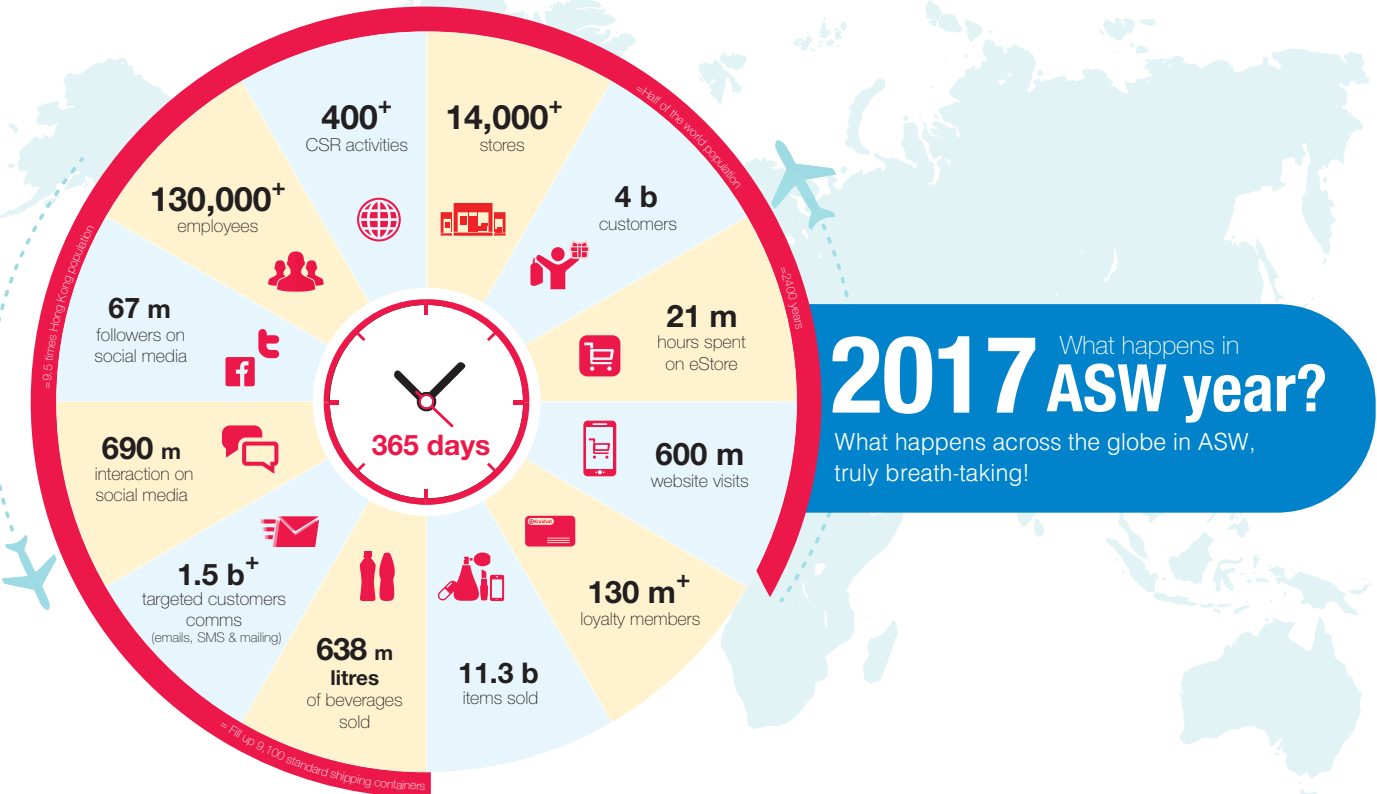




Watson¹⁰¹

Season's Greetings from A.S. Watson!



365 days

2017 ASW year?

What happens in
What happens across the globe in ASW,
truly breath-taking!

400+
CSR activities

14,000+
stores

4 b
customers

21 m
hours spent
on eStore

600 m
website visits

130 m+
loyalty members

11.3 b
items sold

638 m
litres
of beverages
sold

1.5 b+
targeted customers
comms
(emails, SMS & mailing)

690 m
interaction on
social media

67 m
followers on
social media

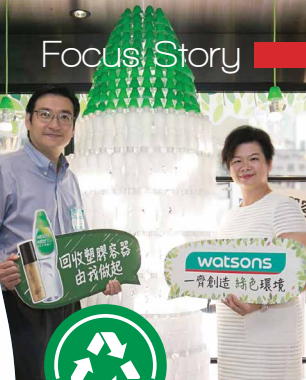
130,000+
employees

= 0.6 times Hong Kong population

= Half of the world population

= 24,000 years

= Fill up 8,100 standard shipping containers



MORE THAN JUST A BUSINESS

Customers' expectations are higher than ever, and nowadays they are looking for products that do MORE than just fulfilling a basic need. They are choosing brands that also share the same values as they do.

