goals and plans in pursuit of greater performance.

**Dr. Cheng Kar-shun, Henry**

Chairman  
Hong Kong, December 2015



# OUR BUSINESS



NWDS is the retail flagship of New World Development Company Limited (Hong Kong Stock Code: 17) in Mainland China. Founded in 1993, NWDS has become one of the largest department store owners and operators in Mainland China by employing forward-looking expansion strategies including “multiple presences in a single city” and “radiation city”. On 12 July 2007, NWDS was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited. Over the years, the Group has carried through its goal, mission, and conviction and is committed to providing bespoke services and quality products to consumers in a creative, far-sighted and efficient approach.

Goal	Mission	Conviction
To be China's most influential department store chain operator with the highest efficiency.	To create a modern, metropolitan lifestyle with creativity, foresight and efficiency in China.	Embracing "innovation, foresight, integrity, prudence and respect" in our core values lays a promising development path for NWDS in future.



## Business Network

As at 30 June 2015, the Group operated and managed 39 self-owned stores and four managed stores covering 21 major cities in Mainland China, including 31 “New World” branded department stores and 12 “Ba Li Chun Tian” (巴黎春天) branded department stores and shopping malls in Shanghai.



## Business Overview

Affected by the domestic economic slowdown and the emergence of e-commerce in 2015, the operating environment of the physical retail sector was challenging. In response to these challenges, the Group has gone through an in-depth review regarding its positioning and reiterated that all products and services it provides should meet consumers’ “living” and “lifestyle” needs. To this end, we actively increased the number of leasing projects such as food and beverage and lifestyle complementary facilities during the year under review while developing our direct sales business concurrently by acquiring an international brand agent and distributor, Well Metro Group Limited, and strengthening LOL (Love • Original • Life) Concept Shop, so as to increase the uniqueness of our merchandise.

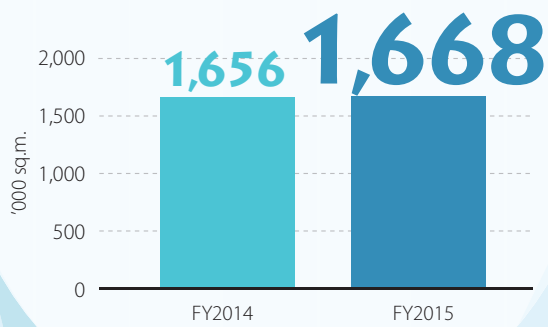




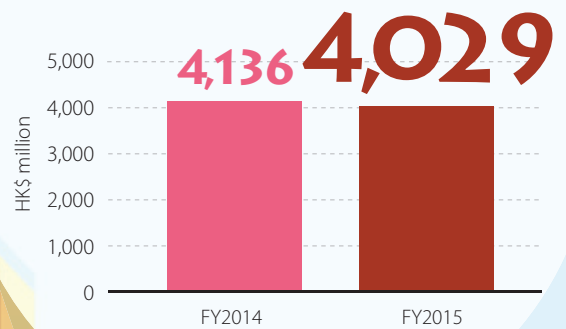
During the year under review, the Group streamlined its operating structure by downsizing one store and closing another store to implement stringent cost control. The Group also slowed down its business expansion and opened its 12<sup>th</sup> self-owned store in Shanghai, Hong Kong New World Department Store-Shanghai 118 Branch Store (“Shanghai 118 Branch Store”). It is the Group’s first large-scale retail project

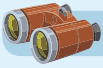
that adopts a department store-shopping mall hybrid model. Shanghai 118 Branch Store is situated in a convenient and core location in Putuo District, bringing consumers a more advanced and comprehensive shopping experience. By carrying through the Group’s strategy of “multiple presences in a single city”, the store will further strengthen our market presence in Shanghai.

### TOTAL GROSS FLOOR AREA



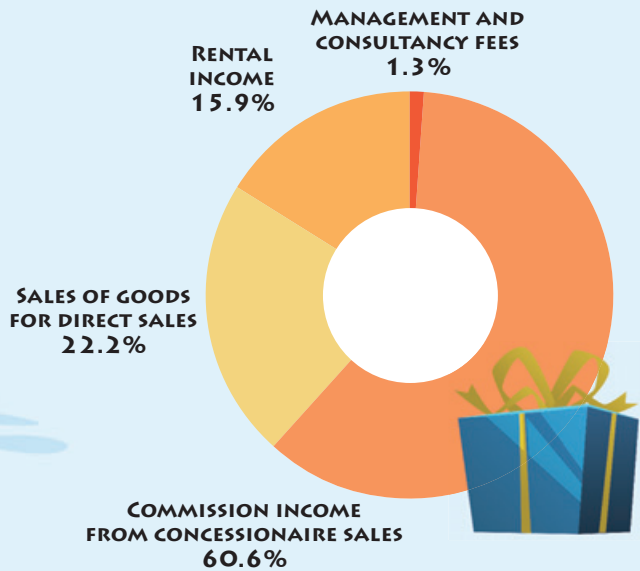
### REVENUE



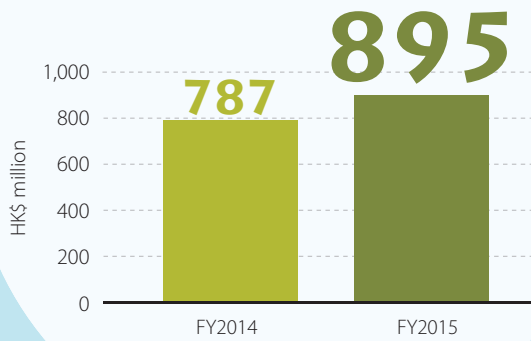


## Key Figures

As at 30 June 2015, the Group's total gross floor area (GFA) was approximately 1,667,780 square meters (sq.m.), representing a slight increase of 0.7% over the previous financial year, with self-owned stores' GFA of about 1,512,080 sq.m. In FY2015, the Group's revenue was HK\$4,029.4 million and profit for the year was HK\$69.7 million. Our revenue is mainly contributed by four segments: commission income from concessionaire sales, sales of goods for direct sales, rental income, and management and consultancy fees.



### SALES OF GOODS – DIRECT SALES



# OUR SUSTAINABILITY VALUES



As the business nature of department store is to serve the public, we place our social responsibility highly. We pay attention to the economy, environment, community, livelihoods of the people in places where we have operations to balance the interests of the community and the Group, fostering a sustainable development of our business. NWDS is thus committed to incorporating sustainability into our governance structure and daily operations, and increasing the engagement with stakeholders to work collectively for a better future.



## Corporate Governance

We believe that excellence in corporate governance is a critical part of corporate sustainability. To this end, we strive to improve corporate governance and transparency, and safeguard the interests of our shareholders and stakeholders. NWDS fully complies with all relevant legislations as well as the *Corporate Governance Code* published by The Stock Exchange of Hong Kong Limited.

Our Board of Directors is responsible for monitoring the Group's development and operational direction, and overseeing the overall performance of the Group and the management team through its committees. The executive committee and the management team are delegated the authority and responsibilities by the Board to carry out the routine management and operations of the Group. As at June 30, 2015, our Board of Directors consisted of nine members, including three non-executive Directors, two executive Directors, and four independent non-executive Directors. Clearly-defined accountabilities are in place to ensure a balanced

distribution of authorities and mandates between the Chairman and Managing Director. There are various Committees serving under the Board, including the Audit Committee, the Executive Committee, the Nomination Committee, the Remuneration Committee, and the Information Disclosure Committee, in order to monitor business operations in an efficient manner.

The Board of Directors has overall responsibility for monitoring and controlling the Group's internal operations as well as reviewing its effectiveness and formalities to ensure compliance of applicable laws, rules, and regulations, as well as the effectiveness of measures in relation to material errors, losses, and fraud from operations to manage and mitigate risks. During the year under review, the Group continued to execute the *Proof of Internal Control Compliance*, which consists of five components, namely Control Environment, Risk Assessment, Control Activities, Information and Communication, and Audit. Relevant documents would be submitted to the Board of



Directors at regular intervals for the purpose of effective monitoring. For employees, we have a policy relating to professional ethics to stamp out situations involving disloyalty, fraud, and bribery, and to prevent any conflict of interests in the course of discharging official duties. Acts of non-compliance by employees are subject to internal disciplinary actions.

Details on the Group's corporate governance can be found in the NWDS annual report.



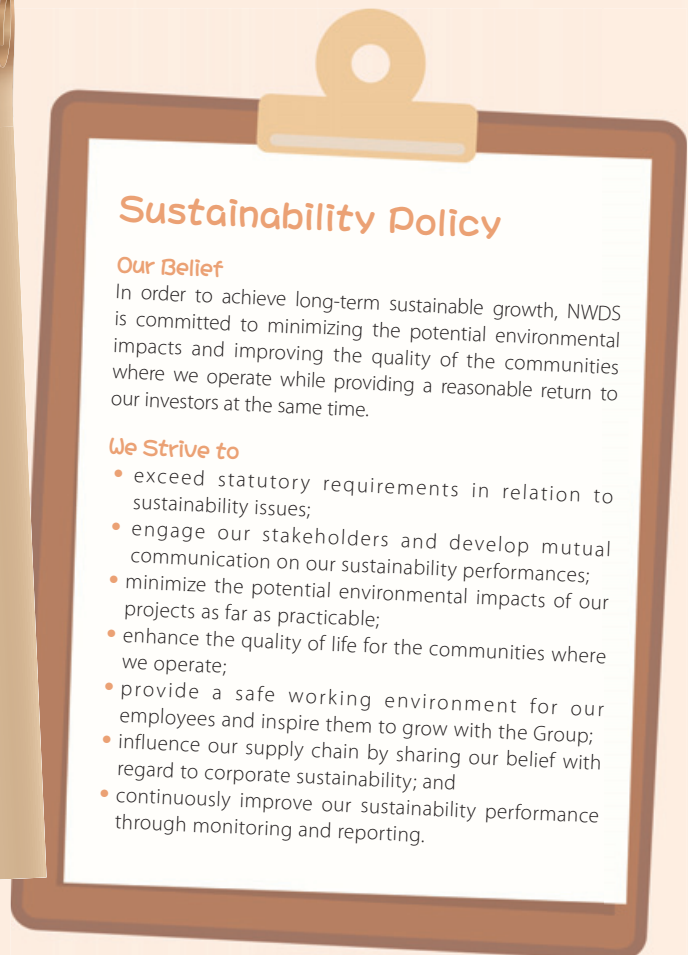
## Sustainability Management Structure

With the support of the Board of Directors, NWDS has established a sound sustainability framework to implement and promote related tasks. The Group formed the NWDS

Environmental Committee in 2010 and subsequently upgraded and renamed it as the NWDS Sustainability Steering Committee ("SSC") in 2012, which is chaired by Corporate Affairs Director and sat by senior managerial staff from various departments.

There is an executive committee under the SSC to implement its decisions and review the progress and effectiveness of the sustainability initiatives. The executive committee holds regular meetings and six meetings were held during the year under review. The Board of Directors serves as the highest management unit of the entire framework and is responsible for establishing long-term sustainability visions and strategies for the Group and providing direction for committee affairs.

The SSC formulated the "Sustainability Policy" in 2012, providing the Group with clear guidelines for the implementation of its sustainability initiatives.



