



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)
(股份代號 Stock Code: 825)

Sustainability Report
可持續發展報告
2014



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About this Report



New World Department Store China Limited (“NWDS” or the “Group”; Hong Kong stock code: 825) has endeavored to fulfill our corporate social responsibility over the years. While striving for sustainable development on our part, we also actively promote community development and environmental protection. Since our public listing in 2007, sustainability activities participated and organized by the Group have been included in our annual reports and interim reports. This year, NWDS is pleased to present the Group’s first sustainability report, *NWDS Sustainability Report 2014* (the “Report”). It gives a concise account of our major sustainability initiatives and activities implemented in FY2014 (1 July 2013 to 30 June 2014, the “Current Year”), which are mainly related to our department store business in Mainland China, including self-owned stores, managed stores and direct sales business. It also covers the operations of Hong Kong Office and Shanghai Management Office. The Report aims to facilitate exchange with stakeholders regarding our sustainability efforts.

To enhance transparency, this Report is prepared in accordance with the Core option of the internationally-recognized *Global Reporting Initiative (GRI) G4*

Sustainability Reporting Guidelines (“G4 Guidelines”) and the *Environmental, Social and Governance (ESG) Reporting Guide* of Hong Kong Exchanges and Clearing Limited (“HKEx”). When defining key topics and contents of the Report, we have considered the views of various stakeholders as well as the operations of our business. An independent agency was commissioned to carry out the verification of our report contents to ensure it is complied with the Core option of G4 Guidelines requirements and to enhance the reliability and credibility of the Report. Given that this is our first standalone sustainability report, some data of previous financial years are not included in this Report. We will continue to improve the data collection mechanism and expand the scope of disclosures in future reports.

This Report is available for download at 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 nwdsad@nwds.com.hk.



Message from the Chairman

Embracing our core values built on “Innovation, Foresight, Integrity, Prudence and Respect”, NWDS has gained foothold in the Mainland China market for more than 20 years. Offering quality products and attentive services, we are one of the largest department store operators in Mainland China with retail network spanning across 21 major cities. While pursuing profit, we also work hard to practice corporate social responsibility (CSR). We have set forth policies and measures for various CSR areas, including environmental protection, caring for our customers, staff and community at large. We also initiate and take part in many CSR events, while doing our utmost to mitigate the potential environmental impacts and enhance the living quality of local communities where we operate. At the same time, we strive to provide reasonable return to our investors.



Sustainable development is an issue that attracts increasing concern around the world. Every company should listen to the needs of various stakeholders and offer solutions that support sustainable development. In view of China's growing economy and integration with global community, widening of wealth disparity and pressing social and environmental issues, social stability and economic development may be affected in the long run. By formulating comprehensive sustainability policies, we can fully utilize the Group's strengths to meet the expectations of society.

Corporate sustainable development has always been a priority for NWDS. Hence, we formed an inter-departmental NWDS Environmental Committee in February 2010 to establish the Group's green policies and guidelines. To define a comprehensive roadmap for sustainable development, the Group reviewed the management framework for sustainability in March 2012. The Environmental Committee was upgraded and renamed as the NWDS Sustainability Steering Committee ("SSC") to formulate more comprehensive sustainability policies. An executive committee under the SSC is responsible for policy implementation and provision of valuable inputs for the preparation of this Report.

In 2014, we are pleased to present the Group's first standalone sustainability report. NWDS is one of the first department store chain operators in Mainland China to publish such a report. The Report gives a consolidated account of the Group's performance in environmental protection, community services, staff benefits and development, and operating practices. It has been prepared in accordance with the latest *Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines*. We also

included indicators of the *ESG Reporting Guide* published by HKEx in the GRI Content Index for cross-reference, which has proven that our sustainability disclosures are up to world-class standards.

The views of stakeholders played a pivotal role in defining the report contents. Their comments enable us to understand the expectations of society on us, facilitating us to further refine our sustainability policies. During the course of report preparation, we commissioned Hong Kong Productivity Council to conduct stakeholder engagement sessions for the management team, customers, suppliers/contractors, staff, investors and non-profit organizations. These six major stakeholder groups were invited to voice their opinions on our sustainability performance and their most concerned sustainability issues to help perfect our strategies and initiatives.

While living standard in Mainland China is improving, many children still lack essential resources to fully realize their potential. In view of this, with the ethos of "giving back to society", we decided to focus our attention on under-resourced children in Mainland China in a bid to promote social mobility and lessen intergenerational poverty. In July 2013, we launched the "@Dream Program", the largest nationwide sustainable development community project held in the history of NWDS, to create a diversified training platform for under-resourced children in Mainland China. The program has benefited more than 6,000 children to date. In June 2014, we became the title sponsor of the "New World Department Stores Sowers Action Challenging 12 Hours Charity Marathon 2014" for the first time. This charitable event was supported by all staff members who helped raise educational funds of HK\$0.45 million together with the Group for poor high school students in Mainland

China to complete their studies. During the year under review, NWDS and our staff donated a total of over HK\$4.67 million to non-profit organizations.

At the same time, NWDS encourages staff to take part in voluntary work actively to foster a strong sense of citizenship. Therefore, NWDS Volunteer Team was established in April 2013 and the team has grown to a scale of more than 2,300 volunteers, which rendered service of about 8,000 hours during the year under review. As a group, we are fully committed to serving the community.

Looking ahead, we will further incorporate sustainable development into daily operations and enhance relevant systems and measures to advance sustainability. We will continue to collaborate with various stakeholders in order to work hand in hand to promote community welfare, protect the environment and make contributions to society.

I hope this Report can provide you with an in-depth account on our sustainability performance. We welcome feedback from all sectors of the community. Your valuable suggestions will enable us to improve our reporting quality and sustainability performance.

Dr. Cheng Kar-shun, Henry

Chairman

Hong Kong, December 2014



Our Business





NWDS is the retail flagship of New World Development Company Limited (Hong Kong stock code: 17) in Mainland China. Founded in 1993, the Group has become one of the biggest department store owners and operators in Mainland China by employing forward-looking expansion strategies over the years, including “multiple presences in a single city” and “radiation city”. The Group was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited on 12 July 2007.

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

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

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



Our Business

BUSINESS NETWORK

As at 30 June 2014, the Group operated and managed 39 self-owned stores and four managed stores in Mainland China. These include 32 “New World” branded department stores, 10 “Ba Li Chun Tian” (巴黎春天) branded department stores and shopping mall in Shanghai, and one “Shanghai Hongxin Trendy Plaza” (上海泓鑫時尚廣場) shopping mall in Shanghai, covering 21 major cities in Mainland China.



BUSINESS OVERVIEW

Targeting to achieve the mission of “To create a modern, metropolitan lifestyle with creativity, foresight and efficiency in China”, NWDS enhances consumers’ quality of life by providing a vast range of merchandise and quality service. In 2009, NWDS pioneered a brand new business model, presenting our stores as “Living Galleries” for one-stop shopping and “Fashion Galleries” for themed shopping which offer unrivalled shopping experience that caters for different consumers’ needs. Today, NWDS is well recognized as a retailer of quality merchandise and an icon for premium lifestyle. The Group will continue to expand its retail network, while striving to advocate the quality living concept of “Enriching Lives • Enhancing Characters”.

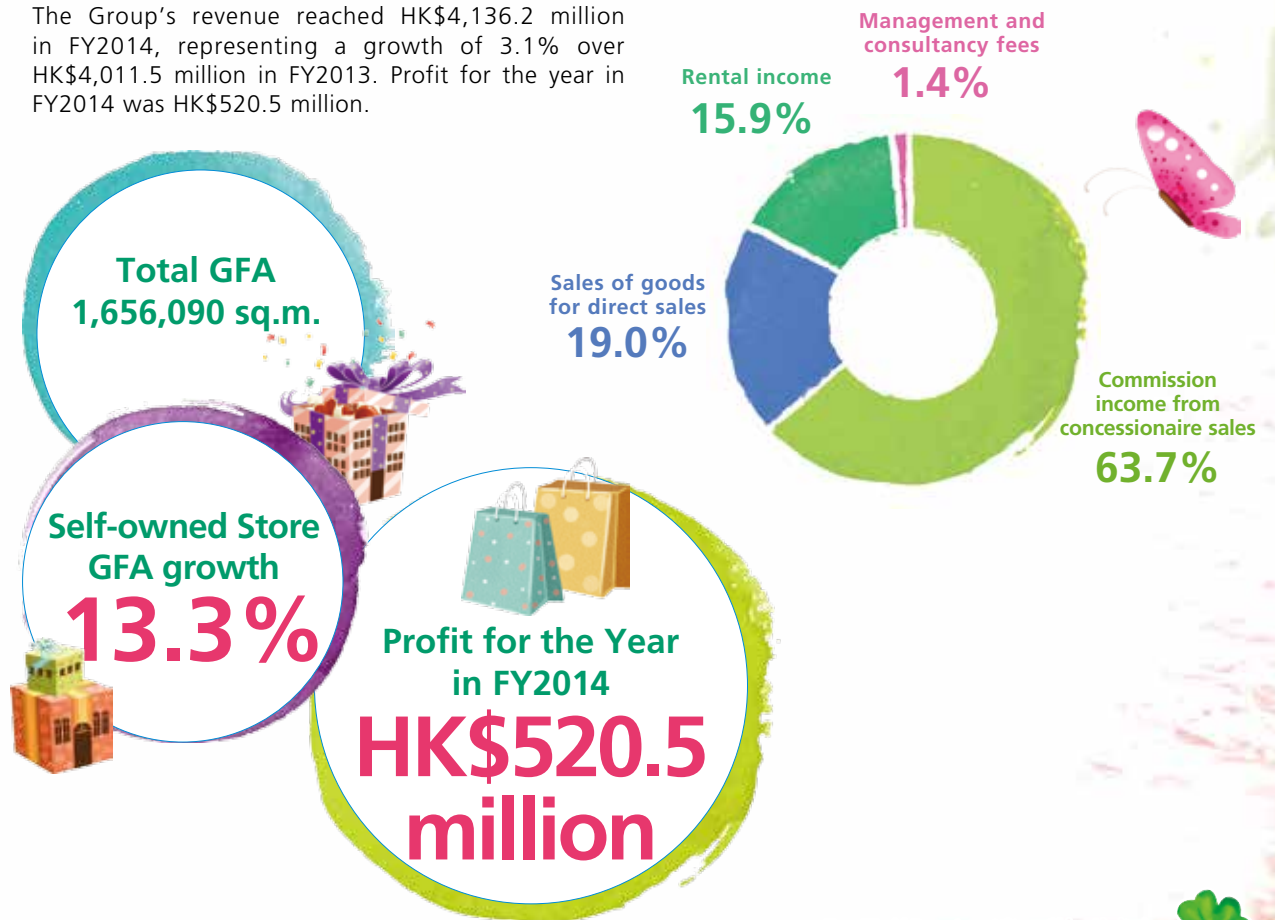
During the year under review, the Group completed the acquisition of Shanghai Hongxin Trendy Plaza and Hong Kong New World Department Store-Shanghai Wujiaochang Branch Store (“Shanghai Wujiaochang Branch Store”), which further strengthened its market position in Shanghai. In addition, the Group continued to expand its business scale in the Northern China Region. A new self-owned store, Yantai New World Department Store (“Yantai Store”), was established in Yantai City, Shandong Province. Catering to Mainland consumers’ desire for quality lifestyle, the Group introduced its first LOL (Love • Original • Life) Concept Shop, which is a private label specialized in offering home and lifestyle accessories, in March 2013. As at 30 June 2014, the Group operated a total of 12 LOL stores.

KEY FIGURES

As at 30 June 2014, the Group’s total gross floor area (“GFA”) was approximately 1,656,090 square meters (“sq.m.”), representing an increase of 9.4% over the previous year. Total GFA of self-owned stores was approximately 1,518,890 sq.m., increased by 13.3% when compared to the previous year.

The Group’s revenue reached HK\$4,136.2 million in FY2014, representing a growth of 3.1% over HK\$4,011.5 million in FY2013. Profit for the year in FY2014 was HK\$520.5 million.

Our revenue is mainly contributed by four segments: commission income from concessionaire sales, sales of goods for direct sales and rental income, and management and consultancy fees.



Our Sustainability Values



Sustainability is an integral part of our business. As one of the largest department store operators in Mainland China, NWDS is always in direct contact with the general public to whom we provide dedicated service. The nature of our business influences the livelihood and economy of local communities. To this end, we have incorporated corporate social responsibility and sustainability into part of our long-term development strategy. Our wish is to secure a long-term and sustainable business growth by offering an innovative, foresighted and effective one-stop shopping and entertainment experience to our customers.

Adhering to the ethos of “giving back to society”, we care about the underprivileged, especially children who are the future of our country. We therefore focus our community effort on under-resourced children and make considerable investments to organize and participate in various community activities to promote social mobility. On the other hand, we strive to minimize the potential environmental impacts. While

upgrading our department stores’ hardware facilities to optimize energy efficiency and reduce emissions, nationwide green activities are organized regularly. We also introduce more quality green products to heighten public environmental awareness. We are always keen to share our belief in corporate social responsibility with suppliers to join hands in creating an efficient and sustainable supply chain.

