



新世界百貨中國有限公司

New World Department Store China Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 825)



SUSTAINABILITY
REPORT
2025

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ABOUT THIS REPORT



REPORT OVERVIEW

We have released the *Sustainability Report 2025* (hereinafter referred to as this “Report”) of New World Department Store China Limited (hereinafter referred to as “New World Department Store”, “NWDS”, the “Group”, or “we”). This Report comprehensively explains the policies, initiatives, and performance of New World Department Store China Limited and its subsidiaries in addressing environmental, social, and governance (ESG) issues during the fiscal year 2025 (“FY2025” or “this year”).

REPORTING SCOPE

Unless otherwise stated, the scope of this Report covers the Group’s retail operations in Mainland China, as well as its offices in Hong Kong and Shanghai. The time range covers the period from 1 July 2024 to 30 June 2025 (the “Reporting Period”).

REPORTING PRINCIPLES

This Report has been prepared in accordance with the *Global Reporting Initiative’s Sustainability Reporting Standards* (“GRI Standards”) 2021 Edition and the requirements of Appendix C2 of *The Stock Exchange of Hong Kong Limited* (“SEHK”) *Listing Rules for Environmental, Social and Governance Reporting Guide* (“ESG Reporting Guide”) applicable for the year ended 31 December 2024. We have also referenced the climate-related disclosures set out in Part D of the revised Appendix C2 *Environmental, Social and Governance Reporting Code*, which applies to fiscal years beginning on or after 1 January 2025. According to the requirements of the SEHK, we release sustainability reports annually and adhere to the following principles:



Materiality

Identify key ESG issues through materiality assessment and disclose relevant information in the sustainability report.



Quantification

Disclose information on the standards, methods, assumptions, and conversion factors used to calculate key performance indicators.



Balance

This Report presents an unbiased picture of the issuer’s performance.



Consistency

The methods used to disclose ESG information in this Report are consistent with those used in the *Sustainability Report 2024*, and there have been no significant changes in the reporting scope. Any special circumstances have been specifically explained in this Report.

REPORT ASSURANCE

This Report has been reviewed and approved by the Board of Directors.

To ensure the accuracy and credibility of this Report, we have commissioned SGS-CSTC Standards Technical Services Co. Ltd. to conduct an independent assurance. For details regarding the independent assurance, please refer to the “Assurance Statement” section.

CONTACT US

We welcome your feedback on this Report and other sustainability matters. Please email us at shmocad@nwds.com.cn.

MESSAGE FROM THE CHAIRMAN



Sustainable development has become a cornerstone of high-quality growth. At New World Department Store, we remain unwavering in our commitment to our “Sustainability Vision 2030+”. By strengthening operational resilience, embracing responsibility, and fostering collaboration across our ecosystem, we are dedicated to building a better future for all.

“Organisational Resilience” serves as a solid foundation for our steady growth. Grounded in compliant governance and strict adherence to business ethics, we establish an operation ecosystem characterised by integrity and honesty across all levels through a dual-driven approach combining institutional regulations and cultural cultivation. At the same time, we continue to advance diversity by ensuring complementary professional backgrounds and industry experiences among board members, bringing diverse perspectives to strategic decision-making and enhancing governance effectiveness, thus safeguarding our sustainable development.

“Future-Fit Places” represents our firm commitment to environmental sustainability. This year, we have set more forward-looking green targets and continuously enhanced the completeness of our carbon inventory, charting a clear pathway for long-term green development. In energy management, we have significantly reduced energy consumption and carbon emission intensity through intelligent monitoring system optimisation and improvements in equipment efficiency, demonstrating ongoing progress in our green transformation. Regarding resource utilisation, we have implemented digital documentation across all stores and enhanced the efficiency of resource recycling, leveraging technological upgrades to support low-carbon operations. These systematic initiatives continue to elevate our environmental performance, enabling the concept of “future-fit retail spaces” to take root in practice.

“Enriched Lives” is our core approach to co-creating value with stakeholders. For consumers, we focus on enhancing experiences and have pioneered our own IP, “NWDS V Friend”, using emotional symbols to connect with diverse customer groups. Through a range of initiatives such as the “V-Friends Festival” and IP collaborations, as well as innovative scenarios like the LOL Diverse Creation Space,

we are building a consumption ecosystem rich in cultural meaning and interactive experiences, making every store visit an extension of a better life. For employees, we remain committed to creating a safe and inclusive work environment, supporting their growth through tiered, customised development programmes, and encouraging participation in community service to convey the Group’s warmth through concrete actions. This year, we have focused on areas including child wellbeing, thriving community, and sustainable lifestyle, deeply integrating into community development through practical actions including awareness campaigns and philanthropic activities, fulfilling our commitment to co-creating value.

The blueprint of SV2030+ has been laid out. Looking ahead, we will continue to advance guided by our three core pillars, consolidate the foundation for growth through compliant governance, enhance operational resilience through green transformation, and gather ecological synergy through value co-creation. NWDS will stay committed to its mission, steadily advancing sustainable development and joining hands with all stakeholders to build a future of business prosperity and social well-being.

Mr. Cheung Fai-yet, Philip
Chairman

Hong Kong, China, September 2025



2025 PERFORMANCE HIGHLIGHTS

ENVIRONMENTAL



Greenhouse gas emissions (Scope 1 and Scope 2) intensity is **0.06** tCO₂e/m², achieving a nearly **15%** year-on-year decrease



Implemented energy-saving technological upgrades, achieving a **9%** year-on-year reduction in electricity consumption



Promoted green travel, achieving a **24%** year-on-year reduction in gasoline consumption



Electronic documentation covered **100%** of all counter transactions, significantly reducing paper usage



Stores nationwide hosted events such as Sustainable Trend Life Art Festival, Earth Hour, and Green Cycling to promote eco-friendly lifestyle

SOCIAL



Innovative consumption scenarios to create diversified consumer experiences



Female employees account for **49%** of the total workforce. The ratio of basic salaries and compensation between female and male employees is **0.99**



Total employee training hours reached **21,443** hours



Encouraged employees to actively participate in community development, achieving a total of **604** hours of employee volunteer services

GOVERNANCE



No corruption lawsuits occurred



100% of employees in Mainland China signed the code of conduct



100% of employees in Mainland China completed code of conduct training



ABOUT NWDS

COMPANY BACKGROUND

Founded in 1993, New World Department Store China Limited (Stock Code: 825) is the retail flagship of New World Development Company Limited (Stock Code: 17) (“NWD”) and has developed itself into a retail group integrating department stores and shopping malls business. The Group was successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited in 2007. As at 30 June 2025, NWD owned approximately 75% shares of the Group.

Department Store



Beijing Chongwen Store



Beijing Qianzi Store



Beijing Liying Store



Beijing Trendy Store



Shanghai Pujian
Branch Store



Shanghai Wujiaochang
Branch Store



Shanghai Baoshan
Branch Store



Shanghai Chengshan
Branch Store



Chongqing Store



Tianjin Store



Mianyang Store

RETAIL NETWORK

To orderly expand its business network across Mainland China, the Group adopts the expansion strategies of “Multiple Presences within a Single City” and “Radiation City”. As at 30 June 2025, among the department stores and shopping malls operated by the Group, 15 stores were “New World” (「新世界」) branded, while 7 stores in Shanghai were “Ba Li Chun Tian” (「巴黎春天」) branded, with a total gross floor area of approximately 920,000 square metres, covering 12 key cities in Mainland China, including Beijing, Shanghai, Chongqing, Wuhan, Nanjing, Tianjin, Changsha, Zhengzhou, Yantai, Shenyang, Lanzhou and Mianyang.

Shopping Mall



Wuhan Jianshe Store



Wuhan Xudong Branch Store



Shanghai Shaanxi Road
Branch Store



Shanghai Yue Hui Tian Shan



Shanghai Huaihai Branch Store



Nanjing Store



Changsha Trendy Plaza



Yantai Store



Zhengzhou Store



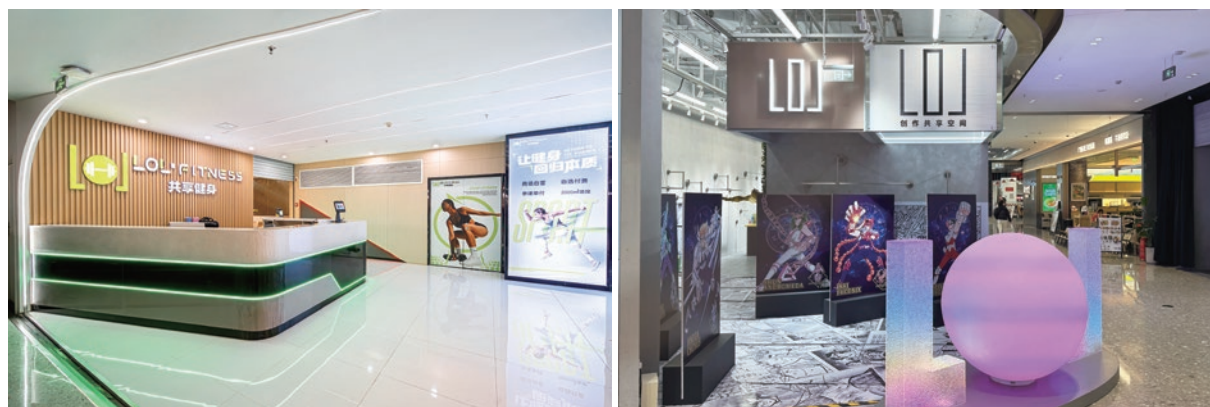
Shenyang Jinqiao Road
Trendy Plaza



Lanzhou Store

BUSINESS OPERATIONS

The Group actively implements categorised store management and “One Store, One Strategy” operations strategy to encourage stores to adopt different strategies, strengthening the core competitiveness with multiple business mode and commodity power. In addition to its core department store and shopping mall businesses, the Group has been synchronously expanding its direct sales business, such as LOL (Love • Original • Life) Diverse Creation Space and “New World Supermarket”, to strengthen its differentiated operations.



LOL Diverse Creation Space



New World Supermarket

FINANCIAL PERFORMANCE SUMMARY

Revenue



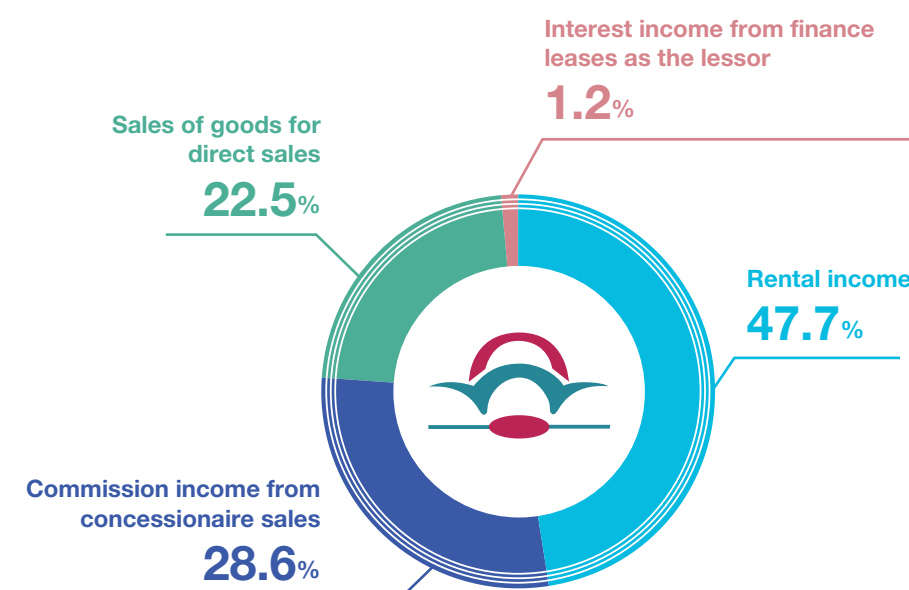
HK\$
1,182.8
million

Profit for the Year



HK\$
25.3
million

Key Sources of the Group's Revenue

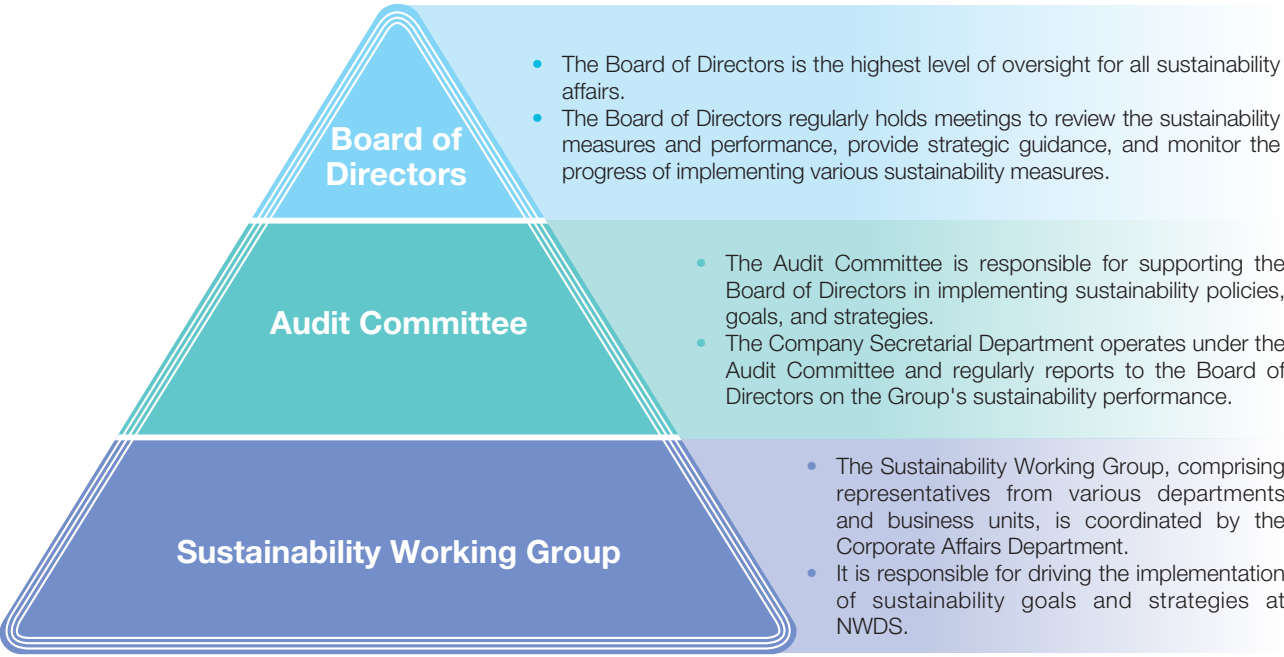


SUSTAINABILITY MANAGEMENT

New World Department Store integrates sustainability into its operations through a robust sustainability governance structure. Based on the SV2030+, we have established five sustainability principles covering environmental, social, and governance dimensions. Through systematic stakeholder engagement mechanisms, we continuously identify and assess material issues, ensuring our corporate development strategy remains aligned with stakeholder expectations and industry best practices.

SUSTAINABILITY GOVERNANCE

To standardise the sustainability management mechanism and enhance the quality of sustainability management, NWDS has established a top-down governance structure for sustainability and has integrated sustainability into strategic decision-making and daily operations. The Board of Directors undertakes the ultimate oversight responsibility for the sustainability strategy, regularly reviewing progress toward sustainability goals and major risks. The Audit Committee, under the Board, serves as the primary committee responsible for carrying out specific governance functions under the Board’s authorisation, with the Company Secretarial Department coordinating the implementation of management requirements. To further strengthen awareness of sustainability initiatives, the Group has formed a cross-departmental Sustainability Working Group, coordinated by the Corporate Affairs Department, to collaborate with various business units in advancing the implementation of sustainability goals and strategies. We have clearly defined responsibilities at each level to ensure effective execution and sustainability management implementation, providing strong support for the Group’s sustainable development.



Sustainability Governance Structure and Responsibilities

STATEMENT OF THE BOARD OF DIRECTORS

New World Department Store attaches great importance to sustainability management and has established an effective sustainability governance mechanism. The Board of Directors upholds ultimate responsibility for ESG management principles, strategies, goal setting, progress monitoring, and ESG performance, and undertakes full responsibility for ESG disclosures and strategies. The Board of Directors is also responsible for overseeing and reviewing ESG-related performance, risks, and objectives, appropriately adjusting ESG strategies to ensure alignment with the Group’s long-term development and reviewing the annual sustainability report. Under the leadership of the Board of Directors, the Group’s Audit Committee oversees ESG matters, while the Sustainability Working Group is responsible for implementing and executing sustainability initiatives.

The Group’s Corporate Affairs Department is responsible for identifying ESG-related risks, continuously assessing the likelihood and impact of ESG-related risks and opportunities, coordinating with various functional departments to develop appropriate risk response measures, and continuously monitoring changes in ESG risks. The Board of Directors adjusts the business development direction as necessary in response to potential ESG risks and opportunities.

