

# Sustainability Report 2025



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# CORPORATE PROFILE

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 3 November 2011, Parkson Retail Asia Limited (“Parkson” or “Company”, and together with its subsidiaries, the “Group”) is a prominent Malaysian department store retailer with an extensive network of 39 department stores across cities in Malaysia as at 26 March 2026.

Established in 1987, Parkson always seeks to refresh and enhance its offerings to cater for varying needs and preferences of its customers, which in turn delivers value for its shareholders. The Group continues to operate predominantly on a blend of concessionaire sales model and anchor tenant in major shopping malls in Malaysia. At the same time, in meeting the demands of the young, fashion-conscious and contemporary market, the Group has its own private label brands as well as agency apparel lines of international brands, some of which are in-house brands and some are exclusive to Parkson. The Group also operates a food and beverage business.

## OUR VISION

- To be Malaysia’s leading department store retailer

## OUR MISSION

- To inspire our people
- To delight our customers

## OUR VALUES

- Team Spirit
- Commitment
- Honesty and Integrity
- Customer-First
- Respect and Empathy

# ABOUT THIS REPORT

This is the eighth Sustainability Report of the Group. It covers the material Environmental, Social and Governance (“ESG”) factors relevant to our department store operations in Malaysia for the financial year ended 31 December 2025 (“FY2025”).

## REPORTING FRAMEWORK

This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards. A GRI Index included at the end of the report indicates the location of the relevant disclosures.

This report is also prepared in accordance to:

1. SGX-ST Listing Rules 711A and 711B and Practice Note 7.6 Sustainability Reporting Guide
2. The United Nations Sustainable Development Goals (“UNSDGs”)

The Company is working towards incorporating the relevant IFRS Sustainability Disclosure Standards.

## REPORT CONTENT AND QUALITY

GRI’s principles of stakeholder inclusiveness, sustainability context, materiality, and completeness have been applied to determine the content of this report. GRI’s principles of accuracy, balance, clarity, comparability, reliability and timeliness have been used to help stakeholders assess our sustainability performance. To ensure accuracy and consistency, ESG data provided in the report has been extracted from internal information systems and records.

## ASSURANCE

We did not seek external assurance for this sustainability report. We have relied on internal verification to ensure the accuracy of data. Our ESG performance is reported in good faith and to the best of our knowledge.

## FEEDBACK

We welcome stakeholders to share their feedback regarding this report and the topics discussed at [corpcomm@parkson.com.my](mailto:corpcomm@parkson.com.my)

# OUR APPROACH TO SUSTAINABILITY

Our sustainability objective is to address the economic, environmental, social and governance impacts, risks and opportunities stemming from our business activities to support long-term value creation for our stakeholders and shareholders. We are committed to monitoring our performance relating to material sustainability issues and making efforts for continuous improvement.

## GOVERNANCE

At Parkson, the Board provides the strategic direction and oversight for the management of sustainability issues. A sustainability management committee comprising key management of the Group and designated specific personnel is responsible for the management and reporting of sustainability issues.

## BOARD STATEMENT

The Board considers sustainability issues, risks and opportunities as part of strategy formulation. The Board has determined the material ESG factors covered in this report. The Board provides oversight of the management and monitoring of these material ESG factors, through half-yearly review of the Group’s sustainability performance. The Board has ultimate responsibility for the sustainability report as required by the SGX-ST guidelines on sustainability reporting.

# STAKEHOLDERS

We recognise that stakeholder engagement, assessment and feedback are an integral part of our sustainability strategy and initiatives. Our key stakeholders, areas of interest, engagement platforms and our response are described in the table below (**Table 1.0**).

**Table 1.0 Stakeholders’ Engagement**

Key Stakeholders	Area of Interest	Engagement Platforms	Our Response
Employees	<ul style="list-style-type: none"> <li>Health, safety and well-being</li> <li>Learning and development</li> <li>Respect and recognition</li> <li>Job satisfaction</li> <li>Pay and benefits</li> </ul>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>Meetings</li> <li>Training programmes</li> <li>Performance appraisal</li> <li>New employee induction programme</li> <li>Staff gatherings and other engagement channels</li> </ul> <p><b>Annually</b></p> <ul style="list-style-type: none"> <li>Performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>Training and upskilling opportunities for professional and personal development</li> <li>Merit-based evaluation and career growth pathways</li> </ul>

Key Stakeholders	Area of Interest	Engagement Platforms	Our Response
Customers	<ul style="list-style-type: none"> <li>Price promotion</li> <li>Convenience and experience</li> <li>Engaging, knowledgeable store servicing personnel</li> </ul>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>Face-to-face interaction through service channels</li> <li>Communications through Marketing Department, Customer Service Department and Corporate Communications Department</li> <li>Feedback through website, e-mail, social media platforms</li> <li>Sales, promotions, road shows and related events</li> <li>In-store information</li> </ul>	<ul style="list-style-type: none"> <li>Offer comprehensive range of products that meet customers' requirements</li> <li>Ethical and professional business practice</li> </ul>
Suppliers / Vendors	<ul style="list-style-type: none"> <li>Long-term partnership</li> <li>Financial resilience</li> <li>Sustainable business growth</li> <li>Experienced management team</li> </ul>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>Liaison with suppliers before sourcing and engaging with contract managers</li> <li>Meetings, business alliance events/meetings</li> <li>Vendor support channel</li> <li>Product launches and promotions</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with relevant policies and procedures</li> <li>Transparent business relationship</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>Good governance</li> <li>Sustainable business growth</li> <li>Disclosure and transparency</li> </ul>	<p><b>As needed</b></p> <ul style="list-style-type: none"> <li>Investor relations channel and meetings</li> </ul> <p><b>Quarterly</b></p> <ul style="list-style-type: none"> <li>Financial reports and announcements</li> </ul> <p><b>Annually</b></p> <ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>Timely update on the Company's announcements</li> <li>Uphold good governance practices across business units and supply chain</li> </ul>
Government and regulators	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Safety and security</li> </ul>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>Regulatory filings</li> <li>Responding to requests for information (e.g. surveys)</li> </ul>	<ul style="list-style-type: none"> <li>Timely compliance with regulatory requirements</li> </ul>

Key Stakeholders	Area of Interest	Engagement Platforms	Our Response
Local Communities	<ul style="list-style-type: none"> <li>Responsible corporate citizen</li> <li>Support for social causes</li> <li>Creation of job opportunities</li> <li></li> </ul>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>Activities and sponsorships organised by the Company and Lion-Parkson Foundation</li> </ul> <p><b>As Needed</b></p> <ul style="list-style-type: none"> <li>Job vacancies advertisement</li> </ul>	<ul style="list-style-type: none"> <li>Support community initiatives/ programmes through contributions and other forms of assistance</li> </ul>
Media	<ul style="list-style-type: none"> <li>Response to media enquiries and requests for interviews</li> <li>Long term engagement</li> </ul>	<p><b>As Needed</b></p> <ul style="list-style-type: none"> <li>Media releases, media statements and interviews</li> <li>Advertisements</li> <li>Media invitations and sponsorships</li> </ul>	<ul style="list-style-type: none"> <li>Transparency in communications</li> <li>Timely and accurate information on corporate, industry, and business developments</li> </ul>
Industry Associations	<ul style="list-style-type: none"> <li>Support for mutual interests</li> </ul>	<p><b>As Needed</b></p> <ul style="list-style-type: none"> <li>Meetings and events</li> </ul>	<ul style="list-style-type: none"> <li>Participate in meetings/ discussions and/or events</li> </ul>

## MEMBERSHIP OF ASSOCIATIONS

- Intercontinental Group of Department Stores
- Malaysia Retailers Association
- Malaysia Retail Chain Association

## AWARDS

- Parkson was recognised for its “Think Green, Act Green” campaign, reflecting its ongoing commitment to environmental stewardship and responsible business practices, and was awarded the ‘Certificate of Merit’ for the 2024 Best Marketing Campaign by the Malaysia Retailers Association.
- The Parkson Transformation Team was recognised by Intercontinental Group of Department Stores (as one Top 10) in 2024 for its innovative approach in creating a productive, efficient, and sustainable working environment.