NWDS has always put emphasis on sustainable development. Hence, we formed an inter-departmental NWDS Environmental Committee in February 2010 to establish green policies and guidelines of the Group. To define a comprehensive roadmap for sustainable development, the Group reviewed the management structure for sustainability in March 2012. The Environmental Committee was upgraded and renamed as the NWDS Sustainability Steering Committee (“SSC”). Guided by our “Sustainability Policy”, this new committee takes a top-down approach to ensure the full implementation of all sustainability initiatives.

Within this framework, the Board establishes our long-term visions and strategies for sustainable development, while the SSC formulates specific policies as well as plans and coordinates tasks in four key performance areas, namely, environmental protection, community services, staff benefits and development, and operating practices. The SSC, chaired by Corporate Affairs Director of NWDS, comprises senior managerial staff delegated by different departments. The SSC’s decisions are implemented by an executive committee, which holds regular meetings to review progress and effectiveness of the sustainable initiatives so as to ensure our work is carried out in accordance with our sustainability policies and values.



- Establishes long-term visions and strategies for sustainable development
- Formulates sustainability policies
- Implements the SSC’s decisions and reviews their progress and effectiveness



Our Sustainability Values

SUSTAINABILITY POLICY

Our Belief

- In order to achieve long-term sustainable growth, NWDS is committed to minimizing the potential environmental impacts and improving the quality of the communities where we operate while providing a reasonable return to our investors at the same time.

We Strive to

- exceed statutory requirements in relation to sustainability issues;
- engage our stakeholders and develop mutual communication on our sustainability performances;
- minimize the potential environmental impacts of our projects as far as practicable;
- enhance the quality of life for the communities where we operate;
- provide a safe working environment for our employees and inspire them to grow with the Group;
- influence our supply chain by sharing our belief with regard to corporate sustainability; and
- continuously improve our sustainability performance through monitoring and reporting.



CORPORATE GOVERNANCE

NWDS believes that good corporate governance is the cornerstone and a crucial factor for sustainable development. We have made every effort to maintain good corporate governance to enhance transparency and reliability of the Group so as to safeguard the interests of shareholders and stakeholders. As a listed company in Hong Kong, we comply with the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. As at 30 June 2014, our Board of Directors comprises three non-executive Directors, three executive Directors and four independent non-executive Directors. To ensure balanced distribution of authorities and mandates, the Board Chairman and Managing Director have clearly defined accountabilities. There are a number of different committees under the Board: Audit Committee, Executive Committee, Nomination Committee, Remuneration Committee and Information Disclosure Committee. Regulating the directions of the Group, the Board monitors our overall performance and maintains effective supervision over the management running the Group through relevant committees of the Board in a sound and efficient manner. The NWDS Executive Committee and management team are delegated the authority and responsibilities by the Board for the routine management and operations of the Group. Our sustainability visions and strategic guidelines are established by the Board which receives inputs and reports from the SSC regularly to keep abreast of the latest progress.

The Board of Directors discharges corporate governance responsibilities by virtue of written terms of reference. All Directors are kept informed on a timely basis of major changes that may have affected the Group's business, including relevant rules and regulations and are able to make further enquiries. The Board has overall responsibility for the Group's system of internal control and for reviewing our effectiveness and procedures. Through the Audit Committee, the Board conducted regular reviews regarding internal control system of the Group to ensure that effective and reasonable measures are in place.

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

In the past, NWDS stores organized their own sustainability activities individually which lacked a common theme and consistency. These resulted in a low effectiveness of the activities. After the formation of the NWDS Sustainability Steering Committee in March 2012, we set up NWDS Volunteer Team in April 2013 to carry out voluntary work in a wide spectrum. “@Dream Program”, a nationwide sustainability community project launched last year, has already benefited more than 6,000 children and been proved very effective. We will stick with this direction to introduce more community projects to help more children in Mainland China.

Ms. Rebecca Woo, Corporate Affairs Director and Chairman of Sustainable Steering Committee of NWDS



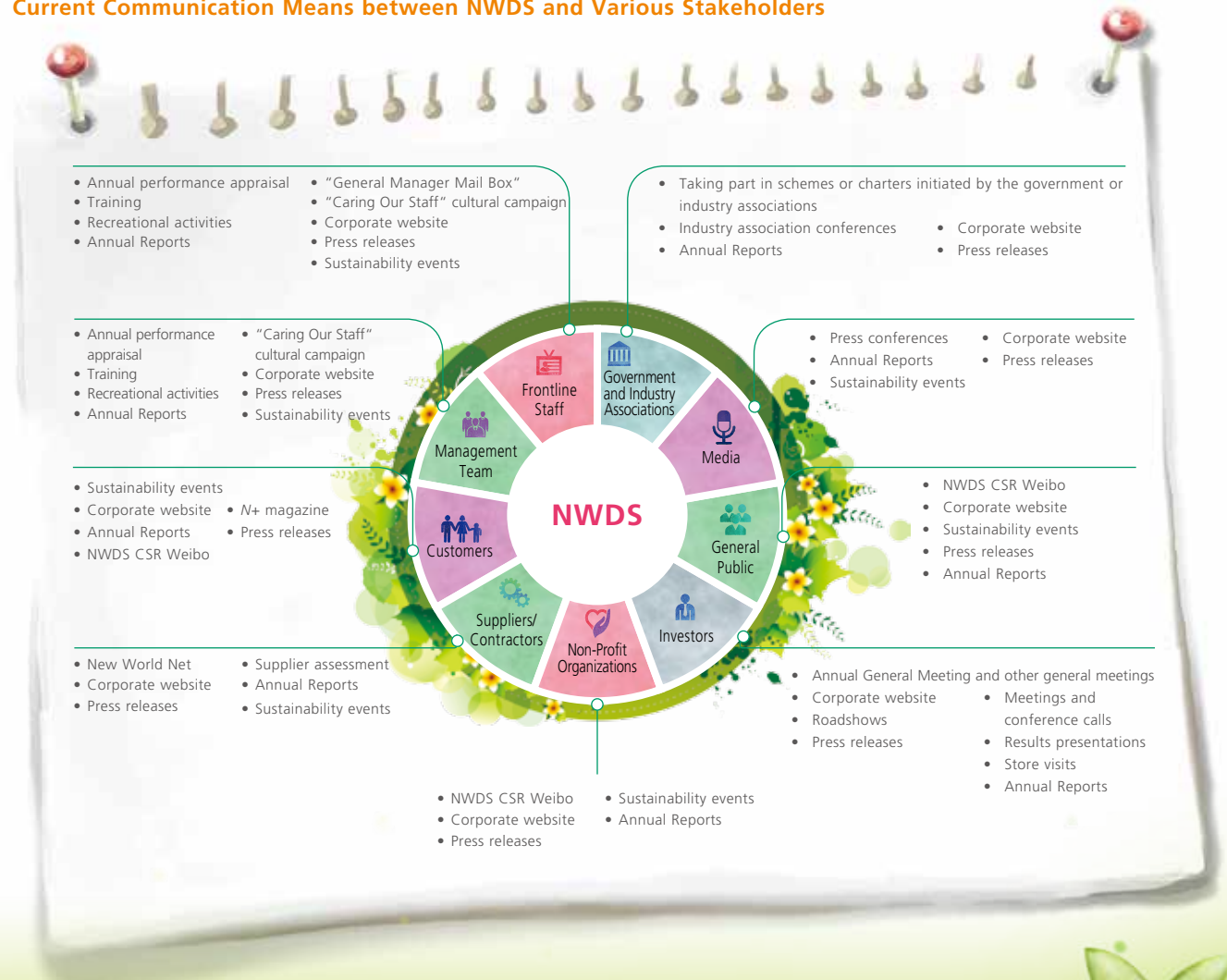
Our Sustainability Values

STAKEHOLDER ENGAGEMENT

Stakeholders' views are vital to the planning of our sustainability roadmap; whereas being an attentive listener enables us to tailor appropriate solutions that meet expectations of the public. Major stakeholders related to various business areas and operation models of NWDS include employees, customers, suppliers/contractors, media, investors, non-profit organizations, the general public, the government and industry associations. Through a wide range of channels, we maintain close communication with all stakeholders and inform them of our sustainability policies, measures and performance. Please refer to the table on the right for NWDS' current communication means with different stakeholder groups.

Aiming to hear more stakeholder's opinions about our sustainability direction and performance, NWDS commissioned Hong Kong Productivity Council ("The consultant") to roll out a series of independent NWDS Stakeholders Engagement Sessions. Discussions on relevant issues were encouraged and the views of different stakeholders were consolidated to identify topics that attracted their greatest concern.

Current Communication Means between NWDS and Various Stakeholders





Focus group meetings held in Shanghai


The consultant carried out analysis based on stakeholders' levels of influence and reliance on NWDS, and prioritized their contact order. According to the findings of the analysis, we have selected to consult frontline staff, the management team, customers, suppliers/contractors, investors and non-profit organizations on our sustainability performance during the Current Year. The consultant has engaged the six priority stakeholder groups through focus group meetings, surveys, telephone interviews and face-to-face interviews for comment.


NWDS' Stakeholder Engagement Prioritization Matrix





Our Sustainability Values


Stakeholders' Comments and Suggestions


 Hope to see more interaction with the public, particularly encouraging employees' family members and the general public to take part in NWDS activities to increase our influence on the community.

 Suggest to consider using platforms like Weibo and WeChat to enable staff and individual stores to exchange information on sustainability.

 Suggest to see more charity sales, including donation and charity sales of used items, which can reduce waste and the proceeds raised can benefit the underprivileged.


 Suggest to incorporate green elements in volunteer activities.


 Hope NWDS can enhance communication with suppliers, especially on the requirement or direction regarding community and green procurement so that they can offer more appropriate products.


 Suggest NWDS to consider accepting information in electronic format to enable business partners to save paper and ease filing.



 Suggest NWDS to foster long-term partnerships with non-profit organizations to organize green and community activities in a systematic framework and widen the service target so as to promote CSR in Mainland China in the long run.

 Suggest collaboration with non-profit organizations with different professional expertise and backgrounds in order to make use of each other's strengths to ensure smooth organization of the events.

 Suggest NWDS to retain talents through personnel training and development, such as organizing team building activities and trainings to elevate their sales techniques. A greater sense of belonging will help reduce staff turnover and promote stability of the Group.

 Suggest NWDS to carry out charity events, such as donating part of the sales proceeds to charities when customers spend a specified amount; or recruiting existing VIP members to form a volunteer team.

MATERIALITY ASSESSMENT

The consultant has consolidated and analyzed views of the six priority stakeholder groups and identified the most concerned sustainability issues. Relevant information has been included in this Report. NWDS Stakeholders Engagement Sessions consolidated many valuable comments and suggestions on our sustainability initiatives and performance. Based on the engagement results and the significance of these comments to our business, we prepared a materiality assessment chart to help identify 18 key issues to be disclosed in detail in our sustainability report. It is our pledge to further strengthen communication with stakeholders and optimize our sustainability initiatives.



Materiality Assessment Chart



Environmental, Social and Governance Issues

♥ Community Services

1. Community and Charitable Activities
2. Compliance with Social Policies

🌿 Environmental Protection

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

👥 Staff Benefits and Development

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

☀️ Operating Practices

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

Our Sustainability Values

Material Aspects and Corresponding GRI Performance Indicators

Material Aspects	Boundaries		Corresponding GRI Performance Indicator
	NWDS	Supply Chain	
1 Community and Charitable Activities	✓		EC1 – Direct economic value generated and distributed
2 Corporate Financial Performance	✓		EC1 – Direct economic value generated and distributed
3 Indirect Economic Impacts	✓		EC8 – Significant indirect economic impacts, including the extent of impacts
4 Corporate Procurement Policy	✓		EC9 – Proportion of spending on local suppliers at significant locations of operation
5 Green Products Used Internally	✓		EN1 – Materials used by weight or volume
6 Energy Saving	✓		EN3 – Energy consumption within the organization
7 Waste Recovery and Recycling	✓		EN23 – Total weight of waste by type and disposal method
8 Employment	✓		LA1 – Total number and rates of new employee hires and employee turnover by age group, gender and region
9 Direct Communication between Staff and Management	✓		LA4 – Minimum notice periods regarding operational changes, including whether these are specified in collective agreements
10 Staff Care and Recreational Activities	✓		LA4 – Minimum notice periods regarding operational changes, including whether these are specified in collective agreements

Material Aspects	Boundaries		Corresponding GRI Performance Indicator
	NWDS	Supply Chain	
11 Occupational Health and Safety	✓		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
12 Staff Training and Support	✓		LA9 – Average hours of training per year per employee by gender, and by employee category
13 Staff Grievance Mechanisms	✓		LA16 – Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms
14 Non-discrimination	✓	✓	HR3 – Total number of incidents of discrimination and corrective actions taken
15 Avoiding Forced Labor	✓		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
16 Products on Offer with Assurance of Consumer Health and Safety	✓		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
17 Honest Marketing Communications	✓		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
18 Protection of Customer Consumption Data and Privacy	✓		PR8 – Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

Our Community

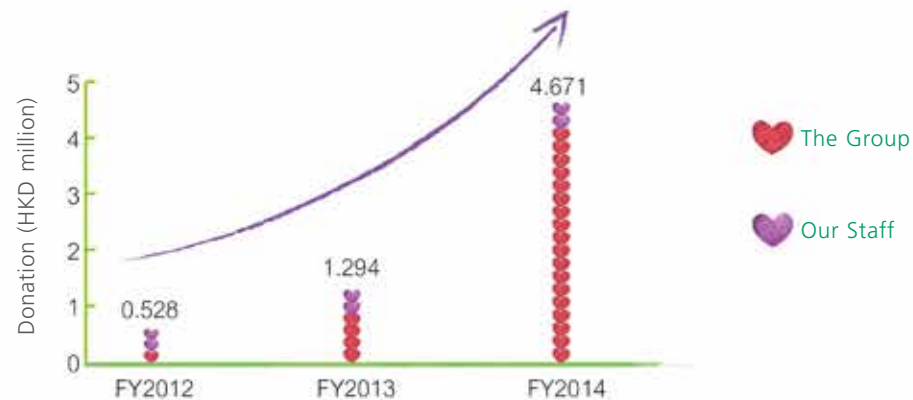


Adhering to the ethos of “giving back to society”, NWDS always strives to strike a balance between business performance and social interests in order to build a harmonious, sustainable and inclusive society. Our two major community initiatives are caring for under-resourced groups and supporting disaster relief work. To ensure effective utilization of resources, we clearly define the goals and beneficiaries of our community activities. We put efforts to promote a corporate culture of voluntary service in order to spread our love and care to different levels of the community.