The Group has established a regular two-way communication mechanism with stakeholders, paying attention to and promptly responding to stakeholder requirements, while regularly conducting materiality assessments. In FY2025, we reviewed the sustainability goals in light of our own strategy and business development, set the new base year of FY2019, and established new targets for energy consumption intensity and greenhouse gas emissions intensity (Scope 1 and Scope 2). Specifically, compared with FY2019, we aim to reduce energy consumption intensity by 22% (in MWh/m²) and greenhouse gas emissions intensity by 42% (in tCO₂e/m²) by FY2030. These targets have been approved by the Board of Directors to guide the Group’s future operations.

NWDS SUSTAINABILITY VISION 2030+



NWDS has fully aligned itself with NWD’s SV2030+, proactively addressing the evolving expectations of internal and external stakeholders. In line with its business profile, the Group has upgraded its sustainability strategy. Built on the three pillars of “Future-Fit Places”, “Organisational Resilience”, and “Enriched Lives”, we outlined five core sustainability principles. These efforts reinforce our commitment to key sustainability priorities while driving improved management efficiency and execution.



Sustainability Vision



Sustainability Principles

NWDS has integrated the United Nations Sustainable Development Goals (SDGs) into the Group’s sustainability vision, actively fulfilling social responsibilities and contributing to global sustainable development while enhancing brand value and market competitiveness.

Sustainability Pillars	Sustainability Principles	Focus Areas	SDGs	Sections
Future-Fit Places	Develop Future-Fit Retail Spaces	Energy Efficiency	6 CLEAN WATER AND SANITATION	Building Green Retail
		Climate Change	7 AFFORDABLE AND CLEAN ENERGY	
		Waste Management	13 CLIMATE ACTION	
Organisational Resilience	Strengthen Corporate Governance and Risk Management	Corporate Governance Business Ethics	8 DECENT WORK AND ECONOMIC GROWTH	Bolstering Governance Foundation
	Build a Safe and Responsible Value Chain	Responsible Supply Chain	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Collaborating with Reliable Partners
Enriched Lives	Promote Inclusive and Healthy Consumption	Customer Health and Safety Green Product Responsible Marketing Digital Innovation	3 GOOD HEALTH AND WELL-BEING	Optimising Consumption Experience
	Deepen Community Value Co-Creation	Diversity and Inclusion Employee Wellness and Engagement Employee Compensation and Benefits Training and Development Community Investment	1 NO POVERTY 4 QUALITY EDUCATION 5 GENDER EQUALITY 11 SUSTAINABLE CITIES AND COMMUNITIES	Fostering a Thriving Community

STAKEHOLDER COMMUNICATION

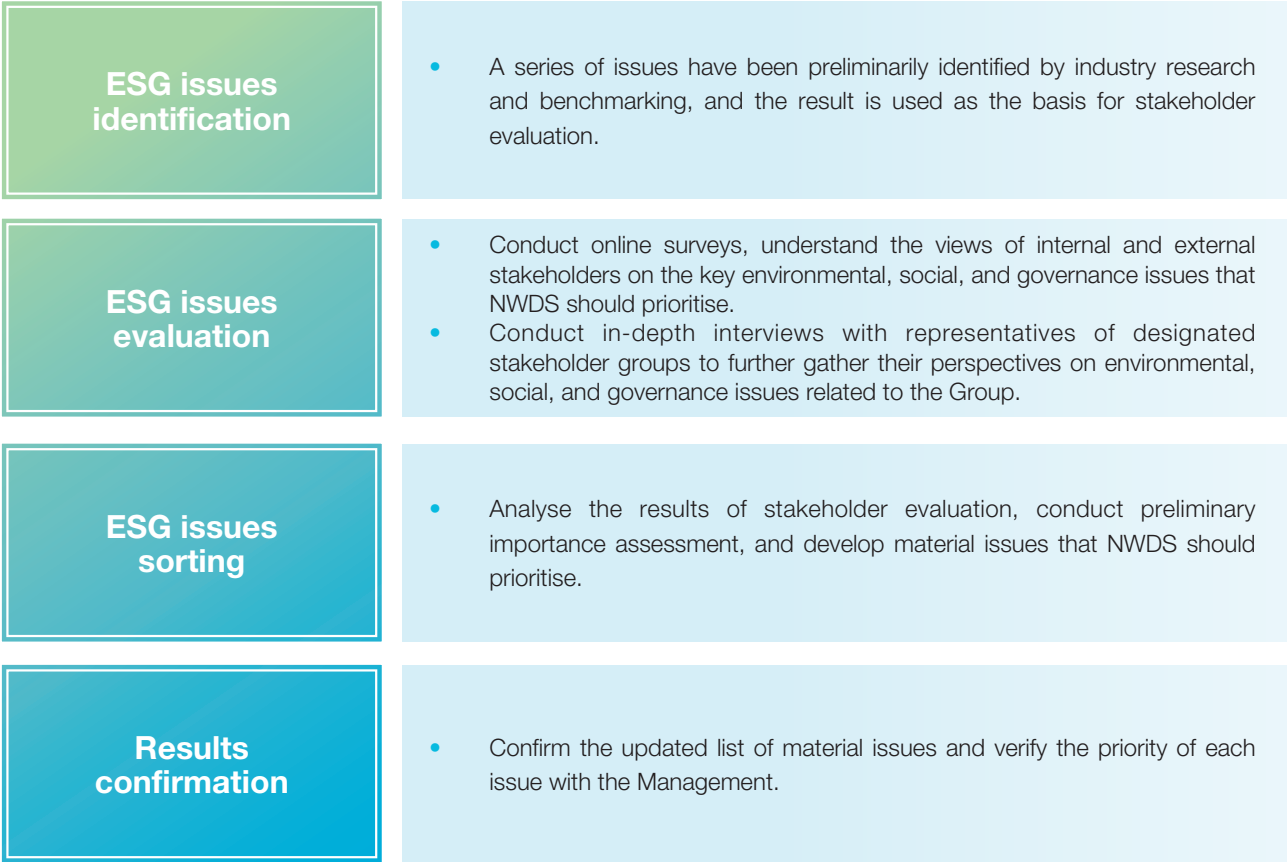
NWDS continues to optimise its stakeholder communication mechanisms, identifying and responding to stakeholders' ESG concerns through diversified communication channels and formats. In line with regulatory requirements and evolving industry trends, we dynamically adjust our communication strategies, incorporating stakeholder feedback into business decisions and ESG management improvements.

Stakeholder Categories	Communication Channels
Shareholders and investors	- Annual Shareholders' Meeting and Performance Announcement - Annual report, interim report, and sustainability report - Investor meetings and conferences - Environmental, social, and governance awards - Corporate website
Government, regulatory agencies, and industry associations	- Schemes or charters initiated by the government or industry associations - Industry seminars or conferences
Customers	- VIP memberships and events - Customer service counters and hotlines - Customer mobile application - WeChat official platforms and other social media channels - Corporate website
Management level of the Group	- NWDS Management Annual and Semi-Annual Meetings - Half year major risk reporting mechanism

Stakeholder Categories	Communication Channels
Employees	- Taskforces and committee - Training activities and talent development plan - Employee competitions and team-building activities - Quarterly staff e-newsletter "New Angle" - WeChat official platforms and other social media channels
Suppliers or contractors	- Tendering and procurement processes - Briefings, meetings, and visits - Supplier assessment and performance review
Media	- Media interviews and releases - Feedback and responses to media enquiries
Local communities	- Public or community events - Community initiatives such as sponsorships and donations - Volunteering - Joint events with non-profit organisations

MATERIALITY ASSESSMENT

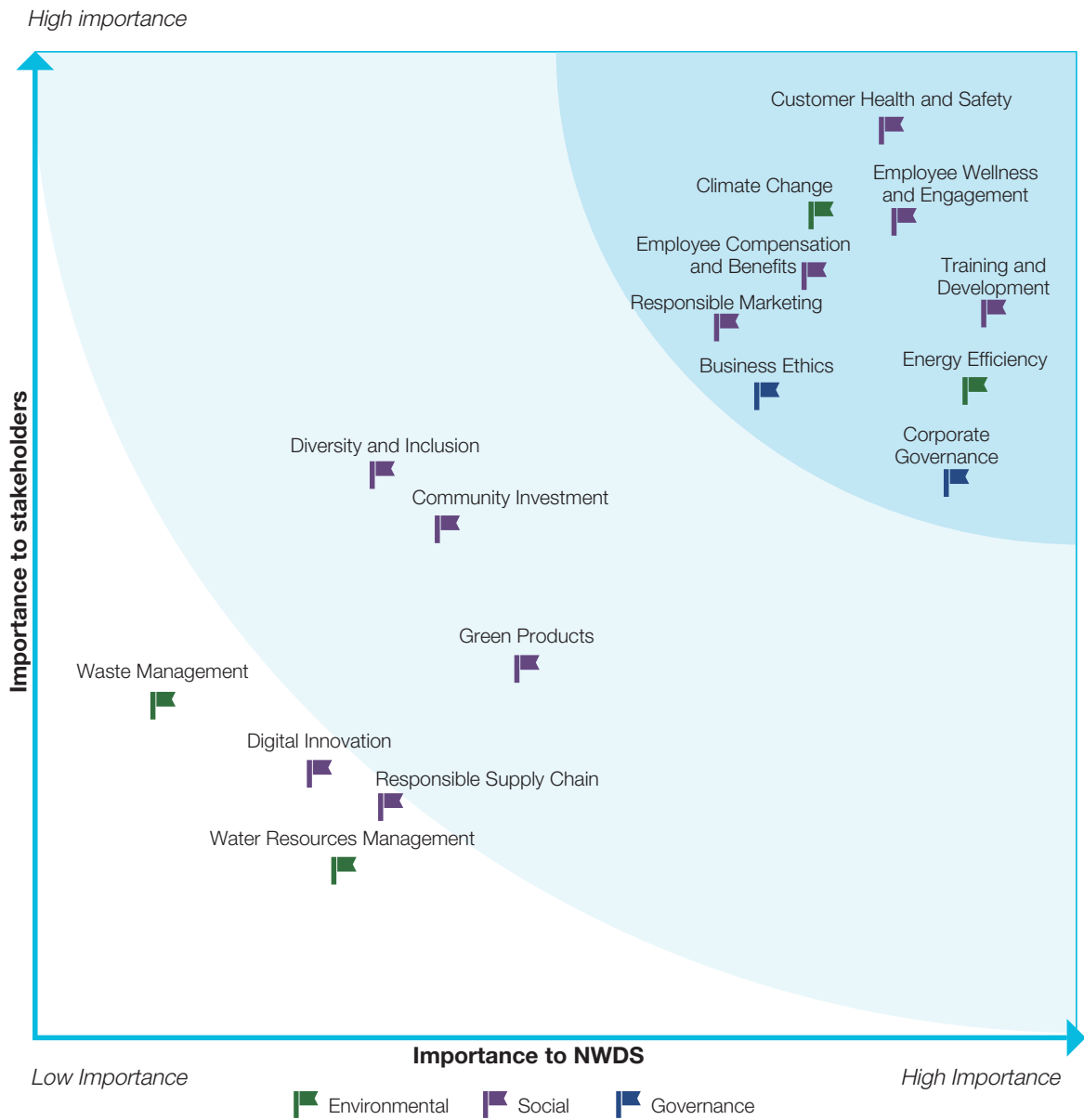
NWDS adopts multi-dimensional communication channels, integrating industry trends and evolving regulatory requirements, to establish a scientific process for identifying and evaluating material issues. Based on professional analysis of the assessment results, we periodically update our ESG materiality matrix to inform strategic decision-making.



Material Issue Identification and Assessment Process

During the Reporting Period, we evaluated and reviewed the ESG material issues for FY2025 based on factors such as the external environment and the Group’s business development. With regard to the 16 identified material issues¹, we will elaborate on the relevant information in this Report.

¹ This year, the Group has newly categorised Climate Change and Business Ethics as highly material issues.



NWDS ESG Materiality Matrix

Highly important		Important	Moderately Important	
Climate Change	Environmental	Green Products	Water Resources Management	Environmental
Energy Efficiency	Environmental	Community Investment	Waste Management	Environmental
Customer Health and Safety	Social	Diversity and Inclusion	Responsible Supply Chain	Social
Employee Wellness and Engagement	Social		Digital Innovation	Social
Employee Compensation and Benefits	Social			
Responsible Marketing	Social			
Training and Development	Social			
Corporate Governance	Governance			
Business Ethics	Governance			



About
NWDS

Sustainability
Management

Bolstering
Governance
Foundation

Building
Green
Retail

Optimising
Consumption
Experience

Collaborating
with Reliable
Partners

Fostering
a Thriving
Community

Appendix

Bolstering Governance Foundation



New World Department Store fulfills its obligations as a listed company, strictly adheres to the laws and regulations of its operating locations, continuously improves its compliance and risk management systems, upholds business ethics, and ensures the steady development of the Group.

1.1 COMPLIANCE GOVERNANCE

Corporate Governance

NWDS strictly complies with laws and regulations including the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, as well as relevant requirements including Appendix C1 *Corporate Governance Code* of the Main Listing Rules of the Hong Kong Stock Exchange.

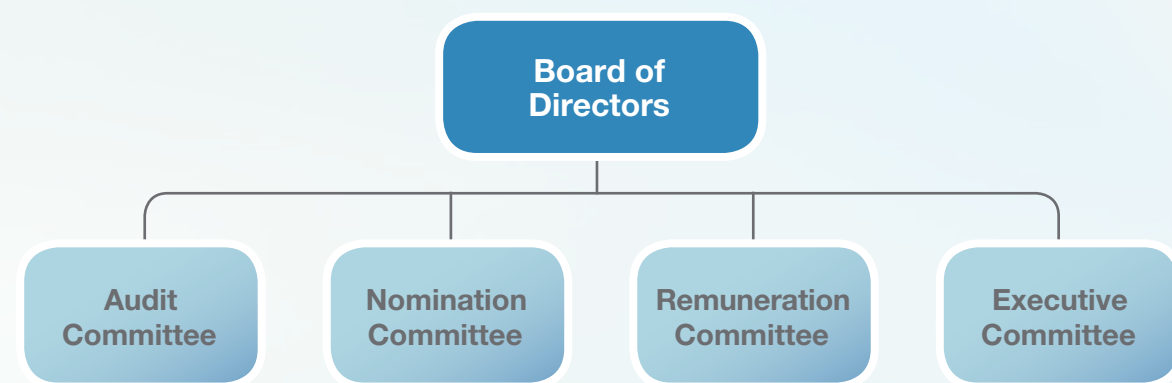
The Group has established a robust corporate governance structure. The Board of Directors, as the core governance body of the Group, is fully responsible for strategic decision-making and oversight. The Board has established the Audit Committee, the Nomination Committee, the Remuneration Committee, and the Executive Committee. These committees collaboratively assist the Board in fulfilling its responsibilities, ensuring that its decisions are well-founded and effective.

Board Diversity

To ensure the efficient operation of the Board, New World Department Store strictly adheres to the principle of diversity in the director selection process. We comprehensively consider multiple factors, including gender, age, educational background, professional expertise, and industry experience, to cultivate complementary strengths among board members in professional competence, management experience, and strategic vision. Additionally, we regularly conduct thorough assessments of the Board's diversity and closely monitor progress toward achieving our diversity objectives.

During the Reporting Period, the Board of Directors of NWDS consisted of ten members, including five executive directors and five independent non-executive directors, all of whom possess profound industry experience. Currently, NWDS has appointed three female directors, reflecting our commitment to and practice of diversity.

Detailed profiles of the board members are available on the Group's official website and the 2025 Annual Report.



Board Governance Structure

Risk Management

To enhance risk management and mitigation, we actively collaborate with NWD to carry out annual risk assessment. This assessment encompasses four key dimensions: strategy, policies and regulations, finance, and business operations. Employing scientific risk quantification methods, we evaluate and prioritise identified risks, systematically review existing management measures, and conduct comprehensive analyses of risk and opportunity response strategies, thereby providing robust support for risk control and management.

We incorporate sustainability factors into our business operations risk assessments and develop targeted risk response measures based on the assessment results, thereby enhancing the forward-looking nature and effectiveness of our risk management activities.

1. Climate Change
Resilience and
Adaptation

2. Environmental
Degradation and
Resource Efficiency

3. Community and
Stakeholder Health
and Engagement

4. Diversity, Equity,
and Inclusion

5. ESG Compliance
and Reporting

Based on the risk assessment results, we conduct ESG training to establish a comprehensive ESG risk management framework that encompasses both strategic decision-making and operational execution. For the Board of Directors and the senior management, we collaborate with third-party institutions to provide specialised training focused on ESG regulations, thereby enhancing their decision-making capabilities. For functional departments and branches, we design training programmes tailored to ESG risk management needs in daily operations, ensuring that risk management requirements are effectively integrated into all operational activities.

Compliance Management

NWDS firmly believes that a sound internal control system is the core guarantee for robust governance. We regularly conduct audit activities and, based on our actual operations and development needs, appropriately adjust the focus of these audits, continuously optimising our internal control management system to safeguard the Group's stable operations and sustainable growth.

Operational Management Audit

- Conduct cross-branch and cross-regional data comparisons across different business segments to execute more targeted audits.
- Focus on operational management, system governance, and measures to mitigate operational risks within the Group.