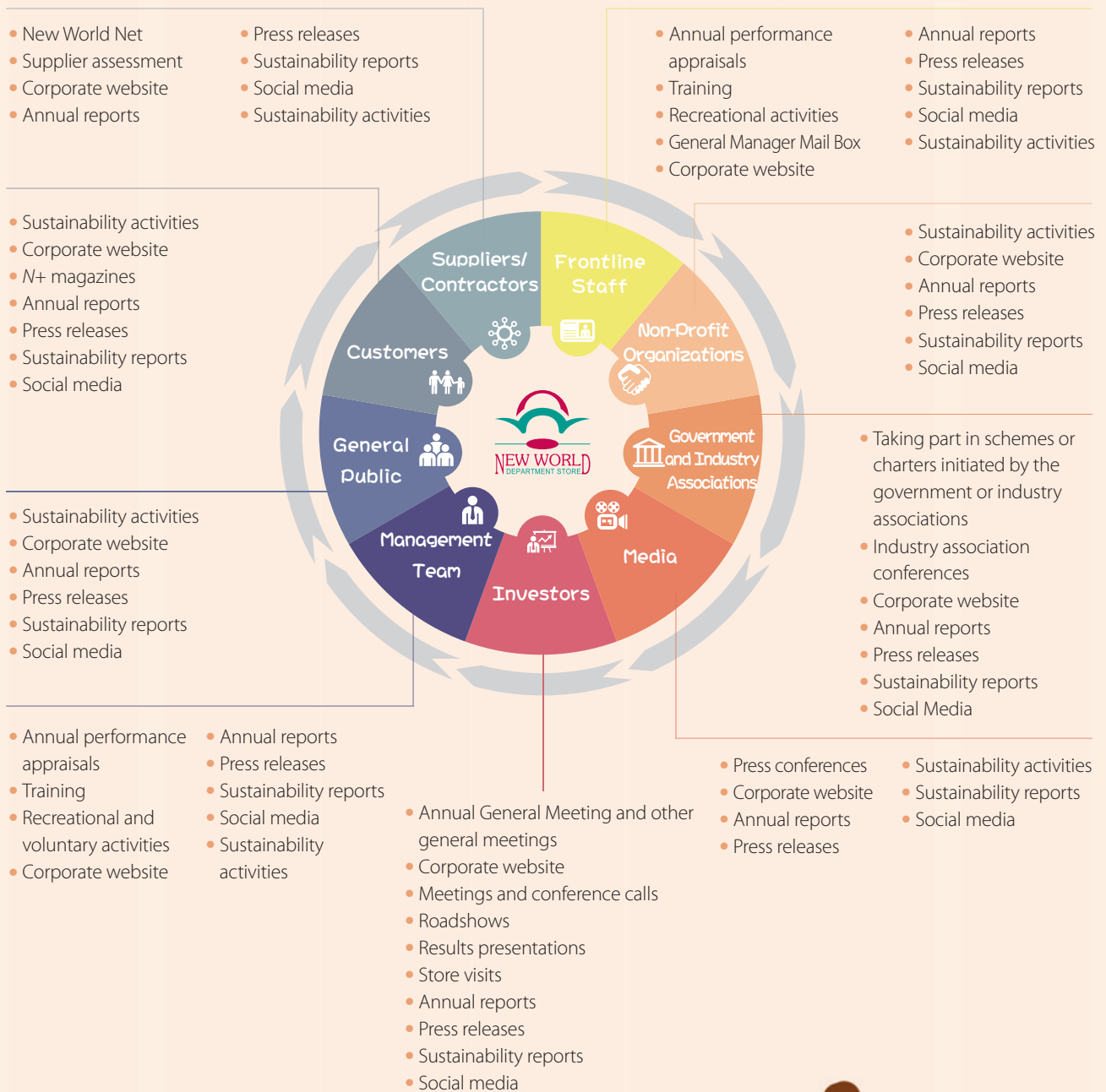


## Stakeholder Engagement

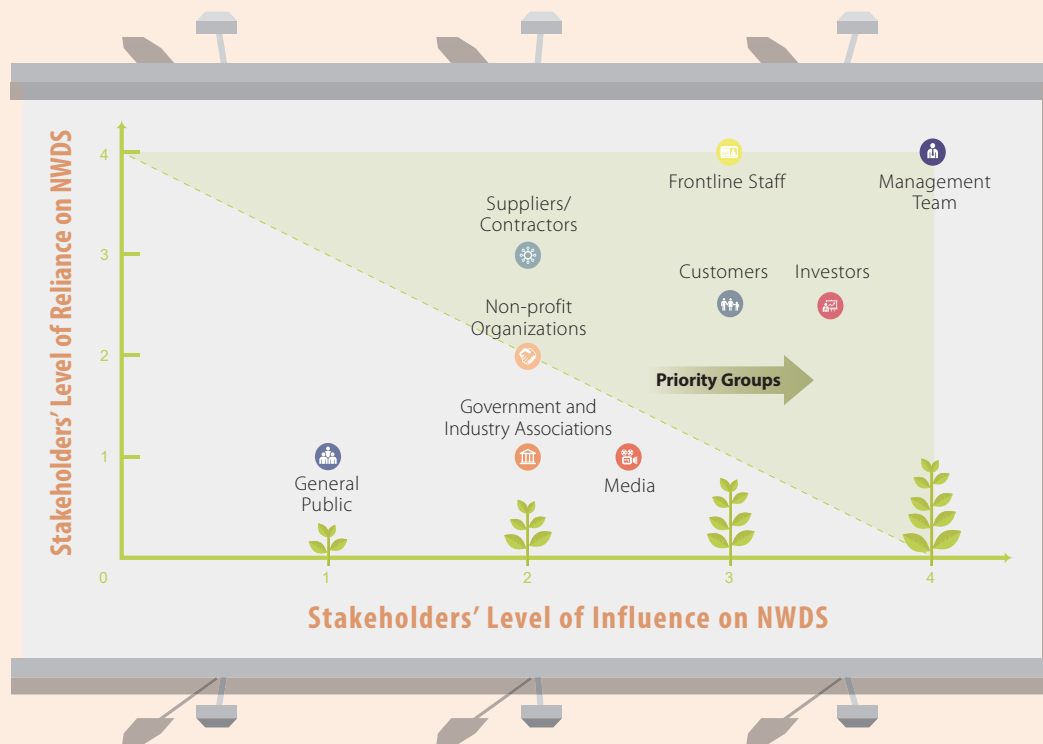
Understanding stakeholders' concerns is the cornerstone to the success in achieving sustainable development. Thus, we regularly engage internal and external stakeholders of the Group through various communication channels and develop appropriate solutions which are in line with the community's

expectations through long-term communication and cooperation. We commissioned the Hong Kong Productivity Council (the "Consultant") to prioritize our contact with stakeholders based on their influence and reliance on NWDS.

### Current Communication Means between NWDS and Various Stakeholders



## NWDS' Stakeholder Engagement Prioritization Matrix



In order to collect stakeholders' views on the Group's sustainability initiatives, disclosure and coverage of our sustainability report (material aspects and their boundaries) in a more systematic manner, we commissioned the Consultant to conduct our first independent "NWDS Stakeholders Engagement Sessions" in FY2014. Interviewed groups included frontline staff in the South Eastern China Region, management

team members, customers, suppliers/contractors, investors, and non-profit organizations. During the year under review, we further expanded the engaging stakeholder groups to the media, staff from the Central Western China Region and the Northern China Region, as well as more non-profit organizations and investors through surveys and telephone interviews to obtain more representative views.

## Follow-up Report on Stakeholders' Comments and Suggestions in FY2014

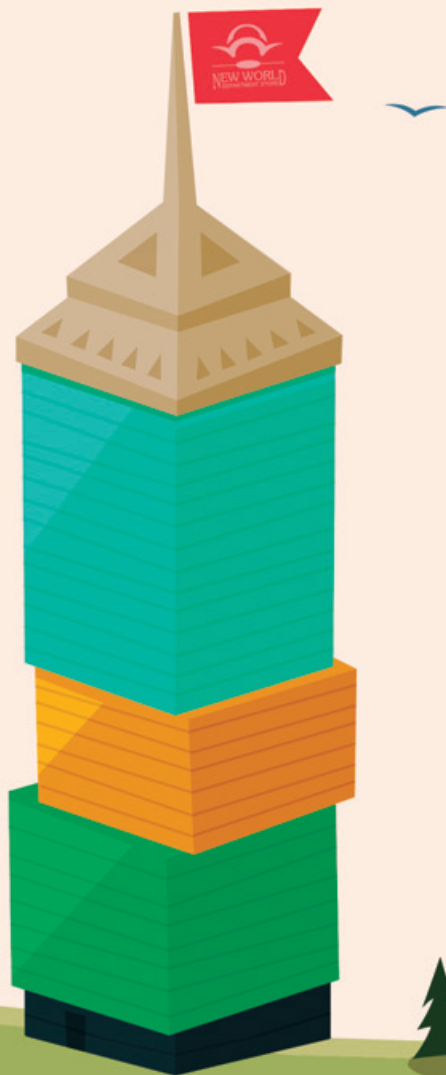
Comments and Suggestions	Implementation Status	Comments and Suggestions	Implementation Status
Use platforms such as Weibo and WeChat to improve communication among employees	Launched i.World and actively utilized Weibo and WeChat for real-time communication with employees	Promote charitable events, for instance, by setting aside a specific percentage of revenue for charity	Held charity bazaars and donated all proceeds to under-resourced groups in Mainland China
Increase environmental protection elements in voluntary activities	Held green outdoor activity, "Reaching Out to Nature", with the volunteer team leading nearly 2,000 customers to stay closer to nature so as to nurture green habits	Retain talent through staff training and development	Launched the largest talent pool building project of the year, "Advanced Project Feipeng – NWDS Management 'Golden Ladder' Nurturing Program", and other training programs, to improve the overall capabilities of employees in different positions
Reduce paper consumption by using electronic means	Set up Enterprise Resource Planning (ERP) system to accelerate computerized office operations		
Enter into long-term partnerships with non-profit organizations	Established long-term partnerships with Sowers Action and Shanghai Changing District Sports Association		



## Stakeholders' Comments and Suggestions in FY2015

Stakeholder Groups	Comments and Suggestions
Media	<ul style="list-style-type: none"> <li>Focus on developing a few key sustainability projects to make them more appealing to media</li> </ul>
Frontline staff	<ul style="list-style-type: none"> <li>Provide well-defined training programs for frontline staff to unleash their potential and to be in line with the Group's business development</li> <li>Organize more staff activities so that colleagues from different departments can get to know each other and strengthen team spirit</li> <li>Use Weibo, WeChat and other platforms to facilitate sustainability-related communication between employees or stores</li> <li>Organize more charity bazaars and second-hand item donation events to minimize waste and donate the proceeds to help under-resourced groups</li> </ul>

Stakeholder Groups	Comments and Suggestions
Non-profit organizations	<ul style="list-style-type: none"> <li>Work with the education departments of the Chinese Government to promote sports events, and encourage NWDS employees to participate</li> <li>Encourage concessionaire counters to participate in sustainability activities organized by NWDS</li> <li>Include sharings from employees who participate in charitable events into sustainability reports to make the Report more readable and lively</li> </ul>
Investors	<ul style="list-style-type: none"> <li>Retain talent through staff training and development, and educate employees about NWDS sustainability policy</li> <li>Promote NWDS' green procurement policy to other stakeholders (e.g. concessionaire counters) and work together towards better environmental performance</li> <li>Explore different format and partnership of green and community activities, and encourage other stakeholders to join</li> <li>Review the categories of recyclable materials and urge stores to coordinate their efforts to boost and consolidate the existing recycling network</li> </ul>



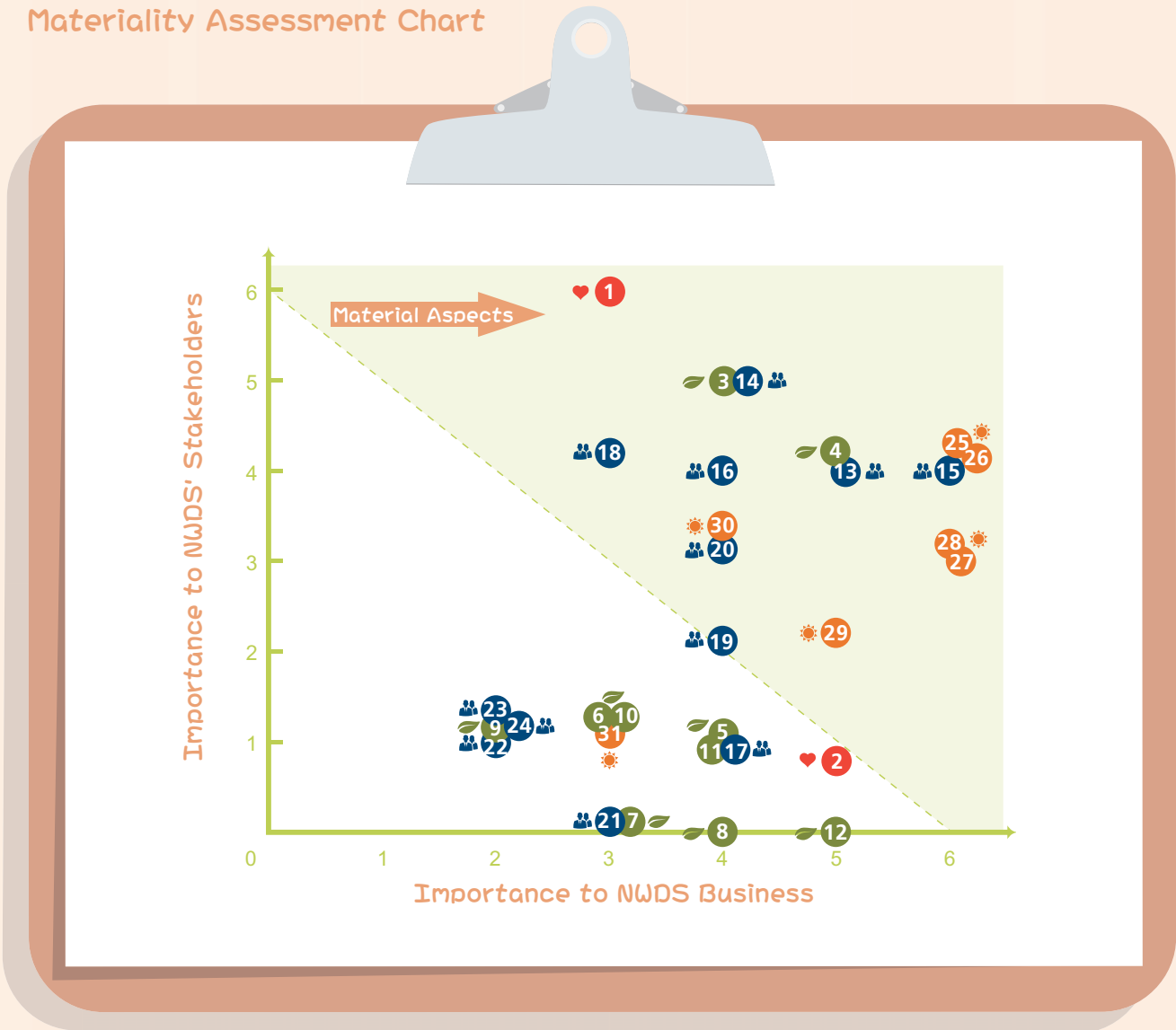
### Materiality Assessment

Combining the views collected from various stakeholder groups over the past two years, the Consultant collated the most concerned topics from stakeholders, which included the sustainability performance of the Group's suppliers. We have thus decided to include one of our major suppliers, concessionaire counters, within our disclosure boundaries. This Report presents their performance relating to charitable activities, energy conservation, waste recovery and recycling, as well as compliance with social regulations.