Two Major Community Initiatives

	Caring for Under-resourced Groups	Supporting Disaster Relief Work
Aim	To offer resources and assistance to under-resourced groups	To support disaster relief work around the world
Activities	<ul style="list-style-type: none"> • “@Dream Sustainable Development Program” • Becoming the title sponsor of the “NWDS Sowers Action Challenging 12 Hours Charity Marathon 2014” • Store-level community initiatives 	<ul style="list-style-type: none"> • Becoming the key sponsor of the “MSF Day” for seven consecutive years • Store-initiated relief supports

Other than organizing and participating in community activities, we concurrently help the people in need through making donation. The Group and our staff made a total donation of over HK\$4.67 million during the year under review, a substantial increase of approximately 261% from the previous year. It included the donation of HK\$1 million to More Love Foundation in 2013 in celebrating the Group’s 20th anniversary, as well as the kick-off of the “@Dream Sustainable Development Program” (“@Dream Program”) and other community projects which aim to benefit under-resourced children. On the other hand, NWDS stores also made donation to local charities and education foundations in response to their needs, so that more people in Mainland China can be benefited.



Donation reached
HK\$4.671 million

About
300 community
activities

Our Community

NWDS VOLUNTEER TEAM

The Group believes that increasing staff engagement in community work not only make contributions to society, but is also an effective way to nurture our team spirit. To this end, NWDS Volunteer Team was established in April 2013 to pursue our vision of "social responsibility, innovation, people-orientated, pursuit of excellence". Our main services include education, caring for the elderly, helping underprivileged groups, environmental protection and assisting the disabled, aiming to create positive impacts on various social groups.

We have set the month of June as the "Volunteer Month", and inaugurated the "Volunteer Month" activity in June 2014. To celebrate the Chinese Dragon Boat Festival, NWDS stores collaborated with 25 schools, communities and non-profit organizations to host the "New World • Watch Me Play in the Dragon Boat Race" volunteer activity.

More than 340 volunteers and about 900 under-resourced children from across the country had a great time replicating the classic "dragon boat racing" game, contributing about 960 service hours in total.



About 250 volunteer activities

About 8,000 volunteer hours

Over 2,300 NWDS volunteers

CARING FOR UNDER-RESOURCED GROUPS


We hope to care the needy around with our own strengths and to continuously spread out positive energy to society. During the year under review, the Group kicked off “@Dream Program” which focuses on helping under-resourced children and proactively organized and participated in many large-scale community projects with charity groups, such as title-sponsoring the “NWDS Sowers Action Challenging 12 Hours Charity Marathon 2014” to raise tuition fees for under-resourced students in Mainland China. Furthermore, NWDS stores always organized regional-level community activities and took part in volunteer work, such as showing care to autistic children and live-alone elderly, so as to bring warmth to local communities.

@Dream Program


Children are the future pillars of society. One of the key agendas in social sustainable development is to provide them with equal learning resources and opportunities. To celebrate NWDS’ 20th anniversary, we launched the Group’s largest nationwide sustainable development community project in its history, “@Dream Program”, in July 2013. Featuring four main themes in music, learning, sports and soul, the program creates a diverse learning platform for under-resourced children in Mainland China. The program puts emphasis on their holistic development through moral, intellectual, physical, social and aesthetics training. We also worked with partners and charities to host large-scale events to raise public awareness for under-resourced children. Up to now, over 6,000 under-resourced children have been benefited from the program.




@Music

 Establishing the “Rainbow Orchestra”


@Learning

 “Education Voyage”

@Soul


 “Distant Calls” charitable campaign


 “Santa Claus is Coming” activity

 “Wish upon A Star” campaign

@Sports

 “Hope Walkathon”

 “Tennis Academy” tennis training program

 “Soccer Dreams” activity

Over 6,000
under-resourced children
benefited from
@Dream Program

Our Community



@Music

We established “@Music – Rainbow Orchestra” with Shanghai Fengxian Education Bureau in July 2013 to provide professional vocal and instrument training for migrant children in the region. On 18 October 2013, students staged a public interim performance at Hong Kong New World Department Store – Shanghai Shaanxi Road Branch Store to share their fruitful learning results.



@Learning

We have collaborated with Shanghai Fengxian Education Bureau since July 2013 to introduce the “@Learning – Education Voyage” in 16 primary schools for children of migrant rural workers in the region. The program, which aims to enhance the overall quality of students by exploring their talent in English, calligraphy, painting and handicraft, benefited about 100 students.



@Sports

We organized three themed activities related to sports during the year under review to promote the physical wellbeing of under-resourced children and to explore their potential in sports. They are, namely, “@Sports – Hope Walkathon”, “@Sports – Tennis Academy” tennis training program and “@Sports – Soccer Dreams” activity.

To echo with the theme of “@Sports – Hope Walkathon”, we joined hands with the China Women’s Development Foundation and the Children’s Hope Foundation for the “New Life • New World” children fundraising walkathon. This fundraising event was held in Beijing, Shanghai, Zhengzhou and Chengdu in August 2013, engaging nearly 640 children, members of NWDS Volunteer Team and caring individuals. More than RMB70,000 was raised in total for impoverished, sick and abused children.

We co-organized “@Sports – Tennis Academy” tennis training program with Shanghai Changning District Sports Association in March 2014 to offer free tennis training to under-resourced children in the region. The program kicked off at Shanghai Changning Road Primary School and offered tennis training for 50 talented children aged between 7 and 12.

We partnered with *Youth Daily* to launch the “@Sports – Soccer Dreams” activity, a public recruitment of soccer balls and other related gear from 20 June to 9 July 2014 at 10 NWDS Shanghai stores. On 12 July, we were honored to invite Mr. Cheng Yaodong, coach of the Shanghai Shenxin Football Club, and Mr. Wang Yun, player of the Chinese Football Association Super League, to give nearly 70 migrant children an interactive football lesson.



♥ @Soul

In addition to taking care of children's physical wellbeing, it is also vital to care about their emotional development. To foster the healthy and balanced growth of under-resourced children, we organized three caring activities during the year under review, namely, "@Soul – Distant Calls" charitable campaign, "@Soul – Santa Claus is Coming" activity and "@Soul – Wish upon A Star" campaign.

- ♥ We jointly organized the "@Soul – Distant Calls" charitable campaign together with "My Soul Campaign" Charitable Society and the Red Cross Society of Qinghai. 418 spare cell phones were collected from NWDS stores across the country from September to November 2013. The cell phones and the Group's sponsorship for mobile service charges were donated to four primary schools, such as Menyuan County Boarding Primary School and Menyuan County Qingshizui Boarding Primary School situated in Qinghai Province in April 2014, 4,000 boarding children were thrilled to receive the donation which can be used to communicate with their parents. 6
- ♥ During Christmas in 2013, we collaborated with *Youth Daily* to organize the "@Soul – Santa Claus is Coming" activity to recruit Santa impersonators from its readers and NWDS staff, and to make the Christmas wishes of migrant children, orphans and disabled children come true. 7
- ♥ From January to March 2014, we worked with Shanghai Children's Medical Center to launch the "@Soul – Wish upon a Star" campaign to call on the public to donate spare toys to sick children across the country. This loving act aimed to motivate sick children to fight against cancer with positive attitude, and to raise public awareness on environmental protection through recycling at the same time. 8

Our Community



The kick-off ceremony of the “NWDS Sowers Action Challenging 12 Hours Charity Marathon 2014” was held on 21 June 2014

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

During the year under review, we title-sponsored the “NWDS Sowers Action Challenging 12 Hours Charity Marathon 2014” held by Sowers Action in Hong Kong for the first time. We understood that many students from impoverished families in Mainland China were limited from exerting their full potential, therefore, we aimed to help under-resourced high school students in Mainland China complete their studies by mobilizing our staff in Hong Kong and China to support the marathon. We believe that knowledge can help create a brighter future, thus strive to make humble contribution to foster universal education in Mainland China. For details of the marathon, please refer to the activity website (c12hrs.sowers.org.hk).

Store-level Community Initiatives

Apart from organizing large-scale sustainable development and fundraising projects, NWDS stores adhere to the belief of “going out of stores and engaging the community”. According to the needs of local communities, we constantly paid visits to live-alone elderly, elderly homes and children welfare homes. Various regional charity activities were also organized to show our care to local communities.

For the Northern China region, Beijing New World Department Store, Beijing New World Qianzi Department Store, Harbin New World Department Store and Xi’an New World Department Store served the community by volunteering to clean up snow on the streets during the winter of 2013.

For the South Eastern China region, all NWDS stores in Shanghai co-organized the “Love Makes the Sky Blue” Donation Campaign for the second time during April 2014 to echo with the “World Autism Awareness Day” on 2 April. Frontline staff raised funds for Shanghai Aihao Children Rehabilitation Training Center and staged a performance at the square of the Oriental Pearl Radio & TV Tower on the same day.

For the Central Western China region, Wuhan New World Department Store, Wuhan New World Department Store – Wuchang Branch Store, Wuhan New World Department Store – Qiaokou Branch Store, Wuhan New World Department Store – Hanyang Branch Store and Chengdu New World Department Store jointly organized regional elderly care activities during September and October 2013 to show their concerns to the elderly and help clean up their rooms during home visit.



Stores staged their own community activities to meet local needs

SUPPORTING DISASTER RELIEF WORK

Doing a good deed a day is certainly valuable, but offering our hands to people in need is even more precious. NWDS always offers its helping hand timely during the midst of disasters, such as supporting the relief work for earthquake victims in Wenchuan, Sichuan and Fukushima, Japan. We practiced the spirit of "Every little makes a mickle" and utilized our national retail network to collect donation from the public, which fully embodied the spirit of selflessness with boundary-less dedications.

Key Sponsor of the "MSF Day" for Seven Consecutive Years

NWDS has been fully supporting the mission of Médecins Sans Frontières ("MSF") since 2006. In July 2013, NWDS has become the key sponsor of the "MSF Day" for seven consecutive years. We mobilized our staff in Hong Kong and China to participate in the "MSF Day 2013" to donate their one day's salaries, which is equivalent to be a MSF volunteer to assist carrying out global medical aid work for one day. With the enthusiastic support of the staff, HK\$0.45 million has been raised in only a few days, making the Group to become the event's top corporate fundraiser for seven consecutive years.

Stores-Initiated Relief Supports

In October 2013, typhoon Fitow sweeping across Zhejiang led to a serious destruction in the province and serious flooding in Yuyao City. Ningbo New World Beilun Department Store joined forces with a group of caring business alliance from Xinqi Street Lingxiao District to organize the "Stand Together Through Thick and Thin" charity event to raise relief funds to supply life necessities to the distressed victims.



NWDS representative (right) officiated the cheque presentation ceremony of the "MSF Day"



Our Green Mission



NWDS is an ardent supporter of environmental protection and considers the issue as one of our core sustainability initiatives. We pledge to incorporate green considerations into our decision-making process in all business sectors as far as practicable, from procurement to day-to-day operations, so as to minimize the potential environmental impacts.

Being a department store operator, it is vital for us to practice green initiatives together with our stakeholders. By establishing various environmental policies and organizing green campaigns, we aim to make contributions to environmental conservation and climate change issue as well as to raise environmental awareness of the public. During the year under review, the Group organized approximately 70 green campaigns in total.