Equipment Safety Audit

- Conduct and implement audits focused on identifying critical or major safety hazards likely to occur during the daily use, management, and maintenance of equipment at branches.

Digital Audit

- Focus on four key areas: asset effectiveness, integrity, and availability; operations and maintenance management; infrastructure security; and application security. Identify blind spots and vulnerabilities within development systems.

1.2 BUSINESS ETHICS

Code of Business Conduct and Anti-Corruption

NWDS adheres to the principles of integrity, strictly complying with laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China* and the *Anti-Money Laundering Law of the People's Republic of China*. The Group has established internal policies, including the *Employee Professional Ethics*, which explicitly prohibits soliciting, accepting, providing, or delivering improper benefits, thus fostering a reputation for integrity. To further enhance the sense of responsibility among management personnel, the Group has established the *Management Accountability Policy*, which includes eight specific provisions that clearly define managerial responsibilities.

We require employees to fully comply with the code of conduct, including the *Employee Professional Ethics* and the *Management Accountability Policy*, and to complete code of conduct training during the onboarding process. In the event of violations, we will take appropriate measures, including but not limited to termination of employment or referral to judicial authorities, depending on the severity, thereby upholding our commitment to ethical business practices.

During the Reporting Period, NWDS did not have any legal incidents related to bribery, monopolisation, blackmail, extortion, fraud, or money laundering, nor were there any legal cases involving corrupt practices related to the Group or its employees.

Reporting Mechanism

We have established a transparent, open reporting and investigation mechanism to encourage stakeholders to report any actual or suspected corruption and fraud incidents within the Group through various channels.



Reporting Channels:

shmocms@nwds.com.cn

021-5094 1888*515

Upon receiving a report or complaint, the Internal Audit Department will assign a dedicated individual to promptly contact the reporter. For reports submitted with real name, we will provide formal feedback on the investigation results to the whistleblower upon completion of the investigation process, ensuring full protection of the whistleblower's right to be informed. To safeguard the whistleblower's legitimate rights and interests, we strictly maintain confidentiality of the whistleblower's information, employing measures such as anonymized references and limiting the circle of individuals with access during the investigation process, and firmly preventing any form of retaliation.

Corporate Ethics Culture Development

New World Department Store actively promotes a culture of business ethics, striving to enhance employees' awareness of compliance and ethical conduct, thereby establishing an ethical defense line from the foundation up.

NWDS regularly conducts special sessions on business ethics during routine audits and branch audit summary meetings, reinforcing the team's awareness of ethical practices in alignment with operational needs. Additionally, to enhance training accessibility, we are developing an online business ethics training programme that will enable flexible, organisation-wide learning through digital platforms, further strengthening the culture of business ethics.

Business Ethics Training

To enhance awareness of business ethics among store management and strengthen risk prevention capabilities, NWDS has integrated training on anti-fraud, anti-bribery, and anti-corruption topics into its regular training programme for store managers, including both newly hired and internally promoted personnel. In response to changes in the external business environment and emerging fraud techniques, the training content is updated semi-annually to ensure it remains aligned with actual business operations.

During the Reporting Period, we conducted four specialised training sessions designed to reinforce the principles of ethical conduct, assist management in maintaining compliance standards within complex business environments, and ensure the Group's stable operations.

Intellectual Property Protection

Intellectual property (IP) is a key safeguard of the Group's core competitiveness. We strictly comply with relevant laws and regulations such as the *Trademark Law of the People's Republic of China* and the *Patent Law of the People's Republic of China*. We maintain a zero-tolerance policy toward infringement and actively protect our legitimate rights and interests. Additionally, we avoid using any unauthorised trademarks, logos, or copyrighted materials, thereby minimising infringement risks at the source.

In terms of IP management, the Group has designated dedicated personnel to handle IP matters and has engaged professional consulting firms for support, ensuring that all tasks are conducted in an organised manner. In daily operations, we complete routine tasks such as trademark renewals and extensions, thereby ensuring the continuity of the Group's IP rights.

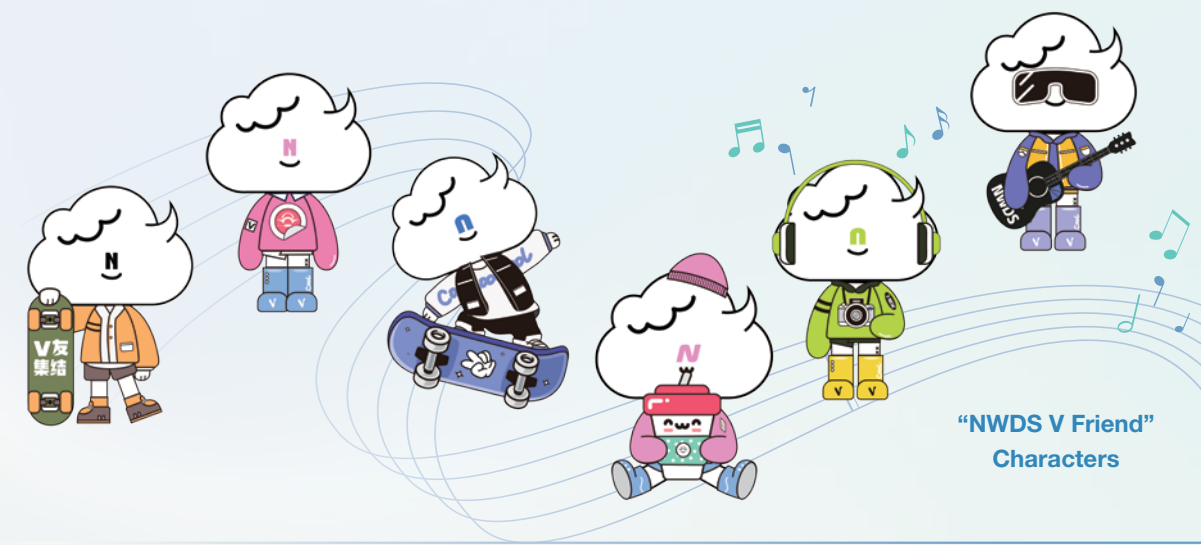
During the Reporting Period, NWDS did not experience any IP infringement.

NWDS Launches its First Self-owned IP

NWDS, based on a deep understanding of the psychological needs of young consumers, innovatively launched its own IP "NWDS V Friend" during the Reporting Period, and has completed the copyright registration for this IP.

Based on the prototype of "Urban Free Cloud", this IP features six characters, precisely tailored to the diversified business formats and segmented customer needs of department stores. The design skillfully integrates cloud-shaped heads, the brand's iconic facial feature of the letter "N", and distinct personality traits, giving each character unique potential for commercial expansion.

This innovative practice has not only enabled life-cycle management of IP from ideation to commercialisation, but also created IP assets that combine emotional resonance with commercial scalability. Going forward, we will continue to deepen IP management to further unlock the commercial value and social impact of IP.



"NWDS V Friend"
Characters



About
NWDS

Sustainability
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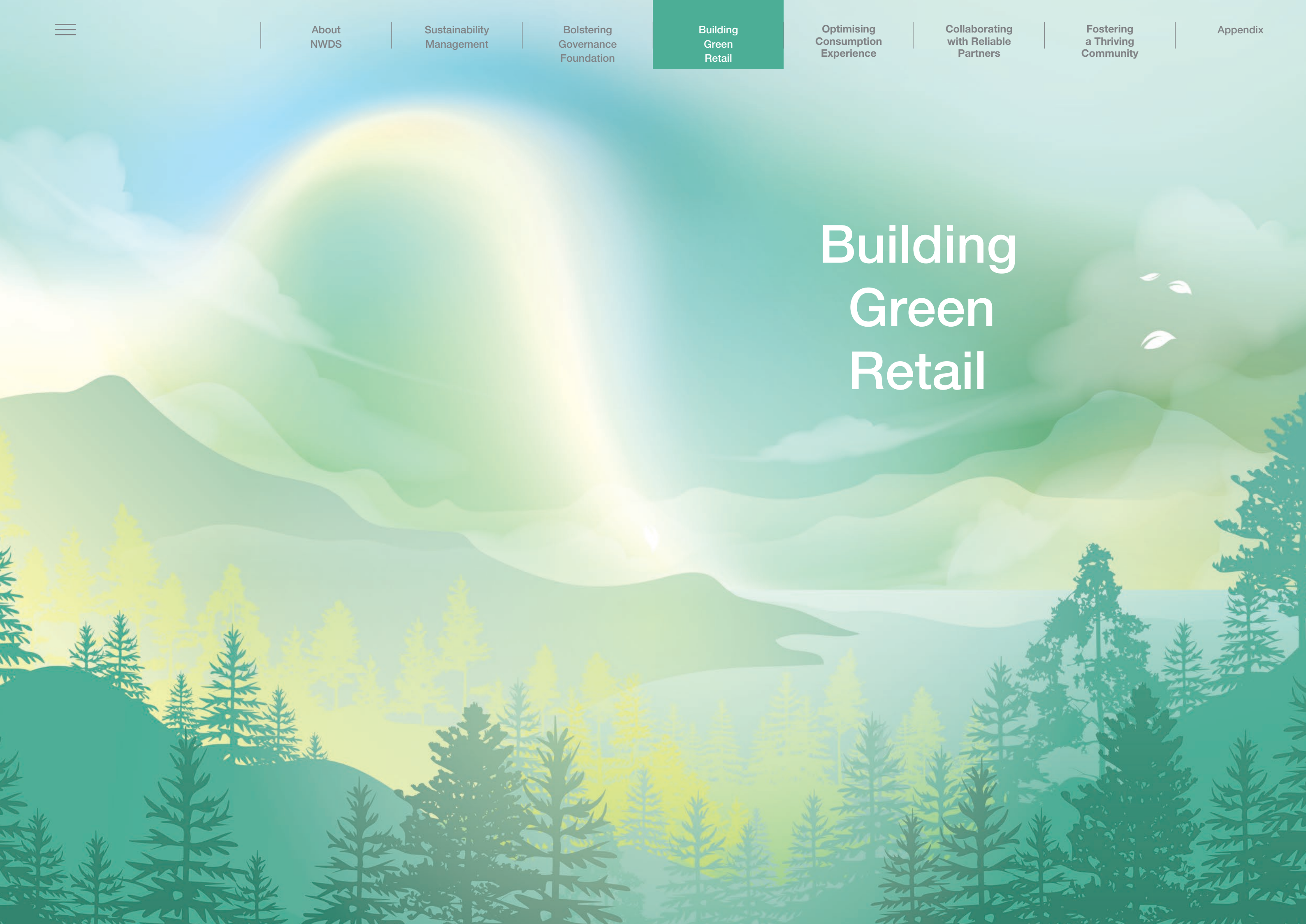
Optimising
Consumption
Experience

Collaborating
with Reliable
Partners

Fostering
a Thriving
Community

Appendix

Building Green Retail



New World Department Store continues to improve its environmental management system, systematically reducing the impact of operational activities on resources and the environment through multi-dimensional initiatives. Guided by clear objectives and quantifiable benchmarks, supported by a robust management framework, and advancing green transformation through practical actions, we are laying a solid foundation for environmental stewardship, climate change response, and environmental impact reduction, striving to establish a responsible green retail benchmark.

2.1 ENVIRONMENTAL MANAGEMENT

New World Department Store, guided by its SV2030+, deeply integrates green development principles into its operations. By establishing a systematic environmental management framework, the Group implements a closed-loop management mechanism from policy formulation to execution, reducing the environmental impact of its business activities and creating retail spaces that offer both eco-friendly attributes and high-quality customer experiences.

1

Formulating green policies and guidelines

- Our sustainability policies and guidelines scientifically manage key environmental issues including energy consumption, greenhouse gas (“GHG”) emissions, waste management, green office and procurement.

2

Setting environmental baseline and targets

- Using FY2019 as a baseline, we have established new environmental targets focused on energy and carbon emission management. By FY2030, we aim to achieve a 22% reduction in energy consumption intensity (in MWh/m²) and a 42% reduction in GHG emissions intensity (in tCO₂e /m²) compared to the baseline year. In addition, we plan to continuously reduce the intensity of water use and emissions (including wastewater, exhaust gas, and waste). We will dynamically review our targets and steadily advance the realisation of our SV2030+ by setting phased objectives aligned with our long-term sustainability strategy.

3

Collecting environmental data

- Precise environmental data forms the foundation of effective management. We utilise an energy management system to achieve comprehensive data tracking across all operations, recording real-time energy, water, and material consumption metrics at every branch and office. This infrastructure provides critical data support for both developing environmental improvement initiatives and evaluating their effectiveness.

4

Implementing green measures

- We implement real-time energy consumption monitoring to optimise daily operations, while continuously enhancing energy-efficient building service systems and equipment. Furthermore, we deepen engagement with tenants to drive the effective implementation of green initiatives across the entire value chain.

5

Regular monitoring and review

- We maintain vigilant oversight of evolving environmental policies and industry trends, conducting regular reviews and updates to our sustainability policies and guidelines. Furthermore, we have engaged an independent third party to provide assurance for this Report, ensuring data credibility and driving continuous improvement in our environmental management practices. For details, please refer to the “Assurance Statement” section.

6

Communicating the commitment to stakeholders

- We are committed to advancing sustainability in collaboration with all stakeholders. Through established engagement mechanisms, we actively address stakeholder concerns and jointly foster a green retail ecosystem.

Green Management Process

During the Reporting Period, NWDS did not have any violation in the environmental aspect.

2.2 ADDRESSING CLIMATE CHANGE

As a practitioner of green retail transformation, NWDS has integrated climate change into its core strategy. Under the guidance of SV2030+, and with “Future-Fit Places” as a key sustainability pillar, we continuously strengthen climate resilience and enhance climate risk management capabilities in accordance with our sustainability principle of “Developing Future-Fit Retail Spaces”, driving the realisation of our green transformation goal.



Climate Change Governance

We follow the climate information disclosure guidelines² of the Hong Kong Stock Exchange as the basis for action, enhancing climate governance through multi-level institutional design. At the governance level, the Board of Directors take the lead in overseeing climate-related risks and opportunities, integrating climate risk governance into the core ESG governance to ensure overall strategic coherence and consistency. In strategic planning, we have established a process for identifying climate change risks and opportunities, assessing their potential impact scope and magnitude on business operations. Regarding risk management, we have incorporated climate change issues into our daily operational risk control systems, establishing a comprehensive response mechanism encompassing early warning and response procedures. In terms of metrics management, we regularly set, update, and disclose climate-related quantitative indicators and interim targets according to our operational status, thereby enhancing transparency in the management process and strengthening accountability in target implementation.



Climate Change Strategy

NWDS attaches great importance to addressing climate change, deeply integrating the dynamic monitoring and management of climate-related factors into every key aspect of its business operations. By closely aligning with industry trends and corporate development goals, we have formulated a comprehensive and forward-looking strategy. On one hand, we incorporate climate risk and opportunity assessments into our long-term strategic planning process, identify potential impacts of climate factors across all operational areas, from supply chain stability and energy cost fluctuations to shifts in consumer demand for sustainable products, to provide strong support for strategic decision-making. On the other hand, we continue to invest in upgrading energy-efficient equipment, operating intelligent energy management systems, and building green supply chains, leveraging potential opportunities arising from climate change to create a more climate-resilient retail model.

² The Stock Exchange of Hong Kong Limited (the Exchange), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited (HKEX), published conclusions to its consultation on the enhancement of climate-related disclosures under its environmental, social and governance (ESG) framework on 19 April 2024.

During the Reporting Period, we have identified the following climate change risks and opportunities. We also provided the measures in response to the risks.

Risk category	Risk subcategory	Risk description	Potential financial impact	Measures
Physical Risks	Acute Physical Risk	Floods may cause asset damage, store facilities damage, and incur additional maintenance expenses.	Asset depreciation	In response to various extreme weather events such as typhoons, rainstorms, or floods, we have implemented the <i>Crisis Notification and Handling Guidelines</i> in each store to improve staff mobility, flexibility and resilience.
			Revenue decrease	
			Cost increase	
		Rainstorm may make our stores face the threat of flood, especially the threat of ground and basement floors/ facilities (such as parking lot), which may lead to service interruption.	Asset depreciation	Prepare emergency supplies kits ahead of time, which should include items such as a flashlight and sandbags.
			Revenue decrease	
		Typhoons are often accompanied by strong winds, heavy rainfall, and storm surges, which may cause damage to store structures and outdoor facilities, as well as trigger regional power outages, water supply interruptions, and transportation disruptions, affecting normal store operations and material transportation.	Inspect the roof, windows, and doors of the building to confirm that they are secure and capable of withstanding rainstorms and typhoons. Reinforce vulnerable outdoor facilities such as light boxes and saplings to prevent extreme weather in advance.	
	Asset depreciation		Regularly inspect the collection well and sump pump to ensure the drainage system is not blocked, enhancing flood resistance capabilities.	
	Revenue decrease		Establish a typhoon warning response mechanism and organise personnel evacuation in advance according to the warning level.	
	Cost increase	Strengthen communication in the early stage of engineering projects and plan renovation content in advance for regional disasters.		
	Chronic Physical Risk	Rising temperature and/or heat waves may increase the demand for cooling systems, leading to higher energy costs and increased expenses.	Cost increase	By implementing energy-saving and emission reduction measures, such as strictly setting the temperature of air conditioning, mitigate rising energy costs.