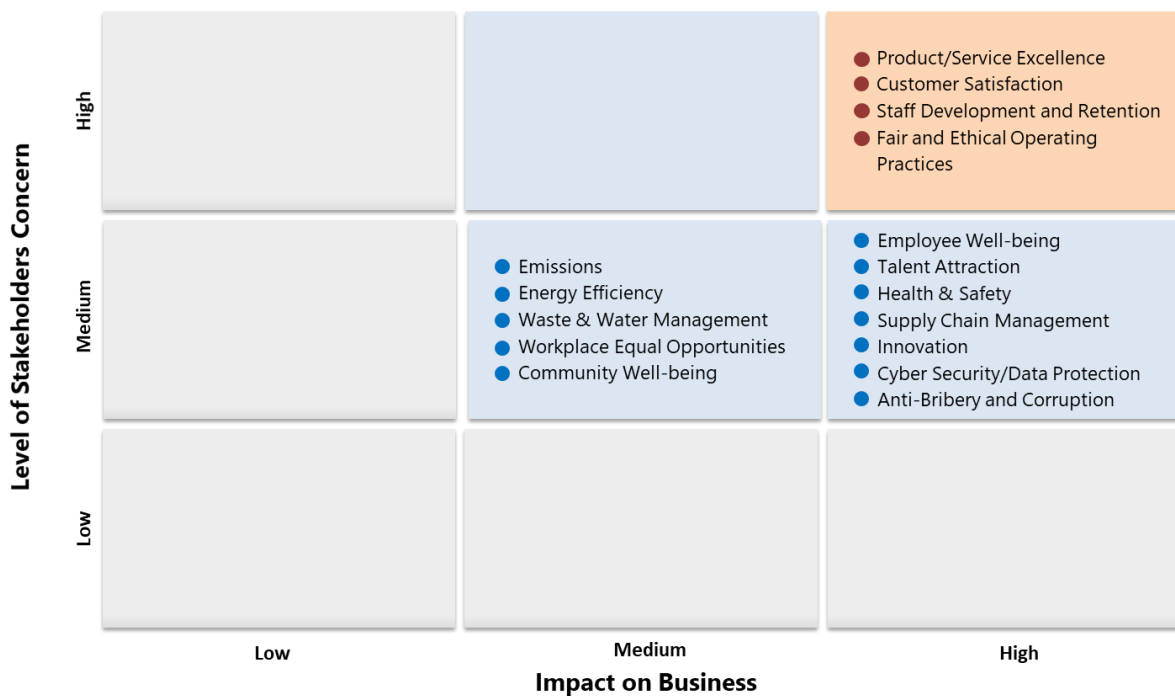
# MATERIALITY

We have applied the relevant GRI Standards to carry out our first materiality assessment to identify and prioritise sustainability topics for reporting. The materiality assessment was conducted through a series of engagement sessions with internal stakeholders including the senior management executives to understand their concerns and emerging priorities. This keeps us agile and allows us the opportunity to initiate collaboration and be part of formulating or facilitating a solution.

The assessment yielded sixteen material topics, with (i) Staff Development and Retention, (ii) Fair and Ethical Operating Practices; (iii) Product/Service Excellence and (iv) Customer Satisfaction, being the focal points for the Group.

The findings of the assessment have been plotted in the materiality matrix based on their impact to the Company’s business, and against their importance to both internal and external stakeholders (Figure 1.0).

**Figure 1.0 Group Materiality Matrix**



The Board subsequently has reviewed, determined and approved these material topics for reporting.

# SUMMARY OF ESG MATERIAL TOPICS

For the purpose of the report structure and clarity, the material topics are grouped into key themes and categorised according to our four sustainability pillars of **Environment (E), People (S), Community (S), and Marketplace and Customers (G)**, corresponding to the ESG framework.

A summary of the Company’s ESG impacts, where the impacts occur, our involvement with these impacts and our management approach is presented in the table below (**Table 2.0**). An indirect involvement indicates that the impacts arise outside of the Company, where we may have limited or no control.

**Table 2.0 Material Topics, Impact and Management Approach**

Material Topics	Where the Impacts Occur	Our Involvement	Management Approach and Goals
<b>Environment</b>			
Emissions, Energy Efficiency, Waste & Water Management	Electricity and water used in offices and department stores for our business operations.  Our carbon emissions resulting from the use of electricity.	Direct	Minimise energy consumption where possible.  Minimise carbon footprint through energy efficiency.  Use water prudently.  Recycle and reduce reliance on paper through digitalisation and electronic processes.
<b>People (Social)</b>			
Staff Development and Retention	Parkson Group	Direct	Practise meritocracy in performance appraisal and reward of staff.  Provide ongoing learning and development opportunities in line with job requirements and career aspirations.
Employee Well-being	Parkson Group	Direct	Establish various forums for effective employee engagement.  Compliance with Employment Act.
Talent Attraction	Parkson Group	Direct	Attract the best talent through competitive remuneration package and ongoing professional development.





Material Topics	Where the Impacts Occur	Our Involvement	Management Approach and Goals
Workplace Equal Opportunity	Parkson Group	Direct	<p>Staff recruitment based on objective criteria regardless of their ethnic background, gender, age, religion, disability or any factors which do not have bearing on job requirements.</p> <p>Practise meritocracy in staff performance appraisal.</p>
Health and Safety	Parkson Group	Direct	<p>Safety and Health Policy and Guidelines.</p> <p>Constant training and monitoring.</p>
<b>Communities (Social)</b>			
Community Well-being	Parkson Group	Indirect	Support community initiatives through charitable giving and fundraising.
<b>Marketplace and Customers (Governance)</b>			
Fair and Ethical Operating Practices	Parkson Group	Direct	<p>Uphold high ethical standards to ensure fairness and equity in all endeavours.</p> <p>Operate in accordance with fair competition practices.</p>
Product/Service Excellence	Parkson Group and stores	Direct	<p>High priority on quality of products offered and ensure suppliers share same philosophy.</p> <p>Stringent food safety policies for food and beverage business.</p>
Customer Satisfaction	Parkson Group and customer touch points	Direct	<p>Enriching shopping experience.</p> <p>Parkson Card loyalty programme.</p> <p>Continuous training for servicing personnel.</p> <p>Proper handling of customers' feedback.</p>






Material Topics	Where the Impacts Occur	Our Involvement	Management Approach and Goals
Innovation	Parkson Group	Direct	E-vouchers to replace pre-printed Parkson promotional and discount vouchers.
Supply Chain Management	Parkson Group and suppliers	Indirect	Drive responsible business practices across our supply chain through vendor selection process, and vendors' periodic acknowledgement of their commitment to the Group's Vendor Code of Conduct.
Anti-Bribery and Corruption	Parkson Group and all stakeholders	Direct	Zero-tolerance against fraud, bribery, corruption and unethical practices.  Whistleblowing policy.
Cyber Security / Data Protection	Parkson Group	Direct	Comply with Personal Data Protection Act 2010.  Educate and enhance awareness of employees on data protection and privacy.  Safeguarding customers' privacy.

