



**WING ON COMPANY INTERNATIONAL LIMITED**

**永安國際有限公司**

(Incorporated in Bermuda with limited liability)

(Stock code: 289)

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT  
2016**

## **Introduction**

Wing On Company International Limited (the “Company”) and its subsidiaries (the “Group”) recognise the merits of environmental, social and governance (“ESG”) and are committed to sustainable development and responsible environmental protection.

This is the first Environmental, Social and Governance Report (the “Report”) of the Group. This Report is prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). This Report covers the reporting period from 1 January 2016 to 31 December 2016 (the “Year”). This Report is focused largely on the Group’s environmental and social performance of Hong Kong operations comprising the department stores operation and the property investments operation during the Year. Corporate Governance is addressed separately in our Corporate Governance Report which is included in the 2016 Annual Report.

Throughout the Year, the Group complied with the provisions contained in the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Listing Rules.

The Board of Directors (the “Board”) has the overall responsibility for the ESG strategy and reporting. The Board is also responsible for evaluating and determining the ESG related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place. Management has confirmed to the Board that such systems are effective.

The Board has delegated the ESG responsibility to an ESG Committee comprising of senior management of the Group. The Group is committed to making continuous improvements from the aspects of corporate environmental protection and social responsibility and has taken measures to supervise and implement policies to manage ESG issues for the sustainable development of the Group. In particular, the Group aims to reduce harmful greenhouse gas emissions, minimise unnecessary disposal of waste in its ordinary course of business and provide a safe and supportive environment for its employees. Through meetings and discussions of the ESG Committee, various policies and guidelines were set to address environmental and social matters. Moreover, key performance indicators were identified, tracked and closely monitored for the purpose of ensuring continuous improvement. Work progresses and results of key performance indicators were regularly updated and communicated to the Group’s employees to ensure they understand the Group’s strategic direction and share the same vision.

## Environment

The Group identified emission of greenhouse gas and generation of non-hazardous waste from its operations as material ESG issues which had an adverse impact on the environment. Due to the business nature of the Group, no hazardous waste were produced during the Year and air emissions of nitrogen oxides, sulphur oxides and particulate matter from its vehicles were not material. The Group has complied with all relevant laws and regulations relating to air and greenhouse gas emissions and non-hazardous waste during the Year.

The major contributors to the Group's greenhouse gas emission were energy consumption (through the use of electricity and fuel) and disposal and treatment of paper waste (through breakdown of organic matter in landfills). Other contributors include water usage and air travel for business purposes. The non-hazardous waste of the Group were mainly generated from disposal and treatment of paper waste and disposal of electrical appliances.

The ESG Committee holds regular meetings to formulate environmental protection policies and guidelines. Since 2015, the Group has implemented various measures to minimise its impact on the environment through enhancing energy utilisation, minimising waste and reducing greenhouse gas emissions.

Listed below were some key initiatives pursued during the Year (certain initiatives commenced in 2015 and continued to be adopted for the benefit of the Group throughout 2016 are specified in brackets below):

### Electricity

- Replaced chiller plants at Godown Building (adopted in 2015).
- Reduced luminance in office over-lit area and fitted energy efficient lights in newly renovated stores (commenced in 2015).
- Installed centralised multi-functional printers and photocopiers to reduce the number of printing equipment.
- Conducted energy audit in some store premises to explore electricity saving opportunities (adopted in 2015).
- Signed the "Charter on External Lighting" issued by Environment Bureau to switch off external lightings from 11pm or midnight to 7am.
- Installed 2 electric vehicle charging stations at the car park of Wing On Centre.

### Fuel

- Started arranging customer delivery bookings according to truck roster and eliminated 2 trucks of Pre-Euro IV emission standard to improve truck utilisation.
- Installed GPS finder in delivery trucks to monitor driving behavior to reduce fuel wastage (adopted in 2015).

#### Paper

- Set up system to log and report printing usage of individual operating units regularly to monitor and measure performance.

#### Waste management

- Handed over shredded paper and electrical appliances to recyclers (commenced in 2015).
- Donated used office appliances to charities.

During the Year, the Group benefited from the above initiatives and achieved an overall 7.2% decrease in greenhouse gas emission compared to 2015.

