



About This Report

Introduction to This Report

This report is the 6th Corporate Social Responsibility Report of Vipshop (VIP.COM, NYSE:VIPS), following the last report published in August 2019. This report provides a detailed disclosure of Vipshop's practice and performance in areas of social responsibility such as environment, society, and governance in 2019, based on the principles of objectivity, normativity, transparency and comprehensiveness.

Reporting Scope

- This is an annual report, covering the related data from January 1 to December 31, 2019. To make the report more comparable, some contents refer to issues of the previous years or Year 2020.
- This report covers Vipshop's operations sites in China from offices to warehouses (i.e., overseas operations are excluded).

Reporting Standard

- Global Reporting Initiative (GRI) "Sustainability Reporting Standards"

- UN "2030 Agenda for Sustainable Development"
- The Chinese Academy of Social Sciences "Chinese CSR Report Preparation Guide (CASS-CSR 4.0)"

Notes

- Vipshop guarantees that this report has no false information or misrepresentation, and the data collection process and calculation method for the indicators which also disclosed in the Company's annual report are identical.
- All monetary figures shown in this report are expressed in RMB, if not specifically indicated.
- To facilitate presentation, Vipshop herein may be referred to as "The Company" or "We".

Publication

This report releases simultaneously in Chinese and English in July 2020, both online and in print. For online reading or downloads, please visit: <http://ir.vip.com>.

Feedback

Vipshop continues to strive for even better performance for the environment and our stakeholders. Please contact us at vipshop365day@vipshop.com, your comments are highly valued and will be treated in strict confidence.



Vipshop * UN SDGs



Contents

Message from Vipshop: Join in Hands and Create Value with Original Aspiration for the New Era 04

Anti-Pandemic Special: Vipshop Fights Against the Pandemic Together with You 06



About Vipshop

Company Profile 08

Social Responsibility Strategy and Management 11



Report on Communication with Stakeholders

Special: Focus on Flash Sale and Build High-quality Life with Panoramic Consumption 15

Green Development for a Green Earth 31

Joint Efforts for a Prosperous Future 39

Heartwarming Charity for a Harmonious Society 47



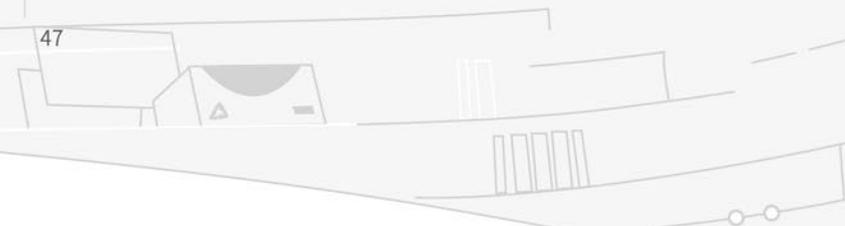
Report on Performance of Sustainable Development

Economic Performance 60

Environmental Performance 64

Labor Performance 68

Social Performance 75



Message from Vipshop

Join in Hands and Create Value with Original Aspiration for the New Era

As 2019 initially witnessed more than USD 10,000 of per capita GDP in China, consumption upgrade spurs rapid iteration of new retailing industry. In this year, Vipshop constantly optimized business models, achieving 566 million orders and over 340 million members. We also acquired Shan Shan Commercial Group to accelerate our online-offline integrated all-channel flash sale platform. Keeping our mission and original aspiration of “improving quality of life and enhancing experience of happiness” at this ever-changing age, Vipshop devotes to driving innovation and transformation to create greater value for consumers, partners and the society.



Combat the Pandemic All Together

In 2020, the emergent Covid-19 pandemic not only threatens public health but also challenges economic development. Facing this harsh situation, Vipshop made immediate actions to offer various supports and combat the pandemic together with medical staff, brand partners and our employees. To assist Hubei in fighting against the pandemic and precisely fulfil the urgent needs of medical equipment,

Vipshop donated RMB 20 million on January 27 and timely purchased 100 respirators and 55 oxygenators together with partners. Furthermore, we took full advantages of our platform strength to globally collect masks, sterilization supplies and other anti-pandemic products to protect individual health and ensure sufficient livelihood goods. We also carried out five supporting measures to brand partners and offered RMB 300 million sales subsidies to help them get over the tough time and boost economic recovery.

Forge a Unique Consumption Platform

In 2019, China's total retail sales of consumer goods exceeded RMB 40 trillion. Consumption is an important means for the public to get high satisfaction and realize a better life while ensuring people's livelihood and employment and strongly impelling economic development. Using big data technology, brand cooperation network and panoramic consumption matrix,

Vipshop has built up a strong sustainable consumption platform.

As the core strategy of Vipshop, “flash sale on branded products” perfectly bonds excellent consumer experience with empowerment of brand development. In 2019, while offering supreme e-commerce experience with inexpensive good products, Vipshop acquired Shan Shan Commercial Group and advanced the offline strategy to create a panoramic consumption

experience of new retail and release new consumption power of flash sale. With consumer experience and protection of consumer rights as our major concern, Vipshop intensively implemented a series of innovative measures to guarantee authenticity and after-sales services in 2019. For our efforts, we have consecutively ranked No.1 in the global retail industry in terms of “customer relationship management” by 2019 Dow Jones Sustainability Indices (DJSI).

Moreover, Vipshop establishes a comprehensive empowerment platform by integrating multi-resources to help brands precisely navigate the market with efficient cost, better satisfy customer demands, enhance brand competitiveness and explore great market.

Protect the Green Earth

Human beings link closely with the nature. As the global climate crisis deteriorates, Vipshop adheres to green development throughout the whole process of office work, warehousing, packaging and transportation, so as to keep reducing carbon footprints

in operations. In 2019, Vipshop made remarkable achievements in green logistics construction, including 30,385 tons of carbon emission reduced by photovoltaic power generation in logistics hubs, and 72.5% drop of paper packaging materials by adoption of innovative environmental-friendly materials and optimization of package design. As a result, results of 2019 DJSI shown that Vipshop took the first place in the global retail industry in terms of “packaging” .

Create a Sustainable Workplace

In the ceaselessly evolving Internet world, high-quality employees are crucial to sustainable development and competitiveness of organizations. In line with strategic development and our employees’ characteristics, we have formed HR development strategies covering sound training systems, fair and incentive career roadmaps, diversified and harmonious workplace and human-oriented welfare mechanism, which can improve the employees’ professional abilities, inspire innovation and collaboration, and achieve a

united win-win and self-improvement family striding toward a bright future.

Build a Harmonious Community

Vipshop regards charity as the basic responsibility of a corporate citizen. Our charity work stresses on diversity, equality and empowerment. Keeping eyes on youth development, women empowerment and targeted poverty alleviation in our practice, we constantly iterate over charity models from a strategic perspective in order to realize social effectiveness of charity programs in full swing. As of the end of 2019, we have invested over RMB 200 million in charity.

2020 is a decisive year for the success of poverty alleviation. Responding to the call of Chinese government, Vipshop Education Sponsorship has taken active movements to assist poverty alleviation through education which benefits over 39,700 needy students; VIP Love Workshop and VIP Love Aid for Agriculture supported 76 poverty-stricken counties with e-commerce business. With our help, 11 VIP Mothers Artisan

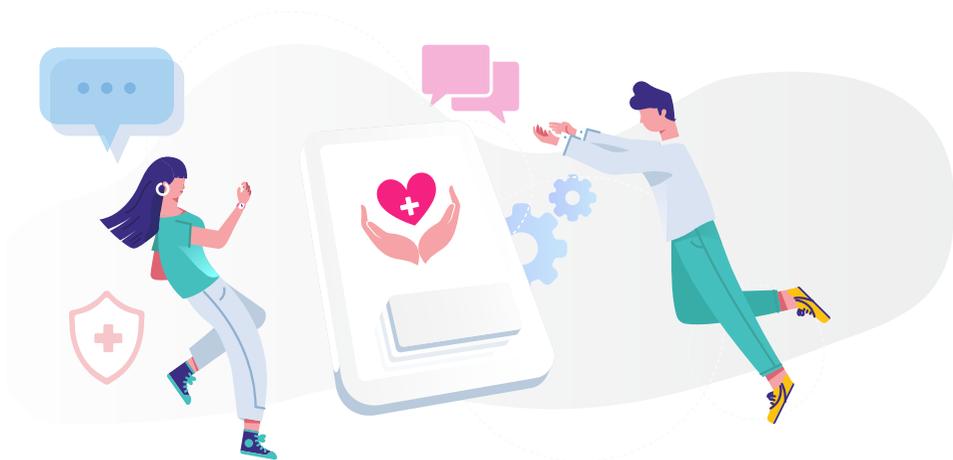
Cooperatives were constructed, 38 exhibits of agricultural products were hold, and over 6000 poverty-stricken people earned more than RMB 10 million income.

Inheriting our original aspiration to the future, Vipshop will join in hands with you to fulfill our responsibilities armed with creativity and explore all future potentials, making greater contribution to our society.



Anti-Pandemic Special

Vipshop Fights Against the Pandemic Together with You



2020 kicks off with the unexpected COVID-19 epidemic and nationwide fierce fight against this disaster. After the pandemic broke out, Vipshop works with partners to make donations and flexibly backs up anti-pandemic activities through existing charity programs. We fully leverage our supply channel to guarantee the materials for both people's livelihood and anti-pandemic actions, helping the public as well as our partners go through this tough time. We also take all-round measures to protect our employees' health. Till March 31, we have donated RMB 24.71 million to main infected districts in Hubei, including RMB 20 million cash, foods worth of RMB 3 million and medical devices worth of over RMB 1 million. Moreover, total RMB 300 million sales subsidies and strong support measures are offered to all our brand partners.

VIP Aid: Taking Swift and Appropriate Charity Actions

Vipshop pays close attention to the pandemic changes, and makes our contribution to anti-pandemic victory through efficient endowment, targeted donation of medical equipment, meals offering to front-line personnel and psychological counseling hotline.

To prevent the spread of the pandemic, Wuhan was locked down, and received wide supports from the whole country. On January 26, Vipshop announced the donation of RMB 20 million to protect every life with love and united efforts. When Hubei suffered from insufficient medical supplies, especially respirators essential to ICU patients, Vipshop strove to purchase 100 respirators and 55 oxygenators, and delivered all of the emergent supplies to seven hospitals in five cities including Wuhan and Huanggang, with the help of SF

Express and Love Save Pneumoconiosis.

Logistic support is a big challenge to 42,000 frontline medical staff fighting against the pandemic in Hubei. Vipshop donated RMB 3 million and partnered with Today Fresh Food Factory to offer hot meals to them. By the end of March, 330,000 meals have been distributed.

The pandemic not only threatens public health, but also makes patients, their families and anti-pandemic medical staff under heavy psychological pressure. Through VIP Mothers Hotline (400-038-8888), we offered free psychological services with professional psychological counselors during the pandemic to help ease anxiety and cope with the pandemic positively.

VIP Assistance: Supporting Brands to Go through the Hard Times

On top of supports to anti-pandemic medical staff, we go all out to guarantee people's needs in life. Due to restrictions on going outdoor, the public highly depend on online shopping. Under government's call of "guaranteeing price, quality and supply", Vipshop organizes business operation, logistics & warehousing and customer service teams to stay on duty and ensure uninterrupted services.

The unexpected pandemic brings new challenges to all industries. For the retail industry, various reasons including temporary closure of outlets lead to excess inventory and increased operation cost. Vipshop always regards brand partners our close friends. To help them overcome the difficult times during the pandemic, Vipshop has released five support measures to brand partners, including quality and free traffic resources, RMB 300 million cash sales subsidies, green settlement channel, low-interest rate supply chain finance, and whole-chain business support, which practically help brand partners open up sales, reduce operation cost, and relieve cash flow pressure. For brand partners in Hubei, Vipshop specially offers partial reduction and exemption of commission and service fee for the first quarter of 2020.

**唯品会推出五大扶持措施
与品牌合作伙伴共度难关**

在举国关注的疫情面前，我们彼此用信任与爱心，凝聚最广泛的力量，度过艰难的时刻。但随着企业的陆续复工，我们共同面临着企业经营的短期挑战。此刻，我们更需要更强大的信心以及更落地地为实际行动，来迎接即将到来的春天。在当前特殊时期，唯品会将调动自身最大的力量，为各品牌商提供全力支持：

★（一）唯品会将为品牌商提供优质的免费流量资源。组织多场次的销售活动，帮助品牌商用专属流量争取更大的销售，助力其消化积压货品。

★（二）唯品会将设立三亿元的现金销售补贴。根据品牌商的业务规模、库存压力和销售情况，提供分层分级的现金品牌补贴来支持品牌做大做强，降低其运营成本。

★（三）唯品会将为品牌商提供资金支持。为其提供结算绿色通道，确保品牌商能在第一时间拿到资金，缓解现金流紧张的压力，对有需要的品牌商，唯品会将开放低息供应链金融服务。

★（四）唯品会将为品牌商提供全链条的业务支持服务，开放多种合作模式供其选择。并全面开放数据、开放仓储服务、开放配送服务，让品牌商的合作周转能更快更便捷、成本更低。

★（五）为减轻湖北省商家的负担，对平台合作的湖北省商家，唯品会将对今年第一季度的佣金和服务费予以部分减免。

**疫情终将结束，春天定会来临。
让我们携手并肩，共克时艰。**

唯品会
品牌特卖

VIP Care: Safeguarding Employee Health

After resumption of work and production, workplace becomes another key field in the fight against the pandemic. Vipshop set up a pandemic control group the day when person-to-person transmission of the Covid-19 was confirmed, and worked out multiple measures rapidly to guarantee health and safety of our employees.



🛡️ Create safe office

- Disinfect office area, air-conditioner and various facilities every day
- Restrict the flow of people in elevators, smoking areas and dining halls
- Ventilate office area and regular buses

🛡️ Personnel screening

- The HR Department registers and follows all employees that have contact with the stricken areas and show relevant symptoms
- Arrange specific personnel to take the body temperature of all people entering office area

🛡️ Provide essential protective supplies and training

- Provide hand sanitizer at punch-in place, washroom and dining hall, etc.
- Provide masks and cleaning products to employees every day
- Spread personal protection and hygiene knowledge

🛡️ Encourage telecommuting

- During the Chinese New Year, several departments including the Product & Technology Center worked overtime to prepare the telecommuting program, completed several functions, and sent telecommuting guidelines to employees. The program was successfully launched on February 3.

About Vipshop

Company Profile

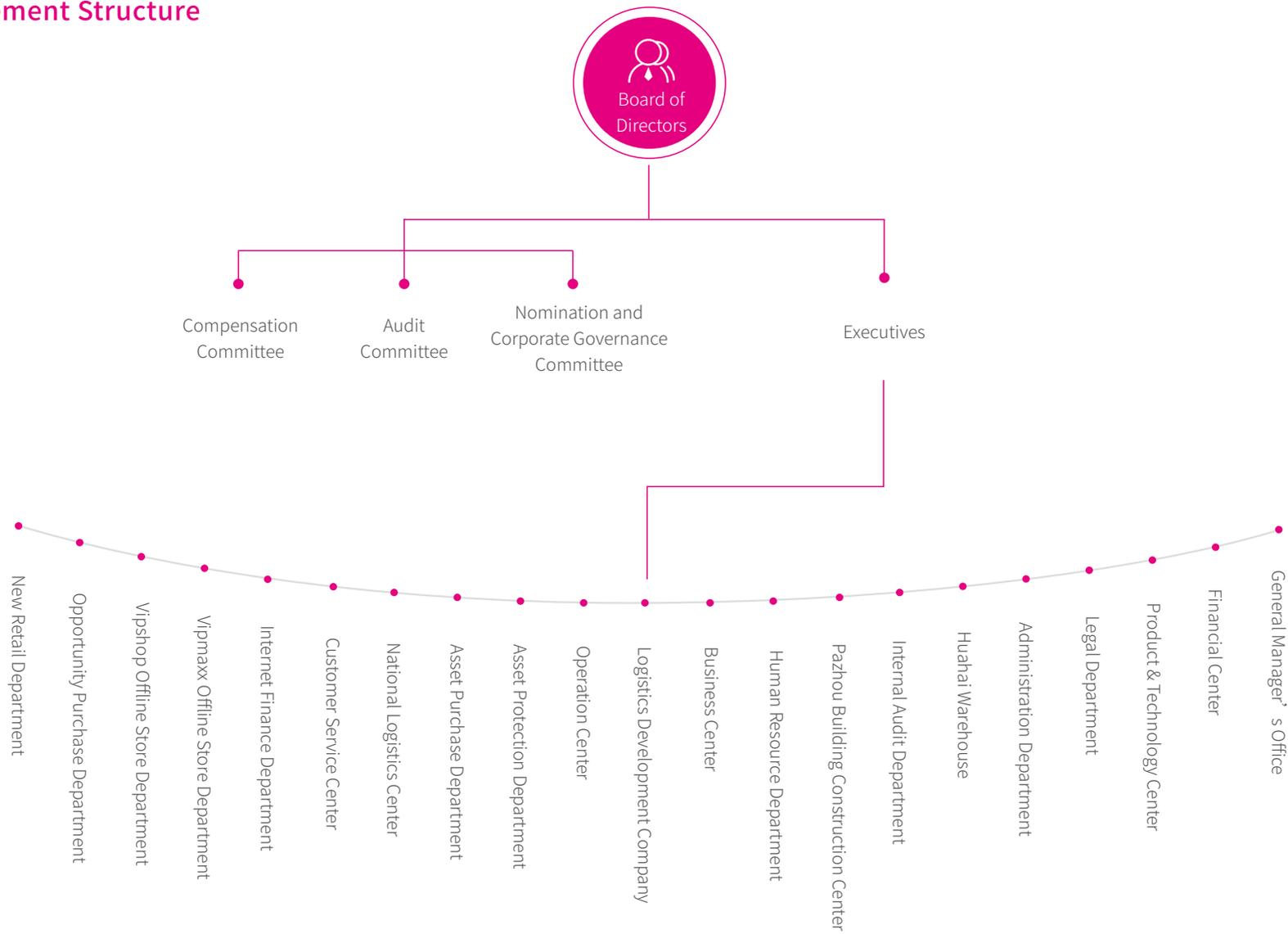
Based in Guangzhou, China, Vipshop was founded in 2008 and was successfully listed on the New York Stock Exchange on March 23, 2012. Pioneering the flash sales model of “Selective Brands, Deep Discount, Limited Offering”, Vipshop provides a wide range of products from apparels, shoes & bags, cosmetics, maternal and child products to home goods and more. The Company is currently the world’s largest online discount retailer, and the Vipshop flash sales model has now become one of the three major business models in China e-commerce space.

Business Performance

In 2019, Vipshop continued to focus on the strategy of flash sale and keeps updating the concept of “flash sale on branded products”, so as to continuously expand the advantages on its core categories and improve operational excellence. By the end of 2019, Vipshop had over 340 million registered members, fulfilled over 566 million annual orders, established partnership with over 30,000 brands in total, and achieved profitability for 29 consecutive quarters.

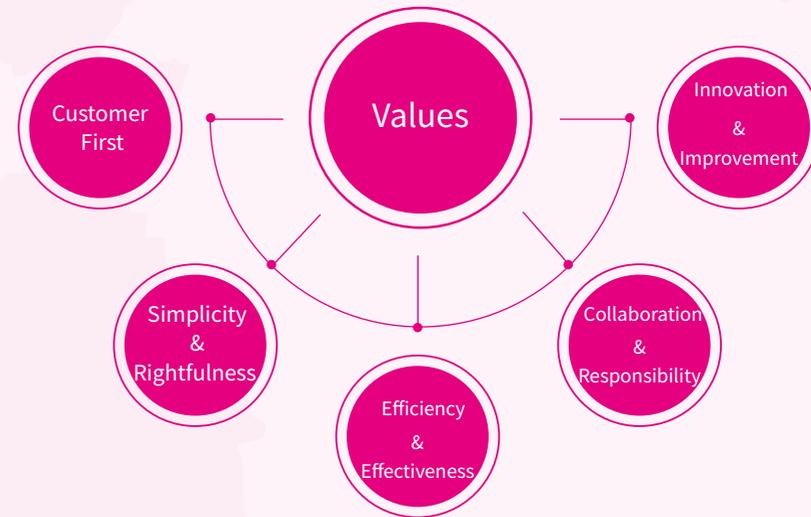


Management Structure



Vision and Mission

Vipshop starts and expands its business in the context of new global business civilization. Guided by the vision to “establish our position as a world-class e-commerce platform”, and the mission of “improving quality of life, enhancing experience of happiness”, we work closely with customers, partners, employees, and the community, to constantly create values and achieve sustainable development not only for ourselves but also for our stakeholders.



Business Philosophy

Customers: Customers are our top priority and we strive for continuous improvement. We want to provide the best experience and services for our customers and we constantly improve our performance through satisfying customers' needs.

Partners: We respect our partners and sincerely collaborate with them to establish a mutual-benefit industrial ecosystem.

Employees: Employees are our greatest assets. We hope to inspire their potentials and let them benefit from Vipshop' s development; meanwhile, to be kind to our employees, and to take care of their physical and mental health.

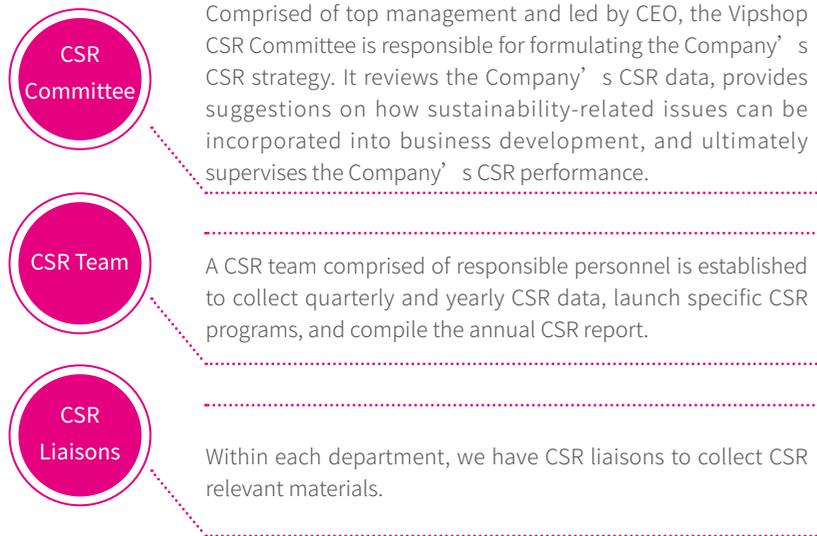
Community: We pay attention to take on social responsibility through utilizing our resources to help those in need.

Social Responsibility Strategy and Management

Fulfilling social responsibility is one of the strategic objectives of Vipshop, and a key factor in achieving our business sustainability. With well-established social responsibility management system, we place our CSR focuses on four key pillars, namely quality e-commerce, staff well-being, environmental conservation and philanthropy.