# CONTRIBUTION TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (“UNSDGs”)

Parkson is committed to supporting the UNSDGs as part of its broader sustainability strategy. The following table (Table 3.0) outlines its key initiatives and contributions during the financial year under review:

**Table 3.0 UN SDGS**

UNSDGs	Description	Approach
	<p>Goal 1: No Poverty</p> <p>End poverty in all its forms anywhere</p>	<ul style="list-style-type: none"> <li>• Provide financial aid for medical treatment to the most vulnerable segments of society.</li> <li>• Collaborate with other bodies and Non-Governmental Organisations to extend reach and ensure help is targeted to those most in need.</li> </ul>
	<p>Goal 3: Good Health and Well-being</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<ul style="list-style-type: none"> <li>• Prioritise health and safety in each business operation by adopting rigid safety standards and systems, provide continuous safety training to protect employees, sub-contractors and the general public.</li> <li>• Promote healthy lifestyles and work-life balance by organising programmes that focus on employees’ physical and mental well-being.</li> </ul>
	<p>Goal 4: Quality Education</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> <li>• Provide scholarships to undergraduates pursuing their first degree locally.</li> <li>• Promote employee development programme.</li> </ul>
	<p>Goal 5: Gender Equality</p> <p>Ensure full participation in leadership and decision-making</p>	<ul style="list-style-type: none"> <li>• Acknowledge women’s contribution in the industry and committed to promoting the advancement of women.</li> <li>• Ensure women’s effective representation and equal opportunities for leadership at all levels of decision-making across business activities.</li> </ul>

UNSDGs	Description	Approach
	<p>Goal 8: Decent Work and Economic Growth</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> <li>• Provide a competitive remuneration packages to all employees, as well as training opportunities for career growth and development.</li> <li>• Promote a safe and secure working environment for all workers, including contractors and foreign labour.</li> <li>• Stand firm against any form of forced labour, modern slavery and child labour.</li> </ul>
	<p>Goal 12: Responsible Production and Consumption</p> <p>Substantially reduce waste generation</p>	<ul style="list-style-type: none"> <li>• Encourage 3R (reduce, reuse, recycle) activities to reduce waste generation.</li> </ul>
	<p>Goal 13: Climate Action</p> <p>Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> <li>• Compliance with all applicable statutory and regulatory requirements.</li> </ul>
	<p>Goal 16: Peace, Justice and Strong Institutions</p> <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> <li>• Support fair and equitable workplace.</li> <li>• Ensure a strong ethics and compliance culture.</li> <li>• Maintain zero tolerance towards bribery and corruption, as articulated in the Company’s Anti-Bribery and Corruption Policy.</li> <li>• Maintain a Whistleblower Policy to encourage the reporting of concerns in a safe and confidential manner</li> </ul>
	<p>Goal 17: Partnership for the Goals</p> <p>Encourage and promote effective partnerships, building on the experience and resourcing strategies of partnerships</p>	<ul style="list-style-type: none"> <li>• Collaborate with regulators, industry players and community development programme partners.</li> </ul>

# ENVIRONMENT

## CLIMATE-RELATED DISCLOSURES

All issuers are required to provide climate-related disclosures pursuant to Rule 711B of the SGX Listing Rules. We understand the impact climate change can have on the business and strive to address the key risks to operations. We outline the Company’s approach below (**Table 4.0**).

**Table 4.0 Disclosures and Management Approach**

Disclosures	Approach
<b>Governance</b>	
<p>The Board’s oversight of climate-related risks and opportunities.</p>	<p>As disclosed under Board Statement (Page 3), the Board provides oversight of the management and monitoring of these material ESG factors.</p>
<p>Management’s role in assessing and managing climate-related risks and opportunities.</p>	<p>As disclosed under Governance (Page 3), a sustainability management committee comprising key management of the Group and designated specific personnel is responsible for the management and reporting of sustainability issues.</p>
<b>Strategy</b>	
<p>Climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</p>	<p>We have identified climate-related risks as one of our material ESG topics.</p>
<p>Impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.</p>	<p>Climate-related risks:                      Regulatory and compliance risk – more regulations and oversight on sustainability reporting.                      Market and reputation risk – increased expectations and awareness from stakeholders on the importance of sustainability.                      Natural disaster risk – some areas in Malaysia where our stores are located are prone to flooding, especially with the recent climate changes.</p>
<p>Resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Climate-related opportunities:                      Reputation and brand – opportunity to alleviate the brand.                      Green technology – more energy efficient tools and equipment to help lower carbon footprint.</p>
	<p>The Company will explore to better understand climate-related risks and opportunities, and will perform different climate-related scenarios to assess their impacts on the Company.</p>

Disclosures	Approach
<b>Risk Management</b>	
<p>Organisation’s processes for identifying and assessing climate-related risks.</p> <p>Organisation’s processes for managing climate-related risks.</p> <p>Processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.</p>	<p>The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its stakeholders.</p> <p>The Board provides oversight of the management and monitoring of risks, through half-yearly review of the Group’s sustainability performance.</p> <p>The Company is working towards incorporating climate-related risks and opportunities as part of the existing risk management processes to better monitor, assess and manage the same.</p>
<b>Metrics and Targets</b>	
<p>Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <p>Targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p>	<p>The Company continues to monitor energy usage and carbon emissions and has disclosed the metrics and targets used in its sustainability reporting. Please refer to pages 14 to 17.</p> <p>The Company will continue to monitor these metrics to ensure the targets set are achieved.</p>

## ENVIRONMENT

The Company is committed to sustainable development, striving to minimise environmental impact through proactive measures and adherence to the 3R principles: Reduce, Reuse, and Recycle. Employees are encouraged to adopt 'Responsible Consumption' by using materials, energy, and resources sustainably. Initiatives include reducing energy and water usage, minimising paper consumption with recycled materials, and limiting single-use plastic bags.

### CLIMATE ACTION AND ENVIRONMENTAL GOALS

Aligned with the Malaysian Government's commitment to addressing climate change and achieving Net Zero greenhouse gas (GHG) emissions by 2050, the Company has set interim reduction targets, and will revise these targets in accordance with the relevant standard.

	Area	Target	Plan
1	GHG Emissions	Achieve a reduction in GHG emissions intensity and total emissions. <ul style="list-style-type: none"> <li>Reduce both Scope 1 and Scope 2 carbon intensity by 2%.</li> <li>Reduce total GHG emissions by 11% from the FY2024 baseline by 2030.</li> <li>Reduce 40% from the FY2024 baseline by 2050.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate with suppliers/vendors to reduce emissions in transportation</li> <li>Improve fleet efficiencies and optimise route</li> </ul>
2	Energy Consumption	Decrease energy consumption to improve operational efficiency. <ul style="list-style-type: none"> <li>Lower energy consumption annually.</li> <li>Reduce energy consumption by 15% from the FY2024 baseline by 2030.</li> <li>Reduce 50% from the FY2024 baseline by 2050.</li> </ul>	<ul style="list-style-type: none"> <li>Retrofit stores and offices with energy-efficient lighting.</li> <li>Deploy smart energy management systems in new or remodeled stores, and in all operations.</li> <li>Promote employee energy-saving initiatives.</li> </ul>
3	Waste Reduction	Reduce waste sent to landfill.	<ul style="list-style-type: none"> <li>Implement circular economy practices.</li> <li>Reduce, reuse and recycle packaging.</li> <li>Collaborate with local municipalities or recycling organisations for waste diversion.</li> <li>Instil the 3R culture amongst employees to minimise waste</li> </ul>
4	Water Conservation	Reduce water consumption to conserve resources. <ul style="list-style-type: none"> <li>Reduce water consumption annually.</li> <li>Reduce water consumption by 15% from the FY2024 baseline by 2030.</li> <li>Achieve a 50% reduction by 2050.</li> </ul>	<ul style="list-style-type: none"> <li>Optimise and evaluate water use system.</li> <li>Promote water saving habits among employees.</li> </ul>

## CARBON EMISSIONS

The Company recognises climate change as a significant global challenge with direct implications for its operations, the communities it serves, and stakeholders across its value chain. As part of its response to this global issue, the Company is committed to reducing its carbon emissions and supporting global climate action. The Company monitors and manages its carbon emissions in line with established reporting standards, encompassing Scope 1, Scope 2, and Scope 3 emissions.

