

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT





## *Eternal Beauty*

*Our influence today, for a beautiful tomorrow*

### **Our Vision, Making Life Beautiful**

Sa Sa has been growing with Hong Kong for over four decades, living and breathing our “Making Life Beautiful” vision. As part of our journey towards a beautiful future, we recognise the value we create for our key stakeholders, namely for our talent, customers, shareholders, suppliers, our environment, and our entire community.

Our 40th anniversary slogan of “Eternal Beauty” can only be realised when we truly learn how beauty is defined for each of our stakeholders. This means carefully focusing our approach on the needs of each one of them. As our organisation grows in an ever-changing world, the challenges we face continue to evolve. These challenges include the degree and type of damage that we potentially inflict on our environment; the livelihood and the future of our talents; changes in the expectations and behaviour of our customers within the New Retail environment; and how our daily operations and other activities impact our community. It has never been more crucial to develop a balanced, well-structured and integrated approach to governing, prioritising and managing stakeholder issues. For this reason we have established a clear governance structure comprising the Environmental Social and Governance (ESG) Team and the ESG Taskforce.



“We must be serious about planning for and delivering key Environmental, Social and Governance agendas.

I believe this is part of Sa Sa’s responsibility to the community and planet.”

Dr Simon Kwok, *SBS, JP*  
Chairman and Chief Executive Officer

Dr Eleanor Kwok, *BBS, JP*  
Vice-chairman





## Environmental, Social and Governance Structure

ESG has played a strategic role in the organisation since its inception. The Board of Directors considers ESG principles when making key strategic operational and organisational decisions in regard to all relevant key performance indicators (KPIs).

The responsibility for execution of these decisions is delegated through the Company Secretary to the ESG Senior Manager. It is then the team's role to ensure that the company's ESG vision is delivered.

An ESG Taskforce was set up in 2012 in order to embed ESG principles in each department of the organisation. The Taskforce comprises representatives from each major department at manager level or above, co-chaired by the Vice President of Strategy and Development and the ESG Senior Manager.



## A Framework for Value Creation – Sustaining the Influence

### The Framework

The framework of how we create stakeholder value was first reported in our 2015/16 ESG Report (*shared here again on the right*).

The framework articulates how our vision ultimately translates into organisational performance, through effective development of our strategy and management approach, stakeholder priorities, risk and KPI management.

A feedback loop is designed as part of the framework, since our strategy and priorities as defined by our Materiality Assessment are designed to be updated periodically, to reflect what we have learned in the process and to align with stakeholder changes over time.



\* Framework to sustain creation of stakeholders' value

### Materiality Assessment Results

The core to assessing our ESG strategy in terms of meeting stakeholders’ needs is based on the alignment of our vision with issues that are of significant importance to them. In the Materiality Assessment completed in 2016/17, we classified the top 30% (14 issues) of all issues (46 issues) as “most material” by combining the views of all key stakeholders on what is important to them. In addition, by reviewing the top 10 important issues for each key stakeholder and identifying issues that were not covered under “most material” issues, we have compiled a list of “moderately material” issues. This list consists of eight issues in total. Such process ensures that the strong viewpoints of one key stakeholder will be addressed in our follow-up actions, even if they may not align with the views of other key stakeholders.

For ease of reference in the rest of this report, the most material and moderately material issues are classified as “key issues”, around which our activities, reviews and planning are centered.

### List of Key Issues

<p><b>Employment and Labour Practices</b> (under “To Influence Our Talent” section)</p> <ul style="list-style-type: none"> <li>• Staff Benefits, Welfare, Holidays and Working Hours</li> <li>• Staff Training and Capacity Building</li> <li>• Performance Review and Promotion</li> <li>• Employee Engagement and Social Dialogue</li> <li>• Corporate Governance</li> <li>• Staff Retention, Turnover and Dismissal</li> <li>• Equal Opportunity, Non-Discrimination, Staff Diversity and Human Rights</li> <li>• Occupational Safety, Health and Security</li> </ul>	<p><b>Operating Practices</b> (under “To Influence Our Customers and Suppliers” section)</p> <ul style="list-style-type: none"> <li>• Product Responsibility, Health and Safety</li> <li>• Quality Customer Service and Management</li> <li>• Quality Assurance</li> <li>• Supply Chain Management</li> <li>• Consumer Data Protection and Privacy</li> <li>• Legal Compliance in Operation</li> </ul>
<p><b>Community Investment</b> (under “Our Influence On The Community” section)</p> <ul style="list-style-type: none"> <li>• Charity, Community Involvement &amp; Investment</li> </ul>	<p><b>Environmental Protection</b> (under “Our Influence On The Environment” section)</p> <ul style="list-style-type: none"> <li>• Eco-friendly Products and Services</li> <li>• Waste Management and Recycling of Waste</li> <li>• Environmental Awareness</li> <li>• Use of Natural Resources</li> <li>• Water Resources, Consumption, Discharges and Sustainable Management</li> <li>• Energy Consumption and Efficiency</li> <li>• Compliance with Environmental Regulations</li> </ul>

Scan the QR code to access the full results from materiality assessment, including materiality matrix





## Follow-up from Stakeholder Engagement

Phase 1: Key internal stakeholders engagement		Phase 2: Key external stakeholders engagement		Follow up actions	Phase 3
Completion date		Completion date		Completion date	Tentative Schedule
Management team	<b>March 2016</b>	Public shareholders	<b>January 2017</b>	Immediate actions on "Most Material" and "Moderately Material" issues where possible 2018, 2019	Explore opportunity to enhance ESG integration into organisation's long term goals and business plan 2019, 2020
Staff (1st batch)	<b>March 2016</b>	Customer	<b>March 2017</b>		
Board	<b>December 2016</b>			Further review priority, associated risk and resources allocation 2018, 2019	
Staff (2nd batch)	<b>March 2017</b>				

To place the stakeholder engagement process in context, the results of relevant 2017/18 activities and plans for 2018/19 for key issues are discussed in different parts of this ESG Report. Our management is conscious of the need to act on key issues based on risks and resources available in the short term, so that actions can be taken immediately. Our report on 2017/18 activities and 2018/19 plans reflect this urgency. In 2018/19, our Board of Directors will determine medium and long term goals and the necessary resource allocation so that KPIs can be set as part of our long term business plans.

## Policies and Management Approaches

To ensure that there is clear communication of Sa Sa's commitment and key management approach to issues that are of central importance to Sa Sa, a series of six policies are in place that provide the governing framework. These include:

	<b>Employment Policy</b> <ul style="list-style-type: none"> <li>To create and maintain a positive working environment</li> <li>Areas covered include compensation, recruitment, promotion, working hours, rest periods, diversity and equal opportunities, and prevention of forced and child labour</li> </ul>	
	<b>Environmental Policy</b> <ul style="list-style-type: none"> <li>To reduce the potential environmental impact of our operations</li> <li>Policy coverage includes carbon management, consumption of raw materials, transport, and product sourcing policy</li> </ul>	
	<b>Environmental, Social and Corporate Governance Policy</b> <ul style="list-style-type: none"> <li>To prescribe Sa Sa's overall commitment and management approach to decisions that impact our stakeholders in a material manner</li> </ul>	
	<b>Health and Safety Policy</b> <ul style="list-style-type: none"> <li>To provide and maintain a safe and healthy work environment</li> <li>To prevent workplace accidents</li> <li>To provide adequate and relevant guidelines and training to our talents</li> </ul>	
	<b>Responsible Product and Supply Chain Policy</b> <ul style="list-style-type: none"> <li>To continuously improve the quality of our products and customer experience</li> <li>To create sustainable, supportive relationships with our suppliers</li> <li>Policy coverage includes product safety, quality, complaint management, responsible marketing, protection of customer privacy, and supplier performance relating to sustainability</li> </ul>	
	<b>Training and People Development Policy</b> <ul style="list-style-type: none"> <li>To provide relevant training opportunities to our talents so that they can adapt to the changing needs of our customers as their customer journeys evolve</li> <li>To inspire our human capital to deliver excellence</li> </ul>	

Scan the QR code to download policy in pdf

Some of the issues such as 'Corporate Governance', 'Legal Compliance in Operation', and 'Consumer Data Protection' are covered in the Corporate Governance Report.



## To Influence Our Talents:

*Believe in the beauty of their future*

Sa Sa recognises the challenges involved to truly create value for our talents, with their fast-evolving expectations; the competition in the labour market; and the change in the expectations and behaviour of our customers in the New Retail environment. To address these challenges, Sa Sa's talent strategy is developed based on a core set of commitments and priorities that provide a strategic framework for addressing each issue.

“Our commitment: The Company values our employees and recognises that the core of our Company's success depends on our ability to inspire talent to deliver excellence. We are committed to creating and maintaining a positive working environment within which employees are able to flourish and to share the success of the Company.”

\* Per extract from Employment Policy

Key Issues	2017/18 Review	Key plans for 2018/19
Staff Training and Capacity Building	Page 69-72	<ul style="list-style-type: none"> <li>Continue to leverage tools, such as TMSS and mystery shopper to ensure we retain our continuous improvement culture</li> <li>To continue allocating resources to key training and development programmes, conduct benchmark and review as necessary via internal or external assessor</li> <li>eLearning: Continue to develop new content for eLearning platform</li> <li>Review training's role in mobilising Sa Sa's pivot to the New Retail era, fostering synergy between frontline colleagues' capabilities and the organisation's direction</li> </ul>
Staff Benefits, Welfare, Holidays & Working Hours	Page 73	<ul style="list-style-type: none"> <li>Monitor market practice and staff feedback on compensation</li> <li>Regular review of remuneration offers by Sa Sa</li> </ul>
Performance Review and Promotion	Page 73	<ul style="list-style-type: none"> <li>Conduct annual performance review and appraisal process</li> <li>Maintain a culture of providing frequent employee feedback</li> <li>Review organisational hierarchy and performance review methods, in order to provide options for management in allowing more lateral movement opportunities for office management and key frontline staff</li> </ul>
Employee Engagement and Social Dialogue	Page 74-75	<ul style="list-style-type: none"> <li>Continue the staff engagement platform, such as Grand Breakfast Meeting, Night Meeting, staff newsletter, Social &amp; Recreational Club etc.</li> <li>Review the role of frontline "shop trainer" and strengthen the role it can play in developing younger colleagues within the team</li> <li>Promote "Sa Sa Service DNA" and reinforce the appreciation culture</li> </ul>
Staff Turnover, Dismissal and Talent Retention	Page 73, 100	<ul style="list-style-type: none"> <li>Monitor and review existing staff turnover issues and causes</li> <li>Strengthen work relating to employee engagement, staff remuneration and performance appraisals</li> <li>Review and enhance new hire onboard experience</li> </ul>
Corporate Governance	Page 117-141	<ul style="list-style-type: none"> <li>Corporate Governance is covered separately in the Corporate Governance Report</li> </ul>
Equal Opportunity, Non-Discrimination, Staff Diversity and Human Rights	Page 73	<ul style="list-style-type: none"> <li>Ensure relevant colleagues within Sa Sa continue to recognise the Company's commitment to equal opportunity, non-discrimination, staff diversity and human rights</li> </ul>
Occupational Safety, Health (OSH) and Security	Page 75	<ul style="list-style-type: none"> <li>Conduct regular review of relevant operations with exposure to OSH risks</li> <li>To provide adequate induction on OSH to new hires on the relevant issues</li> </ul>



## Our Strategy on Talent – Understanding and Serving Their Needs

Much effort has been devoted to understanding, answering and planning to address stakeholder needs over the short, medium and long term. The immediate actions that have been taken are described in various parts of this chapter. Medium and long term planning will be conducted in the course of the coming financial year, following risk assessments, prioritisation and resource planning. To provide more effective communication to stakeholders, the plans for 2018/19 have been drawn up after dialogue with relevant owners of the key issues.

