

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT



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FROM A CARING CULTURE, TO THE ART OF  
DELIVERING AN ENLIGHTENING BEAUTY EXPERIENCE

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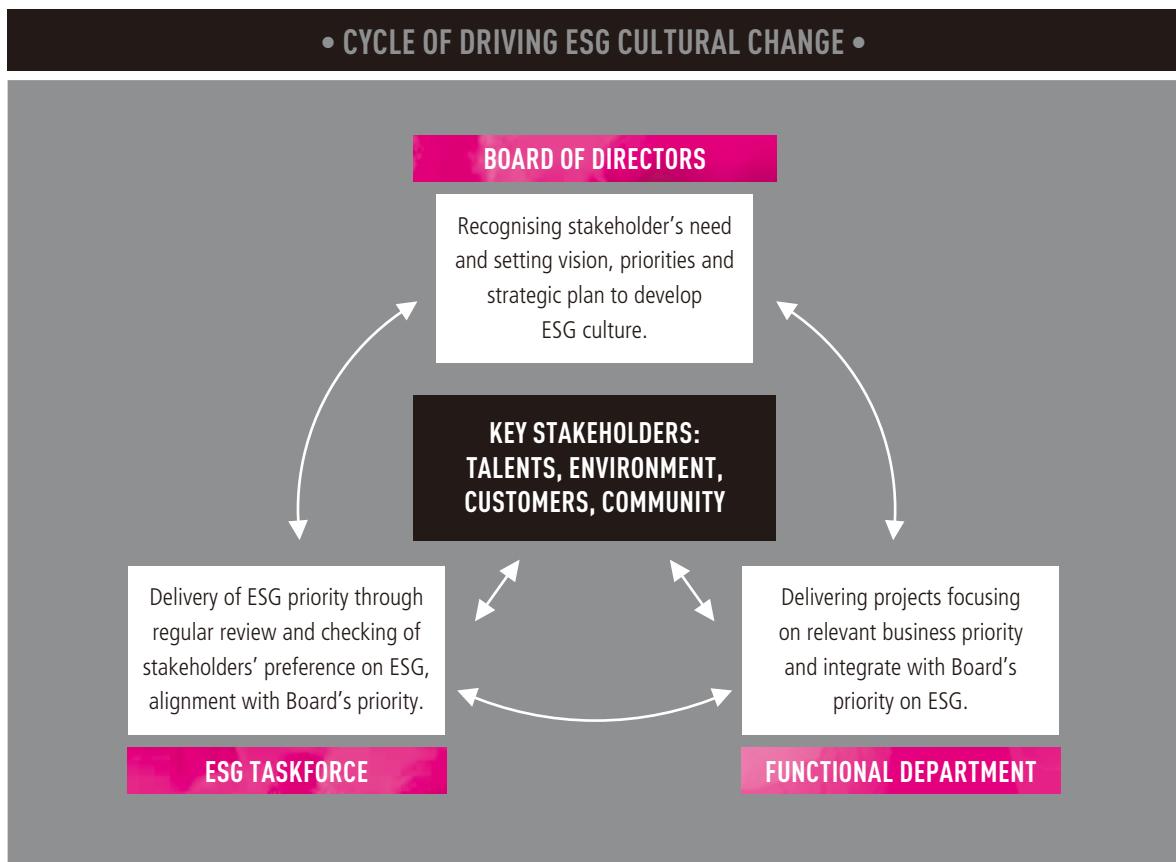
## OUR APPROACH: ESG AS A CULTURE

**O**ur vision of “Making Life Beautiful” forms the core of who we are and what we do at Sa Sa. It is this vision that guides us in forging and maintaining a constructive relationship with our key stakeholders. It is about caring for both our inner beauty in regard to our talents, and external beauty in regard to our customers, our suppliers, our community, our environment or other influences that we come across in our business.

The increasing importance of Environmental, Social and Governance (ESG) issues to regulatory bodies and shareholders is a clear message to us to strengthen our strategic approach to the ESG agenda. The revision of Company Ordinance that came into effect in March 2014, for example, explicitly outlines director’s duties towards corporate social responsibility. The extension of the Plastic Bag Levy on 1st April 2015 and the anticipated escalation of the Hong Kong Stock Exchange ESG Reporting compliance level to “comply or explain” in the latter part of 2015, further broadening and defining corporate responsibilities beyond simply generating financial returns.

### • 1 BEAUTY FROM OUR STAKEHOLDER-CENTRIC CULTURE •

As we develop our ESG agenda, we have established a mechanism that enables us to intensively nurture Sa Sa’s ESG culture. Although we recognise the model is still under development in terms of both design and execution, the Board of Directors and the team are committed to making a positive difference in what we do.



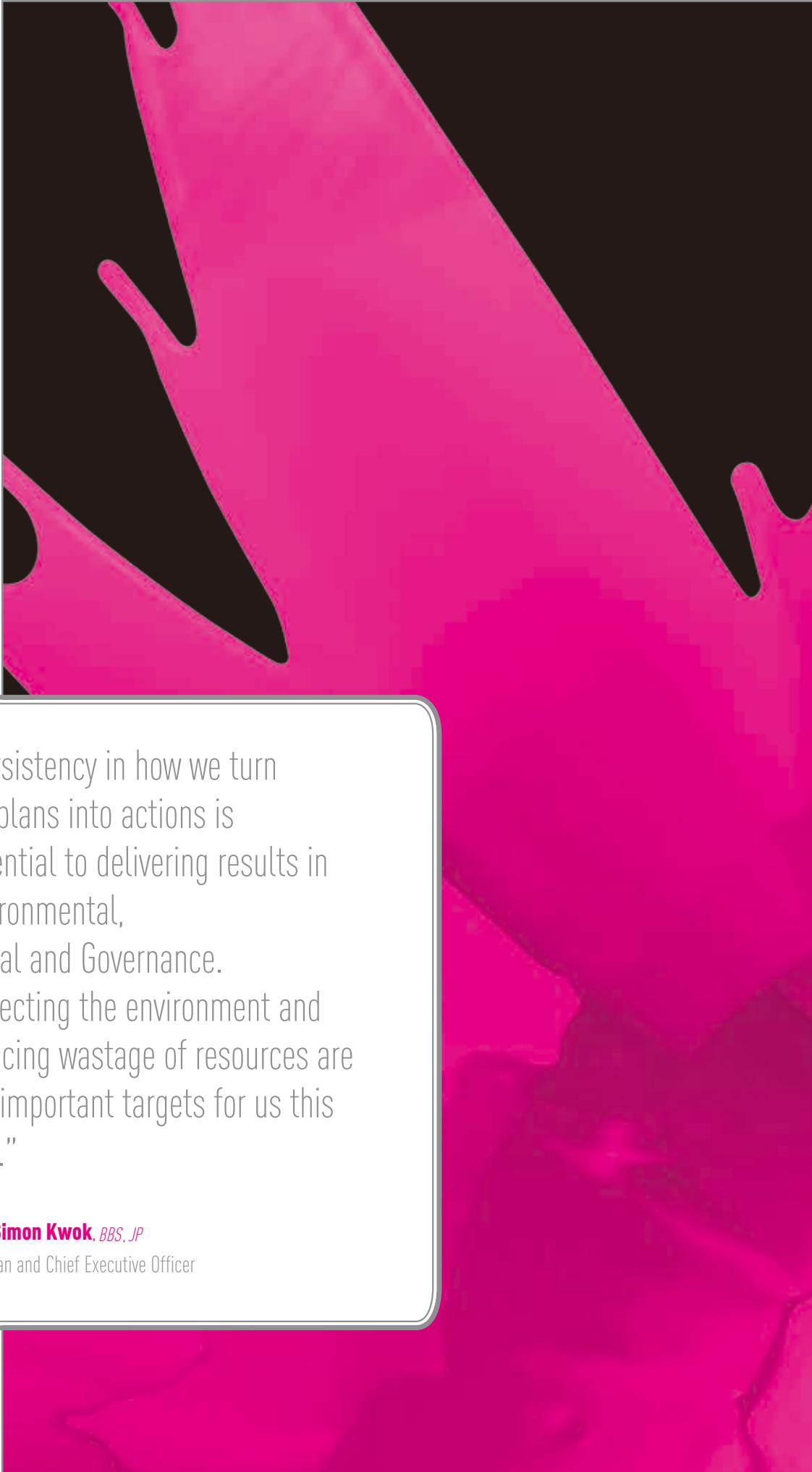
▲ Model for nurturing our stakeholder-centric culture

*The ESG Taskforce has been established since 2012, co-chaired by Sa Sa’s Corporate Strategy and Development Director and ESG Manager, and includes managerial representatives from all major functional departments. The Taskforce meets on a regular basis to discuss ESG matters with the objective to act as a catalyst for meaningful change that brings beauty to our stakeholders.*

“ Whether it is with the elderly, the youth, the rich or the poor, I believe we need to make a positive difference with what we do by making their life beautiful.”

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





“Persistency in how we turn our plans into actions is essential to delivering results in Environmental, Social and Governance. Protecting the environment and reducing wastage of resources are two important targets for us this year.”

— **Dr Simon Kwok**, *BBS, JP*  
Chairman and Chief Executive Officer

## Our Approach: ESG as a Culture

### • 2 FROM ASPIRATION TO AWARDS •



Serving with passion, we are proud to further receive a number of accolades and recognitions this year, such as inclusion in the Hang Seng Corporate Sustainability Benchmark Index (HSSUSB) for the 4<sup>th</sup> consecutive year. Please refer to “Awards and Recognition” section of the report relating to Corporate Social Responsibility.

### • 3 FORGING OUR SUSTAINABILITY CULTURE •

Looking ahead to the next 18–24 months, our emphasis will be to further forge our stakeholder care culture so that it becomes a central part of Sa Sa’s DNA. We believe this is vital to deliver our “Making Life Beautiful” vision to all our stakeholders effectively in the next decade. With challenges arising such as talent mobility and the continuous emergence of new operational demands, it would be only too easy for our focus and impact to be eroded, which means we must continue to intensify our efforts, through strengthening the following ESG Cultural Pillars in the year to come.



