



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)



OUR  
SUSTAINABLE  
WORLD

Sustainability  
Report 2016  
可持續發展報告  
2016





*OUR*  
**COMMUNITY**

*OUR*  
**BUSINESS**

**DELIVERY SERVICE RECEIPT**  
**SHIPPING CONFIRMATION**




**CONTENTS**

2	About this Report	32	Our People
4	Message from the Chairman	38	Our Operations and Supplier Management
6	Our Business	42	Corporate Honors and Recognitions
10	Our Sustainability Values	44	Data Tables
16	Our Sustainability Progress and Goals	47	GRI Content Index
18	Our Community	51	Verification Statement
24	Our Green Mission	52	Your Feedback

About  
**This Report**





**Embracing our responsibility towards the society, New World Department Store China Limited ("NWDS" or the "Group"; Hong Kong Stock Code: 825) has been publishing its sustainability report annually since 2014 to better inform stakeholders about the Group's operations and sustainability efforts. Meanwhile, stakeholders' feedback is instrumental in optimizing our sustainability policies for continuous improvement.**

Keeping up the good tradition, this year, we are pleased to present our third sustainability report, *NWDS Sustainability Report 2016* (the "Report"). Seasoned by the experience gained over the past two years, we have improved data accuracy and content of the Report, to give stakeholders an accurate, clear and comprehensive view of the Group's sustainability performance and achievements.

This Report gives concise account of major sustainability initiatives and activities implemented in relation to community services, environmental protection, staff benefits and development, and operating practices in FY2016 (1 July 2015 to 30 June 2016, "the year under review"). The reporting covers the Group's 41 department stores (including self-owned stores and managed stores) and shopping centers in Mainland China, as well as Hong Kong Office, Shanghai Management Office and our supply chain partners, namely suppliers and customers. Unless otherwise stated, this Report does not cover Beijing Shishang New World Department Store ("Beijing Shishang Store") and Ningbo New World Trendy Department Store ("Ningbo Trendy Store") which were closed for business during the year under review.

To present our sustainability efforts in a systematic manner, this Report continues to adopt the Core option of the internationally recognized *Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines*. It also meets the requirements of the new *Environmental, Social and Governance (ESG) Reporting Guide* published by The Stock Exchange of Hong Kong Limited (SEHK) in December 2015. As always, we are committed to achieving due reliability and credibility, and commissioned SGS Hong Kong Limited to carry out the verification of our report contents, ensuring the Report conforms with these two guidelines.

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 [nwdsacad@nwds.com.hk](mailto:nwdsacad@nwds.com.hk).



# Message from the Chairman

Faced with a global economic downturn, trade contraction and financial market volatility, China's economic growth remained sluggish during the year under review. The domestic retail landscape was further shadowed by challenges that came with the growing popularity of online shopping and changing consumer needs. Recognizing these challenges, the Group introduced a revolutionary corporate branding known as "The Artisanal Movement" which advocates excellence in all aspects of our business operations. While exercising stringent cost controls, we expanded our direct sales and leasing businesses to broaden our revenue base. In addition, we actively introduced themed interior design with an increased amount of in-store lifestyle complementary facilities such as catering, leisure, and entertainment outlets in order to provide customers with a happy and blissful shopping experience.





In September 2015, the United Nations Sustainable Development Summit made a historical move to endorse 17 sustainable development goals. This breakthrough is widely supported by many countries around the world by incorporating associated agendas in their future development roadmap. Indeed, sustainability has become a global common goal, and one of NWDS'. While striving for business growth, we make earnest efforts to fulfill corporate social responsibility, and cherish every opportunity to serve the community and protect the environment.

Taking the lead, we started publishing our sustainability report above statutory requirements in FY2014. Most encouragingly, the Group has received multiple international awards for our sustainability reports. We are pleased to present our third sustainability report, which summarizes our achievements in FY2016 with regard to sustainability and the way forward. According to the updated version of the *Environmental, Social and Governance (ESG) Reporting Guide* of SEHK, which came into effect in 2016, all listed companies must make relevant disclosures. During the year under review, we stayed true to the "Artisanal spirit" and further refined our sustainability initiatives and programs. Policies and guidelines were formulated and communicated to NWDS stores and offices to strengthen the actualization of sustainability values in our day-to-day operations. We also improved our data collection processes and enhanced data accuracy. At the same time, we encouraged greater stakeholder engagement in our sustainability endeavors to build a positive and influential supply chain.

To enhance our sustainability performance, we introduced the "Green Office Policy" to ensure that our office activities comply with all reasonable codes of practice for environmental protection. We also published a number of internal guidelines, such as *Sustainable Office Guide* and *Waste Measurement Guidelines*, for staff to practice green at workplace and record important green data. All stores and offices are committed to reducing energy consumption, emissions and waste throughout their operations, and carried out an internal carbon audit for the second consecutive year. Through the concerted efforts of our staff, the Group realized a 7.8% year-on-year reduction in annual average carbon intensity, in which its annual average electricity consumption per square meter and total A4 paper consumption dropped by 5.0% and 13.8% respectively in FY2016. To raise public eco-awareness, we organized up to 200 green activities across the country during the year under review.

We are actively engaged in charitable and community activities to show our care for the needy. We continued the "@Dream Sustainable Development Program" during the year under review, which has benefited more than 7,000 under-resourced children to date. A major annual event, "NWDS @Dream Annual Games", was held to offer an exchange and friendly competition platform for the programs' trainees. Once

again, we were the title-sponsor of the "NWDS Sowers Action Challenging 12 Hours Charity Marathon", and for the first time, customers and staff from Mainland China were invited to join the marathon held in Hong Kong. They ran and made stellar performance. Together, the marathon raised HK\$2.4 million to support the education of under-resourced children in the mainland. NWDS Volunteer Team rendered strong support to our community-related initiatives. The number of voluntary activities increased by 28.5% year-on-year to 344, while the total number of service hours went up by 11.6% to 7,477 hours.

Staff are our invaluable asset and we place great emphasis on their development and growth. To better communicate the corporate brand positioning of "The Artisanal Movement" to the entire workforce, we arranged training sessions with associated topics and integrate this concept into existing courses. A number of contests were also held to encourage frontline staff to foster a work attitude of pursuing excellence. During the year under review, we continued to organize the "Advanced Project Feipeng – NWDS Management 'Golden Ladder' Nurturing Program" and "Certificate Program of Further Studies in Retail Operation and Management 2015". These large-scale talent pool building programs aimed to cultivate management elites and propel the Group's business growth. Work aside, we also looked after our staff's physical and mental wellness and organized over 900 staff caring activities during the year under review.

Business partners' engagement is the essence of building a sustainable supply chain. We managed to have eight additional suppliers to pledge to comply our *Supplier Code of Conduct* during the year under review. To date, a total of 41 suppliers have signed the Code. We also received 29 completed *Supplier Sustainability Disclosure Forms*, achieving a response rate of about 70%. Most suppliers expressed that they set up and implemented measures related to energy conservation and emissions reduction during the year under review, symbolizing we and our suppliers share and practice a common vision on sustainable development.

We are most grateful to our entire workforce for their commitment to sustainable development. They have made tremendous efforts to reduce costs and enhance efficiency for NWDS, and have won stakeholders' support and public recognition, in addition to numerous awards and accolades for the Group. We hope to continue the collaboration with our staff, customers, business partners and other stakeholders, and to make continuous contribution to the sustainable development of the world.

**Dr. Cheng Kar-shun, Henry**  
Chairman  
Hong Kong, November 2016

# Our Business



## Goal

To be China's most influential department store chain operator with the highest efficiency.

## Mission

To create a modern, metropolitan lifestyle with creativity, foresight and efficiency in China.

## Conviction

Embracing "innovation, foresight, integrity, prudence and respect" in our core values lays a promising development path for NWDS in future.



Founded in 1993, NWDS is the retail flagship of New World Development Company Limited (Hong Kong Stock Code: 17) in Mainland China. By deploying visionary business expansion strategies such as "multiple presences in a single city" and "radiation city", NWDS has evolved and grown into one of the largest department store owners and operators in Mainland China. NWDS was successfully listed on the Main Board of SEHK in 2007. Over the years, the Group has been actively pursuing business excellence and has become a hallmark of premium lifestyle to consumers. At the same time, we have made continuous efforts to share our vision, mission and conviction with our stakeholders through a wide range of communication channels in the hope of building a constructive future collectively.



## Business Network

As at 30 June 2016, the Group operated and managed 41 department stores and shopping malls, including 29 "New World" branded department stores and 12 "Ba Li Chun Tian" (巴黎春天) branded department stores and shopping malls located in Shanghai. Our department stores network covers 21 major cities in Mainland China, 37 of which are self-owned stores and the remaining four are managed stores. In view of the sluggish domestic retail market in Mainland China, the Group focused on enhancing operational efficiency by optimizing our business strategies and management structure, therefore, ceased operations of Beijing Shishang Store and Ningbo Trendy Store while exercising stringent cost controls during the year under review.





## Business Overview

In response to the slowdown of Chinese economy and heated industrial competition in FY2016, the Group actively expanded its direct sales and leasing businesses to secure more stable revenue. While continuing to develop our private label, LOL (Love • Original • Life) Concept Shop (“LOL”), and the business of high-end fashion distribution, the Group also launched a new private label, n+ Natural Taste Plus, with its first store opened in Hong Kong New World Department Store – Shanghai Huaihai Branch Store (“Shanghai Huaihai Branch Store”) in May 2016.

Seeking to draw more customers to visit our physical stores, NWDS continued to adopt a hybrid operating model during the year under review. We expanded the leasing area of complementary lifestyle facilities, and introduced fitness centers, restaurants, children’s playgrounds and other outlets to enrich consumer experience. In addition, we developed joint-venture projects on food and beverage. Meanwhile, we set up themed interior design in our stores and made much progress in the “Happy New World” project, completing the “Happy Slide”, “Rooftop Garden” and “Piano Stairways” at Hong Kong New World Department Store – Shanghai Pujian Branch Store (“Shanghai Pujian Branch Store”), offering customers a happy and blissful shopping experience.





## Key Figures

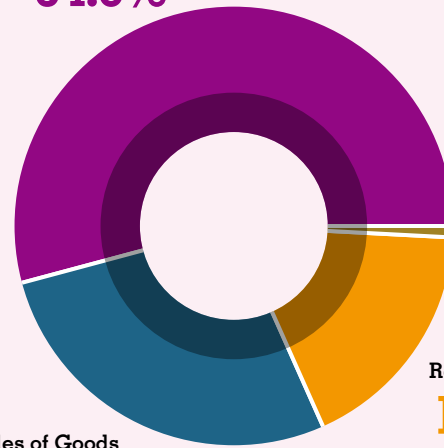
As at 30 June 2016, the Group's total gross floor area (GFA) was approximately 1,614,180 square meters ("sq.m."), generally in line with the previous financial year. The total GFA of self-owned stores was about 1,460,980 sq.m.

During the year under review, the Group recorded a revenue of HK\$3,659.9 million and profit for the year was HK\$45.4 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.

## Revenue Contribution Breakdown by Segment

Commission Income from  
Concessionaire Sales

54.0%



Management and  
Consultancy Fees

1.1%

Rental Income

17.5%

Sales of Goods  
for Direct Sales

27.4%

## Revenue

FY2015  
4,029  
HK\$ million

FY2016  
3,660  
HK\$ million



# Our Sustainability Values



... Upholding the spirit of “giving back to society”, NWDS integrates sustainability values ... into its corporate culture, governance framework, day-to-day operations and business ... development. While pursuing sustainable development, we remain social-minded and ... we care about the economic growth, environmental issues and people’s livelihood in ... every community we operate. In FY2016, our efforts were focused on enhancing existing ... corporate social responsibility projects and measures to ensure more effective execution ... with the aim of adding quality and value for our customers, staff and the general public. ....

## Corporate Governance

A sound governance structure is not only the very foundation for smooth business operations, but also a cornerstone for sustainable development. Over the years, we have closely adhered to the *Corporate Governance Code* under the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, ensuring strict compliance with all applicable regional and market legislation and rules. Active measures were also taken to further improve the Group’s corporate governance standard and transparency to safeguard the interests of shareholders and stakeholders.

Our Board of Directors (“the Board”) is responsible for monitoring the Group’s business development and operational direction. As the highest management unit in the Group’s hierarchy, the Board oversees the overall performance of the Group and the management team through its committees. Serving under the Board are the Audit Committee, the Executive Committee, the Nomination Committee, the Remuneration Committee, and the Disclosure

Committee. As at 30 June 2016, the Board consisted of nine members, including three non-executive Directors, two executive Directors, and four independent non-executive Directors. The Executive Committee and the management team are delegated with the authority and responsibilities by the Board to carry out the routine management and operations of the Group. Clearly-defined accountabilities are in place to ensure a balanced distribution of authorities and mandates between the Chairman and Managing Director.

Under the Group’s highly efficient management process, all departments are required to ensure conformance with five components of the *Proof of Internal Control Compliance*, namely, Controlled Environment, Risk Assessment, Controlled Activities, Information and Communication, and Audit. Relevant reports will be regularly submitted to the Board to facilitate effective monitoring and to ensure compliance with applicable laws and regulations. The amendments to the *Corporate Governance Code* and *Corporate Governance Report*



of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, made by SEHK in January 2016, stipulate that the Board has continuing responsibility to monitor corporate-wide risk management and internal control systems. The Board, therefore, has authorized the Audit Committee to monitor corporate compliance and risk management during the year under review. The associated performance is in return subject to periodic reviews of the Board to assess the effectiveness of the risk management and internal control systems. Relevant disclosures would be made in the Corporate Governance Report of the Annual Report.

