



**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**  
**2017**

## Introduction

Wing On Company International Limited (the “Company”) and its subsidiaries (the “Group”) recognize the importance of sound environmental, social and governance (“ESG”) practices as vital to long-term and sustainable business growth. Being a responsible corporate citizen, the Group endeavors to contribute to the environment and the community in which the Group operates.

This is the second Environmental, Social and Governance Report (the “Report”) of the Group. This Report mainly focuses on the environmental and social performance of the Group’s core operations in department stores and property investments in Hong Kong from 1 January 2017 to 31 December 2017 (the “Year”). There is no significant change in scope of this Report from that of the 2016 Environmental, Social and Governance Report published on 28 April 2017. 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”). Our corporate governance practices are set out separately in the Corporate Governance Report of the Group’s 2017 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 Group has established an ESG Committee (the “ESG Committee”), comprising members of senior management and chaired by the Group’s Chief Accountant, to set the Group’s policy and strategy on sustainability. The ESG Committee has prioritized a number of areas, namely reducing harmful greenhouse gas emissions, minimizing unnecessary disposal of waste in its ordinary course of business, and providing a safe and supportive environment for its employees, as material to the Group’s ESG strategy. The ESG Committee meets to formulate, approve and supervise the implementation of ESG measures 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 build a shared understanding of the Group’s strategic direction and progression.

## Environment

The Group identified emissions of greenhouse gas and generation of non-hazardous waste from its operations as material ESG issues which had an adverse impact on the environment. The biggest contributors to the Group's greenhouse gas emissions came from 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 was mainly generated from disposal and treatment of paper waste and disposal of electrical appliances and accessories.

Due to the business nature of the Group, no hazardous waste was produced during the Year. The air emissions of nitrogen oxides, sulphur oxides and particulate matter are generated from the Group's vehicles. Although such air emissions were considered to be not material, we have started tracking and reporting such data starting from this Year.

The Group has complied with all relevant laws and regulations relating to air and greenhouse gas emissions and non-hazardous waste during the Year.

Since 2015, the ESG Committee has formulated policies and guidelines on environmental protection and actively incorporated green considerations into daily business operations. During the Year, the ESG Committee continued to implement various practices to enhance energy utilization, reduce greenhouse gas emissions and minimize waste. The details are set out below:

### Electricity

- Modernized the lifts at Wing On Centre to save electricity and enhance service reliability.
- Removed lamps in over-lit back office areas at department stores.
- Replaced fluorescent tubes with LED lights in the office.
- Used centralized multi-functional printers and photocopies, instead of multiple standalone printing equipment to handle all printing and scanning requests.
- Conducted energy audit in some store premises to review electricity utilization performance and identify electricity saving measures.
- Signed up to the "Charter on External Lighting" launched by the Environment Bureau to switch off external lighting from 11pm or midnight to 7am to reduce light pollution and electricity consumption.
- Equipped the car park of Wing On Centre with 2 charging stations for electric vehicles to promote low carbon transportation.

### Fuel

- Eliminated 1 truck that was below Euro IV standard to improve truck utilization and reduce exhaust emissions. The entire truck fleet was upgraded to Euro IV or V standard.

- Used GPS tracking system on delivery trucks to monitor driving behavior to manage fuel consumption.

#### Paper

- Preset targets to reduce paper consumption. Individual operating units which failed to achieve the preset target had to provide explanations.
- Adopted electronic marketing channels, such as e-poster, e-catalogue, e-stamp card, QR code and on-line lucky draw registration to reduce paper consumption.

#### Waste management

- Increased the volume of shredded paper handed for recycling.
- Handed over 362 pieces of discarded point-of-sale hardware to vendors for recycling.
- Returned 222 pieces of empty toner cartridges to suppliers and green groups for recycling.
- Reused carton boxes for customer delivery orders and internal merchandise transfers.

