

唯品会
品牌特卖

2021 VIPSHOP

Environmental, Social
and Governance Report



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About This Report

This report, published by VIP.com, Vipshop (China) Co., Ltd. (NYSE: VIPS), discloses in detail Vipshop's environmental, social and governance practices and performance in 2021 based on the principles of objectivity, normativity, transparency and comprehensiveness.

Reporting scope

This annual ESG report covers related data from January 1 to December 31, 2021. To make the report more comparable, we include some content with data from previous years and the year 2022.

The report covers Vipshop's offices and logistics warehouses located in Mainland China (and excludes overseas operations).

Notes

Vipshop guarantees this report does not contain any false records or misleading statements, and the data collection and calculation methods herein are consistent with the indicators disclosed in the Company's annual report. All monetary figures shown in this report are expressed in RMB unless otherwise specified.

For ease of presentation and reading, "Vipshop (China) Limited" herein may also be referred to as "Vipshop", "the Company", "we", or "the Group" in the report.

Feedback

Vipshop will continue to improve its ESG management, actively fulfill its social responsibilities and protect the interests of its stakeholders. Your feedback is highly appreciated and will help us improve our future work. Please contact us at vipfoundation@vipshop.com. Your comments will be treated in strict confidence.

Reporting standards

Global Reporting Initiative (GRI) "Sustainability Reporting Standards"

"2030 Agenda for Sustainable Development" by the United Nations

Access

The report is available both in print and online. Please visit Vipshop's official website (<http://ir.vip.com>) for online reading or downloads of the electronic version and learn more about the Company's CSR.



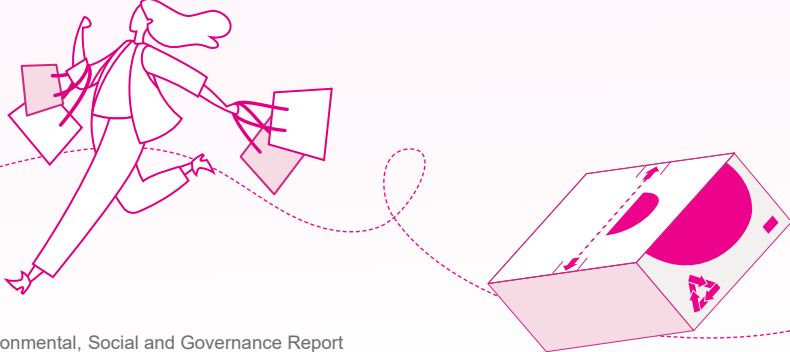
Message From Vipshop

The year 2021 marked the start of the 14th Five-Year Plan and the dual "30-60" carbon goals (carbon peaking by 2030 and carbon neutrality by 2060). In the context of the new development pattern of "dual cycles", e-commerce not only represents an online sales channel, but should also demonstrate the unique advantages of connecting the online and offline worlds, production and consumption, urban and rural areas, and domestic and international markets. On the one hand, e-commerce supports high-quality development; on the other hand, it promotes sustainable consumption to meet the increasingly strong demand of consumers for a green and healthy lifestyle. As a leading online discount retailer for brands in China, Vipshop actively grasps the opportunities of the era and stays true to its original intention and responsibility, helping connect quality brands to consumers.

Discount retail with superior customer experience

Vipshop's mission is to, "Improve the quality of life and enhance the experience of happiness". In 2021, we remained committed to the merchandising strategy and focused on creating a convenient, efficient, and safe online and offline shopping channel; we fully tapped into modern information technology, including big data and artificial intelligence, to create a shopping platform that "gets you"; and through a series of activities such as "Brand of the Day", we brought more high-quality, good-value products to customers.

Vipshop regards the quality of products and the guarantee of their authenticity as essential. We have established a comprehensive quality evaluation system with three sections: product quality, customer complaints, and returns. Vipshop continues optimizing pre- and post-sales service systems to provide the ultimate consumer experience. In 2021, Vipshop further improved the efficiency of customer problem resolution, where 95.03% of complaints were resolved within 24 hours.



Green e-commerce and low-carbon practices toward carbon neutrality

Going green and low-carbon has been one of the most crucial responsibilities and obligations of Vipshop as an excellent corporate citizen, which also serves as a foundation for the Company to achieve its own sustainable development. We follow the development of the latest environmental technologies, thoroughly examine carbon reduction opportunities along the value chain, and improve resource efficiency according to the principles of the 3Rs.

Expanding the use of renewable energy is one major emphasis of our carbon reduction strategy. Following the completion of Vipshop's logistics hub in southern China, the first e-commerce logistics hub in China powered by photovoltaic energy, Vipshop invested in the construction of a photovoltaic power plant with a capacity of 41 MW in the logistics hub in central China located in Ezhou, Hubei in 2021. In 2021, total electricity generation from photovoltaic plants built by Vipshop reached 59,939 MWh.

From 2019-2021, Vipshop has led the global retail industry in the Dow Jones Sustainability Indices (DJSI) assessment for three consecutive years, in terms of green packaging. In 2021, 100% of Vipshop's plastic packaging was recyclable, and the amount of paper used for packaging was significantly reduced.

The newly completed headquarters has been awarded the 2-star Green Building Design Label and LEED BD+C Gold certification, among other prestigious awards, both at home and abroad. In addition, Vipshop are continuously taking a range of measures to reduce energy consumption in its physical stores.

High-quality development backed by integrity and innovation

Integrity is the foundation for innovation, and innovation is the driving force for development. After more than two decades of rapid development, e-commerce has entered an era of growth with normativity and synergy. In recent years, China has been ramping up efforts to improve regulation and standards systems for e-commerce, laying a solid foundation for the construction of a healthy, fair, and safe internet industry. Vipshop attaches great importance to corporate governance and operational compliance with established rigorous governance policies and processes in the areas of information security and privacy protection, intellectual property protection, anti-corruption, and fair competition, which the Company communicates thoroughly with its employees and partners, in order to keep them well informed.

Building upon a rigorous and robust governance system, Vipshop has created multiple consumption and service scenarios by taking advantage of its e-commerce platform and using big data technology to tap into customers. In parallel, Vipshop has facilitated the rise of Chinese brands by utilizing its advantages in big data resources, platform support systems, logistics and warehousing, etc., providing brand partners with solutions including digital iteration, market insight, channel development, consumer interaction and goods turnover, helping partners expand their space for growth and, achieving mutual benefits for brand partners, Vipshop itself and consumers.

Care and love in the pursuit of shared prosperity

Over the years, Vipshop has been actively committed to charity programs and deeply involved in the empowerment of women, youth development, rural revitalization, and innovative internet-based charitable. By the end of 2021, Vipshop had invested more than RMB 346 million in its V-Charity initiatives, of which RMB 80.97 million was invested 2021.

We always believe that love is the most beautiful bond between people. Everyone can play a part in building a better future with love. Tapping into its e-commerce platform, Vipshop has explored its "e-commerce + charity" shopping model. Through the V-Love Charity Program, the Company practices the concept of "small goods for big love" to create a platform of love

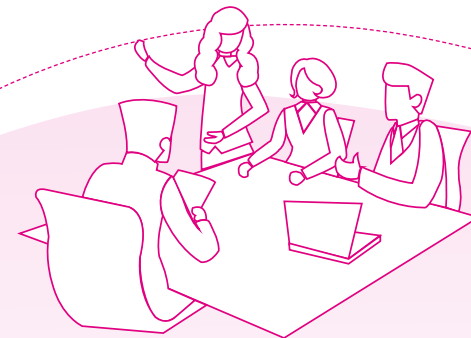
and care. In 2021, with the support of the V-Love Charity program and social communities, over 30 quality public service initiatives were launched, resulting in more than 10.91 million members donating over 15.6 billion V-Love Points.

People-oriented culture with high-quality employment

Vipshop regards its employees as its most important asset and considers the achievement of its employees as one of the primary means for its own development. We strive to build a working environment of equality, respect, and inclusion so that employees can leverage their strengths and realize self-worth. Through fair, transparent, and scientific performance evaluation and incentive policies, we enhance employees' sense of achievement by linking the value of their contributions with their remuneration and benefits.

In an Internet industry that is full of innovations, practitioners need to keep up with the latest developments. Vipshop has built a tiered talent training and development system to provide diversified and customized training programs for employees in different positions. In 2021, investment in staff training reached RMB 7 million, totaling some 130,000 hours of instruction and delivering mutual benefits from mutual progress.

It is our honor and responsibility to rise amidst significant changes that have not been seen in more than a century. Vipshop will keep in mind its mission of "improving the quality of life and enhancing the experience of happiness" and work with all stakeholders to firmly and confidently embark on the next stage of its journey that is both full of possibilities and able to create even greater social value.



About Vipshop

Through its flash sales, Vipshop has pioneered a fashion retail model of "selected brands + deep discounts + limited time purchases" in China. It has long led the market of flash sales outlets in China and is also a world-leading online discount retailer.

Vipshop sells a full range of popular branded products online, including apparel, shoes and bags, beauty products, mother and baby products and, home and living products, with in excess of 41,000 partner brands.

Company profile

Headquartered in Guangzhou, China, Vipshop.com (NYSE: VIPS) was founded in 2008. In 2021, Vipshop registered revenue of RMB 117.1 billion, 93.9 million active users, and a total of 790 million orders. Since its listing in 2012, Vipshop has posted profits for 37 consecutive quarters. As the world's leading online discount retailer, Vipshop has been named multiple times as one of the Fortune China 500 and China's Top 500 Private Enterprises.



