



## OVERVIEW

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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”, and together with its subsidiaries, the “Group”) is a prominent Malaysian department store retailer with an extensive network of 37 department stores across cities in Malaysia as at 27 March 2024.

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. Whilst the Group continues to operate predominantly on a blend of concessionaire sales model and anchor tenant in major shopping malls, over the years, the Group has also introduced lifestyle elements such as food and beverage outlets to complement its department store operations. At the same time, in meeting the demands of the young, fashion-conscious and contemporary market, the Group has also launched its 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.

## 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 sixth 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 2023 (“FY2023”).

## 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. The report complies with the SGX-ST Listing Rules (711A and 711B) and the SGX Sustainability Reporting Guide and is aligned with the United Nations Sustainable Development Goals (“UNSDGs”).

In relation to the recommendations by the Task Force on Climate-related Financial Disclosures (“TCFD”), Parkson recognises the importance of identifying and addressing climate-related risks and opportunities. We have taken steps in gathering data and resources necessary for the climate-related disclosures as disclosed under the Environment section.

## 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’ input on this report 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 significant stakeholders, how we engage with them and address their expectations is described in the table below (**Table 1.0**).

**Table 1.0 Stakeholders’ Engagement**

Stakeholders	Stakeholders’ Expectations	How We Engage
Employees	<ul style="list-style-type: none"> <li>• Pay and benefits</li> <li>• Learning and development</li> <li>• Respect and recognition</li> <li>• Job satisfaction</li> <li>• Health, safety and well-being</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings and briefings</li> <li>• Training programmes</li> <li>• Performance appraisal</li> <li>• New employee induction programme</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Price promotion</li> <li>• Convenience and experience</li> <li>• Engaging, knowledgeable store servicing personnel</li> </ul>	<ul style="list-style-type: none"> <li>• Product launches and promotions</li> <li>• Regular engagement via website, e-mail, social media and mobile app</li> <li>• Targeted promotions for loyalty programme members</li> <li>• Enriching in-store experience</li> </ul>

Stakeholders	Stakeholders' Expectations	How We Engage
Suppliers / Vendors	<ul style="list-style-type: none"> <li>• Long-term partnership</li> <li>• Financial resilience</li> <li>• Sustainable business growth</li> <li>• Experienced department store management team</li> </ul>	<ul style="list-style-type: none"> <li>• Regular visits and meetings</li> <li>• Vendor support channel</li> <li>• Product launches and promotions</li> </ul> <ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Investor Relations channels (website and e-mail)</li> <li>• Timely announcement of material information, including financial performance, through SGXNET and Company's website</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>	
Government and regulators	<ul style="list-style-type: none"> <li>• Regulatory compliance</li> <li>• Safety and security</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory filings</li> <li>• Responding to requests for information (e.g. surveys)</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Support for social causes</li> <li>• Responsible corporate citizen</li> <li>• Creation of job opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Charity and fundraising events</li> <li>• Participate in Career Fairs</li> </ul>

