

SUSTAINABILITY STATEMENT

Parkson Holdings Berhad (“PHB” or “Company”) is pleased to present its Sustainability Statement which provides an overview of its Economic, Environmental and Social (“EES”) practices for the financial year ended 31 December 2025 (“FYE2025”).

PHB is an investment holding company with stakes in Parkson Retail Asia Limited (“PRA”) and Parkson Retail Group Limited (“PRGL”), listed on the Singapore Exchange Securities Trading Limited and The Stock Exchange of Hong Kong Limited respectively. Its subsidiaries are involved in retail business, operation of department stores, food and beverage (“F&B”) businesses, investment holding, property management, property development and project management, provision of consultancy and/or management services, wholesale and retail of cosmetic and related products, distribution and retailing of fashionable goods, provision of money lending and credit services, and intellectual property holding.

As at 31 December 2025, PRA operates 39 Parkson department stores in Malaysia, while PRGL, a premier retail operator in the People’s Republic of China (“PRC”), operates and manages 38 Parkson stores across 23 cities in the PRC, (comprising department stores, shopping malls, outlets, supermarkets, the “Parkson Beauty” concept store and two Parkson Newcore City Malls), as well as one shopping mall in Laos. PRGL is also involved in the consumer financing business through Parkson Credit Sdn Bhd (“Parkson Credit”), which provides the convenience of purchasing motorcycles and household appliances via easy instalment payments.

REPORTING SCOPE

This Sustainability Statement covers PHB’s operations in Malaysia, namely Parkson department stores, the Parkson Branding and Innovation division, Parkson Credit, and Hogan Bakery. The Company is implementing a phased approach and will progressively expand the scope to include its overseas operations in future reporting periods, subject to data readiness and alignment with the Company’s reporting framework.

REPORTING FRAMEWORK AND STANDARDS

PHB has taken steps to incorporate standard disclosures in accordance to the Global Reporting Initiative (“GRI”) Standards and Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Main Market Listing Requirements (“Listing Requirements”) with reference to its Sustainability Reporting Guidelines. The standard disclosures are also aligned with the United Nations Sustainable Development Goals (“UNSDGs”).

PHB is working to adopt the recommendations of the National Sustainability Reporting Framework (“NSRF”) and the relevant IFRS Sustainability Disclosure Standards.

PHB is listed on the FTSE4Good Bursa Malaysia Index (“F4GBM”), a globally recognised benchmark by FTSE Russell that measures companies against international ESG standards. The Company’s advancement to a 3-Star rating in 2025 reflects its commitment to responsible and ethical business practices as it continues to create long-term value for its stakeholders and contribute positively to the communities and environment in which it operates.

DATA QUALITY AND RELIABILITY

The data contained within this Sustainability Statement was internally sourced, verified and validated by the respective business divisions and information owners. The Company acknowledges that limitations may exist in data availability and consistency for certain indicators, particularly where external data sources or non-standardised metrics are involved. The Company will continue to enhance its data collection and analysis processes to improve the accuracy, reliability and completeness of its disclosures to align with best practice reporting standards.

This Statement may include forward-looking statements, strategic targets and performance projections, which are based on prevailing conditions and reasonable assumptions at the time of reporting. Actual results may differ due to various business risks, regulatory changes or unforeseen circumstances.

AVAILABILITY AND FEEDBACK

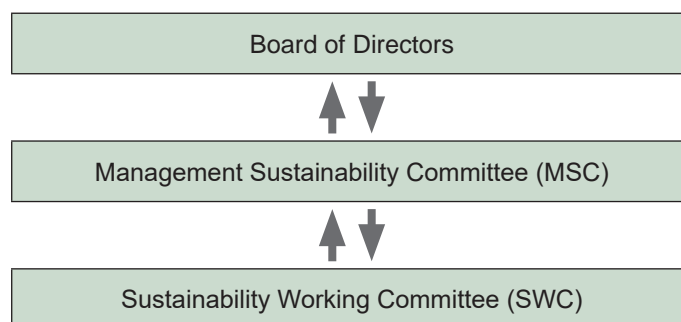
This Sustainability Statement is available on the Company's website at www.lion.com.my/parkson and Lion Group's website at www.lion.com.my as part of the Company's 2025 Annual Report. The Company welcomes its stakeholders to share their feedback regarding this Statement and the topics discussed.

APPROACH TO SUSTAINABILITY

As part of the Lion Group, PHB is guided by the Group's mission: *"We are committed to making Lion Group a caring organisation and being recognised for excellence in quality, growth and profitability."* PHB embraces this mission across its business operations, adopting a holistic approach to sustainability that integrates environmental, social, and governance considerations into its business practices.

Strategic direction is provided by the Board of Directors, with the Head of the Company/Business leading implementation. Close collaboration across Departments and Business Units ensures the sustainability initiatives are effectively coordinated and consistently applied throughout the Company.

SUSTAINABILITY STRUCTURE



The Board of Directors has oversight of the Company's strategic direction on sustainability.

The MSC is chaired by the Head of Company/Business, and assists the Board with strategic direction of sustainability matters. The MSC is responsible for steering, coordinating and ensuring the effective and efficient implementation of the sustainability framework.