Risk category	Risk subcategory	Risk description	Potential financial impact	Measures
Transition Risks	Policy, Law, and Regulations	Failure to reduce the impact of high carbon intensity business operations, products, and services, and failure to meet regulatory carbon reduction standards/regulations.	May face fines	Actively transition towards low-carbon development, reduce carbon emissions through the installation of practical lighting systems, central air conditioning monitoring systems, and more.
		Failure to fulfil more stringent disclosure requirements.	May face fines	Track regulatory requirements dynamically, utilise the energy management system to enable regular and standardised disclosure of relevant information.
	Technology Risk	Replacing existing technology and facilities may result in low customer acceptance, leading to a decrease in the number of customers and revenue.	Revenue decreased	Upgrade multiple digital services to provide customers with better quality services.
	Market Changes	Online retailing is gradually substituting in-store retailing business.	Revenue decreased	Innovate shopping experience and gradually transform towards digitisation.
		Increase tenant demand for energy efficiency and data transparency.	Revenue decreased	Develop the <i>Mechanical and Electrical Design Standards Policy</i> to specify energy efficiency requirements and improve data transparency.

While addressing the risks and challenges posed by climate change, we actively identify the opportunities it brings, continuously optimise our business strategies, upgrade our strategic planning, and seize the market opportunities presented by green development.

Opportunity category	Opportunity details	Opportunity description
Energy efficiency improvement	Improve building energy efficiency.	Improve the energy efficiency of buildings can reduce energy consumption, thereby saving business operating costs.
Investor preference shift	Investors are increasingly inclined to invest in companies undergoing low-carbon transformation.	Through low-carbon transformation and development, reduce carbon emissions and attract more investors.



Climate Change Risk Management

NWDS has included “Climate Change Resilience and Adaptation” in the Group’s core risk list. We sort out climate-related risk categories, covering factors that may affect operations such as extreme weather events and ecological environment changes, and build a risk assessment framework.

Based on a comprehensive analysis of risk occurrence probability and potential impact, we prioritise various climate-related risks to ensure resources are allocated to higher-priority risks. At the same time, we optimise risk response mechanisms by integrating current operational scenarios, strengthen cross-departmental emergency response processes, and improve facility protection standards and supply reserve plans. By dynamically updating risk registers and response strategies, we continuously enhance the organisation’s resilience in the face of climate variability, ensuring operational stability and sustainability.



Climate Change Metrics and Targets

To enhance data coverage, NWDS has focused on optimising its GHG emissions management system this fiscal year, updating its GHG reduction targets based on current emission reduction progress. With FY2019 as the baseline, we aim to achieve a 22% reduction in energy consumption intensity (in MWh/m²) and a 42% reduction in GHG (Scope 1 and Scope 2) emissions intensity³ (in tCO₂e/m²) by FY2030.

During the Reporting Period, the Group prioritised improving the completeness and accuracy of GHG emissions accounting. We have conducted our first GHG inventory across the entire value chain in accordance with the *Greenhouse Gas Protocol Corporate Standard*, systematically mapping emission sources at each stage to establish a foundational framework for holistic carbon reduction initiatives.

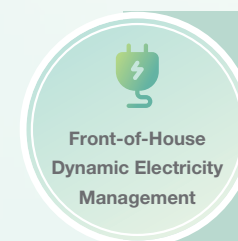
This year, NWDS’s Scope 1 GHG emissions amounted to 2,502 tCO₂e, while Scope 2 GHG emissions amounted to 52,850 tCO₂e. The GHG emissions intensity (Scope 1 and Scope 2) decreased to 0.06 tCO₂e/m², achieving the previous environmental targets and representing a nearly 15% reduction compared to the prior fiscal year, demonstrating significant emission reduction outcomes. Scope 3 GHG emissions totaled 86,610 tCO₂e, with the categories of purchased goods and services and downstream leased assets contributing the highest proportion, constituting the primary sources of emissions across the value chain.

Moving forward, the Group will continue to focus on key decarbonisation points across all value chain stages, strengthen engagement with suppliers, tenants and other partners to develop targeted emission reduction solutions in areas such as green procurement and energy-efficient operations, contributing to the achievement of sustainability goals.

³ The scope covered by the targets includes all stores and the Shanghai office.

Green and Low-carbon Initiatives

NWDS continues to advance the construction of green and low-carbon management systems, integrating the concept of sustainability into all stages of business operations. The Group has established standardised documentation covering data collection and analysis, equipment operation monitoring and maintenance, energy-saving measures in retail areas and back-of-house areas. During the Reporting Period, we updated specialised standards such as technical specifications for air-conditioning energy management and lighting circuit design guidelines, systematically reducing energy consumption intensity through a dual-track approach of refined electricity management and high-efficiency engineering upgrades.



- Air Conditioning Systems:** Operated in strict compliance with national temperature standards, with dynamic parameter adjustments based on real-time foot traffic and operating hours in retail areas.
- Equipment Sequencing:** Automated activation and deactivation of lighting and other equipment aligned with mall opening and closing schedules. Select escalators equipped with frequency converters to operate at reduced speeds during unmanned periods.
- Intelligent Monitoring:** Deployed smart platforms such as remote electricity metering systems for real-time anomaly detection in energy consumption and optimisation of equipment operational strategies.



- Lighting Control:** Implemented time-based lighting controls in non-public areas such as warehouses and corridors, with motion-activated switches to minimise standby energy consumption.
- Variable Frequency Drive (VFD) Integration:** Retrofitted cooling water pumps with VFDs to avoid unnecessary energy waste during transitional seasons, enhancing operational efficiency.
- Routine Inspection and Maintenance:** Conducted periodic inspections and maintenance of electrical equipment to ensure high-energy-consuming back-of-house assets such as chillers and water pumps, operate at peak efficiency.

Energy-saving and Consumption-reduction Measures

Regarding engineering management, during the Reporting Period, we updated the *Mechanical and Electrical Design Standards Policy*, establishing replicable low-carbon practices through facility retrofitting and innovative collaboration models. We require environmentally responsible construction, strictly adhering to regulations including the *Code for Indoor Environmental Pollution Control of Civil Building Engineering*, the *Several Opinions on Strengthening the Quality Management of Indoor Environment of Construction Projects*, and the *Notice on Implementing the 10 Mandatory National Standards for the Limitation of Harmful Substances in Indoor Decoration Materials*, selecting green building materials and organising green construction practices accordingly.



Inorganic water-based coatings and polyester paints were selected, with application conducted through high-pressure airless spray technology.



On-site material sampling was conducted to test formaldehyde, benzene, and other TVOC content, while indoor air quality testing was performed during the project acceptance phase.



No on-site cutting of raw materials such as timber, stone and ceramic tiles are permitted to minimise dust and noise pollution in the surrounding environment.

Green Construction Measures

Green Practices at Shanghai Stores

Shanghai Huaihai Branch Store and Shanghai Pujian Branch Store have achieved significant improvements in carbon emissions management, energy consumption optimisation, and store facility and equipment efficiency management.

Shanghai Pujian Branch Store:

- Installed a real-time online monitoring system for the central air conditioning system to ensure timely detection and adjustment of issues by continuously monitoring the operational data of the host.
- Scheduled periodic monitoring of the store's real-time temperature, and accordingly adjust the central air conditioning system and terminal air handling units to maintain the store temperature around 26°C during summer.
- The operation of cooling towers and pumps is properly controlled according to the chiller operating schedule, ensuring that the number of units in operation matches that of the chillers.
- Passenger elevators and escalators are activated at store opening hours, following the principle of turning on 5 minutes earlier from lower to upper floors. The escalators are equipped with frequency converters to further improve energy efficiency.
- The store's glass dome skylight introduces natural daylight, reducing energy consumption.



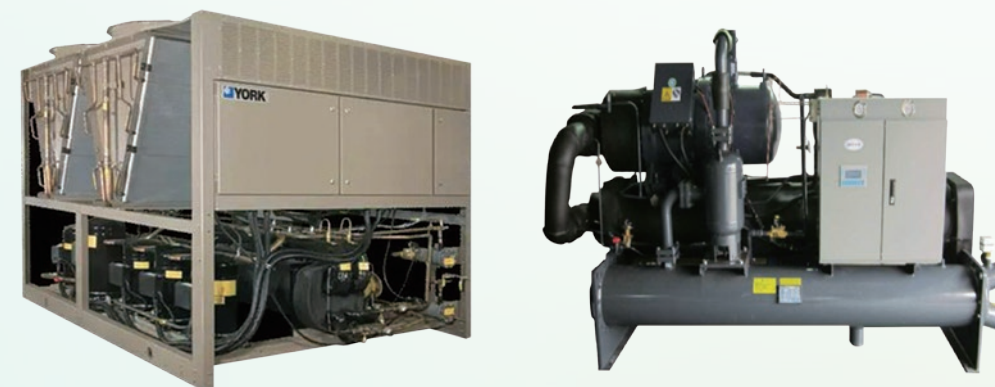
Natural Light through the Dome of Shanghai Pujian Branch Store

Shanghai Huaihai Branch Store:

- Installed an automatic frequency conversion control system for escalators, which operates at low speed when no one is riding, and automatically accelerates uniformly to normal speed when passengers are detected. The replacement has been completed for 12 units, resulting in reduced electricity consumption.
- Moved the chiller and circulation pump package to the roof and used a low-head cooling tower pump to further reduce electricity consumption.
- Installed 11 variable frequency drives for exhaust fans, automatically controlling the drives in a closed-loop manner based on differential pressure in the ducts, which varies with the number of end users, to regulate motor speed and achieve energy savings.
- Applied the power system energy consumption monitoring/remote meter reading system. Each tenant is equipped with an automatic metering device to monitor real-time energy usage through categorised, itemised, and individual metering. This enables understanding of energy consumption structure, monitoring abnormal energy usage across various stages, and identifying potential energy-saving opportunities.

Low-carbon Transformation of Store Air Conditioning Systems

During the Reporting Period, the Shanghai Shaanxi Road Branch Store initiated a replacement project with high-efficiency air-cooled modular units, improving the heating efficiency of the main units from 2.9 to 3.4. The store also added a new variable-frequency water-cooled screw unit, increasing the cooling efficiency of the main units from 2.8 to 6.3. Upon project completion, an estimated annual electricity saving of 500,000 kWh is expected, significantly enhancing the store's energy efficiency. Additionally, the store replaced its pumps and installed variable-frequency drives, achieving an overall reduction in energy consumption through frequency conversion retrofitting of cooling tower fan motors.



High-efficiency Air-cooled Chillers and High-efficiency Variable-frequency Water-cooled Chillers

The Mianyang Store carried out an efficient centrifugal chiller replacement project, improving the main unit's cooling efficiency from 1.1 to 5.5, significantly reducing gas consumption.



High-efficiency Water-cooled Centrifugal Chiller

2.3 REDUCING ENVIRONMENTAL IMPACT

New World Department Store continuously focuses on optimising the management of key environmental areas such as waste, water resources, wastewater, and exhaust emissions in daily operations. By continuously improving relevant management measures, the Group promotes green operations, reduces environmental impact, and contributes to sustainable development within the industry.

Waste Management

NWDS strictly complies with laws and regulations such as the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China* and the *Guidelines for Household Waste Classification*. We are committed to advancing waste management by classifying waste and ensuring its compliant disposal in accordance with local operational requirements. For recyclable waste, we actively coordinate with qualified professional agencies for recycling and reuse. Hazardous waste generated by us primarily comes from ink cartridges used in office operations, while non-hazardous waste mainly consists of office paper waste and food waste from food-service tenants.

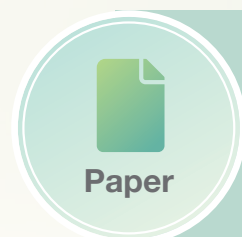
The Group has established the *Construction Project Management Policy* to standardise the removal of construction and household waste, strengthen dust pollution control, and minimise the impact of construction on the surrounding environment.

To reduce the generation of unnecessary waste, we have implemented the following measures:



Plastics

- Self-owned supermarkets use reusable, degradable, and eco-friendly plastic bags.
- Tenants are required to adopt degradable materials for disposable tableware.



Paper

- Daily office work fully implements online workflows to reduce paper usage.
- Realised paperless operations through digital membership cards, electronic invoices and receipts, and online membership marketing.



Packaging Materials

- Avoid or reduce disposable items and plastic packaging, simplify product packaging, and adopt eco-friendly packaging materials.
- Prioritise suppliers that practice the concept of sustainable development.

Waste Management Initiatives

Paperless Operations Transformation

To implement green operations and reduce paper consumption and waste generation, the Group focuses on store checkout and leasing joint venture management, promoting a paperless transformation through digital tools to enhance environmental benefits and operational efficiency.

In the optimisation of the checkout process, the Group has implemented electronic cash settlement documents covering all stores to replace traditional paper documents, significantly reducing paper usage in transaction processes. Meanwhile, we have established a standardised mapping system between payment methods and ERP account categories, further reducing the need for paper vouchers.

For leasing businesses, the Group has implemented a paperless transformation of the reporting system, leveraging digital platforms to enable end-to-end online interaction of business data. By replacing paper documents with electronic data, the generation of discarded documents is reduced at the source. Combined with real-time validation functions within the system, this approach minimises reprinting waste caused by errors or omissions in paper materials, effectively achieving waste reduction goals.

Building on its waste management practices, NWDS actively promotes green consumption concepts by conveying knowledge about the circular economy to customers through in-store activities. Leveraging our operational network, we organise diverse awareness campaigns to create interactive and eco-friendly scenarios that encourage customer participation.

Promoting Green Consumption Concept

During the Reporting Period, the Group promoted green consumption concept through store events, integrating the idea of sustainability into both commercial settings and community life.

Shanghai Huaihai Branch Store curated the “Symbiotic Future • Sustainable Trend Life Art Festival • Huaihai” during the Double Five Shopping Festival, promoting the integration of commercial spaces with green concepts through a series of events including eco-themed film screenings and distinctive sustainable handcraft workshops. The activities conveyed the idea of “renewing old materials” through hands-on experiences, teaching participants to create practical items such as clothing accessories and bookmarks from waste materials, illustrating the environmental value of resource recycling.



Shanghai Huaihai Branch Store Handicraft Workshops

Shenyang Jinqiao Trendy Plaza has organised a special event themed “Plogging for the Earth” in conjunction with World Cleanup Day, focusing on enhancing children’s environmental awareness. The event invites volunteers to lead children in the “Transforming Waste into Treasure — Treasure Hunt” activity, conducting litter cleanup and waste sorting exercises around the store. An environmental education section is set up in-store, where children create reusable bags and learn about eco-friendly practices. Through immersive experiences, the initiative promotes green consumption within the community, extending environmental awareness from households to society at large.



Shenyang Jinqiao Trendy Plaza “Plogging for the Earth” Event

Water Resource and Wastewater Management

In terms of water resource management, NWDS operates in strict compliance with the *Water Law of the People’s Republic of China* and local water resource regulations and standards applicable to each operational location. Regarding wastewater discharge, all wastewater generated by the Group originates from domestic usage. We strictly adhere to laws and regulations such as the *Law of the People’s Republic of China on the Prevention and Control of Water Pollution*, implementing standardised wastewater discharge management practices.

To improve water efficiency and establish a long-term conservation mechanism, NWDS has developed *Sustainable Office Guidelines*, which standardises water usage practices across all operational stages. We have integrated water resource risk management into the core of our business planning, enabling rational allocation of water resources based on demand. Furthermore, we focus on key measures such as reduction at the source, upgrading water-saving equipment, and conducting routine inspections of water facilities to comprehensively enhance water utilisation efficiency. During the Reporting Period, all of the Group’s operational sites were supplied through municipal water networks, with no restrictions on water withdrawal or supply interruptions, ensuring a stable water supply for operations.



Replaced the facilities in the restroom with water-saving appliances.



Regularly inspect and maintain the cooling tower to avoid water waste caused by structural defects.



Perform daily inspections on water pipes leakage.

Water-saving Initiatives

Exhaust Management

NWDS’s exhaust emissions primarily consist of nitrogen oxides, sulfur oxides, and particulate matter generated during the operation of company-owned vehicles. We strictly comply with the *Air Pollution Prevention and Control Law of the People’s Republic of China* and relevant environmental regulations at our operational locations. We have established a comprehensive exhaust emission management system and continuously optimise our vehicle management policies, actively promoting green transportation initiatives to reduce the environmental impact of vehicle emissions.

Regarding the management of oil fumes, we implement unified supervision over our canteens and tenants. All of our canteens are equipped with professional oil fume treatment equipment as required, and we ensure the equipment operates properly. Meanwhile, through lease agreement terms and routine inspections, we supervise tenants to properly manage oil fumes in compliance with environmental protection requirements.