## MEMBERSHIP OF ASSOCIATIONS

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

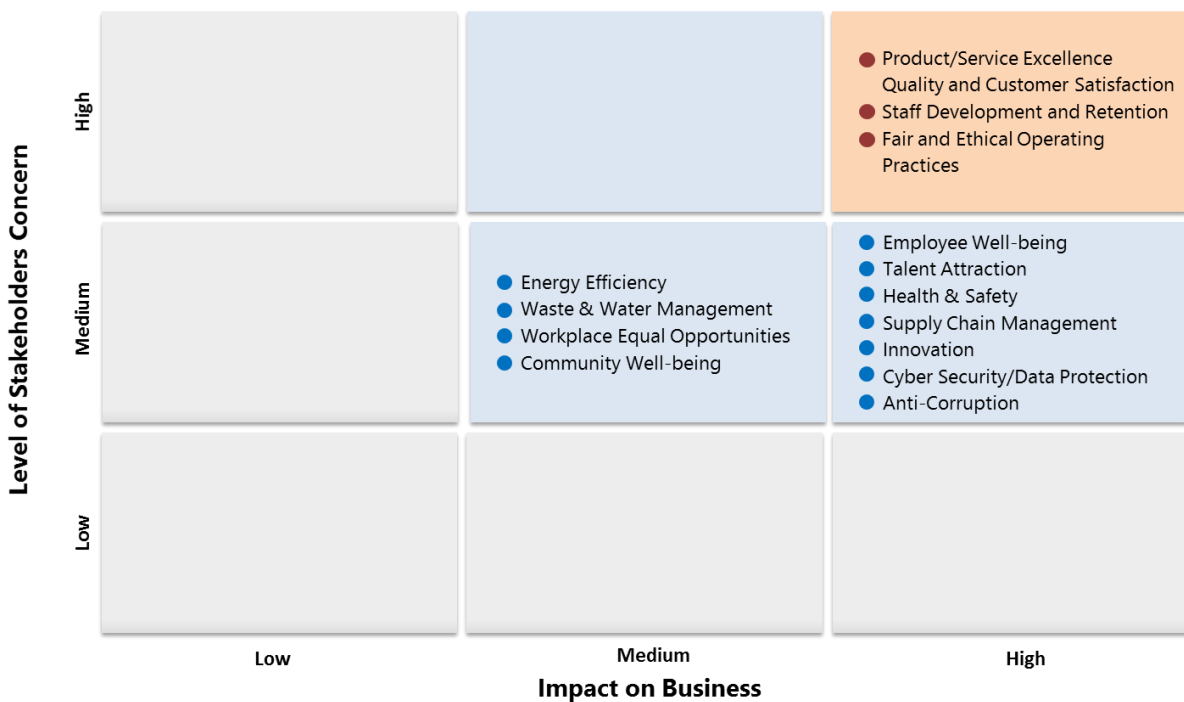
# MATERIALITY

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 fourteen material topics, with (i) Staff Development and Retention, (ii) Fair and Ethical Operating Practices; and (iii) Product/Service Excellence Quality and 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 Parkson’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.

The ESG performance data presented in this report establishes the baseline for our material topics. The baseline data will help us to develop specific targets in the coming years.

# 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 Parkson’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 Parkson, 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>			
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 Quality and Customer Satisfaction	Parkson Group, stores 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>

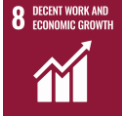




Material Topics	Where the Impacts Occur	Our Involvement	Management Approach and Goals
Innovation	Parkson Group	Direct	Introduction of E-vouchers to replace pre-printed Parkson promotional and discount vouchers.
Supply Chain Management	Parkson Group and suppliers	Indirect	Drive responsible business practices across our supply chain through vendor selection process, and vendors' periodic acknowledgement of their commitment to the Group's Vendor Code of Conduct.
Anti-corruption	Parkson Group and all stakeholders	Direct	Zero-tolerance against fraud, 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 SUSTAINABLE DEVELOPMENT GOALS (“SDGS”)

We are committed to adopt the Sustainable Development Agenda 2030 established by the United Nations (“UN”). The following table (Table 3.0) outlines the Company’s efforts in supporting the SDGs in the year under review:

**Table 3.0 UN SDGS**

UNSDGs	Description	Our Approach
	<p>Goal 1: No Poverty 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 NGOs to extend our reach and ensure help is targeted to those most in need.</li> </ul>
	<p>Goal 3: Good Health and Well-being 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 our business operations by adopting rigid safety standards and systems, provide continuous safety training to protect our employees, sub-contractors and the general public.</li> <li>• Promote healthy lifestyles and work-life balance by organising programmes that focus on our employees’ physical and mental well-being.</li> </ul>
	<p>Goal 4: Quality Education 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 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	Our 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 competitive remuneration packages to our employees, and 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>• Zero tolerance towards bribery and corruption, as articulated in our Anti-Bribery and Corruption Policy.</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

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

All issuers are required to provide climate-related disclosures on a ‘comply or explain’ basis pursuant to Rule 711B of the SGX Listing Rules. The climate disclosure requirements set out for issuers are aligned with the recommendations of the TCFD framework.

We understand the impact climate change can have on the business and strive to address the key risks to operations. We outline Parkson’s approach towards the four key pillars of TCFD’s recommendations below (Table 4.0).