The SWC comprises members from middle management across the Company's operations and it is responsible for the day-to-day implementation of the Company's sustainability strategies and plans.

GOVERNANCE

The Company complies with all relevant corporate governance laws and regulations and follows best practices. By upholding high standards of corporate governance, it aims to ensure long-term success, competitiveness, and sustainability. Details can be found in the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control on pages 13 to 33 of this Annual Report.

STAKEHOLDER ENGAGEMENT

Engaging with stakeholders is crucial to understanding their expectations. The Company values their feedback, assessments, and insights as they are essential to shaping its sustainability strategies and initiatives. Through regular formal and informal engagements, the Company continuously refines its approach. These interactions help the Company identify key issues, uncover opportunities, and manage risks, enabling it to respond effectively to stakeholder needs.

Key Stakeholders	Area of Interest	Engagement Platforms	Our Response
Employees	<ul style="list-style-type: none"> Health, safety and well-being Learning and development Respect and recognition Job satisfaction Pay and benefits 	<p>Ongoing</p> <ul style="list-style-type: none"> Meetings Training programmes Internal newsletter New employee induction programme Staff gatherings and other engagement channels <p>Quarterly</p> <ul style="list-style-type: none"> Internal newsletter <p>Annually</p> <ul style="list-style-type: none"> Performance appraisals 	<ul style="list-style-type: none"> Training and upskilling opportunities for professional and personal development Merit-based evaluation and career growth pathways
Customers	<ul style="list-style-type: none"> Price promotion Convenience and experience Engaging, knowledgeable personnel Responsible financing 	<p>Ongoing</p> <ul style="list-style-type: none"> Face-to-face interaction through service channels Communication through Marketing, Customer Service and Corporate Communications Departments Feedback through website, email, social media platform Sales, promotions, road shows and related events In-store information 	<ul style="list-style-type: none"> Offer comprehensive range of products that meet customers' requirements Ethical and professional business practice
Shareholders and Investors	<ul style="list-style-type: none"> Good governance Sustainable business growth Disclosure and transparency 	<p>As Needed</p> <ul style="list-style-type: none"> Investor relations channel and meetings <p>Quarterly</p> <ul style="list-style-type: none"> Financial reports and announcements <p>Annually</p> <ul style="list-style-type: none"> Annual General Meeting Annual Report 	<ul style="list-style-type: none"> Timely updates on the Company's announcements Uphold good governance practices across the Company's business units and supply chain

STAKEHOLDER ENGAGEMENT (continued)

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

MEMBERSHIP AND ASSOCIATIONS

Parkson is a member of:

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

Parkson Credit is a member of:

- Credit Sale Companies Association
- International Chamber Of Commerce Malaysia

AWARDS AND CERTIFICATION

- In February 2026, Parkson Credit achieved the ISO/IEC 27001:2022 certification for its Information Security Management System. This milestone follows a rigorous independent audit by TUV Austria, confirming that its internal security frameworks meet the latest international requirements for data protection and risk management. This certification provides its customers and partners factual assurance that the company has established a resilient environment capable of defending against evolving threats.
- In November 2025, Parkson Credit received the World Digital Transformation Leadership Award at Global Chinese Economic and Technology Summit 2025, in recognition of its innovative digital initiatives, including data-driven credit assessments, digitised customer service, and automated workflows. The award highlights the company's commitment to operational efficiency, service transparency, Shariah-compliant governance, and advancing Malaysia's digitalisation agenda.
- In August 2025, Parkson Credit was awarded Malaysia's Most Innovative Islamic Deal at The Asset Triple A Islamic Finance Awards 2025. This international recognition highlights Parkson Credit's RM1 billion asset-backed Islamic Medium-Term Notes programme, which demonstrates its innovative approach to Islamic capital markets financing and reinforces its position as one of Malaysia's leading motorcycle financiers.
- In July 2025, Parkson Credit received double honours at the prestigious Golden Bull Awards 2025, winning the esteemed Super Golden Bull Award and Digital 50 Award, in recognition of its strong business performance, digital innovation and commitment to sustainable, responsible growth.
- 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 of Top 10) in 2024 for its innovative approach in creating a productive, efficient, and sustainable working environment.