Revenue in 2021

RMB **117.1** billion

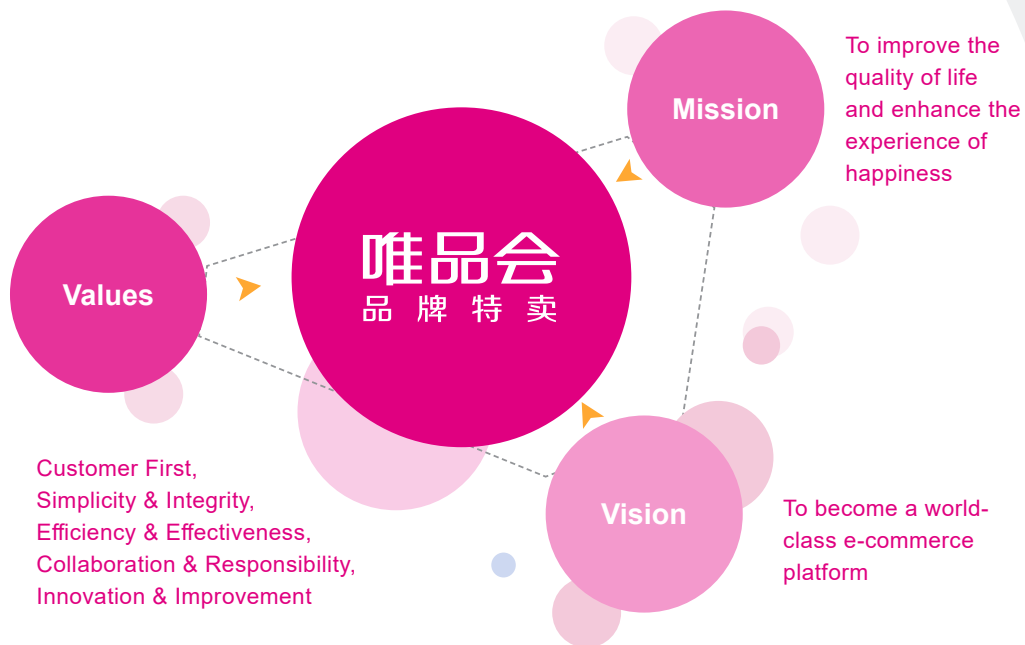


Active customers in 2021

93.9
million



Vision and mission



Business philosophy

Vipshop's business philosophy highlights employee care, customer services, respect and kindness to partners, and social contribution.



EMPLOYEES

Employees are Vipshop's greatest asset. We hope to inspire employees and unleash their potential, helping them grow with the Company. Meanwhile, we care deeply about the physical and mental health of our employees.



CUSTOMERS

Customers are our top priority. We strive to provide experiences and services that go beyond expectations, creating value for customers through the understanding and meeting of their needs.



PARTNERS

We respect and care about our partners. We earnestly collaborate with partners to build an ecosystem built on interdependence and mutual benefits.

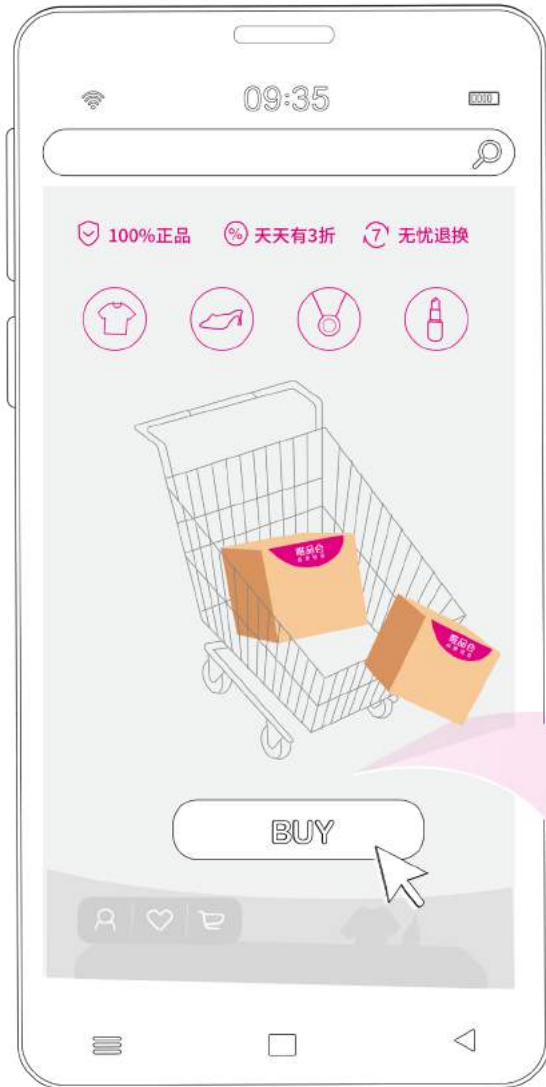


SOCIETY

We fulfill our social responsibility, give back to the community and help those in need.

Our action

Fulfilling social responsibility is one of Vipshop's development strategies and essential elements to achieving its high-quality development and sustainable growth. The Company's CSR lies in five major areas: strategy, operations, employees, environment, and community. The plan assesses the impact of daily operations to create a win-win situation for internal and external stakeholders to give back to the community.



Key figures in 2021



High quality of life arising from high-quality service

As of 2021, there were more than **41,000** partner brands in total, with active core SVIP users up by **50%** year-on-year

95.03% of complaints were resolved within 24 hours

The customers' satisfaction rate was **97.91%** from telephone surveys and **91.83%** from online surveys



A harmonious workplace with a people-oriented culture

The total number of employees was **6,738**, among which **52.15%** were female. Female employees accounted for **40.61%** of management with this proportion displaying several years of consistent growth

RMB 7 million was invested in employee training, an increase of **68.47%** year-on-year; per employee training costs were RMB **1,272.73**, up by **24.73%** year-on-year

The investment in production safety was RMB **7.89** million, with occupational health and safety training conducted **9,800** times for employees



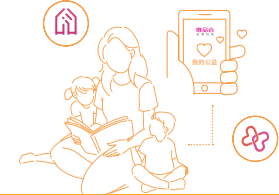
On track to enhance green and low-carbon development

Total GHG emissions reached **463,989** tons, with scope 1 and scope 2 emissions intensity of **0.58** tons of CO2 equivalent per million yuan of revenue

The headquarters building of more than **160,000** square meters has been awarded a 2 Star Green Building Design Label certification, LEED BD+C Gold certification, and many other well-known awards both at home and abroad

Annual photovoltaic power generation of **59,939** MWh, up by **59.58%** year-on-year

100% recyclable plastic packaging



Charitable programs to empower community development

As of 2021, the cumulative amount of investment in charitable initiatives has exceeded RMB 346 million with RMB **80.97** million invested in 2021

As of the end of 2021, the V-Moms program had helped reduce burdens and improve prospects for **50,000** one-parent families-in-need

As of the end of 2021, more than **10.91** million members had participated in the V-Love Charity Program, donating over **15.6** billion V-Love Points

1,859 employees served as volunteers and completed some **11,000** hours of voluntary services in 2021

2021 at a glance

May 2021 • Supporting the fight against the pandemic

During the pandemic in Guangzhou, Vipshop was the first to donate **560** boxes of emergency food, more than **100,000** KN95 masks, and over **1,260** cases of beverages to the community to support the fight against covid-19.



July 2021 • Building an equal workplace

Vipshop initiated the "Call me Eric" project, demonstrating its determination to cultivate a culture of openness.

July 2021 • Through the wind and rain with Henan

Vipshop donated RMB **20** million to the China Foundation for Poverty Alleviation¹ to help fight against floods in Henan Province, which suffered severe flooding in many areas.

September 2021 • Serving the community

The Vipshop Charity Space was officially inaugurated to provide rehabilitation training and a soccer space for kids with autism spectrum disorder (ASD) to have fun.

November 2021 • Small goods for big love

With the support of the V-Love Charity Program and communities, over 30 quality public service initiatives were launched.



October 2021 • Through thick and thin with Shanxi

Vipshop donated RMB **10** million to the Shanxi Charity Federation for emergency relief in Shanxi Province after the floods.



¹China Foundation for Poverty Alleviation was renamed to China Foundation for Rural Development in June 2022

Sustainable development goals

In accordance with the United Nations Sustainable Development Goals, Vipshop takes full account of its own operating conditions and actively undertakes corporate social responsibility to help solve social and environmental problems and promote the Company's sustainable development.

- 1 NO POVERTY**
 - Help employees in need through the V-Love Fund and launch targeted poverty alleviation programs
 - Facilitate of rural revitalization
- 2 ZERO HUNGER**
 - Help the impoverished to gain a sustainable source of income through programs such as V-Love Workshop
- 3 GOOD HEALTH AND WELL-BEING**
 - Improve the EHS management system
 - Provide health exams and healthcare services to employees
- 4 QUALITY EDUCATION**
 - Provide ample training courses to employees
 - Carry out public service programs targeting education for rural youth
- 5 GENDER EQUALITY**
 - Eliminate gender discrimination in recruitment and employment
 - Launch the public service program called V-Love Mothers.
- 6 CLEAN WATER AND SANITATION**
 - Create a safe and environmentally friendly workplace for employees
 - Protect employees' health and safety during the COVID-19 pandemic
- 7 AFFORDABLE AND CLEAN ENERGY**
 - Promote energy-saving measures and the use of clean energy and build photovoltaic power stations in logistics hubs
- 8 DECENT WORK AND ECONOMIC GROWTH**
 - Provide guaranteed compensation and benefits for employees
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**
 - Optimize the logistics networkInnovate
 - Develop logistics technologies
 - Purchase energy-saving office equipment

- 10 REDUCED INEQUALITIES**
 - Treat every employee equally
- 11 SUSTAINABLE CITIES AND COMMUNITIES**
 - Help employees in need and those with special needs
 - Provide community services and disaster relief
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION**
 - Promote green packaging and green logistics
- 13 CLIMATE ACTION**
 - Build photovoltaic power stations in logistics hubs
 - Use environmentally friendly vehicles and electric vehicles for logistics purposes
- 14 LIFE BELOW WATER**
 - Reduce plastic packaging and stop plastic pollution in water systems at the source
- 15 LIFE ON LAND**
 - Reduce emissions and stop waste pollution in land-based ecosystems at the source
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS**
 - Communicate with employees through the Labor Union and other channels
 - Protect their human rights
- 17 PARTNERSHIPS FOR GOALS**
 - Communicate with stakeholders with transparency
 - Publish annual CSR report and annual report

² Note: EHS stands for "Environment, Health and Safety"



Responsibility Management

Corporate governance

Organizational structure

Vipshop strictly complies with the legal and regulatory requirements of the location of operation and IPO, and has established a corporate governance mechanism with a clear delineation of responsibilities and a system of checks and balances.