**Table 4.0 TCFD Recommendations and Management Approach**

TCFD Recommended Disclosures	Management Approach
<b>Governance</b>	
The Board’s oversight of climate-related risks and opportunities.	As disclosed under Board Statement (Page 3), the Board provides oversight of the management and monitoring of these material ESG factors.
Management’s role in assessing and managing climate-related risks and opportunities.	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.
<b>Strategy</b>	
Climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	We have identified climate-related risks as one of our material ESG topics.
Impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	Climate-related risks: <ul style="list-style-type: none"> <li>• Regulatory and compliance risk – more regulations and oversight on sustainability reporting.</li> <li>• Market and reputation risk – increased expectations and awareness from stakeholders on the importance of sustainability.</li> <li>• Natural disaster risk – some areas in Malaysia where our stores are located are prone to flooding, especially with the recent climate changes.</li> </ul>
Resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate-related opportunities: <ul style="list-style-type: none"> <li>• Reputation and brand – opportunity to alleviate the brand.</li> <li>• Green technology – more energy efficient tools and equipment to help lower carbon footprint.</li> </ul> <p>Moving forward, Parkson will explore to better understand climate-related risks and opportunities, and will perform different climate-related scenarios to assess their impacts on Parkson.</p>

TCFD Recommended Disclosures	Parkson's 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>Parkson will work 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>Parkson has begun to monitor energy usage and carbon emissions. For the first time, Parkson has disclosed the metrics and targets used in its sustainability reporting. Please refer to pages 13 and 14.</p> <p>Moving forward, Parkson will closely continue to monitor these metrics to ensure the targets set are achieved.</p>

## ENVIRONMENT

The Company remains steadfast in its commitment to sustainable development and seeks to operate in a way that minimises environmental harm. We advocate the 3R actions of Reduce, Reuse and Recycle at our workplace, and adopt preventative measures to conserve the environment and reduce pollution. We seek to uphold environmental concerns with emphasis on application of new technologies and industry best practices that are environmentally friendly, optimise the use of resources and promote energy efficiency, and we are committed in taking proactive measures to preserve the environment for future generations whilst meeting the needs of our stakeholders.

We encourage all employees to adopt the concept of 'Responsible Consumption' by using materials, energy and resources in a sustainable way to minimise the impact to the environment. This includes reducing the amount of energy and water used in our premises, less paper printouts and the use of recycled paper for printing, and reduce the usage of single-use plastics at the workplace. Efforts to educate employees are ongoing to ensure that everyone adopts the concept of sustainability.

## ENERGY CONSERVATION INITIATIVES

As Malaysia moves toward net zero carbon by 2050, Parkson is committed to minimising its environmental footprint impact through our energy and carbon reduction initiatives. Parkson's primary environmental footprint stems from electricity consumption, where it is used for lighting and air-conditioning in all our department stores and offices. Not only is minimising our environmental footprint in coherence with our belief of conducting business in a socially responsible manner, this will also benefit us financially as well by reducing operational costs.

To align with the energy conservation objective, almost 80% of the lightings in our Parkson stores have been converted to light emitting diode ("LED") lights. Compared with conventional lights, LED lights could contribute to 35% to 45% savings in energy consumption (measured in kilowatt hours, KWH).

In addition to installation of LED lights, other energy conservation initiatives undertaken by the Group include 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, and cultivation of energy-saving habits namely, switching off lights, air conditioners and office equipment when not in use, and promoting use of natural daylight where possible, such as having windows and skylights.

## ENERGY USAGE

We place a high priority on energy conservation throughout all aspects of our operations. For FY2023, the total energy consumption recorded was 42,949 MWh, with energy intensity at 0.105 MWh/m<sup>2</sup>. Energy intensity is calculated relative to Gross Floor Area (GFA), expressed as square metre (m<sup>2</sup>).

Our long-term goal is to roll out installation of LED lights across all our stores and ensure no major fluctuations in energy consumptions.

## CARBON EMISSIONS

Being in the retail industry, we have identified our carbon emissions as indirect emissions (Scope 2), being solely from purchased electricity. For FY2023, the total carbon emission recorded is 31,872 tCO<sub>2</sub>e, with emission intensity at 0.078 tCO<sub>2</sub>e/m<sup>2</sup>. Carbon emission is calculated based on the Grid Emission Factor by Energy Commission Malaysia<sup>1</sup>.

Our long-term goal is to ensure no major fluctuations in carbon emissions.

## WASTE & WATER MANAGEMENT

While the Company's operations may not involve extensive water consumption, we acknowledge the scarcity of water as a valuable resource, and consistently remind our employees to use water prudently. For FY2023, the Company consumed 130,186 m<sup>3</sup> of water.