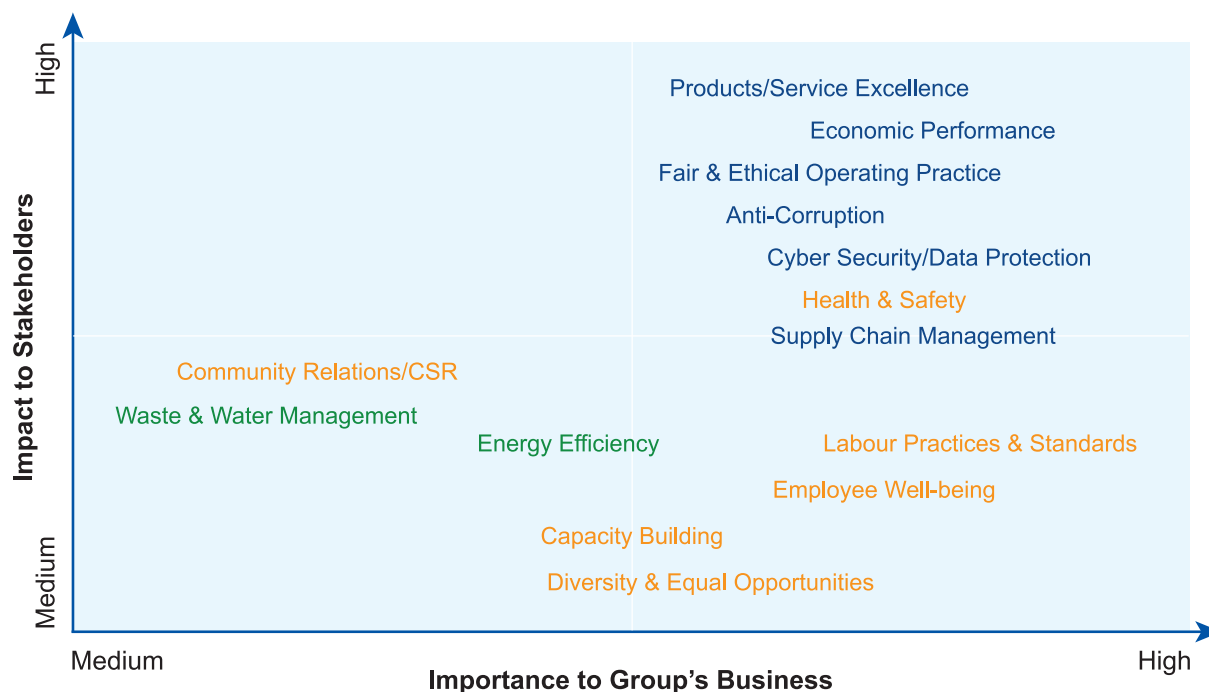
MATERIAL MATTERS

The Company's materiality matters are validated by its various divisions, combined into a consolidated matrix of issues relating to its business activities. In identifying its materiality matters, the Company is guided by GRI and the Listing Requirements.

The Company conducts its materiality assessment every three years and undertakes an annual review of the identified material matters. This process ensures that the Company remains aligned with the evolving expectations of stakeholders, regulatory requirements, and industry trends, while maintaining a proactive approach to sustainability and corporate responsibility.

Economic	Environmental	Social
<ul style="list-style-type: none"> • Economic Performance • Fair & Ethical Operating Practice • Product/Service Excellence • Anti-Corruption • Cyber Security/Data Protection • Supply Chain Management 	<ul style="list-style-type: none"> • Energy Efficiency • Waste & Water Management 	<ul style="list-style-type: none"> • Employee Well-being • Health & Safety • Capacity Building • Diversity & Equal Opportunities • Labour Practices & Standards • Community Relations/CSR

MATERIALITY MATRIX





Indicators :



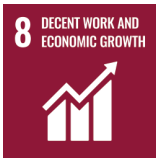






CONTRIBUTION TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (“UNSDGs”)

PHB is committed to supporting the UNSDGs as part of its broader sustainability strategy. The following outlines its key initiatives and contributions during the financial year under review.

UNSDGs	Description	Approach
 1 NO POVERTY	Goal 1: No Poverty End poverty in all its forms anywhere	<ul style="list-style-type: none"> Provide financial aid for medical treatment to the most vulnerable segments of society Collaborate with other bodies and Non-Governmental Organisations (“NGOs”) to extend reach and ensure help is targeted to those most in need
 3 GOOD HEALTH AND WELL-BEING	Goal 3: Good Health and Well-being Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> 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 Promote healthy lifestyles and work-life balance by organising programmes that focus on employees’ physical and mental well-being

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

UNSDGs	Description	Approach
 <p>4 QUALITY EDUCATION</p>	<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"> • Provide scholarships to undergraduates pursuing their first degree locally • Promote employee development programmes
 <p>5 GENDER EQUALITY</p>	<p>Goal 5: Gender Equality</p> <p>Ensure full participation in leadership and decision-making</p>	<ul style="list-style-type: none"> • Acknowledge women’s contribution in the industry and commit to promoting the advancement of women, especially in fields related to steel manufacturing, engineering and construction • Ensure women’s effective representation and equal opportunities for leadership at all levels of decision-making across business activities
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<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"> • Provide a competitive remuneration package to all employees, as well as training opportunities for career growth and development • Promote a safe and secure working environment for all workers, including contractors and foreign labour • Stand firm against any form of forced labour, modern slavery and child labour
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Goal 12: Responsible Production and Consumption</p> <p>Substantially reduce waste generation</p>	<ul style="list-style-type: none"> • Encourage 3R (reduce, reuse, recycle) activities to reduce waste generation
 <p>13 CLIMATE ACTION</p>	<p>Goal 13: Climate Action</p> <p>Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> • Comply with all applicable statutory and regulatory requirements.
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<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"> • Support a fair and equitable workplace • Ensure a strong ethics and compliance culture • Maintain zero tolerance towards bribery and corruption, as articulated in the Company’s Anti-Bribery and Corruption Policy • Maintain a Whistleblower Policy to encourage the reporting of concerns in a safe and confidential manner
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<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"> • Collaborate with regulators, industry players and community development programme partners

KEY SUSTAINABILITY MATTERS

ECONOMIC

Ensuring economic sustainability remains a key priority for achieving long-term business success. The Company's commitment lies in upholding ethical and responsible marketplace practices through transparent business conduct, operating its business with integrity, and a commitment to excellence. These principles not only enhances its competitiveness but also fosters long-term relationships with its stakeholders.

