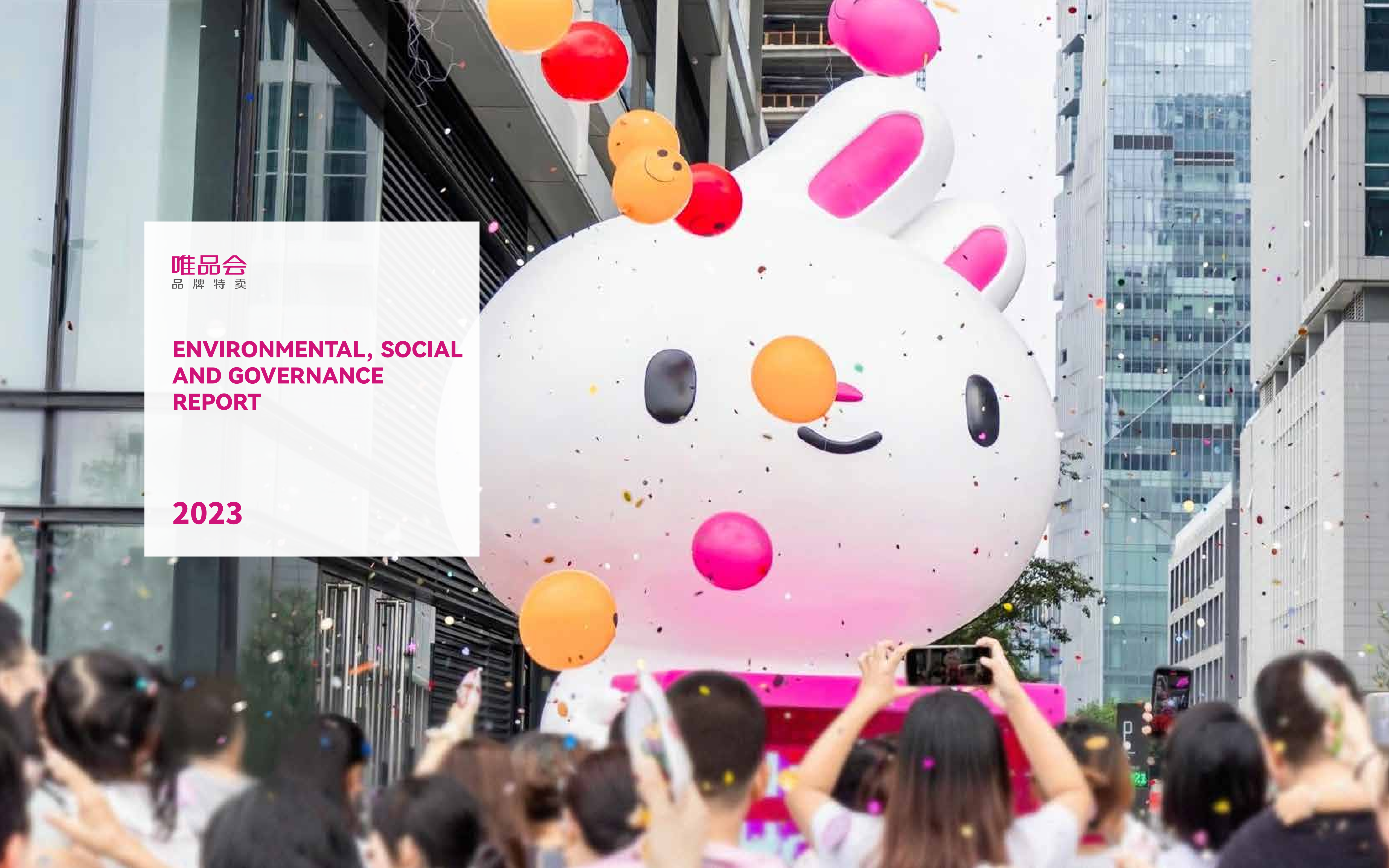


唯品会
品牌特卖

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE
REPORT

2023



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About This Report

Reporting scope

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

This annual ESG report covers related data from January 1 to December 31, 2023. To enhance comparability with past and future periods referred to within the report, some content has been extended.

Reporting standards

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

Notes

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

Report approval

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

Disclaimers

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

Access

This report can be read and downloaded from Vipshop's official website (<https://ir.vip.com/>). If you have any further enquiries, or any questions or comments about this report, please contact us by email at IR@vipshop.com.



Chairman's Message

The times are evolving at a swift pace. We have always held the conviction that a company that commands genuine respect should proactively reflect on and respond to the call of the times. 2023 marks a significant milestone for Vipshop as we make substantial strides towards sustainable development. To address the core demands of stakeholders, we have focused on our ESG strategic objective of "co-creation of a new sustainable life", based our efforts on resolving real problems, persisted in our down-to-earth approach, and collaborated closely with our stakeholders to design, discover, and create a sustainable new life. Through these tangible efforts, we aim to deliver on our corporate responsibility and convey our commitment to humanistic care.

Moving toward carbon neutrality

Facing the profound challenges of global climate change, we have taken a decisive step toward our carbon neutrality goal, committing to "make our own operations carbon neutral no later than 2030, and achieve a 50% reduction in the intensity of scope 3 emissions no later than 2030". In 2023, we launched comprehensive carbon reduction initiatives across our operations and value chain, aiming to decrease carbon emissions through concrete actions and contribute to the achievement of the "dual-carbon" target.

Within our operations, we have been advancing a suite of carbon reduction initiatives, including photovoltaic power generation, green power utilization, and energy-saving renovations. A prime example is the Vipshop Guangzhou Airport Logistics Hub, which has integrated rooftop photovoltaic systems into its main construction and adopted the principles of sponge city in its design, construction, and acceptance. Additionally, our headquarters building had achieved 100% green energy utilization by 2023. In the realm of value chain, we actively promoted green packaging practices. Over the course of the year, we reused recycled boxes 270,000 times and deployed 2.93 million biodegradable color bags. Furthermore, we actively collaborated with universities and research institutes in the innovation of biodegradable materials, which helps accelerate the commercialization of biodegradable packaging solutions within the e-commerce sector.

We recognize the intricate link between climate change and the loss of biodiversity. In response, we have adopted the Vipshop Biodiversity Commitment that outlined our approach to preserving biodiversity. Concurrently, as a principal donor, we entered into a partnership with The Nature Conservancy to support the Beijing's Miyun Close-to-Nature Forest Management and Bird Habitat Optimization Project and foster a new paradigm of harmonious coexistence between humanity and nature in the urban periphery. Cooperating with local villagers, we are heartened by the progress of the Bird Habitat Optimization Project, which has not only optimized the habitats and migration stopover sites for rare migratory birds but also raised the ecological consciousness of local communities. The project has resulted in the observation of nearly 50 new bird species in the pilot area compared to the same period in 2022, marking a significant increase of avian diversity. Having witnessed such progress, we are even more convinced that the harmonious coexistence between humanity and nature is not a distant dream.

Sticking to the company's business philosophy to foster a win-win ecosystem for all stakeholders

For years, Vipshop has adhered to a business philosophy of caring for customers, caring for employees, caring for partners, and giving back to society. With a sense of responsibility, we strive to provide customers with carefully selected quality products, foster a win-win ecosystem for our partners, create a platform for employees to develop their career, and bring warmth to the society. Through our persistent efforts, we aim to gain customer trust, build brand credibility, improve employee satisfaction, and achieve social co-benefits.

Adhering to the strategy position of "discount retail for brands" to meet consumers' aspirations for quality life.

In view of the growing demand for high-quality, value-for-money goods, we continue to select top brands and genuine products from customer's point of view, and work with leading brands to develop customized, value-for-money products while securing our price advantage, to meet consumer expectations for high-quality goods at reasonable prices. In addition, we have a global buyer team comprising over 1,000 members, dedicated to sourcing quality products from around the world. The signing of strategic partnership agreement with China Certification & Inspection Group further bolsters our commitment to product authenticity, giving consumers greater confidence in their purchases. We have also enhanced our flagship promotional events such as Super Brand Day, Kuaiqiang and Fengqiang, and launched special events like the Sports for All Festival and the New School Season, along with new featured channels like Vipshop Outlets, Vipshop Luxury, and Fashion Intelligence Bureau. These initiatives are designed to refresh the shopping experience on our platform and assist brands in connecting with their customers more effectively. Furthermore, under our paid membership program, we have enriched the products, services and lifestyle benefits available to Super VIP (SVIP) members. This has led to a 13% year-on-year increase in the number of active SVIP customers, reaching 7.6 million for 2023, and a notable improvement in the renewal rate of SVIP members.

Embracing the culture of diversity, equality and inclusion to cultivate a dynamic and vibrant workplace.

We champion the philosophy of working efficiently and living joyfully, empowering our employees to achieve a healthier work-life balance. We value every member of our team and have released the Commitment of Vipshop to Diversity, Equity, and Inclusion (DEI), with the aim of advancing the DEI culture on multiple fronts, including enhancing the diversity of our workforce, promoting fairness throughout the talent lifecycle, and establishing a DEI resource groups. In our efforts to support employees with disabilities, we have created an equitable and inclusive environment through initiatives such as improving physical facilities and conducting training sessions that are sensitive to the needs of disabled individuals. Our goal is to ensure that all employees, including those with disabilities, feel comfortable and are able to pursue their aspirations in the workplace. By the end of 2023, we had 100 individuals with disabilities shining in the workplace. We also address the genuine needs of women in the workplace by actively cultivating a female-friendly environment. We have released the

Vipshop Women's Career Growth Report to all our employees, presenting a group portrait of our female employees in the workplace and encouraging them to flourish and achieve personal development and breakthroughs. Furthermore, we have invested over RMB 120 million in the building of VIPer-home Apartment. These apartments, which are rented to employees at about 90% off from the market price, provide them with a secure and comfortable living space and greatly reduce their living cost.

Actively engaging in philanthropy to create a harmonious society.

We have launched a series of flagship programs, such as V-Love Mothers and Langtou Village Rural Revitalization, in areas such as women empowerment and rural vitalization. By the end of 2023, Vipshop's cumulative investment in public welfare projects had reached RMB 719 million. The constructions under the Langtou Village Rural Revitalization project, including the ChunYangTai, HeChunZhun, the immersive digital exhibition "Painting China: A Journey of Calligraphy", and Lawn market fairs were all put in place. The "Langtou model" of cultural and public welfare empowerment has started to yield positive outcomes. In recognition of its success, Langtou Village has been selected into the first group of typical counties, towns and villages under the "High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Myriads of Villages" of Guangdong Province in 2023. Under the "One Warehouse, One Village" initiative, we have utilized the geographic proximity of our logistics warehouses to implement assistance projects tailored to the specific needs of each village, which have helped improve the living conditions and enrich the cultural life of residents in 12 villages. In the area of women empowerment, the V-Love Mothers program has provided support to 174,000 families in need. Additionally, we have donated a total of RMB 30 million under the For Westlake Women in Science program to support the growth and development of women scientists.

The natural and social environments that humans rely on for survival are like lifelines and bedrock, essential for sustaining the long-term existence and progress of humanity. The pursuit of high-quality development is not just a contemporary aspiration; it is also the duty of every corporate citizen. At this new juncture, we will continue to take the principle of sustainable development as our guide and stick to the goal of pursuing joint progress. Understanding that "to go fast, one should walk alone, but to go far, one should walk together", we will join hands with our stakeholders to craft a splendid vision for the harmonious coexistence of humanity with the nature and the society. We hold a firm conviction that "Long as the journey is, we will reach our destination if we stay the course; difficult as the task is, we will get the job done if we keep working at it."

Chairman of Vipshop's Board of Directors and CEO

Chairman of Vipshop's ESG Committee

Eric Ya Shen

2023 Key Results: Overview



Environmental Issues

Carbon neutrality

Committed to achieving our own operations carbon neutral no later than 2030, and a 50% reduction in the intensity of scope 3 emissions no later than 2030

270,000 times

Introduced recycled cartons in return & delivery, which were used more than 270,000 times throughout the year

43,910 tons

Recycled a total of 43,910 tons of packaging materials such as cartons, plastic bags and other discarded items throughout the year

58,355 MWh

Promoted photovoltaic power generation, generated 58,355 MWh of electricity throughout the year, equivalent to reducing 32,492 tons of CO₂ emissions

100 %

The headquarters utilized 100% green electricity. The Company used 19,357 MWh purchased green electricity in total, equivalent to reducing 10,778 tons of CO₂ emissions

Social Issues

100 %

Focused on merchandising strategy and cooperating with quality brands, established a comprehensive quality control system, including brand review, quality inspection and quality auditing, and entered into strategic cooperation with China Certification & Inspection Group to guarantee 100% product authenticity

120 million

Invested more than RMB 120 million in the building of VIPer-home Apartment, all of which are rented to employees at about 90% off from the market price; by the end of 2023, 1,049 units of talent apartment had been provided, saving housing expenses for 1,128 employees

651

A total of 651 employees received zero-interest loans for home purchase

1,850 person-times

In the 11 years since the establishment of the V-Care Employee Assistance Fund, it has provided 1,850 person-times of assistance, with a total value of RMB 14.24 million, to employees facing critical illnesses and life challenges

48.3 %

Women accounted for 48.3% of all employees and 42.8% of the management team in 2023

719 million

By the end of 2023, Vipshop had invested a total of RMB 719 million in public welfare

Rural vitalization

In recognition of the success of the Langtou Village Rural Revitalization project, the Langtou Village has been selected into the first group of typical counties, towns and villages under the "Hundred Counties, Thousand Towns and Ten Thousand Villages High-quality Development Project" of Guangdong Province

12 villages

The "One Warehouse, One Village" program paired up with 12 villages throughout the year and organized 95 activities, benefiting 1,748 persons. Employee participation totaled 1,389 person-times, with 4,210 hours of assistance

174,000

The V-Love Mothers program has helped 174,000 single-parent families cumulatively

15.06 million

By the end of 2023, the V-Love Charity program had a total of 15.06 million users, and provided over RMB 20 million of funding for 41 charity projects

Governance Issues

0

The number of information security or network security incidents recorded during the reporting year was 0; the number of employees and customers affected by information leakage throughout the year was 0

100 %

100% of employees received anti-corruption training; the total number of anti-corruption training attendances was 43,284

2,312

As of the end of 2023, Vipshop had a total of 287 authorized patents, 2,312 trademarks and 242 copyrights

Incorporation of ESG into performance appraisal

ESG-related indicators such as compliance requirements and information security have been incorporated into the performance appraisal of executives or employees to better promote ESG management on the ground



About Vipshop

Business overview

Established in 2008, Vipshop (NYSE: VIPS) is a leading online brand discount retailer e-in China. Based on the business philosophy of "discount retail for brands", Vipshop has pioneered the sales model of "selected brands, significant discounts, and limited-time purchases" in China, and developed a retail business covering all major categories, including clothing, shoes & bags, cosmetics, maternal & infant products, homeware and lifestyle accessories. Since its IPO in March 2012 through the fourth quarter of 2023, Vipshop has made profits for 45 consecutive quarters, and got included in the "Fortune China 500" and "China's Top 500 Private Enterprises" lists for multiple times. In 2023, the Company was awarded the "National May 1 Labor Award".

In 2023, we adapted our retail business to the changing environment, explored more cooperation opportunities with quality brands to offer great value and quality products, provided a window to showcase the world's best consumer goods, embraced the market trend of consumption quality upgrade and diversifying demands, and catered to people's needs for a better life. As of the end of 2023, the Company had established cooperative relationships with more than 46,000 brands accumulatively.

Annual net revenue

RMB 112.9 billion

up **9.4%** year-on-year

Non-GAAP net profit¹

RMB 9.5 billion

up **39.1%** year-on-year

Annual total orders²

810 million

up **9.8%** year-on-year

Annual active customers³

87.40 million

up **3.9%** year-on-year

¹ For details of the Non-GAAP measures, please refer to the Company's press release titled "Vipshop Reports Unaudited Fourth Quarter and Full Year 2023 Financial Results" issued February 28, 2024.

² "Total orders" refers to the total number of orders placed during the relevant period, including the orders for products and services sold through our online sales business and on our online marketplace platforms (excluding, for the avoidance of doubt, orders from our offline stores and outlets), net of orders returned.

³ "Active customers" refers to registered members who have purchased from our online sales business or our online marketplace platforms, excluding those who made their purchases from our online stores operated at third-party platforms, at least once during the given period.

In addition to the online sales model, Vipshop has developed its business in sub-sectors including offline retail, city outlets and overseas e-commerce in recent years, to provide quality and branded products to more customers.



Shan Shan Outlets

In July 2019, Vipshop acquired Shan Shan Outlets. As one of the leading outlet operators in China, Shan Shan Outlets provides consumers with branded goods at discount prices, including both Chinese and international famous products and brands, which helps meet the demand for high-quality consumer goods.

As of the end of 2023, Shan Shan Outlets had opened 16 outlets in Ningbo, Harbin, Nanchang and other Chinese cities, and kicked off construction of four stores (scheduled to open in 2024), cooperating with more than 700 brands.

In addition to operating physical stores, Shan Shan Outlets is also actively exploring the sales model of online-offline integration, and providing online+offline services tailored to customers' needs in different scenarios.



Physical stores

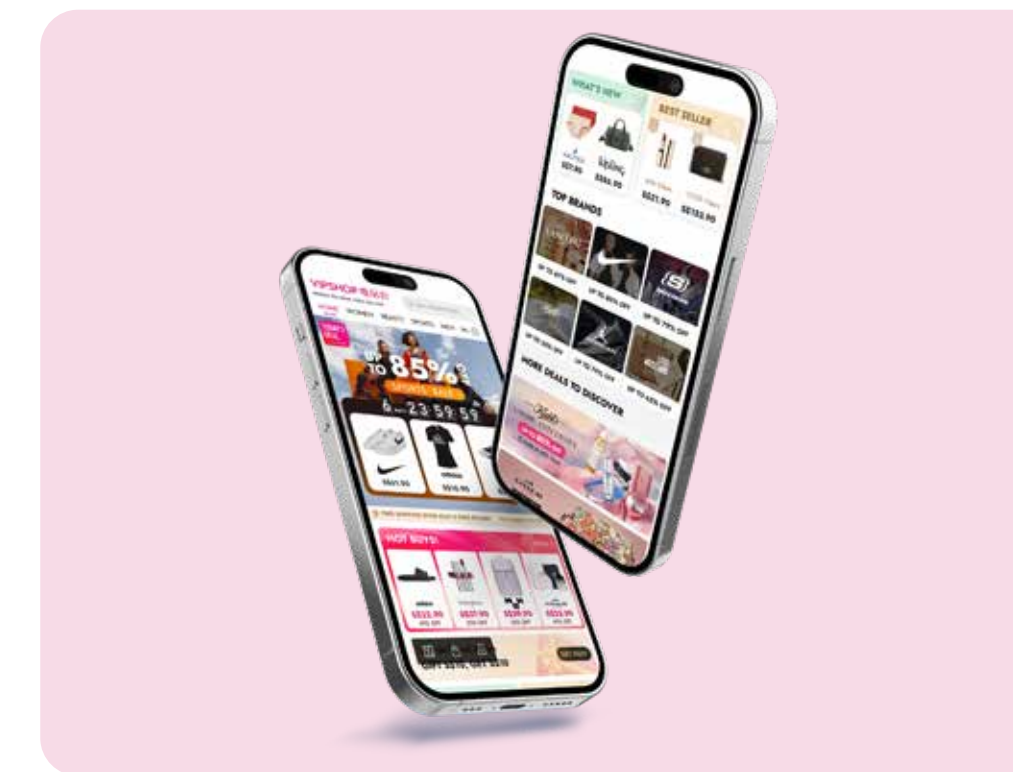
Starting from 2019, Vipshop has been operating its own physical stores across the country to provide "discount retail" services to offline consumers. As of the end of 2023, Vipshop's physical stores were already operating in 20 provinces, municipalities and autonomous regions, including Wuhan, Changsha, Chongqing, Chengdu and Beijing.



City Outlets

City Outlets focuses on the offline outlet retail market, creating a one-stop life experience center that brings together international brands, fashion retail, specialty food and many other types of businesses to satisfy consumers' demands for fashion products, family gathering, food & beverage, leisure & entertainment, culture and social interaction.

As of the end of 2023, Vipshop had opened three City Outlets experience centers in Hefei and Nanjing, featuring over 300 brands.



Overseas business

VIPSHOP SEA is a project brand developed by Vipshop for the Southeast Asian market in 2022. Under the project, the Company introduced the "discount retail for brands" model to the local market, and collaborated with famous overseas brands and domestic Chinese brands, providing consumers in Southeast Asia with products in various categories including fashion items, shoes & bags, cosmetics, maternal & infant products and household supplies.

As of the end of 2023, VIPSHOP SEA had been launched in Singapore, Malaysia, the Philippines and Thailand, cooperating with nearly 600 brands.



Corporate governance

Vipshop strictly abides by the requirements of the Company Law of the People's Republic of China and the New York Stock Exchange's Listed Company Manual and other laws and regulations, and puts in place a sound governance system with clearly defined responsibilities to regulate the Company's governance work.

Corporate governance framework



The Board of Directors established four specialist committees, i.e. the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the ESG Committee. Matters that fall under the duties of each specialist committee are submitted to the Board of Directors for review after being approved by the relevant specialist committee.

A diversified Board of Directors can assess issues from a broader perspective, which is one of the key factors in maintaining good governance and promoting sustainable development of the Company. Each year, the Nominating and Corporate Governance Committee, together with the Board of Directors, reviews the composition of the Board, including the diversity of Board members in terms of their independence, industry background, cultural background, technical skills, gender and ethnicity. Of the ten members that currently sit on the Board, five are independent directors, including one female. The Board members have experience in industries such as Internet information technology and services, distribution of consumer electronic products and strategic investment, and four of the directors (Eric Ya Shen, Arthur Xiaobo Hong, Donghao Yang, and Nanyan Zheng) have experience in the consumer discretionary industry.

An effective Board of Directors is essential for the Company's governance. Each year, the Company distributes questionnaires asking each director to evaluate the performance of the Board of Directors as a way to review the Board's operation efficiency. In terms of Board member participation, there was 100% attendance at all Board meetings in 2023. In 2023, the average tenure for each board member was ten years, which ensured both the continuity of the Board's membership and the updating of their skills and perspectives.

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

Improving compliance

Compliance is both required by external regulators and necessitated by the Company's high-quality development. Committed to ensuring compliance by all employees, the Company enforces compliance management wherever it conducts business, and makes compliance an integral part of its business, all in an effort to turn compliance into its core competitiveness and lay a firm foundation for building a sustainable business.

The Company set up the Compliance Committee in 2021, which consists of Eric Ya Shen, Arthur Xiaobo Hong and members of the Company's senior management team at the vice president level, and heads of key departments such as the Legal Department, the Compliance Department, the Internal Audit Department and the Asset Protection Department. Eric Ya Shen, Chairman and CEO of the Company, serves as the Chairman of the Committee. The Compliance Committee meets quarterly to evaluate the Company's compliance risks and draft improvement plans, including but not limited to legal and corruption risks, in an effort to improve the level of compliance management, and reports on a regular basis to the Board of Directors. In 2022, the Company appointed its General Counsel as the Chief Compliance Officer.

In 2023, the Company issued the Vipshop Compliance Management Handbook to all employees, laying out the basic principles, organizational structure and operation systems of compliance management, and clearly explaining requirements of compliance that must be observed in advertising, marketing, and protection of personal information. The Handbook provided the compliance guidelines for all employees, and firmed up the foundation of compliance management.

Strengthening compliance controls

Improving platform management

We revised and improved the rules on supplier operation and management and adopted a model of platform operation based on honesty and fairness. We pushed for the uploading and checking of hangtag images for apparel, home textile, boutique and other material-related goods. By comparing the material and price information in the hangtag images with that in the system, we further enhanced the accuracy of information on commodity pages. We also used digital technology to build a large-model compliance system, which is able to conduct scientific and reasonable compliance evaluation of platform functions such as generation of selling points, rewriting of product titles and generation of modeling charts.

Punishment for violations of compliance guidelines

Any employee who violates compliance guidelines will be punished in accordance with the facts and circumstances of the situation in question, including warnings, cut in performance-based compensation and termination of employment. At the same time, the Company has incorporated compliance matters into the employee performance appraisal system, with KPI-compliance minus points introduced for all first-tier departments. If any act that violates the law, ignores the compliance requirements, or undermines the interests of the state/society/public happens during the year of performance appraisal, the responsible department will lose KPI points for the year, which will have a direct impact on the performance-based compensation of all its members. Starting from March 2023, we require all senior managers and all new employees at or above V71 level to sign a Compliance Commitment. If a manager, or an employee working in the manager's department, violates the compliance regulations, it will directly affect the performance appraisal results of the manager and the manager's department, thus further reminding the compliance managers of their responsibilities.

Internal and external compliance auditing

The Internal Audit Department regularly conducts independent audits of all departments, independently and objectively evaluating the appropriateness, compliance and effectiveness of their operational activities and internal controls, and provides recommendations for improvement to help them strengthen the effectiveness of corporate governance, risk management and process control. In 2023, the Company invited a third-party independent agency to conduct assessment of its business process as well as its fair competition and compliance management system, and the audit covered Vipshop (China) Co., Ltd.

Compliance risk reporting channel

Vipshop has set up a compliance mailbox: compliance@vipshop.com. Employees who discover violations of compliance management may send an email to this mailbox or report to the Chief Compliance Officer. At the same time, retaliation, in whatever form, against employees who seek help or report known or suspected violations is strictly prohibited.

¹ According to Vipshop's definition, V7 refers to mid-level managers.

Regulating commercial conduct

Vipshop keeps a firm, zero-tolerance attitude towards fraud and corruption, strictly abides by laws and regulations including the Anti-Unfair Competition Law of the People's Republic of China, and adopts the Company's own Measures for the Management of Anti-Money Laundering. In addition, the Company has published the Code of Business Conduct and Ethics on its official website, clearly stipulating the work rules and disciplines for employees, and demanding all employees (either working for the Company full-time, part-time or on temporary terms) to sign a commitment letter regarding the Code of Business Conduct and Ethics.

Making available reporting channels: Vipshop has opened "Corruption Reporting" channels on its official website, official WeChat public account, official Weibo account, supplier platform and internal OA (Office Automation), etc.. A reporting mailbox, phone line, and WeChat account are available for customers, suppliers, the media, investors, employees and all other internal and external stakeholders to submit complaints and reports. The Company has formulated the Vipshop Rules for Corruption Reporting to standardize the process for handling complaints. Upon receiving such reports, the Asset Protection Department promptly starts an investigation, and accepts the supervision of the Audit Committee and the Board of Directors.

Regulating partners' business behavior: The Company demands all suppliers or other third-party partners to comply with anti-corruption requirements, resist unfair competition and other non-compliant behaviors, and explicitly include anti-commercial bribery-related terms in their contracts, so as to jointly maintain a clean and healthy cooperative relationship. In addition to making available reporting channels to suppliers, the Company also conducts business investigation on an ad hoc basis and analyzes collected data. If business anomalies or suspected bribe-taking by employees are found, the Company will also check whether suppliers have paid bribes to confirm their compliance with the anti-corruption policy. If the act of bribery is suspected of violating the criminal law, the Company will follow the principle of "investigating both active and passive bribery" and cooperate with the public security department in taking judicial actions. Partners who come forward to report or cooperate with the investigation will be given rewards including cash bonus, resource support and favorable conditions for cooperation.

Establishing a whistleblower protection system: In the Vipshop Rules for Corruption Reporting and the Asset Protection Department's Case Investigation System, the Company clearly states that information and materials relating to the complainant or the whistle-blower will be protected, and only those handling the reported incident could have access to the whistle-blower's information. Investigators who violate confidentiality rules will be dealt with in strict accordance with the Company's systems. Vipshop strictly prohibits any form of retaliation against employees who seek help or report known or suspected violations and protects the personal safety and interests of whistle-blowers to the utmost extent. At the same time, the Company has set up a policy of cash rewards for whistle-blowing. If the report is verified to be true, cash rewards will be given, and the amount of rewards will not be capped.

Developing integrity training and education: To instill a culture of integrity, the Company has developed a series of training activities on subjects including, but not limited to, Vipshop Management Red Line, anti-corruption policy and the Company's view of integrity, covering all employees (either working for the Company full-time, part-time or on temporary terms), suppliers/contractors. In terms of integrity education, the Company sends integrity reminders to all employees and partners before holidays, and organizes education campaigns on the Company's key internal systems and frequently-occurred disciplinary offenses to enhance the integrity awareness of all employees and partners. At the same time, the Company has set up an "Integrity Section"

on its intranet, where employees can check the Company's integrity rules, report misconducts or make integrity declarations, and learn about integrity knowledge and typical cases inside and outside the Company.

In 2023, Vipshop did not incur any fines or lawsuits due to unfair competition, money laundering, insider trading or conflict of interest.

Protecting intellectual property rights

The Company attaches importance to the protection of its own intellectual property rights (IPR), and also pays close attention to safeguarding the legitimate rights and interests of third-party IPR holders.

In terms of qualification review, the Company continuously strengthens the auditing of the invoice chain of purchased goods, and conducts special and batch inspections on the brand qualification of suppliers to ensure the authenticity of products; in terms of the management of counterfeit big-brand products, the Company continues to inspect, intercept and manage counterfeit big-brand products through both mechanical and manual checks, so as to reduce and forestall IPR infringement risks of the sold products.

At the same time, the Company has organized a series of IPR training for business personnel, operation personnel, information security personnel and suppliers to stress the relevant risks and raise the IPR protection awareness of key personnel.

Promoting the culture of compliance

Compliance culture is an important module in the building of the compliance system, and the Company has designated January 14 as its annual "Compliance Day". During the "Compliance Day" of 2023, the Company launched a week-long series of events to promote the culture of compliance and encourage employees to learn compliance knowledge and enhance compliance awareness.

Consulting the professional opinions of external experts: The Company invited external experts to brief the Compliance Committee on the law enforcement and regulatory efforts regarding the Internet, which helped the Committee members learn about the latest requirements and strengthen their awareness of compliance and management capabilities.

Organizing awareness campaigns: The Company organized compliance-related training for employees and suppliers/merchants, with 27 offline in-house training sessions for employees and 23 online training sessions for suppliers/merchants provided throughout the year. It also sent 38 special publications on compliance culture to the Compliance Committee, operation personnel, business personnel and information security personnel to boost the compliance awareness of key personnel and strengthen the line of defense against compliance.