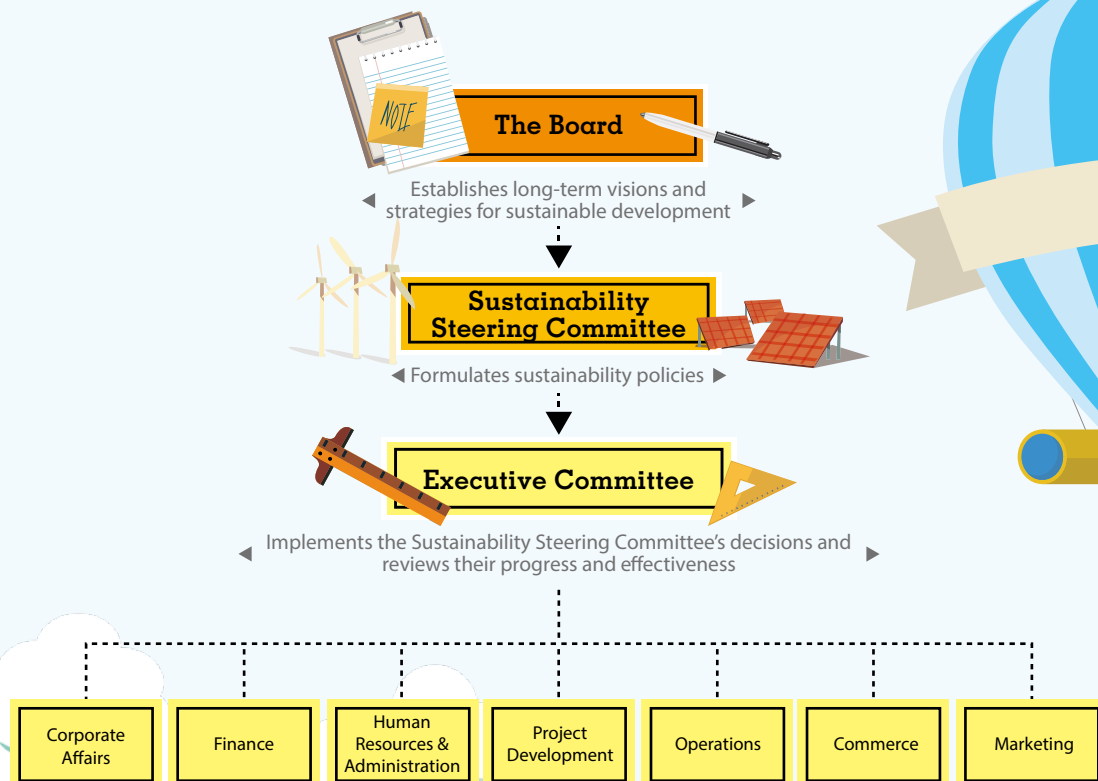
Meanwhile, we continued to enhance policies on staff professional ethics to minimize potential risks, including material errors and losses, and to stamp out situations involving disloyalty, fraud, bribery, and conflict of interests. Acts of non-compliance by employees are subject to internal disciplinary actions.

Details on NWDS' corporate governance and risk management can be found in its Annual Report.

## Sustainability Management and Policies

NWDS has a well-defined sustainability management structure, under which sustainability initiatives are effectively implemented and progressed. With the support and authorization from the Board, the Group set up the NWDS Environmental Committee in 2010 and upgraded it to the NWDS Sustainability Steering Committee in 2012. The Board provides direction for committee affairs.

The Sustainability Steering Committee is chaired by the Head of Corporate Affairs Department and consists of senior managerial staff from various departments. The executive committee under the Sustainability Steering Committee implements the Group's approved policies and measures, and periodically reviews the progress and effectiveness of the relevant initiatives to achieve continuous improvement. The executive committee meets regularly and six meetings were held to review sustainability issues during the year under review.





NWDS Sustainability Steering Committee formulated the “Sustainability Policy” in 2012 to represent the Group’s commitment on sustainability, providing guidelines to steer sustainability efforts towards the right direction.

In FY2016, we introduced the “Green Office Policy”, followed by the *Sustainable Office Guide* and the *Waste Measurement Guidelines* to present the Group’s policy on environmental protection, and to make recommendations relating to energy conservation and emissions reduction and to introduce a standardized methodology for the collection of waste data to facilitate green initiatives in all offices and stores.

### Green Office Policy

New World Department Store is committed to fulfilling our environmental responsibilities and reduces the potential environmental impacts of our operations as far as practicable. We will ensure that activities in our offices are conducted in accordance with sound environmental practices.

#### We Strive to

- Exceed statutory requirements in relations to environmental issues
- Comply with *New World Department Store Sustainable Office Guide* as far as practicable
- Minimise the consumption of natural resources and energy
- Reduce the creation of waste and recycle materials whenever practical
- Ensure all waste is disposed of in a safe and responsible manner
- Improve the environmental performance through education and training of staff
- Monitor and evaluate progress and performance for continuous improvements

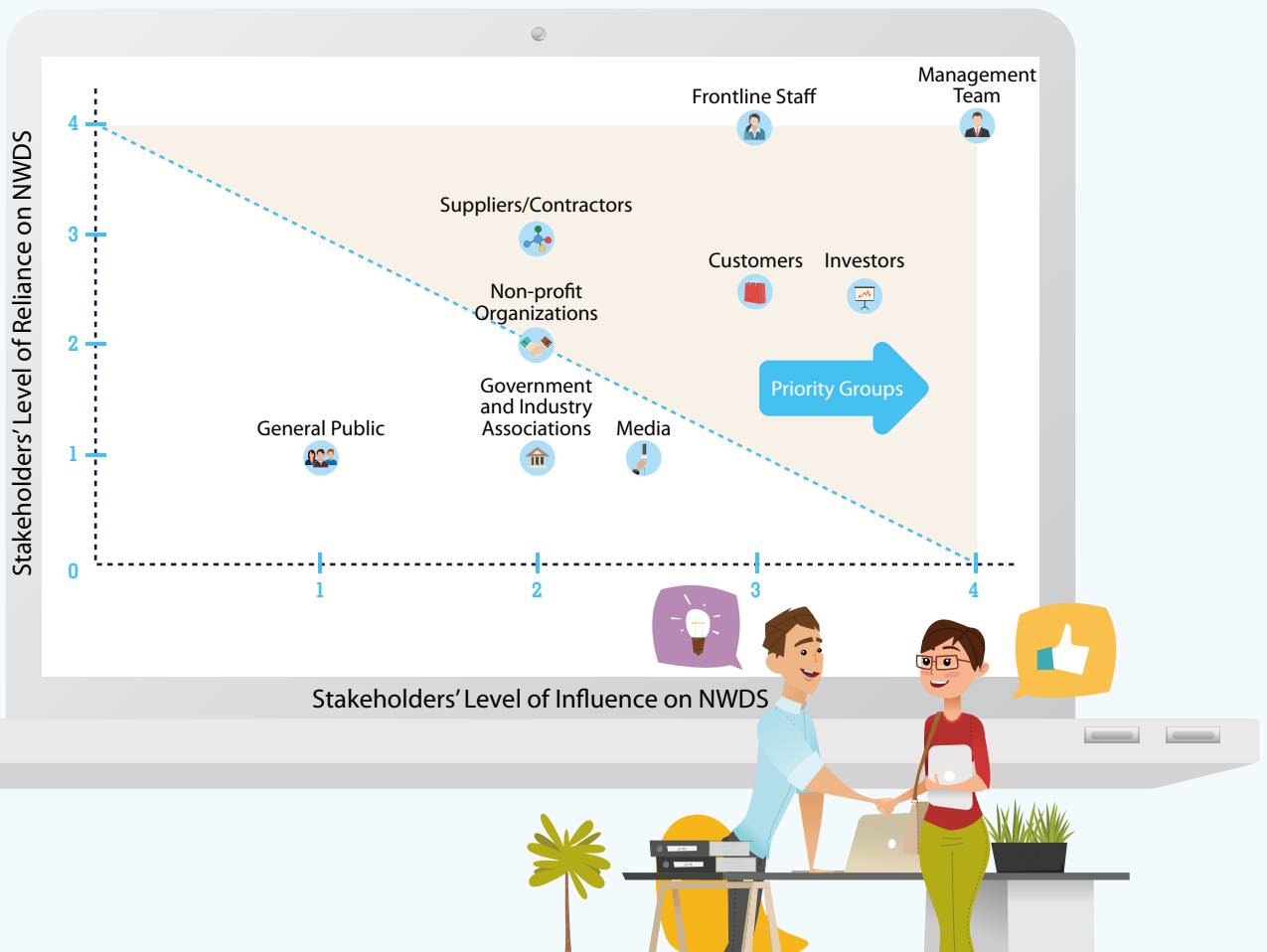


## Stakeholder Engagement

We always listen attentively to the views and suggestions of our stakeholders and attach much importance to their inputs, which have been facilitating the optimization of our sustainable development roadmap. In FY2014 and FY2015, the Hong Kong Productivity Council (the “Consultant”) was

commissioned to help define the engagement priority of different stakeholder groups based on the result of a systematic analysis with their influence and reliance on NWDS.

### NWDS’ Stakeholder Engagement Prioritization Matrix

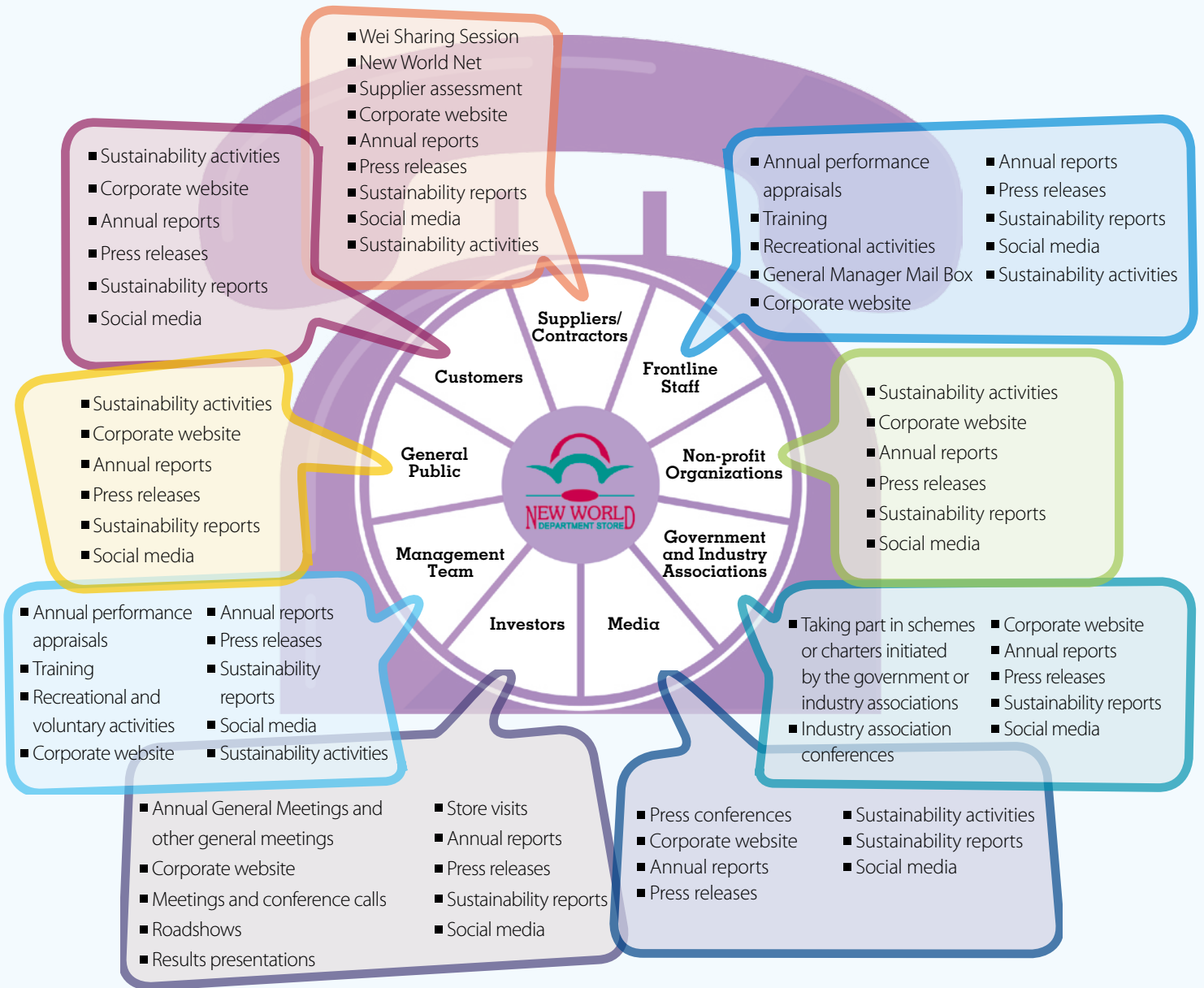




We maintain regular communication with our stakeholders and systematically collect their opinions and requests according to their categories. During FY2014 and FY2015, the “NWDS Stakeholder Engagement Sessions” were rolled out in phases to collect feedback from stakeholder groups such as frontline staff, management team, customers, suppliers/contractors, investors and non-profit organizations through





focus group meetings, questionnaire surveys, phone and face-to-face interviews. Feedback was carefully analyzed and assessed to provide the basis for the required coverage of our sustainability report. Going forward, we will continue to maintain close communication with our stakeholders to align our sustainability goals and pace, which will support us in meeting social expectations.

**Communication Means  
between NWDS and Various Stakeholders**





## Follow-up Report on Stakeholders' Comments and Suggestions in FY2016

Stakeholder Groups	Comments and Suggestions	Our Responses
 <b>Staff</b>	Increase environmental protection elements in voluntary activities	Held the nationwide outdoor green activity "Reaching Out to Nature" for the second consecutive year, with the volunteer team leading over 2,400 customers to connect with the nature. The number of participants increased about 26% compared to the previous year's
	Provide more well-defined training programs for frontline staff to unleash their potential to cope with the Group's business development	Organized a training program called "I'm an Artisan in Sales – Striving for Excellence in Sales through Bespoke Services" to promote the new corporate branding of "The Artisanal Movement" and "Customer Service Tips" program for improving the performance of frontline staff
	Organize more staff activities	Organized sports days, eco-tours, spring and autumn outings, and festive celebrations so that colleagues from different departments can get to know each other and strengthen team rapport
	Organize more charity bazaars and second-hand item donation events to minimize waste and raise money for the under-resourced groups	Hosted the "Season of Warm Thanksgiving: Love Endures • Sensible Spending" to collect idled clothes from customers for the benefit of low-income communities in mountainous areas
 <b>Non-profit Organizations</b>	Engage concessionaire counters in sustainability activities organized by NWDS	Invited staff from tenants and concessionaire counters to join nationwide green activities organized by NWDS, such as "GO GREEN with NWDS", "Green Mid-Autumn Festival – Moon Cake Box Recycling Campaign", "Earth Hour" lights-off campaign and "Unplugged Concerts" to raise eco-awareness
	Include employees' sharing about their charitable actions to enhance the liveness of the Report	Feedback on their volunteer services from employees are featured in this Report
 <b>Investors</b>	Retain talent through staff training and development, and educate employees about the NWDS sustainability policy	Hosted the "Advanced Project Feipeng – NWDS Management 'Golden Ladder' Nurturing Program" and "Certificate Program of Further Studies in Retail Operation and Management 2015" to drive overall capacity and to promote a sense of belonging amongst middle and senior managerial staff
	Explore different formats and partnerships of green and community activities, and encourage other stakeholders to participate	Co-organized the "Share Your Heart, Double the Impact" charity sale with a children service organization to raise more than RMB100,000 to aid autistic children and children from low-income families in the mountainous area of Yunnan and Guizhou
 <b>Media</b>	Focus on developing a few key sustainability projects to gain media exposure	Further enhanced the "@Dream Sustainable Development Program" and hosted the "@Dream Annual Games" which was covered in 125 media reports









## Materiality Assessment

Various stakeholder groups, such as frontline staff, management team, customers, suppliers/contractors, investors and non-profit organizations, were interviewed in FY2014 and FY2015 via our Consultant to identify topics of their biggest concern in four major areas: community services, environmental protection, staff benefits and development, and operating practices. The materiality assessment on these topics helped us finalize the coverage of this Report.