- The three ESG Cultural Pillars

Being in the business of beauty, it is our passion to bring beauty to our stakeholders. This mission is not only about doing things right, but also doing the right thing. We believe a sustainable culture is the right thing to cultivate. And we believe that an exciting year lies ahead of us!

Note: Unless otherwise stated, this ESG Report covers our operations in Hong Kong and Macau only. Our Hong Kong and Macau operations represent the core of all Sa Sa operations, contributing over 80% of our Group’s turnover in FY2014/15. A self-assessment grid against HKE Environmental, Social and Governance Reporting Guide can be found under the Corporate Responsibility section of our corporate website, corp.sasa.com.

## SERVING OUR TALENTS: THE BEAUTY OF GROWING WITH THE SA SA FAMILY

“Having worked in Sa Sa for 20 years, I think the sense of belonging to an extended family is probably one of the most important factors that made me stay.”

**TIMMY HO**, ASSISTANT SUPERVISOR (in the photo: 4<sup>th</sup> on the left in the front)



Sharing that was made during a gathering between all 20 years long service award recipients

“Sa Sa provided me with numerous development opportunities, the company really helped me grow and be more mature in what I do.”

**TERENCE LEE**, BRAND MANAGER (in the photo: 2<sup>nd</sup> on the right at the back)

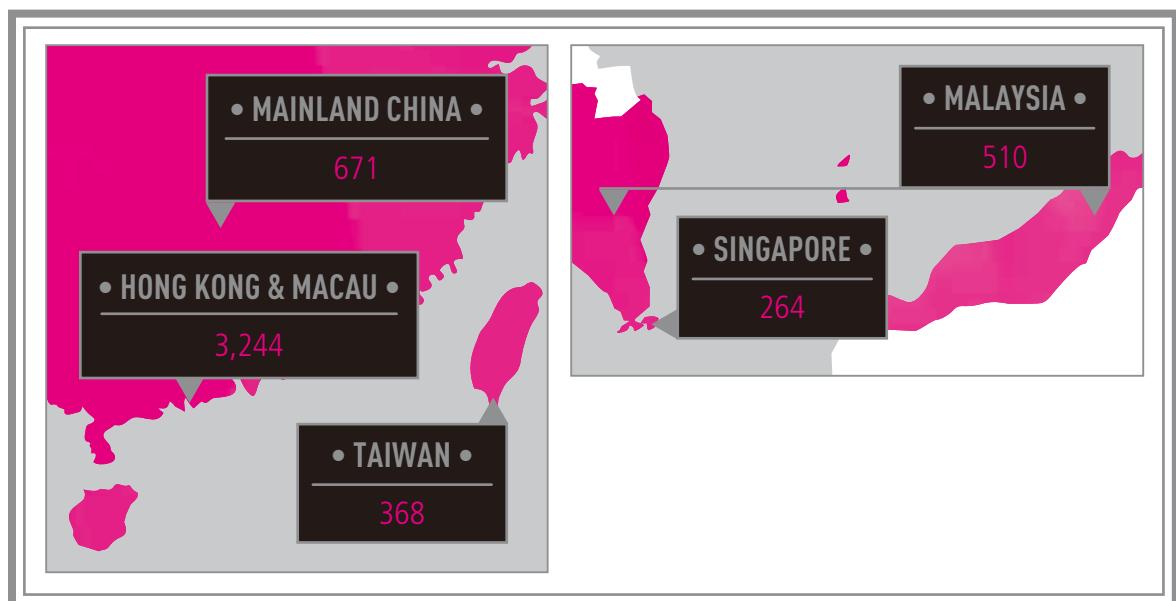
Our talents are the centerpiece of our vision for beauty. They are the ones that transform our vision into action; and they are also the ones that transform those actions into collective good memories of Sa Sa.

Ensuring “Joy at Sa Sa” and “Growth at Sa Sa” are the two of Sa Sa’s core strategies for nurturing, retaining and managing our best talents. Only by serving our talents with our caring heart will they in turn serve our other stakeholders from their heart.

### • 1 THE BEAUTY OF DIVERSITY •

As at 31 March 2015, the Sa Sa family had grown to over 5,000 talents in strength, creating a diverse pool of talents that makes Sa Sa unique amongst other companies.

#### • STAFF NUMBER IN EACH REGION •



## Serving Our Talents: The Beauty of Growing with the Sa Sa Family

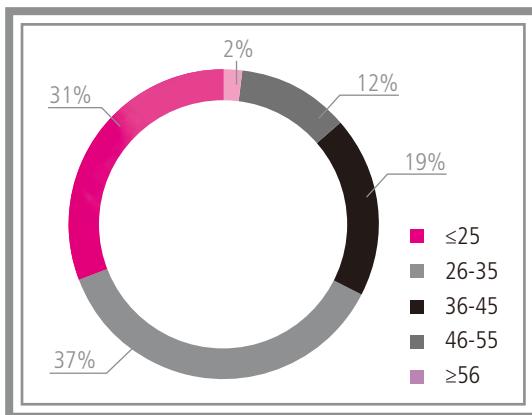
### • COMPOSITION IN HONG KONG AND MACAU •

### • EMPLOYMENT CONTRACT TYPE DISTRIBUTION •

**PERMANENT 85%**

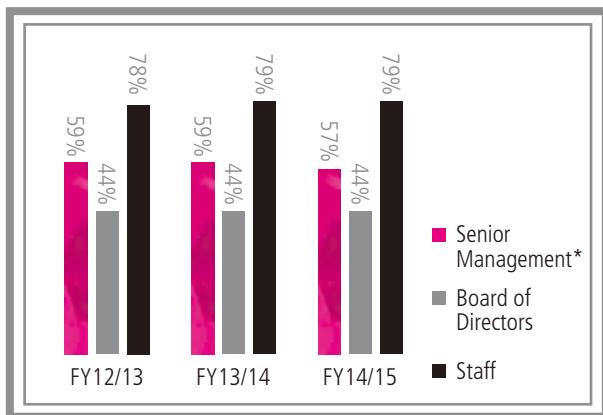
**CONTRACT / PART-TIME 15%**

### • AGE DISTRIBUTION •



\* Percentages might not add to 100% due to rounding

### • PERCENTAGE OF FEMALE COMPOSITION •



\* Senior management includes all company Executive Directors, department heads, and department directors

### • 2 GROWING WITH SA SA – A SYSTEMATIC APPROACH TO DEVELOPING AND GROWING BEAUTY •

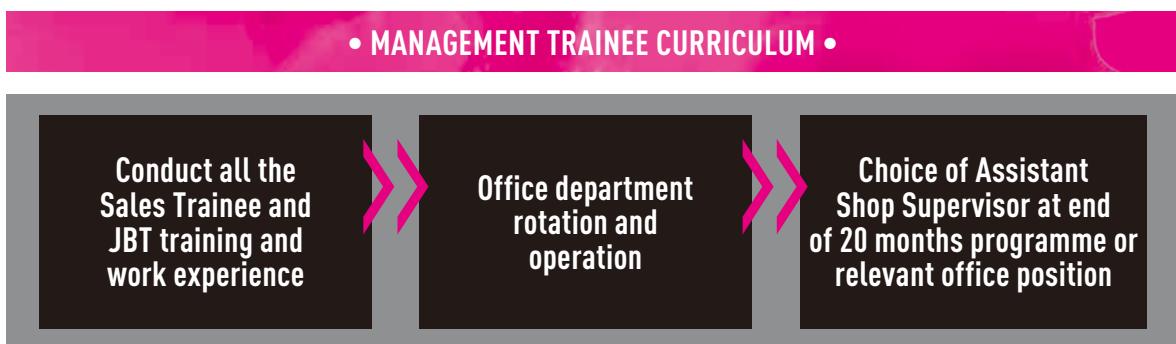
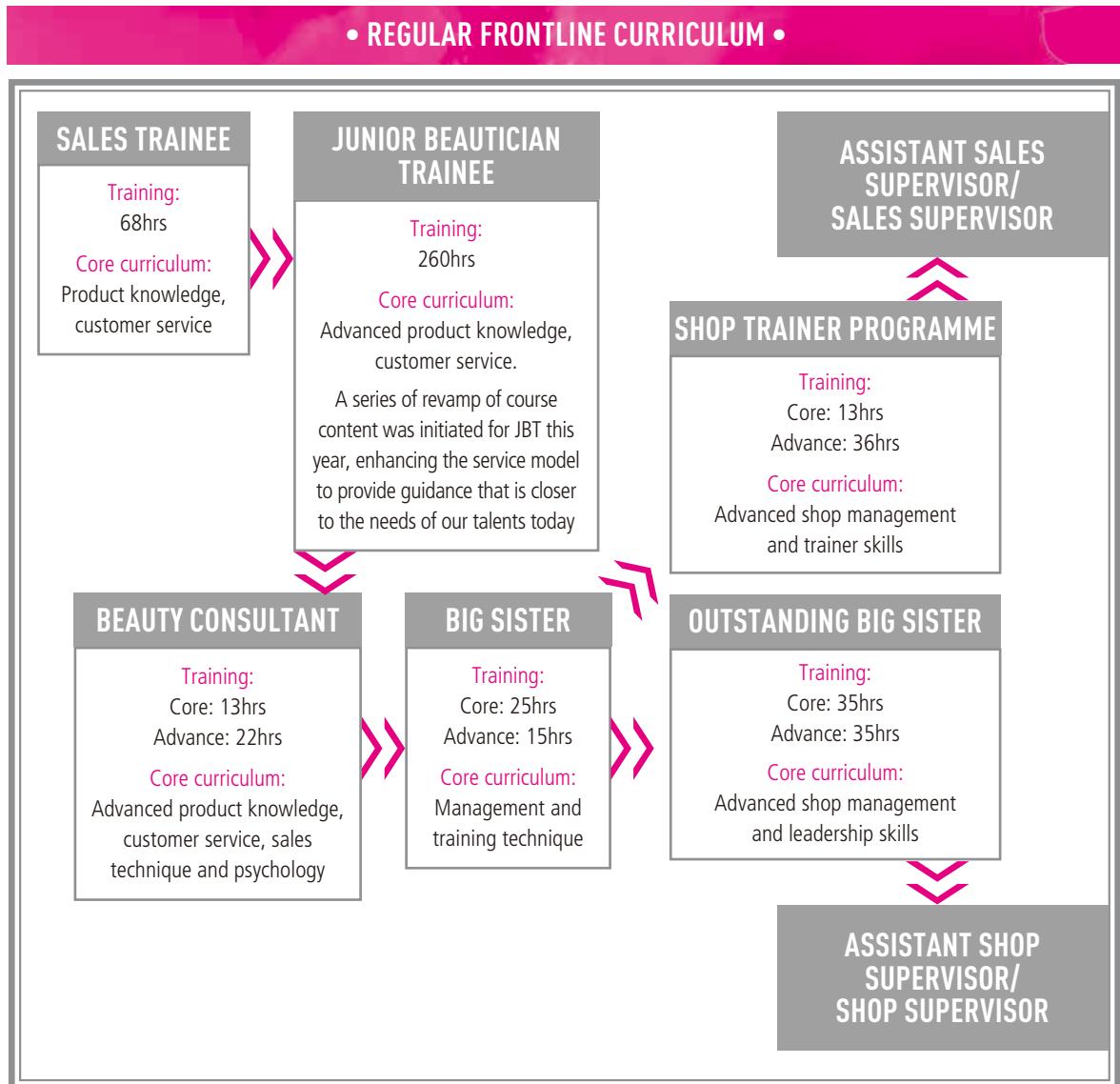
At Sa Sa, talent development forms the core of our talent management strategy, ensuring that our talents are being effectively enabled to deliver, develop and grow as their bond with the Sa Sa family strengthens. Over 52,000 hours of training were delivered to our frontline staff during the year by our in-house trainers, and over 400 hours to our office staff. Each department also holds their own development budget, in order for the staff to attend specific external training and seminars to serve their specific needs for growth.