People pick the brands which they trust to do "the right thing" – the right thing by their staff, their suppliers, communities and the environment. A.S. Watson is rising to that challenge, which chimes with our promise to Bring MORE to life. We make people look good and feel great, and sharing their passions and what they care about is part of that. We are MORE than just a business.

As a successful international company, we feel it's both our responsibility and our privilege to promote corporate behaviour that does MORE than generate a healthy bottom line. We have a long heritage, and we want to be part of people's lives and communities for decades and even centuries to come. That means focusing on the things that really matter and making them a priority.



Dominic Lai

Group Managing Director
A.S. Watson Group



➤ Great Ability Brings Great Responsibility

Corporate Social Responsibility (CSR) is a game-changer in the future of any business. According to a survey*, 68% of global consumers agree that the successful brands of the future will be those that make the most positive contribution to society beyond just providing good services and products; and 67% of global consumers agree that it has become MORE important that the brands they choose make a positive contribution to the society.

A.S. Watson is the world's largest international health and beauty retailer and we firmly believe that the vast scale and reach of our business carries with its influence and responsibility, something we see as a great privilege and opportunity.

We have the power and ability to do MORE, so we work hard to ensure that we do it for the good of others and that we have a big, positive impact on the society.

*Ipsos MORI Global Trends 2017

> Changing Times, Unchanging Commitment

While the pressure on businesses to behave more responsibly is now MORE intense than it's ever been, for A.S. Watson, corporate social responsibility is nothing new. We have a long and varied history of doing MORE to be part of the community, from the very early days of our business.

This spirit of giving and being MORE than just a business goes back to our first dispensary, which opened in 1841. We provided free medicine to the needy in the southern Chinese province of Guangdong. During the 1870s and 80s, when quality healthcare was still a luxury, we set up one of the first scholarships for a local medical school, to support the development of public health services in Hong Kong.

From these humble but big-hearted beginnings, we have expanded our range of global CSR projects spanning business units and markets, wherever there's a need. To mark our 175th anniversary in 2016, we launched Project LOL, a philanthropy programme spanning 24 markets. All our CSR projects, large and small, have one clear and common goal: to bring MORE to everyone's lives.



>Our CSR Achievements in 2017



volunteers



180,000+
beneficiaries



volunteer service hours



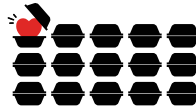
400+ CSR activities



-4% store electricity
consumption



-15% paper
consumption



832 k meals
provided to needy



278 tonnes
food waste collection

> Tailor-made CSR Programme



Watsons Philippines' Operation Smile programme provides free surgery to underprivileged children with cleft palate who cannot afford the medical treatment



Superdrug's Shades of Beauty campaign engages suppliers in launching more products to suit the skin tones of black and Asian women, who are under-catered for by major retailers in UK



Kruidvat installs 1,600 solar panels on the roof of its logistic centre, and its trucks are powered by natural gas, to tackle air pollution in the Netherlands



Watsons' Love Her, Love Your Lungs programme raises awareness about the prevention of the biggest killer of women in Taiwan - lung cancer

> Turning Big Promises into Reality

At ASW, we see CSR as a way to help create a better place to live for our customers, our employees, suppliers and other stakeholders. We want to make a positive difference to people's lives - giving people a helping hand when they need it, and giving everyone MORE reasons to smile.

To help formalise our efforts and ensure they are directed in the most efficient way for maximum impact, we established a Global CSR Committee five years ago. This committee establishes our group-wide CSR priorities and guides our focus. Together, we task ourselves to deliver our social responsibilities under four pillars, namely: Workplace, Marketplace, Environment and Community.

We have also set up local CSR committees and appointed CSR ambassadors in 24 international markets, to ensure that global priorities are applied in the most locally relevant and resonant ways. Our mantra is "Global Vision, Local Action", so we enable our business units to design and tailor-make programmes that are right for their markets and circumstances.

➤ Real Impact on the Community

The work we do achieves MORE than making people feel good. It does bring smiles to everyone we touch.