Promoting company-wide participation: The Company launched a campaign called "Compliance Hole-Picking", under which employees could send emails to the Compliance Department to report issues they discovered in their daily work that may cause compliance risks in the Company's business, or propose measures for improving the Company's compliance governance. During the campaign, a total of 113 issues or proposals were received, covering subjects ranging from products and promotional activities to supplier management and data security. The campaign created an atmosphere of participation by all, and rectification measures were taken on all the reported compliance issues.

100

%

of employees received anti-corruption training

The total number of anti-corruption training attendances

43,284

Received the 2nd Private Enterprise

"Integrity and Compliance Innovation Award"¹

As of the end of 2023, Vipshop had a total of

2,312

trademarks

287

authorized patents

242

copyrights

¹ This award is jointly initiated and organized by the Judicial Research Society of the Shanghai Law Society, the Case Law Research Society of the Shanghai Law Society, the Criminal Justice College of the East China University of Political Science and Law, and the Institute of Anti-Corruption and Compliance for Internet Enterprises of the East China University of Political Science and Law, with the aim of creating more replicable and scalable practical experience and fostering a clean and compliant ecosystem.

Strengthening risk management

The Company has formulated the Vipshop Group Risk Management System, with clear provisions on the organization and responsibilities for risk management. It creates a risk control format and organizational system that is suited to the business characteristics and development stage of the Company, and ensures that all critical risks faced by the Company during its business activities are fully identified and appropriately controlled, in order to achieve stable development.

Risk management system

The Company has established a three-tier organizational structure for risk management consisting of the Board of Directors, the Audit Committee and the Internal Audit Department:

○ The Board of Directors is the highest leadership and decision-making body for risk management, and is responsible to the shareholders' meeting for the effectiveness of risk management.

○ The Audit Committee is responsible to the Board of Directors, and in terms of risk management, is primarily responsible for approving the annual work plan submitted by the Internal Audit Department and reviewing the annual risk management report.

○ The Internal Audit Department is primarily responsible for assisting the Audit Committee to establish and improve the risk management system, including but not limited to establishing and maintaining the risk management system, organizing and conducting annual risk assessment, and promoting the risk culture.

The Internal Audit Department is a first-tier department independent from other business departments and reports directly to the Audit Committee. In addition, the Audit Committee is comprised of three independent Board members, ensuring that risk management and the lines of business remain independent. Other departments, which together make up the first line of defense in risk management, are primary responsible for assisting the Internal Audit Department in collecting and providing risk information within their scope of responsibilities and integrating risk management into the business management process. For example, when the Company is developing its APP products, the business departments need to take into account the risk factors in order to avoid all types of risks.

Vipshop's highest-level staff responsible for risk management at the operational level is Chief Operating Officer Arthur Xiaobo Hong, who reports directly to the Chairman of the Board; the highest-level individual responsible for monitoring and reviewing risk management performance at the operational level is Chairman of the Audit Committee Kathleen Chien, who reports directly to the Board. The Company has included some of the risk management indicators, such as corruption cases and information security and privacy incidents, into the performance appraisal of senior executives, department directors and other management staff, with impact on appraisal results linked to factors such as the magnitude and nature of risks and level of responsibility, so as to encourage the relevant individuals to monitor the effective implementation of all risk management measures.



Risk evaluation

In 2023, the Company pushed forward the construction of the risk database, established a risk control list through risk interviews, document review, questionnaires and other means, and promoted risk assessment and analysis, covering both financial and non-financial risks such as fiscal risks, strategic risks, market risks, operational risks and legal compliance risks. The Company also conducted scenario and sensitivity analysis with regard to specific risks to assess the probability and potential impact of the risks, and put them into categories of high, medium and low risk based on their risk levels. In addition, after evaluating the risks, the Company adopted mitigation measures and developed plans for prioritizing risk management to gradually bring down the risks.

The Company assesses risk exposures at least once a year, and more frequently if there is such need.

Risk monitoring indicators

The Company actively explores the use of technology to enhance risk management and constructs the matrix of risk monitoring indicators based on massive data analysis and feature identification. As of December 2023, the Company had established 13 risk monitoring indicators in areas such as merchandising, logistics and transportation, marketing and promotion, and designated special staff to monitor indicator anomalies, thus ensuring timely discovery and handling of risks in the process and system.

Risk auditing

The Internal Audit Department identifies the areas where auditing is needed based on factors such as the Company's business processes, the industry in which the Company operates, and the external environment, and formulates auditing plans for each risk area to promote internal and external risk auditing. Since its listing, the Company has undertaken an Internal Controls audit in line with Sarbanes-Oxley Act (SOX) 404 to assess the risks associated with financial reporting, and commissioned a third-party agency to conduct an external audit covering all operating entities of the Group.

Internal process for risk reporting

If employees discover any risk during their day-to-day work, they can contact the Internal Audit Department at any time via the Weimi IM service, email, phone or face-to-face. The Internal Audit Department will then evaluate the risks, and activate risk prevention measures in light of the probability and potential impact of the risks, including assisting with process construction, filling the gap in the control system and executing the auditing project, in order to avoid or minimize losses to the Company.

Sustainable development management

ESG governance and capacity building

In 2022, Vipshop established the ESG Committee, completing the construction of a three-tiered system for sustainable development governance, consisting of the Board of Directors, the ESG Committee and the ESG Task Forces. The ESG Committee meets once or twice every quarter to evaluate, supervise and promote the Company's ESG initiatives, in order to ensure the smooth progress of ESG-related work and create sustainable values for stakeholders.

In 2023, the Company issued the Vipshop Decision-Making and Review Mechanism for ESG Important Systems and Major Issues, clarifying the process and responsible persons to ensure the orderliness, standardization and professionalism of the formulation and review of relevant contents, and promote the delivery of ESG objectives.

	Membership	Responsibilities
Board of Directors	Members of the Board	Evaluating and monitoring ESG strategies and targets
ESG Committee	Chaired by the Company's Chairman and CEO, with the COO and one independent director as members	Defining ESG strategy, targets and action plans; reviewing and evaluating proposals put forward by the ESG Task Forces; mobilizing resources required to advance ESG initiatives
ESG Task Forces	Headed by the top executives of the Company's compliance, legal, business centers, operation center, CSR and other functional and business departments, with key personnel of the relevant departments as members	Submitting proposals to the ESG Committee and undertaking ESG-related work

In addition, we provide different types of employees with tailored ESG training contents to enhance their ESG awareness and competence.

To members of the ESG Committee, we invite internal and external experts to provide training on topics such as the latest trends in the ESG industry, Vipshop's capital market rating and enhancement plan, ecological protection and corporate participation in China, measures to promote DEI issues¹ and advanced corporate practices, in order to enhance their ESG-related background knowledge and professional competence.

To some of the key personnel, we provide them with training on topics such as corporate carbon accounting, carbon trading and carbon assets, DEI issues and disability integration, in order to enhance their ESG competence and promote the implementation of related issues.

To all employees, we provide training courses such as ESG background knowledge and statistical calculation of personal "carbon account", in order to improve their understanding of ESG and encourage their participation in the ESG program. At the same time, the "ESG Newswire" journal is published every month, which helps all employees understand the latest trends of ESG and the specific work of the Company in ESG from three directions: ESG highlight cases, ESG vision focus, and ESG practice overview.

The progress and improvement of Vipshop's ESG work was well-recognized by several external ESG rating agencies in 2023. Specifically, the Company got the "AA" rating in MSCI-ESG, joining the ranks of industry leaders; and ranked in the 95th percentile of the industry in the Dow Jones Sustainability Index (DJSI) rating.

¹ DEI stands for diversity, equity and inclusion.

MSCI ESG RATINGS



ESG通讯社

第6期

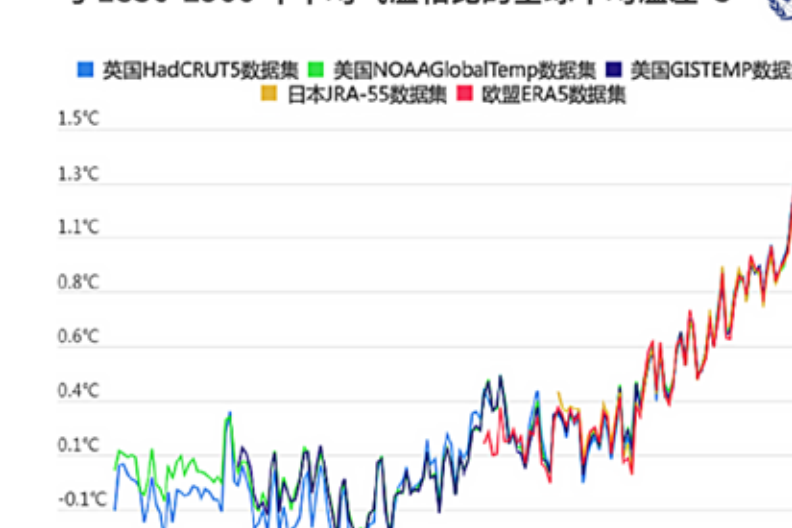


ESG视野聚焦

世界气象组织发布 2023 年全球气候报告

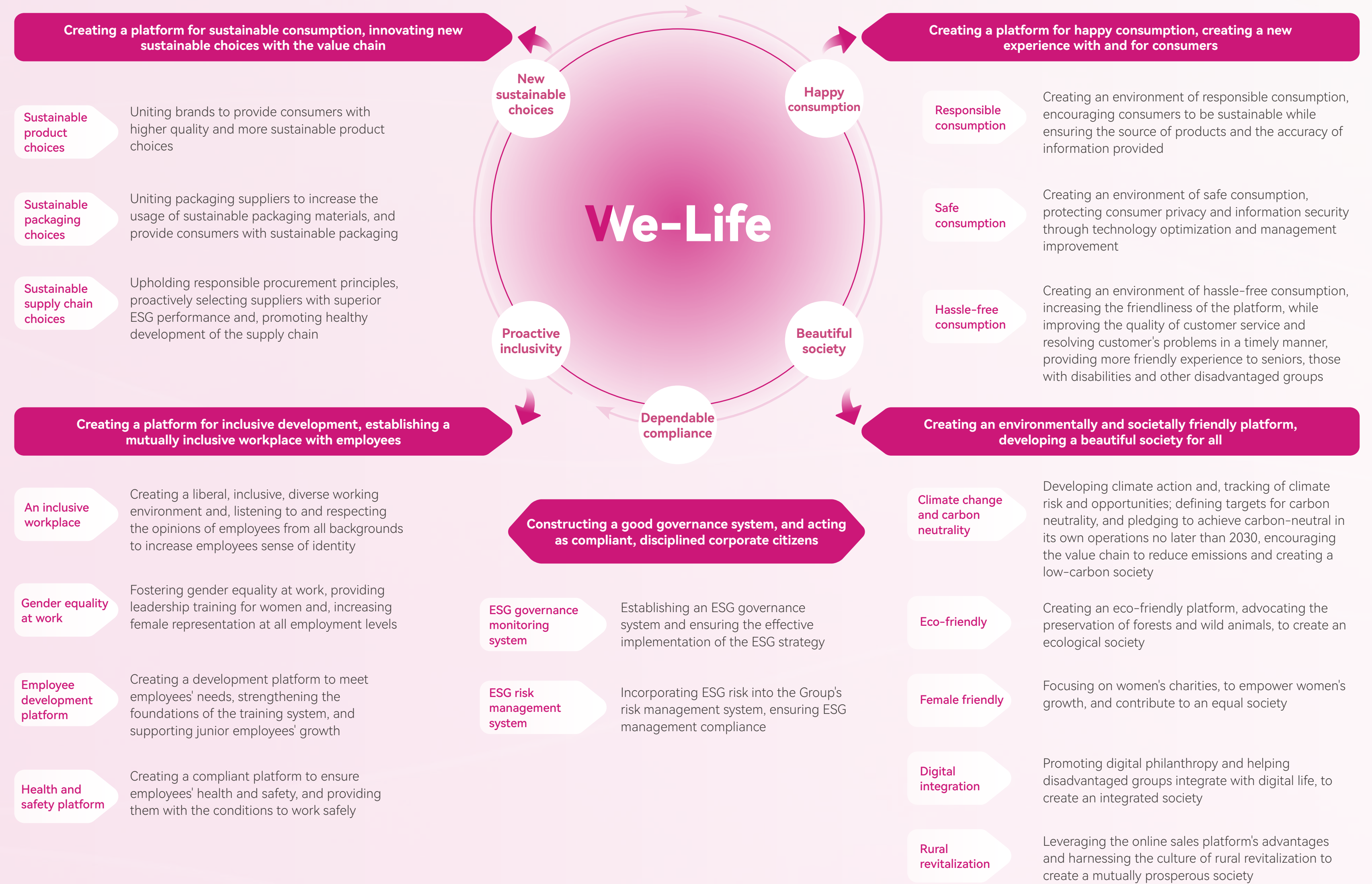
尽管 2023 年尚未结束,但世界气象组织在《2023 全球气候状况临时报告》中已确认,今年将成为有记录以来最热的一年,全球平均气温比工业化前(1750 年)水平高出 1.4°C,同时,三种主要的温室气体(二氧化碳、甲烷和一氧化二氮)的观测浓度达到历史新高,全球平均海平面高度也达到自卫星记录以来的最高值。过去的九年(2015 年至 2023 年)也是有记录以来最热的九年。

与 1850-1900 年平均气温相比的全球平均温差°C



ESG Development strategy

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



Stakeholder Engagement

Vipshop values communication and cooperation with all corporate stakeholders, and conducts effective and timely communication with stakeholders through multiple forms, which has guaranteed stakeholders' right to information and right to participate and improved their understanding and recognition of the Company. We also take concrete steps to strengthen cooperation with stakeholders and jointly promote the Company's development.

Stakeholders	Primary concerns	Means of communication	Response measures adopted in 2023
Government and supervisory agencies	<ul style="list-style-type: none"> Compliance in operation Paying taxes in accordance with the law 	<ul style="list-style-type: none"> Government-business roundtable Information bulletin 	<ul style="list-style-type: none"> 100% employee coverage of anti-corruption training
Customers	<ul style="list-style-type: none"> Product quality Service experience Privacy and data protection 	<ul style="list-style-type: none"> Online and offline platforms Complaint hotline Market research Customer satisfaction survey 	<ul style="list-style-type: none"> In 2023, first-time settlement rate in the call center and online channels respectively rose by 2.6% and 2.3% from the 2022 level
Employees	<ul style="list-style-type: none"> Legal rights and interests Compensation and benefits Training and development Occupational health and safety Equality and diversity 	<ul style="list-style-type: none"> Face-to-face with Vipshop Dawn Light mailbox 360 Management CEO online mailbox Employee forums and online communities 	<ul style="list-style-type: none"> 48.3% female employees 100% employee coverage of training programs 6,847 training sessions on occupational health and safety, totaling 203,814 person-times
Investors	<ul style="list-style-type: none"> Corporate governance Return on investment Risk management ESG performance 	<ul style="list-style-type: none"> Annual report, quarterly report and other announcements Annual General Meeting Industry and investor conferences and non-trading roadshows Communication with investors through emails and online and offline meetings 	<ul style="list-style-type: none"> Held 1 Annual General Meeting organized hundreds of online and offline investor communication sessions
Partners	<ul style="list-style-type: none"> Supply chain management Cooperation in good faith Mutual benefits 	<ul style="list-style-type: none"> Establishment of cooperation system Supplier training Supplier contracts and agreements 	<ul style="list-style-type: none"> Accumulate total number of partner brands exceeded 46,000
Environment and community	<ul style="list-style-type: none"> Tackling climate change Green packaging Social welfare Biodiversity Environmental stewardship Rural revitalization 	<ul style="list-style-type: none"> Participation in community projects Social welfare programs Public awareness campaigns 	<ul style="list-style-type: none"> Committed to making its own operations carbon neutrality no later than 2030, and achieve a 50% reduction in the intensity of scope 3 emissions no later than 2030 Total investment in public welfare reached RMB 719 million as of the end of 2023
Media and Non-governmental Organizations (NGOs)	<ul style="list-style-type: none"> Information disclosure Interaction with media Contribution to NGOs Impact on sustainable development 	<ul style="list-style-type: none"> Media conferences Information disclosure 	<ul style="list-style-type: none"> Regular publication of financial and ESG reports

Material issues analysis

Vipshop conducts research and analysis of material issues once a year, and solicits opinions and suggestions from various stakeholders, including shareholders, government, employees and customers, to identify material ESG issues. These issues are then tracked and addressed on a sustained basis and highlighted in the disclosure of the annual report.

1 Establishment of an ESG topic library

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

2 Stakeholder communication

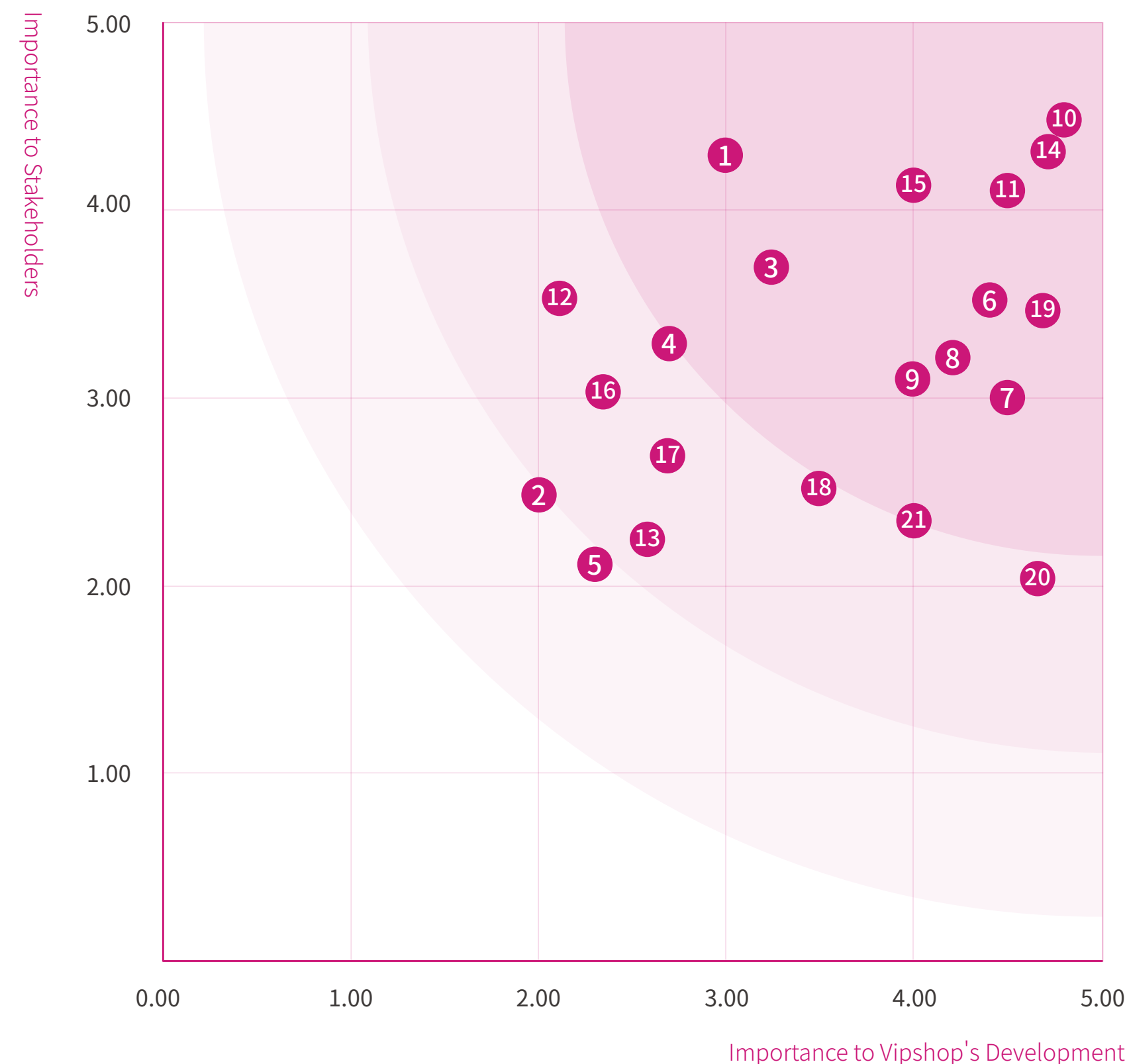
Vipshop collates and organizes the opinions of various stakeholders on the Company's sustainable development, including those of government and monitoring institutions, shareholders and investors, employees, customers, partners, media and society, and NGOs, to help ascertain which of the various ESG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

3 Analysis of issues' importance

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

4 Responses and disclosure of topics

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



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

V-Development

Pillars of the ESG strategy

Creating a platform for happy consumption, creating a new experience with and for consumers

Creating a platform for sustainable consumption, innovating new sustainable choices with the value chain

Responsible consumption

Creating an environment of responsible consumption, encouraging consumers to be sustainable while ensuring the source of products and the accuracy of information provided

Safe consumption

Creating an environment of safe consumption, protecting consumer privacy and information security through technology optimization and management improvement

Hassle-free consumption

Creating an environment of hassle-free consumption, increasing the friendliness of the platform, while improving the quality of customer service and resolving customer's problems in a timely manner, providing more friendly experience to seniors, those with disabilities and other disadvantaged groups

Sustainable supply chain choices

Upholding responsible procurement principles, proactively selecting suppliers with superior ESG performance and, promoting healthy development of the supply chain

Progress of the ESG strategy

Improving platform governance, strengthening control on product quality, and raising the level of services to provide consumers with a responsible, safe and hassle-free consumption experience

Embedding the ESG concept into supplier management, and promoting a packaged program to build a sustainable supply chain

Responsible consumption

The Company issued the Vipshop's Undertakings in Accountable Sales and Marketing to strengthen compliance governance of the platform, and established strategic cooperative relationship with China Certification & Inspection Group to strengthen guarantee of product quality

Safe consumption

0 information security vulnerabilities or other cybersecurity incidents occurred

Hassle-free consumption

99.19% of customer problems resolved within 72 hours

Sustainable supply chain choices

Vipshop incorporates ESG performance into the supplier selection and evaluation process, with preference given to suppliers with better ESG performance



4·19品牌特卖节

9.9 狂欢购



Providing high-quality products

Vipshop is focused on implementing the merchandising strategy and cooperating with quality brands. By working with brands to strengthen the supply chain, Vipshop has secured the supply of high quality products at great value, providing consumers with the best value-for-money products.

Product quality control

Following a consumer-centered approach, we have established a product authenticity guarantee system with full-process traceability through rigorous brand review and quality inspection to protect the rights and interests of consumers.

Brand selection review

Vipshop reviews the compatibility between the target brand and Vipshop from the user's point of view, taking into account factors such as consumer preference for the brand, quality of its products, and positive and negative news about the brand, and decides whether to include the brand into the platform only after all necessary reviews are completed.

Quality review system

The Company has established a rigorous quality inspection system, covering the whole process from the selection and launch of products to daily supervision, in order to ensure compliance with the quality standards and guarantee product quality. In terms of the control on food safety and quality, the Company has introduced control measures covering aspects including food procurement, storage, sales and traceability, and passed the ISO 22000 certification on food safety management. In the meantime, the Company conducts food traceability & recall drills on a regular basis to strengthen protection of food safety.



Quality inspection of new brands

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



Standardized monitoring

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



Improvement through simulation

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



Inspection of received goods and on-site inspection

To ensure product quality, products shipped through Vipshop's national logistics center will be checked for their brands and styles before being put into the warehouse. For products shipped directly from suppliers, a special inspection team will be sent to check the quality of products on site. In addition, they will also supervise and facilitate the optimization of the supplier's warehouse management system and product return process.



Targeted inspections

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



Warning light system

This system has been designed so that if a product receives more than a specified number of negative reviews within a designated time period, the brand will be strictly dealt with.



Online quality inspection

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

Quality auditing

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

Brand training and empowerment

Every year, the Company organizes training on product quality and supplier conduct to raise suppliers' awareness of product quality. In 2023, we provided training on exception handling process and performance management rules to JIT and JITX merchants, and training on customer service requirements and related rules to MP merchants.¹

Termination of brand agreements

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

¹ JIT and JITX are both Vipshop's self-operated merchants, of which JIT merchants' shipments need to go through Vipshop's warehouses, while JITX merchants can ship directly to their customers; MP refers to open platform merchants (third-party merchants).

Case

Strategic cooperation with CCIC strengthens guarantee of product authenticity

In October 2023, Vipshop entered into strategic cooperation with China Certification & Inspection Group (CCIC) South China, under which the two sides will deepen cooperation in quality inspection, traceability, quality certification and other aspects. CCIC's expertise in quality inspection and testing will provide a useful supplement to Vipshop's quality control system, which is like an additional line of defense outside the quality assurance system of Vipshop's own supply chain, so that consumers will feel more assured and more at ease when buying products (especially high-value products) on the platform.



Differentiated product supply

In order to meet diversified consumer demands, Vipshop has introduced a greater variety of trendy and international higher-end brand products, advanced cooperation with leading brands, and fully capitalized on the resources of its global buyer system to increase the offering of products and brands and create a differentiated product supply system.

Cultivating the global buyers' team

Focusing on the strategy of buyer-made quality goods, the Company has cultivated a buyers' team consisting of over 1,100 professional buyers from around the world, and set up offices in the UK, the US, Italy, France, Germany, Japan, the ROK, Singapore, Hong Kong (China) and other countries and regions. With its professional training and mature operation system and based on its insight of the industry and fashion trends, the Company's buyer team has been able to pick the most premium global brands and find the best value-for-money products to meet the diversified and personalized consumer demands for high-quality products.

During the 6th China International Import Expo, the Company organized an event called "Standing by Buyers", under which the buyers in the pavilion and overseas buyers had face-to-face and virtual dialogue with the consumers to answer their questions about purchase and quality control.

Providing customized products of partner brands

Vipshop cooperates with leading brands on product customization to provide users with unique products at compelling prices. For example, during the Spring Festival of 2023, over 10 cosmetic brands, including Clarins, Winona and Chando, cooperated with Vipshop's IP image "V-Rabbit" for the first time to launch co-branded custom sets and special product series.

1,786 new brands suppliers

introduced throughout the year

More than

1,100 global buyers

189 brands

participated in "Made-for-Vipshop"

customized products throughout the year



Vipshop at the 6th China International Import Expo

Deepening cooperation with brands

Based on consumer trend insights, brand market conditions and other information, Vipshop continues to work with brands in refining their business scenes and growing their brands to boost the revenue of merchants.

Enriching consumption scenes

While selecting goods, the Company seeks to construct more diversified and refined consumption scenes from the user's point of view, and strengthen the content display in the special channels such as Super Brand Day, Super Category Day, Fengqiang, Kuaiqiang, Super Sale Day and Little Pink Box. For example, the camping theme of the Super Sale Day channel and the OOTD posts on the New Trend channel have both pushed up sales in the related categories. At the same time, we have opened new channels such as Vipshop Outlets, Vipshop Night Market and Fashion Intelligence Bureau, and cultivated an ecosystem of high-quality contents to give our users a fresh taste and stimulate their shopping interest.

Connecting the membership systems

The Company continues to promote the membership connect project and upgrades the brand membership operation and management system, connecting its own membership system with the membership system of brand merchants, to support targeted brand operation. We also provide members with multiple privileges, including exclusive member coupons, member bonus, and in-store service reservations, in order to create a differentiated membership experience.

Case Helping Bosideng break the single-day sales record

In 2023, Vipshop deepened its cooperation with Bosideng in line with the strategy of "providing satisfactory customer services, delivering customized goods, and selling at good prices", and made continuous progress in areas such as goods supply, product customization, user operation and category structure, securing a double-digit year-on-year growth in total merchandise trade on the Vipshop channel.

In terms of goods supply, the two sides connected 600 brand stores in 2023, with the value of goods increasing by more than 35% year-on-year; in terms of user operation, the increased investment in the supply and marketing of celebrity styles/designer co-branding products has captured the attention of Super VIP members, high-value users, and young members.

By aligning with channels of high exposure such as Super Brand Day and Today's Top Brands, Bosideng has established a more direct and frequent means of communication with platform users. In 2023, Bosideng kept breaking sales record during the Super Brand Day and Today's Top Brands, and reached a historic high in single-day sales during the Super Brand Day on December 23 on the Vipshop channel, recording RMB 139 million of sales in 24 hours, up by 114% from the previous year, and leading the sales ranking of the Super Brand Day 2023.



Improving the quality of services

Acting on the "customer-first" business philosophy, Vipshop continues to optimize the process of customer services, listens to the voice of customers, and strives to provide customers with a high-quality service experience.

In December 2023, Vipshop was awarded **the Craftsmanship Service Award** by People's Daily Online

99.19 %

of customer problems resolved within 72 hours

Listening to our customers

Vipshop listens to the voice of customers with its heart. We have put in place a multi-channel communication system and optimized the complaint handling mechanism to ensure timely response to customer feedback, and continuously improved the quality of customer services to deliver a better and more comfortable shopping experience for customers.

Communicating with customers

The Company has established multiple channels for customer communication including online customer service, call center, official website and in-store customer center. Our professional customer service team provides timely and effective solutions to customers' problems.

Optimizing the channels for customer feedback

The Company has set up convenient access to services in procedures such as product purchase, payment, logistics and transportation, and after-sales service, and established an efficient information feedback channel and an effective response handling mechanism to ensure the timely collection, response and processing of customers' opinions.

Strengthening the listening groups

On May 20, 2023, the Company organized the "520 Your Voice" event, which was held for the 10th consecutive year. Hundreds of management staff visited customers' homes in groups to listen to their voices and, based on the feelings and demands they shared, further improved the customer service mechanism and process, and enhanced the quality of services.

At the same time, the Company continued to optimize the "Your Voice" program for specific categories, and, based on customer feedback, the responsible departments explored better ways to quickly locate and resolve problems. In 2023, the "Your Voice" program proposed and implemented a total of 148 improvements, covering subjects such as caring for the elderly, intelligent size recommendation and high-value goods identification, delivering the "Customers First" commitment with concrete actions.



Customer complaint management

The Company has established a process to handle customer problems in all scenarios and a strict time limit for complaint handling, and regularly conducts service and process-related training to ensure timely response and handling of customer feedback. In the meantime, the Company has put in place a crisis monitoring system and set up risk monitoring boards to provide early warning of potential risks and improve the efficiency of customer complaint handling.

The customer complaint handling mechanism of Shan Shan Outlets has adopted the basic principles of quick response, advance compensation and flexible handling. It tracks and handles customer complaints through channels including store hotlines, online customer service and consumer service stations, and makes return visits to customers, with the aim of achieving 100% for complaint handling. At the same time, the results of complaint handling are linked to the annual performance appraisal of the personnel in charge to provide employees with an incentive to improve service quality.