Vipshop's Board of Directors continue their leadership role in strategic decision-making as well as risk prevention and control, improving the decision-making and execution supervision mechanism with matched powers and responsibilities, coordinated operation, and effective checks and balances, which guide, support and motivate the critical minority in corporate governance, such as members of the Board of Directors, to perform duties and fulfill responsibilities. The Board of Directors is responsible to shareholders and investors, and makes decisions conducive to improving the Company's competitiveness in the market under the corporate governance structure.

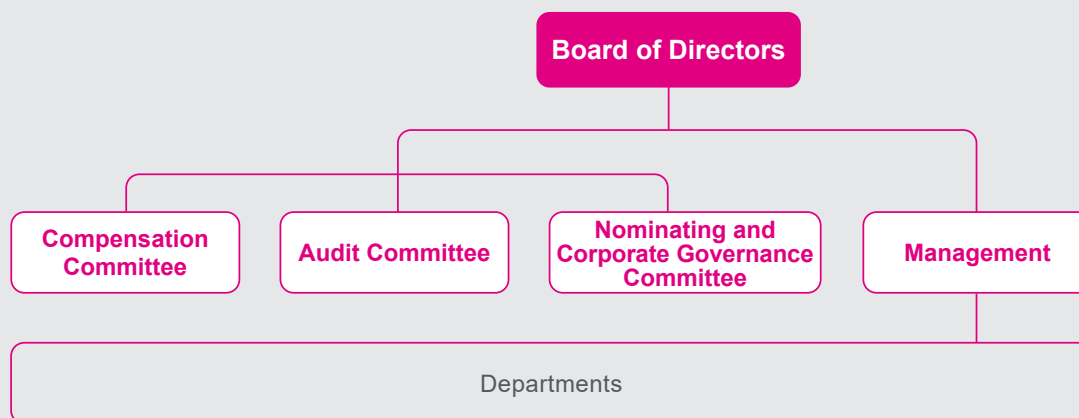
Vipshop links the CEO's variable compensation with corporate governance performance to enhance corporate governance efficiency and performance through established financial return metrics related to CEO variable compensation and other financial indicators for benchmarking.

Members of the Board of Directors

As of December 31, 2021, ten directors were on the Vipshop Board, including one female director. The directors are Mr. Eric Ya Shen, Chairman & CEO; Mr. Arthur Xiaobo Hong, Vice Chairman & COO; Mr. Martin Chi Ping Lau and Jacky Yu Xu, Directors; Mr. Donghao Yang, Non-executive Director; Mr. Chun Liu, Mr. Frank Lin, Mr. Xing Liu, Mr. Nanyan Zheng, Ms. Kathleen Chien, Independent Directors.

Nomination of Board Members

The Nominating and Corporate Governance Committee reviews the current composition of the board regarding factors such as independence, knowledge, skills, experience, and diversity.



Vipshop governance system

Abiding by Section 404 of the Sarbanes-Oxley Act of 2002, also known as the Public Company Accounting Reform and Investor Protection Act, Vipshop establishes a systematic and standard internal control system that is risk-oriented and deeply integrated with Vipshop's business, with a clear delineation of the responsibilities of each business unit.

Enhancing the system design and effectiveness of internal control.

Risk control requirements are embedded into processes, and systems through measures such as aligning internal control requirements with business systems, assigning responsibilities to individuals and solidifying IT support to ensure the consistency between internal control and business development and enhance the effectiveness of the design and implementation of the internal control system.

Providing institutional guarantees to keep control.

The Company continues to improve its article of association and maintains control over its subsidiaries and affiliates by managing its power bodies including the shareholder meetings, and key personnel including Board members.



Controlling legal instruments and documents.

The Company controls legal instruments such as documents, certificates, and signed agreements, through the OA (Office Automation) system.

Establishing the internal risk whistle-blowing system.

The Company sets up the reporting email account for employees to escalate potential risks. Relevant departments (such as Asset Protection Department and Internal Audit Department) are responsible for verifying information and taking follow-up measures.

Risk management

Vipshop has established a risk management structure with clear responsibilities, which includes the General Manager's Office, Internal Audit Department, Asset Protection Department, Product Technology Center, Legal Department, Finance Center and other departments. This structure assigns relevant managers in the Company's General Manager's Office to take charge of risk management and control of auditing at the operational level, who should report directly to the Chairman & CEO of Vipshop.

The Company already has a comprehensive Risk Management System in place and has established and implemented effective risk management measures to protect the Company from legal, financial and reputational risks:



Compliance management

In February 2021, the Company established a Compliance Committee chaired by the Chairman, together with first-tier departments and the Compliance Department, who designated January 14 as the Company's annual Compliance Day. The Compliance Committee meets regularly to assess risks and formulate plans. The Compliance Department takes the lead in coordinating the work among relevant departments. The Company's Internal Audit Department regularly conducts internal audits of all departments, independently and objectively evaluating the appropriateness, compliance and effectiveness of various operational activities and internal controls. It provides recommendations to improve and optimize the effectiveness of corporate governance, risk management and control processes.

In 2021, in order to better raise awareness of compliance, Vipshop promoted the "Compliance for Good, Foundation for Longevity" program throughout the Company with a series of promotion activities, including compliance knowledge quizzes, compliance training and "A Letter from Eric", which attracted widespread attention and participation from colleagues in different departments throughout the Company.



Anti-bribery and corruption

Vipshop believes that maintaining the highest ethical standards is critical for responsible corporate citizenship. We expect our employees to take responsibility for their actions, uphold values of honesty and integrity, and work together to maintain our culture of integrity.

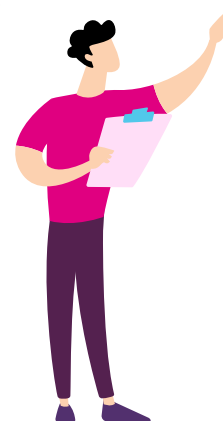
Vipshop has zero tolerance to corruption and bribery. Our Code of Business Conduct and Ethics makes it clear that we take a firm stand on ethical issues. At the same time, the Company has also established anti-fraud policies such as the Anti-Bribery Agreement, the Employee Integrity Provisions, the Vipshop Gift Giving System, and the Management Red Line, which are used to guide employees in ethical business practices. During the year, Vipshop continued to strengthen its internal anti-fraud management by issuing the Notice on Reward for Reporting on Attempted Bribery, Solicitation and Acceptance of Bribes, and the Notice on Reward for Employees that Refuse to Accept and Actively Report Bribes.

Employee training is a vital part of Vipshop's compliance program. In 2021, all Vipshop employees have completed compliance training on anti-corruption. The Compliance Department has also prepared a training course on anti-corruption overseas as a mandatory course for the Company's management. Relevant personnel are required to take the online course and pass the assessment.

Vipshop encourages an "upfront and outspoken" corporate culture, which helps identify and resolve issues promptly and build trust with stakeholders. With multiple reporting channels established, we encourage employees to raise issues or voice concerns through the means of their choice. Vipshop recognizes the practice of anonymous reporting, as permitted by local law.

Investor relations

Vipshop regularly updates shareholders and potential investors on the Company's development strategy, operations, financial performance, corporate governance, etc., to ensure in-depth communication. In 2021, due to the impact of the pandemic, investor communication was primarily done online, including "1-to-1" or "1-to-many" video or teleconferences. We also actively received site visits from investors, when conditions permitted, and promptly responded to emails from investors. Meanwhile, we also regularly collected feedback from shareholders and other investors, shared and discussed their insights and opinions with management and the Board of Directors, so that the Company made decisions that were in the best interests of the Company and our investors.



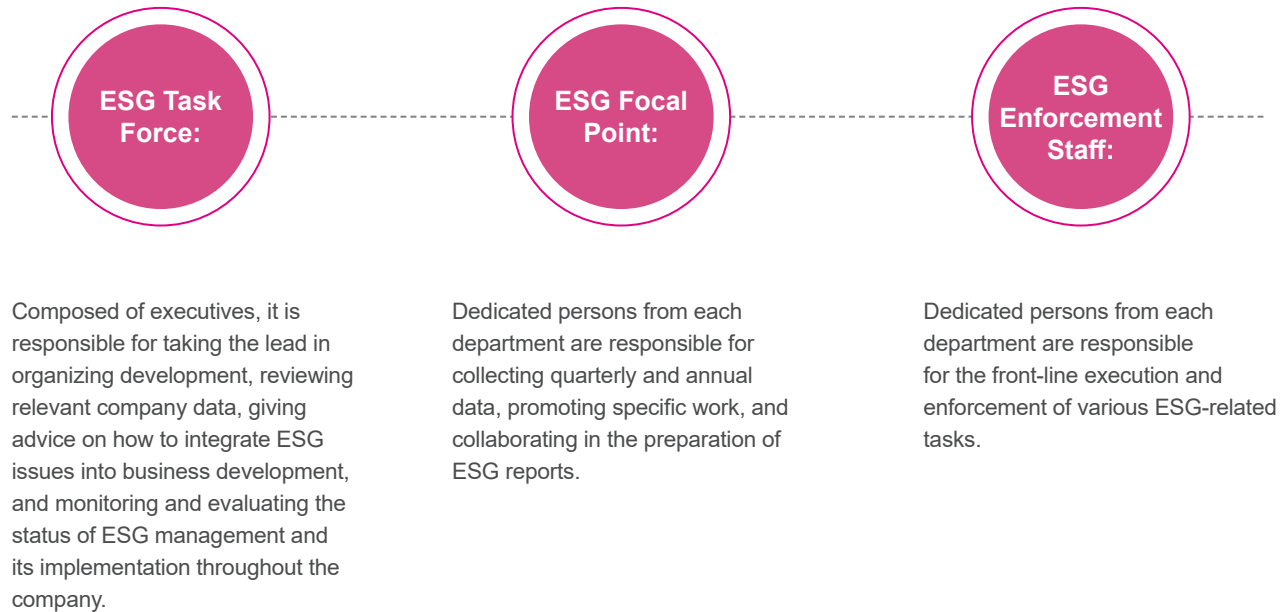
ESG management

ESG management strategy

For Vipshop, sustainability means that in everything we do, we keep in mind the long-term interests of our employees, customers, shareholders, the community, partners and the environment. We have been ramping up efforts to improve our management and performance in quality e-commerce, employee well-being, environmental protection and social welfare to achieve a win-win balance between social and commercial values.