Social Responsibility Management Structure

Vipshop has divided its social responsibility management structure into three levels:



Awards & Recognition

- Top 500 Chinese Enterprises 2019**
 China Enterprise Confederation & China Enterprise Directors Association
- Top 500 Chinese Service Enterprises 2019**
 China Enterprise Confederation & China Enterprise Directors Association
- Top 500 Chinese Private Enterprises 2019**
 All-China Federation of Industry and Commerce
- Top 100 Chinese Private Enterprises in Service Industry 2019**
 All-China Federation of Industry and Commerce
- Top 100 Chinese Internet Enterprises 2019**
 Internet Society of China & Network Security Industry Development Center of the Ministry of Industry and Information Technology
- Top 500 Guangdong Enterprises 2019**
 Guangdong Enterprise Confederation & Guangdong Enterprise Directors Association
- Top 100 E-commerce Enterprises of Guangdong Province 2019**
 Guangdong E-Commerce Association
- Top 100 Most Valuable Brands in China 2019**
 BrandZ

Materiality Analysis

Vipshop considers its stakeholders' expectation and requests as important factors in daily operation towards sustainable development.

In 2019, Vipshop conducted detailed research on hot topics, national policies and industry trends within the year, studied the CSR materiality matrix based on the Company's actual development status and CSR system, assessed the material issues from two dimensions ("Importance to Vipshop" and "Importance to Stakeholders"), identified their importance to both Vipshop and the stakeholders, thus determined what to disclose as key points in this report as well as what to pay attention to in future CSR work.



Identification of Material Issues

Based on the communication with stakeholders in the last year, we identified 19 material issues related to Vipshop by benchmarking global standards such as the GRI Standards and DJSI.



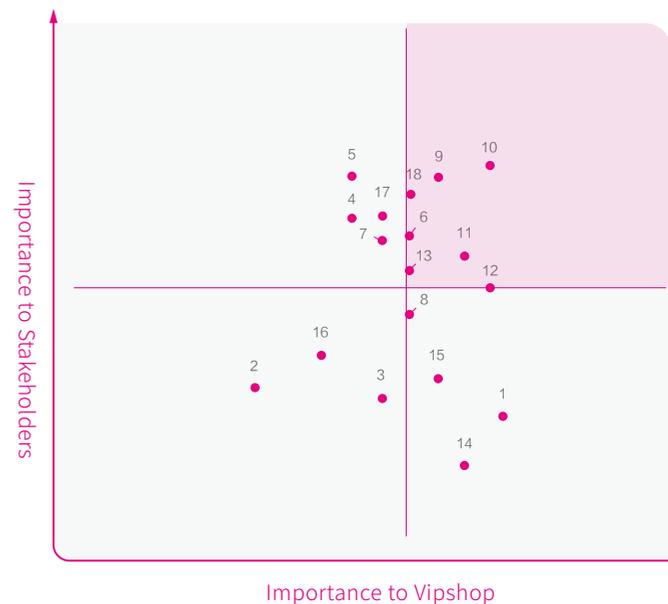
Evaluation and Assessment

We conducted an online stakeholder survey on the material issues and invited various groups of stakeholders, including the government, consumers, partners, shareholders, staffs, and representatives of surrounding environment and community, to prioritize the issues based on each issue's importance to them.



Prioritization and Confirmation

After approval by our CSR Committee and experts, we prioritized the material issues and constructed a materiality matrix with the results from the stakeholders' surveys. The matrix revealed the material issues to be disclosed in this report so as to take actions accordingly.



- 1 Economic Performance
- 2 Anti-Corruption and Anti-Illegitimate Competition
- 3 Steady Operation and Risk Prevention
- 4 Providing Cost-effective Products by "Flash Sale on Branded Products"
- 5 Guarantees of Quality and Authenticity
- 6 **Quality Optimization with Wide Selection**
- 7 Win-win Cooperation with Brands to Promote Sustainable Consumption
- 8 Business Model Innovation
- 9 **Superior Shopping Experience**

- 10 **Privacy Protection and Information Security**
- 11 **Energy Saving and Emission Reduction**
- 12 **Reduction in the Use of Disposable Materials**
- 13 **Responsible Supply Chain**
- 14 Employee Rights Protection
- 15 Sustainable Career
- 16 Employee Compensation and Welfare
- 17 Targeted Poverty Alleviation and Rural Development
- 18 **Philanthropy and Harmonious Society Construction**
- 19 Communication with Stakeholders

Communication with Stakeholders

As the largest flash sales platform globally, Vipshop relates itself with extensive stakeholders ranging from governments and customers, to partners, shareholders & investors, employees, environment, and communities. Attaching great importance to the communication with all relevant stakeholders, we have always committed ourselves to taking the impact of our operations on stakeholders into consideration and building a diversified communication mechanism. Through this mechanism, we could proactively understand and address stakeholders' diverse needs, not only solving problems in time, but also promoting sustainable development of the Company. We also looking forward to our partner's valuable opinions and suggestions on the development of Vipshop.

Stakeholders	 Governments	 Customers	 Partners	 Shareholders & Investors	 Employees	 Environment	 Communities
Concerns	<ul style="list-style-type: none"> Honest and law-abiding Ratepaying according to law Ensuring product quality Promoting economic development 	<ul style="list-style-type: none"> Guarantee of goods quality Guarantee of service quality Guarantee of information security 	<ul style="list-style-type: none"> Following commercial ethics Open and fair procurement Common development 	<ul style="list-style-type: none"> Increasing investment return Preventing business risks Improving corporate governance 	<ul style="list-style-type: none"> Health and Safety Salary and Welfare Training and Development Communication and Caring 	<ul style="list-style-type: none"> Energy saving and emission reduction Tackling climate change Responsible consumption and production 	<ul style="list-style-type: none"> Community Welfare Targeted Poverty Alleviation Helping disadvantaged groups
Communications	<ul style="list-style-type: none"> Improving corporate governance Paying tax proactively according to legal requirements Responding to governmental policies Creating job opportunities extensively Promoting local development 	<ul style="list-style-type: none"> 10 Guarantees for Authentic Products 9 Articles for Quality Control Membership system Professional customer service team Official We-Media 	<ul style="list-style-type: none"> Commercial cooperation Supplier conference Supplier training 	<ul style="list-style-type: none"> Disclosing business information regularly Convening shareholders meeting Protecting shareholders' interests 	<ul style="list-style-type: none"> Improving salary & welfare system Improving staff training system Convening employee representatives meeting Guaranteeing employees' health and safety Enriching staff after-work activities 	<ul style="list-style-type: none"> Green offices Green warehousing Green packaging Green transport 	<ul style="list-style-type: none"> Charity programs Poverty alleviation through education Poverty alleviation through E-commerce Voluntary services

Special: Focus on Flash Sale and Build High-quality Life with Panoramic Consumption

According to the National Bureau of Statistics, China's total retail sales of consumer goods in 2019 reached RMB 41.2 trillion, up 8.0% year on year; consumption contributed 57.8% to economic growth, becoming the first driving force of economic growth for six consecutive years. 2020 is the last year of the building of a moderately prosperous society in all aspects. Boosting domestic demand and upgrading consumption have two-sided significance: first, bringing sustained driving force for the development of national economy; second, offering an important way for realizing people's vision of a beautiful life.

- 📦 Comprehensive Upgrading of Flash Sales on Branded Products
- 📦 Empowering Brand Partners for Strategic Win-win Results
- 📦 Protecting Consumer Rights for High-quality E-commerce
- 📦 Providing Whole-process Services for Supreme Customer Experience

 SUSTAINABLE DEVELOPMENT GOALS





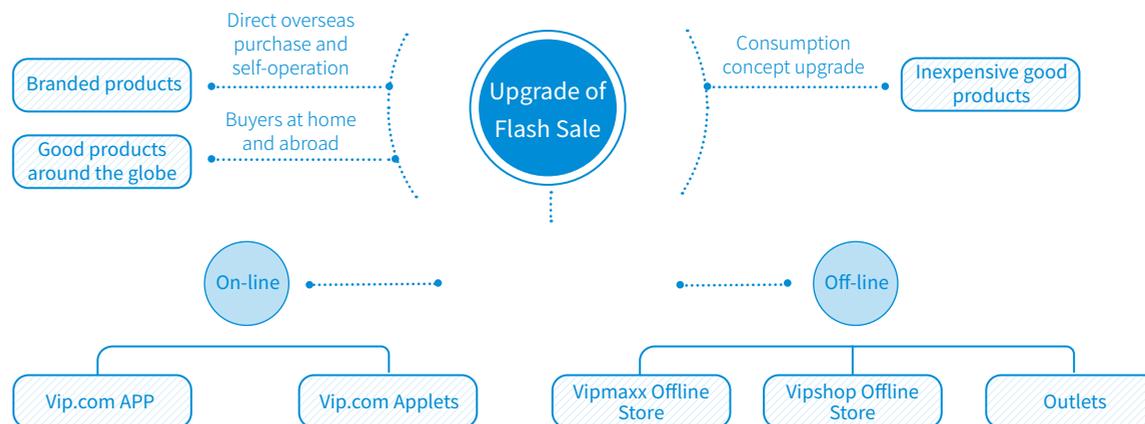
As one of the leading e-commerce platforms in China, Vipshop has been actively promoting the development of sustainable consumption. In 2019, our total orders amounted to 566 million. By thoroughly understanding consumer trends and demands, we actively promote comprehensive upgrading of flash sale on branded products, to create greater value for the society, industry and consumers. On the one hand, Vipshop continues to bring authentic goods with best cost performance to consumers, and is determined to build online-and-offline panoramic consumption experience. On the other hand, based on flash sales on branded products, Vipshop gives play to advantages in big data technology and platform to help brand partners seize consumer trends and realize upgrading.

Comprehensive Upgrading of Flash Sales on Branded Products

In 2019, the comprehensive economic strength of China reached a new high, with GDP approaching RMB 100 trillion and per capita GDP exceeding USD 10,000. Against such a macroeconomic backdrop, the consumer trend has changed. At present, China's consumption growth shows four characteristics: first, service consumption grows faster than commodity consumption; second, rural consumption grows faster than urban consumption; third, online consumption grows faster than offline consumption; fourth, mid-to-high-end commodity consumption grows faster than basic demand consumption, and high-quality, personalized and diversified consumption increases.

In 2019, seizing the opportunity of consumption upgrading, Vipshop promoted comprehensive upgrading of the “flash sale on branded products” strategy, and further perfected the all-channel, full-matrix, systematic flash sale system. Therefore, we have released new consumption potentials in the format of flash sale and realized the advance of flash sale from business mode to value empowering. In addition, while enriching online consumption scenarios, Vipshop acquired Shan Shan Commercial Group and opened offline stores to speed up the layout of offline retailing.

Full-matrix Upgrade of “Flash Sale on Branded Products”



Rich Experience & Best Cost Performance

With constant increase of economic strength, Chinese people are more and more rational towards consumption. Take middle-class female consumers and post-90s consumers as an example. “High cost performance” and “good quality” are the top two factors in consumption decision making.¹ This promotes rapid development of flash sale e-commerce industry. In 2019, it’s estimated that the size of China’s flash sale market exceeded RMB 1.54 trillion². Following the trend of consumption upgrading in China, Vipshop focused on the “flash sale on branded products” strategy, achieving business success while offering cost-effective consumption choices and quality consumption experience to over 340 million registered members. By the end of 2019, Vipshop successfully remained profitable for 29 consecutive quarters, and the total annual orders increased 29.5% year on year, active customers grew 14.0% year on year, repeat customers accounted for 79.7%, and orders from repeat customers represented 97.6%.

“Branded products” & “extremely low price” is the core advantage of Vipshop’s flash sale strategy. Vipshop insists on cooperating with good brands, exploring good styles through professional buyer team, building strong supply chain and high-quality supply system with brand partners to achieve good price, and eventually offering differentiated commodities with competitive prices.



Achievements

The total annual orders increased

29.5%

year on year

active customers grew

14.0%

year on year

repeat customers accounted for

79.7%

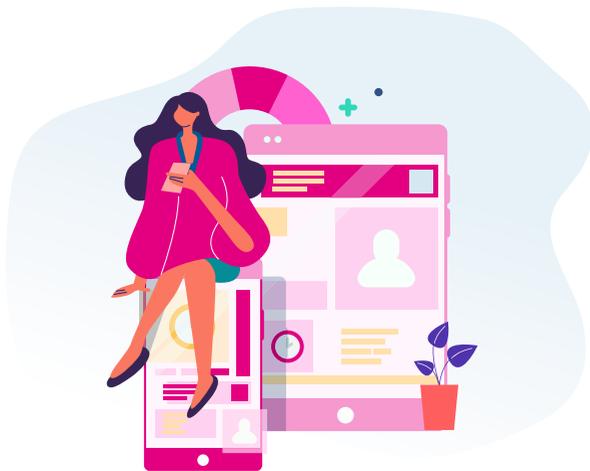
orders from repeat customers represented

97.6%



¹Source: Vipshop, “Report on Consumption of Newcomers to Society in China” and “Report on Consumption of Middle-class Women in China”

²Source: iResearch



High Cost Performance, Discounts for Every Day

For consumers, real discounts are most considerate. Vipshop keeps deepening the pattern of “selective brands, deep discount, limited offering”, and provides consumers with real benefits through VIP Snap and On Sale Now.



Professional Buyer & Big Data, High-quality Goods with Low Prices

In the age of overwhelming material abundance, consumers have no lack of commodities, but need discerning eyes for high-quality goods. Vipshop has built a powerful team of professional buyers, and established in-depth cooperation with over 30,000 brands around the world, selecting high-quality goods through brand authorization, buyer direct-sourcing, commodity tracing and sampling inspection. In addition to over 1,000 professional buyers around the world responsible for studying consumer trends and strictly selecting goods, Vipshop also employs big data technology to measure fashion, brand, quality and price, design the best combination for consumers, and provide consumers with the most cost-effective commodities and the best shopping experience.



Rich Shopping Experience, New Online Consumption Scenarios

Besides quality goods, in the context of retail reform, the upgrade of marketing content can meet consumer demands more directly. In 2019, Vipshop continued to create targeted marketing scenarios, and launched social campaigns such as live streaming by celebrities and super VIP special sessions to give customers more benefits. In addition, we actively expanded precision marketing, and took actions such as advertising in TV series and variety shows and marketing on new medias, so as to keep customers informed of latest promotion offers and consumer trends.

Global Brands & Beautiful Life

In the trend of consumption upgrading, Chinese people become more global-oriented in consumption. In the 4th quarter of 2019, the market size of cross-border e-commerce retail imports in China was RMB 124.49 billion, up 21.1% quarter on quarter.³ On the one hand, Vipshop actively cooperates with the state's opening wider strategy, participating in China International Import Expo as a purchaser for two consecutive years to communicate closely with overseas brands; on the other hand, Vipshop selects good overseas brands for quality life of consumers, and our cross-border business share ranked the fourth⁴.

For cross-border business, Vipshop released a five-trust upgrade strategy, aiming to build five core competitive advantages of “authenticity, selected goods, price, service, and size”. Vipshop adheres to the strategy of “direct sourcing from places of origin, self-run authentic goods, free shipping and tax included”. We establish advantage in product selection by deploying buyer teams abroad and setting up overseas warehouses in ten countries and regions out of Chinese mainland, advantage in lower price through large-scale procurement, and advantage in faster delivery through overseas warehouses in key fashion cities around the world and cross-border e-commerce centers at home, thereby improving customers' shopping experience.

³Source: Analysys, “Quarterly Monitoring Report on China's Cross-border Import Retail E-commerce Market 4Q2019”

⁴Source: Analysys, “Quarterly Monitoring Report on China's Cross-border Import Retail E-commerce Market 4Q2019”

Buyers Teams Overseas for High-quality Products and Low Prices



More than **1,000** professional buyers select good products around the globe

Offline Strategy & New Retail Mode

After rapid development for over a decade, competition in online retail market is heating up day by day, and offline retail market is in need of IT to break through existing pattern and realize upgrading. In the meantime, the demands of quality consumption and experimental consumption keep increasing, becoming a new opportunity for innovation in the retail industry. Driven by consumer trend, industry environment and technology innovation, the era of new retail has come. In 2019, while tamping online consumption platform, Vipshop accelerated the arrangement of offline network and built a full-matrix all-channel flash sale retail layout. Part of Vipshop's offline network, Vipshop Offline Store which combines flash sale on branded products and retail experience, and Vipmaxx Offline Store which focuses on low price and retail in a FMCG mode, have been opened in first-to-fifth-tier cities around China. In July 2019, Vipshop acquired Shan Shan Commercial Group to make arrangement for offline outlet business and thoroughly integrate online and offline flash sale. This has accelerated our online-offline-integrated flash sale retail layout, mobilized and replenished more attention and consumption scenarios for flash sale on branded products, and continued to create the experience of "inexpensive good products" for consumers.

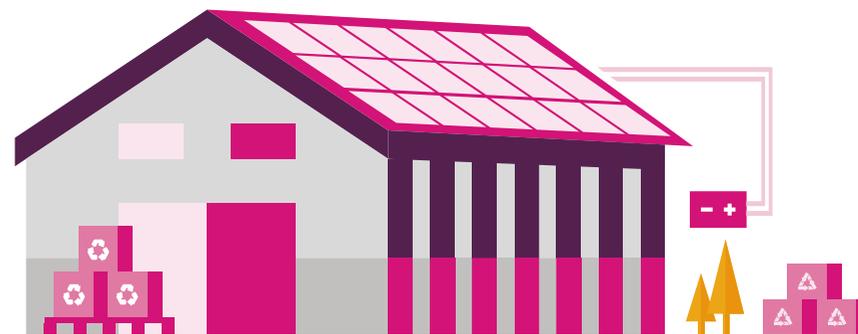
Offline Layout 1.0: Vipmaxx Offline Store

Vipmaxx Offline Store is an all-category community flash sale brand under Vipshop. Relying on powerful procurement, logistics, and retail technology, it has established partnership with 300 brands through buyout, sale by proxy, and other forms. It conducts business in a FMCG mode to speed up turnover of goods, reduce stocks, and constantly provide high-quality low-price authentic products to consumers. The network of Vipmaxx Offline Store covers first-to-fifth-tier cities around China, and focuses on community shopping centers or shops along the street to create an ecosphere of consumer life. Through quality products and services, Vipmaxx Offline Store has attracted a number of loyal customers. By the end of 2019, Vipmaxx Offline Stores have been opened in 26 provinces, municipalities and autonomous regions around China, offering services to customers in East China, North China, Southwest China and Central China.



Achievements

By the end of 2019, Vipmaxx Offline Stores have been opened in **26** provinces, municipalities and autonomous regions around China, offering services to customers in East China, North China, Southwest China and Central China.



New Retail New Experience: Vipshop Offline Store

Online retail platform is convenient, while offline retail stresses experience. The core concept of Vipshop Offline Store is to use latest retail technology and big data to provide refreshing and personalized consumption experience to consumers. Relying on flash sale on branded products with inexpensive good products, professional

retail management talents, ample brand resources, innovative consumption experience and large number of loyal customers, Vipshop Offline Store develops rapidly and creates a new retail mode with Vipshop characteristics.



Flash Sale Innovation: Outlets Life

Vipshop acquired Shan Shan Commercial Group, a leading outlets chain in China, and began to explore the mode of online-offline integrated flash sale, to realize the layout of online-offline integrated all-channel flash sale retail. “Outlets + Life” is the core idea of Vipshop’s outlets business innovation. Shan Shan Commercial Group has the world’s best outlets management, operation and service system, and has

successfully developed five outlets plazas in Ningbo, Harbin, Zhengzhou, Taiyuan and Nanchang. The combination with Vipshop’s brand partner alliance, professional buyer system, and logistic support system provides powerful backing for innovation in outlets business mode and consumption experience.



Empowering Brand Partners for Strategic Win-win Results

As new forms of e-commerce emerge one after another and consumer experience changes with each passing day, deep cooperation between e-commerce platform and brands has become a major foundation for both to achieve sustainable development and gain innovation impetus. Vipshop has established strategic cooperation with a lot of brands. By leveraging big data resources, platform support system and logistics capability, we perfect our empowering chain and solve development bottlenecks for brands in terms of market insight, channel development, interaction with consumers and goods turnover, to achieve win-win results.



Link Resources to Provide Comprehensive Support

The sustainable development of a brand requires supports in many aspects. Vipshop not only provides brands with a powerful channel to speed up product turnover and withdrawal of funds, but also builds a comprehensive platform that integrates resources to help brands precisely take the pulse of the market, better satisfy consumers' demands, and improve market competitiveness with minimum cost and highest efficiency.

According to customer data and strategic direction, Vipshop promotes refinement of brand management process and improvement of brand management efficiency, so as to empower our brand partners in winning the market. Vipshop has established diversified communication channels with brands. In addition to regular communication of daily work and high-level exchanges with key brands, Vipshop launches a key brand one-on-

one follow-up program which relies on our core brand management system, to deeply understand brand demands and jointly work out product service strategies. Moreover, Vipshop integrates business operation, marketing, market and logistics resources, support our key brands with all resources, upgrade brand partner data system and advertising marketing system, to help brands solve operating difficulties, save cost and increase profits.

Vipshop Brand Empowerment System



Enhance sales performance

Use sales ability to help brands effectively expand customer group, increase sales volume and market share.



Optimize product services

Provide support and basis for brands' continuous optimization of product services and formulation of optimal portfolios with deep understanding of consumer demands.



Excellent warehousing solution

Implement semi-automation of large-scale warehouse, assure efficient circulation of massive categories of goods with flexible warehouse management.



Internet finance service

Support core retail business; provide extra value to brands and clients; strengthen construction of the entire ecological system.

Deep Empowerment to Win the Market Together

Vipshop lays a solid foundation for deeply empowering brand partners by studying big data of consumption, thoroughly understanding consumer trends and consumer groups, expanding business to both urban and rural areas, and building full-matrix all-channel new retail pattern. In 2019, Vipshop deepened strategic cooperation with brand partners. By linking resources, we jointly launched over 200 Brand Day and Brand Hits activities with our brand partners. The activities not only brought considerable sales amount to them, helped them enlarge consumer group and introduce new customers, but also enhanced customers' understanding and recognition of Vipshop flash sale.

In addition, Vipshop precisely analyzes online and offline consumer behavior modes and studies market trends based on the big data on consumption of 340 million members, offering inspiration and basis for brands to optimize product service portfolio and develop new products that meet consumer demands better. By establishing deeper strategic cooperation with brand partners in which each party gives play to respective advantages, Vipshop realizes strong alliance between brands and resources, and achieves win-win development.

V-Responsibility

Deep Empowerment Helping Bosideng and Yinger Rise to Top of the Women's Clothing Industry

Through Vipshop's customized empowerment solutions, brands such as Bosideng and Yinger Fashion Group achieved considerable business growth and larger market share in women's clothing industry.



Resource empowerment

Vipshop not only increases effective exposure of brands with columns such as VIP Snap, On Sale Now, Through Train and Super Promotion, but also reduces commodity selection cost of consumers and enhances their shopping experience by classifying and matching customer groups and commodities according to operating characteristics of different columns.



Commodity operation empowerment

Vipshop helps brand partners perfecting their goods structure and participate in appropriate marketing activities according to maximize sales.



Logistics empowerment

Newly opened supply chain mode shortens delivery time and improves shopping experience.



OTD data empowerment

Vipshop profiles brand customer groups with big data of consumption to help brands partners precisely grasp commodities and timely put products in market according to customer demands. In addition, Vipshop may help brands precisely divert customer groups from other channels according to customer profiling.



Flexible communication system

Vipshop provides regular diagnosis and feedback to help brand partners break through operation bottlenecks professionally.