After analyzing and collating stakeholders' comments, we decided to retain the 19 material aspects adopted in the

FY2015 Report, including the 17 material aspects identified in FY2015 (one of which is only applicable to NWDS' supply chain) and two defined as such in FY2014 for this reporting year. We have also included suppliers in our disclosures. Their charitable and community efforts, as well as their performance in energy conservation, waste recovery and recycling, and legal compliance are presented herein. For details, please see the analysis results of material aspects and boundary in the table below.

### Analysis Results of Sustainability Material Aspects and Boundaries



Material Aspects		Boundaries		
Aspects	Topics	NWDS	Suppliers	
 <b>Community Services</b>	Community and charitable activities	✓	✓	
	Compliance with social regulations		✓	
 <b>Environmental Protection</b>	Waste recovery and recycling	✓	✓	
	Energy saving	✓	✓	
	Green products used internally	✓		
 <b>Staff Benefits and Development</b>	Occupational health and safety	✓		
	Direct communication between staff and management	✓		
	Staff training and support	✓		
	Non-discrimination	✓	✓	
	Employment	✓		
	Staff care and recreational activities	✓		
	Avoiding forced labor	✓		
	Staff grievance mechanisms	✓		
	 <b>Operating Practices</b>	Corporate financial performance	✓	
		Honest marketing communications	✓	
Products on offer with assurance of consumer health and safety		✓		
Corporate procurement policy		✓		
Protection of customer consumption data and privacy		✓		
Indirect economic impacts		✓		






# Our Sustainability Progress and Goals



Committed to promoting social and corporate sustainability, the NWDS Sustainability Steering Committee and Executive Committee diligently monitor the implementation of all initiatives from year to year and assess their actual effectiveness to provide a basis for setting up specific and quantifiable goals and plans. Through this concerted effort, we strive to continuously improve the Group's sustainability processes and performance.

Sustainability Aspects	Key Accomplishments in FY2016	Goals and Plans for FY2017
<b>Transparent Governance</b> 	<ul style="list-style-type: none"> <li>Published the second standalone sustainability report</li> <li>Defined specific goals and tracked the progress of various targets</li> <li>Organized the third sustainability report training program to share the Group's goals for the year and to strengthen training on data collection with all departments involved</li> </ul>	<ul style="list-style-type: none"> <li>Prepare the third standalone sustainability report in accordance with the Core option of <i>Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines</i>, and ensure the report meets the latest requirements of the <i>Environmental, Social and Governance (ESG) Reporting Guide</i> of The Stock Exchange of Hong Kong Limited</li> <li>Review, optimize and develop all feasible goals</li> <li>Improve data accuracy by setting guidelines and giving clear instructions</li> <li>Organize the "NWDS Stakeholder Engagement Sessions" to understand stakeholders' concerns to enhance report disclosure</li> </ul>
<b>Community Services</b> 	<p><b>@Dream Sustainable Development Program</b></p> <ul style="list-style-type: none"> <li>Strengthened the existing music and sports projects of the Program by continuing the "@Music – Rainbow Orchestra", "@Sports – Tennis Academy" tennis training program and "@Sports – Cool Soccer" training program</li> <li>Organized the "NWDS @Dream Annual Games" to offer more opportunities for programs' trainees to take part in public competitions so as to boost confidence and sharpen skills</li> <li>Continued to designate children of migrant workers as our principal beneficiaries and supported more than 7,000 youngsters to date</li> </ul> <p><b>Charitable and Community Projects</b></p> <ul style="list-style-type: none"> <li>Title-sponsored the "NWDS Sowers Action Challenging 12 Hours Charity Marathon" for the second consecutive year, raising HK\$0.45 million for the good cause</li> <li>Organized the "LOL X Sowers Action Charity Bazaar" and "Take the Challenge! Battle Arena Games!" at stores, and invited staff and customers in Mainland China to join the marathon in Hong Kong for the first time, effectively boosting public participation</li> </ul>	<ul style="list-style-type: none"> <li>Converge resources to further strengthen music projects</li> <li>Hold regular meetings with partners to review results</li> <li>Encourage programs' trainees to contribute to the society through community services</li> <li>Broaden the variety of charitable and social community projects to benefit more people in need</li> <li>Step up online publicity for these projects to encourage public involvement</li> </ul>



Sustainability Aspects	Key Accomplishments in FY2016	Goals and Plans for FY2017
	<p><b>Volunteer Services</b></p> <ul style="list-style-type: none"> <li>• Rolled out the third volunteer recruitment exercise for NWDS Volunteer Team and expanded the recruitment targets to customers for the first time. As a result, 732 new members were recruited, bringing the total number of volunteers to over 2,400</li> <li>• NWDS Volunteer Team contributed 7,477 hours of service in aggregate, representing an increase of 11.6% compared to last year</li> <li>• Organized the second “Outstanding Volunteers and Volunteer Stars Selection Contest” to commend outstanding volunteers devoted to community services</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to encourage volunteers, their families and friends, and customers to join volunteer services and to commend outstanding volunteers devoted to community services</li> <li>• Increase total volunteer service hours by 2% to 3%</li> <li>• Introduce more categories of volunteer services based on the needs of the community</li> </ul>
<p><b>Environmental Protection</b></p> 	<p><b>Energy Conservation and Emissions Reduction</b></p> <ul style="list-style-type: none"> <li>• Developed the “Green Office Policy” and published the <i>Sustainable Office Guide</i> to offer stores and offices with guidance to practice green</li> <li>• Reduced the annual average electricity consumption per square meter across all stores and offices by 5.0% year-on-year</li> <li>• Conducted carbon audits in all stores and offices for the second year in a row, reducing the annual average carbon intensity by 7.8% year-on-year</li> </ul> <p><b>Waste Management</b></p> <ul style="list-style-type: none"> <li>• Developed the <i>Waste Measurement Guidelines</i> to facilitate waste audits in stores and offices</li> <li>• Set up processes for sourcing food ingredients, recycling food waste and used oil for n+ Natural Taste Plus to foster a waste reduction culture</li> <li>• Significantly reduced the A4 paper consumption of all stores and offices by 13.8% year-on-year</li> </ul> <p><b>Green Procurement</b></p> <ul style="list-style-type: none"> <li>• LOL (Love • Original • Life) Concept Shop introduced eco-friendly cork accessories and leather goods from Portugal and maintained the sales ratio of eco-friendly products at a level of about 10%</li> </ul> <p><b>Promoting Green Living</b></p> <ul style="list-style-type: none"> <li>• Organized up to 200 green activities to help stores reach out to the community</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce the annual average carbon intensity of stores and offices by 1% to 2%</li> <li>• Reduce the annual average electricity consumption per square meter of stores and offices by 1% to 2%</li> <li>• Encourage waste paper and plastic recycling in stores and offices</li> <li>• Reduce the total paper consumption of stores and offices by 1% to 2%</li> <li>• Increase the sales ratio of eco-friendly products in LOL (Love • Original • Life) Concept Shop to 11% to 12%</li> <li>• Optimize the setup of nationwide green activities by incorporating trendy elements, strengthening online promotions, and encouraging public engagement</li> </ul>
<p><b>Staff Development</b></p> 	<ul style="list-style-type: none"> <li>• Increased the total number of training programs to 37, continuing to provide suitable training for staff in various positions</li> <li>• Total staff training hours increased by 9% year-on-year to 53,299 hours</li> <li>• Introduced “The Artisanal Movement”-themed capacity building program to raise staff awareness on the Group’s new corporate branding</li> <li>• Injury rate dropped by 2.2% year-on-year</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the total number of training programs to 40 and the proportion of online courses</li> <li>• Strengthen training on management and professional capacities for middle and senior managerial staff</li> <li>• Increase training hours per employee by 1% to 3%</li> <li>• Develop staff caring program and organize more interactive and team-building activities to boost a sense of belonging and team spirit</li> </ul>
<p><b>Operational Efficiency</b></p> 	<ul style="list-style-type: none"> <li>• Eight suppliers agreed to endorse the <i>Supplier Code of Conduct</i> and responded to <i>Sustainability Self-Assessment Questionnaire</i></li> <li>• Received 29 completed <i>Supplier Sustainability Disclosure Forms</i> to have a better understanding of suppliers’ sustainability performance during the year under review</li> <li>• Launched a “Wei Sharing Session” as a new platform to facilitate communication with suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Invite 20 additional suppliers to endorse the <i>Supplier Code of Conduct</i> and to fill in <i>Sustainability Self-Assessment Questionnaire</i></li> <li>• Collect 35 completed <i>Supplier Sustainability Disclosure Forms</i></li> <li>• Organize two “Wei Sharing Sessions” to strengthen communication with suppliers</li> </ul>

*Our*  
**Community**





Adhering to the ethos of "giving back to society", NWDS maintains close ties with local communities in the mainland where we operate as always by providing community services, organizing sustainability programs and sponsoring charitable events. We play a pivotal role in fostering the sustainable development of society for the benefits of the needy.

Believing that the strength of a country is underpinned by its youth, we have been targeting under-resourced children in our community efforts. With the "@Dream Sustainable Development Program" ("@Dream Program" or the "Program") entering its third year, we hosted the "NWDS @Dream Annual Games" to offer an exchange platform for its benefited trainees during the year under review. Meanwhile, we continued to be the title-sponsor of the "NWDS Sowers Action Challenging 12 Hours Charity Marathon" ("Sowers Action Challenging 12 Hours") to raise education-aiding funds for under-resourced students in Mainland China.

During the year under review, NWDS Volunteer Team launched its third recruitment exercise, widening the scope of recruitment to include customers for the first time. With the 732 newly-recruited volunteers, NWDS Volunteer Team has now expanded to 2,446 volunteers. The Group attends to the needy with practical actions with its growing volunteer team and financial assistance made to different charitable organizations across Mainland China. During the year under review, donations made by the Group totaled over HK\$0.73 million.

## NWDS Volunteer Team

NWDS Volunteer Team was established in April 2013 as an execution arm of the Group's volunteer services. In addition to the two annual nationwide themed voluntary activities, numerous store-based voluntary activities are also organized to address the specific needs of local communities. During the year under review, NWDS Volunteer Team organized 344 voluntary activities and contributed 7,477 volunteer service hours in total, representing an 11.6% year-on-year ("YoY") increase.



**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



In December 2015, we rolled out a nationwide voluntary activity named "Busy Ping Pong", benefiting more than 650 children. Dressing in Santa Claus costumes, volunteers played fun ping pong-inspired games with under-resourced children and taught them how to create handicrafts with ping pong in the activity. To maximize the exposure and impact of the initiative, we also launched an egg-knocking game called "Busy Golden Ping Pong" at our WeChat account. Over 8,000 online users participated in the game and joined us to send seasonal greetings to under-resourced children.



In the "Volunteer Month" of June 2016, we partnered with educational institutions, art centers, catering and bakery groups in a series of artisanal activities under the theme of "Let's Get Going – Happy Young Carpenters". Over 730 under-resourced children took part in the activities such as "Creative Young Painters", "Young Masters of Handicrafts", "Young Guru Bakers" and other art-related activities to inspire the creativity and dedicated artisanship of the next generation.

Interviews with  
Volunteer Stars

To recognize outstanding volunteers who have deeply engaged themselves in serving the community, the Group hosted the second "Outstanding Volunteers and Volunteer Stars Selection Contest" during the year under review. Awards for volunteer nominators and volunteer families were newly introduced to motivate their greater participation in our volunteer services.



2014-2015 Volunteer Star –  
Sun Yan

"I am grateful for the chance to participate in each voluntary activity and to make my humble contribution. I hope more people can join NWDS Volunteer Team to spread positivity in our society."

2014-2015 Volunteer Star Nominator –  
Tian Huizi



"I mobilized families and friends around me to join our voluntary activities in 2015, including my 83-year-old grandmother. Her noble act tells me that the younger generation should do even more."



2014-2015 Volunteer Star Family –  
Fan Yongmei and her family

"During our participation in voluntary activities, my kids were rewarded with greater childhood fun and love. We will continue to contribute and help the needy in future."



## Supporting Children Development

Children are the future pillars of our society. Since its inception in July 2013, the “@Dream Program” has benefited more than 7,000 under-resourced children in Mainland China by offering diversified training to support their physical and mental development. We have gained insights from the feedback of our stakeholders and continued to allocate resources to enhance the sports and music projects of the Program during the year under review: the “@Music – Rainbow Orchestra”, the “@Sport – Tennis Academy” tennis training program and the “@Sport – Cool Soccer” training program continued with greater breadth and depth to focus on improving the skills and capacity of the benefited trainees.

During the year under review, we organized the “NWDS @Dream Annual Games” over a three-month period to offer the benefited trainees a platform to compete in skills and learn from each other, with the aim to boost their motivation and determination. The Games generated 125 media reports to underline the importance of children’s all-round development. The Games comprised five activities:



### “@Dream Cup • Soccer Tournament”

Six Shanghai teams engaged in a single round robin tournament in July 2015. The champion went to the Shanghai City Changning District Tianshan No. 2 Primary School Team, members of which were trained under the “@Sport – Cool Soccer” training program.

### “Demonstration Show cum Award Ceremony of ‘@Dream Annual Games’ Finalists”

The award ceremony was held at the training center of Shanghai Greenland Shenhua Football Club in September 2015. More than 400 guests from all walks of life were invited to appreciate the superb football and tennis demonstration by the winning teams of the “@Dream Cup • Soccer Tournament” and the “@Dream Cup • Tennis Tournament”. Live performance staged by the benefited trainees of the “@Music-Rainbow Orchestra” provided the best background music for the show.



### “@Dream Cup • Tennis Tournament”

Group and individual matches of the tennis tournament were held in August 2015. Haitang Primary School in Jinshan District, Shanghai City won the overall champion after multiple matches.

### “@Dream Sunshine Teen” Voting Campaign

The NWDS’ “@Dream Sunshine Teen” voting campaign was held from July to September 2015 at Shanghai Education News Network to honor students with physical and academic excellence. The title of “@Dream Sunshine Teen” went to contestants with the highest votes and the best talents shown in front of a panel of judges. The poll received over 0.77 million votes.



### “@Dream Sunshine Teen Charity Actions”

To cultivate civic awareness of “giving is more blessed than receiving”, an elderly home visit was held in October 2015. Winners of the “@Dream Sunshine Teen” voting campaign joined hands with the benefited trainees of the “@Dream Program” to entertain about 80 elders with music and dance performance.