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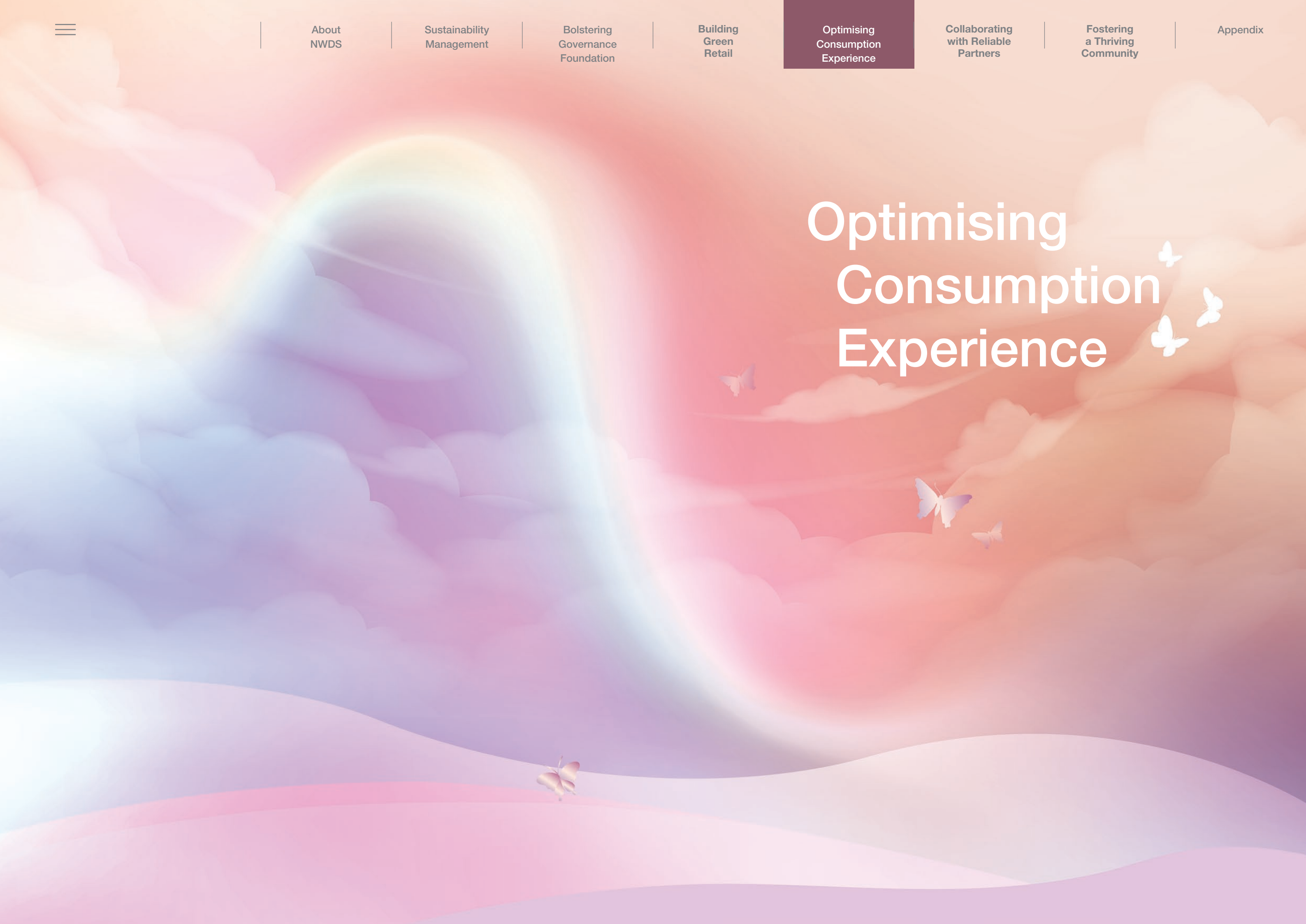
Optimising
Consumption
Experience

Collaborating
with Reliable
Partners

Fostering
a Thriving
Community

Appendix

Optimising Consumption Experience

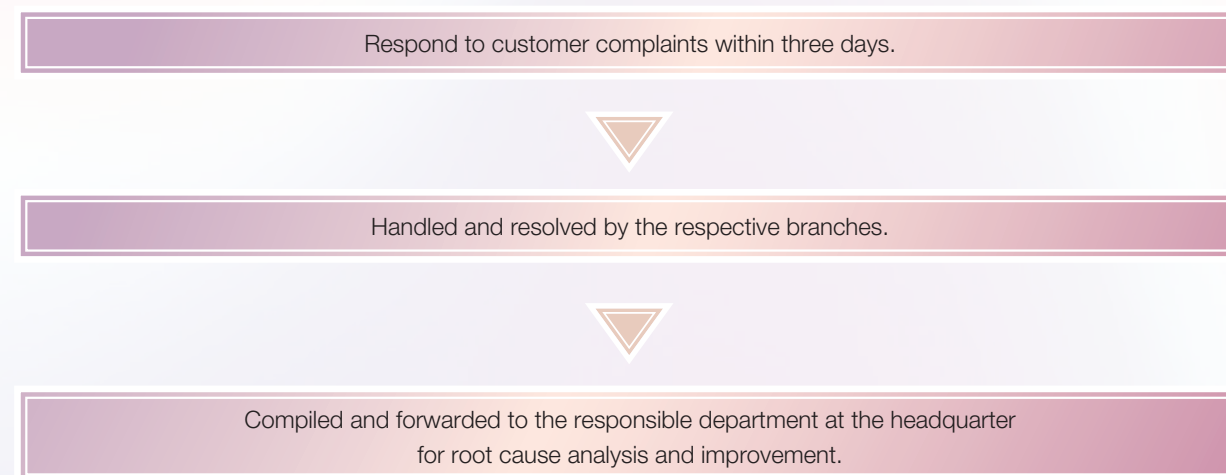


New World Department Store places customers at the core of its business development and is committed to enhancing the consumer experience through responsible business practices. We focus on multiple dimensions, including customer rights, service quality, responsible marketing, and data security, to comprehensively improve the customer experience and promote harmonious coexistence between business and society.

3.1 CUSTOMER RIGHTS

Response to Customer Needs

NWDS has established a multi-channel, highly efficient customer service and complaint handling system, aiming to collect and respond to customer requests promptly and accurately. We have set up an integrated online and in-store customer feedback channel, allowing customers to file complaints directly at in-store service counters, or by calling the store or headquarter hotlines.

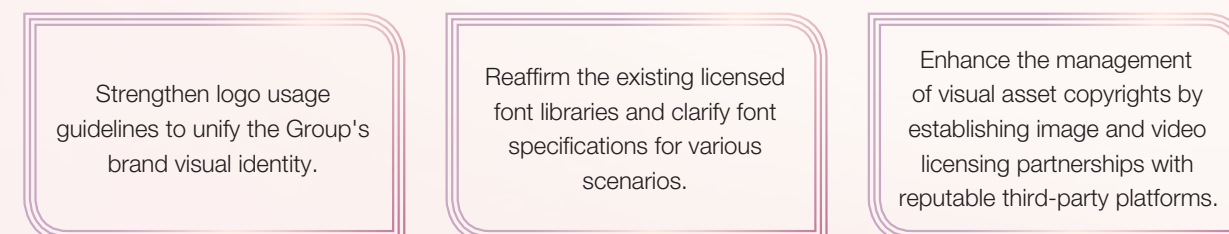


Customer Complaint Handling Process

In the future, NWDS will continuously enhance customer satisfaction by optimising service processes, strengthening employee training, and providing customers with a more professional and efficient shopping experience.

Responsible Marketing

NWDS adheres to the principle of responsible marketing, strictly complying with laws and regulations such as the *Advertising Law of the People's Republic of China*, ensuring that all marketing activities meet ethical standards and legal requirements. Regarding new media promotion, we have established the *NWDS New Media Regulation Requirements*, rigorously reviewing all external communications to guarantee their truthfulness and accuracy, avoiding false or exaggerated advertising that may mislead consumers, and safeguarding consumers' legitimate rights and interests.

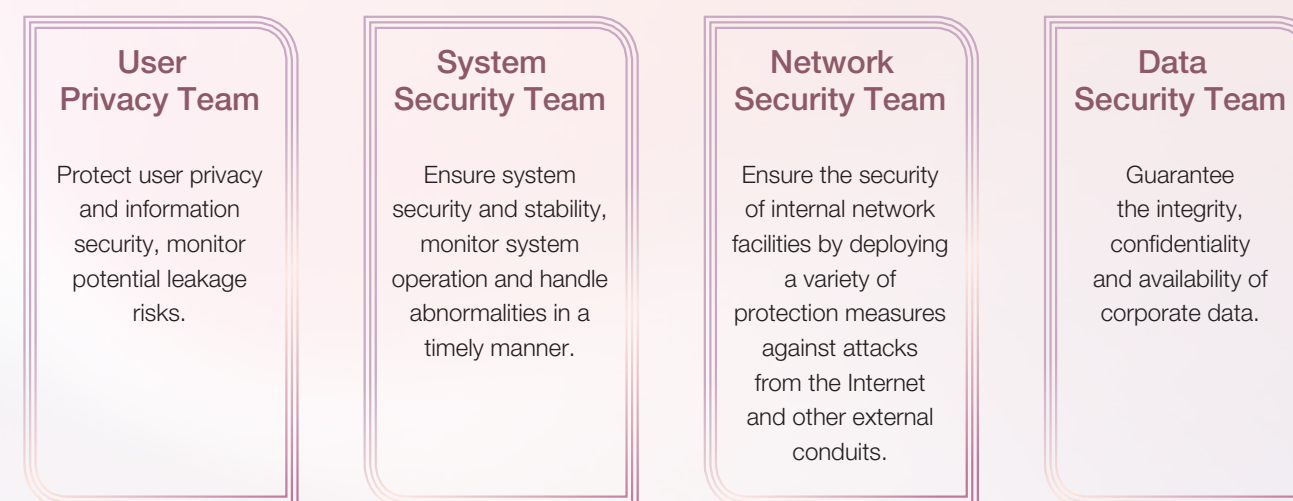


Key Initiatives for Responsible Marketing

Customer Privacy Protection and Data Security

NWDS understands the importance of customer privacy and data security. We have established a *Personal Information Protection Policy*, using "obtaining individual consent" as the core compliance basis for processing customer data. Through clear and comprehensive privacy terms, we explicitly inform customers of the purposes, methods, and scope of data processing, safeguarding users' rights to be informed and to make choices. At the same time, we have established a permission control system covering the entire lifecycle of data collection, storage, and use, to protect customer privacy and data security.

At the management level, NWDS Digital Centre has established four information management teams, strengthening the security protection system through specialised division of labour and collaborative mechanisms. This framework clearly defines response time requirements for security incidents at different levels, enhances fault diagnosis efficiency, and achieves optimal resource allocation.



Information Management Teams

During the Reporting Period, we implemented multiple information security protection technologies and continuously strengthened the construction of network security defenses.

Software Security Upgrades

- Deployed enterprise-level antivirus protection software on all systems.
- Implemented vulnerability scanning and apply patch updates to production systems.

Intelligent Monitoring System

- Established a 24/7 alert system to monitor business system anomalies in real time. When server irregularities are detected, the system immediately sends alerts to administrators. Upon receiving an alert, administrators examine critical metrics, such as network load and CPU usage, based on the issue type, quickly identify the problem, and implement corrective measures to ensure system stability.
- Implemented a security posture awareness system for dynamic monitoring of security intelligence and network behaviour.

Access Control Enhancements

- Deployed a bastion host mechanism centralises access control and security auditing for devices. This approach provides operations personnel with a unified, secure, and auditable remote access gateway, enabling least-privilege access and ensuring compliance through auditing.
- Established a third-party access recording and traceability mechanism to strictly control vendor access.

Backup System Optimisation

- Upgraded, optimised, and reset passwords for all devices, storing them in an encrypted format.
- Performed daily independent backups of core data and conduct cross-region backup and recovery drills to verify the effectiveness of the backups.

Information Security Technology Optimisation

Data Security Backup Drill

During the Reporting Period, NWDS conducted a specialised recovery drill on its core database system to strengthen data backup management. This drill simulated a scenario of sudden database failure, focusing on verifying the integrity and availability of backup data, as well as testing the timeliness of emergency recovery procedures. This practical exercise not only validated the operational feasibility of data backups, but also further enhanced the technical team's capability to respond to unexpected data security incidents, providing reliable assurance for the stable operation of business systems.

In addition, we strictly adhere to the ISO27001 information security management system standard for systematic control and engage third parties to conduct independent audits. For internal audits, we operate in a routine mode, conducting monthly multidimensional reviews that cover all stores every year. For issues identified during audits, we require corrective actions through formal reports and email notifications, providing strong assurance for the secure operation of our information systems.

During the Reporting Period, NWDS did not experience any verified privacy or data security breaches.

3.2 SERVICE QUALITY

Product and Service Quality

Quality is the lifeline of a business and the foundation for ensuring customer experience. New World Department Store has established a product quality control system covering all stages, including brand selection, product procurement, and sales, enabling strict and end-to-end monitoring of product quality.

In terms of brand selection, the Group has established a standardised brand resource library. We conduct rigorous screening of brands reported by stores monthly, aiming to provide customers with high-quality and diversified options. During the Reporting Period, the brand resource library added 1,417 new brands, incorporating emerging business types and new brands.

Regarding product quality management, NWDS has established a strict, end-to-end control mechanism. For instance, for food products, we have developed food safety management guidelines, strictly enforce procurement and sales record-keeping systems, established penalty mechanisms for suppliers and employees violating quality standards, and regularly conduct hygiene and safety training for food and beverage tenants to ensure effective implementation of product quality standards. Meanwhile, we have implemented a food safety incident reporting mechanism and routine store inspection procedures, requiring relevant brands to rectify any identified quality issues within a specified timeframe. Additionally, we continuously optimise food freshness conditions and customer experience through measures such as regular inventory updates, upgrading refrigerated storage facilities, and adding self-checkout services.

Diverse Consumer Experience

NWDS has always placed enhancing consumer experience as its core objective. We actively drive digital transformation and elevate in-store experiences by integrating multi-channel resources to build a comprehensive consumer service ecosystem.

Digital Services

NWDS continues to advance the digital transformation strategy. Through the ongoing optimisation of its multi-platform service matrix, the Group builds an intelligent retail service system. During the Reporting Period, we upgraded digital services through various means, significantly enhancing operational efficiency while improving consumer experience.

Service Efficiency

- Implemented digital processes, including upgrading counter payments to electronic QR code systems, which streamlined checkout procedures and enhanced service efficiency.

Membership Service

- Deepened cross-industry collaborations by integrating membership benefits with brands such as China UnionPay Quick Pass, Meituan Power Bank, and Lemobar to enable cross-platform points redemption.

Online Activities

- Established strong partnerships with mainstream media platforms to expand e-commerce channels and enhance live-stream shopping experiences.

Digital Service Upgrade

NWDS 16th No Closing Event

NWDS holds its annual “No Closing” event, creating attractive shopping experience through an integrated marketing strategy.

This year, we have established in-depth collaborations with local lifestyle platforms such as Douyin and Dianping, inviting influencers with millions of followers to host dedicated live-streaming sessions. Through a “cloud store visit” format, product details are showcased, while exclusive platform subsidies are distributed during the live streams, effectively integrating online traffic acquisition with in-store experiences.

In addition, we hosted a special “Crazy Thursday” event, offering various group-buying discounts and an interactive lucky bag segment to effectively boost user engagement. All online group coupons can be stacked with in-store brand discounts, delivering a true “double discount” experience across all channels.

This series of digital marketing innovations has not only significantly improved sales conversion rates, but also enhanced market competitiveness through new marketing models such as live-streaming product promotion and collaborations with influencers, bringing consumers an enriched and diverse shopping experience.



Live Stream Channel

Innovative Consumption Scenarios

NWDS actively adapts to the trend of consumption upgrading, continuously innovating consumer experiences. To meet customers' diverse needs, we enhance experiential shopping through a variety of formats such as themed marketing campaigns, brand pop-up events, and cultural activities, creating an immersive shopping environment for our customers.

NWDS V-Friends Festival

In September 2024, NWDS launched the “V-Friends Festival”, a member-exclusive event. During the campaign, we restructured the membership benefits system, offering members multiple exclusive benefits such as registration gifts and first-purchase rewards. We also innovatively launched the “V-Friends Club” service platform, integrating premium services with a rich array of member activities, effectively strengthening the emotional connection with our members. Each store tailored unique events to local markets, fully leveraging the IP value of “V-Friends Festival” to establish a sustainable benchmark for membership operations.

Beijing Chongwen Store hosted an immersive sunset concert and an ACG themed “Goods Market” to reach young consumer groups.



Beijing Chongwen Store Featured Events

Shanghai Pujian Branch Store focuses on family customers, offering featured activities such as DIY family workshops and recreational events.



Shanghai Pujian Store Featured Events

NWDS 32nd Anniversary Celebration Campaign

During the 32nd anniversary celebration of NWDS, guided by the core concept of “Bump Away Anxiety, Run Into Good Luck”, an emotionally valuable consumer experience was successfully created through an integrated experiential design.

During the campaign, all stores nationwide decorated large-scale cloud-themed experience zones with inflatable cloud installations and cloud-shaped loungers to meet consumers’ emotional needs for stress relief. Meanwhile, an online “Cloud Photography Contest” integrated with check-in activities for complimentary giveaways was launched, achieving integration between online and in-store engagement.



