



唯品会
品牌特卖

**ENVIRONMENTAL, SOCIAL
AND GOVERNANCE
REPORT**

2022

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About This Report

Reporting scope

The organization scope of this report covers Vipshop Holdings Ltd., its subsidiaries, branches, and variable interest entities. For ease of presentation and reading, this report also utilizes the terms "Vipshop", "the Group", "the Company" and "we".

This annual ESG report covers related data from January 1 to December 31, 2022. To enhance comparability with past and future periods referred to within the report, some content has been extended.

Reporting standards

This report has primarily been written in accordance with the GRI Sustainability Reporting Standards (GRI Standards) of the Global Reporting Initiative (GRI).

Notes

Vipshop guarantees this report does not contain any false records, misleading statements, or significant omissions. The information, data, and calculation methods quoted in this report are consistent with the relevant indicators disclosed in the Company's annual report. The Board of Directors is responsible for the authenticity and accuracy of the content of this report and unless otherwise stated, this report uses RMB as the primary unit of currency.

Report approval

This report was ratified and approved by Vipshop's ESG Committee.

Disclaimers

Part of this report contains projections, including, among others, those regarding the planning and targets for the future development of the Company. This part of the report may be impacted by uncertainty which may result in discrepancies between the described content and actual results. Vipshop is not responsible for the updating of any statements of projection included in this report.

Access

This report can be read and downloaded from Vipshop's official website (<http://ir.vip.com>). If you have any further enquiries, or any questions or comments about this report, please contact the Company via the contact details below:

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Chairman's Letter

For Vipshop, 2022 was a critical year for pushing forwards with sustainable development.

In 2022, Vipshop established its ESG Committee, part of a three-tiered system for sustainable development governance composed of the "Board of Directors – ESG Committee – ESG Task Force", and in the same year, Vipshop embarked upon the drafting of its ESG strategy, targeting "Co-creation of a new sustainable life", and deeply embedding the concept of sustainable development within the Company's strategy and business operations, working with stakeholders to explore a sustainable development pathway that is both better for the environment and humanity.

Kinder to the environment – protecting natural ecosystems

Frequent extreme weather events have given us first-hand experience of the impacts caused by climate change and the way that these effect every one of us. As a socially responsible and mission-oriented business, Vipshop has constantly explored how to develop as a green e-commerce business, continually contributing Vipshop's knowledge, solutions, and power.

Based on this target, Vipshop has started from its own operations, to systematically understand the risks and opportunities associated with climate change and draft the Company's targets for carbon neutrality. Vipshop pledges that carbon neutrality in its own operations will be achieved by no later than 2030, and that the greenhouse gas intensity of scope 3 emissions will be reduced by 50%, no later than 2030. Based on improvements in energy efficiency and transformation of the energy structure, Vipshop has drafted a detailed pathway to reduce emissions, working hard across multiple scenarios to improve efficiency and reduce emissions, and taking advantage of the business' intrinsic strengths as a platform-based business,

motivating all components of the value chain, including consumers, brands and partners, to co-create a green, low-carbon ecosystem, and usher in a new era of green consumption across the industry.

Everything lives in harmony and relies on each other for growth. In light of this, in the future, Vipshop will ceaselessly continue to explore ways to be greener, reduce its carbon footprint, and protect biodiversity, thinking beyond the Company's own needs, work with others to protect the planet that we all share.

Better for everyone – conveying that Vipshop cares

Whether they are customers, employees, brands, the community, or the general public, Vipshop cannot afford to overlook any of its stakeholders, who act as both guides and companions on the Company's growth journey. The Company's intentions remain steadfast, seeking to further empower others, and to increase value for all.

Carefully selecting good products, to satisfy customer demand for high-quality products as part of a good life. To satisfy customers' demands for diverse, high-quality products, Vipshop has enriched its differentiated product offering, strictly controlled product quality, and ensured that 100% of its products are genuine. Vipshop has created "V-pulse", which defines an upgrade plan for all stages of operations including selection of products, supplier logistics and after-sales service, in order for customers to feel the "pulse-like" customer service, close to their hearts. Vipshop pays great attention to partner collaborations, creating its middle-platform evaluation dashboard, empowering suppliers with the digital capabilities to allow them to better understand their strengths and weaknesses, and the areas that leave their customers dissatisfied, and working with brands to create a platform for the sale of quality products. Vipshop

has been pleased to observe the number of active Super VIP customers increase to 6.7 million in 2022, representing 41% of our online spending, further expanding the high-quality customer base, and aiding the platform's high-quality development.

Empowering growth, to satisfy employees desires for a proactively inclusive workplace. Vipshop advocates a culture of diversity, equality and inclusivity, and has developed a specialist recruitment program to allow more people with disabilities to gain meaningful work experience, and to unlock more possibilities for them. Vipshop is steadfast in its opposition to sexual harassment and violence in the workplace, and has established reporting channels, and incorporated these into *Vipshop's Management Red Lines*, providing employees with an increased sense of security. Vipshop has actively built a women-friendly workplace, providing thoughtful additions such as mother and baby rooms, to allow women to feel more comfortable at work. In 2022, the proportion of female employees at Vipshop reached 52.6%, exceeding the latest average Gender Equality Index (GEI) value published by Bloomberg. Vipshop has also expanded its culture of integration to the community, opening up the Company HQ's football pitch as a charitable space for the city, offering dedicated free sessions for children with special needs. Vipshop also encourages employees to get involved as volunteers, allowing them to experience the values and concepts of integration and inclusivity through charitable action.

Fostering good thoughts, to fulfil the public's hopes for a warm-hearted and caring community. Vipshop has proactively developed its charitable programs including V-Love Mothers, rural revitalization, and the V-Love Charity Program, with charitable investment surpassing RMB200 million in 2022. In terms of rural revitalization, Vipshop's Langtou Village Rural Revitalization project has developed the culturally and historically significant, national-level settlement of Langtou, located in the Huadu District of Guangzhou City. This project,

centered around a core of cultural revitalization, has coupled preservation with development, to breathe new life into the village of Langtou. In terms of women's charities, by the end of 2022, the V-Love Mothers initiative had helped more than 110,000 single-parent families in need by relieving their burdens and empowering them. Vipshop has encouraged more women to follow their scientific dreams, with the Westlake Women in Science Development and Support Program helping several female doctors develop their research projects and unlock more of life's possibilities.

Only by committing oneself and taking responsibility, can one hope to achieve success. Even though the road ahead has many uncertainties, at Vipshop, we are committed to our original ethos. We believe that we must uphold our philosophy of sustainable development and work hard with our partners, if we are to build a more inclusive, more environmentally friendly, and more harmonious world, and establish a more lasting future.

Chairman of Vipshop's Board of Directors and CEO

Chairman of Vipshop's ESG Committee

Eric Ya Shen

2022 Key Results: Overview

Environmental Issues

Vipshop has formulated a plan for the Group's carbon neutrality targets, and **will achieve carbon neutrality in its own operations no later than 2030**, and that **the greenhouse gas intensity of scope 3 emissions will be reduced by 50%, no later than 2030**

Vipshop has promoted the use of clean energy, generating **61,538 MWh** of solar power in 2022 and planning for the Company's HQ to use **100%** green energy in 2023

Vipshop has promoted green packaging, optimized the thickness of colored plastic packaging and cardboard packaging materials and reduced material usage; throughout the year, approximately **21.19 million** cardboard boxes have been recycled, reducing the weight of cardboard used by **2,556 tons**

Vipshop has promoted the recycling and use of discarded items, using measures such as recycling baskets on the packaging line, resulting in the logistics center recycling **16,774 tons** of discarded packaging materials

Social Issues

Quality inspection of new brands, inspection of received goods and on-site inspection, online quality inspection and targeted inspection have been used to ensure product quality at every stage and ensure that **100%** of products are genuine

Product-specific customer service and **33** problem-solving listening groups have been established as a means of practically resolving the issues encountered by customers; customer problem solving satisfaction rate reached **98.01%** in 2022

Vipshop was named by Forbes China as **"China's Best Employer 2022"** and **"China's Most Sustainable Employer 2022"**

Female employees make up **52.6%** of Vipshop's workforce, exceeding the latest Bloomberg's average Gender Equality Index (GEI) value (of **43%**), with **42.2%** of managers being female

Vipshop has promoted a culture of equality, inclusivity, and diversity, and has developed its "Chasing dreams together with Vipshop" initiative aimed at recruiting those with disabilities. Vipshop has also established channels to report discrimination, harassment, and bullying, and has carried out training and internal communications on these topics

100% of staff have received training, with an average of **28.3** hours of training per employee

In 2022, more than **RMB 200 million** was committed to charitable investment, bringing the total in excess of **RMB 558 million**

In 2022, Vipshop's V-Love Mothers charity program for single-parent families increased the amount of phone consultations by **61%** year-on-year; the monthly average number of appointments made through the app, recorded a year-on-year increase of **100%**. By the end of 2022, V-Love Mothers had helped more than **110,000** single-parent families in need

By the end of 2022, the V-Love Charity Program had gained **13.44 million** users, and had issued **20.1 billion** V-Love points, funded more than **31** outstanding charitable initiatives, working in areas including assisting sick children, supporting vulnerable groups and supporting women in need

Governance Issues

Vipshop established its **ESG Committee**, chaired by the Company's Chairman and CEO, which holds 1-2 meetings per quarter, systematically monitoring and leading the rolling out of all ESG objectives

The Group-level ESG strategy has been formulated, defining the 5 key components of Vipshop's ESG strategy: **New Sustainable Choices, Happy Consumption, Proactive Inclusivity, Beautiful Society and Dependable Compliance**

Vipshop requires all senior-level managers to sign a *Compliance Commitment*, with departmental employees' compliance forming part of senior managers' performance reviews. This further enforces managers' compliance responsibilities and aids the effective implementation of the compliance system

100% of employees received anti-corruption training, with a total of **273,867** staff attendances recorded

Vipshop has gained **ISO 27001** Information Security Management System (ISMS) accreditation and **ISO 27701** Privacy Information Management System accreditation, with **no incidents** of information security or network security incidents during the entire year

About Vipshop

Business overview

Vipshop (NYSE: VIPS) is an online e-commerce business, built around a core of "discount retail for brands", that was established in Guangzhou, China in 2008. In China, Vipshop has pioneered an innovative sales model of "selected brands, significant discounts, and limited-time purchases", asserting itself as the long-established Chinese-market leader for time-limited flash sales and online discount retail. Since its listing in 2012, Vipshop has been profitable for 41 consecutive quarters and has been named on the "Fortune China 500" and "China's Top 500 Private Enterprises" lists on multiple occasions.

Annual net revenues

RMB **103.2** billion

Annual total orders¹

739.5 million

Annual active customers²

84.80 million

Notes:

1. "total orders" refers to the total number of orders placed during the relevant period, including the orders for products and services sold through our online sales business and on our online marketplace platforms (excluding, for the avoidance of doubt, orders from our offline stores and outlets), net of orders returned. For more information, please refer to Vipshop 2022 Form 20-F.
2. "active customers" refers to registered members who have purchased from our online sales business or our online marketplace platforms at least once during the relevant period. For more information, please refer to Vipshop 2022 Form 20-F.



Other business strategy

Vipshop is focused on its merchandising strategy and is committed to working with quality brands. Besides online business, Vipshop has developed several sub-sectors of its business including offline stores and outlets, and overseas e-commerce in recent years to seek-out growth opportunities in the post-Covid era, striving to provide more quality and branded products to more customers around the globe.



Shan Shan Outlets

In July 2019, Vipshop acquired Shan Shan Outlets. As one of the leading players in the offline outlet management industry in China, the combination of Shan Shan Outlets' vast depth of operations experience, their absorption of exceptional management experience from overseas and the unique characteristics of Chinese consumers, has created an entirely new "Outlet+, Outlet Gurus" concept. This concept takes outlets as the core and then overlays limitless scope for business innovation, to provide consumers with a more beautiful life and give rise to a new outlet format for China.

By the end of 2022, Shan Shan Outlets were already operating 14 outlets across China, covering a total area of 1.47 million square meters and featuring over 3,000 brands.

In addition to their experience in operating physical stores, Shan Shan have also been exploring new ways to combine offline and online formats. Guided by its customers demand, Shan Shan has constructed a digitalized operating system that has formed a new type of data-driven, offline-online business.



Physical stores

In 2019, Vipshop started to operate its own physical stores, focused on four core urban areas across China, forging a connection between Vipshop and offline consumers, strengthening online-offline linkages, and helping to spread the "discount retail" concept far and wide.

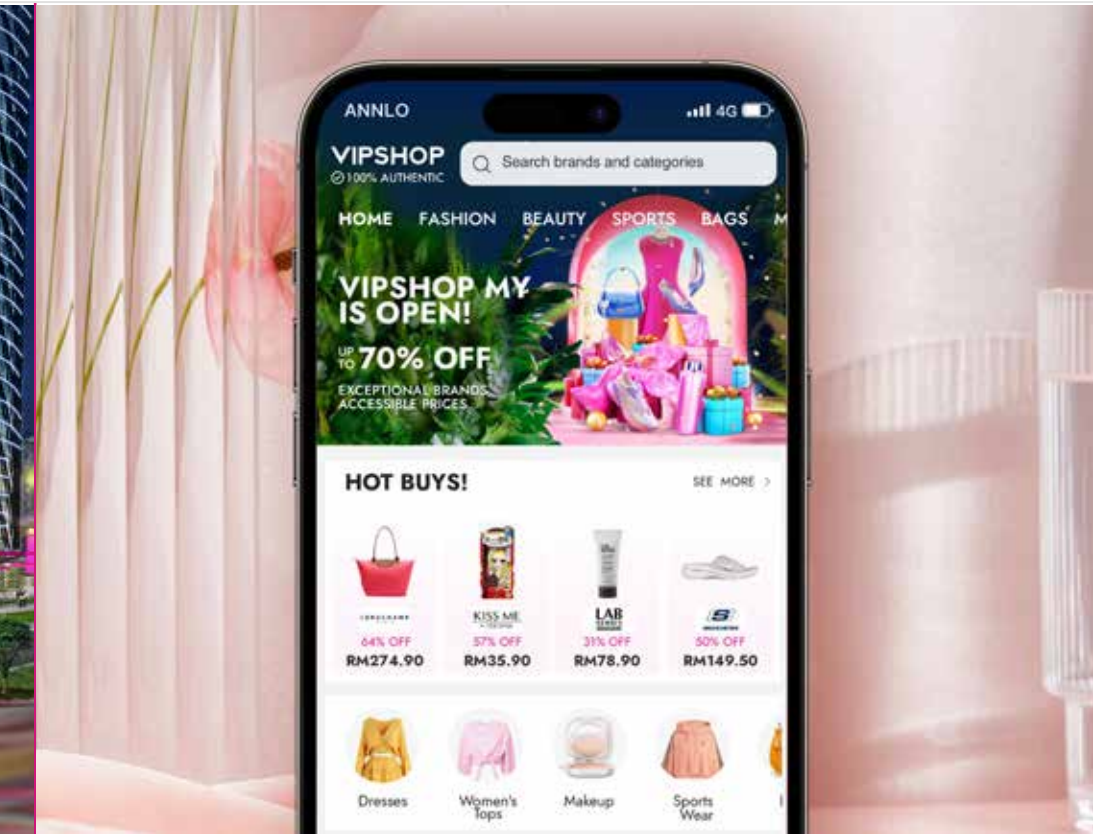
By the end of 2022, Vipshop was operating stores across 17 provinces, municipalities, and autonomous regions throughout China, including in Guangdong, Wuhan, Changsha, Chongqing, Chengdu, and Beijing.



City Outlets

City Outlets are a component of Vipshop's flash sale offering that rely on Vipshop's fundamental data, technical abilities, and financial resources to establish physical flash sale retail plazas. These plazas bring together international brands, fashion retail, lifestyle accessories and featured food products to create one-stop City Outlet experience centers that simultaneously satisfy a broad spectrum of consumers' needs for fashion retail, family experiences, food and beverages, entertainment, culture and more.

By the end of 2022, Vipshop had opened three City Outlets experience centers in Hefei and Nanjing, featuring over 300 brands.



Overseas business

In 2022, Vipshop used the VIPSHOP name to expand into the Southeast Asian market, establishing its headquarters in Singapore. The Company continued to use the brand flash-sales approach, collaborating with more than one hundred famous overseas brands and domestic Chinese brands, to provide all types of products including carefully selected fashion items, shoes, bags, sports wear, cosmetics, mother & baby items, appliance, and electrical items. Vipshop hopes to use their optimal shopping experience and customer service offerings to continue to satisfy the needs of consumers from even more markets across Southeast Asia. By April 2023, Vipshop had already successfully launched in the two significant markets of Singapore and Malaysia.

Nowrain is an important overseas brand for Vipshop that targets the US-European womens' fashion market. In 2022, Nowrain was awarded TikTok's official Seller Gold award, establishing Nowrain as one of TikTok's leading female fashion brands.

Corporate culture

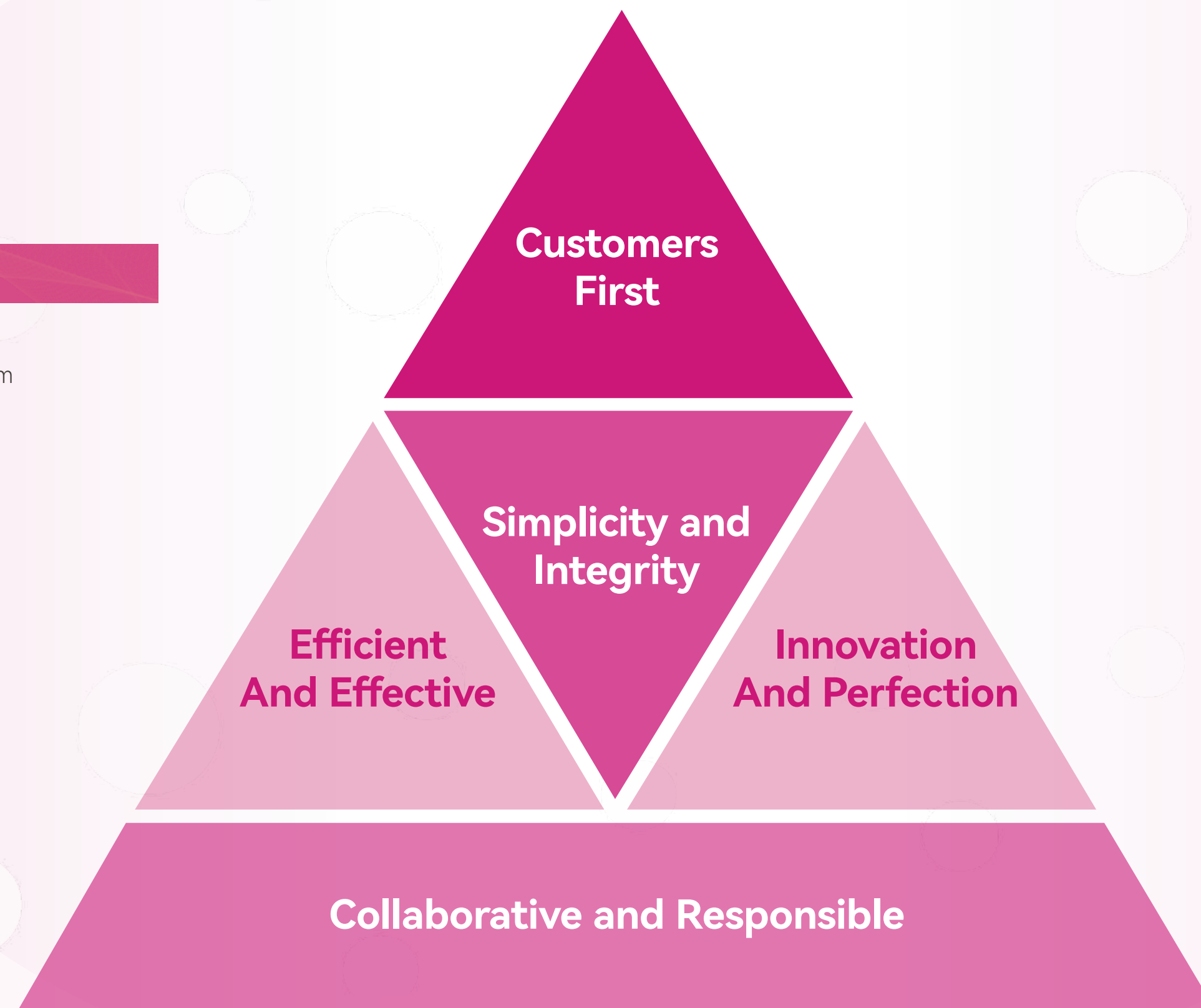
Mission

To improve the quality of life and enhance the experience of happiness

Vision

To become a world-class e-commerce platform

Values



Business Philosophy

Caring for customers

Vipshop works for its customers and strictly adheres to its 'customers first' approach, continuously listening to and working to understand customers' needs, and proactively improving customer experience. Vipshop is committed to providing an overall experience and customer service that goes above and beyond customers' expectations, ceaselessly surprising customers and creating value for them.

Caring for employees

Employees are the Company's greatest assets and Vipshop continuously encourages employees to unleash their potential, helping them grow and achieve success with the Company.

Vipshop cares about each employee and enables them to enjoy a happy life at the same time as working hard.

Caring for partners

Partners are also customers. Vipshop respects each and every partner, collaborating sincerely and operating with integrity to build an ecosystem of interdependence and mutual benefits.

Giving back to society

With utmost gratitude, Vipshop practices actively corporate social responsibility under the framework of ESG to establish a healthy corporate image; Vipshop supports public welfare, helps more people in need, and gives back to society.

Corporate governance

Vipshop strictly abides by the requirements of the Company Law of the People's Republic of China and the New York Stock Exchange's Listed Company Manual and other laws and regulations, has established a reasonable and scientific governance system with clearly defined responsibilities, and regulates the Company's governance work.

Corporate governance framework



The Board of Directors established four specialist committees: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and, the ESG Committee. For matters that fall under the scope of duties of each specialist committee, these are submitted to the Board of Directors for review after being approved by the relevant specialist committee. Among them, members of the Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee are all independent directors, taking advantage of their benefits as independent entities in terms of supervision and decision-making.

Diversity of board members is an important stimulus for innovative concepts, and for the promotion of the sustainable development of the Company. Each year, the Nominating Committee, together with the Board of Directors, examine the structure of the Board in terms of its members, including aspects such as independence, cultural and educational background, technical ability, industry experience and diversity of the members. At present, the Board of Directors has ten members, five of whom are independent directors and one who is an independent female director. Board members' industry experience includes information communication technology and services, consumer electronics distribution and strategic investment. Two of the independent directors and one director have internet industry experience, one independent director has IT management experience, and one non-executive director has e-commerce industry experience.

An effective Board of Directors is essential for the Company's governance. Each year, the Company distributes a survey to each board member to assess the Board's performance as a method for examining the Board's operational efficiency. In terms of board members' attendance, in 2022, all board members attended all board meetings. In 2022, the average tenure for each board member was 9 years thus ensuring both the continuity of the Board's membership and the updating of skills and perspectives.

The Company's management is responsible for the Company's operational management, organizing and implementing the Board's resolutions, the Company's annual plan and the Company's strategic plan, as well as performing other functions and powers conferred by the Articles of Association or the Board of Directors. The Company has established policies, set up systems and provided process guidelines for all aspects of the Business including procurement, operations, sales, human resources, and finance, in order to standardize day-to-day business operations.

Improving compliance

Compliance is an endogenous demand for the promotion of the Company's high-quality development and adhering to the law is a prerequisite for ensuring the ongoing, highly efficient advancement of the Company's business and for the realization of ever-higher targets. The Company's strict adherence to laws and regulations, continued improvement of the Company's internal governance management structures and systems, establishment of the Compliance Committee in 2021, chaired by the Chairman of the Group's Board of Directors, and, at the same time the setting up of a top-level Compliance Department, have all strengthened the unified treatment of compliance issues. The Compliance Committee meets every quarter, to evaluate the Company's compliance risk and to draft an improvement plan, continually improving the quality of compliance management. In 2022, the Board of Directors of the Company has appointed the Company's General Counsel as the Chief Compliance Officer.