#### Green activities

- Sponsored the “Walk for Nature at Mai Po” fundraising event organized by World Wildlife Fund Hong Kong to raise the awareness of nature conservation.
- Supported St. James’ Settlement with its mooncake collection. The donated mooncakes were transferred to the needy to reduce mid-autumn festival’s food waste.

Despite the above measures implemented during the Year, the total greenhouse gas emissions of the Group increased marginally by 0.2%. This was mainly due to various business improvement work undertaken during the Year, which resulted in rise in the use of electricity consumption by 167 Mwh (or 0.8%) and water by 5,111 m<sup>3</sup> (or 27.0%). Affected by decline in revenue of the Group, the greenhouse gas emissions intensity of the Group (being a measure of the amount of greenhouse gas emissions per HK\$1 million of revenue generated) increased by a 4.4% during the Year.

Nevertheless, the Group is committed to its ESG priorities and will work harder in the coming years to identify new opportunities for reducing carbon emissions whilst maintaining business growth.

The following tables summarize the Group's environmental performance <sup>(Note 1)</sup>:

**Greenhouse gas emissions** <sup>(Notes 2 & 3)</sup> (with resources consumption and non-hazardous waste disposal figures):

	2017	2016	Year-on-year variance (in %)
<b>Scope 1 - Direct emissions and removals</b>			
<b>Fuel consumed</b> <sup>(Note 4)</sup>			
(in litres)	44,740	44,855	-0.3%
(in tCO <sub>2</sub> e)	115	115	0%
Intensity per HK\$1m revenue <sup>(Note 5)</sup>			
(in litres)	27.4	26.3	+4.2%
(in tCO <sub>2</sub> e)	0.070	0.068	+2.9%
<b>Scope 2 - Energy indirect emissions</b>			
<b>Electricity consumed</b> <sup>(Note 6)</sup>			
(in Mwh)	21,063	20,896	+0.8%
(in tCO <sub>2</sub> e)	13,734	13,601	+1.0%
Intensity per HK\$1m revenue <sup>(Note 5)</sup>			
(in Mwh)	12.91	12.27	+5.2%
(in tCO <sub>2</sub> e)	8.42	7.99	+5.4%
<b>Scope 3 - Other indirect emissions</b>			
1. Paper consumed <sup>(Note 7)</sup>			
(in tonnes)	14.1	14.2	-0.7%
(in tCO <sub>2</sub> e)	68	68	0%
2. Greenhouse gas avoided by recycling waste paper <sup>(Note 7)</sup>			
(in tonnes)	21.1	3.4	+521%
(in tCO <sub>2</sub> e)	101	16	+531%
<b>Paper waste disposal</b> <sup>(1) minus (2)</sup>			
(in tonnes)	-7.0	10.8	-165%
(in tCO <sub>2</sub> e)	-33	52	-163%
Intensity per HK\$1m revenue <sup>(Note 5)</sup>			
(in tonnes)	-0.004	0.006	-167%
(in tCO <sub>2</sub> e)	-0.020	0.030	-167%
<b>Water usage</b> <sup>(Notes 8 &amp; 9)</sup>			
(in m <sup>3</sup> )	24,013	18,902	+27.0%
(in tCO <sub>2</sub> e)	14	11	+27.3%
Intensity per HK\$1m revenue <sup>(Note 5)</sup>			
(in m <sup>3</sup> )	14.71	11.10	+32.5%
(in tCO <sub>2</sub> e)	0.00858	0.00643	+33.4%
<b>Air travel by staff</b> <sup>(Note 10)</sup>			
(in km)	538,830	539,317	-0.1%
(in tCO <sub>2</sub> e)	50	78	-35.9%
Intensity per HK\$1m revenue <sup>(Note 5)</sup>			
(in km)	330.2	316.7	+4.3%
(in tCO <sub>2</sub> e)	0.031	0.046	-32.6%
<b>Total emissions (direct and indirect) and removals</b>			
<b>Total greenhouse gas emissions (in tCO<sub>2</sub>e)</b>	<b>13,880</b>	<b>13,857</b>	<b>+0.2%</b>
<b>Intensity per HK\$1m revenue (in tCO<sub>2</sub>e)</b>	<b>8.50</b>	<b>8.14</b>	<b>+4.4%</b>

