



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)



S U S T A I N A B I L I T Y R E P O R T 2 0 2 4

CONTENTS

About this Report	2	3. Enhancing Customer Experience	33	5. Practising Social Welfare	55
Message from the Chairman	3	3.1 Innovation Experience	34	Appendix	69
2024 Sustainability Performance Highlights	4	3.2 Product and Service Responsibility	38	Awards, External Advocacy and Membership	69
About NWDS	9	3.3 Value Chain Co-building	42	Key Performance Indicators	72
1. Stable Corporate Governance	12	4. Building Talent Teams	44	Hong Kong Exchange Index	81
1.1 Compliance Governance and Risk Management	13	4.1 Employment Compliance	45	GRI Index	86
1.2 ESG Vision and Governance	15	4.2 Employee Rights Protection	45	Assurance Statement	93
1.3 Business Ethics	21	4.3 Talent Training and Development	50		
2. Adhering to Green Development	23	4.4 Occupational Health and Safety	52		
2.1 Green Management	24				
2.2 Tackle Climate Change	25				
2.3 Reducing Environmental Impact	29				



About this Report

REPORT OVERVIEW

We have released the Sustainability Report 2024 (the "Report") of New World Department Store China Limited ("New World Department Store", "NWDS", the "Group" or "Us"). This report comprehensively explains the policies, measures, and performance of New World Department Store China Limited and its subsidiaries in addressing environmental, social, and governance ("ESG") issues during 1 July 2023 to 30 June 2024 ("FY2024" or "this year").

REPORTING SCOPE AND BOUNDARY

Unless otherwise stated, the scope of this report covers the Group's retail business in Mainland China, as well as its offices in Hong Kong and Shanghai. The data on sustainable development performance covers the main business activities of the group, including its 22 department stores and shopping malls, as well as two corporate offices. The time range covers the period from 1 July 2023 to 30 June 2024 (the "reporting period").

REPORTING PRINCIPLES

This report has been prepared in accordance with the 2021 edition of the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") 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"). 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 sustainability reports.

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

Balance: This report presents the issuer's performance impartially.

Consistency: The methods used to disclose ESG information in this report are consistent with those used in the Sustainability Report 2023, and there have been no significant changes in the scope of the report. If there are any special circumstances, they have been specifically explained in this report.

ASSURANCE

To ensure the reliability and credibility of this report, we have commissioned SGS-CSTC Standards Technical Services Co. Ltd. to conduct an independent intermediate audit of this report in accordance with audit criteria AA1000, to ensure that it fully meets the requirements of ESG reporting guidelines and GRI standards. For details on independent verification, please refer to the "Verification Statement" section.

MORE INFORMATION

This Report is only available in digital format to minimise the environmental impact of issuing a print version. Supplementary information is available in the Annual Report 2024 or on the Group website under the Corporate Sustainability section as below.

Company website: <https://www.nwds.com.hk/tc/>

Company website under the Corporate Sustainability section: <https://www.nwds.com.hk/tc/develop1>

We welcome your feedback on our Report and other sustainability-related matters. Please write to us at shmocad@nwds.com.cn.



Message from the Chairman



In today's global economic landscape, which is intricate and fraught with uncertainty, we stand at a critical crossroads facing a series of new challenges. Shifts in the international political and economic landscape, intensifying trade frictions, and post-pandemic impacts have all had profound effects on the retail industry. How to maintain stability amidst turmoil and seek breakthroughs in change has become an important issue we must confront. Against this backdrop, New World Department Store, as a retail flagship in Mainland China, must assess the situation, respond proactively, and seek new development opportunities in change with a steady pace.

New World Department Store always adheres to the mission of "creating a modern, metropolitan lifestyle with creativity, foresight and efficiency in China". Our corporate development strategy is closely aligned with our "New World Sustainability Vision 2030" ("SV2030"), committed to achieving the four pillar goals of Green, Wellness, Smart, and Caring.

In terms of improving customer experience, New World Department Store is constantly innovating and committed to providing more personalised and high-quality services. We have brought customers a more convenient points experience and personalised service through digital upgrades, such as the integration and innovation of the membership system. Targeted membership programs such as the "NWDS V Card" not only enhanced child members' sense of belonging, but also enriched the parent-child time. In addition, our live streaming activities such as "Crazy Thursday" and "Member Day" on new media platforms, as well as live shopping experience such as the "General Manager Live Room", greatly enriched customer interaction and shopping pleasure. These innovative measures not only enhanced the shopping experience for customers, but also deepened our emotional connection with them.

In terms of green development, New World Department Store has implemented a series of effective measures, including energy conservation, emission reduction, establishment of green management processes to actively

address climate change risks. We have reduced the impact of our business activities on the environment by scientifically managing resource consumption and emissions, providing customers with a greener and more environmentally friendly shopping experience. For example, all of our stores carry out the classification of general waste and kitchen waste. In addition, we have achieved paperless implementation for 41% of our paper-based office projects.

New World Department Store deeply understands that talent is the core driving force for enterprise development. We provide employees with a stable and attractive career development platform by establishing a fair compensation system and comprehensive welfare policies. In terms of training and development, we have implemented diversified training programs and talent development projects, aimed at continuously improving employees' professional skills and management abilities. In addition, we have implemented flexible work systems and Caring Leave to regulate the diverse work and life needs of employees, ensuring high satisfaction and loyalty, and laying a solid talent foundation for the long-term development of the enterprise.

New World Department Store always adheres to the corporate spirit of giving back to society and actively participates in social welfare activities. We demonstrate our commitment to social responsibility and support for community development by organising and participating in diverse public welfare activities, such as old clothes donation and supporting the In the Name of Love Children's Welfare Home.

Looking forward, New World Department Store will continue to deepen its ESG strategy, strengthen communication and cooperation with various stakeholders, and continuously enhance the company's social value and environmental responsibility. We firmly believe that through unremitting efforts, New World Department Store will be able to go further on the path of sustainable development and create more value for society. Here, I would like to express my sincere gratitude to all colleagues, partners, and customers who support and trust New World Department Store. Let's embrace a better tomorrow together.

Mr. Cheung Fai-yat, Philip

Chairman

Hong Kong, China, October 2024



2024 Sustainability Performance Highlights



ENVIRONMENTAL

ENVIRONMENTAL

100% of our stores conduct the classification of general waste and kitchen waste.

Using online OA processes for approval and various transactions, achieving paperless operation for **41%** of paper-based office projects, greatly reducing paper usage.

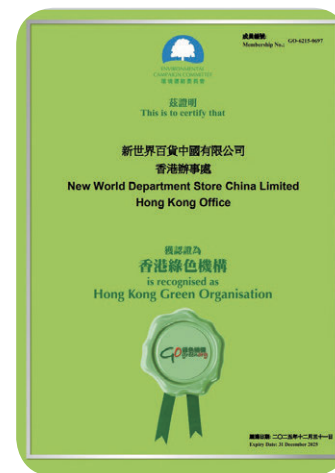
Two stores no longer use owned vehicles to encourage the use of public transportation for official travel, reducing direct energy consumption.

Lanzhou Store and Zhengzhou Store conducted emergency drills against various types of extreme weather and enhanced their ability to cope with extreme weather.

Shanghai Huaihai Branch Store and Beijing Chongwen Store organised green cycling activities, calling for low-carbon transportation and adhering to the concept of sustainable life.



The company continues to hold the “Hong Kong Green Organisation” certificate, as well as the “Green Office 10+” and “ECO-Healthy Workplace” labels.





2024 Sustainability Performance Highlights

SOCIAL

SOCIAL

Conduct diversified new media live streaming activities to provide customers with a brand-new shopping experience.



The ratio of basic salary to remuneration for **female to male employees is 1.03:1.**

Total training hours **35,518 hours.**

No employee fatalities have occurred.

The total number of employee volunteer service hours reached **700.5 hours.**

Upgrade the membership system and launch the nation's first-of-its-kind children's membership programme.





2024 Sustainability Performance Highlights

Conduct 268 employee care activities.



Conduct the 30th Anniversary themed activity, including employee sports meet, public welfare condolences, "Bring Love Home" employee care and other activities.



Continue to implement the Caring Leave to help employees achieve work life balance.





GOVERNANCE



GOVERNANCE

No corruption lawsuits have occurred.

99% of employees in Mainland China sign the code of conduct.

99% of employees in Mainland China receive code of conduct training.





22



Strategic Footholds

12



Major Locations

	Date of Opening	Approximate GFA (sq.m.)
Department Store		514,200
Beijing Chongwen Store	July 1998	117,200
Beijing Qianzi Store	September 2010	55,600
Beijing Liying Store	September 2008	52,000
Beijing Trendy Store	March 2007	31,200
Shanghai Pujian Branch Store	September 2007	46,000
Shanghai Wujiaochang Branch Store	December 2006	44,000
Shanghai Baoshan Branch Store	January 2010	39,000
Shanghai Chengshan Branch Store	April 2010	38,000
Chongqing Store	September 2006	42,000
Tianjin Store	October 1997	14,200
Mianyang Store	December 2011	35,000
TOTAL GROSS FLOOR AREA		913,400

	Date of Opening	Approximate GFA (sq.m.)
Shopping Mall		399,200
Wuhan Jianshe Store	November 1994	42,000
Wuhan Xudong Branch Store	January 2008	29,400
Shanghai Shaanxi Road Branch Store	November 2011	42,000
Shanghai Tianshan Road Branch Store	August 2013	37,600
Shanghai Huaihai Branch Store	December 2001	22,500
Nanjing Store	November 2007	41,200
Changsha Trendy Plaza	September 2006	35,000
Yantai Store	December 2013	55,600
Zhengzhou Store	April 2011	35,500
Shenyang Jinqiao Road Trendy Plaza	May 2011	34,000
Lanzhou Store	September 2005	24,400



About NWDS

COMPANY BACKGROUND

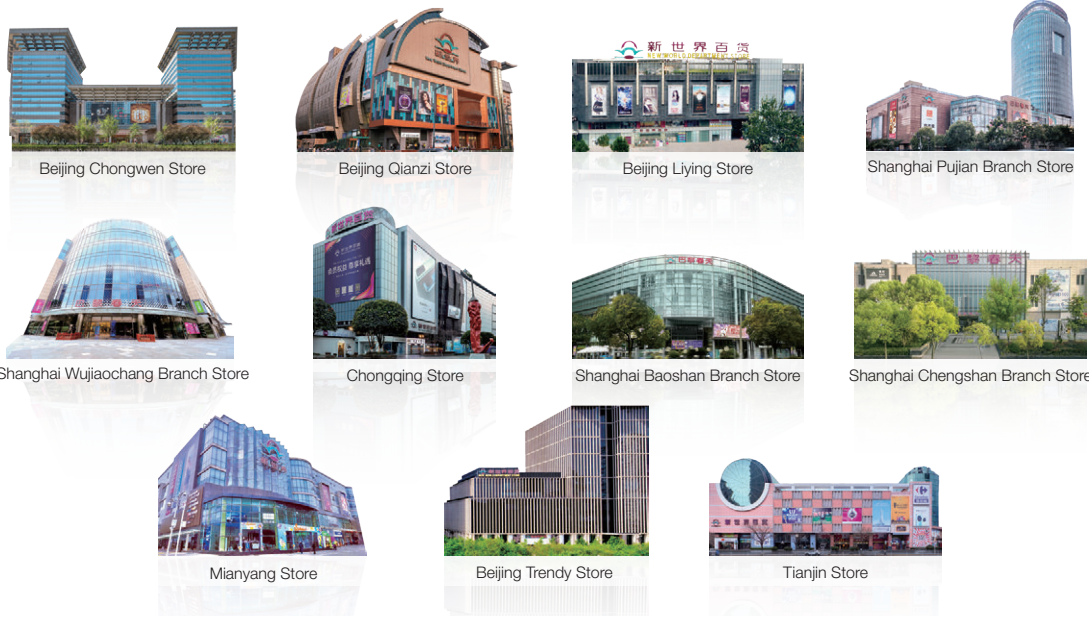
Founded in 1993, New World Department Store China Limited (Stock Code: 825) is the retail flagship of New World Development Company Limited (Stock Code: 17) and has developed itself as one of the largest owners and operators of department stores and shopping malls in Mainland China. The Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited on 12 July 2007. With the mission "To create a modern, metropolitan lifestyle with creativity, foresight and efficiency in China", NWDS strives to raise customers' living standard with a vast range of merchandise and quality service. NWDS will continue to expand its retail network and endeavour to offering its customers with fun, pleasant and convenient shopping experience.

DEPARTMENT STORE AND SHOPPING MALL

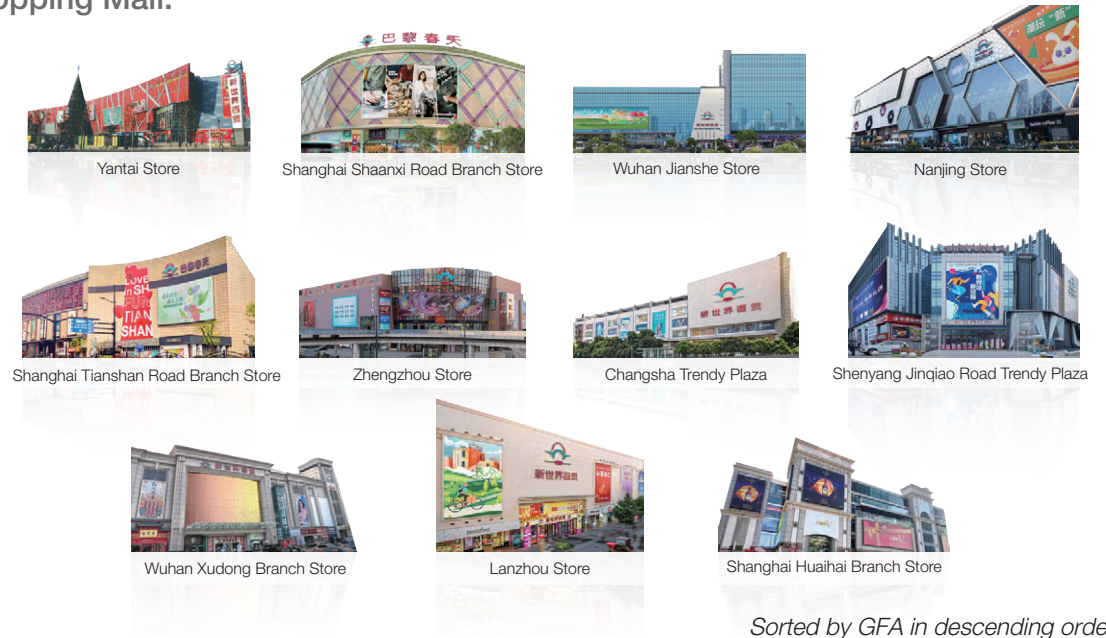
To orderly expand its business network across Mainland China, the Group adopts the expansion strategies of "multiple presences within a single city" and "radiation city". As at 30 June 2024, among the department stores and shopping malls operated by the Group, 15 stores were "New World" branded, while 7 stores in Shanghai were "Ba Li Chun Tian" branded, with a total gross floor area of approximately 920,000 square metres, covering 12 key locations in Mainland China, including Beijing, Shanghai, Chongqing, Wuhan, Nanjing, Tianjin, Changsha, Zhengzhou, Yantai, Shenyang, Lanzhou and Mianyang.

BUSINESS LAYOUT

Department Store:



Shopping Mall:



Sorted by GFA in descending order.



About NWDS

LOVE • ORIGINAL • LIFE (“LOL”) CONCEPT SHOP

LOL is a proprietary brand of New World Department Store, focusing on original, unique, artistic, and fashionable lifestyles. The products of the LOL brand cover multiple fields, including but not limited to apparel and lifestyle concept products. As of 30 June 2024, we operate a total of five LOL private concept shops. Three of them are located in Shanghai, and two are located in Beijing.



Concept Shop



NEW WORLD SUPERMARKET

New World Supermarket is a large comprehensive supermarket under New World Department Store, dedicated to providing customers with a one-stop shopping experience. New World Supermarket not only sells daily necessities, but also introduces a variety of premium and specialty products to meet the needs of different customers. As of 30 June 2024, the Group operates three large comprehensive supermarkets called “New World Supermarket”, located in Beijing, Wuhan, and Yantai.

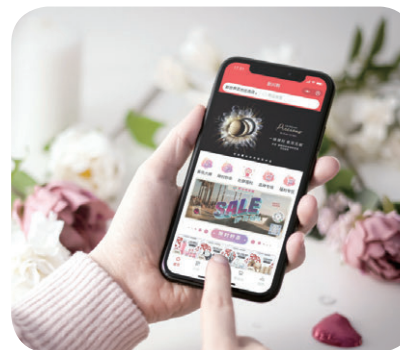


New World Supermarket



“NEW LAB” ONLINE BUSINESS

Alongside our unending pragmatic approach to enhance the operation capabilities of physical stores, NWDS has also actively driven digital reform. The development of our private online shopping platform “New Lab”, was based on our physical stores, extending our operational strengths to online business. We did more than enhancing our online merchandise mix. By collaborating with third-party logistics delivery service providers, the from-shop-to-home delivery model was actualised.