## Collaboration with Charitable Organizations

### Title-sponsoring "Sowers Action Challenging 12 Hours" for the Second Consecutive Year

For the second consecutive year, NWDS title-sponsored the "Sowers Action Challenging 12 Hours" and donated HK\$0.45 million to support the education for under-resourced children in Mainland China. Races that covered Wilson Trail and MacLehose Trail in Hong Kong took place on 1 November 2015 and attracted over 2,300 runners, a 3% increase over the previous year. The total amount of education-aiding fund raised exceeded HK\$2.4 million.

This year, mainland staff and customers were invited to Hong Kong to get a taste of the enthusiasm of the marathon. They performed impressively, with one runner coming third in the 42km Individual Men Open. For enthusiasts who could not participate in Hong Kong, we hosted the first ever "LOL X Sowers Action Charity Bazaar" across NWDS stores. In addition, the "Take the Challenge! Battle Arena Games!" was organized on the same day of the marathon, attracting over 660 people from about 230 teams nationwide to take up all sorts of challenges in stores to cheer for the marathon runners in Hong Kong. Geographical boundaries were also broken with the promotion campaign "Face • Challenge" and the "NWDS CSR Weibo • Blessing Challenge" retweeting activity on NWDS CSR Weibo. These activities were supported by about 62,000 online users, forming a strong caring league for the under-resourced students in Mainland China.



### "5-Year Companionship with Lasting Love" 5km Wucaiqian Mountain Challenge

To help children who lost their parents in the Qinghai Yushu earthquake, NWDS stores in the Northern China Region co-organized a 5km Wucaiqian Mountain Challenge called "5-Year Companionship with Lasting Love" with China Charities Aid Foundation for Children in October 2015. This race aimed to raise public awareness for the Yushu orphans and attracted over 300 citizens to participate.





## Caring for the Community

The Group has always been committed to the welfare of the community. During the year under review, we addressed stakeholders' concerns and mobilized our stores across the country to organize charity bazaars and used goods donation activities. We also encouraged them to host store-based community activities to respond to the practical needs of their local communities to deliver love and warmth.



### Northern China Region



To propagate the traditional Chinese virtue of caring for the youth and the elderly, many stores paid visits to the elderly and children in need during festive holidays. The volunteer team from Dalian New World Department Store ("Dalian Store") made dumplings for the elderly on Winter Solstice while the volunteer team from Beijing New World Qianzi Department Store visited old war heroes before the Chinese New Year to offer warm blessings. The volunteer team from Anshan New World Department Store visited a primary school in the mountainous area of Xiu Yan Manchurian Autonomous Region and donated books to local under-resourced children to enrich their knowledge.

### South Eastern China Region

Over the years, volunteer teams from the South Eastern China Region have shown their care for sick people and wished them early recovery. From March to April 2016, all "Ba Li Chun Tian" branded stores teamed up with Shanghai Aihao Children Rehabilitation Center to host the "Share Your Heart, Double the Impact" charity bazaar. They raised more than RMB100,000 to support the medical and living expenses of autistic patients and children living in poor mountainous regions. Meanwhile, representatives of several stores visited young patients in Shanghai Children's Medical Center and the disabled at Disabled Persons' Federation of Putuo District, Shanghai, to spread NWDS' positivity.



### Central Western China Region



Eco-friendly and meaningful charity bazaars and used goods donations are frequently organized in the Central Western China Region to assist the under-resourced groups through recycling and reuse. During the year under review, the volunteer team from Chengdu New World Department Store ("Chengdu Store") joined forces with the Chengdu Volunteer Association in the "Season of Warm Thanksgiving: Love Endures • Sensible Spending" used clothes collection campaign. Idled clothing items from staff were collected and donated to poor villagers in rural mountainous regions. In addition, Wuhan New World Department Store and New World Department Store – Wuchang Branch Store donated used clothes to under-resourced students, while Zhengzhou New World Department Store encouraged customers to hang idled garments on the "Wall of Love" at the storefront so that people needing them could pick them up.



*Our*  
**Green Mission**





To fulfill our mission of environmental protection and conservation, NWDS has been dedicated to incorporating green elements into every aspect of our operations and continuously optimizing our workflow to achieve the best and the most broadened execution. During the year under review, the Group introduced the “Green Office Policy” and a number of guidelines, which detail the direction of our green management and our concrete measures on energy conservation, emissions reduction and waste management, thereby minimizing the environmental impacts of our operations. Besides, the Group strived to reach out to the communities to carry out environmental education to increase the eco-awareness of our employees, customers and other stakeholders to muster greater strengths in our efforts.

## “ NWDS Green Management Workflow ”



### 1. Formulating Environmental Protection Policy

During the year under review, we formulated the “Green Office Policy” and published the *Sustainable Office Guide* and the *Waste Measurement Guidelines*. Based on the four principles of Rethink, Reduce, Reuse and Recycle, these guidelines aim to motivate stronger engagement in green initiatives across all stores and offices. Our dedication to promote a green workplace has been widely recognized and we garnered the “Green Office” Label under World Green Organisation’s “Green Office Awards Labelling Scheme” for the third consecutive year.

### 2. Setting Environmental Protection Targets

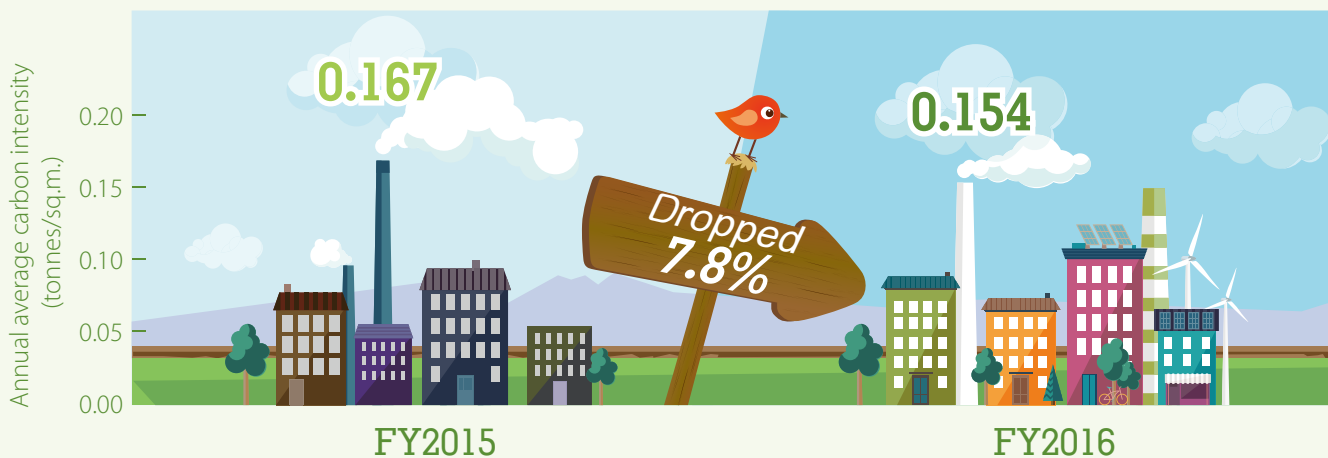
As part of our efforts for continuous improvement in our green performance, viable environmental protection targets are set every year to monitor the environmental performance of our stores and offices against quantitative and objective benchmarks. During the year under review, we set targets to reduce electricity consumption, paper consumption and carbon footprint and to carry out waste measurement. We also maintained close communication with all departments through the Sustainability Steering Committee to help achieve these targets.



### 3. Measuring Environmental Data

To ensure ongoing monitoring and management of the Group's green performance, we have to collect and analyze various environmental protection data, from the types and quantities of energy consumption to the use of materials. Therefore, we formulated the *Sustainability Data Collection Guidelines* and the *Waste Measurement Guidelines* during the year under review to guide frontline staff to monitor and record important green data. Besides, all our stores and

offices conducted internal carbon audits for the second consecutive year. The Group recorded 248,462 tonnes of total carbon emissions in FY2016, of which indirect carbon emissions (referring to electricity consumption only) accounted for 96.4%. The annual average carbon intensity dropped 7.8% YoY from 0.167 tonnes/square meter ("tonnes/sq.m.") to 0.154 tonnes/sq.m..



Remark: Direct carbon emissions refer to emissions from operations owned or controlled by the Group, whereas indirect carbon emissions refer to emissions arising from electricity and gas purchased or acquired for internal use (including heating, cooling and steam production). Full-year operation data of Hong Kong New World Department Store – Shanghai 118 Branch Store ("Shanghai 118 Branch Store") was unavailable as it only commenced operations in the interim of FY2015; the same applied to Beijing Shishang Store and Ningbo Trendy Store, which ceased operations in FY2016. Data of these stores for the concerned years are not included in the graph above.

### 4. Establishing Green Schemes and Gauging their Performance

#### Energy Conservation and Emissions Reduction

The increasing gravity of global warming and aggravating climate changes are directly affecting our quality of life. Following the launch of the *Guidelines on Energy Conservation at Department Stores and Offices* last year, the Group introduced the *Sustainable Office Guide* during the year under review to elevate the environmental performance of all

offices so as to reduce the carbon footprint of the Group's business operations as a whole. NWDS stores and offices are required to adopt the recommendations of these two guidelines and apply the following green measures more rigorously in their day-to-day operations:

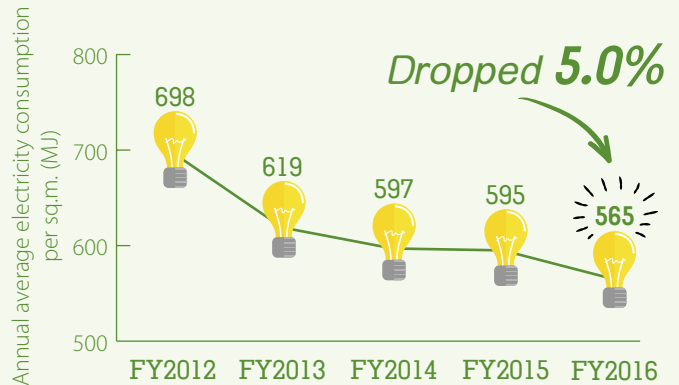
Energy Conservation and Emissions Reduction Measures	
<b>Department Stores</b>	<ul style="list-style-type: none"> <li>Regularly inspect, maintain or replace energy-intensive equipment to maintain the highest energy efficiency</li> <li>Optimize the operational efficiency of in-store equipment (e.g. lifts, air-conditioners) to reduce the number of their installation</li> <li>Handle heat exchange by directly drawing outdoor air to cut down on cooling power when the outdoor temperature is lower than the indoor temperature</li> <li>Evenly distribute emergency lights which should be lit at all times in individual stores to meet fire service and safety requirements with the minimum power consumption</li> <li>Nurture a "zero cost" carbon reduction attitude as a habit among staff members:               <ol style="list-style-type: none"> <li>Travel by public transport whenever possible</li> <li>Make seasonal adjustment to the temperature of the cooling water in air-handling units</li> </ol> </li> </ul>
<b>Offices</b>	<ul style="list-style-type: none"> <li>Divide the lighting system into different zones and mark them with clear labels so that employees can turn the lights on or off as required</li> <li>Turn off unnecessary lights and computer screens during lunch break</li> </ul>



Thanks to the concerted effort and support of our employees across the country, the annual average electricity consumption per sq.m. in our stores and offices during the year under review dropped by 5.0% YoY and achieved an accumulated reduction of 19.1% as compared to FY2012 (prior to the commencement of the large-scale lighting revamp project), marking a new low. Our excellent performance earned our Hong Kong Office the "Energywise Certificate" under the "Hong Kong Green Organisation Certification" for the first time.



### Total Electricity Consumption in Stores and Offices



Remark: Full-year operation data of Shanghai 118 Branch Store was unavailable as it only commenced operations in the interim of FY2015; the same applied to Beijing Shishang Store and Ningbo Trendy Store, which ceased operations in FY2016. Data of these stores for the concerned years are not included in the graph above.

### Nationwide Green Activity I: "Earth Hour" and "Unplugged Concerts" Promote Energy Conservation and Emissions Reduction

NWDS took part in World Wide Fund's "Earth Hour" lights-off campaign for the seventh consecutive year and 41 of its stores in the mainland switched off non-essential lights for one hour at 8:30 p.m. on 19 March 2016. Some stores once again staged "Unplugged Concerts" in collaboration with various music and art groups and used music as a medium to advocate energy saving and emissions reduction. We also drew support from the Internet and ran an "NWDS • Second Unplugged Concerts" retweeting activity on NWDS CSR Weibo and attracted nearly 20,000 online users to participate, making this online publicity campaign for saving electricity a great success.



Lights off



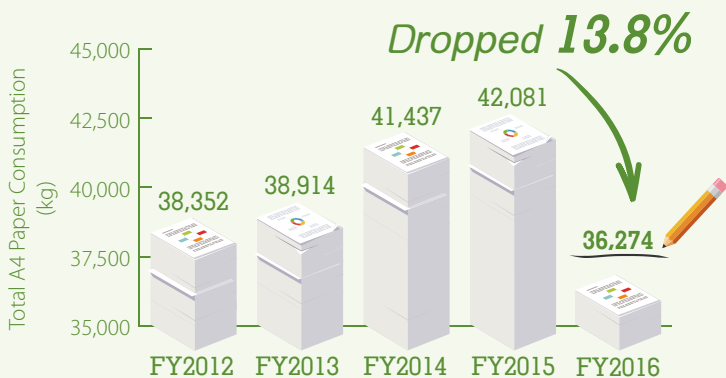
## Waste Management

A “use less, waste less” attitude is crucial to preserving earth resources. During the year under review, NWDS incorporated the content of the *Guidelines on Waste Reduction at Offices* into the newly-launched *Sustainable Office Guide*. Taking reference from the waste measurement tips of the “Waste Check Charter” published by the Environmental Protection Department of Hong Kong, we developed the *Waste*

*Measurement Guidelines* to guide our staff in stores and offices to collect and manage waste data and to monitor consumption of paper, paper products, plastic bags and other supplies with an aim to identify areas for sustainable improvement. Encouragingly, the Group reduced the total A4 paper consumption by 5,807 kilograms (“kg”) in the past year, representing a decrease of 13.8% YoY.