“ I use the scholarship to better prepare for my diploma exam with supplementary exercises. I dream of being a mechanical engineer one day and I will definitely pass on the caring spirit to others. ”

Fung-mei Wong

Awardee of Future Stars Upward Mobility Scholarship

“ I now understand more about the duties of a customer service consultant, including how to greet guests and understand their needs. This is a big breakthrough for me, as I used to be shy about talking to strangers, but now I can do it! ”

Chi-yung Chan

Participant of FORTRESS Mentorship Programme

“ The programme helps me better understand the retail industry. I have to thank the FORTRESS staff for their patience in answering my questions. I've really learnt from them the importance of teamwork. ”

Shuk-ching Tang

Participant of FORTRESS Mentorship Programme



Recent CSR Awards



A.S. Watson Group

8th Hong Kong Outstanding Corporate Citizenship Awards

- Enterprise Category (Silver Award)
- Volunteer Category

(by Hong Kong Productivity Council & Committee on the Promotion of Civic Education)

2016 Social Capital Builder Awards -

Outstanding Social Capital Partnership Award (Corporate)

(by Community Investment and Inclusion Fund, Labour and Welfare Bureau, HKSAR Government)

Green Office and Eco-Healthy Workplace Awards Labelling Scheme

(by World Green Organisation)

HR Innovation Awards - Excellence in CSR Strategy

(by Human Resources Magazine)



2016-18
Social Capital Builder
社會資本動力獎



ECO-Healthy
WORKPLACE



A.S. Watson Group



15 Years Plus Caring Company Logo

(by The Hong Kong Council of Social Service)



A.S. Watson Industries

10 Years Plus Caring Company Logo

(by The Hong Kong Council of Social Service)



➤ MORE Than Today – Together We Look to the Future

CSR is MORE than a way for us to do great work for the people and communities we serve. It's also a way for us to plan sustainable growth for the businesses we have built.

Within the workplace, we believe we can nurture the shared values by encouraging staff to volunteer and be part of CSR activities. This helps employees feel a greater sense of belonging, engagement and satisfaction.

Within the marketplace, our suppliers are also invited to participate in our CSR activities, both at a strategic level and with hands-on assistance. The large-scale elderly visit in Hong Kong this year brought together 950 volunteers from ASW and our business partners to help the needy. And the Global Water Campaign, held in collaboration with Colgate, allows us to encourage customers to make water conservation part of their everyday lives.



Looking ahead, we continue to seek out new ways to be “MORE than just a business”. We look to inspire our staff, suppliers and partners to rethink the importance of CSR. It's both a way to grow a business, as well as a way to do good for individuals, communities and the environment. Together, we can achieve so much MORE. 

➤ Read more in the latest CSR Report!

ASW

BIG day out

Drogas treated customers to beauty tips, trials of new products, free gifts and special offers on its Customer Days. Meanwhile, to surprise its customers, **Spektr** decorated its stores with colourful balloons and gave customers the chance to have their makeup done by professional makeup artists using products from a range of international brands.



NEW take on old values

Kruidvat's "Good Old Dutch Value" weeks linked modern and traditional sayings with special offers. Also, customers received a special-edition magazine when buying selected products. To help build excitement around the promotion internally, store staff were treated to bags of a traditional Dutch treat, caramel waffles.



Christmas is **COMING!**

Superdrug made an early start to the festive season this year and launched its Christmas gift range. To get beauty journalists, bloggers and social media influencers in the mood, Superdrug invited them to start the party season with access to exclusive makeup brands and a look at key products launched for the gifting season.

Superdrug 



WOW the customers

ICI PARIS XL ran crazy promotional discounts on six stunning fragrances during its “Waouw” birthday weeks. Customers also stood a chance to win a car as the grand prize. In the UK, TV and music star Nicole Sherzinger launched her new perfume with exclusive appearances in three stores at **The Perfume Shop**. Her appearances led to a flurry of social media activity.

ICI PARIS XL **THE PERFUME SHOP**



Watsons Philippines



Watsons Thailand



watsons

HWB AWARDS 2017

TIME TO CELEBRATE!

At the parties of this year's Watsons Health, Wellness & Beauty (HWB) Awards, we shared fun and excitement with our suppliers and business partners, and rewarded those whose outstanding contributions and teamwork have helped deliver shared success.

In **Watsons Hong Kong**, this event focused on Watsons being in the driving seat of innovation in the health and beauty retailing. A Formula 1 theme, complete with mini racetrack and a real-life Watsons-branded Formula 1 car, wowed guests as we focused on the importance of teamwork and presented more than 200 awards.