During the year under review, we increased the number of material aspects to 17 (include one which is only applicable to NWDS' supply chain) and retained two defined as such in the previous financial year, bringing the total number to 19 to improve the continuity of our Report. Among all, 16 were applicable to NWDS and five were applicable to concessionaire counters. Please refer to the materiality assessment chart on the next page for details.



## Materiality Assessment Chart



## Environmental, Social and Governance Issues

### ♥ Community Services

- 1. Community and Charitable Activities
- 2. Compliance with Social Regulations\*

### 🌿 Environmental Protection

- 3. Waste Recovery and Recycling
- 4. Energy Saving
- 5. Green Products Used Internally
- 6. Water Saving
- 7. Waste Water Management
- 8. Overall Environmental Performance
- 9. Supplier Environmental Assessment
- 10. Emissions
- 11. Green Products Sales
- 12. Compliance with Environmental Regulation

### 👥 Staff Benefits and Development

- 13. Occupational Health and Safety
- 14. Direct Communication between Staff and Management
- 15. Staff Training and Support
- 16. Non-discrimination
- 17. Employment
- 18. Staff Care and Recreational Activities
- 19. Avoiding Forced Labor
- 20. Staff Grievance Mechanisms
- 21. Local Labor Proportion and Policies
- 22. Supplier Labor Assessment
- 23. Supplier Human Rights Assessment
- 24. Safeguard of Security and Human Rights

### ☀️ Operating Practices

- 25. Corporate Financial Performance
- 26. Honest Marketing Communications
- 27. Products on Offer with Assurance of Consumer Health and Safety
- 28. Corporate Procurement Policy
- 29. Protection of Customer Consumption Data and Privacy
- 30. Indirect Economic Impacts
- 31. Logistics and Transportation

### ■ Material Aspects

\*Note: Applicable to NWDS' Supply Chain only.








# OUR SUSTAINABILITY PROGRESS AND GOALS



With our well-defined policies as well as Sustainability Steering Committee and Executive Committee as the management units, NWDS is steadily putting sustainable development plans into practice by setting goals, implementing tasks, conducting assessments, and making continuous improvements. During the year under review, NWDS published the first standalone sustainability report. We also formulated specific and quantifiable goals and laid out future roadmap in order to truly practice corporate sustainable development.

Sustainability Aspects	Key Tasks Accomplished in FY2015	Plans and Goals for FY2016
Transparent Governance 	<ul style="list-style-type: none"> <li>Published the first standalone sustainability report</li> <li>Developed specific plans and goals for sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Publish the second standalone sustainability report</li> <li>Follow up the progress of various targets, review and optimize related goals</li> </ul>
Community Services 	<p><b>@Dream Sustainable Development Program</b></p> <ul style="list-style-type: none"> <li>Strengthened the music and sports aspects of the Program by continuing the “@Music – Rainbow Orchestra” and the “@Sports – Tennis Academy” tennis training program, and launching the “@Sports – Cool Soccer” training program</li> <li>Organized an annual performance to raise public awareness on under-resourced children, generating 117 media reports</li> </ul> <p><b>NWDS Sowers Action Challenging 12 Hours Charity Marathon</b></p> <ul style="list-style-type: none"> <li>Became the title sponsor of the “NWDS Sowers Action Challenging 12 Hours Charity Marathon” for the first time, making a donation of HK\$0.45 million</li> </ul> <p><b>Volunteering</b></p> <ul style="list-style-type: none"> <li>Invited employees’ families and friends into NWDS Volunteer Team through two recruitment drives, to increase its scale by 9% to over 2,500 members and organized 260 voluntary activities, contributing about 6,700 service hours in total</li> </ul>	<ul style="list-style-type: none"> <li>Continue to focus the music and sports aspects of the Program</li> <li>Continue to designate migrant children as our principal beneficiaries and expand the width and depth of the training programs</li> <li>Encourage students to join public contest to raise their skill standard</li> <li>Continue to co-organize activities with non-profit organizations and to boost public participation</li> <li>Continue to organize more volunteer recruitment drives and expand the coverage to customers</li> <li>Increase total volunteer service hours by 1-2%</li> </ul>



Sustainability Aspects	Key Tasks Accomplished in FY2015	Plans and Goals for FY2016
<p>Environmental Protection</p> 	<p><b>Energy Conservation and Emissions Reduction</b></p> <ul style="list-style-type: none"> <li>Developed the <i>Guidelines on Energy Conservation at Department Stores and Offices</i>, with about 15% reduction in average electricity consumption per sq. m. in FY2015 compared to that in FY2012 (before large-scale lighting revamp project)</li> <li>Developed the <i>Guidelines to Account for Greenhouse Gases Emissions and Removals</i> to help stores conducting assessment on carbon emissions which amounted to 268,075 tonnes in FY2015</li> </ul> <p><b>Waste Reduction</b></p> <ul style="list-style-type: none"> <li>Developed the <i>Guidelines on Waste Reduction at Offices</i></li> <li>Reduced paper products consumption significantly (including shopping bags) by 10% year-on-year</li> </ul> <p><b>Promoting Green Living</b></p> <ul style="list-style-type: none"> <li>Organized the first nationwide green outdoor activity, "Reaching Out to Nature", leading nearly 2,000 customers to learn about the ecology</li> </ul>	<ul style="list-style-type: none"> <li>Develop "Green Office Policy" and <i>Sustainable Office Guide</i>, providing green office direction and specific energy saving and waste reduction measures</li> <li>Reduce store and office electricity consumption by 1-3%</li> <li>Reduce store and office carbon footprint by 1-3%</li> <li>Implement waste audits to quantify wastes which are disposed of in a considerable amount accurately</li> <li>Calculate the amount of waste recycled</li> <li>Reduce store and office paper consumption by 2%</li> <li>Continue to organize nationwide green activities and increase online promotions to boost public participation</li> </ul>
<p>Staff Development</p> 	<ul style="list-style-type: none"> <li>Launched the largest talent pool building project of the year, "Advanced Project Feipeng – NWDS Management 'Golden Ladder' Nurturing Program", to enhance the strategic vision and managerial skills of elite staff at mid-to-senior level</li> <li>Held over 200 staff caring activities to facilitate amicable collegial relations</li> <li>Injury, lost work-days and absentee rates dropped 8%, 35% and 13% year-on-year respectively</li> </ul>	<ul style="list-style-type: none"> <li>Increase the amount of nationwide training programs to 30 to continue to provide suitable training for staff in various positions</li> <li>Increase training hours per employee by 1-3%</li> </ul>
<p>Operational Efficiency</p> 	<ul style="list-style-type: none"> <li>25 additional concessionaire counters agreed to comply with the <i>Supplier Code of Conduct</i> and respond to <i>Sustainability Self-Assessment Questionnaire</i>, leading to a year-on-year increase of 313% in the total number from FY2014</li> <li>Collected suppliers' information on their sustainable development in response to the results of the "NWDS Stakeholder Engagement Sessions" and disclosed relevant details in this Report</li> </ul>	<ul style="list-style-type: none"> <li>Invite at least 28 additional suppliers to comply with the <i>Supplier Code of Conduct</i> and respond to <i>Sustainability Self-Assessment Questionnaire</i>, and to introduce them to other supplier categories</li> </ul>



OUR SUSTAINABILITY  
PROGRESS AND GOALS

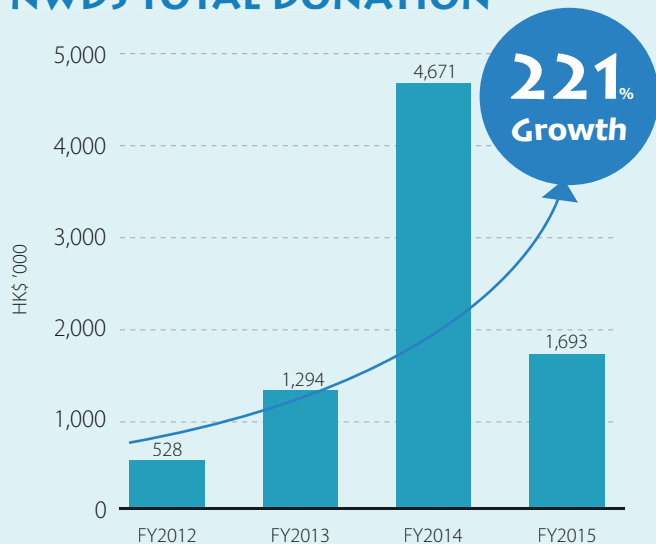
# OUR COMMUNITY



Adhering to the ethos of “giving back to society”, NWDS makes good use of corporate resources and networks to show love and care for the communities where we have operations, fostering local economic and social development. It is our firm conviction that a brighter future can only be achieved when our business develops with the community in a shared vision.

Children are the future pillars of our society. The Group places a great emphasis on supporting under-resourced children and their physical and mental well-being when we formulate our community programs. During the year under review, we continued to strengthen the “@Dream Sustainable Development Program” (“@Dream Program” or the “Program”), launched the “@Sports – Cool Soccer” training program, and title-sponsored the “NWDS Sowers Action Challenging 12 Hours Charity Marathon” to provide education aid to under-resourced students in Mainland China. Furthermore, the Group continued to grow NWDS Volunteer Team and encouraged more participation from employees, their families and friends to give back to the community through real actions. The Group often organized different charitable activities to raise funds for organizations in need. During the Group’s 20<sup>th</sup> anniversary in FY2014, multiple one-off donations were made as part of the celebration. During the year under review, the donation amount came down to a normal level, but still with a sharp growth of 221% compared with FY2012’s.

### NWDS TOTAL DONATION



**NWDS Volunteer Team**

**Main Services Scope:**  
Education aid, Caring for the elderly, Helping underprivileged groups, Environmental protection, Assisting the disabled

**Vision:**  
Social responsibility, Innovation, People-oriented, Pursuit of excellence

We established NWDS Volunteer Team in April 2013, which is responsible for planning, coordinating, and implementing voluntary activities in order to serve the community. During the year under review, we were proactive in promoting a volunteer culture within the organization and expanded the recruitment scope to employees’ families and friends, thereby boosting the total number of volunteers by 9% to over 2,500 members. Also, we held our first “2013-2014 Outstanding Volunteers and Volunteer Stars Selection Contest” in recognition of those who had actively volunteered in charitable activities. The three award-winning volunteer stars contributed a total of 150 service hours in FY2014.

**260 voluntary activities**

**About 6,700 volunteer hours in total**

**新百新力量·爱心无限量**  
新世界百货义工队 NWDS VOLUNTEER  
扩招火热进行中



NWDS increased the number of nationwide voluntary activities to two during the year under review. During Christmas in 2014, we partnered with 26 non-profit organizations and organized an activity called “Merry Hula Hooping Christmas”, with over 260 volunteers celebrating Christmas with around 860 under-resourced children.



June is the “Volunteer Month” for NWDS. To be in line with the sports-related campaigns under the “@Dream Program”, we selected a theme of “NWDS • Soccer Fever” for the “Volunteer Month” in 2015. NWDS stores and offices joined hands with local schools, communities, and non-profit organizations to host interesting soccer classes and games for 900 under-resourced children across the country, in an effort to nurture children with healthy bodies and minds. The Group also held a concurrent “NWDS • Soccer Fever” retweeting activity on NWDS CSR Weibo to promote the volunteering spirit, successfully attracting over 66,000 participants from the online community.