	Waste Management Measures
<b>Department Stores</b>	<ul style="list-style-type: none"> <li>Introduce the Alipay electronic payment method to accelerate paperless verification process</li> <li>Urge concessionaire counters to strictly enforce the rule of providing only one paper or plastic bag to each customer</li> <li>Promote marketing activities online to reduce printed matters</li> <li>Organize waste recycling campaigns, capitalizing on the wide exposure of our store network to spread the message of waste reduction and recycling</li> </ul>
<b>Bakeries</b>	<ul style="list-style-type: none"> <li>Commission authorized recyclers to collect and dispose of food waste and used oil daily and record the amounts recycled</li> <li>Order raw materials according to sales status to avoid over-stocking and wastage</li> </ul>
<b>Offices</b>	<ul style="list-style-type: none"> <li>Set up a standardized ERP operating system to promote office automation and paperless operations</li> <li>Reduce paper consumption by encouraging double-sided printing and assessing the need to provide each meeting attendee with one hard copy of documents</li> </ul>

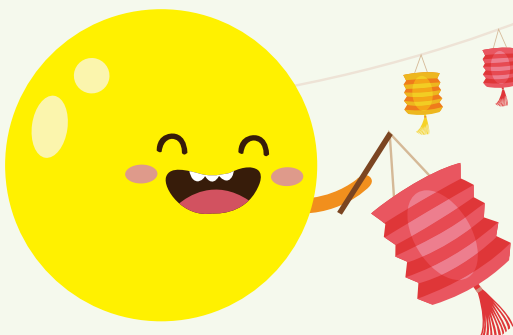
### “ Total A4 Paper Consumption in Stores and Offices ”



Remark: Full-year operation data of Shanghai 118 Branch Store was unavailable as it only commenced operations in the interim of FY2015; the same applied to Beijing Shishang Store and Ningbo Trendy Store, which ceased operations in FY2016. Data of these stores for the concerned years are not included in the graph above.

### Nationwide Green Activity 2: “Green Mid-Autumn Festival – Moon Cake Box Recycling Campaign” Promotes Recycling and Reusing

To propagate the message of turning trash to treasure, NWDS presented the fifth “Green Mid-Autumn Festival – Moon Cake Box Recycling Campaign” between 26 September and 9 October 2015. More than 2,800 moon cake boxes were collected this year, bringing the grand total since initial launch to nearly 25,000. Over 20 stores organized “Parents-Children Green Lantern Making Workshops” this year, which attracted the participation of over 700 customers and their children. Unused items and old moon cake boxes were used to create pretty lanterns which were later displayed in stores. A retweeting activity called “NWDS CSR Weibo • Find Moon Cake Boxes” was rolled out on NWDS CSR Weibo in parallel. Over 2,500 online users spiced up the Mid-Autumn Festival with green messages.





## Green Procurement

When making procurement decisions for materials or merchandise, we take into consideration their environmental impacts in addition to their prices.

### Procurement of Materials

We formulated our green procurement policy as early as 2009 and all stores and offices are required to adhere to our green procurement principles, e.g. choosing durable and low maintenance products as well as electrical products with environmentally friendly and energy labels. Taking our efforts one step further, our annual reports and sustainability reports are printed on Forest Stewardship Council™ (FSC™) certified paper with soy ink to reduce their impacts on the environment.



### Procurement of Merchandise

During the year under review, the Group's private label – LOL maintained the sales percentage of its eco-friendly merchandise at around 10% and actively introduced green merchandise such as eco-friendly cork accessories and leather goods and 100% natural facial masks, etc. Besides, we opt for display props made with green materials wherever possible when designing store layout and fitting.





## Promoting Green Living

NWDS believes that environmental protection is a collective effort. To solicit wide engagement in the green cause, we hosted a series of green activities during the year under review to encourage our employees and customers to live a greener life and influence others to do the same.

### Nationwide Green Activity 3: "Reaching Out to Nature" Educates Customers to Protect the Environment

To enhance the eco-awareness of our employees and customers, NWDS organized the second "Reaching Out to Nature" activity from 22 April to 1 May 2016. This nationwide outdoor green activity led over 2,400 employees and customers to scenic nature spots like Chengdu's Jinji Valley, Phoenix Mountains Park, Zhujiyajiao Ancient Town as well as nature farms where participants could pick fresh organic fruits and plant trees with their own hands. Meanwhile, the "NWDS • Reaching Out to Nature" retweeting activity held on NWDS CSR Weibo attracted the participation of close to 9,000 online users, hailing our green messages loud and clear both online and offline.



### Nationwide Green Activity 4: "GO GREEN with NWDS" Advocates Low Carbon Living

Responding to the yearly Union Nations' campaign "World Environment Day", NWDS held the fifth "GO GREEN with NWDS" activity from 3 to 12 June 2016, which was strongly supported by nearly 20,000 customers. As member stores of "Hong Kong Green Day 2016", all NWDS stores rolled out the "Green Rewards GO GO GO" activity. Over 3,000 potted plants, reusable bags and other gifts were given away to customers wearing green. The "I am Master Chef • Delicious Low-Carbon Diet" cooking competition was held in numerous stores to offer customers a platform to design low carbon recipes and compare culinary skills. The activity was complemented by a retweeting activity called "NWDS • Go Green Together" on NWDS CSR Weibo and nearly 12,000 online users responded to muster green power online.





## Reaching out to the Communities to Promote Green Concept

NWDS' store network covers 21 major mainland cities. In addition to our four annual nationwide green activities, individual stores reached out to the communities and initiated up to 200 green activities that responded to local needs during the year under review. These include:



	Green Activities
<b>Xi'an New World Department Store</b>	Held the "An Act of Love • 5.21 Couple Rides" activity to promote cycling in place of other public transport modes so as to reduce local carbon emissions and to improve air quality jointly
<b>Beijing New World Qianzi Department Store</b>	Held the "Lavender Gardening" activity to encourage employees and their children to preserve trees and reduce paper consumption in order to protect the environment
<b>Beijing New World Liying Department Store</b>	Held the "Drinking Water and Health" workshop to share knowledge about potable water, such as hygiene requirements, sterilization, prevention of water pollution, professional advice and complaint channels
<b>Kunming New World Department Store</b>	Mobilized our employees to help clean up the marathon track during the "Fifth Kunming Plateau International Half-Marathon" to provide a clean and comfortable race environment for over 10,000 marathon runners from Mainland China and overseas
<b>Shenyang New World Department Store – Zhonghua Road and Shenyang New World Department Store – Jianqiao Road Branch Stores</b>	Held the "From Your Heart, Turn Waste to Treasure" activity in summer months to discourage disposal of plastic water bottles and to encourage creative transformation of the bottles





*Our*  
People

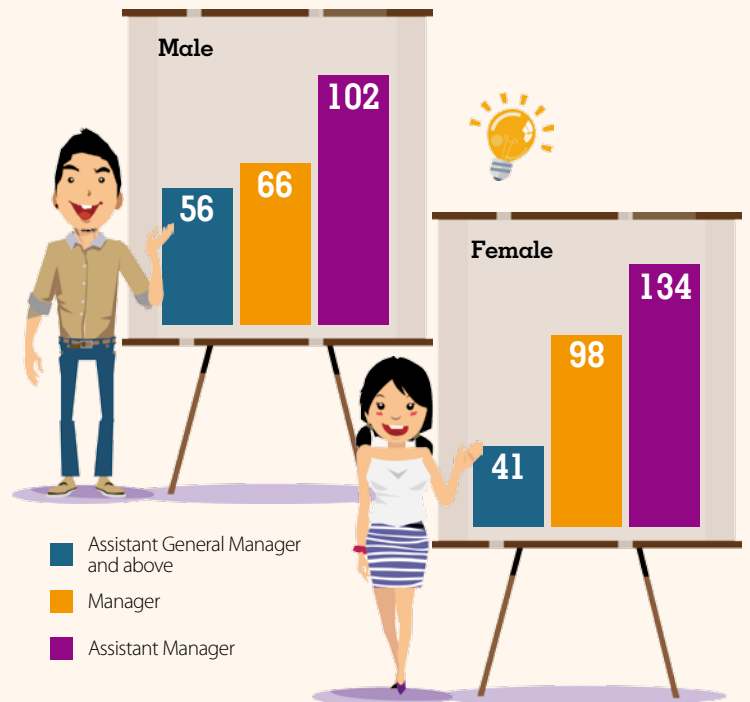




NWDS cherishes our people and regards them as the Group's important asset. To build an outstanding and efficient workforce, we actively restructure our management structure to improve overall operational efficiency, while providing competitive salary packages and comprehensive on-the-job training programs for our staff. During the year under review, we introduced a new corporate branding, "The Artisanal Movement", which communicates the spirit of an artisan who gives painstaking attention to every detail to offer the most bespoke services to our customers.

As at 30 June 2016, the Group had 5,319 employees working in 41 department stores and shopping malls in 21 cities across Mainland China. The distribution of our employees is shown in the diagrams below.

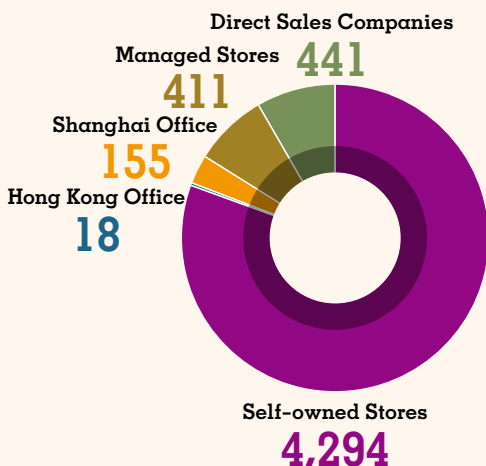
Distribution of Managerial Staff by Gender in FY2016



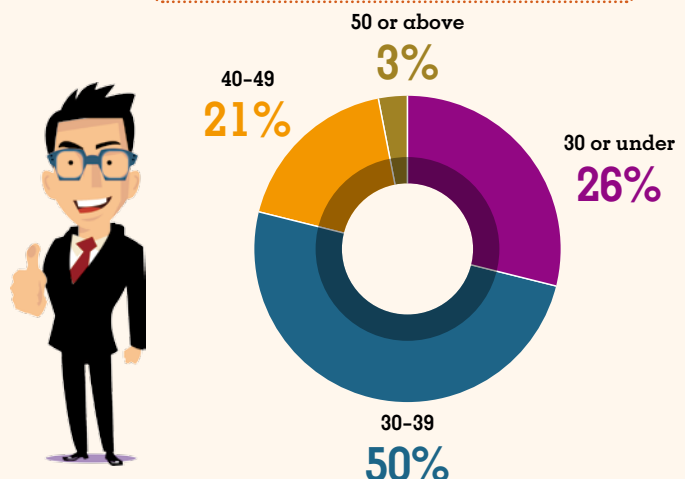
Equal Opportunities

NWDS attaches great importance to equal opportunities. We do our utmost to create a fair, harmonious and professional work environment in which our staff can excel. We recruit new employees based on their abilities through a sound process that prevents discrimination against gender, age, race, religion, etc. We fully comply with employment regulations in the jurisdiction of our business operations. There were no cases of forced labor or child labor violations during the year under review, nor did we receive any reports of discrimination. To recruit and retain talents, we review the existing system of promotion, remuneration and benefits regularly to keep abreast of market standards. NWDS is pleased to offer a ladder of upward mobility to support the career development of high performers.

Distribution of Staff by Work Location in FY2016



Distribution of Staff by Age in FY2016



## GOAL

New World Department Store China Limited  
Sustainability Report 2016



## Corporate Culture

During the year under review, NWDS unveiled a new corporate branding, "The Artisanal Movement", to foster innovation and excellence. Our staff is encouraged to work like artisans to pursue perfection right down to the finest details. To better communicate this new corporate vision, we incorporated the "Artisanal spirit" into training programs such as "Fashion Culture Innovation Workshop" as well as all induction courses. A sales service contest, "I'm an Artisan in Sales – Striving for Excellence in Sales through Bespoke Services", was rolled out between March and August 2016. 37 outstanding artisans brought home the individual award of "I am a Sales Artisan" and 34 concessionaires garnered the concessionaire counters' award of "I am a Sales Artisan"

Apart from work, NWDS encourages our staff to embrace our corporate culture and spirit in their leisure. From August to December 2015, we

presented "NWDS' Got Talent". This activity was designed to boost team spirit by giving staff a chance to show their unique talent in performing arts. "NWDS Drums" from Lanzhou New World Department Store won the best performance award. The team also represented the Group in the "New World Group Talent Show 2016" and came home with the "Best Overall Performance Award".



## Staff Development

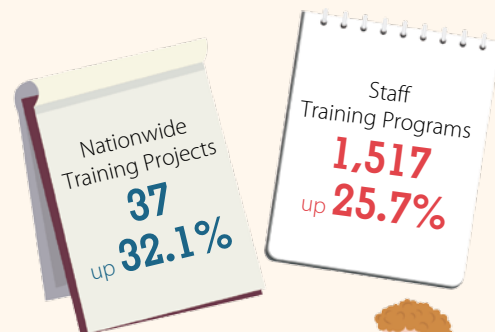
Staff training and development has always been high on our agenda. We are dedicated to upgrading our team's professional knowledge and techniques with diverse on-the-job training, exchange activities as well as talent competitions. We believe this is a key driver for the Group's continuous improvement. We are also determined to build a high-caliber workforce, and actively cultivate in-house trainers to promote the transfer of professional knowledge from our experts to new recruits and frontline staff.

### Enhanced Professional Training Improves Employees' Standards

Our internal training unit, NWDS Management Academy, has been equipping staff with knowledge and skills for 11 years. Professional courses are arranged every year for employees of all levels to raise the overall professional standard and to enhance the Group's competitiveness. During May 2015 to May 2016, we launched the annual talent pool building project, "Advanced Project Feipeng – NWDS Management 'Golden Ladder' Nurturing Program". The program educates middle and senior managerial staff across the country on operations know-how and industry knowledge through a

holistic training method that combines learning, research and practice. Meanwhile, we continued to host the "Certificate Program of Further Studies in Retail Operation and Management 2015", a joint effort with the renowned Shanghai Jiao Tong University in Mainland China. With various learning approaches such as class lectures and site visits to the peers, the program helped middle and senior managers sharpen their skills in marketing strategy, leadership and customer service.

During the year under review, the number of NWDS nationwide training projects increased from 28 in FY2015 to 37. NWDS stores held 1,517 staff training programs, 25.7% more than that in FY2015. We recorded 53,299 staff training hours in total and the average training hours per employee amounted to 10.0 hours. The average training hours per male and female employee were 10.6 hours and 9.6 hours respectively.



## GOAL

New World Department Store China Limited  
Sustainability Report 2016



## Enhancing Professional Skills with On-the-job Contests

NWDS regularly organizes contests in sales techniques, customer service and industrial know-how to raise the service quality of frontline staff. During the year under review, Wuhan New World Trendy Plaza, Wuhan New World Department Store – Xudong Branch Store (“Wuhan Xudong Branch Store”) and Wuhan New World Department Store – Hanyang Branch Store joined hands to present a series of competitions as part of the “Service Skills Competition” to commend outstanding staff members who demonstrated the “Artisanal spirit”. Stores in the Central Western China Region launched the inaugural “NWDS Service Star – Staff Skills Fun Match” to enhance skills and boost staff morale.