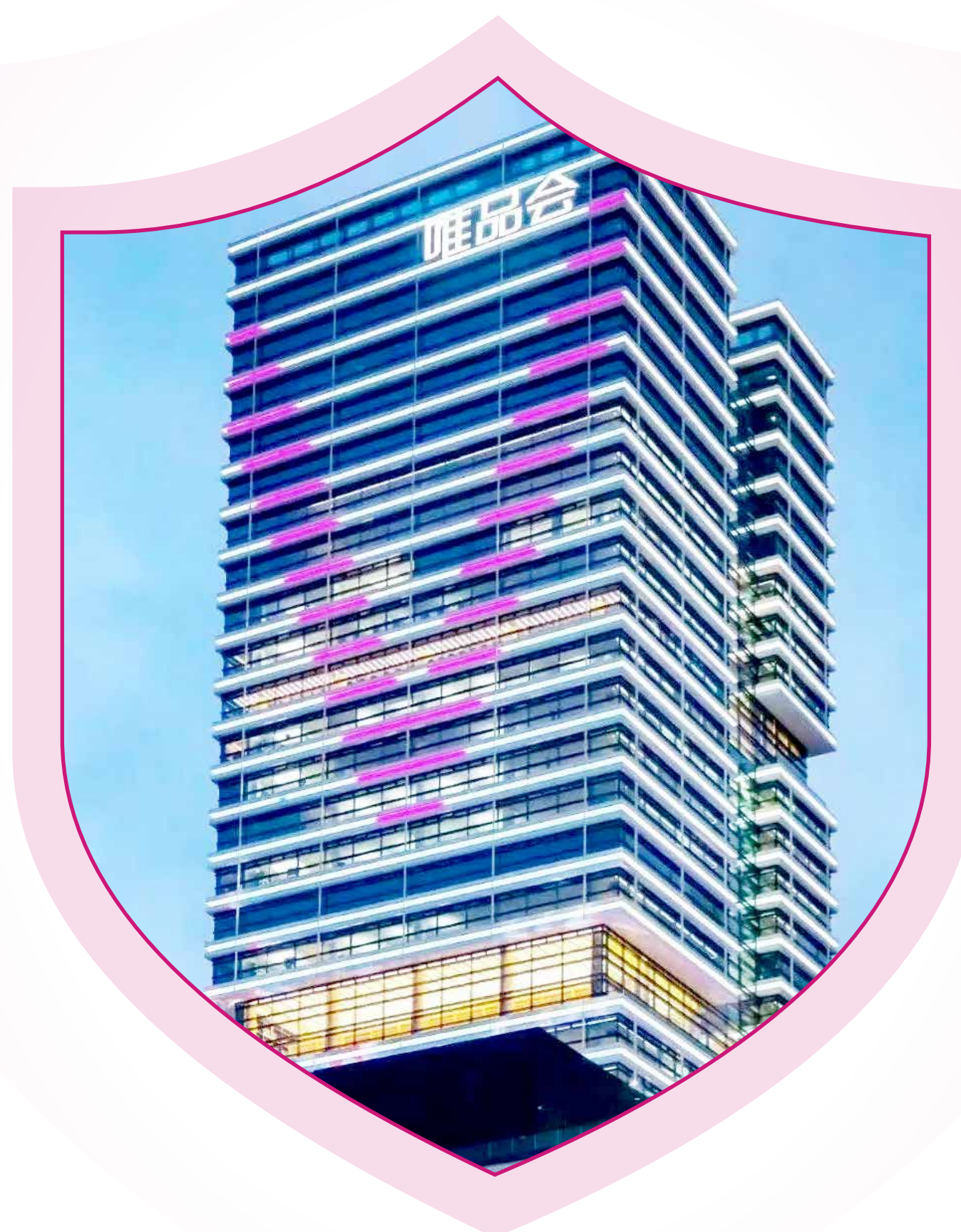
Strengthening compliance controls

Establishment of special compliance themes

Vipshop announced ten special compliance themes including Competitive Compliance, Data Security and Personal Information Protection, Platform Governance, Operations Management, Protection of Consumer's Rights, Labor and Employment, and the Foreign Corrupt Practices Act (FCPA). Through direct engagement, the Company provided compliance evaluation and auditor's comments to every department within the business at their respective critical moments, thus deepening the integration of compliance management across all aspects of the business.

Internal and external compliance auditing

The Internal Audit Department regularly conducts independent audits of all departments, independently and objectively evaluating the appropriateness, compliance and effectiveness of various operational activities and internal controls. It gives advice for optimization to facilitate the strengthening of the effectiveness of corporate governance, risk management and control processes. Since its listing, Vipshop has undertaken an Internal Controls audit in line with Sarbanes Oxley Act (SOX) 404 and engaged a third-party institution to carry out an external audit which encompassed all of the Group's operational entities.



Online Platform Rules Center

In 2022, the Platform Rules Center was added to Vipshop's official website, creating a one-stop platform for the management and display of rules regarding products, suppliers, and the management of third-party merchants, reinforcing the management structure for stakeholder compliance.

Feedback and assessment of compliance risk

Vipshop has established a compliance mailbox: compliance@vipshop.com, whereby if an employee discovers any actions that violate compliance management, they can report it via this channel or provide feedback to the Chief Compliance Officer. Any employee who violates compliance guidelines will be punished in accordance with the facts and circumstances of the situation in question, including the potential termination of employment relations. From March 2023, Vipshop has required all senior managers to sign a "Compliance Commitment". If a senior manager, or an employee working in a senior manager's department, violates the compliance regulations, this will directly impact on the manager's performance review. This further emphasizes the compliance managers' responsibilities and promotes the effective implementation of the compliance structure across all projects.

Regulated commercial conduct

Vipshop has always held a firm, zero-tolerance attitude towards fraud and corruption, strictly adhering to laws and regulations including the Anti-Unfair Competition Law of the People's Republic of China and stipulating the Company's own *Measures for the Management of Anti-Money Laundering*. In addition, the Company has published its own *Code of Business Conduct* and Ethics on its official website, to clarify the work rules and disciplinary measures for employees.

Vipshop has set up a "Corruption Reporting" platform with dedicated reporting channels available on Vipshop's official website, official Weibo account, Integrity Promotion WeChat public channel "Breeze", supplier platform, internal OA (Office Automation) and *Weimi* IM office software. A reporting mailbox, phone line, and WeChat account are available for customers, suppliers, the media, investors, and all company employees to submit complaints and reports. The Company has drawn up a standardized process for handling fraud and corruption complaints. Upon receiving such reports, the Asset Protection Department promptly starts an investigation, and accepts the supervision of the Audit Committee and the Board of Directors.

In the *Vipshop (Group) Employee Integrity Provisions 3.0* and the *Asset Protection Department's Case Investigation System*, the Company clearly states that information and materials relating to the complainant, or the informant, will be protected, with only those directly involved with the processing of the reported incident able to come into contact with the informant's information. If any investigator contravenes confidentiality rules, they will be dealt with in strict accordance with the Company's systems. Vipshop strictly prohibits any form of retaliation against employees who seek help or report known or suspected violations and protects the personal safety and interests of informants to the utmost extent; cash rewards may be awarded if the reported matters are verified to be true.

To instill a culture of integrity, Vipshop has developed a series of training and information events, including, but not limited to, organizing all employees to watch the Central Commission for Discipline Inspection's anti-corruption documentary series, *Zero Tolerance*, sending out anti-corruption reminders and information to all employees, suppliers, and other partners in advance of the holidays. In addition, Vipshop has organized awareness-raising educational workshops, and on December 9th, hosted events to mark International Anti-corruption Day. All of these efforts strengthened employees' anti-corruption awareness and reduced the risk of employees engaging in corruption. On November 18, 2022, the company conducted anti-corruption training for all members of the Board of Directors. After the training, all board members signed the *Anti-Corruption Commitment*.

In 2022, Vipshop didn't receive any fines and has not been required to make any reconciliation settlements for any anti-competition activities.

Protection of intellectual property rights

Vipshop pays attention to the protection of its intellectual property rights, and also safeguarding the reasonable rights and interests of third-party intellectual property rights holders. The Company has established an internal monitoring and tracking system, to examine the work done to protect the Company's own intellectual property rights and to safeguard third-party's intellectual property rights.

In 2022, the Company revised regulations relating to the banning of the sale of counterfeit products, increased the scale of the fines and widened the scope of the net to cover famous IP's counterfeit patterns and wearable product accessories. In addition, Vipshop scrutinized online sellers' websites to decrease the risk of intellectual property right infringement. Beyond this, Vipshop also provided intellectual property rights training for overseas projects, the Singapore commercial (team) and operations employees, raising the relevant employees' awareness of how to reduce risk of intellectual property rights infringement and standardizing the safeguarding of intellectual property rights.

Promoting a culture of compliance

In order to consolidate all employees' awareness of compliance, and to strengthen their understanding of the concept of compliant operations, the Company designated January 14 as its annual Compliance Day. On January 14, 2022, Vipshop hosted a Compliance Day event with the theme of, "Compliance for Good, Foundation for Longevity", running a week-long series of events including a compliance quiz and compliance training to help foster a culture of compliance and promote an ethos of "Compliance for Good". The compliance training included a variety of content tailored for the Compliance Committee, designated departments, and the entire workforce, in order to meet the needs of different levels of employee and increase their awareness of risk mitigation.

For promoting a culture of compliance, each month, the Company sends a compliance bulletin to all members of the Compliance Committee, sends a data compliance bulletin to all employees working on operations and information safety and, shares a publication on platform operations with those working in commerce and operations, to strengthen the compliance awareness of key personnel, and bolster the front line of defense.

100%

of employees received anti-corruption training

Number of times staff have attended anti-corruption training:

273,867

By the end of 2022, Vipshop had amassed

204 authorized patents

2,186 trademarks

228 copyrighted works

Strengthening risk management

Vipshop has referred to frameworks such as the Committee of Sponsoring Organizations (COSO) framework for enterprise risk management, when drafting the *Vipshop Group Risk Management System*, creating a risk control format and organizational system that is suited to the present development stage and business characteristics of the Company, ensuring that all critical risks faced by the Company during its business activities are fully identified and appropriately controlled, in order to realize stable development.

The Board of Directors is the most-senior leadership and decision-making body in terms of risk management. They assume responsibility for the effective management of risk on behalf of the shareholder (summit) meeting. Of the board members, four independent non-executive board members and one non-executive board member have professional experience in risk management. The Audit Committee is responsible to the Board of Directors, and in terms of risk management, is primarily responsible for the approval of the *Annual Work Plan* and other directives provided by the Internal Audit Department. The Internal Audit Department is primarily responsible for assisting the Audit Committee to establish and improve the risk management system and organize annual risk assessment work. It is a top-level department that reports to the Audit Committee and is independent from other departments. In addition, the Audit Committee is comprised of three independent board members, ensuring that risk management and the lines of business remain independent. In terms of operations, Vipshop's highest-level representative is Chief Operating Officer, Arthur Hong Xiaobo, who is specifically responsible for risk management. The highest-level individual who is responsible for the monitoring and review of operations risk management performance is Audit Committee Chairman, Kathleen Chien.

The Company adds some risk management indicators in the KPI reviews of its managers including senior officers and department directors, including cases of corruption and, information security and privacy incidents, to encourage individuals to monitor the effective deployment of all risk management monitoring measures.

Risk identification and evaluation

In 2022, the Internal Audit Department systematically reviewed risk within each of the Group's business sectors, through a combination of approaches including risk interviews and document checks. A risk database list for the Group was drawn up based on the results of the risk evaluation process, covering financial risk, strategic risk, market risk, operating risk, legal risk, and other categories of risk. In parallel with this, Vipshop conducted scenario analysis and sensitivity analysis to assess the potential financial and business impacts of major risks, evaluate the possibility of risk occurrence and the scale of potential impact. This analysis was used to ascertain a risk level, undertake adequate risk prevention, stipulate risk control measures, and formulate alternative plans, as part of a risk prevention system.

Risk management and monitoring

Vipshop has integrated international risk management standards with the Company's own circumstances, establishing an internal control model of "Three Lines of Defense" to ensure effective risk management and an effective internal control system.

The First Line of Defense

Made up of various business and functional departments, the First Line of Defense is responsible for the design and execution of internal controls during the process of day-to-day business operations. For example, when the Company was developing its application product, the Commercial Department was required to consider relevant risk factors to mitigate all types of risk.

The Second Line of Defense

Made up of the Financial, Legal and Compliance departments, the Second Line of Defense assists the First Line of Defense to establish and improve its risk management and internal control systems, as well as monitoring the effectiveness of the internal control work carried out by the First Line of Defense.

The Third Line of Defense

Made up of the Internal Audit Department, the Third Line of Defense organizes regular independent evaluation and verification of the effectiveness of the Company's risk management and internal control systems.

Process for reporting of internal risk

If an employee uncovers risk during their day-to-day work, they can contact the Internal Audit Department at any time via the *Weimi* IM service, email, phone or face-to-face. The Internal Audit Department will then carry out risk evaluation and activate several risk prevention measures including help to build processes, mitigate any control system deficiencies and execute auditing in accordance with the likelihood of the risk occurring and the danger associated with this, with the aim of avoiding or minimizing losses to the Company.



Sustainable development management

ESG Governance framework

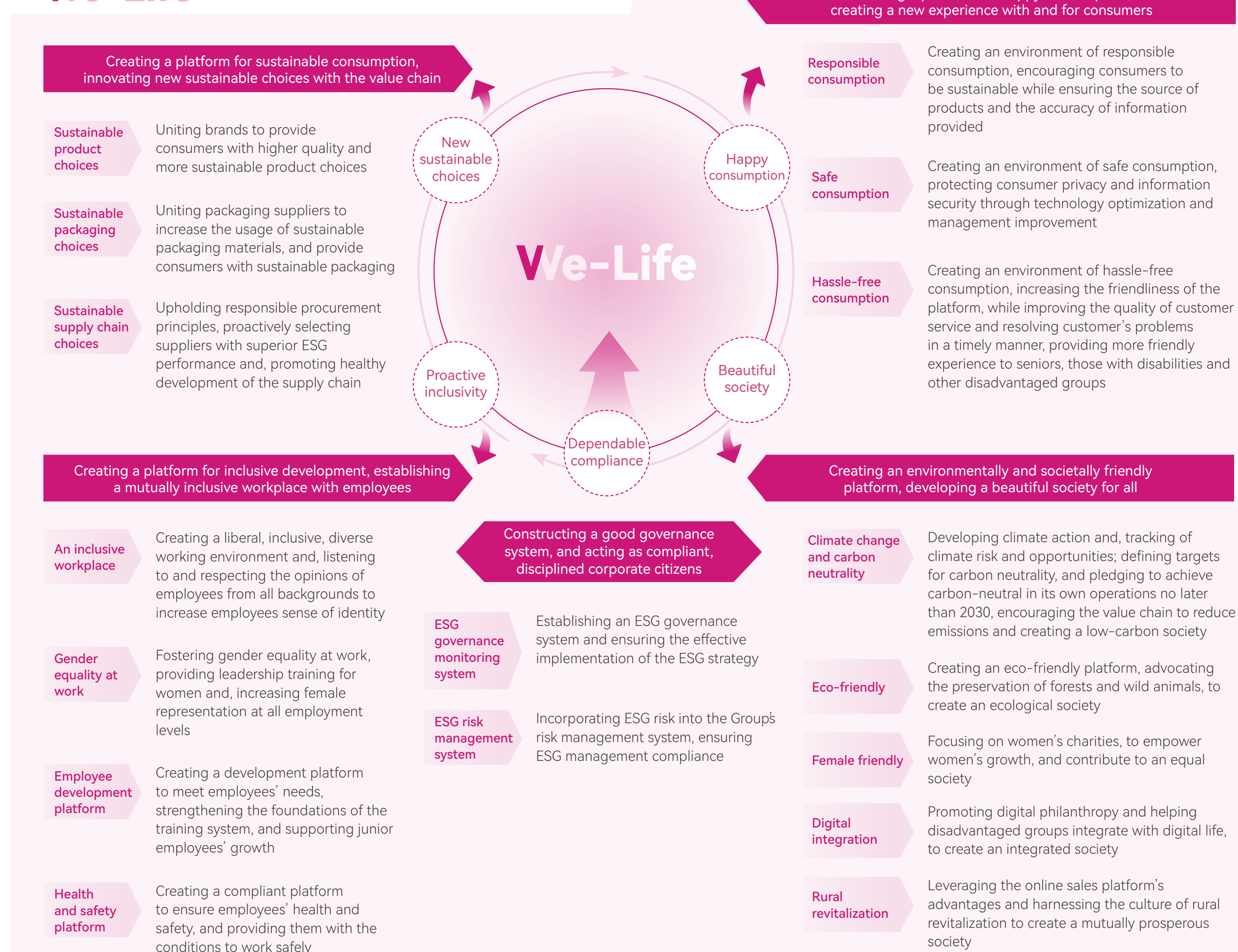
In 2022, Vipshop established the ESG Committee, part of a three-tiered system for sustainable development governance, composed of the “Board of Directors – ESG Committee – ESG Task Force”. This group meets 1–2 times per quarter and systematically evaluates, monitors, and drives forward ESG-related projects, ensuring the smooth progress of ESG related work and creating sustainable value for stakeholders.

	Membership composition	Responsibilities
Board of Directors	Includes members of the Board	Evaluates and monitors strategies and targets related to ESG work
ESG Committee	Chaired by the Company's Chairman and CEO, in addition to the Vice Chairman and COO, and one independent director	Defines ESG related strategy, targets, and action plans; assesses and evaluates proposals from the ESG Task Force; coordinates the resources required to progress with ESG topics
ESG Task Force	These groups are headed by the main person responsible for each department or division, including the Company's Compliance and Legal departments, the Business and Operations Centers, and Charitable Foundation. The other members of each group are all key personnel from the relevant department	Makes proposals to the ESG Committee; responsible for the implementation and execution of ESG work

ESG Development strategy

Vipshop has defined its ESG strategy, setting the target of “co-creation of a new sustainable life”, and exploring a pathway of sustainable development established around the five core areas of: New Sustainable Choices, Happy Consumption, Proactive Inclusivity, Beautiful Society and Dependable Compliance. Vipshop (“V”) aspires to bring together stakeholders including brands, consumers, employees, communities, and partners to create a platform for sustainable living (“We”), working with all parties to design, explore and create a new sustainable life.

We-Life — Co-creation of a new sustainable life



Stakeholder engagement

Vipshop values communication and collaboration with all corporate stakeholders and uses multiple approaches to undertake effective, timely communication with them. These approaches ensure stakeholders' Right to Information and Right to Participate are respected and improve their understanding and sense of the business' identity.

Stakeholders	Primary concerns	Communication method	Response(s) adopted in 2022
Government and supervisory agencies	<ul style="list-style-type: none"> • Legal and Compliant operations • Create employment opportunities • Drive the growth of economy 	<ul style="list-style-type: none"> • Government-business symposiums • Provision of information 	<ul style="list-style-type: none"> • 6,815 employees in 2022 • Total net revenues in 2022 was RMB 103.2 billion
Customers	<ul style="list-style-type: none"> • Product quality • Customer service experience • Privacy and data protection 	<ul style="list-style-type: none"> • Online and offline platforms • Complaints hotline • Market research • Customer satisfaction surveys 	<ul style="list-style-type: none"> • The resolution rate of the telephone channel increased to 88% during the first instance, and the resolution rate of the online channel increased to 86% during the first instance
Employees	<ul style="list-style-type: none"> • Legal rights • Compensation and benefits • Training and development • Occupational health and safety • Equality and diversity 	<ul style="list-style-type: none"> • Face-to-face with Vipshop • Dawn Light mailbox • 360 Management • CEO online mailbox • Employee BBS 	<ul style="list-style-type: none"> • 52.6% of all employees are female • 100% of employees received training • The number of attending Occupational Health & Safety training sessions was 90,034 person-times
Investors	<ul style="list-style-type: none"> • Corporate governance • Investment returns • Risk management • ESG performance 	<ul style="list-style-type: none"> • Annual report, quarterly report and other announcements • Annual General Meeting • Investor emails and online and offline meeting 	<ul style="list-style-type: none"> • Organized Annual General Meeting • Hosted hundreds of online and offline investor communication sessions
Partners	<ul style="list-style-type: none"> • Supply chain management • Honest cooperation • Mutual benefits 	<ul style="list-style-type: none"> • Establishment of a cooperation system • Supplier training • Supplier contracts and agreements 	<ul style="list-style-type: none"> • 100% of suppliers signed Honest Cooperation contracts
Environment and Society	<ul style="list-style-type: none"> • Tackling climate change • Biodiversity • Environmentally friendly packaging • Social welfare • Rural revitalization 	<ul style="list-style-type: none"> • Community participation • Social welfare events • Promotional campaigns 	<ul style="list-style-type: none"> • Formulated plans for the design and implementation of the Group's high-level, zero-carbon strategy, committed to make its own operations carbon neutral no later than 2030 • Over RMB 200 million invested in charitable projects in 2022; by the end of 2022, more than RMB 558 million had been invested in charitable projects
Media and Non-Government Organizations (NGOs)	<ul style="list-style-type: none"> • Information disclosure • Interaction with the media • Contributions to NGOs • Impact on sustainable development 	<ul style="list-style-type: none"> • Media conferences • Information disclosure 	<ul style="list-style-type: none"> • Regular publication of Financial and ESG reports

Material topic analysis

Vipshop earnestly communicates with and surveys all stakeholders including shareholders, government, employees, and customers, using their opinions and feedback to identify ESG material topics. Vipshop continually tracks and works on the selected issues and emphasizes their disclosure in the annual report.

1 Establishment of an ESG topic library

Vipshop integrates national regulatory policies, GRI Standards, capital market ESG evaluation indicators, Company strategic planning, and leading industry figures' key issues of concern in a five-pronged, multi-dimensional approach that identifies and organizes each year's key issues, and adds them to the topic library.