## Nurturing Talents for the Community

### @Dream Program



Since initiating the nationwide sustainable development community project, “@Dream Program”, in July 2013, the Group has provided diverse training platforms for under-resourced children in Mainland China in an effort to boost their physical and mental well-being. To date, around 7,000 children have been benefited from the Program. Taking various stakeholders’ inputs into account, we reinforced the Program in the second year by placing an emphasis on the aspects of music and sports. In addition to the continuation of the “@Music – Rainbow Orchestra” (the “Orchestra”) and the “@Sport – Tennis Academy” tennis training program, we introduced the “@Sport – Cool Soccer” training program, providing free music, tennis, and soccer training for under-resourced children.



### @Music

#### Rainbow Orchestra

Joining hands with the Shanghai Fengxian Education Bureau, we organized the “@Music – Rainbow Orchestra” in June 2013, to provide professional training in vocals and musical instruments for migrant children in the region. As at 30 June 2015, around 500 children were benefited. In February 2015, the Orchestra performed a pre-Lunar New Year show for the elderly at Shanghai Jinhui Town Gerocomium.



## @Sport

### Tennis Academy

In March 2014, we co-organized the “@Sport – Tennis Academy” tennis training program with Shanghai Changning District Sports Association, offering free tennis training for 100 under-resourced children in the region. During the year under review, NWDS Volunteer Team paid a few visits to the trainees to show care and encouraged them to study hard.



### Cool Soccer

The Group and Shanghai Changning District Sports Association jointly launched the “@Sport – Cool Soccer” training program in January 2015, providing a year-long basic soccer course for 100 migrant children free of charge.



## ANNUAL PERFORMANCE

To celebrate the Program’s first anniversary, we held an annual performance at Shanghai Jiao Tong University on 19 September 2014, providing about 100 benefited children of the “@Dream Program” with a stage for performances. More than 700 guests from different sectors of society, teachers and students were invited to witness the fruitful outcomes of the Program over the past year. As a result, the children gained more confidence and attracted more attention from the public. All performers were the students of the Program, most of whom were migrant children, left-behind children or children from underprivileged families. Video highlights of the annual performance made an unprecedented appearance both on the news channel of Shanghai Television and on Fengxian Television. The story was covered by a total of 117 media reports, which brought widespread attention and recognition from the general public.





## Collaboration with Charitable Organizations

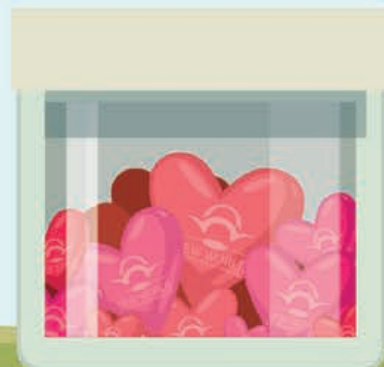
### Title-sponsoring the “NWDS Sowers Action Challenging 12 Hours Charity Marathon 2014”

To be in line with our principle of helping under-resourced children, NWDS worked with Sowers Action, an education aiding organization, during the year under review, and became the title sponsor of the “NWDS Sowers Action Challenging 12 Hours Charity Marathon” held in Hong Kong on 2 November 2014 for the first time, which aimed to support under-resourced high school students in Mainland China. The marathon attracted more than 2,220 runners and raised a record-high education-aiding funds of over HK\$2.7 million. Our staff also supported the marathon by teaming up for the 12km contest in addition to rendering volunteering services on the marathon day. Challenging as the marathon may be, the generous spirit of NWDS staff led it to a successful close with a sum of HK\$0.45 million donation for the marathon.

In order to share the excitement of the marathon with our customers in Mainland China who could not present in the Hong Kong marathon, NWDS stores held the “Half-Hour Parent-Child Sowers Action Hunt Challenge” on the same day, inviting participants to complete a number of challenges within a limited time. Over 450 families of around a thousand participants across the country took part in the activity.



NWDS Sowers Action Challenging 12 Hours Charity Marathon 2014





## Caring about the Community

On top of supporting the Group's large-scale nationwide community projects, NWDS stores also share the belief of "going out of the stores and engaging the community". According to the needs of local communities, they visited the

live-alone elderly, elderly homes, and children welfare homes, and organized many voluntary activities to show their love and warm hearts.

### Northern China Region

To propagate traditional Chinese virtue of caring for the elderly, the Northern China Region organized a series of voluntary activities for the elderly in need during traditional festivals, such as Chung Yeung Festival and Dragon Boat Festival. The volunteer team from Dalian New World Department Store held a fundraiser and visited an elderly home to deliver exquisite gifts and care to the elderly. The volunteer teams of several Beijing stores organized cordial visits to the live-alone elderly and delivered their best wishes and regards through small talks, assisting them in home cleaning and tidying up, learning about their living and health condition.



### South Eastern China Region

The South Eastern China Region continued its collaboration with the Shanghai Children's Medical Center in organizing the "@Soul - Wish upon a Star" campaign in August 2014, calling for kind souls to care for sick children. Over 1,500 pieces of stationery and toys were collected successfully, and visits were arranged to bring warmth to sick children. Meanwhile, the South Eastern China Region continued its support to the "World Autism Awareness Day" on 2 April and organized the "Love Makes the Sky Blue" campaign for the third year, which consisted of fundraising among employees and charity bazaar for the Shanghai Charity Foundation, to show care for children with autism.



### Central Western China Region

The Central Western China Region organized several voluntary activities for under-resourced children to spread their love. The volunteer team from Wuhan New World Department Store - Wuchang Branch Store participated in the "Caring Open Day" at Wuhan Children's Welfare Institute, to create valuable memories in their childhood with games and interactions. As a way to provide care and warmth to those in need, the volunteer team from Kunming New World Department Store ("Kunming Store") held the "Putting Love in Your Hands" heart-warming event to donate children's toys, school supplies and clothing to under-resourced primary schools.





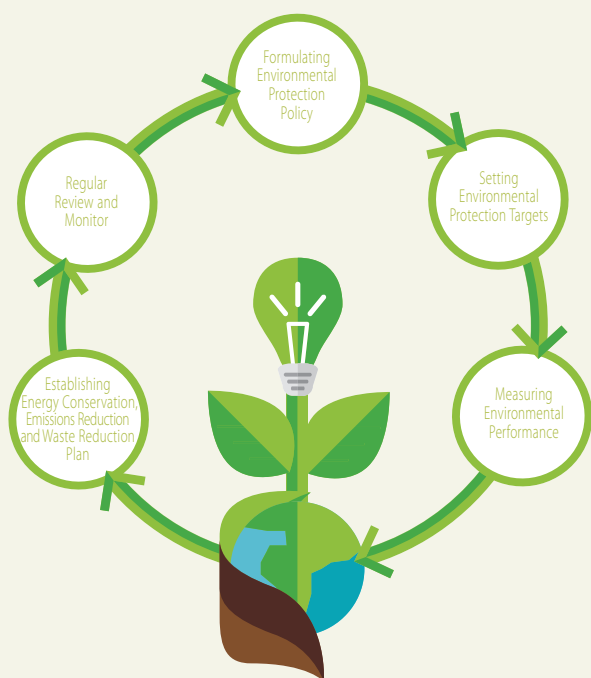
# OUR GREEN MISSION



NWDS has always been committed to promoting environmental protection, taking it as a core component of our corporate sustainability agenda, and striving to integrate green elements into every aspect of our operations. During the year under review, the Group formulated the *Guidelines on Energy Conservation at Department Stores and Offices* and *Guidelines to Account for Greenhouse Gases Emissions and Removals* to help employees implement green measures ranging from indoor temperature controls, paperless operations to greenhouse gases emissions reduction. In addition, specific and quantifiable sustainability targets were also set to review our performance on a regular basis.

During the year under review, we undertook our first carbon audit at our stores and offices in Mainland China, seeking to understand our carbon footprint so as to formulate appropriate improvement measures. In addition to improving our own environmental performance, we also partnered with our stakeholders to practice environmental protection and organized the first nationwide green outdoor activity, "Reaching Out to Nature", to disseminate the importance of environmental protection to our customers.

## NWDS GREEN MANAGEMENT STRATEGY



## Energy Conservation and Emissions Reduction

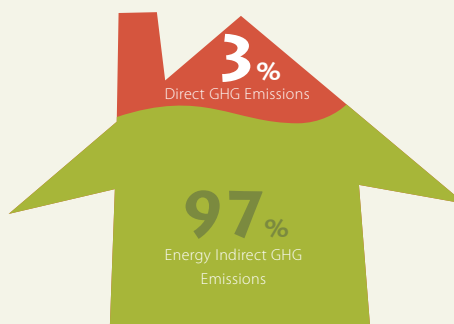
### Setting Environmental Protection Targets

Climate change has already brought severe repercussions to the global economy and development, and global warming issues are on the horizon. Electricity usage forms the majority of energy consumption by our daily operations, accounting for about 80% of our total energy consumption. As a signatory to the Hong Kong Environmental Protection Department's *Carbon Reduction Charter* since June 2013, the Group realized our commitment by establishing energy saving targets for stores and offices with well-formulated energy saving guidelines during the year under review in an attempt to reduce the overall energy consumption and carbon emissions.

### Measuring Environmental Performance

We believe that we can lessen our environmental impact effectively while gaining competitive edge by thoroughly understanding and managing our carbon emissions. Having completed a pilot carbon audit in FY2014 at Hong Kong Office, we took it further during the year under review by rolling it out at all stores and offices.

## DISTRIBUTION OF STORE AND OFFICE GREENHOUSE GASES (GHG) EMISSIONS IN FY2015

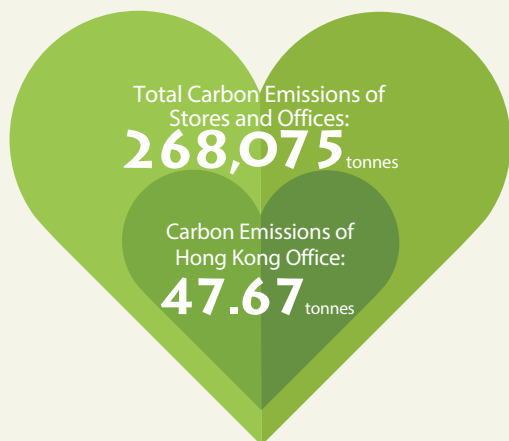


Remarks: Direct GHG Emissions refer to emissions from operations that are owned or controlled by NWDS while Energy Indirect GHG Emissions refer to emissions that result from the generation of purchased or acquired electricity, heating, cooling and steam consumed by NWDS.



We developed the *Guidelines to Account for Greenhouse Gases Emissions and Removals* with reference to ISO 14064 during the year under review so that stores and offices can conduct in-house carbon audits accordingly. The Guidelines detailed the scope of the audit, calculation methods, and emission factors for different types of greenhouse gases. Stores and offices are required to submit data on the consumption of natural gas, gasoline, electricity and other forms of energy every six months for review, and implement appropriate emissions reduction measures when necessary. During the year review, the total carbon emissions of NWDS were 268,075 tonnes in which 97% came from energy indirect carbon emissions (refers to electricity consumption only).

## CARBON EMISSIONS IN FY2015



## Establishing Energy Conservation and Emissions Reduction Plans

In addition to completing the large-scale lighting revamp project in 2013, we also developed the *Guidelines on Energy Conservation at Department Stores and Offices* during the year under review. The Guidelines detail energy saving and emissions reduction measures applicable to the operations of department stores, including those related to lighting, water, air conditioning systems, and catering appliances. With the Guidelines, employees in stores and offices are able to implement suitable measures to make contribution to emissions reduction.