Notes:

1. All data is provided and verified by respective department heads.
2. Greenhouse gas emissions were generated from the Group's department stores operation and property investments operation in Hong Kong.
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. Fuel consumption includes fuel used by delivery trucks and vehicles.
5. 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 2016 and 2017 was HK\$1,703 million and HK\$1,632 million respectively.
6. 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 "2015 Emission Factors for purchased electricity within Mainland China" published by Climate Change Info-Net.
7. 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.
8. Emissions relating to water consumption are based on the latest emission factors provided by Hong Kong Water Supplies Department and Drainage Services Department.
9. The water consumption data mainly covers the common area of property investments operation in Hong Kong.
10. 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.

**Air emissions** <sup>(Notes 1, 2 & 3):</sup>

	2017	2016	Year-on-year variance (in %)
Nitrogen Oxides (in g)	461,723	Data not available	n/a
Sulphur Oxides (in g)	709		
Particulate Matter (in g)	31,689		

Notes:

1. All data is provided and verified by respective department heads.
2. Air emissions are generated from the Group's delivery trucks and vehicles.
3. Air emissions are calculated in accordance with "How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs" issued by Stock Exchange.

## Department stores operation

To reduce shopping bag usage, we always encourage customers to bring their own bags. Where shopping bags are used, bags of appropriate size and in appropriate quantity are provided to avoid excessive packaging. Our shopping bags are made of Forest Stewardship Council certified paper. During the Year, shopping bag consumption decreased by 3.3% compared with 2016. However, due to the drop in revenue, shopping bag consumption intensity (being a measure of the amount of shopping bags consumed per HK\$1million of revenue generated) has increased by 2.8% compared with 2016.

### Shopping bags consumed <sup>(Notes 1 & 2)</sup>:

	2017 Pieces (in '000)	2016 Pieces (in '000)	Year-on-year variance (in %)
Shopping bags consumed	2,213	2,289	-3.3%
Intensity per HK\$1m revenue <sup>(Note 3)</sup>	1.83	1.78	+2.8%

Notes:

1. All data is provided and verified by respective department heads.
2. The amount of shopping bags consumed relate to the Group's department stores operation only.
3. The Group's revenue from department stores operation was used as the denominator to calculate shopping bag consumption intensity. The Group's revenue from department stores operation for 2016 and 2017 was HK\$1,283 million and HK\$1,212 million respectively.

## 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 December 2016 to 30 November 2017, the Group's Melbourne properties achieved a 4-star (good performance without buying green power) 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 4,930 tCO<sub>2</sub>e or 0.097 tCO<sub>2</sub>e per square meter of net lettable area (Rated period of 1 October 2015 to 30 September 2016: 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. The services (such as air-conditioning, water treatment, electrical, lifts, recycling, waste, etc.) were outsourced to reputable professional service providers who provide a high

standard of services to tenants, and hence, other detailed resources consumption data are not available.

Currently, the environmental performance data (including the rating) was compiled prior to the marketing, selling or leasing of the properties (and not on a regular fixed schedule).

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 is available for the purpose of this Report.



## Social

### Employment and labour practices

In the rapidly changing business environment, the Group views its employees as one of its greatest assets and being key to the success of the Group. To build and maintain a stable workforce, the Group is committed to creating a safe, healthy, family-friendly and harmonious work environment for its employees.