ESG management structure

Vipshop has established a three-tier management structure: ESG task force - ESG focal point - ESG enforcement staff, to organize the specific implementation of environmental, social, and corporate governance.



Substantive issue analysis

Vipshop emphasizes the importance of the expectations and propositions of stakeholders as a crucial part of its CSR management practices and integrates them into the Company's daily operations.



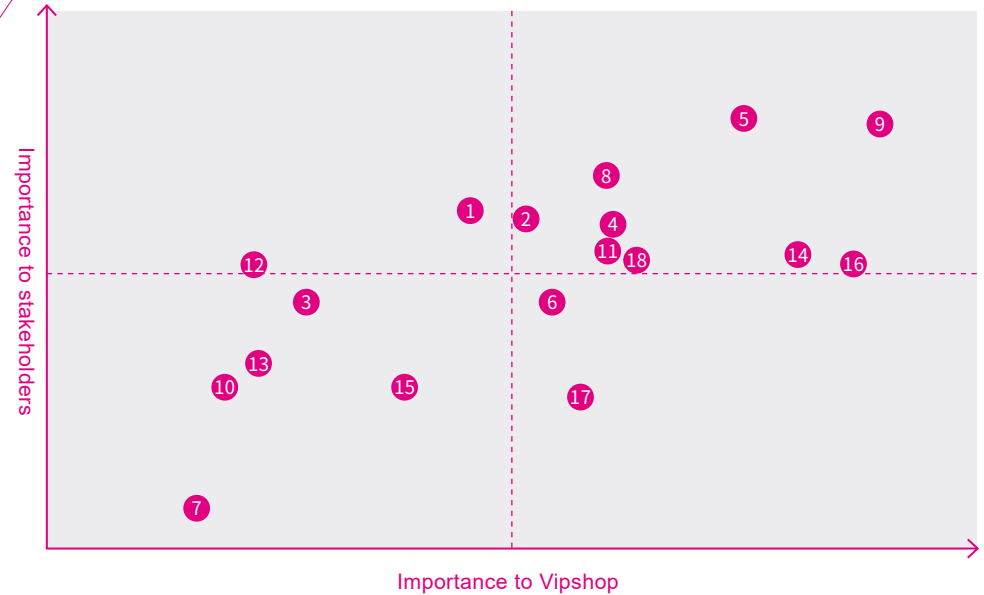
Based on national policies, social hot topics, and industry dynamics, Vipshop, after benchmarking with international standards such as GRI Standards and DJSI, as well as incorporating the Company's 2021 operations and feedback from various stakeholders, identified 18 ESG issues for research purposes.



We invited stakeholders of different categories such as government and regulatory agencies, customers, partners, shareholders and other investors, employees, environmental workers, and public & community representatives to participate in our study. We collected their feedback on the importance of different issues through an online questionnaire.



Based on the results of the questionnaires and with reference to the Substantive Issues Analysis Model, substantive issues that have a significant impact on both the Company and its stakeholders are identified from two perspectives -- "their importance to Vipshop" and "their importance to the stakeholders", which forms a Substantive Issues Analysis Matrix. After discussion and review with experts and consultants, the Company identified annual substantive issues, formulated corresponding action plans with management practices disclosed in the report.





- 1 High quality development
- 2 Compliance governance and anti-corruption
- 3 Protection against unfair competition
- 4 Brand flash sales, providing high-value products
- 5 Strict assurance of product quality
- 6 Quality consumption leads to a quality life
- 7 Explore new retail methods
- 8 Strive for exceptional customer experience
- 9 Privacy protection and data security
- 10 Sustainable supply chain
- 11 Carbon neutrality through green operations
- 12 Proactively combat climate change
- 13 Green packaging and warehousing
- 14 Protection of employees' rights and interests
- 15 Sustainable workplace
- 16 Employee compensation and wellbeing
- 17 Prosperity for all and rural vitalization
- 18 Social responsibility and service in the community

Communication with stakeholder

Vipshop have been ramping up efforts to improve management and performance in various areas including quality of e-commerce, employee wellbeing, environmental protection and social welfare. For every task undertaken, Vipshop has considered the long-term benefits for their employees, customers, shareholders, wider society, partners and the environment, striving to take on board the suggestions and aspirations of all relevant stakeholders for the sustainable development of the company, continually upgrading the level of ESG management.

In order to do so, Vipshop has established multiple channels of communication through which to maintain regular communication with stakeholders. The core channels are shown below:

Stakeholders	 Customers	 Governmental and regulatory institutions	 Shareholders and other investors	 Employees	 Partners	 The Environment	 Public and Society
Relevant Topics	<ul style="list-style-type: none"> • Ensure product quality • Ensure quality of service • Ensure data security 	<ul style="list-style-type: none"> • Abide by the law • Pay applicable taxes • Guarantee product quality • Promote high quality development 	<ul style="list-style-type: none"> • Company management and financial affairs • Shareholder benefits • Optimize corporate governance 	<ul style="list-style-type: none"> • Health and safety in the workplace • Compensation and benefits • Training and development • Communication and care 	<ul style="list-style-type: none"> • Adherence to commercial ethics • Transparent and fair purchasing • Mutual development 	<ul style="list-style-type: none"> • Tackling climate change • Green operations • Green packaging and warehousing 	<ul style="list-style-type: none"> • Prosperity for all and rural vitalization • Support of community development • Social responsibility and service in the community
Key channels and methods of communication	<ul style="list-style-type: none"> • Provide an exceptional consumer experience • Bring together the world's best products • Accurately satisfy customers' requirements • Establish varied product channels 	<ul style="list-style-type: none"> • Refine corporate governance • Proactively follow tax regulations • Adopt government policy • Create employment opportunities • Stimulate local, high-quality economic development 	<ul style="list-style-type: none"> • Periodic reports and announcements • Host annual general meeting, attend investor meetings and industry events • Non-deal roadshows 	<ul style="list-style-type: none"> • Employee meetings • Face-to-face communication • Employee satisfaction surveys • Training 	<ul style="list-style-type: none"> • Host supplier meetings • Commercial partnerships • Host partner brand visits 	<ul style="list-style-type: none"> • Green packaging and warehousing • Green workplaces • Spread environmental awareness 	<ul style="list-style-type: none"> • Media reports • Volunteer events



Viplife

The 14th 5-year Plan for E-commerce Development calls on e-commerce to deliver "high-quality development of the digital economy" and to help "achieve common prosperity". In parallel with the national "dual circulation" development strategy, Vipshop adheres to the concept of "allowing every customer to enjoy a VIP quality of life" by adding a sparkle to customers' lives. In 2021, as a leading online discount retailer for brands in China, Vipshop committed to rolling out its merchandising strategy, continually deepening brand collaboration to provide customers with a broader selection of high-quality products, improving customer service experience and taking action to respond to consumers' aspirations for a better life. In accordance with Deloitte's latest research report Global Powers of Retailing 2022, Vipshop was ranked in the Top 250 global retailers, improving its position by 16 places to 67th. In addition, Vipshop was also included in the list of the 50 fastest growing global retailers.



Hi~V Day

唯品会 2021 Family Day

Your tailored Viplife

Vipshop is committed to becoming a world-leading e-commerce platform, providing customers with a diverse high-quality retail experience. In 2021, Vipshop strategically focused on core brands and high-value customers, improving business collaboration and emphasizing Vipshop's position and value as a leading online discount retailer for brands in China. Looking to the future, Vipshop is committed to realizing high-quality, sustainable, long-term growth through continuing its merchandising strategy, developing brand partnerships, increasing customer acquisition efficiency, and using quality products to attract customers to visit and purchase through Vipshop.

A diverse vipshop Online E-commerce platform

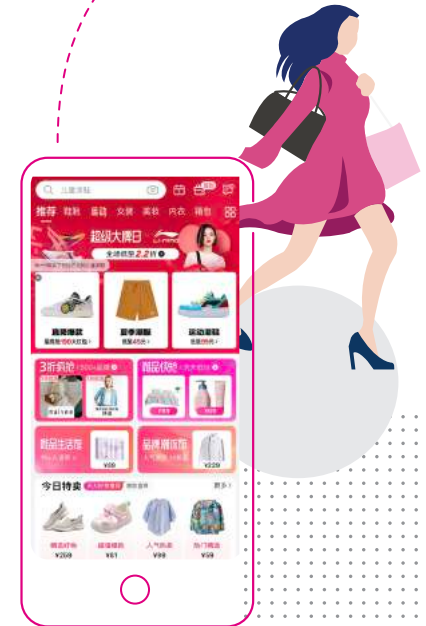
Starting with the real-world demands of its customers, Vipshop has continued to improve the diversity and operating efficiency of its service platform. In parallel with this, Vipshop has actively developed long-term, stable partnerships with well-known domestic and overseas brands, continually increasing the range of brands and product offerings, providing consumers with a varied, convenient and affordable retail experience.

Using big data technology, Vipshop rapidly incorporates customers' latest demands and strives to provide clients with timely service. Vipshop has expanded its online portal to various popular social media platforms, including the Vipshop APP, the Vipshop WeChat Mini-program and Vipshop's Douyin (TikTok) store, providing customers with a rapid and convenient "buy what you see" retail experience.

Through analysis of customer demands, Vipshop carefully selected new brands and, optimized and streamlined the process for onboarding new brands in the first half of 2021. In this period alone, Vipshop added more than 4,000 brands to the platform,

providing consumers with a more diverse choice of brands and products.

Vipshop has proactively sought out and optimized customers purchasing channels, increased opportunities for exchange and continued to provide customers with information about the latest trends. Vipshop's official bilibili account is one of these approaches, where it has been listed as one of B Site's Top-100 official channels, and where Sankouniang, a spokesperson for Generation-Z, has been brought onboard to instigate innovative interaction with young users, conveying the lifestyle, values and positive energy advocated by brands' discount retail to a large number of young users.



Offline retail platform

In 2021, Vipshop continuously optimized its offline channels, upgrading the quality of its store service. One the one hand, Vipshop increased the strength of its collaborations with Chinese male and female clothing brands, providing consumers with more affordable, high-quality products. On the other, Vipshop has successfully increased its stores' customer base through integration of new retail trends, innovative optimization of customer service and continuous improvement of consumers' experience.