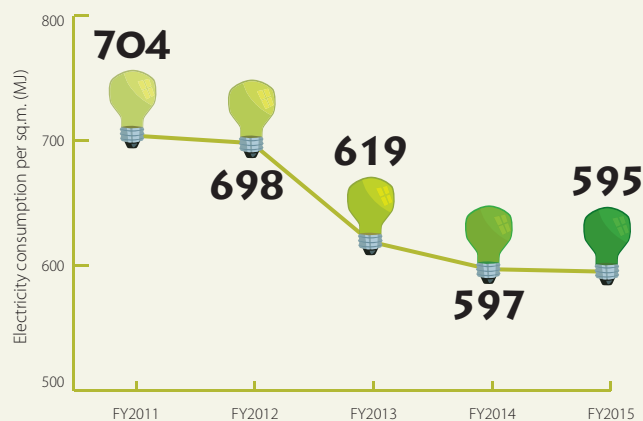
ENERGY CONSERVATION AND EMISSIONS REDUCTION MEASURES	
Department Stores	<ul style="list-style-type: none"> <li>Continued to maintain the lighting system after the revamp project to enhance energy efficiency</li> <li>Some stores applied the Guidelines to daily operations and administration, including simple "zero-cost" carbon reduction practices:               <ol style="list-style-type: none"> <li>Seasonal thermostat adjustments to water-cooled air conditioning system</li> <li>Increased the usage of public transport</li> </ol> </li> </ul>
Offices	<ul style="list-style-type: none"> <li>Encouraged staff to switch off unnecessary lighting and idled computer monitors at lunchtime</li> <li>Encouraged staff to print on both sides of the paper</li> </ul>

With the contribution of the entire workforce, we reduced our average electricity consumption per sq.m. by about 15% in FY2015 compared to that in FY2012 (prior to the commencement of the large-scale lighting revamp project). As a result, we have achieved a record low in power consumption in the recent five years and were recognized by many green award schemes.

## AVERAGE ELECTRICITY CONSUMPTION PER SQ.M. IN FY2015



## TOTAL ELECTRICITY CONSUMPTION IN STORES AND OFFICES



Remarks: Shanghai 118 Branch Store, which was newly opened in this financial year and did not have full-year data, was excluded in the above graph.





## The Sixth "Earth Hour" and the Inaugural "Unplugged Concert"

For the sixth consecutive year, NWDS participated in the "Earth Hour" lights-off campaign, with the support of as many as 42 stores and offices across the country by switching off neon lights, large billboard lights, signage lightboxes and unnecessary lighting for an hour on 28 March 2015. To further engage customers and the public, spectacular "Unplugged Concerts" were organized at some stores with local bands and art organizations, making a public appeal to cherish the earth's resources with the power of music. Between 27 March and 4 April, NWDS held a "NWDS • Earth Hour" retweeting activity on NWDS CSR Weibo, with nearly 18,000 online users supporting and disseminating green messages together.



## Waste Management

Earth's resources are so precious that must be used wisely. We believe that waste reduction at source is the most effective way to reduce the generation of solid waste. To this end, we developed the *Guideline on Waste Reduction at Offices* during the year under review, proposing specific methods of waste reduction, recycling, and the use of recycled products to assist offices in executing waste reduction.

	WASTE REDUCTION MEASURES
Department Stores	<ul style="list-style-type: none"> <li>• Rolled out an electronic payment method, Alipay, to accelerate paperless sales verification</li> <li>• Strongly advocated concessionaire counters to provide each customer with only one paper or plastic bag</li> <li>• Organized waste recycling activities and leveraged our public-facing store network to broadcast waste reduction messages to the public</li> </ul>
Offices	<ul style="list-style-type: none"> <li>• Established ERP system to integrate different operations systems, promoting office automation and paperless practices</li> <li>• Actively used online platforms for marketing purposes to reduce waste</li> </ul>



## The Fourth "Green Mid-Autumn Festival-Moon Cake Box Recycling Campaign" and the Inaugural "Moon Cake Box Creative Design Competition"

In its fourth year, NWDS' nationwide green activity, "Green Mid-Autumn Festival – Moon Cake Box Recycling Campaign", successfully collected nearly 3,600 boxes in September 2014 for a cumulative total of more than 22,000 units over the years. We pioneered the inaugural "Moon Cake Box Creative Design Competition", with about 420 entries including jewelry boxes, storage boxes and other creative knickknacks. The event was well received by customers, which showed that the green concept of waste utilization was cultivated in the hearts and minds of the public, offering extra meaning to the Mid-Autumn Festival.



Further to the launch of the Guidelines, the headquarters strongly advocated concessionaire counters to provide each customer with only one paper or plastic bag in order to reduce the consumption of paper bags and plastic bags. As a result, paper products (including shopping bags) reported a significant year-on-year drop of 10%. Hong Kong Office went one step further in 2014 by successfully reducing A4 paper and toilet roll consumption by 11% and 10% respectively, and was awarded the "Class of Good" Wastewi\$e Label from the Hong Kong Awards for Environmental Excellence (HKAEE). In the coming year, we will continue to set quantifiable targets across all stores to use less paper and fewer paper products, and recycle more waste paper.

## PAPER PRODUCTS CONSUMPTION



Remarks: Shanghai 118 Branch Store, which was newly opened in this financial year and did not have full-year data, was excluded in the above graph.

## Cheering on Sick Children With Spare Stationery

NWDS joined hands with Shanghai Children's Medical Center ("SCMC") once again on the eve of the new academic year in 2014. In the second phase of the "@Soul - Wish upon a Star" campaign, about 1,500 pieces of spare stationery and toys were collected from the public across all Shanghai stores. NWDS Volunteer Team subsequently donated the stationery and toys to sick children of SCMC, cheering them on to overcome their illnesses while promoting material reuse.





## Green Procurement

### Procurement of Materials

NWDS believes that environmental protection has to be initiated from within. Green procurement has long been promoted since 2009, with policies requiring all offices and stores to adhere to our green procurement principles as far as possible, for instance, by choosing durable and low-maintenance products as well as those with environmentally friendly and energy labels. We printed our annual reports and sustainability reports with soy ink and Forest Stewardship Council (FSC) certified paper in order to reduce the impact on the environment.



### What is green procurement?

Green procurement takes environmental impacts into account during the purchase of products in addition to price considerations. The HKSAR Government noted in its 2015 Policy Address that it would expand and update green procurement specifications in its internal procurement guidelines, and that it will continue to promote the concept to businesses and the public sector.

### Procurement of Merchandise

With its diverse lifestyle merchandise offerings, the Group's private label, LOL Concept Shop, takes environmental protection into good considerations in addition to product safety during procurement. Due to customers' increasing demand for green products, environmentally friendly products accounts for about 12% of its sales. The products include household glasses made with high-quality, natural and environmental-friendly materials, FSC certified timber products, and all-natural facial masks. In the future, we will continue to expand the portfolio and the amount of green products in our private label while materializing our focus on quality and health, giving customers more quality green products.



OUR GREEN MISSION



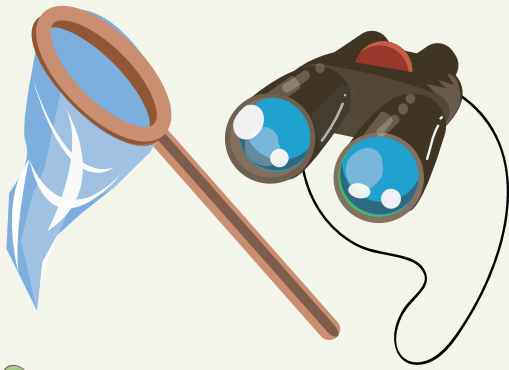
## Promoting Green Living

NWDS believes that sustainable development is a collective effort. We have always actively engaged the community and the public to bring people together for greater results. During the year under review, we participated and organized various

environmental activities, including our first nationwide green outdoor activity, "Reaching Out to Nature", to help customers nurture the habit of environment conservation by gradually adjusting their behavior and attitudes, so that we can combat climate change together.

### "Reaching Out to Nature" Raises Customers' Awareness on Environmental Protection

NWDS held its first nationwide green outdoor activity, "Reaching Out to Nature", from 25 April to 2 May 2015, leading nearly 2,000 customers to better understand local ecologies through farm visits, eco-tours and other activities. Many customers brought their children along to pass on the torch of environmental awareness to the next generation.



## "Go Green with NWDS" Promotes Green and Low-carbon Lifestyle

In response to the United Nation's "World Environment Day", NWDS held its fourth "Go Green with NWDS" from 5 to 14 June 2015, with more than 12,000 customers showing their support for green living in green outfits or ribbons. Stores across the country gave over 9,600 small potted plants away, a substantial increase of about 85% compared to the previous financial year. We also took green living one step further into dining with the introduction of a "low-carbon diet" theme. We held low-carbon dishes cooking demonstrations in our stores, promoting seasonal and local organic ingredients that could be cooked in energy-efficient ways, such as steaming, cold-serving and stir-frying, to reduce greenhouse gases emissions.

Green Casual Wear Day



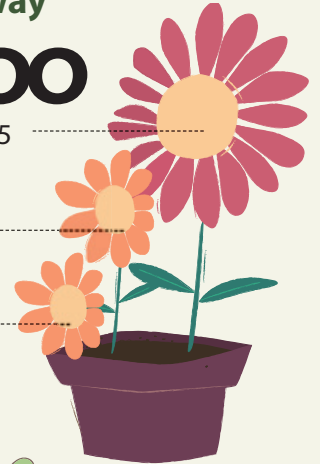
"Chef is coming to NWDS. Delicious Low-Carbon Diet" cooking demonstrations

## Number of small potted plants given away

9,600  
FY2015

5,200  
FY2014

2,500  
FY2013



## Reaching out to the Community to Promote Green Philosophy

NWDS stores also held a wide range of green activities that catered the needs of local communities. Activities organized during the year under review include:

Dalian New World Department Store

Beach clean-up to beautify the landscape

Wuhan New World Department Store – Wuchang Branch Store

Organized an environmental carnival to promote "Reserving World's Resources with Small Habitual Change"

Wuhan New World Department Store

Visited and cleaned up the beautiful Northwest Lake and greened the community for three consecutive months with the theme of "Environmental Protection Starts from Me"

Wuhan New World Department Store – Xudong Branch Store

Jump-started the "2014 Annual Car-free Day" in collaboration with the Wuhan Public Transport Group to echo the "World Carfree Day" and to alleviate urban traffic congestion and air pollution



OUR GREEN MISSION




# OUR PEOPLE



NWDS believes that one of the keys to business success is to maintain good relationship with employees. With the conviction of “Nurture Talent with Respect, Care and Trust”, we strive to provide competitive fringe benefits and comprehensive training programs to encourage employees to unleash their potential and put their abilities into good use. Furthermore, we organize different types of staff caring activities frequently so as to enhance employees’ sense of belonging and to create an amicable working environment.

As at 30 June 2015, the Group had 5,164 employees working in 41 department stores and two shopping malls in 21 cities across Mainland China. During the year under review, we opened Shanghai 118 Branch Store, which created 112 local job opportunities. The distribution of our employees is as follows:

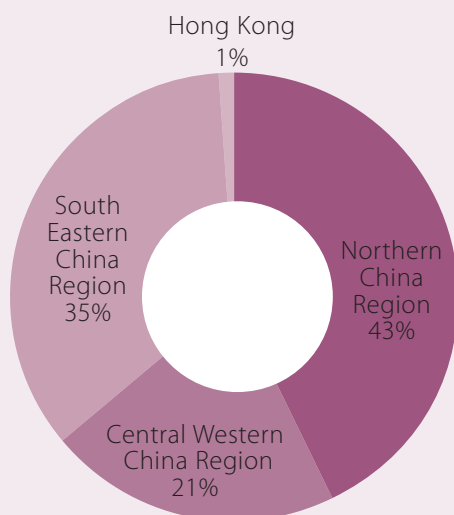
 **Equal Opportunities**

As an equal opportunity employer, we recruit new employees based on their abilities, and ensure a fair selection and recruitment process that employees are not being discriminated against racism, gender, nationality, religion or personal relationship. We fully comply with employment regulations in the jurisdiction of our business operations, with no forced labor or child labor violations. We set down promotions, salaries, and benefits in accordance with our existing human resources policies and personal capabilities of each employee to ensure that they have equal development opportunities. The Group did not receive any discrimination reports in FY2015.

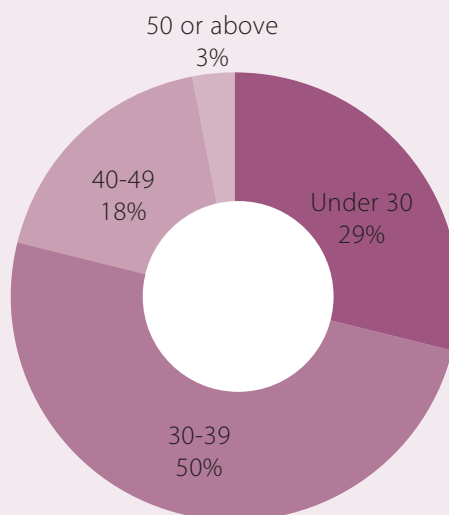
**DISTRIBUTION OF MANAGERIAL STAFF BY GENDER IN FY2015**



**DISTRIBUTION OF STAFF BY GEOGRAPHICAL REGION IN FY2015**



**DISTRIBUTION OF STAFF BY AGE IN FY2015**





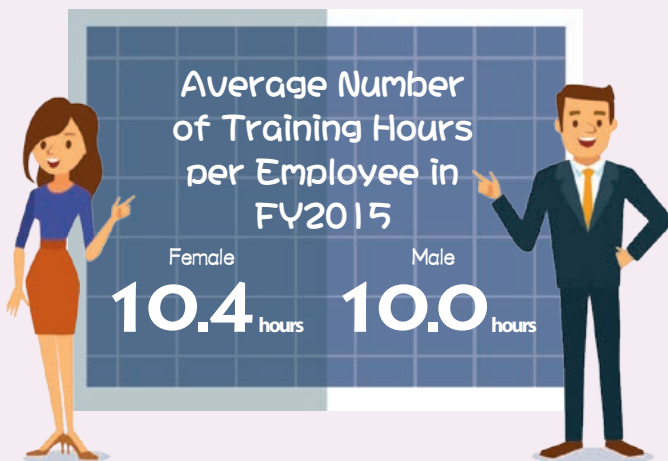
## Staff Development

As a merit-based company, we put strong emphasis on staff training and development. During the year under review, we equipped our staff with a variety of skills to suit the requirements of their positions through comprehensive training programs and talent competitions. On the other hand, we made every effort to cultivate in-house trainers to make good use of the professional knowledge and expertise of our experienced staff to raise the capabilities of the entire workforce.