Over the border, in **Watsons China**, starlight and glitter helped make a dazzling night of awards, with famous singer-songwriter putting in a sparkling performance, which was live-streamed around the country by many of our influential guests via social networks. To celebrate **Watsons Taiwan**'s 30th anniversary, guests in retro dress entered the awards gala dinner through a time tunnel that reminded everyone of how much has changed over three decades.

Watsons Malaysia and **Thailand** were turning their attention to the future. More than 500 business partners turned out for a lavish "Fast-forward to the Future" dinner event in Malaysia focused on innovation and teamwork, while in Thailand, Watsons wowed the audiences at the "Futuristic Glamour" night.



In **Watsons Philippines**, over 500 guests met for a star-studded night in Manila. The "Stellar" event honoured the brightest stars of the health and beauty industries – the brands, the individuals and the companies whose dedication and collaboration with Watsons have brought so many smiles to customers' faces.



Complementary **COLOURS**

Watsons Hong Kong's customers can now treat themselves to a brand-new concept in makeup retailing - Your Colour@Watsons. In the newly revamped Colour Zones, its "Colour BEAUders", a team of professional makeup artists recommend the right products for each customer. This immersive, bespoke experience is what we see as the future of shopping, and marks out Watsons as a leading innovator in the sector.

watsons



Diane Cheung (2nd from left), General Manager of Watsons Hong Kong, officiates at the opening ceremony



Time to **SHINE**

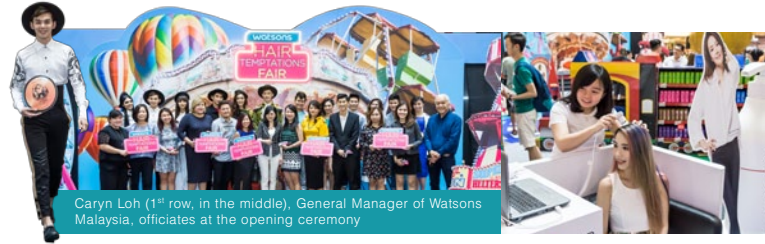
Watsons China opened a pop-up store in Shanghai for a week. It gave customers an opportunity to meet an internationally-renowned makeup artist and had their European-style makeup done free. The "Go and Shine" store also featured "Style Me" tablet which takes just five seconds to show what the new makeup would look like on you.

watsons

Look **SHARP**

Beautiful hair was the focus of the **Watsons Malaysia** Hair Temptations Fair. This exciting event, held at a major shopping mall in Kuala Lumpur, featured a presentation of the latest hair trends, and provided shoppers with tips on haircare and styling, along with great offers on well-known haircare brands.

watsons



Caryn Loh (1st row, in the middle), General Manager of Watsons Malaysia, officiates at the opening ceremony



FRESH outlook

Watsons Philippines Time to Renew campaign helped people restore their beauty and recharge their health with a focus on skincare, haircare and health. It featured products that help people get pretty and healthy with discounts and special offers. In **Watsons Singapore**, journalists and online influencers were treated to a glamping-themed event showcasing products that suit a range of holiday destinations, generating widespread media coverage.

watsons

FUN and games

FORTRESS has launched a new e-Sports specialist product zone called GameZ in its Mongkok store, for gamers to try out the hottest games and equipment from a range of leading brands. Meanwhile, **Watsons Thailand**'s customers and journalists were having fun with the launch of the Cash Back campaign, giving away coupons to the customers.



Let's DRINK!

There's now a new and light alternative to water with the launch of **Watson's Water Plus** Lemon. This low-sugar, low-calorie drink with the refreshing flavour of zesty lemon is a great new choice for refreshment. Meanwhile, **Mr. Juicy** refreshed its branding with new tagline - 'It's always been Mr. Juicy'. Customers could collect receipts and redeem for a bright citrus-coloured picnic set.