## Serving Our Talents: The Beauty of Growing with the Sa Sa Family

### CONTINUOUS DEVELOPMENT – THE ART OF THE BEAUTY PROFESSION

To be able to deliver a truly enlightening beauty experience is a complex task for any individual. To aid new members of our Sa Sa family to master this complex task, we have developed a set of comprehensive curricula that enables our staff to grow as they bond with the Sa Sa family (see diagram below).



## Serving Our Talents: The Beauty of Growing with the Sa Sa Family

### • MANAGEMENT TRAINEE – NURTURING OUR FUTURE LEADERS •

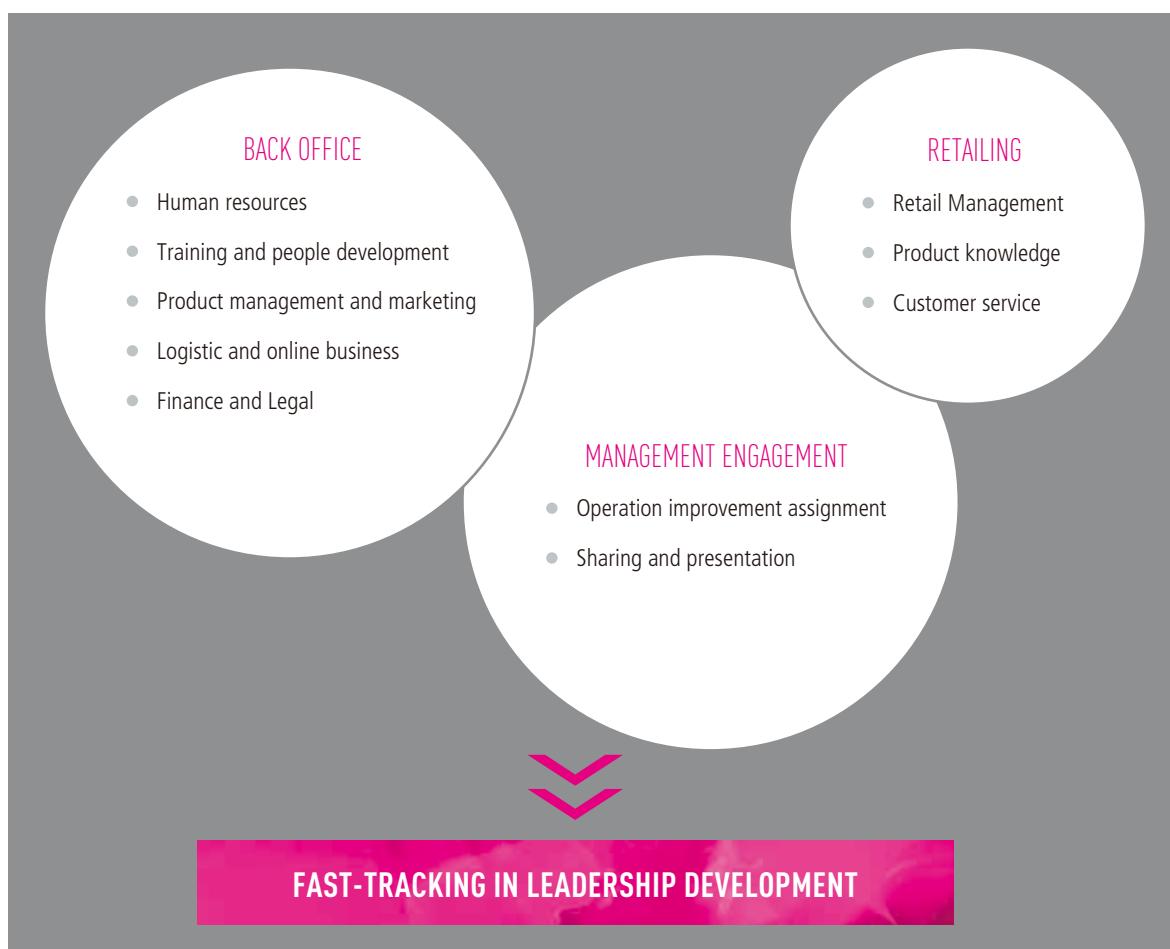
To enable some of the best talents in the market to grow at a rapid pace within our organisation, our 14<sup>th</sup> round Sa Sa Management Trainee (MT) Programme is designed to provide talents with 360 degrees exposure to what Sa Sa really is, gearing them up to fulfill the growing need for leaders in all parts of the organisation.

The MT Programme consists of structured courses, job rotation, project assignment in the frontline and back office, as well as interaction opportunities with senior management. The final destiny of MTs is their own choice.

**1,300+** applications

**28** final intakes

**20** months of intensive development programme



▲ Key aspects of Sa Sa's Management Trainee Programme

## Serving Our Talents: The Beauty of Growing with the Sa Sa Family

### NEW HIRE INDUCTION

As part of our commitment to aiding new hires' integration into the Sa Sa family, more regular induction has been organised this year, increasing inductions from twice a month to twice a week. Spending a minimum of half a day on interactive training courses, our colleagues are briefed on the Group's history, culture, values, standard service procedures, key policies, health and safety process, trade description issues, equal opportunities, gifts and entertainment policies, whistle-blowing, information technology and ESG.

### CONTINUOUS ENGAGEMENT AND IMPROVEMENT

As the professional needs and stages of development of our talent pool undergo changes, modules within our development programme also evolve to cater for them. Enhancement plans were developed for a selection of training modules during the year, including:

<p align="center"><b>• CASHIER TRAINING •</b></p> <p>Provides core technical skills and basic customer service, enabling the cashier to be more effective to deliver core tasks.</p> <p align="center"><b>Core module:</b> 24hrs</p> <p align="center"><b>Advanced module:</b> 15hrs</p>	<p align="center"><b>• NON-SALES STAFF (FRONTLINE) •</b></p> <p>With the growing size of non-sales staff in our frontline operations, specific trainings are provided relating to service, communications and stress management. These have been developed to strengthen the integration of our sales and non-sales teams.</p> <p align="center"><b>Core module:</b> 7hrs</p> <p align="center"><b>Advanced module:</b> 15hrs</p>
<p align="center"><b>• NON-SALES STAFF (OFFICE) •</b></p> <p>An advanced course spreads across a spectrum of important management skills relating to personal image, communications and succession planning.</p> <p align="center"><b>Advanced module:</b> 15hrs</p>	<p align="center"><b>• ADVANCE TRAINING CLASS •</b></p> <p>Additional advanced training classes have been developed for Big Sister, Shop Trainer and Outstanding Big Sister, with the aim of providing evolving continuous development opportunities to meet current market trends.</p>

### PERFORMANCE MANAGEMENT

To strengthen our culture of talent continuous development, we have significantly improved our performance management process this year by enhancing the content of the annual appraisal and goal setting cycle. A series of management workshops were delivered on the subject such as performance management, target management and succession planning to truly foster the development mindset of our mid and senior management team.

## Serving Our Talents: The Beauty of Growing with the Sa Sa Family

### • 3 THE JOY OF UNDERSTANDING •

At Sa Sa, much of our efforts have been dedicated to enhancing effective communication between various key internal stakeholders. This communication is effected through a number of well established channels, each with a clear objective:

#### • CLARITY IN DIRECTIONS •

##### BOARD AND BOARD COMMITTEE MEETINGS:

A total of 24 board and board committee meetings were held this year, ensuring that key strategic issues were addressed at the highest level in a structured manner (see Corporate Governance section of the report for details).

##### DEPARTMENTAL HEADS MEETINGS:

Held on a weekly basis to ensure continuous alignment of operations to formulate organisation level strategic priorities.

#### • LISTENING FOR COHESION •

##### REGULAR SUPERVISOR MEETINGS:

To encourage structured communication and feedback between the frontline to management, a large scale supervisor meeting is held monthly with representatives from all shops.