#### (a) Employment

The Group has set relevant employment policies to comply with relevant laws and regulations in Hong Kong. The Group is an equal opportunity employer and does not condone any form of unlawful discrimination. All employment decisions relating to appointment, promotion and career development are determined according to individual merit and competence. Depending on the job nature and candidates targeted, employees are recruited through various channels. To attract the best candidates and retain talented staff, the Group provides competitive remuneration and a wide range of benefits, including comprehensive medical insurance and additional paid leave entitlement when certain conditions are met. As at 31 December 2017, the Group had a total of 762 employees. They include 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. The Group, as a family-friendly employer, continues the implementation of family-friendly human resources practices, such as extra paid leave and flexi-rostering

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

#### (b) Health and safety

In order to provide a safe and healthy working environment to employees, the Group has adopted policies, guidelines and work procedures that address issues on occupational health and safety to prevent occupational hazards and to ensure compliance with relevant laws and regulations. Our safety officer performs regular occupational safety check in all working locations and monitors the implementation of safety measures to achieve a high level of safety performance. Throughout the Year, we conducted regular fire drills and organized safety workshops and briefings on fire precautions to ensure employees are fully prepared to deal with critical, fire or emergency situations in work locations. To raise employees' awareness of workplace safety, we provided to employees safety guidelines and instructions on using ladders and carrying heavy loads. We also organized various activities such as stretching exercises before work to promote the well being of employees.

#### (c) Development and training

The Group encourages employees to participate actively in various types of internal and external training activities in order to improve job performance and enhance career advancement. Through the attendance of various seminars and workshops, employees are equipped with the necessary knowledge and skills to achieve a satisfactory level of work performance.

To align with our commitment to deliver Total Customer Satisfaction, a “Breakthrough Training Day Camp” was organized for supervisors and managers to facilitate their personal breakthrough, so that a higher level of performance can be achieved. Inter-departmental communication and cohesion within the Group are improved through other teambuilding activities.

The Group encourages lifelong learning of employees by sponsoring frontline staff to apply for qualifications recognized under the “Hong Kong Qualifications Framework”. Nearly 200 frontline staff have been successfully awarded the certificate of Store Operation (General) (QF Level 3).

#### (d) Labour standards

The Group prohibits child and forced labour. The Group requires all operational units to ensure and monitor that they do not employ child and/or forced labour and Human Resources Division of the Group is responsible for checking and ensuring that no under-aged children are employed and 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 uphold the same values as ours in the environmental and social areas. The Group has developed a Supplier Code of Conduct for its department stores and property investments operations which sets out our expectations of suppliers. We seek to work with suppliers who adhere to responsible and sustainable practices.

The Group surveys all active suppliers of department stores operation periodically by a self-assessment questionnaire. The questionnaire collects information from the suppliers about their policies, control system and regulatory compliance relating to environmental conservation, occupational health and safety, employment practices and business ethics. During the Year, we received survey feedback from 695 suppliers. This represented 49% of all suppliers sent a self-assessment questionnaire. All suppliers who responded indicated that they had complied with the relevant laws and regulations. Only around 4% of the suppliers who responded indicated that they did not have any policies and control systems on corporate and social responsibilities.

We seek to make our procurement process responsible, fair and impartial. For the Group's property investments operation, all approved contractors are vetted to ensure they possess the professional qualifications and meet our requirements. Contractors of major building works are selected from tendering procedures. For the Group's department stores operation, performance of suppliers is evaluated periodically. Such period evaluation takes into account factors like the supplier's business performance, number of customer complaints received and legal compliance in the previous year. The evaluation allows us to review the performance of our suppliers and appoint our suppliers based on merit.

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

### (b) Product responsibility

The interests of our customers are always our top priority. To ensure safe and quality merchandise are offered in our department stores, policies and guidelines are adopted for merchandise sourcing. 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. Upon knowing any confirmed or potential issues associated with health, safety or label non-compliance of our products, we withdraw such products from the department stores immediately. We generally accept merchandise return from customers and we may (where appropriate) work with relevant suppliers to resolve issues. During the Year, there were 3 incidents of products sold which were subject to recalls for non-compliant food labelling.

