

Corporate Sustainability

The Group has always been committed in corporate sustainable development. Hence, the NWDS Sustainability Steering Committee was established in March 2012 and formulated corresponding policies to promote works in the aspects of environmental protection, community services, staff benefits and development, and operating practices, with an ultimate goal to mitigate environmental impacts and improve the livelihood of the community. While pursuing profits, we are dedicated to care more for the society and help build a better future. Therefore, taking the moment of the 20th anniversary, the Group will go an extra mile to be more engaged with the community by allocating more resources and time to take part in sustainability activities in various forms to better serve the under-privileged people and others in need.

ESTABLISHMENT OF NWDS VOLUNTEER TEAM



In the past, our stores often initiated store-based volunteer activities and received a lot of positive feedbacks from local communities. In view of this, the Group set up the NWDS Volunteer Team in April 2013 to unify our caring and power to better serve the society. As at 30 June 2013, about 1,500 volunteers were recruited and contributed more than 2,500 service hours in total. In April 2013, the Group subsequently launched its first nationwide volunteer campaign, "NWDS Tutoring Program", to provide a two-month free tutorial for under-resourced schoolchildren in small group settings in order to help them resolve difficulties encountered in their studies. Over 530 NWDS volunteers supported the activity which benefited approximately 1,600 children across the country. Carrying through the spirit of love and adhering to our vision of "social responsibility, innovation, people-oriented, pursuit of excellence", the Group will continue to carry out more volunteer services in a wide spectrum covering education, caring for the elderly, helping the under-privileged groups, environmental protection and assisting the disabled, etc..

COMMUNITY SERVICES

NWDS has been actively involved in social welfare activities and has participated in a large number of charitable events taking place in Mainland China and Hong Kong. The Group's effort has been widely endorsed by our customers and the public, and was repeatedly awarded the "Caring Company" logo in 2013.

"@Dream Sustainable Development Program" Launched to Help Under-resourced Children to Pursue Their Dreams



To give back to society, the Group kicked off "@Dream Sustainable Development Program", the largest nationwide sustainable development community project in its history, in July 2013. The program consists of four core components, namely, "@Sports – Hope Walkathon", "@Music – Rainbow Orchestra", "@Learning – Education Initiation" and "@Soul – Distant Calls", and a series of activities and workshops are organized in accordance with the themes. The program lasts for one year, with an objective of helping under-resourced children to pursue their dreams, and to develop a balanced mental and physical health and thus a positive attitude toward life, with the ultimate goal of increasing social mobility. It is expected that as many as about 5,000 children in Mainland China and Hong Kong will be benefited.



Supporting Under-resourced Schoolchildren

Building sustainable community and helping schoolchildren in need are high on the Group's sustainability agenda. Hence, the Group held the "Care for Schoolchildren" Campaign in March 2013 to collect school supplies for under-resourced schoolchildren, in which shopping privileges were offered to customers as an incentive to encourage participation. With enthusiastic support from the customers, the Group successfully gathered about 20,000 pieces of school supplies, all of which were donated to charitable organizations or schools in the neighborhood subsequently. Concurrently, 10 stores in the South Eastern China Region cooperated with Love Children Autism Welfare Center to launch the "Love



Makes the Sky Blue" Donation Campaign to echo with the "World Autism Awareness Day". The campaign has raised approximately RMB35,000 in donations and gathered 3,500 pieces of stationeries for autism children.



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

On 7 July 2013, NWDS became the key sponsor of the "MSF Day" organized by Médecins Sans Frontières ("MSF") for seven consecutive years. The Group appealed to more than 25,000 employees in Mainland China and Hong Kong to donate their one day's salaries to support MSF's global relief efforts. As a result, the Group raised a donation of HK\$450,000 in just a few days and became the top corporate fundraiser for the seventh consecutive year, fully demonstrating that our love is irrespective of race and boundaries.





Hand-in-hand Support to Ya'an Victims

With the spirit of "when one suffers, help comes from all directions", the Group always renders support to disaster relief works. In April 2013, an earthquake of magnitude 7.0 on the Richter scale struck Ya'an, Sichuan Province, taking away tens and thousands of lives and destroying countless homes. Our employees have taken immediate action by raising a generous donation of up to RMB480,000. And the proceeds raised went to Shenzhen One Foundation to help the earthquake victims. In addition, Nanjing store, Chongqing Store and stores in Wuhan organized commemorative activities respectively, in which the touching ambience moved the pedestrians and attracted them to join our loving force voluntarily.