## Promoting Experience Succession with In-house Trainer Development Programs

The Group understands that experienced staff is an integral part of our asset. As a result, we arrange training courses annually for in-house trainers to enrich their know-how on operations management. During the year under review, we modified the “Floor Management Enhancement” program

and co-developed a new “Customer Service Tips” program with external training experts for 60 in-house trainers. The “Floor Management Enhancement” program covers various topics, including operating floor management, pre-opening, in-service and end-of-day work processes, as well as merchandising and business reforms. “Customer Service Tips” program covers topics that cater for enhancing service quality, such as new way of servicing, value-added services, innovation and service perfection etc. Trainers are expected to deliver what they have learned in the programs to frontline staff and coach them on improving work efficiency and customer service quality.

Celebrating Teacher’s Day, a number of NWDS stores hosted thanksgiving activities to show our gratitude to our internal trainers who have worked diligently and contributed to our training programs. Their accomplishment was acknowledged at the “NWDS Management Academy Outstanding Trainer Awards Ceremony” held in June 2016.



## Welfare and Policy

As part of our welfare policies, the Group provides all full-time employees with pro rata contribution for social benefits, including housing provident fund, pension, unemployment and basic medical insurance in addition to basic medical check-ups, injury insurance, paid annual leave and sick leave. Furthermore, employees may apply for leave including paternity and maternity leave, marriage leave, compassionate leave, birthday leave, family planning leave and leave for injuries and occupational diseases according to their needs and enjoy work-life balance. Our managerial staff has additional entitlements that include personal accident insurance, critical illness insurance and medical insurance.

We believe in sharing fruits with our staff is a great way to enhance their performance. Recognizing their contribution, we offer bonuses to employees according to their individual work performance, attendance and the Group’s business performance. We also organize employee appreciation

activities regularly such as the “Outstanding Employee Awards 2015” in October 2015. In line with this year’s theme “The Artisanal Movement”, winners were selected and praised for their open-mindedness, commitment to excellence and work passion.



# GOAL

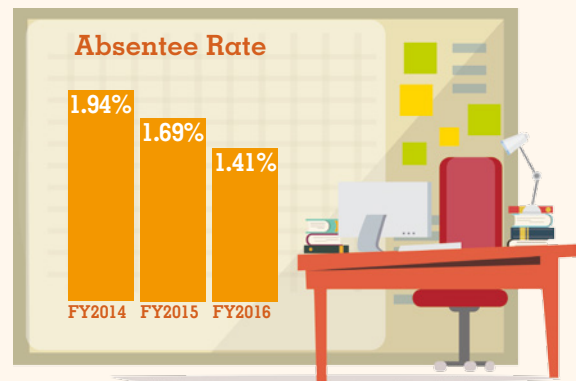
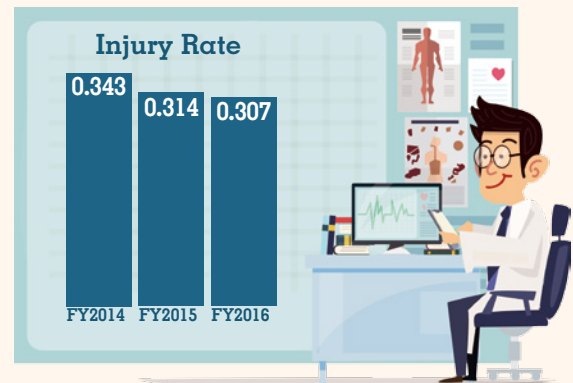
New World Department Store China Limited  
Sustainability Report 2016



## Occupational Health and Safety

Aspiring for a safe and healthy work environment, we dedicate our efforts to promote work safety, and safety and health awareness of our staff. We have developed clear safety guidelines on fire safety, facility inspection, electrical hazards and crisis management to minimize the chance of accidents. Updates on disease prevention and personal health are circulated to staff regularly to ensure occupational health and safety. In addition to physical health, we also emphasize on employees' mental well-being. Stress management mechanisms are in place to provide specific psychological guidance, counseling and other advisory services to help employees achieve emotional balance. During the year under review, we lost a staff member of Shanghai Huaihai Branch Store to a traffic accident which happened on his way to work on night shift. We expressed our deep condolences by sending a representative to attend his funeral and to offer his family benevolence payment.

During the year under review, there were 17 cases of work-related injuries across the Group (Injury rate: 0.307). Lost work-days totaled 820.5 (Lost day rate: 14.833) and absentee rate was 1.41%. Compared with FY2015, injury rate and absentee rate dropped 2.2% and 16.6% respectively.



## Staff Communication

NWDS strives to maintain a two-way communication with staff to foster the smooth flow of information and promote a sense of belonging across the team. The following are regular channels we employ to communicate with employees.

### Regular Communication Channels

Type	Communication Channels
Internal communication	<ul style="list-style-type: none"> <li>Instant messaging</li> <li>Emails</li> <li>Bimonthly <i>NWDS E-newsletters</i></li> <li>Quarterly <i>Windows of NWDS</i></li> <li><i>NWDS Major Events</i> broadcast</li> </ul>
Day-to-day operations	<ul style="list-style-type: none"> <li>Departmental meetings</li> <li>Morning and evening staff briefing sessions</li> </ul>
Human resources management	<ul style="list-style-type: none"> <li>Performance appraisal interviews</li> <li>Satisfaction and engagement surveys</li> <li>Exit interviews</li> </ul>
Grievance mechanism	<ul style="list-style-type: none"> <li>Interviews, emails and written complaints</li> </ul>

### Think Tank Presentation Session

During the year under review, NWDS hosted the "10<sup>th</sup> Think Tank Presentation Session" in Wuxi, which was attended by more than 250 employees across the country. Participating staff reviewed the work of Think Tank and announced outstanding proposals and new business ideas made by different stores in the past year for the innovation and development of the Group. Since its inception, Think Tank has made and adopted over 1,200 proposals. Many bright ideas were widely adopted in our operations and contributed to the improvement of the Group's overall efficiency.



# GOAL

New World Department Store China Limited  
Sustainability Report 2016



## Caring for Staff

To foster closer ties and friendship amongst staff members, NWDS holds frequent recreational and voluntary activities, such as sports days, eco-tours and festive celebrations. Employees' families and business partners are also encouraged to join these activities to spend a great time together. The Group held more than 900 staff caring activities during the year under review.



### Festive Celebrations

During the Christmas and Chinese New Year holidays, a number of NWDS stores held festive staff activities such as garden parties, live performances and lucky draws to spend joyful festivals together. Chengdu Store, for example, staged the "2016 Chinese New Year Bonfire Night and Staff Thanksgiving Gala", while Wuhan Xudong Branch Store sent seasonal greetings with the "Wuhan Xudong Branch Store Fun Day" that featured a fortune bag lucky draw. On March 8 Women's Day, many stores presented female colleagues with roses and gifts, while Dalian Store organized a tea party for back-office female staff to thank them for their hard work.



### Staff Sports Activities

To promote total wellness of our staff, many NWDS stores organized sports activities and staff sports days during the year under review. For instance, Changsha New World Trendy Plaza launched the "Cool Run Juzhou towards 10<sup>th</sup> Anniversary" eco-marathon, and Hong Kong New World Department Store- Shanghai Wujiaochang Branch Store helped employees unwind and improve fitness with the "Xinjiang Bay 8km" long distance run.



### Staff-only Privileges

To reinforce employees' sense of belonging to the Group, we offered a wide range of discount exclusively for staff during the year under review. They included special discounts offered by our private label LOL, AzaAza! at Shanghai Pujian Branch Store and Sweetruck Korean honeycomb ice-cream at Shanghai Huaihai Branch Store. Other stores also showed their appreciation to staff's hard work by organizing private sales for employees during Chinese New Year in which festive food and gifts were offered at very appealing prices.

*Our Operations and*  
**Supplier  
Management**





At NWDS, our business is underpinned by integrity as our core value and a customer-oriented operational philosophy. We strive to provide “happiness-inducing” services that cover the social, interactive and experiential aspects of shopping to address all needs of consumers. During the year under review, we further expanded our direct sales business such as LOL and high-end fashion brand distribution business. We also launched a new private label, n+ Natural Taste Plus. On one hand, we progressively incorporate sustainability measures into the operations of the relevant brands. On the other hand, we motivate suppliers to recognize and adopt NWDS’ sustainability values, and to join us in building a socially-responsible supply chain.

## Operations Management

During day-to-day business operations, we expect all employees to maintain a high standard of work ethics. We also work hand in hand with business partners in the supply chain to ensure product and service quality, and to facilitate the corporate sustainable development.

### Staff Conduct

Adhering to our principle of “loyalty, righteousness, honesty and incorruptibility”, NWDS requires every employee to uphold professional ethics and abide by our code of conduct. Work management policies and detailed guidelines for specific operational activities are in place. We are committed to ensuring product and service quality, and we prohibit any acts of misconduct such as disloyalty, fraud, corruption, bribery, dereliction of duty or any transfer of benefits. Soliciting or accepting any unfair advantages by abusing one’s position of power is also strictly forbidden. Employees must declare any potential conflict of interests through the Group’s 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 by the relevant departments in strict confidentiality for the protection of the whistleblowers.

### Product Safety and Liability

Most products offered by LOL are sourced directly from manufacturers or are licensed through brand owners by our in-house procurement team. Product categories extend from home decors, skincare products, digital high-tech products and stationery, to tea merchandise, floral displays and artworks. Putting product safety and consumers’ health as the first priority, the Group has developed specific requirements for product safety liability to ensure that all products we carry meet or exceed requirements of relevant laws and regulations.

Product quality is a key focus for n+ Natural Taste Plus, the new private label, launched during the year under review. To ensure food safety, a stringent management system was put in place to lay down well-defined and detailed workflow for every operational procedure: from the procurement of raw materials, production, cleaning, display to customer service. We also have a standardized procedure in place for selecting raw material suppliers and food ingredients: all ingredients must pass tests and be certified by laboratories accredited by China Food and Drug Administration following a procedure specified by the Ministry of Health. Furthermore, we also inquire into the business reputation and past business partners of our raw material suppliers and conduct site visits to ensure all food products of the Group are premium consumer choices that are delicious, healthy, and safe.

## “ Key Products’ Safety Liability Requirements ”







## Operations in Conformance

The Group complies with all statutory requirements and attaches great importance to the privacy of our customers. During the year under review, all operations of the Group conformed with local laws and regulations. No incident contravening applicable laws or market rules has happened and we also haven't received any complaint about infringement of customers' privacy or loss of customers' data. As a precaution for non-compliance, the Group has introduced a sound internal risk assessment system. Complying with amendments to *Corporate Governance Code* and *Corporate Governance Report of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* made by SEHK in January 2016, the Audit Committee under the Board has been assigned with the additional task of supervising management risks to prevent non-compliance and to minimize possible impacts on financial and business goodwill, so as to safeguard the interests of the Group, our investors, customers and other stakeholders.

Given the business nature of NWDS, we do collect customers' personal data, such as email addresses, personal identification document numbers, correspondence addresses and contact numbers. Through the application of technologies and sound management, we take reasonable measures to ensure security of customers' information. The measures include requiring all stores and departments to review their marketing communication channels regularly to ensure we use collected data in good faith while ensuring adequate and commercially reasonable security measures are also in place to prevent unauthorized access, use or disclosure of personal information. NWDS requires all employees to strictly abide by provisions of the *Personal Data (Privacy) Ordinance (Cap. 486)* to make their biggest effort to protect customers' privacy. Our privacy policy can be accessed at our corporate website.

## Supplier Management

We make positive efforts to maintain close ties and collaboration with our suppliers. Sound supplier management policies and systems are in place to ensure the quality of products and services we offer to our customers. We also share our sustainability values with our suppliers, encouraging them to seek continuous improvement in sustainability performance and make concerted contribution to economic, social and environmental sustainability.

### Supplier Selection

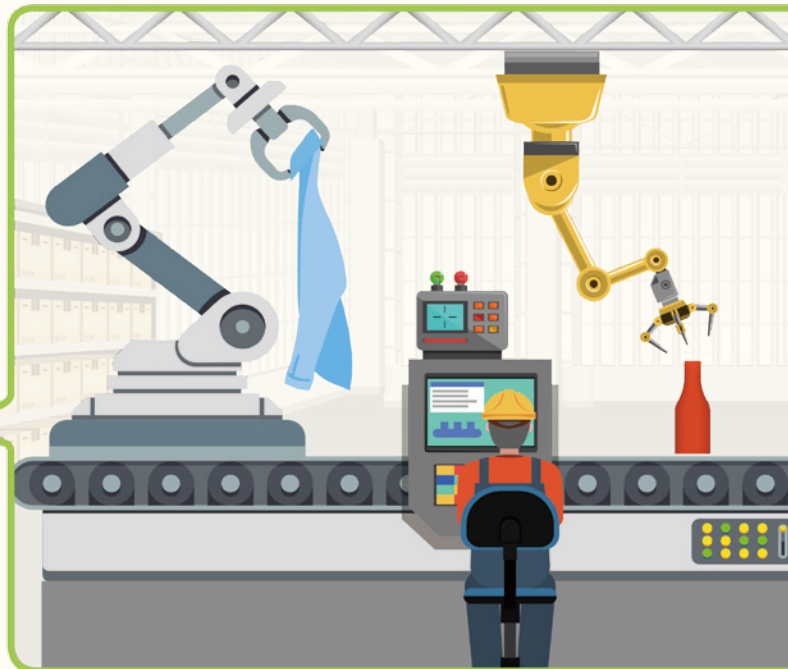
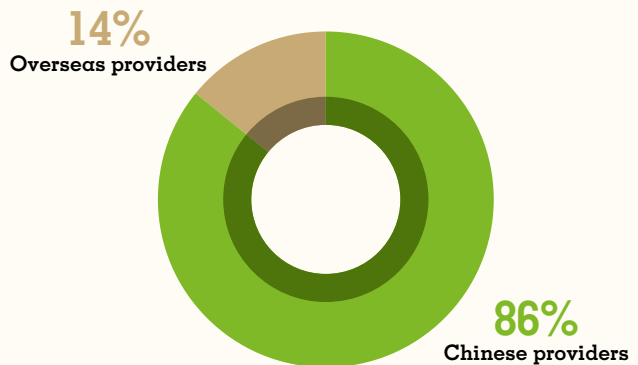
The Group mainly partners with three categories of suppliers: department store business suppliers, product suppliers for direct sales business, and service providers for daily operations.