Achieving breakthroughs

partnering with famous international brands including DKNY and Nautica to provide outlet store product lines for the first time.



Viral offline flash sales of famous brands

new physical stores in Chengdu and Chongqing carried out flash sales of famous brands, drawing large numbers of customers, and increasing consumers' understanding of Vipshop's characteristic brand flash sales.



Retail innovation

developing accessible products, promoting the sales and turnover of online products in physical stores.



Vipshop's offline stores

Working under Vipshop's brand, Vipshop's offline stores act both as community-based shopping centers and locations for comprehensive, community-focused flash sales. Through the combination of fashion, brands, quality, and price, Vipshop provides local communities with an "on the doorstep" destination for a relaxing consumer experience. Vipshop's offline stores have established a reliable supply chain, built on a foundation of strong merchandising capabilities, logistics and retail technology, creating partnerships with 2,100 brands, and providing consumers with a never-ending supply of affordable and authentic products. This has met consumer demands, improved customers' quality of life and their sense of satisfaction.

Partnerships have been created with

2,100 brands



Vipshop's city outlets

Vipshop's city outlets are primarily focused on investment in commercial projects, comprehensive operations and output management, with the aim to expand into East China, Southwest China, Central China, and Southern China, ultimately reaching the whole country. Adhering to the two core goals of "online and offline interoperability" and "city outlets with big brands and affordable prices", Vipshop's city outlets bring together many business sectors such as famous international products, fashion retail, lifestyle items, and creative cuisine to fully satisfy consumers' needs including shopping for fashion, family experiences, food and entertainment, leisure and travel and, cultural and social offerings among others. Vipshop's city outlets create one-stop urban lifestyle experience centers that "offer good brands and value-for-money, close to home". By the end of 2021, Vipshop has already established three Vipshop outlet malls.



Vipshop gets you

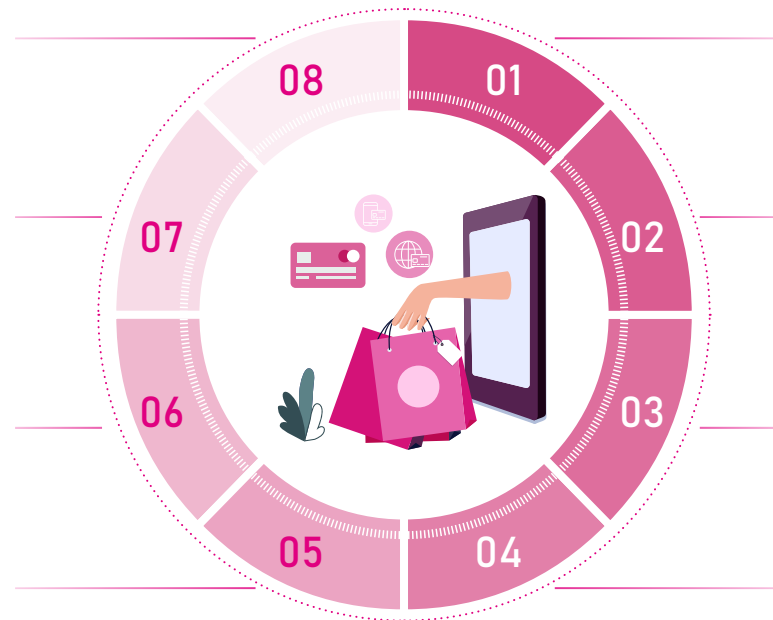
Vipshop has worked hard to create a discount retail platform that “gets” you. Vipshop has continually optimized operations and its algorithm for in-platform search and recommendation, providing customers with personalized product recommendations and delivering targeted service improvements. In parallel, Vipshop has developed partnerships with mainstream social media platforms including Douyin (TikTok), WeChat and Weibo, to update consumers about trendy and fashionable branded products.

Vipshop proactively plans a variety of themed, live-streaming events to provide customers with a richer retail experience.

Vipshop targets the latest trends and changing seasons, to establish differently themed events and create unexpected experiences for users.

Vipshop has undertaken analysis of the industry's latest trends and user's demands to provide them with high-quality, branded goods.

Vipshop has provided users with comprehensive, accurate, easy-to-understand product information, to help them make more efficient product choices.



In terms of operations, Vipshop has upgraded clients' overall retail experience and the effectiveness of varied customer interactions through the continuous optimisation of its platform construction.

Vipshop has increased discounts to provide users with better value high-quality products from big brands.

Vipshop has gradually refined its channels including: Try Vipshop, Vipshop New Products and Vipshop Life Experience offerings, providing customers with brand new experiences.

Vipshop has made significant efforts to increase innovation, creating a better value, and endlessly surprising retail experience.

Product information

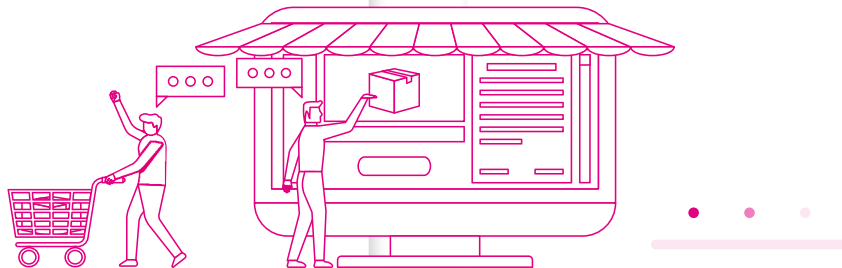
Vipshop's product information recommendations provide users with accurate product recommendations and information on discounts, based on their preferences, to meet their retail demands more effectively.

- Vipshop accurately understand users' preferences. We constantly improve our platform's technology, to create an accurate picture of our customers and dig deep to satisfy their requirements.
- Vipshop improves the personalized benefits system. We have created a personalized coupon strategy, based on users' purchasing habits, to provide them with as many varied benefits as possible.

Brand campaign

Vipshop sends notifications, by working with all mainstream social media platforms, to inform users about discount sales.

- Through Douyin (TikTok), Toutiao, TV and radio, WeChat, and other channels, Vipshop informs consumers about discount sales of the latest trends and fashions, planting thoughts about brands' sales in the consumers minds.
- Using various content formats including brand sketches and short videos, Vipshop inform users about good items and entice many generation-Z fans to discount sales of certain brands.



Vipshop cares about you

Vipshop upholds the concept of "for the customer" by constantly striving to provide the biggest discounts and a superior shopping experience. In 2021, Vipshop joined forces with Guangzhou's Metropolitan Commerce Bureau, China Mobile, China Southern Airlines and Qunar.com, among others, to deliver retail benefits to customers.

In parallel, Vipshop worked with The Bank of China, The Agricultural Bank of China, Bestpay and other well-known enterprises, to successfully develop mutual benefits for both sides, in terms of resources, services and channels. Ultimately, this has provided the consumers with a wider variety of ways to shop with Vipshop. Vipshop collaborated with UnionPay to develop a Vipshop APP instant payment function and arranged a series of benefits for consumers who used this. This provided the consumer with a greater choice of payment methods, a leading retail experience and multiple layers of rewards.

Aside from this, Vipshop has proactively worked with the monthly card subscription of several entertainment platforms including Youku and KuGou, allowing consumers to take part in "Buy one get more" members benefit events, where by one purchase can provide benefits to be used across several high-quality suppliers. By engaging in collaborations with business from different sectors, Vipshop has succeeded in achieving mutual benefits for both sides, providing consumers with a comprehensive, affordable experience, that covers all aspects of daily life.



Quality assurance

An improved quality assurance system

Vipshop is dedicated to the management of product quality. Continuously providing high-quality products is both a promise to its users as well as a core component of the company's aim to deliver sustainable development. In order to achieve this, Vipshop has adopted a series of measures to ensure genuine products including "10 core quality assurances", "9 methods of quality control" in addition to traceability systems for overseas products. Vipshop has also established a comprehensive product quality assessment system composed of three elements: product quality, customer complaints and customer returns.



Quality assessment system



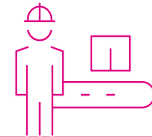
undertaking comprehensive random inspections of the internal and external quality of the goods and instigating corresponding closed-loop measures according to the results.



evaluating suppliers performance relating to customer inquiries and complaints.



evaluating supplier performance regarding their handling of returns.



An improved quality checking process

Vipshop ensures quality products through a series of methods, including selection and screening of brands, random sampling of product quality, on-site inspections and random sampling of goods arriving at the warehouse. In 2021, Vipshop revised and published its "JIT & JITX Supplier Management Guidelines 2021", establishing the process and relevant guidelines for the JITX quality checking process, in addition to establishing methods to resolve instances of substandard goods. In parallel to this, Vipshop continuously analyzes suppliers' brands for product quality, pushing for the improvements in product quality and striving for an improved user experience.



Carrying out checks on product quality in collaboration with third-party authorities and in accordance with national, industry and business standards



Possible penalties

Fines / suspension of resources / taking offline / termination of agreement



Discovery of problems with goods at the assembly stage, carrying out sample inspections of pre-finalized product quality, and inspecting of suppliers' management processes for quality control related customer returns



Possible penalties

Fines / warnings / taking offline / termination of agreement



External inspections of the received goods, including visual inspections of the appearance of packaging, functionality, tags and logos, etc.