2 Stakeholder communication

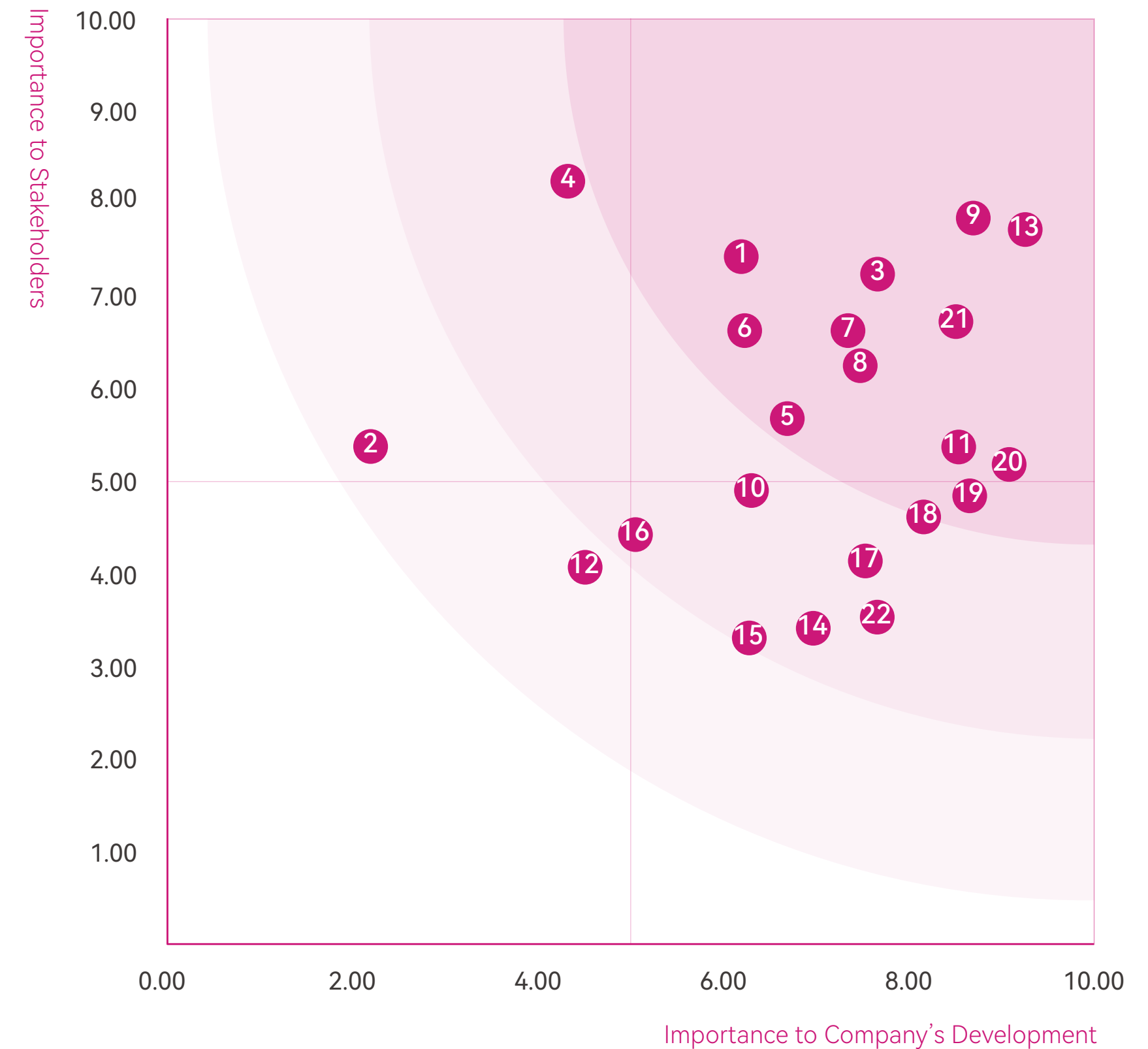
Vipshop collates and organizes the opinions of various stakeholders on the Company's sustainable development, including those of government and monitoring institutions, shareholders and investors, employees, customers, partners, media and society, and NGOs, to help ascertain which of the various ESG topics are most important.

3 Analysis of issues' importance

Vipshop analyzes and draws statistics from survey results in accordance with substantive procedures, arranges topics in order of importance to stakeholders and business development, and constructs a topic importance chart. Vipshop's management and external specialists also review and evaluate the results of the topic selection process.

4 Responses and disclosure of topics

Vipshop specifies and steadily carries out a relevant action plan for each of the material topics that emerge and emphasizes the disclosure of the results in the Company's reports.



- | | | | |
|---|----------------------------------|-------------------------------------|-------------------------|
| 1 Tackling climate change | 7 Occupational health and safety | 13 Privacy and data security | 19 Business ethics |
| 2 Biodiversity | 8 Compliant employment | 14 Intellectual property protection | 20 Compliant operation |
| 3 Green packaging | 9 Consumer services | 15 Digital technology innovation | 21 Corporate governance |
| 4 Environmental management | 10 Green consumption | 16 Supply chain management | 22 Risk management |
| 5 Employee compensation, benefits and development | 11 Product quality | 17 Social welfare | |
| 6 Diversity, equality and inclusivity | 12 Responsible marketing | 18 Rural revitalization | |

Vipshop's Development

Vipshop's mission is, "To improve the quality of life and enhance the experience of happiness". Vipshop is dedicated to providing high quality products and services, continuously improving information security, and protecting customers' personal data, collaboratively working with suppliers and partners to create a sustainable development ecosystem and enable customers' pursuit of a comfortable life.

99.36%

of customer complaints resolved

0

cases of information security breaches or other network safety issues

100%

of suppliers signed Honest Cooperation contracts



Ensuring product quality

Vipshop's principles of "thorough brand selection and strict price controls" are applied across brand selection, brand quality reviews and third-party quality auditing, to ensure the quality and authenticity of products, and to provide customers with high quality, value for money products. In 2022, the Company reinforced supplier credential reviews, added invoice audits to the review process, and improved measures for ensuring the provision of genuine products.

Brand selection review

Comprehensive consideration of the credentials for each brand's product, market performance, product recognition and other factors form part of the assessment of compatibility between each brand and Vipshop, with the final decision to onboard a brand being made after the multi-stage review process.

Quality review system

Quality inspection of new brands

During the approval process, a third-party quality inspection company is invited to inspect the brand's products and projects, including, but not limited to, product packaging, labelling, external appearance, safety, functionality, and performance, to assure the product meets Vipshop's purchasing standards.

Online quality inspection

Before a product goes online, the supplier's credentials are reviewed and they are asked to upload product inspection reports; once online, Vipshop works with an authorized third party who anonymously purchases the products, carries out random inspections of internal quality and, undertakes laboratory testing of the physical and chemical characteristics of the product in accordance with national standards. If any substandard products are discovered, the selling of all related product variants is immediately suspended, and if the problem is deemed serious, the brand will be taken offline, and a decision will be taken, in accordance with the seriousness of the problem, whether to continue working with the brand in question.

Targeted inspections

In collaboration with third-party quality inspection partners, Vipshop works with brands who fail the received goods inspection, on-site inspection, monthly quality assessment or receive customer complaints, by developing critical, targeted tests to ensure that the product passes before being sold on Vipshop's platform again.

Warning light system

This system has been designed so that if a product receives more than a specified number of negative reviews within a designated time period, the brand will be strictly dealt with. In 2022, Vipshop adopted the warning light system as part of improving its management of products that had multiple quality issues or severe quality issues and required the Quality Control department to carry out additional product checks. Front- and second-line customer service agents can use the warning light system for feedback, and its scope has been broadened to cover the management of issues including non-accurate imagery, non-new products, multiple shipping errors etc., helping to strictly enforce product quality and the quality of product information provided online and, minimizing the impact on customer's experience when product issues occur.

Inspection of received goods and on-site inspections

To ensure product quality, products delivered to Vipshop's logistics center undergo inspection before being accepted. For products that are sent out directly by the supplier, an inspection team carries out an on-site inspection. In addition to checking product quality, the inspection also monitors and facilitates the optimization of the supplier's warehouse management systems and customer returns processes.

Standardized monitoring

In accordance with product quality risk and consumer complaints, Vipshop carries out sampling of product quality to ascertain whether standards are being met. If a supplier's product is found to be sub-standard, they shall enter a six-month period of intensive monitoring during which Vipshop will carry out another 1 to 6 sample inspections of the supplier's products and then adjust the length of the monitoring period, based on the results of the sample inspections.

Improvement through simulation

Vipshop simulates customers to test the purchasing experience, and if any issues are encountered, Vipshop provides the supplier with resolution strategies to help optimize the customers' experience.

Quality auditing

Vipshop carries out annual supplier assessments from multiple perspectives such as customer return rates and customer satisfaction ratings and provides each supplier with feedback. Each supplier can make improvements in accordance with the assessment results and the quality of their products.

Supplier training

Every year, training sessions are held, covering topics including product quality and supplier's codes of conduct, to help suppliers improve their understanding of product quality. All suppliers received training.

Termination of brand agreements

The above-mentioned monitoring applies to private-label brands. If serious issues emerge or the number of substandard products found by quality control during a given period exceeds standards, termination of the brand agreement will be initiated. For third-party merchants, a points system is used, and if total deductions reach 100 points, termination of the brand agreement will be initiated.



Providing exceptional customer service

"Customers first" is one of Vipshop's core values, and customer satisfaction is the starting point for all of the Company's work. Vipshop has established a variety of channels to listen to and understand customers' needs, proactively improving customers' experience.

In order to improve the customer service agents' professionalism, Vipshop has established a comprehensive customer service team training system, incorporating induction sessions for new recruits and training tailored for different areas of the business. In parallel, Vipshop assesses the quality of multiple aspects of the customer service provided by our agents including their attitude, problem-solving, speed of response, accuracy of task execution and respective customer feedback, with the results incorporated into each agent's profile. We demand high standards from our customer service agents, stand up for the customers' rights and guarantee an outstanding customer service experience.

Vipshop has formulated and implemented the "E-Commerce Platform After-sales Service Specifications", and won the title of "Leader" of Chinese Enterprise Standards in 2022¹.

Note:

1. The "Leader" of Chinese Enterprise Standards is a standardization encouraging policy, jointly implemented by 8 ministries and commissions including the State Administration for Market Regulation, the National Development and Reform Commission, and the Ministry of Finance, approved by the State Council.

Listening to our customers

Customer communication

Vipshop has established multiple channels for customer communication including online and over the phone customer services, the official website and in store. Vipshop's professional customer service team provide rapid, effective solutions to the customers' problems. In 2022, Vipshop progressed further with the implementation of robotic smart calling, improving the technology's ability to resolve customer service enquiries, and enabling the specialized robots to become familiar with customer service and handle questions more rapidly.

Newly added pre-sales service

In May 2022, Vipshop added a customer service portal on individual products' information pages. This addition of a pre-sales customer service offering filled a gap in Vipshop's service provision. This service promptly answers customers' product-related queries and improves their pre-purchasing, sales consultation experience.

Optimized customer feedback channels

Since 2014, Vipshop has held an annual event around May 20th entitled "Standing by our customers". In this event, Vipshop's managers meet face-to-face with real customers to listen to their concerns. Since December 2020, Vipshop has standardized the "Standing by our customers" event, creating multiple channels and mechanisms including online and offline channels, *Youwei* platform to listen to our customers, thus enabling the Group to remain sensitive to customers' demands and establishing a 'listen-resolve-improve-listen again' loop so that every manager and every member of the Vipshop team remains dedicated to the daily, ongoing improvement of the customer service experience.

In May 2022, Vipshop officially set up 33 listening groups as part of its system for problem resolution. Having heard opinions from offline groups, group discussions were held, problems defined, and solutions proposed. Following a report of the outcomes, the Customer Experience department carried out a comprehensive assessment, approved the initiative and started the process of accurately resolving the issues encountered by customers.. In parallel with this project, the "Customers' Voices" channel and tracking system were established, calling on the combined strengths of the entire workforce to collaboratively solve the problems. In 2022, Vipshop completed the basic data construction of its customer feedback products, realizing experience insights and a real-time early warning system for the entirety of the customer's experience, enabling a better understanding of, and an increased ability to satisfy customers' demands.

Customer complaint management

Vipshop has established a process to handle customer issues arising from any scenario, regularly conducting service and process-related training, modifying process standards, and striving for perfection.

In parallel with this, the Customer Service Center has used its efficient communication mechanism to work with suppliers and the Business Center to quickly respond to customer complaints and improve the timeliness of the resolution of the customers' problems. For customer feedback, related departments regularly undertake retrospective analysis, incorporate customers' feedback and strive to improve their products, services, and customer's experience.

99.36%

of customer complaints resolved



Optimization of service experience

A more professional service

Improving the rate of first-time resolutions

Vipshop has optimized their customer service talent system, establishing a system of product-specific customer service specialists, who provide additional professional understanding and resolve issues faster. This has resulted in quicker resolution of customers' complaints, and a 1.4-5.7% increase in the amount of customer complaints that are resolved in the first instance. In parallel with this, the continued optimization of measures, including complaint-handling approaches and processes across all customer complaint scenarios, has helped to ensure the customer service team were able to resolve issues as quickly as possible, striving to do so in one interaction. In 2022, 88% of issues raised by phone and 86% of issues raised online were solved in the first instance, representing respective year-on-year improvements of 8.6% and 8.0%.

Optimization of feedback processing channels

Vipshop has increased customers' access to customer service, ease of interactions with the customer service team and, monitored the number of interactions per issue to ensure that once a threshold number of interactions is exceeded, the issue is transferred to the dedicated team to expedite the resolution process.

Appraisal Center upgrade

By building our own testing and appraisal team and cooperating with several authoritative inspection and testing organizations, both domestically and abroad, Vipshop has developed its capacity to identify the authenticity of luxury brands. By the end of 2022, Vipshop was able to identify luxury goods in almost all categories, helping to alleviate customers' concerns.



A more caring service

At Vipshop's City Outlets, Vipshop has added services including dedicated mother-and-baby rooms, strollers and sewing kits. In parallel with this, Vipshop provides special customers with the services they need, for example, providing step-free access and assistance with using elevators to customers with mobility issues, to ensure that the customers' needs receive the caring service they deserve.

At Shan Shan Outlets, each Shan Shan Outlet Plaza is equipped with multi-functional mother and baby rooms, and provides free of charge services such as diapers, milk storage bags, drinking water, and refrigerated storage, for the convenience of customers with children. Shan Shan Outlets are equipped with a gender-neutral toilet, which facilitates consumers with mobility issues and families with children. In addition, Shan Shan Outlets also provides services such as free shuttle buses, mobile libraries, free power banks for charging, and children's play facilities, to cater to the consumers' every need.

A more personalized service

Tailored service

For locations or product types that meet certain conditions but are not supported by doorstep returns, Vipshop helps customers to access SF Express' system and use their valet ordering service at no extra cost.

Second chance of product exchange service

The service system was upgraded to permit customers that meet the conditions to request a second product exchange, enabling Vipshop to further satisfy customers' needs.

Price guarantee service

Vipshop has continued to evolve its price guarantee service, including but not limited to, offering multiple price guarantees, guaranteed coupon prices and resolving instances where the price cannot be guaranteed by the system, ensuring customers enjoy their purchasing experience.

Upgrade of Shan Shan Outlet membership privileges

Shan Shan Outlets has overhauled its VIP/VVIP benefits, combining additional discounts, localized service privileges, and salons for high-end members, and has increased members' participation through the establishment of a members day and one-to-one services, etc.



A more innovative service

Through continuous iteration of the recommendation algorithm, and exploration of a wide variety of content, Vipshop has steadily reduced the number of repeated recommendations, increasing the diversity and freshness of the content offered to customers, and satisfying their increasingly varied demands.

Resolution of customer crises

In 2022, Vipshop set up "crisis groups" as part of its customer service offering, adopting additional measures including increased risk monitoring pinboards, rapidly identifying risky customer complaints, rapid responding, and reporting, contacting the relevant departments, rapidly allocating tasks and providing proposals for case resolution, as part of the ongoing refinement and upgrading of the crisis resolution system. In parallel with this, a dedicated channel for urgent complaints was added for those customers with urgent complaints or urgently seeking a response, arranging ad-hoc callbacks to clients (within one hour) in accordance with the nature of the issue and expedited callbacks (within 4 hours during working hours) to urgently resolve customers' problems.

Responsible marketing

Vipshop insists on responsible marketing. In addition to compliance with laws and regulations, and information security principles, Vipshop promotes a unified, standardized customer-facing template to standardize the platform's and suppliers' content that is shared through the media. Vipshop's *Rules for the Resolution of Supplier Violations V3.0* clearly state that: Suppliers are required to produce accurate product information, and are forbidden from using false, misleading content to dupe or mislead consumers. In addition to this, the Commercial, Operations and Compliance departments verify product descriptions and images to ensure that the promotion and advertising of products satisfies the relevant requirements.

To protect vulnerable market segments, Vipshop follows the four key principles of "perceptibility", "operability", "understandability" and "compatibility" to promote projects to make Vipshop's app is both senior-friendly and accessible. These projects have involved the refinement of over 350 pages including, but not limited to, optimizing the layout of the app's front-end interface, improving the readability of interface content, providing more convenient assistance functions (such as screen reading, payment, etc.), and effectively improving the user experience for seniors and those who have visual or auditory impairment.

In 2022, Vipshop established its dedicated seniors service for customers aged 60 and over, including specified calling hours, no calls during afternoon nap time, callback appointments and simplified post-sales services, allowing seniors to access Vipshop's customer service in a simpler, more effective, and friendly manner.

In 2022, Vipshop conducted a brand awareness survey related to the theme of sustainability, listing questions such as customers' knowledge of sustainable brands and customers' assessment of Vipshop's sustainable performance, to gain an overview of customers' knowledge of Vipshop's sustainable brand and recommendations for Vipshop's sustainable development brands.

Information security and privacy protection

Vipshop has established and improved its information security, privacy protection management systems and governance frameworks, continuously strengthening relevant measures to create a safe and trustworthy online shopping experience for customers.

Improving information security and privacy protection management systems

Vipshop conducts an annual review of strategies, guidelines and policy documents on information security and privacy. Additionally, if Vipshop faces significant changes because of an environmental or commercial situation, a request from regulators, a legal requirement or a technical issue, the Company will promptly conduct a review to ensure that content, such as information security and privacy policies, remain appropriate, adequate, and effective. In 2022, Vipshop updated its policies on information security including, the *Information Security and Privacy Management Handbook* and *Employee Information Security Handbook*, continuously improving strategies and requirements of the Company's information security and privacy protection, and promptly publishing updates on Vipshop's internal platform for staff to familiarize themselves with.

Awarded **ISO 27001** Information Security Management System (ISMS) and **ISO 27701** Privacy Information Management System accreditation



Total amount of fines incurred as a result of any information security or network security incidents during the reporting year

0 RMB

No information security or network security incidents recorded during the reporting year

Vipshop established the Information Security and Privacy Protection Committee composed of senior officers and representatives from the Information Security, Internal Auditing, Asset Protection, Legal, Compliance and other departments, to specify, implement and carry out the development strategy and planning of the Company's information security and privacy protection measures, in accordance with the Company's overall development strategy. Vipshop's senior management authorized Yang Wenfeng, with his background in security and technology, to represent them on the Committee (as Chief Security Officer), assisting the Company's senior management to perform their duties relating to the information security and privacy protection of the Group. The Committee established sub-groups for information security and privacy protection, which are responsible for establishing, operating and maintaining the information security and privacy management system.

Vipshop defined its *Information Security Rewards and Punishments Guidelines*, clarifying the operational principles and needs for information security rewards and fines for violations. The guidelines also clarified that an information security credit rating score will be used as a quantitative index to assess all employees' information security related work performance, and will be included in each employees' performance assessment, to encourage and improve their awareness of information security issues. In parallel with this, the *Vipshop's Management Red Lines* clearly states that the stealing, leaking, selling or use of confidential company information (including commercial secrets and personal information) constitute forbidden actions. If such violations occur, the offender's employment contract will be immediately terminated regardless of their position, previous achievements or whether their actions resulted in a significant impact. In addition to this, relevant actions will be undertaken to apportion responsibility.

Reducing information security risk

Reporting of information security incidents 2

The *Measures for the Management of Information Security and Privacy Incidents* clearly states the reporting process and pathway to be followed by workers who discover any information security or privacy incidents. If a staff member finds anything suspicious in terms of information safety, they can use several methods including email, internal communication software or phone to report to the Information Safety department, with the information filed in a report including, but not limited to, the nature of the incident, the time of occurrence, what occurred, the scope of the impact, and the extent of the impact.

Information security training and, promotion and implementation 3

Educational training and exams on information security awareness have been developed for new recruits and all current employees, with the content covering information security management requirements, regulations and associated rewards and punishments. Training was conducted both face to face and through a combination of online animated videos and knowledge tests, with 100% of staff receiving training. Information Security Awareness Week is held annually, with September 2022's event held in partnership with the Haizhu District of Guangzhou's Cyberspace Administration Office. The event's theme of "Internet security both for the people and reliant on the people", guided the promotion, implementation, and improvement of employees' information security awareness.

Response to unexpected incidents and systems testing 4

Vipshop's Business Continuity Security Management Measures clearly defines business continuity plans and incident response procedures. The updated *Information Security and Privacy Incidents Management Measures* clarifies the management responsibilities and procedures for information security and privacy incidents such as network attacks, information destruction, data leakage, and other catastrophic events. The Measures also specifies the procedures for the classification of incidents, reporting, responding, seeking resolution, conducting reviews and system improvements. Vipshop has specified emergency response procedures for security incidents including webpage tampering, DDoS, data leaks, ransomware and mining malware. Vipshop has carried out quarterly security drills, simulating high-risk scenarios including ransomware attacks, DDoS attacks and data leaks; and carried out monthly penetration testing in accordance with business metrics, and organized quarterly red-blue confrontations, continuous uncovering of new risks and improvement of defense capabilities, to ensure safe and smooth system operations.

Network Security Protection Platform 1

Vipshop has established an in-depth security system at the network, main frame, application, and terminal levels, collecting all system logs and, maintaining operations by using the information security and event management platform to quickly resolve any network security risks. Vipshop has established an R&D pipeline that adopts a secure development process and has utilized automated tools and manual security tests at each stage of requirements, development, testing, and deployment, in order to reduce the risk of applications introducing viruses to the system. The Company has established the Vipshop Safety Emergency Response Center to establish links with external white hat users and deal with reported security risks.



Third-party accreditation and supervision inspections 5

Vipshop has gained ISO 27001 Information Security Management System (ISMS) and ISO 27701 Privacy Information Management System accreditation. These accreditations cover all of Vipshop's commercial systems' management related activities including operations and maintenance, management of computing hardware, individual information protection etc. The independent, third-party accreditation bodies carry out annual supervision inspections to verify if the Company continues to fulfil the requirements for information security management systems and personal privacy management systems.

Industry cooperation on information security 7

Vipshop proactively seeks cooperation with professional organizations and research institutions including the National Information Security Standardization Technical Committee, the China Communications Standards Association and the China Academy of Information and Communications Technology (CAICT), participating in the development and discussion of relevant national and industry standards for information security and data security. With its grasp on industry trends, Vipshop is well placed to make suggestions for data security and the high-quality development of the digital economy, and at the same time improve the Company's technical and management capabilities in information security, personal privacy, and data security.

Third-party information security requirements 6

An information security system has been established that targets suppliers and business partners as described in the *Third-Party Information Security and Privacy Management Measures* and, *Data Security Partner Management Measures*. When a supplier is on boarded, they are requested to sign a Letter of Commitment to Personal Information and Data Protection and complete the *Data Security Compliance Requirements Specifications*, which detail information security requirements. The *Merchant Points Management Rules* requires merchants to strictly enforce user privacy protection measures. If a merchant publishes, discloses, provides, or disseminates others' personal information without authorization, or is suspected of infringing on others' privacy or personal rights, minor cases will see a deduction of points and the issuing of a fine, while serious cases will see measures including the removal of that merchant's products and the shuttering of their store, in addition to Vipshop reserving the right to pursue legal action in accordance with the law.

Strengthening privacy protection mechanisms

Vipshop abides by national laws and regulations including the Cybersecurity Law of the People's Republic of China, Data Security Law, and Personal Information Protection Law, and has formulated the *App Privacy Compliance Management Regulations* to clarify the basic principles, processing procedures and define each departments' responsibilities for privacy compliance management. These regulations are updated in accordance with the latest laws, regulations, and national standards. Vipshop's privacy policies are applicable to all operations, including the management of the entire life cycle of customers' personal information. In parallel with this, Vipshop has specified standards relating to supplier data exchange and personal privacy protection and, reviews the scope, intention, and necessity of supplier cooperation scenario data to ensure that suppliers are compliant in their data usage.

Privacy policies are already systematically embedded within the scope of the Group's compliance management with the Compliance and Information Security departments carrying out daily inspections to implement the privacy policies. If any discrepancies between the app's handling of personal information and privacy policies are discovered, the relevant departments will raise a rectification request, synchronize updates on the progress of the rectification work and check and approve the results. In addition to this, each month, Vipshop engages a third party to conduct compliance audits on the content and implementation of the Company's privacy policies in accordance with laws, regulations, and regulatory compliance requirements.

Total number of complaints throughout year, received from external parties and substantiated by Vipshop, regarding breaches of customer privacy

0

Total number of complaints received from regulators regarding violations of customer privacy

0

Vipshop has constructed a methodology for entire data life-cycle control and management incorporating the collection, use, transfer, processing, and destruction of personal information, continuously improving the Company's personal information protection mechanisms, and ensuring privacy and security.