## Our Policy and Management Approach

Three key policies govern our work in this area, with our approach and principles clearly set out for managing key issues relating to our talent. These include:

<p><b>Employment Policy</b></p> 	<p><b>Health &amp; Safety Policy</b></p> 	<p><b>Training and People Development Policy</b></p> 
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To ensure these policies are effective and relevant, the responsible department reviews them annually, assessing their effectiveness when addressing relevant risks in our operations.

Sa Sa complied with all relevant laws and regulations relating to employment, labour and data privacy during the year.

## Our Talents, by the Numbers

The Group employed close to 4,800 people in 2018. We recognise the importance of maintaining a workforce that is diverse, with over 50% of our directors being female, as compared to an average of 13.8% in Hang Seng Index listed companies (according to *Community Business Women on Boards Hong Kong 2018 Report*).

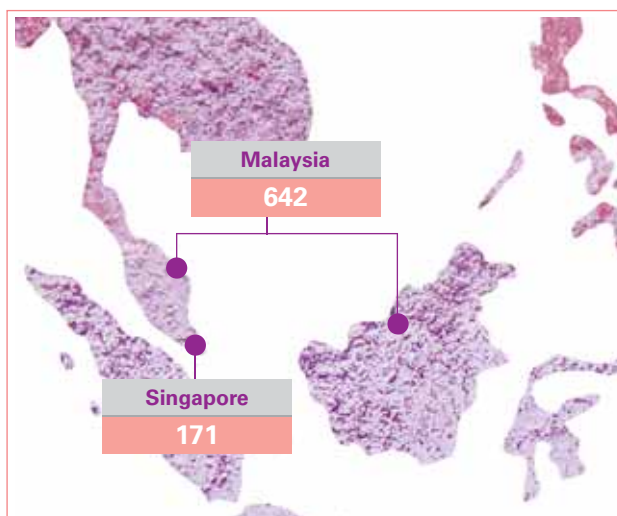
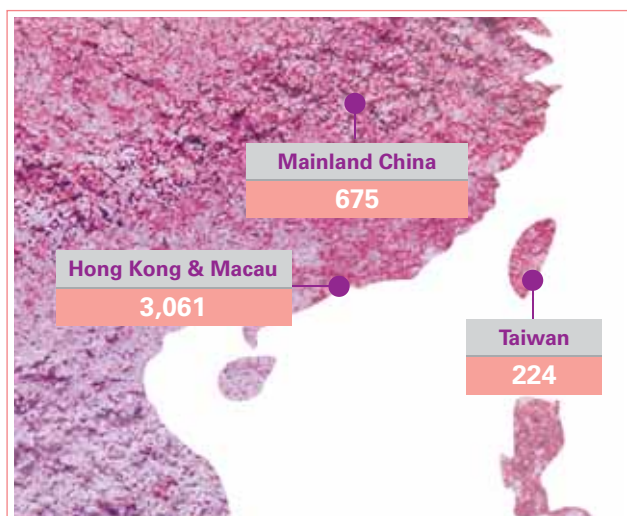
The decision to close all stores in Taiwan in February 2018 was a difficult one for Sa Sa’s management. With over 20 years of history operating in Taiwan, the rationale of focusing our resources on more tangible areas of growth still left our management feeling regretful for the breaking of personal ties with the 224 colleagues who worked with us to make the business a success. Full compensation will be arranged for those colleagues who are affected by this decision in accordance with local regulations.



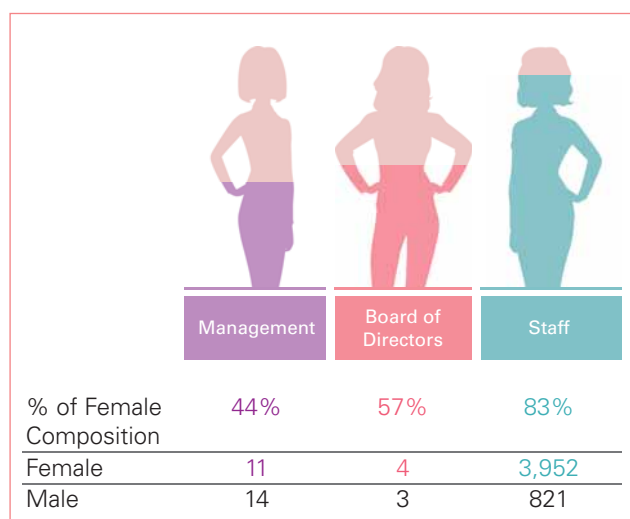
### Employee Number by Employment Type

	Full Time	Part-time or Temporary	Total
Total	4,236	537	4,773

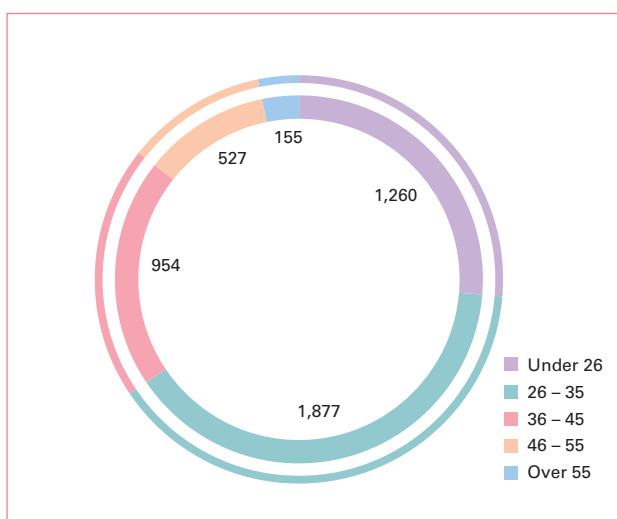
### Employee Number by Market



### Employee Number By Gender



### Employee Number by Age Group





## The Sa Sa Influence – an Opportunity to Grow



We believe in the importance of continuing to invest in talents so they can grow with us. That is why Sa Sa offers some of the most comprehensive training programmes to our talents, so that they have the relevant confidence and competence to serve our customers' needs.

Sa Sa also recognises the need for our training content to continuously evolve to maintain its relevancy to the digital transformation Sa Sa is undergoing. For example, the recent addition of WeChat Store training to our Junior Beautician Trainee (JBT) programme; the training on our recent launch of the Sa Sa mobile app; and the continued enhancement of our e-Learning platform. Additional training has been provided to remind our Beauty Consultants to make better use of social media and digital channels to connect with our customers.




Various tracks of training programmes are offered to our talents, whether they are new recruits or experienced professionals, thereby enabling our colleagues to fully develop their full potential to serve our customers' needs.

Some of the more structured programmes used in developing our talents include:

### New Hire

- >> The Junior Beautician Trainee track 
- >> The Management Trainee track 

### Continuous Development

- >> Qualifications Framework 
- >> E-learning platform 
- >> Big sister and outstanding big sister scheme 
- >> Continued education subsidy 



TO INFLUENCE OUR TALENTS:



**Junior Beautician Trainees: from Dreamer to Professional**

Sa Sa Beauty Consultants have been recognised as one of the best trained beauty professionals in the market, with over 300 training hours invested in each one of them on their graduation – from the development of Sales Trainees, to Junior Beautician Trainees, to Beauty Consultants. The curriculum consists of product trends, product knowledge, customer service and customer psychology.

Once the beauty consultant has acquired significant hours of experience and their leadership potential is identified, they are encouraged to assume a mentorship role as “Big Sister”. In this role they provide personal guidance to sales colleagues who are new to the Sa Sa family, helping them to settle in and providing on the job guidance that might not be covered fully in the core curriculum.

**Frontline Development Path**





## Management Trainee – Developing Our Future Leaders

The Sa Sa Management Trainee (MT) is a 18-24 months programme that is designed for recent university graduates who are looking for challenges that will stretch their adaptability, team work and problem-solving skills. In order to increase their exposure to diverse influences, a total of four streams of MT are made available to fit to individuals with varying interests and backgrounds.

### Sales & Operations MT

- Shop retail focus
- Product insight and customer interaction opportunities



### Finance and Accounting MT

- Financial control focus
- Exposure to all aspects of transaction & reporting



- Rotation through different departments and access to management team
- Unique opportunities and challenges



### E-commerce MT

- Digital retailing focus
- Social media and multi-channel oriented



### Logistic MT

- Business and process optimisation focus
- Engage in projects that aim at best in class fulfilment solution

## By the numbers:

Applications

**814**

Rounds of selection & screening required

**3**

Final intake:

**20**

Programme duration

**18-24**  
months

In the coming year, new tracks to MT are being developed to provide fresh graduates with further diversity in their career choices and to align the recruit with our organisation's strategic growth direction. These choices include Category Management and Product Development (CMPD) and Marketing MT specialization.



## TO INFLUENCE OUR TALENTS:



### Qualifications Framework

Some of our Sa Sa professional beauty consultants have served our customers for over a decade, providing advice covering skin analysis, skin care, make up, hair care, nail care, body care and fragrances. To better recognise their expertise in this area, Sa Sa participates in the Recognition of Prior Learning (RPL) programme. This is a mechanism under the Qualification Framework (QF) that provides an alternative route for practitioners to obtain QF-recognised qualifications based on their on-job insights developed over several years. Such a mechanism facilitates their subsequent progression in continuous learning, and in career development. Sa Sa provides not only financial support to our experienced talents in this RPL registration, but we also provide additional training to better prepare them for converting their experience into formal qualifications.

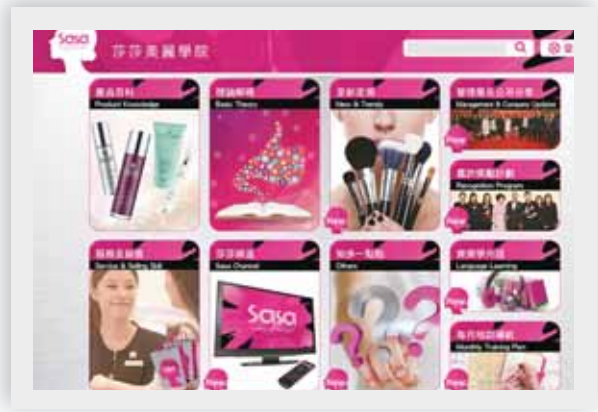
Over 31 colleagues were successful in their RPL application during this financial year, amounting to a total of 221 colleagues since Sa Sa began supporting this initiative.



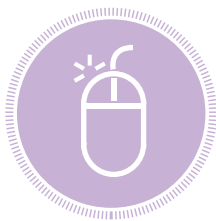
### E-learning Platform

Sa Sa revamped our e-learning platform last year, enhancing the on-demand learning experience for our frontline colleagues by better fitting into their routine.

The platform provides multimedia training content that includes product training, skincare service tips, market trends, and English language training opportunities. Our WeChat store training is one of the recent additions to our e-Learning platform.