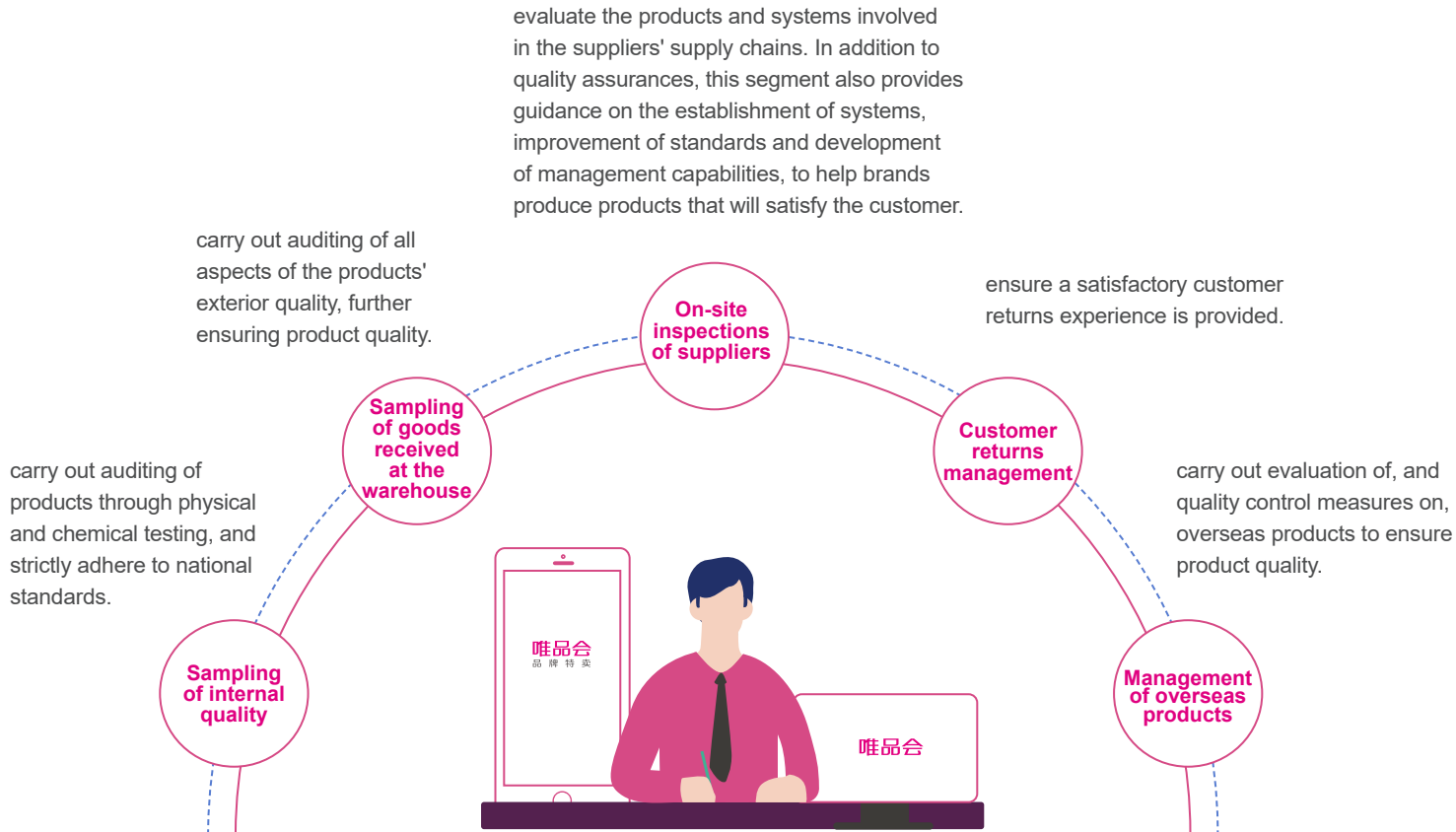


Possible penalties

Comprehensive quality checks / return of received goods / taking offline / etc.

An improved system for quality auditing

Vipshop's quality auditing system is divided into 5 segments: sampling of internal quality, sampling of goods received at the warehouse, on-site inspections of suppliers, customer returns management and management of overseas products.



Vipshop has established a new supplier inspection team to further evaluate suppliers, optimize the management of substandard goods, and help suppliers improve their quality management systems, including establishing a quality management system, improving staff operating standards, and upgrading the environments in which products are stored etc. With the efforts of all teams, 2021 saw a continued, visible decrease in the total number of customer requests for information and customer complaints relating to product quality issues.

Comprehensive traceability systems for overseas products

Continuous work has been undertaken, in collaboration with brands, shipping agents and customs officials to create a traceability system for overseas products, providing peace of mind that Vipshop is a platform for genuine products. Targeted at Vipshop's first-party imported overseas products, this system rigorously follows the principles of "one unique code per item". By the scanning of a QR code, consumers can consult clear, detailed information regarding the traceability of their genuine product, allowing them to purchase and use the products with confidence.

Customer service

Following the guiding customer service principle of "wholeheartedly serving customers", Vipshop has ensured exceptional service standards and the best possible retail experience through the establishment of an improved logistics service, a strict customer service management system and a professional customer complaints process.

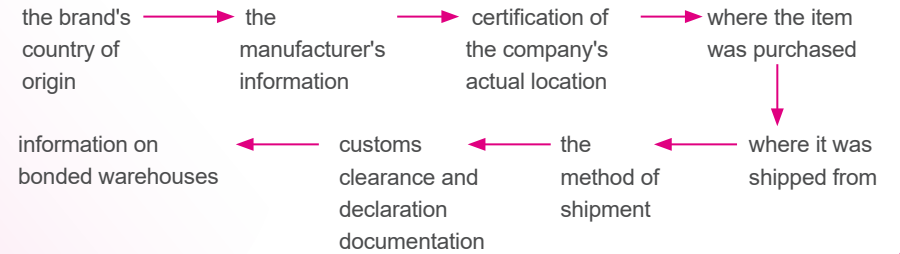


Convenient, environmentally friendly e-receipt service

Since being included in the first batch of companies in China to trial e-receipts in 2014, Vipshop, in collaboration its partners, has continued to offer members with a convenient, trustworthy e-receipt service. When customers place an order on the Vipshop e-commerce platform, the system automatically produces an e-receipt. In 2021, Vipshop provided members with a total of 950 million e-receipts.

Note: The total of 950 million e-receipts includes those produced for the sale of first-party products, requests from members for re-issued and amended receipts and also receipts issued relating to first-party products that were returned, required price guarantees or for other scenarios.

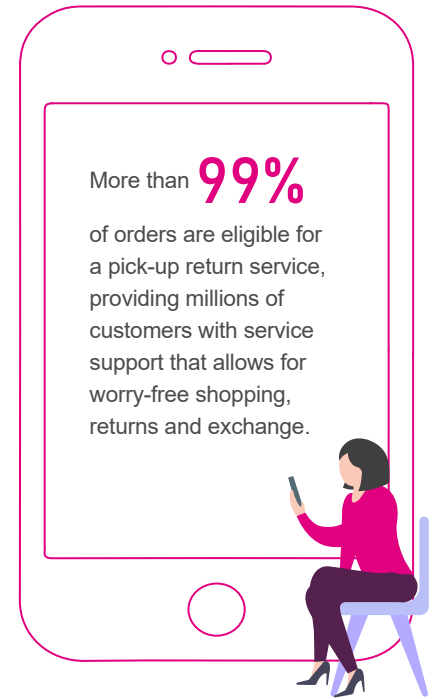
The traceability code can be used to find



Delivery service

The provision of an efficient, affordable delivery service is a key component of improving the users' online retail experience. In addition to providing affordable and high-quality products, Vipshop has already established 7 distribution centers, 5 bonded warehouses and pro-actively constructed smart, automated warehousing to improve item dispatch efficiency and ensure that customers across China are able to benefit from a high-speed, convenient delivery service.

In parallel, Vipshop has worked with SF Express and other couriers to create a comprehensive logistics and distribution service. At present, Vipshop's delivery service reaches 44,000 townships across China's 31 provincial level areas with a pick-up return service available in 36,000 townships across the country across China's 31 provincial level areas.



Convenient, diverse returns service

where the unwanted item is swapped for the replacement in person

where the unwanted item is first collected and then the new item is dispatched from the warehouse



The new item is dispatched to SF Express and safeguarded at one of their centers. SF Express then deliver the replacement after the returned item is received

where the user deposits the item to be returned in an HIVE BOX before being collected by a courier agent

An efficient and secure delivery service

The entire delivery process, from ordering to being signed for is managed by a comprehensive system of route-tracking and update notifications, achieving on-time delivery for 96% of all items. Vipshop provides consumer with the ability to check delivery updates at a time to suit them and allows them to select a shipping method and timeframe that is convenient for them.

2021 saw a continued decrease in the percentage of users calling the delivery service hotline with enquiries, from

1.64%

in Q1 to



0.46%

in Q4.



Customer service system

We understand our users' demands and are committed to providing them with a stress-free retail experience. In order to achieve this, Vipshop has built a series of comprehensive customer service systems and set up a professional customer service team, which enables them to respond to customer complaints in a timely manner, through a combination of online and over-the-phone services.



Smart AI Calling

Smart AI Calling is applied in multiple service scenarios, improving customer experience beyond basic service and in terms of point of contact.

Vipshop Quality Guarantee + Maintenance Center

In March 2021, Vipshop initiated its maintenance optimization program, provided across the board improvements to assurances for, and the experience of, customers in regards to product maintenance. By the end of 2021, 89.2% of the items that can be repaired, are eligible for maintenance support.

Specialist Super VIP Service

A 24-hour, fully automated customer service channel has been developed, aimed at assisting Super VIP and high-value customers.



Vipshop is constantly striving for customer satisfaction and is dedicated to efficiently resolving customers' queries.

In 2021, Vipshop's customer service system focused on providing one-time and one-stop-shop solutions for customers' queries, with 95.03% of all queries resolved within 24 hours of being raised.

Vipshop's customer service system has been widely praised by its users with 97.91% of customers surveyed by phone being satisfied, and 91.83% of those surveyed online being satisfied. The customer satisfaction rate for those surveyed online saw a marked increase from 2020 levels.

Customer service statistics, 2021

By phone survey:

Customer satisfaction rate of

97.91%



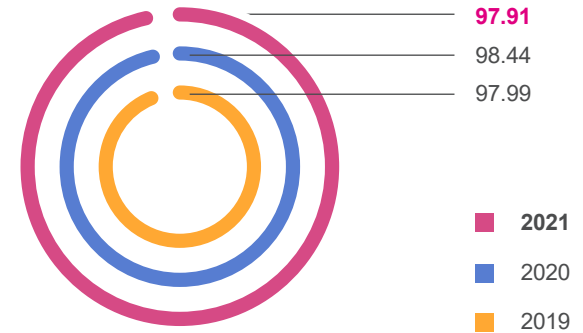
By online survey:

Customer satisfaction rate of

91.83%



Percentage of customers surveyed by phone who were satisfied (%)



Percentage of customers surveyed online who were satisfied (%)



Customer service management system

Vipshop has established an entire process for customer complaint resolution to efficiently resolve customer queries, provide excellent communication and after-sales service, and create a professional yet personal consumer experience. Following in-depth analysis of customer complaints, Vipshop has continuously upgraded its in-house management and service levels.