Despite (i) a decrease in fuel consumption by 7,125 litres (or 13.7%); (ii) a decrease in electricity consumption by 1,593 Mwh (or 7.1%); (iii) a decrease in paper waste disposal by 4.4 tonnes (or 28.9%), the greenhouse gas emission intensity of the Group (being a measure of the amount of greenhouse gas emission per HK\$1 million of revenue generated) marginally increased by 0.9% in the Year compared to 2015, mainly due to a decline in revenue of the Group.

The ESG Committee will consider all practical measures at reasonable cost to reduce emission levels of greenhouse gases and to minimise disposal of waste.

The following table summarizes the Group's environmental performance:

**Greenhouse gas emissions (with resources consumption and non-hazardous waste disposal figures):**

	2016	2015	Year-on-year variance (in %)
<b>Scope 1 - Direct emissions and removals</b>			
<b>Fuel consumed</b> <sup>(Note 8)</sup>			
(in litres)	44,855	51,980	-13.7%
(in tCO <sub>2</sub> e)	115	134	-14.2%
Intensity per HK\$1m revenue			
(in litres)	26.3	28.1	-6.4%
(tCO <sub>2</sub> e)	0.068	0.072	-5.6%
<b>Scope 2 - Energy indirect emissions</b>			
<b>Electricity consumed</b> <sup>(Note 4)</sup>			
(in Mwh)	20,896	22,489	-7.1%
(in tCO <sub>2</sub> e)	13,601	14,640	-7.1%
Intensity per HK\$1m revenue			
(in Mwh)	12.27	12.16	+0.9%
(in tCO <sub>2</sub> e)	7.99	7.91	+1.0%
<b>Scope 3 - Other indirect emissions</b>			
1. Paper consumed <sup>(Note 9)</sup>			
(in tonnes)	14.2	17.6	-19.3%
(in tCO <sub>2</sub> e)	68	84	-19.0%
2. Greenhouse gas avoided by recycling waste paper <sup>(Note 9)</sup>			
(in tonnes)	3.4	2.4	+41.7%
(in tCO <sub>2</sub> e)	16	12	+33.3%
<b>Paper waste disposal</b> <sup>(1) minus (2)</sup>			
(in tonnes)	10.8	15.2	-28.9%
(in tCO <sub>2</sub> e)	52	72	-27.8%
Intensity per HK\$1m revenue			
(in tonnes)	0.006	0.008	-25.0%
(in tCO <sub>2</sub> e)	0.030	0.039	-23.1%
<b>Water usage</b> <sup>(Note 5 &amp; 6)</sup>			
(in m <sup>3</sup> )	18,902	20,401	-7.3%
(in tCO <sub>2</sub> e)	11	12	-8.3%
Intensity per HK\$1m revenue			
(in m <sup>3</sup> )	11.10	11.03	+0.6%
(in tCO <sub>2</sub> e)	0.00643	0.00638	+0.8%
<b>Air travel by staff</b> <sup>(Note 7)</sup>			
(in km)	539,317	520,947	+3.5%
(in tCO <sub>2</sub> e)	78	79	-1.3%
Intensity per HK\$1m revenue			
(in km)	316.7	281.6	+12.5%
(in tCO <sub>2</sub> e)	0.046	0.043	+7.0%
<b>Total emissions (direct and indirect) and removals</b>			
<b>Total greenhouse gas emissions (in tCO<sub>2</sub>e)</b>	<b>13,857</b>	<b>14,937</b>	<b>-7.2%</b>
<b>Intensity per HK\$1m revenue (in tCO<sub>2</sub>e)</b>	<b>8.14</b>	<b>8.07</b>	<b>+0.9%</b>

Notes:

1. Greenhouse gas emissions were generated from the Group's department stores operation and property investments operation in Hong Kong.
2. The Group's revenue from Hong Kong operations was used as the denominator to calculate greenhouse gas emissions intensity. The Group's revenue from Hong Kong operations for 2015 and 2016 was HK\$1,850 million and HK\$1,703 million respectively.
3. Greenhouse gas emissions data is presented in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) and the calculation methodology is based on the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" issued by Electrical and Mechanical Services Department and Environmental Protection Department.
4. Emissions relating to electricity consumption are based on the latest emission factors provided by the two Hong Kong power companies, i.e. Hongkong Electric Company Limited and CLP Power Hong Kong Limited. For the Group's department store buying office in Guangzhou, the emission factor is based on the "2014 Emission Factors for purchased electricity within Mainland China" published by Climate Change Info-Net.
5. Emissions relating to water consumption are based on the latest emission factors provided by Hong Kong Water Supplies Department and Drainage Services Department.
6. The water consumption data mainly covers the common area of property investments operation in Hong Kong.
7. Emissions relating to air travel by staff are based on "International Civil Aviation Organization Carbon Emissions Calculator", provided on the website of International Civil Aviation Organization.
8. Fuel consumption includes fuel used by delivery trucks and vehicles.
9. Emissions relating to paper waste disposal is equal to emissions from paper consumption minus emissions avoided from recycling waste paper. Paper consumption refers to paper used for copying and printing, while the amount of recycle of waste paper refers to those recorded in recycling vendor invoices.
10. All data is provided and verified by respective department heads.

#### Department stores operation

Shopping bags used by the Group's department stores operation is also a major source of resource consumption. To reduce usage, we always encourage customers to bring their own bag and we also use Forest Stewardship Council certified paper for shopping bags. Throughout the Year, 2,289,000 shopping bags were consumed (representing 20.9% decrease in consumption compared to 2015).

#### Shopping bags consumed:

	2016 Pieces (in '000)	2015 Pieces (in '000)	Year-on-year variance (in %)
Shopping bags consumed	2,289	2,893	-20.9%
Intensity per HK\$1m revenue	1.78	2.01	-11.4%

Notes:

1. The amount of shopping bags consumed relate to the Group's department stores operation only.

2. The Group's revenue from department stores operation was used as the denominator to calculate shopping bags consumed intensity. The Group's revenue from department stores operation for 2015 and 2016 was HK\$1,439 million and HK\$1,283 million respectively.
3. All data is provided and verified by respective department heads.

### Property investments operation

The Group's commercial investment properties located in Melbourne, Australia has been rated according to the National Australian Built Environment Rating System ("NABERS"). NABERS is a national rating system that measures the environmental performance of Australian buildings. NABERS converts the performance information, such as utility bills into easy to understand star rating scales from one to six stars. During the rated period of 1 October 2015 to 30 September 2016, the Group's Melbourne properties achieved a 4-star (good performance) rating on NABERS 6 star scale in terms of energy and greenhouse gas emissions environmental impact. A 2.5 to 3 stars represent average performance and a 6 star rating demonstrates market leading performance.

The total associated greenhouse gas emissions (from direct emissions from fuel consumption, indirect emissions from energy consumption and other indirect emissions) amounted to 6,033 tCO<sub>2</sub>e (or 0.11 tCO<sub>2</sub>e) per square meter of net lettable area. During the rated period, the leasing office of the properties comprised 6 staff, who were responsible for all leasing, accounting and administrative matters. Building management services were outsourced to reputable professional property management companies who provide a high standard of services to tenants, and hence, other detailed resources consumption data are not available.

The Group's investment properties located in Houston, United States of America is a non-core property in our investment property portfolio. We have also engaged a reputable professional property management company to provide all services to the building's tenants and therefore, no relevant data are available for the purpose of this Report.

## Social

### Employment and labour practices

The Group considers its employees as one of the important assets for development. A strong and stable workforce is the foundation to sustainability and long term success of the Group's businesses.

#### (a) Employment

The Group has set relevant employment policies in its employee handbook which clearly states the policies on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare. Benefit and compensation packages are also reviewed regularly to maintain competitiveness with local market practices. As at 31 December 2016, the Group had a total of 804 employees, including permanent, temporary and part-time staff employed by the department stores operation and property investments operation in Hong Kong. Most of them were stationed in Hong Kong. Employees were recruited through various means depending on the job specifications. Once recruited, all employees are assessed, compensated and promoted based on their skills, performance and qualifications.

The Group's department stores operation was awarded the "2015/2016 Family-Friendly Employer" by The Family Council. This award recognises our implementation of family-friendly human resources practices, such as flexi-rostering, compassionate leave and internship for employees' children, etc.

Throughout the Year, the Group complied with all relevant employment laws and regulations.