“New Lab” Online Shopping Platform



FINANCIAL PERFORMANCE HIGHLIGHTS

Revenue



Profit



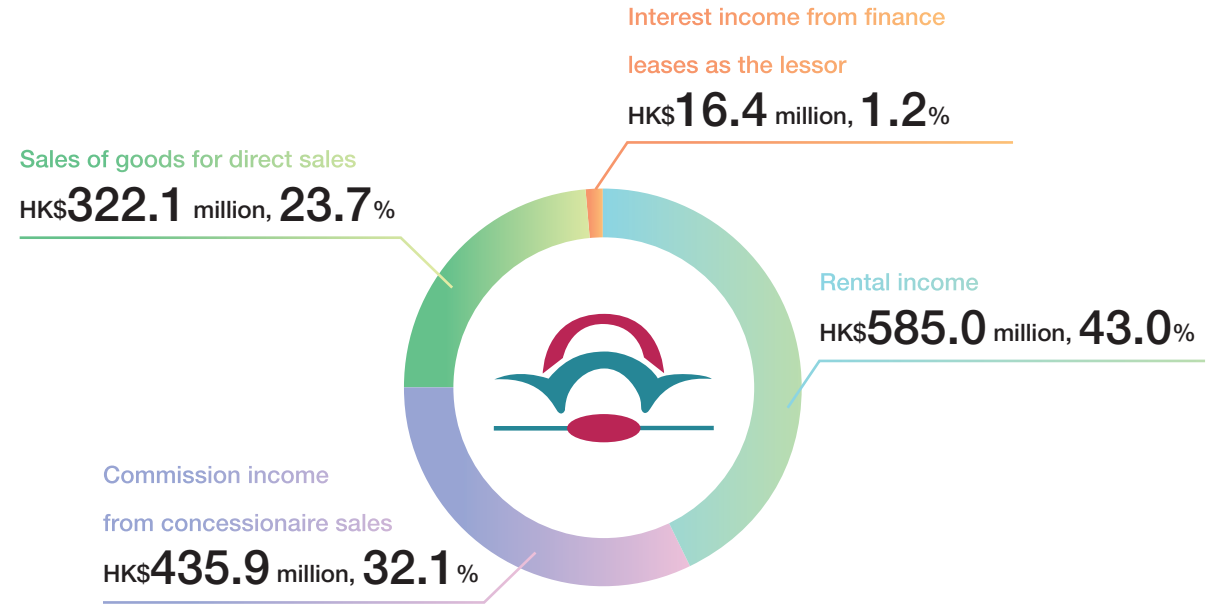
Approximate Total GFA



Retail Network



Key Sources of the Group’s Revenue



¹ Approximate total Gross Floor Area (“GFA”) includes 22 department stores and shopping malls as well as 2 corporate offices.



Contents

About this Report

Message from
the Chairman

2024
Sustainability
Performance
Highlights

About
NWDS

Stable
Corporate
Governance



Adhering to
Green
Development

Enhancing
Customer
Experience

Building
Talent
Teams

Practising
Social
Welfare

Appendix



Stable
Corporate
Governance

As a flagship retail department store in mainland China, we continuously improve our internal control system and risk management system, adhere to business ethics, strengthen ESG governance, integrate sustainable development with company management, and work together with stakeholders inside and outside the industry to create new achievements in sustainable field.

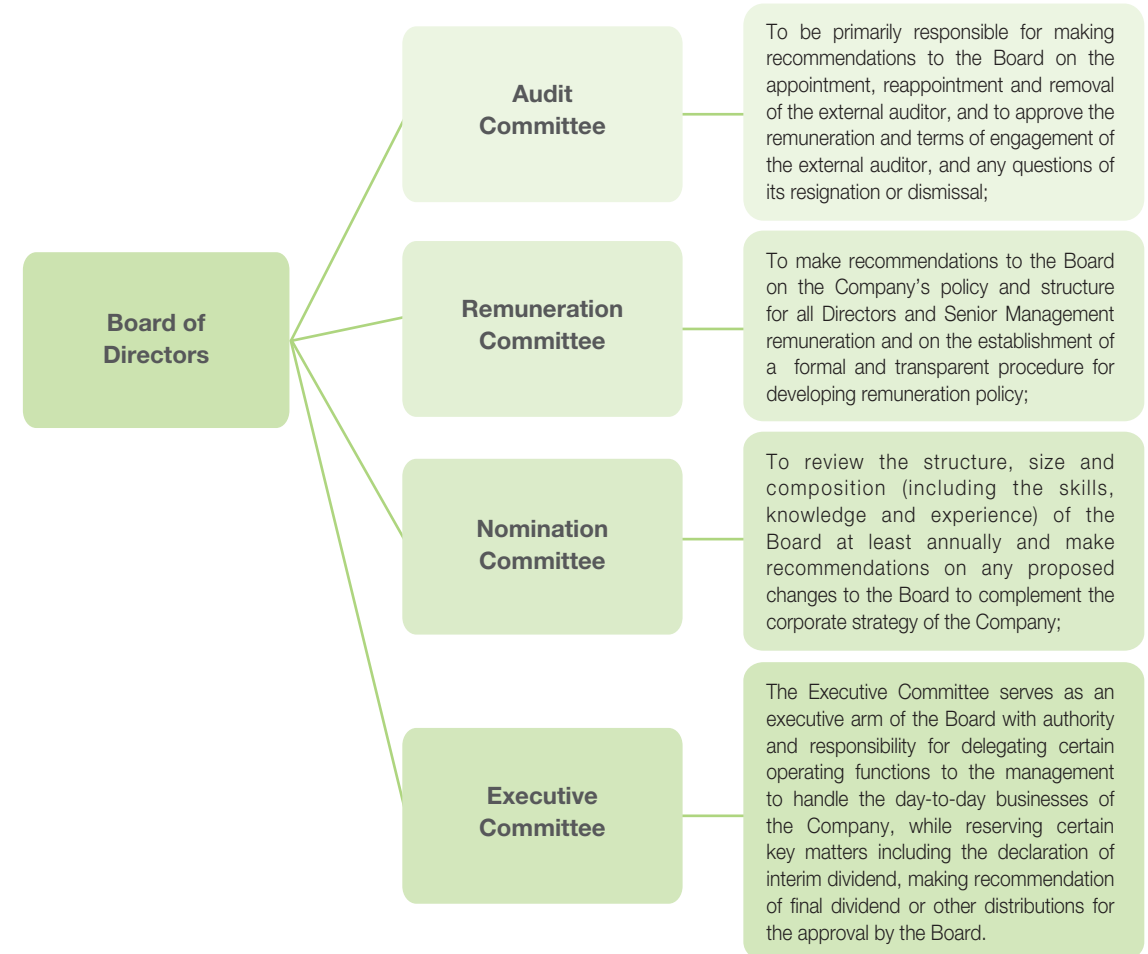
1.1 COMPLIANCE GOVERNANCE AND RISK MANAGEMENT

New World Department Store strictly complies with the relevant requirements of the *Company Law of the People's Republic of China* and Appendix C1 of the main listing rules of the Hong Kong Stock Exchange, such as the *Corporate Governance Code*. We have improved our corporate governance structure, established a sound risk management system, strictly adhered to business ethics, and continuously enhanced our corporate governance level with a sustainable rationale.

Board Governance Structure

The board of directors of New World Department Store is responsible for leading and supervising the company's business, strategic policies, and performance, as well as fulfilling corporate governance responsibilities, including improving the company's governance system, developing overall strategic plans, and determining long-term performance and management goals. The procedures for selecting directors and the board of directors comply with relevant laws and regulations. The board of directors has established an audit committee, a remuneration committee, a nomination committee, and an executive committee to jointly assist the board in carrying out governance and supervision duty, ensuring that the company's decision-making is scientific and effective.

The governance structure of the board of directors of New World Department Store is as follows:





Board Members and Diversity

During the reporting period, the board of directors of New World Department Store consisted of nine directors, including two executive directors, two non-executive directors, and five independent non-executive directors.

New World Department Store regards board diversity as a key factor in achieving sustainable development for the company. In order to build a diversified board of directors and effectively carry out the responsibilities of the board, we adhere to the principle of board diversity. When selecting board members, we use a series of diverse categories as benchmarks, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, and service tenure, to ensure that board members achieve an appropriate balance in skills, experience, and perspectives, and are selected based on merit. This enhances the effective operation of the board of directors and maintains a high standard of corporate governance. We regularly evaluate the diversity status of the board of directors and progress towards achieving diversity goals. During the reporting period, all members of the board of directors of our group have rich industry experience. Currently, New World Department Store has appointed three female directors.

Risk Management

New World Department Store firmly believes that a sound internal control and risk management system is the guarantee of stable governance for the company. We have strictly followed the *Company Law of the People's Republic of China* and established an effective set of internal control rules based on the actual situation of the company. We will continue to improve our internal control management framework, standardise, and optimise our internal control and risk management system, and safeguard our stable operations.

Financial Audit

Conduct financial audit on operations and business backend, etc. We have identified potential issues according to the audit's results and conveyed these issues and suggestions to the board of directors for decision-making.

Equipment Security Audit

Following the safety standards established by the group, we conduct audits on daily fire safety, safety supervision, maintenance, and other aspects.

Digital Audit

Conduct audits on operation security of information system to promote the company's information technology development.

Internal Audit Summary in FY2024

Please refer to our Annual Report 2024 for more information on the risk management.

1.2 ESG VISION AND GOVERNANCE

New World Department Store has always adhered to the concept of sustainable development, guided by the “SV2030”, continuously optimised its ESG management structure, maintained effective communication with stakeholders, and ensured the stable, sustainable, and healthy development of the company.

New World Sustainability Vision 2030

Since 2018, New World Department Store has been guided by the “SV2030” to guide the sustainable development direction of our group. Taking on the sustainable development direction and goals of our parent company, we lead the “SV2030” with four pillars of Green, Wellness, Smart and Caring, and propose seven aspects we need to strive for ESG development, providing strategic guidelines for sustainable development, continuously optimising our business model, and prioritising the promotion of related goals.



We Strive to Seven Aspects of the ESG Development

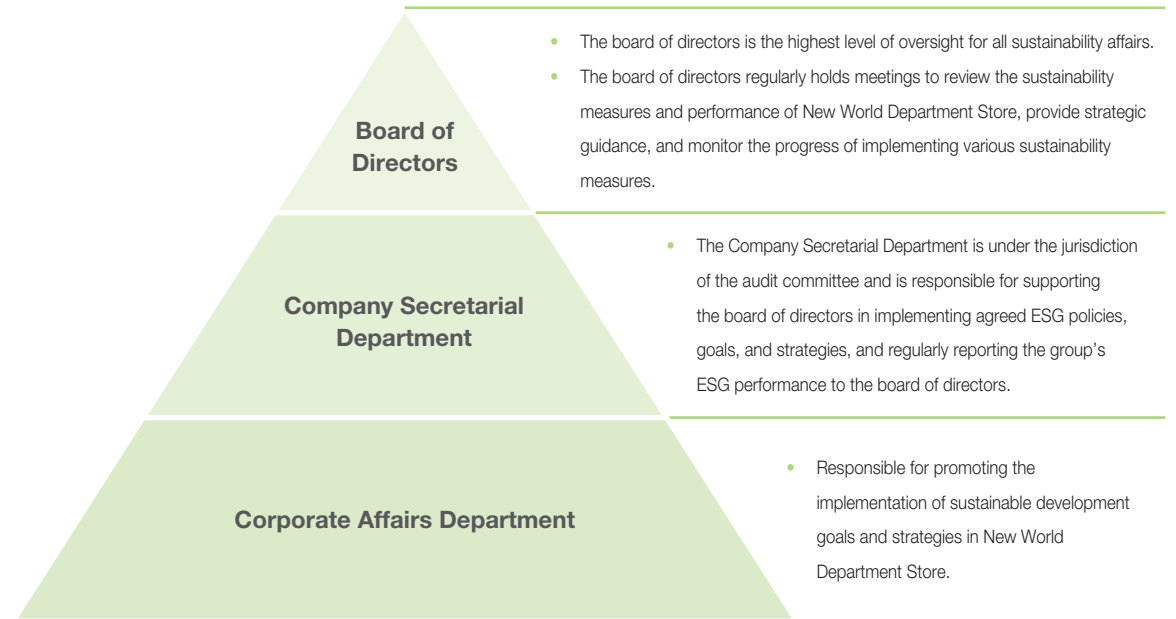
While pursuing economic benefits, New World Department Store also integrates the United Nations’ Sustainable Development Goals (“SDGs”) into its ESG development vision. Through the deep integration of the “SV2030” and the “SDGs”, New World Department Store not only takes solid steps to enhance its brand value and market competitiveness, but also plays an active role in promoting social progress and global sustainable development.



SDGs	SV2030	Our Efforts
	Green	We focus on the sustainable use of water resources and we committed to reducing greenhouse gas emissions and addressing climate change through multiple energy-saving measures.
	Wellness	We commit to improve the health standards of employees and communities, and jointly promote the progress of global health.
	Smart	Through diversified operations, digital transformation, and innovation, we achieve higher levels of economic benefits.
	Caring	Externally, we commit to social welfare and focuses on public education. Internally, we create an excellent, equal, and diverse working atmosphere, caring our employees.

ESG Governance

New World Department Store has deeply rooted the concept of sustainable development in its company strategy and daily operations. The company’s board of directors holds the highest level of accountability for ESG matters. The matters related to sustainable development of the company are led by the Corporate Affairs Department. We have clearly defined the division of responsibilities at each level to ensure the effective implementation of ESG management and provide strong support for the sustainable development of our group.



ESG Governance Structure and Responsibilities of New World Department Store



Board Statement

Responsibilities of the Board of Directors: The Board of Directors holds the ultimate responsibility for the ESG management policies, strategies, goal setting, progress monitoring, and ESG performance, and the Board of Directors is fully responsible for the ESG reporting and strategy. The board of directors also needs to supervise and inspect ESG related performance, risks, and goals, adjust ESG strategies appropriately, and review ESG reports.

ESG risk management: The Corporate Affairs Department is responsible for leading the importance evaluation of ESG related risks, collaborating with various functional departments to develop corresponding risk response measures, and continuously monitoring the ESG related risks of the group. The board of directors adjusts the direction of business development based on the identified ESG risks, such as climate risks.

ESG daily implementation: The Corporate Affairs Department is responsible for the implementation and execution of ESG work, establishing an ESG indicator system, regularly collecting ESG related data, and integrating sustainable development into daily operations.

Materiality issue analysis: New World Department Store maintains effective communication with internal and external stakeholders, identifies materiality ESG issues, and formulates corresponding sustainable development strategies, goals, and management policies. During the reporting period, the Corporate Affairs Department led the identification and analysis of materiality ESG issues, identifying a total of 17 materiality ESG issues for submission to the Board of Directors for review and approval.



Stakeholder Communication

New World Department Store actively engages in deep communication with stakeholders, including shareholders and investors, management level of the company, employees, customers, suppliers or contractors, media, government, regulatory agencies, and industry associations, non-profit organisations, and local communities. We conduct regular and irregular communication through diversified forms such as on-site research, interviews, and questionnaires to have a deeper understanding of specific issues that shareholders and other stakeholders are concerned about in terms of ESG. So, we can incorporate relevant feedback into the business process and take precise measures to respond to stakeholders' requirements in a timely manner.