### Investing on Talent Cultivation

Established in 2005, NWDS Management Academy (the "Academy") provides specific training for staff in different positions to foster their personal growth and development. In May 2015, we launched the largest talent pool building project of the year, "Advanced Project Feipeng-NWDS Management 'Golden Ladder' Nurturing Program", educating middle and senior managerial staff across the country on operations know-how and industry knowledge through internships and overseas study tours. In addition, we continued the "Certificate Program of Further Studies in Retail Operation and Management 2014" with the Overseas Education College Shanghai Jiao Tong University, which offered a wide range of trainings on merchandise management, visual aesthetics, and marketing strategy to nurture operations experts.

During the year under review, NWDS held about 1,207 staff training programs with total staff training hours exceeding 52,800 hours and average training hours per employee amounting to 10.2 hours. The average training hours per male and female employees are 10.0 hours and 10.4 hours respectively.



### KEY TRAINING PROGRAMS IN FY2015

### PROGRAM DETAILS

Advanced Project Feipeng-NWDS Management "Golden Ladder" Nurturing Program

Elevates the holistic qualities of NWDS middle and senior managerial staff and transforms them into all-round operational-managerial talent to cope with the Group's business expansion

Certificate Program of Further Studies in Retail Operation and Management 2014

Provides trainings on merchandise management, visual aesthetics and marketing strategy to nurture department store operations experts

Operational Management Training Camp for Store Managers

Provides store managers an opportunity to foster communication and share on operations and management experiences among themselves to boost comprehensive abilities



## Holding Talent Competitions to Raise Employees' Service Quality

The Group held a variety of talent competitions, including selling skills, customer service, cashier skills, and industry know-how frequently during the year under review, so as to enhance the service quality of our staff and their passion for work. At the end of 2014, the Group organized "Efficient Sales Techniques" course to enhance the selling skills of the employees of department store and private label LOL Concept Shop. To enable trainees to put what they learnt into practice, we launched the "I am a Sales Madman: Post-Course Actions" after the "Efficient Sales Techniques" course in January 2015. This six-month event evaluated trainees' performance with respect to their product knowledge, sales techniques and service quality. As a result, a number of "Sales Madmen" were selected based on their evaluation scores and in-period sales performance.



## Strengthening In-house Trainers' Training and Appreciating their Contribution

NWDS is committed to cultivating in-house trainers in order to train and coach our frontline staff effectively. Every year, we run training programs that are in line with the Group's latest development directions. During the year under review, we held "All-round Manager", "Fashion Culture Innovation Workshop", "Efficient Sales Techniques", and "Legal Series" trainer training programs for nearly 70 trainers from different parts of the country.

As a token of thanks to our in-house trainers for their dedicated efforts, we arranged various appreciation events in the run-up to Teacher's Day. We also organized the "NWDS Management Academy 10<sup>th</sup> Anniversary Celebrations cum Outstanding Trainers Awards 2015", commending trainers of the Academy for their contribution.



## Welfare and Policy

As part of our welfare policies, in addition to the basic medical check-ups and paid annual leave, the Group also provides all full-time employees with housing provident fund and social security contributions, which include insurance for pensions, unemployment, medical insurance and work-related injuries in most of the cities. Furthermore, employees may apply for leave and time off depending on their needs and circumstances, including paternity/maternity leave, marriage leave, compassionate leave, birthday leave, family planning leave, nursing leave, and leave for occupational diseases. Managerial staff are also entitled to other benefits such as personal accident insurance, critical illness insurance, and medical insurance.

We encourage our employees to dedicate themselves at work and maintain a high standard of customer-oriented service at all times. Every year, we offer discretionary bonuses to employees according to the Group's business performance, their individual work performance and attendance in recognition to their contribution. We also organize regular employee appreciation activities to commend and celebrate those who have outstanding performance and hard work.



## Occupational Health and Safety

We work our best to look after our employees and prevent workplace accidents from happening by enhancing their occupational safety and health awareness. We disseminate the latest information on disease prevention and personal health through various channels. We have also developed clear safety guidelines on potential workplace risks, including fire safety, electrical hazards and crisis management, to make sure that our employees stay vigilant of workplace safety all the time. Stress management mechanisms are in place to provide specific psychological guidance, counseling, and other advisory services for employees in need to ensure their physical and mental well-being against difficulties in work and life. During the year under review, there were 17 cases of work-related injuries across the Group (Injury rate: 0.314), with a total of 700 lost work-days (Lost day rate: 12.945) and absentee rate of 1.69%.

Compared with FY2014, our injury rate dropped by 8% whereas lost days and absentee rates dropped by 35% and 13% respectively.



### Two-way Communication for Stronger Team Cohesion

Central to the NWDS culture of care is our emphasis on the healthy physical and mental development of our employees. We are keen to open up new communication channels for employees in order to promote stronger team cohesion and sense of belonging. Furthermore, to foster work-life balance, we arrange diverse recreational activities which allow colleagues to unwind together.

## COMMUNICATION CHANNELS WITH EMPLOYEES



**Human Resources Policy:** A comprehensive employee relations policy and related taskforce are in place to lay out sound internal communication framework for a better management-staff relationship.



**Internal Communication:** The Group's policies and other important information are released to employees at all levels through internal emails, bimonthly *NWDS E-newsletters* and quarterly *Windows of NWDS*.



**Day-to-day operations:** Departmental meetings as well as daily morning and evening staff briefing sessions enable the middle management team and frontline staff to express their views.



**Performance appraisal:** Annual performance appraisal allows staff members to review work performance over the past year with their superiors and set clear work targets and expectations.



**Staff satisfaction or engagement survey:** By gauging the level of satisfaction of internal staff and making comparisons with outside organizations, we modify and perfect the Group's human resources system to build a corporate culture that promotes staff engagement.



**Resignation interview:** The cause for resignation is identified to help improve human resources management.



**Grievance mechanism:** We embrace a principle of being fair, effective and observing strict confidentiality to protect complainants. Staff can voice grievances to the staff relation management team through face-to-face interviews, emails or written complaints. Alternatively, they can send comments and suggestions directly to the senior management by email.



## Caring for Staff

NWDS holds frequent and diverse recreational and voluntary activities such as sports days, eco-tours and festive celebrations to give employees great opportunities to socialize and promote an amicable relationship among them. We also welcome the

participation of our employees' family members and business partners in these activities to foster relaxed and happy interaction. The Group held more than 200 staff caring activities during the year under review.

### Festive Celebrations

The Group never forgets caring for our staff during festivals. During Christmas in 2014, a number of NWDS stores held cozy X'mas parties for their employees, with raffles, interactive games and talent quest, alongside a buffet spread to let them amuse themselves in good fun and good food. On the International Women's Day on 8 March 2015, our stores organized various celebrations for female employees, including health seminars, caring breakfasts and flowers giving in recognition of their contributions at work.



### Spring and Fall Outings

Every spring and fall, our stores always organize a variety of seasonal excursions to let employees relax from hectic work and foster friendly interaction among themselves. For instance, Hong Kong New World Department Store – Shanghai Huaihai Branch Store organized a one-day trip to Shanghai Binjiang Forest Park in October 2014, which enabled staff to enjoy the lovely scenery and get closer to nature. In March 2015, Kunming Store held a Lunar New Year Garden Party cum Spring Banquet in Golden Land Holiday Farm, with thoughtful arrangements including featured farm food, interesting games and big lucky draws, giving employees the opportunity to relax in the laughter and to stay away from the hustle and bustle of the city.



### Staff-only Privileges

During the year under review, the Group gathered different exclusive discounts for our staff regularly to increase their sense of belonging. For example, Wuhan New World Department Store – Xudong Branch Store offered summer movie tickets to staff, whereas Wuhan New World Trendy Plaza gave vouchers to all employees to celebrate the store's anniversary and thank for their contribution throughout the years.



# OUR OPERATIONS



With department store being our core business, NWDS has always been actively introducing lifestyle complementary facilities such as food and beverage, beauty salons, and movie theatres. In FY2014, we also launched the “Happy New World” project to provide customers with the unique “Happy Shopping” experience. In view of ever-changing consumer expectations, we strive to explore new businesses to cover a broader spectrum of lifestyle offerings and improve the participation and disclosure of our suppliers on sustainability matters with an aim of making NWDS a leading lifestyle department store in Mainland China.



## Operations Management

Embracing business integrity as our core value, the Group strives to ensure its sustainable development by maintaining high quality in our merchandise and a high ethical standard among our staff.

### Staff Conduct

The Group has established stringent policies and guidelines regarding business ethics, with which all the staff must comply. In a bid to protect the health and safety of our customers, products and services available in NWDS stores comply with or even exceed regulatory requirements.

We have a policy for professional ethics in which every staff member is expected to be “loyal, righteous and honest”. Staff should never commit misconducts such as disloyalty, fraud, corruption, accepting bribery, dereliction of duty, or engaging in any transfer of benefits. To abide by and safeguard the ethical standards and corporate values of the Group, soliciting or accepting any unfair advantage through abusing one’s position of power is strictly prohibited. Employees may declare any potential conflict of interests through the declaration-of-interests mechanism. Any act of potential non-compliance should be reported to the corresponding administrative or supervisory department. All reported cases are to be handled fairly and in strict confidence for the protection of the whistleblowers.

## Product Safety and Liability

Our private label, LOL Concept Shop, offers customers with products mainly sourced directly from suppliers by an in-house procurement team. Product categories include home decor, electronic accessories, stationery, art pieces, and small home appliances. During the year under review, LOL Concept Shop grew to 13 stores and launched an online flagship store on Tmall.com. To guarantee our customers with product safety and health protection, the Group has developed specific requirements for product safety liability in addition to maintaining close communication with our suppliers.



PRODUCT CATEGORIES	PRODUCT EXAMPLES	NWDS REQUIREMENTS
Personal Care Products	Cosmetics	Production License, Health License, CFDA Registration Filing of Imported Cosmetics for Non-Special Purpose
Home Products and Health Products	Air purifiers	International Safety Standards Certification, Industry Safety Standards Certification, China Certified Healthcare Commodity Quality and Safety Inspection Report, etc.
Electronic Products	Audio equipment	China Compulsory Certification
Children's Products	Toys	China Compulsory Certification





## Operations in Conformance

As a responsible enterprise, we are committed to ensuring our operations to comply with or even exceed relevant regulatory requirements. In this way, we can avoid financial and reputational risks arising from non-compliance, mitigating possible risks exposed to the Group, our investors, customers and other stakeholders. Operations in conformance also demonstrates our commitment to long-term, stable, and responsible investment at places where we operate, creating employment opportunities, and promoting economic development, in order to meet the reasonable expectations of the communities. To that end, we have a risk assessment mechanism in place to identify and analyze the risks which may impact the Group's daily operations and to achieve established corporate objectives (e.g. operational objectives, financial reporting objectives, and compliance objectives). According to the assessment, we can then implement proper measures to mitigate and manage these risks. During the year under review, the heads of all departments and business units were requested to submit the *Proof of Internal Control Compliance* on compliance monitoring, together with supporting list, as one of the important parts of our internal control system.