##### SHOP NIGHT MEETINGS:

In the dynamic nature of the shop environment, each shop hosts its own Night Meeting at least twice per quarter, thereby ensuring that team members are aligned with important directions each shop hosts and strategic guidance from management.

#### • ENSURING COHERENCE IN EXECUTION •

##### GRAND BREAKFAST MEETING:

A podium that involves over 2,000 colleagues in a half day session, to share key strategic directions, operational challenges and focuses for the coming year.

An external trainer was also invited this year to share insights on overcoming challenges that might lie ahead of us.



▲ Sharing core management messages through interactive drama at a Grand Breakfast Meeting.

Interacting with and understanding our external stakeholders are equally important. This includes our investors, our customers and the community. Further information can be found in the Investor Relations Report (see page 98), and "Our customer" (see page 74) and "Our community" (see page 78) sections of this ESG Report.

## Serving Our Talents: The Beauty of Growing with the Sa Sa Family

### • 4 THE JOY OF REWARDS •

A truly beautiful experience for our talents must be one that is rewarding to them. We reward our talents in multiple ways, from standard remuneration, to rewards for being loyal, sharing excellence in service and being a high performer. Each of these aspects recognises and reinforces the value and attitude of the talent, so that they can show their radiant beauty one way or the other.



#### REWARD FOR LOYALTY

Loyalty is an important value to Sa Sa and one that is treated with the highest degree of importance.

We are proud to have awarded a total of 166 colleagues with the 5, 10, 15 or 20 years long service award. They are each congratulated personally by our Chairman and Vice-chairman for their years of service.

◀ Some of the 20 years long service award recipients in elegant attire

#### REWARD FOR SUPERB PERFORMANCE

With retail industry becoming increasingly competitive, we have continued to reinforce our measures to recognise high performers both as individuals and as a team, particularly when they deliver performance beyond what is expected of them. A total of 22 awards were presented in front of around 2,000 colleagues at our Grand Breakfast Meeting.



#### REWARD FOR SERVICE EXCELLENCE

It is part of our strategy to continuously encourage our talents to compete and benchmark themselves against other industry leaders. This process has been extremely rewarding to our talents in terms of learning and in some cases, the actual winning of awards.

### • HONG KONG RETAIL MANAGEMENT ASSOCIATIONS (HKRMA) •

Sa Sa is proud to be recognised by HKRMA for its championship trophy under the Beauty Products/Cosmetics – Shop Supervisor Category. One of our Assistant Supervisors represented Sa Sa through multiple stages of assessment, including mystery shopper visits and panel interviews that put our service philosophy to the ultimate test.

Our La Colline shop was awarded "Service Retailer of the Year" for the 10<sup>th</sup> consecutive year, demonstrating our strength and commitment to continued leadership in the industry.



## Serving Our Talents: The Beauty of Growing with the Sa Sa Family

### • DISTINGUISHED SALESPERSON AWARD •



Five of our Beauty Consultants were honoured with the Distinguished Salesperson Award (DSA) by Hong Kong Management Association (HKMA) and Sales and Marketing Executive Club this year, recognising their excellence in customer service.

### • HONG KONG ASSOCIATION FOR CUSTOMER SERVICE EXCELLENCE (HKACE) •



Sa Sa was honored this year, to be presented with the HKACE Gold Award under its counter service category, competing against competitors from various sectors, including banks, insurance and aviation. Quoting from one of our representatives, "service from the heart" was the primary value that contributed towards my success today".

### REWARD BY REMUNERATION

Last but not least, compensation serves an important role in the overall context of rewards.

Our remuneration packages are reviewed regularly and multiple incentives and rewards are granted to motivate and recognise our colleagues. As part of the performance management system, Key Performance Indicators (KPI's) are adopted to ensure that the requisite directions and standards are set and met. There are many performance incentives for our employees, with discretionary bonus, sales bonus, sales commissions, share options and share awards being offered to reward good performance. The total employee benefit expenses of the Group amounted to HK\$1,142.5 million for the financial year 2014/15.

To enable our talents to start their journey of beauty smoothly with Sa Sa, a comprehensive Employee Handbook is shared with them on their welcome day, containing an outline of key benefits and compensation for staff.

We believe in the importance of recognising employees' accomplishments, and thus we have many different, but equally valuable ways of rewarding our talents.

## Serving Our Talents: The Beauty of Growing with the Sa Sa Family

### • 5 BEAUTY FROM EFFECTIVE POLICY •

#### **OCCUPATIONAL HEALTH AND SAFETY – MANAGEMENT AND PREVENTION**

Ensuring compliance with the required health, safety and labour standards is very important to Sa Sa

- A dedicated Health and Safety (H&S) Committee has been set up to address H&S issues, led by the Head of Human Resources with members from various departments
- A series of workshops is provided to enhance staff awareness of relevant health and safety issues, including:
  - o Guidance on manual handling operations to reduce risk of labour intensive operation
  - o Guidance on prevention of back injuries for all new joiners
  - o First Aid Certificate Training
- Work related injuries are being constantly monitored by the H&S Committee
- A module on avoiding workplace injury has been included in staff induction

#### **OCCUPATIONAL HEALTH AND SAFETY – PERFORMANCE STATISTIC**

- There were no cases of fatality due to workplace accidents in 2014/15
- There were 60 cases of work related injuries in 2014/15
- The total lost days due to work injury was 860 days
- An average of 0.25 days of sick leave were taken by our staff members per month

#### **EMPLOYMENT PRACTICE, ANTI-BRIBERY AND WHISTLE-BLOWING**

- Sa Sa complies with local employment regulations at all locations of operations
- In compliance with our HR policy, Sa Sa is not engaged in any forced or child labour
- To bring our operations in line with our organisation's commitment to the highest possible standards of openness, probity and accountability, a number of policies are set in place and shared among our staff. These include our Whistle-blowing Policy, Gifts and Entertainment Policy, Equal Opportunities Policy and Guideline on Prevention of Bribery Ordinance

## Serving Our Talents: The Beauty of Growing with the Sa Sa Family

### • 6 THE JOY OF BEING TOGETHER •

There were numerous beautiful moment this year, when we celebrated hard work, our achievements, or simply spent valuable moments within our Sa Sa family.

# • 2014 •

## • JUNE 2014 •

LCSD Corporate Game – Sa Sa in  
the Soccer Competition



## • JULY 2014 •

LCSD Corporate Game – Sa Sa in  
the Basketball Competition

## • OCT 2014 •

Halloween cake making class



## • NOV 2014 •

- 3D Latte Making Class
- Balloon animal making class



# Serving Our Talents: The Beauty of Growing with the Sa Sa Family

• NOV 2014 •



LCSD Corporate Game – Sa Sa at the long distance running race



# • 2015 •



• JAN 2015 •



Movie Night with 500 colleagues and their families



• FEB 2015 •

Mini-flower decoration class



• MAR 2015 •

Senior Management at the 37<sup>th</sup> Sa Sa Annual Dinner



## SERVING OUR CUSTOMERS: THE ART OF DELIVERING AN ENLIGHTENING EXPERIENCE

**A**s Asia's leading cosmetics retailer, it is our priority to ensure every care has been taken to deliver the most enlightening experience to our customers. Our business model places great emphasis on recognising the desires of our customer; matching them with the best beauty solutions from around the globe, undertaking relevant assurance measures, and ultimately delivering solutions with excellent service.



### • 1 RECOGNISING CUSTOMERS' DESIRES – LISTENING FROM OUR HEART •

We believe beauty is unique to each and every individual customer in the way that their various senses interact with this physical world, and to that extent, how they define and look for beauty. To ensure our offerings meet and exceed every customers' needs, much effort has been devoted to providing multiple channels for customers to provide their honest feedback. These include:

- Regular frontline debrief on customer feedback
- Usage of business intelligence to analyse customer needs and trends
- Customer focus group
- Shop survey
- VIP survey
- Customer feedback form and hotline
- Social media such as Facebook, Sina Weibo, WeChat, Meilishuo, Instagram

## Serving Our Customers: The Art of Delivering an Enlightening Experience

### • 2 GLOBAL BEAUTY SOLUTIONS – EXPLORING WITH PASSION •

We recognise that different customers need different solutions, and desire only the best solutions available to them. We see it as part of our duty to identify these solutions in every corner of the globe, with our shelves contain over 600 international brands.

#### • EUROPE (EX FRANCE/SWITZERLAND) •

9%

Gianfranco **FERRE** profumi *Sahavone Ferragamo* **Ferrari**  
**TOUS** TRUSSARDI Gucci Bvlgari Giorgio Armani  
 Versace Burberry Crabtree & Evelyn

#### Notes:

- Figures in percentage indicate breakdown of origin of brands sold in Hong Kong and Macau in 2014/15. Figure may not add up to 100% due to rounding
- Brands displayed in each region/country are not exhaustive
- Origin of brands is based on general customers' perception on the origination of the respective brands which may be subject to factors including location of manufacturers or brand owner's headquarters, brand image and style of product design

#### • FRANCE •

22%

**CAUDALIE** INSTITUT ESTHEDERM **JAGUAR** FRAGRANCES **NUXE**  
 Chanel Clarins Christian Dior Lancome L'Oreal

#### • JAPAN/KOREA •

27%

*banila co.* BEYOND **DR.TC**  
 肌子 **CYBER COLORS** **Dr.G**  
**Dr.Jart+** *Doctor Makes The Difference* *sasatinnie* soo Beauté  
 SKII Shiseido Laneige

#### • SWITZERLAND •

15%

**La Colline** **La Estephe** **Methodo SWISS** BEAUTY CARE  
**SUISSE PROGRAMME** **SWISS BALANCE** **SWISS Rituel** **TRANSVITAL**  
 La Prairie Valmont Skincode

#### • ASIA (EX JAPAN/KOREA) •

7%

**b·liv** by collinique **Neogene** 靚淨思 For Beloved One

#### • AMERICA •

18%

Elizabeth Arden **GoodSkin** Labs  
**GUESS** PERRY ELLIS Clinique Estee Lauder  
 La Mer Maybelline Revlon

#### • OCEANIA •

1%

**IN ESSENCE** NATIO **Lanocrème** since 1959

#### • OTHER •

1%



## Serving Our Customers: The Art of Delivering an Enlightening Experience

### • 3 THE BEAUTY ASSURANCE – LEADING BY OUR PROCESSES •

Product safety and quality is fundamental to what we offer to our customers. All of Sa Sa's products were safe in FY14/15, with zero incident of product safety issue or product recall during the year save for several incidents of complaints with regard to allergy.