Data collection

The *Vipshop Basic Functionality Privacy Policy* published on Vipshop's official website, adopts the principles of openness, transparency, and minimum necessary information. When collecting customers' information, customers are clearly informed of the nature of the information that is being obtained, the use and scope of the collected information, the time period that the data will be stored in the Company's database, how customers' information is protected and policies for third-party disclosure. During the registration process, when users agree to authorization, they can decide how their personal data is collected, used, stored, and processed.

Data storage

Vipshop employs unified storage media access control management measures and carries out encrypted storage management of data stored in its databases.

Data retention

Vipshop promises to only retain customers' personal information for the amount of time required for the purposes stated in Vipshop Privacy Policy for Basic Functions, except where there are legally mandated data retention requirements. When a customer requests to cancel their Vipshop account or after Vipshop ceases to provide services or operate, Vipshop will either delete or anonymize customers' personal information.

Data monitoring

Technology has been used to identify open data interface information and, to maintain an online manifest of all maintained interfaces and monitor all open data interfaces. In addition, regular upgrades of data security and protection measures and, data security audits for outgoing data interfaces have been carried out.

Data usage

Vipshop takes into account data size, category and usage when dynamically adjusting data security protection strategies such as data encryption and authorized access controls, in order to mitigate the risks associated with large-scale aggregation of data (including personal information). In terms of data encryption, all data that is identified as sensitive is, by default, encrypted and stored on disk. In regard to authorized access controls, data in different environments including production, testing, and development is subject to strictly enforced network isolation; for employees working in different areas such as operations and maintenance, testing and, development, employees' access to data and data access rights are strictly restricted.

Data transfer

Encryption technology is used to encrypt transfer channels, and desensitization and anonymizing technology is employed to protect transferred data, ensuring data security during the transfer process.

Data sharing

The *Vipshop Privacy Policy for Basic Functions* clearly states that Vipshop will only share customers' personal information with partners when it is legal, appropriate, necessary, specific and has a defined target, and will only share the personal information necessary to enable service provision. Partners have no authority to use personal information shared with them for other uses unrelated to the Company's product or service. In parallel with this, Vipshop signs strict data processing agreements with its partners, requiring them to fulfil their duty of ensuring information security.

Data processing and destruction

The *Operation Guide for Data Permission Application* explains the operational specifications for the entire data life cycle, and outlines approaches for the destruction of data used during core business activities and the destruction of storage media.

Creating a sustainable supply chain

Vipshop is dedicated to creating a sustainably developed supply chain system, to promote multiple benefits throughout the value chain. Vipshop is committed to compliant procurement, with the *Procurement Management Procedures* and *Supplier Management Procedures* specifying multiple aspects of the supplier management framework, creating a closed-loop supplier management process, and ensuring management of each supplier's entire life cycle.

Compliant procurement

Vipshop abides by the concept of "sunlit procurement", providing all suppliers with guidance in the form of the *Sunlit Procurement Cooperation Acknowledgement*, which clearly stipulates business ethics based on honesty and integrity, and zero tolerance for any commercial bribery. In parallel with this, all suppliers are required to sign the *Supplier Anti-bribery Agreement*, and where sensitive matters are involved, a *Non-disclosure Agreement* must also be signed. If international business is involved, suppliers must also abide by the Foreign Corrupt Practices Act and maintain high standards for ethical business practice.

Supplier management

Supplier selection and termination

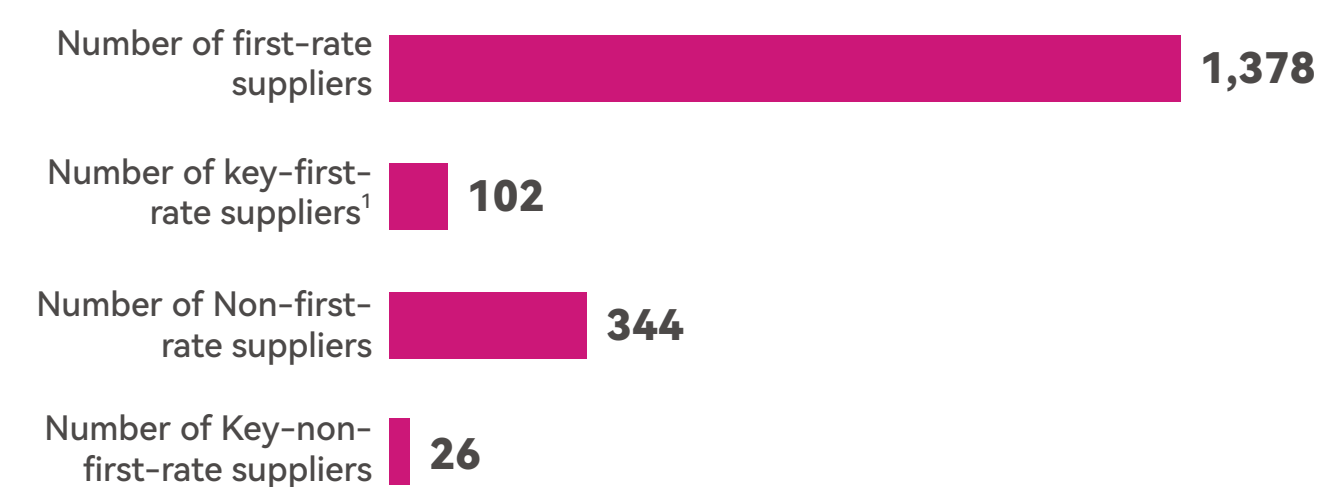
All suppliers must strictly abide by regulations relating to the protection of human rights, banning of child labor and protection of employees' occupational health and safety. If any adverse events that seriously violate the ethos of ESG occur, such as workplace accidents, employee relationship incidents, labor disputes or environmental violations, the process for the removal of the supplier will be initiated. Vipshop also follows the principles of sustainable development and gives priority to the onboarding of suppliers that have been accredited with the ISO 9001 Quality Management System Certification, ISO 14001 Environmental Management System Certification, SA 8000 Social Responsibility Standards, ISO 27001 Information Security Management System Certification, and ISO 27701 Privacy Information Management Certification.

Supplier audit and evaluation

In accordance with *Vipshop's Supplier Management Procedures* and based on the principle of "selecting the best through comprehensive evaluation", a bi-annual evaluation of suppliers is carried out, taking into account multiple aspects of their performance including fulfilment of suppliers' orders or contracts (in terms of products, services, payment, quality and technology), response time, willingness to collaborate, business costs and significant events. The evaluation identifies if a supplier is exceptional, outstanding, good, requires improvement or will have their agreement terminated. This process enables the management of supplier classification, motivates suppliers to continuously refine their supply/service quality and sees the removal of substandard suppliers. The aforementioned significant events include components of the ESG framework such as suppliers' environmental protection efforts, corporate social responsibility, and personal privacy protection. Their inclusion in the evaluation process encourages suppliers to improve their own ESG performance.

Supplier risk management

The Procurement Department uses on-site inspections and reviews of credentials and certifications to assess supplier's potential for sustainable development risk and coordinates those involved with risk management including the demand management, Finance, and Legal departments. When there is anticipated risk, this is assessed as either high-, medium- or low-risk and a corresponding response mechanism and emergency files are established.



Number of Suppliers in 2022

	2022
Number of suppliers who have been conducted risk assessments (units)	165
Number of suppliers assessed to have significant actual/potential negative impacts (units)	13
Percentage of suppliers with significant actual or potential negative impacts that have implemented corrective actions or improvement plans	76.9%
Number of suppliers terminated with significant actual/potential negative impact (units)	3

Note:

1. A key supplier refers to a supplier whose purchase amount reaches a certain standard.

A co-constructed industry ecosystem

Innovative events, empowering brands

Brand channels

A focused use of the "Super Brand Day" IP with industry leading brands, can help to set new sales benchmarks. These events leverage brand's significant investment in terms of product prices, users, and marketing by utilizing resources across Vipshop's entire website for maximal brand exposure, and using the platform's power to drive sales increases for the brand. For those promising, on-trend brands with untapped potential, the "Today's Top Brands" channel is used to provide brand exposure and efficiently utilize resources. For newly emerging industry brands, Vipshop's "Little Pink Box" hosts events and maximizes the brands' footfall advantage through intensive marketing, and attracting new customers to ultimately accelerate growth in results.

Kuaiqiang channel

Marketing approaches including "time kill" sales, flash sales, day events and live streaming pop-ups help develop key brands' bestselling and must-have items.

Fengqiang channel

Adhering to the column localization of "selected brands, significant discounts", Vipshop organized multi-dimensional marketing activities such as single brand, group brand, style category, topic category, trend category through the Fengqiang channel, to enrich users' shopping scenarios and promote the rapid growth of brand performance.



Case **FILA's "Super Brand Day" created a new single day sales record for the brand**

In 2022, Vipshop collaborated with FILA, using the "good brands at good prices everyday" strategy and continually working across sectors including product supply, user operations and product structure to innovate, optimize and, through Vipshop Online Platform, help the brands' products achieve sales figures with year-on-year double digit growth.

In terms of product supply, seeing the addition of 140 collaborative brand stores with a 20% year-on-year increase in the value during campaigns in 2022. In terms of product structure, Vipshop's platform was utilized to perform a survey of users' demands and optimize product selection, with the most popular sneakers generating sales achieving 30% growth year-on-year. In terms of user operations, a focus on high-value items and young member-customers, with an increase in the supply of, and marketing investment for, celebrity endorsed and co-branded designer items created an acceleration in the accumulation of user data assets.

The use of successive big-hitting channels such as "Super Brand Days" and "Today's Top Brands" enabled FILA to establish more direct, higher frequency communication with platform users. FILA repeatedly set new sales records, with their September 14 "Super Brand Day" smashing the record for single-day brand sales, with a 199% increase of sales in comparison to the same event last year, in the process becoming the sales leader among all Super Brand Days in fall, 2022.



"For our brand, Vipshop offers an exceptional channel that is able to offer reliable sales. Ironing out the ups and downs allows brands like us to feel confident and secure and helps further strengthen the bond of trust that exists between Vipshop and us as partners."

—— Navigare

"Vipshop's continuous development of user tools and marketing approaches throughout 2022 allowed Swisse to respond quicker to the complex trading environment. Thus, we achieved 26% growth in annual sales."

—— Swisse

Government-enterprise cooperation, driving consumer passion

Consumption is one of the three key driving forces behind the economy. Vipshop has engaged with 13 areas including Guangzhou, Chengdu, Shanghai and Xi'an to develop consumer coupon promotional events. These events have utilized government subsidies and the platform's and brands' preferential price, with this type of government-enterprise cooperation delivering multiple benefits to consumers and helping to stimulate the market.

In parallel with this, Vipshop has successfully leveraged its platform's own strengths, working with major brands to roll out the first Lucky Festival sales event, working with over 200 large- and medium-scale companies across China, using an employee benefits sales model that combines "platform based incentives + business collaboration", providing approximately 400,000 employees of large- and medium-scale companies with better value, more personalized, high quality products and exceptional services to satisfy their demands for varied, high-quality products.

Fully electronic invoicing, rolling out taxation reform

In order to meet the requirements of the General Office of the Chinese Communist Party and the General Office of the State Council as described in Opinions on Further Deepening the Reform of Tax Collection and Administration, on March 29, 2022 Guangdong Province published its Announcement of the Electronic Invoice Pilot Test Locations for the Further Development of Comprehensive Digitalization, confirming that some tax payers in the Guangdong region would be taking part in the pilot testing of electronic invoices. Built on the foundation of a reliable identification system and an electronic invoice service platform, fully electronic invoices are brand-new, fully functional invoices, that are legally equivalent to their paper counterparts and can be used in all fields and at all stages of the invoice process. Electronic invoices are characterized by being medium free, format flexible, tagged, streamlined, valid in the credit system and each assigned with their own unique number.

As one of the first pilot companies, Vipshop is actively facilitating the promotion of electronic invoices, helping to push forward the transformation from "using invoices to control taxes" to "using data to govern taxes" and "using data to govern the team". This assists the systematic reform and modernization of tax collection and helps to create a smart tax system.

Testing the water, promoting the digital economy

The digital economy has already become an important driver in the ongoing push for high-quality economic development. In May, 2022, Guangzhou led the way with the rolling out of "Data Brokers", aimed at the mining of high value data elements and the promotion of data element development.

As one of the three companies selected as a test site to pilot "Data Brokers", Vipshop will use this computing technology based, open application that uses multi-source data, to run data interpretation, manage data authorized applications and develop a tool that provides data analysis guidance. Steady development of the pilot project will create brand-empowered data products and an intelligent supplier platform. Based on this platform, Vipshop will endeavor to maximize the potential of the Data Broker as a bridging tool, connecting suppliers' or brands' data and marketing data, mine data value deeply. The platform will also allow service suppliers or brands to market the data ecosystem, unlocking the benefits of digitalization in all areas including suppliers' timely adjustment of production and marketing strategies, industrial upgrading, and the government's latest governance.

In parallel with this, Vipshop will continue to upgrade its own data security capabilities, through the construction of data management systems, development of security compliant data output approaches and evaluation of data monitoring management. These upgrades will reinforce Vipshop's digital security measures, helping ensure the stable and balanced development of the digital economy.



Vipshop Ecology

The 14th 5-year Plan for E-commerce Development remarks that e-commerce businesses must adapt to low-carbon, environmental development demands, establish a green development mindset, and proactively shoulder social responsibility for environmental protection, whilst raising the level of green innovation. Vipshop constantly improves its own environment management systems, develops climate risk governance, assesses low-carbon opportunities that consider the entire value chain, establishes zero-carbon targets and action plans, and strives to be a low-carbon leader and pioneer in the e-commerce sector.

Committed to achieve carbon neutrality in its own operations no later than

2030

Total photovoltaic power generated

61,538 MWh

21.19 million

carbon boxes recycled by Vipshop's logistics centers during the year



Contributing to carbon neutrality

Since General Secretary Xi Jinping pledged to "strive to hit peak carbon dioxide emissions before 2030 and to achieve carbon neutrality before 2060" at the general debate of the 75th session of the United Nations General Assembly in 2020, the Chinese government has continuously published its "1+N" series of policies, to systematically promote the goals of peak carbon and carbon neutrality. Vipshop has willingly accepted its responsibility, drafting its own targets for carbon neutrality and an action plan, focusing on aspects including green energy, green packaging and green logistics, as part of its practical actions to contribute to carbon neutrality.

Pledge for carbon neutrality

Vipshop's pledge

Vipshop will achieve carbon neutrality in its own operations no later than 2030 and will achieve its target of reducing the greenhouse gas intensity of its scope 3 emissions by 50%, no later than 2030².

Status of Vipshop's carbon emissions

For greenhouse gas emission accounting, Vipshop primarily refers to the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (Greenhouse Gas Protocol) developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) and has set organizational boundaries based on the operational control criterion to calculate greenhouse gas emissions within the scope of the business as scope 1, scope 2 and scope 3 emissions. In accordance with the statistics, Vipshop's total greenhouse gas emissions for 2022 were 920,195.4 tons, composed of 12,153.9 tons of scope 1 emissions, 84,711.3 tons of scope 2 emissions and 823,330.2 tons of scope 3 emissions³. This data has been certified by an independent third-party verification agency (please refer to Appendix 2 for further details).

Total scope 1 emissions

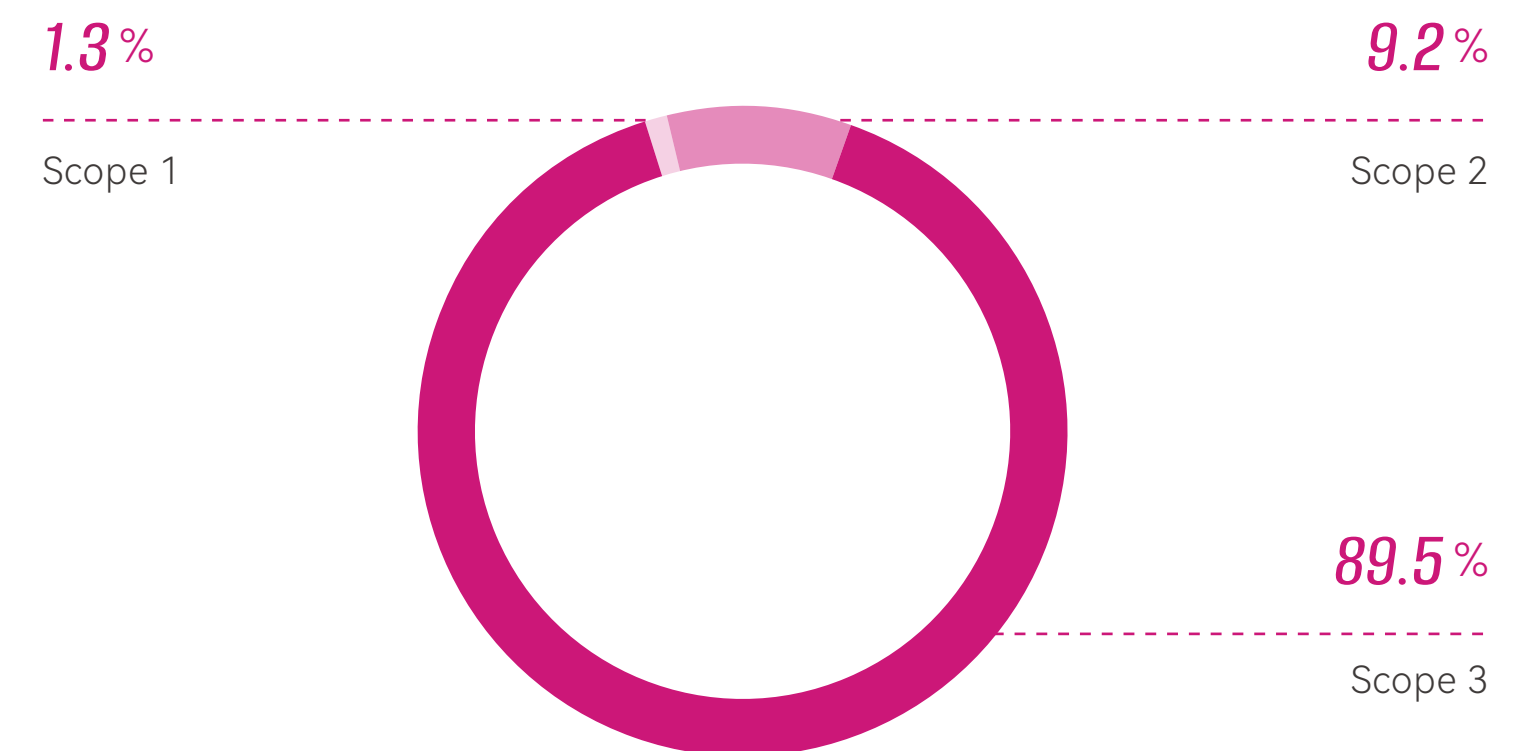
12,153.9 tons carbon dioxide equivalent

Total scope 2 emissions

84,711.3 tons carbon dioxide equivalent

Total scope 3 emissions

823,330.2 tons carbon dioxide equivalent



Notes:

1. China's "1+N" policy framework for peak carbon and carbon neutrality consists of "1", which refers to The Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy, published by the Central Committee of the Communist Party of China and the State Council, and "N" which includes the State Council's Action Plan for Carbon Dioxide Peaking Before 2030 and, other policies and case studies from other critical sectors and industries.

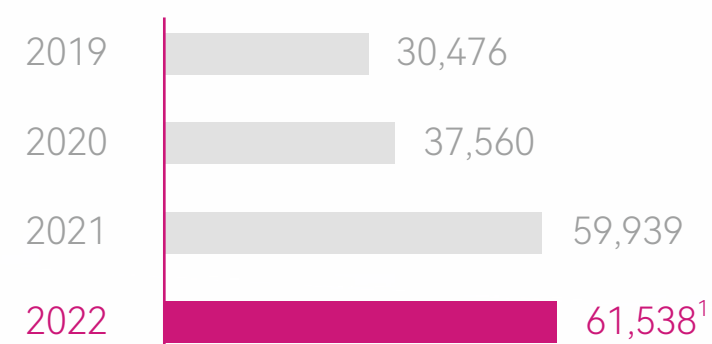
2. Targets for reducing each category of Scope 3 greenhouse gas emissions intensity take 2022 as the base year. Greenhouse gas emission intensity = greenhouse gas emissions / net revenues.

3. In 2022, Vipshop comprehensively accounted for its sources of greenhouse gas emissions, and further broadened the statistical categories and boundaries used in its accounting of greenhouse gas emissions, as part of the Company's continuous action to improve their emissions management system. In terms of statistical categories, in addition to CO₂, Vipshop also calculated N₂O produced during fuel combustion, CH₄ released from sewage in septic tanks and HFCs arising from the use of fire extinguishing agents. In terms of the statistical boundaries, Vipshop has incorporated the emissions generated from the operation of Shan Shan Outlets and two City Outlets; scope 2 emissions have incorporated the emissions indirectly produced from purchased heating and cooling; scope 3 emissions have incorporated the emissions arising from categories including Vipshop's waste processing and upstream leased assets, etc.

Action for carbon neutrality

Vipshop has thoroughly examined potential emission reductions throughout the entire value chain, focusing on aspects including transformation of the energy structure and improving energy efficiency to systematically promote reduced emissions, striving to reduce emissions across the entire lifecycle and assist the realization of carbon neutrality goals.

Photovoltaic power generation (MWh)



Note:

1. 2022 photovoltaic power generation figures include power generation from the Logistics Development Company and Shan Shan Outlets, of which, 60,545 MWh were generated by the Logistics Development Company and 993 MWh were generated by Shan Shan Outlets. Statistics for 2019–2021 do not include Shan Shan Outlet.

Green energy

Promoting photovoltaic power

Vipshop utilizes the existing rooftops across its logistics hubs, constructing photovoltaic power stations at warehouses and logistics hubs nationwide. At present, two logistics centers have already been equipped, the South China Logistics Hub and the Central China Logistics Hub. The South China Logistics Hub, located in Zhaoqing, Guangdong Province, is the first e-commerce logistics hub in China to be fully powered by photovoltaic energy, utilizing a total capacity of 19.2 MW; the Central China Logistics Hub, located in Ezhou, Hubei Province, uses the rooftops of 29 warehouses to generate photovoltaic electricity, with a total capacity of 40.6 MW. Shan Shan Outlet's locations in Nanchang, Nanning and Ganzhou have utilized the relaxation areas on the plaza level to install photovoltaic equipment, generating 993 MWh of energy in 2022. This will be rolled out across additional locations in 2023.

Purchased green electricity

Vipshop has promoted the outsourcing of green electricity, completing the 2023 plan for the purchase of green energy for Vipshop's HQ in 2022, purchasing a total of 22 million KWh of green electricity, to achieve the Company's target of using 100% green electricity to power the Company's HQ in 2023.

Green logistics hubs

Energy efficient buildings

Vipshop has constructed green warehouses, using steel sheeting with an insulated layer for the external walls and rooftops, providing thermal insulation and reducing thermal loss; double glazing has been used for the external windows, and where possible, natural lighting and heating are used.

Energy efficient equipment

Vipshop has continuously introduced or optimized automated equipment, introducing a "smart sleep system" whereby equipment is stopped during rest periods to reduce energy consumption; the lighting systems have been completely overhauled in Vipshop's logistics hubs, replacing high-power light fixtures with bulbs that provide the same brightness while using less energy and, using motion-sensing lights, to reduce wasted electricity.



Rooftop photovoltaic equipment at the Central China Logistics Hub

Number of cardboard boxes recycled at logistics hubs throughout the year:

21.19 million

Use of cardboard packaging reduced by:

2,556 tons

Total amount of discarded items recycled at logistics hubs:

16,774 tons



Warehouse package sorting line

Green packaging

Optimization of packaging material design

Vipshop has reduced the thickness of plastic bags without compromising their performance, leading to a reduction of 970 tons of plastic used during the year; optimization of cardboard materials with a reduction in weight by 10g/m², has resulted in a reduction of 570 tons of cardboard used during the year; optimization of the thickness of material used in bubble wrap (reduced 2cmm) and air cushion packaging (reduced by 5μm), has resulted in an annual reduction of 60 tons of plastic usage; reduction of the width of packing tape used has resulted in an annual reduction of 13 tons of plastic usage; optimization of labeling has resulted in an annual reduction of 20 tons.