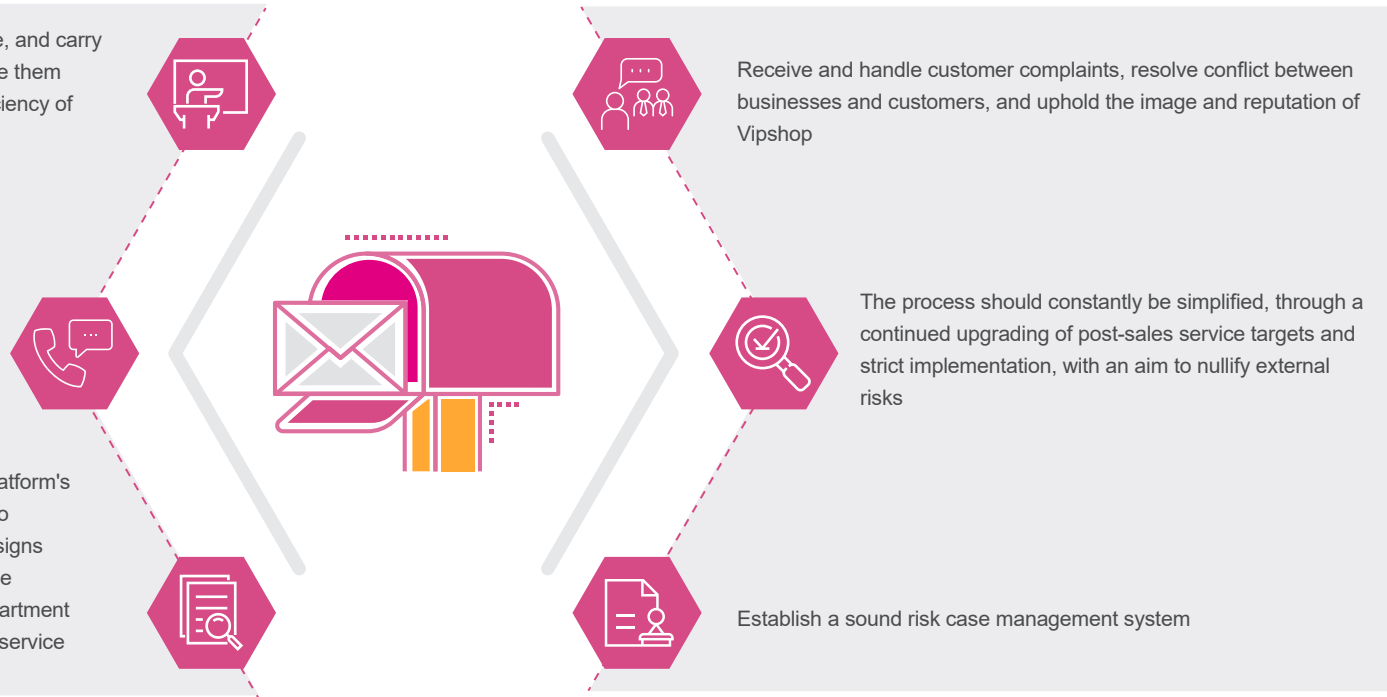


Comprehensive customer service management system

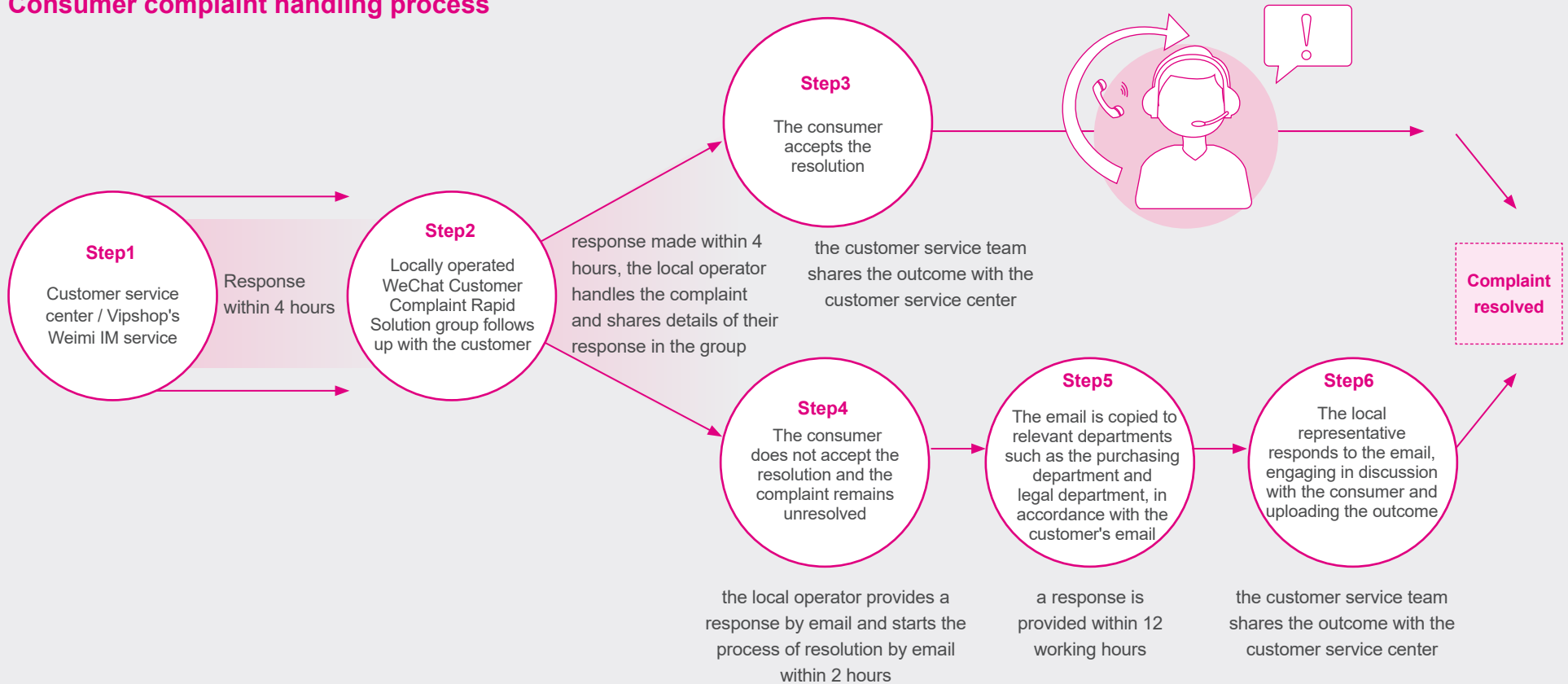
Establish the principles and standards of customer service, and carry out a nationwide training course for in-store staff, to enable them to be familiar with all relevant processes and improve efficiency of customer service provision

Make note of customers' basic details, the number and content of requests, comments, and suggestions that they make and split these into categories. Nationwide, customer complaints should be followed up by the store within 4 hours, and resolved within 24 hours

Once the customer's comments on the product and the platform's service have been collected, these should be passed on to the relevant departments. If there are any deficiencies or signs of inappropriate actions, the relevant department should be encouraged to rectify the issues immediately, and the department responsible for improving the quality of the product or the service should demonstrate the steps that have been taken



Consumer complaint handling process



Remarks: For complaints that remain unresolved after 4 hours, the local operator must provide an update on the status of the resolution within the time limit, and continue to provide daily updates on the progress of the case; the team must update the customer service center on a daily basis with the latest status/progress of the case, until the case is resolved.

欢迎

来到 唯品会 之路



Vipshop Development

For Vipshop, the promotion of a sustainable development method, requires careful, continuous consideration of commercial partners, customers and other key subjects in the value chain, to protect customers' privacy, create an arena for fair competition and work with suppliers towards achieving progress.

Information security and privacy protection

Information security management system

Vipshop pays the utmost attention to the establishment and management of its information security, establishing the information security committee who are responsible for the unified planning and management of all information security work. The information security department are responsible for carrying out information security tasks, implementing specific data security and personal privacy protection tasks.

Vipshop is committed to continuously improving its own security systems and information security technology, with additional investment in information security beneficial in creating an information security management system that offers defense-in-depth and allows for controllable risk, ensuring information security for the consumers and providing members with an even higher quality of retail experience.



Information security management framework

Vipshop continuously pays close attention to users' personal privacy protection needs, and continuously improves the security and compliance of data usage.

In order to actively promote the construction of the Company's network security, data security, personal information protection, and business security management, and further strengthen organizational leadership, Vipshop has established the role of Chief Security Officer who is fully responsible for network security, data security, personal information protection and business security management. This strengthens Vipshop's information security and security governance capabilities.

As the company develops rapidly, Vipshop will elevate the management of information security and personal privacy protection to a corporate strategic level, and continue to regard personal privacy security as an integral part of performing Vipshop's corporate compliance responsibilities.

Vipshop's main policies on information security management are:

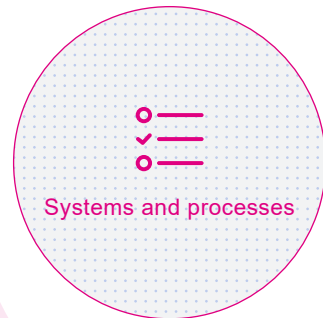
- *The Administrative Measures for the Construction of Information Security Groups*
- *The Employee Information Security Manual*
- *The Information Assets Security Management Measures*
- *The Information System Access Management Measures*
- *The Network and System Security Management Measures*
- *Data Security Management Regulations*
- *The Information Security Incident Management Measures*

Vipshop's information security management system has achieved ISO 27001 certification for 7 consecutive years and insists on a comprehensive policy of "controlling corporate security risks and protecting corporate information security; safeguarding the interests of investors and customers and enhancing investor and customer confidence; promoting corporate strategies and delivery of business goals." This policy implements various management-related activities including the operation and maintenance of the company's business systems, computer equipment management, personnel information security, and data security.