#### 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 Korea. As part of our commitment to product safety, a number of mechanisms have been established for different types of vendors. This includes providing a list of harmful ingredients to our suppliers to avoid; conducting stability and compatibility tests on the product with its packaging; vendors' warrants for ingredient and product safety, and preference for vendors that are Good Manufacturing Practices (GMP) certified. We are also set to continuously review the process and to identify areas that we could further enhance and improve on our safety commitment.

#### BEAUTY OF QUALITY: FROM SELECTION, TO DELIVERY

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 are offered to our customers. This stringent quality control is followed through with digital tracking of all of our stock as part of our integrated SAP management system. It is also our passionate commitment to ensure only products with at least six months of validity stay on the shelves (except for food and pharmaceutical products, which due to their nature would require a minimum product life ranging from one to four months). This gives our customers peace of mind and a strong feeling of quality assurance when shopping with us. Products with a shorter shelf life will either be relocated to our outlet stores, or sold only when bearing explicit markings that indicate a short product life.

#### BEAUTY IN MIND: FROM DELIVERY TO AFTER SERVICE

To ensure our customers are ultimately satisfied with their purchases, Sa Sa's operations in Hong Kong and Macau are voluntarily committed to a 30 days purchase guarantee, thereby ensuring that our customers are 100% satisfied.

A well defined customer feedback protocol has also been established, so that our operations centre can respond to product quality, safety or service quality issues in the most appropriate manner. Members of Senior Management are involved in this process, so that any incident will be attended to diligently, attentively and on a timely basis. We believe that the safety and satisfaction of our customers should not be compromised under any circumstances.

In our Hong Kong and Macau operations, a total of 5,390 customer compliments and 144 customer complaints were reported over the past financial year. The customer compliment to complaint ratio was 37:1, a big 66% improvement over last year and a reflection of our continued commitment to enhancing our service quality.

A series of steps have been taken this year towards accrediting various strategic elements of our operation with the ISO9001:2008 standard (See our Enterprise Risk Management Report for details), with our online operation and our logistic centre having already been accredited. Such certification will ultimately enable us to consistently serve our customer aspirations with efficiency and effectiveness on a sustained basis.

We comply with the latest Personal Data (Privacy) Ordinance, ensuring the customer information we receive is only used for its intended purpose. We also fully comply with Trade Descriptions Ordinance (TDO) since it came into effect on 19 July 2013 through policy and processes that bring our own internal marketing practices in line with TDO.

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## Serving Our Customers: The Art of Delivering an Enlightening Experience

### • 4 EXPERIENCE THE EXCELLENCE – DRIVING FROM OUR CORE •

“Service from our heart” is the key philosophy that Sa Sa holds in regard to how we serve our customers. Recognising that customer experience extends way beyond our product offering, we strive to continuously strengthen our service quality through a number of structured channels in order to develop our talents and to give them a heart to serve, rather than just a heart to sell. Some of the modules that we have developed to strengthen this service philosophy include:

- **Mystery shopper:** With customer service quality being the core of the assessment module within our Mystery Shopper Programme
- **Shop KPI:** This is part of the KPI of all shops with Target Management Sustaining System (TMSS) score at its core, providing complaint numbers as well as compliment numbers
- **Competing against industry benchmarks:** Regular participation by our staff measuring against industry benchmarks such as the HKRMA Service Award enables continuous improvement by our staff

### EXPERIENCE FROM ONLINE TO OFFLINE

To provide an increasingly seamless online shopping experience to our customers, much has been done this year to enhance the customer-centric feature of our cn.sasa.com webpage and our mobile shopping platform. Furthermore, we have planned an upgrade of our WeChat platform in the coming year, to provide a unique personal online customer service experience through automated assignment of individual customer queries to a professional beauty consultant who is on the ground of a Sa Sa shop. Through the platform upgrades and implementation of social Customer Relationship Management (CRM), we also expect our communication platforms to be more effective in learning about our customers’ desires and inform them with relevant new products and promotions.



▲ Revamped cn.sasa.com site.

## SERVING OUR COMMUNITY: THE BEAUTY OF A CULTURE THAT BRINGS SMILES

**D**espite Hong Kong being one of the most developed cities in Asia, it is still a city with its own challenges. A city where there are one million individuals living below the poverty line; a city where there are still numerous young people struggling to find direction to build their own future; a city where nearly 15% of the elderly aged 65 or over (as at 2012) are living alone and requires our care.

Operating in this city for 37 years, we strongly feel the need to contribute towards the solution to some of the challenges. We believe we can bring smiles to the people of our home city via two of our core caring platforms: Sa Sa Making Life Beautiful Charity Fund, and our "Sa Sa Sincere" Volunteering Team.



Our **"Sa Sa Sincere" Volunteering Team** has been established with the aim of serving the community by bringing together individuals that share the same passion for making a positive difference to the community through the social activities of Sa Sa.

A formal Volunteer register has been established since 2013, with the aim of recording and recognising individuals who have made significant contributions toward driving forward our caring culture.

A total of 785 volunteering man hours were served by Sa Sa in FY14/15.



The **Sa Sa Making Life Beautiful Charity Fund** was launched in March 2013, with the vision of helping our community to realize their inner harmony and true beauty, delivering the "Making Life Beautiful" philosophy from our heart.

### • 1 SMILES FROM THE SERVED AND THE SERVING – THE BEAUTY OF VOLUNTEERING •

The beauty of volunteering is that it brings smiles not only to the ones being served, but also to the ones who are serving. It has been a busy year for the **"Sa Sa Sincere" Volunteering Team**, reaching out to a cross-spectrum of individuals in society: the young, the old, the deprived or others who cross our path and would benefit from our giving. The goal that we set is clear: to make a positive impact, wherever and whenever we can.

### BEAUTY OF OUR FUTURE PROJECT STAGE 2 – BEAUTIFYING THE LIVES OF NEW IMMIGRANT STUDENTS

With the objective of helping the younger generation to foster their self-esteem and better integrate into the society where they belong, the second phase of Po Leung Kuk and Sa Sa Beauty of Our Future project focuses on helping new immigrant students from the Mainland equip themselves with the essential competencies to succeed in Hong Kong society.

Being a matching fund programme between Sa Sa Making Life Beautiful Charity Fund with the Social Welfare Department, the programme leverages the core philosophy of "以生命影響生命" (using one's life to affect the lives of others) in its mission to serve over 8,500 target beneficiaries. The core of the project involves working with students from four primary schools and two secondary schools over 18 months. Some of the programmes to-date include the following:

## Serving Our Community: The Beauty of a Culture that Brings Smiles

### JOYFUL SUNSHINE LIFESTYLE SEMINAR

A series of introductory seminars were organised for students to learn about the benefits of the programme and its various elements.



▲ Students' first taste of the theatre sport on stage

### CITY EXPLORATION TOUR

This programme aims to enhance new migrants' sense of comfort and belonging to Hong Kong by touring Hong Kong's cultural/natural scenery landmarks that they otherwise might not discover.



▲ Students learning about traditional umbrella making at Shum Shui Po

### "MAKE ME LEADER" LEADERSHIP TRAINING PROGRAMME

Through a series of dynamic classroom exercises, students further develop their understanding of leadership and teamwork through experiments and contests.



▲ Students at leadership programme

### "GLISTERING STARS" THEATRE SPORTS TRAINING

To enhance students' ability to express themselves in a safe but competitive environment, a series of theatre sports training and competitions were organised, in which they were able to compete with their peers in impromptu stage act.



▲ Theatre sports training

## Serving Our Community: The Beauty of a Culture that Brings Smiles

### CAREER EXPLORATION – PREPARING FOR THE FUTURE TODAY

A career for most young people is something that is very distant and abstract, with the connection between what they learn and what is needed of them being very vague. The career exploration session aims to provide additional insights into what they need to learn today to prepare for the future tomorrow.

#### • PRIMARY SCHOOL STUDENTS: WHEN “DREAM COMES TRUE” •

The “Dream Comes True” centre is a purpose-built simulation centre that aims to provide young people with a taste of what working in different sectors is like in a fun and dynamic manner.

Approximately 75 students from four primary schools gathered under the project. In addition to dressing up in the uniform of a certain industry, students are briefed on the expected work attitude of the industry and provided with a simple task to execute. Over 20 Sa Sa volunteers took part in supporting the event, sharing the same passion as the young people in preparing themselves for a better future.



▲ “Sa Sa Sincere” Volunteering Team



▲ Youth trialing as young medics and astronauts



▲ A total of four sets were developed at Sa Sa booth, giving each group of students an unique stage experience

A specialty “Sa Sa Dream Comes True” booth was setup for the day by the Sa Sa Makeup artist and Training team. Students could choose to be a makeup artist, a MC, an actor, a movie director or a photographer. Collectively, they set the stage for a short but fun-filled performance.



▲ Students dressed as “The Terminator” on one of the sets



▲ Full team of Sa Sa makeup artists and trainers with students who acted “Hawaiian Beauty”

## Serving Our Community: The Beauty of a Culture that Brings Smiles

### • SECONDARY SCHOOL STUDENTS: "YOUR DAY WILL COME" INTERVIEW WORKSHOP •

When students reach Forms 5 and 6 in the two secondary schools that we serve, many start planning for their next stage in life.

To equip students with more confidence, various Human Resource colleagues and frontline staff visit the schools, sharing with them interview techniques and providing insights into sales/frontline work in the retail industry.