When procuring goods and services, we use local suppliers whenever possible to support the local economy of where we operate. Based on the estimates from the Group's procurement expenses during the year under review, nearly 86% of product of direct sales business were procured from suppliers in Mainland China while over 99% of daily operations services were procured from suppliers in China (include Hong Kong).

NWDS has very stringent compliance requirements for the products we carry and for our suppliers we work with. Placing customers' health and safety as top priorities, we work constructively with enforcement authorities and suppliers concerned to investigate the matter in the event of non-compliance.



### Distribution of Product Procurement Expenses for Direct Sales Business in FY2016





## Communication with Suppliers

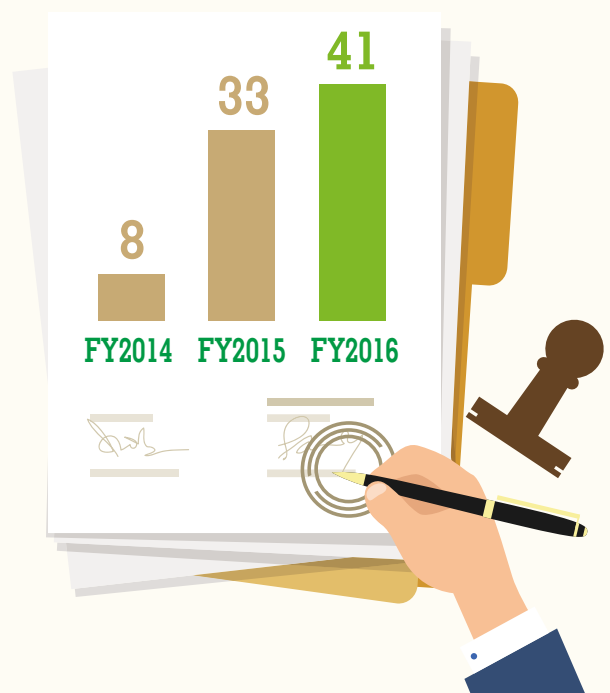
NWDS maintains regular communication with our key suppliers through emails, meetings, the interactive platform "New World Net", and the *NWDS E-newsletters*. During the year under review, we hosted the "Wei Sharing Session" for the first time to build a platform for in-depth mutual communication. Furthermore, we invited existing and potential key suppliers for meet-ups, which helped enhance mutual understanding and laid the ground work for potential cooperation in the future. Concurrently, we established the three-tier "Head office – Region – Store" supplier management system, which groups suppliers by the types of goods and services they provide and by their operating conditions, then categorize them into three priority levels for our targeted management. During the year under review, we also invited department store business suppliers to join our environmental protection and community activities, such as "Earth Hour" lights-off campaign, "GO GREEN with NWDS" and "Volunteer Month". In addition to fortifying our amicable relations, these initiatives demonstrated our concerted efforts to protect the environment and to create sustainable supply chain.

## Sustainability Performance of Suppliers

To ensure that our suppliers acknowledge and operate in line with our sustainability values, we have launched the Supplier Sustainable Development Program since 2013. Our tenders and quotation requests require suppliers to sign the *Supplier Code of Conduct* (the "Code") and complete the *Sustainability Self-Assessment Questionnaire* (the "Questionnaire") for self-assessment to ensure they recognize and support our sustainability values. After having 33 key suppliers pledging to observe the Code and completing the Questionnaire in FY2014 and FY2015, we promoted the Code to more suppliers with promising results during the year under review. To date, a total of 41 suppliers (mainly department store business suppliers) have endorsed the Code, representing a 24% increase compared to the previous year.

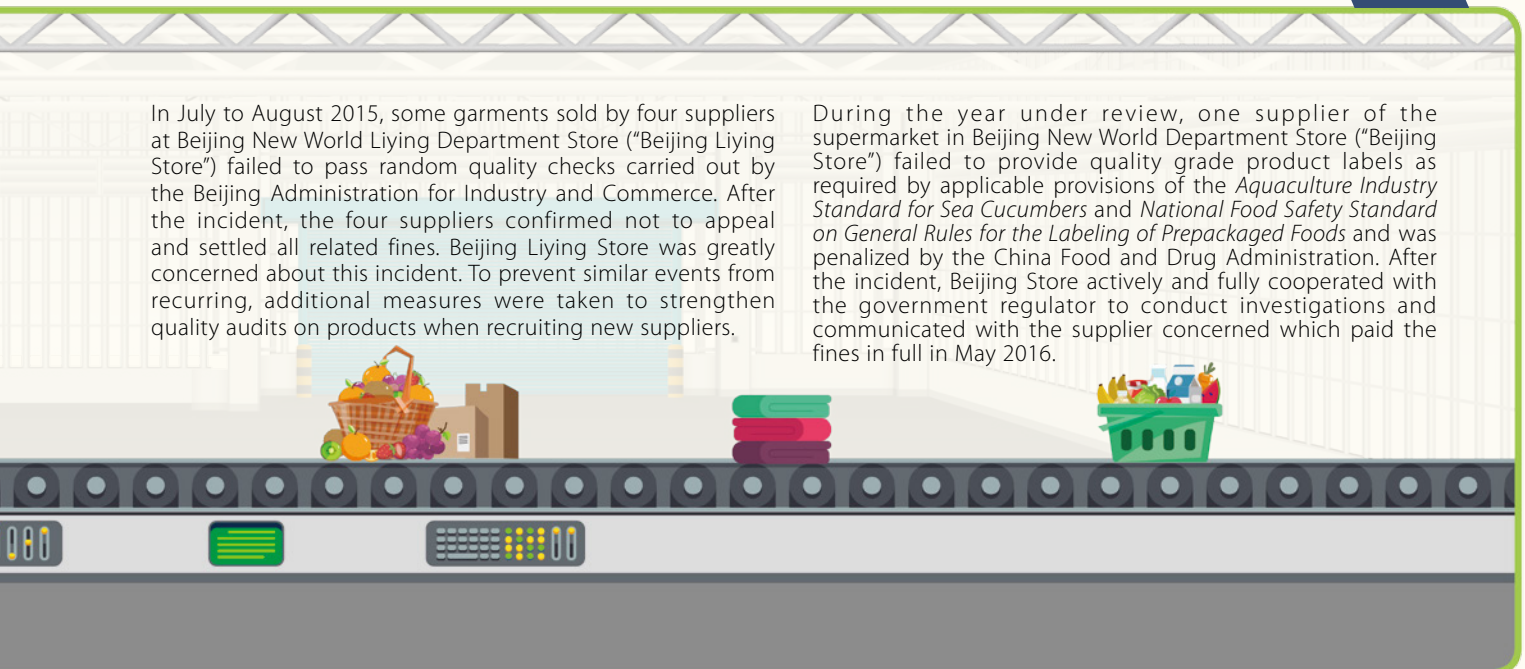
To encourage continuous improvement, participating suppliers are invited to complete the *Supplier Sustainability Disclosure Forms* (the "Form") every year to report their latest progress in five areas, namely, charitable and community services, energy conservation, waste recovery and recycling, anti-discrimination, and law compliance. During the year under review, the Group received 29 completed Forms, representing a response rate of approximately 70%. The responses showed that more than half of our suppliers were aware of the importance of environmental protection and had taken necessary energy saving or waste reduction measures to improve their environmental performance.

### Number of Suppliers Endorsed the Supplier Code of Conduct in FY2016



In July to August 2015, some garments sold by four suppliers at Beijing New World Lying Department Store ("Beijing Lying Store") failed to pass random quality checks carried out by the Beijing Administration for Industry and Commerce. After the incident, the four suppliers confirmed not to appeal and settled all related fines. Beijing Lying Store was greatly concerned about this incident. To prevent similar events from recurring, additional measures were taken to strengthen quality audits on products when recruiting new suppliers.

During the year under review, one supplier of the supermarket in Beijing New World Department Store ("Beijing Store") failed to provide quality grade product labels as required by applicable provisions of the *Aquaculture Industry Standard for Sea Cucumbers* and *National Food Safety Standard on General Rules for the Labeling of Prepackaged Foods* and was penalized by the China Food and Drug Administration. After the incident, Beijing Store actively and fully cooperated with the government regulator to conduct investigations and communicated with the supplier concerned which paid the fines in full in May 2016.





NWDS has made strides in the pursuit of sustainable development. During the year under review, on the strength of achievements in community services, environmental protection, staff benefits and development, and operating practices, the Group garnered a total of 24 international and local awards. These honors demonstrate our persistent efforts and motivate us to go further.

## Community Services



### 2015 China Charity Festival

- ★ Charity Festival – 5-year Special Tribute Award
- ★ 2015 China Charity – Group Award
- ★ 2015 Best Green Project ○

Awards bestowed with “@Dream Program”:

### “China Homework” Charitable Event

- ★ Outstanding Organization Award ○

### 2014-2015 China Marketing Awards

- ★ Outstanding Charity Award

### The Hong Kong Council of Social Service

- ★ 2015/16 5 Years Plus Caring Company Logo ○

### 6<sup>th</sup> Hong Kong Outstanding Corporate Citizenship Award

- ★ “Corporate Citizenship Logo” in the category of “Enterprise”
- ★ “Corporate Citizenship Logo” in the category of “Volunteer”





## Environmental Protection

“Energywi\$e Certificate” Scheme under the  
“Hong Kong Green Organisation Certification”

★ Energywi\$e Certificate

“Wastewi\$e Certificate” Scheme under the  
“Hong Kong Green Organisation Certification”

★ Wastewi\$e Certificate



Green Office Awards Labelling Scheme

★ “Green Office” Label

★ “Better World Company” Label

## Staff Benefits and Development

Chinese Corporate University Rankings

- ★ 2015 China’s Best Corporate University
- ★ 2015 China’s Best Corporate Training Program
- ★ 2015 Most Newsworthy Award
- ★ 2015 Most Popular Corporate University

China Chain Store & Franchise Association  
(CCFA) Top Ten Corporate Universities

- ★ Top Ten Chinese Corporate University
- ★ Retail Innovation Award



## Operating Practices

Agency for Volunteer Service

★ Hong Kong Community Volunteers (Corporate Member) Certificate of Appreciation

Social Welfare Department

★ Bronze Award for Volunteer Service

NWDS Sowers Action Challenging 12 Hours Charity  
Marathon 2015

★ Bronze Award in Corporate Participation



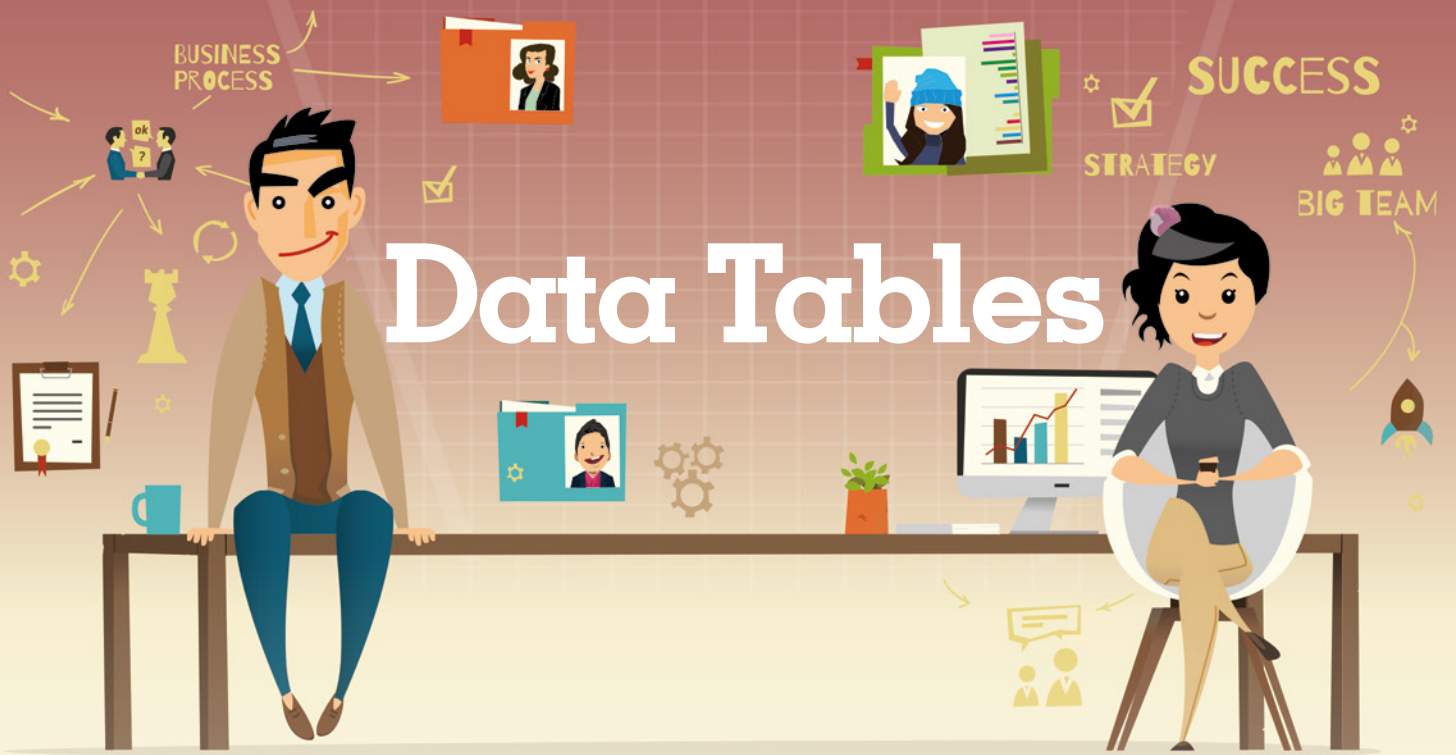
6<sup>th</sup> Asian Excellence Recognition Awards

- ★ Best Investor Relations Company (Hong Kong)
- ★ Best CSR

The Asset Corporate Awards 2015

- ★ Gold Award in the category of “Financial Performance, Corporate Governance, Social Responsibility and Investor Relations”





## “ Staff Benefits and Development ”



### Number of Employees (GRI G4-10)

		Total	Gender		Region	
			Male	Female	Hong Kong	China
Type of Staff	Permanent	5,305	2,247	3,058	42	5,263
	Contract	14	5	9	0	14
Type of Employment Contract	Long-term contract	2,233	1,013	1,220	41	2,192
	Fixed-term or temporary contract	3,086	1,239	1,847	1	3,085
	Full-time	5,301	2,247	3,054	38	5,263
	Part-time	18	5	13	4	14

### Staff Establishment Breakdown (GRI G4-LA12)

	Male	Female
Assistant General Manager and above	56 (1.1%)	41 (0.8%)
Manager	66 (1.2%)	98 (1.8%)
Assistant Manager	102 (1.9%)	134 (2.5%)
Back-office Officer and below	1,428 (26.8%)	900 (16.9%)
Frontline Officer and below	600 (11.3%)	1,894 (35.6%)
<b>Total</b>	<b>2,252 (42.3%)</b>	<b>3,067 (57.7%)</b>