Self-help customer service for brand partners

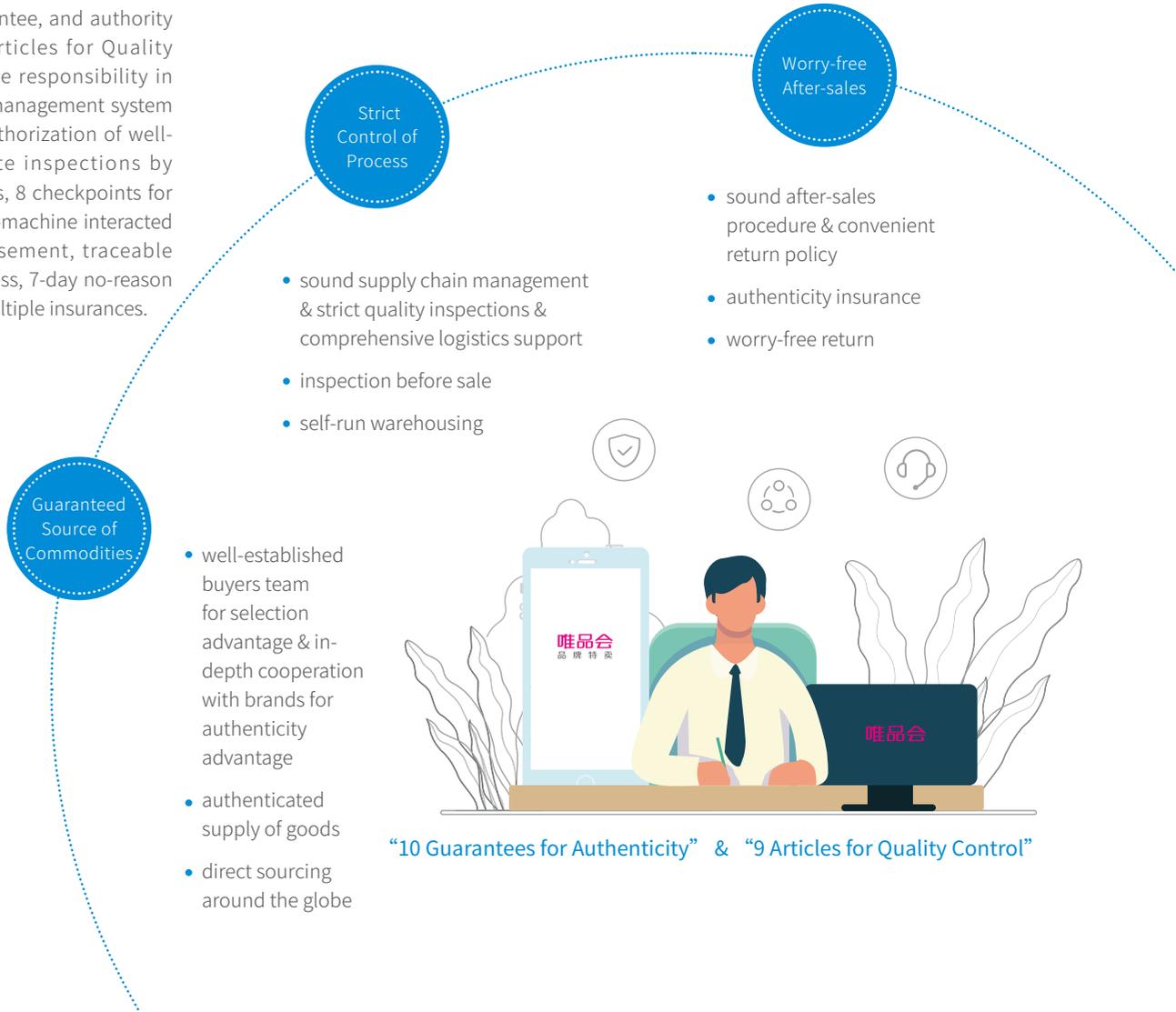
The service realizes one-on-one direct communication between brands and customers. Brands can understand customer demands more directly and answer customer questions or meet customer demands with efficiency.

Protecting Consumer Rights for High-quality E-commerce

In 2019, online retail sales of physical goods in China increased 19.5% year on year, accounting for 20.7% of total retail sales of consumer goods. With the rapid growth of online shopping and maturing of consumer's consuming attitudes, product quality and service have become core competitive fields for e-commerce platforms in the new age. Vipshop believes that authenticity is the bottom line of quality and the most important part in consumers' shopping experience, and constantly improves authenticity guarantee system and measures with consumers' quality demands as objective and authenticity as the bottom line of marketing.

Vipshop actively follows the changing trend of consumption and national requirements on e-commerce. With authenticity guarantee measures centering on "10 Guarantees for Authenticity" and "9 Articles for Quality Control", and based on "guaranteed source of commodities", "strict control of process" and "worry-free after-sales", Vipshop comprehensively protects consumer rights in link from source of the goods to sales process and after-sales service. The "10 Guarantees for Authenticity" includes strength-based reliability, goods supply guarantee, authorization guarantee, quality inspection guarantee, logistics guarantee, quality

guarantee, third-party guarantee, after-sales guarantee, credit guarantee, and authority guarantee. The "9 Articles for Quality Control" includes take responsibility in the first place, quality management system certification, formal authorization of well-known brands, on-site inspections by professional institutions, 8 checkpoints for product quality, human-machine interacted verification of advertisement, traceable close-loop service process, 7-day no-reason return or refund, and multiple insurances.



Guaranteed Source of Commodities

- well-established buyers team for selection advantage & in-depth cooperation with brands for authenticity advantage
- authenticated supply of goods
- direct sourcing around the globe

Strict Control of Process

- sound supply chain management & strict quality inspections & comprehensive logistics support
- inspection before sale
- self-run warehousing

Worry-free After-sales

- sound after-sales procedure & convenient return policy
- authenticity insurance
- worry-free return



"10 Guarantees for Authenticity" & "9 Articles for Quality Control"

Guaranteed Source of Commodities

Strict Control of Process

Worry-free After-sales

Guaranteed Source of Commodities

Vipshop's first step in creating high-quality e-commerce is to guarantee the sources. Adhering to the concept and strategy of "direct sourcing from places of origin and in-house operation", Vipshop sets up offices and buyer teams in many countries and regions around the world to select commodities, and purchase authentic goods from the places of origin.

Authentic Supply of Goods

Authorization Guarantee & Formal Authorization of Well-known Brands

Vipshop obtains first-hand goods through legal channels including manufacturers and officially authorized general agencies of brands, and has established strategic partnership and signed strategic purchase agreements with many industry leaders.



Direct Sourcing around the Globe

Goods Supply Guarantee

Vipshop goes directly to the places of origin to make field investigation and certification of origin, comprehensively evaluate the strength of suppliers and inspect the environment of production plants, which completely eradicates fakes from the source and ensures all goods to customers are authentic.





Strict Control of Process

Vipshop's second step in creating a high-quality e-commerce platform is to strictly control the process. Vipshop realizes strict control of the entire consumption process from perfect product inspection system and measures before and during sale to all-round logistic guarantee.



☑ Inspection before Sale

Quality Inspection Guarantee & Quality Management System Certification & On-site Inspection by Professional Institutions & 8 Checkpoints for Product Quality

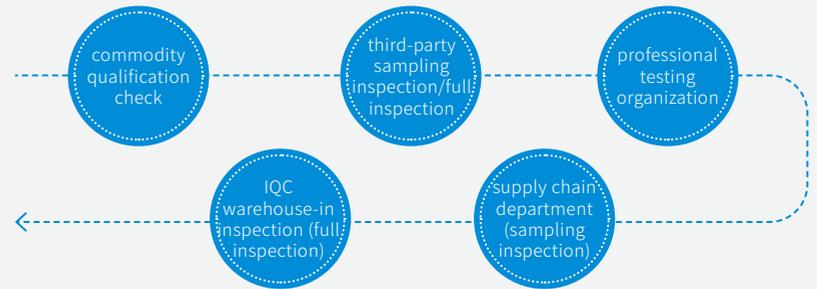
Vipshop actively improves receiving inspection system, and implements qualification inspection of commodities covering all categories and all brands. Every commodity sold by Vipshop must go through our original inspection process of 5 inspections before sale and 3 inspections during sale, and be subject to daily random sampling. In 2019, Vipshop invested over RMB 10 million in sampling inspection of commodities together with 12 authoritative third-party inspection institutions in China.

☑ Self-run Warehousing

Logistic Guarantee & Traceable Close-loop Service Process

By the end of 2019, Vipshop has built South China, North China, Southwest China, Central China, East China, Northeast China and Northwest China Logistics Hubs, respectively in Zhaoqing, Guangdong Province, Wuqing, Tianjin, Chengdu, Sichuan Province, Ezhou, Hubei Province, Kunshan, Jiangsu Province, Shenyang, Liaoning Province and Xi'an, Shaanxi Province, which provide powerful support and guarantee for transportation management of the goods.

5 inspections before sale



3 inspections during sale



Guaranteed
Source of
CommoditiesStrict Control
of ProcessWorry-free
After-sales

Worry-free After-sales

Vipshop's last step in creating a high-quality e-commerce platform, worry-free after-sales, is a magic weapon that attracts and retains more consumers. Vipshop has built a perfect after-sales service mechanism, which, from nationwide quality assurance to promised compensation for fakes, 7-day no-reason return or refund and speed return or refund, makes customers feel secure and worry-free.

Through a series of authenticity guarantee measures including guaranteed source of commodities, strict control of process and worry-free after-sales, Vipshop provides quality-guaranteed goods and services to customers, and accumulates a good reputation among customers. Market recognition of Vipshop as the world's biggest flash sale e-commerce is the guarantee of our strength, and trust of tens of thousands of customers is the guarantee of our reputation. Vipshop has also received honors and recognitions including Top 500 Chinese Private Enterprises, Top 100 Chinese Private Enterprises in Service Industry, Top 100 Chinese Internet Enterprises, No.1 E-commerce Enterprise of Guangdong, which are the best comments on Vipshop's building of a high-quality e-commerce platform in the new era.

☑ Authenticity Insurance

Third-party Guarantee & Multiple Insurances

Every self-run commodity of Vipshop is insured by PICC, with promised compensation for purchase of fakes.

☑ Worry-free Return

After-sales Guarantee & 7-day No-reason Return or Refund

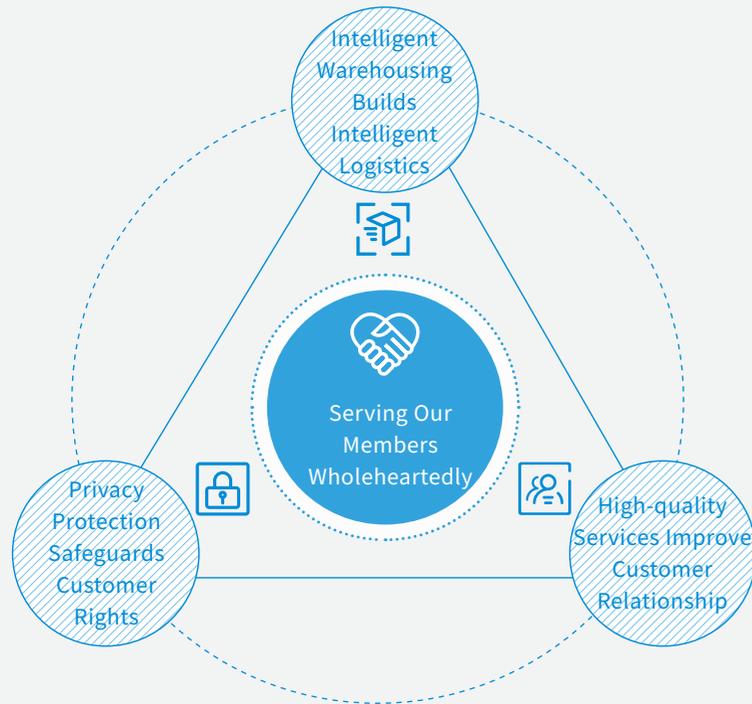
Vipshop establishes a complete after sales refund or replacement system for consumers. In addition to 7-day no-reason return commonly practiced in the industry, we also offer speed return or refund service with the help of self-run warehousing system and SF express.



Providing Whole-process Services for Supreme Customer Experience

Vipshop implements the customer service concept of “serving customers wholeheartedly”, and dedicates ourselves to creating perfect service experience for

customers and fulfilling the mission of “improving the experience of happiness” from multiple aspects including intelligent logistics, customer service and information security.



Intelligent Warehousing Builds Intelligent Logistics

Vipshop is committed to increasing operating efficiency and reducing operating cost by building an intelligent and automatic warehousing system, so as to improve logistics experience which is a core competitiveness of e-commerce platforms. From 2015, Vipshop began to build automation projects in logistics hubs, including the transport system, Mini-load goods collection system, commodity sorting system, package sorting system, honeycomb automatic storage system, intelligent AGV transfer robot system, and magic cube dense storage system, covering all warehouse operation modules such as warehouse entry, racking, picking, goods collection, packaging and handover.

Take lightweight automated 3D warehouse, Mini-load goods collection and sorting system, as an example. Every Mini-load system has 4800 SKUs and 8 stackers, saving goods collection area by 1600 m², reducing goods collection personnel to 0, and shortening about 75% of sorting time; each commodity sorting system has about 40 lead tables and about 500 slide slots, reducing collection and sorting personnel greatly and saving about 30% goods collection time compared with manual goods collection.

In 2019, South China, Southwest China and East China Logistics Hubs all had

honeycomb multi-tier shuttle-based goods-to-person system. Three systems handled about 88 million work bins in the year, with average picking efficiency of 6600 pieces/hour and accuracy exceeding 98%. At Southwest China Logistics Hub, PCL, the independently developed underlying control system of parcel sorting machine, has been put into go-live test, laying foundation for the building of WCS-SCADA, a unified platform for warehouse automation system, in the future; North China Logistics Hub realizes automatic rapid weighing of parcels with independently developed DWS dynamic weighing code reading system, increasing parcel ex-warehouse efficiency by 30%. By the end of 2019, Vipshop has invested over RMB 1 billion to implement warehouse automation projects in 5 logistics hubs across China, and had more than 1 million m² automatic warehouse space and 42km transmission line, equipped with the world's largest honeycomb system and 3 world's most advanced commodity sorting machines.



High-quality Services Improve Customer Relationship

On the one hand, Vipshop keeps strengthening connections with our members by establishing a growth system and a loyalty system, as well as setting up a monetary reward system for loyal members. On the other hand, Vipshop continuously improves our customer service system. As of the end of 2019, the Customer Service Center had 1,163 professional customer service personnel who uphold the philosophy of “serving customers wholeheartedly” and are dedicated to “becoming the spokesperson of customers, the first-class customer service center in e-commerce industry, and professional team of customer experience in the era of new retail.”

Achievements

As of the end of 2019, the Customer Service Center had

1,163

professional customer service personnel

the satisfaction degree of telephone surveys was

98%

To thoroughly understand customer demands and listen to customer opinions, the Customer Service Center conducts regular customer satisfaction survey over the phone and on the Internet. In 2019, the Customer Service Center adjusted online survey from three-level satisfaction to more refined five-level satisfaction so as to better understand customer opinions; the satisfaction degree of telephone surveys was 98%, high as usual.



V-Responsibility |

Innovative After-sales Services

In 2019, to further improve customer services, Vipshop launched a series of innovations in terms of after-sales services:



Increase coverage of expedite refunds

By the end of 2019, the coverage of expedite refunds for “return and refund” orders has risen from 14% to 34%, and that for “refund only” orders has increased from 39% to 75%.

Increase convenience of access to customer service

In addition to the two customer service accesses in 2018, Vipshop APP adds 11 customer service accesses including order and after-sales.

Increase after-sales refund efficiency

By the end of 2019, the refund time for “return and refund” orders has shortened from 108 hours to 88 hours, and that for “refund only” orders has shortened from 90 hours to 19 hours.

Expand answer to shopping questions

With an increase of 712 suppliers, the total number of suppliers offering pre-sale online service reaches 1,462. Customer service personnel of suppliers received 35.33 million customer inquiries.

Privacy Protection Safeguards Customer Rights

Vipshop attaches great importance to information security and protection of customer privacy. We have set up an information security committee consisting of members of the Board of Directors and senior executives, and built a safe shopping platform for customers through rigid privacy protection policies, advanced technical means and hardware equipment, as well as information security trainings and performance assessment targeted at employees.

In customer service management, the Customer Service Center handles services involving customer information in strict accordance with the “Explanation of Standards for Customer Service Staff to Handle the Requests of Members for Verification of Account Information” . For instance, customer service personnel are prohibited from inquiring about customer information not essential for handling customer questions.

In privacy protection, Vipshop establishes a privacy agreement applicable to all operations, and strictly follows relevant regulations on confidentiality, sharing, transfer, disclosure, protection and management of customer information. For example, customers have the right to

unsubscribe, and customer information is desensitized on platform and logistics bills. We also release the “Vipshop Basic Information Security Requirements for Open Platform Shops/Carriers” , to restrict behaviors of suppliers and protect privacy of customers.

As an industry pioneer in the protection of information security, Vipshop also sets up VIP Security Response Center (VSRC) as a window for external exchanges. On the one hand, VSRC popularizes knowledge about information security among customers through its WeChat Official Account to foster

public awareness of privacy protection. On the other hand, VSRC regularly organizes e-commerce security summits to discuss measures on e-commerce information security construction. In 2019, VSRC held two security technology seminars respectively in Guangzhou and Chengdu to exchange ideas on urgent demands, technical problems and industrial development with regard to cybersecurity with industry peers, for a rosy prospect of innovative development of cybersecurity.



Green Development for a Green Earth

As climate change and shortage of natural resources is deteriorating nowadays, environmental protection has become an inescapable responsibility for every enterprise. As an e-commerce corporation holding the idea of sustainable development, Vipshop sticks to the path of green development and regards it as an integral part of the company's comprehensive management strategy. Therefore, Vipshop has established a complete green operation system and developed a standard environmental management system. We integrate environmentally friendly methods with the main business and gradually apply the idea of green operation to all segments including office running, warehousing, packaging and transport. In this way, we keep reducing energy consumption, promoting the use of clean energy, and pushing forward the green e-commerce of China with practical action.

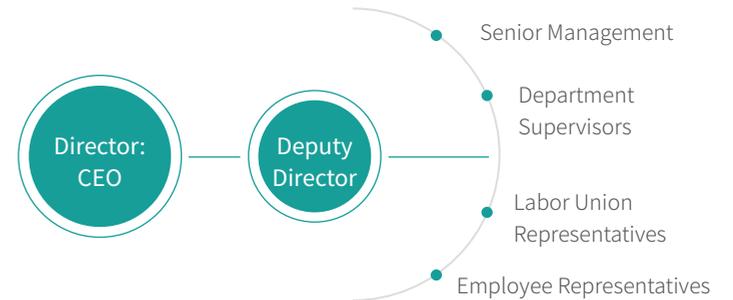
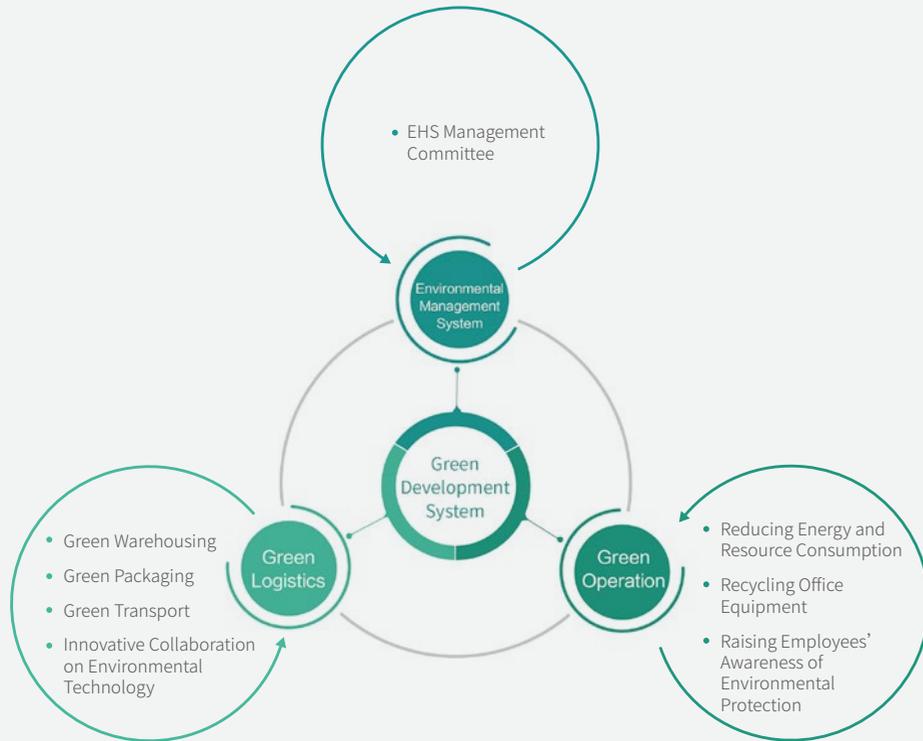
- Green Development Strategy
- Green Logistics
- Green Operation

SUSTAINABLE DEVELOPMENT GOALS



Green Development Strategy

According to the national laws and regulations as well as the “Vipshop Environment, Health and Safety Policy”, the Company has developed an environmental management system and established an EHS Management Committee to supervise its implement. Chaired by the CEO, and composed of the senior management, department supervisors and representatives of the Labor Union and employees, the Committee is responsible for pushing forward tasks in environment, health and safety. Members of the Committee meet twice a year to evaluate EHS related performance of the Company and propose suggestions and plans for improvement.