The content on e-Learning is under constant review, to ensure its continued relevance to our colleagues.



Average of **1,800** click throughs per month



A total of **150** training classes are available for colleagues



### Big Sister and Outstanding Big Sister Scheme

The Big Sister and Outstanding Big Sister schemes aim to develop our experienced colleagues into coaches and trainers for more junior colleagues, thereby enabling the transfer of valuable knowledge that has been developed over many years. This is also a leadership development opportunity for colleagues on this track to progress to a shop supervisor role.



### Continued Education Subsidy

In addition to the structured training programme offered by our Training and People Development Department, a training subsidy is made available to each of our talents, so that they can pursue courses of their choice. The only condition is that the programme can be identified as relevant to their duties by their supervisor.





## A Fair, Caring and Rewarding Experience at Sa Sa

To ensure our talents clearly understand their obligations and entitlement as a member of the Sa Sa family, we have set out relevant details in the Employment Policy and Employee Handbook, covering issues relating to:

- Recruitment, compensation and promotion
- Working hours and rest periods
- Staff dismissal and end of contract arrangements
- Remunerations, benefits, performance reviews and promotion

Our remuneration packages are reviewed regularly and multiple incentives and rewards are offered to motivate and recognise our colleagues. As part of the performance management system, KPIs are adopted to ensure that the requisite directions and standards are set and met.

We believe in the importance of recognising employees' accomplishments, and thus we have many different but equally valuable ways of rewarding our talents. There are many performance incentives for our employees, with discretionary bonuses, sales bonuses, sales commissions and share awards being offered to reward good performance.

Additional reviews have been taken this year to address talent retention. One measure that has been introduced this year aims to enhance career opportunities for our cashiers. Although the cashier position is of very junior ranking in our organisation, a cashier's level-headed approach can greatly enhance retail shop performance during peak hours. Additional ranks have been established so that cashiers can advance as their experience accumulates. Other similar reviews are underway to evaluate aspects of the organisation's reward and performance structure.

In recognition that transportation can be a challenge for some of our colleagues living in different parts of Hong Kong, shuttle services have been organised for our office and logistic center colleagues. These services will reduce the challenges our colleagues face when commuting to work.

The total employee benefit expenses of the Group amounted to HK\$1.18 billion for 2017/18, sharing approximately 14% of our organisation's turnover.

## Workplace Harmony and Equal Opportunity

Sa Sa's Employment Policy sets out clearly the importance of an inclusive and harmonious workplace that's made available to all our staff in our Intranet and publish online to make available for our external stakeholders as well.

### Diversity and Equal Opportunity

We recognise the value of a diverse and skilled workforce and we are committed to creating and maintaining a collaborative workplace culture in which all can thrive. We are dedicated to providing equal opportunities in all aspects of employment and maintaining a workplace that is free from discrimination, physical or verbal harassment against any individual on the basis of race, religion, colour, gender, physical or mental disability, age, birth place, marital status, sexual orientation or any other status protected by applicable law. We will strive to ensure that complaints, grievances and concerns, including whistle blowing, are dealt with promptly and confidentially.

### Prevention of Child and Forced Labour

We condemn all forms of exploitation of children, do not recruit child labour and adhere to the minimum age provisions of applicable laws and regulations. The Company also supports the elimination of all other forms of forced, compulsory or bonded labour.

\* Per extract from Employment Policy



## TO INFLUENCE OUR TALENTS:

### Anti-corruption

To ensure the workplace operates in a fair and transparent manner, the following policies and practices are in place, including:

- Whistleblowing Policy: providing the necessary mechanism for employees to report misconduct within the organisation.
- Gifts and Entertainment Policy, Conflict of Interest Policy and Guidance on Prevention of Bribery Ordinance: preventing and managing possible conflicts of interest and bribery.

Our Internal Audit and Management Services Department is responsible for execution of these policies. Further information can be found in the Enterprise Risk Management Report.

### An On-going Dialogue, an On-going Joy With Sa Sa

In the Sa Sa family, we recognise the importance of regular dialogue with our talents, to enable alignment between the direction from the Board and the activities undertaken daily in our shops, offices and logistics centres. Lateral communication between various departments within the organisation also serves an important role in creating organisational synergy. These communications are conveyed through various formal and informal means:

#### Formal Dialogue – Communicating Priorities

- **Board meetings:**

A total of 27 Board and Board Committee meetings were held this year to ensure that key stakeholder interests were addressed and key strategic priorities were clearly defined.

- **Management meetings:**

Weekly meetings of key members of the management team to ensure continuous alignment of operations to organisational strategic priorities.

- **Grand breakfast meeting:**

A once per annum morning meeting held in the presence of all frontline colleagues and management, with the objective of sharing key strategic directions for the year. The topic this year focused on innovation.

- **Supervisor meetings:**

A monthly meeting is held of all shop supervisors with the management, so that regular realignment of priorities can be discussed and implemented.

- **Night meetings, shop meetings:**

To foster meaningful discussion and sharing amongst frontline staff, all shops organise a special “night meeting” session each year, in which colleagues gather and share their good practices.



## Informal Dialogue – Making Communication Fun

### Staff Recreational Club

The Staff Recreational Club (SRC) was initiated by colleagues from various part of the organisation, with the objective of providing a platform where colleagues with different hobbies can gather and share. Events are heavily subsidized and are often open to the families of colleagues.

We recognise the SRC as an additional avenue to provide extra benefits to different members of staff. SRC also plays an important role in cross-department communications.



Mooncake making class



Rice dumpling workshop



Movie night



Yoga trial class

## Health & Safety

A dedicated Health and Safety Committee has been set up to address health and safety issues, led by the Head of Human Resources with members from various departments. The company's Health and Safety Policy sets out the employer's and employees' role in maintaining a safe and healthy work environment, and will be reviewed annually to ensure continuous updates and improvements. A module on avoiding workplace injury is also introduced at staff induction.

Health and safety by the numbers:

- There were zero cases of fatality due to workplace accidents in 2017/18;
- There were 26 cases of work related injuries in 2017/18;
- The total lost days due to work injury were 950.5 days; and
- An average of 0.29 days of sick leave were taken by our staff members per month.

Compliance with laws and regulations is at the heart of what we do. In the year under review, however, there were three instances of inadvertent non-compliance with health and safety legislation by two of our shops in Hong Kong, resulting in fines of HK\$34,000 in aggregate. There was also one case of water discharge from a shopsign lightbox resulting in a notice being issued by the Food and Environmental Hygiene Department to cease the discharge, which was subsequently complied with. All shop supervisors have since been instructed to be more vigilant to prevent similar incidents from reoccurring.

## To Influence Our Customers & Suppliers

Providing an enlightening beauty experience

“We value our customers and are committed to strengthening our ties with them over time by continuously improving the quality of our products and customer experience.

It is also part of our long-term strategy to create long-lasting and supportive relationships with our suppliers, as we strive to deliver value to our stakeholders, including our customers, the environment and society.”

\* Per extract from Responsible Product and Supply Chain Policy

Key Issues	2017/18 Review	Key plans for 2018/19
Supply Chain Management	Page 81-82	<ul style="list-style-type: none"><li>Strengthen risk management approach in our existing quality system through implementation of ISO9001:2015 to replace ISO9001:2008 certification for key functions. (See <i>Quality Management System chapter in Corporate Governance Report for details</i>)</li><li>Continuous management of product sourcing to ensure products are fit for purpose</li></ul>
Product Responsibility, Health and Safety	Page 82	
Quality Assurance	Page 83	
Quality Customer Service and Management	Page 77-80, 83	<ul style="list-style-type: none"><li>Launch campaign to strengthen <b>Sa Sa Service DNA</b> at the front line, to enable excellence of service delivery through team work and sharing of best practices</li><li>Desktop &amp; mobile e-commerce site backend system upgraded, to enable greater consistency and convenience of user experience</li></ul>





## Our Strategy on Customers – Valuing the Journey

Much effort has been devoted to understanding, answering and planning to address stakeholder needs over the short, medium and long term. The immediate actions that have been taken are described in various parts of this chapter. Medium and long term planning will be conducted in the course of the coming financial year, following risk assessments, prioritisation and resource planning. To provide more effective communication to stakeholders, the plans for 2018/19 have been drawn up after dialogue with relevant owners of the key issues.

## Arrival of the New Retail Era – the Need for Transformation

The rising waves of digital disruption offer a whole new world of risk and opportunity to Sa Sa. With the shift in consumer behaviour towards interactive digital media and a more personalised shopping experience, the traditional model of retailing is in danger of losing customer interest.

In the midst of this disruption, Sa Sa recognises that the New Retail concept promoted by Alibaba is likely to provide transformational outcomes and solutions from which we can actively benefit. Through the effective use of big data and analytics at the customer touchpoint, the New Retail concept also offers customers a perfectly tailored experience that seamlessly fulfills their needs.

To deliver all the benefits of New Retail will be a challenge, since it requires the redesign of both the frontend and backend process, changes in workflow and KPIs, and developing the mindset of all personnel along the way. Integrating the online-to-offline environment is a process that involves both supply chain and value chain transformation. It is a journey that we have embarked on with full commitment, without compromising our efforts towards the continuous enhancement of our core strengths.

Our key pillars for delivering customer value and experience include:



## Our Touchpoints – Expanding the Beauty Horizon



With over 40 years of history as the leading cosmetics retailer of choice, we offer convenience, as well as luxurious yet affordable beauty solutions to our customers. We treat our suppliers as partners, expanding on our presence in a spectrum of physical and e-commerce spaces that offer enhanced convenience to our customers.

### Tmall Global Sa Sa Flagship Store

This year, we have further expanded on our touch points, including the launch of the Sa Sa Flagship store on Tmall Global – a cross-border e-commerce platform.

With a logistics function inside the bonded warehouse, customers can enjoy quicker delivery, more secure logistics channels, and greater peace of mind that high quality products will reach them intact and on time.



### Sa Sa Mobile App

A Sa Sa Mobile App designed for our VIP customers was launched this year, with the aim of enhancing their convenience and customer experience. The new app offers the functions of a digital VIP card; updates on the latest VIP promotions; product news; eCoupons; location maps, and a clear record of customers' transaction history with Sa Sa.

Some of the other touchpoints that Sa Sa is currently presenting include:



#### Offline touch points:

##### Physical:

Sa Sa Store, Sa Sa Boutique, Sa Sa Supreme, Suisse Programme Treatment Centre

##### Communication:

Sa Sa Shine Newsletter, Magazine and Newspaper ads, TV ads

##### Payment accepted:

Cash, EPS, Credit Cards, WeChat Pay, Apple Pay, Android Pay, AliPay



#### Online touch points:

www.sasa.com;  
Sa Sa Mobile App;  
Sa Sa WeChat;  
Sa Sa WeChat Store;  
www.jd.com; www.Kaola.com,  
Xia Hong Shu, Weibo, Google,  
TMall, Facebook Page, YouTube, Baidu,  
Instagram, WeChat, LinkedIn



## Hearing the Voice of Our Customers – Committee to Actively Listen



At Sa Sa, our management takes the concerns and needs of our customers very seriously. Feedback from customers is gathered both online and offline.