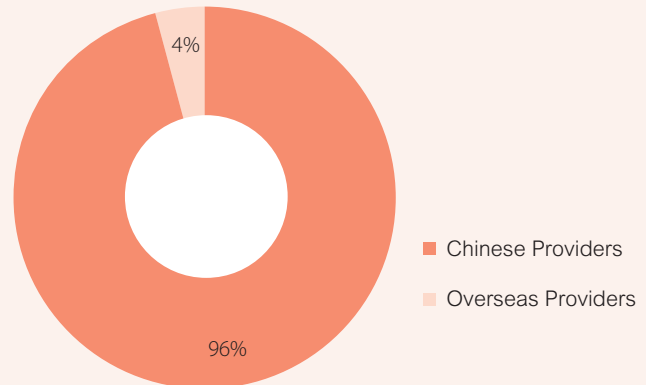
Furthermore, we require our staff to review stores' and departments' marketing and communication methods used on a regular basis to ensure compliance with the relevant marketing regulations on advertising, promotion, and sponsorship. Given the business nature of NWDS, we may collect customer's personal information, including e-mail addresses, mailing addresses, contact numbers, etc. We strictly abide by the *Personal Data (Privacy) Ordinance (Cap. 486)* of Hong Kong for full protection of customer privacy. The relevant privacy policy statement is also published on the Group's website. No personal data should be used for direct marketing without customers' consent.



## Supplier Management

NWDS suppliers mainly include those for concessionaire counters, as well as those provide us with products and services in relation to information technology, administration, and marketing. In general, we give priority to local suppliers where we operate. Calculated by procurement value, 96% of NWDS service procurement was transacted with providers based in China.

### SERVICE PROCUREMENT SPENDING PROPORTIONS IN FY2015



Our suppliers' sustainability performance is important to our business, therefore we often share our sustainability values with them through various channels. We set up policies and procedures on supplier management, and work together with them to continuously improve corporate governance, environmental protection and social responsibility, to make concerted contribution to the overall development of the community.

The Group has been attaching great emphasis on food safety and striving to supply safe and healthy food products to customers. In March 2015, trace elements in excess of regulatory limits were found in two food products during a sampling inspection carried out by the Food and Drug Administration of Beijing Dongcheng District at the supermarket in Beijing New World Department Store ("Beijing Store"). The Group was not liable to the incident given that the suppliers had provided these products to Beijing Store directly and Beijing Store was merely responsible for placing the products onto the shelves for sell. We nevertheless took both items off the shelves immediately to protect the safety and health of our customers and returned the remaining inventory to the manufacturers. Moreover, we instructed the



supermarket in Beijing Store to further strengthen supervisory measures towards suppliers and on-shelf products. These measures included requiring existing and new suppliers to provide full inspection reports, strengthening sampling inspections on products, returning unqualified products, and escalating penalties to suppliers who supply unqualified products.

### Communication with Suppliers

The Group conducts timely communications with our major suppliers through the interactive platform “New World Net” and the *NWDS E-newsletters*. We rank our suppliers in a three-tier “Head office – Region – Store” system, and manage them in accordance with their importance. We also invite our suppliers to join our annual galas and other activities, such as “Earth Hour” and “Go Green with NWDS”. Last year, we added “Reaching Out to Nature” to the list to encourage further participation from suppliers.



### Sustainability Performance of Suppliers

To ensure that our suppliers’ operations are in line with our sustainability values, we have launched the Supplier Sustainable Development Program since 2013, introducing the *Supplier Code of Conduct* (the “Code”) and the *Sustainability Self-Assessment Questionnaire*. They are attached to the tender or quotation documents that we send to suppliers. After the compliance of eight major suppliers as at the end of FY2014, we promoted the Code to more suppliers during the year under review and managed to recruit 25 additional suppliers (mainly from concessionaire counters) to pledge to comply with the Code, bringing the total number to 33 as at the end of FY2015, representing a year-on-year growth of 313%.

The sustainability performance of suppliers was one of the stakeholders’ most concerned issues according to the results of the “NWDS Stakeholder Engagement Sessions”, especially with regard to their engagement in community and charitable activities, energy conservation, waste recovery and recycling, non-discrimination, and compliance with social regulations. We therefore issued another questionnaire to suppliers, which have already signed up to the Code, during the year under review to collect their data on the five aforementioned aspects; as a result, encourage them to seek continuous improvement. Survey results indicated that a majority of suppliers have already adopted a number of energy saving and waste reduction measures to reduce their impact to the environment. We will review and update the content of the Code periodically, so as to help suppliers meet our stakeholders’ expectation on continuous improvement.



# CORPORATE HONORS & RECOGNITIONS



The Group has obtained numerous awards for its excellent performance in the aspects of community services, environmental protection, staff benefits and development, and operating practices. During the year under review, the Group garnered about 30 international awards, which recognized its holistic outstanding performance.



## COMMUNITY SERVICES



2014 China Charity Festival –  
**2014 China Charity – Group Award**  
**2014 Best Charity Project**  
**2014 Best Green Project**

11<sup>th</sup> China Golden Awards for  
 Excellence in Public Relations –  
**“Nomination Award” in the**  
**category of Corporate Social**  
**Responsibility**

Youth Welfare Alliance –  
**Annual Outstanding Community**  
**Program**

Agency for Volunteer Service –  
**Hong Kong Community Volunteers**  
**(Corporate Members) Certificate of**  
**Appreciation**

Social Welfare  
 Department –  
**Bronze Award**  
**for Volunteer**  
**Service**



The Hong Kong Council of Social  
 Service –  
**“2014/15 Caring Company” Logo**

**商界展關懷**  
**caringcompany** 2014/15  
Awarded by The Hong Kong Council of Social Service  
 香港社會服務聯會頒發





## ENVIRONMENTAL PROTECTION

Power Smart Energy Saving Contest 2014 –

**Certificate of Appreciation  
Progress Award**

“Carbon Reduction Certificates Scheme” under the “Hong Kong Awards for Environmental Excellence” –  
**Carbon Reduction Certificates**

Green Office Awards Labelling Scheme –

**“Green Office” label  
The UNMDG’s “Better World Company” label**



## STAFF BENEFITS AND DEVELOPMENT



Chinese Corporate University Rankings –  
**China’s Best Corporate University  
2014 Chinese Corporate University – Top Ten  
Innovative Practices**

China Learning & Development Value Awards 2014 –  
**Value Case Award  
Best Practice Award**



## OPERATING PRACTICES



5<sup>th</sup> Asian Excellence Recognition Awards –  
**Best Investor Relations Company (Hong Kong)  
Best Investor Relations Professional (Hong Kong)**

10<sup>th</sup> Corporate Governance Asia Recognition Awards 2014 –  
The Best of Asia –  
**Asia’s Most Promising Companies on Corporate  
Governance**

The Asset Corporate Awards 2014 –  
**Gold Award in the category of “Financial Performance,  
Corporate Governance and Environment Responsibility”**

iNOVA Awards 2014 – Excellence in Corporate Websites –  
**Honors Award in “Redesign/Relaunch: Retail” category**



# DATA TABLES



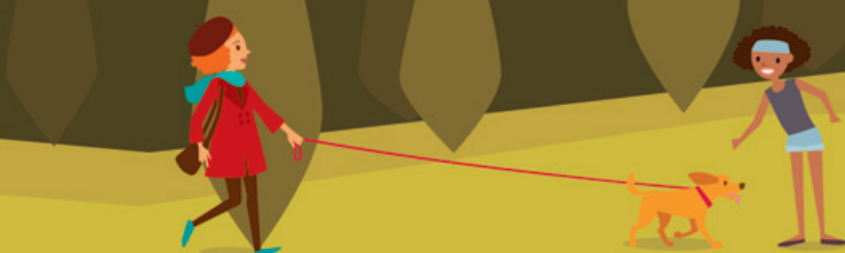
## Staff Benefits and Development

		Number of Employees (GRI G4-10)						
		Total	Gender		Region			
	Male		Female	Hong Kong	Northern China Region	Central Western China Region	South Eastern China Region	
Type of Staff	Permanent	5,161	2,208	2,953	44	2,232	1,101	1,784
	Contract	3	–	3	–	2	–	1
	Long-term contract	2,153	1,002	1,151	20	979	509	645
Types of Contract Staff	– Full Time	2,152	1,001	1,151	20	979	509	644
	– Part Time	1	1	–	–	–	–	1
	Fixed-term or Temporary Contract	3,011	1,212	1,799	24	1,255	592	1,140

Staff Establishment Breakdown		
	Male	Female
Assistant General Manager and above	54 (1.0%)	42 (0.8%)
General Manager	76 (1.5%)	76 (1.5%)
Assistant General Manager	91 (1.8%)	115 (2.2%)
Back-office Officer and below	1,445 (28.0%)	841 (16.3%)
Frontline Officer and below	542 (10.5%)	1,882 (36.4%)
<b>Total</b>	<b>2,208 (42.8%)</b>	<b>2,956 (57.2%)</b>

New Employee Hires and Employee Turnover (GRI G4-LA1)		FY2015
<b>By Gender</b>		
Male		2,208
Female		2,956
<b>By Age</b>		
Aged under 30		1,519
Aged 30-39		2,581
Aged 40-49		912
Aged 50 or above		152
<b>By Region</b>		
Hong Kong		44
Northern China Region		2,234
Central Western China Region		1,101
South Eastern China Region		1,785
<b>Total</b>		<b>5,164</b>

New Employee Hires and Employee Turnover (GRI G4-LA1)		FY2015
<b>By Gender</b>		
Male		507 (9.8%)
Female		678 (13.1%)
<b>By Age</b>		
Aged under 30		578 (11.2%)
Aged 30-39		473 (9.2%)
Aged 40-49		126 (2.4%)
Aged 50 or above		8 (0.2%)
<b>By Region</b>		
Hong Kong		22 (0.4%)
Northern China Region		356 (6.9%)
Central Western China Region		237 (4.6%)
South Eastern China Region		570 (11.0%)
<b>Total</b>		<b>1,185 (22.9%)</b>



New Employee Hires and Employee Turnover (GRI G4-LA1)		
FY2015		
<b>By Gender</b>		
Male	1,197	(23.2%)
Female	1,799	(34.8%)
<b>By Age</b>		
Aged under 30	1,450	(28.1%)
Aged 30-39	1,275	(24.7%)
Aged 40-49	218	(4.2%)
Aged 50 or above	53	(1.0%)
<b>By Region</b>		
Hong Kong	28	(0.5%)
Northern China Region	1,492	(28.9%)
Central Western China Region	662	(12.8%)
South Eastern China Region	814	(15.8%)
<b>Total</b>	<b>2,996</b>	<b>(58.0%)</b>

Occupational Health and Safety Statistics (GRI G4-LA6)		
FY2015		
<b>By Gender</b>		
Male	0.83%	
Female	2.34%	
<b>By Region</b>		
Hong Kong	1.40%	
Northern China Region	1.73%	
Central Western China Region	1.23%	
South Eastern China Region	1.93%	
<b>Overall</b>	<b>1.69%</b>	
<b>By Gender</b>		
Male	13,973	
Female	12,178	
<b>By Region</b>		
Hong Kong Region	0	
Northern China Region	15,484	
Central Western China Region	8,884	
South Eastern China Region	12,605	
<b>Overall</b>	<b>12,945</b>	

Remarks: The rates of lost days, injury and occupational diseases were calculated based on the number of incidents to the total time worked by 100 employees.

Average Training Hours per Staff per Year (GRI G4-LA9)		
	Unit	FY2015
<b>By Position Level</b>		
Assistant General Manager and above	Hour	3.9
Manager	Hour	14.2
Assistant Manager	Hour	18.1
Back-office Officer and below	Hour	5.9
Frontline Officer and below	Hour	13.6
<b>By Gender</b>		
Male	Hour	10.0
Female	Hour	10.4

Occupational Health and Safety Statistics (GRI G4-LA6)		
FY2015		
<b>By Gender</b>		
Male	0.346	
Female	0.291	
<b>By Region</b>		
Hong Kong	0	
Northern China Region	0.513	
Central Western China Region	0.086	
South Eastern China Region	0.215	
<b>Overall</b>	<b>0.314</b>	
<b>By Gender</b>		
Male	0	
Female	0	
<b>By Region</b>		
Hong Kong	0	
Northern China Region	0	
Central Western Region	0	
South Eastern China Region	0	
<b>Overall</b>	<b>0</b>	
<b>By Gender</b>		
Male	0	
Female	0	
<b>By Region</b>		
Hong Kong	0	
Northern China Region	0	
Central Western Region	0	
South Eastern China Region	0	
<b>Overall</b>	<b>0</b>	



## Environmental Protection

As we do not have full-year figures for newly opened store, data of Shanghai 118 Branch Store is not included in the following tables.

Energy Consumption (GRI G4-EN3)		
Types	Unit	FY2015
Natural Gas	GJ	116,193
Gasoline	GJ	1,955
Diesel	GJ	30,000
Electricity	GJ	957,252
<b>Total</b>	<b>GJ</b>	<b>1,105,399</b>

Remarks: The energy consumption was calculated with reference to the *Global Reporting Initiative (GRI) G4 Sustainability Report Guidelines*.