GREEN PROCUREMENT

Procurement of Materials

When sourcing materials, we consider both their purchasing prices and “external costs” including the environmental impacts associated with the manufacturing, delivery, usage and disposal of materials. Since 2009, we have implemented green procurement initiatives in the Group by enforcing the Green Procurement Policy in Hong Kong Office, Shanghai Management Office and across all department stores, shopping malls, supermarkets, temporary offices and representative offices. In accordance with the Green Procurement Policy, staff should ensure that the procurement procedures are fully complied with all environmental laws and regulations as well as the following guidelines:

- Minimize the use of virgin materials throughout the life cycles of products or services
- Replace disposable items with reusable or recyclable alternatives

- Minimize the environmental impacts of products and services throughout their entire life cycles, e.g. use of biodegradable products
- Minimize or eliminate unnecessary packaging. In particular, avoid individual packaging for bulk purchases
- Reduce energy and water consumption, e.g. retrofit equipment of high energy efficiency
- Reduce or remove toxic substances, e.g. do not use products with toxic contents
- Select durable and easily maintained items
- Select items which can be easily disposed of after use
- Include environmental requirements in tendering documents and procurement contracts



We use recycled paper or paper from sustainable sources, such as FSC™ certified paper, for our annual reports. Soy ink is also used to lower impact on the environment.



Our Green Mission

Procurement of Merchandise

As there is a raise in environmental awareness among Chinese consumers in recent years, there is a greater demand for green products. At the moment, the sales of environmental-friendly products under our private label account for about 3-4% of the total turnover. These commodities include music boxes made from renewable wood, biodegradable cups made from processed corn, and school supplies made from recycled paper. We will further expand the percentage of environment friendly products in our private label to approximately 10% in the future. For example, we plan to introduce organic personal care series to offer a wider choice of quality products and promote green living to our consumers.

ENERGY CONSERVATION AND EMISSIONS REDUCTION

Depending on the actual operations and local regulatory requirements of individual stores, we have introduced a wide range of measures to meet our carbon reduction target through energy conservation and emissions reduction. NWDS is a signatory to the Hong Kong Government's "Carbon Reduction Charter". We undertake to implement measures to support the reduction of greenhouse gas emissions.

Low Carbon Department Store

In view of the fact that in-store lighting is one of our major energy consumption sources, the Group initiated a vast energy saving program in 2012 which included working with suppliers to replace the lighting systems of all stores with LED lights. The program resulted in considerable energy savings and reduction in carbon emissions, and also provided customers with



a pleasant shopping experience through enhancing store ambience, thereby improving the Group's competitiveness. The LED lighting revamp project was also accredited as "2012 China Outstanding Energy Management Project" by the China Energy Conservation Association (EMCA).

In addition to replacing energy efficient lights, we also introduced other measures to save energy, which include using variable speed drive for escalators and energy efficient air-conditioning systems, to reduce the mean annual electricity consumption per unit area in a sustainable manner. When compared to FY2012, the mean annual electricity consumption per unit area in FY2013 and FY2014 were reduced by 11.3% and 14.5% respectively.

NWDS Supports "Earth Hour" for Five Consecutive Years

Committed to environmental protection, NWDS has supported World Wide Fund For Nature's "Earth Hour" for five consecutive years. From 8:30 pm to 9:30 pm on 29 March 2014, 42 NWDS stores across Mainland China and Hong Kong Office turned off all neon lights, billboard lights, signage lights and unnecessary lights for an hour to demonstrate our commitment to combat climate change and help build a light pollution free environment.



Our Green Mission

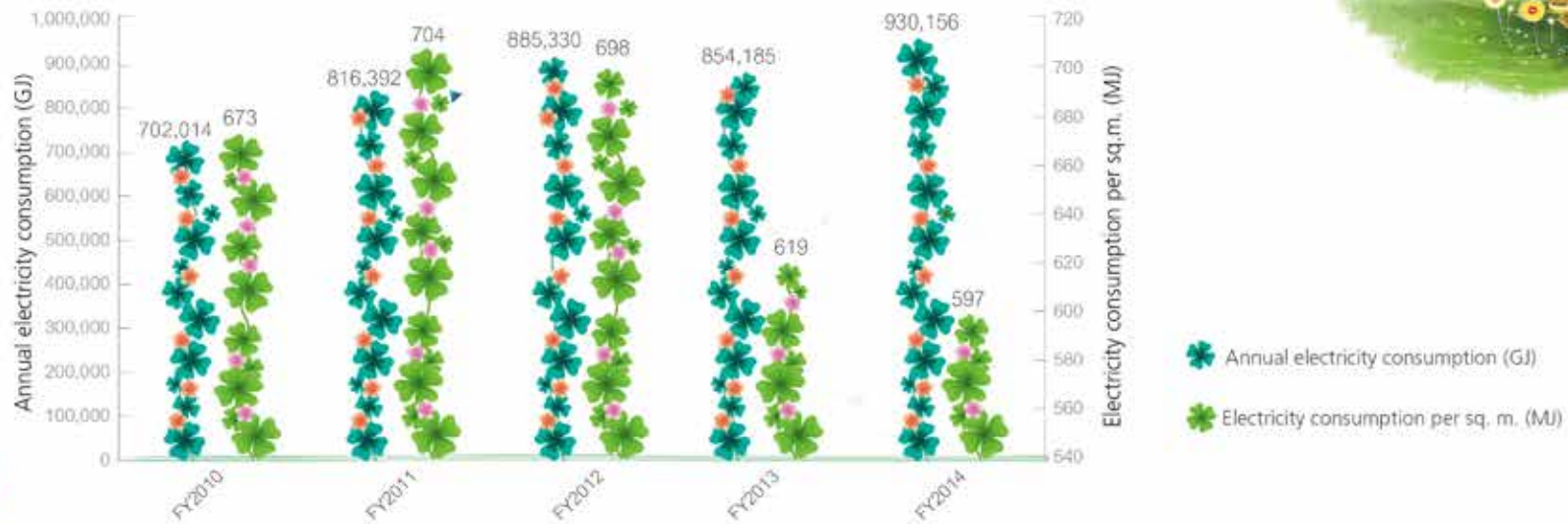
Comparison of the Group's Annual Electricity Consumption after the Implementation of the Vast Energy Saving Program

	Total Electricity Consumption (GJ)	Total Gross Floor Area (sq.m.)	Mean Electricity Consumption per Unit Area (MJ/sq.m./Year)	Comparison with FY2012
FY2014	930,156	1,558,090	597	-14.5%
FY2013	854,185	1,380,180	619	-11.3%
FY2012	885,330	1,269,180	698	-

Note: The data of newly-opened stores, including Yantai Store and Shanghai Hongxin Trendy Plaza, are not available at the moment. In addition, no energy consumption data is collected from Shanghai Management Office at the moment. We will continue to improve our data collection system and include these figures in future reports.

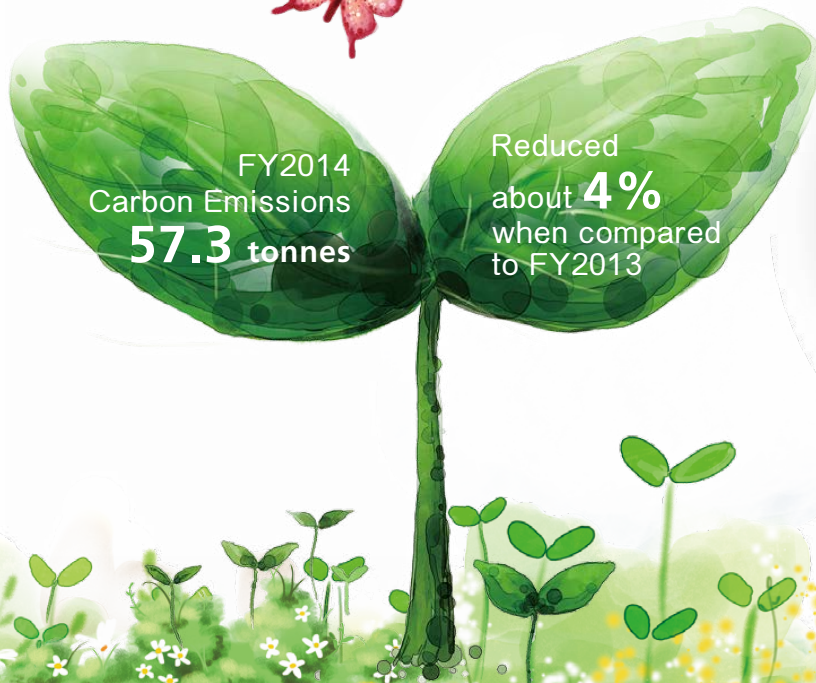


Electricity Consumption



Low Carbon Office

We aim to foster a green office culture, for instance, launching "Every day is a Low Carbon Day" campaign to motivate our staff to turn off unnecessary lights and computer displays during lunch breaks, save paper, reduce printing and use products with energy efficiency labels in order to practice green in their everyday life. In August 2013, our Hong Kong Office completed its first carbon audit in compliance with the government guidelines with the assistance of a professional consultant. The consultant also made plenty of specific recommendations for the continual reduction of carbon emissions. Our carbon emissions were recorded as 57.3 tonnes in FY2014, representing a decrease of about 4% from the record of 59.8 tonnes in FY2013.



低碳生活 您我攜手創造
新世界百貨香港辦事處天天低碳日 一午膳關燈一小時

新世界百貨一直勇負企業社會責任，致力推動各項環境保護工作，矢志提升所在社區的生活質素，實現公司的可持續發展。

全球氣候變化是人們現今最關注的環保議題之一。氣候變化帶來的影響及威脅絕對不容忽視，其中一個最簡單及直接的方法去紓緩這個情況就是群策群力，節能減排，提倡低碳生活。

綠色生活，必須由生活細節做起。為進一步宣揚節能減排的低碳生活及推廣綠色辦公室文化，新世界百貨香港辦事處由即日起推出「天天低碳日」活動，在午膳期間關掉辦公室的照明系統，並鼓勵同事關掉個人電腦顯示屏，藉此活動鼓勵同事從生活小處著眼，珍惜地球資源，而且提高自身的環保意識，協助減少碳排放，以行動支持綠色低碳生活。

「新世界百貨香港辦事處天天低碳日」
日期：由即日起
時間：13:00-14:00
詳情：香港辦公室的照明系統將於午膳期間關上，並鼓勵同事關掉個人電腦顯示屏*

*於辦公室內用膳的同事可自行向部開啟照明系統或電腦顯示屏

新世界百貨
NEW WORLD DEPARTMENT STORES

綠色辦公室 全賴您的支持和參與!

Our Green Mission

Advocating Paperless Office

During the year under review, our Hong Kong Office strove for “paperless” operations with the following measures:

- Using monthly printing job statistics to track paper consumption so as to remind colleagues to reduce the number of printed documents;
- Encouraging staff to save documents to central server and read documents on screen instead of printing hard copies;
- Using the “Print Lock” feature of printers to prevent unnecessary printing jobs;
- Reusing envelopes to avoid wastage; and
- Setting up paper collection points in the office to recycle waste paper.

CarbonSmart Programme

Our dedication in promoting green and low carbon office operations earned public recognition. Our Hong Kong Office was awarded the Certificate of Participation and the “CarbonSmart Low-Carbon Commitment Partner” certificate under the “CarbonSmart Programme” which is jointly organized by the Hong Kong Productivity Council, the Federation of Hong Kong Industries, Hong Kong General Chamber of Commerce and Business Environment Council.



Office Automation System Training for Mainland Staff

To promote green office environment and paperless operations, Hong Kong New World Department Store – Shanghai Chengshan Branch Store organized two office automation system training sessions in September 2013. The courses included demonstration video, presentations by professionals and practical exercises to enable colleagues to quickly familiarize with the system. Automation is a good way to improve office efficiency and lessen printing demand, therefore, it plays an important role in reducing the carbon footprint associated with office operations.



WASTE MANAGEMENT

At NWDS, we adopt a two-pronged approach of reducing waste at source and encouraging reuse and recycling to proactively manage our waste. As for waste reduction at source, we foster paperless office operations and encourage consumers to bring their own bags to avoid unnecessary usage of materials. During the year under review, we were delighted that the consumption rate of paper products, paper and plastic bags per unit area had been reduced while we had made a remarkable success in reducing paper consumption for four consecutive years. We are delighted to report that our Hong Kong Office was awarded "Class of Good" Wastewi\$e Label from the "Hong Kong Awards for Environmental Excellence (HKAEE)" scheme in 2014. As for reuse and recycling, we actively promoted waste recycling and organized a series of waste recovery activities to spread the waste reduction message to consumers.



"Green Mid-Autumn Festival – Moon Cake Box Recycling Campaign" Held for Three Consecutive Years

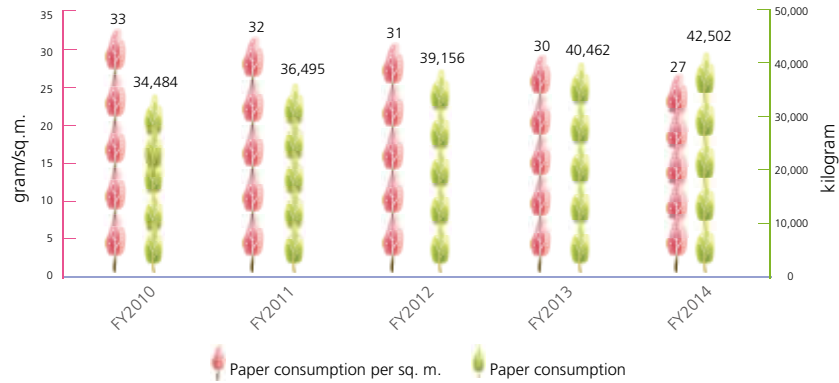
In celebrating traditional festivals, NWDS always grasps the opportunities to promote waste recycling by organizing green activities. Starting from 2011, we have held the nationwide "Green Mid-Autumn Festival – Moon Cake Box Recycling Campaign" during the Mid-Autumn Festival for three consecutive years. Having collected about 3,500 moon cake boxes during the year under review, the campaign turned waste into renewable resources and supplemented a green element to the festival.