**In Store Environment:** In the shop environment, positive and critical feedback is generally gathered from our retail customers in either written or verbal form at the shop, via our customer service hotline, or by mail. All cases of complaint are handled by our Customer Service team in accordance with our ISO9001 certified procedure and workflow, with summary reports regularly sent to management for review and direction. During this financial year, we received a total of 142 complaints, as compared to 157 in the previous year.

**Online Environment:** Comments and feedback on social media are also taken seriously. In addition to a dedicated customer service team that responds to relevant enquiries online, Sa Sa actively utilises social listening tools to track social media conversations relating to Sa Sa, and comments are relayed to management to ensure that we have our finger on the pulse of any new developments. Analysis is regularly undertaken to track and respond to market impressions of various aspects of Sa Sa's operations and activities.

## Service Experience – Our Commitment to Continuous Improvement



We are so committed to the enhancement of customer service and customer experience that we consider ourselves part of the consumer service industry. We dedicate considerable resources both to training and to benchmarking the experiences that we offer to our customers. Two of the core values in Sa Sa's service training are servicing our customers like a true friend and providing service from the heart.

Our approach to strengthening our service DNA includes:

### Service training

Service training is embedded within the core of our training strategy, with a dedicated team that provides regular customer service updates and field coaching to our frontline colleagues.

### Target measures – with service quality KPI

Through the use of our Target Management and Sustaining System (TMSS), which is embedded within each shop's operations, supervisors and management regularly monitor and review the service quality of individual stores.

### Benchmark & awards

As part of Sa Sa's continuous improvement and learning culture, we encourage our colleagues to take part in various industry awards and external assessments, providing an opportunity for them to consolidate their experience and reflect on their own strengths and weaknesses.

### Hong Kong Retail Management Association recognition

One of the significant achievement this year is with our participation at the Hong Kong Retail Management Association (HKRMA) Service and Courtesy Awards and the Mystery Shoppers Programme, bringing home a total of seven accolades, including:



### **Service and Courtesy Awards 2017**

- The Best Team Performance Award – Gold Award
- Individual Award – Supervisory Level (Lifestyle Stores Category)
- Individual Award – Junior Frontline Level (Lifestyle Stores Category)
- Two Outstanding Performance Awards – Junior Frontline Level (Lifestyle Stores Category)

### **Mystery Shoppers Programme 2017**

- “Service Retailers of the Year” – Silver Award (La Colline)
- “Service Retailers of the Year” – Beauty Products/Cosmetics Category Award (La Colline)

Sa Sa’s victory in the Best Team Performance Award (Gold Award) under the HKRMA Service & Courtesy Awards, considered the “Oscars of the retail trade”, also saw Sa Sa ranked as the top performing team amongst all categories.

Hosted by HKRMA, the “Mystery Shoppers Programme” aims to assess the service quality of retail operators by arranging for mystery shoppers to visit the stores and identify outstanding retail operators for the quality of their service.

Our exclusive brand La Colline specialty store not only won the Beauty Products/Cosmetics Category of “Service Retailer of the Year” for the 13th consecutive year, but was also honoured with the Silver Award of “Service Retailer of the Year” in competition with retailers across all industries. Sa Sa’s victory in the Best Team Performance Award – Gold Award also saw Sa Sa ranked the top performing team amongst all retailers’ categories.



The Sa Sa finalists in the HKRMA SnC award contest



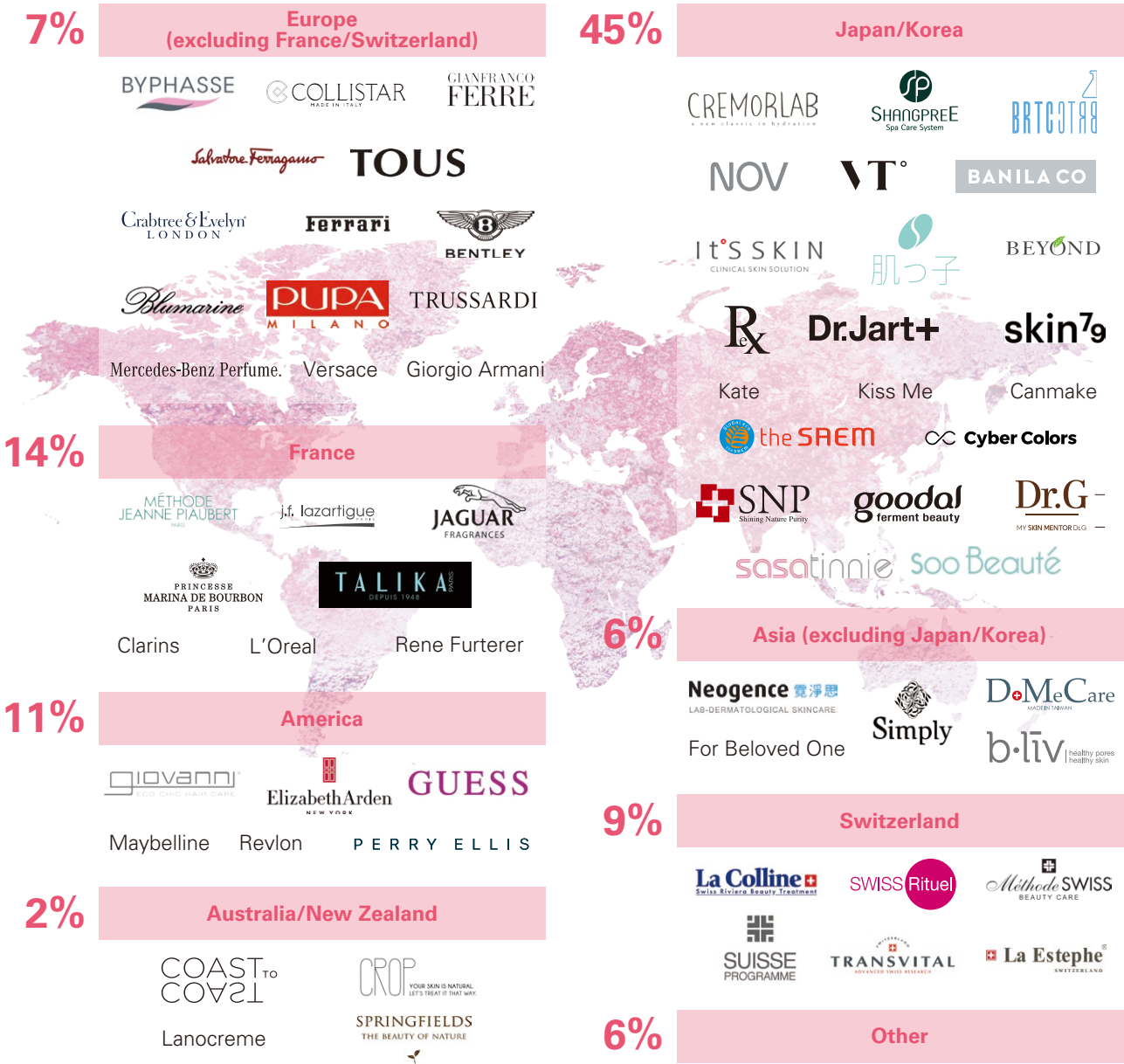
The winning team La Colline Team



## Our Product Offerings – Product and Supplier Diversity



We recognise that different customers require different solutions, and we seek only the best solutions appropriate to them. Their needs may vary in terms of product functionalities, ingredients, product concepts etc. We see it as our duty to identify the best solutions and we endeavour to source the best products for them through our continuous explorations around the world.



- Figures in percentages indicate the breakdown of origin of brands sold in Hong Kong and Macau in 2017/18. Figures may not add up to 100% due to rounding;
- Brands displayed in each region/country are not exhaustive; and
- Origin of brands is based on general customers' perception of the origin of the respective brands, which may be subject to various factors including location of manufacturer's or brand owner's headquarters, brand image and style of product design.

### Number of Suppliers by Geographical Region

In compliance with the HKEx requirement of disclosing supplier numbers from different regions, we have analysed the contact office location of beauty and cosmetic suppliers that contribute the top 80% of our purchase costs, with the breakdown as per below:

Location of supplier's office	Supplier number
Hong Kong	62
Outside of Hong Kong	24

### Caring for the Details – Quality, Safety and Responsibility



Product safety and quality are fundamental to what we offer our customers. Many of our key supply chain processes are certified by third parties such as ISO9001:2008 or ISO9001:2015, including Logistics, Category Management and Product Development, Marketing, and Customer Service. Significant efforts have been invested to ensure customers are satisfied with our products and services.

### Beauty of Safety: Product Selection

Over 90% of our products are sourced from countries and regions that have the most rigorous product testing regulations and requirements, such as the European Union, America, Japan and South Korea. As part of our commitment to product safety, a number of mechanisms have been established for different types of vendors. These include providing our suppliers with a list of updated harmful ingredients to avoid; ensure compliance with relevant EU, ASEAN and China cosmetic regulations; conducting stability and compatibility tests on the finished product for private label products; seeking vendors' warranties for ingredient and product safety; and preference for vendors who are Good Manufacturing Practices certified. We also aim to continuously review the verification process and to identify areas that we can further enhance to improve our safety commitment.

As part of our drive to provide diverse beauty solutions to our customers, we currently house over 17,000 SKUs in our stores. We are pleased to report that there was again no case of product recall this financial year due to product safety or health issues. In the case of any potential issues with any of our products for quality, safety or health reasons, our management team will be directly involved in the discussion and decision-making process, and the interests of our customers will always be the top priority.







## Product Safety

As the product shipments arrive in our warehouses from around the world, comprehensive checks and tests are conducted to ensure that only authentic and quality products with reasonable expiry periods are offered to our customers. This stringent quality control system is followed through with digital tracking of our stock as part of our integrated SAP management system. We are also committed to ensuring that only products with at least six months of validity stay on the shelves (except for food and pharmaceutical products, which due to their nature have shorter shelf lives). This gives our customers peace of mind and a strong feeling of quality assurance when shopping with us. As part of our commitment to protecting the intellectual property rights of others, we have requested warranties in most of our contracts with suppliers and service providers with a view to ensuring that intellectual property rights are respected. We also have a strict policy prohibiting the downloading of movies, music and pirated software.

## Responsibility Towards Other Stakeholders

In addition to bearing responsibility to our customers, we are committed to encouraging our suppliers to continuously improve their sustainability performance in regard to our environmental and social agenda. This commitment is embedded within our Responsible Product and Supply Chain Policy, as well as being integrated into our current ISO process for engaging new suppliers. Our supplier evaluation includes preferential selection of suppliers that embed the following aspects in their business: protection of the environment, protection of labour welfare and rights, provision of equal opportunities, non-participation in animal testing, protection of endangered species, and responsibility for own sourcing.

## Enhancement of Online User Experience

With the increasing integration of mobile and online experience into the customer journey, we have been continuously investing in solutions to enable a more seamless experience across platforms. These solutions include the commencement of the upgrade and integration of our backend system in support of our core online business features, such as Sa Sa Apps, desktop site and mobile site. The system upgrade aims to drive greater convenience and consistency in the shopping experience at the consumer interface level, and in the long run to strengthen our ability to better serve customers through the use of AI and predictive modelling.

## Our Promises, Our Actions



Ensuring our customers are satisfied is one important promise that we make at Sa Sa. Consistent across all our platforms, Sa Sa offers our customers a 30-Day Purchase Guarantee, ensuring their peace of mind when they shop at any Sa Sa touch point.