Customer crisis handling

The Company has established a mechanism for the referral of crisis claims with specific procedures for handling customer complaints under different scenarios, which enables the customer service team to quickly identify problematic scenarios and work with other departments to deal with complaints and address customer demands in a speedy and compliant manner. Under the mechanism, we have added a senior expert unit to the customer service team. Once our customer service specialists identify any high-risk scenario, they will directly transfer the case to the senior expert unit, and a complaint handling specialist from the unit will give opinions or directly take over the case. This arrangement has enabled us to improve customer satisfaction.

At the same time, we regularly communicate with the market supervision and administrative departments of various provinces and cities on issues such as difficult cases, new standards and norms in the industry, and share the relevant content with the customer service team so that they could act more professionally in handling customer complaints.

In addition, we have set up a mechanism for handling special complaints. With the goal of "eliminating the worries of customers", we are ready to provide flexible solutions to meet the most urgent needs of our customers. For example, if a customer is disabled and needs assistance in adjusting the delivery mode, or if a customer needs to buy a particular product that is not yet on the shelf, we will activate the green channel, mobilize all available resources and do everything we can to help customers overcome the difficulties.

Optimizing service experience

Focusing on the goal of upgrading user experience, the Company has improved its internal service system and closely followed the trend of industry services with the aim of providing more professional and standardized high-quality services to customers.

Enhancing the service capability of the customer service team

2

We push our customer service team to build up capacity through such means as cultivating and promoting model service teams, conducting quantified management of customer service quality through the performance appraisal mechanism, and inviting professional trainers from the industry to be our trainers. In 2023, our employees of Customer Service Center participated in the Information and Communication Service Vocational Skills Competition in Guangdong Province, and won the second prize in the group competition of the software and information technology service category.

Strengthening category-specific customer services

3

In categories such as cosmetics, home appliances and 3C, we have put in place professional customer service teams to give timely response to customers' technical questions. In 2023, more than 20 million inquiry services were provided.

Optimizing service products

4

We provide customers with a service product called "Buying at Ease". In addition to the basic service of 7-day unconditional return and exchange, customers who choose this product can enjoy a service package including 10-day price guarantee, instant refund, door-to-door return and exchange, compensation for damaged goods and 15-day quality guarantee. The service now covers most of the products directly sold by Vipshop on the platform.

Delivering more standardized services

1

We have optimized the Quality Inspection Standards of the Customer Service Center, further improving the service guidelines and quality standards of customer service. In the meantime, we have harmonized the service standards, service procedures, service quality standards and system support with the customer service teams of our suppliers and merchants to ensure the uniformity of customer services. For complicated customer complaints, third-party collaboration will be promptly activated to ensure speedy resolution of customer problems.



Differentiated service upgrade

5

We have designed special user interfaces for seniors and customers with visual and mobility impairment, and provide them with door-to-door delivery.

Enriching the Super VIP service

8

Through the construction of a multi-tiered membership system, we consistently provide our Super VIP members with deep discounts, and a rich variety of member privileges and value-added services, so as to create a differentiated member experience. In 2023, we cooperated with major brands to expand the privileges of Super VIP members, including coupon packages of KFC, Pizza Hut and Dingdong Maicai, and launched a RMB 99 package for a new Super VIP annual card plus selected gifts. All the gifts are valued above RMB 99, which further increases the value of Super VIP membership. In the meantime, we provided the option of "Buy 1 Get More" for the joint membership of Tencent Video and Bilibili to meet the diversified demands of our members.

Improving the first-time resolution rate¹

7

We have taken steps to increase the percentage of first-time resolutions of customer service in six areas, including capacity building, process optimization and business optimization. In 2023, the first-time resolution rate of the telephone and online channels rose by 2.6% and 2.3% respectively over the 2022 level.

AI-empowered services

6

We conduct in-depth analysis of the difficulties customers face in the whole shopping process, and actively explore solutions based on AI intervention to address the pain points in the service chain. Throughout the year, we launched 18 active service scenarios, and guided customers to authorize order access and modify shopping information. By altering the traditional approach of passively waiting for customer feedback, such a practice has frontloaded the resolution of customer problems and improved the rate of customer satisfaction.

¹ First-time resolution rate is the percentage of customer problems solved in the first contact with customer service.



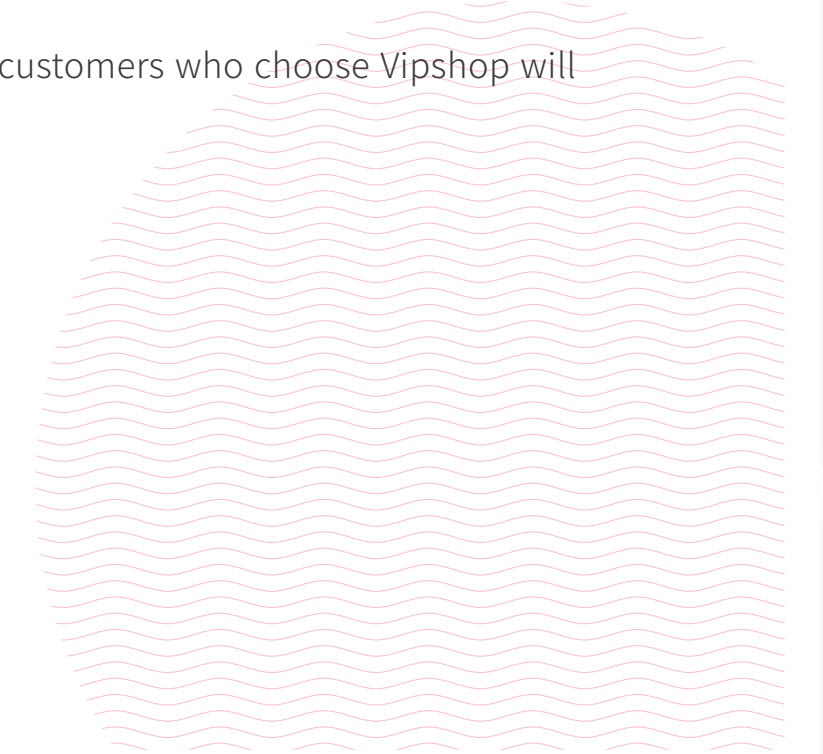
Conducting responsible marketing

Vipshop runs its business in a manner that is consistent with laws and regulations, responsible business ethics and the concept of sustainable development, and makes sure that its marketing activities contain only legal, honest and truthful contents.

In 2023, the Company issued the [Vipshop's Undertakings in Accountable Sales and Marketing](#), encouraging partners and other stakeholders to abide by the relevant commitments, practice responsible marketing, and jointly foster an ecosystem of fair, safe and responsible consumption.

For elderly consumers aged 60 and above, in addition to our seniors service specialists, we further improved the layout of the Vipshop APP for them in 2023. For example, modules that are more relevant to seniors, such as "health care" and "wellness support" products, are now displayed on the homepage so that they could find the products they need more quickly and with greater convenience.

In addition, we conducted a brand awareness survey on the theme of sustainability, which included whether the sustainability of the platform would affect consumers' shopping decisions, Vipshop's overall performance of sustainability, and Vipshop's best performing ESG aspect, in order to learn about customers' knowledge of Vipshop's sustainable performance and their recommendations for improvement. According to the results of the survey, 11% of the customers will consider the platform's sustainability when making shopping decisions. Our goal is to enhance customers' knowledge of Vipshop's sustainable performance in the next three years, so that when asked about the question of "from a sustainability perspective, which of the following brands do you think is doing the best job", the number of customers who choose Vipshop will increase by 20% compared to the base year.



Protecting information security and privacy

In the digital age, protecting the information security and privacy of customers is a key foundation for companies to provide services. Putting the interests of customers first, Vipshop is making consistent efforts to improve the information security and privacy protection management system, and advancing the relevant measures to create a safe and friendly cyber-environment.

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

Information security or network security incidents recorded during the reporting year

0

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

0

Information security and privacy protection management system

Policy system

The Company has formulated a series of policies and systems, such as the Information Security and Privacy Management Handbook and the Management Measures for Risk Assessment of Information Security and Privacy Protection, covering all the products and services on Vipshop's website, APP and mini-programs, as well as all stakeholders including employees, suppliers and partners, to firm up the foundation of management system. Meanwhile, the Company reviews its internal policies and systems on information security and privacy protection whenever appropriate in light of the changes in external laws and regulations, regulatory policies, standards and norms, as well as the Company's business development, so as to ensure the appropriateness, adequacy and effectiveness of the content of the information security and privacy policies. Once the relevant policies and systems are updated, all employees will be notified in time through the internal process, and they can learn about the updates through the portal website on systems and protocols.

Organizational governance

The Company has established the Information Security and Privacy Protection Committee, chaired by Board Chairman Eric Ya Shen, to manage and supervise work related to information security and privacy protection. Its members include Arthur Xiaobo Hong and senior executives at the vice-president level, as well as heads of other relevant departments. The Company has appointed Yang Wenfeng, with his background in security and technology, to represent the management of information security and privacy protection (as Chief Security Officer). He is responsible for the overall coordination and implementation of information security and privacy protection work within the organization, and takes direct responsibility for information security and privacy protection. The Company has appointed information security contact persons in all the first-tier and second-tier departments to assist in the work related to information security, such as promptly reporting information security incidents, following up on the rectification of security problems in their department, and organizing employee participation in information security training, in order to ensure employees' compliance with the internal information security system and timely reporting and disposal of security problems, and strengthen the first line of defense for information security.

Capacity enhancement

Training internal auditors for the personal privacy management system

Since 2022, the Company has been running an internal auditor certification program, inviting employees to participate, on a voluntary basis, in the training and examination of the ISO 27001 Information Security Management System (ISMS) and ISO 27701 Privacy Information Management System. The program helps employees learn about the requirements in various aspects of information security and personal privacy protection and gain professional knowledge on information security. In 2023, a total of 194 employees were enrolled in the program, and 31 of them were awarded internal auditor certificates by Det Norske Veritas (DNV), a professional third-party agency.

Carrying out information security and privacy protection training and education programs

The Company adopted the Measures for the Management of Information Security and Privacy Protection Training and Examination, making it clear that all the Company's staff, including, but not limited to, regular employees, interns, and third-party employees must receive training and education on information security and privacy protection every year, and "information security awareness education and training" has been designated as a mandatory course for all employees and a key performance indicator for new employees. Each year, the Company organizes information security week activities, and in 2023, it conducted a "tour" of information security and a science education campaign called Security Yes or No, which highlighted security risks with the illustration of real cases to deepen employees' understanding of information security and privacy protection. For third-party partners, the Company's the Third-Party Information Security and Privacy Management Measures stipulates that third-party companies and personnel shall comply with Vipshop's information security requirements and operational protocols and receive training on information security, and Vipshop is responsible for reviewing and supervising the implementation of the relevant policies. For example, the Company organized information security training for merchants to improve their awareness of information security from the aspects of authority management, data security and network security, etc. At the same time, the Company carried out data security audit of the partner to review their compliance with national information security laws and regulations and Vipshop's information security system in terms of the establishment of the partner's system, data collection and processing procedures, and data access control.

Performance assessment and incentives

The Company has defined its Information Security Rewards and Punishments Guidelines, with clear operational principles and requirements for information security rewards and penalties for acts of violation. It has also made clear that the information security credit will be used as a quantitative indicator for assessing employees' information security performance, and included in employees' overall performance assessment. In parallel with this, the Vipshop's Management Red Lines clearly states that employees who engage in the stealing, leaking, selling or use of the Company's confidential information or jeopardize the Company's network security or conceal problems and obliterate evidence during the investigation of information security cases will be dismissed upon discovery of the violations. There are two types of security rewards, i.e. individual awards and project awards, which are divided into three sub-levels from highest to lowest (I, II and III) based on the amount of contribution, and with clear reward standards; in light of the nature and severity of the circumstances, violations are divided into four sub-levels from highest to lowest (I, II, III and IV), with clear descriptions of the facts of violations (such as stealing other people's accounts and passwords) and the joint responsibility of the manager.

Defending information security

Handling of information security and privacy incidents 2

We have formulated the Information Security and Privacy Incidents Management Measures, the Information Security Monitoring Management Measures and other internal systems to standardize the reporting, response, handling, review and improvement mechanisms for information security and privacy incidents, regulate the collection, analysis and use of threat information, and clarify the management responsibilities and processes for information security and privacy incidents, to ensure quick response and timely handling of incidents and minimize the damage. We have established an information security threat monitoring system, which is able to detect and respond to various types of security threats in a timely manner through real-time monitoring and analysis of network traffic, logs and other information. We have cooperated with professional security agencies to share security information and intelligence and enhance the capability to deal with complex security threats. We also organize drills on a regular basis to test our capability for private data protection and collaborated response to complex security incidents. In 2023, nine red-blue confrontations were conducted in the Company.

Emergency drill and response 3

We have formulated the Business Continuity Security Management Measures and the Business Continuity Plan, and clarified the management organization responsible for business continuity, management regulations and emergency response procedures. We have combined prevention with recovery control to make sure that in the event of business interruption, emergency or major disaster, the Company's IT infrastructure platform and business system are able to perform their systematic functions within the timeframe required by the Service Level Agreements (SLAs), and keep the damage that may be caused by unexpected security incidents in the information system to the minimum, so as to maintain the safe and stable operation of the information system to the fullest extent. In 2023, the Company carried out 21 disaster recovery drills for the production business system to test the effectiveness of the emergency response procedures.

Vulnerability testing by third parties 4

The Company receives security vulnerabilities reported by external white hat users via its Safety Emergency Response Center, and strengthens interactions with white hat users through both online and offline activities. In 2023, Vipshop carried out cybersecurity attack and defense drills, inviting three qualified top attack teams to simulate hacker attacks against the Company's network and systems in line with the national standards for network security, including the hacking of private order and employee data, and carry out vulnerability analysis to test the Company's ability for protecting information security and privacy, and establish an anchor for improving the Company's network security system.

Technical reinforcement for information security and privacy protection 1

We have embedded information security and privacy protection measures into the process of product and service development, and promoted security technology transformation on the operator side and the merchant side. For example, all the login accounts of our partners have been technically reinforced, including double-factor authentication and one-account-one-device restriction, thus reducing the risk of data theft. In addition, we have recorded the operations of merchants, set alarms in the monitoring system, and designated special personnel to track and block abnormal behavior, in an effort to minimize the risk of data security and protect the security of user information.



Third-party certification and supervision inspection 5

The Company's IT infrastructure and information security management system has obtained the ISO 27001 Information Security Management System and ISO 27701 Privacy Information Management System certification from third-party agencies, which covered over 80% of the Company's owned operations, including the information security and privacy management of the online merchandise sales service, development, operation and maintenance of related information systems, and information security management of the customer service. We invite independent, third-party certification bodies to carry out supervision inspections annually to verify if the Company continues to fulfil the requirements of the Information Security Management System and Privacy Information Management System.

Industry cooperation on information security 8

The Company actively participates in activities hosted by the National Information Security Standardization Technical Committee and the China Communications Standards Association, such as standard-setting, forums and meetings. In 2023, Vipshop was selected by the National Information Security Standardization Technical Committee as a pilot unit for the implementation of the national standard - Information security management systems - Requirements. As a member of the Guangzhou Network Industry Promotion Association, Vipshop participated in a promotional event on "cross-border data security management policy".

Reporting and handling of information security incidents 7

The Measures for the Management of Information Security and Privacy Incidents clearly states the reporting process and pathway to be followed by employees who discover any information security or privacy incidents. If an employee finds anything suspicious in terms of information security, they can report to the Information Security Department through email, internal communication software or phone. The information that could be reported includes, but not limited to, the nature of the incident, the time of occurrence, the description of facts, and the scope and magnitude of the impact. The Incident Handling Team ensures that the incident is handed promptly, quickly and effectively in accordance with the processing time requirements.

Information security requirements for third-parties 6

We have established information security systems targeting suppliers, collaborators and other partners, including the Third-Party Information Security and Privacy Management Measures and the Data Security Management Measures for Partners, with detailed requirements on the security awareness of third-party personnel, system privileges, continuity of third-party services, and life-cycle management of data used by collaborators. We also review our partners' ability to protect data security and their compliance with data protection laws and regulations. If a partner violates the relevant regulations and agreement, penalties will be given in accordance with the Third-Party Information Security and Privacy Management Measures, as well as the terms of the contract. We have also introduced the Merchant Points Management Rules, which requires merchants to strictly enforce user privacy protection measures. If a merchant publishes, discloses, provides or disseminates the personal information of others without authorization, or is suspected of infringing on others' privacy or personal rights, minor cases will see a deduction of points and the issuing of a fine, while serious cases will see measures including the removal of that merchant's products and the shuttering of their store in Vipshop's platform, and Vipshop reserves the right to pursue legal actions in accordance with the law.

Protecting personal privacy

The Company abides by national laws and regulations including the Data Security Law of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China, and has formulated the App Privacy Compliance Management Regulations to set out the basic principles, processing procedures and department responsibilities for privacy compliance management. The relevant provisions are updated in accordance with the latest laws, regulations and national standards. The Company's privacy policies are applicable to all operations, including the Vipshop website, APP and mini-programs, and all stakeholders, including members, employees, suppliers and partners.

Policies and procedures for the handling of personal privacy information have been systematically embedded into the Group's compliance management. For example, in the pre-launch compliance testing of APP, our security technicians will conduct testing to check whether there are compliance issues such as illegal collection of personal information and mandatory/frequent/excessive requests for permissions. To ensure the implementation of personal information protection, the Compliance Department and the Information Security Department carry out daily inspections, and work with the Internal Audit Department to conduct internal audits. If any potential illegal handling of personal information is discovered, rectification request will be issued in time, the progress of rectification will be tracked, and the rectification results will be checked. In addition, the Company engages a third party to conduct compliance auditing on the personal information handling of the Company in accordance with laws, regulations, and regulatory compliance requirements.

The Company has established a control method covering the entire data life-cycle, including the collection, use, transfer and destruction of personal information, and continuously improves the personal information protection mechanism to ensure privacy security. The Vipshop Basic Functionality Privacy Policy is posted on the Company's official website, which clearly states that the Company will obtain customers' consent before collecting their information. Customers can manage their personal information, including accessing and correcting personal information, deleting personal information, altering the scope of authorization or withdrawing authorization, obtaining copies of personal information, and deleting accounts. When a customer deletes personal information from our services, if the information has not reached the statutory retention period, we may not be able to immediately delete the corresponding information from the system. We will securely store the customer's personal information and limit any further processing of it until it can be deleted.

🌀 Data collection

The Vipshop Basic Functionality Privacy Policy adopts the principles of openness, transparency and minimum necessary information. When collecting customers' information, customers are clearly informed of the nature of the required information, the use and scope of the collected information, how customers' information is protected and stored. Meanwhile, the consent of the user is required during registration/login. We have also formulated documents for the collection of employee and supplier data to clarify the purpose of collection and ensure compliance.

🌀 Data transfer

We have established interface transfer specifications and implemented technical control measures to ensure the security of the data transfer process. For example, all data transfer must be protected by the HTTPS protocol, and the transfer of sensitive user information fields must be encrypted at the field level.

🌀 Data retention

Vipshop promises to only retain customers' personal information for the amount of time required for the purposes stated in Vipshop Basic Functionality Privacy Policy, except where there are legally mandated data retention requirements.

🌀 Data storage

The Company has developed its own unified data encryption platform, which provides technical underpinning for the encrypted storage management of the data in the database, and placed the sensitive personal information of users under encrypted storage. On this basis, the backup files will be covered by an additional layer of encryption protection.

🌀 Data monitoring

We have set up a comprehensive security risk monitoring and alert platform, adopted a multi-dimensional monitoring strategy covering all security monitoring scenarios, and constructed a firmly-based security monitoring system. At the same time, we regularly carry out risk assessment and vulnerability scanning to identify critical assets, vulnerabilities and possible attacks. We regularly audit security monitoring scenarios and policies, and take corrective measures on discovered problems.

🌀 Data processing and destruction

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

Number of employees and customers affected by information leakage throughout the year

0

🌀 Data usage

At the access control level, the Company has put in place a "data use application" process, which forms a complete approval chain for data at different levels, and rigorously checks employees' data access routes and access rights. Once an employee downloads data through the system connected to the file gateway, the system automatically checks the content of the downloaded data. If the information data is confidential or sensitive, it will automatically generate the process of "sensitive file download application" in the office system to strengthen the control over data use. At the data encryption level, all data that is identified as sensitive is, by default, encrypted and stored on disk.

🌀 Data sharing

The Company does not rent or sell personal data to third parties under any circumstances. In terms of data sharing, the Vipshop Basic Functionality Privacy Policy clearly states that the Company will only share customer' personal information necessary for the provision of services with authorized partners for lawful, legitimate, necessary, specific, and explicit purposes. In parallel with this, Vipshop signs strict data processing agreements with its partners, requiring them to fulfil their duty of ensuring information security.

Creating a responsible supply chain

A sustainable supply chain is crucial for advancing the sustainability agenda of an enterprise. The Company has incorporated ESG principles into the entire supplier management process, including supplier access and evaluation, to ensure the sustainability of supply chain. Furthermore, the ESG Committee is responsible for overseeing the sustainable management of supply chain.

Sunshine Procurement

The Company requires suppliers to comply with all applicable laws and regulations and strictly uphold the principles of "Sunshine Procurement" and maintains a "zero tolerance" policy towards any act of commercial corruption and bribery. In parallel with this, suppliers are required to sign the Supplier Anti-bribery Agreement, and where sensitive matters are involved, a Non-disclosure Agreement must also be signed. If international business is involved, suppliers must also abide by the Foreign Corrupt Practices Act and maintain high standards for ethical business practice.

Supply chain management

Supplier selection and termination

The Company has made it clear in the Vipshop's Supplier Management Procedures that if suppliers have labor disputes, environmental violations, or other incidents that seriously violate the ESG code of conduct, we will require the suppliers to propose corrective measures and make improvement within a specified timeframe. Failure to do so may result in the activation of our supplier withdrawal mechanism. Guided by the principles of sustainable development, we give preference to suppliers with superior ESG performance, including those accredited with the ISO 9001 Quality Management System Certification, ISO 14001 Environmental Management System Certification, and ISO 27001 Information Security Management System Certification. Additionally, suppliers are encouraged to enhance their ESG management standards by providing supporting documentation or evidence through a desktop assessment process.

Supplier performance assessment

We have enhanced Vipshop's Supplier Management Procedures, and adjusted the weight of supplier performance indicators across five dimensions: order or contract fulfillment (in terms of product, service, delivery, quality, and technology), response speed and willingness to cooperate, business costs, ESG performance, and key events, in order to evaluate and identify if a supplier is exceptional, outstanding, average, in need of improvement or to be eliminated. Through this structured management approach, we have been able to encourage suppliers to improve their supply and service performance and terminate cooperation with those who fail to meet our requirement. Among the five dimensions, the supplier's ESG performance is measured by indicators such as environmental management, climate change, carbon reduction targets, occupational health and safety, and compliance management.

Number of Suppliers	2023
Number of first-rate suppliers	1,550
Number of key-first- rate suppliers ¹	110
Number of Non-first- rate suppliers	388
Number of Key-non- first-rate suppliers	28
Total number of suppliers	1,938

Supplier risk assessment

The Procurement Department uses credential review, on-site inspection and desktop evaluation to check supplier's potential for sustainable development risks and works with the Demand Department, Finance Department, Legal Department, and other relevant stakeholders to control risks. When risks are anticipated, we categorize them as high, medium or low risks and establish appropriate response mechanisms and contingency plans. For suppliers with significant actual or potential negative impacts, we take corrective actions or propose improvement plans to mitigate associated supply chain risks.

Supplier capacity enhancement

We actively communicate with suppliers on the Company's vision and practices of ESG through our bidding and procurement information platform, email and other channels. We guide suppliers to integrate labor rights protection and environmental considerations into their corporate strategies, thereby enhancing their ESG awareness and management capabilities.

Assessment of key suppliers	2023	2023 target
Number of key suppliers assessed through desktop/on-site evaluations (units)	118	127
Percentage of key suppliers assessed	85.5%	/
Number of suppliers assessed to have significant actual/ potential negative impacts (units)	7	/
Number of suppliers with significant actual or potential negative impacts that have implemented corrective actions or improvement plans (units)	4	/
Number of suppliers terminated with significant actual/ potential negative impact (units)	1	/

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

V-Ecology

Pillars of the ESG strategy

Creating an environmentally and societally friendly platform, developing a beautiful society for all

Creating a platform for sustainable consumption, innovating new sustainable choices with the value chain

Climate change and carbon neutrality

Developing climate action and tracking climate risks and opportunities; defining targets for carbon neutrality, and pledging to achieve carbon-neutral in its own operations no later than 2030, encouraging the value chain to reduce emissions and creating a low-carbon society

Eco-friendly

Creating an eco-friendly platform, advocating the preservation of forests and wild animals, to create an ecological society

Sustainable product choices

Uniting brands partners to provide consumers with higher quality and more sustainable product choices

Sustainable packaging options

Uniting packaging suppliers to increase the usage of sustainable packaging materials, and provide consumers with sustainable packaging

Progress of the ESG strategy

Disclosing climate change information from four aspects: governance, strategy, risk management, and indicators and targets. Setting out clear direction of carbon reduction and publishing carbon reduction action report

Promoting green packaging and green logistics to provide consumers with more sustainable products and encourage sustainable consumption

Climate change and carbon neutrality

Developing climate action and tracking climate risks and opportunities; Vipshop Guangzhou Airport Logistics Hub was designed and constructed based on the standards of sponge city, and passed the acceptance inspection; defining targets for carbon neutrality, pledging to achieve carbon neutrality in the Company's own operations no later than 2030, and encouraging the value chain to reduce emissions and jointly create a low-carbon society

Eco-friendly

Releasing Vipshop Biodiversity Commitment, and setting out clear direction of biodiversity conservation

Sustainable product choices

Carrying out pilot project to encourage green consumption

Sustainable packaging choices

Promoting the use of recycled boxes, with 33,000 recycled boxes put to use for 270,000 times throughout the year

Addressing climate change

Climate change is a common global challenge. Addressing climate change is vital for the future of humanity. Acknowledging the importance of climate response, Vipshop has comprehensively analyzed the risks and opportunities that may arise from climate change, and adopted countermeasures to promote the green development of its own operations and the value chain.

Managing climate risks and opportunities

The Company continuously improves its climate change governance system and advances work related to climate change in four main areas: governance, strategy, risk management, indicators and targets.

Governance

The ESG Committee is responsible for overseeing, reviewing, and addressing policies, risks and opportunities, countermeasures and performance targets related to sustainable development, including climate change. The ESG Committee meets at least once each quarter to discuss ESG-related issues, including those on climate change, and reports regularly to the Board of Directors. When required, the ESG Committee may seek professional advice on climate change from external experts.

ESG Task Force is responsible for identifying climate-related risks and opportunities, formulating climate response strategies and objectives, and promoting the implementation of relevant measures and objectives after submitting them to the ESG Committee for review and approval.

Risk management

The Company has established a comprehensive risk management structure and risk identification, assessment and management processes. Please refer to the "[Strengthening risk management](#)" section for more details. The Company has incorporated climate change risks into its regular risk management work, and identified the policy, legal, market, technology, extreme weather and other climate-related risks and opportunities related to the Company in light of global, national and industrial trends.

After the Company identifies the risks, the relevant departments will assess the possibility of each risk occurring, the current status of risk control, the potential impact and level of the risk, formulate specific steps for improvement and issue timely warnings internally.

Strategy

The Company systematically analyzes the risks and opportunities arising from climate change, develops measures to tackle these risks and challenges at both the mitigation and adaptation levels, and actively embraces the opportunities brought about by climate change to promote sustainable development.

In 2023, the Company formulated the Vipshop Carbon Emission Data Management System, establishing the relevant management process and reward and punishment mechanism to recognize individuals or teams with outstanding contribution in carbon emission management (e.g., optimizing the carbon emission management process through innovative methods, proposing innovative carbon reduction solutions, etc.).

Indicators and targets

The Company has formulated carbon neutrality targets and action plans in light of the national requirements and its own development conditions. Vipshop commits to achieve carbon neutrality in its own operations no later than 2030 and achieve its target of reducing the greenhouse gas intensity of its Scope 3 emissions by 50%, no later than 2030. In the meantime, we have sought scientific certification of our carbon reduction targets from the Science Based Targets initiative (SBTi).

Vipshop will continue to monitor the carbon emission data of Scope 1, Scope 2 and Scope 3 and their match with the carbon reduction targets, and, with respect to climate risks and opportunities, continue to track the progress of its photovoltaic power generation, the prices of green electricity and carbon credits and the development of the biodegradable packaging materials market, in order to strengthen the management of climate risks and opportunities, and enhance its adaptability to climate change.



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

Risk category	Types of risks and challenges	Potential impact of risks and challenges	Duration of impact	Response measures
Transitional risks	Policy and legal risks	<ul style="list-style-type: none"> In October 2023, China's Ministry of Ecology and Environment issued the China's Policies and Actions for Addressing Climate Change (2023), outlining the plan to push forward the legislative process for the Law on Climate Change Response, the Energy Law, and the Interim Regulations for the Management of Carbon Emission Trading. Going forward, the Company may face more legal compliance requirements in its business operations. On February 4, 2024, the State Council announced the Interim Regulations for the Management of Carbon Emission Rights Trading, opening new ground for the law-based governance of carbon emission rights trading. As a result, emission-controlled enterprises¹ will face stricter regulatory requirements and higher operating costs, which may be transferred from the supply chain to the Vipshop. 	Short-term, medium-term and long-term	<ul style="list-style-type: none"> Strictly abiding by relevant legal requirements. Regularly tracking carbon emission policies, assessing their impact on the Company, and taking countermeasures in advance.
	Market risks	<ul style="list-style-type: none"> With the implementation of the country's "dual carbon goals", market demand for clean energy and carbon credits will grow, which may push up their prices and make it more expensive for the Company to realize its carbon reduction target. Price fluctuations in the carbon emissions trading market may affect the expenditure in the supply chain, which in turn may affect the Company's operating costs. With the growing public awareness of green consumption, consumer demand for environmentally friendly products will increase. The Company needs to pay more attention to green products and increase the supply of green products to meet consumer demand or lose market share. 	Short-term, medium-term and long-term	<ul style="list-style-type: none"> Regularly tracking the market price of clean energy and carbon credits, making timely adjustment to the procurement strategy of green power and carbon credit-related products, and actively promoting photovoltaic power generation. For more information, please refer to the "Action for carbon neutrality" section in this chapter. Actively exploring products that are more environmentally and socially friendly, and providing consumers with new options of sustainable consumption. For more information, please refer to the "Encouraging green consumption" section in this chapter.
	Technology risks	<ul style="list-style-type: none"> In order to reduce the pollution problem caused by plastic packaging, the Company has made substantial investment in the R&D of biodegradable materials with its partners. If the R&D fails, it may result in financial loss. 	Short-term	<ul style="list-style-type: none"> Establishing a sound project management and supervision mechanism to reduce the related R&D risks.
	Reputation risks	<ul style="list-style-type: none"> Climate change-related impacts that cause disruptions to the Company's operations may trigger negative comments from investors, customers and other stakeholders. To cope with climate change, the Company has issued a carbon reduction plan, which may be subject to external inquiries and questioning if it fails to make progress as planned. 	Short-term, medium-term and long-term	<ul style="list-style-type: none"> Formulating relevant contingency plans, maintaining communication with stakeholders, and actively responding to inquiries. Regularly disclosing carbon emission data and the progress and results of carbon reduction through ESG reports, and accepting external monitoring.