### Average Training Hours per Staff (GRI G4-LA9)

	FY2016
<b>By Position</b>	
Assistant General Manager and above	10.9
Manager	23.8
Assistant Manager	21.9
Back-office Officer and below	6.2
Frontline Officer and below	11.5
<b>By Gender</b>	
Male	10.6
Female	9.6



**New Employee Hires and Employee Turnover**  
(GRI G4-LA1)

	FY2016	
<b>Number of Employees</b>	<b>By Gender</b>	
	Male	2,252
	Female	3,067
	<b>By Age</b>	
	Aged under 30	1,391
	Aged 30-39	2,659
	Aged 40-49	1,099
	Aged 50 or above	170
	<b>By Region</b>	
	Hong Kong	42
China	5,277	
<b>Total</b>	<b>5,319</b>	
<b>New Employee Hires</b>	<b>By Gender</b>	
	Male	611 (11.5%)
	Female	796 (15.0%)
	<b>By Age</b>	
	Aged under 30	722 (13.6%)
	Aged 30-39	579 (10.9%)
	Aged 40-49	97 (1.8%)
	Aged 50 or above	9 (0.2%)
	<b>By Region</b>	
	Hong Kong	18 (0.3%)
China	1,389 (26.1%)	
<b>Total</b>	<b>1,407 (26.5%)</b>	
<b>Employee Turnover</b>	<b>By Gender</b>	
	Male	664 (12.5%)
	Female	1,073 (20.2%)
	<b>By Age</b>	
	Aged under 30	800 (15.0%)
	Aged 30-39	775 (14.6%)
	Aged 40-49	134 (2.5%)
	Aged 50 or above	28 (0.5%)
	<b>By Region</b>	
	Hong Kong	26 (0.5%)
China	1,711 (32.2%)	
<b>Total</b>	<b>1,737 (32.7%)</b>	

**Occupational Health and Safety Statistics**  
(GRI G4-LA6)

	FY2016	
<b>Absentee Rate</b>	<b>By Gender</b>	
	Male	0.68%
	Female	1.94%
	<b>By Region</b>	
	Hong Kong	0.83%
China	1.41%	
<b>Overall</b>	<b>1.41%</b>	
<b>Lost Day Rate</b>	<b>By Gender</b>	
	Male	13.590
	Female	15.744
	<b>By Region</b>	
	Hong Kong	0.000
China	14.951	
<b>Overall</b>	<b>14.833</b>	
<b>Injury Rate</b>	<b>By Gender</b>	
	Male	0.342
	Female	0.282
	<b>By Region</b>	
	Hong Kong	0.000
China	0.310	
<b>Overall</b>	<b>0.307</b>	
<b>Occupational Disease Rate</b>	<b>By Gender</b>	
	Male	0.000
	Female	0.031
	<b>By Region</b>	
	Hong Kong	0.000
China	0.018	
<b>Overall</b>	<b>0.018</b>	
<b>Number of Fatalities</b>	<b>By Gender</b>	
	Male	1
	Female	0
	<b>By Region</b>	
	Hong Kong	0
China	1	
<b>Total</b>	<b>1</b>	

Remark: 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.





## “ Environmental Protection ”

The below data comprise actual data recorded from 1 July 2015 to 31 May 2016 and estimated data for the period from 1 June to 30 June 2016. As we do not have full-year figures for stores that ceased operations during the year under review (namely Beijing Shishang Store and Ningbo Trendy Store), these stores are not included in the full-year statistics below.

Energy Consumption (GRI G4-EN3)		
Type	Unit	FY2016
Natural Gas	GJ	119,044
Gasoline	GJ	2,012
Diesel	GJ	31,986
Electricity	GJ (kWh)	912,413 (253,447,968)
<b>Total</b>	<b>GJ</b>	<b>1,065,453</b>

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

Energy Intensity (GRI G4-EN5)		
Type	Unit	FY2016
Natural Gas	MJ/m <sup>2</sup> /annum	73.7
Gasoline	MJ/m <sup>2</sup> /annum	1.2
Diesel	MJ/m <sup>2</sup> /annum	19.8
Electricity	MJ (kWh)/m <sup>2</sup> /annum	564.6 (156.8)

Water Resources Consumption (GRI G4-EN8)		
Type	Unit	FY2016
Public water supply	M <sup>3</sup>	1,981,161
Bottled drinking water	M <sup>3</sup>	2,581

Material Used (GRI G4-EN1)		
Type	Unit	FY2016
A4 Paper	Tonne	36.3
A3 Paper	Tonne	1.0
Paper Products	Tonne	81.0
Plastic Bags	Tonne	4.4

Waste by Type (GRI G4-EN23)		
Type	Unit	FY2016
<b>Non-hazardous</b>		
General Waste	Tonne	3,248.4
Paper	Tonne	16.5
Cardboard	Tonne	449.6
Plastic	Tonne	16.9
Aluminium Can	Tonne	1.1
Scrap Metal	Tonne	19.0
Glass	Tonne	0.2
Food Waste	Tonne	6,153.4
Used Cooking Oil	Tonne	3.4
<b>Hazardous</b>		
Toner	Tonne	0.8

Remark: Waste were disposed to landfill, incinerated and recycled. No waste data have been collected from the Hong Kong Office and Tianjin New World Department Store to date. We will continue to regulate the waste management procedures and improve our data collection and classification mechanism to include these figures in future reports.

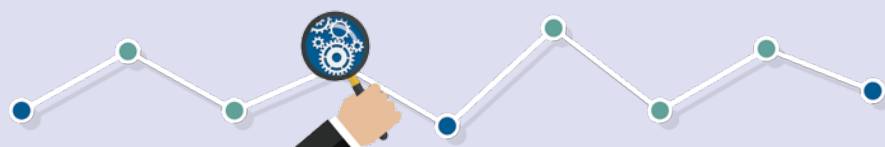
# GRI

# 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 SEHK*. 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 SEHK	Page(s)
<b>Strategy and Analysis</b>				
G4-1 Statement from the most senior decision-maker of the organization	Message from the Chairman	✓		P.4-5
<b>Organizational Profile</b>				
G4-3 Name of the organization	Our Business	✓		P.6-9
G4-4 Primary brands, products and services	Our Business	✓		P.6-9
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.6-9
G4-7 Nature of ownership and legal form	Our Business	✓		P.6-9
G4-8 Markets served	Annual Report – Financial Section (P.135-139)	✓		P.6-9
G4-9 Scale of the organization	Our Business	✓		P.6-9
G4-10 Number of employees	Data Tables	✓		P.44-46
G4-11 Percentage of employees covered by collective bargaining agreements	Data Tables	✓	KPI B1.1	P.44-46
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 and Supplier Management	✓	KPI B5.1	P.38-41
G4-14 Explanation of whether and how the precautionary approach or principle is addressed by the organization	Our Business	✓		P.6-9
G4-15 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	Our Operations and Supplier Management	✓		P.38-41
G4-16 Memberships in associations and/or national/international advocacy organizations	Annual Report – Corporate Governance Report (P.42-50)	✓		
	Our Green Mission	✓		P.24-31
	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 SEHK	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.74-141)	✓		
G4-18 Process for defining report content and the aspect boundaries	About this Report	✓		P.2-3
	Our Sustainability Values			P.10-15
G4-19 Material aspects identified in the process for defining report content	About this Report	✓		P.2-3
	Our Sustainability Values			P.10-15
G4-20 Aspect boundary within the organization for each material aspect	About this Report	✓		P.2-3
	Our Sustainability Values			P.10-15
G4-21 Aspect boundary outside the organization for each material aspect	About this Report	✓		P.2-3
	Our Sustainability Values			P.10-15
G4-22 Explanation of the effect of any re-statements of information provided in previous reports, and the reasons for such re-statement	This report contains no re-statement of information provided in the previous reports.	✓		
G4-23 Significant changes from previous reporting periods in the scope and aspect boundaries	Our Sustainability Values	✓		P.10-15
<b>Stakeholder Engagement</b>				
G4-24 List of stakeholder groups engaged by the organization	Our Sustainability Values	✓		P.10-15
G4-25 Basis for identification and selection of stakeholders with whom to engage	Our Sustainability Values	✓		P.10-15
G4-26 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Our Sustainability Values	✓		P.10-15
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.10-15
<b>Report Profile</b>				
G4-28 Reporting period	About this Report	✓		P.2-3
G4-29 Date of most recent previous report	December 2015	✓		
G4-30 Reporting cycle	Annually	✓		
G4-31 Contact point for questions regarding the report or its contents	About this Report	✓		P.2-3
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.47-50
G4-33 Policy and current practice with regard to seeking external assurance for the report	About this Report	✓		P.2-3
	Verification Statement			P.51
<b>Governance</b>				
G4-34 Governance structure of the organization	Our Sustainability Values			P.10-15
	Annual Report – Corporate Governance Report (P.42-50)	✓		
<b>Ethics and Integrity</b>				
G4-56 Organization's values, principles, standards and norms of behavior	Our Business			P.6-9
	Annual Report – Corporate Governance Report (P.42-50)	✓		



## Specific Standard Disclosures

Material Aspects	DMA and Indicators	Cross-references/Comments	External Assurance	With reference to the ESG Reporting Guide of SEHK	Page(s)
Economic Performance	DMA	Our Business Annual Report – Corporate Governance Report (P42-50)	✓		P.6-9
	G4-EC1 Direct economic value generated and distributed	Our Community Annual Report – Financial Highlights (P4-5)	✓	KPI B8.2	P.18-23
Indirect Economic Impacts	DMA	Our People	✓		P.32-37
	G4-EC8 Significant indirect economic impacts, including the extent of impacts	Our Business Our People	✓		P.6-9 P.32-37
Procurement Practices	DMA	Our Business Our Operations and Supplier Management	✓		P.6-9 P.38-41
	G4-EC9 Proportion of spending on local suppliers at significant locations of operation	Our Operations and Supplier Management	✓	KPI B5.1	P.38-41
Materials	DMA	Our Green Mission Data Tables	✓	A2, A3, KPI 3.1	P.24-31 P.44-46
	G4-EN1 Materials used by weight or volume	No mechanism to separate the calculation of renewable and non-renewable materials used	✓	KPI A2.5	
Energy	DMA	Our Green Mission	✓	A2, A3, KPI A2.3, KPI A3.1	P.24-31
	G4-EN3 Energy consumption within the organization	Data Tables	✓	KPI A2.1	P.44-46
Effluents and Waste	DMA	Our Green Mission	✓	A1 (a), A3, KPI A3.1, KPI A1.6	P.24-31
	G4-EN23 Total weight of waste by type and disposal method	Data Tables	✓	KPI A1.3, KPI A1.4, KPI A1.6	P.44-46
Employment	DMA	Our People	✓	B1(a)	P.32-37
	G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region	Data Tables	✓	KPI B1.2	P.44-46
Labor/ Management Relations	DMA	Our People	✓		P.32-37
	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	✓	B2(a), KPI B2.3	P.32-37
	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	✓	KPI B2.1, KPI B2.2	P.44-46
Training and Education	DMA	Our People	✓	B3	P.32-37
	G4-LA9 Average hours of training per year per employee by gender, and by employee category	Data Tables	✓	KPI B3.2	P.44-46



## Specific Standard Disclosures

Material Aspects	DMA and Indicators	Cross-references/Comments	External Assurance	With reference to the ESG Reporting Guide of SEHK	Page(s)
	DMA	Our People	✓		P.32-37
Labor Practices	G4-LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Our People  We will confidentially investigate reported cases in a fair, efficient and justice manner. During the year under review, we received seven cases, of which six have been resolved. We are also dealing with the remaining case.	✓		P.32-37
Non-discrimination	DMA G4-HR3 Total number of incidents of discrimination and corrective actions taken	Our People  During the year under review, there was no discrimination incident identified.	✓	B1(a)	P.32-37
Forced or Compulsory Labor	DMA 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  Our People	✓	B4(a), KPI B4.2 KPI B4.1, KPI B4.2	P.32-37
Compliance with Social Regulations	DMA G4-SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Our Operations and Supplier Management  During the year under review, there was no case of non-compliance with regulations identified.	✓	B1(b), B2(b), B4(b), B7(b)	P.38-41
Customer Health and Safety	DMA 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 and Supplier Management  Our Operations and Supplier Management	✓	B6(a) B6(b)	P.38-41
Marketing Communications	DMA 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	Our Operations and Supplier Management  During the year under review, there was no incident of non-compliance with regulations and voluntary codes identified in relation to marketing communication practices, including advertising, promotion, and sponsorship.	✓	B6(b)	P.38-41
Customer Privacy	DMA G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Our Operations and Supplier Management  During the year under review, there was no incident of substantiated complaint identified in relation to customer privacy.	✓	B6(a), KPI B6.5 B6(b), KPI B6.2	P.38-41

# Verification Statement



## SGS

### Nature and Scope of the Assurance

SGS Hong Kong Limited was commissioned by New World Department Store China Limited (hereafter as "NWDS") to conduct an independent assurance of the *NWDS Sustainability Report 2016* (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 2015 to 30 June 2016.

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;
- Evaluation of the Report in accordance with the Core option of the *Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines*; and
- Evaluation of the Report with reference to the Stock Exchange of Hong Kong Limited, *Environmental, Social and Governance (ESG) Reporting Guide*.

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 is reference to the Stock Exchange of Hong Kong Limited, *Environmental, Social and Governance (ESG) Reporting Guide*. It can be used by NWDS' stakeholders.

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

**Ben Tsang**  
Senior Director, China and Hong Kong  
Certification and Business  
Enhancement

**Patrick Leung**  
Lead Assuror  
Certification and Business  
Enhancement

7 November 2016  
[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 this Report give a clear presentation of information?  
 Very clear       Clear       Adequate       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: nwdscad@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!**



**FOR YOU**



*OUR*  
**SUSTAINABLE  
WORLD**





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)

香港銅鑼灣興發街 88 號 7 樓全層  
電話 Tel : (852) 2753 3988  
傳真 Fax : (852) 2318 0884  
電郵 Email : [nwdscad@nwds.com.hk](mailto:nwdscad@nwds.com.hk)

7<sup>th</sup> Floor, 88 Hing Fat Street, Causeway Bay, Hong Kong  
網址 Website : [www.nwds.com.hk](http://www.nwds.com.hk)  
微信 WeChat : [nwds-china](https://www.wechat.com/qrcode/index)  
微博 Weibo : [e.weibo.com/xinshijiebaihuo](https://www.weibo.com/xinshijiebaihuo)  
新百公益 CSR Weibo : [e.weibo.com/xinbaigongyi](https://www.weibo.com/xinbaigongyi)



網址 Website