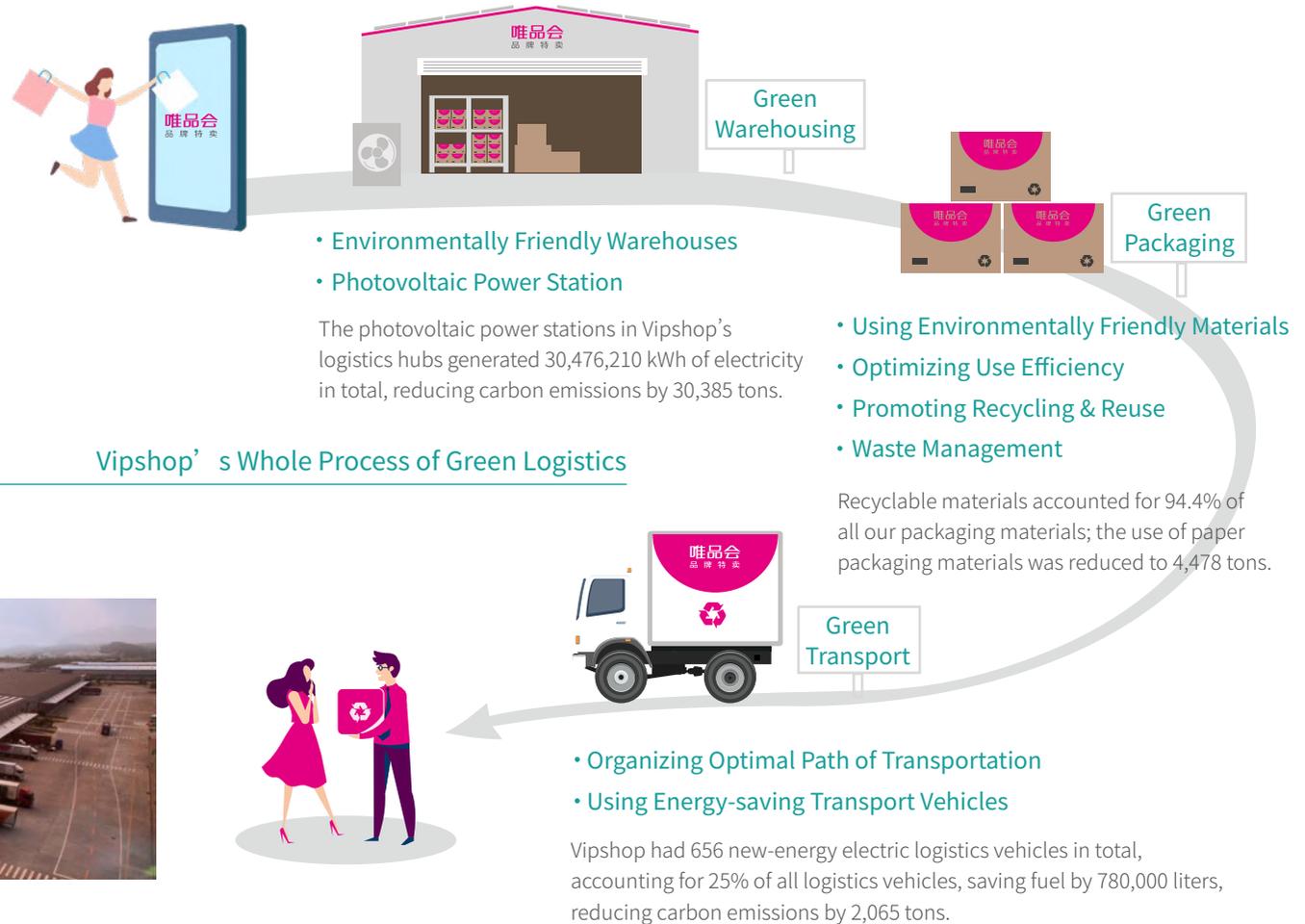
Organizational Structure of the Vipshop EHS Management Committee

To make our environmental management system fit in more with our actual state of operation and better carry out environmental management of the Company, we encourage front line staff to put forward suggestions and innovative ideas on how to reduce environmental impacts in office work, logistics and other procedures, to promote continuous optimization of the process and methods of environmental management with their practical experience. We will offer financial reward to the employees whose suggestion has been adopted.



Green Logistics

Statistics of the State Post Bureau showed that the annual volume of express in China exceeded 50 billion pieces in 2018 and 60 billion pieces in 2019. Logistics is not only an important operation link for e-commerce enterprises but also a link most related to environmental protection. While bringing convenience to life with its rapid development, the e-commerce industry needs to reduce its impacts on the global environment by actively resolve such challenges as resource and energy consumption, greenhouse gas emission and overuse of disposable packaging. In 2019, Vipshop adheres to the concept of green logistics, and in answer to the “Opinions on Promoting High-quality Development of Logistics and Forming a Strong Domestic Market”, takes the path of sustainable development featuring “low pollution, low consumption, low emission, high effectiveness, high efficiency, and high benefits”, strives to create a whole process of green logistics from warehousing to packaging and transport, and ensures that each product is delivered to its consumer through an “environmentally friendly journey”.



Achievements

In 2019, the photovoltaic power stations in Vipshop's logistics hubs generated

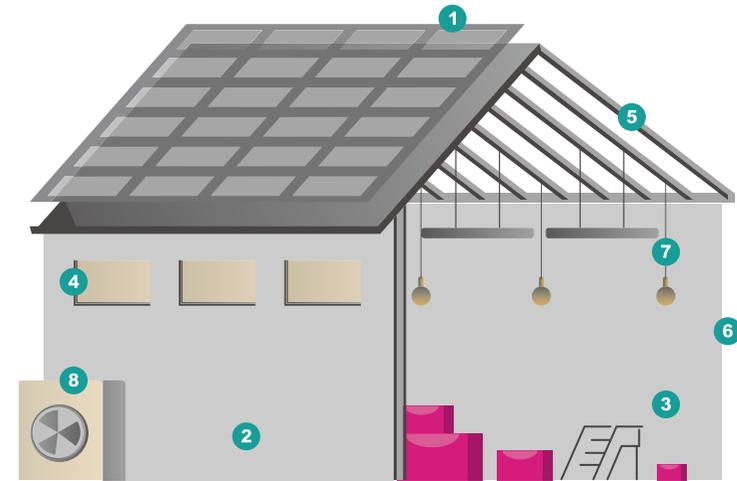
30,476,210 kWh of electricity in total

reducing carbon emissions by

30,385 tons

Green Warehousing

Vipshop's self-built warehouses are constructed in an environmentally friendly way according to the principle and standard of green industrial area and green architecture. The warehouses are made of environmentally friendly and energy-saving materials interiorly (interior walls and steel members) and exteriorly (exterior walls, roof panels and external windows), while the illumination and cooling systems are extensively employed with energy-saving measures and equipment. Moreover, we creatively use new energy by constructing photovoltaic electricity generating systems on the rooftops of warehouses in logistics hubs, which made the best use of solar energy, a cleaner form of energy, as the source of electricity generation.



Vipshop's Green Warehousing

- 1 Rooftops**
 Photovoltaic electricity generating systems
- 2 Exterior Walls**
 Aerated concrete, color plates with insulation cotton, and waterproof environmentally friendly wall paint
- 3 Roof Panels**
 Color plates with insulation cotton, and variable-frequency fans
- 4 Exterior Windows**
 Hollow glass
- 5 Steel Members**
 Thin waterborne fireproof coating
- 6 Interior Walls**
 ICT environmentally friendly wall paint
- 7 Illumination in Warehouses**
 Daylighting bands on the top, smart LED lighting systems in the middle and the bottom, and inductive light tubes in stair well
- 8 Cooling in Warehouses**
 Introducing environmentally friendly air conditioners to replace high-power fans, and evaporative cooling pads for absorption of heat

V-Responsibility

Photovoltaic Power Station in Logistics Hubs

Since 2016, Vipshop has continued to pour money into constructing photovoltaic power stations in logistics hubs around China to realize green warehousing from the perspective of energy consumption. By the end of 2019, the construction of photovoltaic power station was completed in two logistics hubs and put into use. Vipshop South China Logistics Hub (Zhaoqing, Guangdong) is the first e-commerce logistics hub powered by photovoltaic energy in China. In this project which covers a total area of 230,000 square meters, we applied the grid-connected photovoltaic power generation system and installed solar panels

on the rooftops of 12 warehouses in the logistics hub. The photovoltaic power station has a total capacity of about 22 MW. The first and second phases of the project have been completed and put into use, generating 18,201,600 kWh of electricity in 2019.

In 2017, Vipshop started to build a photovoltaic power station in the Central China Logistics Hub (Ezhou, Hubei), with a gross capacity of around 41 MW on the rooftops of 29 warehouses, covering a total area of about 520,000 square meters. In 2019, this photovoltaic power station was put into use and generated 12,274,610 kWh of electricity.

Achievements

In 2019, recyclable materials accounted for

94.4%

of all our packaging materials

the use of paper packaging materials was reduced to

4,478

 tons

Green Packaging

To meet the national standards of “Packings for Express Service” revised in 2018 and abide by the concept of green packaging, Vipshop joins the “Green Express Packaging Alliance” and promotes environmentally friendly packaging materials featuring low pollution, low consumption, and low emissions, according to the principles of lightweight, green, and recyclable. Specific measures include the use of environmentally friendly materials, the optimization of use efficiency, the promotion of recycling and reuse, and the waste management.



Vipshop's Green Packaging



Using environmentally friendly materials

- Using packaging boxes made by modern environmentally friendly paper
- Using biodegradable delivery bags and dunnage bags



Optimizing material design

- Optimizing the structure of packaging boxes to reduce waste of space
- Using light material: carton structure optimized from FOL to HSC, reducing paper use by 20% and plastic use by 10%
- Improving base paper quality to reduce weight



Promoting recycling and reuse

- Recycling paper boxes from brand partners: canceling the purchase of multiple models of paper boxes; about 40% of outer packaging boxes are recycled packaging boxes from suppliers
- Using recyclable woven bags: 52% of woven bags used in the product transit are recyclable, and 40% are recycled woven bags from brand partners
- Using recycled and biodegradable filler: represent about 20% of the normal use of filler
- Launching recyclable boxes: about 20,000 recyclable boxes first piloted in Shanghai, each box has been used for more than five times every month on average



Scientific disposal of wastes

- Continuously recording and tracking the quantity of packaging materials being used
- Reviewing and improving the packaging material conditions periodically

Achievements

In 2019, Vipshop had

656

new-energy electric logistics vehicles in total

accounting for

25%

of all logistics vehicles

saving fuel by

780,000 liters

reducing carbon emissions by

2,065 tons

Green Transport

Vipshop adopts a green mode of transport in terms of optimizing the transport process and increasing the number of environmentally friendly vehicles in use, thus reducing environmental impacts of the transport process.

On the one hand, Vipshop continuously optimizes the process of transportation. We optimize the optimal path of transportation vehicles with self-developed intelligent vehicle dispatching system to reduce the transportation mileage and emissions. Besides, on the basis of strengthening cooperation with brand partners and perfecting spot check mechanism, we have been gradually promoting the JITX project, with which we achieved direct delivery by brand partners and further improved the efficiency of distribution. On the other hand, Vipshop continuously increases the investment in energy-saving logistics vehicles. We constantly replace non-national-standard diesel logistics vehicles

with national-standard diesel logistics vehicles, and increase the amount of new-energy electric logistics vehicles since 2016. New-energy electric logistics vehicles are able to reduce the cost of use by about 20% to 30% compared with traditional fuel vehicles, with positive impacts on economic and environmental management of the Company.

In 2019, 176 new-energy electric logistics vehicles were dispatched to our logistics hubs and operation sites around the country, bringing the total number to 656, accounting for 25% of the Company's logistics vehicles. Thanks to the new-energy electric logistics vehicles, fuel consumption within 2019 was reduced by about 780,000 liters compared with traditional vehicles, reducing carbon emissions by about 2,065 tons.



Green Operation

In order to reduce environmental impacts caused by business operations, Vipshop fully promotes the concept of green office featuring paperless, low energy-consumption, less wasteful and recyclable, and takes a series of measures to create environmentally friendly offices and encourages employees to participate actively in environmental protection activities. Mainly aimed at offices and dining halls, Vipshop's green office measures include reducing energy and resource consumption, recycling office equipment and raising employees' awareness of environmental protection.

Reducing energy and resource consumption

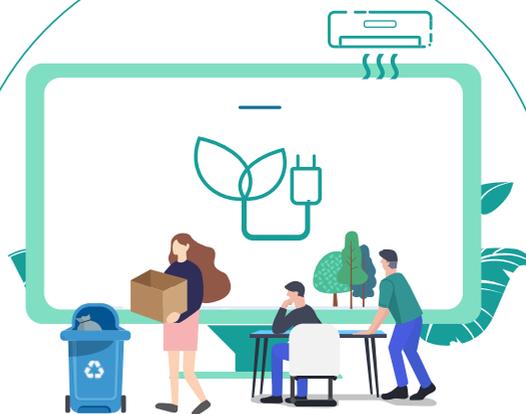
- ✔ Adopting energy-saving office equipment, and fully promoting LED lighting
- ✔ Introducing low energy-consumption VRV HVAC systems and air energy systems in newly built offices
- ✔ Promoting paperless office
- ✔ Utilizing direct drinking water systems and automated water-saving taps
- ✔ Installing automatic water sprinkler system in the gardens

Raising employees' awareness of environmental protection

- ✔ Putting up stickers about environmental protection
- ✔ Organizing training and publicity activities on environmental protection

Recycling office equipment

- ✔ Advocating reuse of paper
- ✔ Setting waste recycling boxes in office areas and advocating the sorting and recycling of solid wastes
- ✔ Entrusting discarded office equipment to qualified third-party companies for recycling



Green Office

Vipshop establishes a comprehensive monitoring system for energy use, which records and analyzes the consumption of water, electricity and gas so as to continuously monitor, evaluate and enhance the Company's performance on energy saving and emission reduction. We set various indicators of environmental performance, and identify and improve the deficiencies of our green office efforts by comparing and analyzing these indicators with past ones.

To cultivate employees' energy-saving consciousness and habit, Vipshop implements strict electricity-saving assessment in offices. Employees are required to turn off lights and computers when leaving offices, and departments failing to meet the assessment target will be subject to financial penalties.



V-Responsibility

Dedicated to Environmental Protection Activities

While adhering to green operation, Vipshop takes an active part in philanthropic activities on environmental protection, making contributions to the development of green ecology and advocating the concept of green ecology among employees. As one of the first verified members of the "Green Public Welfare Alliance" initiated

by the China Green Foundation, Vipshop has participated in the "Green Citizens in Action" program since 2017 and continued to be supportive, constantly engaging in the work of desertification control and natural ecological conservation. We also encourage our staff to participate in environmental voluntary activities such as tree planting and marine protection.



Joint Efforts for a Prosperous Future

As every employee is the backbone to sustainable corporate development and highly involved in delivering excellent service and quality life, Vipshop believes successful employee career could effectively contribute to the healthy development of the Company. Through employees' empowerment, guarantee of rights & interests and welfare improvement, we're committed to creating an inclusive and cooperative workplace and cultivating united and vigorous teams to realize joint development with our employees.

- ❖ Pursuing Sustainable Development to Empower Future Career
- ❖ Building a Professional Team with Equality and Diversity
- ❖ Creating a Caring and Vigorous Working Atmosphere

SUSTAINABLE DEVELOPMENT GOALS



Pursuing Sustainable Development to Empower Future Career

Vipshop believes well-qualified professional talents are indispensable for long-term development of the Company. Our employees, of which 94.6% are aged at 40 and below, greatly fuel at corporate sustainable development, and also raise the bar for higher management ability to promote their constant growth. Therefore, Vipshop introduces versatile trainings and smooth career paths to create a learning-oriented working environment and support employees' career development in the long run.

Enriching Training Programs

By virtue of many learning opportunities and diverse skill improvement channels, Vipshop enables employees to enhance expertise and management abilities so as to empower their future development. Moreover, various training programs have been carried out

to meet different demands along their career path. In 2019, we further expanded V-learning to train employees for total 419,691 hours (logistics, customer service and offline store staff excluded).



3 Employees at Different Levels

The Way of Vipshop — Training Camp for Managers
Vipshop Meta Skills

4 Employees of Various Departments

Business Training

2 New Joiners

Training Camp for New-Joiners

1 All Employees

Vipshop Night School
Buoyant Workplace
V-Learning





Vipshop Night School

A sound after-work learning platform is established to improving employees' general skills, covering industrial and business education with online and offline courses.



The Way of Vipshop — Training Camp for Managers

We carry out training for managers in line with relevant corporate requirements, allowing executives to grasp correct self-cognition, learn about management language, improve management capacities, and finally realize high performance. In 2019, 8 sessions of training were completed, benefiting over 200 managers.



Buoyant Workplace

Our employees can study by themselves through taking monthly online micro-classes which involve employee life, office skills and working scenarios, resulting in uplifting learning spirits and enriching education resources.



V-Learning

We arranged over 1,000 online courses to help employees learn and share the updated experiences and skills. The average active users of V-Learning are over 30,000 person times monthly.



Training Camp for New-Joiners

Education programs are correspondingly arranged for new employees through social or on-campus recruitment, interns and management trainees to learn about corporate culture and values as well as policies and systems, with the purpose of helping them to be part of Vipshop smoothly.



Vipshop Meta Skills

Consists of a skill line and a culture line, the course assists senior employees to master key expertise required in their positions, deepens their understanding of core culture values of the Company and encourages them to apply what they have learnt to practical work.



Business Training

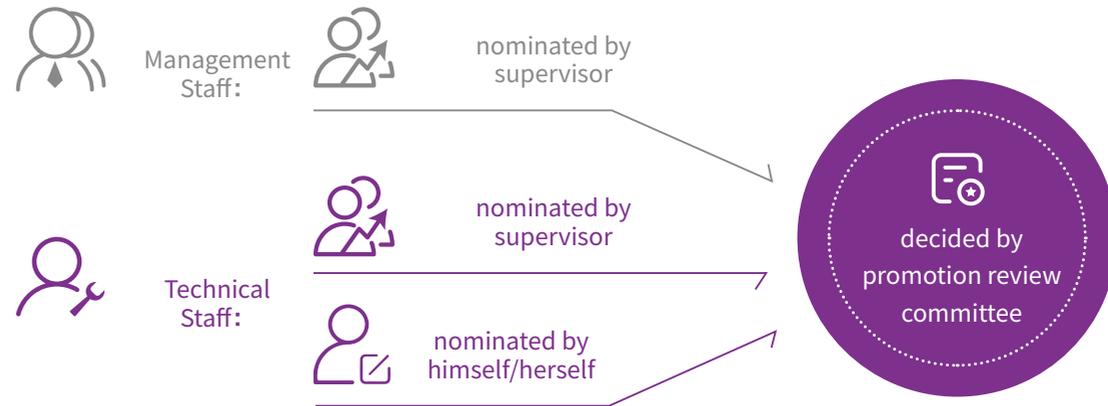
Business departments launch purpose-built training programs to help employees sharpen professional skills and then advance business development, including Retail Masters and Buyer Training Camp of the Business Center, operating lectures by the Operation Center as well as self-operating Platform Sharing by the Product & Technology Center.



On top of internal training programs and courses, we encourage employees to actively pursue further study. Qualified employees can apply for education grants. For instance, employees obtaining Master, Doctor, MBA and EMBA degrees or professional certificates can get corresponding grants according to relevant regulations.

Expanding Career Development Channels

With a management/technical dual-track career path established in Vipshop, every employee targeting at different career map can embrace broader space of promotion. Because of high emphasis on reasonable, equal and professional employee promotion and assessment, we set up special promotion review committees for various positions (including technical post evaluation committee, product post evaluation committee and marketing post evaluation committee).



Scientific performance assessment is a powerful tool to improve employees' performance and encourage them to communicate with executives. Based on the initial assessment metrics, midyear discussion and guidance, and end-year evaluation, Vipshop comprehensively reviews employees' performance and key positions and gives relevant advices. Furthermore, a restricted stock incentive plan is implemented for non-executive employees with outstanding contributions according to performance assessment results, tightening individual interests with Vipshop's long-term vision to pursue sustainable corporate development. In 2019, the restricted stock incentive plan covered about 12% of the entire employees, with the option premium reaching USD 145 million in total.

Building a Professional Team with Equality and Diversity

Upholding the people-oriented philosophy, Vipshop constantly advances human capital development and stabilizes talent team construction through compliant employment, securing employee rights & interests and smoothening staff communication. By the end of 2019, our employees totaled up to 20,442.

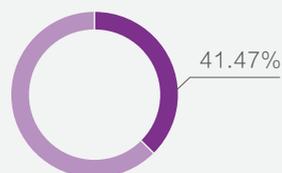
Securing Employee Rights & Interests

Vipshop regards an equal and diversified working environment as a vital force to arouse the sense of recognition and creativity among employees. In this context, a fair and equal recruitment and employment system is put in place to prevent candidates and employees from inequalities or discrimination due to their nationalities, races, genders, religions, sexual orientations, lifestyles or any other relevant factors. By the end of 2019, female employees accounted for 41.47% of the total, ethnic minorities for 3.80%, and Non-resident of mainland China employees for 0.19%.

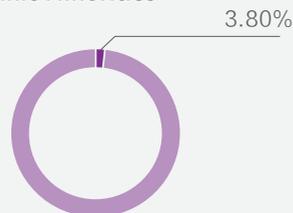
Abiding by relevant laws and regulations, Vipshop makes great efforts to maintain standard, open and transparent in procedures of employment, recruitment, working and departure. We strictly forbid child labor, forced labor and other illegal employment; and eradicate any infringement on employees' rights & interests and potential labor disputes.

Percentages of Different Groups of Employees in 2019

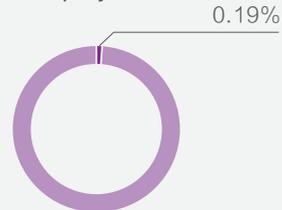
Female



Ethnic Minorities



Non-resident of mainland China Employees



Smoothening Communication with Employees

Vipshop values employees' engagement in corporate operations and the right to expression, and encourages sound communication to improve HR management, retention and cohesion. We actively establish and promote the communication

mechanism with employees, and adopt various approaches such as WeChat official account on corporate culture and employee satisfaction surveys to learn about their appeals and suggestions. Together with employees, we figure out our strength and weaknesses of management, opportunities and risks in operation, and thus enhance more transparent corporate governance.

WeChat Account on Corporate Culture

Employee Satisfaction Survey

Employee Communication Meeting

Communication Meeting on Various Themes



Creating a Caring and Vigorous Working Atmosphere

Adhering to the idea of “making employees and their families happy” and relevant national laws and regulations, Vipshop constantly guarantees employees’ welfare and focuses on their occupational health and after-work life so as to improve their sense of well-being, recognition and

belonging. In this way, we could attract and maintain excellent talents. In 2019, we further advanced the comprehensive welfare system of “Benefiting, Caring, and Growing Up” to innovatively forge a caring, considerate and interdependent workplace and living circumstance.



Benefiting

- Social security and public reserve funds
- Statutory annual leave
- Paid annual vacation/sick leave
- Free meals
- Shuttle buses
- Annual physical examination
- Commercial insurance
- Health V Station & physiotherapy service & sleep cabins
- Gyms and fitness courses
- Supporting household registration for Shanghai and Guangzhou employees
- Cafes/music and juice bar



Caring

- Interest-free housing loan
- V-Love Fund
- Customized gifts for holidays
- Welfare annual leave, parents’ meeting leave, charity leave
- Employee activity association
- Department birthday parties



Growing Up

- Personal training and growth program
- Education grant application (internal & external)
- V-Learning 24-hour learning platform
- Vipshop Night School
- Gifts for the length of corporate service
- VIP College lecturer system
- Various clubs
- Library
- Team building

Focusing on Occupational Health

With special responsibilities in employees' occupational health and safe production & maintenance, Vipshop EHS Committee strives to mitigate occupational health risks and prevent injury and damage to individual health.



OHS Management



Practices	Benefits
Organize regular physical checkups for employees at designated medical institutions/hospitals	Learn about employees' health conditions
Provide lectures on first aid, lumbar health care, cancer prevention, scientific health preservation, etc. Push seasonable health information via WeChat and internal journals	Improve employees' healthcare awareness and skills
Offer recreational facilities, including gymnasiums, dancing studios, yoga areas, and basketball courts. Organize various sports clubs and hold activities such as long-distance running and hiking occasionally	Enrich workout choices for employees and reduce risks of sub-health
Set up clinics and physiotherapy rooms for medical treatment, physiotherapy and traditional Chinese medicine healthcare, and regularly clean and disinfect the whole workplace	Guarantee employees' safety and health at work with well-prepared basic emergency medical resources
Establish Employee Assistance Program (EAP) with psychologists to offer daily counseling services	Track down and ensure employees' mental health
Organize regular fire drills	Improve employees' awareness of emergencies and relevant skills

Making Heartfelt Assistance to Employees

In order to consistently care for employees, the V-Love Fund has been set up to raise funds and help needy employees out of troubles, definitely mirroring our love and kindness to the employees and their families. Particularly, Vipshop carries out welfare measures for employees in special needs, including pregnancy, lactating, disabilities and financial difficulties.