¹ Emission-controlled enterprises refer to key greenhouse gas emitters defined by the carbon trading management authorities and included in the national carbon emissions trading market.

<p>Physical risks</p>	<p>Acute physical risks</p>	<ul style="list-style-type: none"> Climate change increases the frequency of severe weather events such as extreme precipitation, extreme high temperature, and extreme low temperature, which may cause problems such as infrastructure damage, lower production capacity, reduced labor force and increased energy consumption, affecting the Company's normal production and operation, and reducing the energy efficiency of the Company's production. <p>Extreme weather events may cause delays in the delivery of brand merchants and</p> <ul style="list-style-type: none"> logistics service providers, affecting the business performance of the Company or consumer satisfaction with the Company. <p>The Company is equipped with multiple data centers. In the case of extreme weather events that cause the malfunctioning of servers, some data may not be immediately</p> <ul style="list-style-type: none"> recoverable, which represents a data storage risk. 	<p>Medium-term and long-term</p>	<ul style="list-style-type: none"> When designing and constructing infrastructure, the Company takes into account its climate resilience. The Vipshop Headquarters has been awarded several international certifications, including the 2-star Green Building Label and LEED BD+C Gold certification. Vipshop Guangzhou Airport Logistics Hub, which is designed and constructed based on the standards of sponge city, has passed the acceptance inspection. Developing Emergency Preparedness and Response System, specifying the emergency response procedures, and establishing a professional emergency response team to reduce the losses caused by relevant events. Exploring ways to drive upstream-downstream collaboration in reducing carbon emissions on the value chain, promoting the culture of climate response, and drive partners to pay attention to climate risks and make good contingency plans. Strengthening data backup measures and adopting commercial insurance and other means as appropriate to reduce the losses that may arise from extreme weather events.
	<p>Chronic physical risks</p>	<ul style="list-style-type: none"> Rising global temperature may cause droughts in some regions, and water shortages may increase associated costs. Rising global temperature increases electricity use in the office area during summer, and adds to the Company's electricity bill; the cooling demand of the data center may also rise accordingly, incurring more operating costs. 	<p>Medium-term and long-term</p>	<ul style="list-style-type: none"> Elevating employees' awareness of water and electricity saving, reducing energy usage and promoting a low-carbon way of life. For more information, please refer to the "Inspiring employees to live a low-carbon life" in this chapter. Optimizing the energy management system and continuously improving air-conditioning strategies to reduce energy consumption. Exploring the use of high-efficiency cooling technologies to reduce the use of electricity and water in data center cooling systems.
<p>Opportunities</p>	<p>Opportunities of clean energy development</p>	<ul style="list-style-type: none"> Local provinces and municipalities continue to introduce "dual carbon" incentives, and building green logistics hubs may receive financial subsidies and increase the brand's reputation. With the implementation of the country's "dual carbon goals", market demand for clean energy will increase, and the price of green power may rise with it. 	<p>Short-term, medium-term and long-term</p>	<ul style="list-style-type: none"> Exploring the construction of green logistics hubs to establish a positive brand image. Utilizing its own rooftop resources to develop the photovoltaic power generation industry, and, while promoting its own use of green power, exploring the development of green power products to increase the Company's business revenue.
	<p>Opportunities of green consumption</p>	<ul style="list-style-type: none"> Promoting biodegradable packaging and using recycled packaging may reduce packaging costs, while growing consumer reputation for Vipshop and helping Vipshop gain sustainable competitiveness. 	<p>Short-term, medium-term and long-term</p>	<ul style="list-style-type: none"> Actively advancing the R&D of biodegradable materials and the use of recycled boxes to lead the low-carbon development of the e-commerce industry.

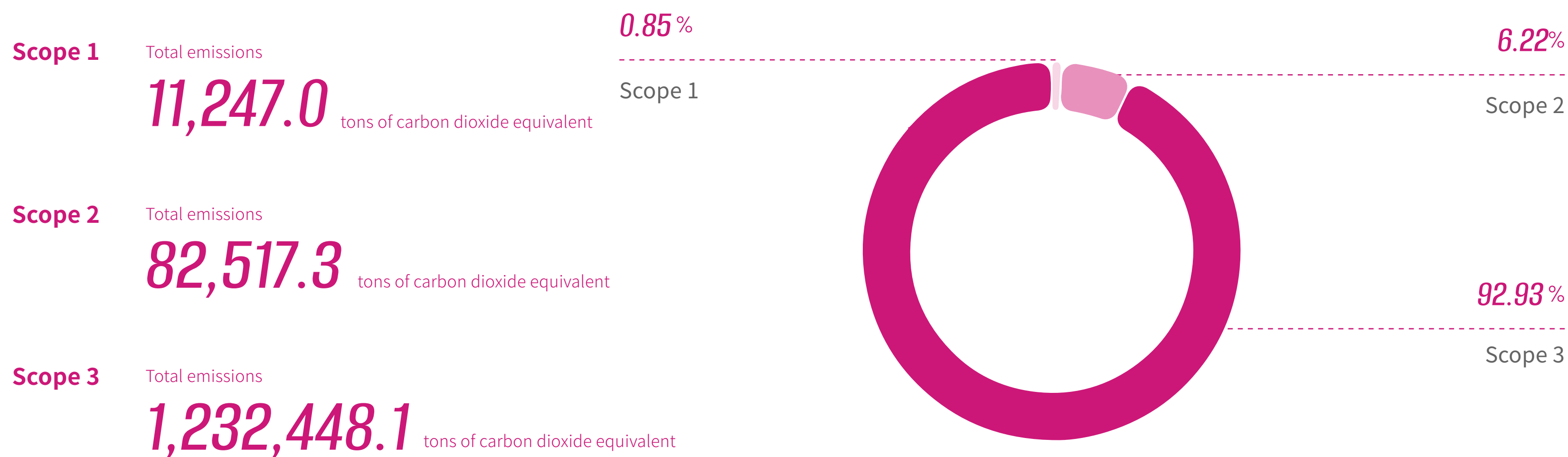
Action for carbon neutrality

Vipshop has formulated carbon reduction targets at the Group level, and laid out the paths and plan for carbon reduction. For the carbon emissions in its operations that cannot be reduced through emission reduction measures, the Company will offset them by directly purchasing carbon credits or exploring the development of carbon sink resources in order to achieve carbon neutrality in its own operations.

In 2023, Vipshop made reference to the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), and determined the organizational boundaries based on the control approach to calculate Scope 1, Scope 2 and Scope 3 greenhouse gas emissions within the scope of its business.

According to statistical calculation, Vipshop's greenhouse gas emissions in 2023 totaled 1,326,212.4 tons. Among them, Scope 1 emissions were 11,247.0 tons, Scope 2 emissions were 82,517.3 tons, and Scope 3 emissions were 1,232,448.1 tons¹.

These statistics have been certified by an independent third-party verification agency (please refer to Appendix II for details).



¹ In 2023, since the carbon emission factors provided by GHG QUANTIS are not available, we used greenhouse gas emission factors published by other institutions. In the future, there may be deviations in emission data due to different choices of emission factors.

² Targets for reducing the greenhouse gas emission intensity of Scope 3 take 2022 as the base year. Greenhouse gas emission intensity (tons of carbon dioxide equivalent/million RMB) = greenhouse gas emissions (tons) / net revenues (million RMB).

Vipshop's commitments

Vipshop commits to "achieve carbon neutrality in its own operations no later than 2030 and achieve its target of reducing the greenhouse gas intensity of its Scope 3 emissions by **50%**, no later than 2030"².

Carbon reduction in operations

We are committed to reducing the dependence and adverse impact of our operations on the environment, cutting energy consumption by improving energy efficiency and optimizing the energy structure, and pushing for the realization of carbon neutrality targets. In 2023, Vipshop's headquarters building was the first one that achieved carbon neutrality at the operational level.

Improving energy efficiency

Optimizing the energy management system

We have established an energy management system covering energy management standards, technical guidelines, personnel assessment indicators and annual energy saving targets, and constructed an energy management platform and an office building energy consumption model. We also conduct dynamic monitoring and diagnosis of abnormal energy consumption, and provide data support for the Company's equipment debugging and seasonal operation strategies to improve the sophistication of energy management. Through the energy management system, the Company's headquarters building saved 540,000 kWh of electricity in 2023, which is equivalent to a reduction of 301 tons of carbon dioxide.



Energy-saving lamp in warehouse

Optimizing the equipment operation strategy

We have optimized the operation strategy of the air conditioning system, public lighting system and power system in office areas, logistics hubs and commercial complexes, so as to optimize energy efficiency on the basis of ensuring the smooth operation of office facilities. For example, in cargo sorting and cargo transportation scenarios, the intelligent control system performs functions such as identification of operational requirements and system debugging, which improves both work and energy efficiency. In the Shan Shan Outlets, we have adopted an equipment and facilities operation strategy based on the "one-store-one-policy" approach, which turns on and off the night lighting according to the time of sunset, shuts down the mainframe in advance before the store closes, and uses water pumps to circulate waste heat/cold to reduce energy consumption.

Promoting energy-saving renovation

We have renovated our lighting system and completed the replacement of 30,000 LED lamps in the logistics hubs, saving 310,000 kWh of electricity. The Shan Shan Outlets installed air doors or air curtains at the entrance of shopping malls to reduce the loss of cold/heat sources.

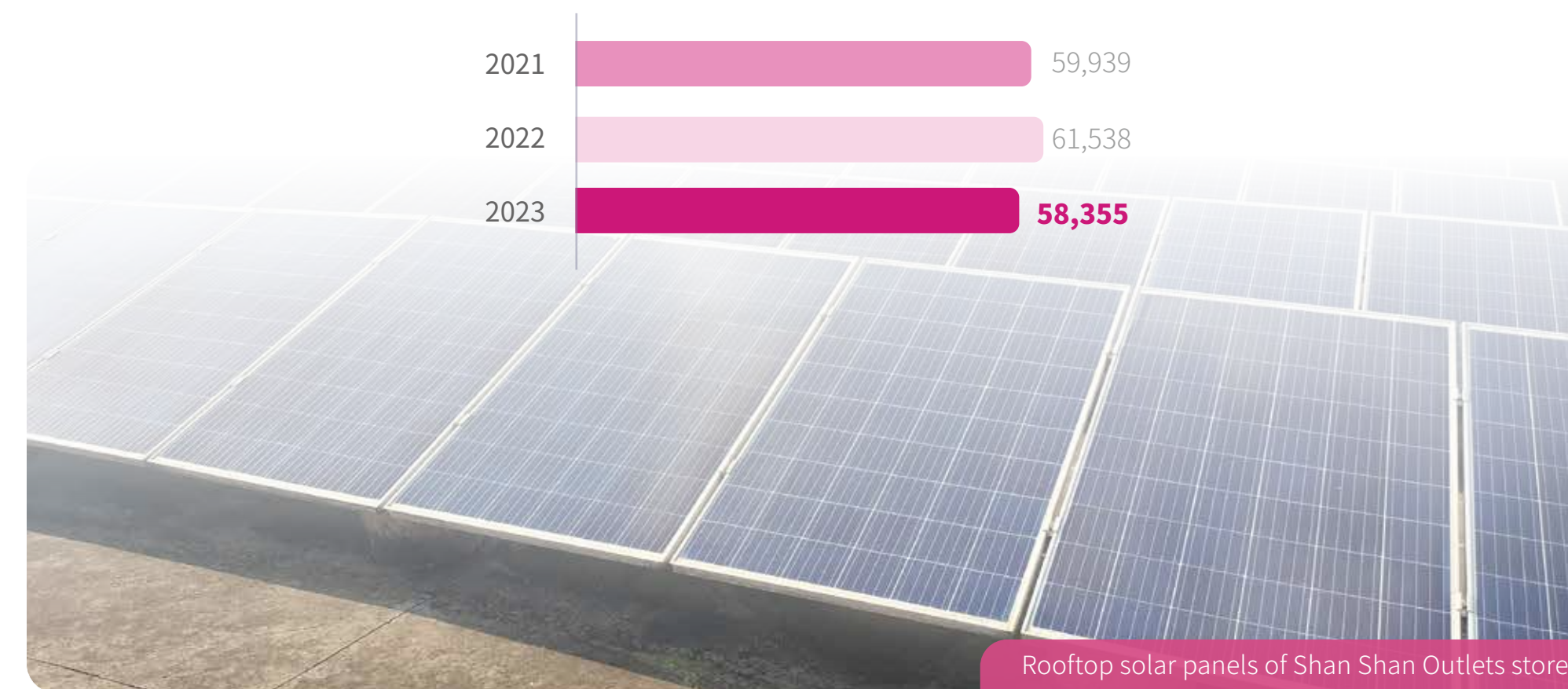
Hengyang Shan Shan Outlets Shopping Mall was included in the Model Green Mall Companies list of Hunan Province in 2023

Transforming the energy structure

Promoting photovoltaic power generation

We have utilized the rooftop resources of our logistics hubs and outlets to construct photovoltaic power stations. As of now, the power generation facilities in the South China Logistics Hub and Central China Logistics Hub, as well as Shan Shan Outlets stores in Nanchang, Nanning, Ganzhou and Xuzhou have been put into operation, generating 58,355 MWh of electricity in 2023, which is equivalent to reducing 32,492 tons of CO₂ emissions. Among them, 10,139 MWh of green electricity have been used by the Company itself, and 48,216 MWh of surplus power have been connected to the power grid. In 2023, Vipshop Guangzhou Airport Logistics Hub had included rooftop photovoltaic power generation into its ongoing construction, with a total installed capacity of 1.265 MW and an estimated 1,145 MWh of electricity generated each year. The project is expected to be put into operation in mid-2024. Going forward, the Company plans to promote more photovoltaic power generation projects in batches to increase the use of clean energy.

Total photovoltaic power generation (MWh)¹



Rooftop solar panels of Shan Shan Outlets store

Purchasing green electricity

In 2023, the Company used 100% green electricity to power the headquarters. The Company used 19,357 MWh purchased green electricity in total, equivalent to reducing 10,778 tons of CO₂ emissions.

¹ The 2021 photovoltaic power generation figure in 2021 includes only the rooftop power generation from the logistics hubs, while the 2022-2023 figures include power generation from both the logistics hubs and Shan Shan Outlets.

Renewing transportation equipment

The Company continues to replace fuel-powered buses and commercial vehicles with new energy vehicles. In 2023, the logistics hubs completed the replacement of nearly 60% of the new energy buses.

Carbon reduction in the value chain

We have thoroughly examined potential emission reductions throughout the value chain, pushed for energy conservation and carbon reduction around green packaging and green logistics, and capitalized on the integrating role of the Vipshop platform to drive the low-carbon development of the value chain.

Green packaging

Optimizing packaging materials

In 2023, we introduced a smaller-sized colored bag, i.e. size-2A, to replace the size-3 colored bag, and used more than 23 million size-2A bags throughout the year, equivalent to saving 90 tons of plastics. We also reduced the thickness of the air-column bags from 5C to 4C, saving 7.5 tons of plastics throughout the year.

Raising packing efficiency

We introduced automatic/semi-automatic packing equipment, which recommends packing materials based on the historical statistics of orders and consumables, and the packing efficiency increased by at least 30% compared to manual packing. As of the end of 2023, the proportion of packages made with automatic/semi-automatic packing equipment had reached 30%.

Using biodegradable materials

We promoted the trial use of biodegradable materials, with 2.93 million biodegradable colored bags, 38,000 rolls of biodegradable sealing tapes, and 100,000 meters of biodegradable air bags being used throughout the year. At the same time, we actively cooperated with universities, research institutes and leading companies to develop biodegradable materials with higher cost-effectiveness and promote the use of biodegradable packaging materials in the e-commerce industry. In 2024, the Company plans to invest in the R&D of biodegradable materials to increase the market for biodegradable materials.

Using recycled packaging materials

We introduced recycled cartons in the return & delivery between the Company and suppliers, which were used more than 270,000 times throughout the year. We also promoted carton recycling and reuse in our operations, directly recycling about 25 million cartons throughout the year, all of which were put back to use, equivalent to reducing about 25,000 tons of paper use.

Optimizing packaging materials in stores

Our offline stores have replaced non-woven bags with kraft paper bags to reduce the carbon footprint of packaged products. We also updated the hang tags of products in offline stores, replacing them with small-sized self-adhesive stickers, to reduce paper use.

Number of cartons, plastic bags and other discarded packaging recycled

43,910 tons



Type of packaging ¹	2021	2022	2023	2023 target
Total weight of wood/paper fiber packaging (tons) ²	13,161	12,553	34,690	Paper packaging accounts for more than 80% of total weight of packaging
Total weight of plastic packaging (tons)	4,480	4,656	5,338	Plastic packaging accounts for less than 20% of total weight of packaging
Proportion of recyclable plastic packaging (as a percentage of total weight of plastic packaging)	100%	100%	100%	Recyclable plastic packaging accounts for 100% of total weight of plastic packaging
Proportion of biodegradable plastic packaging (as a percentage of total weight of plastic packaging)	/	/	0.9%	/
Proportion of recycled plastic materials in plastic packaging (as a percentage of total weight of plastic packaging)	0%	0%	0%	/

¹ Vipshop only uses plastic and paper-based packaging, and does not use glass or metal packaging. Cartons used in packaging are 100% recyclable.

² In 2023, the content of recycled and certified wood/paper fiber packaging used by the Company accounts for 72.7% of the total weight of all wood/paper fiber packaging, of which the weight of recycled cartons used is 25,000 tons, the weight of newly purchased cartons (with label) is 9,690 tons, and the weight of FSC-certified paper packaging in newly purchased cartons is 210 tons. The total volume of wood/paper fiber packaging used in 2021-2022 includes only cartons (with label) purchased by the Company and does not include cartons directly recycled during operations.

Green logistics

Increasing the energy efficiency of transportation

We have worked to increase energy efficiency of transportation by optimizing transportation routes and integrating resources for product distribution. For example, in the distribution stage, we combine shipments for orders that meet the conditions on the basis of ensuring on-time delivery, and organize one-off delivery for multiple return-to-supplier orders due on the same day to reduce the carbon emissions generated by duplicated distribution. At the same time, we have established a monitoring mechanism on logistics service providers, and set requirements such as the proportion of new energy trucks and the efficiency of transportation routes, so as to drive suppliers to reduce carbon emissions.

Promoting paperless logistics

We steadily promoted the paper reduction plan for return-to-supplier handover list in all our warehouses, and achieved the target of 100% paperless for the packing list of received goods. The documents on the return-to-supplier handover list have been reduced from 4 to 2, saving 3.60 million sheets of paper throughout the year, equivalent to about 17 tons of paper. The paperless campaign for the packing list of returned goods to supplies also made progress, saving over 40 million sheets of paper throughout the year, equivalent to more than 70 tons of paper.

Low-carbon data center

Carbon emissions caused by the power consumption in leased data centers are an important component of the Company's Scope 3 emissions. The Company pays close attention to the low-carbon transformation of data centers, and takes the energy consumption of data centers as a factor for consideration in supplier selection. We prioritize cooperation with suppliers that have higher energy efficiency or a higher proportion of clean energy use, and actively work with suppliers that hold advanced refrigeration technology and equipment to continuously reduce the carbon emissions of data centers.



Data center in Vipshop Headquarters

Low-carbon commuting

The Company calls on employees to make good planning for their business trips, such as choosing high-speed trains in long-distance trips. For daily commuting, we provide shuttle bus services connecting the office areas to subway stations and employee apartments, and encourage employees to choose low-carbon public transportation. In addition, the Company has formulated a shuttle bus replacement plan for employee commuting service to gradually increase the coverage of new energy buses. As of the end of 2023, the Company had used 100% new energy shuttle bus for employee commuting in the Shanghai office area.



New energy shuttle buses in the Shanghai office area

Conserving biodiversity

Biodiversity is the foundation for humanity to survive and thrive. It is also the bloodline and roots of the community with a shared future for all life on Earth. However, due to the impact of factors such as the loss and destruction of natural habitats, over-utilization of natural resources and climate change, the service function of the global ecosystem has significantly declined, which poses a serious threat to human survival and sustainable development.

Fully understanding the significance of biodiversity conservation, Vipshop has formulated and released the [Vipshop Biodiversity Commitment](#) based on the United Nations Sustainable Development Goals (SDGs), the Convention on Biological Diversity (CBD), the Kunming-Montreal Global Biodiversity Framework, and the requirements of China's ecological civilization strategy. We have outlined our strategy and plans for participation in biodiversity conservation and appealed to all stakeholders to join us in building a beautiful home of harmonious coexistence between man and nature.

Covering 31% of the global land area, forests are the main component of the terrestrial ecosystem and an important natural resource. They provide clean air and water for humanity and home to animals and plants. Sustainable forest management is conducive to addressing climate change and the biodiversity crisis at the same time.

Vipshop strictly complies with the Forest Law of the People's Republic of China and other laws and regulations. With the unanimous consent of all ESG Committee members, Vipshop commits to refrain from forest logging in all business operations and actively protect forest resources. In 2023, no deforestation risk occurred in all Vipshop's business operations and construction sites.

Vipshop's main actions to protect biodiversity:

- 01 adhering to the path of environmental friendly development
- 02 eliminating the illegal sale of wild animals and their products on the platform
- 03 encouraging and promoting the public to make sustainable consumption choices
- 04 providing resources to support biodiversity conservation actions
- 05 promoting the awareness of biodiversity conservation among stakeholders

Case

Supporting sustainable forest management and bird habitat conservation

In July 2023, Vipshop donated RMB 3.80 million to the Beijing's Miyun Close-to-Nature Forest Management and Bird Habitat Optimization Project as the lead donor. The project is jointly launched by the Nature Conservancy (TNC) and Beijing Municipal Forestry and Parks Bureau, and organized through collaboration between the Beijing Forestry Carbon and International Affairs Center, Beijing Academy of Forestry and Landscape Architecture, the Chinese Academy of Forestry, and the Sichuan Green Foundation. Starting with the management of close-to-nature forests and the restoration of flagship bird habitats in Miyun District, the project adopts Nature-based Solutions (NbS) to build a multi-party cooperation platform, and explores innovative and comprehensive conservation models that aim to improve the quality of forests in the Miyun Reservoir watershed, strengthen the biodiversity conservation system, enhance the carbon sink and water conservation capacity of the ecosystem, and realize the values of eco-friendly products. The project has set a new model of harmonious coexistence between man and nature in areas surrounding cities.

Close-to-nature forests management

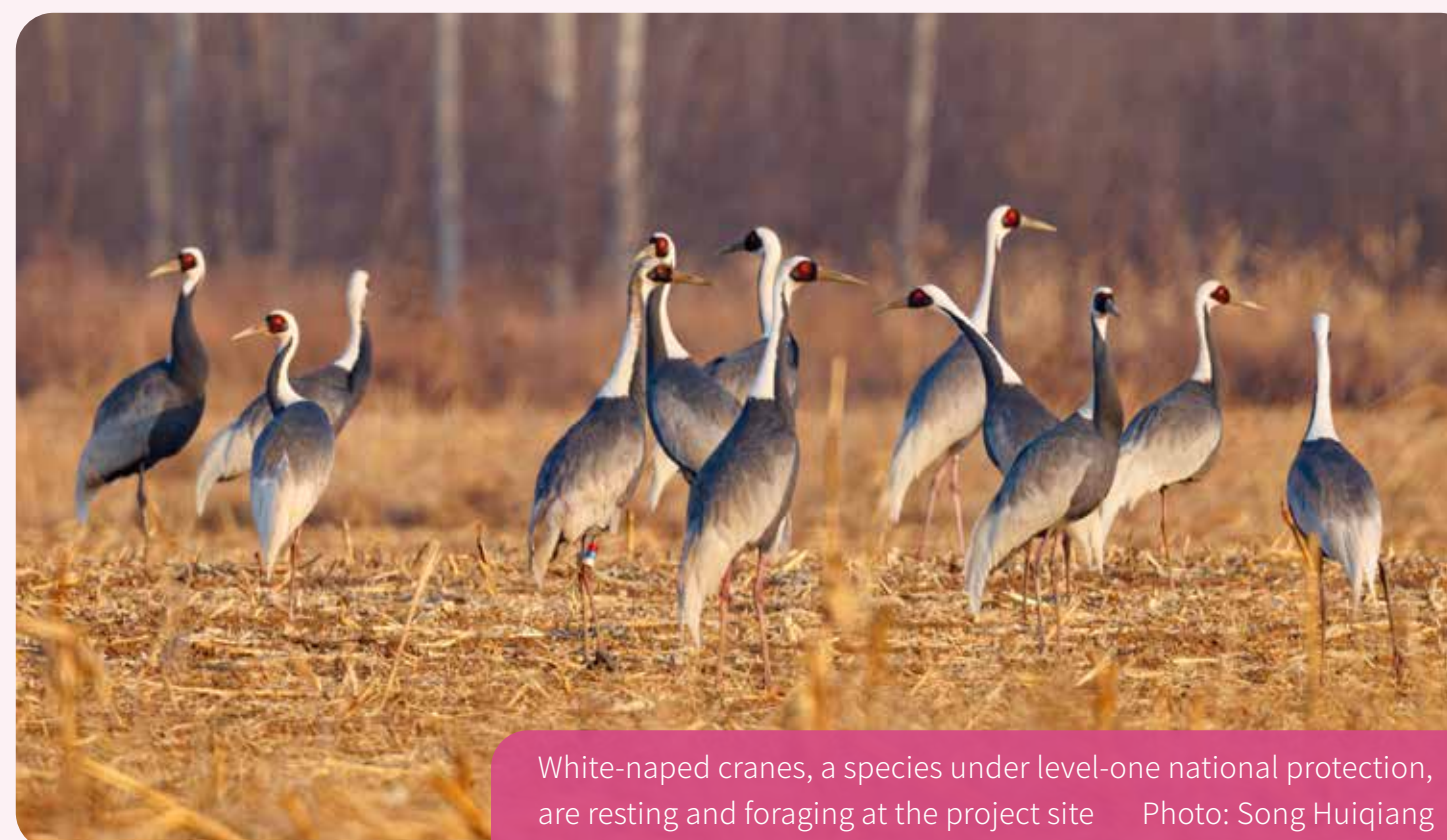
The project team conducted ecological hydrological process monitoring, multi-functional forest management research and demonstration of typical mountainous forests in the Wuzuolou Forest in Miyun District. Through a comprehensive investigation of Beijing's mountainous forests, rational classification of site types in different areas, management strategies based on zoning, site type classification, and management objectives, a research and demonstration site for multifunctional forest management were established. This initiative aims to promote the multifunctions of Beijing's headwater forests and the high-quality development of Beijing's forestry. By the end of 2023, together with all the partners, the project team had completed the survey on the current status of forest management in Miyun District and implemented close-to-nature forest management for the 800-mu (about 53 hectares) in the demonstration area and have passed the acceptance inspection.

Bird habitat conservation

Due to reduced space and falling quality of natural habitats, farmland has gradually become a habitat for birds, and also a transit station and supply station for many rare migratory birds. Under the Bird Habitat Conservation project, the team renovated 200 mu (about 13 hectares) of farmland in the key transit areas of migratory birds through cooperation with local villagers, and adopted initiatives, including optimizing the structure of bird food sources, creating a sound habitat environment, and strengthening habitat management, to provide more suitable habitats for resting and overwintering migratory birds and protect the overwintering routes of migratory birds. From September 2023 to March 2024, the monitoring team detected 88 bird species, belonging to 19 orders and 40 families, in the demonstration farm site of Xiaocao Village and its surrounding habitats. The increase of nearly 50 species compared to the same period in 2022 shows that the project has played a positive role in promoting the restoration and protection of bird diversity. Among the 88 bird species, 6 are under level-one national protection, i.e. white-tailed sea eagle, black stork, great bustard, white-naped crane, white-headed crane and red-crowned crane; 19 are under

level-two national protection, and 27 are under municipal protection in Beijing. Altogether, the bird species on the national and municipal protection lists account for 59.1% of all surveyed species.

At the same time, the project team actively reached out to the local communities and residents. Through initiatives such as setting up green posts, hiring and training bird guards, opening free bird watching huts, and holding bird conservation classrooms for villagers, the project team looked for ways to promote sustainable community development and sustainable protection of bird habitats, enhance the villagers' awareness of ecological protection, enable the realization of the values of eco-friendly products, and promote the harmonious coexistence between man and nature.



White-naped cranes, a species under level-one national protection, are resting and foraging at the project site Photo: Song Huijiang

Strengthening environmental management

Vipshop continuously improves its environmental management system, formulates environmental management objectives, systems and management processes, and implements waste management, water resource management, paperless office and other measures to enhance the effectiveness of environmental management.

Environmental management system

Vipshop strictly abides by the environment-related laws and regulations of the locations where it operates, and has formulated a series of systems, such as the Environmental Health and Safety Policy, the Environmental Health and Safety Inspection System, and the Environmental Health and Safety Performance Monitoring System. These policies, which are applicable to all activities within the Company's business operation process, including production and operating facilities, products and services, logistics and transportation and waste management, have solidified the foundation of environmental management. Employees, contractors and third-party suppliers are required to comply with the corresponding policies and systems.

Vipshop has established the Environment-Health-Safety Management Committee (EHS Committee) to help establish a governance framework with clearly defined roles and responsibilities, and promote and monitor the implementation of various policies. The EHS Committee is headed by the Chairman of the Board of Directors, and its other members include senior executives, heads of first-tier departments (units), president of the labor union and employee representatives. The EHS Committee meets at least once each quarter to examine the Company's EHS performance, review the implementation of corrective and preventive measures for major EHS hazards, and provide solutions and resource support for relevant issues, with a view to continuously improving EHS performance. In parallel with this, Vipshop engages independent specialists to regularly assess the Company's execution of EHS measures within its production and business management activities, in order to minimize the impact of production and business activities on the environment and the health of employees, and achieve the goal of "Six Zeroes".