Campaign Poster and Cloud Installation

The campaign also specifically targets family visitors, leveraging the children’s membership programme to host parent-child activities such as the “My Little Pony Magic Reading Party” in stores located in Beijing, Shanghai, and other cities. Meanwhile, we collaborate with cross-industry brands like Tongrentang to launch unique experiences such as the “Health Market”, meeting the diverse needs of various customer segments.



Reading Party and Health Market Experience Event

NWDS LOL Diverse Creation Space

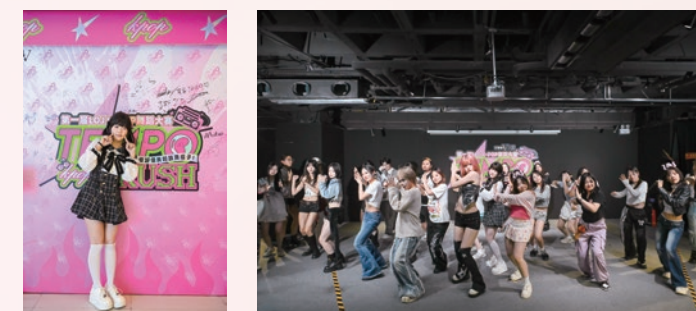
NWDS has captured the consumption demands of Generation Z during its retail transformation and upgrading process, innovatively launching the “LOL Diverse Creation Space”, creating a new retail space that meets the multi-dimensional needs of cultural consumption through youth-oriented, scenario-based, and differentiated experiences.



LOL Fitness Space

Nanjing Store launched the “LOL Fitness Space” based on the “sharing economy + flexible payment + zero sales pressure” model, creating a new scenario for a healthy lifestyle. The project collaborates with sports brands within the store, integrating a one-stop consumption ecosystem encompassing fitness, shopping, dining, lifestyle, and entertainment, significantly enhancing customer experience.

Shanghai Huaihai Branch Store, centred on the core concept of “creation and sharing”, equips the “LOL Diverse Creation Space” with professional audio systems, stage lighting, multi-angle shooting rigs, and floor-to-ceiling panoramic mirrors, creating a multifunctional experiential venue integrating fitness, choreography, and themed salons. In May 2025, Shanghai Huaihai Branch Store successfully hosted the “1st LOL KPOP Dance Competition and Tempo Crush KPOP Carnival”, advancing the transformation of traditional retail into a hybrid scene combining “culture, social interaction, and consumption”.

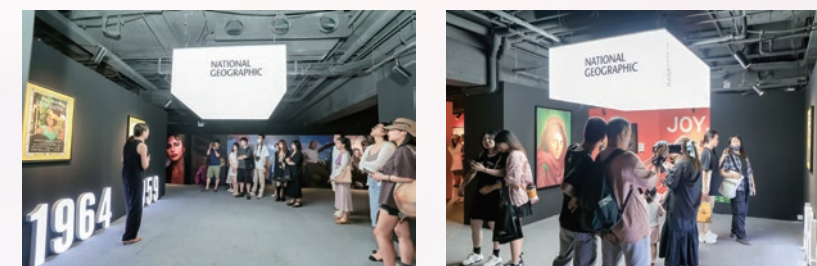


LOL KPOP Dance Competition

NWDS IP Collaborative Event

NWDS has partnered with National Geographic to launch the “Women Born to Shine” exhibition, a classic photographic showcase themed around women. As the Group’s first endeavor in integrating art IPs with commercial spaces, we have created an immersive art experience within the store, pioneering a new model for department store upgrades.

This exhibition carefully selects nearly 100 classic works on women from National Geographic’s collection, spanning over 30 countries and regions. Through a chronological narrative, from black-and-white images of a century ago to contemporary colour photography, it comprehensively presents a global perspective on women’s lives.



“Women Born to Shine” Exhibition



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Appendix

Collaborating with Reliable Partners



New World Department Store emphasises building a collaborative development ecosystem, establishing an end-to-end cooperation mechanism covering supplier, tenant and safety management. On the supply chain side, we strengthen ESG controls for suppliers and promote sustainable procurement practices; on the operations side, we deepen environmental and social responsibility management for tenants and conduct joint initiatives, working hand in hand with business partners to achieve sustainable development.

4.1 SUPPLY CHAIN MANAGEMENT

The long-term stability and dynamic adaptability of the supply chain are key pillars supporting efficient business operations. To further implement our sustainability strategy, the Group has incorporated ESG standards into its supply chain management system and treats supply chain risks as a critical component of operational risks, with designated responsible departments overseeing and managing these risks.

Supplier and Tenant Management

The Group has established the *Supplier Code of Conduct*, clearly defining the compliance standards and responsibility requirements that suppliers must adhere to. In addition, we require suppliers to complete the *Supplier Sustainable Development Self-Assessment Questionnaire* to evaluate their performance and ESG practices. These standards cover the following key areas:



Throughout the full-cycle collaboration with business partners, NWDS consistently upholds principles of integrity and transparency, standardising cooperation processes through systematic frameworks. The Group has signed the *Integrity Agreement* with all business partners, clearly defining the rights boundaries and obligations for both parties, establishing a transparent collaboration mechanism, and laying a solid foundation for achieving mutual value creation.

We firmly believe that collaboration with partners across the industrial chain is a key pillar for achieving long-term sustainable development. By establishing regular interaction mechanisms with brands and retail tenants, we systematically integrate the concept of sustainability into partners' business practices, promote the implementation of green operation standards in collaboration, create a collective force for sustainability across the entire industrial chain, and help achieve synergistic growth of commercial and social value.

Sustainable Procurement

To encourage suppliers to provide environmentally friendly products and services, and promote the development of sustainable supply chains, the Group has established environmental protection clauses as a key component of supplier contracts and ensures their full understanding and compliance with environmental requirements through safety briefing training. Meanwhile, we regularly conduct environmental training for suppliers, leveraging policy guidance to encourage the adoption of environmentally friendly solutions.

The Group has established the *Environmental Procurement Policy*, requiring that all purchased goods and services comply with environmental regulations, and encouraging suppliers to provide recycled and renewable products and incorporate environmental considerations into their services. The procurement team implements a number of environmental procurement measures, including:

Minimise the use of materials during the life cycle of a product or service (e.g., purchase recycled paper to replace normal paper).

Prioritise the procurement of reusable or recyclable items (e.g., reduce the purchase of disposable water cups).

Minimise the environmental impact of products and services throughout their life cycle (e.g., purchase degradable products).

Avoid unnecessary packaging of products and reduce the waste of resources caused by excessive packaging.

Focus on the energy consumption performance of products and reduce the procurement of high-energy-consumption products.

Environmental Procurement Measures

4.2 SAFETY MANAGEMENT

NWDS always places safe operations at a key position in operational management, building a systematic safety control system to establish a solid safety barrier. The Group focuses on two critical areas, risk prevention and emergency response, establishing a store-wide safety management framework to ensure safe and stable business operations.

Safety Management System

NWDS has established a sound safety management system, including multiple internal documents such as the *Safety Management Policy*, *Safety Management Reward and Punishment Measures*, and *Safety Training Work Guidelines*. We have set up a safety management organisation composed of project managers, project technical leads, safety officers, professional engineers, and construction operation teams, with support provided by the headquarter supervisory department. We regularly undergo inspections from municipal construction project safety supervision authorities to ensure compliance with safety production regulations.

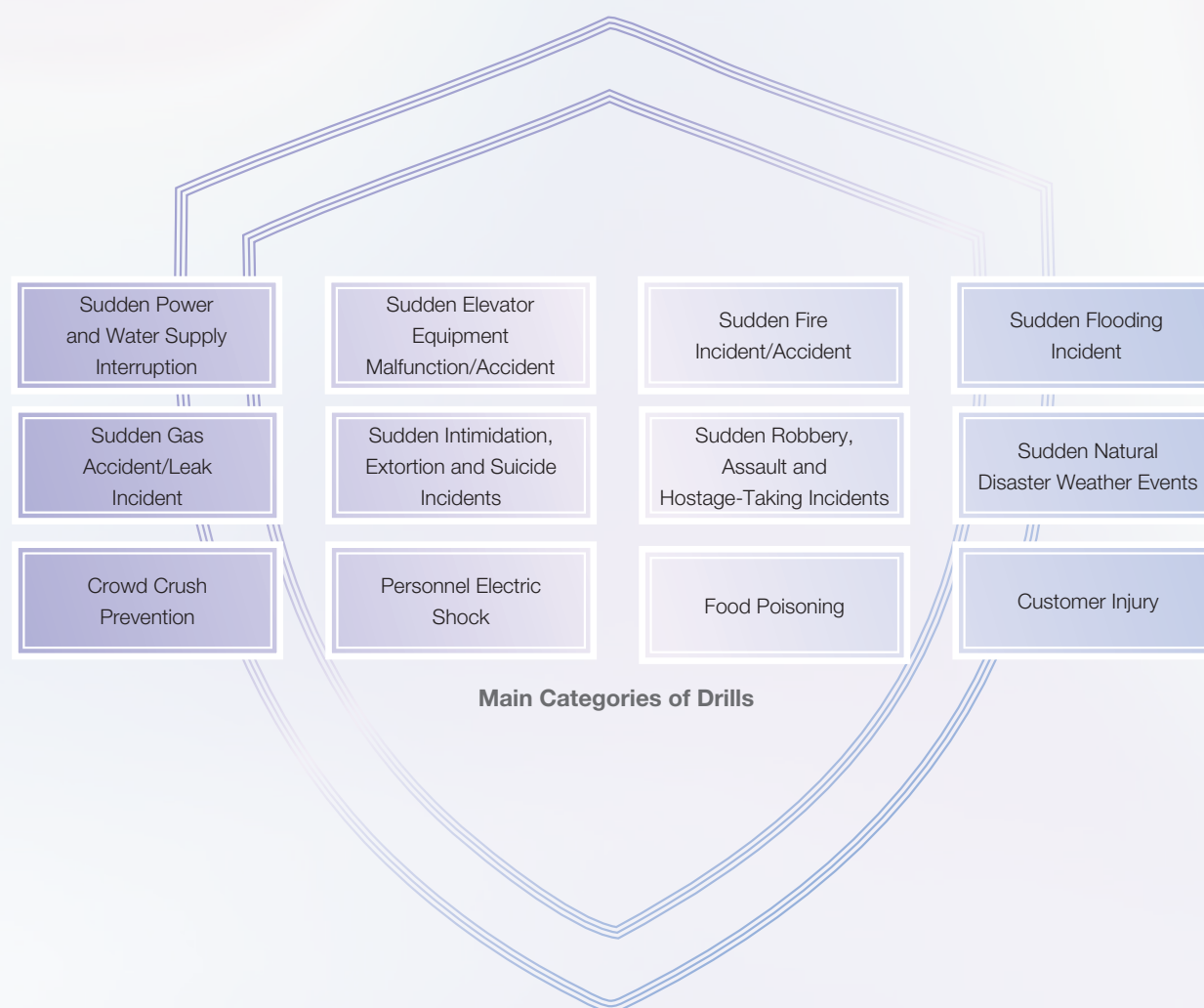
In daily operations, the Group establishes a store-wide safety control system in accordance with the *Department Store/Supermarket Regular Safety Inspection Policy*, led by the Administration Department and the Safety Management Division to conduct regular safety audits, ensuring identified risks are systematically rectified through a closed-loop process. Night patrols serve as a core component of safety control, focusing on the performance of security personnel and the nighttime operation of equipment. Store safety managers regularly inspect critical areas such as building facilities, surveillance and alarm systems, counters, warehouses, and emergency passageways, compiling findings into *Night Patrol Reports* to strengthen nighttime security measures and reduce the risk of incidents.

For projects involving renovations, the Group conducts quarterly regional inspections to review data management and facility equipment management across the stores, addresses identified issues with corrective actions and follow-up reviews, compiles inspection summaries and management recommendations, and tracks progress to ensure problems are resolved and potential safety hazards are promptly eliminated.

Emergency Management

NWDS follows the *Safety Management Policy* and develops the *Practical Safety Management Handbook* to detail standard procedures for various emergency situations. We have established emergency response plans for incidents such as electric shock, falls from height, object strikes, fires, mechanical injuries, poisoning, and sudden power outages, clearly defining the responsibilities of emergency teams and specific response measures to promptly address unexpected safety incidents and ensure personnel safety and the orderly operation of facilities.

Meanwhile, we implement a risk management mechanism that combines regular drills and inspections. We conduct fire evacuation drills covering all stores every six months and organise specialised emergency drills annually for scenarios such as power outages, floods, anti-terrorism and anti-explosion, with dynamic optimisation applied accordingly. We regularly perform comprehensive inspections of critical facilities in the stores, utilising a closed-loop management process of inspection, assessment, rectification, and re-inspection to continuously enhance safety management effectiveness.



Safety Emergency Drills for All Stores

To effectively enhance safety management, we strictly adhere to the principle of “safety first, prevention foremost”, comprehensively inspect the operational status of safety facilities in the stores, systematically conduct emergency drills at stores, develop response plans for scenarios such as natural disasters, fires, and elevator entrapments, strengthen safety awareness among all staff, and create a safe and secure shopping environment for customers.



Emergency Drills for Store Safety



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Appendix

Fostering a Thriving Community



New World Department Store recognises talents as a fundamental strategic asset for business development. We are committed to safeguarding employees' rights and fostering a safe, equitable, and inclusive workplace. With a strong emphasis on talent development, we have implemented a structured training systems designed to comprehensively support employees' professional growth and personal fulfillment. Meanwhile, we actively promote community integration and encourage employees to engage in community services, achieving win-win growth for employees, the Group, and the community.

5.1 EMPLOYEE CO-CREATION

Compliant Employment

NWDS strictly complies with laws and regulations such as the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*, respecting and safeguarding employees' rights. During the recruitment process, resumes are rigorously screened, and any illegal employment practices such as child labour or forced labour are firmly opposed.

During the Reporting Period, we established the *Workforce Diversity Policy*, firmly opposing any form of discrimination, harassment, intimidation, or violence based on gender, age, ethnicity, religious beliefs, marital status, or other factors, to foster an equal, inclusive, and mutually supportive work environment. The Group is committed to maintaining diversity among employees in terms of gender, background, skills, and experience, ensuring all employees have equal opportunities for development.

Employee Rights Protection

NWDS has established a systematic employee communication system, ensuring that employee needs are addressed promptly through multi-level and multi-channel communication mechanisms. We have set up diverse feedback channels, including employee meetings, feedback email, and suggestion boxes, and regularly conduct employee satisfaction surveys to gain deeper insights into employee needs and continuously collect suggestions for improving management practices.

The Group strictly adheres to national regulations and has established trade union organisations in all its branches. We regularly convene workers congress to democratically decide on important matters concerning employee rights, fully safeguarding employees' rights to participate and to be informed. To promote information transparency, we publish an internal newsletter titled "New Angle" on a quarterly basis, delivering Group updates and event information to all employees.

Employee Compensation and Benefits

NWDS is committed to building a fair, reasonable, and competitive compensation and benefits system. We establish and strictly enforce regulations such as the *Interim Measures for Compensation Management* and the *Implementation Details for Performance Appraisal*, ensuring that our compensation system is scientific and transparent, accurately reflecting employees' job value, work performance, and individual contributions.

The Group has fully implemented the OKR (Objectives and Key Results) evaluation system to ensure effective alignment between organisational goals and individual performance. The system focuses on quarterly cycles, establishing challenging objectives and measurable key results to clarify employees' work directions and contribution criteria. At the end of each quarter, reviewers and employees conduct a progress review and dynamically adjust work objectives for the next quarter, promoting mutual growth between employees and the organisation.

Regarding employee benefits and protection, the Group has established the *NWDS Welfare Policy* to improve the employee benefits system, providing comprehensive care that goes beyond statutory requirements.

Comprehensive Benefits

- Provide all employees with comprehensive benefits, including health insurance and pension plans.

Parenting Support

- Strictly adhere to national regulations by providing childcare leave until the child reaches the age of three, helping employees balance work and family responsibilities.

Leave Policy

- Introduce birthday leave and "Care Leave" policies to help employees achieve a better work-life balance and increase job satisfaction.

Flexible Mechanism

- Implement a flexible leave system to accommodate the individual needs of employees.

Holiday Care

- Distribute gifts during traditional festivals and other special occasions.

Cultural Activities

- Regularly organise a variety of employee events to strengthen team cohesion.

Employee Benefits

Bring Love Home

In June 2025, NWDS successfully held its ninth “Bring Love Home” family care event. The event provided employees with gifts including smart dumbbells and children’s sun-protective hats, extending care to employees’ families, and enhancing their sense of belonging and work motivation. Meanwhile, multiple branches organised family activities such as DIY workshops and rock climbing challenges, fostering emotional connections within employee families.