During FY2025, the Company recorded total Scope 1 emissions of 86.06 tonnes of CO<sub>2</sub>e, arising from direct emissions from owned or controlled sources. Scope 2 emissions, which relate to indirect emissions from purchased electricity and energy consumption, amounted to 33,326.56 tonnes of CO<sub>2</sub>e, representing the largest component of the Company’s carbon footprint. Meanwhile, Scope 3 emissions, comprising other indirect emissions across the value chain such as business travel and employee commuting, totalled approximately 2,616.66 tonnes of CO<sub>2</sub>e.

Overall, the Company’s emissions profile continues to be primarily driven by energy consumption within its retail operations. In this regard, the Company remains focused on enhancing energy efficiency, optimising operational practices, and exploring initiatives to reduce its carbon footprint as part of its broader commitment to environmental sustainability.

Carbon Emission	tCO <sub>2</sub> e	
	2024	2025
Scope 1	26.08	86.06
Scope 2	32,739.06	33,326.56
Scope 3 (Business Travel and Employee Commuting)	2,159.39	2,616.66
<b>Total</b>	<b>34,924.53</b>	<b>36,029.28</b>
Intensity (relative to Gross Floor Area)(tCO <sub>2</sub> e/m <sup>2</sup> )	0.085	0.086

Methodology, boundary and assumptions:

1. Our calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standards using the operational control consolidation approach.
2. Scope 1 and Scope 3 emission factors are sourced from the GHG Conversions Factors for Company Reporting version 1.0 (2021), published by the UK Department for Environment, Food & Rural Affairs (“DEFRA”).
3. Scope 2 emissions data is based on actual consumption and calculated using emission factors from relevant energy grids.
4. Scope 3: Business Travel is calculated using distance based method, where practical. Employee Commuting data is generated based on location, incorporating average commute distance and travel mode, as tracked by our in-house system.
5. GHG emissions data has been verified internally as part of the Sustainability Report review.

## ENERGY EFFICIENCY

The Company prioritises energy conservation across all aspects of its operations, embedding energy-saving practices into its workplace culture. Employees are encouraged to adopt simple yet effective habits, such as switching off lights, air conditioners, and office equipment when not in use, and promote use of natural daylight where possible, such as having windows and skylights.

To align with the energy conservation objective, almost 95% of the lightings in Parkson stores have been converted to light emitting diode (“LED”) lights. Compared with conventional lights, LED lights could contribute 35% to 45% savings in energy consumption.

In addition to installation of LED lights, Parkson has also undertaken other energy conservation such as optimising the usage of high energy consumption store equipment (such as auto start/stop elevators and air conditioners) and switching on escalators/air conditioners closer to the commencement of our stores’ operating hours. It also collaborates with mall operators on adopting green energy in its stores.

For FY2025, the Company’s total energy consumption increased by 0.6% compared to the previous year, with intensity remaining relatively consistent. While this reflects higher operational activity with the opening of new stores, the Company remains committed to energy efficiency initiatives, including equipment optimisation, operational best practices, and monitoring, to manage consumption and reduce its environmental impact.

Energy	2024	2025
Total Energy Consumption (MW)	45,424.24	45,718.83
Intensity (relative to Gross Floor Area)(MW/m <sup>2</sup> )	0.111	0.110

## WASTE & WATER MANAGEMENT

As tenants in shopping malls and office buildings, the management of water infrastructure and waste disposal services is primarily the responsibility of the respective landlords. Nevertheless, the Company remains committed to promoting responsible resource use across its operations.

The Company’s total water consumption increased from 137.91 megalitres in FY2024 to 145.35 megalitres in FY2025, representing a year-on-year increase of approximately 5.4%. This moderate rise was mainly attributable to higher operational activity across the Company’s F&B outlets and retail stores, including increased customer traffic and extended operating hours in selected locations, as well as the opening of 2 new stores during the year. To support water stewardship, employees are encouraged to adopt water-saving practices through regular awareness initiatives, including reducing unnecessary usage and promptly reporting leaks.

Water Management	2024	2025
Total Water Consumed (Megalitres)	137.91	145.35

## WASTE & WATER MANAGEMENT (CONT'D)

In terms of waste management, the primary waste streams generated from the Company's department store operations comprise cardboard, paper and plastic materials, while its office operations predominantly generate paper waste. During the financial year, the Company generated a total of 1,077 tonnes of waste, of which 462 tonnes (approximately 42.9%) were diverted from the landfill through reuse, recycling and other recovery initiatives. These efforts reflect the Company's ongoing commitment to responsible waste management and the reduction of landfill impact.

In addition, the Company's F&B operations adopt eco-friendly, minimalist packaging made from natural materials that are biodegradable and compostable, supporting its broader efforts to reduce environmental impact. As part of its continuous improvement approach, the Company will further strengthen waste segregation practices, enhance recycling efforts and promote greater environmental awareness across its operations.

## ENVIRONMENTAL CONSERVATION

The Company actively promotes environmental conservation by supporting projects that protect natural habitats, restore ecosystems, and raise awareness about sustainable practices among employees and communities.

In August 2025, Parkson employees organised a beach cleaning day at Pantai Batu Laut, Selangor. Supported by a local non-governmental organisation, My Clean Beach, the team collected 572.6kg of waste during the exercise.

## PROMOTING GREEN AND ENVIRONMENT FRIENDLY PRODUCTS AND INITIATIVES

While maintaining high-quality service, the Company is continuously exploring eco-friendly alternatives in its daily operations, such as implementing energy-efficient products and processes, along with adopting 5S and 3R management techniques.

In line with Parkson's 'Think Green, Act Green' initiative, the distribution of bags has been discontinued, and customers are encouraged to bring their own reusable shopping bags. To further promote sustainability, Parkson has set up Reusable Bag Community Stations in select stores, allowing shoppers to donate spare reusable bags for others to use, fostering a shared commitment to eco-conscious living. Parkson has also replaced its pre-printed Parkson promotional and discount vouchers with E-vouchers since FY2023.

Additionally, Parkson has organised events to educate employees about the importance of the 3R principles, demonstrating its dedication to environmental sustainability.

In September 2025, Parkson extended its sustainability efforts to upcycle pre-loved clothes into creative outfits through a designer competition organised by SPAO, in collaboration with Malaysian Institute of Art. Members of the public were encouraged to donate pre-loved clothes at SPAO recycle boxes at its head office and outlets in Parkson Elite Pavilion KL and SPAO Sunway Velocity Mall.

## PEOPLE

Recognising the importance of social inclusion which influences lifestyles and professional endeavours, the Company aims to cultivate a positive social impact that can truly make a meaningful difference within the environment in which it operates.

As at 31 December 2025, Parkson employs a total of 2,317 people (2024: 2,272).

### EMPLOYEE WELL-BEING

The Company is dedicated to creating a workplace where employees feel valued, secured, and empowered to express themselves. It cultivates a positive, productive, and inclusive environment, by emphasising engagement and open communication.