Improvement of the usage rate of plastic packaging

The use of historical data from machine learning systems, and the automated selection of the most suitable type of packing for each order, has reduced wastage of plastic packaging and reduced the time required for the packaging selection process; in parallel, orders of the same type are handled in the same way, assigning the use of an automated box packer or auto-bagging machine, and increasing packaging efficiency by 10~20%.

Promotion of reusable packaging materials

Vipshop reuses cardboard packaging from suppliers' shipments for product returns, targeting short-distance, similar shipment-volume suppliers, to trial the reuse of packaging materials for suppliers' shipments and for returns to suppliers; dedicated recycling baskets have been installed on the packaging line, so that when handling customer returns, recyclable packing materials and packing boxes are collected, with materials that meet the criteria selected for re-use, leading to a reduction in the use of new materials.

Type of packaging	2020	2021	2022	2022 Target
Total weight of wood / paper fiber packaging (tons) ¹	16,855	13,161	12,553	Paper packaging materials to account for more than 70% of total weight of packaging materials used
Total weight of plastic packaging (tons)	4,233	4,480	4,656	Plastic packaging materials to account for less than 30% of total weight of packaging materials used
% of recycled packaging (as a percentage of total weight of plastic packaging materials used)	100%	100%	100%	Recycled plastic materials to account for 100% of plastic packaging materials used
% of plastic materials which are primarily recyclable (as a percentage of total weight of plastic packaging materials used)	0%	0%	0%	/

Note:

1. Vipshop only uses plastic and paper-based packaging. Vipshop does not use glass or metal packaging. Cardboard packing boxes are 100% recyclable.

Green stores

Physical stores: Vipshop's physical stores use energy efficient products, such as energy saving LED lighting. Vipshop also promotes the reuse of office stationery, resulting in a reduction of annual waste by 50%. In terms of packaging, Vipshop prioritizes the encouragement of customers to bring their own reusable bags and in 2022, 100% of stores' packaging used biodegradable kraft paper; for shipping to and from suppliers, cardboard boxes have been replaced with nylon bags, to encourage the re-use of materials.

Shan Shan Outlets: An equipment and facilities operation strategy has been established for each store, based on their respective situations, realizing a "one store one policy" approach, and carrying out categorized calculation of energy consumption, using data analysis to identify and resolve inefficient energy consumption, and raise energy conversion rates; humidifying systems have been used to reduce localized temperatures and reduce the energy consumed by air conditioning; timed, automatically controlled lighting and air conditioning, LED lights and ticketing systems have been used to reduce energy consumption. In 2022, Shan Shan Outlets ran a series of energy saving events, reducing office space electricity usage by 2.7 GWh and reducing energy consumption by 8.6% year-on-year.

City Outlets: The Shushan project in Anhui Province has optimized the parking lot's lighting system, installing an intelligent sensor lighting system with an anticipated annual 59.6 MWh reduction in electricity usage once complete; replacement of corridor lighting with motion-sensitive lighting further improves efficiency. The Binhu project in Anhui Province has improved the efficiency of the basement lighting system, with a maximum anticipated daily energy reduction of 70% per light. Regular meetings are held with outlet managers to advocate energy efficiency and reduced consumption, encouraging use of off-peak electricity, reducing unnecessary use of electricity, and resulting in an approximate annual reduction of electricity consumption by 180 MWh.



The Jiangning Outlet in Jiangsu Province

Green office space

Improvement of the energy management system

Vipshop has engaged specialist third-party energy management consultants and introduced measures for the management of energy consumption quotas, to set annual efficiency targets which are split into monthly consumption targets. Vipshop also relies on the energy management assessment system to monitor the energy management carried out by the operations team, periodically tracking energy usage, and realizing the results-oriented, quantitative refined management of energy consumption.

Uncovering potential efficiency gains

Vipshop has used the multi-dimensional data on energy consumption that is collected by the energy management platform with a series of low-cost or zero-cost approaches to optimize management, resulting in more rational energy consumption. One example sees the connection of an office's cold site with the data center, to enable the air conditioning system to utilize the interconnection of cold air sources, so that during periods of low-loading, the data center's cooling capacity can be used to cool office space, saving approximately 61 MWh in 2022; strategic optimization of the lighting in office areas, parking lots, employee canteens, and of spot-lighting, reduced electricity consumption in 2022 by approximately 238 MWh; strategic optimization of the operation of elevator and parking lot ventilation fans reduced electricity consumption in 2022 by approximately 417 MWh.

Establishment of an energy management platform and office building energy consumption model

Standard operating procedures (SOPs) have been drawn up for the identification of abnormal energy usage, with an energy management platform used to carry out online monitoring of energy consumption and identification of abnormalities, improving the efficiency of energy management.

Focused optimization of energy system

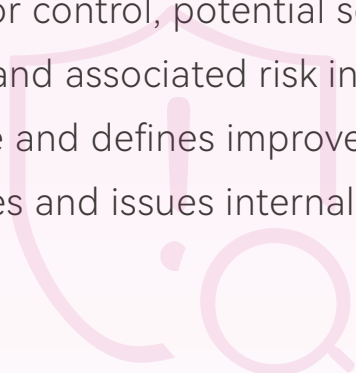
The central air conditioning system has been comprehensively adjusted and optimized, including balancing of chilled water, cooled water and office building air supply, to optimize efficiency, resulting in improved energy efficiency and reduced energy consumption during operations across the entire system. Following the optimization of the operating strategy for the offices' and data centers' air conditioning systems, electricity usage in 2022 was reduced by approximately 604 MWh.

Paperless offices

Vipshop advocates all employees to go paperless by making reports and approvals online and, taking advantage of the Weimi IM, email and office automation (OA) tools. Vipshop encourages paperless meetings and paperless accounting of expenses and procurement, as part of its drive to reduce demand for paper in the Company's offices. In addition, the printing system has been set to default to double-sided printing, helping to reduce the proportion of single-sided printing. In 2022, the Company's offices saw a 4% year-on-year reduction in the use of paper.

Climate risk governance

Climate change is a challenge that we all face. Vipshop is constantly improving its climate change governance systems and takes on board the suggestions of the Task Force on Climate-related Financial Disclosures (TCFD). Vipshop discloses the results and future plans of its climate change related work in four main areas: governance, strategy, risk management and, indicators and targets.

Governance	Strategy	Risk management	Indicators and targets
<p>Vipshop continually refines its ESG management system, upgrades the Company's level of sustainable development governance and delivers long-term sustainable development. The ESG Committee, under the Company's Board of Directors, is responsible for the monitoring, review and handling of policies, measures, and related performance targets for sustainable development, including climate change. The ESG committee convenes 1-2 times per quarter to discuss ESG related items (including those on climate change). When required, the ESG Committee may seek external specialists to provide their professional opinions on climate change.</p> 	<p>In accordance with the TCFD, there are two primary risks associated with climate change: the first is the tangible risk arising from extreme weather events or rising temperatures; the second is the transformational risk arising from policy, market, and technological responses to climate change. The Company is deeply aware of the risks and opportunities associated with climate change and has defined relevant measures to alleviate the risks and challenges associated with this, actively embracing the opportunities that climate change creates, and promoting sustainable development.</p> 	<p>The Company has established a comprehensive risk management system and processes for the identification, evaluation, and management of risk. For further information, please refer to the section on “Strengthening Risk Management”. In 2022, Vipshop incorporated climate change risk assessment into their standard risk management practice, integrating the development trends of the international community, China, and industries. Vipshop has also identified climate change risks and opportunities for the Company from several angles including policy, legal, markets and extreme weather events.</p> <p>Having identified risk, the relevant department evaluates the likelihood, scope for control, potential scale of impact and associated risk in each instance and defines improvement measures and issues internal warnings.</p> 	<p>Through joint consideration of national requirements and the Company's own development, Vipshop have formulated carbon peak and carbon neutrality goals and, planned an action path. For further information, please refer to the section on “Contributing to carbon neutrality”. In the future, Vipshop will follow established targets and plans to systematically push towards carbon neutrality, regularly carry out review and optimization of targets, and steadily evolve the Company's management of climate change.</p> 

Identification of and response to the risks and opportunities associated with climate change

Risk category	Potential climate change risk and opportunities for Vipshop	Response measures
<p>Policy and legal risk</p>	<ul style="list-style-type: none"> The globe is slowly turning its attention to the risks arising from climate change, encouraging the demand for related monitoring, management, and disclosure. In its operations, Vipshop will likely face additional compliance requirements; The state has successively rolled out plans for green packaging and green logistics transformations. For example: The Action Plan for Controlling Plastic, announced as part of the 14th Five-Year Plan, puts forward clear requirements for the reduction of plastic and secondary packaging in the e-commerce sector; and, Opinions on the Promotion of the Acceleration of the Green Transformation of Courier Packaging, proposes to promote the phasing out of the use of non-biodegradable plastic packaging. The Company needs to invest more budget and resources to further explore the use of low carbon packaging, in order to satisfy national low carbon development requirements. 	<ul style="list-style-type: none"> On time, compliant disclosure of climate change related information in accordance with relevant disclosure principles; Continued exploration of options for green packaging and green logistics, to reduce carbon emissions. For further details please refer to the section on: "Contributing to carbon neutrality - Action for carbon neutrality".
<p>Market risk</p>	<ul style="list-style-type: none"> Following the increase in consumers' environmental awareness, public demand for environmentally friendly products has started to rise. The Company should pay close attention to this and offer more environmentally friendly products in order to promptly meet consumers' demands; Green products can result in increased prices, which reduces consumers purchasing power for goods and services, and erodes income for the Company; As more people become aware of climate change, e-commerce businesses will likely need to pay greater attention to their entire lifecycle carbon emissions, including, but not limited to, the downstream processing of old products. The Company should plan ahead for this and stimulate carbon reduction in the value chain. 	<ul style="list-style-type: none"> Proactively seeking out sustainably developed products, providing consumers with a wider choice of green products; Utilizing the strengths of the supply chain's resources and, focusing on discount retail model to provide customers with good products that represent better value and are better for the environment; Paying attention to carbon reduction across the entire value chain when setting zero carbon targets.
<p>Extreme weather risk</p>	<ul style="list-style-type: none"> Extreme weather may have an adverse impact on production capabilities and labor, resulting in a suspension of normal operations; Factors including climate change and natural disasters may lead to an increase in delivery times for brands' products, or increase the risk associated with a breakdown in terms of logistics or shipping from suppliers; The Company uses several data centers - if an extreme weather event causes some servers to fail, it may be possible that some data may not be immediately recoverable, which represents a data storage risk. 	<ul style="list-style-type: none"> The creation of climate ready infrastructure. The Company's Headquarters has been awarded several international accreditations including the 2-star Green Building Label and LEED BD+C Gold certification; A plan for the response to extreme weather events sets out the relevant processes and responsible individuals, strengthens troubleshooting, and helps to ensure the safety of logistics centers and stores; Exploration and promotion of integrated carbon reduction, both upstream and downstream, in the value chain; communication of climate change response concepts; encouragement of partners to pay attention to climate change risk and prepare emergency response plans; Strengthening of data backup measures and the reasonable use of measures such as commercial insurance, to help to minimize the losses that may result from extreme weather events.
<p>Opportunities</p>	<ul style="list-style-type: none"> In the long term, the promotion of recycled packaging will potentially lower packaging costs and be competitive in terms of sustainability. Provinces and municipalities have announced Dual Carbon incentives, with the potential for green logistics hubs to be granted government subsidies and improve the brand's reputation. 	<ul style="list-style-type: none"> Proactive searching for biodegradable and recycled packaging materials, has led to the e-commerce sector's low-carbon development. Active promotion of the construction of green logistics hubs, including the use of photovoltaic panels on rooftops and green warehousing, etc. Vipshop's proactive approach to carbon neutrality has helped build a positive image and helped the brand to grow.

Environmental management

Environmental management system

Vipshop strictly abides by the laws and regulations of the environments in which they operate. The Company's *Environmental Health and Safety Policy* clarifies Vipshop's commitment to and, principles and vision for, environmental health and safety management. In addition, Vipshop has established the Environment - Health - Safety Management Committee to help establish a governance framework with clearly defined roles and responsibilities and, to promote and monitor the implementation of these across all sectors. The Committee is chaired by the President of the Board of Directors, with other members including senior officer, representatives from each top-tier department (unit), the president of the labor union and employee representatives. The Committee convenes at least once per quarter to review the Company's environmental, health and safety performance, and to suggest improvement measures. In parallel with this, Vipshop engages independent specialists to regularly assess the Company's execution of environmental, health and safety work within its production and operation management activities, in order to minimize their impact on the environment, ensure the health and safety of employees, and achieve the goal of "Six Zeros".

Vipshop has defined a series of policy measures including its, *Environmental Health and Safety Inspection System*, *Environmental Health and Safety Rewards and Punishments System* and *Environmental Health and Safety Training System*, which are used as tools to systematically manage the Company's environmental performance. These policies are applicable to all of the Company's business and operations processes, including production and operating facilities, products and services, and waste management etc. Each year, the Company drafts an annual EHS training plan, running various formats of EHS training, including, but not limited to, the need for the Group to manage environmental health and safety, which offers a nurturing and deepening of employees' EHS awareness to help them understand the environmental impact of their work.

In 2022, Vipshop did not receive any fines arising from environmental or biological incidents.

Vipshop's Environment - Health - Safety targets: The "Six Zeros"

Zero environmental accidents

Zero fire incidents

Zero transportation accidents

Zero contravention of EHS guidelines or commercial ethics

Zero injuries

Zero tolerance of unsafe work practices

Water resource management

Rainwater recycling:

Vipshop designed a rainwater recycling system to collect and process rainwater, and used the rainwater that meets the water usability standards for toilet flushing and greening watering. In 2022, 12,263m³ of tap water was saved through the utilization of recycled rainwater at the Company's HQ.

Reducing air-conditioning system's water usage:

Complete adjustment of the water balance in the air conditioning system's water towers, including improvement of water distribution between cooling towers, and water spillages etc., reduced the amount of water added to the air-conditioning cooling system in 2022 by approximately 572m³.

Waste management

Administrative offices:

Waste is sorted at the source before being collected. In addition, professional recyclers sort recycling for a second use, reducing the amount of office waste and encouraging re-use of resources. In parallel with this, information on waste sorting is provided, including regular events, to help improve office employees' awareness of the issue. Waste sorting stations encourage employees to sort their trash and increase the percentage of waste that can be recycled.

Logistics and warehousing:

Infrastructure such as rain and sewage separation were incorporated during the construction of the logistics hubs; a designated returns area was established, allowing for the secondary use of packaging materials when processing customer returns. Those materials that cannot be directly re-used sorted and handed over to accredited suppliers for recycling.

Total water usage

2.1 million m³

Total waste recycled/ reused

22,810.5 tons¹

Total waste disposed

34,862.7 tons²

Notes:

1. The amount of recycled/reused waste include 16,780.4 tons of paper, plastic and other recyclables, and 6,030.1 tons of composted kitchen waste.

2. The amount of disposed waste include 32,736.0 tons of landfill waste and 2,126.7 tons of incineration waste, all of which were handled by the municipal government.

Kitchen waste

Vipshop defined a series of measures to reduce food waste arising from the Company's canteens. Vipshop engaged an accredited third party to undertake specialist treatment targeting canteen's kitchen waste and requested them to establish a kitchen waste management system, ensuring kitchen waste is utilized appropriately.

- The number of dishes served corresponds with the customer's demands, helping achieve the "clean plate" target; rice is available in small, medium, and large portions; canteen staff remind customers to only order what they need, to avoid waste;
- An employee is assigned to the plate collection area to assess and take account of food wastage, adjust stock levels, and reduce supply of ingredients for dishes with significant leftovers;
- The kitchen produces food in small batches in accordance with the amount required, to minimize wastage from cooking in large amounts. Processing is also carried out in small batches to reduce waste.

In 2022, Vipshop organized seasonal "clean plate" activity weeks, establishing Vipshop's "clean plate" activity groups using app, engaging in online and offline promotion of the "clean plate" ethos across all offices, encouraging employees to log and post their clean plates on a daily basis, helping to encourage employees to reduce food waste and contribute to a low-carbon lifestyle. In 2022, 2,646 employees participated.

Case "OneDay of Treading Lightly for Our Planet", raising employees' environmental awareness.

December 21, 2022, Vipshop launched its annual employee benefit event, "OneDay of Treading Lightly for Our Planet", further deepening all employees' awareness of carbon reduction, with 2,142 employees participating.

The event included 9 sub-activities, 5 of which directly reduced carbon footprint, including the, "clean plate", "second-hand book donation", "second-hand swap market" and "energy efficient day" events. Employees that posted about their attendance of these events were able to gain carbon-reduction credits, with those achieving the most credits eligible to win additional prizes. In parallel with this, employees were encouraged to watch the environmental documentary An Inconvenient Truth and to read the Secrets of a low-carbon life small changes make a big difference course materials on day-to-day carbon reduction, helping employees to lead by example with their own efforts toward a low-carbon life.



V-Talent

Talent is the foundation of the Company's ability to continually maintain its core competitiveness. Vipshop pays great attention to the establishment and nurturing of its talent echelon, systematically plans and constructs a talent framework according with the Company's mission, strategic positioning and annual key operations targets. Vipshop strives to create a safe and comfortable and, equal and inclusive work environment for every employee, with clear communication channels and fully-formed talent training and promotion systems to motivate employees to fulfil their utmost potential, working with all employees to move forward as one.

**China's Best Employer,
Forbes China 2022**

Percentage of female employees:

52.6%

Percentage of employees receiving training:

100%



Protecting employees' rights and interests

Vipshop abides by all laws and regulations including the Labor Law of the People's Republic of China and the Employment Contract Law of the People's Republic of China, ensuring compliant employment that advocates for a culture of equality, diversity, and inclusivity, and provides employees with a remuneration and benefits system that is comparable to the competition, respecting and ensuring the legal rights of each and every employee.

Compliant employment

The Company interchangeably uses a variety of channels to solve recruitment demand including the internet, social media, headhunters, recruitment process outsourcing (RPO), campus recruitment, overseas recruitment, and internal recommendations, with each channel subject to its own relevant management systems and assessment standards, used to assess the suitability of each candidate for each role, improving the efficiency of the recruitment process as much as possible.

Vipshop adheres to international norms including standards stipulated in the Universal Declaration of Human Rights, The UN Guiding Principles on Business and Human Rights and by the International Labor Organization (ILO). The Company strictly abides by the national Provisions on the Prohibition of Using Child Labor and refutes actions that include any form of human trafficking, forced labor or child labor. In addition, Vipshop regularly assesses the human rights risk within their business activities and verifies labor usage compliance.

If the Company undergoes significant business reorganization or reform, Vipshop will pay economic compensation to those who negotiate the termination of their contract and will reduce the risk of unemployment by giving priority to inviting existing members of staff for job transfer interviews.

Employee privacy

Vipshop respects and upholds employees' privacy rights, adopting a comprehensive employee personal information confidentiality system that is based on EHR systems and, establishing a Human Resources archive that is fully responsible for the storage and management of employees' files, to ensure employee privacy.

Handling of sensitive information

Sensitive information including employees' emergency contacts' details, bank account information and employment data etc., is displayed in a desensitized manner in accordance with encryption principles.

Data usage security

Upgrading of data usage security plans; providing key data actions with graded, traceable solutions; providing systemized, comprehensive, traceable solutions; ensuring data usage is traceable, based on facts and allows an option for return.

Application security

Upgrading of the application system framework, including adjustment of the system configuration, enhancement of the system function permission verification, enhancement of document upload verification to strengthen application security.

Management of system permissions

Cleaning up of redundant permission allocations and expired accounts on the system and establishment of regulations for the control of permissions, refinement of the scope for permissions, and ensured data compliance. Vipshop has optimized the management of accounts with special privileges, reclaiming relevant manager's rights to view and manipulate data, minimizing the allocation of privileges as much as possible and managing accounts with special privileges in accordance with the account holder's role and title.



In 2022, there were no instances of employing child labor or forced labor at Vipshop

100%

of employees had signed employment contracts

Remuneration and benefits

Talent is a foundation on which the Company is built and a source of innovation. Vipshop has drafted policies including the *Salary Management System* and the *Welfare Management System* as part of the continuous improvement of the salary and welfare mechanisms, improving the market competitiveness of Vipshop's salaries. The Company adheres to national minimum wage standards, ensuring that the remuneration for all employees exceeds the local standards for minimum wages, when they record full attendance.

In 2022, the Company expanded the scope of its Talent Apartments, with an additional 672 apartment rooms added, all of which were provided to Vipshop employees. The first batch of accommodation has been signed off and handed over in June 2023.

Celebratory Wishes

Gifts and donations (for marriage, childbirth and bereavement)

Benefits and services

Riverside gym, corporate library, employee cinema, infinity swimming pool

Parenting support

Wedding leave, maternity leave, leave for miscarriage, parenting leave, breast-feeding leave, contraceptive-procedure leave

Holiday entitlement

Full-pay annual leave, bereavement leave and parents' evening leave

Accommodation assurance

Vipshop Talent Apartments, zero-interest loans to settle down and, housing fund support

Vipshop's "Fortunate, Loving and Growthful" benefits system

Health insurance

Online health management platform, health checks and screenings, full-pay sick leave, commercial insurance, and compensation for medical treatment

Convenient living

Employee-access purchasing, SF Express discounts, special employee sales events, employee shuttle buses

Flexible working

Adopting a flexible working structure, with employees able to work from home when the situation required this during the pandemic



A culture of diversity, equality and inclusivity

Upholding equal employment principles

Vipshop seeks talents who are smart, pragmatic, open, and responsible, adheres to the principles of fairness, justice, transparency, and merit-based recruitment, and formulates regulations including *Vipshop's Staff Recruitment Management Measures* and *Vipshop's Promotion Management Measures*, to ensure that candidates and employees are treated the same during the recruitment and promotion processes, regardless of factors such as race, ethnicity, gender, religious belief, sexual orientation, and lifestyle.