Organizing Elderly Caring and Poverty-relief Activities

During the year under review, our stores held a number of caring events, for instance, home visits and donations, where massive care was delivered to the elderly, the poor and the under-resourced people. 10 stores in the South Eastern China Region collaborated with SAIC Motor Corporation in June 2013 and organized a charitable dinner themed "Exchange • Love", in which more than RMB100,000 was raised to subsidize school bus purchase in poverty areas. On the other hand, our stores also held numerous elderly-oriented activities during festivals, in which we shared warmth and distributed festive items to the elderly, such as, Chinese New Year food, spring couplets, dumplings, etc.. Moreover, volunteers of Beijing Qianzi Store offered one-on-one caring service for each elderly in September 2012 to ensure every one of them is well taken care of.



ENVIRONMENTAL PROTECTION

Environmental protection has always been a core task in the Group's sustainable development agenda. During the year under review, we executed various green measures on operations level, including recycling and reuse of disposable items, reduction of food waste and energy conservation. On the other hand, we encouraged our employees and customers to adopt green lifestyle by taking part in environmental protection activities supported or initiated by the Group.



In-store Lighting System Revamp to Lessen Carbon Emission

To effectively reduce emission, the Group adopted large-scale energy saving measures during the year under review. A nationwide lighting revamp was completed in our stores by replacing the basic lighting with LED lighting devices. Not only the shopping environment has improved, it also helps cut down the annual energy consumption by more than 31% and achieves a RMB7 million savings on electricity expense and maintenance. Most importantly, 34,343 tonnes of carbon emission can be reduced annually. All of them contribute to energy saving and emission reduction in a practical and effective way.



Promoting Green Living

To encourage customers to practice green living, the Group echoed the United Nations' "World Environment Day" on 5 June and organized a nationwide environmental protection activity called "Go Green with NWDS" in early June 2013. Through a series of spin-off activities, including "Green Causal Wear Day", "Green Rewards GO GO GO" and "Seedlings Adoption Program", complemented with the provision of shopping discounts and environmental gifts, we aimed to raise customers' and employees' awareness on environmental protection issues.



Promoting Resource Recycling



Following the success of the "NWDS Green Mid-Autumn Festival – Moon Cake Box Recycling Campaign" in 2011, the Group launched the nationwide recycling campaign again during Mid-Autumn Festival in 2012 to promote resource recycling. All of the 5,800 moon cake boxes collected were transferred to recyclers and the proceeds gathered were donated to charitable organizations or used for other charitable causes. For instance, Wuhan Wuchang Branch Store made use of the money to purchase stationeries for children in need in the kindergartens.



Advocating Water Preservation



Besides the signature green activities, the Group held a nationwide "Beauty of Water" Photography Contest in September 2012 for the first time to promote water resource preservation and contributed to the cause of protecting the earth. With enthusiastic response from amateur photographers

and green-conscious customers, around 22,000 submissions were collected across the country. To further encourage community participation, a public voting session was specially introduced to the contest, with over 130,000 people casted their votes. Furthermore, the Group launched the "Office and Home Water Conservation Ideas" Collection Contest in the same month to gather employees' suggestions on how to preserve our water resources. The contest received over 180 entries, showing employees' attention on water conservation issues.

Supporting the "Earth Hour" for Four Consecutive Years

The Group responded to the call from World Wide Fund for Nature and took part in the "Earth Hour" for the fourth consecutive year. On 23 March 2013, unnecessary lights at 36 NWDS stores and regional offices across the country were switched off for an hour from 8:30p.m. to 9:30p.m. to echo the call for energy saving.



STAFF BENEFITS AND DEVELOPMENT



The Group believes that talent development plays a vital role in the success of corporate sustainable development. Therefore, apart from offering a competitive remuneration and welfare package, the Group carries through the conviction of “Nurture Talents with Respect, Care and Trust” and provides a comprehensive training system and talent development program to help our employees advance their career. To foster relationship with our fellow staff, the Group also holds staff-caring activities frequently to enhance corporate coherence.



Comprehensive Staff Training Builds a Winning Team

The Group pays attention to each and every employee's development and therefore, constructs a comprehensive training system to address the needs. During the year under review, we organized a number of customized training courses covering all positions and technical areas to elevate employees' skills and their professional level. The courses included the “Core Talents Nurturing Plan” for senior managers, “Operational Management Training Camp for Store Managers” tailor-made for store managers, and “Project Xinpeng – NWDS Management Intern Cultivation 2013” which was in place to nurture new



blood. To be in line with the Group's growing business, NWDS Management Academy and Shanghai Jiao Tong University co-organized the “Certificate Program of Further Studies in Retail Operation and Management” (Advanced Level) in July 2013 to advance middle to senior employees' management capacity so as to meet the Group's demand for retail professionals. Furthermore, the Group organized a business tour to Korea for middle and senior managers in April 2013, in which they visited a few famous department stores to broaden their horizons.