To enhance employee engagement, various initiatives such as "lunch & learn" sessions, festive open houses, and sports and recreational activities are held regularly. These efforts address both professional and social needs, promoting a healthy work-life balance, which is key to attracting and retaining talent.

Additionally, the Company provides employees with the option of Flexible Work Arrangements tailored to the roles and requirements of their jobs. These arrangements empower employees to choose between hybrid work models or flexible work hours, allowing them to better balance their professional and personal needs while maintaining productivity and efficiency.

### WORKPLACE EQUAL OPPORTUNITIES

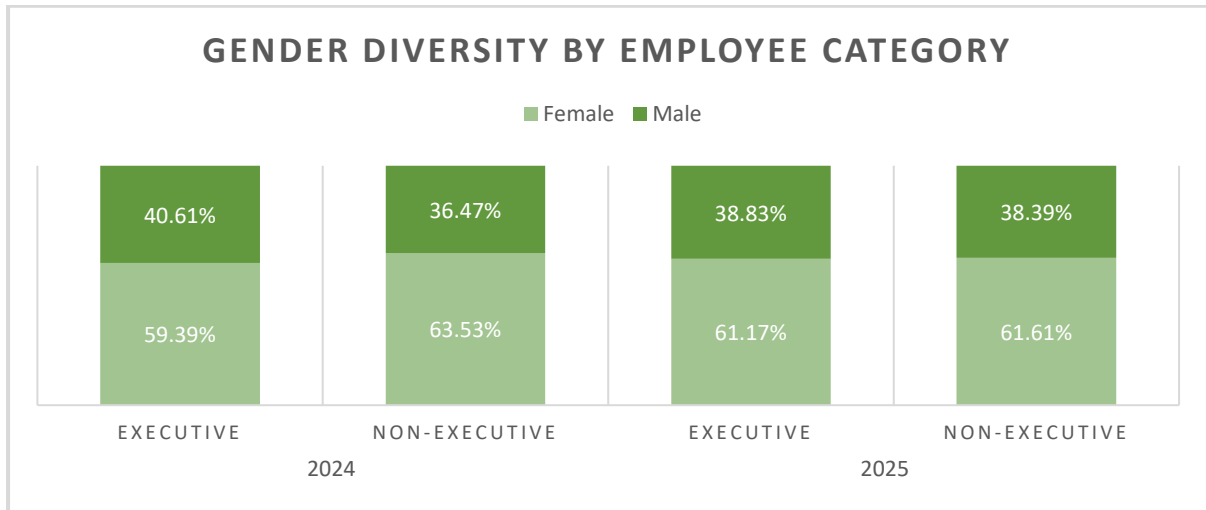
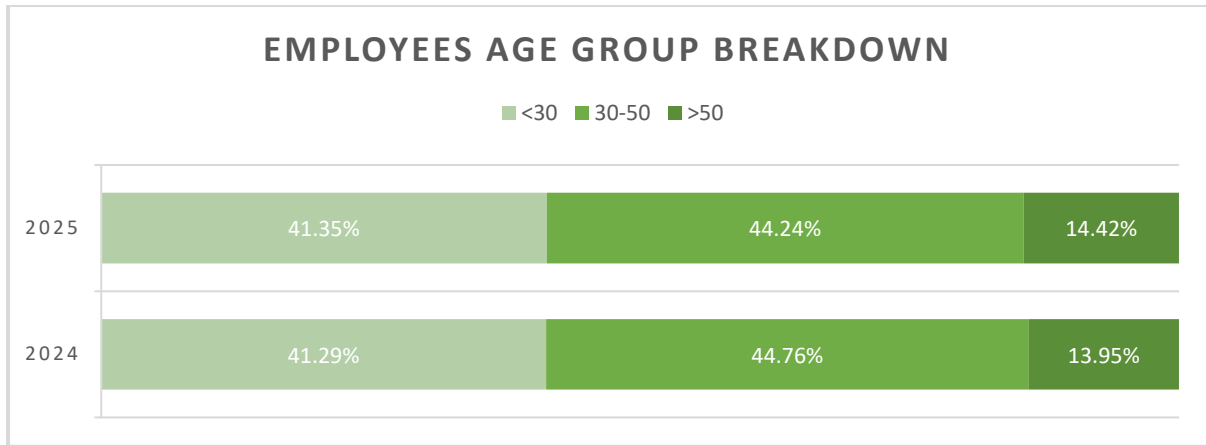
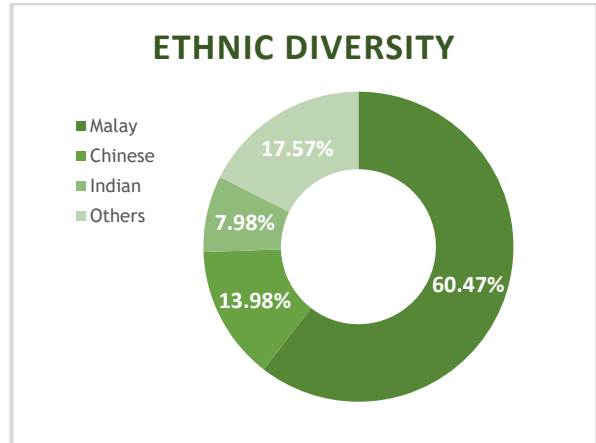
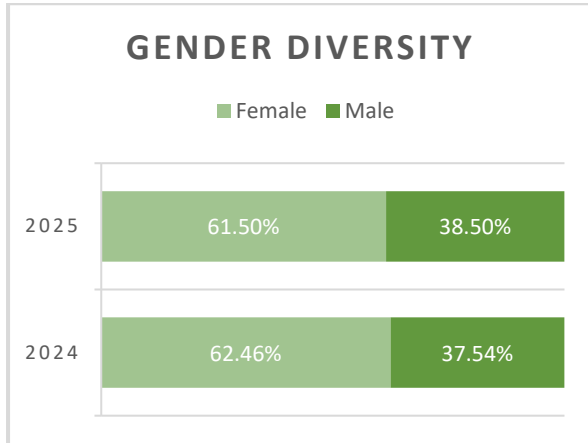
The Company's workforce reflects Malaysia's multi-cultural and multi-ethnic diversity, encompassing a wide range of demographic segments and social backgrounds across all levels of the organisation. It upholds a strict non-discrimination policy, ensuring equal opportunities regardless of race, gender, age, religion, or nationality, and maintain a zero-tolerance stance on workplace harassment.

On a Group-wide basis, 61.50% of the Company's workforce are female, and 38.50% are male, reflecting the nature of the Company's core business in fashion and beauty, particularly within department stores. It maintains a balanced age distribution, with 44.24% of employees aged 30-50, and 57.90% of this group holding executive positions.

The Company also employ part-time staff, including students and retirees, who are compensated hourly under part-time regulations, as well as temporary staff receiving monthly wages. Additionally, indirect staff, managed by vendors, contribute to its operations on-site.

Turnover in the retail sector remains a key focus due to long working hours and operational demands. In FY2025, executive turnover remained stable at 55 while non-executive turnover rose in FY2025. The FY2025 increase highlights the ongoing need to strengthen talent stability. Moving forward, we remain committed to fostering a supportive workplace that attracts, develops, and retains talent across all levels.