V-Responsibility

Gifts for Employees

Vipshop provides selected and specially designed gifts to employees, covering traditional festivals such as Spring Festival, Dragon Boat Festival and Mid-autumn Festival; other occasions include marriage, newborn baby, death in the family, and hospitalization.



Pregnant and lactating employees

We provide lactating leaves and nursery facilities in office areas for lactating employees, while pregnant employees can enjoy the priority to take meals at special zones of our canteens.

Employees with financial difficulties

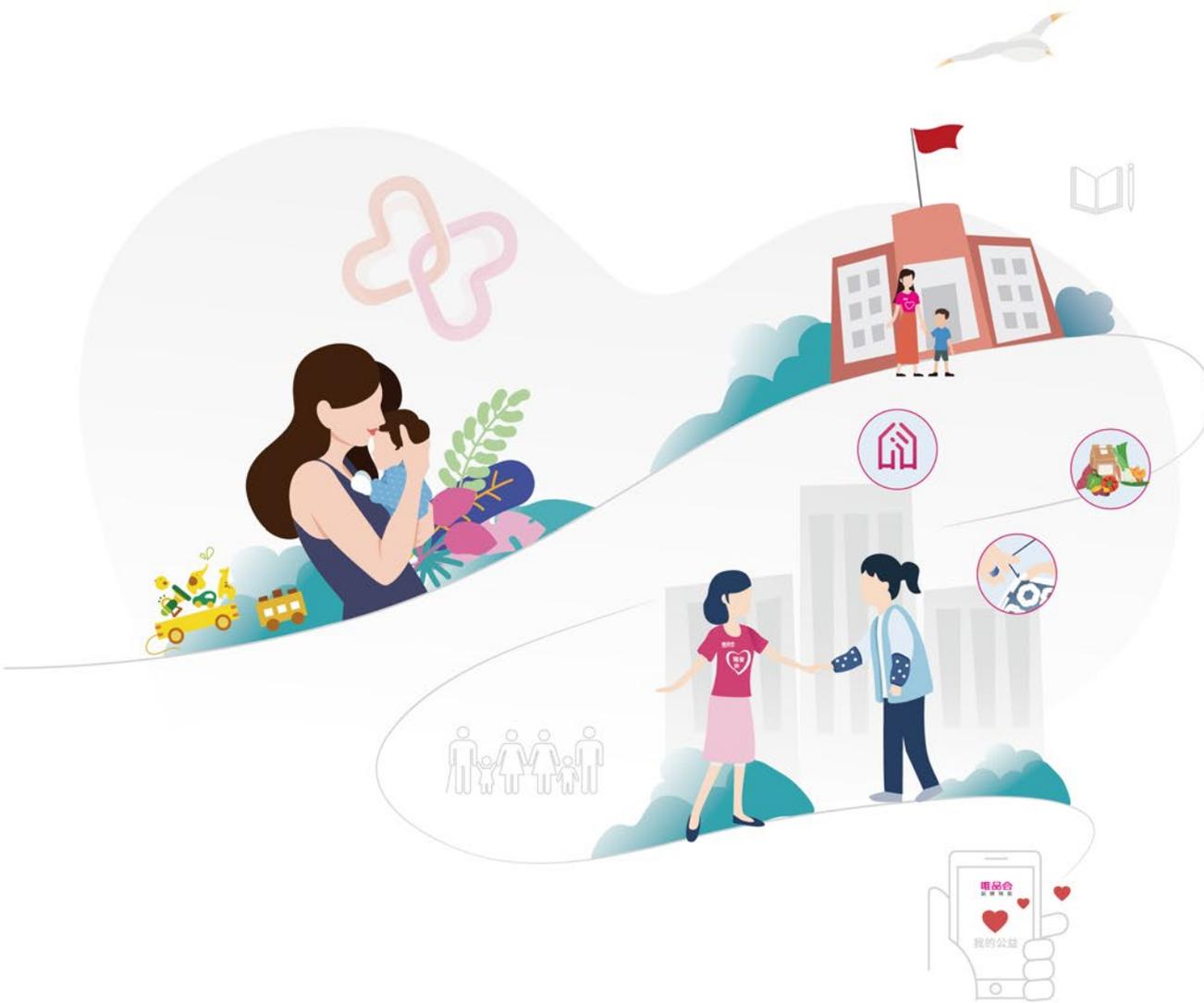
In 2019, the V-Love Fund spent RMB 1.79 million helping 234 person-times of employees and their family members.

Disabled employees

Accessibility is integrated into office building and decoration, e.g. accessible toilet facilities are available in the washrooms.

Enriching After-work Life

With emphasis on employees' after-work life, Vipshop Labor Union has arranged various recreational clubs with abundant activities to balance employees' work and life and promote their communication with family members. By the end of 2019, recreational clubs of the Company attracted more than 3,000 employees. In 2019, the Labor Union focused on sports events and invested over RMB 250,000 in supporting 200-plus activities launched by 17 clubs with over 4,000 participants.



Heartwarming Charity for a Harmonious Society

By virtue of widespread Internet and interwoven online and offline charity, Vipshop focuses on social issues like youth education, women empowerment, targeted poverty alleviation and care for special groups, and vigorously devises various charity programs to help specific people in need and inject positive energy into social sustainable development. With the mission of “improving quality of life and enhancing experience of happiness”, Vipshop actively seeks out the appropriate connection with community welfare and the best implementation plan for charity programs in line with full strength of e-commerce businesses. With sustainable development as the core, equitable empowerment as the pivot and cross-interconnection innovation as the engine, we have collected loving energy of the public and forged a unique e-commerce charity model.

- 📖 About Vipshop Charity
- 📖 Targeted Poverty Alleviation Vitalizes Chinese Countryside
- 📖 Empowering Women to Exert Potentials
- 📖 Advancing Public Charity

SUSTAINABLE DEVELOPMENT GOALS



About Vipshop Charity

Jointly developing a unique e-commerce charity model with stakeholders, Vipshop strives to expand from a sponsor to a charity platform builder, innovation leader and sustainability motivator. We fully leverage our comprehensive strength in platform resources, online services, 340 million members and brand appeal to establish a sustainable Internet charity ecosystem.

Performance of Vipshop Charity



Total investment in charity over
RMB **200** million



Charity expenditure in 2019 over
RMB **32** million

Targeted poverty alleviation

We assisted over **39,700** impoverished students with Vipshop Education Sponsorship and partnered with **76** poverty-stricken counties through the VIP Love Aid for Agriculture and VIP Love Workshop.

Women empowerment

We invested over RMB **46** million to support women in need for more than **75,000** times.

Charity by all

“My Charity” in Vipshop App has attracted over **60** million people to participate in “Step for Love” campaign.

By the end of 2019



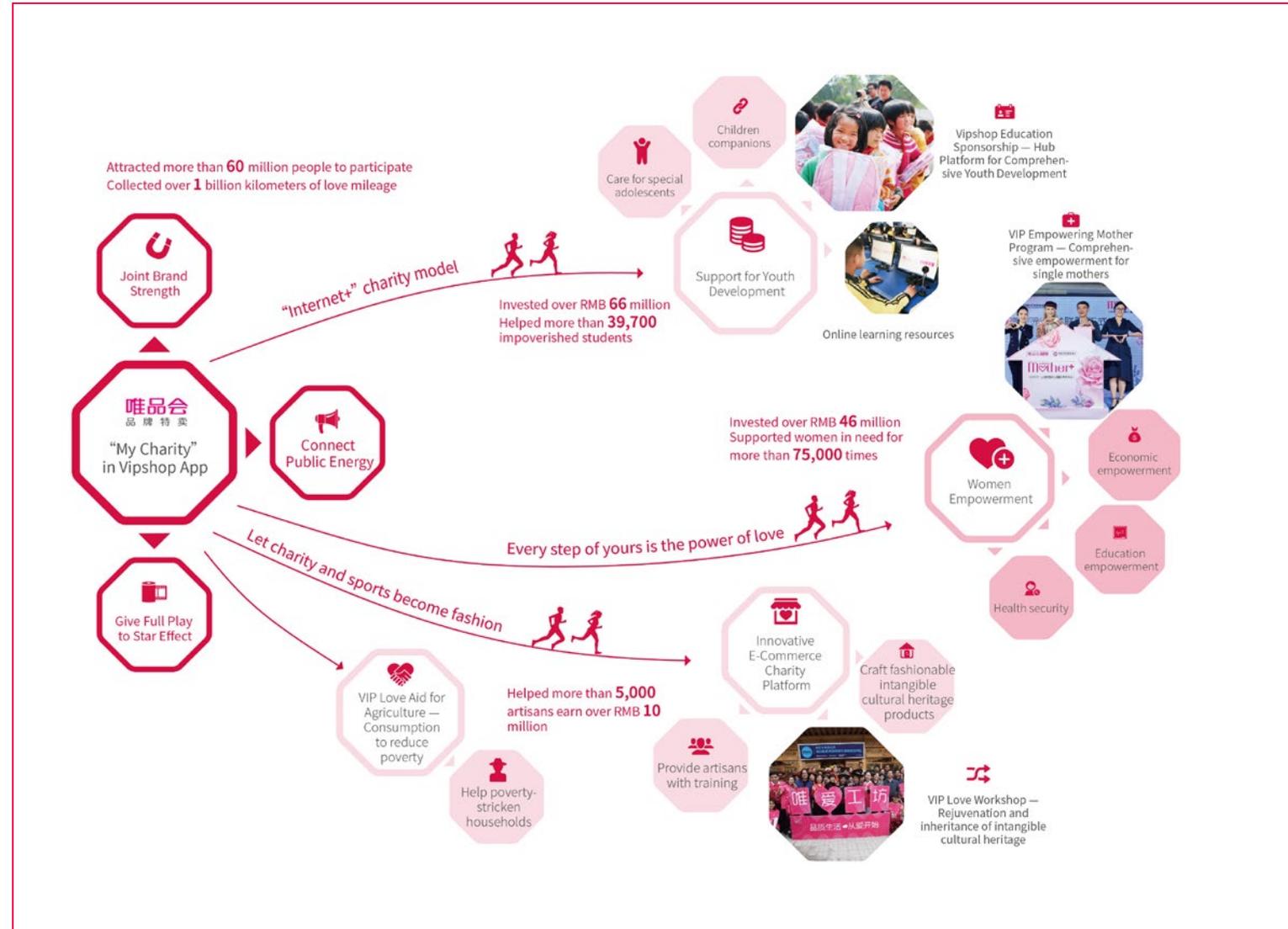
Structure of Vipshop Charity

Charity Platform

With constant focus on targeted poverty alleviation, women empowerment and youth development, Vipshop developed several “VIP Love” charity programs, including Vipshop Education Sponsorship, VIP Empowering Mother Program, VIP Love Workshop, and VIP Love Aid for Agriculture. Meanwhile, the “My Charity” platform was launched in Vipshop App in order to offer easy, efficient and diverse ways to join in charity programs, making it possible and reachable for the masses to participate in charity undertakings.

Staff Charity

Through the Charity 1+1 Program, every employee of Vipshop is advocated to actively contribute to charity. Employees are entitled to a one-day paid charity leave (8 hours) each year. In 2019, our staff offered 44,369.5 hours of voluntary service in total. To further encourage our employees to participate in voluntary service, we included “being kind, caring and passionate about charity” into our corporate values updated in June 2020.



Achievements

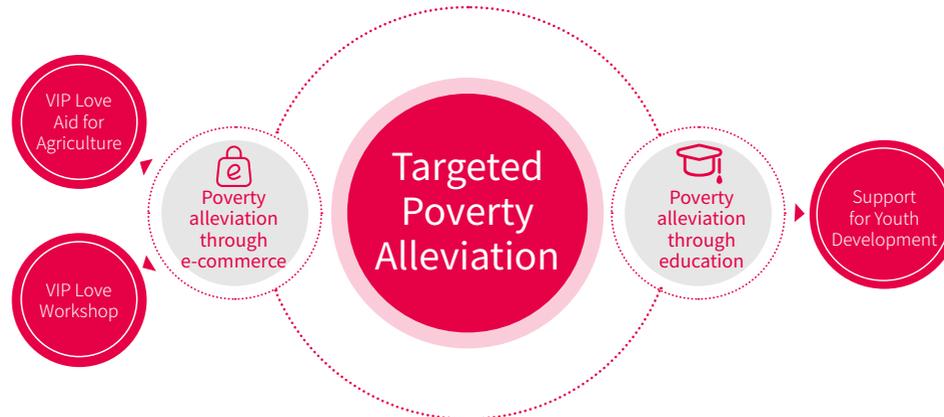
- By the end of 2019, Vipshop Education Sponsorship input over RMB **66** million in total covering **27** provinces, municipalities and autonomous regions.
- VIP Love Workshop funded **11** VIP Mothers Artisan Cooperatives in six provinces and autonomous regions partnered with **18** state-level poor counties and collaborated with over 20 brands and many designers to create more than 250 types of fashion products with **35** intangible cultural heritage crafts such as batik and Miao Nationality embroidery.
- VIP Love Workshop helped over **5,000** impoverished artisans earn over RMB **10** million from their artistic works.

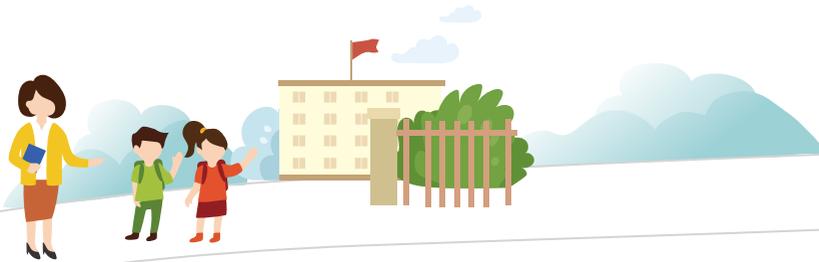
Targeted Poverty Alleviation Vitalizes Chinese Countryside

2019 was a crucial year for the Chinese people to win the battle against poverty and build a well-off society in an all-round way. In active response to the government's call, Vipshop gave full play to its strength as an e-commerce operator, and carried out targeted poverty alleviation with the pioneering and driving force of Internet. We believe that the targeted poverty alleviation is purposed to enable impoverished groups to realize sustainable development and get over poverty by themselves. In this context, we concentrated on sustainable empowerment combined with poverty alleviation through e-commerce and education so as to creatively achieve quality consumption and targeted poverty alleviation at one stroke.

In terms of poverty alleviation through education, we follow the path of education empowerment and implemented Vipshop Education Sponsorship. On the one hand, we made donation on hardware construction to guarantee students' school education in poverty-stricken areas; on the other hand, we provided financial aids to specific impoverished students. As for poverty alleviation through e-commerce, we exploited our advantages as a fashionable e-commerce business to create targeted poverty alleviation programs with sustainable development potentials, which highlight Vipshop features. With the concept of "consuming is charity", this win-win program has facilitated increasing people to take part in poverty alleviation. Eventually, Vipshop E-commerce Poverty Alleviation led to two distinctive

components, namely quality agricultural products and the rejuvenation of intangible cultural heritage inheritance, which not only raised impoverished people's income and motivation for fighting against poverty, but also built up a platform of sustainable development.





Vipshop Education Sponsorship

Education supports must precede poverty alleviation as a key booster to break the intergenerational transmission of poverty. With constant engagement in education sponsorship since 2011, we offered hardware facilities to schools in poverty-stricken areas, and directly financed the poor students to make the poverty alleviation more precise.

As a pioneering charity program with the largest investment, Vipshop Education Sponsorship boasts a sustainable, efficient and comprehensive model after long-term evolution and iteration. In 2019, we continued to support the youth development and built up an integrated education empowerment system through three steps, namely “Fairness Promotion”, “Quality Enhancement” and “Growth Driving”. It can financially and physically support basic education and offer excellent quality education services, covering curriculum education, quality improvement and future development. Besides, we also stepped up support for “three counties and three districts”, with over 200 county magistrates and over 300 primary-and-middle school teachers participating in the nomination of poverty-stricken students.



VIP Love Aid for Agriculture

As a targeted poverty alleviation program of agricultural products jointly initiated by Vipshop and China Consumer Journal, VIP Love Aid for Agriculture collects high-quality local agricultural specialties which are recommended by local poverty alleviation offices, provincial business departments and provincial consumer councils, and selected by the expert panel. By bridging production and sales, this program serves as a sales platform which shortens the trade process between the agricultural products in the poverty-stricken areas and consumers. Besides, it promotes quality agricultural products and improves sales through selection and QC processes. Consequently, we helped impoverished people increase income in a short time and pushed sustainable industrial development in the poverty-stricken areas to realize the targeted poverty alleviation.

In 2019, Vipshop launched six VIP Love Aid for Agriculture channels in Sichuan, Guangdong, Guizhou, Qinghai, Chongqing and Hubei. For instance, we launched the Guizhou Pavilion of VIP Love Aid for Agriculture in May 2019, and dug into local agricultural specialties from the poor counties where the ethnic minorities lived in, including Zhijin county in Bijie city and Changshun county in Qiannan prefecture. In this program, we helped 1,083 registered poverty-stricken households and arranged 38 sales exhibits of agricultural products.



VIP Love Workshop

Vipshop VIP Love Workshop is designed as an e-commerce charity platform for rejuvenation and inheritance of intangible cultural heritage. With cross-industry guidance, talent trainings, fashion crafting items and online sales, this Workshop has successfully enhanced life-oriented, fashionably commercialized and sustainable intangible cultural heritages while assisting relevant artisans.

With Vipshop's extensive experience in e-commerce and marketing network as well as ample fashion resources, the VIP Love Workshop promotes the development of fashionable intangible cultural heritages across China based on solid field investigations. We call for brand designers and cultivate upstream and downstream businesses, resulting in an assistance pattern of the full industry chain from e-commerce platform, well-known brands and fashion designers to local enterprises, which is implemented by three steps, namely "empowering artisans, rejuvenating heritages, and enriching life".



Empowering Artisans: The core of intangible cultural heritage inheritance is the artisan.

We establish VIP Mothers Artisan Cooperatives nationwide in collaboration with the China Women's Development Foundation, providing artisans with training of knowledge and skills, as well as creating more job opportunities to welcome women back to their hometowns and inherit the crafts.

Enriching Life: The substance of intangible cultural heritage inheritance is returning to public.

We provide free packaging design, quality control, operation, and logistics service for intangible cultural heritage products and present them to our 340 million members by launching special charity sales online, in a way to make consumers interested in fashionable intangible cultural heritage products and thus help intangible cultural heritages return to public life.

Rejuvenating Heritages: The carrier of intangible cultural heritage inheritance is the handcraft.

We invite famous brands and fashion designers to visit places with intangible cultural heritages. Together with artisans, the designers customize fashionable and practical intangible cultural heritage products that combine traditional handcraft with modern design.



Along the road of poverty alleviation by industrial development and from perspective in the rejuvenation and targeted poverty alleviation of intangible cultural heritages, VIP Love Workshop combines e-commerce, intangible cultural heritages with poverty alleviation activities throughout the business life cycle to protect and inherit intangible cultural heritages. In 2019, with the guidance of the Ministry of Culture and Tourism, Vipshop was engaged in the construction of the State's

traditional technique work stations, enabling the people in severely impoverished areas increase income and get rid of poverty while advancing the intangible cultural heritage industry and rural vitalization. We also collaborated with iResearch in releasing the “Consumer Report on Intangible Cultural Heritage as a New Form of Economy” in 2019, which revealed the current vitality and future potential of the intangible cultural heritage economy.



V-Charity

Vipshop Liangshan Traditional Crafts Work Station

To revitalize traditional crafts and promote the merging of intangible cultural heritage with public life, the Ministry of Culture and Tourism has supported enterprises, universities and institutions in setting up traditional crafts work stations in the places famous for distinctive traditional crafts across the country since 2016. On February 28, 2019, Vipshop Liangshan Traditional Crafts Work Station was officially launched; meanwhile, Vipshop teamed up with China Women's Development Foundation, Beijing Institute of Fashion Technology and fashion brands like FIYTA, and initiated the Intangible Cultural Heritage Design Alliance for Poverty Alleviation, aiming to promote the creative transformation and innovative development of the traditional crafts in Liangshan. In June

2019, VIP Love Workshop launched a program themed “Revival of Intangible Cultural Heritage · Fresh Summer”, putting online the first batch of intangible cultural heritage products developed by the Yi Nationality female artisans from the work station and introducing the model of “intangible cultural heritage & fashion & e-commerce & poverty alleviation” to increase income practically for impoverished people. In 2019, the work station carried out 12 speech tours, trainings and exhibitions, developed and launched 20 types of Yi Nationality Embroidery artwork products that helped 300 Yi Nationality female artisans gain more income.



Achievements

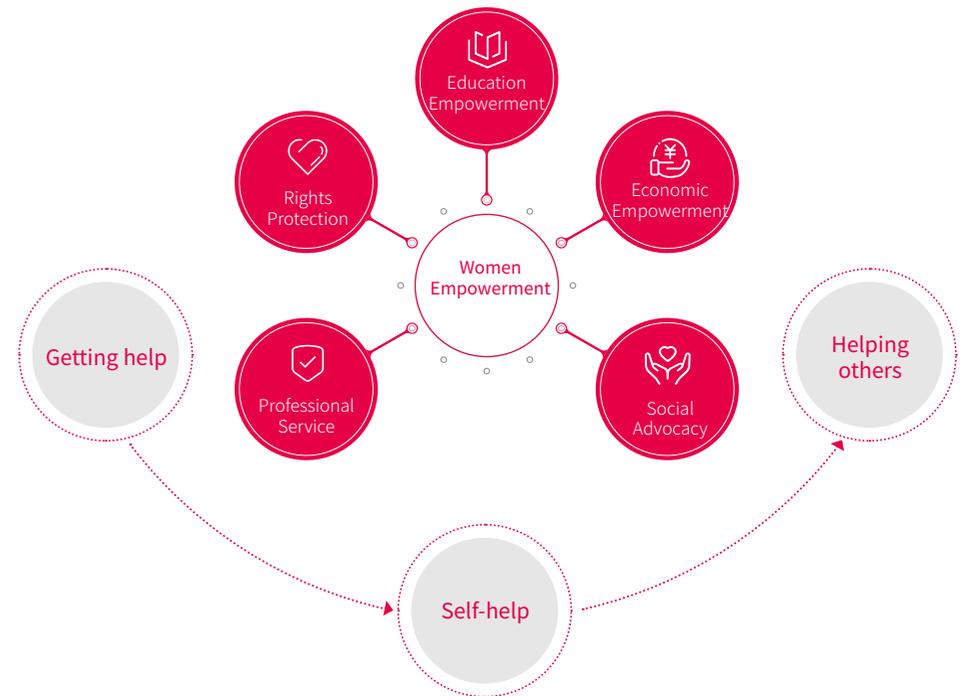
- ✓ In 2019, VIP Empowering Mother Program donated a total of RMB **2.8** million to **16** ecological circle service projects and **5** projects related to the Rose Charity Venture Investment Campaign of Women's Federation of Guangzhou.
- ✓ We released the **"Survey Report about the Living Conditions and Demand of Single Mothers in Ten Cities"** jointly with the Chinese Marriage and Family Research Institute.
- ✓ We launched **VIP Mothers Hotline**, the first free hotline in China that provides single mothers with legal and psychological consulting services.