“Caring Our Staff” Campaign Creates Pleasant Working Environment

To further promote harmony between the Group and employees, in April 2013, the Group launched a cultural campaign called “Caring Our Staff”, which comprises a series of activities, including “Management as Care Leader”, “Enhanced Welfare Benefits”, “Caring for Staff's Health”, “Store Manager as Care Ambassador”, “Caring Tea Breaks”, “Caring Bank Accounts” and “Caring Role Model” etc.. Through deploying senior management to frontline position, distributing health tips, setting up interactive tea breaks and commending outstanding employees, the Group demonstrates its attention on employees' total well-being and determination to create a harmonious workplace.





Acknowledgement of Outstanding Employees, Improving Service Quality

During the year under review, the Group organized numerous staff commendation programs to recognize our staff's hard work so as to boost their morale. In September 2012, the "NWDS Smile Campaign" was launched. Besides providing customer service training programs, frontline and back-office "Smile Experts" were elected among themselves to recognize their endeavor in delivering a pleasant shopping experience to customers. In addition, our stores constantly held work skill-related contests on customer service, cashier and industry know-how to enhance employees' professionalism and service quality so as to motivate them to excel further in a proactive manner. Riding on the Group's 20th anniversary, some stores specially held commendation meetings to encourage staff to keep up the good work and be well-prepared for the upcoming peak season.



Enhanced Employee Welfare and Promotion on Work-life Balance

As a responsible employer, the Group attaches great importance to employees' work-life balance. During the year under review, our stores helped employees relieve their work pressure by organizing a wide range

of recreational activities, interest classes and competitions, including "The Voice of New World KTV Singing Contest", Chinese Medicine Treatments, the establishment of NWDS Reading Club and the "Staff's Make-up Season" Creative Grooming Workshop etc.. To further enhance employees' sense of belonging to the Group, stores often offered exclusive staff privileges with selected brands and merchants, and distributed festive gifts to the employees in major holidays.



GROUP HONORS

With two decades of hard work, the Group has obtained numerous awards for our outstanding performance in marketing promotion, corporate governance, environmental protection and community services. During the year under review, the Group garnered more than 10 international awards in recognition and appreciation of our efforts.



Asia's 200 Best Under A Billion

The Group was accredited as the "Asia's 200 Best Under A Billion" by *Forbes* for the fifth consecutive year, which was an international recognition of the Group's profitability, market position, corporate governance and future development. All enterprises on the list are Asia-Pacific companies that have shown exceptional performance in their earnings growth, sales growth and shareholders' return on equity in the past 12 months and for at least three years.



Top 20 China Corporate Training Program

With its "Professional Tutor Training" program, NWDS Management Academy won the honorary title of "Top 20 China Corporate Training Program", which was jointly presented by Shanghai Jiao Tong University and *National Business Daily*.

Ruby Award in "Web Care Award 2011-12"

The Group's website, www.nwds.com.hk, won the Ruby Award in "Web Care Award 2011-12" organized by Internet Professional Association.

Carbon Audit • Green Partner

The Group's Hong Kong Office has participated in the "Green Hong Kong • Carbon Audit" organized by the Environmental Protection Department and the Electrical and Mechanical Services Department, Hong Kong and signed the Carbon Reduction Charter. The Group was accredited as one of the "Carbon Audit • Green Partners" to carry out activities in support of carbon dioxide and greenhouse gas emission reduction by reducing paper use, energy saving and waste reduction.



Honorable Award in "China's Best Brand Building Case Award"

The Group's "Forever Market Pioneer" rebranding program garnered Honorable Award in "The 8th China's Best Brand Building Case Award".

Citation for Excellence in Mainland Marketing

With the "Super Stars' Memorable Collections Exhibition" marketing campaign, the Group once again won "Citation for Excellence in Mainland Marketing" in the "HKMA / TVB Awards for Marketing Excellence".



"Caring Company" for 2012/13

In 2013, the Group was repeatedly awarded as one of the "Caring Companies" from the Hong Kong Council of Social Service for 2012 / 13, recognizing our outstanding performance in fulfilling corporate social responsibility.