The Group's department stores operation is committed to providing professional services to our customers. We gather comments and receive enquiries through various means, such as feedback form, website, hotline services and social media platforms. We treasure every comment from our customers. All feedback is reviewed by designated departments and all complaints are fairly investigated and promptly followed up so as to bring final resolutions. During the Year, a total of 846 customer compliments and 73 customer complaints were received regarding the department store's products or services. All of these complaints were settled with the relevant customers amicably. Compared with 2016, the number of complaints reduced by 27%.

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.

The Group has policy and guidelines to regulate access, storage and disposal of personal data. Prior written consent from our customers is obtained before using the customer's personal information for direct marketing.

To ensure our marketing practices are in full compliance with the Trade Description Ordinance, guidelines are developed to assist various departments to understand the legislation. All advertising materials are reviewed by designated departments before such materials are released or published.

The Group respects intellectual property rights of third parties. We prohibit the unauthorized use of computer software, music and photo images which may lead to infringement of copyright. We request suppliers to submit certificates and licenses of their merchandise as required under relevant regulations to ensure authentic merchandise are offered in our department stores. The Group protects its own intellectual property rights by making relevant registration for its own created brands in department stores operation.

(c) Anti-corruption

To uphold the highest standard of integrity in the workplace, 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 malpractices within the Group's operations. Each year, all employees are required to disclose their financial association or relationship that may cause conflict of interest at work. Anti-corruption talks conducted by The Independent Commission Against Corruption of Hong Kong were arranged for employees to keep abreast of the latest corruption prevention updates and tips. The Group also has a whistle-blowing policy for employees to report misconduct or malpractices through a confidential reporting channel. Throughout the Year, the Group complied with the relevant laws and regulations and the Group was not aware of any legal case brought against the Group or its employees concerning corrupt practices.

### Community investment

As a responsible corporate citizen, the Group is committed to giving back to the community. Whilst the Group does not have a specific focus area of contribution in community investment and donations, employees are encouraged to participate in different community events or activities, and the Group 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 and sponsored community activities and our employees had jointly devoted 102 hours of volunteering services in the community. A total amount of HK\$60,000 was donated to different charitable organizations.

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

- Placement of donation boxes from different charitable organizations (such as the Changing Young Lives Foundation, Orbis, Society for the Prevention of Cruelty to Animals and HelpMeSee HongKong) in our department stores
- Hong Kong Secondary School Mini-Movie Competition
- My Future – Life Experience Program
- School-Company-Parent Program
- UNICEF Charity Run
- World Wildlife Fund Walk for Nature at Mai Po
- Outward Bound Corporate Challenge
- Orbis Mid-Autumn Charity Sale

During the Year, the Group received several awards, including Caring Company, Heart to Heart Company and Long Term Voluntary Service to the School-Company-Parent Program (10 Years).

## The Stock Exchange's ESG Reporting Guide Index

A. Environmental		2017	2016
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 7)	
KPI A1.1	The types of emissions and respective emission data.	Nitrogen Oxides: 461,723 g Sulphur Oxides: 709 g Particulate Matter: 31,689 g	Data not available
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	13,880 tCO <sub>2</sub> e 8.50 tCO <sub>2</sub> e/HK\$1m revenue	13,857 tCO <sub>2</sub> e 8.14 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. Due to the business nature, 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: -7.0 tonnes, -0.004 tonne/HK\$1m revenue Electrical appliances/accessories for recycling: 362 pieces of point-of-sale hardware 222 pieces of empty toner cartridges	Paper waste disposal: 10.8 tonnes, 0.006 tonne/HK\$1m revenue
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Environment (Pages 2 to 7)	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Environment (Pages 2 to 7)	