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
- Enterprise website

Customers

- VIP memberships and events
- Customer service counters and hotlines
- Customer mobile application, i.e., "New Lab Mini Program"
- WeChat official platforms and other social media channels
- Corporate website

Government, regulatory agencies and industry associations

- Schemes or charters initiated by the government or industry associations
- Industry seminars or conferences

Management level of the company

- New World Department Store Management Annual and Semi-Annual Meetings
- Half year major risk reporting mechanism

Suppliers or contractors

- Tendering and procurement processes
- Briefings, meetings, and visits
- Supplier assessment and performance review

Non-profit organisations

- Joint events

Employees

- Taskforces and Committee
- Training activities and talent development plan
- Staff competitions and team-building activities
- Quarterly staff e-newsletter — "Windows of NWDS"
- WeChat official platforms and other social media sites

Media

- Media interviews and releases
- Feedback and responses to media enquiries

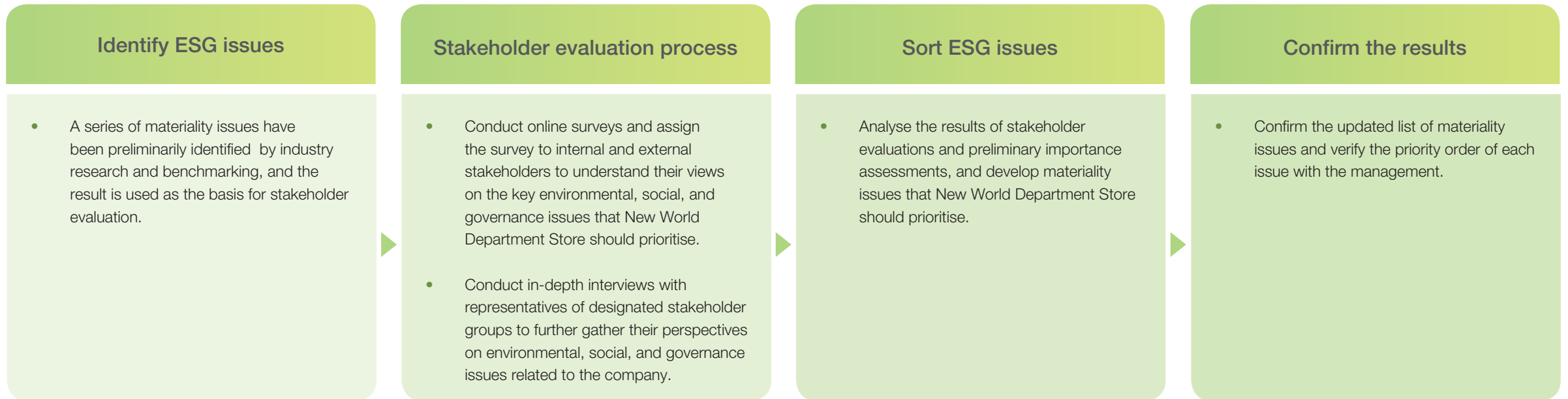
Local communities

- Public or community events
- Community initiatives such as sponsorships and donations
- Volunteering



Materiality Issue Analysis

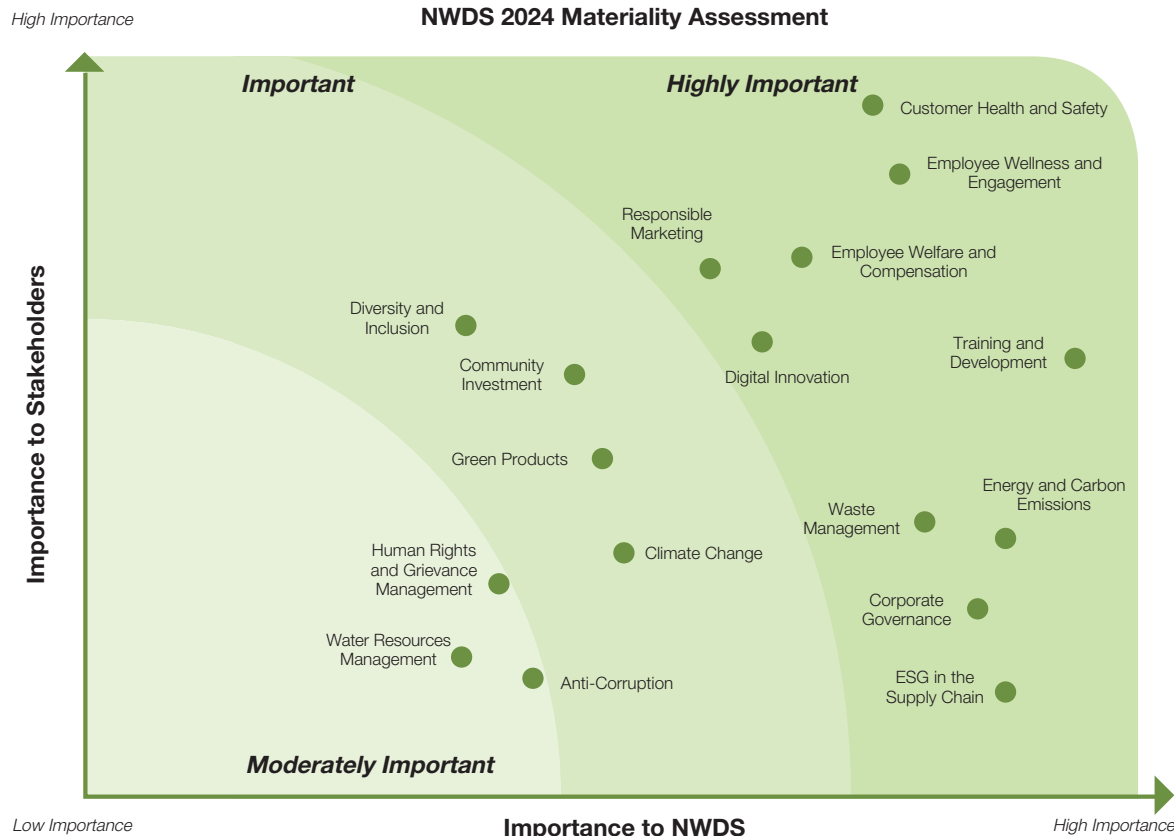
New World Department Store maintains deep communication with major stakeholders and regularly conducts internal and external activities such as questionnaire surveys, telephone interviews, seminars, and conferences to obtain and update stakeholders' attention to ESG issues, identify and screen ESG issues. At the same time, we collected opinions and requests from multiple sources, determined the priority order of ESG issues, and formed a matrix of major issues through in-depth analysis.



Identification Process of Materiality Issues Matrix for New World Department Store



We identified and sorted out 17 ESG issues in FY2024. During the reporting period, we reviewed and examined significant ESG issues for the FY2024. Based on the review results, the 17 ESG issues remain important to our operations and external stakeholders. Therefore, we will continue to elaborate on the relevant information in this report.



New World Department Store Materiality Issues Matrix

Highly Important	Important	Moderately Important
Customer Health and Safety	Diversity and Inclusion	Human Rights and Grievance Management
Employee Wellness and Engagement	Community Investment	Water Resources Management
Employee Welfare and Compensation	Green Products	Anti-Corruption
Responsible Marketing	Climate Change	
Training and Development		
Digital Innovation		
Waste Management		
Energy and Carbon Emissions		
Corporate Governance		
ESG in the Supply Chain		



1.3 BUSINESS ETHICS

Business Code of Conduct and Anti-Corruption

New World Department Store strictly adheres to the *Anti-Unfair Competition Law of the People's Republic of China*, *Anti-Money Laundering Law of the People's Republic of China*, and the *Interim Provisions on the Prohibition of Commercial Bribery*, and other laws and regulations. We have formulated and implemented internal policy documents such as the *Employee Professional Ethics*, which provide clear provisions for preventing illegal behaviours such as bribery, soliciting, accepting, offering, transferring undue benefits, and continue to promote the construction of business ethics in New World Department Store.

In order to strengthen the responsibility management ability of management, enhance their awareness of business ethics, reduce and eliminate various types of dereliction of duty, we have established the *Management Accountability Policy*. For management who engage in misconduct, fraud, disclosure of confidential information, and improper speech in their departments and business management activities, resulting in serious consequences, we will terminate their employment contracts or transfer them to judicial authorities.

New World Department Store resolutely against any corruption, bribery, and infringement of rights and interests, continuously improves relevant inspection and reporting mechanisms, establishes various channels for complaints and reports of fraud cases. We set up a sound incident handling mechanism to promptly follow up and investigate the reported cases. In addition, to ensure whistleblowers to report issues without concerns, we will strictly keep the information of whistleblowers confidential and protect them from discrimination or persecution. During the reporting period, there were no cases of corruption in our group.



Commitment Letter for Accountability of
Management Personnel

We always maintain integrity and transparency in our cooperation with business partners. We have signed the *Sunshine Agreement* with our business partners, clarifying the rights and obligations of both parties, providing clear norms and constraints for cooperation, promoting transparency in cooperation, and ultimately achieving win-win development for both parties.

New World Department Store actively carries out business ethics training and cultural construction, aiming to strengthen employees' legal awareness and ethical standards, build a strong defence line of business ethics at the ideological source, create a clean and upright corporate environment, and maintain the fairness, justice, and good image of the enterprise.

New Employee Business Ethics Training

New World Department Store has launched business ethics training for new employees. During the training, the instructor helped new employees clarify the definition and harm of fraudulent behaviour, sounding the alarm in advance. This training can help new employees establish correct professional values, create a trustworthy and law-abiding work environment, reduce potential fraud risks, safeguard the interests and reputation of the company, and promote stable and orderly development of the company.



Intellectual Property Protection

We actively protect the legitimate rights and interests of the company and strictly prohibit others from infringing on us. We always strictly abide by laws and regulations related to intellectual property, such as the *Trademark Law of the People's Republic of China* and the *Patent Law of the People's Republic of China*. New World Department Store strictly adheres to the requirements of laws and regulations, and does not use unauthorised trademarks, logos, copyrights, etc. in commercial activities. We will never infringe the intellectual property rights of others, and we have a zero-tolerance attitude towards any infringement. During the reporting period, we added two new copyrights. We have successfully assisted Shanghai Chengshan Branch Store and Beijing Qianzi Store to obtain registration certificates for the “Orange Dundun” mascot series and the “Jiaozaì” mascot series, respectively.





Contents

About this Report

Message from
the Chairman

2024
Sustainability
Performance
Highlights

About
NWDS

Stable
Corporate
Governance

Adhering to
Green
Development

Enhancing
Customer
Experience

Building
Talent
Teams

Practising
Social
Welfare

Appendix



Adhering to Green Development



As a company committed to achieving sustainable development, we deeply understand the importance of environmental protection. We adhere to the concept and principles of green development and take multiple measures in our business operations to reduce energy consumption, resource use, and waste.

2.1 GREEN MANAGEMENT

Based on the “SV2030”, New World Department Store actively practices the concept of green development and has established a sound green management process, aiming to reduce the impact of business activities on the environment through scientific and effective management, provide customers with a greener and more environmentally friendly shopping experience, and achieve sustainable development.



1 Formulating green policies and guidelines

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

2 Setting environmental baseline and targets

- Using FY2015 as a baseline, our targets² are to reduce our energy intensity by 2% in MWh/m² and carbon intensity by 12% in tCO₂e/m². In addition, we plan to continuously reduce the intensity of water use and emissions (including wastewater, exhaust gas, and waste). We will review and make new goals that are consistent with our long-term sustainable development goals, becoming a key milestone in achieving our “SV2030”.

3 Collecting environmental data

- Accurate environmental disclosure is essential for effective management of our impact on the environment. Our Internet-based Data System captures all environmental data such as energy, water, and materials consumption from our stores and offices, to monitor our continuous improvement.

4 Implementing green measures

- The Group has invested in energy-efficient building service systems and equipment upgrades, optimised daily operations, monitored and controlled real-time energy consumption, and collaborated with tenants to ensure a continual improvement process.

5 Regular monitoring and review

- We regularly reviews and updates its environmental policies and guidelines to stay current with environmental issues and regulatory changes. We have also obtained third-party verification to ensure the credibility of the data reported and facilitate the ongoing improvement of our environmental management. Please refer to the “Assurance Statement” chapter for more details.

6 Communicating the commitment to stakeholders

- We value stakeholder participation in our sustainability journey and frequently engage with them to promote our sustainability initiatives while also understanding their concerns.

Green Management Process of New World Department Store

During the reporting period, the company did not have any violation in the environmental aspect.

2 When we set our targets in 2015 fiscal year, the scope was covered nine stores and two offices.



2.2 TACKLE CLIMATE CHANGE

Climate change has become a severe challenge faced by the world, with profound impacts on human society and economic development. New World Department Store fully recognises the urgency and importance of climate change issues. Guided by the “SV2030”, we have made against climate change one of the core issues of corporate social responsibility, and are committed to exploring effective response strategies to reduce the risks brought by climate change.

Climate Change Risk Governance and Management

In the process of promoting green development, New World Department Store has always regarded the identification of climate change risks as a core aspect of enterprise management. We refer to the latest climate information disclosure guidelines³ of the Hong Kong Stock Exchange to guide our related work. At the governance level, the board of directors actively supervises the management of climate related risks and opportunities, and incorporates climate risk governance into ESG governance. At the strategic level, we identify climate change risks and opportunities, and evaluate their potential impact on businesses. At the risk management level, we incorporate climate issues into the risk management of our daily operations and establish a comprehensive risk warning and response mechanism. At the level of indicators and targets, we actively disclose climate related indicators and targets.

³ 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.

Assessment of Climate Change Risks and Opportunities

During the reporting period, we have identified the following climate change risks and opportunities. We also provided the measure against the risk.

Risk category	Risk subcategory	Risk description	Potential impact measures	
Physical Risks	Acute Physical Risk	Floods may cause asset damage, store facilities damage, and incur additional maintenance expenses.	Asset depreciation Revenue decrease Cost increase	In response to various extreme weather events such as wind, rainstorm, or flood, we have implemented the <i>Crisis Notification and Handling Guidelines</i> in each store to improve staff mobility, flexibility and resilience.
		Rainstorm may make our store 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 Revenue decreased	Prepare emergency supplies kits ahead of time, which should include items such as a flashlight and sandbags. Conduct emergency drills for various types of extreme weather to enhance the ability to respond to extreme weather. Inspect the roof, windows, and doors of the building to confirm that they are secure and capable of withstanding rainstorms. Ensure that drainage systems are not obstructed to prevent water damage and flooding.
	Chronic Physical Risk	Global warming 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, the process of climate change can be slowed down.



Risk category	Risk subcategory	Risk description	Potential impact measure	
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	New World Department Store is actively transitioning towards low-carbon development, reducing 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	While implementing energy-saving and emission reduction measures, we also actively calculate our carbon emissions and disclose carbon emission data.
	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	New World Department Store has upgraded multiple customer digital services to provide customers with better quality services.
	Market Changes	Online retailing is gradually substituting offline retailing business	Revenue decreased	Innovate shopping experience and gradually transform towards online.
Increase tenant demand for energy efficiency and data transparency		Revenue decreased	Develop the <i>Mechanical and Electrical Design Standards Policy</i> improve energy efficiency, and improve transparency.	

Intended to transform challenges into new driving forces for company development, we actively identify the opportunities from climate change while addressing its risk challenges. We know that the constantly global climate change is a test and also an opportunity for us to transform. Therefore, we are committed to identifying and analysing climate change to accurately grasp the opportunities it brings. At the same time, we continuously optimise our business strategy, upgrade our strategic layout, and seize the market opportunity for green development.

Opportunity category	Opportunity details	Opportunity description
Energy efficiency improvement	Improve building energy efficiency.	Improving the energy efficiency of buildings can save energy usage, thereby reducing business operating costs.
Investor preference shift	Investors are increasingly inclined to invest in companies undergoing low-carbon transformation.	By low-carbon transformation and development, we aim to reduce our own carbon emissions and attract more investors.



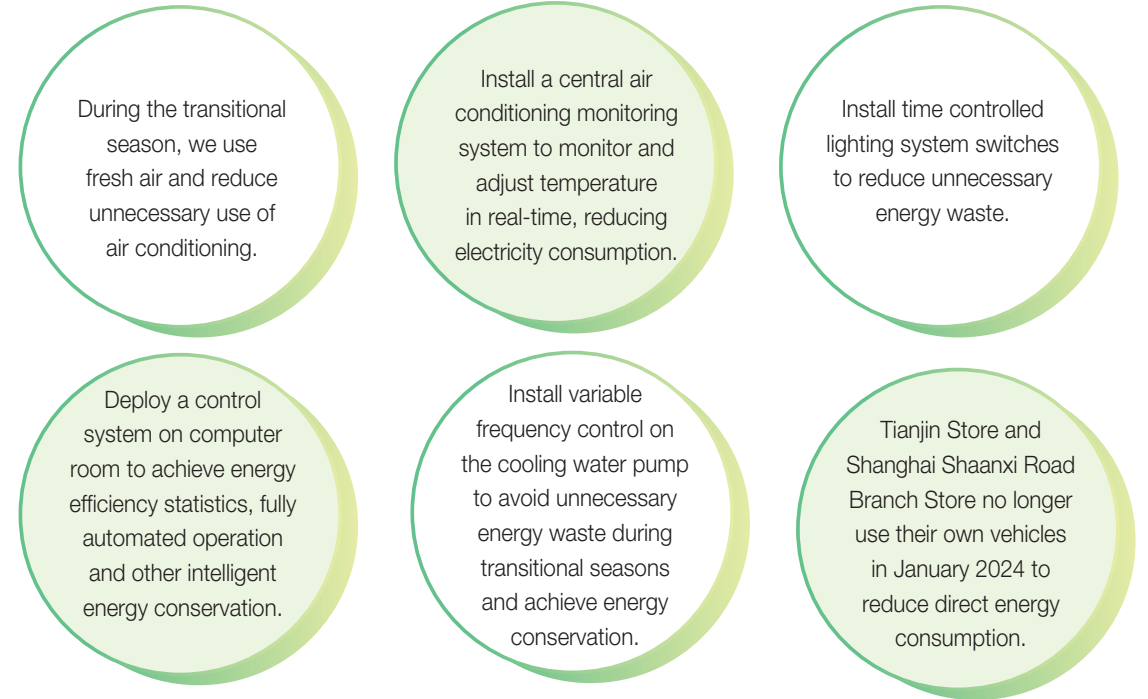
Climate Mitigation Actions

Low carbon management is an inevitable requirement for current development. In order to achieve climate goals, whether in the early design or operation stage, we adopt advanced technology and management methods to scientifically plan and reasonably allocate energy use, promote efficient energy utilisation, and achieve low-carbon, efficient, and green development.

In terms of store renovation and construction, we have established the *Mechanical and Electrical Design Standard Policy*, which requires all our ongoing projects to be designed and constructed in accordance with energy consumption standards. For example, we will strictly regulate the cooling and heating capacity of the project to avoid energy waste caused by the actual demand is much lower than design.

In terms of operation, we effectively reduce our carbon emissions by improving energy efficiency. The air conditioning system is an electrical appliance that consumes a lot of electricity in shopping malls, so we strengthen the management of air conditioning to reduce the use of electricity. For example, we use air conditioning when needed, and turn off the air conditioning one hour before closing the store. Meanwhile, we regularly maintain and upkeep the air conditioning to reduce power loss during use. In addition, we use efficient management methods to reduce the vacancy rate of our stores and improve overall energy efficiency.