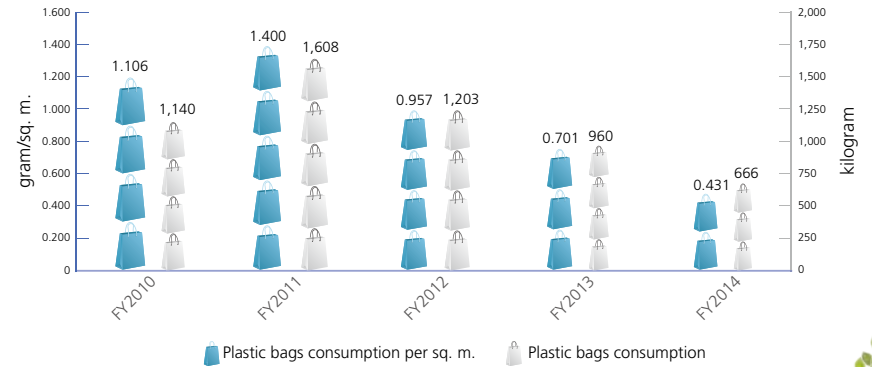
Our Green Mission

Consumption of Major Resources

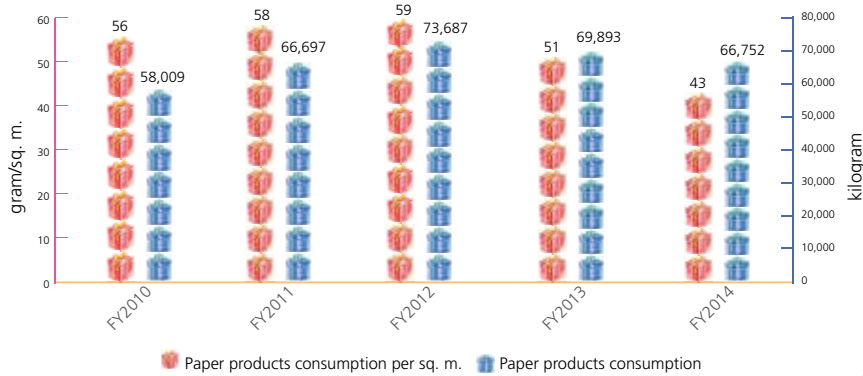
Paper Consumption



Plastic Bags Consumption



Paper Products Consumption



Note: The data of newly-opened stores, including Yantai Store and Shanghai Hongxin Trendy Plaza, are not available at the moment. In addition, no resources consumption data is collected from Ningbo New World Trendy Department Store (“Ningbo Trendy Store”) and Shanghai Management Office at the moment. We will continue to improve our data collection system and include these figures in future reports.



Unused Toys for Sick Children

The increasing living standard together with the one-child policy in Mainland China create the possibility of generating more unused toys. To encourage the best use of unused resources and to fulfil the needs of under-resourced children, we teamed up with Shanghai Children's Medical Center ("SCMC") to present "@Soul – Wish upon a Star" campaign under the "@Dream Program" at the beginning of 2014. We set up collection points at all NWDS' "Ba Li Chun Tian" branded department stores in Shanghai to recover unused toys from January to March in 2014. Over 200 toys were collected and donated to sick children at the SCMC.



Over 400 Spare Mobile Phones Collected for Left-behind Children in Qinghai

To encourage the recycling and reuse of resources to benefit the underprivileged, we launched a joint effort with "My Soul Campaign" Charitable Society and the Red Cross Society of Qinghai to stage "@Soul – Distant Calls" charitable campaign as part of the "@Dream Program" from September to November in 2013. 418 spare mobile phones were collected at more than 40 NWDS stores across the country for the left-behind children from four primary schools in Hainan Prefecture, Qinghai Province.



Our Green Mission

ADVOCATING GREEN LIVING

Global warming has become a global agenda and it stresses the need to protect our environment. To foster low-carbon lifestyle, the Group proactively makes use of our stores as promotional platforms to spread green message. In-store green events are held regularly, and we also work with environmental protection groups to co-organize green activities. These efforts call upon staff and customers to go green and initiate making small yet meaningful changes in their daily life.

We firmly believe that the green journey to sustainability involves all stakeholders. Only with full engagement of the community, we can create a strong momentum to go through the green transformation. During the year under review, NWDS Volunteer Team reached out and also took part in a wide range of green activities. We strove to spread the green message and its advantages to a wider group of audience.

Advocating Green Living with "Go Green with NWDS"

In support of the United Nations' World Environment Day, we launched the third "Go Green with NWDS" campaign in early June 2014, which engaged nearly 30,000 customers. All of them wore green garments or accessories to demonstrate their commitment to preserve the planet. We gave away over 5,200 free potted plants to consumers, which was 39% more than the previous year, to carry forward the greening to their homes.





“Clear Weather, Refreshing Stores” Clears Smog with Aligned Green Actions

The “Clear Weather, Refreshing Stores” campaign was launched in all NWDS stores in December 2013. We called upon customers, employees and the community to say no to smog and take prompt actions to improve air quality. During the campaign, nature experiential areas were set up in all stores, while entrances and sitting areas were decorated with potted plants and vertical greening. There were also small potted plants at concessionaire counters to absorb air-borne hazardous substances, creating a green shopping environment for customers.



“Beautiful New World • Walk Green – 2013 Walkathon”

To further spread the green message to the public, Wuhan stores joined hands to launch the “Beautiful New World • Walk Green – 2013 Walkathon”. Volunteers picked up garbage along the peripheral of East Lake in Wuhan and promoted care for the nature to visitors so as to build a green civilized community.



Our People

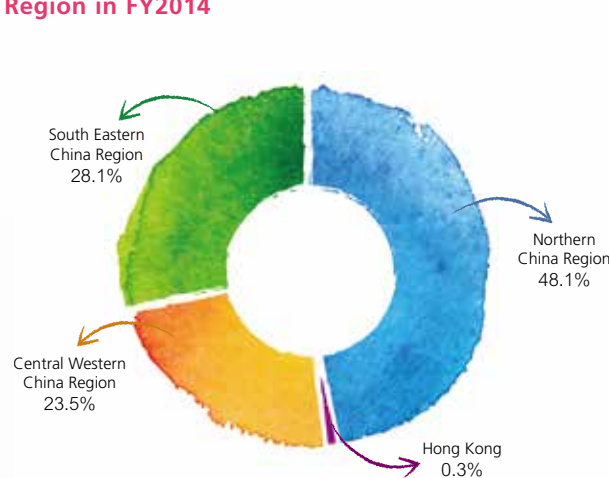


We firmly believe that staff is our greatest asset and the cornerstone of achieving sustainable development. Over the years, with the conviction of “Nurture Talents with Respect, Care and Trust”, we have established clear policies and guidelines for employee relationship management while fostering employees’ career and personal development with strong team spirit, competitive remuneration and comprehensive training programs. We also organize staff-caring campaigns and activities to promote teamwork between staff and management team, and among different departments, in order to create an enjoyable and healthy working environment. Hence, we have won the “Family-Friendly Employers” award for two consecutive years and garnered the “Special Mention” award in 2014 to commend our performance in consistently implementing family-friendly policies and measures.

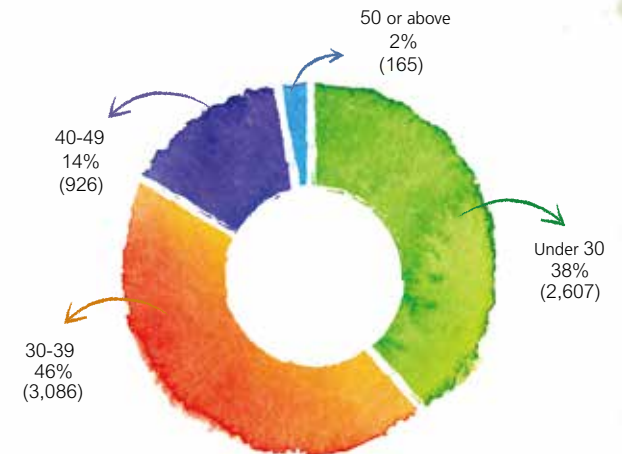
As at 30 June 2014, NWDS operated and managed 41 department stores and two shopping malls in 21 cities across Mainland China. During the year under review, Yantai Store came into operations and the Group acquired Shanghai Hongxin Trendy Plaza and Shanghai Wujiaochang Store. We also industriously expanded our business network to the third- and fourth-tier cities in Mainland China where we created employment opportunities and hired 373 local staff during the year under review. For the geographical distribution of NWDS staff, please refer to the charts on the right.



Distribution of Staff by Geographical Region in FY2014

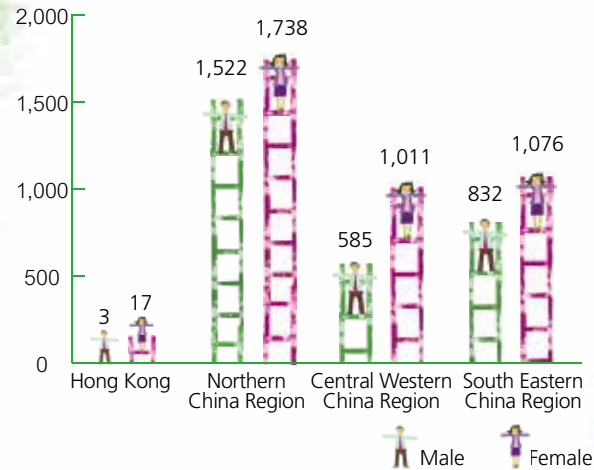


Distribution of Staff by Age in FY2014



Our People

Distribution of Staff by Gender in FY2014

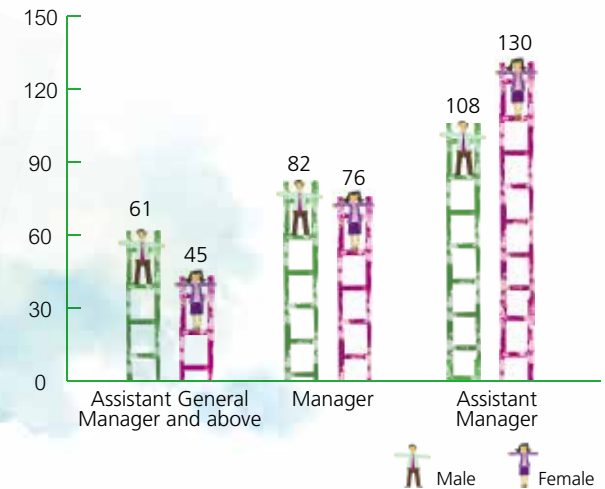


EQUAL OPPORTUNITIES

To safeguard customer service quality, every new NWDS employee has to go through a stringent selection process. Governed by our equitable selection system and personnel management policy, the Group's employment decisions are made based on individual capability, without prejudice against racism, gender, nationality, religion or personal relationship. Labor contracts are signed between NWDS and employees on a voluntary basis, with no forced labor or child labor being employed. In addition, staff recruitment, opportunities for promotion, remuneration, benefits and development are entirely based on performance and competency. Personal attributes irrelevant to professional capability are not criteria for the decision. In FY2014, no discrimination incident was reported.



Distribution of Managerial Staff by Gender in FY2014



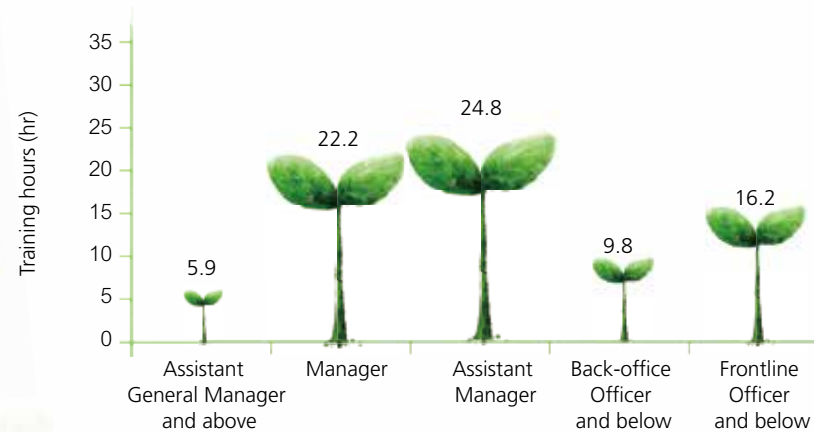
STAFF DEVELOPMENT

NWDS emphasizes staff development and has established a comprehensive training system to build up staff capacity to support the development of the Group while cultivating talents for the retail industry. We founded NWDS Management Academy in 2005 to offer all-round staff training programs. Training programs are tailored-made for staff of different levels with the aim of creating a favorable platform and providing opportunities for employees to develop their skills individually and professionally. During the year under review, the Group offered training for staff in different positions. These included the “Project Xinpeng-NWDS Management Intern Cultivation” for nurturing future talents; as well as the “Elite Talents Nurturing Plan” targeted at middle-management; and

the “Certificate Program of Further Studies in Retail Operation and Management” (Advanced Class) and the “Operational Management Training Camp for Store Managers” for experienced managerial staff. These programs aimed to enhance all-round technical capacity and professionalism. In addition, we offered external learning opportunities through the “Overseas Training Program” which arranged overseas visits to world-renowned department stores to expose managerial staff to advanced business concepts and management approaches so as to invigorate our operations with new mindset. We also provided the “Professional Training Skill Enhancement” course for experienced in-house trainers, which equipped them with the latest teaching skills and helped them prepare for more effective coaching in the future.