Each year, the Company drafts an annual EHS training plan, and organizes EHS training in various forms, including, but not limited to, the Group's EHS management requirements, to help employees and contractors better understand relevant policies, strengthen EHS awareness, and learn about the environmental impact of their work.

In 2023, Vipshop did not incur any significant fines or penalties related to the environment or the ecosystem.

Vipshop's Environment-Health-Safety targets - "Six Zeroes"

- "Zero" environmental accident
- "Zero" fire accident
- "Zero" transportation accident
- "Zero" injury
- "Zero" tolerance of unsafe work practices
- "Zero" contravention of EHS guidelines or commercial ethics

Resource management

Reducing water consumption in operations

We have adopted initiatives such as building the rainwater recycling system, using reclaimed water and installing water-saving equipment to reduce water consumption in operations. In 2023, water conservation in the Guangzhou office area totaled about 13,143 tons. The Shan Shan Outlets replaced traditional faucets used in restrooms with sensor faucets, and reduced water consumption and waste by adjusting water-saving valves and keeping water pipes warm in winter; the Guiyang store of Shan Shan Outlets collected rainwater with reclaimed water treatment equipment, and used the treated rainwater for landscape irrigation.

Paperless office

Vipshop promotes paperless office across its operations, encourages employees to fully utilize paperless office tools such as Weimi IM and email, promotes practices such as paperless meetings, paperless reimbursement, paperless approval and default setting of double-sided printing, and honors model departments of paperless office to create a low-carbon and paperless culture in the offices.

In 2023, the Company's office paper use was reduced by 144,000 sheets compared to the previous year, which is equivalent to saving about 1.3 tons of paper.⁴

Reducing water consumption in construction

We have set targets for water consumption in the office and living areas of the construction site and adopted the approach of metering management. In the meantime, we have designed and arranged the water pipeline network of the construction site based on the amount of water consumption, and taken steps to minimize the leakage of pipeline network and water appliances.

Waste management

We have introduced the garbage classification system, differentiating between domestic garbage, food waste and construction garbage, to raise the utilization rate of garbage resources. In parallel with this, we seek the assistance of professional recyclers for secondary recycling of usable waste to reduce the discharge of wastes and promote resource recycling.

¹ The water resources used by Vipshop include municipal water and underground fresh water, and we do not use surface freshwater from lakes, rivers, etc. The underground fresh water usage is 37,945 cubic meters.

² Total amount of recycled/reused waste throughout the year was 49,115 tons, including 43,920 tons of paper, plastics and other recyclables (including 43,910 tons of packaging material waste recovered in the packaging process, 10 tons of waste recovered in the office), and 5,195 tons of food waste. The food waste data includes the amount of reused food of Shan Shan Outlets, while the other waste statistics do not include that of Shan Shan Outlets.

³ Total amount of waste disposal throughout the year was 35,530.3 tons, including 35,521.5 tons of landfill waste and 8.8 tons of incinerated waste.

⁴ This data does not include the amount of paper saved in the office area of Shan Shan Outlets.

Water usage throughout the year

1.97 million cubic meters¹

Total amount of recycled/reused waste throughout the year

49,115 tons²

Total amount of waste disposal throughout the year

35,530 tons³

Supporting the building of low-carbon society

To achieve the "dual carbon" target, it is imperative to mobilize the whole society into the transition toward green production and green lifestyle. Building on its platform advantages, Vipshop cultivated its green product section to promote green consumption by its customers. At the same time, Vipshop encourages its employees to pursue a green life through initiatives such as the "V-Carbon" platform and the awareness campaign on low-carbon.

Encouraging green consumption

Green consumption is a rational behavior enlightened by the consumer's awareness of environmental protection, and it is of great significance to the sustainable development of the society. As a responsible consumption platform, Vipshop actively undertakes the responsibility of promoting green consumption. In 2023, during the June 18 promotion, the Company launched a pilot campaign on the sales of green products with the theme of "Better Life, Green Consumption". Based on the properties of products, we focused on four types of products with positive environmental features, i.e. Green Pioneer, Eco-friendly Raw Materials, Energy Conservation and Emission Reduction, and Environment-friendly Packaging. While providing a more direct and convenient way to buy green products, the campaign also enhances consumers' awareness of green consumption, and pushes forward the trend of green and low-carbon life.

Inspiring employees to live a low-carbon life

Encouraging employees to embrace a low-carbon lifestyle is an important component of Vipshop's "dual carbon" strategy. The Company calls on employees to live a green life and lead the low-carbon campaign through initiatives such as setting up the Low-Carbon Pioneers, creating the "V-Carbon" account, and providing low-carbon training to all employees.

Setting up the Low-Carbon Pioneers

On April 22, 2023, on the occasion of the 54th World Earth Day, Vipshop set up a Low-Carbon Pioneers consisting of 69 employees from 21 departments. The Low-Carbon Pioneers will play a pioneering role in boosting the public's green awareness, plant the seed of low-carbon life and work into the heart of every Vipshop associate, and motivate people around them to protect the environment starting from the little things in everyday life.

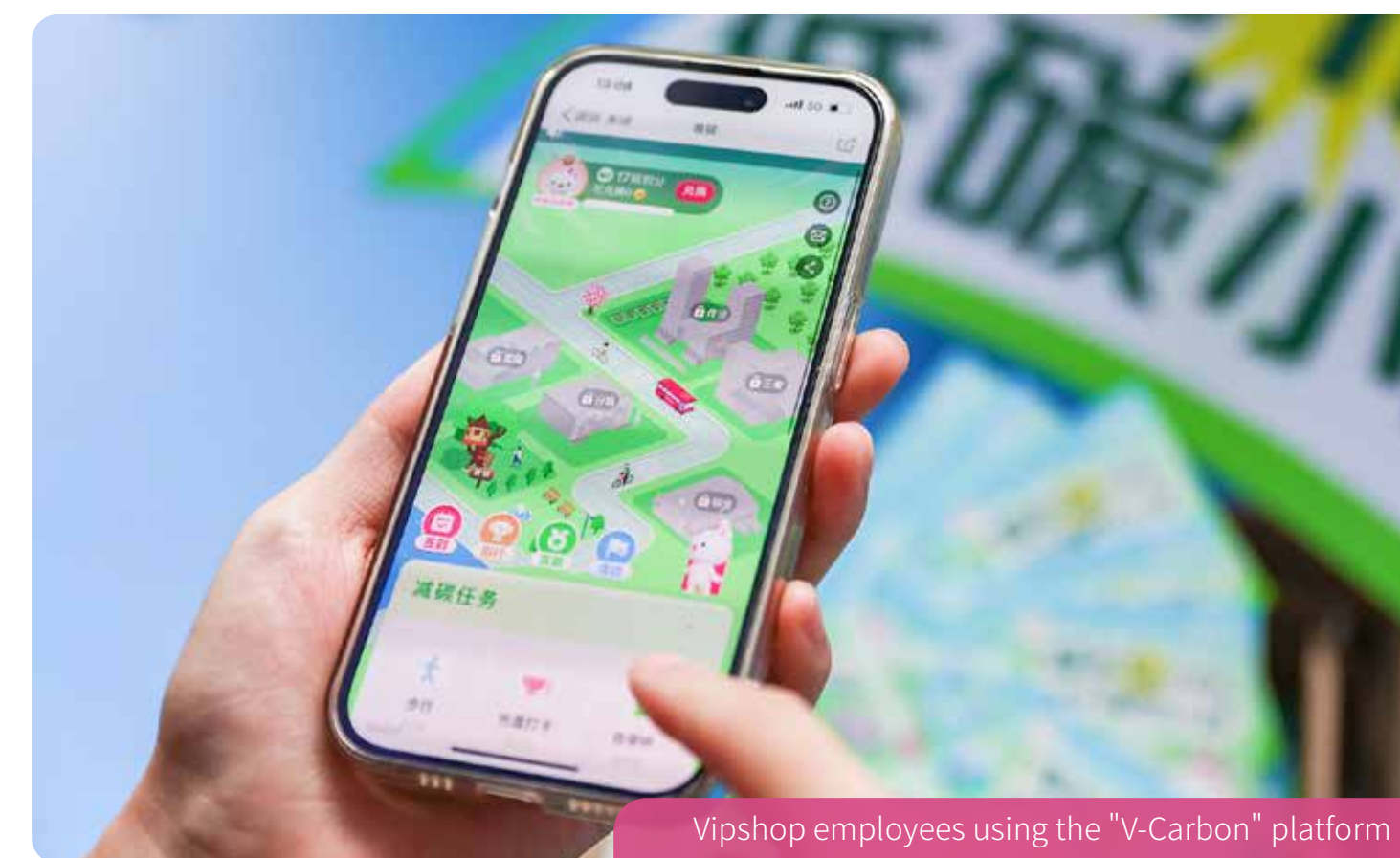
Creating employees' carbon accounts

In October 2023, Vipshop launched a carbon account dedicated to its employees, "V-Carbon". As a bond between employees and low-carbon life, "V-Carbon" uses digital technology to create a scientific model for calculating carbon emission reduction, which quantifies employees' daily low-carbon behaviors and the effect of their carbon reduction efforts, and ultimately keeps the record in the form of "carbon points" in the employees' carbon accounts. Low-carbon behaviors include low-carbon travel, reducing food waste, recycling used items, etc. Carbon points can be exchanged for Vipshop coins or gifts in the Points Mall, which motivates employees to pursue a green and low-carbon lifestyle. At the same time, we publish low-carbon rankings on a monthly basis to give employees a stronger sense of honor and encourage the participation of all employees in the program.

On the first day of the launch of "V-Carbon", the number of participants in the carbon reduction missions totaled 13,000, reducing more than 760kg of CO₂ emissions in total, which is equivalent to the amount of CO₂ absorbed by 42 Haloxylon ammodendron trees in a lifetime, or the amount of carbon emissions from 1,338kWh of household electricity consumption. As of the end of 2023, the number of participants in the carbon reduction missions reached 145,000, reducing CO₂ emissions by a total of 16,709kg.



Low-Carbon Pioneers



Vipshop employees using the "V-Carbon" platform

V-Talent

Pillars of the ESG strategy

Creating a platform for inclusive development, establishing a mutually inclusive workplace with employees

An Inclusive workplace

Creating a liberal, inclusive, diverse working environment and, listening to and respecting the opinions of employees from all backgrounds to increase employees sense of identity

Gender-equal workplace

Fostering gender equality at work, providing leadership training for women and, increasing female representation at all employment levels

Employee development platform

Creating a development platform to meet employees' needs, strengthening the foundations of the training system, and supporting junior employees' growth

Health and safety platform

Creating a compliant platform to ensure employees' health and safety, and providing them with the conditions to work safely

Progress of the ESG strategy

Promoting the Diversity, Equality and Inclusion (DEI) program, providing employees with diversified training and incentive mechanisms, and creating a healthy and safe working environment

An Inclusive workplace

Systematically promoting DEI programs by issuing DEI commitments and establishing a DEI resource group to foster a culture of diversity, equality and inclusion

Gender-equal workplace

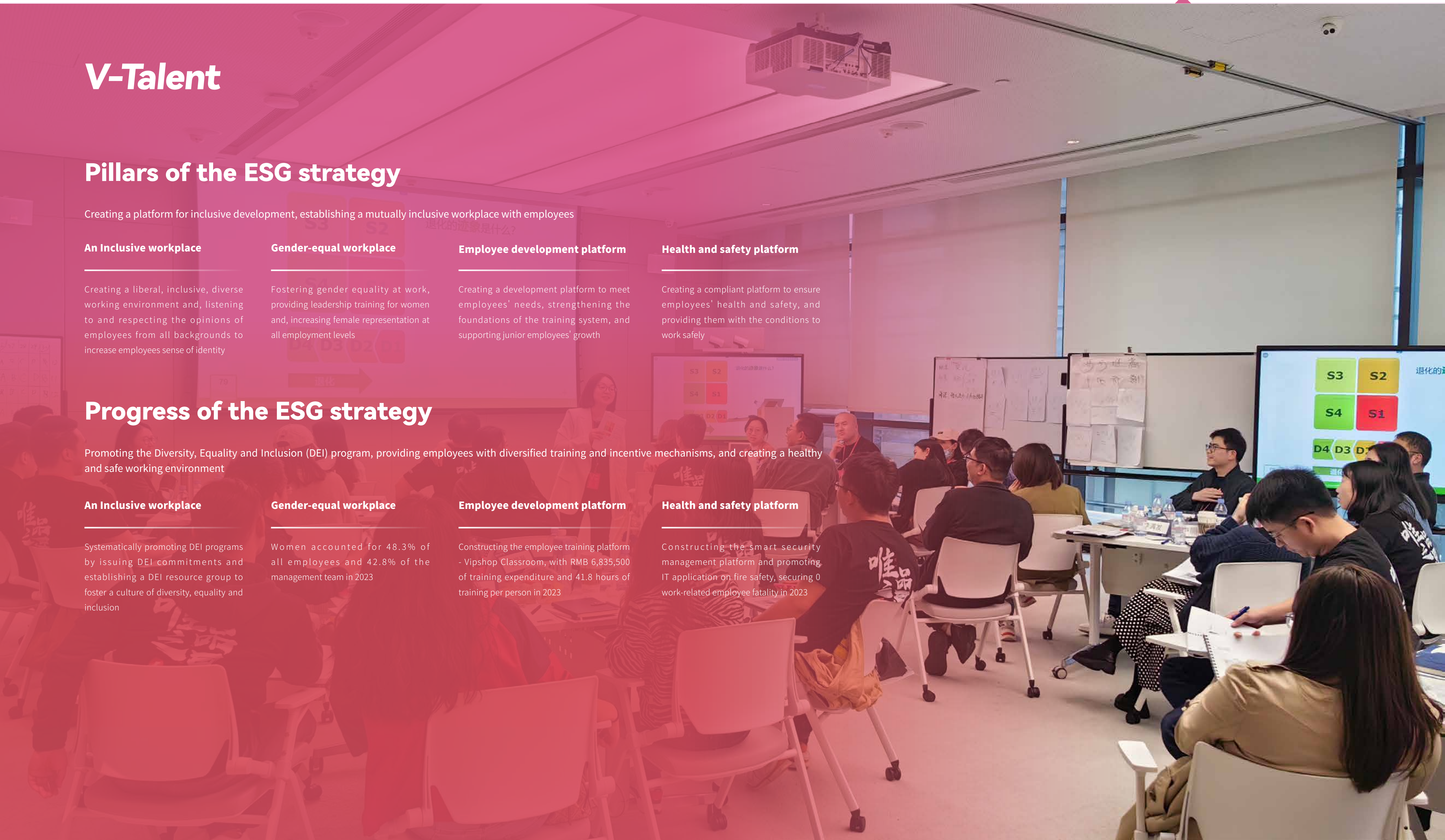
Women accounted for 48.3% of all employees and 42.8% of the management team in 2023

Employee development platform

Constructing the employee training platform - Vipshop Classroom, with RMB 6,835,500 of training expenditure and 41.8 hours of training per person in 2023

Health and safety platform

Constructing the smart security management platform and promoting IT application on fire safety, securing 0 work-related employee fatality in 2023



Talent attraction and retention

Talent is the wellspring for the Company's development. Vipshop abides by all laws and regulations including the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, provides employees with a market-competitive remuneration and benefit system, cares for the well-being of employees, and commits itself to improving employee satisfaction and attracting and retaining outstanding talent.

Compliant employment

The Company recruits talents through the flexible use of employment channels, including the internet, social media, headhunters, and internal recommendations, to assess the suitability of candidates and positions, and reinforce the talent foundation of high-quality development. At the same time, we incorporate risk management into the employee review process. On the premise of protecting the privacy of candidate employees and obtaining the candidate's consent, we check the basic information (e.g., social security record, etc.) and work experience of candidates to assess the risks associated with employees.

Vipshop supports and recognizes international human rights norms such as the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. The company has made it clear within the group that it prohibits forced or compulsory labor, the use of child labor and human trafficking, employment and occupational discrimination, abides by the principle of equal pay for equal work, protects employees' freedom of association and collective bargaining rights, and prohibits all forms of workplace violence, threats and harassment. The Company regularly assesses the human rights risk within its business activities and verifies the compliance of employment. If risk issues are identified, remedial measures will be adopted to mitigate or prevent human rights risks and undo the adverse impact. In 2023, the Company incurred no incident of child labor or forced labor.

In the event of reorganization or major changes in business, we will first arrange our employees to take part in job transfer interviews. If they can pass the interview, we will conduct performance appraisal and provide necessary training for them in their new positions based on the requirements for new employees, so as to help them adapt to the new job. If the employees are unable to meet the work requirements of the new position, we will negotiate the termination of labor relations with them and pay economic compensation as required by law. At the same time, we will mobilize our own resources to assist employees in getting reemployed, including introducing them to new jobs where appropriate.

Case

Enabling outsourced employees to convert into in-house staff to give employees a stronger sense of ownership

In 2023, in order to guarantee the labor rights of outsourced employees, such as full and in-time receipt of compensation and employer contributions to the five insurance schemes and housing provident fund, and implement the "ten rules on relations with employees for Vipshop managers", the Company pushed forward the project of converting outsourced employees into in-house staff, so that they could enjoy the same labor rights, compensation and welfare benefits as regular employees.

As of December 31, 2023, over 6,000 outsourced employees doing logistics and customer service jobs on the front line had been converted into regular employees, which has enhanced employees' sense of ownership and happiness.

Percentage of employees signing
collective contract¹

100%

Ten rules on relations with employees for Vipshop managers

Care for employees, value employees,
understand employees, respect
employees, and embrace employees.

Praise employees, trust employees,
motivate employees, retain employees,
and support employees.

¹ This data covers Vipshop (China) Co., Ltd.

Compensation and benefits

The Company has drafted policies including the Compensation Management System and the Welfare Management System as part of the continuous improvement of the compensation and benefit system to boost Vipshop's competitiveness in the job market. The Company abides by the Labor Law of the People's Republic of China and other laws and regulations, and contributes to employees' pension, medical insurance, work-injury insurance, unemployment insurance and maternity insurance schemes, as well as their housing provident fund as required by law.

In order to ensure the living standard of front-line employees, in 2023, we set the minimum wage standard for Vipshop employees by taking into account the Minimum Wage Regulations issued by China's Ministry of Human Resources and Social Security, as well as the minimum wage standards and price level of different regions. We promise that from 2024 onwards, the overall annual remuneration of all regular employees with normal work efficiency and full attendance record will be kept at no less than RMB 60,000, which is way higher than the minimum wage standard of China's mainland¹.

Celebratory wishes

Gifts and gratuities (for marriage, childbirth and bereavement)

Facilities

Riverside gym, infinity swimming pool, company library, and employee cinema

Parenting support

Wedding leave, maternity leave, leave for miscarriage, paternity leave, breast-feeding leave, contraceptive-procedure leave³

Holiday entitlement

Paid annual leave, bereavement leave, parents' evening leave for only child

Accommodation

Vipshop talent apartment, zero-interest loans for home purchase, and housing provident fund

Healthcare

Online health management platform, health checkups and screenings, paid sick leave, commercial insurance, and compensation for medical treatment

Convenient living

Employee-exclusive purchasing, SF Express discounts, employee-only sales events, employee shuttle bus

Flexible working

Flexible working system with flexible working hours

Vipshop's "Fortunate, Loving and Growthful" benefits system²

¹ The minimum wage standards of China's mainland vary from region to region. According to the minimum wage standards released by the Ministry of Human Resources and Social Security on January 1, 2024, the region with the highest wage is Shanghai, which is RMB 2,690 per month; and the region with the lowest minimum wage is in the fourth tier in Liaoning Province, which is the RMB 1,420 per month.

² Except for health checkups, which are applicable only to regular employees who have completed the regularization process, the benefits provided under Vipshop's "Fortunate, Loving and Growthful" benefits system are applicable to all employees of the Company, including both regular employees and those who have returned to work after retirement. A very small number of benefits are not applicable to Shan Shan Outlets, such as bereavement leave and zero-interest loans for home purchase.

³ Full-time regular employees of Vipshop are entitled to parental leave, maternity leave, paternity leave and parents' evening leave for only child in accordance with the policies of their local regions (Parents' evening leave for only child is 5 days, if the local policy regarding this leave is longer than 5 days, it will be implemented according to the local policy). In 2023, the average paid maternity leave for Vipshop employees was 25.4 weeks, and the average paid paternity leave was 2 weeks.

Case Building talent apartments to provide a safe and cozy home for employees

In 2023, the Company invested more than RMB 120 million to build VIPer-home Apartment. With a total construction area of 30,000 square meters, the VIPer-home Apartment consists of 672 housing units, all of which are rented to the employees at about 10% of the market price, which greatly reduces the living cost and pressure of employees in big cities.

In order to make life more convenient for employees, the VIPer-home Apartment is equipped with a whole set of matching facilities, such as parlor, library, gym, charging piles, takeaway lockers and courier lockers. It also provides 24/7 hotline and other property management services, creating a cozy and safe living environment and giving a feeling of happiness to employees.

“Before moving into the VIPer-home Apartment, my housing rent was RMB 3,580 per month, now it’s only RMB 300, which saves me almost RMB 40,000 a year. That can surely make a big impact on my life quality.”

--Tian Ya, an employee of Vipshop

By the end of 2023,

1,049 units

of Vipshop talent apartment had been provided,

saving housing expenses for

1,128 employees



Care for employees

Caring for every employee and enabling them to work hard and live happily is our abiding commitment. We endeavor to make employees happy and boost their sense of ownership by optimizing the working environment, helping employees in difficulty, and organizing various types of activities.

Working environment

In 2023, we launched a company-wide campaign to improve the working environment for frontline staff. The operation centers of the National Logistics Center renovated the fixed positions in the operation area to provide employees with a comfortable temperature at work; reduced the number of dormitory rooms with 5/6 beds and increased the landscaping in the dormitory compound to improve the accommodation conditions; remodeled the indoor basketball court, badminton court and other sports facilities to provide the venues for employees to do sports exercises; and carried out the Meal Enhancement Program to improve the dining conditions for employees. The Customer Service Center increased the number of apartments for employees and optimized the dormitory environment to improve the accommodation experience; the newly built Hainan II workplace, which covers an area of 1,000 square meters, is fully equipped with matching facilities such as restaurants, commuter shuttles and dormitories to create a comfortable working environment for employees.



The newly-built Hainan II office building provides a cozy working environment

Care for employees in difficulty

In 2013, the Company set up the V-Care Employee Assistance Fund based on the principle of "from employees, for employees". For employees who sign up for the voluntary fund, the Group will deduct RMB 5 from their monthly post-tax income. Employees in need can apply for medical bill reimbursement, living allowances and emergency funds for themselves or their family members, so as to provide relief for employees in difficulty. In 2023, to increase the assistance to employees in difficulty, the Company further raised the quota of medical bill reimbursement. During the whole year, the V-Care Employee Assistance Fund provided RMB 1,458,000 of assistance to 208 person-time.



Children of Vipshop employees experiencing traditional handicraft culture on "Hi-V Day"

Festival activities

During traditional festivals such as Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival, the Company will prepare cultural gifts for employees, and organize various cultural activities on the theme of the festivals. We also hold gourmet festivals or provide afternoon tea at key milestones of the Company's business such as general promotions and anniversary celebrations to create a relaxed atmosphere for employees.

Family Day event

During the "Hi-V Day" (Vipshop Family Day) event, employees can invite their friends and relatives to tour their work environment at Vipshop and strengthen their emotional bond with the Company. In 2023, the Company organized four Family Day events for employees with their children, with their partners, with their elder relatives, and in Langtou Village, with the total participation of 308 families and 1,137 attendances.

Club activities

The Company encourages employees to take part in club activities to balance work and life. In 2023, 10 new clubs were set up in the Company, bringing the total number to 68, including but not limited to cultural and sport clubs, and 1,278 activities were organized throughout the year, with the participation of 55,271 person-times.

"I came from another city and I don't have much time to spend with my family. Family Day is a good place to build emotional bond, and it's nice to show my family where I work."

--Vipshop employee

Case Opening nursery and weekend interest classes, providing a new parenting option at workplace

For many Vipshop associates, how to balance professional work with parenting is a major challenge in life.

In order to better meet the needs of employees, during the summer vacation in 2023, Vipshop South China Logistics Warehouse, together with the Federation Trade Union of Zhaoqing High-Tech Zone, opened a nursery class for children aged 7-12 to take care of children's learning needs and safety during the summer break, and create more opportunities for their parents to communicate with and accompany them. The nursery class has a head teacher, a daycare teacher and other staff. It also makes proper arrangements of meals, noon break and homework guidance every day to make the summer vacation both fulfilling and full of fun. A total of 36 VIPer's kids joined the nursery class in the summer. Some of them are left-behind children who reunited with their parents in the summer, and some are children of double-income families.

In addition to the summer nursery class, Vipshop Southwest Logistics Warehouse provides weekend interest classes for VIPer's kids, with courses such as hard-tipped calligraphy and creative art. It also provides a whole set of facilities including classrooms, reading corners and gyms, and organizes fun sports games, birthday parties and other activities, which were participated by 30 children of Vipshop employees. In the future, the Southwest China Operation Center will turn the holiday interest classes into a permanent service to build a bridge of communication for our employees with their children, take greater care for the well-being of employees and increase their happiness.

Similar to the facilities in the Vipshop Southwest Logistics Warehouse, there is a mini-amusement park inside the compound of the Vipshop Qingdao bonded warehouse. The 90-square-meter area is divided into a learning center, an indoor playground for toddlers and a function zone, and equipped with desks and chairs, children's books and air slides, providing a place for learning and recreation to the children of Vipshop employees. The amusement park is open to employees, who can use it as needed and participate in parent-child bonding activities.



VIPer's kids in the summer nursery class



VIPer's kids playing in the mini-amusement park inside the compound of the Qingdao Overseas Shopping Warehouse

“

"It's great that I can go to class and play with other little friends, and stay with my mom and dad at night! I like this place so much!"

--VIPer's kids

”

“

"I didn't know that our child could learn calligraphy here for free. After some practice, the handwriting of my kid has improved, and I hope this kind of interest class can be provided all the time."

--Vipshop employee (VIPer)

”

Employee satisfaction

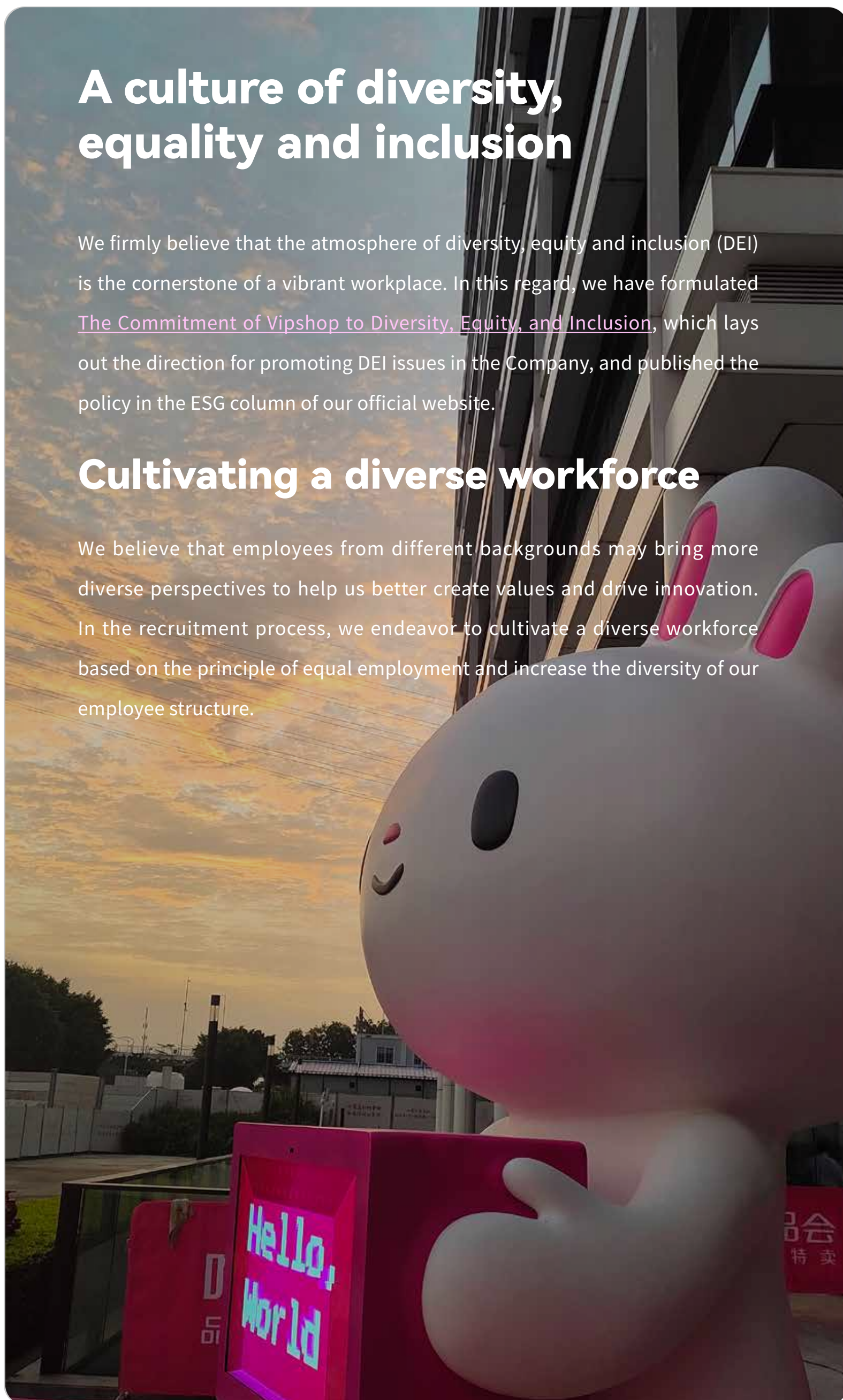
In 2023, the Company conducted a survey among employees on organization health, which included indicators such as the effectiveness of the organization, confidence in the organization, employee satisfaction, and employee dedication. The employees were asked questions such as whether they were satisfied with their current job, whether they understood their work goals, whether they had a sufficient sense of achievement/happiness in their current job, and whether they could bear with the current work pressure. A total of 5,146 employees participated in the survey, accounting for 35% of all employees. According to the results of the survey, the Company has scored 4.32 points on organization health, which is higher than the previous year. 83% of the employees are highly satisfied with their current work situation; 90% of the employees are more than willing to recommend others to work for the Company¹. The Company's goal is to increase its organization health score every year in the future.