A. Environmental		2017	2016
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Environment (Pages 2 to 7)	
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: 44,740 litres, 27.4 litres/HK\$1m revenue Electricity: 21,063 Mwh, 12.91 Mwh/HK\$1m revenue	Fuel: 44,855 litres, 26.3 litres/HK\$1m revenue Electricity: 20,896 Mwh, 12.27 Mwh/HK\$1m revenue
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	24,013 m <sup>3</sup> 14.71 m <sup>3</sup> /HK\$1m revenue	18,902 m <sup>3</sup> 11.10 m <sup>3</sup> /HK\$1m revenue
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Environment (Pages 2 to 7)	
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 pieces) 2,213 1.83 pieces/HK\$1m revenue (Department stores operation only)	Shopping bags (in '000 pieces) 2,289 1.78 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 7)	
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 7)	



B. Social – Employment and Labour Practices <sup>(Notes 1, 2 &amp; 4)</sup>		2017		2016	
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 8)			
KPI B1.1	Total workforce by gender.  - All staff  - Corporate manager	Male  26%  60%	Female  74%  40%	Male  25%  53%	Female  75%  47%
KPI B1.1 <sup>(Note 3)</sup>	Total workforce by employment type.  - Permanent  - Temporary & part-time	  90%  10%		  90%  10%	
KPI B1.1	Total workforce by age group.  - Below 31  - 31 – 40  - 41 – 50  - 51 – 60  - 60 above	  8%  13%  29%  47%  3%		  8%  14%  31%  45%  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  1.81%	Female  7.10%	Male  1.47%	Female  6.01%
KPI B1.2	Employee turnover rate by age group.  - Below 31  - 31 – 40  - 41 – 50  - 51 – 60  - 60 above	  1.38%  2.08%  1.53%  3.92%  0%		  1.60%  1.47%  2.27%  2.14%  0%	
KPI B1.2	Employee turnover rate by geographical region.  - Hong Kong  - China	  8.91%  0%		  7.48%  0%	

B. Social – Employment and Labour Practices		2017		2016	
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 8)			
KPI B2.1	Number and rate of work-related fatalities.	Nil		Nil	
KPI B2.2 <sup>(Note 5)</sup>	Lost days due to work injury.	30 cases, 219 lost days		30 cases, 595 lost days	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety (Page 8)			
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 9)			
KPI B3.1	Percentage of employees trained by gender.	Male 16%	Female 84%	Male 23%	Female 77%
KPI B3.1	Percentage of employees trained by employee category.  - Corporate manager  - General staff  - Temporary & part-time	  1.4%  79.8%  18.8%		  4.8%  73.9%  21.3%	
KPI B3.2 <sup>(Note 6)</sup>	Average training hours completed per employee by gender.	Male 4.92 hours	Female 6.20 hours	Male 5.33 hours	Female 2.99 hours
KPI B3.2	Average training hours completed per employee by employee category (internal training).  - Frontline staff (Frontline staff of department stores operation only)	8 hours		3.1 hours	
KPI B3.2	Average training hours completed per employee by employee category (external training).  - All levels  - Corporate manager  - General staff	0.83 hours  11.53 hours  0.61 hours		1.32 hours  12.32 hours  1.13 hours	

B. Social – Employment and Labour Practices		2017	2016
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 9)	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards (Page 9)	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards (Page 9)	

Notes:

1. All data is provided and verified by respective department heads.
2. 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.
3. The total number of employees (permanent staff versus 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 2016 and 2017 was 804 (734:70) and 762 (704:58) respectively.
4. 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.
5. Work injuries include incidents requiring sick leave.
6. Training includes all job-relevant internal and external training attended by the employees.

B. Social – Operating Practices		2017	2016
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management (Page 10)	
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)	
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 10)	
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 10 and 11)	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3 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.	73 cases, 100% settled (Department stores operation only)	100 cases, 100% settled (Department stores operation only)
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility (Pages 10 and 11)	
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility (Pages 10 and 11)	
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product Responsibility (Pages 10 and 11)	
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 12)	
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 12)	

B. Social – Community		2017	2016
B8 Community General Disclosure		Community Investment (Page 13)	
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.	