▲ Sa Sa Beauty Consultant sharing their insights



▲ Post workshop group photo

### SOUNDS GREAT – SHARING AND PRESERVING CULTURAL BEAUTY

"Sounds Great" is an audio book project that aims to preserve some of the best vocal treasures from the past and share them with the next generation.

The first phase of the project includes some of the most famous Chinese literature classics (e.g. Jin Yong Series), Cantonese opera (e.g. Never Say Goodbye), artists' autobiographies and broadcast history.



▲ Two of the titles at the launch of Sounds Great

Sa Sa was proud to be the sole sponsor of Wellfit e-Book Limited to launch the event, and purchased the first 10,000 audio book for distribution to charities such as Po Leung Kuk Elderly Service Centre and The Hong Kong Society of the Aged.



▲ The launch of Sounds Great with Miss Florence Hui, Under Secretary for Home Affairs of HKSAR government and Dr Simon Kwok, Chairman and CEO of Sa Sa International Holdings Limited

Chairman Simon Kwok with the Director of Corporate Strategy and Development, Melody Kwok, introducing the audio book to the elderly at the PLK Centre on the day of the launch



## Serving Our Community: The Beauty of a Culture that Brings Smiles



◀ "Sa Sa Sincere" Volunteering Team joined hands with the "Sounds Great" team and Contributing Artists visiting the elderly at Po Leung Kuk Wan Lam May Yin Shirley Neighbourhood Elderly Centre to give away free copies of Sounds Great

### CARING FROM THE HEART – ELDERLY VISITS AT HOME

Our annual elderly home visit programme has always been an occasion that gives rise to numerous moving stories told by our volunteers. Wan Lam May Yin Shirley Neighbourhood Elderly Centre was picked for our visit in March 2015, approximately four months after the first visit in November 2014 when we launched "Sounds Great".

Having visited over 30 households in an afternoon, the smiles on the faces of all volunteers clearly marked the success of the event as each volunteer brought home warm and inspiring stories of their visits.



#### YO YO YUEN (CMPD)

It is amazing how resilient the elderly can be, judging from the two households that I have visited. One elderly lady could hardly leave the room due to sight problems.

On reflection, we should really care for our elderly more, as even minor impairments can seriously affect their routine.

#### LINNI WONG (HR)

I feel grateful to be a volunteer in the elderly visit programme. It was a pleasant experience talking to the elderly, and I can see from their eyes that our visit means something to them.

#### ALMEN HON (F&A)

We visited a total of three elderly households, and I think we were fortunate, as all three of the households were very positive in the conversation. Whilst some thought they were the beneficiaries of the visit, I think it is us who truly benefited.



## Serving Our Community: The Beauty of a Culture that Brings Smiles

### LEADERS IN THE COMMUNITY

In addition to volunteering for various strategic projects, our executives take an active personal role in a number of non-profit organisations, including:

#### • DR KWOK SIU MING SIMON, BBS, JP •

*Chairman and Chief Executive Officer of the Company*

- **The Community Chest of Hong Kong:**  
First Vice-president (2014-15) of Board of Directors  
Chairman of Executive Committee (2014-15)  
Co-chairman of Campaign Committee (2015-16)
- **Hong Kong AIDS Foundation:**  
Executive Board Member (2006-15)

#### • DR KWOK LAW KWAI CHUN ELEANOR, BBS •

*Vice-chairman of the Company*

*Chairman of Sa Sa Making Life Beautiful Charity Fund*

- **Po Leung Kuk:**  
Vice-chairman (2012-15) of the Board of Directors
- **Hong Kong Girl Guides Association:**  
Vice-president (2012-15)

#### • DR GUY LOOK •

*Chief Financial Officer and Executive Director of the Company*

- **HKSAR Environment Bureau:**  
Member of the Energy Advisory Committee (2012-16)
- **Hong Kong Green Building Council Certification Scheme:**  
Member of the Appeal Panel (2013-15)

Their full biography can be found in page 51 in the Biographical Information Section of our FY14/15 Annual Report.

## Serving Our Community: The Beauty of a Culture that Brings Smiles

### INDIRECT SERVICE – RACING WITH A HEART OF CHANGE

“Sa Sa Sincere” Volunteering Team has supported a number of charity races during the year, both financially and through active participation.

Apart from fund raising, many charity races serve the purpose of engaging and educating target beneficiaries. The volunteer team also benefited from a sense of teamwork and strengthened their sense of purpose in being part of the Sa Sa family.

# • 2014 •

## • SEP 2014 •

**“The Community Chest Wheelock Swim for a Million 2014” – for Community Chest**

Sa Sa racing and cheering team supporting the event



## • OCT 2014 •

**Pink Walk for Breast Health – for Hong Kong Breast Cancer Foundation**

## • NOV 2014 •

**Race to Feed 2014 – for Heifer International**

As a corporate sponsor to the event for the 7<sup>th</sup> consecutive year, our cheering team brought home the championship, and our corporate 5 km race team achieved 5<sup>th</sup> overall position.



## Serving Our Community: The Beauty of a Culture that Brings Smiles

• NOV 2014 •

### Race with Pink Heels – for Hong Kong Hereditary Breast Cancer Family Registry

Sa Sa took part in the Pink Heels race for the 3<sup>rd</sup> consecutive year to support awareness raising and screening of hereditary breast and ovarian cancer



• 2015 •



• JAN 2015 •

### Community Chest Walk for Millions

Over 40 colleagues turned up to the walk, in support of the fundraising effort that contributed towards 23 "Family and Child Welfare Service" members centre

• FEB 2015 •

### Po Leung Kuk Charity Walk cum Carnival

More than 30 colleagues supported the charity walk to raise funds for over 270 social service units



## Serving Our Community: The Beauty of a Culture that Brings Smiles

### • 2 SMILE OF FULFILLMENT – DELIVERING CARE THROUGH FUNDING •

In addition to supporting the numerous volunteering events above, Sa Sa also provides direct financial or other non-direct financial support to various local NGOs. Through the Sa Sa Making Life Beautiful Charity Fund and the work of Sa Sa Cosmetic Company Limited, we are proud to have donated a total of HK\$5.4 million to outside organisation.

### CELEBRATING ART AND CHRISTMAS, WITH LOVE

#### • Suisse Programme Art of Swiss Beauty – Bring home the best of Swiss •



For the second successive year running of the “Art of Swiss Beauty” exhibition was jointly hosted by Suisse Programme and Hong Kong Arts Centre, to promote the cross-cultural exchange of Swiss and local artists’ view of beauty. Swiss artists Florence Iff and Marianne Eggimann shared their perspectives through the media of photography and ceramic works.

The “Art of Swiss Beauty” Award was presented to one of the Bachelor of Arts (Fine Art) students Chan Yi, funding a trip to Switzerland to bring home stories of beauty contemplated through her own eyes.

#### • LOVE AT CHRISTMAS •



To celebrate the Christmas festival with love, 2% of the sale of our Christmas teddy bear gift set was contributed to the Sa Sa Making Life Beautiful Charity Fund, so that our customers can care for their loved ones whilst also caring for the community at large.

## Serving Our Community: The Beauty of a Culture that Brings Smiles

### BEAUTY OF A FLOURISHING COMMUNITY

We felt grateful to be able to contribute towards a number of very meaningful charity initiatives throughout the year. These included:

#### • YOUTH AND EDUCATION •

-  **Success Charity Foundation:** Supporting Success Charity Concert evening in support to its youth development work
-  **Food for Good:** Sponsoring its charity dinner to support education on food waste agenda in schools, communities and corporates
-   **Love Foundation:** Sponsoring its Inaugural and Fundraising Dinner in support to its "Happy Children Summer Camp 2015" that aims to help over 30,000 children of migrant Chinese workers in local Provinces

#### • SOCIAL WELFARE AND PUBLIC HEALTH •

-  **Hong Kong Aids Foundation:** Sponsor of its December charity dinner in support for its work in prevention and care for HIV patient
-    **Heifer International Hong Kong:** Corporate sponsorship to Heifer Race to Feed 2014, participate at the charity race and provide product sponsor to its charity dinner
-  **Hong Kong Parkinson's Disease Foundation:** Silver sponsor to "Tai Chai for Parkinson's" event, raising fund to provide better support to the patients in need

#### • WOMEN IN SOCIETY •

-   **The Hong Kong Girl Guides Association:** Sponsorship and product donation for various events (such as world summit, Halloween fest and fundraising dinner) to enable women in all age to develop their fullest potential
-   **Hong Kong Federation of Women (HKFW):** Support the advocacy of women's right through sponsoring it inauguration of its Orchestra and donation of products in a number of HKFW events
-   **Breast Cancer Foundation:** Sponsoring of the 10th Pink Walk for Breast Health 2014 in supporting of the cause of eradicating breast cancer

#### • SPORTS, CULTURE AND RELIGION •

-  **Arts in Heritage Research Ltd –** Sponsoring Joint University Cultural Mapping project that raises the profile of Hong Kong's heritage and cultural identity through education
-   **Sports for Hope Foundation:** Sponsoring Guinness World Record Tennis Challenge, to fundraise for the development of young highly-talented underprivileged athletes in Hong Kong and greater China
-   **Hong Kong Veterans' Tennis Association:** Sponsoring the International Open competition, with the aim to promote healthy sports lifestyle amongst the veterans group

## SERVING OUR ENVIRONMENT: THE BEAUTY OF GREEN CULTURE

“It is our culture that governs our actions of today.  
And our actions today will govern  
the beauty of our planet tomorrow.