Average Number of Training Hours Per Employee FY2014



Our People

In line with our development plans for expanding direct sales business and shopping mall management business, we launched the “Positioning and Planning for Department Store and Shopping Mall” training program and LOL “Top Shop Manager Training Camp”, in which employees can gain better understanding of store operations and management through case study and interactive activities. During the year under review, NWDS organized a total of 125 staff training activities.

During the year under review, total staff training hours amounted to 94,923. Male staff received 31.4 hours of training on average while female staff received 23.9 hours of training on average (excluding Hong Kong Office).

In line with the Chinese government’s new urbanization plan, NWDS has expanded its business network to the third- and fourth-tier peripheral cities with exceptional potentials. By creating employment opportunities and training up retail professionals, we are boosting the sustainable development of these municipalities. During the year under review, we trained more than 465 employees in the third- and fourth-tier cities in Mainland China, with about 5,000 hours of training provided in total.

In addition to on-the-job professional training, competitions on sales techniques, customer service, cashier skills and industry knowledge were also held to improve service quality and motivate staff for learning.



Dedicated over 100% to Customers

To offer a unique shopping experience, NWDS kicked off a quality service campaign titled “Dedicated over 100% to Customers” across all stores on 1 December 2013. The event featured stylish interiors, pleasant atmosphere, special services and VIP experience. Staff members in stores were encouraged to think out of the box and enhance the store’s image and customer service with exclusive services.



STAFF COMMUNICATION

Attaching high importance to staff communication, we publish group policies and distribute important notices to all staff through internal emails, the bimonthly *NWDS E-newsletters* and quarterly *Windows of NWDS* so that staff can learn about the Group's policies and observe them in operations. In addition, we have a well-established staff relationship management policy and a staff relationship management team in place to build a sound internal communication mechanism. Employees are encouraged to voice their opinions through multiple channels, which can help reinforce two-way communication and strengthen team cohesion.



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



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



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



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



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

We do our best to motivate staff management and engagement. Employees are encouraged to submit business ideas to the senior management mailbox by email. We created "Think Tank" in 2005 as a brainstorming platform for collecting staff's ideas to improve our operations. This year's "Think Tank Presentation Session" was held in Wuhan in May 2014 to commend outstanding suggestions. More than 30 suggestions collected were instrumental to conserving corporate resources, improving working environment, enhancing customer satisfaction and boosting business performance.



Windows of NWDS



Think Tank Presentation Session 2014



Daily Morning Staff Briefing Sessions

Our People



When heavy smog hit Mainland China, we launched the “Spreading Care with Something New” campaign to distribute face masks to employees.

STAFF BENEFITS

We offer a remuneration package of competitive salary and comprehensive staff benefits. Every employee is entitled to health check-up and paid annual leave pursuant to local government requirements. Furthermore, we also offer housing provident fund and social security contributions, which include insurance for pension, unemployment, medical expenses and work-related injuries, in most cities. We also provide maternity leave, paternity leave, marriage leave, compassionate leave, birthday leave, family planning leave, nursing leave and leave for occupational diseases in order to let employees have sufficient time to convalesce and settle. Extra benefits for managerial staff, including personal accident insurance, critical illness insurance and medical insurance, are also provided.

We acknowledge our staff’s indispensable role in supporting the Group’s business growth. To share our success, we offer annual bonuses to employees based on individual work performance, attendance and the Group’s business performance. Awards and honors are also presented to recognize staff with outstanding performance regularly to boost staff morale.

STAFF WELLBEING

We do our best to look after our staff’s physical and mental wellbeing. We ensure they are provided with a safe and comfortable working environment and a wide range of leisure activities to maintain a good working attitude and to foster work-life balance.

Occupational Health and Safety

NWDS takes employee safety and health seriously. We have safety guidelines for fire safety, electrical and crisis response in place to ensure a hazard-free day-to-day operation. Staff also has access to the latest information on disease prevention and personal health. For example, when heavy smog hit Mainland China, we launched the “Spreading Care with Something New” campaign, which employees received face masks and warm reminders to stay safe and healthy. And to promote holistic health, NWDS has a stress management system which provides counselling and advisory services to employees. In the Current Year, 23 work-related injuries were reported. A total of 1,330 days were lost due to work-related incidents, with a rate of absence of 1.94%.



We support the Company to implement appropriate measures and engage in community activities so as to undertake its environmental and social responsibilities. These projects have provided support to the underprivileged and motivated us to strive for continuous improvement at work. NWDS also organizes staff activities, such as regional sports days and cycling contests which provide staff with the opportunities to share hobbies and specialties and to facilitate internal communication. We hope that the Company can further strengthen its interaction with the public. In particular, it should encourage more external participation in NWDS activities to enhance our social impact.



Mr Ma Hao
Chief of Management of
Information System
Shanghai Hongxin Trendy Plaza



Mr Cai Cha-li
Deputy-Chief of Retail Floor
Shanghai Hongxin Trendy Plaza

"CARING OUR STAFF"

Caring about Our People

NWDS always launches a great variety of caring activities to promote an amicable relationship with our staff. Examples of activities are sports days, sightseeing tours, singing contests, movies appreciation sessions, birthday parties, "Pretty Staff" styling workshop, and NWDS book club. We also collaborate with tenants to offer exclusive shopping privileges to our employees. One such event was the "NWDS Three Aces – NWDS Staff Day" held in five stores in Mainland China in June 2014. The stores were closed for business during the evening to allow employees of NWDS and associated companies, their families and friends, business partners and VIP members to enjoy a private sale of merchandise at exclusive discounts. To make the experience more memorable, we also arranged buffet reception, multi-level games and lucky draws on site.

STAFF RECREATIONAL ACTIVITIES



It is NWDS' tradition to present staff with cash coupons or gifts during Mid-Autumn Festival and Chinese New Year. In April 2013, under the main theme of "Caring Our Staff", we rolled out a series of activities, including "Management as Care Leader", "Enhanced Welfare Benefits", "Caring for Staff's Health", "Store Manager As Care Ambassador", "Caring Tea Breaks", "Caring Bank Accounts", and "Caring Role Model" over nine-month time span. The management team visited frontline staff at individual stores, distributed health tips leaflets, and had leisure tea breaks with colleagues. These gatherings facilitated corporate harmony and aided staff communication. We also appointed 36 "Caring Role Model: Store Managers", 211 "Caring Role Model: Department/Division Heads" and 137 "Caring Role Model: NWDS Employees" to help advocate this caring culture across the Group in the future. During the year under review, the Group hosted over 200 staff caring activities.

"NWDS THREE ACES – NWDS STAFF DAY"



Our Operations



新世界百貨
NEW WORLD DEPARTMENT STORES

New World Department

BOOKSTORE

NEW WORLD

With high integrity and strong sense of responsibility, NWDS is dedicated to providing superior products and services. We uphold quality and safeguard customer safety by adhering to stringent Employee Code of Conduct and product responsibility guidelines. Concurrently, we communicate proactively with all suppliers and set up a robust supply chain management system. This approach enables us to share our corporate sustainability values with suppliers and mitigate the potential environmental impacts along the supply chain.



BUSINESS INTEGRITY

Integrity is one of the core values of NWDS. We require our staff to maintain a high level of ethics, and our merchandise and business operations to comply with or even exceed regulatory requirements and practices to deliver trust to our customers to shop in NWDS stores, as well as to reinforce confidence to our investors.

Preventing Corruption

As a service-based industry, we recognize that staff performance has direct impact on customer satisfaction, staff conduct is thus an important aspect of our corporate integrity. We have a policy for professional ethics in which every staff member is expected to be “loyal, righteous and honest” to strictly observe professional ethics and maintain high standards of personal conduct. Staff should never commit misconducts such as disloyal, fraud, corruption, accepting bribery, derelict in duty, or engaging in any transfer of benefits. To abide by and safeguard our ethical standards and corporate values, soliciting or accepting any unfair advantage is strictly prohibited. We also have a mechanism in place to provide official guidelines for employees to declare any conflict of interests. Any act of non-compliance should be reported to the corresponding administrative or supervisory department and to be handled in strict confidence.



Our Operations



Product Safety and Liability

As a retailer for quality products, NWDS is conscious about our duty to ensure product safety. We introduced our private label, LOL Concept Shop, in 2013 to offer lifestyle accessories procured globally. Given the vast merchandise selection, we have set forth rigorous quality requirements for the sourcing of different products. Conscientious efforts are made to ensure that all products sold in our stores meet statutory regulations and thus guarantee our customers with health and safety protection. Requirements for selected products are as follows:

Product Category	Product Example	NWDS Requirements
Personal care products	Cosmetics	Production Licence, Health Licence, CFDA Registration Filing of Imported Cosmetics for Non-Special Purpose, etc.
Health products	Air purifiers	International Safety Standards Certification, Industry Safety Standards Certification, China Certified Healthcare Commodity Quality and Safety Inspection Report, etc.
Electronic products	Audio equipment	China Compulsory Certification
Children's products	Toys	China Compulsory Certification

In addition, our sales and marketing communication channels are reviewed regularly to ensure that they are fair and fully compliant with laws and regulations on marketing and promotion (including advertising, sales promotion and sponsorship). To protect the privacy of customers, NWDS strictly abides by the Personal Data (Privacy) Ordinance (Cap. 486) of Hong Kong. Our privacy policy is also published on the corporate website.

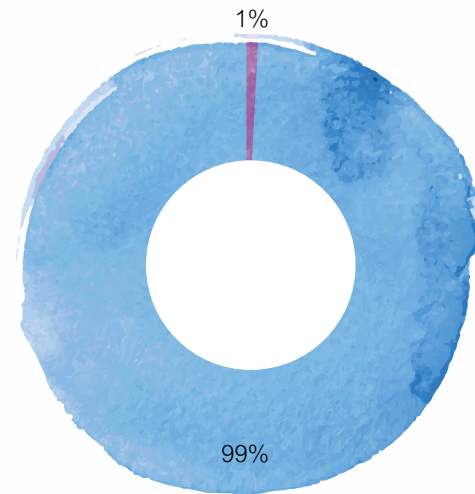


SUPPLY CHAIN MANAGEMENT

Suppliers are one of our most valued business partners. Therefore, we make vigorous efforts to extend our sustainability values to the supply chain. By establishing a supplier management policy and system, we ensure that the Group and our suppliers observe the same standards of environmental protection and corporate ethics. Our suppliers include those for concessionaire counters and suppliers that provide us with IT, administration and marketing services. We give priority to local suppliers where we operate and 99% of products sourced by NWDS stores come from suppliers in Mainland China.

Through our business operations, we engage a large number of suppliers. We believe that the synergy created together can have profound and positive impacts on sustainability. In view of this, we strive for sustainable development via the means mentioned in the following session to share social responsibility with our partners.

Procurement Spending Proportions in FY2014



■ Chinese suppliers ■ Overseas suppliers

Supplier Communication

“New World Net”, an interactive platform set up for proactive communication with suppliers, was launched in 2002. Hosting annual galas and other activities, we aim to recruit suppliers with sound track record and relationship to become its members whom we can share the business strategy and values of NWDS with in order to strengthen a high-level communication with them. Focusing on day-to-day business operations, we have established a “Head office – Region – Store” three-tier management system to conduct targeted supplier management and communication in accordance with their importance to foster closer partnerships.

To promote sustainable development effectively, we circulate our periodical *NWDS E-newsletters* to all suppliers to share the latest news about our business and sustainable development. They are encouraged to take part in our sustainability activities, such as “Earth Hour” and “Go Green with NWDS” to practice sustainability together.



Our Operations

Supplier Code of Conduct

Since 2013, we have launched a Supplier Sustainable Development Programme by introducing the Supplier Code of Conduct and Sustainability Self-Assessment Questionnaire. They are sent to suppliers together with tender or quotation documents to facilitate the communication of the Group's conviction on sustainable development. The Code of Conduct provides guidelines on regulatory compliance, ethics, forced labor, child labor, working hours and wages, workplace health and safety, discrimination and rights, environmental protection, liabilities and disclosures. As for the Questionnaire and Code of Conduct, we have initially selected ten key suppliers to take part in the self-assessment which covers different types of suppliers such as concessionaire counters, tenants, electrical and mechanical service providers. Eight suppliers responded that they would observe the Code of Conduct.