### EMPLOYEE DATA CHARTS



Employees Category (%)	2024	2025
Indirect (Vendors)	68.99	68.50
Part-time/Temporary	2.20	2.54
Permanent	28.81	28.96

## EMPLOYEE DATA CHARTS (CONT'D)

Age Group By Employee Category (%)						
	2024			2025		
	<30	30-50	>50	<30	30-50	>50
Executive	8.29	59.56	32.15	8.59	57.90	33.51
Non-executive	52.89	39.56	7.55	52.33	39.66	8.01

Total Turnover by Employee Category	2024	2025
Executive	56	55
Non-executive	852	999

### TALENT ATTRACTION

We are committed to the principles of equality and non-discrimination, and strive to employ on the basis of merit regardless of gender, age, race, religion, disability or any factors which do have bearing on job requirements. Our sources of talent include recruitment from the open market, as well as through Lion-Parkson Foundation scholarship programme. In attracting external talent, we strive to implement remuneration practices that are externally competitive and internally fair and equitable.

Our personnel are currently not part of any collective bargaining agreement.

### STAFF DEVELOPMENT AND RETENTION

The Company prioritises talent development to cultivate future leaders and strengthen its talent pipeline. Employees are offered learning and development opportunities tailored to their technical, functional, and behavioral competencies, aligning with job requirements and career aspirations.

Training is delivered through on-the-job learning, formal classes, online platforms, and continuing education. The Company encourages employees to pursue upskilling courses and obtain skill certifications, enabling broader job coverage and fostering professional growth. These programmes are designed to support both executives and non-executives and different stages of their career journey.

In FY2025, training hours per staff for executive and non-executive staff decreased by 41.5% and 74.8% respectively. This reduction reflects a strategic shift towards on-the-job learning and the introduction of shorter, more focused training sessions. These changes have enhanced learning efficiency while maintaining the Company’s commitment to employee development.

Average Training Hours Per Staff By Category	2024	2025
Executive	16.4	9.6
Non-executive	10.8	2.7

## STAFF DEVELOPMENT AND RETENTION (CONT'D)

For non-executive employees, training focuses on building strong operational foundations, technical proficiency, and functional knowledge. Programmes such as induction training, workplace communication skills, and system-based training (e.g., Excel, Power BI, MySQL, Autocount e-Invoicing) equip employees with practical skills to perform their roles effectively. Knowledge-sharing sessions covering product knowledge, corporate processes, finance fundamentals, and sustainability topics further enhance day-to-day job competency and awareness of broader business priorities.

Executive-level employees and emerging leaders participate in programmes which place greater emphasis on strategic thinking, governance, regulatory compliance, digital transformation, and leadership effectiveness. Participation in industry conferences, management development programmes, governance and compliance forums, data protection certification, cybersecurity summits, and ISO auditing certifications strengthens decision-making capabilities and prepares leaders to navigate complex regulatory and business environments.

Across all levels, the Company reinforces ethical conduct, risk awareness, and regulatory compliance through structured programmes such as Anti-Money Laundering (AML), Anti-Bribery and Corruption (ABC), Code of Conduct and Business Ethics, PDPA compliance, and cybersecurity awareness training. This ensures employees understand their responsibilities in safeguarding organisational integrity, data security, and stakeholder trust.

In addition, the Company recognises the importance of holistic employee wellbeing and future workplace readiness. Programmes covering mental health awareness, mindfulness, diversity and inclusion, digital wellbeing, and personal financial management support employees in maintaining resilience, adaptability, and work-life balance in a fast-evolving business environment.

Training is also aligned with career development pathways, enabling employees to progressively build competencies required for role expansion, cross-functional exposure, and leadership succession. Technical certifications, industry exposure, and continuous learning opportunities allow employees to remain relevant amid digitalisation, regulatory evolution, and sustainability expectations.

This comprehensive approach reflects the Company's commitment to nurturing a skilled, adaptable, and future-ready workforce, while supporting employees in achieving their career development goals and contributing meaningfully to the Company's long-term business sustainability.

The training programmes held in FY2025 include:

1. Personal Development & Leadership Programmes
  - Teambuilding Programmes (Bond Builders, Super Heroes, Bond to Win)
  - Stand Up and Speak
  - High Impact Presentation Skills
  - Personal Happiness and Wellbeing at the Workplace
  - Understanding the Coloured Brain: Creating Harmony at the Workplace
  - Setting Goals and Competencies
  - Managing Absenteeism at the Workplace

## STAFF DEVELOPMENT AND RETENTION (CONT'D)

2. Technical, Functional & Skills Training
  - Visual Merchandising Training (Including EID & Non-VM Training)
  - Store Operations Training
  - Marketing Strategy Training
  - Product Knowledge Training (All Categories)
  - Gift Wrapping Training
  - Come and Learn Mandarin
  - Microsoft Excel Training (Intermediate / Advanced)
  - Filing and Record Management
  - Contract and Tender Management
  - MBRS 2.0 for Preparers – Financial Statements
  - Advanced Certificate in Retail Management
  - Certificate in Retail Supervisory Management
  - Driving Productivity with AI Tools
  - ChatGPT for Strategic Planning
3. Service Excellence & Retail Capability Development
  - Parkson Service Standard Training (All Locations)
  - BSST Programmes
    - My Job My Pride
    - My People My Pride
    - My Store My Pride
  - Malaysia Retail Association's Retail Conference
4. Governance, Compliance & Regulatory Training
  - Corporate Governance
  - Understanding NSRF and Latest Bursa Requirements
  - Personal Data Protection Act Training
  - Mastering PDPA 2010 & 2024 Amendments
  - Intelligent Compliance Conference
  - Together We Prevent Crime: Awareness, Action and Responsibility
  - TaxPod Master Class
  - Budget 2026 Seminars / Tax Talks
  - Evolving Regulatory Landscape: Strengthening Corporate Resilience and Governance Integrity
5. Sustainability, Risk & Future-Ready Capability
  - Retail Sustainability Strategy Symposium
  - Cyber Security Awareness Training

## REWARDS AND PERFORMANCE

We practice meritocracy in assessing our people's performance, and in providing due recognition for their excellence. We have put in place an objective performance appraisal policy which requires all permanent staff to take part in periodic performance assessment. Such regular performance discussions provide opportunities for us to identify development needs of our people, whilst at the same time allow our people to provide upward feedback on their concerns.

## LABOUR PRACTICES AND STANDARDS

The Company is committed to fostering a productive, safe, and harassment-free workplace, enforcing a zero-tolerance policy toward inappropriate behaviour, including sexual harassment. The Anti-Sexual Harassment Policy and educational posters promote awareness, while the Whistleblower Policy provides a confidential channel for reporting misconduct. The Company is equally committed to ethical labour practices, strictly prohibiting any form of involuntary, forced, or child labour - a standard that extends to its suppliers and business associates.

In FY2025, no incidents of discrimination, harassment, or violations of labour laws or workers' rights were reported, reflecting the Company's dedication to compliance and employee well-being.

## HEALTH AND SAFETY

The health and safety of its employees and customers are vital to the Company's businesses, hence the Company subscribes to the safety, health and environmental regulations with a systematic approach, reinforced by constant training and monitoring to ensure the safety and well-being of its employees and customers.

In compliance with legal requirements such as the Occupational Safety and Health Act, and related regulations, the Company has in place a Safety and Health Policy and Guidelines for its department stores, F&B outlets and business premises to ensure a safe and comfortable environment for everyone.

Compliance with the safe work practices stated in these guidelines is the primary responsibility of all employees, consignors and their promoters, contractors and consultants performing their duties at the Company's premises. Safety campaigns are held to remind and refresh the staff on safety awareness and related issues with training conducted for staff on the use of fire extinguishers, first aid i.e. CPR and injury management, and evacuation procedures.

### Health and Safety Training

In FY2025, the Company provided health and safety training to 1,006 employees. While training delivery was influenced by scheduling considerations, session capacity, and prior completion of certain non-mandatory modules, the Company continues to prioritise employee wellbeing and strengthen a strong safety culture across its operations.