In our department stores, we mainly produce cardboard, paper, and plastic wastes, while our offices generate paper waste. We are committed to recycling, making sure these wastes get a second life rather than ending up in landfills. As we embrace digitalisation and electronic processes, our reliance on paper has significantly decreased. This aligns with our ongoing efforts to adopt eco-friendly practices and contribute to a sustainable future.

It is worth noting that, as tenants in shopping malls and office buildings, water and waste management is the responsibility of the landlord.

## PROMOTING GREEN AND ENVIRONMENT FRIENDLY PRODUCTS AND INITIATIVES

Whilst ensuring quality service, we also aim to create a green and low-carbon shopping and dining experience for our customers. We constantly explore greener alternatives in our day-to-day operations such as introduction of more efficient and energy-saving products and processes as well as 5S and 3R management techniques in our operations.

As part of its commitment to environmental sustainability, Parkson has taken a significant step by discontinuing all single-use plastic bags in its department stores. In line with the Think Green, Act Green initiative launched in September 2023, customers are encouraged to bring their own reusable shopping bags. Parkson also set up a Reusable Bag Community Station, allowing shoppers to drop off spare reusable bags for others to use, initiating a community-wide eco-journey, and hosted sustainability goal-sharing sessions with some of its vendors, promoting a collective commitment to environmentally conscious practices. In FY2023, Parkson has replaced its pre-printed Parkson promotional and discount vouchers with E-vouchers.

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<sup>1</sup> Based on Grid Emission Factor (GEF) in Malaysia, 2017-2021 published by Energy Commission Malaysia



## PEOPLE

At Parkson, we recognise that our success depends on our people's commitment in delivering the highest levels of service to our customers. We strive to provide a fair, performance-based working environment that is diverse, inclusive and collaborative.

As at 31 December 2023, Parkson employs a total of 2,241 people.

### EMPLOYEE WELL-BEING

We are dedicated to establishing workplaces where every individual is confident that their contributions will be acknowledged, and where they feel secure in expressing themselves. Emphasising the necessity of engaging and listening to our employees, we actively strive to cultivate an environment that is not only conducive, but also fosters happiness and productivity. To facilitate effective employee engagement, we establish various forums, including festive open houses, and sports and recreation activities. Such engagements address both work and social requirements of our employees leading to a healthy work-life balance which proves to be an important factor for recruitment and retention of employees.

With the Employment Act (Amendments) 1955 taking effect on 1 January 2023, the Company is implementing the amendments related to the Act, such as overtime eligibility, increase in maternity leave period, paternity leave, flexible working arrangement, prohibition of forced labour, amongst other provisions.

The Company has in place its Anti-Sexual Harassment Policy to safeguard our employees from such harassment. We put up posters on how to prevent sexual harassment at the workplace and organised online sharing sessions on sexual harassment to create awareness amongst employees on our strict internal sexual harassment policy. Any individuals who wish to report incidents of bullying and harassment can refer to our Whistleblower Policy.

For FY2023, there were no cases of discrimination or harassment being reported or recorded. There were zero incidences of non-compliance to labour laws.

### WORKPLACE EQUAL OPPORTUNITIES

We do not tolerate discrimination against race, gender, age, religion or nationality and any form of harassment in our work environment. The Company's workforce is a reflection of the multi-cultural and multi-ethnic diversity of Malaysia with a wide range of demographic segments and social backgrounds represented across all levels of the organisation.

On a Group-wide basis, 62.2% of our employees are female and 37.8% are male, which is a reflection of our core business relating to fashion and beauty, particularly at the department stores. We have a well-balanced team, with 44.4% falling in the middle 30-50 years old age group, of which 34.8% are in executive positions.

We also engage part-time staff, including students and retirees, who are paid hourly and governed by part-time regulation hours, along with temporary staff receiving monthly wages. Additionally, we have indirect staff under the payroll of our vendors on our premises.

The retail industry typically experiences high turnover due to the demanding nature of the job, often characterised by long working hours. We are continuously focused on implementing strategies to attract and retain talented individuals, ensuring stability and efficiency in our operations.