Empowering Women to Exert Potentials

Gender equality is an important symbol of social progress as well as one of the foundations of building harmonious communities. The status of women has been significantly improved since the founding of PRC 70 years ago, and the 678 million Chinese women have become a powerful driving force for the economic, cultural and social progress of the country. Vipshop kept inputting and gathering resources, launched a host of charity programs for single mothers, rural women and women in predicament, covering professional services, economic empowerment, education

empowerment, social advocacy and rights protection. With our effort, we witnessed them shifted from getting help to self-help, and finally helping others, proving their unique charm.

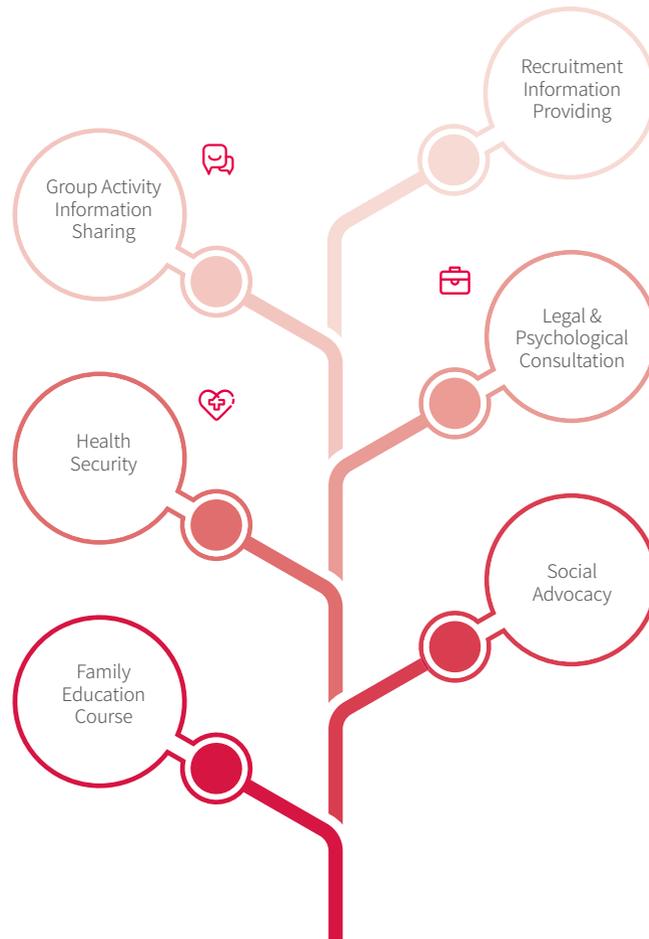


Comprehensive Empowerment for Single Mothers

Vipshop initiated VIP Empowering Mother Program, which is China's first comprehensive empowerment charity program for single mothers. Also, we set up VIP Mothers Special Fund under Guangdong Vipshop Charity Foundation, fully meeting single mothers' demands in career development, personal health, children's education and rights protection. By partnership with the China Women's Development Foundation, we established VIP Empowering Mother Charity Ecosystem, pooling more resources to integrate the online service platform with offline in-depth empowerment.

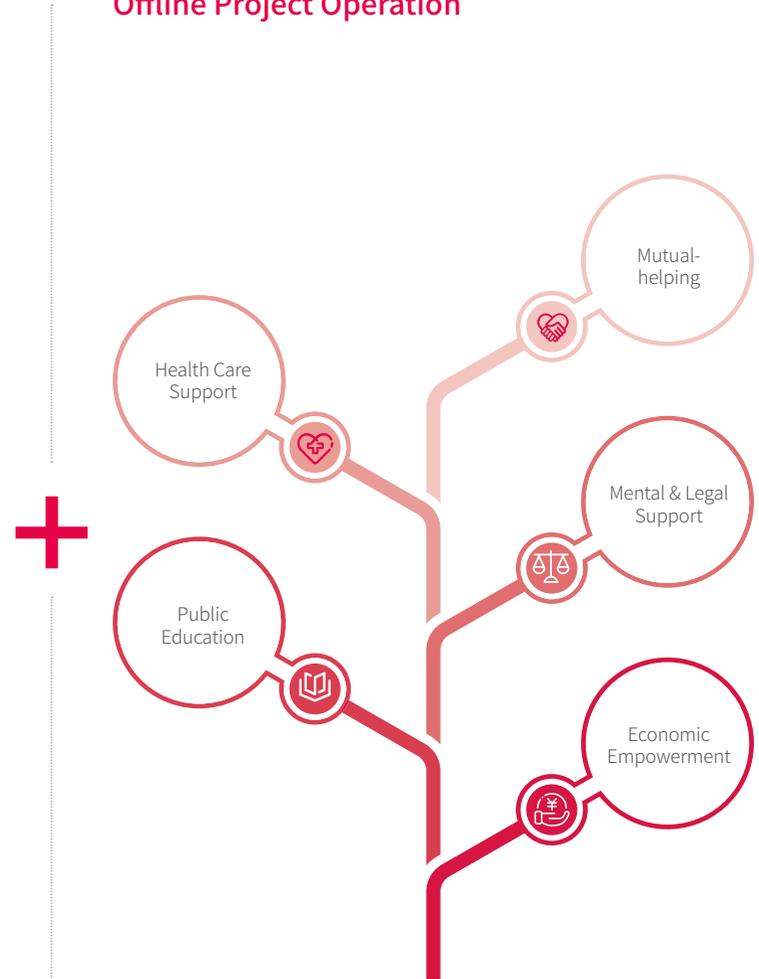


Online Information Platform



“My Charity” in Vipshop App
VIP Mothers Station

Offline Project Operation



Offline
In-depth Services

According to the “Survey Report about the Living Conditions and Demand of Single Mothers in Ten Cities” released by Vipshop together with the Chinese Marriage and Family Research Institute in 2019, legal assistance (46.4%) and psychological consultancy/tutoring (43.7%) were listed among Top 10 exigent social demands of single mothers. Therefore, VIP Empowering Mother Program publicized VIP Mothers Hotline (400-038-8888) on May 12, 2019 (the Mother’s Day), with the aim to solve single mothers’ pressing legal and psychological problems across the country practically.

In 2019, targeting at the poverty-stricken single mothers and their families in severely impoverished areas, we also collaborated with China Women’s Development Foundation to offer “one-on-one” financial aid as disease, education or other living subsidies.



V-Charity |

VIP Mothers Hotline

VIP Mothers Hotline (400-038-8888) is the first free hotline in China dedicated to providing single mothers with legal and psychological consulting services. The hotline is available 24/7, 365 days a year to help single mothers regain the confidence and ability in life by connecting them with experienced legal and psychological experts. By May 2020, the hotline had provided professional consulting services to more than 4,700 person-times in total and handled applications for legal assistance filed by 63 single mothers.



Supporting Rural Women

Rural women who live in impoverished areas are one of the major groups supported by our charity programs, as they generally suffer from poor education, unstable income and heavy burden of caring for small children or elderly relatives while their husbands work in cities, which make them hard to achieve sustainable self-development. To improve their situation, on the one hand, we actively carry out empowerment programs such as VIP Love Workshop to provide them with opportunities to realize solid income and self-value. As a result, they could have more voice in the communities and thus push rural development. On the other hand, Vipshop Education Sponsorship tends to focus on education rights of rural girls and eradicate the root cause behind the backward education for the women in poor areas.

It’s the most immediate approach to empower rural women by gaining targeted ability improvement and sustainable income. VIP Love Workshop serves as an e-commerce charity platform where rural women use their great skills of intangible cultural heritage to improve comprehensive abilities and living standards while contributing to deal with social issues like left-behind children and empty nesters as well as boost rural revitalization.

Supporting Women in Predicament

Since 2018, we have carried out VIP Her Empowerment Program as part of the Guangzhou Rose Charity Venture Investment Campaign launched by the Women’s Federation of Guangzhou, with the aim to explore and build a Guangzhou-style service system for women and their families. As of the end of 2019, a cumulative investment of RMB 1.3 million was made, 6,192 times of direct service and 1.247 million times of indirect service were provided, to improve their capabilities of solving family problems and help them live better lives.



Advancing Public Charity

“My Charity” Links Vipshop with the Public

“My Charity” in Vipshop App is an important bridge between Vipshop and the public, which allows the mass participate in various activities like “Step for Love” campaign and charity product purchase to care about a range of social issues and build a harmonious society together. With

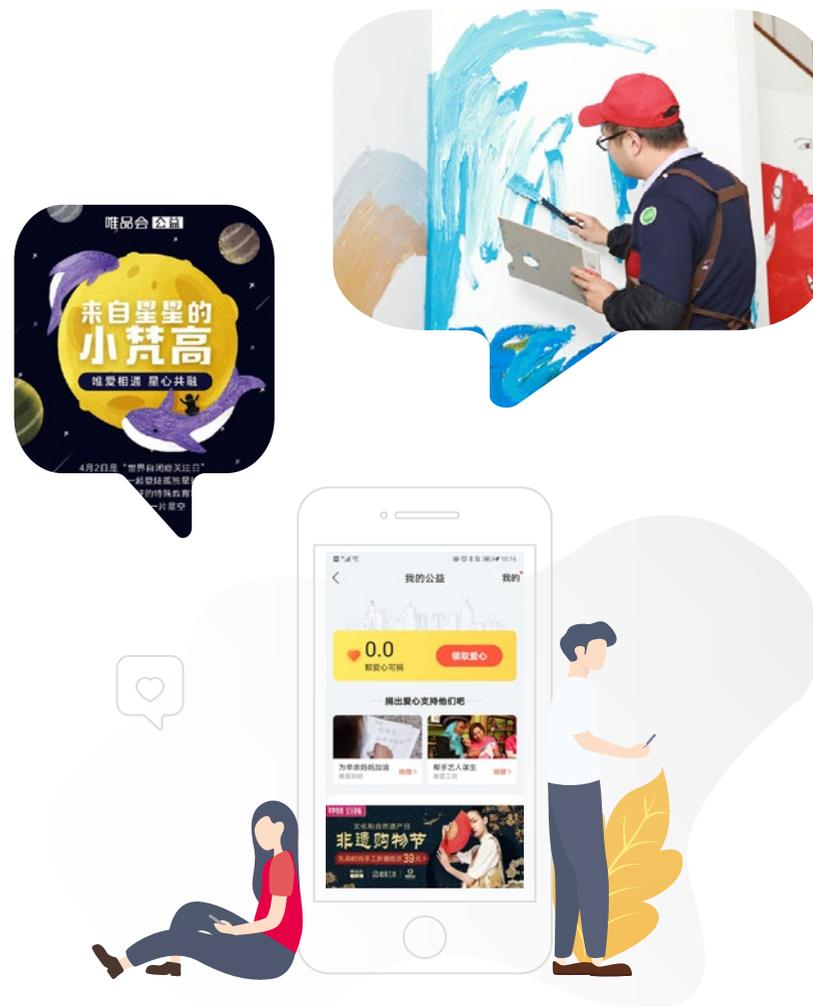
this platform, Vipshop joined with many brands and social forces to release diverse online charity programs in 2019. Therefore “My Charity” has become a hub to unite Vipshop, companies and social resources to advance innovation collaboration.

V-Charity

“Little Van Gogh from the Stars”

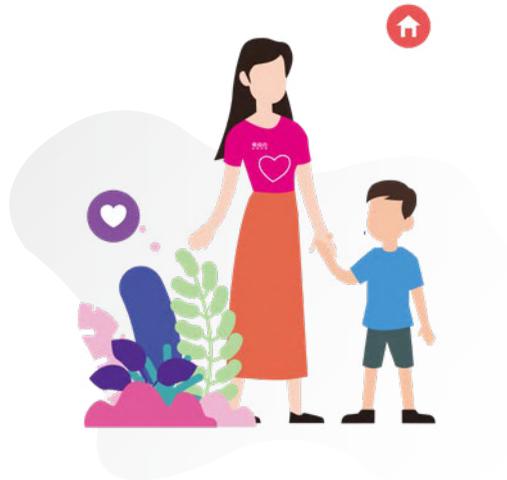
Vipshop cares for special children like those with autism through economic empowerment, art healing, charity education sponsorship and volunteer company. On April 2, 2019, on the World Autism Awareness Day, a charity activity themed “Little Van Gogh from the Stars” was held, in which audio notebooks and creative stationary derived from the works by autistic children were presented to the public. The audio notebooks introduced the challenges that autistic children often encounter when they try to merge with

the society and the changes that happen to them under the support of the society. Through this themed activity, we hope the public can learn about the predicament of the children with autism, embrace them and give the opportunity to be part of the society. Besides, we also cooperated with Light Spark Art Rehabilitation Center, World of Art Brut Culture and some other specialized institutions, in sponsoring several charity programs in support of art healing for autistic children.



Warming the Society through Staff Charity

We encourage all the staff to take active part in all sorts of charity practice through the Charity 1+1 Program, VIP Love Letter Companion Program and special charity programs for different departments. In 2019, we focused on the development of children in poor families, and every department actively participated in all the programs developed either at the company or department level, including VIP Love Special Class, VIP Love Community Tour, VIP Love for Autistic Children, VIP Love for Children with Disease and Little Migrant Bird Summer Camp.



V-Charity

Youth Activities in Guangzhou

From May 30 to June 2, 2019, the VIP Love Camp for youth exchanges was held in Guangzhou, inviting total 100 poverty-stricken children from Bijie, Guizhou Province to travel in Guangzhou. The children enjoyed distinctive sightseeing, exciting circus and cutting-edge technologies to broaden their horizon, deepen understanding of different regional cultures and gain knowledge and happiness.



Economic Performance

Corporate Governance

The Importance of This Issue to Vipshop

As a company grew in size and its internal structure became more complex, a clear and sound corporate governance system can help protect the interest of its stockholders, management, staff and other shareholders, and guarantee the realization of the Company's development goal in long term.

Vipshop's Management Approaches

Governance Overview

The Vipshop Board of Directors respects and safeguards all shareholders' rights and is responsible to investors. Under a sound governance framework, the Company continuously enhances its market competence and promotes its sustainable development. The Vipshop Board of Directors continues to play its role in strategic leadership, decision-making and risk control, and constantly improves the Company's execution and supervision mechanism involving authority with corresponding responsibility, coordinated operation, and effective check and balance. As of December 31, 2019, the Vipshop Board of Directors has nine members: Mr. Eric Ya

Shen, Chairman; Mr. Arthur Xiaobo Hong, Vice Chairman; Mr. Martin Chi Ping Lau and Mr. Jacky Yu Xu, Directors; and Mr. Chun Liu, Mr. Frank Lin, Mr. Xing Liu, Ms. Kathleen Chien, Mr. Nanyan Zheng, Independent Directors.

Vipshop continues to improve the efficiency and performance of corporate governance through predetermined financial return indicators and other financial comparison indicators related to the CEO's variable pay, including return on assets, return on equity, return on invested capital, total return to shareholders, etc.

Risk Management

Based on "Vipshop System on Risk Management", Vipshop establishes and implements effective risk management measures to anticipate and identify risks, thus preventing the Company from running into crisis. Vipshop establishes the principle of risk level assessment and risk type classification, and specifies road-maps and plans to provide guidance of risk management in all business lines and departments. Vipshop actively conducts assessments on major risks and special assessments on risk of major projects internally, implements measures to meet requirements of risk management on every level, and establishes regular risk review plan.

In addition, the Company has established a firewall to prevent business risks from being magnified internally or even affecting the overall situation, and replaces legal representatives of high-risk subsidiaries with their business leaders to reduce or isolate risks.

Internal Control

Abiding by Section 404 of the Sarbanes-Oxley Act, Vipshop establishes a systematic and standard internal control system. This system is risk-oriented, deeply integrated with Vipshop business, and explicitly defines the responsibilities of each business unit. Also, the Company embeds risk management and control into its business policies, processes, and systems by business bench-marking, individual responsibilities and solidification of IT support, to ensure the consistency and effectiveness of the system. The Company maintains control over its subsidiaries and affiliates through its power mechanism and key personnel including the charter, shareholder meetings, seats in the Board of Directors, etc. The Company controls legal instruments such as documents, certificates, and signed agreements, through OA (Office Automation).

Compliance Management

Vipshop ensures its business activities

comply with various laws and regulations by formulating various company rules and regulations. The Company sets up the Internal Audit Department to carry out regular independent internal audit of each department. The Internal Audit Department has introduced such documents as "Vipshop System on Risk Management", "Vipshop Guidelines on Business Operation and Code of Ethics", and "Vipshop Guidelines on Corporate Governance" to make independent and objective supervision and evaluation in terms of the adequacy, compliance and effectiveness of operating activities and internal control. It provides suggestions which are helpful in strengthening the effect in the process of corporate governance and risk management and control.

Highlights in 2019

In 2019, there was no fine or other non-monetary sanction due to violation of socioeconomic laws and regulations within Vipshop. There was also no incident in which employees used the seals externally thus causing significant losses to the Company.

Economic Values

The Importance of This Issue to Vipshop

As a listed company, it's the fundamental social responsibilities of Vipshop to continuously create economic value for the society and proactively pay tax according to law. It's also a fundamental way of the Company to create long-term value for stakeholders.

Vipshop's Management Approaches

- Strictly abides by relevant laws and regulations on taxation in China, operating areas and listing location, Vipshop handles business with integrity, and makes tax payments according to law. The Company continues to perfect its tax system and formulates relevant measures so as to promote the awareness of tax risk precaution.
- Vipshop discloses its corporate information to shareholders timely and accurately. The Company discloses quarterly reports and annual reports in a timely manner. Vipshop Holdings Limited Annual Reports can be downloaded on the SEC website and the Company's IR website.

- Vipshop pays close attention to industry development and construction, and joins a multiple of industry associations in China, involving e-commerce, enterprise innovation, Internet, enterprise credit construction, network/information security, and personal information protection, etc. For instance, Vipshop joins state-level, provincial-level and city-level e-commerce industry committees/associations, actively participates in industry discussions and exchanges, and supports industry activities.

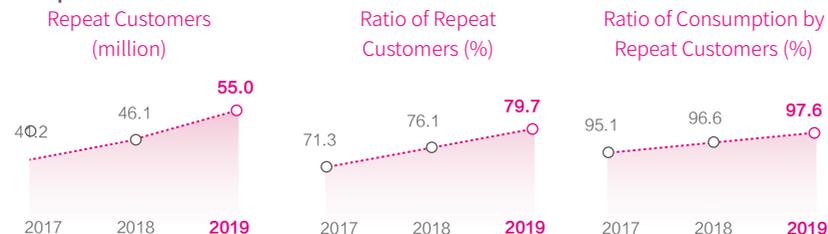
Highlights in 2019

- By December 31, 2019, Vipshop has achieved 29 consecutive profitable quarters. For more financial indicators and information including operating costs, employees' remuneration and benefits as well as shareholders' interest and payments, please refer to "Vipshop Holdings Limited 2019 Annual Report".
- In 2019, Vipshop ranked No.1 in the online flash sales market in China with a 38.1% market share.
- In 2019, Vipshop was entitled of the Top 100 most valuable brands in China by BrandZ for three consecutive years.
- In 2019, Vipshop has over 340 million registered members, and the repeat customers accounted for 79.7%
- In 2019, Vipshop donated RMB 162,000 to various industry associations.

Economic Value



Repeat Customers



Marketing Compliance and Intellectual Property Protection

The Importance of This Issue to Vipshop

It is not only the responsibility of Vipshop but also a respect for all stakeholders to comply with statutory marketing regulations and strengthening the protection of intellectual property. It helps to maintain a fair, open and orderly environment of market competition, and shall contribute to the long-term sustainable development of Vipshop and the e-commerce industry as well. Formally came into force on January 1, 2019, the “E-Commerce Law of PRC” and “Notice on Improving the Supervision of Cross-border E-commerce Retail Import Supervision” put forward more stringent requirements on issues including the legal and compliance operation as well as the intellectual property protection in cross-border E-commerce.

Vipshop’s Management Approaches

- Vipshop establishes a comprehensive pre-examination mechanism for intellectual property ownership of goods sold on its platform as well as a complaint and investigation mechanism for intellectual property infringement. The Company adopts a “zero tolerance” principle on the authorization of counterfeit brand and the sales of counterfeit goods to maximize the protection of legitimate rights and interests of right-holders and consumers.
- Vipshop continuously reinforces its compliance management in the field of market competition, unifies standards and requirements in management system and working process, and establishes a compliance review mechanism embedded in the business procedure. The Company lays emphasis upon avoiding legal compliance risks of anti-monopoly, fair competition and the protection of consumer rights.
- Vipshop formulates related guidelines on compliance for market competition, introducing examples of unfair competition and monopoly, methods to avoid unfair competition and monopoly, and relevant issues to be noted in daily operation.

Highlights in 2019

- ✓ In 2019, there was no case of any penalties or other non-monetary sanctions for selling counterfeit products within Vipshop.
- ✓ By the end of 2019, Vipshop has 1,903 trademark rights in total which indicates a 35.8% increase compared the previous year, and 169 copyrights in total which indicates a 13.4% increase.
- ✓ In 2019, Vipshop has cooperated with the tax authorities to carry out tax planning related to intellectual property, saving RMB 240 million.

Acquirement of Intellectual Property Rights*

* Due to the change in calculation, the numbers of intellectual property rights of year 2017 and 2018 are different to the numbers disclosed in previous CSR reports.



Anti-corruption

The Importance of This Issue to Vipshop

Corruption cases will bring negative impact on Vipshop’s management philosophy and corporate values, exert a severely adverse influence on the Company’s reputation, business partnerships, human resource management, and long-term sustainable development. Therefore, measures should be adopted for punishment and prevention.

Vipshop’s Management Approaches

- Vipshop develops and follows a series of anti-corruption policies, including “Vipshop Management Red Lines”, “Vipshop Regulations on Employee Honesty and Integrity”, “Vipshop System on Gifts and Bestowal”, “Vipshop Guidelines on Business Operation and Code of Ethics”, “Vipshop Agreement on Anti-Commercial Bribery”, and “Vipshop Agreement on Anti-Commercial Bribery (Employees Version)”.
- Vipshop implements the “Vipshop Management Red Lines” for all employees that contain seven articles. Once an

employee, regardless of job grade, crosses the red lines, he/she will be immediately discharged from the labor contract and relevant responsibilities will be investigated strictly. “Soliciting or accepting unjustified interests” and “taking advantage of one’s position or the Company’s resources to benefit himself/herself or particular affiliates” are two of the red lines.

- The whistle-blowing channels include report email of the internal audit department (via@vipshop.com) which is in charged by the Internal Audit Department, report email of the executives (jubao@vipshop.com) which can be checked merely by the chairman and the vice chairman of the board, and report email of the Asset Protection Department (ci@vipshop.com) which is in charged by the asset protection investigation team.
- Vipshop constantly provides Anti-corruption training to employees, emphasizing the principal that the Company strictly prohibits non-integrity and unethical behaviors such as bribery.