Region	Department Store	Awards
Northern China Region	Shenyang Nanjing Street Branch Store	• The 2 nd Trustworthy Enterprise of Liaoning Province
	Shenyang Zhonghua Road Branch Store	• Top Notch Enterprise and Advanced Enterprise
	Shenyang Jianqiao Road Branch Store	• E-Commerce Innovation Award in the 2 nd Liaoning Online Merchant Summit in 2013 • Emerging Business Civilization Award
	Harbin Store	• Outstanding Service Station for 12315 Consumer Rights Protection
	Dalian Store	• Compliance Entity with Standardized Production – Safety Procedure • 2011 Grade 2A Labour Law Compliance Enterprise
	Anshan Store	• 2011 Trustworthy Entity
	Beijing Store	• 2012 Advanced Unit on Road Safety in Dongcheng District of Beijing
	Beijing Trendy Store	• The 5 th Anniversary Memorial Cup of 111 Helping and Relieving Project
	Lanzhou Store	• 2012 "Best Workplace" Medal
		• Advanced Enterprise in Statistical Survey in Commercial Sector

FY2011-2012 Annual Report Honors:

With innovative and stylish designs, fine illustrations and vivid choice of colors, the Group's annual reports for FY2011 and FY2012 received numerous international awards during the year under review, in recognition of our efforts in corporate communications.



2012 Galaxy Awards
Copy Writing: Annual Reports – Asia
Gold Award



2013 Astrid Awards
Cover Photo / Design: Retail – Convenience & Department Store
Gold Award
Interior Design: Retail – Convenience & Department Store
Bronze Award



LACP 2012 Vision Awards
Annual Report Competition
Annual Report: Consumer Services
Bronze Award

2012/13 Mercury Awards
Annual Reports: Overall Presentation – Department Store
Bronze Award



2013 Astrid Awards
Covers: Annual Reports – Artistic
Silver Award
Annual Reports: Corporate – Traditional
Bronze Award

Region	Department Store	Awards
South Eastern China Region	Ningbo Store	<ul style="list-style-type: none"> • "2012 Consumers' Most-Trusted Enterprise" Award among Ningbo Evening News Readers' Favourite Enterprises • The Most Effective Advertisement Award • The Most Powerful Advertisement Award
	Shanghai Huaihai Branch Store	<ul style="list-style-type: none"> • "Top 100 Enterprises of the Year" Honorable Certificate • Advanced Entity in "Harmanized Business Development" Contest
	Shanghai Changning Branch Store	<ul style="list-style-type: none"> • Harmonious Labor Relations Entity
	Shanghai Changning Branch Store/ Shanghai Xinning Branch Store	<ul style="list-style-type: none"> • Advanced Entity • Shanghai Shopping Festival – Best Promotion Award
	Shanghai Hongkou Branch Store	<ul style="list-style-type: none"> • The Third-class Award in "Business Integrity, Start with Me" Contest
	Shanghai Qibao Branch Store	<ul style="list-style-type: none"> • 2011 Safe Entity in Shanghai
	Shanghai Wujiaochang Branch Store	<ul style="list-style-type: none"> • "Workers' Vanguard" Honorary Title
	Shanghai Pujian Branch Store	<ul style="list-style-type: none"> • The "Best Marketing Award" of 2012 Pudong's Year-End Thematic Marketing Promotions • "Workers' Vanguard" Honorary Title in Pudong
	Shanghai Chengshan Branch Store	<ul style="list-style-type: none"> • 2012 Advanced Enterprise in Beicai Town • Advanced Business Entity of the District
	Shanghai Shaanxi Road Branch Store	<ul style="list-style-type: none"> • Outstanding Entity on Commercial Service in Shanghai

Region	Department Store	Awards
Central Western China Region	Zhengzhou Store	<ul style="list-style-type: none"> • "The Most Energetic and Mass-market Thematic Department Store" Award in 2012 Commercial Oscar Awards
	Kunming Store	<ul style="list-style-type: none"> • Advanced Enterprise
	Chengdu Store	<ul style="list-style-type: none"> • 2012 Award for Trendy Department Store
	Chongqing Store	<ul style="list-style-type: none"> • "The Most Fashionable Brand" Award in Trendsetting – City Life Style Award 2012 • 2012 Marketing Award on Credit Card Promotion in Chongqing • Leading Party Organization • Advanced Enterprise in Statistical Survey in Commercial Sector
	Wuhan Store	<ul style="list-style-type: none"> • 2011 Wuhan Harmonious Enterprise
	Wuhan Wuchang Branch Store/ Wuhan Hanyang Branch Store	<ul style="list-style-type: none"> • 2011-2012 Consumer Satisfaction Entity
	Wuhan Qiaokou Branch Store	<ul style="list-style-type: none"> • Civilized Entity
	Wuhan Xudong Branch Store	<ul style="list-style-type: none"> • 2012 Wuhan Harmonious Enterprise