## TALENT ATTRACTION

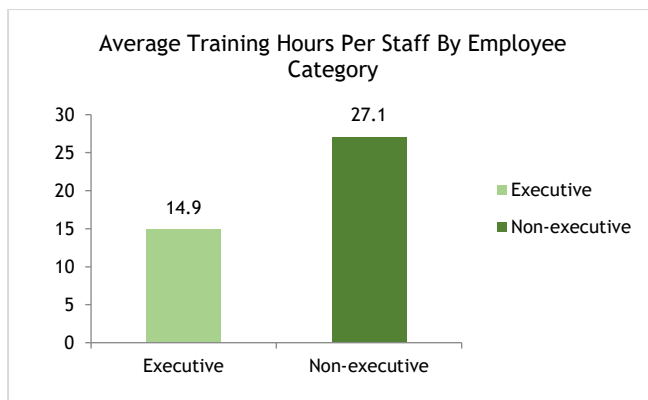
We are committed to the principles of equality and non-discrimination, and strive to employ on the basis of merit regardless of gender, age, race, religion, disability or any factors which do have bearing on job requirements. Our sources of talent include recruitment from the open market, as well as 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

At Parkson, we provide learning and development (“L&D”) opportunities in respect of technical, functional and behavioral competencies for our people in line with their job requirements and career aspirations. These opportunities can be in the form of on-the-job, formal class training and continuing education.

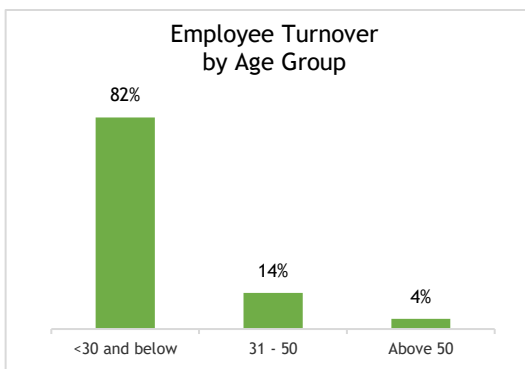
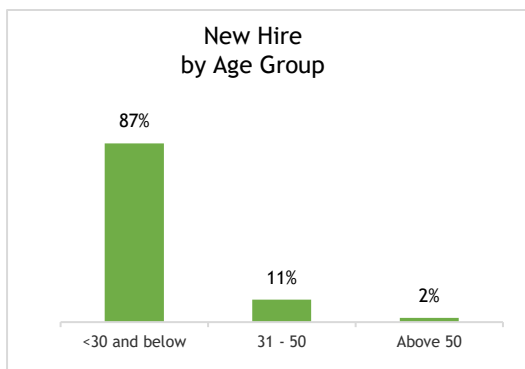
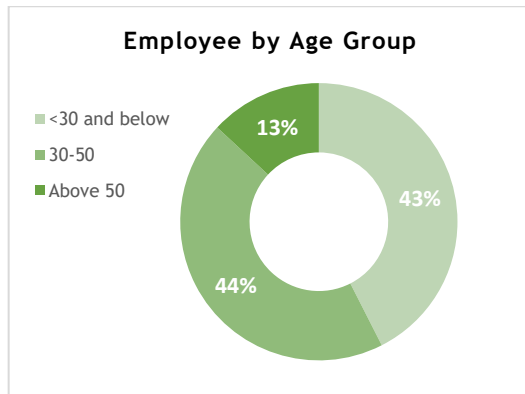
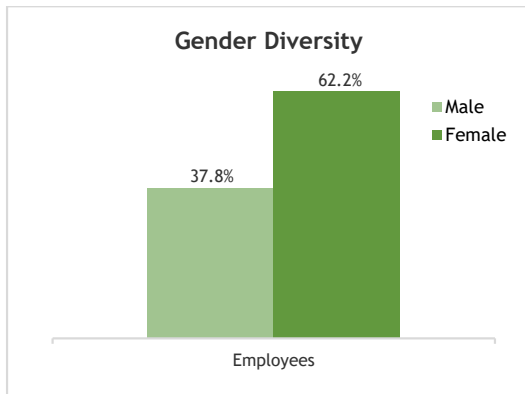
For FY2023, our people achieved an average training hours of 27.1 hours and 14.9 hours for non-executive and executive positions respectively, in the form of formal class training. Our target is to further improve the average training hours of our people in the coming years, so as to better equip them in serving our customers as well as in dealing with other stakeholders.