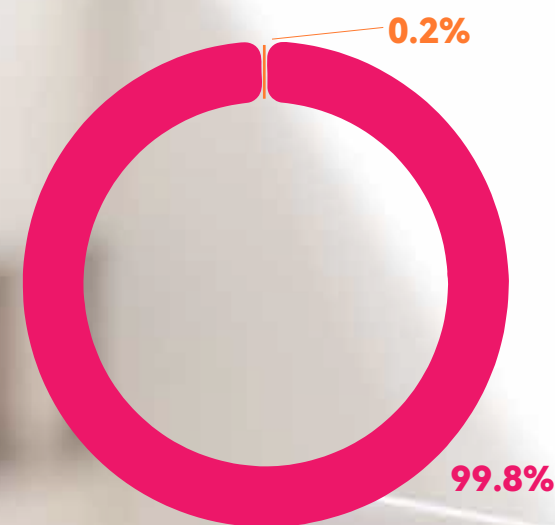
Total number of employees:

6,815

Percentage of female managers:

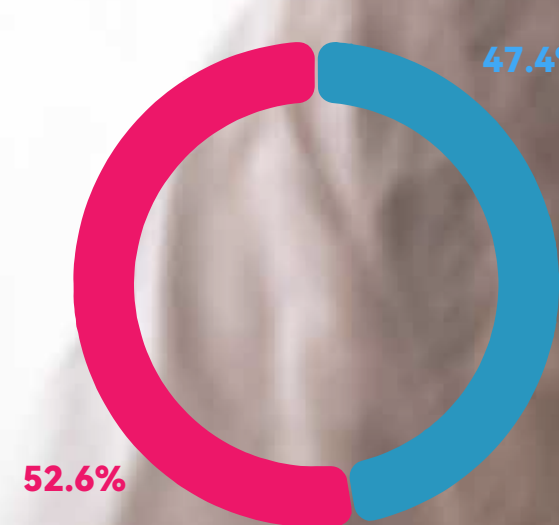
42.2%

● Permanent employees (%)
● Other categories (%)¹



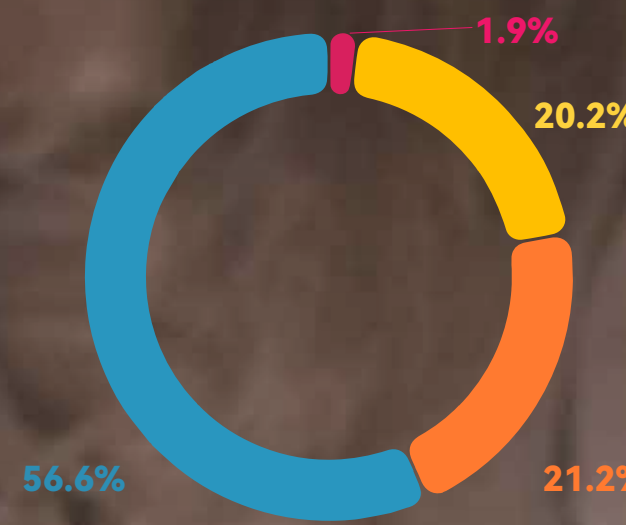
Percentage of employees by employment type

● Female employees (%)
● Male employees (%)



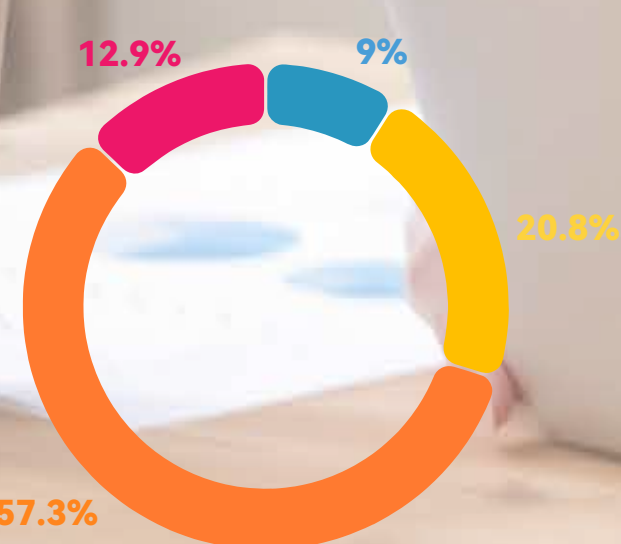
Percentage of employees by gender

● Senior-level management (%)
● Mid-level management (%)
● Junior-level management (%)
● Entry-level management (%)



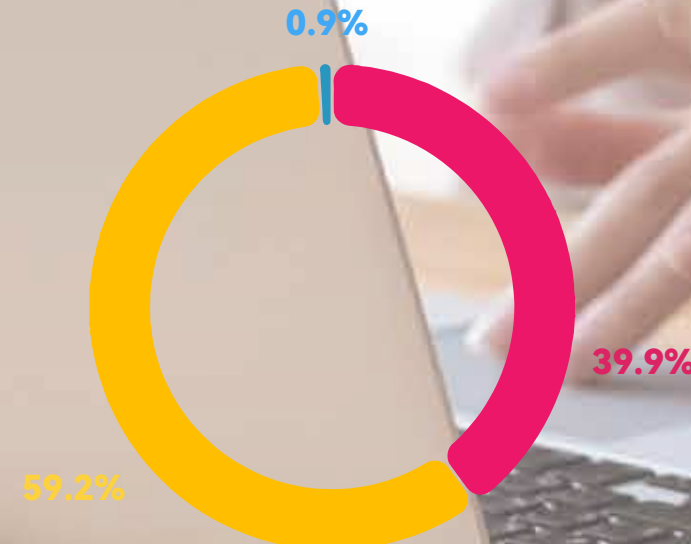
Percentage of employees by employee category

● High-school or below (%)
● Bachelor's degree (%)
● Vocational training college (%)
● Master's degree or above (%)



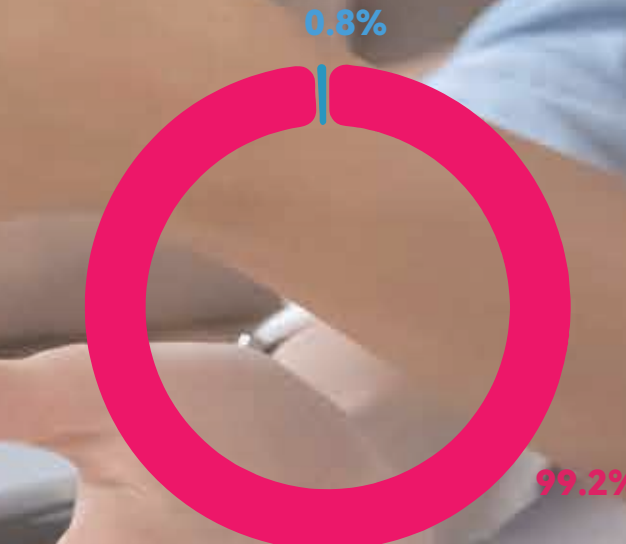
Percentage of employees by educational background

● Aged 18-29 (%)
● Aged 30-50 (%)
● Aged 51 and over (%)



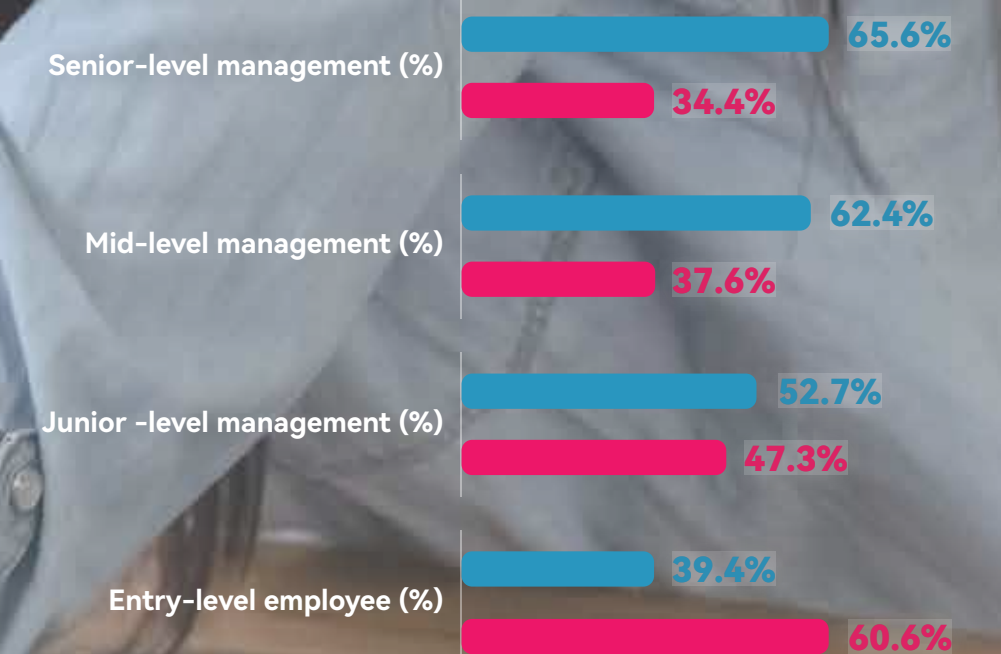
Percentage of employees by age group

● Mainland China (%)
● Hong Kong, Macao and Taiwan and other regions (%)



Percentage of employees by geographical location

● Male employees
● Female employees



Note: 1. Other categories are those who are rehired after retirement.

Advocating a culture of equality and openness

Vipshop is dedicated to creating an open-minded organizational culture and constructing a mechanism for the combination of top-down and bottom-up information exchange, to create a working environment that radiates equality and harmony.

Vipshop has continued to run its "Call me Eric" initiative. Taking the CEO Mr Shen Ya's English name Eric as an example, this initiative proposes all employees to avoid using any professional titles or names such as "President" or "Boss", and instead to use nicknames or commonly used names regardless of the situation and whether it occurs online or face-to-face, fostering a system where every interaction is more direct and takes place on an equal footing. At the same time as this, the Group has also organized a trade union committee and events such as seminars to promote democratized management, encouraging employees to contribute their suggestions and opinions.



Face-to-face with Vipshop

Face-to-face with Vipshop

These events, held twice a year, allow entry-level employees to directly raise and discuss questions that they have with two of the Company's founders, answering 45 questions throughout the year with 75% of the resultant adjustments being deemed successful and the remaining 25% requiring more long-term solutions.

The CEO's offline mailbox

Employees can use the CEO's offline mailbox to provide feedback and suggestions, with all of the information received being handed to the CEO for their personal response.

CEO online mailbox

A channel for the Company's employees to enter direct discussion with senior management.

Employee BBS

This bulletin board system provides all employees with a platform to voice their opinions and is monitored in real-time with any popular topics receiving a unified response.

360 Management

Surveys that fully listen to employees' opinions and stimulate open dialogue and exchange.

Vipshop Listens

Direct communication between the CEO and the Company's management team where in-depth discussions are held on a variety of topics including organization, business, and management.

Successful Dialogue

Communication between employees with different roles and/or from different departments covering multiple topics such as cooperation and personal growth.

Free Talk

Through open discussion, the management team discuss the management of a particular team or a business issue.

Constructing a female-friendly workplace.

Vipshop is known for paying close attention to the ratio of women in the team and see it as a key indicator on the road to achieving gender equality. By the end of 2022, the percentage of female employees at Vipshop stood at 52.6%, exceeding the latest Bloomberg's average Gender Equality Index (GEI) value of 43%. Vipshop has formulated a package of benefits and support for employees who are pregnant or breast-feeding, including the construction of fully equipped mom and baby rooms and providing priority-queueing fast passes for use in the staff canteen. The Company adheres to local maternity leave norms and adopts an "only the best will do" principle for parental leave by applying the longest national parental leave provision across the board for all, to help reduce pressure on moms as much as possible.

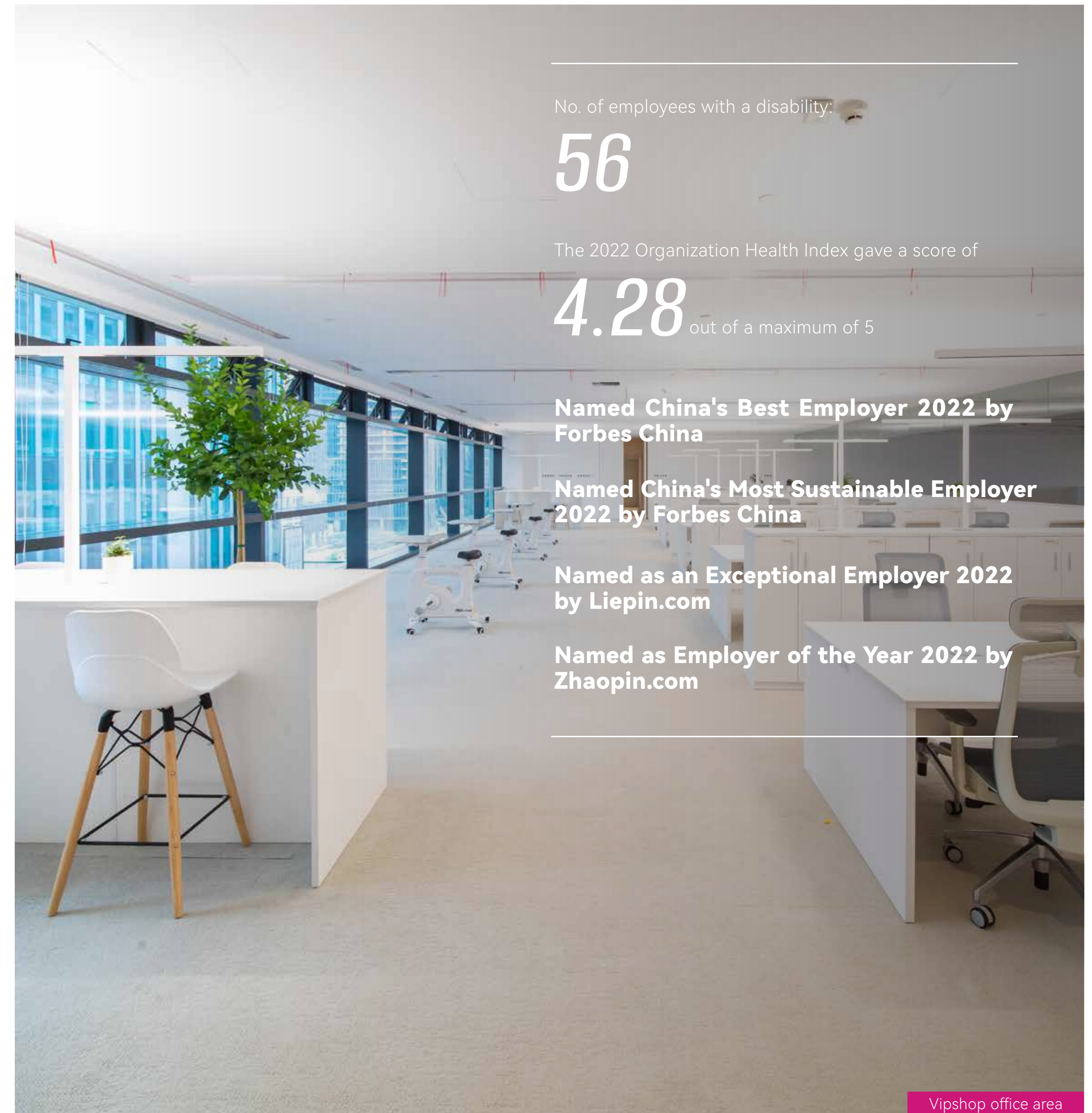
Promoting an accessible workplace for those with disabilities

To protect the legal working rights of those with disabilities, and to help more disabled people gain purposeful employment, in February 2023, Vipshop rolled out its "Chasing dreams together with Vipshop" initiative aimed at recruiting those with disabilities, developing specific roles including customer service representatives and front-line logistics operatives. These employment opportunities offer benefits to both sides, allowing those with disabilities to realize their potential, and broaden their definition of what's possible.

Standing against prejudice, sexual harassment, and workplace violence

In *Vipshop's Management Red Lines*, the Company states clearly: Sexual harassment, improper relations between men and women and workplace violence are all strictly forbidden. If such violations occur, the offender's employment contract will be immediately terminated regardless of their position, previous achievements or whether their actions resulted in a significant impact. In addition to this, relevant actions will be undertaken to apportion responsibility.

In 2022, Vipshop further clarified its position on sexual harassment, bullying and discrimination in the workplace, and communicated this within the Company, allowing more employees to understand the forms this can take, contributing to the fostering of an organizational culture of equality and inclusivity. The Company established a mailbox (voice@vipshop.com) and hotline (020 - 22330999) to report instances of bullying, sexual harassment, and discrimination. Employees who are subject to these issues are able to report these at any time, and the Company will promptly carry out a swift, thorough, and fair investigation as soon as possible. In 2022, Vipshop did not report any verified instances of workplace discrimination, sexual harassment, or violence.



Supporting employee development

The assembly of an exceptional talent echelon cannot occur without a comprehensive talent training system. Vipshop combines the Company's development strategy with the demands of the business, using both self-developed courses and hand-picking the best materials from other providers, to target the different levels, capabilities and needs of employees through the creation of a series of training courses, helping employees maintain their innovative energy and promoting self-grown sustainable development.

Percentage of employees receiving training:

100%

Employee training

The Company has ceaselessly improved its training framework including its *Educator Management Regulations* and *Course Management Regulations* to create the specialist training institute Vipshop Classroom and establish a system of online (V-Learning) and offline training. Vipshop Classroom contains over 1000 courses including those covering leadership, professional competence, everyday skills, and professionalism, and works with 113 certified instructors from across all industries, to satisfy different employees' learning needs.

New recruit training

For new external hires, the Company has designed 3 days of group training to help new recruits get to grips with the Company's culture, understand the breadth of the business and forge inter-personal connections. For management trainees, a 5-year training program has been designed, looking at various roles in turn. A combination of tutoring, commercial training, rotating internships, and regular testing guarantee that the management trainees are able to flourish.



Professional empowerment

For specialist personnel, the Company has determined an educational development plan according to the employees' work. For example, those working in the Business Center can study programs including the "Spring Buds", "Business Eagles" and "Business Acumen" programs to help develop their buying power. Those working in the Operations Center can join programs including the "Development Training Camp", "Power in Data" and "Infinite Point Plan" which help strengthen operational abilities and encourage innovation. In addition, training programs covering estate management, retail business and standards of presentation have been developed to improve offline sales staff's capabilities.



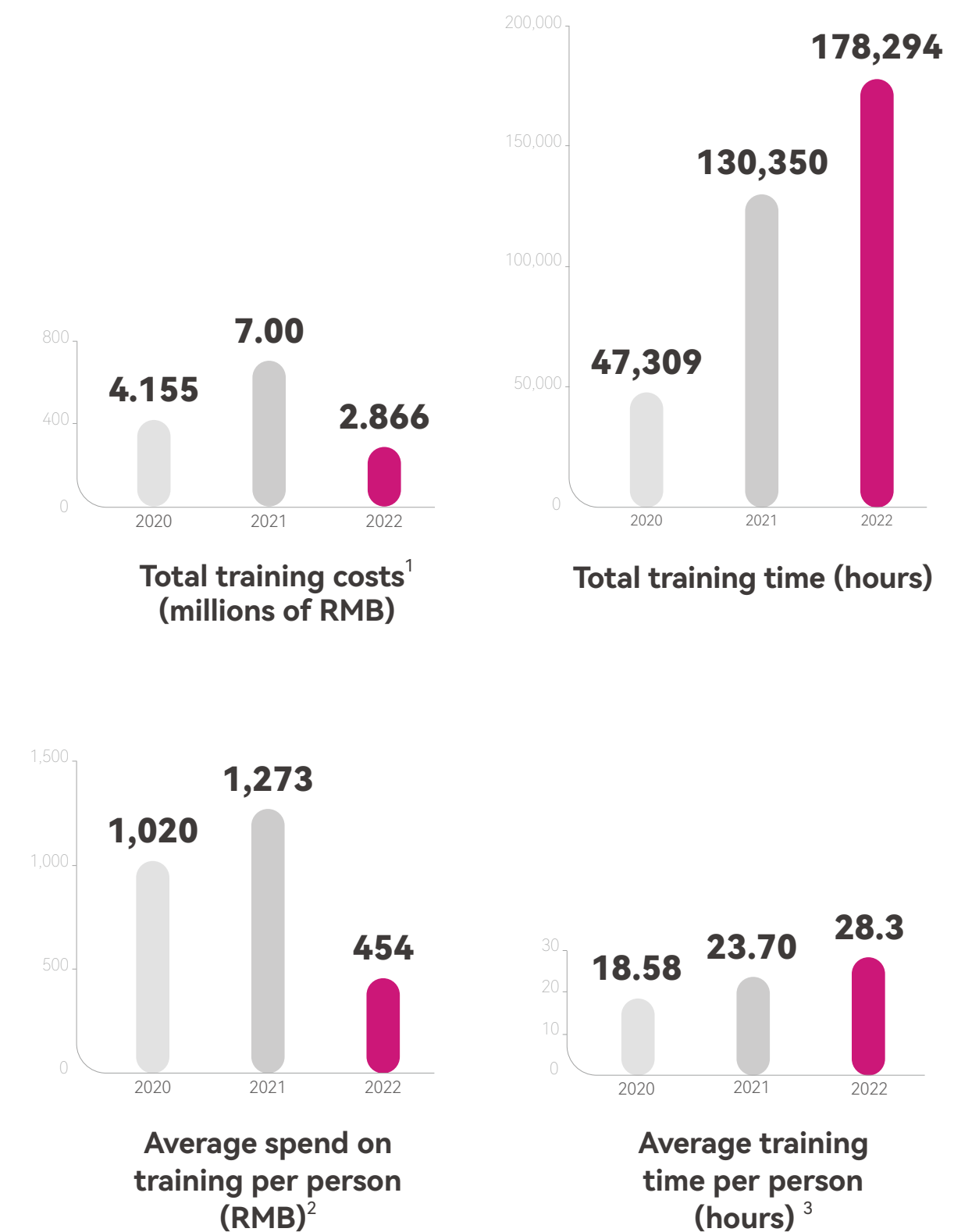
Management cadre training

Vipshop's Stars: Combines in-house and external study resources to effectively empower those cadres who have been recently promoted to management positions, and those with high potential, promoting rapid growth through a development of their understanding of the role of management.

Vipshop's Pathway: Empowers managers in a variety of ways by drawing on the *Vipshop Managers' White Paper* and typical case studies to improve managers' overall management maturity.

EMBA Class: Top-level academics from leading institutions are invited to deliver classes, to help the Company's core management cadres improve their abilities to manage the business, manage their teams and to self-manage.

Advanced Research Class: Learning provided through field trips, seminars, and co-innovation to help core mid- and high-level managers broaden their vision and develop their approaches.



Note:

1. The scope of the statistics provided for total training costs, total training time, average spend on training per person, average training time per person includes those who took part in group sessions at the Group's headquarters and excludes all training activities organized by each top-level department. All statistics related to training exclude Shan Shan Outlets.

2. Average spend on training per person = the total training costs / (total number of employees at the beginning of the reporting year + total number of employees at the end of the reporting year)*2.

3. Average training time per person = the total training time / (total number of employees at the beginning of the reporting year + total number of employees at the end of the reporting year)*2.

Employee incentives

Vipshop has established a clear process for promotion, assessing mid-year and year-end KPI results (OKR is used as the process management tool). Each year, a one-off standardized promotion review is provided wherein all levels of management and the department HRBP, in addition to the Company's grade review meeting, assess the results of each employee, identifying their strengths and weaknesses and deciding on whether they satisfy the requirements for promotion. In addition to the assessment of employees' results, the Company also operates a long-term incentive plan, whereby non-senior managers who make exceptional contributions are rewarded with restricted stocks, covering approximately 30% of non-senior management employees.

In order to better support employee development, Vipshop offers to subsidize student fees for employees looking to gain an additional degree, in addition to providing subsidies for those seeking (external) professional education opportunities. Vipshop stays up to date with employees' professional development demands, analyzing and surveying the external environment and discussing with the employees themselves, to better understand core employees' feelings towards their work, identify the risk of employee turnover and, intervene and retain employees before it's too late.

The value of the company goes beyond providing career development opportunities for employees. We aspire to explore more and use cultural wealth to help employees build their inner spiritual homes. The original intention of establishing the ZhaoChe Library is to nourish Vipshop employees through the immersion in ancient and contemporary books, enabling them to cultivate a more open-minded and confident personality and embrace a better life.