We have paid attention to renewable energy and have begun to layout renewable energy projects. In addition, we continue to implement a series of energy-saving and emission reduction measures to reduce energy consumption and carbon emissions.



New World Department Store's Energy-saving Measures

Shanghai Shaanxi Road Branch Store Air Conditioning Renovation

In order to deal with the aging, low efficiency of the air conditioning modular units, in Shanghai Shaanxi Road Branch Store, Shanghai Shaanxi Road Branch Store has launched an air conditioning renovation project to replace the original units with high efficiency air-cooled modular units, greatly enhancing the heating efficiency of the air conditioning units. At the same time, we have improved the refrigeration performance by replacing high efficiency variable frequency water-cooled units. The project will be completed in April 2025. After renovation, the cooling efficiency of the air conditioning unit will be more than doubled, significantly saving cooling electricity consumption.

Green



High Efficiency Air-cooled Modular Unit



High Efficiency Variable Frequency Water-Cooled Unit

Mianyang Store Replaces Lithium Bromide Unit with New Water-cooled Unit

To optimise the operation efficiency of the lithium bromide unit used for cooling and heating, Mianyang store has verified the project plan with the owner and plan to launch the equipment renovation project for Mianyang store in the second half of 2024, by replacing the original lithium bromide unit with a new water-cooled centrifugal unit. After renovation, the cooling efficiency will be increased by five times, which can save energy consumption for the unit.

Green



Water-cooled Centrifugal Unit



We also actively carry out various green and environmental protection activities in our major stores across the country, working together with customers to create a low-carbon future.

Shanghai Huaihai Branch Store Low Carbon Promotion Activity

In order to promote low-carbon living lifestyle and environmental protection to customers, Shanghai Huaihai Branch Store actively held low-carbon promotion activities in this fiscal year, including on-site consultation and distribution of environmental protection brochures on “Public Welfare and Environmental Protection Day”, calling on everyone to live a low-carbon life and protect the environment. In addition, the branch also organises green cycling activities, calling for low-carbon travel and adhering to the concept of sustainable development through sustainable transportation.



Low Carbon Promotion Activity in Shanghai Huaihai Branch Store

Green



2.3 REDUCING ENVIRONMENTAL IMPACT

New World Department Store pays attention to its own environmental situation, establishes a sound environmental management system, and reduces the impact of its operations on the environment. We always contribute to building a green industry ecosystem from the perspective of our own environmental management.

Water Resources and Wastewater Management

New World Department Store strictly complies with the *Water Law of the People's Republic of China* and the laws, regulations, and relevant systems of its operating location of the branch stores. Internally, we optimise the *Sustainable Office Guidelines*, standardise water usage behaviour, and improve water efficiency. Meanwhile, the Group actively identifies and manages the risks of water use, plans and utilises water resources reasonably. We continuously improve the water resource utilisation efficiency of our group by reducing water withdraw, upgrading water-saving equipment, and inspecting water use equipment. During the reporting period, the company's water resources were all sourced from municipal water supply, and all operating areas did not encounter difficulties in withdrawing water.

Replace 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.

Our Water-saving Measures



In terms of wastewater discharge, our group strictly complies with laws and regulations such as the *Regulations on the Administration of Pollutant Discharge Permits* and the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, and strictly regulates sewage discharge management internally. Our group's wastewater comes from domestic water usage.

Exhaust Management

In terms of exhaust emissions, we strictly comply with the *Air Pollution Prevention and Control Law of the People's Republic of China*, as well as the laws, regulations, and relevant standards of the place where we operate. The main types of exhaust gases generated by New World Department Store is nitrogen oxides, sulphur oxides, and particulate matter, all of which come from the use of their owned vehicles. To reduce environmental pollution caused by vehicles, we advocate green travel to reduce emissions.

A few stores of the group have their own canteens, and the oil fumes generated by our canteens are treated in compliance with professional oil fume treatment equipment. We closely monitor the treatment of oil fumes generated by shop tenants to ensure compliance.

Waste Management

In terms of waste management, the Group has always complied with relevant compliance requirements such as the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China* and the *Guidelines for Household Waste Classification*. The hazardous waste we generated mainly comes from discarded ink cartridges generated in the office, while non-hazardous waste mainly comes from wastepaper from our office and kitchen waste generated by catering tenants.

In terms of store renovation and construction, we have established the *Construction Project Management Policy*, committed to creating a civilised, environmentally friendly, and clean construction environment. We have developed detailed control measures to address issues such as construction waste, household waste, and dust pollution, to minimise the impact on the surrounding environment.

New World Department Store is committed to reducing waste generation from the source, creating a greener and healthier shopping environment for consumers. We use biodegradable plastic bags in our own supermarkets, which are reusable, greatly reducing the amount of plastic waste. We have also put forward strict requirements for tenants in the mall, stipulating that disposable tableware used by tenants should be made by biodegradable materials. For daily office operations, we fully utilise online system to reduce unnecessary processes and paper usage.

Paperless Office

New World Department Store fully utilises advanced information technology and actively promotes paperless office process and has achieved significant results. We use online OA processes for the approval and circulation of various transactions, replacing the transmission of paper documents. Our document proofreading work has also been switched to online, greatly improving efficiency while reducing paper usage. The company email has become the main means of communication, reducing the need for printing. Meanwhile, the application of electronic business card provides strong support for paperless office. Through our efforts, we have successfully achieved paperless implementation for 41% of our paper-based office projects, greatly reducing paper usage, and contributing to environmental protection.

Green**Smart**

We also attach great importance to waste management and strictly handle all waste according to regulations. We have strictly classified the general waste and kitchen waste of 22 stores across the country. For the recyclable waste, the mall actively contacts relevant enterprises for recycling and reuse. Through this refined management approach, New World Department Store not only effectively reduces environmental pressure, but also makes a certain contribution to the circular economy.

Yantai Store Empty Bottle Recycling Plan

In May 2024, Yantai Store held a unique environmental protection activity for empty bottle recycling, encouraging customers to bring empty bottles to designated locations in the mall for recycling. By carrying out such activities, not only can we promote the recycling and reuse of resources, but we can also reduce the negative impact of garbage on the environment, and contribute our own strength to the sustainable development of the earth.

Green



Empty Bottle Recycling Activity in Yantai Store

Shanghai Shaanxi Road Branch Store Old Item Renovation DIY Activity

With low-carbon and sustainable concepts becoming hot topics in both business and people's lives, New World Department Store is focusing on exploring the concept of green shopping malls and guiding people to pay more attention to green living. In September 2023, Shanghai Shaanxi Road Branch Store launched an environmental protection activity called "Reshaping Old Things with Childlike Hearts" based on the concept of green, aiming to stimulate children's creativity and promote the circular economy concept of resource conservation and the utilisation of old things.

Green



Old Item Renovation DIY Activity in Shanghai Shaanxi Road Branch Store

Yantai Store Beach Cleaning Activity

In July 2023, Yantai store organised employees and multiple customers to participate in beach cleaning activities, advocating for tourists to protect the environment and the ocean, not litter casually, and promoting and improving public knowledge of marine environmental protection.



Beach Cleaning Activity in Yantai Store

Green





Contents

About this Report

Message from
the Chairman

2024
Sustainability
Performance
Highlights

About
NWDS

Stable
Corporate
Governance

Adhering to
Green
Development

Enhancing
Customer
Experience

Building
Talent
Teams

Practising
Social
Welfare

Appendix



Enhancing Customer Experience

阳光国际艺术中心
Sunshine International Art Center

福蝶节

福蝶节



NWDS believes that an excellent customer experience is the cornerstone of building a brand’s reputation. Creating a favourable customer experience environment helps us actively respond to market challenges and achieve differentiated competition. NWDS always prioritises customer needs and safety and has taken multiple actions in areas such as innovative experiences, product quality assurance, consumer health and safety, data security, after-sales service, and supplier management, striving to provide a high-quality consumption experience for our customer base.

3.1 INNOVATION EXPERIENCE

In FY2024, NWDS’s stores fully mobilised online and offline resources for innovative integration, enhancing service quality, collaborating with multiple media platforms, establishing online shopping channels, and promoting the progress of innovative marketing. Furthermore, NWDS also strengthened resource integration, enriching the forms of offline activities to further improve the offline experience of consumers.

Embrace Digital Intelligence

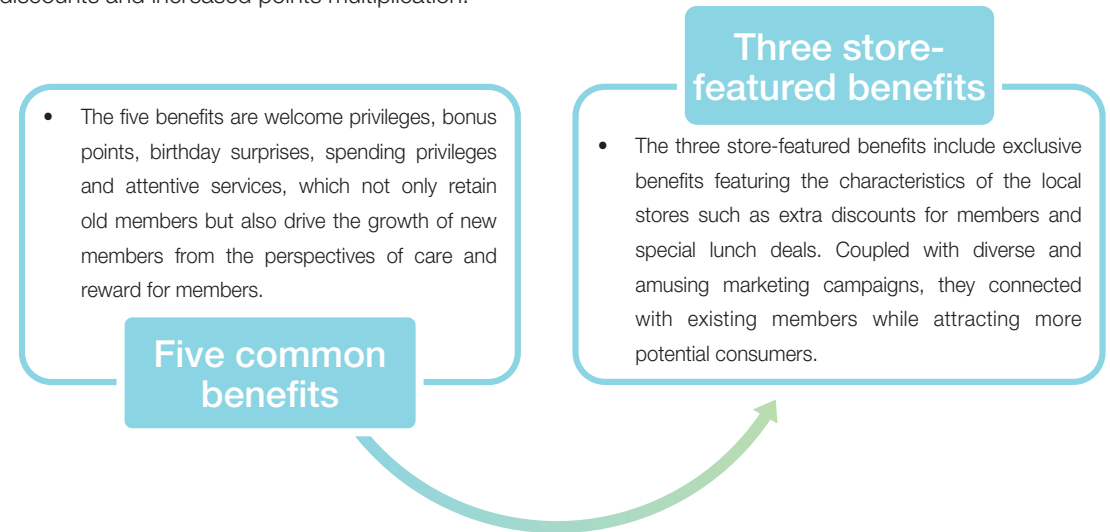
Since 2020, NWDS has iterated and optimised its multi-platform matrix, actively embracing digital intelligent services. By introducing different membership and service methods for various consumer groups, it has formed a full-link conversion loop for shopping malls, brands, and consumers, achieving a dual improvement in customer comprehensive experience and operational efficiency.

In FY2024, NWDS launched several new digital upgrade services for consumers. For instance, through internal system upgrades, we achieved integration with the K11 mall membership system, realising convenient membership points accumulation. In addition, the electronic version of the NWDS children’s membership went online, allowing users to register and bind through the online shopping platform “New Lab”. NWDS’s stores conducted various exclusive activities in conjunction with the children’s “NWDS V Card”, creating warm parent-child moments through activities such as children’s brand benefits and “NWDS V Card” passport stamp collection, letting children grow up happily with NWDS.

Case: Newly Upgraded Membership Benefits 2.0

Based on in-depth research and understanding of customer segments, especially the new consumer groups such as the post-90s and post-95 generations, NWDS has launched a new membership benefits 2.0 service link for consumers through refined operation and analysis.

The Member Benefits 2.0 are centred around “five common benefits + three store-featured benefits”, totalling eight benefits. Members can simply present their membership card to enjoy various perks such as additional discounts and increased points multiplication.



We hope to provide consumers with a brand-new experience that includes benefits in terms of experience, service, environment, and emotional care through the fully upgraded Membership Benefits 2.0.

New Media Innovation Activities

Building on the traditional membership benefits and activities, NWDS introduced various innovative online new media events in FY2024, enhancing online interactive and social opportunities for consumers, to provide a fresher experience in dining, drinking, entertainment, and shopping.

“Crazy Thursday” and “Tuesday Member Day” TikTok Collaborative Live Streaming

In response to the digital consumption experience, we have launched a series of innovative marketing campaigns through new media, bringing innovative shopping experiences to consumers. NWDS has initiated a series of shopping live streams on TikTok, allowing consumers to conveniently shop for NWDS’s high-quality products.



“Rural Cherry Journal” Live Streaming

We launched the third season of the “Rural Cherry Journal” live stream event in June 2024, conducting live shopping at the Yantai cherry production base, achieving on-site cherry picking, SF Express fresh delivery, and quality selection of the seasonal cherries, providing consumers with an excellent online shopping experience.





Multi-scenario Themed Activities

In addition to offering a digital shopping experience, we are also dedicated to optimising the in-store customer experience. To this end, we have launched a series of themed activities targeted at offline consumers, with the aim of creating a more comfortable and enjoyable shopping environment for our customers in the stores.

Shanghai Pujian Branch Store Children’s Membership Activity

At Shanghai Pujian Branch Store, we have launched a series of themed activities targeting offline consumers and children, bringing a wealth of extracurricular activities to the children and teenagers, as well as providing quality interactive activities for our customer families.



Children’s Pastry Making Activity



Dragon Boat Festival Craft Activity Photo



Children’s Table Tennis Contest Photo



Father’s Day Painted Fan Handcraft Activity Photo

Beijing Qianzi Store Watermelon Eating Contest

In June 2024, Beijing Qianzi Store collaborated with the “Falling in Love with Shunyi” media platform to conduct an engaging event, aiming to attract more family customers. During the scorching summer, each customer present could receive a watermelon and the ones who finished it first would win and receive an additional exquisite gift. The atmosphere at the event was lively, with over 100 customer visits during the period.



Watermelon Eating Contest Activity in Beijing Qianzi Store

Sunset Screening Room Event

NWDS launched the “Sunset Screening Room” event in Beijing Chongwen Store, offering free screenings of popular movies to citizens outside the shopping mall, providing consumers with a unique leisure and entertainment experience aside from shopping.



Sunset Screening Room Event in Beijing Chongwen Store

15-minute Convenient Living Circle

Shanghai Chengshan Branch Store, starting from meeting the daily living needs of the surrounding community residents in various aspects, focuses on improving the one-stop exquisite neighbourhood living centre, creating a 15-minute community life circle. Inside the mall, the newly completed neighbourhood centre offers a variety of convenient services for residents, including jewellery repair, hardware repair, mobile phone repair, clothing alteration, cotton and wool pressing, and charging rental services that are low in frequency but high in demand. The mall is committed to creating a neighbourhood centre that satisfies the daily living, basic social, family needs, shopping experiences, emotional interactions, and various social and service functions of the surrounding residents, achieving the construction of a high-quality community ecological circle.



Sports Merchants



General Manager's Reception Day at Neighbourhood Centre



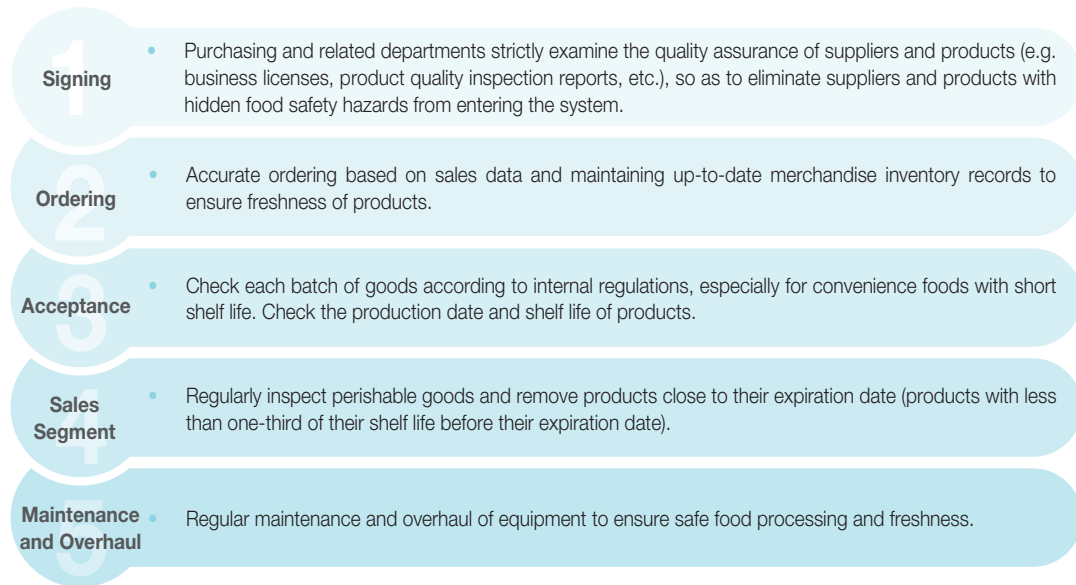
Convenient Dining Experience for the Public



3.2 PRODUCT AND SERVICE RESPONSIBILITY

Quality Assurance of Products and Services

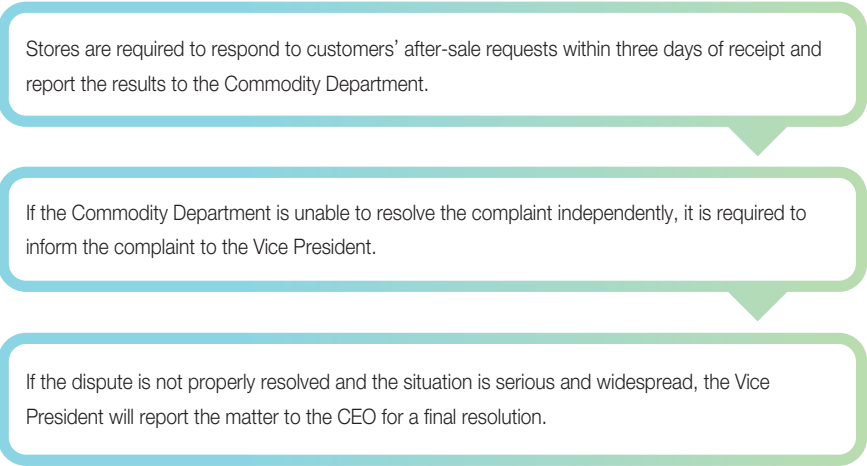
NWDS always provides customers with a range of high-quality and safe products. We ensure this by selecting quality brands to join us, auditing the relevant quality assurance documents for each brand category during the onboarding phase, and maintaining regular communication with each brand to guarantee the quality and safety of the products. For instance, in the case of food products, we have established stringent food safety management guidelines and procedures, providing food hygiene and safety training for catering tenants, keeping accurate procurement and sales records, and implementing routines for reporting food safety incidents. Moreover, to maintain the freshness of food, we regularly rotate our product inventory and upgrade various facilities, including the addition of self-checkout and refrigerated storage services, to enhance the shopping experience for our customers.