The Company ensures that all its employees complete mandatory health and safety training, while providing refresher and targeted training based on operational risk exposure and regulatory requirements. Through this risk-based and needs-driven training approach, the Company aims to maintain high health and safety standards, support workforce competency, and reinforce its commitment to providing a safe and healthy workplace for all employees.

	2024	2025
Number of Employees Trained on Health And Safety Standards	1,362	1,006

## HEALTH AND SAFETY (CONT'D)

### Health and Safety Training (Cont'd)

Among the training conducted were:

- Basic Occupational First Aid, CPR And AED
- Essential Fire Fighting
- Occupational Safety And Health Training
- Bengkel OSH Coordinator
- Health and Safety at the Workplace (HSW) 2025

### Work related injuries

Ensuring a safe workplace remains the highest priority for the Company. For 2024 and 2025, the Company recorded zero work-related fatalities. Lost Time Injuries (LTI) remained low and well controlled, with 3 cases in 2024 and 2 cases in 2025.

On a year-on-year basis, despite higher total hours worked in 2025, the LTI rate improved from 0.04 to 0.03 in 2025. The continued decline in LTI rate reflects strengthened safety measures and ongoing efforts to enhance workplace safety across the Company's business operations.

	2024	2025
Total Hours Worked	14,652,000	14,712,000
Number of Fatalities	ZERO	ZERO
Number of Lost Time Injuries	3	2
LTI Percentage	0.00002%	0.00001%
LTI Rate*	0.04	0.03

\* LTI Rate = (Number of Lost Time Injuries / Total Hours Worked x 200,000)

# COMMUNITY

In keeping with its philosophy of giving back to the community, the Company focuses on helping to uplift the community via Lion-Parkson Foundation (the “Foundation”) established in 1990 by Lion Group of Companies of which the Company is a member. The companies within the Group are also supporting the local communities wherein they operate by participating in charity programmes and fundraising drives to assist those in need.

## Empowerment through Education

The Company believes that Empowerment through Education is the key to sustainable development, as education serves as a catalyst for positive, long term change. Each year, the Foundation awards scholarships to undergraduates at local universities, providing them not only financial support but also training in essential soft skills such as problem-solving, communication and teamwork. Scholars are also offered internships at Lion Group companies, allowing them to gain invaluable work experience and prepare for their future careers.

In FY2025, the Foundation disbursed scholarships amounting to RM380,000 to 38 undergraduates pursuing their bachelor’s degree in local institutions of higher learning.

## Medical Assistance for the Less Fortunate

The Foundation is also dedicated to providing medical assistance to individuals in need, regardless of their race or religion. This includes financial support for those suffering from critical illnesses who require medical treatment, surgeries, as well as the purchase of necessary medical equipment and medications.

In FY2025, approximately RM132,313 was disbursed to support the medical treatment needs of 11 individuals, including sponsorships for surgeries, equipment, and medication.

No	Organisation	Amount (RM)	Purpose	No of beneficiaries
1	Cataract Surgery Centre, Hospital Selayang	10,100	Donation to B40 group needing cataract operation	44
2	Cataract Surgery Centre, Hospital Selayang	19,951	Purchase of 1 set of surgical instruments for cataract surgeries	Patients undergoing cataract surgery at the Centre (on-going)
3	Home for Handicapped and Mentally Disable Children in Banting, Selangor	159,095	General welfare for the Home’s residents	94

## Other CSR Initiatives

Parkson facilitates store visits and tours for students of retail and business courses from local institutes, providing them and stakeholders with valuable insights and hands-on retail experience.

# MARKETPLACE AND CUSTOMERS

## PRODUCT AND SERVICE EXCELLENCE

Delivering quality is important in maintaining credibility and customer trust, which are necessary in the highly competitive retail industry. As a true-blue Malaysian brand and household name for over 30 years, Parkson has a responsibility to ensure that all merchandise carried by its stores fulfil customers' expectations. Hence, Parkson places high priority on the quality of the products carried in its stores and ensures that its suppliers share the same philosophy.

The Company's F&B business, Hogan Bakery, adheres strictly to the Standard Operating Procedures (SOPs) established by the brand's Principal, supported by stringent food safety and quality standards and halal certification from the Department of Islamic Development Malaysia (JAKIM) for its products in Malaysia. Ingredients are sourced from certified suppliers, and high standards of hygiene and food safety are consistently maintained across its production facilities and retail outlets, providing assurance of quality, safety, and compliance to customers.

## FAIR AND ETHICAL BUSINESS PRACTICES

The Company believes that conducting business responsibly means going beyond mere compliance with laws and regulations. It is committed to upholding high ethical standards that exceed societal expectations, ensuring fairness and equity in all endeavours. By offering products and services that meet customer expectations, the Company demonstrates a fair and responsible approach that balances the interests of both customers and its business operations.

Building trust with stakeholders, including shareholders, investors, customers, suppliers, local communities, and employees, is essential to the Company's success. The Company pledges to disclose diverse information transparently to promote clear understanding of its business and corporate activities. It upholds fair competition practices, ensuring non-favouritism in its dealings with public authorities and provides suppliers with equal opportunities to compete based on the overall value they bring to the Company.

In its commitment to fair marketing practices, the Company prioritises clear and transparent communication with its customers.

## CUSTOMER SATISFACTION AND EXPERIENCE

Customer support and loyalty are critical to the success of the Company's business. In this regard, customers are at the forefront of its business operations, where it strives to provide safe, ethically sourced quality products as well as premium, value-added services.

To uphold these standards, the Company incorporates product knowledge and service skills training into its routine programmes, ensuring employees deliver exceptional service to customers.

Parkson fosters long-lasting relationships with its customers through various initiatives, including engagement and sharing sessions, as well as loyalty programs designed for Parkson Card and BonusLink members, and in-store shoppers.

## CUSTOMER SATISFACTION AND EXPERIENCE (CONT'D)

Recognising the importance of customer interaction, Parkson prioritises engagement through multiple feedback channels to continuously enhance service quality and customer satisfaction. Its diverse touchpoints include customer care desks, phone support, social media platforms such as Facebook, as well as WhatsApp, email, and messaging applications to its Customer Service Department. These avenues ensure that customers can share their feedback or lodge complaints with ease, reinforcing its commitment to delivering exceptional customer experiences.

### Parkson Card Loyalty Programme

The Parkson Card loyalty programme enables Parkson to deliver targeted promotions and curated events. The Parkson Card programme is tailored to members' preferences and strengthened by its cross-border acceptance in countries where Parkson operates, enabling members to enjoy seamless benefits across its retail network. Supported by a diverse range of merchant partners, the Parkson Card offers exclusive discounts ranging from 5% to 6%, depending on membership tiers. These cross-border privileges and curated benefits reflect its commitment to delivering value, convenience, and an enhanced customer experience.

Membership has increased year-on-year, driven by the programme's attractive rewards, personalised promotions, and the ease of earning and redeeming benefits across multiple countries and retail channels. As at 31 December 2025, the Parkson Card membership base stood at approximately 2.41 million members, demonstrating strong customer engagement and the value that the loyalty programme continues to deliver.

	2024	2025
Parkson Card Members	2.33 million	2.41 million

## ANTI-BRIBERY AND CORRUPTION

The Company is committed to promoting a culture of integrity through awareness campaigns and regular communications. It requires all employees to comply with its Anti-Bribery and Corruption Policy ("ABC Policy"), ensuring that its business is conducted ethically, responsibly, and transparently. Directors and employees are also required to complete an annual e-declaration on Conflict of Interest and acknowledge their understanding of the ABC Policy to confirm compliance.