Eric, Founder

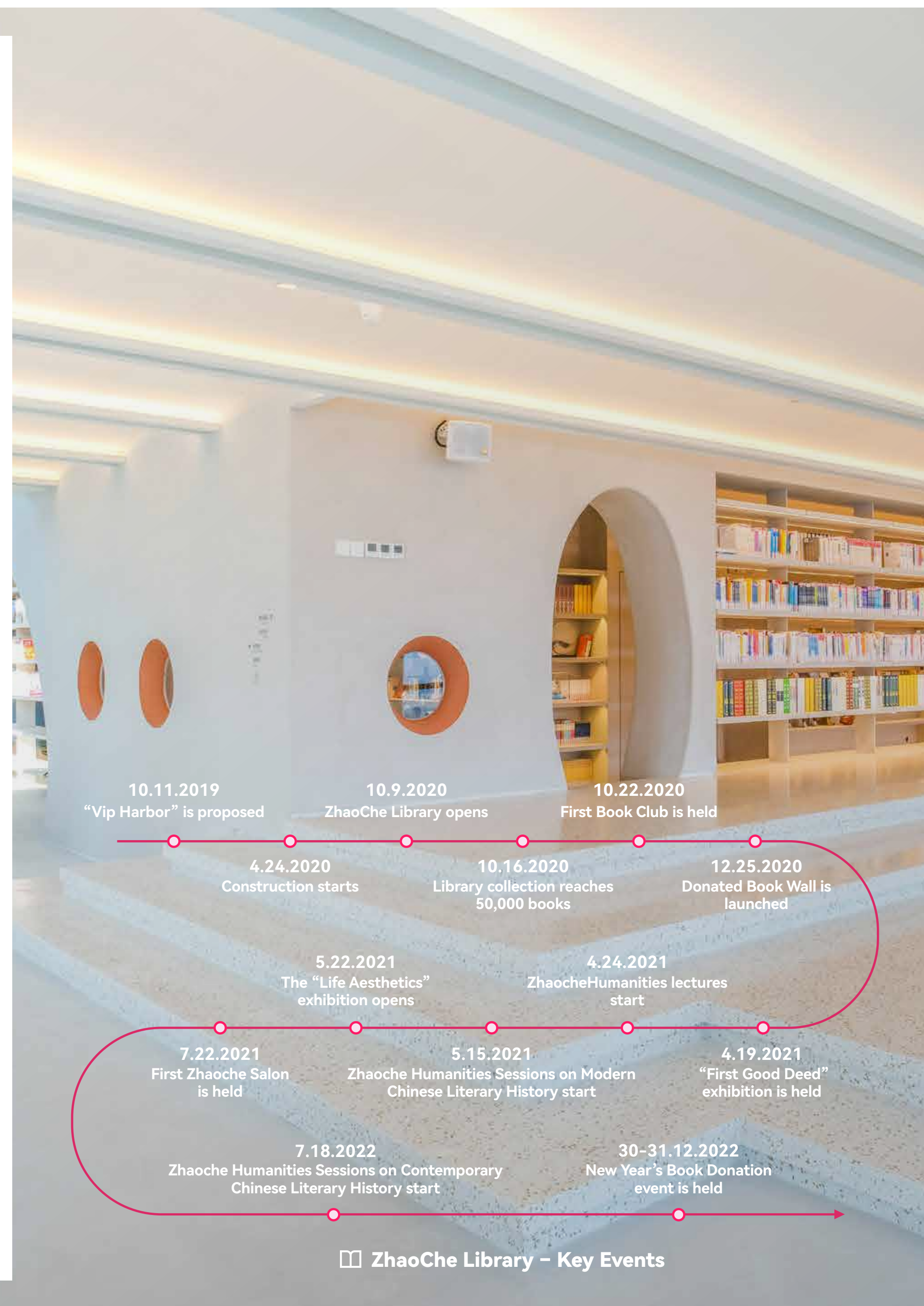
Unlocking potential

In 2019, Vipshop proposed the concept of "Vip Harbor", whereby the Company hoped to provide employees with excellent books and assist them in their personal growth journeys. In 2020, Vipshop established the ZhaoChe Library, creating a sacred place for learning and helping employees deepen their knowledge, broaden their horizons, and unlock their inner potential. By the end of 2022, the ZhaoChe Library offered 50,000 books and publications, covering a broad range of genres including culture, history, philosophy, and the arts.

- Development of the annual book giveaway:** Employees can select a book for donation that they have read and that left them feeling a positive sense of love, beauty, order, healing, or motivation. In 2022, more than 700 sets of books were received, including more than 400 that were donated to autistic children and their families, simultaneously inspiring the children and reassuring their parents; more than 300 books were sent out to employee libraries in all locations, increasing the available range.
- For the second season of the "Satori Humanities Sessions":** A professor from Sun Yat-sen University was invited to deliver a course of lectures on China's contemporary literary history. Through nine sessions spread over almost half a year, employees were guided through the twists and turns of literary history, and given an insight into the societal changes during that period. These sessions both inspired those who took part and helped them to unlock further understanding.
- Hosting of New Year's Book Fair:** During the pandemic, we were all forced to evaluate various aspects of our lives - essentials were prioritized and non-essentials sidelined. Vipshop gathered team members' accounts of non-ideal life trajectories in 2022, inviting employees to draw energy from these periods, and use this as inspiration to enable them to better handle any future difficulties, contributing to the nurturing of a positive workforce.

"I feel it's pretty awesome that a company has its own library!"

a librarian



📖 ZhaoChe Library - Key Events

38

assembly line workers from the Vipshop's Logistics Centers in Southern China pass the adult university entrance exam

7

reading spaces spread across Vipshop's Logistics Centers

Publications offering more than

6,500



For more stories from our Reading Rooms, please scan the QR Code.

Case Dreaming of College among the bookshelves

At Vipshop's logistics warehouse in southern China, there is an 80sqm employee library, with 7 reading tables and over 1,200 publications. Aside from novels, books on management and motivational texts, there is also everything that is needed for anyone to prepare to return to education.

Wu Qiong is a millennial from Sangzhi, Hunan Province. When she graduated from junior high, she had to start working due to her family's financial situation. After coming to work at Vipshop's southern China warehouse, Wu Qiong's day-to-day work involved checking all of the items that she was assigned and then packaging them.

After graduating from secondary vocational college, Zheng Yun ran a small business and worked in factories. She now works as a sub-contractor at Vipshop's southern China warehouse. She often feels the burden of her early exit from education and has always wanted to continue her studies.

This 80sqm library has become a quiet place for them to study and grow and offers a bridge for them to connect with an alternative, parallel future for themselves. They study during their spare time to generate better possibilities for themselves. The library management regularly hosts book clubs and, events on further education and training, helping more employees like Wu Qiong and Zheng Yun to satisfy their cravings for learning and achieve self-fulfillment.

By the end of 2022, there were 7 reading spaces spread across Vipshop's Logistics Centers, offering more than 6,500 publications between them.



"The desire to read needs to be protected and nurtured, both spiritually and physically. We hope that assembly line workers can leave behind their sense of being just a small cog in a big machine and develop their sense of worth."

Reading Room Manager



Health and safety in the workplace

The health and safety of employees is a critical foundation of the Business's sustainable development. Vipshop strictly adheres to relevant laws and regulations including the Production Safety Law of the People's Republic of China and the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, continuously improving the control mechanisms for health and safety in the workplace, running professional health and safety training, creating a safe and harmonious work environment, and ensuring employees' occupational health and safety.

Percentage of employees receiving health and safety training:

100%

Refinement of the occupational health and safety management system

In 2022, Vipshop improved several of its in-house documents and systems including *Environmental Health and Safety Management Committee Systems*, *Production Safety Responsibilities*, *Environmental Health and Safety Rewards and Punishments Systems* and, *Accident Reporting and Investigation Procedures*. These documents approved the highest decision-making body to implement the OHS policy, and commit to formulating prioritized action plans, quantifiable goals, and continuously improve the performance of the EHS management system, in order to lay the groundwork for the building of a more complete and effective occupational health and safety system. Vipshop's has formulated different EHS policies applicable to all employees and, contractors, allowing the health and safety culture to ripple outwards.

As the highest decision-making body for the approval of the OHS policy, the Safety Committee is responsible for the monitoring and management of the Group's production safety and safe operational work. A Safety Committee Meeting is convened each quarter to review the EHS results during that period, to discuss and decide on an approach to resolve any new EHS issues that have arisen, and to carry out adjustments, apply preventative measures to, and report on any significant, unforeseen environmental health and safety issues, as part of the drive for continual improvement, in terms of EHS results and EHS management practices. The Group's Safety Committee Office uses a monthly safety summary to report to the Group's Safety Committee on recent safety work.

In addition to this, the Group's Safety Committee plans to incorporate safety production control indicators and results into each department's (unit's) safety officer's performance review, with the results of this review forming part of their assessment for annual bonuses. At the start of 2022, Vipshop set two targets: "Zero serious health and safety incidents in 2022" and "targeting a 75% resolution rate for safety related issues". By the end of 2022, Vipshop had succeeded in hitting both targets, with zero serious health and safety incidents during the year, and rectification of issues reaching 96.5%.

Drive to resolve unforeseen dangers

In order to reduce and prevent health and safety issues, the Company drew up a list to identify potential hidden dangers in each sector of the business, and then start to resolve these. Each project undergoes a safety inspection at least once per month, and at least one fire and safety emergency inspection drills per quarter.

In 2022, the Group's Safety Commissions Office carried out more than 20 searches for hidden dangers in both operational projects (including logistics parks, City Outlets, physical stores and offices, and under construction projects (including under construction logistics parks, office buildings, and rural revitalization projects). In total, 808 issues were identified and, by the end of 2022, 780 of these had been rectified, representing a rectification rate of 96.5%, with the remaining issues currently being resolved.

Developing occupational health training

In 2022, Vipshop ran several training courses covering occupational health, work safety, fire safety, machine safety and first aid, helping to improve employees' health and safety knowledge. In 2022, the Group and departments (units) organized a total of 2,419 occupational health and safety training sessions delivered to 90,034 attendees.



Provide health massage services for employees

Improving employees' sense of wellbeing

Caring for employees in need

The V-Care Employee Assistance Fund was established based on the principle of "from employees, for employees". Employees who opt-in to the voluntary fund have RMB 5 deducted by the Group from their monthly post-tax income. Employees-in-need or who are experiencing family difficulties can apply for medical compensation, subsidies, and emergency funds, offering a helping hand to employees in trouble. In 2022, help was provided by the V-Care Employee Assistance Fund on 186 separate occasions, with assistance provided totaling RMB 1.52 million.

Hosting annual festivities

During holidays such as the Mid-Autumn Festival, cultural events are held to extend the festive spirit.

Promotion of social events

Employees are encouraged to participate in rich and interesting club activities, which cover arts (such as music, dance) and sports (such as basketball, football), etc., to help balance employees' work and life.



Company Annual Meeting Activities



Family Open Day Activities



Football club activities

V-Charity

Vipshop's long-term philanthropic philosophy of "Simplicity and Integrity - Striving for Love", combines the business' various strengths and focuses on sectors including empowerment of women, rural revitalization, and care for disadvantaged groups, bringing stakeholders together through their participation. Vipshop has successfully created several sustainable charity brands including V-Love Mothers and the V-Love Charity program, to help tackle societal issues, and to spread Vipshop's care across all areas of the community, as a powerful contribution to the creation of a beautiful, harmonious society.

Charitable investment totaling RMB

558 million
has been invested

By the end of 2022, V-Love Mothers had helped more than

110,000

single-parent families in need, relieving their burdens and empowering them

13.44 million

users have participated in the V-Love Charity program

Charity strategy

The mission of Vipshop's Charity programs has always been to use charitable projects to alleviate social problems. This is both an issue that is dear to Vipshop's heart and also one which they are willing to shoulder the responsibility for.

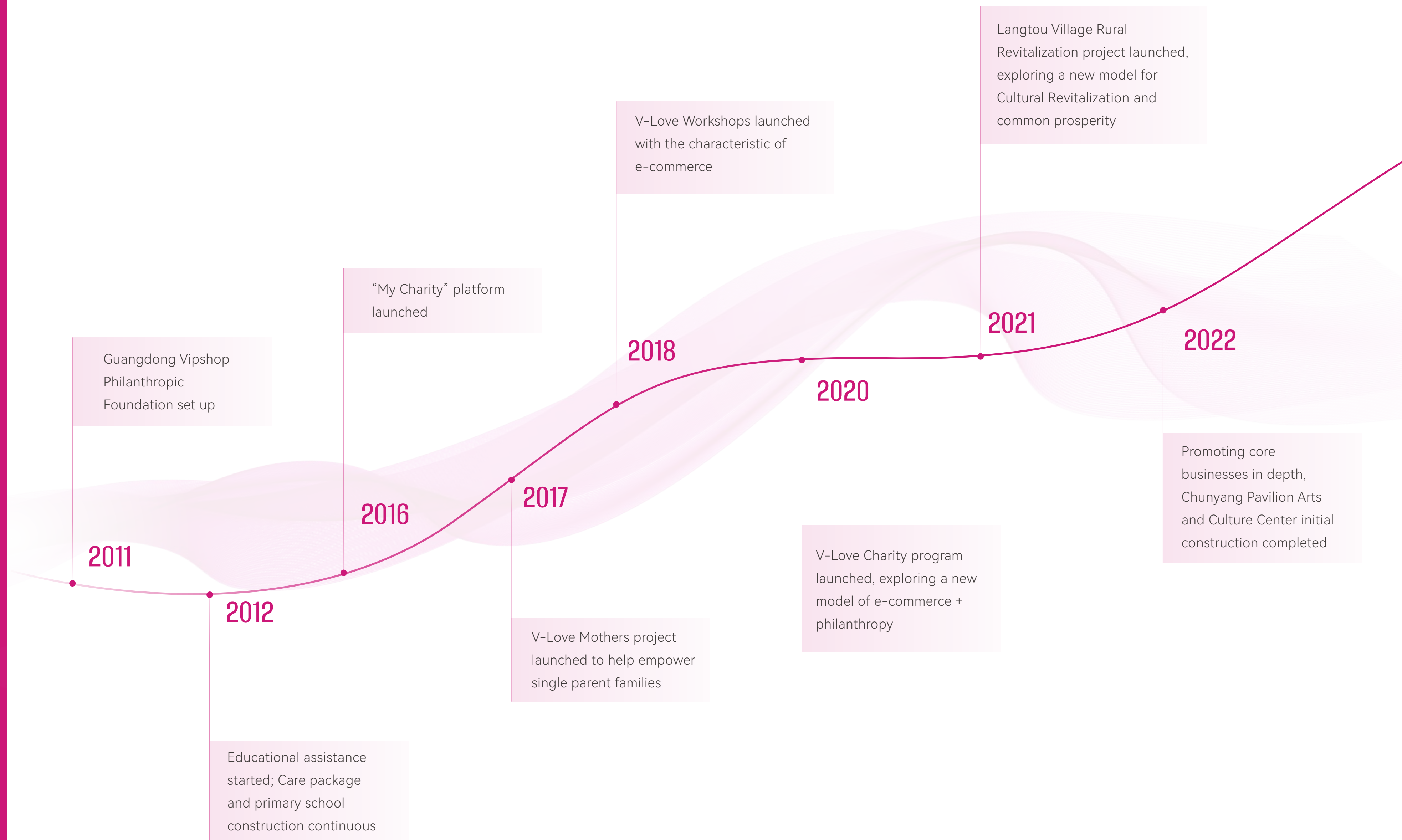
In June 2011, Vipshop established the first charitable fund in the Chinese e-commerce sector – Guangdong Vipshop Philanthropic Foundation – planting a seed in the sector. Through their long-term charity work, Vipshop has steadily developed four key areas: V-Love Mothers, V-Love Charity program, rural revitalization and charity in the community. The Company hopes that it can have a positive impact, using actions to turn philanthropic intentions into reality, effectively supporting disadvantaged community groups and empowering people with love and strength.

In 2022, charitable investment totalled over

RMB 200 million, including

RMB 150 million of community investment

RMB 49.22 million of charitable donations





Supporting rural revitalization

The rural revitalization strategy was announced at the 19th National Congress of the Communist Party of China and at the 20th National Congress it was confirmed that rural revitalization is to move ahead on all fronts. This series of high-level plans set out the future for China's rural development, with the promotion of the development of the agricultural sector and rural areas being given unprecedented prominence as part of national government strategy.

Vipshop has proactively responded to the national rural revitalization strategy. In September 2021, in cooperation with the Huadu District Government of Guangzhou City, Vipshop signed a strategic cooperation agreement for the Langtou Village Rural Revitalization project. Focusing on cultural revitalization, the plan combines this with charitable investment to develop a sustainable approach for achieving high-quality rural development and common prosperity. Through this process, it is hoped that traditional culture will be able to find a new lease of life in the modern day.

Langtou Village is a national-level ancient settlement with over 600 years of history. The settlement features a significant amount of Ming- and Qing-dynasty brickwork-built structures including ancestral shrines

and reading rooms. The settlement is comprised of three parts: Eastern Langtou, Central Langtou and Western Langtou, and to the present day all of the resident families have the same surname, Huang. Langtou is one of the largest traditional villages within the entire province of Guangdong. In 2013, Langtou was listed as "a traditional Chinese village" and in 2015 the ancient structures of Langtou were been awarded as an example of "Guangdong Province's Cultural Heritage".

In 2022, Vipshop utilized the area's unique resource advantages to bring together multiple specialists and academics to introduce a model of co-governance to the villagers, built around a core of cultural revitalization. Vipshop harnessed the reinvigoration of the ancient village's intrinsic power to forge a path along which to both protect and develop and inject a new into the village's transformation. Vipshop is committed to turning Langtou Village into the "most traditional, most lively" cultural tourist destination in Dawan District and to develop it into a post-worthy village that exemplifies the spirit of the new era of China's Rural Revitalization. The first phase of the Langtou Village Revitalization Project has an area of approx. The planned area of the first phase of the Langtou Village Rural Revitalization project is more than 30 mu, and incorporates an art exhibition space, a museum collection, a reading experience, family

entertainment offerings, high-end homestays, camping and nighttime tours. By offering a variety of venues and experiences, the Village is able to provide visitors with an interesting, valuable, and worthwhile cultural tourism experience.

The Langtou Village Rural Revitalization project has received more than RMB 200 million investment, and the entirety of the project's income will be used to give back to the villagers and for the continuation of rural revitalization work, encouraging the villagers to strive for further rewards, providing them with financial security, promoting the common prosperity of the villagers' material and ideological lives, and continuously improving their sense of gain and their sense of satisfaction.

Total investment in the Langtou Village Rural Revitalization project has exceed

RMB 200 million

The Chunyang Pavilion Arts and Culture Center

The Chunyang Pavilion Arts and Culture Center is a newly constructed landmark building for the Langtou Village Revitalization project. The building, located at the south-east edge of the settlement offers over 8600sqm of floor space, and was designed by the internationally renowned architect Yung Ho Chang/ Atelier Feichang Jianzhu. As a multi-functional art and cultural center, Chunyang Pavilion echoes the well-protected national historical village in the Pearl River Delta, incorporating cultural museum exhibition halls, a library building, a rare book room, reading rooms, a theater, an art fair revitalization, parent-child activities and other activity space. The Center provides a new venue for a variety of cultural activities in the village.

The Chunyang Pavilion officially opened on April 20th, 2023.



Please scan here to see the story of how the Chunyang Pavilion was built.

Library

The Library, split into upper and lower levels, is the cultural pinnacle of the Chunyang Pavilion. The ground floor lobby houses a "Complete Library in Four Sections" as found in the Forbidden City's Wenyuan Ge pavilion in addition to other works; the two levels of the library are connected by intertwining corridors, displaying almost 30,000 volumes, incorporating those on traditional Chinese culture, key philosophical texts and some Western classics, creating a world where readers can become lost amongst the tomes.

The Library incorporates a public reading room and a late-night reading room with dedicated shelves displaying volumes on literature, history, philosophy, art and travel among others. The creation of an environment that is quiet yet stocked with inspiration allows the public to have infinite experiences without leaving the room.

A floating lotus garden

Situated in a natural lotus pond, the Chunyang Pavilion's roofs are comprised of 25 individual lotus ponds, intersected by alleyways that have drawn inspiration from the pathways of Langtou Village. Tens of varieties of lotus, lilies and other water-based plants have been planted. The rooftop lotus ponds combine with the village's ancient lotus pond to create a "3D lotus pond" and realize the harmonious coexistence of the building and the environment.

Theater

The **theater** is situated amongst the village's banyan trees and planned to stage contemporary art performances, melodious Cantonese opera and acts that espouse the Langtou residents' traditional culture.

"We hope that there will be more "new Langtounians" joining us in the future, contributing to the construction and development of the village, and making their mark on this village's beautiful new chapter."

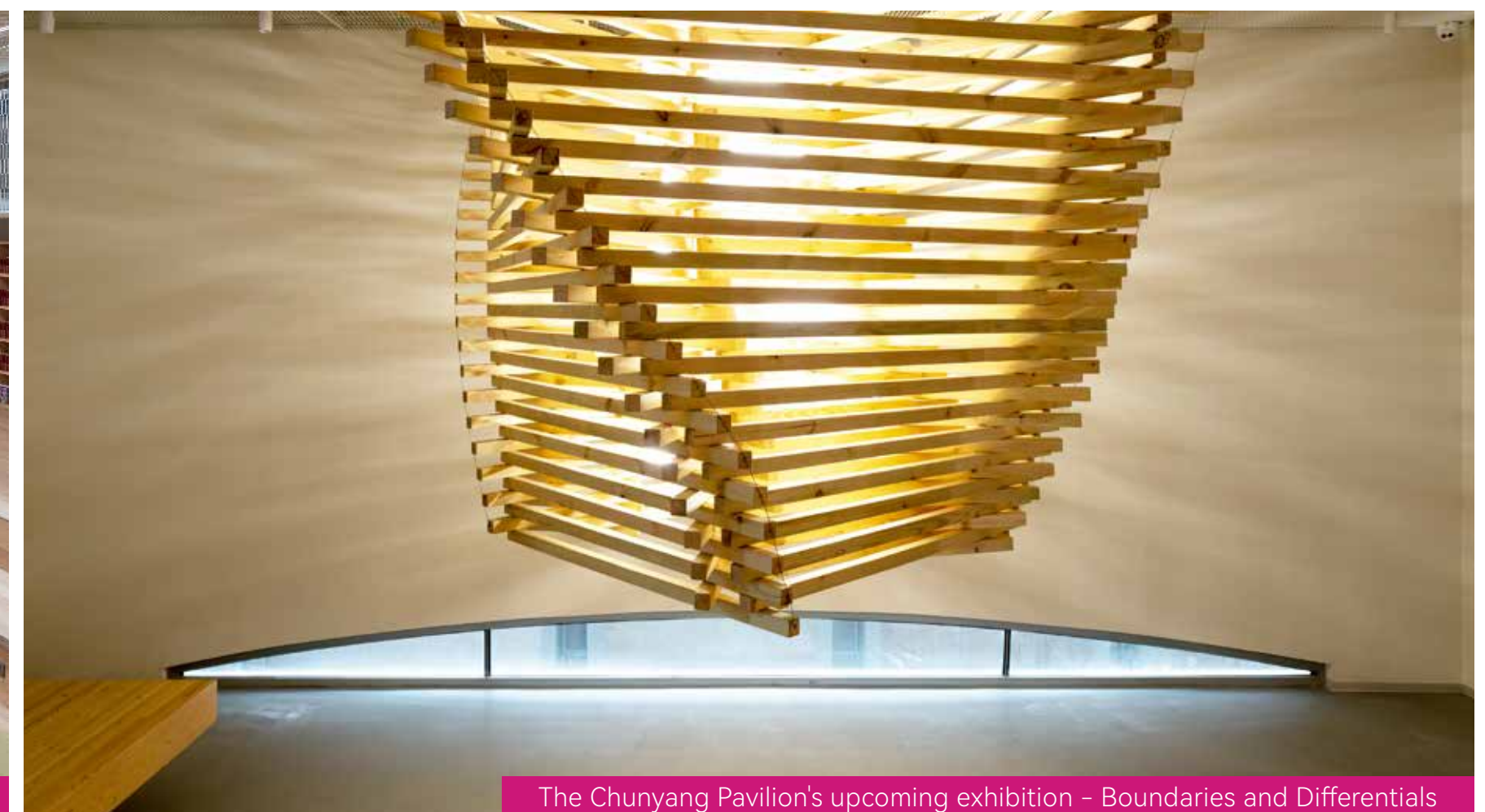
————— Shen Min, Chairman of Guangdong Vipshop Philanthropic Foundation

"Thank you to all of the innovators who took part in the Langtou Village Revitalization project for respecting the village's history, seeking ways to use the ancient village culture to stimulate revitalization, and allowing us to benefit from new opportunities without losing the sense of what makes the village special."