Energy Intensity (GRI G4-EN5)		
Types	Unit	FY2015
Natural Gas	MJ/m <sup>2</sup> /annum	72
Gasoline	MJ/m <sup>2</sup> /annum	1.2
Diesel	MJ/m <sup>2</sup> /annum	19
Electricity	MJ/m <sup>2</sup> /annum	595

Material Used (GRI G4-EN1)		
Types	Unit	FY2015
A4 Paper	KG	42,599
A3 Paper	KG	890
Paper Products	KG	60,221
Plastic Bags	KG	2,001

Waste by Type (GRI G4-EN23)		
Types	Unit	FY2015
General Waste	KG	2,998,994
Paper	KG	33,214
Cardboard	KG	522,641
Plastics	KG	26,393
Aluminium Cans	KG	1,558
Scrap Metals	KG	9,077
Glass	KG	320
Food Waste	KG	2,792,094
Used Cooking Oil	KG	8,371
Toners	KG	2,831

Remarks: Waste were disposed to landfill, incinerated and recycled. No waste data are collected from the Hong Kong Office and Shanghai Management Office at the moment. We will review the waste management procedures and continue to improve our data collection system for inclusion of these figures in future reports.



# GRI CONTENT INDEX



This Report was prepared in accordance with the Core option of *Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines* and the *Environmental, Social and Governance (ESG) Reporting Guide* of HKEx. The disclosures are presented below with either linkage to the reported section(s) or direct answers.

General Standard Disclosures				
General Standard Disclosures	Cross-references/Comments	External Assurance	With reference to the ESG Reporting Guide of HKEx	Page(s)
<b>Strategy and Analysis</b>				
G4-1 Statement from the most senior decision-maker of the organization	Message from the Chairman	✓		P.4
<b>Organizational Profile</b>				
G4-3 Name of the organization	Our Business	✓		P.6
G4-4 Primary brands, products and services	Our Business	✓		P.6
G4-5 Location of organization's headquarters	Hong Kong Office Address: 7/F, 88 Hing Fat Street, Causeway Bay, Hong Kong	✓		
G4-6 Number of countries the organization operates	Our Business	✓		P.6
G4-7 Nature of ownership and legal form	Our Business	✓		P.6
G4-8 Markets served	Annual Report – Financial Section (P. 142-145)			
G4-9 Scale of the organization	Our Business	✓		P.6
G4-10 Number of employees	Data Tables			P.44
G4-11 Percentage of employees covered by collective bargaining agreements	Data Tables	✓	A.1.1	P.44
G4-12 Organization's supply chain	Employees are not covered by collective bargaining agreements	✓		
G4-13 Significant changes during the reporting period regarding size, structure, ownership or organization's supply chain	Our Operations	✓	C.1.1	P.38
G4-13 Significant changes during the reporting period regarding size, structure, ownership or organization's supply chain	Our Business			P.6
G4-13 Significant changes during the reporting period regarding size, structure, ownership or organization's supply chain	Our Operations	✓		P.38
G4-14 Explanation of whether and how the precautionary approach or principle is addressed by the organization	Annual Report – Corporate Governance Report (P. 54-62)	✓		
G4-15 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	Our Green Mission	✓		P.24
G4-16 Memberships in associations and/or national/international advocacy organizations	No membership in associations and/or national/international advocacy organizations	✓		







## General Standard Disclosures

General Standard Disclosures	Cross-references/Comments	External Assurance	With reference to the ESG Reporting Guide of HKEx	Page(s)
<b>Identified Material Aspects and Boundaries</b>				
G4-17 Entities included in the organization's consolidated financial statements or equivalent documents	Annual Report – Financial Section (P. 80-146)	✓		
G4-18 Process for defining report content and the aspect boundaries	About this Report Our Sustainability Values	✓		P.2 P.10
G4-19 Material aspects identified in the process for defining report content	About this Report Our Sustainability Values	✓		P.2 P.10
G4-20 Aspect boundary within the organization for each material aspect	About this Report Our Sustainability Values	✓		P.2 P.10
G4-21 Aspect boundary outside the organization for each material aspect	About this Report Our Sustainability Values	✓		P.2 P.10
G4-22 Explanation of the effect of any re-statements of information provided in previous reports, and the reasons for such re-statement	No re-statement	✓		
G4-23 Significant changes from previous reporting periods in the scope and aspect boundaries	Our Sustainability Values	✓		P.10
<b>Stakeholder Engagement</b>				
G4-24 List of stakeholder groups engaged by the organization	Our Sustainability Values	✓		P.10
G4-25 Basis for identification and selection of stakeholders with whom to engage	Our Sustainability Values	✓		P.10
G4-26 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Our Sustainability Values	✓		P.10
G4-27 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Our Sustainability Values	✓		P.10
<b>Report Profile</b>				
G4-28 Reporting period	About this Report	✓		P.2
G4-29 Date of most recent previous report	Dec 2014	✓		
G4-30 Reporting cycle	Annually	✓		
G4-31 Contact point for questions regarding the report or its contents	About this Report	✓		P.2
G4-32 GRI Content Index, the 'in accordance' option the organization has chosen and the reference to the External Assurance (if any)	GRI Content Index	✓		P.47
G4-33 Policy and current practice with regard to seeking external assurance for the report	About this Report Verification Statement	✓		P.2 P.51
<b>Governance</b>				
G4-34 Governance structure of the organization	Our Sustainability Values Annual Report – Corporate Governance Report (P. 54-62)	✓		P.10
<b>Ethics and Integrity</b>				
G4-56 Organization's values, principles, standards and norms of behavior	Our Business Annual Report – Corporate Governance Report (P. 54-62)	✓		P. 6



## Specific Standard Disclosures

Material Aspects	DMA and Indicators	Cross-references/Comments	External Assurance	With reference to the ESG Reporting Guide of HKEx	Page(s)
Economic Performance	DMA	Our Business Annual Report – Corporate Governance (P54-62)	✓		P.6
	G4-EC1 Direct economic value generated and distributed	Our Community Annual Report – Financial Highlights (P. 8-9)	✓	D1.2	P.18
Indirect Economic Impacts	DMA	Our People	✓		P.32
	G4-EC8 Significant indirect economic impacts, including the extent of impacts	Our Business Our People	✓		P.6 P.32
Procurement Practices	DMA	Our Business Our Operations	✓		P.6 P.38
	G4-EC9 Proportion of spending on local suppliers at significant locations of operation	Our Operations	✓		P.38
Materials	DMA	Our Green Mission Data Tables	✓	B2	P.24 P.44
	G4-EN1 Materials used by weight or volume	No mechanism to separate the calculation of renewable and non-renewable materials used	✓		
Energy	DMA	Our Green Mission	✓	B2, B2.3	P.24
	G4-EN3 Energy consumption within the organization	Data Tables	✓	B2.1	P.44
Effluents and Waste	DMA	Our Green Mission	✓		P.24
	G4-EN23 Total weight of waste by type and disposal method	Data Tables No disposal of hazardous waste	✓	B1.4	P.44
Employment	DMA	Our People	✓	A1, A4	P.32
	G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region	Data Tables	✓	A1.2	P.44
Labor/ Management Relations	DMA	Our People	✓		P.32
	G4-LA4 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	We inform the affected staff in accordance with the <i>PRC Labor Contract Law</i> .	✓		
Occupational Health and Safety	DMA	Our People	✓	A2, A2.3	P.32
	G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Data Tables	✓	A2.1, A2.2	P.44





Specific Standard Disclosures					
Material Aspects	DMA and Indicators	Cross-references/Comments	External Assurance	With reference to the ESG Reporting Guide of HKEx	Page(s)
Training and Education	DMA	Our People	✓	A3	P.32
	G4-LA9 Average hours of training per year per employee by gender, and by employee category	Data Tables	✓	A3.1, A3.2	P.44
Labor Practices Grievance Mechanisms	DMA	Our People	✓		P.32
	G4-LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	We will confidentially investigate reported cases in a fair, efficient and justice manner. During FY2014, we received 26 cases. During the year under review, we received 28 cases, of which 24 have been sorted. We are also dealing with the remaining four cases.	✓		P.32
Non-discrimination	DMA	Our People	✓		P.32
	G4-HR3 Total number of incidents of discrimination and corrective actions taken	During the year under review, there was no discrimination incident identified.	✓		
Forced or Compulsory Labor	DMA	Our People	✓		P.32
	G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Our People	✓		P.32
Compliance with Social Regulations	DMA	Our Operations	✓		P.38
	G4-SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	During the year under review, there was no case of non-compliance with regulations.	✓		
Customer Health and Safety	DMA	Our Operations	✓		P.38
	G4-PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Our Operations	✓		P.38
Marketing Communications	DMA	Our Operations	✓		P.38
	G4-PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	During the year under review, there was no incident of non-compliance identified in relation to marketing communication practices, including advertising, promotion, and sponsorship.	✓		
Customer Privacy	DMA	Our Operations	✓	C2.5	P.38
	G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	During the year under review, there was no incident of substantiated complaint identified in relation to customer privacy.	✓		



# VERIFICATION STATEMENT




## NATURE AND SCOPE OF THE ASSURANCE

SGS Hong Kong Limited was commissioned by the New World Department Store China Limited (hereafter as "NWDS") to conduct an independent assurance of the *NWDS Sustainability Report 2015* (hereafter as the "Report"). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the performance of NWDS from 1 July 2014 to 30 June 2015.

The information in the Report and its presentation are the responsibility of NWDS. SGS has not been involved in the preparation of any of the material included in the Report. Our responsibility is to express an opinion on the text, data, graphs and statements within the mentioned scope of assurance set out below with the intention to inform all NWDS' stakeholders.

The Report has been assured at a high level of scrutiny using our protocols for:

- Evaluation of content veracity; and
- Evaluation of the Report in accordance with the Core option of the *Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines*.

The assurance methodology comprised a combination of pre-assurance research, interviews with the management and employees at headquarter, documentation and record review.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.



## STATEMENT OF INDEPENDENCE AND COMPETENCE

SGS affirms our independence from NWDS, being free from bias and conflicts of interest with organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised lead auditors of ISO 14001, auditors of SA 8000, ISO 26000, OHSAS 18001 and Trainer in Sustainability Reporting.



## ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within the Report verified is accurate, reliable and provides a fair and balanced representation of NWDS sustainability performance. The assurance team is of the opinion that the Report conforms to the Core option of the *GRI G4 Sustainability Reporting Guidelines* and can be used by NWDS' stakeholders.

Findings and recommendations on the reporting process and content will be presented separately to NWDS as a reference to the preparation of future reports.

**Signed:**  
**For and on behalf of SGS Hong Kong Limited**



**Ben Tsang**  
Senior Director, China and Hong Kong



**Patrick Leung**  
Lead Assuror  
Systems and Services  
Certification

23 November 2015  
[www.sgs.com](http://www.sgs.com)



# YOUR FEEDBACK

Thank you for your time in reading our sustainability report. Your valuable comments and suggestions are vital for our continuous improvement. Please take a few minutes to complete this form.

- How would you rate this Report?  
 Excellent       Good       Satisfactory       Acceptable
- How useful is the information of this Report?  
 Excellent       Good       Satisfactory       Acceptable
- Based on the information provided by this Report, how would you rate our sustainability performance?  
 Excellent       Good       Satisfactory       Acceptable
- Does the Report give a clear presentation of information?  
 Excellent       Good       Satisfactory       Acceptable
- Which aspect(s) of information would you like us to elaborate in the future? (You can select more than one option)  
 Corporate Governance       Community Services  
 Environmental Protection       Staff Benefits and Development  
 Operating Practices       Others (Please specify: \_\_\_\_\_)
- Other comments:  
\_\_\_\_\_  
\_\_\_\_\_
- Which of the following group do you belong to?  
 Staff       Customer       Supplier/contractor       Non-profit organization  
 Investor       Listed company       Media       Government agency  
 Industry association       Academia       General public  
 Others (Please specify: \_\_\_\_\_)

If you would like to receive future reports/information from us, please provide your contact details:

Name: \_\_\_\_\_ Organization: \_\_\_\_\_

Telephone: \_\_\_\_\_ Email Address: \_\_\_\_\_

Please return the completed feedback form to us by:

Email: [nwscad@nwds.com.hk](mailto:nwscad@nwds.com.hk) Fax: (852) 2318 0884 Post: 7/F, 88 Hing Fat Street, Causeway Bay, Hong Kong

*All personal information will be used in strictest confidence and for communication and statistical purposes only. All personal data are handled in accordance with provisions of the Personal Data (Privacy) Ordinance.*

**Thank you for your valuable feedback!**



SUSTAINABILITY  
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2015



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新世界百貨中國有限公司

New World Department Store China Limited

(於開曼群島註冊成立的有限公司)

(incorporated in the Cayman Islands with limited liability)

(香港上市股份代號 Hong Kong Stock Code: 825)

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