In recognition of customer concerns over the privacy of their personal data, our operations strictly comply with the Personal Data (Privacy) Ordinance, and we are committed to ensuring that the customer information we receive is only used for the purpose for which the personal data were collected.



# Our Influence On The Environment

*The beauty of a sustainable future*

Sa Sa recognises our responsibilities for the potential direct and indirect negative environmental impacts associated with our business operations.

By integrating environmental considerations into all our decision-making processes, we embrace our responsibilities to create an environmentally sustainable business. This mission is achieved through innovation and implementing measures that promote greenhouse gas emissions' reduction, energy and water conservation, efficient use of natural resources, waste reduction, and any other green initiatives across the life cycle of our products and services.

\* Per extract from Environmental Policy

Key Issues	2017/18 Review	Key plans for 2018/19
Environmental Awareness	Page 86-87	<ul style="list-style-type: none"><li>• Green lunch, green email communication, green newsletter, green outing, new hire induction programme, MT green project</li><li>• Revise new hire induction green programme to enrich trainee experience</li></ul>
Waste Management and Recycle of Waste	Page 88-89	<ul style="list-style-type: none"><li>• Drive office waste reduction and recycling programmes on paper, metal and plastic</li><li>• Continue data collection on office waste and recycling, and extend the waste baseline data collection process to cover retail and the logistics centre</li><li>• Continue enhancing participation in red packet, waste electronic and mooncake collection and donation</li><li>• Pilot waste reduction campaign for different parts of our operations</li></ul>
Eco-friendly Products and Services	Page 92-93	<ul style="list-style-type: none"><li>• Continue monitoring of cleansing and exfoliating products for microbeads related content, to comply with Sa Sa's commitment</li><li>• Review various market green product standards, covering aspects such as product packaging and product ingredients, and identify eco-friendly product concepts for Sa Sa</li></ul>
Use of Natural Resources	Page 88-89	<ul style="list-style-type: none"><li>• Regularly review key business activities to identify the impact of natural resources use and potential for reduction</li></ul>
Water Resources, Consumption, Discharges and Sustainable Management	Page 89	<ul style="list-style-type: none"><li>• To enhance internal communications and education on water conservation</li></ul>
Energy Consumption and Efficiency	Page 89-91	<ul style="list-style-type: none"><li>• To ensure all newly renovated shops are fully LED lit</li><li>• Review existing operating locations for their energy usage and savings potential</li></ul>
Compliance with Environmental Regulation	Page 88	<ul style="list-style-type: none"><li>• Monitor environmental regulation updates and actively participate in relevant Environmental Protection Department consultations and update seminars</li></ul>

## Our Strategy on Environment – Focus on Our Impact

Much effort has been devoted to understanding, answering and planning to address stakeholders' needs over the short, medium and long term. The immediate actions that have been taken are described in various part of this chapter. Medium- and long-term planning will be conducted in the course of the coming financial year, after risk assessments, prioritisation and resource planning. To provide more effective communication to stakeholders, the plans for 2018/19 have been drawn up after dialogue with relevant owners of the key issues.

“We must take a strategic approach to tackle the environmental challenges that the planet is facing.

Ultimately, we should integrate environmental considerations into the DNA of Sa Sa.”

Dr Guy Look  
CFO & Executive Director



## Environmental Awareness – an Influence for Green Action

We believe that corporate responsibility delivers the best and most visible results when it is understood as the shared responsibility of everyone in the organisation. We endeavour to make all our employees aware of how their conscious choices can make a positive difference towards our environmental footprint, thereby strengthening their sense of responsibility towards finding a solution. Various initiatives were organised during the year:

### Green Lunch – Sharing Food and Thought

Green Lunch is an annual seminar and a mini gala that we organise for our frontline and office colleagues, with the objective of inspiring them with environmental facts and challenges, along with serving a vegetarian buffet lunch.

The focus this year was on waste and green lifestyle, and we were fortunate to be able to invite partners from institutes such as Greeners Actions, CLP, and Fair Trade Hong Kong to work with us on the campaign. Our CFO & Executive Director Dr Guy Look also shared his personal concerns and practices for addressing the plastic waste issue.

The “Turn Off Your Computer & Monitor Scheme” was organised in August 2017. Through random inspections after office hours at our office, we identified those colleagues who regularly fail to switch off their computer equipment when not in use.

### Zero Waste Pilot Scheme

As a launch pad for our waste reduction campaign, we began work on one of our office floors, replacing half of the garbage bins at workstations with paper recycling bins.

This greatly increased employee awareness of waste separation, reducing the weight of recyclable materials that enter the waste stream from 39% to 11%.





## Red Packet Reuse and Recycling Programme

Sa Sa continued our support as a sponsor of and participant in Greeners Action's "Red Packet Reuse and Recycling Programme" for the fifth consecutive year, providing a total of 50 retail locations to collect used red packets from our customers and colleagues, so that they can be redistributed next Chinese New Year.

It is estimated that Sa Sa collected over 680,000 red packets this year, a 17% increase as compared to last year.



## Marine Conservation Tour

To instil a green mind-set in our colleagues, a green tour has been organised every year with invitations being offered to family members of our colleagues.

This year, the tour took the form of a visit to The Jockey Club HSBC WWF Hong Kong Hoi Ha Marine Life Centre to appreciate valuable marine resources. WWF also took the opportunity to share with participants the importance of marine protection and offered tips on how they could best play a role in this mission.

## Formal Communication Channels

### Sa Sa Internal Newsletter

Our internal newsletter has been published and distributed to all colleagues every quarter since 2012, with a "Green & Gorgeous" column being included in each issue. The aim is to raise awareness of the latest environmental news and to offer daily green tips.

### New Hire Induction

To ensure all employees share our commitment to the planet and pursue environmentally conscious practices, all new hire employees receive training relating to our environmental policies, environmental impact and good environmental practices within their work domain relating to their work domain.

### E-education

E-communications are sent out during the year, to remind our colleagues about trending or essential environmental updates that are relevant to their daily routine.

## Greening Our Operations – Making Green a Routine

### Environmental Compliance

Sa Sa complies fully with all applicable environmental laws and regulations. During 2017/18, we received no reports of non-compliance. As a retailer, Sa Sa complies with the Product Eco-Responsibility Ordinance (Cap. 602) with respect to the levy on plastic shopping bags, with 50 cents charged for each plastic bag purchased in our stores. In 2017/18, we provided more than 2.8 million plastic bags to our customers. Sa Sa also played an active role in discussions with other retailers and the Environmental Protection Department, identifying how we can further reduce customer consumption of plastic bags. Information on the use of the plastic bag levy money can be found below in the Green Product section of this report.

### Waste Management

In the retail industry, waste can occur throughout a product’s lifecycle, from the design stage through to consumer use. Bearing in mind the importance of this issue, during the year we made robust efforts to reduce waste in areas that are controllable, practical and impactful.

#### Explanation: Hazardous and Non-hazardous Waste Data Set Incomplete

The disclosure of hazardous and non-hazardous waste data is not complete this year for our defined reporting set. Our current waste data contain only waste activities from the office and the disposal of expired or excessive stock from the logistic facilities.

Although we have begun reviewing store level waste generation and our methods of data collection, we have encountered significant challenges due to the diverse waste management approaches adopted by different stores, which in turn are a result of the varying support levels provided by different landlords.

We aim to complete defining our waste management data collection process, and for it to start covering all our stores, logistics facilities and offices by end of 2018/19. We recognise the need for baseline information and a precise picture of the shortfalls in our existing waste management process, so that we are ready for the waste charging scheme that is likely to come into effect in 2019/20.

### Logistics Centre – Packaging & Transportation

Packaging: Packaging is a substantial and visible source of waste for Sa Sa, whether it is packaging used at transportation, or packaging that is protecting the products in the process of reaching our customers. To optimise our use of packaging materials and preserve the environment, our logistics and operations team continuously evaluate product packaging at delivery and identify opportunities for reducing usage of packaging material.



The carton boxes used to protect products while being transported to our stores are re-used as often as possible, with clear marking printed on the carton box surface to identify the number of delivery cycles that the carton boxes have undergone. Due to each carton box being used on average four times before it is sent off for recycling, we have saved more than 738,000 cartons cumulatively since the launch of this campaign in 2015.

Plastic and wooden pallets and carton boxes from our suppliers are also reused where possible for transporting products from our logistics facility to our stores.

### Forward Looking:

Logistics has started testing the use of batch size control through adjusting the Minimum Order Quantity (MOQ) of orders, so that direct delivery of our top 10 best-selling SKUs can be achieved without the need for replacing the original packing.

This will benefit our operations by not only reducing the need for carton boxes, but it also reduces the time cost of handling inbound and outbound logistics.





All plastic shopping bags given to customers are design with environmental consideration, including the use of oxo-biodegradable material for our all plastic bags. Our paper shopping bags with plastic components are also made with material certified by the Forest Stewardship Council (FSC), which guarantees that the paper comes from sustainably and responsibly managed forests and does not derive from areas undergoing desertification or deforestation.

### Construction Waste

It is in our guidelines to contractors that all waste generated during the store renovation process shall be properly managed by authorised waste handlers.

### Electronic Waste

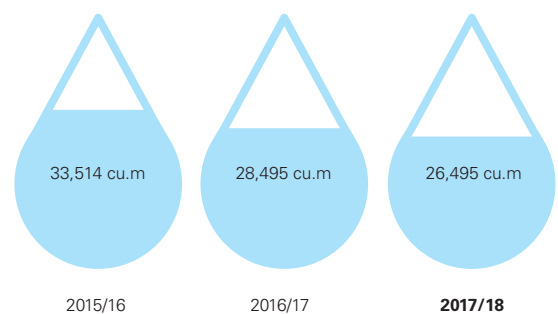
To responsibly manage and minimise the impact from the disposal of our computer equipment, for the past several years, Sa Sa has partnered with a third-party electronic recycling organisation to recycle our electronic waste. During the year, 56 items in total were redistributed to people in need or recycled in an environmentally responsible manner.

### Water Resource Management

Sa Sa is not a water intensive company and we do not have issues in sourcing water. We recognise the importance of water resource conservation however and the risks associated with shortage of fresh water supply. Water conservation is covered under our Environmental Policy and is shared as one of the core topics in our induction programme for all new hires.

Sa Sa also tracks water consumption from our office, retail and logistics centre operations, and we remind our colleagues to conserve water where possible.

### Water Consumption



## Sa Sa Carbon Performance – Relentless Drive Towards Low Carbon Operation

Combating climate change – for which greenhouse gases are a determining factor – is recognised as a major priority in Sa Sa’s Environmental Policy. To help us understand our contribution to anthropogenic climate change, Sa Sa has calculated the carbon footprint of our business operations since 2012/13.