————— Mr Huang, a spokesperson for the Langtou Village residents



Library of the Chunyang Pavilion



The Chunyang Pavilion's upcoming exhibition - Boundaries and Differentials

Empowering women's development

Focusing on empowering women, Vipshop works with groups of women including single mothers, women from families facing hardship and female researchers, by offering a variety of support to help with the improvement of women's overall abilities and self-confidence, to help them fulfil their potential.

V-Love Mothers

Many single-parent families face three main pressures: economic, psychological, and educational. To help lessen the pressure on single-parent families, in 2017, Vipshop started its "V-Love Mothers" charitable program for single-parent families, providing services including legal assistance and psychological counseling to help solve the difficulties they are facing and help them live more confidently and independently.

In collaboration with Fudan University, Vipshop carried out a research project on the needs and development paths of Chinese pluralistic and single-parent families to understand the core problems of those families and provide solutions through qualitative and quantitative research in 2022. This research was undertaken to strengthen the theoretical foundation of the V-Love Mothers project group.

<p>DEC 2017-APR 2019</p> <ul style="list-style-type: none"> V-Love Mothers project started the Charity ecosystem was established 	<p>FEB-JUL 2020</p> <ul style="list-style-type: none"> Survey of single-mom's needs carried out User interviews, discussions with researches and front-line service workers Single-mom's core needs established Online philanthropy strategy confirmed 	<p>JAN 2021</p> <ul style="list-style-type: none"> Increased resources for key services Quality control and standards optimized 	<p>JAN 2022</p> <ul style="list-style-type: none"> Specialist service focus: legal Constant enhancing of app's products and functions
<p>MAY 2019</p> <ul style="list-style-type: none"> Survey and report on single mom's needs carried out in 10 cities First hotline dedicated to providing legal and psychological assistance to single-moms in China was established 	<p>SEP</p> <ul style="list-style-type: none"> Online charity platform: V-Love Mothers app.1.0 launched <p>NOV</p> <ul style="list-style-type: none"> Upgrade of hotline co-partner SOP service workflow defined 	<p>MAY</p> <ul style="list-style-type: none"> Online charity platform: V-Love Mothers app.2.0 launched <p>JUN</p> <ul style="list-style-type: none"> Core services: legal, educational classes, support groups, psychological Hotline system and functionality upgraded 	<p>ARP</p> <ul style="list-style-type: none"> Online charity platform: V-Love Mothers app.3.0 launched <p>JUN</p> <ul style="list-style-type: none"> National legal assistance service extended to cover 105 cities <p>JUL</p> <ul style="list-style-type: none"> Research started looking at diverse families

In 2022, the total number of telephone consultations provided by V-Love Mothers increased by

61 % year-on-year

Monthly average appointments made through the app increased by

100 % year-on-year

National legal assistance service extended to cover

105 cities

Improving service offering

Legal advice

Cooperating with legal aid agencies and professional law firms to provide free legal aid to single-parent family who meet the standards for the provision of aid; setting up a legal consultation hotline; providing online and offline legal consulting services for the Guangzhou Legal Aid Workstation twice a week. By the end of 2022, the cumulative number of legal services exceed 10,000.

Psychological counseling

Working with tertiary educational institutions, the Chinese Psychological Society and professional consulting institutions to provide supportive psychological counseling service, and help single parents to heal. In 2022, the counseling service offering was reorganized to provide different session-booking channels to better serve the diverse needs of single parents.

Support groups

In cooperation with Beijing Normal University Education Foundation, Shen Jiahong Psychology Consultation, Yihe Medical and other institutions, V-Love Mothers provided in-depth healing courses with 16 themes covering psychology, native family healing etc.. The courses are customized for single-parent families to help them get over difficulties in psychological reconstruction and child-raising after divorce. In 2022, the mutual aid group served nearly 1,000 people with a total of nearly 10,000 hours.

Community groups

Single-parent families were allocated to groups based on careful consideration of their needs allowing for the provision of a more specialist, loving group that provided a dedicated space for participants to share their concerns and seek support. In 2022, a total of 51 live streams were held, with a total of over 80,000 attendees.





唯爱妈妈
让爱完整

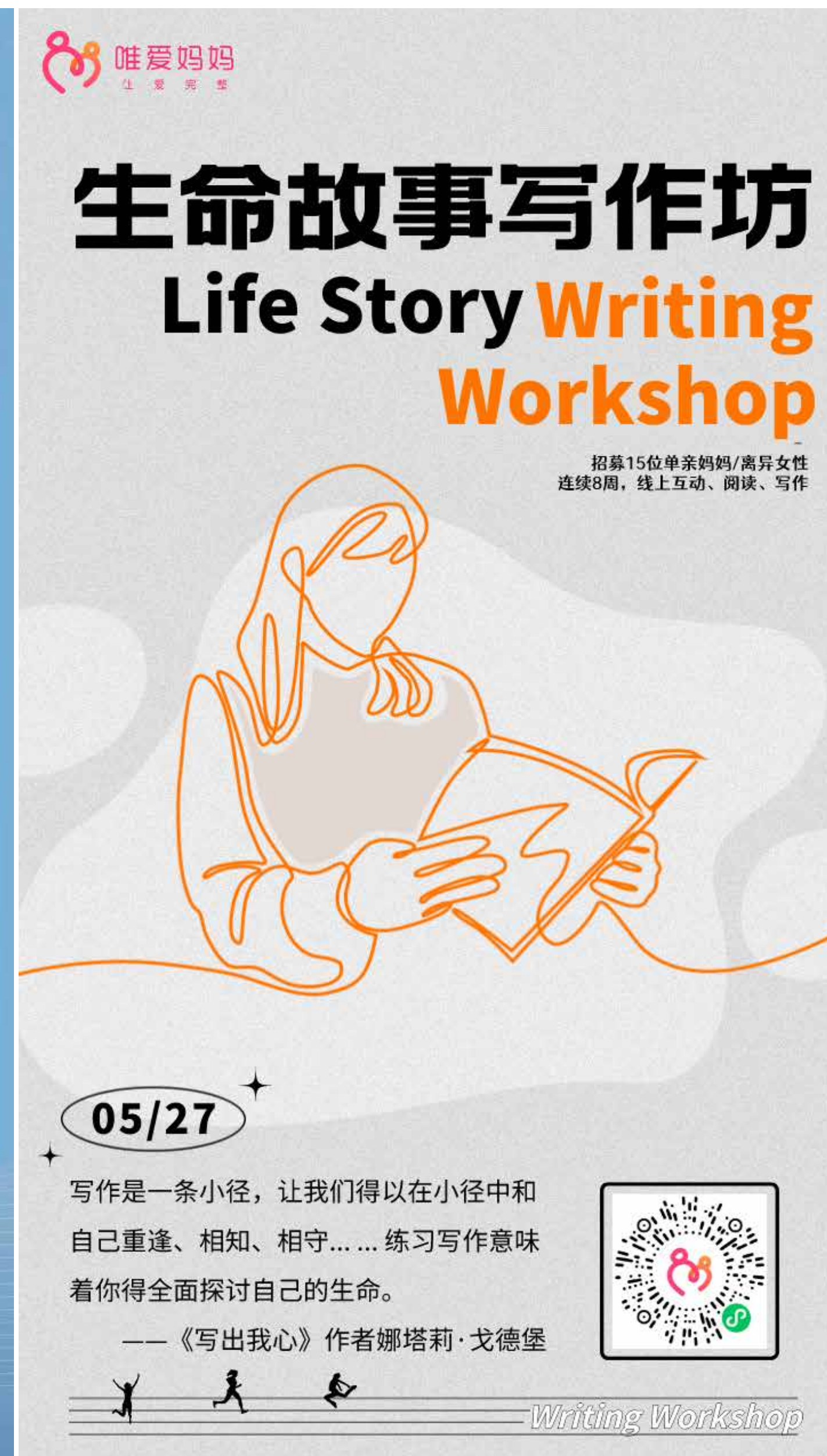
婚姻家事法律直播

公益普法直播

主讲人 **刁兴**
广东省婚姻家庭法学研究会秘书长
广东省法学会理事

现场一对一连麦答疑
直播时间 **2022.08.31 19:30-21:00**
专为单亲家庭定制的普法课程

扫码添加，预约直播



唯爱妈妈
让爱完整

生命故事写作坊

Life Story Writing Workshop

招募15位单亲妈妈/离异女性
连续8周，线上互动、阅读、写作

05/27

写作是一条小径，让我们得以在小径中和自己重逢、相知、相守... ..练习写作意味着你得全面探讨自己的生命。

——《写出我心》作者娜塔莉·戈德堡

Writing Workshop

Optimization of the service team

- The legal team has been strengthened with the addition of 17 experienced lawyers. The legal team have an average of 9.5 years professional experience. An external marital affairs specialist has been engaged to empower the legal team, running many training sessions throughout the year on marital legal affairs. An incentive system for lawyers has been established, recording their hours of volunteer service, and rewarding outstanding performance.
- A psychological counselor capability assessment system has been set up to improve assessment and optimize the counselor team based on results, and develop collaboration with exceptional counselors. Throughout the year, 11 counselor training sessions were conducted to further improve the service offered.

Reaching a wider audience

V-Love Mothers project has used targeted user channels such as TikTok and Xiaohongshu to provide users with service support. In parallel with this, voice calls, live streams, private messaging, and workshops have been used to engage with more groups. In 2022, V-Love Mothers project publicly available content was viewed 254 million times, reaching a younger audience including those located in fourth and fifth-tier cities. This helped to raise awareness of single-parent families and has helped to create more accepting, open societal attitudes towards single-parents. At the same time, more single-parent groups have reached out to V-Love Mothers project for support.

"As a single mother, there have been many times where I've had to just grit my teeth and get on with it. I've had to overcome many obstacles to the point where it's become the norm for me, and there's a limit to how much I can complain to, seek help, or receive help from others. But when I came across your programs today, I felt really moved and loved what I saw! I wanted to express my sincere gratitude to those who initiated this project and those who've contributed!"

—— Thanks from a single mother

"V-Love Mothers legal and psychological counseling services are all free, which is great, and anyone can make an appointment. As a single father myself, I've used them before."

—— A recommendation from a single father

"Maybe you won't understand why, but for me, you are the light at the end of the tunnel."

—— A single mother's account

V-Love Workshop

Vipshop has combined its own business characteristics and advantages as an online e-commerce business, adhering to its ethos of, "rooted in intangible cultural heritage, promoting fashion and innovation trends", to create the "V-Love Workshop" public welfare platform. Vipshop has made nationwide donations to establish V-Love intangible cultural heritage collaborative communities for craftswomen and, brought together multiple brands and designers to produce 30 hand-made, cross-sector product lines using intangible cultural heritage techniques such as batik and Miao-style embroidery. The craftswomen, who are also mothers, are provided with systemized training and order support, allowing them to work from home, stress-free, and affording them the opportunity to earn a sustainable income while also looking after their families.

The V-Love Workshop initiative provides an organic combination of traditional handicrafts with contemporary design, and helps with cultural, handicraft and product innovation, empowering intangible cultural heritage with new opportunities and vitality, producing products that are aesthetically both traditional and contemporary, as well as being practical to use. In addition to providing those responsible for the survival of their intangible heritage with a sustainable income, the initiative spreads intangible culture, brings together exceptional design talents and aids in the drive for rural revitalization and common prosperity.

In 2022, Vipshop's Traditional Crafts Workstation, in Liangshan, Sichuan Province, adopted the theme of "Beautiful Liangshan, Intangible Innovation", and hosted the second Liangshan Innovative Design for Intangible Cultural Heritage Competition. The call for submissions was limited to pieces using four specific nationally recognized intangible cultural heritage techniques from the Yi minority group: tailoring, silverware production, traditional embroidery, and wool processing and 40 outstanding works were selected.

By the end of 2022, Vipshop's Traditional Crafts Workstation in Liangshan, Sichuan Province, had completed the second running of the Innovative Design for Intangible Cultural Heritage Competition, and had worked with major brands and designers to design and launch almost 100 intangible cultural heritage fashion items, with more than 20 made available online.

Westlake Women in Science Development and Support Program

The Westlake Women in Science Development and Support Program is funded by the Westlake University Education Fund, and is dedicated to advocating awareness of and support for the development and growth of female scientists at Westlake University, to help create a more open, tolerant and welcome research environment for women.

Vipshop has provided financial backing to the Program's sub-program "Westlake Outstanding Postdoctoral Women Award", which aims to provide support and motivation to exceptional female post-doctorate researchers from across the globe, and help them to fulfil their potential and set new bars in the research sector. In parallel with this, the exceptional female researchers can also become role models, and use their position to inspire the next generation to embrace science, engage with the subject and become the science stars of the future.

Rose Venture Philanthropy Event

Guangzhou's Rose Venture Philanthropy event was hosted by Guangzhou City's and Huadu District's Women's Federations, with Vipshop supporting the "V-Love Happy Hearts" sub-project, focused on helping specific women's groups in Guangzhou, including local single mothers and families-in-need through employment skills training and, employment and entrepreneurship mentorships, to help them improve their employability, change their outlook and raise their sense of self-confidence and self-worth.



Co-creating a beautiful community

V-Love Charity program

Internet philanthropy has steadily become an important channel through which today's public engage with charity events, with its availability and convenience making it popular with most users.

In 2020, Vipshop launched its "V-Love Charity program", working with many professional charity organizations to explore a new model of e-commerce + philanthropy. After making a purchase on the Vipshop shopping platform, users earn "V-love points", which they can use to vote for the charitable initiative that they wish to support. Vipshop makes donations to the chosen initiatives, encourages more consumers to get involved with charity activities and ensures that every order includes a sprinkling of V-Love.



Future Smile Initiative

Vipshop supports the "Future Smile Initiative", who provide high-quality medical assistance and rehabilitation for those suffering from craniofacial abnormalities. The initiative helps families with a disabled family member and their children, entry-level campus workers, low-income families, and other disadvantaged groups by helping patients regain their smiles and regain their courage and hope in life. In 2022, Vipshop paid for seven patients with cleft palates to undertake comprehensive screening, surgery and rehabilitation.

Liangshan Children's Education Program

Vipshop supports the "Liangshan Children's Education Program", where volunteers visit Liangshan to stand in for local substitute teachers, helping to alleviate the lack of teaching staff in the area. In addition to helping share their knowledge with the children, the volunteers also help to rekindle the overworked local teachers' passion for education. The volunteers themselves are beneficiaries of Cedar University's "Success Program", which is a charitable education initiative. They take the care they received and take it across mountains and valleys to pass it on to the students, continuing the chain of hope and care.

Shedding Light on a different type of housemaid

Vipshop supports the "Shedding Light on a different type of housemaid" project which uses photographs and films to supplement the on-stage presentation of the lives of women working as housemaids. This project sheds light on the stories of women working entry-level jobs, helps alleviate society's prejudices towards them, and empowers them to overcome life's obstacles.

The total number of active participants:
13.44 million

The total number of V-Love points issued:
20.1 billion

The total financial support:
RMB **18** million

Supporting more than
31 professional charity organizations



Helping fight the pandemic

During the COVID-19 pandemic, Vipshop made several donations of supplies including medical use personal protective equipment (PPE) and face masks, to help the fight against the pandemic in Guangzhou, Zhaoqing, Shanghai and other areas, alleviating supply shortages and strengthening the community's resilience to the crisis. During the worst of the pandemic in Guangzhou, Vipshop assembled a team of 100 volunteers who were provided with sufficient protective equipment and dispatched to help with anti-pandemic efforts in Haizhu, Liwan and Huadu Districts in Guangzhou, where they played their part in the battle against COVID-19. In 2022, Vipshop donated RMB3.5 million towards pandemic relief efforts and other disasters.

Out of respect to the medical workers, Vipshop donated stethoscopes and other materials to the doctors of The First Affiliated Hospital of Sun Yat-sen University during the Doctor's Day period, and donated quick-drying clothes and sports shoes to medical workers who supported the shelter hospitals during the epidemic. In addition to this, Vipshop donated RMB5 million to be used for scientific research at The First Affiliated Hospital of Sun Yat-sen University.



Creating a space for urban philanthropy

Since its inauguration in 2021, Vipshop's has used the soccer pitch at its headquarters as a charity space, providing a free space for children with intellectual disabilities (referred to as "the Young Hearts") to practice soccer, increasing their opportunities to participate in physical exercise and fostering interaction between the Young Hearts and the volunteers, ultimately helping with their integration into and participation with the community.

In 2022, Vipshop had held 17 charity events in the space, with a total of 705 Young Hearts and volunteers taking part. There are plans to make the space available to other community groups or institutional groups who could benefit from access.

Appendices

Appendix I: Key Performance Indicators

Environmental indicators

Key Indicators	Units	2022
Greenhouse gas		
Total greenhouse gas emissions	Tons carbon dioxide equivalent	920,195.4
Greenhouse gas emission intensity ¹	Tons carbon dioxide equivalent per million RMB	8.9
Total scope 1 emissions	Tons carbon dioxide equivalent	12,153.9
Total scope 2 emissions	Tons carbon dioxide equivalent	84,711.3
Total scope 3 emissions	Tons carbon dioxide equivalent	823,330.2
Energy		
Total energy consumption ²	MWh	175,478.9
Energy consumption intensity ³	MWh per million RMB	1.7
Gasoline	Tons	89.5
Diesel	Tons	86.2
Natural gas	m ³	2,122,777.3
Purchased electricity	MWh	124,811.0
Purchased heating and cooling	MWh	27,600.6
Packaging		
Total weight of wood / paper fiber packaging	Tons	12,553
Total weight of plastic packaging	Tons	4,656
% of recycled packaging (as a percentage of total weight of plastic packaging materials used)	%	100
Water resource		
Total water usage	Million m ³	2.1
Waste		
Total amount of recycled/reused waste	Tons	22,810.5
Total amount of waste disposed	Tons	34,862.7

Notes:

1. Greenhouse emission intensity=total greenhouse gas emissions for the reporting year/net revenues for the reporting year.
2. The conversion coefficients between different energy sources refer to the "General Principles for Calculation of Comprehensive Energy Consumption" (GB/T2589-2020).
3. Energy consumption intensity=total energy consumption for the reporting year/net operating income for the reporting year.

Social indicators

Key indicators	Units	2022
Employment		
Total number of employees	People	6,815
- Percentage of employees by gender	%	
Male employees		47.4
Female employees		52.6
- Percentage of employees by age group	%	
Aged 18-29		39.9
Aged 30-50		59.2
Aged 51 and over		0.9
- Percentage of employees by educational background	%	
High-school or below		9.0
Vocational training college		20.8
Bachelor's degree		57.3
Master's degree or above		12.9
- Percentage of employees by geographical location	%	
Mainland China		99.2
Hong Kong, Macao and Taiwan and other regions		0.8
Percentage of employees from ethnic minorities	%	2.4
Percentage of employees with a disability	%	0.8
Foreign national employees	%	0.9
New recruits	Person	1,387
Percentage of vacancies filled by internal candidates	%	53.2
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers	%	42.0
Share of women in STEM-related positions (as % of total STEM positions)	%	22.0
Training and development		
Total training costs	Millions of RMB	2.866
Total training time	Hours	178,294
Average spend on training per person	RMB	454
Average training time per person	Hours	28.3

Health & safety			
Number of work-related deaths ¹	People		1
Number of recorded workplace injuries ²	Cases		6
Lost-Time Injury Frequency Rate (LTIFR) ³	%		0.5
Number of recorded occupational illnesses	Cases		0
Percentage of employees receiving training	%		100
Number of suppliers			
Number of first-rate suppliers	Number		1,378
Number of key-first-rate suppliers	Number		102
Number of Non-first-rate suppliers	Number		344
Number of Key-non-first-rate suppliers	Number		26

Governance indicators

Key indicators	Units	2022
Anti-bribery and corruption		
Coverage rate of anti-corruption training for employees	%	100
Number of staff attendances of anti-corruption training	Person-times	273,867
Information and privacy security		
Total number of information security or other network security incidents	Number	0
Total number of data leaks	Number	0
Total number of customers and employees impacted by data leaks	People	0

Notes:

1. In 2022, an employee died of a sudden illness while working from home, which was recognized as a work-related injury by the Social Security Bureau.

2. In 2022, the company experienced 6 work-related injuries to employees, of which 3 were traffic accidents during their commute.

3. Lost-Time Injury Frequency Rate LTIFR = number of accidents with lost working days / total annual working hours * 10⁶.

Appendix II: GHG Verification Statement

CEPREI

Greenhouse Gas Verification Statement

(Original)
This is to certify that

The Greenhouse Gas Inventory (2022.01.01 ~ 2022.12.31) of
VIPSHOP HOLDINGS LIMITED
has been verified in accordance with ISO 14064-1:2018 and ISO 14064-3:2019 as meeting the requirements of
ISO 14064-1:2018

Total GHG Emissions : 920,195 tCO₂e

Scope 1(Category 1): Direct GHG emissions and removals : 12,153.93 tCO₂e
Scope 2(Category 2) : Indirect GHG emissions from imported energy: 84,711.26 tCO₂e
Scope 3: Other indirect GHG emissions: 823,330.18 tCO₂e, consists of
Category 3 : Indirect GHG emissions from transportation : 2,994.42 tCO₂e
Category 4: Indirect GHG emissions from products used by organization : 740,611.31 tCO₂e
Category5: Indirect GHG emissions associated with the use of products from the organization: 79,724.45 tCO₂e.

Registration Address : International Corporation Services Ltd, PO Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands

Organizational Boundaries : All the sites which VIPSHOP HOLDINGS LIMITED has operational controlled, see the attachment

Activities : Office, logistics, merchandise sales

Level of Assurance : Reasonable assurance

Materiality : 5%

No: CEPREI-2023-GHG-0012
Issue date: 2023.06.16

Zhao Guoxiang
General Manager
CEPREI CERTIFICATION BODY

Appendix III: GHG Inventory and Verification Basis and Boundaries

Scope	Type of Emissions	Source of Emissions
Scope 1	Stationary combustion emissions	Emissions arising from diesel used by diesel generators and gas used by gas stoves, etc.
	Mobile combustion emissions	Emissions arising from own vehicles' use of gasoline and diesel, etc.
	Fugitive emissions	Emissions arising from the use and storage of fire-fighting equipment, air conditioning coolant and septic tanks, etc.
Scope 2	Purchased electricity	Indirect emissions arising from the consumption of electricity used in the operation and running of malls and offices, etc.
	Purchased heating and cooling	Indirect emissions arising from the consumption of heating and cooling used in the operation and running of malls and offices, etc.
Scope 3	Purchased goods and services	Purchased goods such as running water, packaging materials, office construction supplies, and services including warehouse management, catering, property services and consultancy services, etc.
	Capital goods	Operational assets including newly added machinery and equipment
	Upstream transportation and distribution	Emissions arising from purchased transportation services including the shipping of products from suppliers to Vipshop, and from Vipshop to consumers
	Waste generated in operations	The processing and transportation of waste including sewage, office trash and food wastage
	Business travel	Emissions arising from employee business travel including both transportation and accommodation
Employee commuting	Emissions arising from employee commuting including shuttle buses, at-work vehicle charging and use of the internal taxi system	
Upstream leased assets	Emissions arising from the electricity used by leased computer rooms (data centers)	
Downstream leased assets	Emissions arising from the use of electricity and natural gas by lessees	

Appendix IV: Index of Reporting Indicators

Tier-one title	Tier-two title	GRI Standards
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	2.3 Stakeholder engagement	2-29
	2.4 Material topic analysis	3-1; 3-2; 3-3
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	3.2 Providing exceptional customer service	417-1
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	3.4 Creating a sustainable supply chain	308-1; 308-2; 414-1; 414-2
	3.5 A co-constructed industry ecosystem	
Vipshop Ecology	4.1 Contributing to carbon neutrality	301-1; 301-2; 301-3; 302-4; 305-1; 305-2; 305-3; 305-4
	4.2 Climate risk governance	201-2
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V-Talent	5.1 Protecting employees' rights and interests	401-1; 401-2; 401-3; 406-1; 408-1; 409-1; 2-7; 2-8; 2-26
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	5.5 Improving employees' sense of wellbeing	/
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唯品会
品牌特卖