Awarded the 2023 Nfuture Most Popular Employer for College Students

Awarded the Most Popular Employer Brand for College Students by MOKA



¹ "Highly satisfied" and "more than willing" means that employees chose a score of 4 out of 5 or higher on this question about satisfaction.

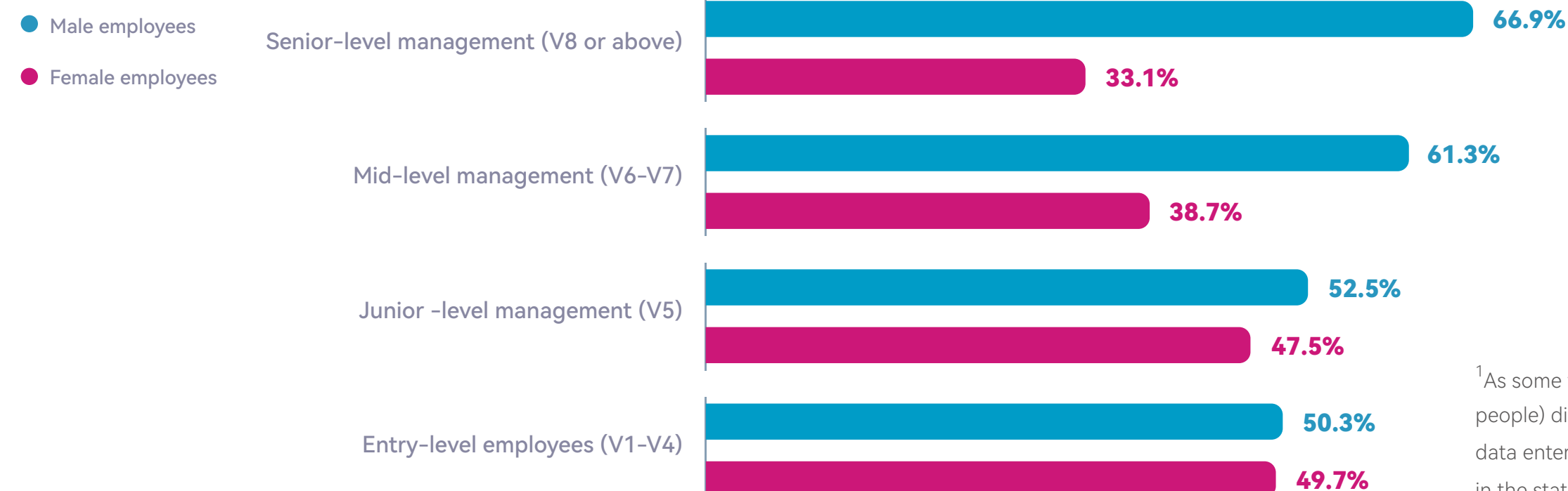
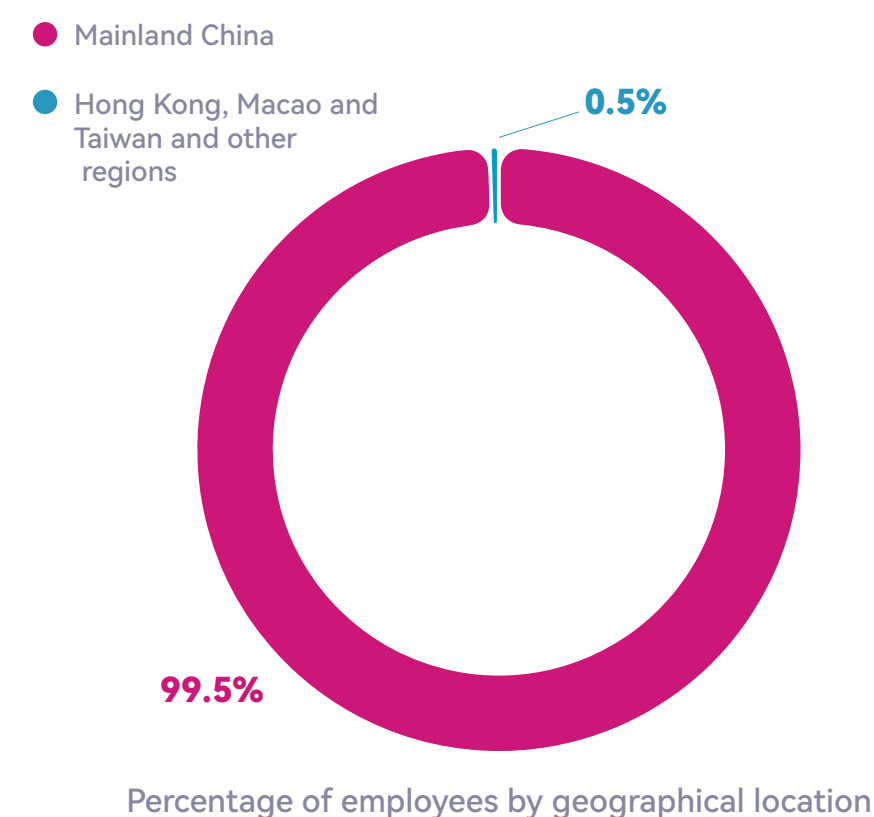
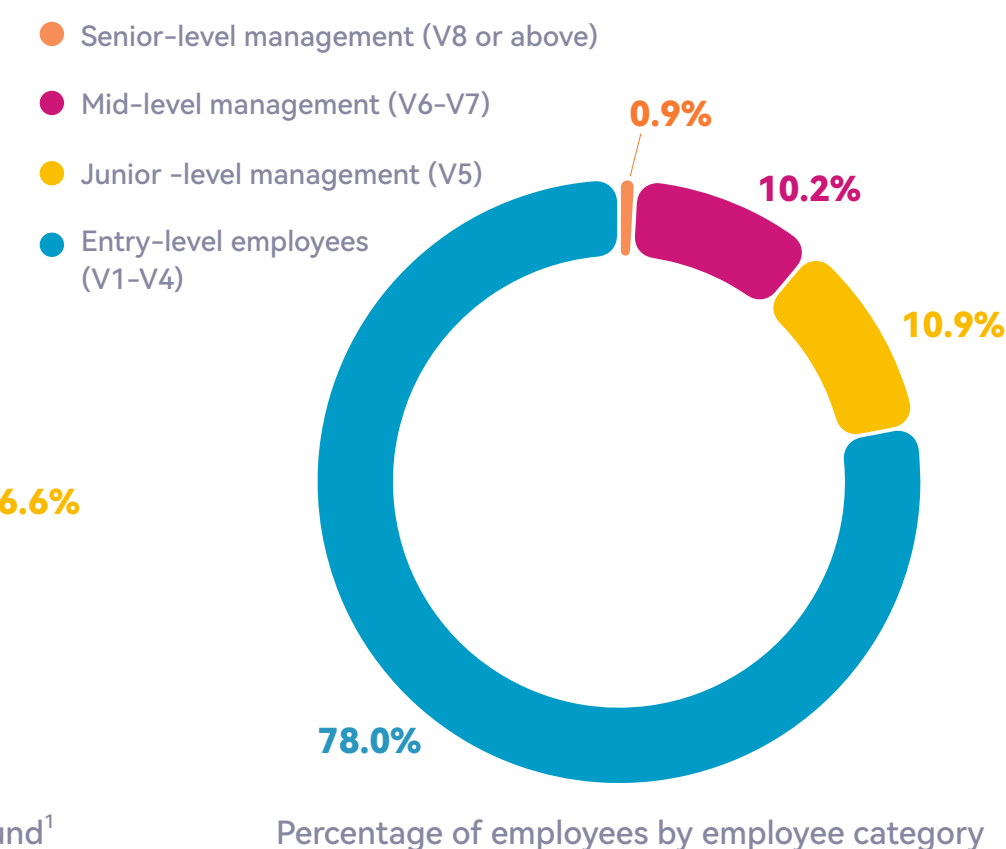
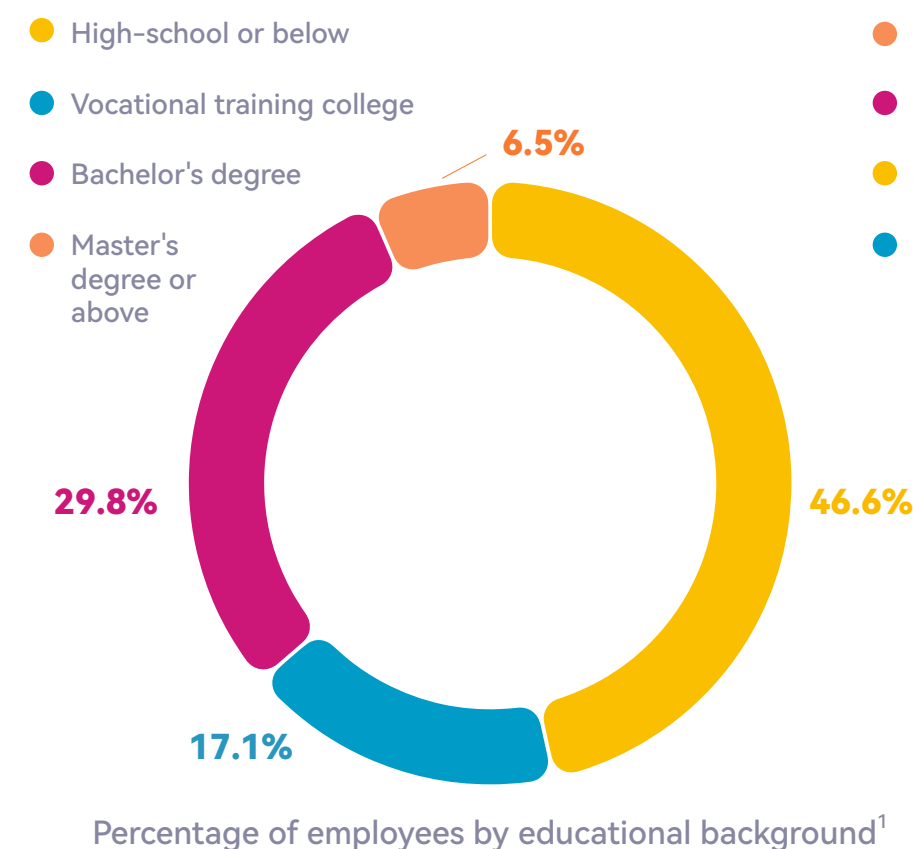
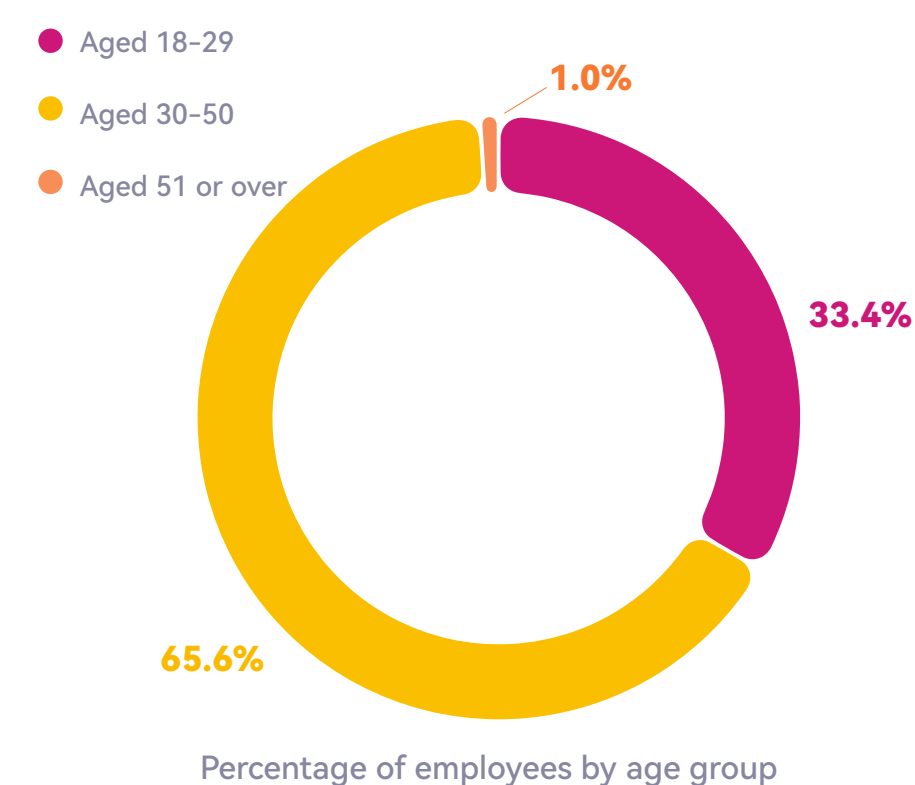
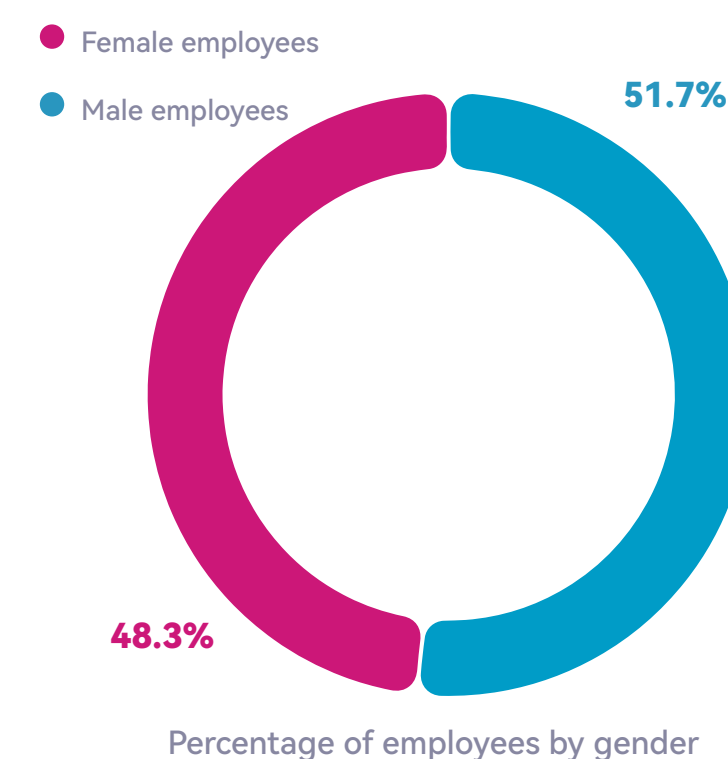
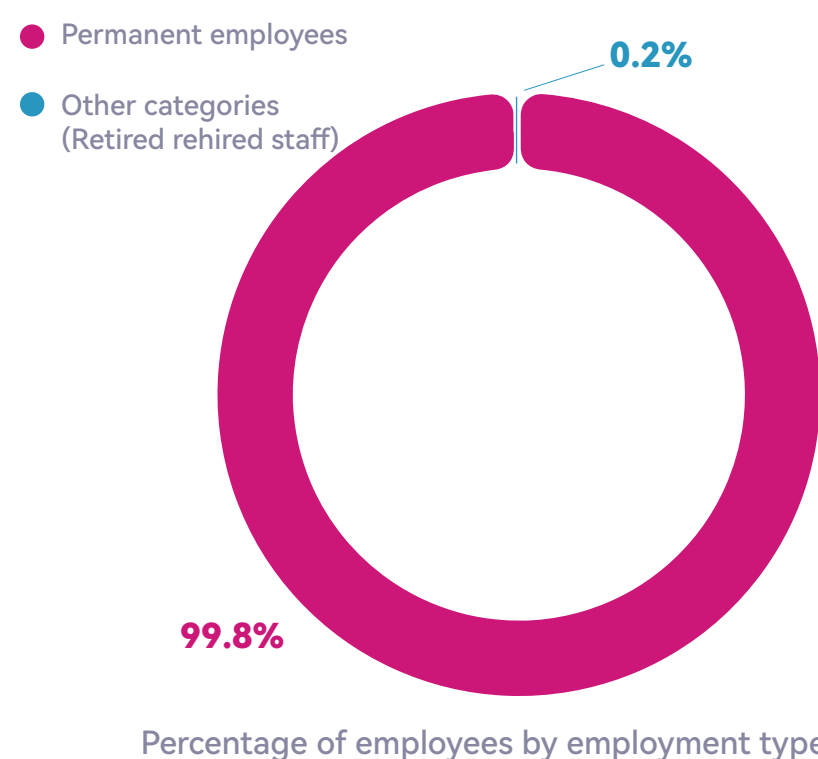


A culture of diversity, equality and inclusion

We firmly believe that the atmosphere of diversity, equity and inclusion (DEI) is the cornerstone of a vibrant workplace. In this regard, we have formulated [The Commitment of Vipshop to Diversity, Equity, and Inclusion](#), which lays out the direction for promoting DEI issues in the Company, and published the policy in the ESG column of our official website.

Cultivating a diverse workforce

We believe that employees from different backgrounds may bring more diverse perspectives to help us better create values and drive innovation. In the recruitment process, we endeavor to cultivate a diverse workforce based on the principle of equal employment and increase the diversity of our employee structure.



¹As some front-line employees (a total of 257 people) did not have their educational background data entered, these employees were not included in the statistical calculations.

Cultivating an equal and inclusive workplace

We continue to improve the policies and procedures covering the whole process of talent "attraction", "cultivation", "utilization" and "retention", and ensure that employees can access resources in a fairer and more equitable way and aren't treated differently due to factors such as race, ethnicity, gender, religious belief, sexual orientation and lifestyle.

Promoting gender equality

We actively promote equal pay for equal work, and take targeted measures of improvement by systematically reviewing the status of gender wage gap to improve gender equality in remuneration.

We understand the vulnerability of women in the workplace, and help women grow and develop themselves through a three-phased initiative: recognizing the reality of women's experience, tending to women's needs, and making life better for women. In March 2024, we released the Vipshop Women's Career Growth Report to all our employees, presenting a group portrait of our female associates in the workplace and encouraging them to open up more and fulfil their potential.

We provide employees who are pregnant or breast-feeding with a comprehensive benefits package, including fully-equipped nursing rooms and priority queuing in the staff canteen. The Company abides by the local policy on maternity leave and paternity leave.

Taking care of employees with disability

By the end of 2023, the number of people with disabilities in China totaled approximately 85.91 million, which is equivalent to one in every 16 persons. Compared to sympathy and pity, equality and respect are the best way to show our care for them. We continue to implement the "Chasing dreams together with Vipshop" initiative to recruit people with disabilities, so as to help them find decent jobs and pursue a life with greater possibilities.

Employees with disabilities often have to overcome more difficulties and obstacles than their colleagues in the course of their work. We have set up a volunteer service team/taskforce to help employees with disabilities overcome difficulties in work and life and improve their workplace experience.

On "hardware" improvement, we have installed accessible facilities such as accessible closets, priority seats, handrails in bathrooms and emergency doorbells. On "software" improvement, we organize symposiums and tea parties to hear their ideas and needs, and teach our employees basic sign language for greeting in the hope that we could remove the obstacles standing in their way with love and care.

Case With equality and inclusion, employees with disabilities can also shine in the workplace

In 2015, Xiao Li lost his left arm due to an accident at work. When recovering from the injury, he felt the sky had fallen and his life was hopeless. Yet, thinking of his elderly parents and young kids, he decided to pull himself together. In December 2017, Xiao Li officially joined the National Logistics Center and worked as an unpacker in the Customer Returns Processing Center. Later, due his good performance, he was transferred to the position responsible for dealing with abnormal orders. In 2023, Xiao Li signed up for the Company's further education initiative and acquired the skills and knowledge that prepared him for the job of unit leader of warehouse operations.

Due to a childhood illness, Xiao Wu had problems with one of his hands. But only two months after joining the Customer Service Center, though training and counseling, he was already able to take a daily workload 85% the amount of his teammates. In the Customer Service Center, Xiao Wu experienced equality and friendliness, and gradually fell in love with the place. He also recommended his former colleagues to join Vipshop, and chase their shared dream and future.

"I want to work for Vipshop until I retire. Vipshop is my other home. Here, I'm not alone."

--An employee with disabilities from the National Logistics Center



Scan the QR code to watch the story of 100 Vipshop workmates learning sign language together to communicate with their five hearing-impaired colleagues



Vipshop staff learning sign language together

Standing against discrimination, sexual harassment and workplace violence

We stand firm against discrimination, sexual harassment and workplace violence. In Vipshop's Management Red Lines, the Company states clearly: Sexual harassment, improper relations between men and women and workplace violence are all strictly forbidden. If such violations occur, the offender's employment contract will be immediately terminated regardless of their position and past performance or whether their actions caused significant consequences. In addition to this, they will be held accountable for their responsibilities.

We have set up a mailbox (voice@vipshop.com) and hotline (020-22330999) for employees to report instances of bullying, sexual harassment and discrimination. Employees who are subject to these issues are able to report these at any time, and the Company will conduct a swift, thorough and fair investigation as soon as possible. In addition, we have organized training to help employees understand the definition and manifestation of discrimination, harassment and bullying in order to reduce risks. In 2023, the Company did not report any verified instances of workplace discrimination, sexual harassment or violence.

Setting up DEI Resource Groups

We will choose typical employees to form DEI Resource Groups, including the groups on employee growth and employee support, to shape an open and inclusive workplace culture. The Company will provide resources to support the activities organized by the groups, and the groups can also inform the ESG Committee of their needs. Our goal is to make every Vipshop associate feel respected, recognized, heard and cherished, and give them the opportunity to participate in the Company's development.

Promoting the DEI concept

We have been working to foster an open cultural atmosphere in the Company for many years. In 2023, we launched a company-wide campaign to deliver the DEI concept. By building the mechanism for open communication, organizing DEI activities and conducting DEI training, we strive to create a work environment in which all our employees feel respected, welcomed, and willing to express themselves, so as to enhance employees' sense of ownership and happiness.

We have put in place multiple communication channels such as Face-to-Face with Vipshop, Vipshop Circle, Vipshop Listens, which give employees the opportunity to share their feelings or offer suggestions on the Company's development. In 2023, in order to encourage employees to give advice on the Company's development and create a freer and equal communication ecosystem, we opened the "Face-to-Face on the Cloud" platform, where employees can create anonymous posts and report common issues and problems on strategy, business, management and organization that need to be resolved. We also encourage employees to make active use of the platform, and the Company will go through all the reported problems and work with the relevant departments to look for solutions.

In order to better promote DEI management and DEI concept, we have provided DEI training on different topics for different staff, such as the ESG Committee to equip the relevant personnel with professional knowledge on DEI. As of the end of March 2024, we had organized two DEI-related training sessions.

Case "Cool Season", show your true self

In the summer of 2023, we launched the "Cool Season" campaign, which included the first S-Free Day, a gaming contest and a music competition, to provide employees with opportunities to present themselves. During the campaign, employees can join the contestants to create their own "cool" moments, or they can join the audience to appreciate and applaud the "cool" performance of others.

Among the activities, the S-Free Day invites all Vipshop associates to put on their coolest outfit to work, and cosplay their favorite anime and movie images, encouraging employees to show their true self and create an inclusive culture at workplace.



Employee development

The cultivation of a competitive workforce would not be possible without a sound talent training system. Aligning development strategy with business needs, the Company has designed a series of training courses for employees at different levels and with different duties and needs, including both original courses developed by the Company and model courses purchased from external service providers, to help employees maintain creativity and pursue sustainable development.

Talent cultivation

Through the training platform Vipshop Classroom, the Company continues to improve its course development process, training delivery process, effect evaluation process and review mechanism, and has put in place a multi-channel training system with both online (V-Learning) and offline courses. Through both independent development and external procurement, Vipshop Classroom has accumulated more than 1,200 courses on topics including leadership, professional competence, general skills and professional conduct, as well as over 160 certified instructors from various business teams to empower employees at different levels and positions.

Employee training rate

100 %

New recruit training

For new external hires, the Company has designed three days of group training and six months of blend-in training to help new recruits get to grips with the Company's culture, rules and regulations, and the whole picture of the business, so as to help them quickly adapt to their work and create values. For management trainees, a 5-year training program has been designed, which provides the necessary cultivation programs and growth paths for different jobs and uses the combination of tutoring, business training and job rotation to ensure their growth and success. In 2023, the proportion of new employees participating in new recruit training programs reached 100%.

Job Training

General training on workplace skills: We develop training programs suitable for all employees through the Vipshop Night School and Vipshop Lectures (inviting industry experts to share their experience and give lectures) to expand employee knowledge and build the ecosystem for talent growth.

Professional empowerment: For our specialist personnel, the Company has developed educational development plans based on their duties to help them strengthen professional competence, improve the work efficiency and quality, and support the Company's business development. For example, for the staff of the Product Technology Center, we organize activities such as "lectures on product technology" and "face-to-face with clients" each month and create learning scenarios such as co-innovations and seminars to improve the professional competence of our product R&D staff. For the staff of the Customer Service Center, we help them improve service competence and quality through initiatives such as "Service Skills Competition" and "TL9000 Quality Management Certification Program". For the customer service staff of Shan Shan Outlets, we have launched a training camp on customer service enhancement, and introduced "level tests" to enrich the content of professional training and enhance the service ability of the customer service staff.

In 2023, the Company held 1,183 offline courses on job training, pushed more than 600 online course information and online courses, trained a total of 240,924 person-times, and achieved 100% training for on-the-job personnel.¹

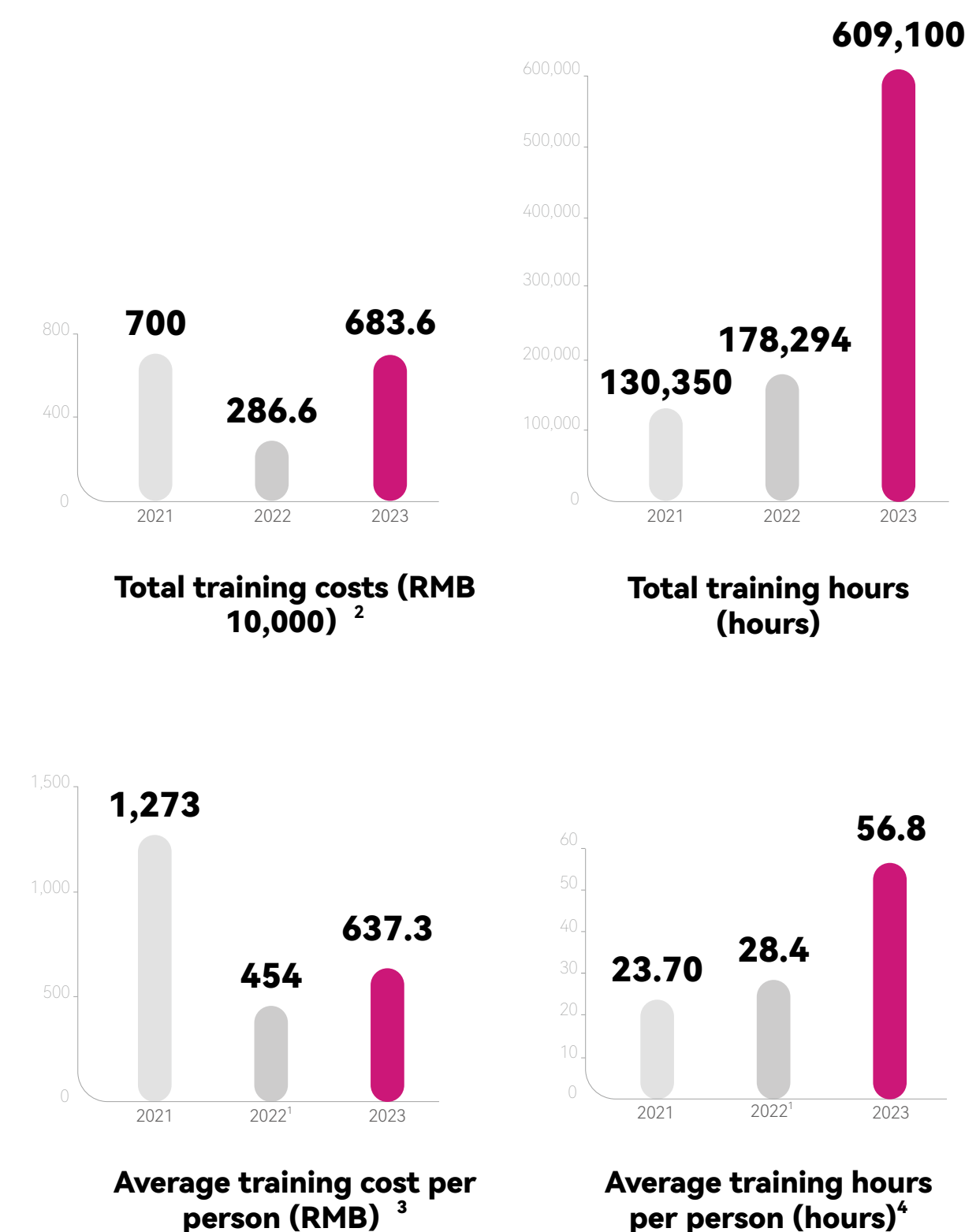
Management staff training

Vipshop Advanced Research Class: By organizing field trips, seminars and co-innovation for the core mid- and high-level managers of the Company, the program aims to broaden their vision and horizon, and bring up future Vipshop leaders that have the ability to develop strategy, drive transformation and promote growth and have Vipshop's DNA in their body and soul, so as to stimulate business innovation and growth.

Vipshop's Stars: Building on the leadership quality model, the program helps high-potential managers to improve their management capability, better adapt to the challenges of the new post and complete the shift in roles.

Management Maturity Enhancement Program: Through the online course on the Vipshop Managers' White Paper and the offline seminars on typical scenarios, the program is effective in improving the maturity of middle-level and lower-level managers and promoting a coherent understanding of the relevant management policies.

In 2023, the number of participants in the management staff training program totaled 1,132, accounting for 35.2% of employees at junior or above management positions.



¹ The statistical scope of this data does not include that of Shan Shan Outlets.

² The statistical scope of training costs, training hours, and number of participants in 2021-2022 covers training activities uniformly arranged by the Group Headquarters, excluding training activities organized by first-tier departments and Shan Shan Outlets. The statistical scope of total training costs in 2023 covers the training cost of the entire Group (including Shan Shan Outlets); the statistical scope of training hours, number of participants, average spend on training per person, average training hours per person in 2023 covers training activities uniformly arranged by the Group Headquarters and training activities held by Shan Shan Outlets.