Highlights in 2019

- ✓ In 2019, Vipshop’s anti-corruption training covered 100% of its employees for three consecutive years.
- ✓ In 2019, there was no confirmed incident of corruption within Vipshop.

Anti-corruption

Percentage of Employees Receiving Anti-Corruption Training (%)



Confirmed Internal Corrupt Practices



Environmental Performance

Energy Consumption and Greenhouse Gas Emission

Highlights in 2019

The Importance of This Issue to Vipshop

Global warming is causing long-term changes in our climate system, resulting in hundreds of billions of dollars in annual losses due to climate disasters worldwide. Greenhouse gases produced from energy consumption are the main source of climate change. Solutions including reducing energy consumption, increasing the use of clean energy, and strengthening carbon emission management in daily operation will not only help Vipshop to reduce operational cost, but also realize low-carbon operation, improve capability of sustainable development, and make due contributions to the mitigation of global climate change.

Vipshop's Management Approaches

- Vipshop establishes a comprehensive monitoring system for energy use, which records and analyzes the consumption of water, electricity and gas so as to continuously monitor, evaluate and enhance the Company's performance on energy saving and emission reduction. We set various indicators of environmental performance, and identify and improve the deficiencies of our green office efforts by comparing and

analyzing these indicators with past ones.

- Vipshop has renovated the Guangzhou headquarters office by fully promoting LED lighting, discarding old-style split-system air conditioners with high energy-consumption, introducing low-energy HVAC systems and air energy system in newly built office areas. An automatic sprinkler system has also been installed in the garden.
- Vipshop's self-built warehouses are constructed in an environmentally friendly way according to the principle and standard of green industrial area and green architecture, and equipped with energy-saving and environmentally friendly devices. The Company also equips photovoltaic electricity generating systems on warehouse rooftops in logistics hubs.
- Vipshop constantly constructs photovoltaic power stations in logistics hubs around China so as to makes full use of clean solar energy and reduce power consumption. Vipshop South China Logistics Hub (Zhaoqing, Guangdong), the first e-commerce logistics hub powered by photovoltaic energy in China, installed solar panels on the rooftops of 12 warehouses, covering a total area of 230,000 square meters, with a gross capacity of about 22 MW; Vipshop Central China Logistics Hub

- In 2019, the photovoltaic power station in Vipshop Central China Logistics Hub (Ezhou, Hubei) has been put into use.
- By the end of 2019, the photovoltaic power stations in Vipshop South China Logistics Hub (Zhaoqing, Guangdong) and Vipshop Central China Logistics Hub (Ezhou, Hubei) generated 30,476,210 kWh of electricity in total, reducing carbon emissions by 30,385 tons.
- In 2019, 176 new-energy electric logistics vehicles were dispatched to Vipshop, bringing the total number to 656, accounting for 25% of the Company's logistics vehicles. Thanks to the new-energy electric logistics vehicles, fuel consumption within 2019 was reduced by about 780,000 liters compared with traditional vehicles, reducing carbon emissions by about 2,065 tons.
- In 2019, Vipshop added 138 national-standard diesel logistics vehicles, and eliminated 94 non-national-standard diesel logistics vehicles.
- In 2019, the total electricity consumption of Vipshop was 59,880,908 kWh, the total natural gas consumption was 841,974 m³, and the total diesel consumption was 27,550,550 liters.

(Ezhou, Hubei) has a gross capacity of around 41 MW on the rooftops of 29 warehouses, covering a total area of 520,000 square meters.

- Vipshop adopts a green transport model to reduce the environmental impact of the transport process. We have continuously increased the use of new-energy electric logistics vehicles in large cities and densely populated areas across China since 2016 to replace traditional fuel vehicles and meet new vehicle demand.

- To cultivate employees' energy-saving consciousness and habit, Vipshop implements strict electricity-saving assessment in offices. Employees are required to turn off lights and computers when leaving offices, and departments failing to meet the assessment target will be subject to financial penalties.

Energy Production

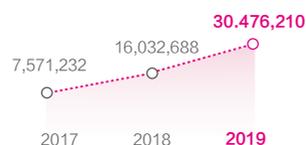
Solar Power Generation by Vipshop South China Logistics Hub (kWh)



Solar Power Generation by Vipshop Central China Logistics Hub (kWh)



Solar Power Generation in Total (kWh)



Carbon Emission Reduction (tons)



Energy Consumption (Electricity)

items	Year 2019
Guangzhou Headquarters (kWh)	9,187,979
Logistics Hubs (kWh) ¹	50,692,929
Total (kWh) ²	59,880,908

1.Include the electricity consumption of new-energy electric logistics vehicles in logistics hubs.

2.Exclude the electricity consumption of new-energy electric logistics vehicles outside of logistics hubs.

Energy Consumption (Natural Gas)

items	Year 2019
Guangzhou Headquarters (m ³)	255,532
Logistics Hubs (m ³)	586,442
Total (m ³)	841,974

Energy Consumption (Diesel)

items	Year 2019
Logistics Hubs (liters)	30,241
Traditional Fuel Vehicles (liters)	27,520,309
Total (liters)	27,550,550

Energy Consumption Cost

items	Year 2019
Guangzhou Headquarters (RMB1)	8,339,566
Logistics Hubs (RMB1)	27,122,782
Total (RMB1) [*]	35,462,348

^{*} Exclude the electricity consumption cost of new-energy electric logistics vehicles outside of logistics hubs.

Carbon Emission

items	Year 2019
Direct Emissions (Scope 1) (Ton of Carbon Dioxide Equivalent)	75,213
Indirect Emissions (Scope 2) (Ton of Carbon Dioxide Equivalent)	59,701
Carbon Emissions (Ton of Carbon Dioxide Equivalent)	134,914



Water Conservation and Ecological Conservation

The Importance of This Issue to Vipshop

Deforestation and desertification caused by human activity and climate change, together with the problem of increasing water demand and pollution led by economic development and urbanization, has posed major challenges to sustainable development and have affected the lives and livelihoods of millions of people in the fight against poverty. Assistance to the ecological conservation work such as protecting water & land resource is the corporate citizenship responsibility of Vipshop, and matches our sustainable development concept as well.

Vipshop's Management Approaches

- Vipshop advocates the conservation of water and arranges property management personnel to regularly examine water pipes and related equipment during the Company's daily operation to ensure no leakage of water service system.
- Vipshop insists on discharging sewage within an appropriate range. The sewage is discharged into the city's sewage pipe network to ensure no adverse impacts on surrounding environment.

- With regard to the disposal of hazardous wastes, Vipshop collects batteries and electronic products, and regularly sends them to professional recycling companies for recycling; as to the disposal of harmless wastes, Vipshop sorts kitchen wastes and pays for the recycling by environmental sanitation, and leaves the recycling of cartons, glass bottles and daily garbage to waste suppliers.
- Vipshop actively organizes employees to participate in environmental voluntary activities such as tree planting and marine protection.
- As one of the first verified members of the "Green Public Welfare Alliance" initiated by China Green Foundation, Vipshop has participated in the "Green Citizens in Action" program jointly sponsored by the United Nations Environment Programme, the National Greening Committee, the National Forestry and Grassland Administration, and the China Green Foundation since 2017, and continued to engaging in the work of desertification control and natural ecological conservation.

Highlights in 2019

- In 2019, there was no incident that has significant adverse impacts on water sources due to Vipshop's water consumption or illegal issue regarding sewage discharge.
- In 2019, the total water consumption of Vipshop was 597,334 m³.
- In 2019, Vipshop conducted 7 times of hazardous waste recycling, recycled a total of 6,029 pieces of hazardous waste. Besides, the Company collected and recycled 67 tons of kitchen garbage and 4 tons of waste paper.

Water Consumption



Waste*

* The waste is only calculated in the coverage of the logistics hubs.

items	Year 2019
Total Waste Generated (Tons)	31,080
Total Waste Used/Recycled/Sold (Tons)	28,547

Consumption and Recycle of Packaging Material

The Importance of This Issue to Vipshop

A series of national standard requirements including the “Packings for Express Service-Part 1: Envelopes (GB/T 16606.1-2009)” and the “Guidance on Green Packaging for Express Service (Trial)” were issued in 2018, which set the objectives of the express industry including standardization, reduction, and recycling of packaging. Facing the strengthened governance on green packaging and continued attention on environmental protection from the media and public, Vipshop understands that, as an e-commerce company relies heavily on express services in daily operations, it must take responsible actions in using environmentally friendly materials and recycling packaging materials, so as to avoid possible adverse impacts.

recycling box which can be used for multiple times and will be recycled after delivering. The used cartons from brand partners are also reused with a label of “Vipshop Environmental Protection Box” to save the packaging materials.

- Vipshop launches the “Innovative Management Approaches for the Logistics Hubs” and rewards employees who put forward possible ways to reduce the cost to the environment while improving the quality and efficiency of operations.
- 100% of the plastic packaging materials Vipshop uses are recyclable.

Highlights in 2019

- ☑ In 2019, recyclable materials accounted for 94.4% of all our packaging materials; 4,478 tons of paper packaging material, 7,300 tons of plastic packaging materials were used; 704 tons of sealing tape were used, which is a 17% reduction.
- ☑ In 2019, Vipshop focused on promoting the JITX project, with which we achieved direct delivery by brand partners for some of the goods, therefore improved the efficiency of distribution. The project has helped us to reduce about 18 million large size carton for goods transiting (approx. 27,000 tons of base paper), along with 9% of the padding (approx. 29 million pieces).
- ☑ In 2019, Vipshop improved base paper quality to reduce weight of packaging materials about 5% (approx. 7,500 tons of base paper).
- ☑ In 2019, Vipshop continued to reuse the cartons from brand partners and the recycled cartons. With a total number of about 10 million cartons we reused, approximately 5,000 tons of base paper were saved.
- ☑ In 2019, Vipshop continued to use recyclable woven bags as well as plastic woven bags recycled from suppliers, reducing the purchase of 8 million plastic woven bags (approx. 1,648 tons of plastic raw materials).

Vipshop’s Management Approaches

- Vipshop adheres to green packaging by prioritizing the use of recycled packaging materials and taking various measures to reduce the use of packaging materials. We simplified the transit shipment of goods and introduced a type of rapid-prototyping

Consumption and Recycling of Packaging Material



Labor Performance

Employment

The Importance of This Issue to Vipshop

Vipshop's success comes from joint efforts of the employees with the company. Offering employees with lawful employment conditions and reasonable and abundant incentives is the premise of Vipshop's joint development with the employees.

Vipshop's Management Approaches

- Strictly abide by the "Labor Law of PRC" and relevant local labor laws and regulations, Vipshop establishes and implements "Vipshop Management System on Salary", "Vipshop Management System on Welfare" and "Vipshop Management System on Holidays" to ensure that all employees receive reasonable salaries and benefits corresponding to their work and positions.
- Based on the initial assessment metrics, middle-year discussion and guidance, and end-year evaluation, Vipshop comprehensively reviews employees' performance and gives relevant advices.

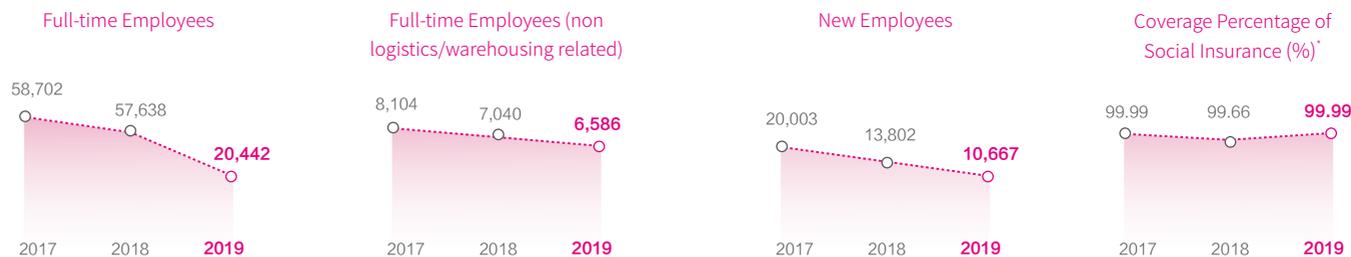
Furthermore, a restricted stock incentive plan is implemented for non-executive employees with outstanding contributions according to performance assessment results, tightening individual interests with Vipshop's long-term vision.

- Vipshop establishes a sound security mechanism for employees' personal information and sets up a human resource archive to keep related files.

Highlights in 2019

- ☑ The percentage of labor contracts of employees was 100% in 2019.
- ☑ In 2019, the restricted stock incentive plan covered about 12% of the entire employees, with the option premium reaching USD 145 million in total.
- ☑ During the dissolution of Pinjun, with adequate communication and reasonable arrangements, Vipshop properly handled contract transfer or termination with employees, and had no labor disputes.

Employment



* Employees rehired after retirement are excluded.

Employment Occupational Health and Safety

The Importance of This Issue to Vipshop

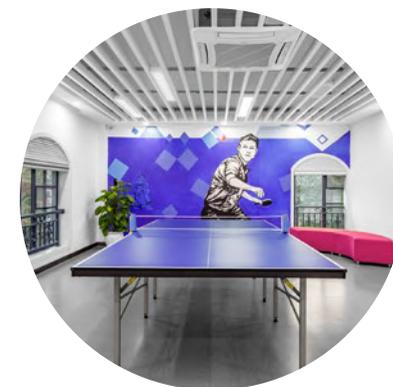
Vipshop attaches importance to the safety and physical & mental health of employees, providing a healthy and safe workplace and an occupational health protection system. It embodies our concept of achieving sustainable development together with our employees and is conducive to maintaining business stability and one mind between the employees and the Company.



Vipshop's Management Approaches

EHS System

- Vipshop establishes a complete EHS system which includes 67 specific systems. The system is updated in real time according to factors such as national policies and implementation conditions.
- According to “Vipshop System on EHS Management Committee”, Vipshop sets up a special EHS Management Committee responsible for the safety of daily operation and the management of OHS issues. The EHS Management Committee meets at least once every quarter.
- Vipshop follows a series of rules and regulations to establish a safety management system for production, including “Vipshop Policy on EHS”, “Vipshop System on Safety Production Responsibility”, “Vipshop Contractor Safety Management”, “Vipshop Awards and Punishment System on EHS”, etc.
- Vipshop follows a series of rules and regulations to form a safety management mechanism for emergencies, including “Vipshop System on Emergency Preparedness and Response”, “Vipshop System on Emergency Team Building and Emergency Duty”, and “Vipshop Prevention and Treatment on Natural Disaster”, etc.
- Vipshop establishes “Vipshop System on EHS Information Communication”, encouraging employees to identify EHS related risks and report them to the EHS Management Committee via SMC@vipshop.com.
- Vipshop promises to take effective measures in the process of production and operation in preventing employees from injure, the environment or property from damaging. Our vision is the six “zero”, namely, zero environmental accident, zero fire accident, zero transport accident, zero injury, zero tolerance of unsafe behavior and situation, zero violation of EHS regulations and business ethics.
- Vipshop appoints independent third-party experts to regularly review the Company's EHS performance in production, operation and management and issue reports on the results. Besides, the Company communicates openly with employees, customers, stockholders, investors, governments and communities to disclose the performance on EHS implementation.



OHS Measures

- Vipshop incorporates the concept of safe production in performance appraisal and remuneration management of the management layer. Our management signs the safety responsibility statement every year.
- Vipshop sets up recreational facilities including gymnasiums, dancing studios, yoga areas and basketball courts, organizes various sports clubs and hold activities such as long-distance running and hiking occasionally.
- Vipshop establishes the Employee Assistance Program (EAP) for psychological assessments on employees, and hires

professional psychological consultants to provide daily counseling services to employees, so as to ensure their mental health.

- Vipshop provides employees with annual regular physical checkups, sets up clinics and physiotherapy rooms for medical treatment, physiotherapy and traditional Chinese medicine healthcare.
- Vipshop organizes regular safety production training and fire drills to enhance employee's safety awareness.
- Vipshop regularly cleans and disinfects the whole workplace to create a comfortable and clean office environment.

Highlights in 2019

- ☑ In 2019, there was no EHS accident including case of fire nor case that violated environmental laws or regulations within Vipshop.
- ☑ With a coverage rate of 100%, Vipshop conducted environmental monitoring on all projects, including facilities under construction, logistics hubs, and office areas, in 2019.
- ☑ In 2019, we recorded 25,000 person-times of employee participation in safety drills, with a participation rate of 100%.
- ☑ In 2019, the proportion of employees accepting physical checkups reached 100% for fourth consecutive years.
- ☑ In 2019, Vipshop received the AEO (Authorized Economic Operator) Certification, keeping up with international standards on safety of workplace, personnel, cargo, and conveyance.

EHS Performance



* The LTIF Rate is only calculated in the coverage of the Guangzhou Headquarters.

Staff Training and Career Development

The Importance of This Issue to Vipshop

The growth of employees is vital to the growth of the Company and the development of employees concerns the development of the Company. Improving employees' competence and offering them fair career development channels to let them give full play to their strengths at work will help Vipshop build a sustainable workplace and remain competitive in the talent market.

Vipshop's Management Approaches

- Various training programs have been carried out to meet different employees' demands along their career path. For instance, we organize training camps for new-joiners and night schools for those who want to improve their abilities after work. Other training programs include: Vipshop Meta Skills, Buoyant Workplace, V-Learning, The Way of Vipshop — Training Camp for Managers and Business Training.
- Vipshop encourages employees to actively pursue further study and keep up with the business development of the Company.

Qualified employees can apply for education grants. For instance, employees obtaining Master, Doctor, MBA and EMBA degrees or professional certificates can get corresponding grants according to relevant regulations.

- Vipshop established a management/technical dual-track career path to provide employees with reasonable and fair opportunities for career development. The promotion of employees will be reviewed by special promotion review committees for various positions (including technical post evaluation committee, product post evaluation committee and marketing post evaluation committee).

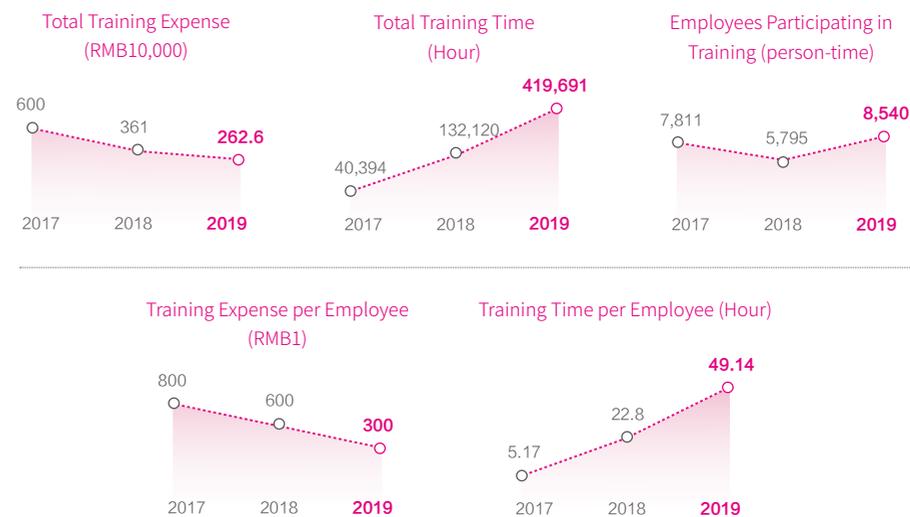


Highlights in 2019

- ☑ In 2019, 100% of employees participated in vocational skills training.
- ☑ In 2019, benefited from V-Learning and other online programs, the training time per employee reached 49.14 hours (exclude employees of logistics, customer service and offline stores), which is 2.2 times of the number in 2018.

Training Performance*

* Employees of logistics and customer service are excluded from their separate training systems.



Staff Diversity

The Importance of This Issue to Vipshop

Diversification of employees can bring more energy and development potential to the Company, and enable more communication and mutual promotion between employees. Treating every applicant and employee equally with no discrimination due to inborn factors helps Vipshop to better discover and attract potential talents, build an energetic employee team, and reserve power for our long-term development.

Vipshop's Management Approaches

Vipshop strictly abides by relevant laws and regulations, constantly improves the comprehensive employment system, and implement an open, fair and equal recruitment and employment system to prevent candidates and employees from inequalities or discrimination due to their nationalities, races, genders, religions, backgrounds, sexual orientations, lifestyles or any other relevant factors.

Highlights in 2019

☑ In 2019, there was no case of discrimination due to nationalities, races, genders, religions, backgrounds, sexual orientations, lifestyles or any other relevant factors within Vipshop.

Ratio of Different Groups of Employees

Ethnic Minorities Employees (%)



Disabled Employees (%)



Non-resident of Mainland China Employees (%)



Age Ratio of Employees

Between 18 and 30 (%)



Between 31 and 40 (%)



Over 40 (%)



Gender Ratio of Employees

Male Employees (%)

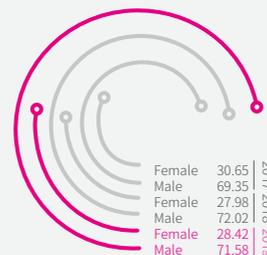


Female Employees (%)

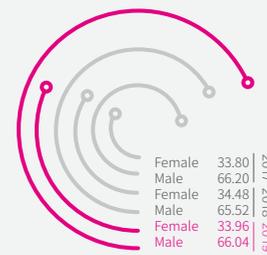


Gender Ratio of Employees in Different Levels

Senior Management (%)



Middle Management (%)



General Employees (%)



Staff Communication and Welfare

The Importance of This Issue to Vipshop

An unblocked mechanism of employee communication and a sound system of employee welfare help us to enhance employees' sense of well-being, recognition and belonging, promote the stability of human resources structure, identify and prevent internal or business risks, and make Vipshop a company of attractiveness.

Vipshop's Management Approaches

Communication Channels

- Vipshop actively establishes and promotes the communication mechanism with employees, and adopts various approaches like WeChat official account on corporate culture and employee satisfaction surveys to learn about employees' appeals and suggestions; figure out strength and weaknesses of management, and opportunities and risks in operation; and enhance more transparent corporate governance.

- Vipshop regularly holds meetings of staff representatives to collect their opinions, follows up and gives feedback on relevant departments' improvement in time.
- Communication Meeting on Various Themes: each department regularly holds communication meetings to discuss the adaptation of new employees.
- Employee Communication Meeting: each department collects opinions and suggestions of employees periodically, and solves relevant problems together in internal communication meetings.
- Public Mailbox: the collected opinions will be categorized and submitted to relevant departments, and the improvement will be tracked.

Staff Welfare

- Vipshop provides statutory paid annual leave according to their length of service, as well as paid leave such as extra annual leave and sick leave.

Highlights in 2019

- In 2019, the Labor Union focused on sports events and invested over RMB 250,000 in supporting 200-plus activities launched by 17 clubs with over 4,000 participants.
- In 2019, the VIP Love Fund provided 1.79 million donations to employees with difficulties.