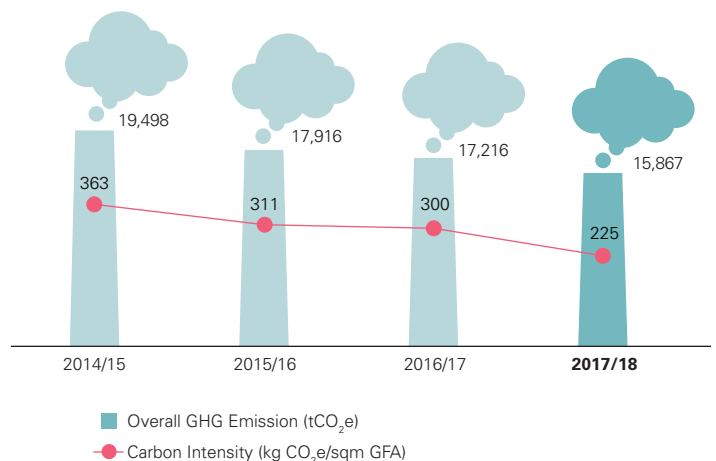
Our carbon emission analysis follows the principles outlined in the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Building in Hong Kong (2010 Edition)*, a recognised standard for carbon reporting.

### Carbon Performance Overview

In 2017/18, our operations produced 15,867 tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) emissions, a decrease of 8% in absolute terms compared with 2016/17 emissions of 17,216 tonnes, or a decrease of 25% in terms of our operational GFA intensity.

Observing our carbon reduction over a longer period, we have seen an absolute decrease in our organisation’s carbon emission of 19% from 2014/15 to 2017/18, even with the total operating floor area grown by 31% over that period. This effort needs to continue however, as we recognise that there are still potential reductions that have not been fully realised in our operations.

### Carbon Emission and Intensity



## OUR INFLUENCE ON THE ENVIRONMENT

### Carbon Composition – Identifying Our Key Sources of Carbon Emission

Our carbon emissions are calculated in accordance with the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong (2010 Edition)* issued by the Electrical and Mechanical Services Department and Environmental Protection Department, which is the recognised standard for carbon reporting. The guideline divides emissions into three categories – scope 1, 2 (mandatory) and 3 (optional).

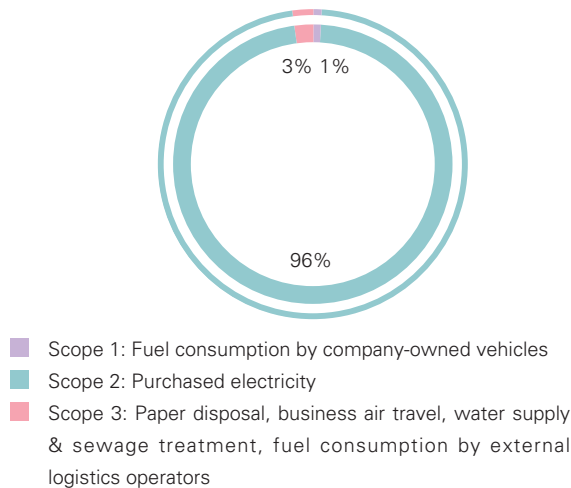
**Scope 1:** Direct carbon emissions – company-owned transport fleet and employee-owned vehicles used for business purposes

**Scope 2:** Electricity indirect carbon emissions – purchased electricity consumed in our stores, headquarters and logistics facility

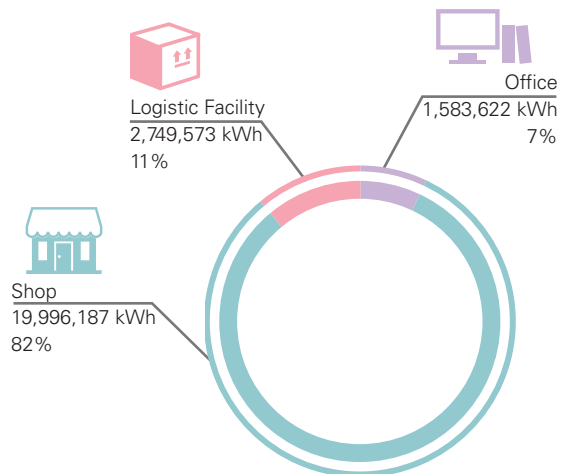
**Scope 3:** Other indirect carbon emissions – business air travel, fresh water supply and sewage treatment, paper disposal at landfills, and transport fleet owned by the external logistics operators

For our analysis, the main source of carbon emissions is associated with electricity consumed, Scope 2 emissions, contributing to more than 96% of the total carbon emissions from our operations.

#### Carbon Emission by Scope 1,2 & 3



#### Energy Consumption by Facility Type



### Carbon Reduction Initiative – Our Focus on Energy:

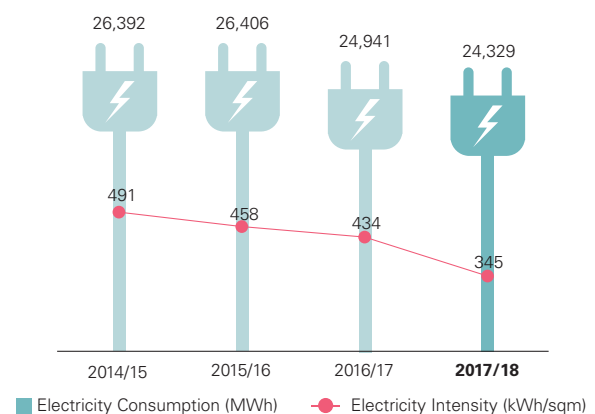
With electricity contributing more than 96% of our total carbon emissions, much of our efforts have been devoted to making a difference in this area.

#### Overall Energy Performance

Overall, in 2017/18, we reduced electricity consumption by 2.5% in our retail stores, logistics facility and offices to 24,329 MWh, compared to the previous fiscal year. While our energy intensity, normalised against gross floor area, equated to 345 kWh per square metre. This is 20% less than last year.

The energy reduction observed can be divided into two main factors, one being attributable to our ongoing efforts in raising energy efficiency. The other being the temporary parallel operation of two warehouses as part of the transition of the old warehouse to its new site. This is further explained in the next section.

#### Electricity Consumption and Intensity







### Improving Energy Efficiency

A number of practical steps were undertaken during the year to raise our energy efficiency and reduce our carbon emissions:

<p style="text-align: center;"><b>LED Lights</b></p> <p>With retail stores accounting for 82% of our total energy consumption, we continued to increase the numbers of stores with LED lighting to 92 stores at the end of this fiscal year, representing 74% of the retail shop footprint.</p> <p>Almost 100% of our office space is installed with energy efficient lighting (T5 or LED). 100% of our logistics centre is also LED lit.</p>	<p style="text-align: center;"><b>Charter on External Lighting</b></p> <p>Sa Sa is one of the early adopters and signatories of the Environment Bureau's Charter on External Lighting, a charter that urges retailers to switch off external light to minimise light pollution for nearby residences.</p> <p>Sa Sa has an established policy and timer in place to ensure that the external lighting systems of all our relevant stores are extinguished after 12 midnight or earlier as is practical.</p>
<p><b>A Greener Logistic Facility</b></p> <p>Our migration to the new logistics facility at ATL Logistics Centre was completed in September 2017. Various environmental standards have been incorporated into the interior design to minimise our environmental footprint wherever possible. These standards include:</p> <ul style="list-style-type: none"> <li>• Installation of a variable refrigerant flow (VRF) air conditioning system, which is designed to be approximately 48% more energy efficient than a conventional one</li> <li>• Interior spaces are separately zoned to enable independent control of air temperature</li> <li>• Full installation of LED lighting</li> <li>• Additional cotton insulation on the ceiling to reduce thermal conductivity and the installation of a propeller fan to enhance air movement, resulting in more efficient temperature control</li> <li>• Pallet wrap machines are equipped to reduce stretch film consumption in the wrapping of loaded transportation pallets</li> <li>• Recycling storage and collection capabilities for:             <ul style="list-style-type: none"> <li>o Office paper waste and carton boxes</li> <li>o Aluminium cans</li> <li>o Plastic bottles</li> <li>o Pallet wraps</li> <li>o Wooden pallets</li> </ul> </li> <li>• 100% Euro V transportation trucks and an all-electric fork truck were adopted</li> </ul>	

Thanks to the various energy-efficient features, the new facility consumes 18% less energy in absolute terms or 24% less in relative terms per square metre. This reduction will help to lower our carbon emissions in the next financial period.

### Logistics Centre Parallel Operation

The new logistics facility began operating in September 2017, while the old logistics facility remained in parallel operation until January 2018. The parallel operation of these new and old logistics facilities led to additional electricity demand, resulting in a 14% increase in energy consumption in absolute terms as compared to the previous year. The total logistics floor area temporarily doubled, however, and relative to the small increase in energy use, Sa Sa was successful in temporarily driving down the Group's carbon intensity.

We expect the energy intensity to increase slightly in 2018/19 as compared to 2017/18, once the effect of the two warehouses site has been eliminated.

## OUR INFLUENCE ON THE ENVIRONMENT

### Carbon Reduction Target Review

In 2017, we committed to review our existing emissions and assess the possibility of identifying targets for our Scope 1 and 2 CO<sub>2</sub> emissions reduction, as based on the methods outlined in the Science Based Targets (SBT) initiative within the next two years.

Based on our preliminary findings during this period, further discussion with management will be underway in order to assess the practicality of setting such a target for Sa Sa based on our actual activity growth and viable reduction strategy.

The detailed carbon emission and electricity consumption data for the previous three years and an explanation of the methodology can be found in the Sustainability Data Statement – Environment (page 101).

## Green Products – Offering Customers a Green Alternative

### Our Commitment on Microbeads

Sa Sa pursues the goal of, reducing the environmental impact of the products sold to our customers as well as meeting the high-quality standards our customers expect.

In recent years, microbeads (defined by Microbead-Free Waters Act of 2015 (U.S.)) as any intentionally added, 5 mm or less, water insoluble, solid plastic particles used to exfoliate or cleanse in rinse-off personal care products) have been scrutinised for the negative impact they may pose to the marine environment and human health. Many countries and major multinational brands have already stopped, or are taking steps to eliminate the usage of microbeads in rinse-off products.

To this end, in 2016, Sa Sa implemented a policy banning plastic microbeads in all rinse-off products sold at Sa Sa, with the target of completely phasing out these products by the end of 2018.

Various checks and measures have been undertaken:



**Review of product ingredient list**



**Directly seek vendors' confirmations**



**Conduct eyeball check of products**



**Review publicised commitments by different brand owners**

Like many retailers, we do not always have direct control over every stage in the lifecycle of our products. However, as a good corporate citizen, Sa Sa continues to assert our influence over our supply chain, and aims to influence our suppliers so that they share our commitment on this issue whenever reasonably possible.

Accordingly, we have revised the ordering procedure to minimise the chance that new cleansing and exfoliating products will contain any microbead exfoliants. We are currently working intensively on identifying and discontinuing all existing products that used plastic microbead exfoliants prior to the full enforcement of the policy.

**2,100+**

**Number of products involved in our check**

**182**

**Number of vendors contacted**

**24**

**Number of SKUs that are found to contain microbeads.**



### Eco Meal Kit – a Commitment Towards Waste Reduction

The damage that plastic waste has on the planet extends to both ocean and land. Plastic utensils and takeaway box waste are major contributors to this enormous problem. Green Group reports that five major fast food restaurant chains in Hong Kong together distribute more than 400 million pieces of disposable cutlery each year. A separate study has revealed that plastic fragments, the constituents of which are commonly used in the making of disposable plastic cutlery, have been found in nearly two-thirds of local fish species in Hong Kong.