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

⁴ Average training hours per person = the total training time / (total number of employees at the beginning of the reporting year + total number of employees at the end of the reporting year) * 2.

Assessment and incentive

The Company has established a clear assessment and incentive mechanism, created the V-channel (V1-V10) for the upward mobility of Vipshop employees, and opened multiple career paths based on the nature of their business. We encourage employees to acquire skills across professions, and continue to provide them with better career paths so as to avoid the "glass ceiling" problem in the workplace, and create a community of interests between employees and the Company.

Employee performance assessment

Vipshop has established a clear method for the assessment and evaluation of employee performance, and uses the combination of OKR (Objectives and Key Results) and KPI (Key Performance Indicator) to evaluate the performance of all employees. The performance evaluation is conducted every six months, and the results will directly affect the employee's pay grade and promotion. The content of evaluation includes both the performance and personal values of employees. The KPI of first-tier departments, team performance and individual performance are all covered under the performance evaluation process.

Through comprehensive evaluation, we can help employees find the gap between their performance during the assessment cycle and the set objectives, so as to discover their strengths and deficiencies and continuously improve their performance and ability. It also allows us to check whether their behavior is consistent with the Company's values, and provides an exchange platform for communication between managers at all levels and their subordinates, to give our employees good suggestions for their career planning and development.

Employee incentives

The Company has introduced a number of incentive plans, including but not limited to stock incentives, over-performance incentives and instant rewards, to better motivate employees and achieve maximum personal values.

Stock incentive

We have developed a long-term incentive plan and introduced stock incentives vested over four years for all regular employees; for regular employees with outstanding contributions, we provide them with performance-based stock incentives vested over four years, and 30% of our regular employees can benefit from this scheme.

Over-performance incentive

We provide over-performance incentives based on the Group's performance attainment results of the year to regular employees, rehired retirees, core outsourcing staff and other personnel who have made contributions to performance attainment.

In order to encourage employees to pursue further education and support their development, we provide subsidies on tuition fees to eligible employees seeking second degree, and to employees who participate in vocational training programs (for obtaining relevant certificates of the industry) that are highly relevant to their work. For frontline logistics operatives, we have launched the "Dream Fulfillment Plan" to support employees in upgrading their qualifications and chasing their dreams by offering subsidies on tuition fees, building employee libraries and assisting employees in applying for college courses. As of the end of December 2023, there were a total of 13 reading spaces in the National Logistics Center, with a collection of more than 13,000 books, and 240 frontline employees applied for subsidies on tuition fees.



Reading space at the Vipshop Southwest Logistics Warehouse

Reading spaces in the National Logistics Center

13

Collected more than

13,000

books in reading spaces

The number of frontline employees applied for tuition subsidies through the "Dream Fulfillment Plan"

240

Occupational health and safety

Vipshop strictly abides by relevant laws and regulations including the Law of the People's Republic of China on Work Safety, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, and the Fire Protection Law of the People's Republic of China, and makes sustained efforts to improve the occupational health and safety (OHS) management system, and promotes the IT application on work safety and pushes for the rectification of safety loopholes in order to protect the occupational health and safety of employees.

Strengthening OHS management system

In 2023, Vipshop improved the Fire Safety Management System, drafted a new Emergency Response Plan for Epidemics and Unexplained Mass Illnesses, and compiled a classified risk control list. We also optimized the "Three Simultaneities" for safety facilities and the process for the reporting and management of safety accidents, to lay a firmer foundation for safety management. When formulating the relevant systems, we consulted the opinions of employees and the labor union to boost employee participation. The application of the Company's OHS-related system covers all employees of the Company and contractors or individuals working with the Company to create a culture of health and safety across all business layers.

The Company's EHS Committee is the highest decision-making body for OHS¹ work and responsible for approving and implementing OHS-related policies as well as supervising and managing work safety. The EHS Committee meets on a quarterly basis to review the quarterly OHS performance, discuss and decide on the approach for addressing new OHS issues, take actions on major health and safety risks and report on preventive measures, as part of the drive for continual improvement in OHS performance and management.

○ Setting OHS targets

At the beginning of the year, the Company sets two annual targets on work safety: 75% resolution rate for safety issues and zero incidence of Level IV or above workplace incidents. In 2023, the Company recorded a 99.2% resolution rate for safety issues, and zero Level IV or above workplace incident, successfully completing all the set targets.

○ Formulating priority plans

At the beginning of the year, the EHS Committee formulates priority plans and action programs on matters related to OHS management based on the annual OHS objectives and the Company's development status, including the IT application on work safety, the special campaign on safety protection (fire prevention), the classified risk control list for OHS, and the "Three Simultaneities" approach for safety management of new projects.

○ Establishing emergency response procedures

We have formulated the Emergency Preparedness and Response System, laying out the response procedures and responsible persons in the case of environment, occupational health, safety and fire emergencies, so as to prevent and reduce casualties, loss of property, and negative impact on the environment and employees' health and safety as much as possible.

○ Determining the procedures for accident investigations

We have formulated the Safety Accident Reporting and Investigation Procedures, which include the principles to be observed in investigating and handling safety accidents, and contents such as accident handling process, reporting mechanism, accident review process, reward and punishment mechanism, in order to strengthen the control of safety accidents and reduce the risks of work-related injuries.

○ Incorporating production safety into employees' performance review

The safety officers of each department (unit) have all signed the Commitment Letter to the Production Safety Targets 2023, and the relevant responsibility targets have been incorporated into the annual performance assessment of the directly responsible persons. We have also updated the Environmental Health and Safety Rewards and Punishments System, clarifying the behaviors that can be rewarded and punished. Specifically, it stipulates that penalties including cut in performance-based bonus, criticism and demerits will be given depending on the severity of the case, and that model cases of production safety will be selected and honored on an annual basis.

○ Raising the safety awareness of employees and contractors

We have organized training courses on occupational health, fire safety, first aid and other subjects to raise the safety awareness of employees and contractors. In 2023, the Company provided first aid training to all employees, which was participated by about 3,000 persons, and added 101 persons to the first aider reserve. Throughout the year, the Group and various departments (units) organized a total of 6,847 OHS training sessions, covering 203,814 person-times.

Total investment in safety during the year

RMB **19** million²

Number of deaths in the line of duty in 2023

0

¹ OHS stands for Occupational Health & Safety.

² The statistics of safety investment does not include that of Shan Shan Outlets.

Pushing forward safety enhancement initiatives and taking actions to address hidden dangers

Carrying out safety inspections and drills

During the whole year, we conducted over 600 regular safety inspections within the Company, uncovering 19,561 hidden dangers; formulated rectification plans item by item, and clarified responsibilities and rectification deadlines to address the problems, and made 19,556 rectifications throughout the year, with 99.97% of rectification completion rate; and conducted 182 safety drills.

Promoting safety (fire prevention) enhancement campaign

We advanced the special campaign on safety enhancement focusing on the priority areas of safety, including, but not limited to, the installation of incipient fire detection and gas extinguishing system in data rooms nationwide, safety enhancement and rectification in the protected zones, and safety enhancement on the storage of bottled liquor with high alcohol content and perfume.

Conducting OHS risk assessment

We entrusted third-party agencies to conduct fire safety assessment on all our properties (office areas, staff apartments, commercial complexes, etc.) and discovered 858 problems. The Company formulated rectification plans based on the urgency of the risks and the scope of impact. As of the end of December 2023, 716 rectifications were completed, accounting for 83% of all proposed measures. In the remaining 142 items of rectification, fire safety measures have all been implemented during the rectification process.

Promoting IT application in safety protection

In 2023, the Company actively promoted IT application in safety protection, including the development of the smart fire control system and the safety help-desk ticketing system, to strengthen process safety management with information technology and raise the level of safety management.



Fire safety training in physical stores



Fire safety drill held at the headquarters

Case The smart fire control system

In order to strengthen the process management of fire safety at all levels, in 2023, the Company developed a smart fire control system, which has the following functions:

- Timely handling of the feedback on the failures of fire equipment and facilities and supervision of the handling process;
- Intelligent upgrade of the information reporting process;
- Release and approval of the tasks on collaborative testing of fire equipment maintenance, and intelligent collection of information on the coverage of maintenance service;
- Intelligent joint control of fire alarm and video surveillance;
- Intelligent guide to fire emergency response;
- Feedback and supervision of the implementation of fire emergency response;
- Operational KPI ranking of the smart fire control system, etc.

The platform can provide the Group and its departments with information support, and feedback on process and results that are needed in making fire safety decisions, and effectively reduce the probability of fire incidents and the losses caused therefrom. As of the end of December 2023, a total of 180,042 fire equipment locations covered by 160 fire system hosts in 28 logistics parks across the country had been connected to the smart fire control system. The Company had completed the development and launch of the system's functions, and organized its business departments to start testing and operation.



V-Charity

Pillars of the ESG strategy

Creating an environmentally and societally friendly platform, developing a beautiful society for all

Female friendly

Focusing on women's charities, to empower women's growth, and contribute to an equal society

Rural revitalization

Leveraging the online sales platform's advantages and harnessing the culture of rural revitalization to create a mutually prosperous society

Digital integration

Promoting digital philanthropy and helping disadvantaged groups integrate with digital life, to create an integrated society

Progress of the ESG strategy

Vipshop have invested a total of RMB 719 million¹ in public welfare, and created a series of flagship charity projects, such as V-Love Mothers and Langtou Village Rural Revitalization

Female friendly

The V-Love Mothers program has helped 174,000 single-parent families cumulatively. We have donated RMB 30 million in total to the For Westlake Women in Science program

Rural revitalization

The Langtou Village Rural Revitalization project has made a cumulative investment of over RMB 200 million, and the "One Warehouse, One Village" project has supported the development of 12 villages

Digital integration

The first senior-friendly offline event was held to help the elderly people better embrace the Internet

Other public welfare initiatives

15.06 million users have participated in the V-Love Charity program

¹ In 2023, the Company's charity expenditures were mainly used to support rural revitalization and empower women's growth, and no political donation was made.

Supporting rural revitalization

Building livable and beautiful villages is a key task of China's rural revitalization campaign. Vipshop has actively responded to the national rural revitalization strategy and developed projects tailored to local conditions, such as the Langtou Village Rural Revitalization project and the "One Warehouse, One Village" program, to boost the quality and efficiency of the rural economy, promote cultural innovation and improve people's well-being.

Langtou Village Rural Revitalization

In September 2021, Guangdong Vipshop Philanthropic Foundation signed a strategic cooperation agreement with the Huadu District People's Government of Guangzhou City for the Langtou Village Rural Revitalization project. Focusing on cultural revitalization and balancing village protection with development, this charitable project aims to develop a sustainable model for achieving high-quality rural development and common prosperity and create a model example of China's rural revitalization in the new era.

In 2023, after more than two years of investment and construction, the constructions under the Langtou Village Rural Revitalization project, including the ChunYangTai, HeChunZhun, Lawn market fairs, ancient village exhibition and bazaar stores, were all put in place, which breathed new life into the traditional culture in the new era. By the end of 2023, total investment in the Langtou Village Rural Revitalization project had exceeded RMB 200 million, and all proceeds from the project will be used to support the villagers and the rural revitalization campaign.

Total investment in the Langtou Village Rural Revitalization project has exceed

RMB **200** million

The Langtou Village has been selected into the first group of typical counties, towns and villages under the "**High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Myriads of Villages**" of Guangdong Province

Building the ChunYangTai

The ChunYangTai is a new iconic arts and culture center built under the Langtou project, with a floor area of 8,602 square meters. It covers a variety of spaces such as cultural exhibition hall, library, archive, reading room, theater and venue for parent-child activities, which make it an important public cultural space for the vitalization of the Langtou Village.

On April 20, 2023, the ChunYangTai officially opened. We used the ChunYangTai as a cultural vehicle and organized a series of activities in collaboration with external experts and scholars, universities and primary and secondary schools, and well-known brands, so that the seeds of cultural confidence can take root, sprout and grow strong in this century-old village.

Experience the slow pace of life at the ChunYangTai in the 700-year-old village

During the National Day holiday of 2023, we organized a series of "slow shake" events at the ChunYangTai to provide additional options for people living a fast-paced life. The "No Problem" lecture invited Professor Liang Yongan from the Department of Literature of Fudan University to talk about how young people can overcome the dilemma of balancing love and life; the exclusive screening and discussion of the documentary "Why Go to Work" helped young people explore the meaning and value of work; musical performances such as the string quartet and the performance of a Cantonese music folk band, DIY activities such as making bamboo lanterns, handmade fans and paper kites, as well as interactive activities such as watching the movie "My Country, My Parents", bubble show and stamp collection further enriched the tourist experience of the visitors.



String quartet

Flowers in full bloom, Singapore Tourism Board reinvents cultural tourism

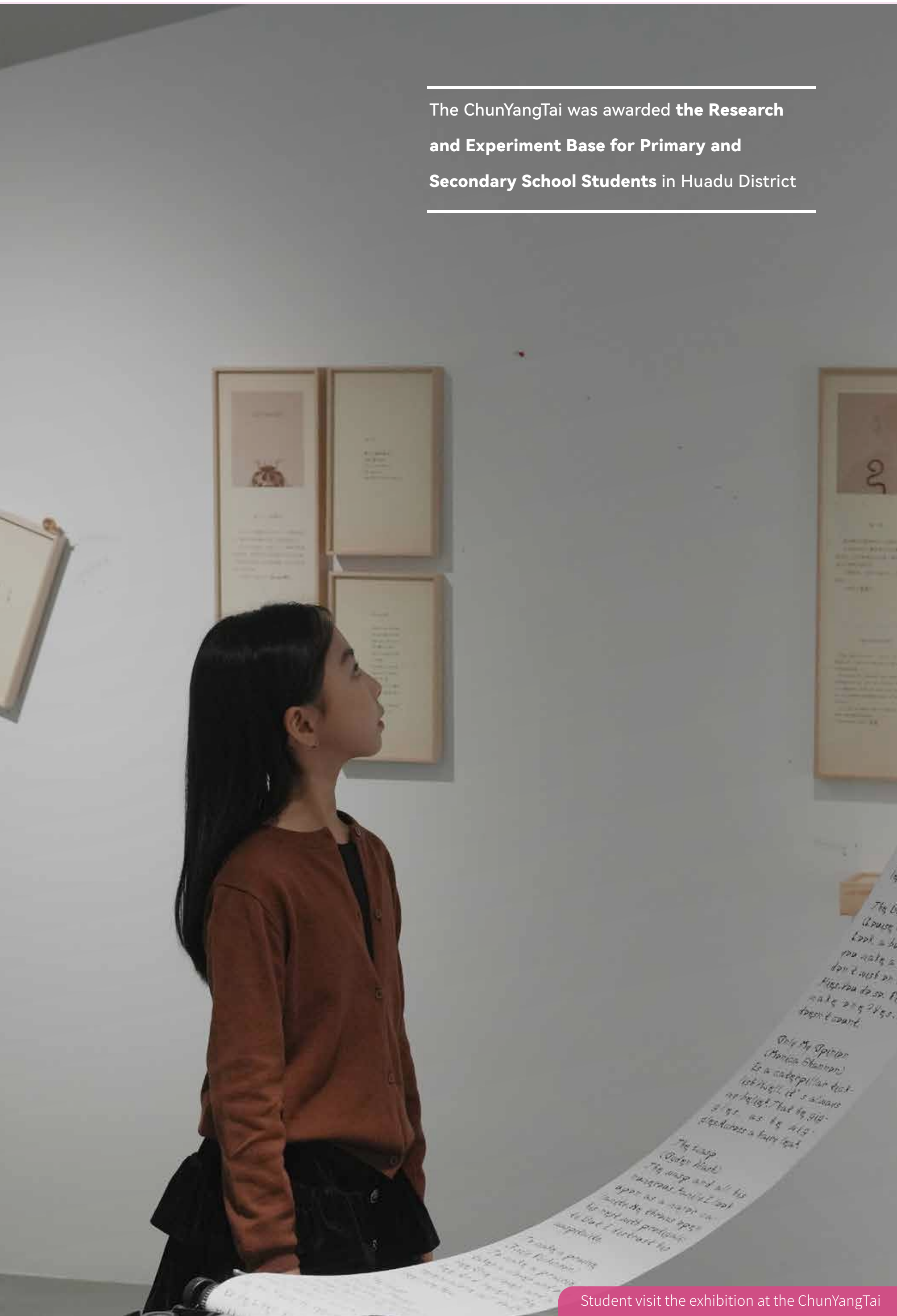
On December 9, 2023, the Singapore Tourism Board, in collaboration with the audio-sharing platform Himalaya, held a media sharing session and roundtable on the theme of "Blooming Singapore" at the ChunYangTai, kicking off a month-long themed exhibition and interactive event. Visitors to the exhibition were able to enjoy a unique auditory feast with Himalaya's forest headphones, and an enhanced visual experience through 3D and AR interactive technologies. As the cultural partner of the event, the ChunYangTai added a multi-cultural perspective to the promotion of Singapore's tourism brands.



The scene of "Blooming Singapore"

The building of the ChunYangTai was among
the TOP100
of the ArchDaily 2023 Building of the Year Awards

The ChunYangTai was awarded the **Research and Experiment Base for Primary and Secondary School Students** in Huadu District



Student visit the exhibition at the ChunYangTai

Promoting the integration of education and arts and culture

A prosperous culture unlocks the internal growth drivers of villages and a lofty aspiration gives people stronger confidence in pursuing a better life. In 2023, we set up the academic activity fund and organized diverse forms of cultural activities and harness the power of cultural revitalization to give new life and energy to ancient villages.

Organizing artistic and aesthetic educational activities to enhance the cultural literacy of children and youth

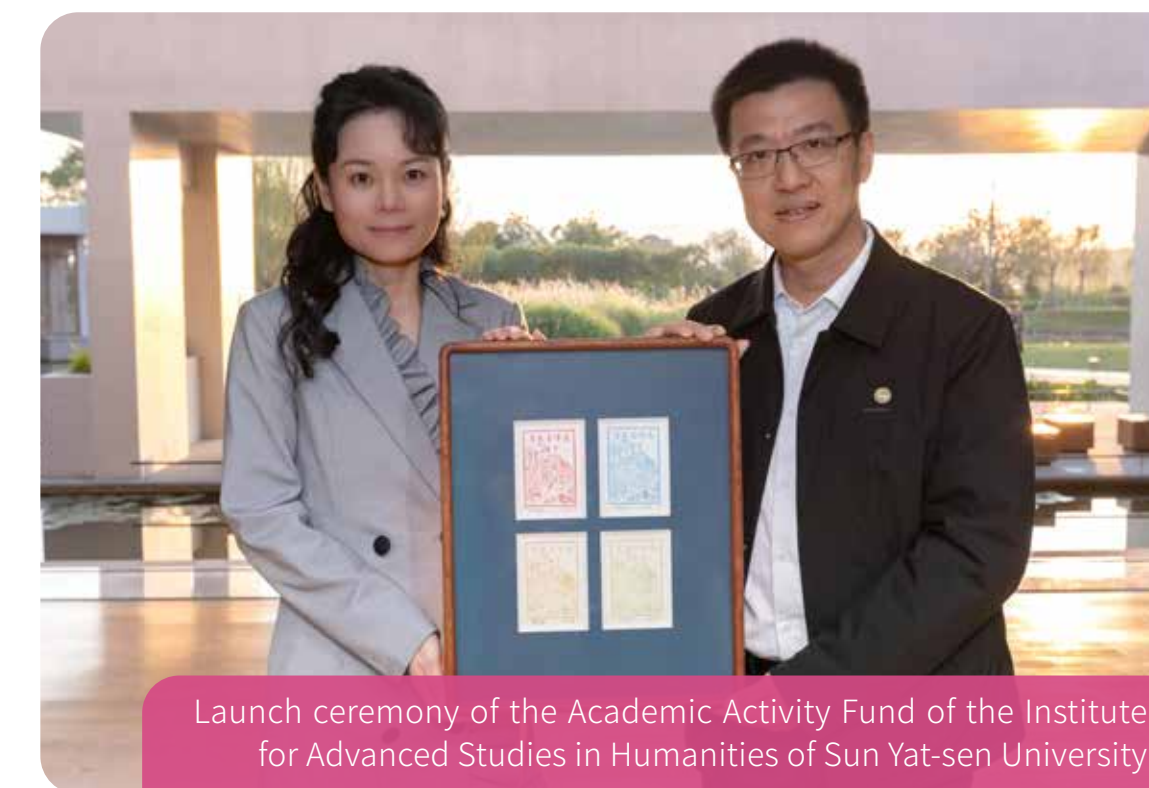
In 2023, building on the platform of the ChunYangTai and using our own cultural and artistic resources, we organized a diverse variety of study tour activities based on the local environment and culture of the Langtou Village, including events such as "Mini Auction" and "Little Explainer", to enhance the cultural literacy of children and youth. Among them, the "Bug Tour" exhibition invited artist Zhu Yingchun and primary school students to walk into the amazing world of bugs and explore the beauty of natural life through lectures and workshops. In November 2023, the ChunYangTai was awarded the Research and Experiment Base for Primary and Secondary School Students in Huadu District.



"Bug Tour" exhibition

Strengthening the foundation of cultural revitalization by setting up the academic activities fund

In December 2023, the Guangdong Vipshop Philanthropic Foundation made donations for the establishment of the Academic Activity Fund of the Institute for Advanced Studies in Humanities (IASH) of Sun Yat-sen University (SYSU), with the aim of promoting the development of IASH and empowering the Langtou Rural Revitalization Project. Meanwhile, Vipshop collaborated with the academic platform of IASH to launch the "Yat-sen IASH Lecture Series - ChunYangTai" project, inviting top Chinese and foreign scholars to contribute a humanistic perspective to the cause of rural revitalization.



Launch ceremony of the Academic Activity Fund of the Institute for Advanced Studies in Humanities of Sun Yat-sen University

Organizing a series of cultural and art exhibitions

- We joined hands with the Temple of Light team from France to create the immersive digital exhibition "Painting China: A Journey of Calligraphy", which used digital light & shadow to present the beauty of Chinese painting and calligraphy through the lens of Chinese civilization, and blended art history with the in-situ awareness of Lingnan culture.



Scan the QR code to experience the "Painting China" immersive light & shadow art exhibition

"The 'Painting China' exhibition combines art, culture and philanthropy and represents a fine example of China-France cooperation. The upcoming 60th anniversary of the establishment of China-France diplomatic ties further underscores the significance of this cooperation initiative."

--Sylvain FOURRIERE, Consul General of France in Guangzhou

- We collaborated with the Guangzhou Academy of Painting and the Guangzhou Sculpture Academy in hosting an exhibition on the works of rural art revitalization created by teachers and students under the Youth Seedling Painter Program, which displayed a total of 58 art works by 56 artists, including Chinese paintings, oil paintings, sculptures and other types, to recreate the rural landscape in the new era and tell the stories of residents of the new socialist countryside in the form of art.



- We held two permanent exhibitions, i.e. "The Sun Always Shines: The Happy and Peaceful Life of Langtou Residents" and "Yi Ye: The Heritage of Langtou Village". "The Sun Always Shines" exhibition, which is located in the "Jimolou" ancient architectural complex, focuses on the life and work of ordinary people in the traditional vernacular society, and how they settled down in their families and rural communities; the "Yi Ye" exhibition traces the history of the Huang family in the Langtou Village, and showcases the community culture and festivals of the village. During the opening of the exhibition, local villagers were invited to tell the stories of Langtou, and play their part in the revitalization of the village.

Enhancing the well-being of local villagers

- On March 25, 2023, before the opening of ChunYangTai, the villagers of Langtou village were invited to be early bird experience officers to experience a cultural journey at their doorstep.
- On the opening day of ChunYangTai, the Hundred Elders Banquet of Langtou ancient village, which had been absent for three years, was restarted. 80 tables were set up in front of the century-old ancient ancestral hall, and more than 600 elderly people over 60 years old were invited to participate. During the Hundred Elders Banquet, the Langtou Village Quyi Society was also organized to perform for the villagers and guests, and gifts were distributed to the villagers, so that the villagers could truly feel the benefits brought by rural revitalization.
- The 2024 Lantern Festival celebration activities were held, and a series of activities such as dragon and lion dances, lantern festivals, and lantern banquets were created to promote the inheritance and promotion of traditional culture and enrich the cultural activities of local villagers.



The Hundred Elders Banquet

Creating the HeChunZhu

We created a boutique B&B - HeChunZhu, following the principle of preserving and inheriting the artistic style of ancient villages. The 21 villas of HeChunZhu are all converted from the old houses of the ancient village, keeping the traditional pattern of three rooms, two corridors, one patio and one enclosed courtyard. The functional spaces in the public area, including the HeChunYan (restaurant), HeChunZuo (tea house) and HeChunYe (flower room), provide the guests with a cozy and rich cultural experience.

Since its opening in the fourth quarter of 2023, the HeChunZhu has received more than 3,000 guests. Nearly 1,000 people have dined at the Spring Banquet restaurant, and some 6,500 people have visited the place.

Inheriting historical features

In designing the residence, we have preserved the original spatial structure of combed streets and alleys of the ancient village, and continued to pave the building facades with green bricks as in the old buildings. In the meantime, modern technologies have been used in structural reinforcement and infrastructure upgrading to ensure the originality of the ancient village while meeting the modern accommodation standards.

Promoting low-carbon and energy-saving practices

The lighting, air conditioning and other electrical equipment in the guest room are controlled by a single system, which will automatically shut down or switch to energy-saver mode if the room is unoccupied for a long time, thus reducing power loss.

Increasing villagers' income

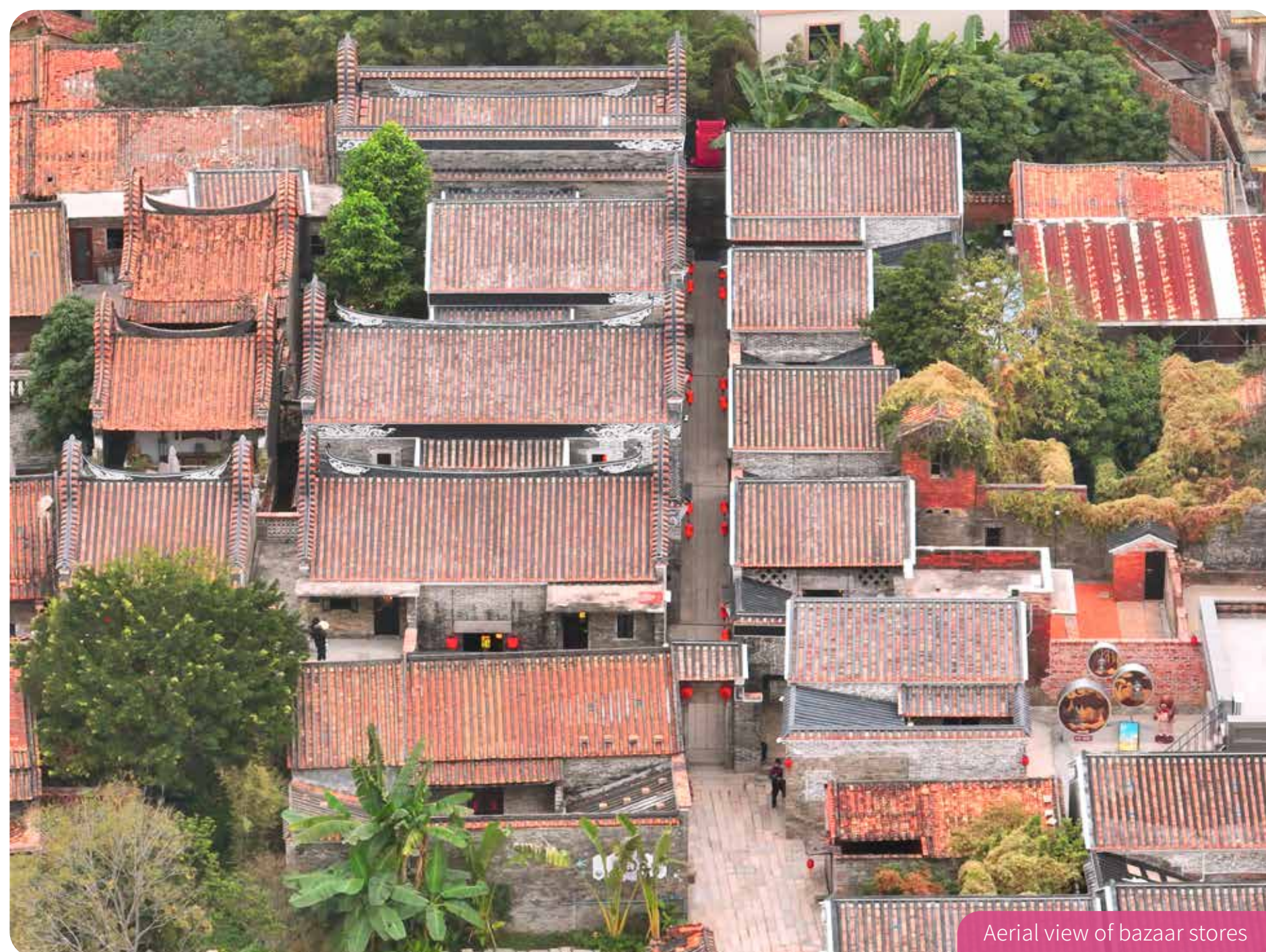
Except for special occasions, all meals are made from local ingredients, boosting villagers' income while reducing the carbon footprint generated during food transportation.



Introducing a diverse range of bazaar stores

Opening bazaar stores is an important step to activate the resource potential of Langtou Village and drive its economy growth. As of the end of December 2023, we had introduced seven brands including KCOFFEE, Moutai Ice Cream and Miniso to the village, and continued to strengthen the supporting commercial facilities to meet the diversified shopping demand of visitors and villagers.

To enrich visitors' experience, Langtou Village launched the "Langtou Summer Lotus Bazaar", a cultural bazaar event on the theme of "lotus". They opened the "Langxi Folk Bazaar" for the local villagers, and organized a series of creative cultural exhibitions, including the furniture exhibition, the new art exhibition, and the floral and aromatherapy exhibition. The event attracted over 3,000 visitors on the first day and over 10,000 visitors in total, giving a strong boost to the revenues of the scenic spots in Langtou Village.



Aerial view of bazaar stores

Case The meadow music festival sets off sound waves in the century-old village

In September 2023, the "Langtou Village Concert - The First 'Voice of Tanbu' Singing Competition" was launched in Langtou Village, which attracted more than 100 participants from 29 villages. Sixty-five contestants made into the final round, which was watched by over 3,000 fans on site, and nearly 30,000 viewers online. On the stage of the singing competition, the villagers turned into "professional singers" and shared their passion for life with their beautiful voices. Through this event, the villagers no longer sat on the side but played a protagonist role in the cultural revitalization of their village, and joined the businesses on the journey toward rural revitalization.