## 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.

## EMPLOYEE DATA CHARTS



## HEALTH AND SAFETY

The safety and health of our employees and customers are vital to our 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 our employees and customers.

In compliance with legal requirements such as the Occupational Safety and Health Act and related regulations and guidelines, the Company has in place a Safety and Health Policy and Guidelines for our 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 our 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.

### Safety and Health Training

In FY2023, a total of 1,958 employees were given various training on health and safety standards.

### **Work related injuries**

Workplace incidents are taken seriously; they are investigated and appropriate actions taken to prevent recurrence. In FY2023, there was one recorded incident of work-related injuries resulting in a lost time incident rate of 0.003%. While we deeply regret any occurrence of injuries within our workforce, we remain committed to ensuring the safety and well-being of all employees. This incident serves as a reminder of the ongoing importance of maintaining rigorous safety protocols and continuously improving our practices to prevent future incidents and create a safer working environment for everyone.

# COMMUNITY

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

## Empowerment through Education

We believe in Empowerment through Education; that education is the catalyst to bring about sustainable change for the better for our future generations. Annually, the Foundation awards scholarships to undergraduates in local universities. The selected scholars undergo training in soft skills such as problem-solving and communication skills as well as internships at Lion Group companies during their semester breaks to prepare them for working in the corporate world.

In FY2023, the Foundation awarded scholarships worth RM10,000 per annum to 10 undergraduates based on their academic performance, extra-curricular activities and leadership qualities. The Foundation also contributed RM10,000 to the Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor (KLSCCCI) – Scholarship Fund.

## Expansion of Home for Special Children

The Foundation has completed the expansion of the Home for Handicapped & Mentally Disabled Children in Banting, Selangor to include an old folks home which is expected to be handed over to Persatuan Penjagaan Kanak- Kanak Terencat Akal Negeri Selangor by the first quarter of the next financial year.

## Medical Assistance for the Less Fortunate

In reaching out to a broad and diverse cross-section of beneficiaries irrespective of race or religion, the Foundation also provides financial assistance to the less fortunate suffering from critical illnesses who require medical treatment including surgery as well as purchase of medical equipment and medication.

In FY2023, approximately RM270,030 had been disbursed in the form of sponsorship for medical treatment to 31 individuals including purchase of equipment and medication. The Foundation also donated RM20,000 to Hospital Selayang’s Cataract Surgery Centre which assisted 86 patients from the B40 group undergo cataract operation.

## Other CSR Initiatives

In November 2023, the Foundation contributed RM5,000 to the ‘Sports Carnival for OKU’ organised by Malaysia Independent Living Association For Disabled (MILAD), a non-profit organisation dedicated to promoting inclusivity for individuals with disabilities, and donated RM5,000 to Malaysian Federation for the Deaf (MDF) in conjunction with Taska Istika Jaya Children’s Day, through a charity programme organised by Malaysia Steel Institute.

Parkson entertains requests from students of related retail and business courses from local institutes of higher learning to visit its stores, and welcome them and stakeholders to a tour of the stores to provide them with insights and hands-on experience in the retail industry.

In February 2023, Hogan Bakery staff visited Angels Children's Home in Taman Overseas Union, Kuala Lumpur with food and drinks, and celebrated the birthday of those born in February.

# 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. Parkson being a true-blue Malaysian brand and household name for over 30 years has a responsibility to its customers to ensure that all merchandise carried by its stores fulfil customers' expectations. Hence, Parkson places high priority on the quality of the products offered to its customers and ensures that its suppliers share the same philosophy.

## CUSTOMER SATISFACTION AND EXPERIENCE

In today's highly competitive retail market, it is imperative for us to provide the best of value and experience to our customers while they shop at Parkson. In achieving this, we have implemented, inter alia, the following:

### Enriching In-Store Experience

We strive to provide a wholesome shopping experience to our customers by incorporating lifestyle elements such as cafes, salon and children playground in some of our stores. In addition, we host various activities such as festive celebration party, cooking class, fashion show and many other interesting events in our stores. These activities provide extra value to our customers, while at the same time serve as a platform for us to engage with and better understand our customers.

In response to the growing Chinese tourist arrivals, we are working closely with Alipay & UnionPay to attract them to our stores. Additionally, we have put up Mandarin brochures and signage at selected stores, and deploy Mandarin-speaking front line personnel during the period with higher volume of Chinese tourists.