#### (b) Health and safety

The Group is committed to providing a safe working environment to all its employees and to protect them from occupational hazards. Policies, guidelines and work procedures have been adopted on work safety related matters to ensure compliance with relevant laws and regulations. For example, training and instructions on using ladders and carrying heavy loads are provided to employees to reduce safety risks. A safety officer is appointed to supervise and monitor the implementation of safety measures. Different types of health and safety training courses are provided to employees, covering topics on the prolonged use of computers, first-aid and office stretching exercises, etc.



(c) Development and training

The Group's department stores operation launched various types of internal training courses in order to ensure that employees are equipped with the necessary knowledge, skills and attitude to achieve a satisfactory level of service standard. The Human Resources Division of the Group is responsible to review and conduct training activities to cater to the training needs of our employees. During the Year, training programmes, such as "Frontline Elite Training" and "Services & Courtesy Award Training Program" were designed to enhance the service skills and attitude of frontline employees. The Group also provides external education subsidies to employees to pursue job-related continuous learning.

(d) Labour standards

The Group prohibits child and forced labour. The Group requires all operational units to ensure that they do not use child and/or forced labour. The Human Resources Division of the Group is responsible for checking and ensuring that no under-aged child are employed and that no employees are forced to work against their will. All overtime work is on a voluntary basis and employees eligible under the Group's remuneration policy will be paid for working overtime accordingly. Throughout the Year, the Group has not engaged in the use of child or forced labour.

## Operating practices

### (a) Supply chain management

It is important that our suppliers also value and act on the principles of sustainable development. The success of the Group's operations relies on a close relationship with suppliers. The Group has developed a Supplier Code of Conduct for its department stores and property investments operations.

A Supplier Self-Assessment Questionnaire which covers regulatory compliance of environmental conservation, occupational health and safety, employment practices and business ethics have been sent out to all our active suppliers of department stores operation in November 2016 to gain an understanding and to collect related information. We received feedback from 786 suppliers, which represented around 58% of all suppliers to whom we sent a Supplier Self-Assessment Questionnaire. We are not aware of any supplier who failed to comply with the relevant laws and regulations. Around 4% of our suppliers did not have any policies and control systems on corporate responsibility areas. Their sustainability performance will be considered during our annual evaluation of suppliers in considering their engagement.

We strive to maintain a good long-term relationship with service providers and to provide the best services to our customers and tenants. All service providers to the Group's operations are treated in a fair manner. Their performance is reviewed periodically based on pricing, quality, after-sale service, etc. to ensure the minimum service standard required by the Group is met.

For the Group's department stores operation, the majority of own merchandise suppliers are located in Hong Kong and European countries.

### (b) Product responsibility

The Group's department stores operation is committed to providing customers with good quality merchandise at a reasonable price. Policies and guidelines are adopted for merchandise sourcing to ensure compliance with relevant laws and regulations. For example, the Group performs background checks on suppliers (including examination of all necessary certificates or licenses of their operations) and carries out label checks on particular products. Any product found to have, or is suspected of, health, safety or label non-compliance issues will be withdrawn from the department stores immediately upon the Group's knowledge.

We generally accept merchandise return from customers and we may (where appropriate) work with relevant suppliers to resolve issues. During the Year, there were 9 incidents of products sold which were subject to recalls for health, safety and nutrition label non-compliance reasons. Amongst the incidents, 1 related to the inaccurate nutritional values being declared on the label of

the product and a fine of HK\$1,000 was imposed on the Group. Our supplier assumed responsibility for the inaccuracy of the mislabeling. In order to reduce the occurrence of such incidents, the Group conducts regularly check the accuracy of information on labels of products in its department stores although, in some instances, it is not appropriately qualified and/or in position to verify the information.

The Group recognises good customer service is key to the success and sustainability of a corporation. In the Group's department stores operation, various communication channels, such as feedback form, website, hotline services and social media platforms are established to ensure feedback is collected and thoroughly analysed. Once a complaint is received, formal investigation will be carried out by a designated department and follow-up action will be taken in a timely manner. During the Year, a total of 100 complaints from customers were reported over the Group's department stores and all of these complaints were settled with the relevant customers amicably. This represented a reduction of 12% in the number of complaint cases compared with 2015.

The Group complies with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) and Trade Description Ordinance (Cap. 362 of the Laws of Hong Kong), and respects and protects intellectual property rights. Relevant policies and guidelines are also established to monitor the above practices. For example, guidelines are developed to regulate the access, storage and disposal of personal data. Employees also attend external seminars on Personal Data (Privacy) Ordinance to keep abreast of the regulation's requirements.