- **Economic Performance**

The Company is dedicated to creating meaningful employment opportunities and supporting economic development. Through the jobs generated within its operations and related industries, along with the taxes it contributes, the Company plays a vital role in driving positive and significant impacts on the broader economy.

RM'000	2023	2024	2025
Revenue	3,125,907	2,805,074	2,535,899
Profit/(loss) after tax	28,928	(127,189)	(74,573)
Net loss attributable to owners of the parent	(19,186)	(102,028)	(41,466)

Note: Further information on Economic Performance can be found in the 5 Years Group Financial Highlights on page 45, and Financial Statements section of the 2025 Annual Report.

- **Products/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 its 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 central kitchen. Its 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.

In conducting its business operations, Parkson Credit adopts responsible financing best practices and is committed to providing affordable and quality financial services in line with its corporate values and within the regulatory framework. In support of this commitment, Parkson Credit achieved the ISO/IEC 27001:2022 certification for its Information Security Management System in February 2026. This milestone confirms that its internal security frameworks meet the latest international requirements for data protection and risk management, and provides its customers the assurance of a resilient environment capable of addressing evolving threats.

- **Fair & Ethical Operating Practice**

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. As a financial service provider, Parkson Credit ensures that consumers receive fair contract terms, reflecting its dedication to responsible business conduct.

- **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 are assured of confidentiality, with their identity protected unless disclosure is required by law.

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.

Percentage (%)	2023	2024	2025
Corruption Related Training			
- Executive	82.31%	32.87%	20.59%
- Non-Executive	73.52%	22.08%	26.51%
Operations Assessed for Corruption-related Risks	100	100	100

- **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 subsidiaries that meet the prescribed threshold 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.

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

	2023	2024	2025
Substantiated Complains Concerning Breaches In Customer Privacy Or Data Loss	ZERO	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 FYE2025, 98.95% 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.

	2023	2024	2025
Spending on Local Suppliers (%)	98.03	99.67	98.95

- **Customer Satisfaction**

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 programmes designed for Parkson Card and BonusLink members, and in-store shoppers.

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 2.40 million members, demonstrating strong customer engagement and the value that the loyalty programme continues to deliver.

	2023	2024	2025
Parkson Card Members	2.29 million	2.33 million	2.40 million

ENVIRONMENTAL

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 plastics.

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

- **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 80% 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 initiatives 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 the stores’ operating hours. It also collaborates with mall operators on adopting green energy in its stores.

For FYE2025, the Company’s total energy consumption increased by 2.8% compared to the previous year, continuing the upward trend observed in prior years. While this reflects higher operational activity, the Company remains committed to energy efficiency initiatives, including equipment optimisation, operational best practices, and monitoring, to manage consumption and reduce its environmental impact.

	2023	2024	2025
Total Energy Consumption (Megawatts)	43,257.85	45,626.47	46,890.57

- **Water and Waste Management**

As tenants in shopping malls and office buildings, the Company does not have direct operational control over the management of water infrastructure and waste disposal services which 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 138.58 megalitres in FYE2024 to 147.81 megalitres in FYE2025, representing a year-on-year increase of approximately 6.7%. This moderate rise was mainly attributable to higher operational activity across the Company’s head office divisions, 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.

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. The Company diverts waste 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.

In December 2024, Parkson Credit spent 153 man-hours planting 420 mangrove saplings at Kuala Selangor Nature Park to combat coastal erosion, fight climate change, and enhance marine biodiversity.

- **Promoting Green 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 plastic 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 selected stores, allowing shoppers to donate spare reusable bags for others to use, fostering a shared commitment to eco-conscious living.

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

In September 2025, Parkson Branding and Innovation 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.

SOCIAL

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.

- **Employee Well-being**

The Company is dedicated to creating a workplace where employees feel valued, secure, 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 town-halls, "lunch & learn" sessions, festive open houses, annual dinners, as well as 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.

- **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 FYE2025, 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.

	2023	2024	2025
Substantiated Complaints Concerning Human Rights Violation	ZERO	ZERO	ZERO

- **Health & Safety**

The health and safety of its employees and customers are vital to the Company's businesses, hence the Company subscribes to 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 FYE2025, the Company provided health and safety training to 1,300 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.

	2023	2024	2025
Number of Employees Trained on Health And Safety Standards	2,142	1,557	1,300

Among the training programmes 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. From 2023 to 2025, the Company recorded zero work-related fatalities. Lost Time Injuries (LTI) remained low and well controlled, with 1 case in 2023, 3 cases in 2024, and 2 cases in 2025.

On a year-on-year basis, despite significantly higher total hours worked in 2024 and 2025, the LTI rate improved from 0.05 in 2023 to 0.04 in 2024 and 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.