### Parkson Card Loyalty Programme

We launched our Parkson Card loyalty programme in December 2014 with the objective to better serve our customers. Since then, Parkson Card had been rolled out to each of the countries where we operate. As at 31 December 2023, we have a total of 2.3 million Parkson Card Members.

The launch of Parkson Card has enabled us to devise targeted promotions and events catering to the preference of our members. In addition, Parkson Card is accepted and supported by a wide range of our merchant partners.

To provide further convenience to members, we have launched the Parkson Card mobile app in Malaysia since 2018. This mobile app allows members to track their spending in Parkson, as well as to view offers from Parkson and our merchant partners.

### Continuous Training for Servicing Personnel

As aforementioned in the <People> section, we provide learning and development opportunities to our people in line with their job requirements. In the case of our frontline servicing personnel, they are required to undergo retraining on customer service basics and product knowledge periodically,

and are encouraged to participate in other courses such as English language, communication, problem-solving and related subjects.

These courses will certainly enhance the capabilities of our frontline personnel in delivering better service to our customers at our stores.

### **Customer Feedback**

We emphasise on the needs and concerns of our customers, and strive to address them in a timely manner upon receiving customers' feedback from our customer care desk, email, phone calls and social media platforms such as Facebook and Instagram.

## **ETHICAL AND RESPONSIBLE BUSINESS PRACTICES**

It is our firm belief that in conducting business activities, we must go beyond mere compliance with laws and regulations. Our commitment is to uphold high ethical standards that surpass societal expectations, ensuring fairness and equity in all endeavours. We offer products and services designed to meet customer expectations, demonstrating a fair and responsible attitude that considers both customer and business interests.

Building trust with stakeholders, including shareholders, investors, customers, suppliers, local communities, and employees, is essential. We pledge to disclose diverse information transparently, fostering understanding of our business and corporate activities.

Operating in accordance with fair competition practices, we apply the principle of non-favoritism in dealings with public authorities and allow suppliers to compete for business based on the overall value offered to the Company.

Committed to fair marketing practices, we prioritise clear and transparent communication with customers.

## **ANTI-CORRUPTION**

Parkson is committed to operating our business with integrity and by adhering to ethical business principles. We maintain zero-tolerance for bribery, fraud and corruption. Our employees are required to comply with our Anti-Bribery and Corruption Policy ("ABC Policy") at all times.

We apprise our people on the Group's Code of Business Ethics and Conduct and the need to conduct business at the highest ethical standards. We do not tolerate bribery and corrupt practices or behaviours that may bring disrepute to the Group or its people. Above all, we expect honesty, integrity and respect to be exhibited in our dealings and interactions within and outside the Group. In this regard, we have made it mandatory for our people at certain grade and above to declare any conflict of interest at least once a year.

We have also put in place the whistleblower policy, where we encourage our stakeholders to disclose suspected wrongdoings which may involve or concern our Group's Directors, management, employees, performance, relations with other stakeholders, assets and reputation. Whistleblowers will be accorded protection of their identity unless the disclosure is required by any applicable law.





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

Tel No. : 603-3344 2882 ext. 3821  
Email : whistleblowing@parkson.com.my  
Fax No. : 603-3344 2889  
Address : Level 5, Klang Parade, No. 2112, Jalan Meru, 41050 Klang, Selangor Darul Ehsan, Malaysia

Our goal in the coming years is to increase and/or refresh the awareness on the Group's anti-corruption stance and ethical operating practices among our internal and external stakeholders.

### **Corruption-related training**

In 2023, 76.0% of our employees have completed the necessary training. Additionally, employees are required to complete an annual e-declaration on Conflict of Interest and acknowledgment on the understanding of the ABC Policy to indicate compliance.

### **Operations assessed for corruption-related risks and corruption incidents**

As of 31 December 2023, we have assessed all our operations and recorded zero incidents of corruption across our business operations.

## **CYBER SECURITY & DATA PROTECTION**

We continuously strive to ensure the confidentiality and protection of customers' and stakeholders' information and documents based on requirements under the Personal Data Protection Act 2010. Information on our vendors, suppliers and customers is strictly private and confidential, and is treated as such at all times.