In 2017/18, part of the shopping bag levy money was spent on subsidising the production of the Sa Sa 40th Anniversary Signature product, an Eco Meal Kit. This was created as a free gift for our colleagues who participated in the Sa Sa 40th Anniversary Annual Dinner echoing our waste reduction campaign and the 40th Anniversary motto of “Beauty Forever”. This initiative is aimed at reducing the environmental damage caused by the use of throw-away boxes and cutlery at takeout venues. Since the Eco Meal Kit is designed to be BPA-free, durable and collapsible with food grade silicone, we believe it is an effective alternative to disposables.

An additional batch of the Eco Meal Kits were produced and sold at lower margin to our customers, to provide them with affordable access to green lifestyle solutions.

### Beyond the Box

A number of initiatives were built around the sale and free gift of the Eco Meal Kit, as an integrated part of our waste reduction strategy. These included a series of social media and customer engagement campaigns that were launched based on waste reduction, including a Facebook Live and contest.

The Sa Sa's MT also developed a campaign of their own to promote waste reduction. This consisted of promotion via both offline and online channels. As a result, a total of over 25,000 views & likes were gathered from the combined activities, with over 500 social media shares, and more than 100 green ideas were gathered via social media.



## Awards and Recognitions – a Recognition of Our Commitment

As part of our continuous commitment to driving forward green initiatives, Sa Sa received a number of awards and recognitions during the year, including:

- Hang Seng Corporate Sustainability Benchmark Index – for the seventh consecutive year, Hang Seng Indexes Company Limited
- CSR Index Plus, Hong Kong Quality Assurance Agency
- Charter on External Lighting, Environment Bureau
- Corporate Membership Programme – Silver Membership 2017/18, WWF(HK)
- Low-carbon Office Operation Programme 2017/18 – Gold Award, WWF(HK)





## *Our Influence On The Community*

*Creating an impact that matters*

Sa Sa recognizes that as a good corporate citizen, we have a real responsibility for the community in which we operate. The results of our Materiality Assessment echo that commitment: “Charity, Community Involvement and Investment” are amongst the “Most Material” Issues selected by our stakeholders.

“With our “Making Life Beautiful” aspirations in mind, we fervently desire that our presence in the community brings hope to individuals and families, so that their lives can become more beautiful.”







Although Hong Kong’s GDP per capita is ranked in the top 10 countries and regions in the world (according to the International Monetary Fund 2017), Hong Kong is still faced with numerous social challenges. These are reflected by Hong Kong being ranked 76<sup>th</sup> in the 2018 rankings of the World Happiness Report, continuing a clear downward trend over recent years. The poverty issue persists, with one in five people in Hong Kong being considered poor – a record high. The aging population continues to increase, with one in three residents forecast to be reach the age of 65 or above by 2034.

As an integral part of the community, Sa Sa believes it is essential that we make a significant contribution to the solution for Hong Kong.

**Our Strategy and Management Approach Towards Contributing to the Community**

**Two Main Vehicles for Sa Sa to Deliver Care to the Community**

**The Sa Sa Making Life Beautiful Charity Fund**

The Sa Sa Making Life Beautiful Charity Fund (The fund) was established in March 2013, with the vision of helping our community to realise inner harmony and true beauty through delivering our “Making Life Beautiful” philosophy from the heart. The fund is one of the primary vehicles for assisting some of the charities that are in need for support.



**\$4.7m**

Total donation for 2017/18

**Sa Sa Sincere Volunteering**

The “Sa Sa Sincere” Volunteering Team was established with the aim of serving the community by bringing together individuals who share the same passion for making a positive difference to the community through various Sa Sa’s activities.



**815.5 hours**

Total volunteering hours

With the help of the Charity Committee, a total of 815.5 volunteering hours were recorded by our volunteer record system.

We support the local community through various means, including providing direct financial support; in-kind support; and volunteers to support event happenings. Our charity work generally includes the elderly, the underprivileged and poor, youth development, and women in society.

**Care for Elderly – the Cornerstone of Hong Kong**

The success of Hong Kong today is built on the hard work and perseverance of prior generations in pushing forward the city’s social and economic development. As our citizens age, we recognise that there is a role that Sa Sa can play to show gratitude and look after them.

**Guinness World Record at IFA Aromaday**

Sa Sa is the Gold sponsor for the International Federation of Aromatherapists (IFA) Aromaday, a charity event that has broken the Guinness World Record for the number of people receiving a professional hand massage at the same time. A total of 297 registered aromatherapists and Hong Kong professional beauticians took part in the record-breaking event, conducting aromatherapy for an equivalent number of elderly people at the same time. In addition to breaking a world record, the event served the dual purpose of healing and promoting care for the local community.

The event was organised jointly by the Hong Kong Cosmetics Association and the IFA, echoing the World Health Organization’s promotion of the Global Network for Age-friendly Cities and Communities.



## OUR INFLUENCE ON THE COMMUNITY

### Po Leung Kuk – Elderly Home Visit

Sa Sa has been a corporate sponsor and provided volunteer teams for elderly home visits for many years. This year, Sa Sa volunteers made additional efforts and participated in a total of three visits, spread across three key Chinese festivals. For each visit, volunteers brought with them not only festival gifts from Po Leung Kuk, but also words of warmth and supportive care.



Winter Solstice visit, December 2017



Launch ceremony and Tuen Ng Festival rice dumpling giveaway, May 2017



Mid-Autumn Festival visit with mooncake giveaway, September 2017

## Care for the Underprivileged and Poor – Creating Harmony in Society

Recognising that many families in Hong Kong and China are still living below the poverty line, Sa Sa worked with many organisations during the year to provide poverty alleviation and social welfare solutions to individuals in need.

### The Community Chest – Serving those in need

In recognition of its work in helping the needy, Sa Sa continued to play an active role in supporting the Community Chest this year, both through donations and through participation in key programmes, including:

- “Community for the Chest” Television Show
- Hong Kong & Kowloon Walk for Millions



Sa Sa volunteers supporting the Hong Kong & Kowloon Walk for Millions





Sa Sa Team at Po Leung Kuk Charity Run

## Po Leung Kuk – Instilling the Less Fortunate With Hope

Po Leung Kuk is a multi-faceted Charity Service Provider, serving a cross-spectrum of the underprivileged in Hong Kong for over 140 years. During the year, Sa Sa was an active volunteer for many events, including sponsoring the Po Leung Kuk Charity Walk, the Po Leung Kuk Charity Run, the Support for Po Leung Kuk Flag sale, and the Po Leung Kuk Gala Spectacular 2018.



Sa Sa Colleagues and family members joining the Po Leung Kuk Charity Walk



Sa Sa Colleagues and family helping out with the Po Leung Kuk flag sale

## Heifer International

Heifer Hong Kong was founded in 2000, with the objective of offering a special gift to the underprivileged in China to transform their lives, with livestock often being the chosen gift.

Our support to Heifer over the years has included donations to support the Heifer Race Feed, the Heifer charity dinner and sending a team to take part in the Heifer signature Race to Feed fundraising event.



Sa Sa team at Heifer Race Feed 2017

**Empowerment of Youth and Women in Society  
– Strengthening the Foundations of Our Future**

We see our younger generation as the future of our society. In a highly competitive society, providing the right opportunities and challenges for young people to grow is particularly important. The role that women play in society is also a major focus, since women often have so much responsibility for supporting younger family members and for helping with their up-bringing. Women’s health and competency are thus particularly important to the family.

**IVE Business Administration Discipline  
– To Build Students’ Professional Image**

As part of Sa Sa’s continuous commitment to nurturing our new generation by building confidence, Sa Sa is supporting the IVE Business Ethics and Etiquette programme. This programme is offered to our Business Administration Discipline Higher Diploma students, providing the students with personal grooming and image building training at Sa Sa’s training centre.

We have trained a total of over 1500 in 2017/18 alone. The programme has been further extended this year following a review of the feedback and impact that we created. Our commitment remains to better serve our passionate youngsters as they progress through the education system.



**Sports for Hope Talent Search Fundraising  
Day**

Sa Sa supported the Hope event through donations and we also submitted teams to participate in the day itself. The objective of the Fundraising Day was to provide opportunities for individuals to explore their sports potential while also generating funds to support the Sports for Hope Foundation.







### Pink Heels Race – Hong Kong

#### Hereditary Breast Cancer Family Registry

To support the Hong Kong Hereditary Breast Cancer Family Registry, Sa Sa sponsored and participated in the Pink Heels Race again this year.

The event was aimed at promoting knowledge and risk awareness of hereditary breast, ovarian and prostate cancers caused by BRCA gene mutation. The Race was also targeted at raising funds for supporting under-served high-risk families to undergo BRCA testing and to benefit from genetic counselling services in the community.

### The Hong Kong Girl Guides Association – Empowering Girls and Young Women

In line with the Girl Guides’ mission of enabling girls and young women to develop their fullest potential as responsible citizens of the world, Sa Sa has been a committed supporter for many years. A number of Sa Sa executives currently serve on the Board in order to help with the Association’s development and strategy for youth empowerment.



### Other Youth and Female Programmes

Some of the other youth or female institutes that we supported during the year include:

<b>The Chinese University of Hong Kong</b>	<b>Hong Kong Federation of Women</b>	<b>Scout Association of Hong Kong New Territories Region</b>
<b>The Hong Kong Polytechnic University</b>	<b>Hang Seng Management College</b>	

## Community Leadership

In addition to participating in various charity events, our Chairman and Vice Chairman also take active roles in various charities. These include:

<b>Dr Simon Kwok, SBS, JP</b>	<b>Dr Eleanor Kwok, BBS, JP</b>
<ul style="list-style-type: none"> <li>• Second Vice-president of the Community Chest of Hong Kong (2011–14 and 2016–18)</li> <li>• Honorary President of New Territories Region of the Scout Association of Hong Kong (2016–18)</li> </ul>	<ul style="list-style-type: none"> <li>• Vice President of the Hong Kong Girl Guides Association (since 2012)</li> <li>• Adviser of Po Leung Kuk (2017–2018)</li> </ul>

## Thinking Ahead

With Charity, Community Involvement and Investment being identified as the key issues by our stakeholders, it is part our endeavour to continue our work in these areas in 2018/19. We support long-term partners such as Po Leung Kuk, Community Chest and various other institutes, and we continue to discover ways to better empower our talents to play a role in supporting our community.

# ABOUT THIS REPORT

Unless otherwise specified, the ESG report covers Sa Sa's operations in Hong Kong and Macau only. These markets represent the core of all our operations, contributing more than 80% of Group turnover in the year ended on 31 March 2018. The key stakeholders covered in the ESG Report include talents, customers, suppliers, environment and community only. Coverage relating to our shareholders is covered in other parts of this report.