	2023	2024	2025
Total Hours Worked	4,206,188	15,260,000	15,806,000
Fatalities	0	0	0
Lost Time Injuries	1	3	2
LTI Rate *	0.05	0.04	0.03

* $LTI\ Rate = (Number\ of\ Lost\ Time\ Injuries \div Total\ Hours\ Worked \times 200,000)$

- **Capacity Building**

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 cultivating professional growth. These programmes are designed to support both executives and non-executives at different stages of their career journey.

In FYE2025, total training hours increased across both employee categories compared to FYE2024, reflecting continued investment in workforce capability building. Executive training hours rose to 18,616 hours, while non-executive training hours increased to 25,916 hours.

Total Hours of Training by Employee Category:

Category/Hours	2023	2024	2025
Executive	16,515	16,138	18,616
Non-executive	42,316	18,644	25,916

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 development 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.

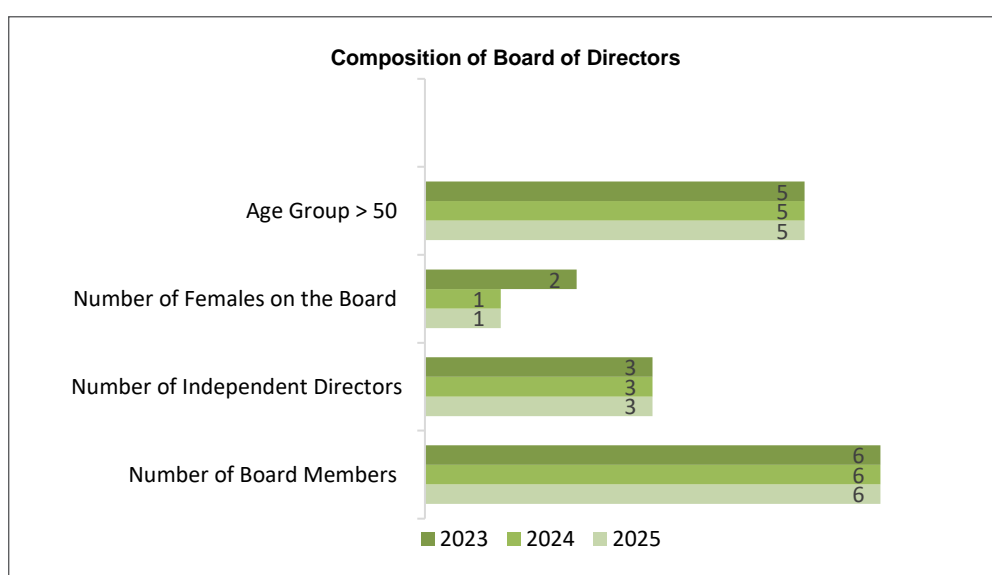
The training programmes held in FYE2025 include:

Training Category	Key Programmes Conducted
Personal Development & Leadership	<ul style="list-style-type: none"> • 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
Technical, Functional & Skills Training	<ul style="list-style-type: none"> • Visual Merchandising Training (including EID & Non-VM Training) • Store Operations Training • Marketing Strategy Training • Product Knowledge Training (All Categories) • Gift Wrapping Training • Mandarin Language Programme • 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
Service Excellence & Retail Capability Development	<ul style="list-style-type: none"> • Parkson Service Standard Training (All Locations) • BSST Programmes: <ul style="list-style-type: none"> – My Job My Pride – My People My Pride – My Store My Pride • Malaysia Retail Association Retail Conference
Governance, Compliance & Regulatory	<ul style="list-style-type: none"> • Corporate Governance • Understanding NSRF and Latest Bursa Requirements • Personal Data Protection Act (PDPA) 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
Sustainability, Risk & Future-Ready Capability	<ul style="list-style-type: none"> • Retail Sustainability Strategy Symposium • Cyber Security Awareness Training