The Group prohibits the use of articles, computer software, music and photos images which may lead to the infringement of copyright. We request suppliers to submit certificates and licenses of their merchandises as required under relevant regulations to ensure authentic merchandises are offered in our department stores.

#### (c) Anti-corruption

The Group recognises that ethical behaviour is utmost important to the long-term success of the Group's businesses. Relevant codes of conduct and policies (also included in employee handbook / employment contract) have been adopted to prevent bribery, extortion, fraud, money laundering and other malpractice within the Group's operations. Whistle-blowing policies are adopted so that channels are available to all employees for enquiries and/or complaints in case of suspicion of fraud or any malpractice in the operation.

Throughout the Year, we complied with relevant laws and regulations and the Group was not aware of any legal case brought against the Group and its employees concerning corrupt practices.

### Community investment

We strive to create positive impact for the communities where we operate. In view of the nature of the Group's businesses, we do not have a specific policy relating to community engagement and donations. The Group will encourage our employees to participate in community events or activities, and will entertain any donation requests on a case-by-case basis. During the Year, the Group's operating units participated in various fund raising events, sponsored community activities and we encouraged our employees to participate.

Activities and events the Group and/or its employees participated in during the Year included:

- Placement of donation boxes from different charitable organizations (such as the Society for the Prevention of Cruelty to Animals, Children Chiropractic Foundation, Christian Action and Yan Oi Tong) inside our department stores
- School-Company-Parent Program
- Orbis Mid-Autumn Charity Sale
- Haven of Hope Qile Cake Charity Sale
- A total amount of HK\$26,480 donated to different charitable organizations
- 118 hours of employee volunteering services

During the Year, the Group received several awards, including Caring Company, Heart to Heart Company and Great Entrepreneurial Spirit in School-Company-Parent Program.

## The Stock Exchange's ESG Reporting Guide Index

A. Environmental		2016	2015
A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environment (Pages 2 to 6)	The Group started to formulate policies and guidelines since the formation of ESG taskforce in 2015.
KPI A1.1	The types of emissions and respective emission data.	Not applicable. Air emissions of NO <sub>x</sub> , So <sub>x</sub> and PM from the Group's vehicles are not material.	
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	13,857 tCO <sub>2</sub> e 8.14 tCO <sub>2</sub> e/HK\$1m revenue	14,937 tCO <sub>2</sub> e 8.07 tCO <sub>2</sub> e/HK\$1m revenue
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable. Business nature of the Group does not produce hazardous waste.	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Paper waste disposal 10.8 tonnes 0.006 tonne/HK\$1m revenue	Paper waste disposal 15.2 tonnes 0.008 tonne/HK\$1m revenue
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Environment (Pages 2 to 6)	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Environment (Pages 2 to 6)	

A. Environmental		2016	2015
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Environment (Pages 2 to 6)	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity (e.g. per unit of production volume, per facility).	Fuel: 44,855 litres, 26.3 litres/HK\$1m revenue Electricity: 20,896 Mwh, 12.27 Mwh/HK\$1m revenue	Fuel: 51,980 litres, 28.1 litres/HK\$1m revenue Electricity: 22,489 Mwh, 12.16 Mwh/HK\$1m revenue
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	18,902 m <sup>3</sup> 11.10 m <sup>3</sup> /HK\$1m revenue	20,401 m <sup>3</sup> 11.03 m <sup>3</sup> /HK\$1m revenue
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Environment (Pages 2 to 6)	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Not applicable. Sourcing water that is fit for purpose and water efficiency initiatives are not considered to be material issues in the Group's operations.	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Shopping bags (in '000) 2,289 pieces 1.78 pieces/HK\$1m revenue (Department stores operation only)	Shopping bags (in '000) 2,893 pieces 2.01 pieces/HK\$1m revenue (Department stores operation only)
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	Environment (Pages 2 to 6)	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment (Pages 2 to 6)	