Assistance to Employees in Difficulties

Donations for Employees in Difficulties (RMB10,000)



Number Employees in Difficulties Receiving Donation



- Vipshop establishes a comprehensive welfare system of "Benefiting, Caring, and Growing up", providing employees with considerate care and benefits.
- Vipshop carries out welfare measures for employees in special situations, including pregnancy, breastfeeding, disabilities and financial difficulties. We provide breastfeeding leave, and nursery facilities equipped with toilet, refrigerator, dining table air conditioning are put in place in office areas. Pregnant employees can enjoy the priority to take meals at special zones of our canteens. We also promote working experience of working mothers through special lectures and parent-child activities.
- Vipshop sets up the VIP Love Fund to help employees with difficulties or emergencies.
- Vipshop has a flexible work schedule. Employees are allowed to arrange their working hours within certain limits on the condition that they meet the job requirements.
- Vipshop holds parent-and-child day regularly, inviting children of employees to the Company for a wonderful time of parent-child interactions, which improves the sense of happiness of employees and their families. Vipshop also organizes summer camps in which children of our employees partner with children in poverty-stricken areas to help them, and our employees and their children achieve happiness and growth.

Staff Human Rights

The Importance of This Issue to Vipshop

Human rights are the fundamental rights of employees. As a multinational corporation, Vipshop respects and protects the human rights of our employees, while abiding compliance recruitment and protecting employees' interests.



Vipshop's Management Approaches

- In accordance with the United Nation's "Universal Declaration of Human Rights", "Global Compact", and "Guiding Principles on Business and Human Rights", along with the "Labor Law of PRC" and other related laws and regulations, Vipshop establishes internal policies and commitments on respecting and protecting human rights, respects and protects basic human rights of internal and external personnel related to the Company, and requires that business activities of our suppliers and brand partners may not involve any infringement of human rights.
- Vipshop puts emphasis on safeguarding the human rights of employees in its operation. The scope of the implementation of relevant safeguarding measures covers the Company's internal hiring and evaluation of brand partners and suppliers.
- Vipshop maintains the right of employees to participate in and express opinion on the Company's operations. To improve employees' participation in corporate governance, we regularly convene meetings of staff representatives, explaining issues involving the interests of employees and major changes of the Company and soliciting their advice.

introduce or will be eliminated by Vipshop.

- Vipshop conducts risk evaluation and survey of stakeholders every year to identify existing or potential human rights problems in the company and our supply chain. For the human rights problems found, relevant departments will discuss and work out corresponding measures and plans.
- As a corporate citizen, Vipshop also pays attention to the rights of disadvantaged groups to education and development. We identify and focus on impoverished people, women and youth, carries out social investigation to learn about their real needs, develops and continuously invests in charity projects on their growth and development.

Highlights in 2019

- ✓ In 2019, there was no internal incident involving human rights abuses such as employee exploitation, forced labor, and use of child laborers within Vipshop.
- ✓ In 2019, there was no verified incident involving human rights abuses such as employee exploitation, forced labor, and use of child laborers in Vipshop's brand partners and suppliers.

Social Performance

Information Security and Customer Privacy Protection

The Importance of This Issue to Vipshop

As a company having access to privacy information of customers, Vipshop adopts strict information security protection system and measures, and improves technical and management capability for the protection of customer information security and confidentiality, which is helpful for increasing customers' trust in the Company and maintaining business stability.

Vipshop' s Management Approaches

- Vipshop has obtained the ISO 27001 certification which covers management-related activities such as operation and maintenance of the Company' s business systems, computer equipment management, personnel information security, data security, etc.
- Vipshop implements the “Vipshop Management Red Lines” for all employees. “Stealing, leaking and selling confidential information of the Company” and “attacking or exploiting vulnerabilities of the Company” are two of the red lines.
- Vipshop develops “Vipshop Management

Manual for Information Security”, “Vipshop Strategy for Information Security” and “Vipshop Management Measures for Information Security Incidents”, clarifying the Company' s policies, guidelines and strategies on information security management, and assuring that information security incidents can be solved efficiently and effectively. The documents will be annually reviewed by the information security committee composed of the board of directors and senior leaders to determine the need for revision or updates.

- Vipshop establishes “Management Measures for Business Continuity Safety” and “Business Continuity Plan”, and conducts a test of relevant plans at least once a year.
- Vipshop sets up the Information Security Office which is responsible for the Company' s information security as well as a Security Emergency Response Center to maintain effective communication with security agencies and personnel as well as collect and dispose cyber threats.
- Vipshop carries out corresponding training courses and exams on information security awareness for new recruits and in-service staff, develops a clear reporting process for suspicious matters of information or network

Highlights in 2019

- ☑ In 2019, Vipshop checked internal implementation of the “Cybersecurity Law of PRC”, and incorporated relevant requirements of GDPR and “E-commerce Law of PRC” into the scope of risk management to ensure compliance with information security laws and regulations.
- ☑ In 2019, Vipshop launched the Employee Security Class, which offers more systematic online information security training to employees at different positions.
- ☑ In 2019, Vipshop updated the “Vipshop Management Measures for Information Security Incidents”, and began to implement it from January 1, 2020. The update optimizes management responsibilities and procedures for information security incidents and stipulates that if an employee violates the regulations, relevant management personnel will bear joint liability and be punished.
- ☑ In 2019, there was no confirmed information security incident within Vipshop. In addition, we did not receive complaint from consumers or supervision organizations on information security incident that have been confirmed afterwards.
- ☑ In January 2020, Vipshop joined the newly established Guangzhou Cybersecurity Industry Promotion Association.

security, and incorporates information security into the employee' s performance evaluation.

- Vipshop formulates “Customer Service Specification on Member' s Request for Verification of Account Information” to guide the customer service personnel on customer privacy protection.
- Vipshop hires third-party organizations to review and certificate the information security management system, and conduct technical

consultation and overall safety risk assessment. We also set up an internal special inspection team to examine our brand partners' performance on information security.

- Vipshop conducts regular security vulnerability inspections and invites security companies to detect system vulnerabilities. Vipshop' s e-commerce platform, payment, customer service, supplier, big data and network systems have all obtained Level-3 certification of classified cybersecurity protection.

Supply Chain Management

The Importance of This Issue to Vipshop

Vipshop's supply chain management mainly consists of brand partner management and supplier management. As an e-commercial retail enterprise, its sustainability performance is closely related to the performance of its brand partners and suppliers. By enhancing communication and sharing strengths, Vipshop establishes win-win relationships with brand partners and suppliers, providing effective assistance for the long-term sustainable development of all parties.

Vipshop's Management Approaches

Management System

- The brand partners of Vipshop refer to those who supply the products sold at Vipshop. Vipshop has developed a KA brand management system to strengthen the cooperation with brand partners and monitoring on the operation. Vipshop's judgment criteria of the KA brand includes the brand's sales performance, brand influence, and potential. Meanwhile, according to the characteristics of customers

and the strategic direction of the Company, Vipshop chooses brands that are highly consistent with the strategy of "flash sale on branded products", in order to achieve a win-win situation for customers, Vipshop, and brands.

- The suppliers of Vipshop refer to those who provide Vipshop with Internet Data Center (IDC) server devices, critical logistics equipment, warehouse construction and assistance in key/strategic projects. Vipshop gives priority to local suppliers when selecting suppliers.
- The evaluation process of suppliers includes the following steps: qualification assessment (review on qualification documents), site/project inspection, technical/business assessment and contract fulfillment/performance assessment. Vipshop includes ESG audit factors (product quality, safety production, employee relations, labor disputes, environmental protection, etc.) in its mechanisms of supplier selection, performance evaluation of contract fulfillment, and elimination. Vipshop gives priority to suppliers with ISO 9001 certificate and ISO 14001 certificate, eliminates or refuses to select unqualified suppliers, thus ensuring stable, reliable and excellent resources in the supply chain.

- Vipshop requires all suppliers to clarify whether they have received the SA 8000 certificate during the qualification assessment.
- Vipshop establishes procurement policies such as "Vipshop Management Procedure on Procurement", and insists on signing business contracts, confidentiality agreements, and "Vipshop Agreement on Anti-commercial Bribery" with all brand partners and suppliers.
- The Legal Department is responsible for ensuring supply chain compliance, and manages brand partners and suppliers mainly from five aspects, including qualification and contract examination, update and revision of contracts, formulation and revision of management specifications, system optimization and legal inspection of warehouse.
- The Business Center, Asset Purchase Department, Legal Department and Financial Center exam the compliance status of brand partners and suppliers annually. We will terminate our cooperation with those who cannot meet our requirements on customer complaints and compliance of lawsuits.
- The Asset Purchase Department conducts

a annual CSR survey on suppliers, covering more than 30% of the suppliers who cooperated with Vipshop in three years.

- Vipshop sets requirements on safety and environmental protection for suppliers involved in on-site construction and supervises their operation.

Communication Method

- Vipshop dedicates to establishing a multi-channel, process-efficient and regular communication mechanism with brand partners, so as to achieve mutually beneficial cooperation. We regularly organize brand partners to pay visits at the Company, and the on-site meeting with KA brands can reach 2 to 3 times a month. We hold conferences with brand partners annual or semi-annual on the company level and quarterly on the category division level.
- Vipshop actively enhances communication with suppliers. We hold annual or semi-annual conferences with suppliers and conducts discussions on network security and logistics technology from time to time through on-site meetings. We also implement anti-corruption training for all of our suppliers.



Highlights in 2019

- ☑ By the end of 2019, Vipshop had a professional buyer team of over 1,000 members.
- ☑ Together with supply chain and internal audit departments, the Legal Department has revised and drafted eight management rules on performance and management of self-run and MP platform suppliers, including “Bogus Transaction Control Rules”, “Same Style and Artificially High Marked Price Control Rules”, “Detailed Rules for MP Commodities Quality Sampling”, “Notes for Qualification Verification of Vipshop Open Platform Shops”, and “Entry Rules for Health Examination Card/Medical Service Card/ Game Card”, to strengthen risk control.
- ☑ During the review of domestic suppliers, the Legal Department identifies associated relationship of bidding suppliers with the help of TianYanCha to control risks.
- ☑ In 2019, Vipshop held two training classes for suppliers of our offline stores.
- ☑ In 2019, Vipshop’s anti-corruption training covered 100% of its suppliers.

Supply Chain Management

Accumulated Brand Partners



Percentage of Brand Partners' Contracts Compliance(%)



Suppliers



Percentage of Suppliers' Contracts Compliance (%)



Quality of Products

The Importance of This Issue to Vipshop

Product quality is the baseline of a responsible e-commerce company. As the bottom line of quality and the most important part in consumers' shopping experience, authenticity naturally becomes core competitive fields for e-commerce platforms in the new age. By protecting the health and safety of customers and bringing no risks to them, we safeguard the legitimate rights and interests of customers, maintain the stability of social and economic order, and help to avoid operational risks for ourselves.

Vipshop's Management Approaches

- The “10 Guarantees for Authenticity” includes strength-based reliability, goods supply guarantee, authorization guarantee, quality inspection guarantee, logistics guarantee, quality guarantee, third-party guarantee, after-sales guarantee, credit guarantee, and authority guarantee.
- The “9 Articles for Quality Control” includes take responsibility in the first place, quality management system certification, formal authorization of well-known brands, on-site inspections by professional institutions, 8 checkpoints for product quality, human-machine interacted verification of advertisement, traceable close-loop service process, 7-day no-reason return or refund, and multiple insurances.
- Vipshop establishes a quality evaluation system to conduct comprehensive quality evaluation and level-to-level administration on brand partners through pre-sale and in-sale spot check and after-sale complaints review. In this way, we can take different treatment and issue different quality improvement measures that adopt brand partners at different quality levels.
- Vipshop reviews on products' quality and certification before sale. Only products approved by third-party quality inspection agencies shall be allowed to put online. This system also contains a veto on unqualified goods regarding standard of health.
- Vipshop adopts several measures to guarantee authenticity such as “10 Guarantees for Authenticity” and “9 Articles for Quality Control”, and establishes a quality control team consists of staff of legal affairs, supply chain and logistics hubs. The team implements quality control on the whole closed-loop process covering process of “before purchase, before warehousing, in warehousing, after warehousing, sale, and after sale”. In this way, we comprehensively protect customer rights throughout every detail ranging from the source of goods to the operation process and after-sales service.

Highlights in 2019

- ✓ By the end of 2019, Vipshop's quality control team had about 1,000 members to ensure every link is under the control of systematic procedures and professional teams.
- ✓ In 2019, Vipshop carried out a review of brand partners' quality control system, involving “commodity quality documents”, “company quality management documents”, “human resources”, “supplier and manufacturer management”, “procurement and warehouse entry management”, “non-conformance control”, “warehouse management” and “after-sales services”, to help brand partners find defects in quality management, and proposed rectification measures to help brand partners enhance quality management level.
- ✓ Vipshop compiled a series of quality control standards and rules including the “Woven Clothing”, the “Knitwear”, the “Quality Standards and Sampling Rules for Digital Products”, the “Quality Standards and Sampling Rules for Lamps and Lantern” and the “Quality Standards and Sampling Rules for School Supplies”.
- ✓ In 2019, Vipshop organized 5 quality training for brand partners, involving over 600 brand partners and over 1,000 participants.
- ✓ In 2019, Vipshop had no product recall.

- Every commodity sold by Vipshop must go through our original inspection process of 5 inspections before sale and 3 inspections during sale, and be subject to daily random sampling.
- Every self-run commodity of Vipshop is insured by PICC, with promised compensation for purchase of fakes.
- Vipshop provides review service for brand partners to help them establish a sound supply chain quality system by reviewing their quality systems. In this way, we can improve the quality of products we sold from the origin.

Health and Safety of Consumers

Proportion of Important Products Received Health and Safety Assessment (%)



Quality of Customer Service

The Importance of This Issue to Vipshop

Improving quality of customer service not only provides customers with good shopping experiences but also helps Vipshop to creating a good relationship with customers and a stable membership system. We implement the customer service concept of “serving customers wholeheartedly”, and dedicates ourselves to creating perfect service experience for customers.

Vipshop’s Management Approaches

- Vipshop keeps strengthening connections with members, establishes a growth system and a loyalty system for members, and sets up a monetary reward system for loyal members. Besides, we launched the Super VIP Paid Membership Program in 2017 to promote our service for members.
- Vipshop is committed to increasing operating efficiency and reducing operating cost by building an intelligent and automatic warehousing system, so as to improve logistics experience which is a core competitiveness of e-commerce platforms.
- The Customer Service Center regularly conducts telephone surveys and online

surveys on customer satisfaction.

- Vipshop establishes a complete after sales refund or replacement system for consumers. In addition to 7-day no-reason return commonly practiced in the industry, we also offer speed return or refund service with the help of self-run warehousing system and SF express.
- Before October 2019 (inclusive), Pinjun, the logistics company under Vipshop, was responsible for warehousing and delivery of goods sold by Vipshop (a few third-party express companies were used for delivery); after October 2019 (exclusive), goods delivery was handed over mainly to SF and partially to third-party express companies.

Consumer Satisfaction



Highlights in 2019

- ✓ By the end of 2019, Vipshop has 7 logistics hubs across China which adopts automatic warehousing technologies in inventory management, commodity sorting and package sorting, providing customers with faster and more reliable logistics services.
- ✓ By the end of 2019, Vipshop has implemented warehouse automation projects in 5 logistics hubs across China, and had more than 1 million m2 automatic warehouse space and 42km transmission line, equipped with the world’s largest honeycomb system and 3 world’s most advanced commodity sorting machines.
- ✓ By the end of 2019, Customer Service Center had 1,163 professional staff.
- ✓ In 2019, the satisfaction degree through telephone surveys was 98%.
- ✓ In 2019, the Customer Service Center adjusted online survey from three-level satisfaction to more refined five-level satisfaction so as to better understand customer opinions.
- ✓ In 2019, we continued to build our own intelligent customer service robot. By introducing business scenarios, building several rounds of anthropomorphic talks, and deepening interactive experience, we greatly improve pre-sale and after-sale customer service experience, and increase resolution rate from 67.2% to 81.7% year on year.
- ✓ In 2019, Vipshop continued to improve customer service timeliness, with 24H resolution rate increased to 70% and 72H resolution rate to 95%, which promotes customers’ shopping experience.

Charity

The Importance of This Issue to Vipshop

As a large-scale enterprise, we shall balance improvement of economic performance and performance of social responsibilities. With channel advantage brought by the Internet and our own advantages, Vipshop seeks various charity opportunities to contribute to the society, which is conducive not only to sustainable development of the society but also to enhancement of our image and brand value.

Vipshop's Management Approaches

- Vipshop emphasizes and actively participates in community construction. We established the Guangdong Vipshop Charity Foundation to provide reliable support for charity programs and community development.
- With the mission of “improving quality of life and enhancing experience of happiness”, Vipshop actively seeks out the appropriate connection with community welfare and the best implementation plan for charity programs in line with full strength of e-commerce businesses. With sustainable development as the core, equitable empowerment as the pivot and cross-interconnection innovation as the engine, we have collected loving energy of the public and forged a unique e-commerce charity model. Adopting this model, Vipshop

constantly focused on targeted poverty alleviation, women empowerment and youth development, and developed several “VIP Love” charity programs, including Vipshop Education Sponsorship, VIP Empowering Mother Program, VIP Love Workshop, and VIP Love Aid for Agriculture. Meanwhile, the “My Charity” platform was launched in Vipshop App in order to offer easy, efficient and diverse ways to join in charity programs, making it possible and reachable for the masses to participate in charity undertakings.

- We support professional community institutions to conduct research and evaluation on special groups such as female sanitation workers, children with autism and single mothers, so as to learn more about their current situation and life needs, design and carry out corresponding support and services.
- Vipshop establishes a sound volunteer management system and actively encourages employees to participate in community development activities. Each employee is entitled to a one-day paid charity leave each year.
- Vipshop sets targets on the effectiveness of charity programs as quantitative evaluation. The targets for 2019 include: the cumulative number of VIP Mothers Artisan Cooperative funded by VIP Love Workshop reaches 10; the cumulative number of support we provide for women in need through our women empowerment programs exceeds 60,000 times; the cumulative number of people participated in “Step for Love” campaign of “My Charity” in Vipshop App reaches 60 million.

Highlights in 2019

- ✓ In 2019, Vipshop inputted over RMB 32 million in charity, excluding an administrative cost of RMB 0.096 million.
- ✓ Vipshop partnered with 76 poverty-stricken counties through the VIP Love Aid for Agriculture and VIP Love Workshop.
- ✓ VIP Love Workshop funded 11 VIP Mothers Artisan Cooperatives in six provinces and autonomous regions, which fulfilled the target; partnered with 18 state-level poor counties, and collaborated with over 20 brands and many designers to create more than 250 types of fashion products with 35 intangible cultural heritage crafts such as batik and Miao Nationality embroidery.
- ✓ By the end of 2019, we have invested over RMB 46 million to support women in need for more than 75,000 times through our women empowerment programs, which fulfilled the target.
- ✓ VIP Empowering Mother Program launched VIP Mothers Hotline (400-038-8888), the first free hotline in China that provides single mothers with legal and psychological consulting services.
- ✓ In 2019, Vipshop Education Sponsorship invested RMB 14.785 million, helping 6,400 poverty-stricken students.
- ✓ In 2019, 8,281 person-times of our staff offered 44,369.5 hours of voluntary service in total.
- ✓ By the end of 2019, “My Charity” in Vipshop App has attracted over 60 million people to participate in “Step for Love” campaign, which fulfilled the target.
- ✓ In 2019, 66.2% of our input on charity programs went to charitable donations, while 33.8% of it went to community investments.

GRI Standard Index

GRI Standard Index	Page
General Disclosure	
Organizational Profile	
102-1	P8
102-2	P8
102-3	P8
102-4	P8, P19-21
102-5	P8
102-6	P8
102-7	P8
102-8	P43, P68
102-9	P24-27, P76-77
102-10	P79
102-13	P61
Strategy	
102-14	P4-5
102-15	P4-5
Ethics and Integrity	
102-16	P10, P62-63
102-17	P62-63
Governance	
102-18	P9
102-19	P11
102-20	P11
102-21	P13
102-22	P60
102-23	P60
102-24	P60
102-26	P4-5, P12
102-27	P4-5, P12
102-29	P12
102-30	P60
102-31	P12-13
102-32	P4-5, P11
102-33	P12-13
102-34	P12-13
102-35	P60
102-36	P60

GRI Standard Index	Page
Stakeholder Engagement	
102-40	P13
102-41	P73
102-42	P13
102-43	P13
102-44	P13
Reporting Practice	
102-45	P1
102-46	P1, P12
102-47	P12
102-50	P1
102-51	P1
102-52	P1
102-53	P1
102-55	P81-82
Topic-specific Disclosure	
Economic	
Economic Performance	
Management Approach	P61
201-1	P8, P61
201-4	P61
Market Presence	
Management Approach	P61
Indirect Economic Impacts	
Management Approach	P80
203-1	P80
203-2	P80
Procurement Practices	
Management Approach	P76-77
204-1	P76-77
Anti-corruption	
Management Approach	P63
205-1	P63
205-2	P63
205-3	P63

GRI Standard Index	Page
Anti-competitive Behavior	
Management Approach	P62
206-1	P62
Environmental	
Materials	
Management Approach	P35, P67
301-1	P35, P67
301-2	P35, P67
301-3	P35, P67
Energy	
Management Approach	P33-38, P64-65
302-1	P33-38, P64-65
302-4	P33-38, P64-65
302-5	P33-38, P64-65
Water	
Management Approach	P66
303-1	P66
303-2	P66
303-3	P66
Biodiversity	
Management Approach	P38, P66
304-2	P38, P66
Emissions	
Management Approach	P64-65
306-1	P64-65
306-2	P64-65
306-5	P64-65
Effluents and Waste	
Management Approach	P66-67
306-1	P66
306-2	P67
306-5	P66
Environmental Compliance	
Management Approach	P64-67

GRI Standard Index	Page
307-1	P64-67
Supplier Environmental Assessment	
Management Approach	P76
Social	
Employment	
Management Approach	P68
401-1	P68
401-2	P45-46, P73
401-3	P45-46, P73
Labor/Management Relations	
Management Approach	P68
Occupational Health and Safety	
Management Approach	P45, P69-70
403-1	P45, P69-70
403-2	P45, P69-70
403-4	P45, P69-70
Training and Education	
Management Approach	P40-41, P71
404-1	P71
404-2	P40-41
404-3	P40-41
Diversity and Equal Opportunity	
Management Approach	P72
405-1	P72
Non-discrimination	
Management Approach	P43, P72
406-1	P43, P72
Freedom of Association and Collective Bargaining	
Management Approach	P73

GRI Standard Index	Page
Child Labor	
Management Approach	P43, P74
408-1	P43, P74
Forced or Compulsory Labor	
Management Approach	P43, P74
409-1	P43, P74
Human Rights Assessment	
Management Approach	P43, P74
Local Communities	
Management Approach	P47-58, P80
413-1	P47-58, P80
Supplier Social Assessment	
Management Approach	P76-77
414-1	P76-77
Customer Health and Safety	
Management Approach	P78
416-1	P78
Marketing and Labeling	
Management Approach	P62
417-1	P62
417-2	P62
417-3	P62
Customer Privacy	
Management Approach	P30, P75
418-1	P30, P75
Socioeconomic Compliance	
Management Approach	P78-79
419-1	P78-79

唯品会
品牌特卖

No. 20 Huahai Street
Liwan District, Guangzhou 510370
People' s Republic of China
Telephone: +86 (20) 2233-0000