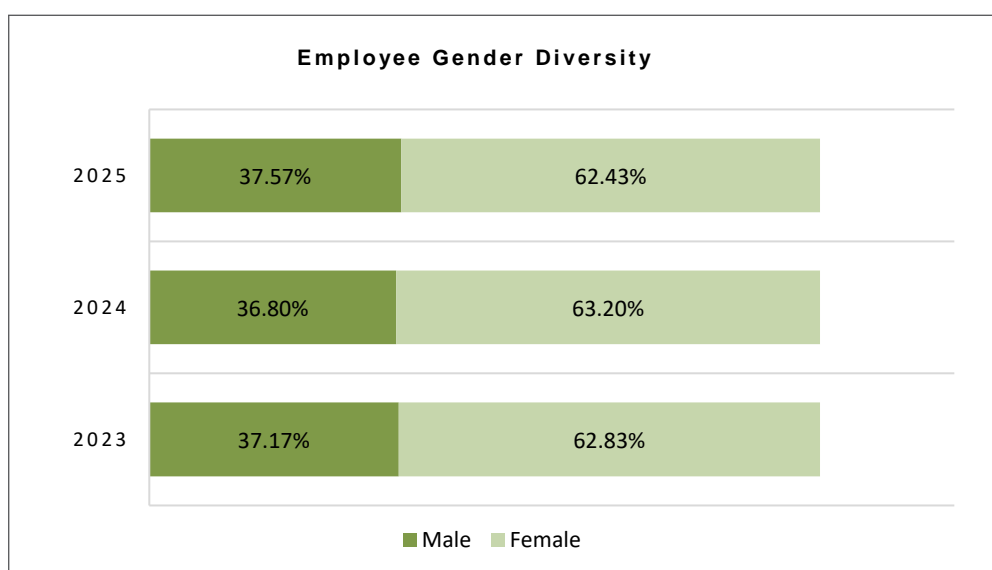
• **Diversity & Equal Opportunities**

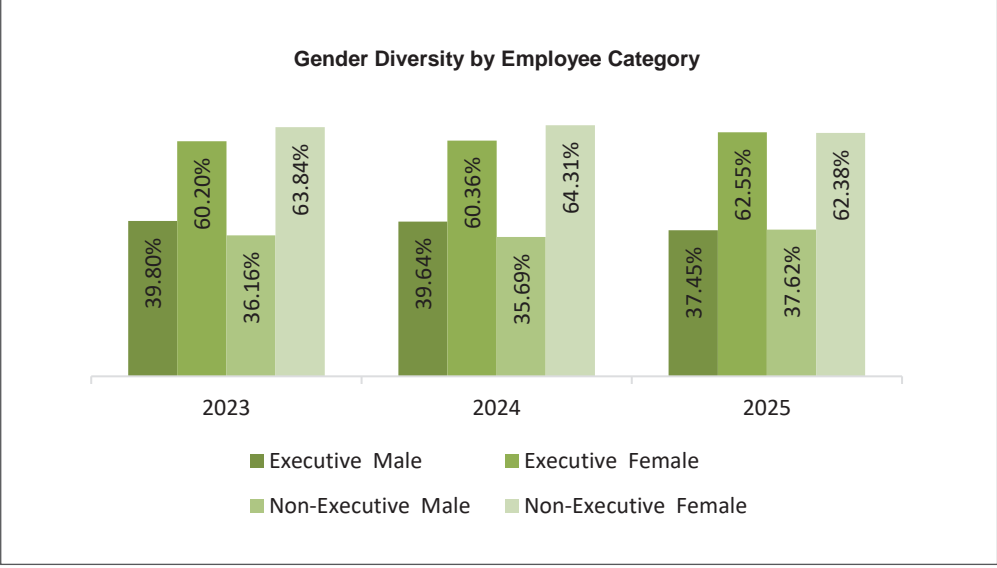
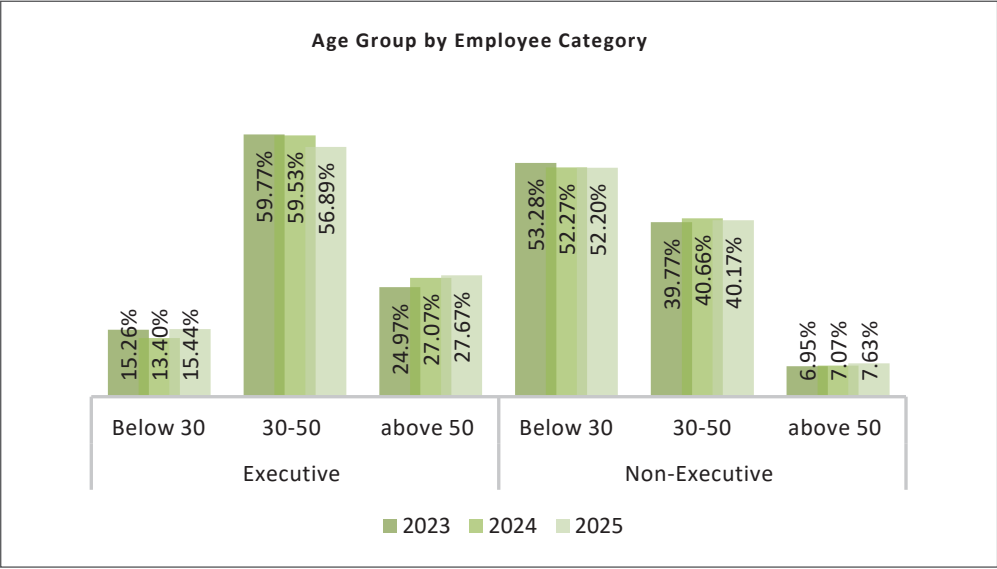
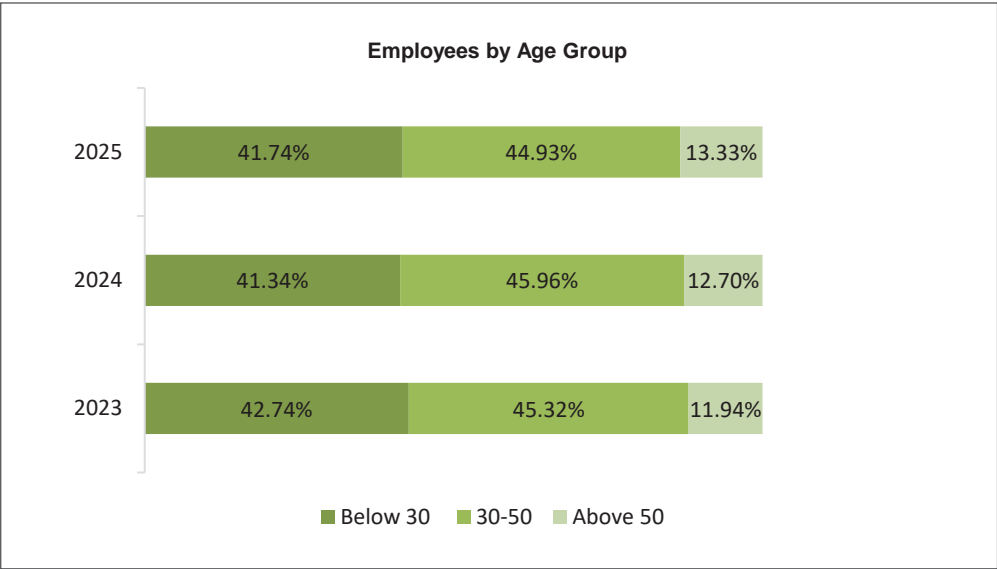
The Company's workforce reflects Malaysia's multi-cultural and multi-ethnic diversity, encompassing a wide range of demographic segments and social backgrounds across all levels of the organisation. It upholds a strict non-discrimination policy, ensuring equal opportunities regardless of race, gender,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