Food Safety Management Process

In terms of product quality inspection procedures and processes, we implement a store patrol inspection system. Should any quality issues be found with the products, we approach from the consumer's perspective and require the relevant brands to make necessary improvements. In addition, we have also established a fine system to penalise suppliers and employees who violate product quality regulations.

In terms of after-sales service, NWDS has established the *Business Improvement Procedures and Approval Policies* to perfect the consumer complaint mechanism and channels. We are committed to handling each customer complaint and appeal quickly and fairly, ensuring a comfortable consumer experience for our customers.



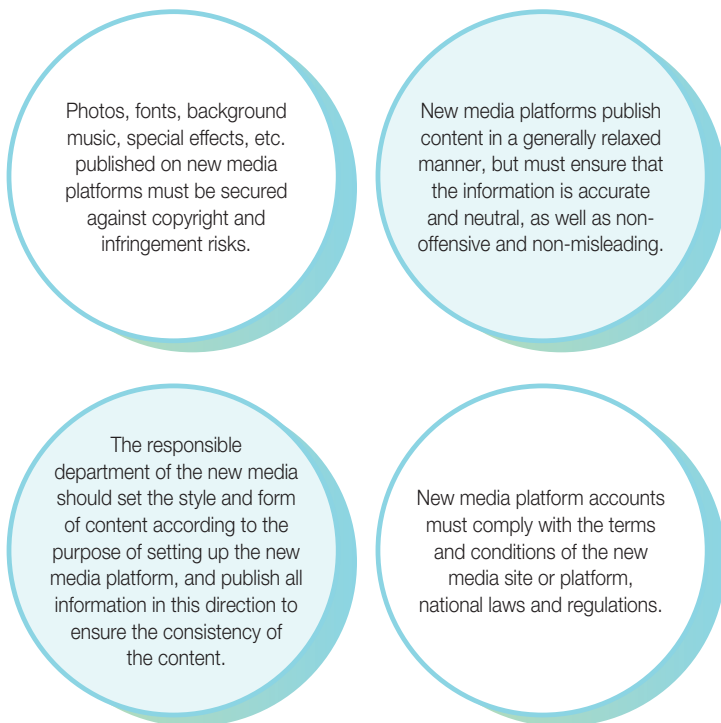
Customer Complaint Handling Procedure



Responsible Marketing

NWDS strictly adheres to relevant laws and regulations to ensure product labelling and promotional compliance, protecting customers from any form of false or misleading information. In response to the rapid development of new media marketing, we have also established the *New World Department Store New Media Regulation Requirements*, which, in addition to fully leveraging the role of new media in external promotion and information exchange, strengthen the standardisation and compliance of new media promotion.

The norms for new media promotion require that the key content includes but is not limited to:



Consumer Health and Safety

NWDS has always maintained a high level of vigilance, adhering to its commitment to the health and safety of its customers and employees. We strive to create a safe and worry-free shopping environment for all customers by continuously enhancing our safety measures and implementation processes, ensuring the comprehensive enforcement of these safety measures.

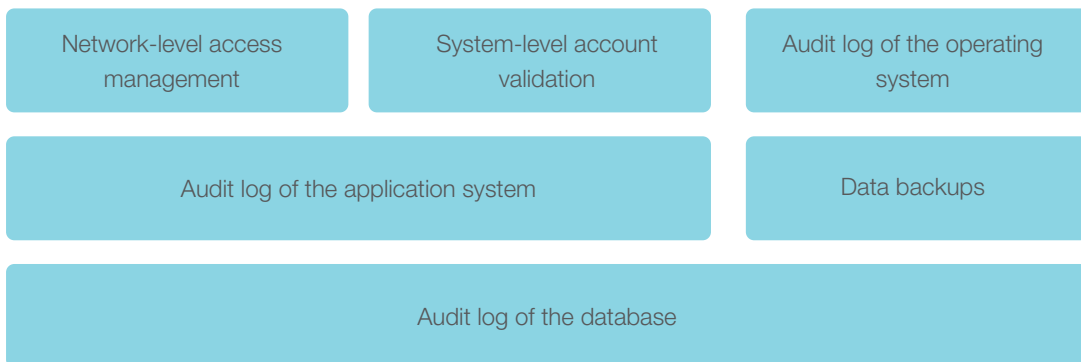
In accordance with the *Department Store/Supermarket Regular Safety Inspection Policy*, we require the Administrative Department and the Safety Management Division to conduct regular safety audits on all of our stores and to promptly address any safety issues identified during the audits. Among these, night patrols are a key component of safety management, aimed at examining the operation status of security personnel and related equipment at night to ensure the safety of the venues and reduce the risk of abnormal incidents occurring at night. The safety officers of each store will carry out regular night patrol duties, inspecting areas such as the storefront facilities, surveillance and alarm systems, cash registers, warehouses, emergency exits, etc., to ensure that everything is functioning properly, and will fill out the "Night Patrol Report" on time and report upwards. The Administrative Department also holds regular safety meetings with the corresponding teams of each store to discuss safety issues, conduct in-depth case analyses, and develop targeted preventive strategies.

In addition, we have developed a set of *Safety Management Policy* and a *Practical Safety Management Handbook*, establishing standard operating procedures in emergency situations and a series of guidelines for safety work. To effectively prevent accident risks, we regularly conduct fire drills and safety inspections of the premises. We require all department store outlets to carry out a fire evacuation drill bi-annually, and at the same time, we have formulated a series of emergency response plans and exercise schedules, mandating that each outlet conduct an emergency response plan exercise annually, including but not limited to power outages, floods, counter-terrorism, and explosion prevention, so that each outlet can make corresponding adjustments based on actual conditions. Furthermore, we conduct a comprehensive inspection of key facilities within the shopping mall at least every two years, scoring, assessing, and correcting the safety management situation of each branch, enabling us to respond quickly and address potential safety hazards.

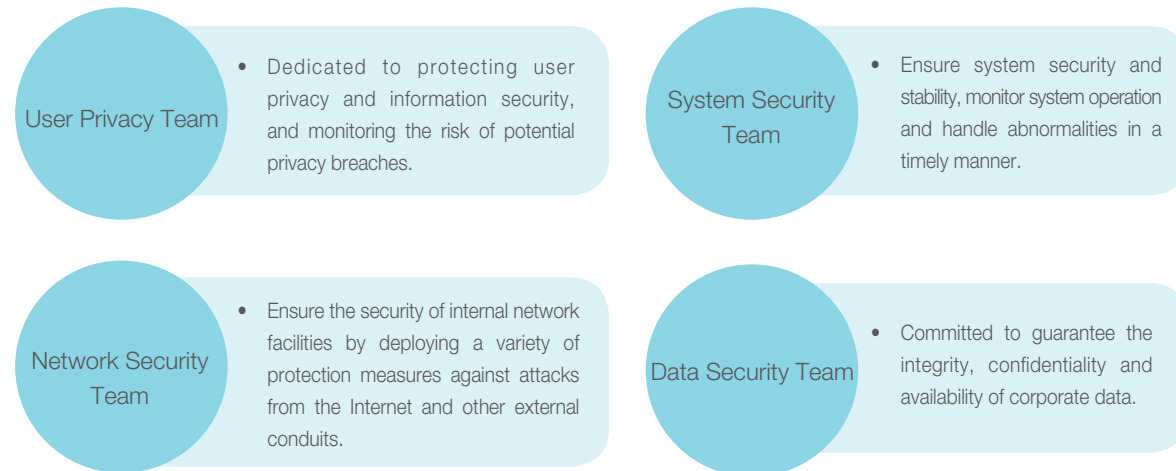


Data Security and Privacy Protection

We are committed to upholding high standards of data protection and privacy, and will continue to take all necessary measures. Our commitment to achieving this goal is reflected in our comprehensive *Personal Information Protection Policy*, which includes but is not limited to provisions at the operational level such as personal information anonymisation techniques, confidentiality agreements, and data access permission controls. At the execution level, we translate these policies into practical actions, including strict enforcement of basic management measures such as surveillance systems, access permissions, and account management, to ensure the security of our clients' personal information.



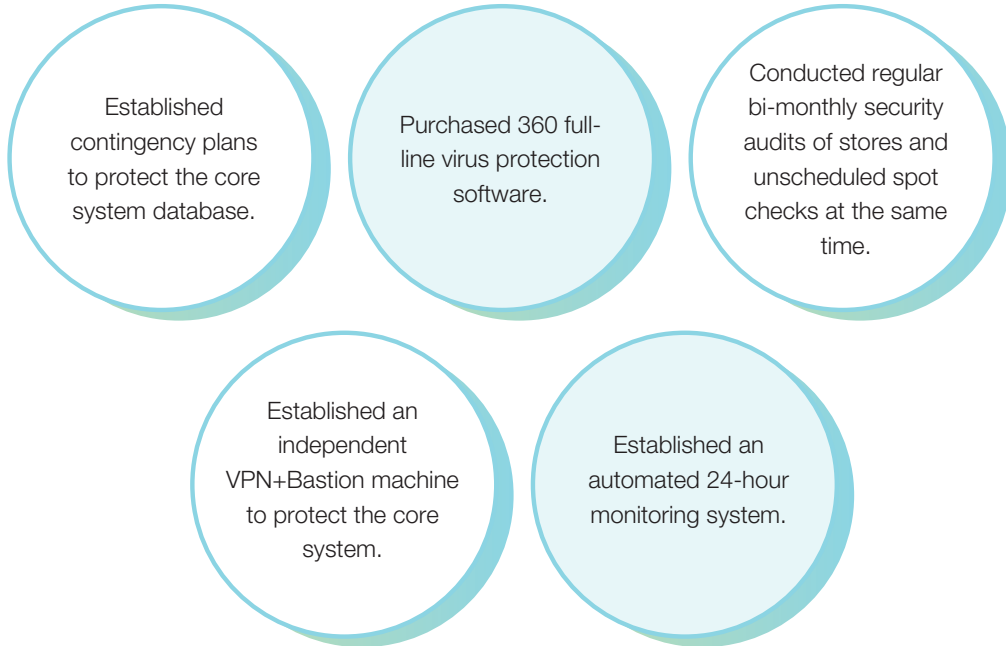
The Information Technology Department has established four information management teams, which, through different dimensions, strengthen network defence and user privacy protection measures, enhancing the ability to respond to potential security risks. The system specifies the response times for alarms at various levels, effectively improving the efficiency of fault diagnosis and resource utilisation.



Our security measures cover a variety of situations including the prevention of unauthorised access, disclosure, use, modification, destruction, or loss of data. In terms of losses from information security violations, we reduce the risk of non-compliance and potential losses by establishing relevant policies and procedural documents, including an accountability system for internal staff, privacy protection measures, and information security protections.



In terms of information security certification and audit, we actively seek external assistance. We collaborate with third-party professional information security companies to conduct vulnerability assessments and data security audits of our information technology systems. Within the reporting year, we have completed a series of data security tasks in collaboration, including:



Data Security Training

During the reporting year, NWDS launched the “Why do I need to save a personal data inventory? How to manage personal data?” and “2024 Enforcement of Data Security and Personal Information Protection Law” training, which further strengthened the data security awareness and management capability of relevant management staff.

Smart



The Data Security Training Sessions

During the reporting period, we did not receive any substantiated complaints of invasion of customer privacy or loss of customer data.



3.3 VALUE CHAIN CO-BUILDING

Value Chain Empowerment

We believe that deep collaboration with partners at various links of the industry chain is crucial for us to achieve long-term sustainable development. NWDS maintains continuous interaction with brand owners and store tenants, integrating the concept of sustainable development into their business practices.

Brand Communication Activities

To continuously improve the quality of brand services, NWDS conducted multiple brand service management process sharing sessions within the reporting year, targeting partners in various fields such as fashion, supermarkets, and catering. During the brand sharing sessions, NWDS focused on detailed processes, service improvements, and mutual collaboration for communication and exchange, sharing excellent service cases to help brand partners enhance overall service quality and provide a better shopping experience for customers.



Brand Communication Activities

Supplier Management

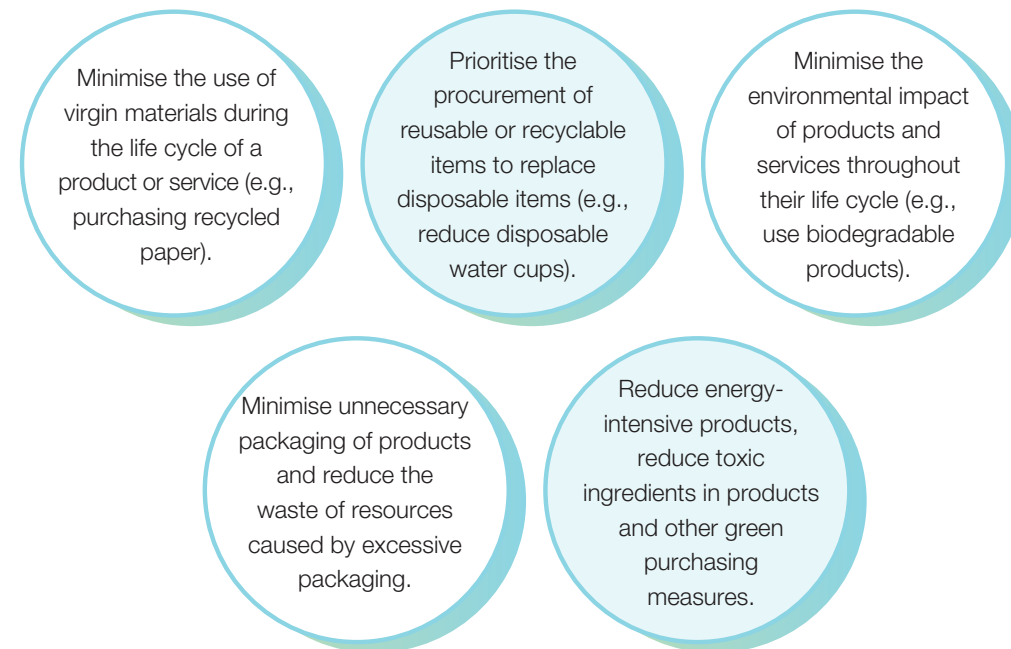
We believe that the long-term stability and adaptability of the supply chain are crucial to the smooth operation of our business. In supply chain management, we have incorporated ESG standards into our considerations to strengthen our sustainable development strategy. We have integrated supplier-related risks into the group's overall risk management framework, with relevant departments responsible for monitoring and addressing them. We have developed the *Supplier Code of Conduct* and the *Supplier Sustainable Development Self-Assessment Questionnaire*, which clearly define the specific standards we expect suppliers to follow. These standards have now become key considerations in the supplier selection process and adherence to these standards has become a part of the contractual obligations for all suppliers. These standards cover the following key areas:





To encourage suppliers to provide eco-friendly products and services and to enhance their ESG awareness, we have incorporated environmental protection clauses into supplier contracts and conducted safety briefings and training to ensure that suppliers understand and comply with our company's environmental and safety requirements. In procurement, we require that various materials, especially renovation materials, be provided in accordance with the relevant requirements for eco-friendly materials. Moreover, we strengthen supplier training to raise their awareness of the importance of environmental protection and promote the adoption of eco-friendly products and services through policy mandates, such as using policies to require a reduction in energy expense expenditures in energy consumption management.

In addition, we have formulated the *Environmental Procurement Policy* for NWDS, promoting the company's commitment to environmental protection and the construction of a sustainable supply chain. We require that all products and services procured comply with relevant environmental regulations and encourage suppliers to provide recycled products and consider environmental factors in the process of service delivery. In the implementation of the policy, procurement personnel will apply a series of environmental procurement measures, including but not limited to the following:





Contents

About this Report

Message from
the Chairman

2024
Sustainability
Performance
Highlights

About
NWDS

Stable
Corporate
Governance

Adhering to
Green
Development

Enhancing
Customer
Experience

Building
Talent
Teams

Practising
Social
Welfare

Appendix



Building
Talent
Teams



At NWDS, we deeply recognise that our employees are the key driving force for the success of our business and the achievement of sustainable development. We are committed to creating a working environment that fosters talent, values safety, and is proactive, allowing our employees to showcase their abilities and fully tap into their potential. Through a series of measures to enhance employee benefits, we strive to provide equal opportunities and comprehensive support to promote the personal growth and development of our staff. The company also advocates for open and honest communication, aiming to create a working environment where all employees feel respected and trusted, thus promoting two-way communication. During the reporting period, NWDS conducted a total of 268 employee caring activities.