We continue to educate our employees on data protection and privacy through knowledge-sharing initiatives. This includes disseminating information via articles published in the corporate newsletter covering key aspects such as the fundamentals of information security, online scams, cyber espionage, malware, and ransomware. Additionally, we have implemented a caution statement in all emails received, reminding recipients to only open emails deemed safe. The primary objective is to enhance awareness regarding the importance of maintaining the integrity and confidentiality of sensitive information, thereby mitigating potential threats and security breaches that could significantly impact the organisation.

As a department store operator with our Parkson Card loyalty programme, we handle significant amount of personal data of our customers, and recognise the importance of protecting the privacy of our customers. We conduct our business in compliance with the Personal Data Protection Act 2010, and have measures in place to safeguard customers' personal data.

During this reporting period, there were no substantiated complaints of breaches in customer privacy or loss of customer data. We will continue to protect our customers' data privacy across all operations.

## **SUPPLY CHAIN MANAGEMENT**

At Parkson, we incorporate sustainability considerations such as fair labour practices and safety requirements in our vendor selection process. Subsequently, all our registered vendors are required to acknowledge their commitment to the Vendors' Code of Conduct periodically.

The Vendors' Code of Conduct serves to inform our vendors of their role and contribution as a key business partner and on the need to comply with all rules and regulations including health, safety and labour standards, avoid conflict of interest, conserve the environment, and notify the Group of any breaches or non-conformance.

We believe local sourcing of products and services from within the country where possible is vital as it brings many advantages including lower costs, timely delivery, reducing carbon miles and invigorating the economy.

In FY2023, out of S\$92.8 million spent on procurement, 98% was spent on local suppliers.

## **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 introduction of 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 2023 to 31 December 2023 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>
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	Page 1
	2-2 Entities included in the organisation’s sustainability reporting	Annual Report 2023 – Pages 92 to 93
	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 15 to 18
	2-9 Governance structure and composition	Annual Report 2023 – Pages 17 to 42
	2-10 Nomination and selection of the highest governance body	Annual Report 2023 – Pages 25 to 26
	2-11 Chair of the highest governance body	Annual Report 2023 – Page 24
	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 22, Annual Report 2023 – Page 17
	2-16 Communication of critical concerns	Annual Report 2023 – Page 40

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location</b>
<b>GRI 2: General Disclosures 2021</b>	2-17 Collective knowledge of the highest governance body	Annual Report 2023 – Page 22
	2-18 Evaluation of the performance of the highest governance body	Annual Report 2023 – Page 28
	2-19 Remuneration policies	Annual Report 2023 – Pages 28 & 29
	2-20 Process to determine remuneration	Annual Report 2023 – Pages 28 & 29
	2-21 Annual total compensation ratio	Annual Report 2023 – Pages 29 to 32
	2-22 Statement on sustainable development strategy	Page 3
	2-23 Policy commitments	Pages 3 to 24
	2-24 Embedding policy commitments	Pages 3 to 24
	2-25 Processes to remediate negative impacts	Pages 6 to 8
	2-26 Mechanisms for seeking advice and raising concerns	Pages 3 & 4
	2-27 Compliance with laws and regulations	Pages 15, 17, 22 & 23
	2-28 Membership associations	Page 4
	2-29 Approach to stakeholder engagement	Pages 3 & 4, Annual Report 2023 – Page 40 & 41
	2-30 Collective bargaining agreements	Page 16
	<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics
3-2 List of material topics		Pages 6 to 8
3-3 Management of material topics		Pages 6 to 8

<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 2023 – Pages 3 to 9, 53 to 144
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 24
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Pages 22 & 23
GRI 302: Energy 2016	302-1 Energy consumption with the organisation	Page 13
	302-3 Energy intensity	Page 13
	302-4 Reduction of energy consumption	Page 13
GRI 303: Water and Effluents 2018	303-5 Water consumption	Page 14
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Page 14
	305-4 GHG emissions intensity	Page 14
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 24
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 17
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 17
	403-5 Worker training on occupational health and safety	Page 17
	403-9 Work-related injuries	Page 18
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 16
	404-2 Programs for upgrading employee skills and transition assistance programs	Pages 16 & 21
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 15 & 16, Annual Report 2023 – Pages 22 & 23

GRI Standard	Disclosure	Location
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 15
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 24
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 23