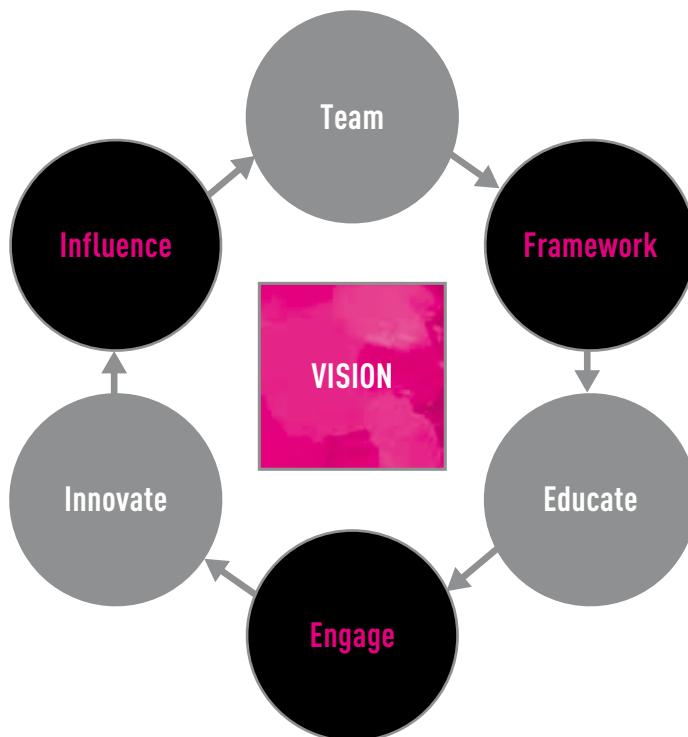
With the number of challenges confronted by our planet, the priority for us to nurture green culture cannot be more apparent or urgent. As individuals, there is little we can achieve on our own. We must therefore build and grow this culture – and we must influence others to do the same.”

**DR GUY LOOK**  
CFO AND EXECUTIVE DIRECTOR



**S**a Sa recognises the increasing number of environmental issues that are being confronted by our planet, such as climate change, the depletion of natural resources, waste materials that require treatment, and many others. No individual (country, company or human being) can solve these environmental problems alone. That is why Sa Sa's priorities and efforts have been dedicated towards nurturing a green culture, so that the sustainability movement can be self-sustainable.

Our model in driving green cultural change starts with establishing our vision and objectives, setting up a core team (ESG Taskforce) to build our framework, educating and engaging our talents, being innovative in how things are done, and ultimately influencing our customers and other external stakeholders.



We have made significant progress this year along our journey. Leaving aside the various awards, it is the observable change in our peers' attitude towards the sustainability agenda that inspires us to continue with our work. We are only just beginning. There is a lot that need to be done before we can claim to be truly "sustainable"!

## Serving Our Environment: The Beauty of Green Culture

### • 1 OUR VISION – TO INFLUENCE OTHERS STRIVING TOWARDS A SUSTAINABLE FUTURE •

It is our vision to ultimately influence every customer that we are in contact with, by offering beauty solutions that serve their aspirations, and those of both society and the environment. Our goal is to exert a sustainable influence that is driven by the heart of Sa Sa and by the culture of each individual within Sa Sa.

With Sa Sa carrying over 17,000 products in our trade mix, it is unrealistic to offer only natural and organic products. Like beauty for human beings, the green beauty definition of some of our products can have its own attributes, whether it is the use of sustainability of packaging, or incorporating waste management system in its manufacturing process, or of ingredients that are sourced from Fair Trade. As our green culture mature, the mixture of products with these green attributes will grow, enabling us to offer solutions that are evermore beautiful to all.

### • 2 BEING AS ONE– BEGINNING THE GREEN BEAUTY JOURNEY WITH OUR CORE TEAM •

Driving forward green change is a journey that requires persistent effort. Working through a small and effective team, with the endorsement of the Board of Directors, the core team makes green culture actionable and an integral part of Sa Sa everyday's routine.

#### • CORE TEAM •

- An established ESG Taskforce with representatives from all major departments, co-chaired by the Corporate Strategy and Development Director and ESG Manager
- A small team of full time staff is established to facilitate the work of the ESG Taskforce according to the Board of Directors' priorities

#### • LEADERSHIP ENDORSEMENT •

- Team is recognised and supported by Board of Directors.
- Board of Directors provides regular guidance and identify priorities.

“Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has.”

MARGARET MEAD

## Serving Our Environment: The Beauty of Green Culture

### • 3 POLICIES AND PROCESSES PROVIDE THE FRAMEWORK FOR SUSTAINABILITY •

It is through continuous improvements that the beauty of green culture is built over time, making life more beautiful by the day.

#### • POLICY AND PRACTICES •

- An established ESG Policy since Feb 2012
- Incorporating environmental considerations in the tender evaluation of major logistics tenders

#### • TRANSPORT, WATER AND WILDLIFE •

- Silver corporate member of WWF programme for 8 consecutive years
- Banned shark's fin soup from being served in the annual dinner banquet since 2010
- All Sa Sa owned delivery trucks in Hong Kong meet Euro 5 emission standards

#### • ELECTRICITY •

- **Efficient lighting:** LED and energy efficient lighting installation covers:
  - o Almost 100% of office space (with a few corridor being exception);
  - o Over 50% of retail shops
- **Zoning:** Air conditioning and light zoning arrangements in offices to reduce unnecessary energy wastage
- **Lights off:** 50% of lights being mandatorily switched off during office lunch hours and during shop preparation hours

#### • WASTE •

- **P-Life additive** has been added to all our plastic shopping bags and most of our office rubbish bags to ensure they are bio-degradable
- **Annual Dinner:** Food waste is collected at the end of the event to produce fish food
- **Recycling:** Plastic and aluminum recycling facilities are installed across all offices. Total paper recycled in offices for the period reached 18,602kg

#### • PAPER •

- **Printing:** Office printing set to be duplex as default in office, with printing requiring individual logging in and management
- **e-Fax:** E-fax has been adopted in the office to minimise printing needs
- **FSC paper:** Used for all A4 and A3 office printing paper and most of the marketing publications (e.g. magazines, posters, newsletters)

#### • PACKAGING •

- **Distribution cartons:** Logistics have launched an initiative in FY14/15 to decrease wastage through adopting plastic reusable boxes and collecting the boxes for reuse
- **Product packaging review:** Packaging materials for our house brands are constantly under review to reduce negative environmental impact. Some of the recent initiatives include the elimination of plastic blister trays in some of our cosmetic sets, elimination of excessive wrapping layers and printing of safety label on boxes rather than being stuck on

## Serving Our Environment: The Beauty of Green Culture

### • 4 BEING EDUCATED – BEAUTY OF GREEN CHOICES •

It is part of our communication priorities to educate our colleagues on the rationale for green choices, and for making green choices available.

#### SUSTAINABILITY 360

With the vast variety of topics that are relevant to sustainability (Fair Trade, waste, sustainable consumption and green business etc), regular newsletters are circulated to our colleagues to ensure they can better understand the subject matter. Below are two examples of messages that we have shared with our colleagues during the year:

**FAIRTRADE PRODUCE VS CONVENTIONAL TRADE**

Being responsible to farmers means they will in turn be responsible for what we consume

**FAIR TRADE**  
公平貿易方式

供應鏈  
SUPPLY CHAIN

農夫取得合理回報，可帶來正農影響；  
Benefits of farmers receiving a fair price.

農民有足夠資金去發展  
可持續的種植方式  
Sufficient funds for  
adopting sustainable  
farming methods

農民有足夠資金去生產  
高質素的農作物  
Sufficient funds for  
producing high quality  
products

改善生活水平和環境質素  
Better living standard  
and environment  
condition

**• HANG SENG SUSTAINABILITY INDEX UPDATE •**

Green is not only about doing good to the environment, but also doing good to our business

可持續發展未來 Sustainable Future

環境  
Environment

社會  
Social

經濟  
Economic

誠信  
Integrity

員工  
Employees

客戶  
Customers

社區  
Community

公平貿易  
Fair Trading

綜合  
Comprehensive

### NEW HIRE INDUCTION – OUR ENVIRONMENTAL FOOTPRINT IN CONTEXT

A section focusing on Sa Sa's sustainability issues and policies has been added to the formal new hire induction curriculum since October 2013. Over 700 colleagues have experienced the induction this financial year



## Serving Our Environment: The Beauty of Green Culture

### • 5 BEING ENGAGED – BEAUTY OF GREEN CHOICES •

Providing fun and meaningful platforms for our staff to get involved with the sustainability agenda is an important strategy for growing our green culture.

#### • GROWING OUR GREEN FAMILY •

Over 80 staff and their family members joined the weekend Eco-tour of New Life Farm at Tuen Mun, experiencing the joy of a green diet, organic farming and paper recycling while learning about various environmental challenges that human beings are facing. We believe that extending the eco-agenda to the immediate family of our colleagues is one important aspect of ensuring our green culture is sustainable.



#### • CELEBRATE MID-AUTUMN FESTIVAL WITH MINIMUM WASTE •

In supporting the Food Grace (食德好) Mooncake Collection Campaign, collection boxes were placed in various parts of the office. Empty fruit hampers basket were collected, and were then sold back to local fruit retailers with money collected being donated to the Food Grace programme. Empty mooncake tins were also collected for recycling.



▲ Result from 2014 Mooncake Collection Campaign

#### • IN LOVE WITH A GREEN CHRISTMAS •

In the period before Christmas, colleagues were offered a series of green and loving gifts that they could purchase, such as a donation to Oxfam in support of women's welfare in India, Fair Trade Hampers, or animal adoption through the WWF.



▲ Oxfam promotional materials on socially responsible shopping for Christmas and Chinese New Year

## Serving Our Environment: The Beauty of Green Culture

### • 6 BEING INNOVATIVE – FINDING BEAUTY IN WASTE •

Breaking the cycle of wasteful consumption behavior sometimes requires reaching out beyond the standard handling approach. With the introduction of a new uniform design in 2014, around 2,500 sets of old uniforms were made obsolete. We were fortunate to enlist the support of the Hong Kong Design Institute (HKDI) and its alumni up-cycling designers to explore up-cycling options for the uniforms.

The first phase of work involved utilizing the old uniforms to form part of a major mosaic constructed by Swedish upcycling artist Studio Brieditis & Evans, who developed a masterpiece that was displayed at the entrance to the HKDI over a five month period.