As revealed by the materiality assessment (please refer to "Our Sustainability Values" for details), our stakeholders are concerned if there are any acts of discrimination by NWDS suppliers. To assure fairness and equal opportunities, we explicitly state in the Supplier Code of Conduct that the employees of suppliers should not be treated unfairly in recruitment, remuneration or discipline due to gender, age or religious belief. We regularly review and update the Code of Conduct to encourage suppliers to strive for continuous improvement and meet our stakeholders' expectations.

In addition, suppliers are encouraged to recover or recycle used products and consider the environment implications of their services. To motivate them to improve their sustainability performance continuously, suppliers with better sustainability performance will be given priority when we award tenders.

“As partners of NWDS, we are interested in the Group’s business and operations performance. We believe the Group’s commitment and green procurement policies will benefit society as a whole. We usually participate in NWDS community activities by invitation, and support the activities in form of monetary or product donation. In some community activities held at department stores, supplier representatives were invited to share their views with the public. We look forward to more information about similar activities in the future, and broadening corporate collaboration with NWDS through active communication.”



Corporate Honors and Recognitions

NWDS has always made every effort to promote sustainable development. During the year under review, our endeavors were well recognized by the acclamation and awards garnered by our initiatives in community services, environmental protection, staff benefits and development, and operating practices. The recognition from society is our driving force to continuously optimize our sustainable development measures, hoping to proactively give back to society.

Honors and awards we received during the year under review are as follows:



Community Services



“@Music – Rainbow Orchestra” interim performance

Awards for the “@Dream Program”:



2013 China Charity Festival –
2013 Best Charity Project



“2013 Golden Bee CSR China Honor Roll” Award Ceremony –
Entered the 2013 Golden Bee CSR Competitiveness Case Collection



2013 China Charity Festival
2013 China Charity – Group Award



“2013 Golden Bee CSR China Honor Roll” Award Ceremony
Golden Bee – Customer Focus Award



Social Welfare Department –
Bronze Award for Volunteer Service

During the year under review, our Hong Kong Office was honored the Bronze Award for Volunteer Service by the Social Welfare Department with its 381 hours of community service.



Web Accessibility Recognition Scheme –
Silver Award in the “Website Stream”



The Hong Kong Council of Social Service
“Caring Company” logo



Environmental Protection



CarbonSmart Programme –
Certificate of Participation
“CarbonSmart Low-Carbon
Commitment Partner” certificate



Hong Kong Awards for
Environmental Excellence –
“Class of Good”
Wastewi\$e Label



Green Office Awards Labelling Scheme –
“Green Office” label
The UNMDG’s **“Better World
Company” label**



Green Hong Kong • Carbon Audit –
Accredited as one of the
“Carbon Audit • Green Partners” by
signing the Carbon Reduction Charter



Staff Benefits and Development



In the “2013/14 Family-Friendly Employers Award Scheme”,
NWDS garnered the “Family-Friendly Employers” award for
two consecutive years and was also honored the “Special
Mention” award in 2014.



2013/14 Family-Friendly Employers Award
Scheme –
“Family-Friendly Employers” award
“Special Mention” award



“Top List of Corporate University”
Award Ceremony –
China’s Best Corporate University
The Award for Social Responsibility of
China Corporate University
“Project Feipeng – Core Talents Nurturing
Plan” won the honor of “Top 20 China
Corporate Training Program”



Operating Practices



Our outstanding performance in investor relations earned us
the honor of the “Best Investor Relations Company” in the
“4th Asian Excellence Recognition Awards”.



4th Asian Excellence Recognition Awards –
Best Investor Relations Company



“8th Asia Brand Ceremony”
Top 500 Asia Brand Award
The title of “Top 10
(Industry) Most Investment
Value Brand in China”

Our Goals and Visions



Starting from the establishment of the NWDS Sustainability Steering Committee, formulation of the relevant policies, to publication of this first standalone sustainability report, we have taken progressive steps to drive our corporate sustainability performance. Looking forward, we will continue to integrate sustainability into our day-to-day business operations. We are committed to moving towards sustainability by realizing our visions with concrete measures.

We have implemented a number of initiatives in four key performance areas: environmental protection, community services, staff benefits and development, and operating practices. We will continue to formulate and enhance our sustainability policies following the ethos of “giving back to society”, and establish clear objectives and evaluation systems for all performance areas to gauge and continuously improve our sustainability performance.

Building a Sustainable Community

On the community welfare front, we will continue to support under-resourced children. The “@Dream Program” will be enhanced, while other community events will be organized to benefit more children in need so as to increase social mobility.

On the business front, we will consolidate our presence in the first- and second-tier cities and concurrently, further explore opportunities in the third- and fourth-tier cities in Mainland China so as to grasp new prospects brought by the new

urbanization plan, to help advance local economies and benefits the people. We will open our Shanghai 118 Project in Putuo District, Shanghai, with a total GFA of approximately 62,600 sq.m. in FY2015; and plan to open a self-owned store with a total GFA of approximately 42,200 sq.m. and a managed store with a total GFA of approximately 40,000 sq.m. in Hengyang City, Hunan Province and Jiamusi City, Heilongjiang Province, respectively in FY2016. The expansion of Shenyang Nanjing Street Branch Store Phase II Project is also expected to complete in that year; the redevelopment of Shenyang Nanjing Street Branch Store Phase I Project is underway and the store is expected to re-open in FY2017, with an increased total GFA of approximately 26,300 sq.m.

Promoting a Sense of Belonging amongst Staff

For staff benefits and development, we will continue to implement comprehensive training and development programs for staff and plan to launch the “New World Department Stores Scholarship for Employees’ Children Scheme” which aims to motivate diligent learners and academic achievers to strengthen employees’ sense of belonging towards the Group.

The publication of this Report and the engagement of stakeholders allow us to better understand their concerns and views as well as to identify areas for improvement on sustainable development. In this Report, we have responded to the concerns raised by various stakeholders and greater efforts will be made

to address these issues in the future. We will continue to listen to the views and suggestions of different stakeholders in order to ensure that our sustainability report addresses and discloses key public concerns.

We pledge that while striving to enhance the quality of our services and merchandise, NWDS will continue to contribute to society and protect the environment. As always, we will listen and respond to the views of all stakeholders and join hands with them to build a better future.



Data Tables

Staff Benefits and Development

Number of Employees (GRI G4-10)		Total	Gender		Region			
			Male	Female	Hong Kong	Northern China Region	Central Western China Region	South Eastern China Region
Employee Type	Permanent	6,750	2,928	3,822	20	3,226	1,596	1,908
	Contract	34	11	23	0	34	0	0
Employment Contract Type	Long-term Contract	2,088	993	1,095	20	868	565	635
	– Full time	2,087	2,087		20	868	565	634
	– Part time	1	1		0	0	0	1
	Fixed-term or Temporary Contract	4,696	4,696		0	2,392	1,031	1,273

Remarks: The breakdown of data of employment contract by gender is not fully available at the moment. We will continue to improve our data collection system and include these figures in future reports.

Staff Establishment Breakdown		
	Male	Female
Assistant General Manager and above	61 (0.9%)	45 (0.7%)
Manager	82 (1.2%)	76 (1.1%)
Assistant Manager	108 (1.6%)	130 (1.9%)
Back-office Officer and below	2,004 (29.5%)	1,119 (16.5%)
Frontline Officer and below	687 (10.1%)	2,472 (36.4%)
Total	2,942 (43.4%)	3,842 (56.6%)

New Employee Hires and Employee Turnover (GRI G4-LA1)			
		FY2014	FY2013
Employee	By Gender		
	Male	2,942	3,006
	Female	3,842	3,941
	By Age		
	Aged under 30	2,607	2,587
	Aged 30-39	3,086	3,275
	Aged 40-49	926	912
	Aged 50 or above	165	173
	By Region		
	Hong Kong	20	23
	Northern China Region	3,260	3,038
	Central Western China Region	1,596	1,695
South Eastern China Region	1,908	2,191	
Total	6,784	6,947	

New Employee Hires and Employee Turnover (GRI G4-LA1)			
		FY2014	FY2013
New Employee Hires	By Gender		
	Male	1,148 (17%)	1,228 (18%)
	Female	1,623 (24%)	1,605 (23%)
	By Age		
	Aged under 30	1,776 (26%)	1,610 (23%)
	Aged 30-39	855 (13%)	1,060 (15%)
	Aged 40-49	129 (2%)	153 (2%)
	Aged 50 or above	11 (0.2%)	10 (0.1%)
	By Region		
	Hong Kong	3 (0.04%)	7 (0.10%)
	Northern China Region	1,564 (23%)	1,373 (20%)
	Central Western China Region	663 (10%)	557 (8%)
South Eastern China Region	541 (8%)	896 (13%)	
Total	2,771 (41%)	2,833 (41%)	
Employee Turnover	By Gender		
	Male	1,349 (20%)	1,321 (19%)
	Female	1,855 (27%)	2,026 (29%)
	By Age		
	Aged under 30	1,720 (25%)	1,731 (25%)
	Aged 30-39	1,210 (18%)	1,327 (19%)
	Aged 40-49	225 (3%)	247 (4%)
	Aged 50 or above	49 (1%)	42 (0.6%)
	By Region		
	Hong Kong	4 (0.06%)	3 (0.04%)
	Northern China Region	1,585 (23%)	1,635 (24%)
	Central Western China Region	810 (12%)	751 (11%)
South Eastern China Region	805 (12%)	958 (14%)	
Total	3,204 (47%)	3,347 (48%)	

Data Tables

Occupational Health and Safety Statistics (GRI G4-LA6)			
		FY2014	FY2013
Absentee Rate	By Gender		
	Male	0.71%	0.77%
	Female	2.88%	2.60%
	By Region		
	Hong Kong	1.23%	0.73%
	Northern China Region	1.88%	1.68%
	Central Western China Region	2.52%	2.07%
	South Eastern China Region	1.67%	1.86%
Overall	1.94%	1.82%	
Lost Day Rate	By Gender		
	Male	35.051	29.860
	Female	8.142	13.379
	By Region		
	Hong Kong	0	0.000
	Northern China Region	18.802	28.081
	Central Western China Region	16.697	1.115
	South Eastern China Region	23.869	22.216
Overall	19.827	20.440	
Injury Rate	By Gender		
	Male	0.515	0.749
	Female	0.211	0.215
	By Region		
	Hong Kong	0	0
	Northern China Region	0.499	1.153
	Central Western China Region	0.153	0.440
	South Eastern China Region	0.202	0.207
Overall	0.343	0.450	
Occupational Disease Rate	By Gender		
	Male	0	0
	Female	0	0
	By Region		
	Hong Kong	0	0
	Northern China Region	0	0
	Central Western China Region	0	0
	South Eastern China Region	0	0
Overall	0	0	

Remarks: The rates of absenteeism, lost days and occupational diseases were calculated with reference to the GRI Guidelines.

Occupational Health and Safety Statistics (GRI G4-LA6)			
		FY2014	FY2013
Number of Fatalities	By Gender		
	Male	1	0
	Female	0	0
	By Region		
	Hong Kong	0	0
	Northern China Region	1	0
	Central Western China Region	0	0
	South Eastern China Region	0	0
Overall	1	0	

Average Training Hours per Staff per Year (GRI G4-LA9)			
	Unit	FY2014	FY2013
By Position Level			
Assistant General Manager and above	Hour	5.9	5.8
Manager	Hour	22.2	17.2
Assistant Manager	Hour	24.8	26.5
Back-office Officer and below	Hour	9.8	9.8
Frontline Officer and below	Hour	16.2	15.6
By Gender			
Male	Hour	31.4	30.4
Female	Hour	23.9	22.9

Remarks: The staff training data of Hong Kong Office is not available at the moment. We will collect the relevant data and disclose such data in future reports.

Return to Work and Retention Rates after Parental Leave, by Gender		
	Male	Female
No. of staff entitled to parental leave	2,576	3,338
The actual number of employees who used the parental leave in this reporting period	112	1,216
The number of employees return to work after parental leave in this reporting period	97	163
The number of employees return to work after parental leave in previous year	76	225
The number of employees return to work after parental leave and continue to work for 1 year in previous year	55	119
Return to work rate after parental leave	86.6%	13.4%
Retention rate after parental leave	72.4%	52.9%



Environmental Protection

Energy Consumption (GRI G4-EN3)						
By Type	Unit	FY2014	FY2013	FY2012	FY2011	FY2010
Coal	GJ	0	17,160	66,136	93,106	144,658
Natural Gas	GJ	145,493	154,495	95,915	100,346	124,617
Gasoline	GJ	37,584	28,278	40,604	20,284	25,143
Diesel	GJ	1,541	1,009	1,152	6,670	7,660
Electricity	GJ	930,156	854,185	885,330	816,392	702,014

Energy Intensity (GRI G4-EN5)						
By Type	Unit	FY2014	FY2013	FY2012	FY2011	FY2010
Coal	MJ/m ² /annum	0	12	52	80	139
Natural Gas	MJ/m ² /annum	93	112	76	87	120
Gasoline	MJ/m ² /annum	24	20	32	17	24
Diesel	MJ/m ² /annum	0.989	0.731	0.908	5.752	7.347
Electricity	MJ/m ² /annum	597	619	698	704	673

Remarks: The stores, including Yantai Store and Shanghai Hongxin Trendy Plaza, are newly opened this year, therefore their data are not available at the moment. No energy intensity data is collected from Shanghai Management Office at the moment. We will continue to improve our data collection system and include these figures in future reports.