4.1 EMPLOYMENT COMPLIANCE

We adhere to the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, and other relevant laws and regulations to protect the legitimate rights and interests of employees. In the event of any violations discovered during the recruitment process, we will immediately cease the related activities and conduct investigations and hold the individuals involved accountable. If necessary, we will report to the relevant departments in a timely manner through whistleblowing and actively cooperate with the investigation. In addition, we actively strengthen the training and education of our company's employees to enhance their understanding of child labour and forced labour issues to prevent such problems from occurring. Besides our own compliant employment management, we also conduct a social assessment of our suppliers to ensure that they do not use child labour or forced labour, and we cooperate with business partners to jointly promote the social responsibility of suppliers.

4.2 EMPLOYEE RIGHTS PROTECTION

Employee Rights

In terms of protecting the rights of employees, we adhere to the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, and other relevant laws and regulations, clarifying the cooperative relationship and ensuring the rights and interests of both parties.

We have established clear reporting channels to enable employees to report issues in a timely manner and protect their rights and interests. Employees can communicate directly with investigators during offline spot checks or report through other online methods. We will record and verify the content of the reports, and if there is substantial evidence, we will deal with it promptly. In addition, we conduct selection and training for branch managers to ensure they possess the necessary management skills.

In terms of staff communication and effective management, we regularly report to the audit committee and hold bi-annual fixed exchanges, allowing the committee to understand the opinions and feedback of employees towards the company. We also convey any issues identified to the Board of Directors.

We pay attention to employee satisfaction by conducting surveys to understand their needs and opinions in order to better improve the company's management and service. We will carry out regular employee satisfaction surveys to promptly understand the working environment and welfare benefits of employees and take corresponding improvement measures based on the survey results.



Compensation and Benefits

NWDS is committed to establishing and maintaining a fair and reasonable compensation and benefits system to attract and retain talent, and to enhance employee satisfaction and efficiency. We have developed comprehensive compensation policies and systems, such as the *Interim Measures for Compensation Management* and the *Implementation Details for Performance Appraisal* and so on. By creating a standardised employee compensation system, we aim to fairly reflect the position value, work performance, and contributions of our employees.

Our group also offers a wealth of benefits. We have formulated the *NWDS Welfare Policy*, which provides additional benefits to employees beyond the legal requirements:

- We provide all employees with health insurance, pension insurance, unemployment insurance and so on, to ensure the quality of life for our staff.
- We have launched the “Caring Leave” policy, providing holidays for all regular employees to help them maintain a work life balance, enhance job satisfaction, and improve efficiency.
- We have established a flexible time-off policy to address the needs of employees taking leave for personal reasons.
- We continuously carry out a series of employee activities, distributing various benefits and gifts during the Spring Festival, Mid-Autumn Festival, Dragon Boat Festival, Christmas, employee birthdays, and other occasions, organising a wealth of activities for employees.

Spring Festival Celebration Activities

To celebrate the Spring Festival, enhance communication and friendship among colleagues in different stores, and boost team cohesion, all stores and offices of NWDS held Spring Festival celebration activities in various forms.

Before the 2024 Lunar New Year, stores in Beijing, Wuhan, and Changsha launched the “Chinese Style Splendour” group gathering event, allowing the vast number of employees to celebrate the Spring Festival. During the gathering, members from each store wore Chinese style costumes of various themes, performing well-prepared singing, dancing, and other wonderful programs, which received enthusiastic responses from the audience.



Group Gathering Activity in Beijing Stores



Group Gathering Activity in Wuhan Jianshe Store



Group Gathering Activity in Changsha Trendy Plaza

Spring Festival Celebration Activities

In addition, NWDS has several stores that adhere to traditional customs, organising colleagues to participate in dumpling-making activities, allowing everyone to celebrate the holiday together.

In addition, all operating units of NWDS organised a variety of celebration activities during the Spring Festival, such as organising lion dance performances, making handicrafts, and shooting blessing videos, etc., hoping for good life for all employees and continuous growth of the company's business in the new year.



Dumpling-making Activity in Yantai Store



Spring Festival Dragon Dance Event in Beijing Trendy Store



New Year DIY Activity in Shanghai Pujian Branch Store



Dumpling-making Activity in Shanghai Baoshan Branch Store



Dumpling-making Activity in Chongqing Store



New Year Greetings Video Shoot Event at Hong Kong Office

Employee Caring Activities – “Staff Birthday Party”

The various stores of NWDS periodically organised birthday parties for their staff, preparing birthday cakes, gifts, celebration ceremonies, and entertainment activities to provide the staff with a wonderful birthday experience. Within the reporting year, the branches of the company held multiple birthday parties, allowing the staff to celebrate their birthdays and enjoy life while at work.

Caring



“Staff Birthday Party” at Wuhan Xudong Branch Store



“Staff Birthday Party” at Beijing Chongwen Store

Care for Female Employees – “38 Women’s Day” Activity

On the annual Women’s Day, the company showed care for every lady striving at NWDS. The festival activity featured a “Goddess High Tea”, inspired by picnic boxes, sending a heartfelt afternoon tea to every female employee, which included a variety of desserts and drinks. Moreover, the company also prepared flowers of different colour schemes. The creamy orange and purple flowers, matching the sweet fragrance, instantly became the ladies’ dream-like “love flowers”. In addition, on the day of the festival, the stores invited the ladies to watch the latest released films, allowing them to enjoy relaxing and entertaining moments outside of work.

Caring



38 Women’s Day Activity at Shanghai Chengshan Branch Store

NWDS “30th Anniversary: A Bright Future Ahead” Themed Event

On the 30th anniversary of the establishment of NWDS, all employees are invited to celebrate together.

We hosted the summer sports meet at NWDS, featuring a series of competitive and fun activities such as rope skipping, badminton, table tennis, basketball, teamwork challenges, spirit fortress, strength contests, and collaborative progress. The event was interspersed with exclusive original theme songs and youthful dance performances. The heartwarming 30th anniversary documentary and the mass chorus brought the sports event to a climax. The schedule also included limited original theme songs and youthful dance performances, with the warm 30th anniversary documentary and the mass chorus pushing the entire sports event to a climax.

During the sports event, a vast number of employees actively participated in various activities, bringing about exciting competitions and performances.



In addition, the 30th anniversary theme event incorporated the long-standing tradition of NWDS — the “Bring Love Home” family fun program. The efforts and achievements of each employee are inseparable from the support and encouragement of their family members. To express gratitude for the contribution of every NWDS employee’s family, the company distributed exclusive gifts and benefits to the employees and their families, encouraging employees to pay attention to family life outside of work and learn to enjoy happiness with their family members.



At the same time, each region and store carried out their own sub-activities centred around the main theme, such as old photo commemorative exhibitions, public welfare visits, games selection and so on, extending the main spirit of the 30th anniversary to every corner.

Caring



Wellness



NWDS has always been committed to the work life balance of its employees, offering various measures to promote their physical and mental health. Through these activities and benefits, the company is dedicated to achieving common development between employees and the enterprise, providing a talent pool for the long-term development of the company.



4.3 TALENT TRAINING AND DEVELOPMENT

NWDS has always been committed to building a comprehensive system for employee career development and training, ensuring that all staff have equal opportunities for career advancement through the overall talent planning and development of the company.

Employee Training

We value the quality and effectiveness of training, and through high-quality training programs such as the “Star Instructor” rating system, we encourage employees to self-improve and have cultivated a group of talents with comprehensive management capabilities. In addition, we also collaborate with managers in various business fields to host knowledge-sharing sessions, ensuring that employees can grasp the latest business knowledge.

Talent Cultivation

- Through one-on-one counseling, teaching by practice and other diversified training, we enhance the comprehensive management ability of our reserve talents and realise their career development.

High-quality Training

- Re-define the role of lecturers in NWDS, strictly screen the qualifications of lecturers, and launch “Top Ten Lecturers” and “Star Lecturers” evaluation activities.

Business Empowerment Training

- In 2024, we have been working on identifying key challenges across our business areas and actively promoting in-house training to address these challenges. A series of knowledge-sharing sessions were arranged in collaboration with the management of each business area.

Enhancing On-the-Job Competencies

- Collaborated with the Commodity Department to launch training on retail business. These training courses cover the use of brand inventory systems, retail systems and office automation systems, spreadsheet skills, and promotional strategies for cosmetics, ladies’ products and food and beverage sales.
- Provided sales and customer service training to frontline colleagues through authorised courses. We share with participants the skills and techniques to effectively sell products to different types of customers and provide excellent customer service.

Qualified In-house Instructors

- We conducted qualification audits of instructor qualifications to motivate instructors to continuously improve the ability of their training.

Highlights of NWDS Training System

During the reporting year, NWDS actively carried out various training activities, with a total of over 7,000 participant attendances. Through these trainings, the professional skills and business capabilities of the employees were enhanced, laying the foundation for the company’s development.

Talent Cultivation Program • Training Trip to Beijing

The new talent team of NWDS participated at a four-day deep training session in Beijing. Through expansion activities and book recommendation meetings, they established friendships and team trust; through innovative course learning, they mastered key knowledge for business improvement. In the form of “TED talk”, they expressed their connection with the team and talked about their future aspirations. This training session in Beijing had a total of 26 talents, with a course satisfaction rating of 4.9 out of 5.



NWDS Talent Cultivation Program

Caring



Employee Development

In terms of employee promotion mechanisms, we have established clear policies and systems. By setting up diverse promotion channels, we provide employees with clear career development paths. Our promotions and selections strictly adhere to the principles of fairness and justice, ensuring that every employee can demonstrate their talents in a fair competitive environment.

Looking forward, we will continue to refine the career development channels for employees, optimise the promotion and selection mechanisms, strengthen the construction of the training system, and provide more diversified and specialised training courses to support the sustained development of the venture.



4.4 OCCUPATIONAL HEALTH AND SAFETY

Employee Health and Safety Management

NWDS places a high priority on the occupational health and safety of its employees, strictly adhering to the *Prevention and Control of Occupational Diseases Law of the People's Republic of China*, and has implemented a series of stringent management systems to ensure the safety and well-being of employees in the workplace. Our management measures include regular safety inspections and hazard investigations, comprehensive safety education for new employees, customised safety guidance for employees in different positions, regular thematic training to ensure the comprehensiveness of the annual training plan, safety education for suppliers and requiring their safety commitment, regular safety drills to enhance employees' emergency response capabilities, and first aid training to ensure that employees master basic first aid skills.

Compliance with Laws and Regulations

- In terms of compliance with laws and regulations, NWDS strictly abides by national laws and regulations to ensure that the company operates in a lawful and compliant manner. We have also established safety inspection procedures and standards for the identification of potential hazards to ensure that safety inspections can be carried out in a uniform and effective manner in our stores nationwide.

Health and Safety Training

- In terms of health and safety training, new employees of NWDS must receive comprehensive safety training to ensure that they understand and comply with the company's safety regulations and operating procedures. We provide regular specialised training for staff in different positions, such as catering and non-catering staff, to ensure that staff can continuously update and enhance their safety knowledge and skills.

Occupational Health Services

- In terms of occupational health services, NWDS is committed to creating a safe and healthy working atmosphere for our staff. Necessary personal protective equipment, such as helmets, gloves, goggles and so on, are provided to ensure that employees are properly protected when needed. In addition, we provide a range of occupational health services, including periodic health check-ups, preventive measures and control programs for occupational diseases, as well as health consultation and professional guidance for our employees. Our goal is to keep our employees in good physical and mental health during the work process, thereby enhancing work efficiency and quality of life.

Occupational Health and Safety Drills

To continuously enhance the awareness and capabilities of employees regarding health and safety, the company carried out various drill activities. These activities allowed employees to strengthen their safety awareness and improve their ability to respond to emergencies through participation in practical exercises and lectures, jointly establishing a healthy and safe working environment.

Wellness



Flood Drill at Zhengzhou Store



Counter-terrorism Drill at Beijing Liying Store



Fire Drill at Changsha Trendy Plaza



Free Medical Checkup and Consultation Services for Employees

To encourage employees to pay more attention to their own physical and mental health, Mianyang Store sincerely invited volunteers from the Youth Institute of Chinese Medicine to provide free medical checkup and consultation services for the staff at the branch in July 2023. Through a series of activities, they offered consultations and analyses on common diseases and explained knowledge of prevention and health care, enabling employees to better understand their own health conditions, pay attention to healthy living apart from enjoying the work.

Wellness



Free Medical Checkup and Consultation Services at Mianyang Store



Construction Safety Management

In terms of safety management at the construction site, NWDS has established the *Construction Project Management Policy* to ensure the safe operation of construction projects as well as the health and safety of the site personnel.

Safety System Guarantee

- Contractors contracting for any project are required to provide *On-site Civilised Construction System*, *On-site Safety Production System* and *On-site Construction Team Management System*. Establishment of safety responsibility system, formulation of safety production indicators, strengthening of safety education at all levels, and improvement of safety measures in construction organisation design.

Safety Training

- All personnel should undergo safety training, and special work types need to hold a post certificate.

Safety Tracking Management

- The use of safety and civilisation measures for the construction unit shall be tracked and managed in various forms, such as safety inspections, thematic meetings, and performance appraisals, so as to pay attention to and supervise the performance of the relevant parties in safety production management from the viewpoint of the department in charge of the project.

Fire Safety Management

- On-site fire safety management is the most important aspect of safety management, which requires the project team to formulate effective control procedures, strengthen inspection efforts, remove hidden dangers on-site, and pay attention to the stacking of flammable materials, the reporting and approval process of welding and other fire operations, and the implementation of on-site fire prevention measures. The branch is responsible for supervising the merchants to comply with the code of practice for interior decoration and the requirements for approval of fire-activated operations.

Construction Safety Thematic Meeting

Our Company conducts irregular thematic meeting on construction safety to enhance the safety awareness and capabilities of the workers according to the progress of the construction projects of stores, ensuring the smooth progress of the engineering projects. For any safety hazards found on-site, we will require the construction party to make timely rectifications to prevent the occurrence of safety incidents.



Construction Safety Thematic Training Program at Shanghai Wujiaochang Branch Store

During the reporting period, the company had no incidents of non-compliance regarding safety.

Wellness





Practising Social Welfare

NWDS adheres to the concept of joint development of business and community interests, actively carries out interactive activities with local communities in each store, advocates for employees to actively participate in community service, and collaborates with partners to provide support and momentum for the development of local communities.

Our company's branches actively interact with the local communities, providing employees with opportunities to participate in community services, such as supporting local development through involvement in volunteer services, public blood donations, and fundraising activities. To encourage employees and boost their enthusiasm for community activities, and to standardise the volunteer activities of NWDS employees, we have developed the *NWDS Volunteer Team Member Handbook*, which strengthens the supervision of employee volunteer activities and enhances the effectiveness of these activities through the introduction of different volunteer activities' themes, meanings, values, beneficiaries, registration methods, and other relevant information. In terms of charitable contributions, we actively invest in the community and participate in community activities through educational assistance, charitable donations, and cooperation with charitable organisations or non-governmental organisations. During the reporting period, the total volunteer service hours of NWDS employees reached 700.5 hours, and the total amount of donations to charitable organisations exceeded HK\$150,000.

CHILDREN'S CARE PROGRAMS

Autism Awareness Day Art Exhibition

In April 2024, Shanghai Tianshan Road Branch Store in conjunction with the Shanghai Aihao Children's Rehabilitation Training Centre, the Shanghai Disabled Persons' Federation, and the Shanghai Volunteer Association, organised an autism awareness day art exhibition activity titled "Love in Heart, Thus be Good" for the children of the Shanghai Blue Ribbon Autism Care Centre. A total of 55 employees participated in this event, which attracted the support of 200 volunteers.

We aim to demonstrate our social responsibility and mission through the "17th World Autism Awareness Day," encouraging more people to participate in activities that care for children with autism, to contribute love, and to reap the rewards of goodness.



Autism Awareness Day Art Exhibition in Shanghai Tianshan Road Branch Store

Caring



Wellness



Autism Children's Care Activity

To promote the popularisation of autism health knowledge and call for more attention from all sectors of society to the status of children with autism, Beijing Qianzi Store, in collaboration with Shunyi Online, initiated a large-scale public welfare flea market activity in May 2024.

This event encourages small sellers to donate items in their personal capacity to the China Welfare Foundation — Children with Autism. At the same time, merchants who make donations will also receive a public welfare certificate issued by the organiser, to raise public awareness of people with autism.

In addition, we have genuinely reached out to children in need of care, by organising activities such as sports meets, to accompany children with autism in a tangible way. Through the “Let love being together” campaign, we donate our love and care.



Public Welfare Activity in Beijing Qianzi Store

COMMUNITY HEALTH CARE ACTIVITIES

Blood Donation Activities

In order to deliver the social responsibility and take practical actions to help health and relay for life during the year, many employee volunteers from Shanghai Chengshan Branch Store and Mianyang Store actively participated in the voluntary blood donation activities under the organisation of the professional healthcare workers to spread the love.