The Company encourages all its stakeholders to report any suspected wrongdoings which may involve or concern its directors, management and employees; or actions that could affect its business performance, relations with other stakeholders, assets, or reputation. Whistleblowers will be assured of confidentiality, with their identity protected unless disclosure is required by law.

All concerns may be communicated to the Chief Auditor of the Company via telephone call, mail, email and/or facsimile, as follows:

Tel No. : 603-3344 2882 ext. 3900  
 Email : [whistleblowing@parkson.com.my](mailto:whistleblowing@parkson.com.my)  
 Fax No. : 603-3344 2889  
 Address : Level 5, Klang Parade, No. 2112, Jalan Meru, 41050 Klang, Selangor Darul Ehsan, Malaysia

## ANTI-BRIBERY AND CORRUPTION (CONT'D)

### Anti-Bribery and Corruption-related training

Anti-bribery and corruption training is conducted on a regular basis to reinforce ethical conduct and compliance across the organisation. Attendance is compulsory for all employees, ensuring a consistent understanding of anti-corruption principles, policies, and responsibilities. The Company continues to enhance its training approach through online learning options, strengthened compliance tracking, and engagement initiatives such as targeted reminders and interactive training sessions. These efforts reflect the Company's ongoing commitment to maintaining strong anti-bribery and corruption standards.

### Operations Assessed for Corruption-related Risks

During the financial year under review, the Company conducted corruption risk assessments across all its operations, with 100% undergoing the evaluation.

### Corruption Incidents

As of 31 December 2025, the Company recorded zero incidents of corruption across its business operations.

Percentage (%)	2024	2025
Corruption Related Training		
- Executive	18.61	2.75
- Non-executive	19.27	24.44
Operations Assessed for Corruption-related Risks	100	100
Corruption Incidents	ZERO	ZERO

## CYBER SECURITY & DATA PROTECTION

The Company is committed to maintaining the confidentiality and security of its customers' and stakeholders' information in compliance with the Personal Data Protection Act 2010 ("PDPA"). In alignment with the amendments to the PDPA effective 1 June 2025, which introduced a requirement to appoint a Data Protection Officer ("DPO"), conditional on the scale of data processing activities, the Company appointed a DPO across each of its subsidiaries to oversee compliance, implement internal controls, and strengthen the protection of personal data.

The Company actively educates its employees on data protection and privacy through knowledge-sharing initiatives, including brief learning emails and articles in its corporate newsletter. These cover essential topics such as information security fundamentals, online scams, cyber espionage, malware, and ransomware. Its primary goal is to raise awareness about the importance of protecting sensitive information, thereby reducing potential threats and security breaches that could impact the organisation.

## CYBER SECURITY & DATA PROTECTION (CONT'D)

During this reporting period, there were no substantiated complaints of breaches in customer privacy or loss of customer data.

	2024	2025
Substantiated Complains Concerning Breaches in Customer Privacy Or Data Loss	ZERO	ZERO

## SUPPLY CHAIN MANAGEMENT

The Company’s procurement division is dedicated to ensuring responsible procurement practices, reinforced by the requirement for all active registered vendors to periodically acknowledge their commitment to the Company’s Vendor Code of Conduct. Vendor qualifications and credentials are thoroughly vetted before being added to the list of approved suppliers. Sustainability considerations, such as fair labour practices and safety requirements are incorporated from the beginning of the supplier selection process.

To maintain transparency and accountability, regular audits are conducted and procurement processes and policies are regularly reviewed, including reassessment of procurement contracts. The Company prioritises locally sourced products and services, recognising the benefits of cost efficiency, timely delivery, reduced carbon emissions, and support for the local economy.

### Local Suppliers

In FY2025, 98.86% of the Company’s total procurement expenditure was directed towards local suppliers. This approach contributes to domestic economic growth and helps reduce transportation-related emissions, thereby lowering the Company’s environmental footprint. Its commitment to local sourcing also strengthens supply chain resilience and supports the long-term sustainability of local businesses and communities.

As it continues to review and enhance its procurement practices, the Company aims to sustain and further expand local sourcing opportunities, while integrating sustainability considerations into supplier selection and engagement. Through these efforts, it seeks to drive greater environmental stewardship, social value creation, and long-term economic impact.

	2024	2025
Spending on Local Suppliers (%)	99.66	98.86

## INNOVATION

We continue to embrace technology in our pursuit to delight our customers as well as to improve our processes such as acceptance of major eWallet payments, using Parkson Card mobile app, and E-vouchers to replace Parkson promotional and discount vouchers which promotes environmental consciousness.

# GRI CONTENT INDEX

<b>Statement of Use</b>	Parkson Retail Asia Limited has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1 : Foundation 2021

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location</b>
GRI 2: General Disclosures 2021	2-1 Organisational details	Page 1
	2-2 Entities included in the organisation's sustainability reporting	Annual Report 2025 – Pages 90 & 91
	2-3 Reporting period, frequency and contact point	Page 2
	2-5 External assurance	Page 2
	2-6 Activities, value chain and other business relationships	Page 1
	2-7 Employees	Pages 18 to 24
	2-9 Governance structure and composition	Annual Report 2025 – Pages 17 to 43
	2-10 Nomination and selection of the highest governance body	Annual Report 2025 – Pages 26 to 28
	2-11 Chair of the highest governance body	Annual Report 2025 – Pages 24 to 26
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 3
	2-13 Delegation of responsibility for managing impacts	Page 3
	2-14 Role of the highest governance body in sustainability reporting	Page 3
	2-15 Conflicts of interest	Page 27, Annual Report 2025 – Page 18

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location</b>
	2-16 Communication of critical concerns	Annual Report 2025 – Pages 40 to 42
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	Annual Report 2025 – Page 23
	2-18 Evaluation of the performance of the highest governance body	Annual Report 2025 – Page 29
	2-19 Remuneration policies	Annual Report 2025 – Pages 29 & 30
	2-20 Process to determine remuneration	Annual Report 2025 – Pages 29 & 30
	2-21 Annual total compensation ratio	Annual Report 2025 – Pages 30 to 33
	2-22 Statement on sustainable development strategy	Page 3
	2-23 Policy commitments	Pages 3 to 29
	2-24 Embedding policy commitments	Pages 3 to 29
	2-25 Processes to remediate negative impacts	Pages 6 to 9
	2-26 Mechanisms for seeking advice and raising concerns	Pages 3 & 4
	2-27 Compliance with laws and regulations	Pages 23, 26 & 28
	2-28 Membership associations	Page 5
	2-29 Approach to stakeholder engagement	Pages 3 & 4, Annual Report 2025 – Page 41 & 42
	2-30 Collective bargaining agreements	Page 20
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 6
	3-2 List of material topics	Pages 7 to 9
	3-3 Management of material topics	Pages 7 to 9

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location</b>
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report 2025 – Pages 3 to 9, 52 to 133
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 29
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Pages 27 & 28
GRI 302: Energy 2016	302-1 Energy consumption with the organisation	Pages 15 & 16
	302-3 Energy intensity	Page 16
GRI 303: Water and Effluents 2018	303-5 Water consumption	Page 16
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 15
	305-2 Energy indirect (Scope 2) GHG emissions	Page 15
	305-3 Other indirect (Scope 3) GHG emissions	Page 15
	305-4 GHG emissions intensity	Page 15
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 29
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Pages 18 & 20
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pages 23 & 24
	403-5 Worker training on occupational health and safety	Page 23
	403-9 Work-related injuries	Page 24
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 20
	404-2 Programs for upgrading employee skills and transition assistance programs	Pages 21 & 22

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location</b>
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 18 & 19, Annual Report 2025 – Pages 23 & 24
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 23
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 29
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 28 & 29