A.S. Watson Group

IDC Digital Transformation Awards - DX Leader for Omni-Experience Innovation

(by International Data Corporation)

LinkedIn Most Innovative Employer Brand - Silver Award

(by LinkedIn)



Watson's Wine

Learning Enterprise Award 2017

(by Professional Validation Council of Hong Kong Industries)



Hong Kong

Hong Kong Retail Management Association 2017 Top e-shop - Silver Award

(by Hong Kong Retail Management Association)



Hong Kong Retail Management Association 2017 Top e-shop - Bronze Award

(by Hong Kong Retail Management Association)



A.S. Watson Industries

Hong Kong Digital Brand Awards 2017 - Outstanding Digital Marketing Strategy

(by The Chamber of H.K. Computer Industry and Metro Broadcast)



Hong Kong

Hong Kong Retail Management Association 2017 Top e-shop - Gold Award

(by Hong Kong Retail Management Association)

Singapore

Community Pharmacist of the Year - Joy Chong

(by Pharmaceutical Society of Singapore)

Top 10 Contributors for Community Pharmacy Health Champion Programme - Anson Lim and Hong Jiemi

(by Pharmaceutical Society of Singapore)

Tripartite Standard on Flexible Work Arrangements

(by Tripartite Alliance for Fair and Progressive Employment Practices)

Malaysia

PUTRA Brands Awards 2017

(by 4As, Association of Accredited Advertising Agents)

Thailand

Superbrands Award

(by Superbrands Thailand)

Ukraine

Retail & Development Business Awards - Drogerie Retailer of the Year

(by Ukrainian Retail Association)



POPAl Awards - Display of the Year 2017

(by POPAl Awards)



Best Retail Innovation - Silver Award

(by Pure Beauty Awards)

November to December



Watsons Hong Kong – Launch of new Watsons baby store



Watsons China – Over 140 new stores



Watsons Malaysia – 17 new stores



Watsons Thailand – 18 new stores



Watsons Indonesia – First Gen Y store



Watsons Ukraine – 14 new stores

November to December



Kruidvat – 7 new stores



Trekpleister – 3 new stores



Superdrug – 5 new stores



Savers – 14 new stores



Drogas – New concept store in Riga



ICI PARIS XL – 9 new stores

Be Part of More



“ I joined PARKnSHOP China when it first entered the market. It's really amazing to grow with the company. I apply the team spirit that's so important in business to my biggest hobby - singing. I'm part of an amateur choir in Shenzhen, and recently won second prize at the International Choir Competition in Germany. Thanks to PARKnSHOP who encourage staff to pursue their personal interests. ”

Suzanne Liao
Government Affairs &
Public Affairs Controller
PARKnSHOP China

ASW People



“ I enjoy working with people, and everything to do with health and beauty, so I really enjoy working at Drogas. I also joined the Global Handwashing Day and dressed up as Mr Nasty Microbe for a kindergarten visit about hygiene. I feel great to be part of Drogas CSR efforts, and I love the opportunity to volunteer as part of my job. ”

Anda Fomrate
Store Manager
Drogas Latvia



A.S. WATSON Global Volunteer Day 2017



A.S. Watson Industries –
City tour with underprivileged children



Watsons China –
Caring the hearing impaired children

A.S. Watson Group hosted its 7th Global Volunteer Day(GVD) to encourage its business units around the world to serve the local community and bring more love and smiles to the people in need. This year, more than 23,000 volunteers spending over 67,000 hours to serve over 51,000 people in the markets we operate. Let's take a look at the impressive GVD stories around the world!



A.S. Watson Group HK Office & Watson's Wine –
Carers' Family Day



FORTRESS – Elderly Fun Day



PARKnSHOP Hong Kong – Food Angel Service Day



Watsons Hong Kong –
Outing with single-parent families

[f Visit facebook for all GVD actions!](#)



Watsons Taiwan – Coastal Cleanup



Watsons Philippines – Operation Smile Surgical Mission



Watsons Thailand – Elderly visit



Watsons Ukraine – Boarding school visit



Watsons Turkey – Charity run



Watsons Singapore – Elderly visit



Watsons Malaysia – Elderly visit



Watsons Indonesia – Health talk

30 BUs
269
Activities

23,000+
Volunteers



Served
51,000+
people

67,000+
Service Hours

#LOTSOFLOVE #LOTSOFLAUGH



PARKnSHOP China – Elderly visit



ASW Group Office (eLab) – Visiting the patients



Kruidvat Belgium – Visiting homeless centre



Spektr – Children's Day



ASW Group Office (Zurich) – Elderly visit



Drogas – Global Handwashing Day



Kruidvat, Trekpleister & ICI PARIS XL – Cleaning in children hospice



Kruidvat Belgium – Visiting homeless centre



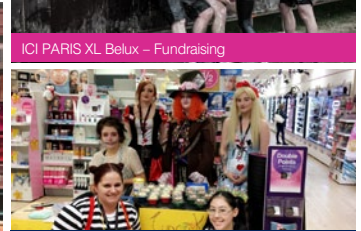
ICI PARIS XL Belux – Fundraising

Beneficiary groups included...