Blood Donation Activity in Mianyang Store



Blood Donation Activity in Shanghai Chengshan Branch Store

Caring



Wellness



ELDERLY CARE ACTIVITIES

Mid-Autumn Festival Care Activity for the Elderly

In order to raise the importance of elderly care in the society and promote the development of community integration, in September 2023, NWDS Hong Kong Office cooperated with the Young Men's Christian Association ("YMCA") of Hong Kong to distribute cookies and supermarket coupons to the elderly from the elderly home in Tung Chung district before the Mid-Autumn Festival, so as to set a good example of social responsibility and bring warmth and support to the elderly in need of help.



Elderly Care Activity in Hong Kong

Caring



Practising Social Welfare

Chung Yeung Festival Care Activities for the Elderly

In order to promote the corporate social responsibility of respecting, honouring, caring and helping the elderly, a number of NWDS stores launched donation and caring activities for the elderly on the occasion of the Chung Yeung Festival in 2023. NWDS volunteers provided various gifts and organised live performances for the elderly in the elderly homes to promote the communication between us and the elderly and provide warmth during the festival.



Nanjing Store's Elderly Care Activity



Shanghai Branch Stores' Elderly Care Activity



Beijing Chongwen Store's Elderly Care Activity

Caring



HEARTWARMING GIFT ACTIVITIES

Heartwarming Winter Solstice Activity

Before the traditional festival “Winter Solstice” arrives, Zhengzhou Store organised a warming event themed “The Arrival of Winter Wishes” in December 2023, for outdoor workers such as sanitation workers and couriers. The store had meticulously prepared warm gloves, masks, and hot milk tea as comfort items and arranged for staff to deliver them to every hardworking outdoor worker, bringing a touch of warmth to them in the cold winter days.



Heartwarming Winter Solstice Activity in Zhengzhou Store



Summer Cooling Delivery Activity

In July 2023, Mianyang Store and NWDS Nanjing Store launched the summer cooling delivery activity.

Nanjing store motivates its employees' enthusiasm and initiative by sending summer drinks to outdoor workers in the Xinjiekou subdistrict of Nanjing store and the Xuanwu District Fire Brigade, allowing the workers in the streets and the fire brigade to feel the care from the New World Department Store Trade Union organisation, thereby enhancing the unity between the trade union and the community.

Mianyang Store conducted the "Cool Summer, Love Drink" public welfare activity, providing drinks to the vast number of outdoor workers during the hot summer months. The activity was also well received and praised by the outdoor workers.



Nanjing Store's Summer Cooling Delivery Activity



Mianyang Store's Cool Summer, Love Drink Activity

Caring



Practising Social Welfare

Troop Sympathy Activity

During the reporting period, Beijing Chongwen Store actively organised activity to console the troops. Through the forms of material donations and event organisation, they expressed gratitude for their continuous contributions to society, conveyed greetings and respect from NWDS, and actively learned the spirit of high-quality development and collaborative cooperation from the troops through this event.



Troop Sympathy Activity in Beijing Chongwen Store

Free Haircutting Activity

NWDS not only fully considers the actual needs of the community and customers in its services, but also combines the public welfare activities with the needs of the community at all times. For this reason, Beijing Liying Store collaborated with Wanjing Furong Subdistrict office to launch the public welfare haircutting activities with the theme "New World Benefit Action" in January and March 2024, which truly integrates love into the life of the community by providing free haircutting activities and promoting the common development of the community. The event is aimed at promoting the common development of the community by providing free haircuts and truly integrating love into the community life.



Free Haircutting Activity in Beijing Liying Store

CHARITY DONATION ACTIVITIES

Mechanical Panda Charity Sale Event

In April 2024, Beijing Liying Store and Wangjing Street launched the “Date at the Flower Stream Charity Auction” themed charity event. The event invited a mysterious guest, the designer of the Wangjing Giant Panda, to auction off the Giant Panda handmade items signed by the creator.

During the event, the designer of the Wangjing Giant Panda introduced the Wangjing Giant Panda and its relationship with Wangjing Street, and received a certificate of donation from Wangjing Street to express his gratitude for his love and dedication. Under the enthusiastic explanation and guidance of the auctioneer, the atmosphere on the spot was heated, with everyone participating and bidding one after another, fully demonstrating their enthusiasm and support for the public welfare cause. All donations of “Meet at Huaxi Charity Auction” was contributed to the “Shouwang Public Welfare Specialised Fund”, to be used to carry out public welfare activities in the region such as assisting the elderly, helping the young, helping the poor and the handicapped, and so on.

Caring



Mechanical Panda Charity Sale Event in Beijing Liying Store



Large-scale Parent-Child Charity Market

In January 2024, Yantai Store joined hands with local kindergarten organisations to organise the charity sale activity, hoping to light up the lamp of kindness in children’s hearts through small acts of kindness, cultivate children’s sense of social responsibility, and provide children with an experience full of joy from love.

The activities recruited 200 families to hold a large-scale parent-child charity sale. Parents and children prepared their own goods and change for the sale and used the proceeds to purchase winter supplies such as cotton clothes and gloves for impoverished children in Daliang Mountain, Sichuan Province. We hope that through this charity sale activity, we can make a small contribution to the public welfare, and also inspire the children’s love, so that they can cherish the beauty of today’s life more.

Caring



Large-scale Parent-Child Charity Market in Yantai Store

Practising Social Welfare

In the Name of Love Activity

In March 2024, Shenyang Jinqiao Road Trendy Plaza joined hands with Shenyang Little Blue Love Charity Team to organise a used clothes donation activity, where customers can donate their unused clothes to people in need from Xinmin Chengren Children’s Welfare Centre and Xinmin Love Sprinkle People’s Love Home, and add a new lustre to these used clothes with our love and care.

Caring



Shenyang Jinqiao Road Trendy Plaza’s Charity Activity

Volunteer Program to Visit Families in Need in the District

NWDS actively penetrates different disadvantaged groups, understands the real needs of different groups, and establishes social responsibility activities with the significance of actual improvement. In July 2023, Chongqing Store devoted its love to the group of families in difficulties, and through public welfare donation, helped the families in difficulties to tide over the difficult times. We believe that a little goes a long way, and we will actively stimulate social love with our own influence in this green action.

Caring



Chongqing Store’s Volunteer Program

SUSTAINABILITY THEME ACTIVITIES

Environmental Painting Activity

In April 2024, the Shenyang Jinqiao Road Trendy Plaza, in collaboration with the NIO Public Welfare Organisation and the Malang Creative Agency, hosted the “Love Shenyang, Draw Shenyang, Unite Children’s Hearts for Social Welfare” activity, inviting 30 parent-child families and public welfare volunteers to participate in the green painting activity at the store.



Shenyang Jinqiao Road Trendy Plaza’s Environmental Painting Activity

Caring



Green



Children's Charity Giant 100-metre Painting Activity

“Children look at insects, and adults look at cocoons”, Beijing Chongwen Store launched a unique “children’s public welfare giant 100-metre painting — let the butterflies appear on the paper” green painting activity in June 2024. At the scene of the activity, children took out their brushes to draw the image of butterflies in their hearts, and parents at the scene were also inspired by the atmosphere and created works together with their children. Through this activity, NWDS hopes to guide children to pay attention to the nature and our beautiful home.



Beijing Chongwen Store's Environmental Painting Activity

Caring



Green





ANIMAL PROTECTION ACTIVITIES

Pet Adoption Event

Over the years, NWDS has not only deeply cared for the community and disadvantaged groups, but also set our eyes on a wider range of sustainability topics. To give a new home to stray or abandoned pets and build a more friendly animal-friendly environment, Shanghai Shaanxi Road Branch Store opened a pet adoption event in September 2023, hoping to contribute to the support of animal protection and animal welfare through the platform of NWDS.



Pet Adoption Event at Shanghai Shaanxi Road Branch Store

Caring



AWARDS, EXTERNAL ADVOCACY AND MEMBERSHIP

Environmental Protection

Environmental Campaign Committee — “Hong Kong Green Organisation” Certificate “Excellence Level” Wastewi\$e Certificate “Basic Level” Energywi\$e Certificate “Good Level” IAQwi\$e Certificate in the “Hong Kong Green Organisation Certification Scheme”



World Green Organisation — “Green Office 10+” and “Healthy Workplace” labels in the “United Nations Sustainable Development Goals — Green Office Awards Labelling Scheme”



Employee Benefits

Hong Kong Promoting Happiness Index Foundation and The Chinese Manufacturers’ Association of Hong Kong — The “5 Years Plus Happy Company” Logo in the “Happy Workplace Promotion Program 2024”



Mandatory Provident Fund Schemes Authority — “Good MPF Employer 5 Years”, “e-Contribution Award” and “MPF Support Award” in 2023/24 “Good MPF Employer Award”





Public Welfare

The Hong Kong Council of Social Service — “10 Years Plus Caring Company” Logo in “Caring Company” Scheme for the 2023/24 Year



Beijing Chaoyang District People’s Government Wangjing Sub-district Office — East-West Cooperation Caring Company



Corporate Governance

The Asset — Gold Award in the category of “Environment, Social and Governance” in “The Asset ESG Corporate Awards 2023”





External Advocacy and Membership

Proposing institution	Participate in the action
United Nations	<p>Supporter of United Nations Sustainable Development Goals</p> 
World Green Organisation	<p>Participants Organisation of "Paper Saving Campaign"</p> 

Proposing institution	Participate in the action
The Environmental Bureau of the Hong Kong Special Administrative Region	<p>"Hong Kong Actions on Climate Change" Carbon Audit Green Organisation</p> <p>"Activity Waste Reduction Commitment" participating organisations</p> 
China Council for International Investment Promotion	<p>Corporate member</p> 



ENVIRONMENTAL DATA

Types and Indicators	Unit	FY2023	FY2024
Energy Consumption⁽¹⁾			
Natural gas	GJ	47,255	51,985
Gasoline	GJ	1,294	1,129
Diesel	GJ	739	546
Electricity (Net Usage for Department Stores)	GJ	332,840	354,507
Municipal heating	GJ	65,000	67,549
Direct energy consumption	GJ	49,288	53,660
Indirect energy consumption	GJ	397,840	422,056
Energy consumption per unit area	GJ per sq.m	0.471	0.520
Greenhouse Gas (GHG) Emissions⁽²⁾			
Scope 1 GHG emissions	tonne CO ₂ e	2,671	2,896
Scope 2 GHG emissions ⁽³⁾	tonne CO ₂ e	58,190	61,835
Total GHG emissions	tonne CO ₂ e	60,861	64,731
GHG emissions per unit area	tonne CO ₂ e per sq.m	0.064	0.071
Water Resource Usage			
Water consumption	m ³	477,366	500,302
Water consumption per unit area	m ³ per sq.m	0.503	0.547
Wastewater discharge			
Wastewater discharge volume ⁽⁴⁾	m ³	N/A	400,241
Wastewater discharge per unit area	m ³ per sq.m	N/A	0.437

⁽¹⁾ The conversion factors are selected from the "Greenhouse Gas Inventory Guidance - Direct Emissions from Stationary Combustion Sources" published by the EPA in 2016.

⁽²⁾ Greenhouse gas inventory Scope 1 includes stationary sources, mobile sources, and Scope 2 includes electricity consumption, municipal heating.

⁽³⁾ The power emission factors in the mainland China are derived from the calculation of Scope 2 greenhouse gas emissions in 2022, which refers to the "Enterprise Greenhouse Gas Emission Accounting and Reporting Guidelines for Power Generation Facilities (2022 Revised Edition)" issued by the National Development and Reform Commission (Circular on Climate Change [2021] No. 111) for accounting and compilation. The power emission factors in the Hong Kong region are sourced from the "2023 HK Electric Sustainable Development Report." The emission factors for heating come from the "Voluntary Reporting of Greenhouse Gases" published by the EIA in 2002.

⁽⁴⁾ 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.



Types and Indicators	Unit	FY2023	FY2024
General Waste⁽⁵⁾			
General solid waste generation (recyclable)	tonnes	139	144
General solid waste output (non-recyclable)	tonnes	6,285	5,371
Total generation of general solid waste	tonnes	6,436	5,515
General solid waste output per unit area ⁽⁶⁾	kg per sq.m	6.80	10.27
Hazardous waste⁽⁷⁾			
Total hazardous waste generated	kg	85	85
Amount of hazardous waste generated per unit area ⁽⁸⁾	g per sq.m	0.0012	0.0012
Waste gas emissions⁽⁹⁾			
Nitrogen oxides	tonnes	0.0186	0.0146
Sulfur oxides	tonnes	0.0005	0.0005
Particulate matter	tonnes	0.0014	0.0011
Material usage			
Paper usage (A4)	kg	13,526	12,643
Paper usage (A3)	kg	218	160
Paper products	kg	8,824	9,613
Plastic packaging bags ⁽¹⁰⁾	kg	2,228	1,696
Others ⁽¹¹⁾	kg	N/A	4,298

⁽⁵⁾ General waste is only statistically counted for some of the stores, with nine stores and the Shanghai office not included in the statistics.

⁽⁶⁾ The reason for the change in the 2023 general solid waste generation per unit area data is that the denominator in this report for calculating the 2023 intensity of non-hazardous waste uses the total area of some of the stores, and nine stores and the Shanghai office are not included in the statistics.

⁽⁷⁾ The statistical category for hazardous waste is used ink cartridges, and the scope of statistics is limited to the Changsha Trendy Plaza and the Shanghai Chengshan Branch Store.

⁽⁸⁾ The reason for the change in the hazardous solid waste generation per unit area data in 2023 is that the statistical coverage of the denominator for calculating the hazardous waste intensity in 2023 in this report is limited to the Changsha Trendy Plaza and the Shanghai Chengshan Branch Store.

⁽⁹⁾ Emission of exhaust gases originates from the fuel consumption of our own vehicles.

⁽¹⁰⁾ The statistical scope of plastic packaging bags is limited to the Yantai Store only.

⁽¹¹⁾ The "Other" category primarily includes paper bags and non-woven fabric bags, with no statistics available for 2023.



SOCIAL DATA

Number of employees						
FY2023						
		Total	Gender		Region	
			Male	Female	Hong Kong	Mainland China
Types of Employment Contracts	Permanent contract	1,166	543	604	13	1,153
	Fixed-term/temporary contract	951	482	469	0	951
Employment Category	Full-time	2,117	1,044	1,073	13	2,104
	Part-time	0	0	0	0	0
FY2024						
		Total	Gender		Region	
			Male	Female	Hong Kong	Mainland China
Types of Employment Contracts	Permanent contract	1,838	953	885	13	1,825
	Fixed term/temporary contract	0	0	0	0	0
Employment Category	Full-time	1,838	953	885	13	1,825
	Part-time	0	0	0	0	0



Employee diversity			
FY2023			
	Total	Gender	
		Male	Female
Employees in STEM positions	778	588	190
FY2024			
	Total	Gender	
		Male	Female
Employees in STEM positions	519	340	179
FY2023			
	Total	Region	
		Hong Kong	Mainland China
Employees in management positions	185	6	179
Disabled employees	12	0	12
FY2024			
	Total	Region	
		Hong Kong	Mainland China
Employees in management positions	171	6	165
Disabled employees	15	0	15



Salary Ratio

The ratio of female's to male's basic salary and compensation

FY2023

FY2024

1.12 : 1

1.03 : 1

Training hours

FY2023

FY2024

Total training hours

Number of trainees

Total training hours

Number of trainees

Classification by level

Front-line staff

44,366.5

871

17,765.1

1,000

General staff

6,338.2

144

9,572.4

475

Assistant Manager

3,686.4

91

3,910.5

626

Manager

1,537.1

28

2,268.4

100

Senior management

1,642.7

66

956.6

32

Assistant General Manager and above

1,044.9

75

1,044.9

75

Divided by gender

Male

25,767.4

1,044

16,081.6

1,160

Female

31,803.5

1,072

19,436.3

1,148

Total

57,570.9

2,116

35,517.9

2,308



Employee Code of Conduct

Category	Unit	FY2023	FY2024
Employees adhered to the code of conduct	Number of people	2,104	1,825
	Proportion	99%	99%
Employees signed the code of conduct	Number of people	2,104	1,825
	Proportion	99%	99%
Employees received the code of conduct training	Number of people	2,104	1,825
	Proportion	99%	99%

Holiday benefits

Category	FY2023	FY2024
Parental Leave		
Employees entitled to maternity leave	1,073	883
Employees on maternity leave	32	17
Employees returning to work after childbirth	24	17
Employees entitled to paternity leave	1,044	953
Employees taking paternity leave	18	17
Care Leave		
Employees entitled to compassionate leave	2,117	1,838
Employees taking care leave	42	26

**Employee hiring data**

Category		Unit	FY2023	FY2024
Total number of new employees		people	1	160
Age	Under 30 years old	person/people	1	46
	30–50 years old	people	0	111
	Age 50 and above	people	0	3
	Gender	Male	people	0
	Female	people	1	76
Management level	Management team	person/people	0	20
	Non-management level	people	1	140

Employee turnover data

Category		FY2023		FY2024	
		Number of people	Staff turnover rate	Number of people	Staff turnover rate
Number of employees leaving and turnover rate					
Age	Under 30 years old	26	1.2%	0	0.0%
	30–50 years old	212	10.0%	99	5.4%
	Aged 50 and above	23	1.1%	47	2.6%
Gender	Male	119	5.6%	47	2.6%
	Women	142	6.7%	99	5.4%
Management level	Management level	N/A	N/A	10	0.5%
	Non-management level	N/A	N/A	136	7.4%



Occupational Health and Safety Data

	FY2023		
	Absence rate ⁽¹²⁾	Occupational disease rate	Mortality rate
Gender classification			
Male	1.39%	0%	0%
Female	1.70%	0%	0%
Categorised by region			
Hong Kong	1.29%	0%	0%
Mainland China	1.55%	0%	0%
	FY2024		
	Absence rate	Occupational disease rate	Mortality rate
Gender classification			
Male	0.74%	0%	0%
Female	1.17%	0%	0%
Categorised by region			
Hong Kong	0.02%	0%	0%
Mainland China	1.89%	0%	0%
Total for Fiscal Year 2024	1.91%	0%	0%

⁽¹²⁾ The absence rate is calculated as "the number of absence days divided by the total number of working days."