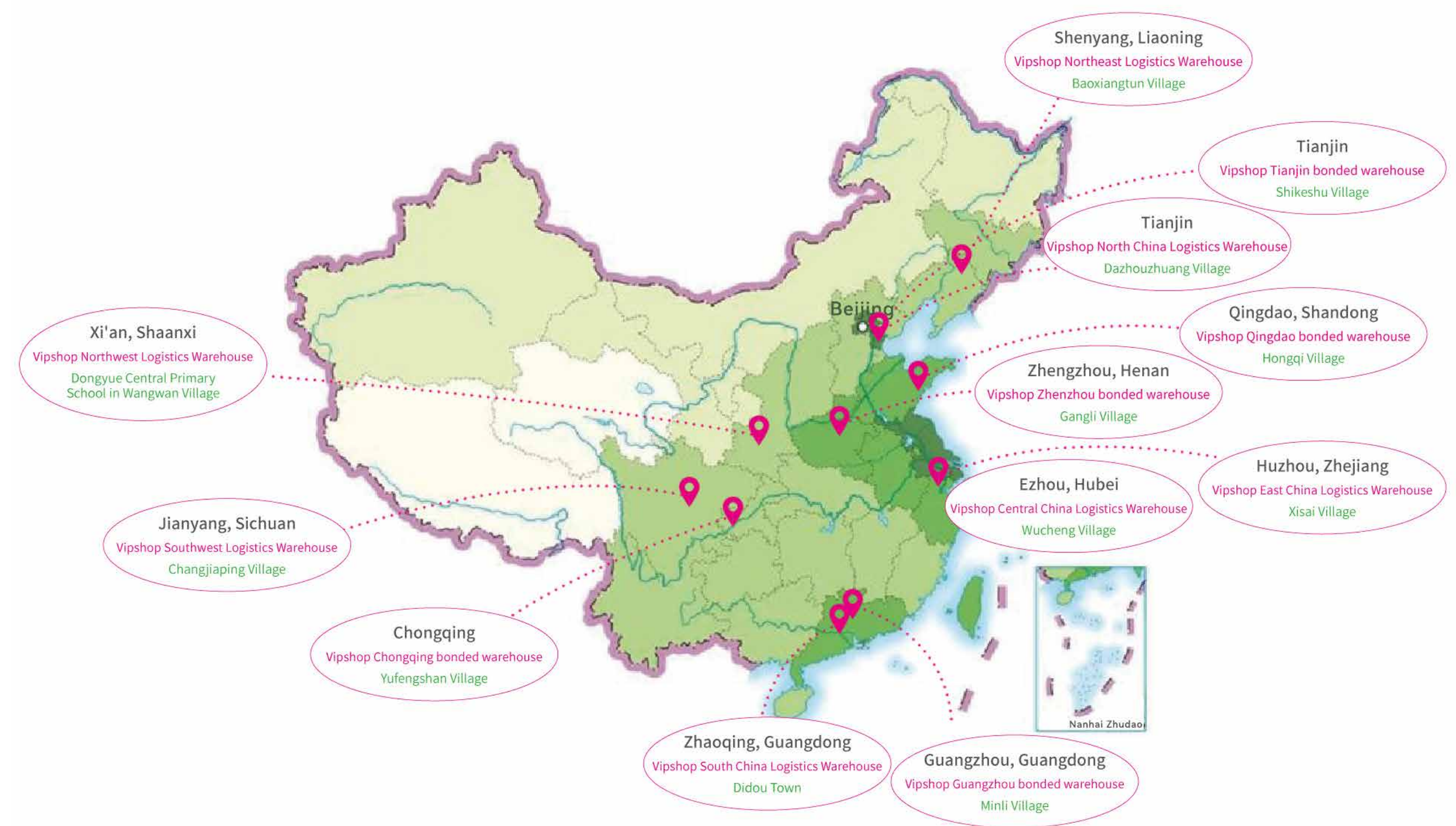


The First 'Voice of Tanbu' Singing Competition

One Warehouse, One Village

Supporting the weak and helping the needy is the fundamental act of kindness. Addressing social issues and undertaking social responsibility based on one's own strengths is an important means for enterprises to achieve sustainable development.

In 2023, seven logistics warehouses and five bonded warehouses of the National Logistics Center¹ paired up with the underdeveloped villages in the vicinity of its warehouses, and launched the "One Warehouse, One Village" project to promote sustainable welfare of the local communities. Starting with initiatives such as helping farmers sell their products, creating job opportunities, improving the appearance of villages, and providing humanistic care to local residents, we implemented a variety of assistance projects tailored to local conditions, to improve villagers' living conditions, enrich their cultural life and increase their sense of happiness.



Pairing up with
12 villages throughout the year

Organizing
95 activities

Benefiting
1,748 persons

Employee participation
1,389 person-times

Total hours of assistance
4,210 hours

Building beautiful villages together

- Improving the living environment and safety of the countryside is an important means to build beautiful villages. We support the construction of beautiful countryside by strengthening the infrastructure and promoting the nice image of the countryside. For example, Vipshop Qingdao bonded warehouse repaired damaged walls for Hongqi Village to mitigate the security risks and gave the village a new look; Vipshop South China Logistics Warehouse helped fix the worn-out wires of the self-built houses in Didou Town to ensure the safe and stable operation of the electric circuit and reduce security risks; Vipshop Zhenzhou bonded warehouse installed solar street lamps for Gangli Village to fix the problem of street lighting and protect the safety of villagers travelling at night.

Humanistic care, small deeds make great love

- To address the mobility challenges faced by the elderly, Vipshop North China Logistics Warehouse has set up the V-Love Sharing Station in the village committee of Dazhouzhuang Village, where the elderly can borrow wheelchairs and walking trolleys. At the same time, it regularly organizes tours & visits and classes on everyday life knowledge to enrich the cultural life of the elderly.
- Vipshop Northwest Logistics Warehouse gives its care to the empty-nest elderly and left-behind children. It installed "SOS Smart Emergency Buttons" for 22 empty-nest elderly families and worked with the Civil Affairs Bureau of Jiayang City to incorporate the equipment into the Civil Affairs Safety Supervision System. At the same time, it provided left-behind children with smart watches to protect their safety.

¹ As of the end of 2023, the National Logistics Center had a total of seven logistics warehouses and six bonded warehouses. Among them, the Vipshop Wenzhou bonded warehouse has not signed up for the "One Warehouse, One Village" project for the time being due to its small scale.

Assisting agriculture marketing to boost villagers' income

- Scientific planting is an important guarantee for improving agricultural production efficiency. After paying a field visit to Baoxiangtun Village to learn about the problems of lettuce cultivation in farmers' greenhouses, Vipshop Northeast Logistics Warehouse cooperated with experts from the Liaoning Academy of Agricultural Sciences to help farmers resolve the problems of non-functional greenhouses and insect pests through scientific means, and provided them with suitable fertilizers, biofungi and mulch films, as well as professional training in agricultural cultivation knowledge. The project helps farmers move toward scientific cultivation and increases the production of the vegetable greenhouses.



Field visit to Baoxiangtun Village

- Stagnant sales of agricultural products has always been an important drag on villagers' income. Vipshop Chongqing bonded warehouse launched an experience program combining peach picking and farm stay, which addressed the problem of stagnant sales of peaches in Yufengshan Village caused by seasonal rainfall through the distribution of employee benefits and product promotion by employees; Vipshop Southwest Logistics Warehouse recommended its catering service provider to purchase flat mushrooms in Changjiaping Village that matured earlier than scheduled due to high temperature and faced difficulties in sales, and purchased a total of 168.5 kg to help local farmers increase their income.

- An efficient logistics network in villages promotes the circulation of agricultural products. Vipshop Southwest Logistics Warehouse has built a "Village Courier Station" for public use in Changjiaping Village. By enabling the direct harvesting and delivery of agricultural products, it established a sound circulation system for agricultural products and a rural courier service network, which increased the circulation efficiency and sales revenue of agricultural products, and provided local villagers with more convenient courier services.



Inauguration of the Village Courier Station

Support for education lights up the beacon of wisdom

- Vipshop Northwest Logistics Warehouse built a brand-new dormitory for Dongyue Central Primary School in Wangwan Village. By overhauling the environment of the dormitory and hallway, and replacing the beds and living utensils such as lamps and fans, the assistance program provided a warm environment for over 70 local students.



New dormitory of Dongyue Central Primary School

- Vipshop Central China Logistics Warehouse set up the V-Love Bookstore using existing space in Wucheng Village. Equipped with 300 books, bookshelves, bookcases, sports equipment, interlocking mats and other facilities. The bookstore provides an excellent reading environment for the young people in the village and builds a bridge for them to communicate with the world.



V-Love Bookstore in Wucheng Village

- Vipshop Northwest Logistics Warehouse launched the "Non-profit Interest Class for Rural Children" program in Changjiaping Village, which helps children develop their comprehensive qualities by designing personalized hands-on science classes, creative art classes, and other courses that promote intelligence and growth through fun games and exercises, so as to better enhance their cognitive and observational capability, practical skills and creative thinking during childhood.



"Non-profit Interest Class for Rural Children" in Changjiaping Village

"Before the Vipshop program, children in our village had to go to Jianyang city to learn science and art courses. Despite the long distance, there was no direct transportation from our village to the city, which makes the travel very inconvenient. With the help of Vipshop, we now have professional teachers and a cozy and beautiful classroom, and our kids can learn science without leaving their home. I am truly grateful to this."

--Party Secretary of Changjiaping Village

Learning and exchange programs empower rural revitalization

- To support the revitalization of the villages covered by the paired-up assistance program, in August 2023, the Vipshop National Logistics Center organized a tour for 18 cadres from the paired-up villages of each warehouse. As part of the "One Warehouse, One Village" rural revitalization public welfare project, the study tour aims to open new vista for the village cadres and empower the rural industries. The participants visited the Langtou Village, where they got first-hand experience of the Langtou model of rural revitalization, witnessed Vipshop's commitment to public welfare, and gained new inspirations on driving rural revitalization through culture.

In addition, the Vipshop National Logistics Center organized a training course "Live Streaming Economy for Rural Revitalization - Basic Knowledge" and invited instructors to give lectures on the evolution of e-commerce and the process of live streaming in agriculture, including platform selection, scenario construction and equipment options, pointing to new directions of agricultural innovation for local villagers.



Study tour of the "One Warehouse, One Village" rural revitalization public welfare project

Empowering women's development

It is our unchanging insistence to make women respected, supported and valued. We continue to step up efforts on women's empowerment, and support the growth of women by empowering single-parent families and giving assistance to female research workers, in order to contribute the building of a world with greater equality and diversity.

“You are not just helping one individual, but also their family and the happiness of the whole society.”
-- Member of mutual support group

V-Love Mothers

Parents of single-parent families often face multiple difficulties such as emotional stress, financial distress, burden of child raising, career development, and social prejudice. The V-Love Mothers program, focusing on single-parent families, provides legal aid, psychological counseling and free insurance services to members of single-parent families to help them heal their wounds and start a new life. The hotline number of V-Love Mothers is 400-038-8888.

Promoting women's growth with better services

Legal service

We have established a core group of competent lawyers that are permanently based in the program to continuously improve the quality of services. We have set up an evaluation system for legal aid cases and improved the evaluation standards to make sure that every legal aid case is handled efficiently. We have also created new channels such as short videos, live streaming, and Q&A in online communities to make the legal services more readily accessible. Over 5,000 person-times of legal consultations were provided throughout the year.

Psychological counselling service

We conducted a systematic upgrade of service efficiency in the four dimensions of product, technology, rules and counselling system. At the product level, we launched the Hear Your Voice Now service, and the number of calls on psychological service increased by 44% year-on-year. At the counselling system level, we established a four-in-one counselling system combining the functions of counselling, supervision, training and quality inspection, and expanded the list of partner agencies to improve the quality of psychological counselling service.

Insurance service

We added new insurance categories on top of the existing insurance package, and provided eligible single-parent children with primary and secondary school students' safety insurance and vaccine insurance of China Life free of charge. With higher sum insured and friendlier reimbursement policy, the new insurance schemes can give children better protection as they grow up. In 2023, a total of 510 persons were insured.

Community service

Answering the needs of target beneficiaries, we moved our community service from online to offline, and helped beneficiaries in the same city form mutual support groups. In 2023, four activities, including movie party, family tour and dance therapy, were successfully held in Guangzhou and Foshan.

Mutual support groups

We activated the mutual support group model and created different types of mutual support networks. In 2023, the head teachers of the mutual support groups wrote a book "Healing New Life: A Handbook for the Growth of Single Moms" to help single mothers face their pain and rebuild their lives better. In September, V-Love Mothers invited a Doctor of Letters from Sun Yat-sen University, to host a writing workshop on the life stories of single moms to help them put their single life behind and live their life with less burden. We also explored a new volunteer service model known as "receiving help and giving help", and invited volunteer mothers to lead the reading group to hold activities.

As of the end of 2023, V-Love Mothers program had provided assistance to

174,000 distressed families

Over

11,000 counselling calls were made throughout the year

Legal aid services were expanded to

108 cities nationwide

More than

15,000 people received the community service throughout the year



Cover of Healing New Life: A Handbook for the Growth of Single Mom



Offline family activities of the V-Love Mothers program



Winner of the first Westlake Outstanding Postdoctoral Women awards in 2023

Expanding the influence of new media platforms to create an inclusive and open atmosphere

In 2023, we provided single-parent families with audio courses, live Q&A and other services through targeted users channels such as Douyin and Xiaohongshu to increase the visibility of the V-Love Mothers program, and encourage single-parents to actively seek assistance from the program. We also made efforts to bring the public's attention to single-parent families, and create an inclusive and open social atmosphere.

The fans of our new media matrix exceeded

940,000

The public advocacy content was viewed

220 million times throughout the year

For Westlake Women in Science program

The For Westlake Women in Science program is funded by the Westlake University Education Foundation. It aims to attract public attention and support for the development and growth of female scientists at Westlake University, and create a more open, tolerant and welcoming research environment for women.

In 2020, we started supporting the For Westlake Women in Science program. From providing funding support to undergraduate and graduate students from financially-strapped families and supporting doctoral training in the Westlake University to setting up awards such as the Westlake Outstanding Postdoctoral Women awards and the Westlake Future Women Scientists Award, we have donated a total of RMB 30.00 million to the program, and taken concrete actions to support the growth and development of female researchers at Westlake University and encourage more young women to devote themselves to science.

RMB **30** million in total

donated to the For Westlake Women in Science program

Creating better communities

In 2023, Vipshop actively explored innovative models of charity activities, provided charity assistance to different groups, and created an interconnected and mutually reinforcing charity ecosystem to optimize the allocation of social resources and contribute to the building of better communities.

V-Love Charity program

How to better use its own strengths to solve social problems has always been a central goal considered by Vipshop while promoting charity projects. In 2020, building on its own shopping platform and working with several professional charity organizations, Vipshop started exploring the new "e-commerce+charity" model and launched the V-Love Charity program. After making purchase on Vipshop's platform, users can earn "V-Love Points" and donate them to their preferred charity projects, and Vipshop will then make donations to the corresponding projects based on the donation of "V-Love points".

In 2023, we continued to deepen the program, followed rigorous standards in choosing projects with high credibility and project value, and worked with consumers to create a sustainable charity ecosystem.



Chunhui Care Home program

Vipshop has supported the Chunhui Care Home program, which provides comprehensive services, including clinic appointment reservation, medical escort, and professional escort during hospitalization, to bring orphaned children with complex and serious illnesses to Beijing, Shanghai and Guangzhou for medical treatment. The program also trains full-time Chunhui Mamas to address the children's medical and emotional needs and help them get a speedy recovery and grow up healthy. As of the end of 2023, Vipshop had donated a total of RMB 5 million to the program, helping 195 orphaned or disabled children overcome their difficulties in medical treatment.



Gold Ribbon - Hair for Love program

Vipshop has supported the Golden Ribbon - Hair for Love program which collects hair donated by caring persons and makes them into wigs with the help of professional agencies. The wigs are given to girls who have lost their hair due to cancer treatment, free of charge, to bring back their self-esteem and self-confidence. By the end of December 2023, we have cumulatively supported the project to collect the hair donated by more than 5,000 volunteers, which were made into 500 complete wigs and donated to girl patients in the 3-17 age group to help them regain confidence.



Angel's Home - "Slow Angels" Rehabilitation Education program

The program provides rehabilitation education services for disabled children and their families. It ensures real "rehabilitation" for disabled children by designing diverse courses such as individual training, cognitive training and sensory integration classes, organizing outdoor parent-child activities and parent training, and providing targeted advice on at-home training.



Total number of users participating in the V-Love Charity program

15.06 million

Total number of funded charity projects

41

Total amount of funding over

RMB **20** million

Total number of donated V-Love Points

22 billion

Creating charity spaces

Vipshop City Charity Space

Vipshop offered a soccer pitch at its headquarters as a training ground for mentally-challenged youth ("the Young Hearts"), children and other groups to help them improve their physical fitness. The Vipshop City Charity Space was used as the venue for the 2023 Special Olympics Football Invitational Tournament of Guangdong Province. During the event, special schools and disability organizations across the province brought their mentally-challenged partners onto the pitch, and used the Special Olympics football as an opportunity to encourage and mobilize participation in Special Olympics sports, and support disability and health inclusion. In 2023, the Vipshop City Charity Space supported 33 soccer events, with the participation of 825 Young Hearts and 520 volunteers.

ChunYangTai Charity Space

Leveraging the diverse cultural and artistic resources of ChunYangTai and the rich tangible and intangible cultural heritage of Langtou Village, Vipshop hosted a series of charity activities for community residents, villagers, children and youth and vulnerable groups in cooperation with social service organizations to support the growth and development of children and youth, and enhance the sense of fulfillment, happiness and security of the vulnerable groups.



2023 Special Olympics Football Invitational Tournament of Guangdong Province

Carrying out senior-friendly education

"Digitization" has delivered convenience to the daily life of hundreds of millions of elderly people, but the "digital disconnection" caused by their failure to keep up with the digitization process has become a common dilemma faced by tens of thousands of elderly people. To address this problem, we have adopted a series of "digital support" initiatives to help the elderly integrate into the digital life.

In 2023, Guangdong Vipshop Philanthropic Foundation organized a senior-friendly education event in collaboration with Hefei Shushan City Outlet. During the Outlet's anniversary celebration, the team taught the elderly how to use their cell phones, distributed smart phone user guide, and organized interactive games to help the elderly learn to use smart phone functions such as video chatting, online shopping, clinic appointment and utility bills payment, and better embrace the Internet.

Promoting reuse of surplus food

In China, about 27% of food is lost or wasted on the supply chain each year, accounting for about one quarter of the world's total food loss.¹

In order to reduce food waste and realize its proper value, in October 2023, we entered into a partnership with China's first food bank², Green Foodbank. We donated the surplus food that were purchased by our platform and up to the donation requirements to the Green Foodbank, which then distributes them to those who do not have enough food. While providing food support to people in need, the program also helps reduce food waste. In 2023, the first batch of 531 cases of surplus food were successfully donated and delivered.

¹ The data comes from the Global Food Donation Policy Atlas.

² Food Bank is a food resource distribution organization that collects surplus food (near-expired food, unsold/unused food, etc.) and donates them to the underprivileged, the disabled and other people in need to as dietary support, thus achieving the reuse of surplus food.

Encouraging employee participation in charity services

Vipshop provides all regular employees with eight hours of charity service leave every year. We have developed a series of charity activities open to employees, and encourage employee participation in charity services to help them develop a sense of altruism and practice kindness.

Care for special groups

We led our employees to the Guangzhou Yang Ai Special Children Parent Club to make Tuanshan (moon-shaped fans) with the children there, and help them experience the joy of handicraft production. We reached out to the autistic artists of the Guangzhou Children's Palace and participated in an event on 3D book making under the theme "Walking into the Hearts of Special Artists - Painting Our Little World", which conveyed the message of inclusiveness and respect through games and artistic painting. As part of our volunteer service to support the vocational rehabilitation training of mentally-challenged youth, we organized mock interviews and workplace simulations for the Young Hearts to help them improve vocational skills and better integrate into the society.

Promote disability and health inclusion

The Vipshop Customer Service Center set up a volunteer service team and organized a series of charity activities to help people with disabilities. Among them, the "I Want to Know You" event was organized in partnership with a charity organization called Gongming. During the event, the disabled and the able-bodied played fun games together in random groups, which bridged the communication gap and achieved deeper integration. We worked with the Liwan District Disabled Persons' Federation in organizing "Micro Wish" donation campaigns to deliver daily necessities and pass on the care and love of the society to the disabled. We also organized the "National Day and Mid-Autumn Festival" lantern show to enrich the cultural life of the disabled. Through these activities, we aim to better promote disability and health inclusion, and create an inclusive and harmonious social atmosphere.



"National Day and Mid-Autumn Festival" lantern show

"I have known the Young Hearts before. They are all kind and innocent, but they encounter many difficulties in the process of integrating into society. Today, I helped them simulate job interviews. I am very happy that they can gradually master these skills with the help of social organizations and institutions."

--Chu Chu, a participant of mock interviews and workplace simulations for the Young Hearts

"I made a group of amazing friends at this event, including some university students. Like us, they love life and look forward to every day. We had good chemistry and could talk freely. For me, it was like finding a new friend with whom I could share and get to know."

--Xiao Lan, a participant of "I Want to Know You"

Supporting earthquake relief

Vipshop keeps track of the latest development in the society and actively fulfills its corporate social responsibility. On December 18, 2023, a 6.2-magnitude earthquake struck Jishishan County, Linxia Prefecture, Gansu Province. Vipshop activated the disaster relief response mechanism and donated RMB 5 million through the China Rural Development Foundation to support emergency relief in the affected areas, resettlement of the affected people and post-disaster reconstruction. With these concrete actions, we aim to convey to the people in the affected areas the love and care of the society, and help them return to normal life as soon as possible.

Appendixes

Appendix I: Key performance indicators

Environmental indicators

Key Indicators	Units	2023
Greenhouse gas		
Total greenhouse gas emissions ¹	Tons carbon dioxide equivalent	1,326,212.4
Greenhouse gas emission intensity	Tons carbon dioxide equivalent per million RMB	11.7 ²
Total scope 1 emissions	Tons carbon dioxide equivalent	11,247.0
Total scope 2 emissions ³	Tons carbon dioxide equivalent	82,517.3
Total scope 3 emissions	Tons carbon dioxide equivalent	1,232,448.1
Energy		
Total energy consumption ⁴	MWh	207,927.7
Energy consumption intensity ⁵	MWh per million RMB	1.8
Gasoline	Tons	99.0
Diesel	Tons	67.7
Natural gas	m ³	2,329,982.0
Total electricity usage	MWh	148,976.0
Total purchased electricity ⁶	MWh	138,837.2
Self-use photovoltaic electricity	MWh	10,138.8
On-grid photovoltaic electricity	MWh	48,216.0
Purchased heating and cooling	MWh	31,749.0
Packaging		
Total weight of wood/paper fiber packaging	Tons	34,690
Total weight of plastic packaging	Tons	5,338
Proportion of recyclable plastic packaging (as a percentage of total weight of plastic packaging)	%	100
Water resource		
Total water usage	Million m ³	1.97
Waste		
Total amount of recycled/reused waste	Tons	49,114.6
Total amount of waste disposed	Tons	35,530.3
The amount of landfill waste	Tons	35,521.5
The amount of incinerated waste with energy recovery	Tons	8.8

¹ In 2023, the Company further broadened the boundaries of greenhouse gas emission accounting. In terms of organizational boundaries, the carbon emissions of all overseas subsidiaries were newly included; in terms of operational boundaries, the carbon emissions generated by the six new Shan Shan Outlets stores opened in 2023 were added.

² The data are for total GHG emission intensity and the Scope 3 carbon emission intensity is 10.9 tons carbon dioxide equivalent per million RMB.

³ Carbon emissions from electricity are calculated based on geographic location. Electricity emissions in China are calculated using the 2021 national grid emission factor recently released by China's Ministry of Ecology and Environment, with an emission factor of 0.5568kgCO₂/kWh; grid emission factors in overseas regions are calculated based on the statistical file Country Specific Electricity Grid Greenhouse Gas Emission Factors-2023 (Carbon Footprint Ltd.).

⁴ The conversion coefficients between different energy sources refer to the "General Principles for Calculation of Comprehensive Energy Consumption" (GB/T2589-2020).

⁵ Energy consumption intensity=total energy consumption for the reporting year (MWh) / net revenue for the reporting year (million RMB).

⁶ Total purchased electricity includes 19,357 MWh of purchased green electricity.

Social indicators

Key indicators	Units	2023
Employment		
Total number of employees	Person	14,638
- Percentage of employees by gender		
Male employees	%	51.7
Female employees	%	48.3
- Percentage of employees by age group		
Aged 18-29	%	33.4
Aged 30-50	%	65.6
Aged 51 or over	%	1.0
- Percentage of employees by educational background		
High-school or below	%	46.6
Vocational training college	%	17.1
Bachelor's degree	%	29.8
Master's degree or above	%	6.5
- Percentage of employees by geographical location		
Mainland China	%	99.5
Hong Kong, Macao and Taiwan and other regions	%	0.5
Percentage of employees from ethnic minorities	%	4.9
Percentage of employees with a disability	%	1.1
Foreign national employees	%	0.3
New recruits	Person	5,099
Percentage of vacancies filled by internal candidates	%	70.7
Share of women in management positions in revenue-generating functions (e.g., sales) as % of all such managers	%	38.3
Share of women in STEM-related positions (as % of total STEM positions)	%	23.5
Training and development		
Total training costs	RMB in Million	6.836
Total training time	Hours	609,100
Average spend on training per person	RMB	637.3
Average training time per person	Hours	56.8

Key indicators	Units	2023
Health & safety		
Number of work-related deaths of employees	Person	0
Number of work-related deaths of contractors ¹	Person	0
Number of recorded workplace injuries of employees ²	Cases	9
Lost-Time Injury Frequency Rate (LTIFR) of employees ³	%	1.86
Lost-Time Injury Frequency Rate (LTIFR) of contractors ⁴	%	0.55
Number of recorded occupational illnesses	Cases	0
Number of suppliers		
Number of first-rate suppliers	Number	1,550
Number of key-first-rate suppliers	Number	110
Number of Non-first-rate suppliers	Number	388
Number of Key-non-first-rate suppliers	Number	28

Governance indicators

Key indicators	Units	2023
Anti-bribery and corruption		
Coverage rate of anti-corruption training for employees	%	100
Number of staff attendances of anti-corruption training	Person-times	43,284
Information and privacy security		
Total number of information security or other network security incidents	Number	0
Total number of data leaks	Number	0
Total number of customers and employees impacted by data leaks	Person	0

¹ Since Shan Shan Outlets has not yet counted the number of work-related deaths of contractors in 2023, the number of work-related deaths of contractors does not include Shan Shan Outlets' contractors.

² In 2023, the Company experienced 9 work-related injuries to employees, of which 2 were traffic accidents during their commute.

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

⁴ Lost-Time Injury Frequency Rate (LTIFR) of contractors do not include contractors from Shan Shan Outlets.

Appendix II: GHG verification statement

CEPREI

IAF **CNAS** 中国认可 国际互认 审定核查 VALIDATION VERIFICATION CNAS C012-V

Greenhouse Gas Verification Statement

(Original)
This is to certify that

The Greenhouse Gas Inventory (2023.01.01 ~ 2023.12.31) of
VIPSHOP HOLDINGS LIMITED
has been verified in accordance with ISO 14064-1:2018 and ISO 14064-3:2019 as meeting the requirements of
ISO 14064-1:2018 and GHG Protocol

Total GHG Emissions: 1,326,212.37 tCO₂e

Scope 1(Category 1): Direct GHG emissions and removals: 11,246.96 tCO₂e
Scope 2(Category 2) : Indirect GHG emissions from imported energy: 82,517.31 tCO₂e
Scope 3 : Other indirect GHG emissions: 1,232,448.10 tCO₂e, consists of
Category 3 : Indirect GHG emissions from transportation: 930,886.80 tCO₂e
Category 4: Indirect GHG emissions from products used by organization: 169,022.64 tCO₂e
Category5: Indirect GHG emissions associated with the use of products from the organization: 132,538.67 tCO₂e
Category6: Indirect GHG emissions from other sources: 0 tCO₂e

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

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

Activities: Office, logistics, merchandise sales

Level of Assurance: Reasonable assurance

Materiality: 5%

No. CEPREI-2024-GHG-0028
Issue date: 2024.06.27

The information of this certificate may be verified by visiting Official CNCA Website (www.cnca.gov.cn)
The Certification Body is Accredited by China National Accreditation Service for Conformity Assessment.
No. 70 West of Zhuzhen Avenue, Zhuzhen, Zengcheng District, Huangshan, P.R.China
Zip: 511370

王春辉
Wang Chunhui
General Manager
CEPREI CERTIFICATION BODY

Appendix III: GHG inventory and accounting boundaries

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

Appendix IV: Index of reporting indicators

Tier-one title	Tier-two title	GRI Standards
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2023 Key Results: Overview	/	2-19
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	1.2 Corporate governance	2-9; 2-11; 2-18; 2-23; 2-27; 205-1; 205-2; 205-3; 206-1
	1.3 Sustainable development management	2-12; 2-14; 2-17; 2-22; 2-26; 2-29; 3-1; 3-2; 3-3
V-Development	2.1 Providing high-quality products	/
	2.2 Improving the quality of services	417-1; 417-3
	2.3 Protecting information security and privacy	2-27; 418-1
	2.4 Creating a responsible supply chain	308-1; 308-2; 414-1; 414-2
V-Ecology	3.1 Addressing climate change	201-2; 301-1; 301-2; 301-3; 302-4; 303-2; 305-1; 305-2; 305-3; 305-4
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	3.3 Strengthening environmental management	303-1; 303-3; 306-1; 306-2; 306-3; 306-4; 306-5
	3.4 Supporting the building of low-carbon society	

Tier-one title	Tier-two title	GRI Standards
V-Talent	4.1 Talent attraction and retention	2-8; 2-23; 2-26; 2-30; 202-1; 401-2; 401-3; 407-1; 408-1; 409-1
	4.2 A culture of diversity, equality and inclusion	2-7; 405-1; 406-1
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V-Charity	5.1 Supporting rural revitalization	203-1; 203-2; 413-1; 415-1
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