Exquisite Gifts



Family Activities

Spring Festival Event

On the 2025 Chinese New Year, NWDS launched a special event themed “Welcome Year of the Snake” for all employees. Integrating the symbolic elements of the Yi Si Year of the Snake, the event features decorative installations such as three-dimensional arrays, giant wild goose kites, and New Year wind chimes in office areas, along with a specially designed Year of the Snake photo zone. Each branch has creatively choreographed relay dance videos, incorporating highlights from the year’s major events and employee activities, culminating in a unique Chinese New Year compilation for NWDS.



Spring Festival Decorations and Themed Photo Zone



Pasting Couplets, Making Dumplings, and other New Year Celebrations

International Women's Day Event

To celebrate International Women's Day, NWDS prepared special holiday gift boxes for its female employees and organised a variety of caring activities such as handicraft workshops and movie screenings, expressing heartfelt appreciation for their hard work and dedication. These initiatives genuinely convey our care for the physical and mental well-being of our female employees.



Holiday Gift Boxes



Zhengzhou Store DIY Event



Tianjin Store "Beautiful Florist" Event

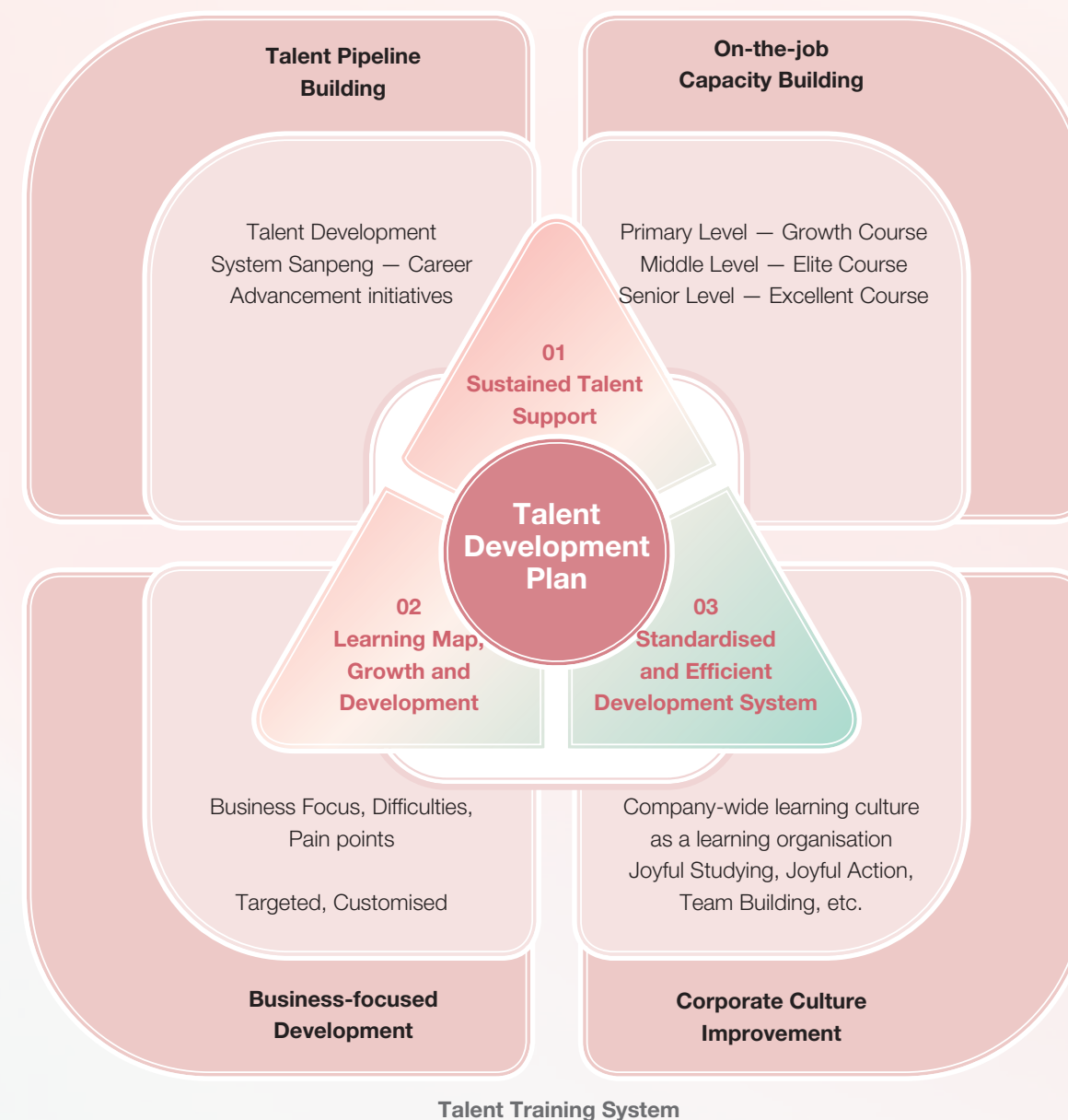
Talent Development and Training

NWDS regards talents as the core driving force for sustainable business development and actively builds a growth platform for employees. We have established a fair and transparent employee promotion mechanism, providing diversified development paths for employees' career advancement. Clear promotion criteria and training requirements are set, and a comprehensive evaluation system combining performance appraisal and training achievement is adopted to ensure fairness and scientific rigor in the promotion process.

The Group have established a comprehensive tiered training system, developing personalised training programmes tailored to employees at different levels and positions. We have designed 10 courses across three categories, namely mindset and literacy, knowledge and information, and practical skills,

covering multiple areas such as professional expertise and management capabilities. For instance, we offer performance improvement courses for frontline employees, operational capability enhancement training for mid-level managers, and innovation and transformation programmes for senior executives. This systematic, tiered development approach has effectively enhanced the professional competencies of employees at all levels, providing solid talent support for the Group's growth.

In addition, to meet the needs of employees in different positions, we support employees to participate in professional certification training and exams such as accounting and fire safety and provide comprehensive development support through tuition reimbursement and flexible work schedule options.



Enabling Training Programme

To support and implement the strategic goals and key initiatives of "Striving for Victory • Winning the Future", NWDS launched the Zhan Chi Enabling Training Programme during the Reporting Period, building a core talent pool based on the Sanpeng talent development system.

This programme targets management-level and above personnel, strengthening strategic thinking and practical capabilities through monthly sandbox simulation workshops and roundtable meetings, laying a solid foundation for building a talent matrix, meeting talent demands, and improving the development system.

During the Reporting Period, we upgraded our training system, completed the iteration of the online learning platform, implemented a "required courses + credit system" assessment mechanism, established a competency-tracking programme covering all employees, and optimised course classification management along with a two-dimensional assessment system combining "examinations and evaluations". Looking ahead, NWDS will continue optimising its training system, enhance training effectiveness through digital tools, strengthen the development of in-house trainers, and provide comprehensive support for employee career development to help achieve the Group's strategic goals.

Occupational Health and Safety

NWDS places great importance on employees' occupational health and safety, strictly complying with the *Prevention and Control of Occupational Diseases Law of the People's Republic of China* and the *Production Safety Law of the People's Republic of China*. The Group has established a comprehensive occupational health and safety management system focusing on regulatory compliance, safety training, and health services, aiming to provide all employees with a safe and healthy work environment.

Compliance Development

- Establish a standardised safety management system by developing unified safety inspection procedures and hazard identification standards to ensure consistent and effective implementation of safety management across all stores.

Safety Training

- Include fire safety as a mandatory course for new employees.
- Conduct regular, specialised safety training tailored to specific job roles.
- Organise first-aid training tailored to store needs to enhance employees' emergency response skills.

Health Services

- Provide occupational safety equipment, such as safety helmets and safety goggles, tailored to specific roles.
- Conduct comprehensive health checkup for all employees every two years.
- Implement occupational disease prevention programmes and hold regular forums to protect employees' physical and mental well-being.

Occupational Health and Safety Management System

Mid-Autumn Traditional Chinese Medicine Consultation Event

NWDS emphasises employee well-being. On the 2024 Mid-Autumn Festival, Mianyang Store creatively combined traditional cultural celebrations with employee health management by hosting a special festive event. The event featured traditional games such as pitch-pot and ring toss and invited the Guangdong Provincial Academy of Traditional Chinese Medicine's medical team to provide professional consultations.

This event not only inherited traditional Chinese culture, but also enhanced employees' health awareness through health consultations, reflecting our emphasis on employees' physical and mental well-being.

5.2 COMMUNITY INTEGRATION

NWDS upholds its social responsibilities, adheres to the concept of co-creating business and social value, incorporates community development into its corporate sustainability vision, and gives back to society through concrete actions.

Leveraging our own business operations and strengths, we have innovatively proposed an action approach for community philanthropic initiatives, focusing on three core pillars, Child Wellbeing, Thriving Community, and Sustainable Lifestyle, to promote community integration. Meanwhile, supported by our employee volunteer teams, we have developed the *NWDS Volunteer Team Member Handbook* to standardise the themes, procedures, and management standards of volunteer services, thereby enhancing the effectiveness of volunteer activities.

During the Reporting Period, the total volunteer service hours provided by employees of NWDS amounted to 604 hours.



Community Integration Action Approach

Child Wellbeing

Autism Awareness Events for Children

As a community-friendly enterprise, NWDS continues to carry out innovative activities integrating commerce with public welfare, effectively fulfilling its corporate social responsibilities.

Shanghai Wujiaochang Branch Store conducts public awareness campaign on “Caring for Autism” every year, enhancing societal understanding and acceptance of individuals with autism. It has been awarded the “Public Welfare Good Partner” award jointly issued by the Shanghai Association of Persons with Psychiatric Disabilities and Their Relatives, Shanghai Ai Hao Children Rehabilitation Training Centre, and Shanghai Blue Ribbon Autism Care Centre, reflecting high recognition of our efforts from the society.



Shanghai Wujiaochang Branch Store “Caring for Autism” Promotion Space

Beijing Qianzi Store, in collaboration with Shunyi Online, launched a large-scale philanthropic flea market themed “In the Name of Love, Warm Hearts with Gifts”, aiming to promote autism knowledge and enhance societal awareness and understanding toward children with autism. The event integrated public welfare with commerce, encouraging participants to donate idle items to the special fund of the China Social Welfare Foundation. All donating businesses received a certificate issued by the organisers.

Beijing Liying Store jointly hosted the “Starlight” charity sale event with Beijing Duoazhihui Rehabilitation Centre. The event showcased paintings and handmade artworks created by children with autism, raising public awareness of the group through artistic displays. All proceeds raised were dedicated to rehabilitation programmes for children with autism.



Beijing Liying Store Autism Children's Art Exhibition

Young Journalist Club Project

To support local community development and cultivate the comprehensive qualities of youth, during the Reporting Period, Mianyang Store collaborated with the Mianyang Young Journalist Club to launch a philanthropic training programme. Through professional courses and practical experience, the programme provided systematic journalism skills training for 50 teenagers. This project innovatively leveraged business resources by offering a practical platform and professional guidance, enhancing participants' communication abilities and sense of social responsibility, thereby promoting the all-round development of youth in the community.



Young Journalist Club Event

Community-based Child Wellbeing Activities

NWDS pays attention to the growth needs of underprivileged children and collaborates with YMCA Hong Kong to launch a series of Christmas care initiatives. We organised employee volunteers to join 100 children from low-income families in transforming recycled toys into Christmas trees, stimulating children's imagination through creative crafts and helping them fulfill their Christmas wishes. In addition, we actively participated in the “Christmas Party 100” event, sharing warm and joyful festive moments with these children and preparing thoughtful holiday gifts for them.



Christmas Children Care Events

Thriving Community

NWDS Collaborates with One Foundation to Launch a National Disaster Prevention and Mitigation Day Awareness Campaign

12 May 2025 marks the 17th National Disaster Prevention and Mitigation Day. NWDS actively responded to the national call by collaborating with One Foundation to launch the “Everyone Talks about Safety, Everyone Knows Emergency Response” campaign across its stores. By displaying disaster prevention posters and videos on electronic screens, the initiative aims to convey the concept of “Everyone Contributes to Disaster Mitigation” to tenants, consumers, and the public, effectively enhancing disaster resilience and jointly building a safety defense system.



Disaster Prevention Poster

Elderly Care Activities

To promote the corporate culture of NWDS and establish a sense of corporate social responsibility, multiple stores nationwide have organised volunteer activities for the elderly. Volunteers engaged in close conversations, conducted interactive games, and presented gifts, delivering heartfelt care and best wishes to the elderly.

Employees from the Beijing Qianzi Store visited the Shunyi Renhe Town Senior Care Centre to conduct a volunteer event for the 2024 Double Ninth Festival, themed “Warming Hearts in Autumn, Moving Forward Together”. Volunteers delivered daily necessities such as milk, rice, flour, and bedding to the elderly residents, and actively helped clean the facility. The event featured a special segment called “Double Ninth Memories”, where seniors were invited to share their life experiences, fostering warm interactions through casual conversations and storytelling, offering care and comfort to the elderly.



Volunteer Activities for the Elderly



Care Programme for People with Disabilities

Shanghai Huaihai Branch Store, Shanghai Wujiaochang Branch Store, and Shanghai Baoshan Branch Store jointly organised a volunteer team to visit Yangguang Rehabilitation and Support Base to carry out a care initiative for people with disabilities. The event featured performances, DIY New Year gift activities, and interactive games, encouraging people with disabilities to actively participate in social activities and enhancing their self-confidence and sense of social inclusion.

Sustainable Lifestyle

Green Cycling Events

NWDS actively responded to the national carbon peaking and carbon neutrality goals by launching the campaign themed “Green Cycling for Environmental Protection”.

Beijing Qianzi Store held a green travel campaign in collaboration with Hello Bike, promoting the concept of eco-friendly transportation through cycling.

Shenyang Jinqiao Road Trendy Plaza invited cycling enthusiasts to participate in a riding event passing through cultural landmarks such as the Commander Zhang’s Mansion, the Imperial Palace of Shenyang, and the City Government Square, allowing participants to experience the city’s cultural charm while practicing a low-carbon lifestyle.



Green Cycling Events

Earth Hour

Beijing Chongwen Store actively responded to the call for sustainable development by participating in the “Earth Hour” global environmental initiative on 22 March 2025. The store demonstrated its commitment to low-carbon operations by turning off all non-essential lighting, equipment lighting, and landscape lighting. This event encouraged both consumers and employees to explore energy-saving measures, promote sustainable lifestyles and consumption habits, and foster an energy-efficient atmosphere.

APPENDIX

AWARDS, EXTERNAL ADVOCACY AND MEMBERSHIP

Awards			
Issuer	Name	Image	
Corporate Governance			
Wind	“A” in the Wind ESG Rating		
BDO	“Best in Reporting Award” in the “BDO ESG Awards”		
Hong Kong Management Association (HKMA)	“Best Environmental, Social and Governance Reporting Award” in the “HKMA Best Annual Reports Awards”		
Environmental Protection			
Environmental Campaign Committee	“Hong Kong Green Organisation” Certificate “Excellent” Level Wastewi\$e Certificate “Basic” Level Energywi\$e Certificate in the “Hong Kong Green Organisation Certification Scheme”		

Awards		
Issuer	Name	Image
Employee Care		
Promoting Happiness Index Foundation and Chinese Manufacturers' Association of Hong Kong	"Happy Company 5 Years+" label in the "Happiness at Work Promotional Scheme 2025"	
Community Services		
Hong Kong Council of Social Service	"Caring Company 10 Years+" label in the "Caring Company Scheme"	
External Advocacy and Membership		
Proposing Institution	Participation	
World Green Organisation	"Paper Saving Campaign" Participating Organisation	
		
The Environmental Bureau of the Hong Kong Special Administrative Region	"Hong Kong Actions on Climate Change" Carbon Audit Green Organisation "Activity Waste Reduction Commitment" Participating Organisation	
China Council for International Investment Promotion	Corporate Membership	

KEY PERFORMANCE INDICATORS

Environmental KPIs

Indicators	Unit	FY2024	FY2025
Energy Consumption ⁴			
Natural gas	GJ	51,985	45,104
Gasoline	GJ	1,129	855
Diesel	GJ	546	456
Electricity (net usage for department stores)	GJ	354,507	322,730
Municipal heating	GJ	67,549	56,504
Direct energy consumption	GJ	53,660	46,415
Indirect energy consumption	GJ	422,055	379,234
Energy consumption per unit area	GJ per m ²	0.520	0.465
Greenhouse Gas (GHG) Emissions			
Scope 1 GHG emissions ⁵	tCO ₂ e	2,896	2,502
Scope 2 GHG emissions ⁶	tCO ₂ e	61,835	52,850
Total GHG emissions ⁷	tCO ₂ e	64,731	55,352
GHG emissions per unit area	tCO ₂ e per m ²	0.071	0.060
Scope 3 GHG emissions ⁸	tCO ₂ e	N/A	86,610

⁴ The conversion factors are selected from the *Greenhouse Gas Inventory Guidance — Direct Emissions from Stationary Combustion Sources* published by the EPA in 2016.

⁵ Scope 1 GHG emissions include stationary and mobile sources, with major fossil fuels being natural gas, diesel, and gasoline.