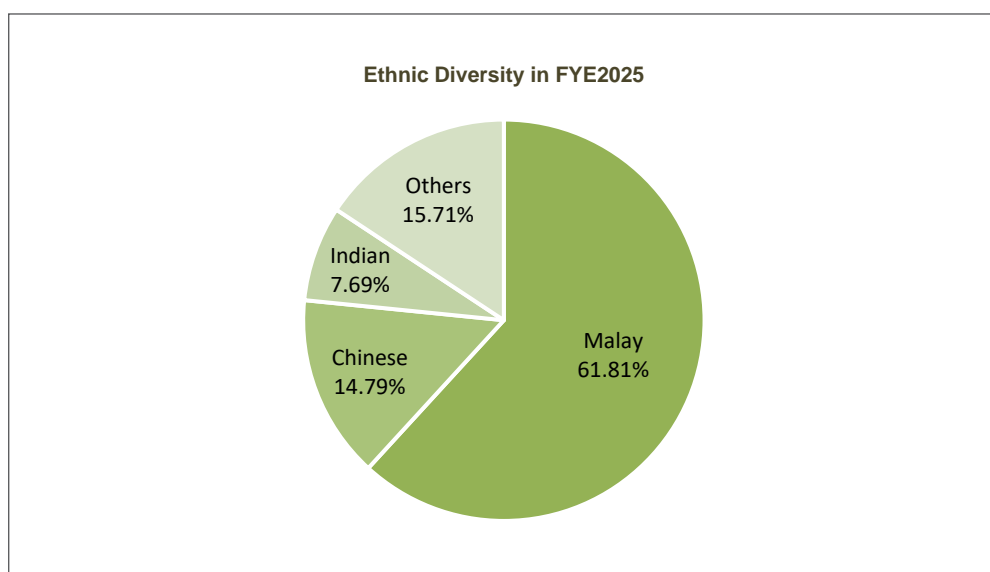
As at the end of the reporting period, the Board comprised six members, with gender representation of 83% male and 17% female, reflecting ongoing efforts to promote diversity at the leadership level. The Board also demonstrates a balance of experience across age groups, with five Directors (83%) above 50 years and one Director (17%) aged between 30 and 50 years. This composition ensures a mix of seasoned expertise and perspectives to guide the Group's sustainable growth and governance practices.



At the employee level, 62.43% of the Company's workforce are female, and 37.57% 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 44.93% of employees aged 30-50, and 56.89% of this group holding executive positions.







The Company also employs 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.

Employees by Category (%)			
	2023	2024	2025
Indirect (vendors)	66.97	66.24	65.44
Part-time/Temporary	2.39	2.78	3.04
Permanent	30.64	30.98	31.52

Turnover in the retail sector remains a key focus due to long working hours and operational demands. Between FYE2023 and FYE2025, executive turnover rose from 69 to 99, while non-executive turnover fluctuated, dipping in FYE2024 before rising slightly in FYE2025. The FYE2024 reduction reflects the impact of retention, engagement, and career development initiatives, while the FYE2025 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.

Total Turnover by Employee Category (no. of employees)			
	2023	2024	2025
Executive	69	70	99
Non-executive	1,107	920	1,116

- Community Relations/Corporate Social Responsibility (“CSR”)**

In keeping with its philosophy of giving back to the community, the Company focuses on helping to uplift the community via the Lion-Parkson Foundation (“the Foundation”) established in 1990 by Lion Group of Companies, of which the Company is a member. The Company is also supporting the local community wherein it operates 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 FYE2025, 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 FYE2025, approximately RM132,312.60 was disbursed to support the medical treatment needs of 11 individuals, including sponsorships for surgeries, medical equipment and medication.