- Children in schools, orphanages and hospices
- Elderly
- Underprivileged families
- Patients and healthcare institutions
- The mentally and physically challenged
- Local communities
- Green groups



The Perfume Shop – Halloween Fundraising



Superdrug & Savers – Halloween Fundraising

Gongs for GREENS

Students from four Hong Kong schools that completed outstanding green projects in the **PARKnSHOP** Green School Programme have been recognised. Students and teachers from each of the teams gave a short presentation about their projects and were given prizes, students then took part in a jam-making workshop.



On the MOVE

To promote healthy living, **Watsons Malaysia** once again set a record with a turnout of over 6,800 people for a beach Zumba event. Meanwhile, **Watsons Ukraine** ran the “Tomorrow 2037” event for 500 gifted teenagers of today who will be its potential customers and employees in the future. Watsons offered a career talk, a makeup studio, hair braiding and a chill-out zone to them.



SUPER QUIZ

1. What is the new branding tagline of Mr. Juicy?
2. How many participants joined the Zumba event organised by Watsons Malaysia this year?
3. What is the total number of people we served worldwide during the 7th Global Volunteer Day?

Super Prize (1)

Blood Pressure Monitor



Sponsored by



A.S. Watson Group

Gold Prize (1)

Hairdryer



Sponsored by



A.S. Watson Group

Silver Prize (1)

Humidifier



Sponsored by



A.S. Watson Group

Answers to Issue 100

- 1) Issue 56
- 2) Alexandra House, Hong Kong
- 3) Issue 82
- 4) 2006
- 5) 2010

Super Prize (Garment Steamer)

Name

Company & Department

1. Sherry Tse

ASWI - Human Resources

Gold Prize (Virtual Reality Glasses)

Name

Company & Department

1. Dian Wen

Watsons China -
Quality Assurance

Silver Prize (Electric Toothbrush)

Name

Company & Department

1. Nanno Bolt

ASW H&B Benelux -
Functional Management &
Business Intelligence

Deadline: 31 Jan, 2018

You now have the chance to win Superquiz by sending both your answers and contact information to WatsOn@aswatson.com



Mr Li Ka-shing (5th from right), LKSF Chairman, Mr Richard Li (3rd from left), LKSF Director, and other guests officiate at the GTIIT inauguration ceremony

GTIIT Inauguration is a Call to the Future

On 18 December, several hundred overseas and Chinese guests and students gathered today to witness the inauguration ceremony of the Guangdong Technion Israel Institute of Technology (GTIIT). A total of 216 students from Guangdong and other parts of the Mainland have been admitted to GTIIT, which is dedicated to innovative technology and research, with enrolment of international students to begin next year.

At the inauguration ceremony, GTIIT Chancellor Professor Li Jiange expressed his gratitude to LKSF Chairman Mr Li Ka-shing for his donation of US\$130 million five years ago, and to Mr Zhu Xiaodan, former Governor of Guangdong Province, for his enormous support in bringing this institution to Shantou. Chancellor Li also announced that Mr Li had just pledged another contribution of RMB 10 million to support the development of GTIIT as a hub of innovation in Guangdong.

Speaking at a welcome dinner last night, LKSF Director Mr Richard Li shared his father's expectations of him, "My own father has always reminded me that there is no limit to the quest for knowledge, and his unwavering support of higher education and research to better mankind is a testament to this belief."



Mr Li Ka-shing tries out a Shofar (an ancient musical instrument made from a ram's horn) presented by Professor Peretz Lavie, President of Technion as a souvenir

About A.S. Watson Group

With a history dating back to 1841, the A.S. Watson Group (ASW) has evolved into the world's largest international retail and manufacturing business with operations in 24 markets worldwide.

Today, the Group operates over 13,900 retail stores running the gamut from health & beauty, luxury perfumeries & cosmetics to food, electrical & electronics and fine wine. Also an established player in the beverage industry, ASW provides a full range of beverages from bottled water, fruit juices, soft drinks and tea products to the world's finest wine labels via its international wine wholesaler and distributor.

ASW employs over 130,000 staff and is a member of the renowned multinational conglomerate CK Hutchison Holdings Limited, which has five core businesses - ports and related services, retail, infrastructure, energy and telecommunications in over 50 countries.

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Editor : Malina Ngai

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- **Manufacturing** : Louisa Leung
- **Retail Hong Kong** : Winnie Chow
- **Designer** : J Chu

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