▲ Sa Sa uniform forming part of the cloth mosaic



▲ Mosaic displayed at the main entrance to Hong Kong Design Institute between October 2014 and March 2015

### • 7 BE INFLUENTIAL – TO CARE FOR BEAUTY •

We recognise the important role that we fulfill as Asia's Leading Cosmetics Retailer: to extend our passion for sustainability to harmonise with our customers' desire for sustainable beauty.

### FROM GREEN PRODUCT TO GREEN EDUCATION – ENHANCING OUR GREEN BEAUTY



▲ Green Beauty Zone at Sa Sa Supreme

We are proud to have partnered with the World Green Organisation this year, to launch a dedicated Green Beauty zone in our flagship store Sa Sa Supreme over a 6 weeks period, providing a green lifestyle experience and education to our customers whilst promoting some of our flagship green beauty brands, such as NUXE, Caudalie, Beyond and NATIO. A Facebook competition was also launched, inviting our fans to sharing their insights on green beauty.



Some of the green beauty tips provided to our customers on saving electricity and water ▶

## Serving Our Environment: The Beauty of Green Culture

### TO GO "BEYOND" – EXPANDING OUR GREEN BEAUTY LANDSCAPE



Sa Sa partnered with Beyond, one of Sa Sa most popular Korean green brands, featuring a roadshow in Spring 2014 with the Korean artist/spokesman Kim Soo Hyun (金秀賢). This further raised Beyond's profile within the Sa Sa collection of beauty brands.

◀ Campaign poster from Beyond

### CELEBRATE CHINESE NEW YEAR WITH GREEN CARE

"What if the number of red packets that Hong Kong consumes every year is stacked up, how high do you think it will reach? Top of ICC? Or into outer space?"

This is one of the questions that Sa Sa colleagues were asked at the launch of the campaign. Not many guessed the right answer of Outer Space, even though they had been told that Hong Kong consumed over 300 million red packets every year.

Sa Sa is proud to be the first retailer this year to have joined the Red Pocket Collection campaign hosted by Greeners Action.

Building on our success last year with collections in the office, Sa Sa participated as the Diamond Sponsor in the Red Pocket Initiative. Collection boxes were setup across 40 of Sa Sa's largest retail stores. Collection points in offices and logistics centres were also continued.

Sa Sa's participation this year resulted in over 180,000 used red packets being collected. These were further processed by workers in a sheltered workshop run by The Mental Health Association of Hong Kong, and stored away for free distribution next year.



▲ Sa Sa Associate Director of Logistics, Aaron Hui (2<sup>nd</sup> from right) and Vice President of Sales and Operations, Trevor Leung (2<sup>nd</sup> from left), on behalf of Sa Sa, handed over 90 boxes of used red packets to Angus Ho (3<sup>rd</sup> from left), Executive Director of Greeners Action

### PLASTIC BAG LEVY



With the extension of the Plastic Bags Levy becoming effective on 1st April 2015, retailers are no longer required to submit the money collected to the Environmental Protection Department (EPD).

Sa Sa has committed itself to contributing 100% of the money collected to non-profit organisations, primarily in the area of green education, with the vision of nurturing future green leaders. Sa Sa is currently identifying and evaluating various options for the use of this money that would maximize the positive impact.

◀ EPD poster on new levy

## Serving Our Environment: The Beauty of Green Culture

### INFLUENCE BEYOND THE RETAIL DIMENSION

#### • EXECUTIVE LEVEL INVOLVEMENT •

Support and direction from our executive is one of the most important forces driving our sustainability campaign to continuous success. Sa Sa CFO/Executive Director Dr Guy Look is personally committed to nurturing the green movement inside and influencing others outside the organisation. As at 31 March 2015, Dr Look holds a position on the HKSAR Environment Bureau Energy Advisory Committee (since July 2012) and he is a member of Appeal Panel of Hong Kong Green Building Council Certification Scheme (since October 2013).

#### • STORIES OF OUR GREEN JOURNEY •

The Sa Sa ESG team is proud to have been invited by a number of organisations to share stories of the challenges and successes of our ESG journey in various forums this year. These sharing also provided opportunities to reflect upon our journey, as we learned from other presenters.

#### • SEP 2014 •

"CSR Practices in Hong Kong", hosted by HKUST Business School, Department of Management:

#### • OCT 2014 •

"2014 Market Trend on ESG Investment and Disclosure", hosted by Ernst and Young, Bloomberg and Toppan

#### • NOV 2014 •

"Sustainable Cosmetics Summit Asia-Pacific edition", hosted by Organic Monitor

#### • DEC 2014 •

"Forum for Environmental, Social and Corporate Governance Disclosure", hosted by WWF



▲ Sasa sharing stage of ESG forum with representatives of Environmental Bureau, HKEx and WWF

#### • MAR 2015 •

"Environmental, Social and Governance Forum", hosted by BDO

### NURTURING GREEN SCHOLARS

We have continued our work with the University of Hong Kong, by providing two internship opportunities for students from the Faculty of Social Sciences, one of whom is a non-Cantonese speaking student. Although we see the intern as an asset in providing support for our research work, we hope the experience will be valuable in developing potential future green leaders in a field of their own choosing.

#### • 8 REALIZING AND MANAGING OUR FOOTPRINT •

Through the continuous monitoring and disclosure of our footprint, we aim to better learn and disclose the impact that we have on the environment. Whilst there has been reduction in carbon emission observed per square meter of floor area we operate, an increase in intensity per revenue dollar is observed this year, which we are undergoing review to further reduce in the upcoming year by 5%.

#### • OUR FOOTPRINT AT A GLANCE •

	FY2014/15	YoY change	FY2013/14	YoY change	FY2012/13
Total (Tonnes CO <sub>2</sub> e)	21,626	↑ 7.8%	20,053	↑ 3.5%	19,381
Carbon Intensity (Tonnes CO <sub>2</sub> e / \$HK1m revenue)	2.9	↑ 4.4%	2.8	↓ 11.4	3.2
Carbon Intensity (Tonnes CO <sub>2</sub> e / sqm gross floor area)	0.383	↓ 3.2%	0.396	↓ 0.5%	0.398

## Serving Our Environment: The Beauty of Green Culture

### • OUR FOOTPRINT ACTIVITIES IN DETAIL •

#### ELECTRICITY

##### CARBON INTENSITY (TONNES/HK\$1M REVENUE)

2014/15		2.89	↑ 4.9%
2013/14		2.76	↓ 11.4%
2012/13		3.11	

##### EMISSION ACTIVITY INTENSITY (KWH/SQM GROSS FLOOR AREA)

2014/15		508	↓ 2.7%
2013/14		522	↓ 0.6%
2012/13		525	

#### AIR TRAVEL

##### CARBON INTENSITY (TONNES/HK\$1M REVENUE)

2014/15		0.019	↓ 33.7%
2013/14		0.029	↓ 11.5%
2012/13		0.033	

##### EMISSION ACTIVITY INTENSITY (KM/HEADCOUNT)

2014/15		286	↓ 32.6%
2013/14		425	↓ 15.6%
2012/13		503	

#### COMPANY VEHICLE FUEL CONSUMPTION

##### CARBON INTENSITY (TONNES/HK\$1M REVENUE)

2014/15		0.019	↓ 7.0%
2013/14		0.020	↓ 4.3%
2012/13		0.021	

##### EMISSION ACTIVITY INTENSITY (LITRE/SQM GROSS FLOOR AREA)

2014/15		0.89	↓ 13.8%
2013/14		1.03	↑ 7.4%
2012/13		0.96	

## Serving Our Environment: The Beauty of Green Culture

### A4 PAPER (PRINTING AND PHOTOCOPY)

#### CARBON INTENSITY (TONNES/HK\$1M REVENUE)

2014/15	 0.0063	↑ 3.5%
2013/14	 0.0061	↓ 13.4%
2012/13	 0.0071	

#### EMISSION ACTIVITY INTENSITY (PCS PAPER CONSUME/HEADCOUNT)

2014/15	 2,828	↑ 6.6%
2013/14	 2,652	↓ 7.1%
2012/13	 2,855	

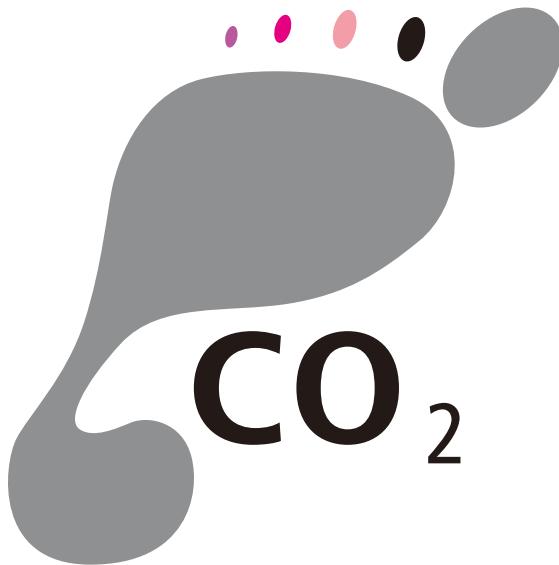
### WATER USAGE

#### CARBON INTENSITY (TONNES/HK\$1M REVENUE)

2014/15	 0.0028	↓ 5.0%
2013/14	 0.0030	↑ 2.1%
2012/13	 0.0029	

#### EMISSION ACTIVITY INTENSITY (CU.M/SQM GROSS FLOOR AREA)

2014/15	 0.634	↓ 11.9%
2013/14	 0.720	↑ 14.6%
2012/13	 0.628	



#### • TOTAL CARBON EMISSION BY SOURCE •

 Electricity	<b>98.4%</b>
 Air Travel	<b>0.7%</b>
 Fuel Consumption	<b>0.6%</b>
 A4 Paper (Printing and Photocopy)	<b>0.2%</b>
 Water Usage	<b>0.1%</b>

Note: There has been adjustment in FY12/13 & FY13/14 figures that were made subsequent to the publishing of FY13/14 report due to change in floor area measurement, reflected here.