This report is prepared in accordance with the HKEx ESG Reporting Guide (Guide) under Appendix 27 to the Listing Rules, and has complied with all "Comply or Explain" provisions, covering "General Disclosures" under each Aspect of the Guide and the KPIs in the "Environmental" Subject Area. Reference to relevant KPIs can be found in the HKEx ESG Reporting Guide Content Index (page 102-103)

## Feedback

Readers are invited to share comments, suggestions and thoughts on our ESG report or our sustainability performance by filling in the online survey or reaching us at [esg@sasa.com](mailto:esg@sasa.com)



## Sustainability Data Statement – Social

	Total headcount <sup>1</sup>			Fulltime employee turnover rate <sup>2</sup>		
	2017/18	2016/17	2015/16	2017/18	2016/17	2015/16
<b>By geographic region</b>						
Hong Kong & Macau	<b>3,061</b>	3,130	3,152	<b>4.0%</b>	3.9%	4.3%
China	<b>675</b>	660	656	<b>7.9%</b>	7.7%	8.5%
Taiwan	<b>224</b>	266	330	<b>9.0%</b>	6.4%	7.0%
Singapore	<b>171</b>	175	220	<b>5.7%</b>	7.1%	5.5%
Malaysia	<b>642</b>	616	540	<b>5.2%</b>	5.5%	5.5%
<b>By Gender</b>						
Male	<b>821</b>	843	846	<b>4.6%</b>	5.0%	5.0%
Female	<b>3,952</b>	4,004	4,052	<b>5.2%</b>	4.8%	5.3%
<b>By Age Group</b>						
Under 26	<b>1,260</b>	1,369	1,361	<b>7.9%</b>	7.4%	7.7%
26-35	<b>1,877</b>	1,910	2,029	<b>5.0%</b>	5.0%	5.3%
36-45	<b>954</b>	938	911	<b>3.5%</b>	3.2%	3.8%
46-55	<b>527</b>	515	503	<b>3.1%</b>	2.0%	2.1%
Over 55	<b>155</b>	115	94	<b>2.2%</b>	1.1%	1.4%
<b>By Employment Type</b>						
Full-time	<b>4,236</b>	4,281	4,348	<b>5.1%</b>	4.9%	5.2%
Part-time/Temporary	<b>537</b>	566	550	–	–	–
<b>Average Training Hours Per Employee<sup>3</sup></b>						
Frontline Colleagues	<b>24.0</b>	–	–			
Office Colleagues	<b>2.1</b>	–	–			
Male	<b>4.5</b>	–	–			
Female	<b>24.6</b>	–	–			

Data Footnotes:

- <sup>1</sup> Cover both full-time and part-time/temporary staff.
- <sup>2</sup> Fulltime employee turnover rate is calculated based on the average monthly fulltime staff departure during the year, divided by the average number of staff at the beginning and end of the year.
- <sup>3</sup> The training hours reported covers training organized by Training and People Development Department only.

## Sustainability Data Statement – Environment

The environmental data covers our operation in Hong Kong and Macau only.

	Unit	2017/18	2016/17 <sup>2</sup>	2015/16	Baseline 2014/15
<b>GHG Emission</b>	tCO <sub>2</sub> e	<b>15,867</b>	<b>17,216</b>	<b>17,916</b>	<b>19,498</b>
Scope 1	Company-owned transport fleet and employee owned vehicles used for business purposes	151	159	148	137
Scope 2	Purchased electricity used in our offices, logistics centers and stores <sup>3</sup>	15,303	16,619	17,511	19,063
Scope 3	Business air travel	85	92	125	143
	Fresh water supply and sewage treatment	16	17	19	18
	Paper disposal at landfills <sup>4</sup>	99	88	112	137
	Transport fleet owned by the external logistics operators <sup>5</sup>	213	242	-	-
<b>Carbon Intensity</b>	kg CO <sub>2</sub> e/sqm GFA	225	300	311	363
	kg CO <sub>2</sub> e/HK\$1m revenue	2,347	2,747	2,858	2,663
<b>Electricity Consumption</b>	MWh	<b>24,329</b>	<b>24,941</b>	<b>26,406</b>	<b>26,392</b>
Stores	MWh	19,996	20,919	22,504	23,105
Offices	MWh	1,584	1,623	1,629	1,407
Logistic centers	MWh	2,750	2,399	2,273	1,880
<b>Electricity Intensity</b>	kWh/sqm GFA	345	434	458	491
	kg CO <sub>2</sub> e/HK\$1m revenue	2,263	2,652	2,793	2,604
<b>Water Consumption</b>	cu.m	<b>26,495</b>	<b>28,495</b>	<b>33,514</b>	<b>30,691</b>
Water Intensity	cu.m/sqm GFA	0.38	0.50	0.58	0.57
	kg CO <sub>2</sub> e/HK\$1m revenue	2.30	2.67	3.03	2.44
<b>Vehicle Fuel Consumption</b>	'000L	<b>127</b>	<b>140</b>	<b>54</b>	<b>50</b>
Company-owned transport fleet and employee owned vehicles used for business purposes	'000L	55	59	54	50
Transport fleet owned by the external logistics operators <sup>6</sup>	'000L	72	82	-	-
<b>Vehicle Fuel Efficiency</b>	L/sqm GFA	1.81	2.44	0.94	0.93
	kg CO <sub>2</sub> e/HK\$1m revenue	54	64	24	19
<b>Vehicle Sulphur Oxides (SOx) Emission<sup>7</sup></b>	g	<b>1,915</b>	<b>2,115</b>		
<b>Paper Consumption</b>	kg	<b>41,544</b>	<b>43,176</b>	<b>47,771</b>	<b>47,056</b>
	'000 pcs	<b>8,304</b>	<b>8,631</b>	<b>9,547</b>	<b>9,316</b>
<b>Paper Use Intensity</b>	pcs/headcount	2,713	2,737	3,028	2,872
	kg CO <sub>2</sub> e/HK\$1m revenue	15	14	18	19
<b>Business Air Travel</b>	'000 km travelled	<b>578</b>	<b>595</b>	<b>804</b>	<b>929</b>
<b>Business Air Travel Intensity</b>	km travelled/headcount	189	190	255	286
	kg CO <sub>2</sub> e/HK\$1m revenue	13	15	20	20
<b>Carton Box Consumed<sup>8</sup></b>	'000 pcs	405	410	305	-
<b>Carton Box Collected for Reuse</b>	'000 pcs	286	278	175	-
<b>Shopping Bag Consumption<sup>9</sup></b>	'000 pcs	2,866	2,646	2,529	2,805
<b>Natural Resources Recycled<sup>10</sup></b>					
Paper	kg	<b>20,816</b>	<b>24,894</b>	<b>24,369</b>	<b>18,602</b>
Plastic	kg	<b>161</b>	<b>102</b>	<b>38</b>	-
Aluminum	kg	<b>102</b>	<b>87</b>	<b>65</b>	-
<b>General Waste<sup>11</sup></b>	kg	<b>25,143</b>	<b>26,043</b>	<b>23,907</b>	-
<b>Hazardous Waste<sup>12</sup></b>	kg	- <sup>12</sup>	<b>1,696</b>	<b>3,874</b>	

### Data Footnotes:

<sup>1</sup> GHG emissions are calculated in accordance with the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong (2010 Edition) issued by the Electrical and Mechanical Services Department and Environmental Protection Department. Scope 1 and 2 (direct emissions) are calculated for all stores, offices and logistics center in Hong Kong and Macau, while Scope 3 includes indirect GHG emissions from sources not owned or directly controlled by the Company but related to our activities.

<sup>2</sup> Previous published data for 2016/17 are restated due to revisions in water consumptions.

<sup>3</sup> Emissions associated with electricity purchased are based on latest available emission factors provided by power companies.

<sup>4</sup> GHG emissions avoided by recycling of paper have been incorporated.

<sup>5</sup> Since 2016/17, we extend the coverage of scope 3 emissions by incorporate GHG emissions resulting from logistics operations carried out by external logistics operators based on the vehicles used to transport the product from our logistics centers to our stores. Hence, the data for 2017/18 and 2016/17 are not directly comparable to data for 2015/16 and 2014/15.

<sup>6</sup> Figures from the external logistics operators have been added to the reporting scope since 2016/17.

<sup>7</sup> SOx emission was calculated in accordance with the Appendix 2: Reporting Guidance in Environmental KPIs issued by HKE.

<sup>8</sup> The programme was started in July 2015. Hence, the data for 2017/18 and 2016/17 are not directly comparable to data for 2015/16 and 2014/15.

<sup>9</sup> The quantity of shopping bag delivered at stores in Hong Kong only with respect to the levy on plastic shopping bags under the Product Eco-responsibility Ordinance (Cap. 602).

<sup>10</sup> Cover offices only.

<sup>11</sup> Surplus products containing chemical waste as defined in Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C).

<sup>12</sup> The quantity of hazardous waste generated in 2017/18 did not reach the threshold for processing.

## HKEx ESG Reporting Guide Content Index

Subject Areas, Aspects, General Disclosure and KPIs	Description	Reference/Explanation
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
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	P.84, 88-92 Environmental Policy
KPI A1.1	The types of emissions and respective emissions data	P.89-90, 101
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	P.89-90, 101
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	P.88, 101 Only partially comply. With explanation in P.88
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity	P.88-89, 101 Only partially comply. With explanation in P.88
KPI A1.5	Description of measures to mitigate emissions and results achieved	P.89-92
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	P.88-89
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources including energy, water and other raw materials	P.84, 88-92 Environmental Policy
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	P.90, 101
KPI A2.2	Water consumption in total and intensity	P.89, 101
KPI A2.3	Description of energy use efficiency initiatives and results achieved	P.90-91
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	P.89
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	P.88-89, 101 Main wrapping and packaging material occurring inside Sasa premise has been reported, covering carton boxes used by logistic and shopping bags.  Further assessment of packaging boundary this year, on the materiality of clear packaging materials, such as plastic bags for display, festival packaging and other bottles used in up-stream of the supply chain.
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	P.84, 92-93 Environmental Policy
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	P.92-93
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
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	P.66, 73 Employment Policy
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	P.68, 100
KPI B1.2	Employee turnover rate by gender, age group and geographical region	P.100
<b>Aspect B2: Health and Safety</b>		
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 providing a safe working environment and protecting employees from occupational hazards	P.66, 75 Health & Safety Policy
KPI B2.1	Number and rate of work-related fatalities	P.75
KPI B2.2	Lost days due to work injury	P.75
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	P.75





Subject Areas, Aspects, General Disclosure and KPIs	Description	Reference/Explanation
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	P.66-67, 69-72 Employment Policy; Training and People Development Policy
KPI B3.1	The percentage of employees trained by gender and employee category	N/A
KPI B3.2	The average training hours completed per employee by gender and employee category	P.100
<b>Aspect B4: Labour Standards</b>		
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	P.73 Employment Policy
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	P.73 Employment Policy
KPI B4.2	Description of steps taken to eliminate child and forced labour practices when discovered	In 2017/18, no such practices were discovered in our operations
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain	P.76, 82-83 Responsible Product and Supply Chain Policy
KPI B5.1	Number of suppliers by geographical region	P.82
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	P.92
<b>Aspect B6: Product Responsibility</b>		
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, labelling and privacy matters relating to products and services provided and methods of redress	P.76, 82-83 Responsible Product and Supply Chain Policy
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	P.82
KPI B6.2	Number of products and service related complaints received and how they are dealt with	P.79
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	P.83
KPI B6.4	Description of quality assurance process and recall procedures	P.83
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	P.83
<b>Aspect B7: Anti-corruption</b>		
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	P.74
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	N/A
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	P.74
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
General Disclosure	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	P.95 Environmental, Social and Corporate Governance Policy
KPI B8.1	Focus areas of contribution	P.95-99
KPI B8.2	Resources contributed to the focus areas	P.95-99