B. Social – Employment and Labour Practices		2016		2015	
B1 Employment	General Disclosure  Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment (Page 7)			
KPI B1.1	Total workforce by gender.  - All staff  - Corporate manager	Male  25%  53%	Female  75%  47%	Male  24%  53%	Female  76%  47%
KPI B1.1	Total workforce by employment type.  - Permanent  - Temporary & part-time	90%  10%		87%  13%	
KPI B1.1	Total workforce by age group.  - Below 31  - 31 – 40  - 41 – 50  - 51 – 60  - 60 above	8%  14%  31%  45%  2%		9%  16%  34%  39%  2%	
KPI B1.1	Total workforce by geographical region.  - Hong Kong  - China	99%  1%		99%  1%	
KPI B1.2	Employee turnover rate by gender.	Male  1.47%	Female  6.01%	Male  1.12%	Female  6.98%
KPI B1.2	Employee turnover rate by age group.  - Below 31  - 31 – 40  - 41 – 50  - 51 – 60  - 60 above	1.60%  1.47%  2.27%  2.14%  0%		2.01%  1.86%  2.62%  1.62%  0%	
KPI B1.2	Employee turnover rate by geographical region.  - Hong Kong  - China	7.48%  0%		8.11%  0%	

B. Social – Employment and Labour Practices		2016		2015	
B2 Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to provision of a safe working environment and protecting employees from occupational hazards.	Health and Safety (Page 7)			
KPI B2.1	Number and rate of work-related fatalities.	Nil		Nil	
KPI B2.2	Lost days due to work injury.	30 cases, 595 lost days		32 cases, 538 lost days	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety (Page 7)			
B3 Development and Training	General Disclosure Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	Development and Training (Page 8)			
KPI B3.1	Percentage of employees trained by gender.	Male 23%	Female 77%	Male 25%	Female 75%
KPI B3.1	Percentage of employees trained by employee category.  - Corporate manager - General staff - Temporary & part-time	  4.8% 73.9% 21.3%		  6% 78.7% 15.3%	
KPI B3.2	Average training hours completed per employee by gender.	Male 5.33 hours	Female 2.99 hours	Male 4.31 hours	Female 3.48 hours
KPI B3.2	Average training hours completed per employee by employee category (internal training).  - Frontline staff (Frontline staff of department stores operation only)	  3.1 hours		  4.3 hours	
KPI B3.2	Average training hours completed per employee by employee category (external training).  - All levels - Corporate manager - General staff - Temporary & part-time	  1.32 hours 12.32 hours 1.13 hours 0 hour		  0.92 hours 11.85 hours 0.73 hours 0 hour	



B. Social – Employment and Labour Practices		2016	2015
B4 Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards (Page 8)	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards (Page 8)	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards (Page 8)	

Notes:

1. All KPIs of employment and labour practices cover employees employed by the Group's department stores operation and property investments operation in Hong Kong, except the KPI of average training hours completed per employee by employee category (internal training) covers frontline staff of department stores operation only.
2. The total number of employees (permanent staff verse temporary and part-time staff) employed by the Group's department stores operation and property investments operation in Hong Kong as at 31 December of 2015 and 2016 was 849 (773:76) and 804 (734:70) respectively.
3. All KPIs of employment (except total workforce by employment type) refer to permanent staff only, while all KPIs of health and safety, development and training, labour standards and total workforce by employment type refer to permanent, temporary and part-time staff.
4. Work injuries include incidents requiring sick leave.
5. Training includes all job-relevant internal and external training attended by the employees.
6. All data is provided and verified by respective department heads.

B. Social – Operating Practices		2016	2015
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management (Page 9)	
KPI B5.1	Number of suppliers by geographical region.	Majority of own merchandise suppliers are located in Hong Kong and European countries (Department stores operation only)	Data not available (Department stores operation only)
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management (Page 9)	
B6 Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility (Pages 9 and 10)	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	9 incidents (Department stores operation only)	9 incidents (Department stores operation only)
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	100 cases, 100% settled (Department stores operation only)	114 cases, 100% settled (Department stores operation only)
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility (Page 10)	
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility (Pages 9 and 10)	
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product Responsibility (Page 10)	
B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption (Page 10)	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and outcomes of the cases.	Nil	Nil
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption (Page 10)	

B. Social – Community		2016	2015
B8 Community General Disclosure		Community Investment (Page 11)	
Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		
KPI B8.1	Focus areas of contribution.	Not applicable. The Group does not have focus areas of contribution.	
KPI B8.2	Resources contributed to the focus area.	Not applicable. The Group does not have focus areas of contribution.	