⁶ Scope 2 GHG emissions include electricity consumption and municipal heating. The electricity emission factor for Mainland China is calculated and compiled according to the *Announcement on the Release of the 2022 Electricity Carbon Dioxide Emission Factors* issued by the Ministry of Ecology and Environment. The electricity emission factor for Hong Kong is sourced from the *2024 HK Electric Sustainable Development Report*. The emission factor for heating is selected from the *Voluntary Reporting of Greenhouse Gases* published by the EIA.

⁷ The total GHG emissions include Scope 1 and Scope 2.

⁸ Scope 3 GHG emissions inventory includes purchased goods and services, capital goods, fuel and energy-related activities, waste generated in operations, business travel, employee commuting, downstream transportation and distribution, and downstream leased assets. We implement a tiered classification management system for suppliers and have already incorporated suppliers of high significance to our operations into the Scope 3 emissions calculation process. We will continue developing a digital supply chain platform to enhance supplier management and gradually include more suppliers.

The calculation method refers to the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* and the *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Emission factors are primarily sourced from the international EEIO database, the UK Government *GHG Conversion Factors for Company Reporting 2025*, and the announcement by the Ministry of Ecology and Environment on the release of the *2022 Electricity CO₂ Emission Factors Announcement*.

Indicators	Unit	FY2024	FY2025
Water Consumption			
Water consumption	m ³	500,302	584,350
Water consumption per unit area	m ³ per m ²	0.547	0.638
Wastewater Discharge			
Wastewater discharge ⁹	m ³	400,241	467,480
Wastewater discharge per unit area	m ³ per m ²	0.437	0.511
Non-hazardous Waste			
Non-hazardous solid waste (recyclable)	tonne	144	135
Non-hazardous solid waste (non-recyclable)	tonne	5,371	6,227 ¹⁰
Total non-hazardous solid waste	tonne	5,515	6,362
Non-hazardous solid waste produced per unit area	kg per m ²	10.27	9.72
Hazardous Waste			
Total hazardous waste	kg	85	72
Hazardous waste produced per unit area	kg per m ²	0.0012	0.0001
Exhaust Emissions			
Nitrogen oxide	kg	14.6	11.9
Sulfur oxide	kg	0.5	0.3
Particulate matter	kg	1.1	0.8
Material Use			
Paper (A4)	kg	12,643	8,457
Paper (A3)	kg	160	240
Paper products	kg	9,613	7,180
Plastic packaging bag	kg	1,696	1,684
Others ¹¹	kg	4,298	1,639

⁹ The wastewater discharge is calculated based on the suggested urban domestic sewage generation coefficient in the *Manual of Pollutant Generation and Discharge Coefficients for Domestic Pollution Sources* issued by the Ministry of Ecology and Environment of the People's Republic of China in 2021, with the discharge coefficient taken as 0.8.

¹⁰ The non-hazardous solid waste (non-recyclable) generated in FY2025 includes general waste and food waste.

¹¹ Primarily includes paper bags and non-woven fabric bags.

Social KPIs

Indicators		FY2024		FY2025	
Board Diversity					
Board members	Total	9		10	
	Male	6		7	
	Female	3		3	
Employee Overview					
Total number of employees		1,838		1,599	
Age group	Under 30 years old	127	6.9%	99	6.2%
	30–50 years old	1,531	83.3%	1,300	81.3%
	Aged 50 and above	180	9.8%	200	12.5%
Gender	Male	953	51.8%	820	51.3%
	Female	885	48.2%	779	48.7%
Region	Mainland China	1,825	99.3%	1,589	99.4%
	Hong Kong	13	0.7%	10	0.6%
Employment contract	Permanent contract	1,838	100%	1,599	100%
	Fixed-term/temporary contract	0	0%	0	0%
Employment type	Full-time	1,838	100%	1,599	100%
	Part-time	0	0%	0	0%
Position	Frontline staff	761	41.4%	630	39.4%
	General staff	365	19.9%	290	18.1%
	Assistant manager	541	29.4%	506	31.6%
	Manager	86	4.7%	92	5.8%
	Senior manager	25	1.3%	24	1.5%
	Assistant general manager and above	60	3.3%	57	3.6%
Employee Diversity					
Management position	Total	171	9.3%	172	10.8%
	Mainland China	165	96.5%	168	97.7%
	Hong Kong	6	3.5%	4	2.3%
STEM-related position	Total	519	28.2%	411	25.7%
	Male	340	65.5%	251	61.1%
	Female	179	34.5%	160	38.9%
Employees with disabilities		15		15	
Gender pay ratio		1.03		0.99	

Indicators		FY2024		FY2025	
Employee Turnover and New Hires					
		Employee turnover	New hires	Employee turnover	New hires
Total		146	160	344	119
Rate		7.9%	8.7%	21.5%	7.4%
Age Group	Under 30 years old	0%	2.5%	2.4%	2.1%
	30–50 years old	5.4%	6.0%	16.5%	5.2%
	Aged 50 and above	2.5%	0.2%	2.6%	0.1%
Gender	Male	2.6%	4.6%	11.3%	3.9%
	Female	5.3%	4.1%	10.2%	3.5%
Region	Mainland China	7.7%	8.6%	21.4%	7.4%
	Hong Kong	0.2%	0.1%	0.1%	0%
Voluntary turnover		3.2%	N/A	8.2%	N/A
Development and Training					
Percentage of employees trained		100%		100%	
Gender	Male	50.3%		51.7%	
	Female	49.7%		48.3%	
Position	Frontline staff	43.3%		38.8%	
	General staff	20.6%		21.6%	
	Assistant manager	27.1%		29.3%	
	Manager	4.3%		5.3%	
	Senior manager	1.4%		1.5%	
	Assistant general manager and above	3.3%		3.5%	
Average training hours completed per employee		15.4		10.7	
Gender	Male	13.9		10.3	
	Female	16.9		11.2	
Position	Frontline staff	17.8		9.1	
	General staff	20.2		10.0	
	Assistant manager	6.2		11.0	
	Manager	22.7		12.4	
	Senior manager	29.9		13.3	
	Assistant general manager and above	13.9		27.8	

Indicators		FY2024	FY2025
Health and Safety			
Employee	Lost days due to work injury	1,459	188.5
	Absence rate	1.9%	1.7%
	Occupational disease rate	0%	0%
	Number of work-related fatalities ¹²	0	0
	Rate of work-related fatalities	0%	0%
Employee Care			
Parental leave	Employees entitled to maternity leave	885	779
	Employees taking maternity leave	17	13
	Employees entitled to paternity leave	953	820
	Employees taking paternity leave	17	8
	Employees returning to work after the leave	17	18
Care leave	Employees entitled to care leave	1,838	1,599
	Employees taking care leave	26	21
Product Responsibility			
Number of products sold subject to recalls for safety and health reasons		0	0
Number of products and service related complaints ¹³		0	500
Number of Suppliers			
Total number of suppliers ¹⁴		56	42
Region	Mainland China	47	35
	Hong Kong	9	7
Anti-corruption			
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees		0	0
Community Investment			
Employee volunteer hours		700.5	604
Charitable donations		Approximately HK\$150,000	Approximately HK\$12,000

¹² The number and rate of work-related fatalities of employees were zero in FY2023, FY2024, and FY2025.

¹³ During the Reporting Period, the scope of complaints expanded to include all branch service counters, resulting in an increase in the number of complaints compared to the previous fiscal year.

¹⁴ Suppliers with annual procurement amount exceeding HK\$500,000.

HKEX ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures, and KPIs			Section
Environmental			
A1: Emissions	General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	2.3 Reducing Environmental Impact
	KPI A1.1	The types of emissions and respective emissions data.	Key Performance Indicators
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Key Performance Indicators
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	2.1 Environmental Management
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	2.3 Reducing Environmental Impact
	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	2.2 Addressing Climate Change 2.3 Reducing Environmental Impact
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators
A2: Use of Resources	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2.1 Environmental Management
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	2.1 Environmental Management 2.3 Reducing Environmental Impact
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Key Performance Indicators

Subject Areas, Aspects, General Disclosures, and KPIs			Section
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	2.2 Addressing Climate Change 2.3 Reducing Environmental Impact
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.2 Addressing Climate Change 2.3 Reducing Environmental Impact
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	2.2 Addressing Climate Change
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	2.2 Addressing Climate Change
Social			
Employment and Labour Practices			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1 Employee Co-creation
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Key Performance Indicators
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Key Performance Indicators
B2: Health and Safety	General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.1 Employee Co- creation
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Key Performance Indicators
	KPI B2.2	Lost days due to work injury.	Key Performance Indicators
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.1 Employee Co- creation

Subject Areas, Aspects, General Disclosures, and KPIs			Section
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.1 Employee Co- creation
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Performance Indicators
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Key Performance Indicators
B4: Labour Standards	General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1 Employee Co- creation
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Employee Co- creation
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Employee Co- creation
Operating Practices			
B5: Supply Chain Management	General Disclosure	Policy on managing environmental and social risks of the supply chain.	4.1 Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	Key Performance Indicators
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	4.1 Supply Chain Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.1 Supply Chain Management
B6: Product Responsibility	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.1 Supply Chain Management
	General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.2 Service Quality
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Key Performance Indicators
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	3.1 Customer Rights
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	1.2 Business Ethics
	KPI B6.4	Description of quality assurance process and recall procedures.	3.2 Service Quality
	KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	3.1 Customer Rights

Subject Areas, Aspects, General Disclosures, and KPIs			Section
B7: Anti-corruption	General Disclosure	Information on	
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.2 Business Ethics
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.2 Business Ethics
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.2 Business Ethics
B8: Community Investment	KPI B7.3	Description of anti-corruption training provided to directors and staff.	1.2 Business Ethics
	Community		
	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	5.2 Community Integration
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	5.2 Community Integration
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	5.2 Community Integration

GRI CONTENT INDEX

Instructions for Use	New World Department Store China Limited has reported the information cited in this GRI Content Index for the period from 1 July 2024 to 30 June 2025, with reference to the GRI standards.	
GRI 1 Used	GRI 1: Foundation 2021	
GRI Standards	Disclosure	Section
GRI 2: General Disclosures 2021		
The Organization and Its Reporting Practices		
2-1	Organizational details	About NWDS
2-2	Entities included in the organization's sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	About This Report
2-5	External assurance	Assurance Statement
Activities and Workers		
2-6	Activities, value chain, and other business relationships	Annual Report 2025
2-7	Employees	5.1 Employee Co-creation
Governance		
2-9	Governance structure and composition	1.1 Compliance Governance
2-10	Nomination and selection of the highest governance body	Annual Report 2025
2-11	Chair of the highest governance body	Annual Report 2025
2-12	Role of the highest governance body in overseeing the management of impacts	Annual Report 2025
2-13	Delegation of responsibility for managing impacts	Annual Report 2025
2-14	Role of the highest governance body in sustainability reporting	Sustainability Management
2-15	Conflicts of interest	1.2 Business Ethics
2-16	Communication of critical concerns	Sustainability Management
2-17	Collective knowledge of the highest governance body	Annual Report 2025
2-18	Evaluation of the performance of the highest governance body	Annual Report 2025
2-19	Remuneration policies	Annual Report 2025
2-20	Process to determine remuneration	Annual Report 2025
Strategy, Policies, and Practices		
2-22	Statement on sustainable development strategy	Message from the Chairman Sustainability Management
2-23	Policy commitments	Sustainability Management
2-24	Embedding policy commitments	Sustainability Management
2-25	Processes to remediate negative impacts	1.2 Business Ethics
2-26	Mechanisms for seeking advice and raising concerns	1.2 Business Ethics
2-27	Compliance with laws and regulations	All chapters are involved
2-28	Membership associations	Awards, External Advocacy and Membership
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	Sustainability Management
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Sustainability Management
3-2	List of material topics	Sustainability Management

GRI Standards	Disclosure	Section
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	About NWDS
201-2	Financial implications and other risks and opportunities due to climate change	2.2 Addressing Climate Change
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	5.2 Community Integration
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	1.2 Business Ethics
205-3	Confirmed incidents of corruption and actions taken	1.2 Business Ethics
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Key Performance Indicators
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Key Performance Indicators
302-3	Energy intensity	Key Performance Indicators
302-4	Reduction of energy consumption	2.2 Addressing Climate Change
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	2.3 Reducing Environmental Impact
303-2	Management of water discharge-related impacts	2.3 Reducing Environmental Impact
303-4	Water discharge	Key Performance Indicators
303-5	Water consumption	Key Performance Indicators
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Key Performance Indicators
305-2	Energy indirect (Scope 2) GHG emissions	Key Performance Indicators
305-3	Other indirect (Scope 3) GHG emissions	Key Performance Indicators
305-4	GHG emissions intensity	Key Performance Indicators
305-5	Reduction of GHG emissions	2.2 Addressing Climate Change
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Key Performance Indicators
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	2.3 Reducing Environmental Impact
306-2	Management of significant waste-related impacts	2.3 Reducing Environmental Impact
306-3	Waste generated	Key Performance Indicators
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	4.1 Supply Chain Management
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Key Performance Indicators
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1 Employee Co-creation
401-3	Parental leave	Key Performance Indicators

GRI Standards	Disclosure	Section
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	4.2 Safety Management 5.1 Employee Co-creation
403-2	Hazard identification, risk assessment, and incident investigation	4.2 Safety Management 5.1 Employee Co-creation
403-3	Occupational health services	5.1 Employee Co-creation
403-4	Worker participation, consultation, and communication on occupational health and safety	4.2 Safety Management 5.1 Employee Co-creation
403-5	Worker training on occupational health and safety	5.1 Employee Co-creation
403-6	Promotion of worker health	5.1 Employee Co-creation
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2 Safety Management 5.1 Employee Co-creation
403-8	Workers covered by an occupational health and safety management system	4.2 Safety Management 5.1 Employee Co-creation
403-9	Work-related injuries	Key Performance Indicators
403-10	Work-related ill health	Key Performance Indicators
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Key Performance Indicators
404-2	Programs for upgrading employee skills and transition assistance programs	5.1 Employee Co-creation
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	1.1 Compliance Governance 5.1 Employee Co-creation
405-2	Ratio of basic salary and remuneration of women to men	Key Performance Indicators
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	5.1 Employee Co-creation
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1 Employee Co-creation
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	4.1 Supply Chain Management
414-2	Negative social impacts in the supply chain and actions taken	4.1 Supply Chain Management
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	3.2 Service Quality
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Key Performance Indicators
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	3.1 Customer Rights
417-2	Incidents of non-compliance concerning product and service information and labeling	3.1 Customer Rights
417-3	Incidents of non-compliance concerning marketing communications	3.1 Customer Rights
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.1 Customer Rights

ASSURANCE STATEMENT

SGS

SGS

ASSURANCE STATEMENT CN25/00006369

SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE NEW WORLD DEPARTMENT STORE CHINA LIMITED'S 2025 SUSTAINABILITY REPORT

NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS) was commissioned by New World Department Store China Limited (hereinafter referred to as New World Department Store) to conduct an independent assurance of the Chinese version of *New World Department Store's 2025 Sustainability Report* (hereinafter referred to as the Report).

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all New World Department Store's Stakeholders.

RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the Board of Directors and Management of New World Department Store. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all New World Department Store's stakeholders.

SGS hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this Report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the AA1000 series of standards and ISAE3000.

The assurance of this Report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
AA1000AS v3 Type 2	Moderate

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The assurance engagement was conducted to evaluate the accuracy and reliability of the sustainability performance information included in the Report. Additionally, as well as the compliance with the following Standards:

- Appendix C2 Environmental, Social and Governance Reporting Guide of Listing Rules published by Hong Kong Exchanges and Clearing Limited (HKEX)
- GRI Standards 2021(Reference)

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees located at 5th floor of Youyou International Plaza, No. 76 Pujian Road, Pudong New Area, Shanghai, China; documentation and record review and validation where relevant.

LIMITATIONS AND MITIGATION

Data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

The greenhouse gas emissions related data in the Report is calculated by New World Department Store itself and has not undergone verification by an independent third-party auditor. In the context of the present assurance engagement, our procedures were limited to sample-based validation.

SGS

This assurance engagement was restricted to the group level of New World Department Store and did not include traceability of original data from all subordinate institutions.

The assurance process only involved interviews with relevant employees at the headquarter of New World Department Store, and review of relevant documents. No external stakeholder was involved in this process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. SGS affirm our independence from New World Department Store, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the assurance engagement performed, the information and data contained in the Report are accurate and reliable, and provide a fair and objective statement of New World Department Store's sustainability activities during the period from July 1, 2024 to June 30, 2025.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS BASED ON APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF LISTING RULES PUBLISHED BY HKEX AND GRI STANDARDS 2021

The assurance team concludes that the Report has been prepared in accordance with the requirements of Appendix C2 Environmental, Social and Governance Reporting Guide of Listing Rules published by HKEX, and has also referred to the requirements of GRI Standards 2021.

FINDINGS AND RECOMMENDATIONS

All observations pertaining to commendable practices, sustainable development activities, and managerial recommendations identified throughout the assurance process have been thoroughly documented in the *Internal Management Report on Sustainability Reporting Assurance*. This report has been officially presented to the relevant management divisions of New World Department Store to serve as a reference for their ongoing efforts towards continuous improvement.

Signed:



For and on behalf of SGS-CSTC

David Xin
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Sep. 17th, 2025
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