**Work-related injury data⁽¹³⁾**

Statistical Category		FY2024
Number of workdays lost due to work-related injuries	Mainland China	1,459
	Hong Kong	0

Number of deaths due to official business

Statistical Category			FY2022	FY 2023	FY2024
Number of deaths due to official business	Gender	Male	0	0	0
		Female	0	0	0
	Region	Hong Kong	0	0	0
		Mainland China	0	0	0

Product liability

Statistical Category		FY2023	FY2024
The quantity of products sold that need to be recalled for safety or health reasons		0	0
Number of complaints regarding products and services		0	0

Number of suppliers

Statistical Category		FY2023	FY2024
Total number of suppliers		52	56
By region	Hong Kong	7	9
	Mainland China	45	47
	Others	0	0

⁽¹³⁾ In 2023, due to limited data, we only disclosed the rate of work absence caused by work-related injuries; in 2024, we began to collect and disclose the "number of workdays lost due to work-related injuries," thus better meeting the disclosure requirements of the Hong Kong Stock Exchange.



HONG KONG EXCHANGE INDEX

Environmental, Social, and Governance (ESG) Areas and General Disclosures and Key Performance Indicators (KPIs)		The section in which it is located
Environment		
	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 and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.
	Key Performance Indicator A1.1	The types of emissions and respective emissions data.
A1: Emissions	Key Performance Indicator 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 Indicator A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
	Key Performance Indicator A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
	Key Performance Indicator A1.5	Description of emission target(s) set and the steps taken to achieve them.
	Key Performance Indicator 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
		Appendix: Key Performance Indicators – Environmental Data
		Appendix: Key Performance Indicators – Environmental Data
		Appendix: Key Performance Indicators – Environmental Data
		Appendix: Key Performance Indicators – Environmental Data
		2.1 Green Management
		2.3 Reducing Environmental Impact



Environmental, Social, and Governance (ESG) Areas and General Disclosures and Key Performance Indicators (KPIs)			The section in which it is located
A2: Resources Utilise	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	2.2 Tackle Climate Change 2.3 Reducing Environmental Impact
	Key Performance Indicator 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).	2.2 Tackle Climate Change
	Key Performance Indicator A2.2	Water consumption in total and intensity (e.g., per unit of production volume per facility).	Appendix: Key Performance Indicators — Environmental Data
	Key Performance Indicator A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2.1 Green Management
	Key Performance Indicator 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 Green Management 2.3 Reducing Environmental Impact
	Key Performance Indicator A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix: Key Performance Indicators — Environmental Data
A3: Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	2.3 Reducing Environmental Impact
	Key Performance Indicator A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.1 Green Management 2.2 Tackle 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 Tackle Climate Change
	Key Performance Indicator 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 Tackle Climate Change



Environmental, Social, and Governance (ESG) Areas and General Disclosures and Key Performance Indicators (KPIs)			The section in which it is located
Society			
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.	4. Building Talent Teams
	Key Performance Indicator B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	Appendix: Key Performance Indicators – Social Data
	Key Performance Indicator B1.2	Employee turnover rate by gender, age group and geographical region	Appendix: Key Performance Indicators – Social Data
Section 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.	4.4 Occupational Health and Safety
	Key Performance Indicator B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix: Key Performance Indicators – Social Data
	Key Performance Indicator B2.2	Lost days due to work injury.	Appendix: Key Performance Indicators – Social Data
	Key Performance Indicator B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.4 Occupational Health and Safety
Section B3: Development and training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.3 Talent Training and Development
	Key Performance Indicator B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix: Key Performance Indicators – Social Data
	Key Performance Indicator B3.2	The average training hours completed per employee, by gender and employee category.	Appendix: Key Performance Indicators – Social Data



Environmental, Social, and Governance (ESG) Areas and General Disclosures and Key Performance Indicators (KPIs)			The section in which it is located
B4: Labor 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.	4.1 Employment Compliance
	Key Performance Indicator B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1 Employment Compliance
	Key Performance Indicator B4.2	Description of steps taken to eliminate such practices when is discovered.	4.1 Employment Compliance
B5: Supply chain management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.3 Value Chain Co-building
	Key Performance Indicator B5.1	Number of suppliers by geographical region.	3.3 Value Chain Co-building
	Key Performance Indicator 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.	3.3 Value Chain Co-building
	Key Performance Indicator B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.3 Value Chain Co-building
	Key Performance Indicator B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.3 Value Chain Co-building
B6: Product liability	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 Product and Service Responsibility
	Key Performance Indicator B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Appendix: Key Performance Indicators – Social Data
	Key Performance Indicator B6.2	Number of products and service related complaints received and how they are dealt with.	3.2 Product and Service Responsibility
	Key Performance Indicator B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.2 Product and Service Responsibility
	Key Performance Indicator B6.4	Description of quality assurance process and recall procedures.	3.2 Product and Service Responsibility
	Key Performance Indicator B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.2 Product and Service Responsibility



Environmental, Social, and Governance (ESG) Areas and General Disclosures and Key Performance Indicators (KPIs)			The section in which it is located
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.	1.3 Business Ethics
	Key Performance Indicator 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.	1.3 Business Ethics
	Key Performance Indicator B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	1.3 Business Ethics
	Key Performance Indicator B7.3	Description of anti-corruption training provided to directors and staff.	1.3 Business Ethics ⁽¹⁴⁾
B8: Community Investment	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 Practising Social Welfare
	Key Performance Indicator B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	5 Practising Social Welfare
	Key Performance Indicator B8.2	Resources (e.g. money or time) to the focused area.	

⁽¹⁴⁾ Due to internal reasons, we conducted anti-corruption training for employees only in 2023. In the future, we plan to launch anti-corruption training for the Board of Directors.



GRI INDEX

GRI Standards	Disclosure Title	Relevant sections/or other instructions
GRI 2: General Disclosures 2021		
1. 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	Appendix: Assurance Statement
2. Activities and workers		
2-6	Activities, value chains, and other business relationships	2024 Annual Report 3.3 Value Chain Co-building
2-7	Employees	4 Building Talent Teams
2-8	Workers who are not employees	Not involved
3. Governance		
2-9	Governance structure and composition	1.1 Compliance Governance and Risk Management
2-10	Nomination and selection of the highest governance body	2024 Annual Report
2-11	Chair of the highest governance body	2024 Annual Report
2-12	Role of the highest governance body in overseeing the management of impacts	2024 Annual Report
2-13	Delegation of responsibility for managing impacts	2024 Annual Report
2-14	Role of the highest governance body in sustainability reporting	1.2 ESG Vision and Governance
2-15	Conflicts of interest	1.3 Business Ethics
2-16	Communication of critical concerns	1.1 Compliance Governance and Risk Management



GRI Standards	Disclosure Title	Relevant sections/or other instructions
2-17	Collective knowledge of the highest governance body	2024 Annual Report 1.2 ESG Vision and Governance
2-18	Evaluation of the performance of the highest governance body	2024 Annual Report 1.2 ESG Vision and Governance
2-19	Remuneration policies	2024 Annual Report
2-20	Process to determine remuneration	2024 Annual Report
2-21	Annual total compensation ratio	There is no data available for this year. We will continue to refine our data collection practices in order to provide a more comprehensive ESG performance in future reports.
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Chairman's Message 1.2 ESG Vision and Governance
2-23	Policy commitments	1.2 ESG Vision and Governance
2-24	Embedding policy commitments	1.2 ESG Vision and Governance
2-25	Processes to remediate negative impacts	1.3 Business Ethics
2-26	Mechanisms for seeking advice and raising concerns	1.3 Business Ethics
2-27	Compliance with laws and regulations	Each chapter is involved.
2-28	Membership associations	Awards, External Advocacy and Membership
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	1.2 ESG Vision and Governance
2-30	Collective bargaining agreements	Our employees are not bound by group contracts.
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	1.2 ESG Vision and Governance
3-2	List of material topics	1.2 ESG Vision and Governance
3-3	Management of material topics	1.2 ESG Vision and Governance



GRI Standards	Disclosure Title	Relevant sections/or other instructions
Anti-corruption		
3-3	Material Topics 2021	1.3 Business Ethics
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	The risk assessment and internal control carried out by our group have covered the risk of corruption.
205-2	Communication and training about anti-corruption policies and procedures	1.3 Business Ethics
205-3	Confirmed incidents of corruption and actions taken	1.3 Business Ethics
Energy efficiency and carbon reduction		
3-3	Material Topics 2021	2.2 Against Climate Change
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Appendix: Key Performance Indicators — Environmental Data
302-2	Energy consumption outside of the organization	At present, no data has been collected.
302-3	Energy intensity	Appendix: Key Performance Indicators — Environmental Data
302-4	Reduction of energy consumption	2.2 Tackle Climate Change
302-5	Reductions in energy requirements of products and services	At present, no data has been collected.
Water resource management		
3-3	Material Topics 2021	2.3 Reducing Environmental Impact
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	Our sewage is discharged into the municipal sewage network for treatment.
303-3	Water withdrawal	At present, no data has been collected.
303-4	Water discharge	Appendix: Key Performance Indicators — Environmental Data
303-5	Water consumption	Appendix: Key Performance Indicators — Environmental Data



GRI Standards	Disclosure Title	Relevant sections/or other instructions
Energy Efficiency and Carbon Reduction & Against Climate Change		
3-3	Material Topics 2021	2.2 Against Climate Change
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Appendix: Key Performance Indicators — Environmental Data
305-2	Energy indirect (Scope 2) GHG emissions	Appendix: Key Performance Indicators — Environmental Data
305-3	Other indirect (Scope 3) GHG emissions	At present, no data has been collected.
305-4	GHG emissions intensity	Appendix: Key Performance Indicators — Environmental Data
305-5	Reduction of GHG emissions	2.2 Against Climate Change Appendix: Key Performance Indicators — Environmental Data
305-6	Emissions of ozone-depleting substances (ODS)	At present, no data has been collected.
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Appendix: Key Performance Indicators — Environmental Data
Waste Management		
3-3	Material Topics 2021	2.3 Reducing Environmental Impact
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	Appendix: Key Performance Indicators — Environmental Data
306-3	Waste generated	2.3 Reducing Environmental Impact
306-4	Waste diverted from disposal	Appendix: Key Performance Indicators — Environmental Data, General solid waste generation (recyclable), but the data was not collected according to the treatment method
306-5	Waste directed to disposal	Appendix: Key Performance Indicators — Environmental Data, General solid waste generation (non-recyclable), but the data was not collected according to the treatment method



GRI Standards	Disclosure Title	Relevant sections/or other instructions
ESG Management in the Supply Chain		
3-3	Material Topics 2021	3.3 Value Chain Co-building
GRI 308 : Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	3.3 Value Chain Co-building
GRI 414 : Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	3.3 Value Chain Co-building
414-2	Negative social impacts in the supply chain and actions taken	3.3 Value Chain Co-building
Employee Benefits and Compensation		
3-3	Material Topics 2021	4.2 Employee Rights Protection
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Appendix: Key Performance Indicators — Social Data
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Employee Rights Protection
401-3	Parental leave	Appendix: Key Performance Indicators — Social Data, but the data was not classified by gender
Employee Health and Engagement		
3-3	Material Topics 2021	4.4 Occupational Health and Safety
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	4.4 Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	4.4 Occupational Health and Safety
403-3	Occupational health services	4.4 Occupational Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	4.4 Occupational Health and Safety
403-5	Worker training on occupational health and safety	4.4 Occupational Health and Safety
403-6	Promotion of worker health	4.4 Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4 Occupational Health and Safety



GRI Standards	Disclosure Title	Relevant sections/or other instructions
403-8	Workers covered by an occupational health and safety management system	4.4 Occupational Health and Safety
403-9	Work-related injuries	Appendix: Key Performance Indicators — Social Data
403-10	Work-related ill health	Appendix: Key Performance Indicators — Social Data
Employee Training and Development		
3-3	Material Topics 2021	4.3 Talent Training and Development
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Appendix: Key Performance Indicators — Social Data
404-2	Programs for upgrading employee skills and transition assistance programs	4.3 Talent Training and Development
404-3	Percentage of employees receiving regular performance and career development reviews	Not disclosed
Diversity and integration		
3-3	Material Topics 2021	4.2 Employee Rights Protection
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Appendix: Key Performance Indicators — Social Data
405-2	Ratio of basic salary and remuneration of women to men	Appendix: Key Performance Indicators — Social Data
Human Rights and Complaint Mechanisms		
3-3	Material Topics 2021	4.1 Employment Compliance
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	4.1 Employment Compliance
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1 Employment Compliance



GRI Standards	Disclosure Title	Relevant sections/or other instructions
Customer Health and Safety		
3-3	Material Topics 2021	3.2 Product and Service Responsibility
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	3.2 Product and Service Responsibility
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Appendix: Key Performance Indicators — Social Data
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.2 Product and Service Responsibility
Responsible Marketing		
3-3	Material Topics 2021	3.2 Product and Service Responsibility
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	3.2 Product and Service Responsibility
417-2	Incidents of non-compliance concerning product and service information and labelling	No cases
417-3	Incidents of non-compliance concerning marketing communications	No cases



ASSURANCE STATEMENT

SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE NEW WORLD DEPARTMENT STORE CHINA LIMITED'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT FOR 2024

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 China Limited's Environmental, Social and Governance Report for 2024 (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 Corporate Affairs Department of New World Department Store. SGS has not been involved in the preparation of any material included in the Report.

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

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised assurance guidance and standards, including:

- The principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) as:
 - GRI 1: Foundation 2021, for report quality
 - GRI 2: General Disclosure 2021, for organization's reporting practices and other organizational detail
 - GRI 3: Material Topics 2021, for organization's process of determining material topics, its list of material topics and how to manages each topic
- and the guidance on levels of assurance contained within the AA1000 series of standards and ISAE3000.

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

- SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)

Assurance has been conducted at a moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

- The <Environmental, Social and Governance Reporting Guide> by HKEX
- GRI Standards 2021 (Reference)

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees onsite who based on 5/F, Youyou International Plaza No.76 Pujian Road, Pudong New District, Shanghai, New World Department Store China Limited, and online review and validation of documentation and records with relevant personnel of Hong Kong Office.

LIMITATIONS AND MITIGATION

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

The carbon emission related data in the Report were calculated by New World Department Store, only the calculation process of the disclosed data was verified during this assessment. The result shall not be regarded as a third-party verification certificate.

Data tracing was conducted at the headquarter level and didn't include full traceability of the original data of all subsidiaries of New World Department Store.

Only some of the employees in the relevant departments were interviewed and relevant information was reviewed for this assurance process. 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 verification, operating in multiple countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. 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, and comprised auditors registered with CCAA registered ISO 9001, ISO37001, ISO37301 auditor and SGS recognized CSR/ESG lead auditor with knowledge of GRI, AA1000 etc.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the verification work performed, the specified performance information included in the THE NEW WORLD DEPARTMENT STORE CHINA LIMITED'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT FOR 2024 is accurate, reliable, and has been fairly stated, and provide a fair and pertinent presentation of the sustainability activities of New World Department Store for the period from 1 July 2023 to 30 June 2024.

We believe that:

- The Report is prepared with reference to GRI Standards 2021.
- The report complies with the performance disclosure requirements in the Environmental, Social and Governance Reporting Guidelines contained in Appendix C2 of the Securities Listing Rules of the Stock Exchange of Hong Kong Limited.

Reporting Principle

Materiality

In its report, New World Department Store presented the methodology of materiality research and analysis of environmental, social and governance issues, via materiality analysis, the environmental, social and governance significant issues was reported to stakeholders, which could meet the materiality principle requirement Basically.

Quantitative

New World Department Store conducted the statistics and analysis for key quantitative performance indicators, and reported the disclosures' impacts and purposes. Most of the data in the report were disclosed in the form of the past two years, to help the stakeholders to evaluate the effectiveness of management systems and make decisions better.

Balance

New World Department Store presented the balance reporting rule in the Report and reported the environmental, social and governance issues truthfully, which could basically meet the principle of balance.

Consistency

New World Department Store has adopted consistent content disclosure methods in the report, including the statistical methods and statistical caliber of key quantitative performance indicators, in addition, remarks and interpretations were marked in the Report to assist stakeholders make a clear comparison.

Findings and recommendations

Good practices and recommendations for the environmental, social and governance report and management process were described in the internal management report which has been submitted to the management of New World Department Store for continuous improvement.

Signed:

For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

September 12th, 2024
WWW.SGS.COM



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Website



WeChat



Weibo