Materials Used (GRI G4-EN1)						
By Type	Unit	FY2014	FY2013	FY2012	FY2011	FY2010
A4 Paper	Kilograms	41,437	38,914	38,352	35,777	33,661
A3 Paper	Kilograms	1,065	1,548	804	718	824
Paper Products	Kilograms	66,752	69,893	73,687	66,697	58,009
Plastics Bags	Kilograms	666	960	1,203	1,608	1,140

Remarks: The stores, including Yantai Store and Shanghai Hongxin Trendy Plaza, are newly opened this year, therefore their data are not available at the moment. No energy intensity data are collected from Ningbo Trendy Store and Shanghai Management Office at the moment. We will continue to improve our data collection system and include these figures in future reports.

Waste by Type (GRI G4-EN23)		
	Unit	FY2014
General Waste	Kilograms	1,905,368
Paper	Kilograms	26,267
Cardboard	Kilograms	550,397
Plastics	Kilograms	13,902
Aluminium Cans	Kilograms	2,048
Scrap Metals	Kilograms	807
Glass	Kilograms	150
Food Waste	Kilograms	3,567,192
Used Cooking Oil	Kilograms	5,009
Toners	Kilograms	579

Remarks: Waste can be disposed to landfill, being incinerated and recycled. The stores, including Yantai Store and Shanghai Hongxin Trendy Plaza, are newly opened this year, therefore their data are not available at the moment. No waste data is collected from Shanghai Management Office at the moment. We will review the waste management procedures and present the detailed guidelines in FY2015 to enhance staff awareness of waste management. We will continue to improve our data collection system and include these figures in future reports.



GRI G4 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 Hong Kong Exchanges and Clearing Limited (HKEx). The disclosures are presented below with either linkage to the reported section(s) or direct answer(s).

General Standard Disclosures				
General Standard Disclosures	Cross-reference/ Comments	External Assurance	With reference to the Environmental, Social and Governance (ESG) Reporting Guide of HKEx	Page(s)
Strategy and Analysis				
G4-1 Statement from the most senior decision-maker of the organization	Message from the Chairman	✓		P.4
Organizational Profile				
G4-3 Name of the organization	Our Business	✓		P.6
G4-4 Primary brands, products and services	Our Business Annual Report – Financial Section (P. 134-137)	✓		P.6
G4-5 Location of organization's headquarters	Hong Kong Office Address: 7/F, 88 Hing Fat Street, Causeway Bay, Hong Kong	✓		
G4-6 Number of countries where the organization operates	Our Business	✓		P.6
G4-7 Nature of ownership and legal form	Our Business Annual Report – Financial Section (P. 134-137)	✓		P.6
G4-8 Markets served	Our Business	✓		P.6

General Standard Disclosures				
General Standard Disclosures	Cross-reference/ Comments	External Assurance	With reference to the Environmental, Social and Governance (ESG) Reporting Guide of HKEx	Page(s)
G4-9 Scale of the organization	Our Business Data Tables	✓		P.6 P.58
G4-10 Number of employees	Data Tables	✓	A1.1	P.58
G4-11 Percentage of employees covered by collective bargaining agreements	Employees are not covered by collective bargaining agreements	✓		
G4-12 Organization's supply chain	Our Operations	✓	C1.1	P.48
G4-13 Significant changes during the reporting period regarding size, structure, ownership or organization's supply chain	Our Business Our Operations	✓		P.6 P.48
G4-14 Explanation of whether and how the precautionary approach or principle is addressed by the organization	Annual Report – Corporate Governance Report (P. 54-60)	✓		
G4-15 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses	Our Green Mission	✓		P.28
G4-16 Memberships in associations and/or national/international advocacy organizations	No membership in associations and/or national/international advocacy organizations	✓		



General Standard Disclosures				
General Standard Disclosures	Cross-reference/ Comments	External Assurance	With reference to the Environmental, Social and Governance (ESG) Reporting Guide of HKEx	Page(s)
Identified Material Aspects and Boundaries				
G4-17 Entities included in the organization's consolidated financial statements or equivalent documents	Annual Report – Financial Section (P. 81-138)	✓		
G4-18 Process for defining report content and the aspect boundaries	About this Report	✓		P.2
	Our Sustainability Values			P.10
G4-19 Material aspects identified in the process for defining report content	About this Report	✓		P.2
	Our Sustainability Values			P.10
G4-20 Aspect boundary within the organization for each material aspect	About this Report	✓		P.2
	Our Sustainability Values			P.10
G4-21 Aspect boundary outside the organization for each material aspect	About this Report	✓		P.2
	Our Sustainability Values			P.10
G4-22 Explanation of the effect of any re-statements of information provided in previous reports, and the reasons for such re-statement	This is our first sustainability report	✓		
G4-23 Significant changes from previous reporting periods in the scope and aspect boundaries	Not applicable	✓		

General Standard Disclosures				
General Standard Disclosures	Cross-reference/ Comments	External Assurance	With reference to the Environmental, Social and Governance (ESG) Reporting Guide of HKEx	Page(s)
Stakeholder Engagement				
G4-24 List of stakeholder groups engaged by the organization	Our Sustainability Values	✓		P.10
G4-25 Basis for identification and selection of stakeholders with whom to engage	Our Sustainability Values	✓		P.10
G4-26 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Our Sustainability Values	✓		P.10
G4-27 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Our Sustainability Values	✓		P.10
Report Profile				
G4-28 Reporting period	About this Report	✓		P.2
G4-29 Date of most recent previous report	Not applicable	✓		
G4-30 Reporting cycle	Expected once a year	✓		

GRI G4 Content Index

General Standard Disclosures				
General Standard Disclosures	Cross-reference/ Comments	External Assurance	With reference to the Environmental, Social and Governance (ESG) Reporting Guide of HKEx	Page(s)
G4-31 Contact point for questions regarding the report or its contents	About this Report	✓		P.2
G4-32 GRI Content Index, the 'in accordance' option the organization has chosen and the reference to the External Assurance (if any)	GRI G4 Content Index	✓		P.62
G4-33 Policy and current practice with regard to seeking external assurance for the report	About this Report Verification Statement	✓		P.2 P.67
Governance				
G4-34 Governance structure of the organization	Our Sustainability Values Annual Report – Corporate Governance Report (P. 54-60)	✓		P.10
Ethics and Integrity				
G4-56 Organization's values, principles, standards and norms of behavior	Our Business Annual Report – Corporate Governance Report (P. 54-60)	✓		P.6

Specific Standard Disclosures					
Material Aspects	DMA and Indicators	Cross-reference/Comments	External Assurance	With Reference to Environmental, Social and Governance (ESG) Reporting Guide of HKEx	Page(s)
Economic Performance	DMA	Our Business Annual Report – Corporate Governance Report (P. 54-60)	✓		P.6
	G4-EC1 Direct economic value generated and distributed	Our Community Data Summary Annual Report – Financial Section (P. 8-9)	✓	D1.2	P.20
Indirect Economic Impacts	DMA	Our People	✓		P.40
	G4-EC8 Significant indirect economic impacts, including the extent of impacts	Our Business Our People	✓		P.6 P.40
Procurement Practices	DMA	Our Business Our Operations	✓		P.6 P.48
	G4-EC9 Proportion of spending on local suppliers at significant locations of operation	Our Operations	✓		P.48
Materials	DMA	Our Green Mission Data Tables	✓	B2	P.28 P.58
	G4-EN1 Materials used by weight or volume	No mechanism to separate the calculation of renewable and non-renewable materials used	✓		



Specific Standard Disclosures					
Material Aspects	DMA and Indicators	Cross-reference/Comments	External Assurance	With Reference to Environmental, Social and Governance (ESG) Reporting Guide of HKEx	Page(s)
Energy	DMA	Our Green Mission	✓	B2, B2.3	P.28
	G4-EN3 Energy consumption within the organization	Data Tables	✓	B2.1	P.58
Effluents and Waste	DMA	Our Green Mission	✓		P.28
	G4-EN23 Total weight of waste by type and disposal method	Data Tables No disposal of hazardous waste	✓	B1.4	P.58
Employment	DMA	Our People	✓	A1, A4	P.40
	G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region	Data Tables	✓	A1.2	P.58
Labor/Management Relations	DMA	Our People	✓		P.40
	G4-LA4 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	We will provide different notice periods for different operational changes. For example, there will be a two-month notification period prior to the change in business operation in stores and offices.	✓		

Specific Standard Disclosures					
Material Aspects	DMA and Indicators	Cross-reference/Comments	External Assurance	With Reference to Environmental, Social and Governance (ESG) Reporting Guide of HKEx	Page(s)
Occupational Health and Safety	DMA	Our People	✓	A2, A2.3	P.40
	G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Data Tables	✓	A2.1, A2.2	P.58
Training and Education	DMA	Our People	✓	A3	P.40



GRI G4 Content Index

Specific Standard Disclosures					
Material Aspects	DMA and Indicators	Cross-reference/Comments	External Assurance	With Reference to Environmental, Social and Governance (ESG) Reporting Guide of HKEx	Page(s)
Training and Education	G4-LA9 Average hours of training per year per employee by gender, and by employee category	Data Tables	✓	A3.1, A3.2	P.58
Labor Practices Grievance Mechanisms	DMA	Our People	✓		P.40
	G4-LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Our People We will handle the reported cases in fair, efficient and confidential manners. During the year under review, there were 26 reported cases.	✓		P.40
Non-discrimination	DMA	Our People	✓		P.40
	G4-HR3 Total number of incidents of discrimination and corrective actions taken	During the year under review, there was no discrimination incident identified.	✓		
Forced or Compulsory Labor	DMA	Our People	✓		P.40
	G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Our People	✓		P.40

Specific Standard Disclosures					
Material Aspects	DMA and Indicators	Cross-reference/Comments	External Assurance	With Reference to Environmental, Social and Governance (ESG) Reporting Guide of HKEx	Page(s)
Customer Health and Safety	DMA	Our Operations	✓		P.48
	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	During the year under review, there was no incident of non-compliance identified in relation to health and safety impacts of products and services.	✓		
Marketing Communications	DMA	Our Operations	✓		P.48
	G4-PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	During the year under review, there was no incident of non-compliance identified in relation to marketing communication practices, including advertising, promotion, and sponsorship.	✓		
Customer Privacy	DMA	Our Operations	✓	C2.5	P.48
	G4-PR8 Total number of substantiated breaches of customer privacy and losses of customer data	During the year under review, there was no incident of substantiated complaints identified in relation to customer privacy.	✓		



Verification Statement



Scope and Objective

Hong Kong Quality Assurance Agency (HKQAA) was commissioned by the New World Department Store China Limited (NWDS) to provide independent assurance of the NWDS Sustainability Report 2014 (the Report). This Statement is to confirm that the Report was prepared in accordance with the Core option of the G4 Sustainability Reporting Guidelines issued by the Global Reporting Initiative (GRI). The Report states NWDS' major activities and achievements on sustainable development from 1 July 2013 to 30 June 2014.

Assurance Methodology

The assurance process on the Report in its entirety was carried out with reference to the GRI's relevant guidelines, and the sustainability information and data were verified against the International Standard on Assurance Engagement 3000 – "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" for a reasonable level of assurance. The assurance process consisted of:

- reviewing sampled documentation
- checking the data management mechanism
- communication and interview with relevant personnel responsible for compiling the data
- verifying the selected representative samples and examining the supporting evidence, including raw data that supports the report contents
- undertaking analytical procedures over the reported data

Processes for data collection, aggregation, calculation and internal vetting were reviewed and examined in order to confirm the extent of robustness. Accuracy and reliability of the aggregated data was sample checked. Recommendations are stated on a separate report provided to NWDS.

Independence

HKQAA including verification team was not involved in collecting and computing the reporting data and information, and in the development of the Report. HKQAA's verification activities are independent from NWDS.

Conclusion

Based on the evidence sampled, the verification team confirmed that the Report was prepared based on factual statements, the data presented in the Report is reliable and the level of accuracy of sustainability performance information is acceptable. It is observed that the information presented in the Report has provided a material and complete representative of the performance of NWDS in the context of sustainable development.

Overall conclusion, the Report is a clear and honest representation of initiatives, targets, progress and achievement on NWDS' sustainability performance during the reporting period at a reasonable level. The Report is also able to provide an adequate and fair account of NWDS' sustainable performance on material aspects and demonstrates satisfactory disclosure of NWDS' sustainability performance according to the Core option of the GRI's G4 Sustainability Reporting Guidelines.

Signed on behalf of Hong Kong Quality Assurance Agency

Bryan Peng
Assistant Director, Manufacturing & Service
7th November 2014

Thomas Ma
Verification Team Leader
7th November, 2014

Your Feedback

Thank you for your time in reading our first 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 sustainability report?
 Excellent Good Satisfactory Acceptable
- How useful is the information of this report?
 Excellent Good Satisfactory Acceptable
- Based on the information provided by this report, how would you rate our sustainability performance?
 Excellent Good Satisfactory Acceptable
- Does the report give a clear presentation of information?
 Very clear Clear Appropriate 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 agencies 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!







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)
(股份代號 Stock Code: 825)

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