The Foundation also made contributions to the following causes:

No	Organisation	Amount (RM)	Purpose	No of beneficiaries
1	Cataract Surgery Centre, Hospital Selayang	10,100	Donation to B40 individuals needing cataract surgery	44
2	Cataract Surgery Centre, Hospital Selayang	19,951.00	Purchase of 1 set of surgical instruments for cataract surgeries	Patients undergoing cataract surgery at the Centre (on-going)
3	Home for Handicapped & Mentally Disabled 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.
- Parkson Credit actively supported communities and the environment through various activities in FYE2025 :
 - i. Collaborated with National Blood Centre to organise a Blood Donation Drive at Lion Office Tower, and collected 73 pints of blood
 - ii. Contributed essential and electrical items to the Home for Handicapped and Mentally Disabled Children in Banting, Selangor
 - iii. Contributed donations and sponsorships to various charity events to help the less fortunate

PHB remains committed to advancing sustainable business practices through responsible governance, environmental stewardship, and continued investment in people and communities.

SUSTAINABILITY PERFORMANCE DATA

Date & Time: 2026-04-13_13:53:35
FYE 31/12/2025

Parkson Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption	Employees who have received training on anti-corruption (Executive)	Percentage	20.59	—	Internal
Anti-Corruption	Employees who have received training on anti-corruption (Non-executive)	Percentage	26.51	—	Internal
Anti-Corruption	Operations assessed for corruption-related risks	Percentage	100	—	Internal
Community/Society	Total amount invested in the community where the target beneficiaries are external	MYR	746,268.75	—	Internal
Community/Society	Total number of beneficiaries of the investment in communities	Number	196	—	Internal
Diversity	Age Group by Employee Category (Executive Under 30)	Percentage	15.44	—	Internal
Diversity	Age Group by Employee Category (Executive Between 30-50)	Percentage	56.89	—	Internal
Diversity	Age Group by Employee Category (Executive Above 50)	Percentage	27.67	—	Internal
Diversity	Age Group by Employee Category (Non-executive Under 30)	Percentage	52.20	—	Internal
Diversity	Age Group by Employee Category (Non-executive Between 30-50)	Percentage	40.17	—	Internal
Diversity	Age Group by Employee Category (Non-executive Above 50)	Percentage	7.63	—	Internal
Diversity	Gender Group by Employee Category (Executive Male)	Percentage	37.45	—	Internal
Diversity	Gender Group by Employee Category (Executive Female)	Percentage	62.55	—	Internal

SUSTAINABILITY PERFORMANCE DATA (continued)

Date & Time: 2026-04-13_13:53:35
FYE 31/12/2025

Parkson Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Gender Group by Employee Category (Non-executive Male)	Percentage	37.62	—	Internal
Diversity	Gender Group by Employee Category (Non-executive Female)	Percentage	62.38	—	Internal
Diversity	Directors by gender and age group (Male)	Percentage	83.33	—	Internal
Diversity	Directors by gender and age group (Female)	Percentage	16.67	—	Internal
Diversity	Directors by gender and age group (Under 30)	Percentage	0.00	—	Internal
Diversity	Directors by gender and age group (Between 30-50)	Percentage	16.67	—	Internal
Diversity	Directors by gender and age group (Above 50)	Percentage	83.33	—	Internal
Energy Management	Total energy consumption	Megawatt	46,890.57	—	Internal
Health and Safety	Number of work-related fatalities	Number	0	—	Internal
Health and Safety	Lost time incident rate ("LTIR")	Rate	0.03	—	Internal
Health and Safety	Number of employees trained on health and safety standards	Number	1,300	—	Internal
Labour Practices and Standards	Training by employee category (Executive)	Hours	18,616.32	—	Internal
Labour Practices and Standards	Training by employee category (Non-executive)	Hours	25,916.44	—	Internal
Labour Practices and Standards	Employees that are contractors or temporary staff	Percentage	68.48	—	Internal
Labour Practices and Standards	Employee turnover by employee category (Executive)	Number	99	—	Internal

SUSTAINABILITY PERFORMANCE DATA (continued)

Parkson Holdings Berhad
BMLR Transition Period
Date & Time: 2026-04-13_13:53:35
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour Practices and Standards	Employee turnover by employee category (Non-executive)	Number	1,116	—	Internal
Labour Practices and Standards	Number of substantiated complaints concerning human rights violations	Number	0	—	Internal
Supply Chain Management	Proportion of spending on local suppliers	Percentage	98.95	—	Internal
Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	Internal
Water	Total volume of water used	Megaliters	147810680	—	Internal

STATEMENT OF ASSURANCE

To enhance the credibility of the Sustainability Statement, selected aspects of this Statement were subjected to internal review by the Company's Internal Audit function. The Sustainability Statement was subsequently reviewed by the Audit Committee and approved by the Board of Directors.

The Materiality Matters covered are provided below:

Material Matters	Subject Matter
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category
	Percentage of operations assessed for corruption-related risk
Community/Society	Total amount invested in the community where the target beneficiaries are external to the Company
Diversity	Percentage of employees by gender and age group, for each employee category
	Percentage of directors by gender and age group
Energy Management	Total energy consumption
Health and Safety	Number of work-related fatalities
	Lost time incident rate
	Number of employees trained on health and safety standards
Labour Practices and Standards	Total number of hours of training by employee category
	Percentage of employees that are contractors or temporary staff
	Total number of employee turnover by employee category
Supply Chain Management	Proportion of spending on local suppliers
Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy and loss of customer data
Water	Total volume of water used