Establishing information security

In accordance with national laws and regulations and industry regulatory requirements, Vipshop implements its primary responsibilities of ensuring due diligence and compliant operation, and through various specific measures, continues to improve the construction of its information security-related and technical systems. Additionally, Vipshop holds a long-term commitment to building a safe, compliant and healthy online e-commerce platform.

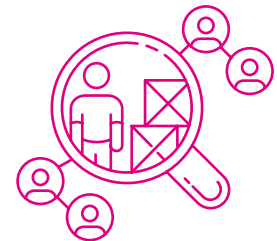
Vipshop thoroughly implements targeted policies on, and applies laws and regulations regarding, information security and personal privacy, and carries out information security and personal privacy protection work through a series of management systems and process control measures:



At a system level, Vipshop have formulated a complete information security management system as stipulated in the Employee Information

- Security Manual, Data Security Management Regulations, Personal Information Security Protection Specifications and APP Privacy Compliance Management Regulations.

In terms of process control measures, Vipshop carry out internal governance regarding data rights in accordance with data classification and organization, strictly limiting sensitive data rights, and providing minimum necessary authorizations; refining management rules for different types of data, and encrypting and desensitizing data transmission and storage, to ensure the effective implementation of information security and personal privacy protection management systems.



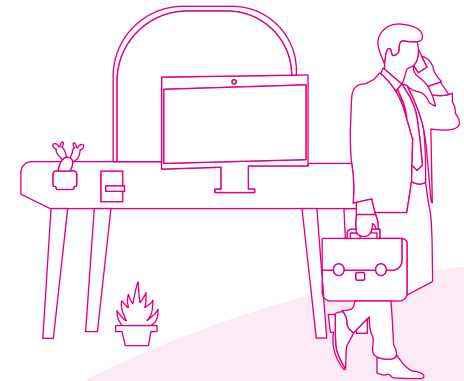


- Vipshop ensures network security through its IDC, defense-in-depth, and automated intranet linkage defense systems. By constructing a circular system of business risk recovery, Vipshop guarantee the safe operation of their business system. Through its active defense-in-depth and risk-control security systems, Vipshop protects its commercial interests, maintains operational security and improves the health of its business.
- Vipshop unearths potential security threats through its reliance on entire life cycle software development processes, allowing the reduction of threats and establishment of defense measures from multiple angles through threat modeling and, security design and testing. The establishment of a Blue team, allowing the running of internal Red vs Blue simulations, continually enables the effective testing of security defenses and monitoring.
- Vipshop has created a platform for external network security protection called the Vipshop Security Emergency Response Center, composed of close to 2,000 white hat hackers, who monitor the system in real time and report security risks.

Remarks: This report uses white hat hackers to represent ethical hackers, who are able to identify security vulnerabilities in computer systems or network systems, and publish their findings to help the system be patched before it is maliciously exploited by others.

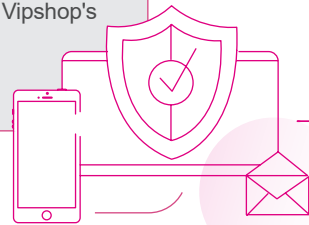


- Vipshop will refine its information security management requirements into easy-to-understand requirements for employees, incorporating all of the content that employees should know regarding information security, in order to create a corporate culture of data security and personal privacy protection. In 2021, the company organized an information security awareness week, with the theme of "defending network security and protecting private data", to foster employee awareness and knowledge regarding information security.
- Vipshop has a long-established employee education and training system that focuses on the requirements of relevant laws and regulations such as the Data Security Law and Personal Information Protection Law, and regularly conducts education and training on data security and personal privacy protection, with the aim of encouraging all employees to become familiar with security and privacy protection methods.



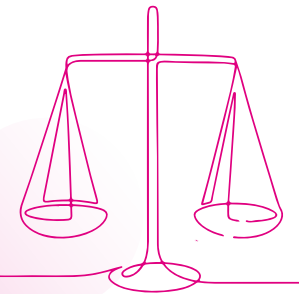
Personal information protection

Vipshop cares about the security of its users' personal information, and is fully aware of the importance of personal information to its users. Vipshop strictly abides by the requirements of laws and regulations, and employs relevant measures to ensure the protection of its users' personal information. Vipshop have established the Vipshop Privacy Policy, and through its official website, WeChat Mini-program and other channels, explained to users the relevant methods of collecting, using, saving, sharing and transferring personal information during the service process. In addition, the Vipshop platform provides the means for users to access, update, delete, and protect their personal information. For more information on personal information protection, please refer to Vipshop's Privacy Policy.



Fair competition and mutual benefit

A fair and healthy market environment is a key foundation for achieving Vipshop's sustainable development goals. Vipshop continuously strives to create a market environment of fair competition. Under the coordination of the Group Compliance Committee, the Compliance Department has carried out a series of work on multiple topics including anti-monopoly and unfair competition, and has defined clear and feasible action plans, including the establishment of a special compliance program working group, and formulated detailed action plans. These plans will be integrated into the company's operations and rolled-out in accordance with each department's specific responsibilities. In parallel with this, as a platform-based business, Vipshop actively strengthens self-regulation, accepts societal and government supervision, and maintains a positive dialogue with supervisors.





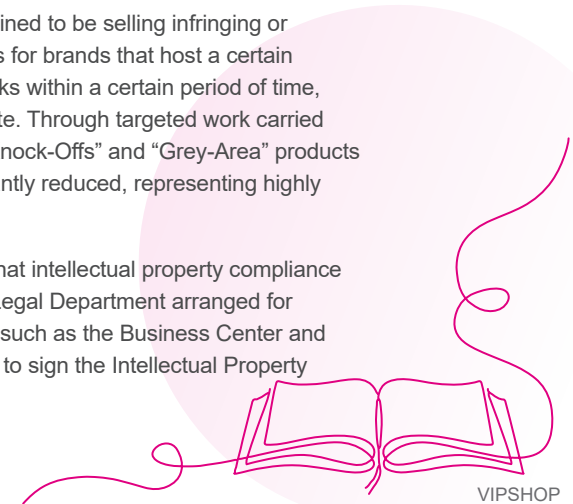
Intellectual property protection

Vipshop is committed to the protection of intellectual property rights. For Vipshop, intellectual property protects more than simply an idea or a concept - it protects a commercial environment that fosters innovation and diversity.

In 2021, the company continued to strengthen the governance of products that infringed intellectual property rights. Vipshop employed its "machine + human" integration measures, which combine automated interception and manual inspection, to uncover and promptly deal with suspected cases of infringement and counterfeiting. The company is experimenting with the application of technology such as image recognition, product knowledge base, and real-time interception to protect intellectual property. The first stage of this process sees the system identify links suspected as infringing or counterfeit, before they are manually reviewed by the Legal Department. In addition to this, the Legal Department regularly conducts manual inspections of online products.

Vipshop instigates bans on links determined to be selling infringing or counterfeit items, and imposes penalties for brands that host a certain number of infringing or counterfeiting links within a certain period of time, including removal from Vipshop's website. Through targeted work carried out in 2021, the number of "Big Brand Knock-Offs" and "Grey-Area" products on Vipshop's website has been significantly reduced, representing highly effective governance.

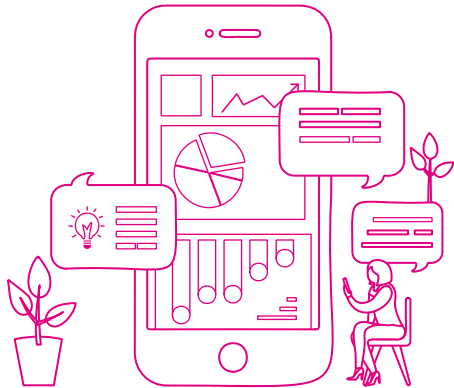
In addition, in 2021, in order to ensure that intellectual property compliance was implemented across Vipshop, the Legal Department arranged for the principal managers of departments, such as the Business Center and the Offline Retail Business Department, to sign the Intellectual Property Compliance Commitment.



Compliant, high-quality marketing

Since its inception, Vipshop has been driven to provide a platform where customers are able to purchase the items that they want at an affordable price. In order to achieve this, Vipshop has committed to taking responsibility for product marketing and advertising, to help consumers more accurately understand relevant product information, and find the items they are seeking.

In 2021, Vipshop continuously improved the compliance and impact of its marketing activities through initiatives, including:



Standardization of the advertising process

Vipshop has worked with external media outlets to formulate standardized mechanisms for business value assessment, product solution design, compliance reviews and information security reviews, so that innovative business models can be developed that ensure compliance under a three-pronged, joint-review system targeting operations, compliance and information security.



Advertising content quality optimization

By establishing a unified creative template as a base, Vipshop has standardized the content of the materials shared by sellers to the media, ensuring the quality of the information conveyed to users.



Establishment of a programmatic ad-free toggle

Vipshop strictly abides by legal requirements to provide all users with a convenient option to switch off programmatic advertising, allowing users who to turn off personalized advertising if they wish to do so.



Standardized display of product information

Vipshop have standardized the way in which price-discount events are displayed on their platform to ensure that the price shown on the page is clear and standardized. The price is clearly explained to customers, in accordance with the store's and product's configuration, helping customers avoid misunderstanding.



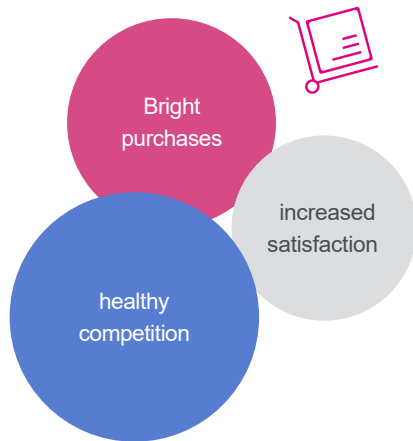
Standardized product labels

For beauty products, a new label for cosmetic products has been added to the seller's information page, to allow users to more conveniently check the relevant details. Information has also been added regarding items' suitability for children, helping users to decide if a product is suitable for children aged 12 and under.

Sustainable supply chain

Vipshop believes that building a sustainable supply chain is an important part of ensuring the long-term development of the business and, providing consumers with high-quality products and services. In 2021, Vipshop and its suppliers were impacted by the Covid-19 pandemic to varying degrees. Vipshop will continue to optimize its supplier management strategy, and is committed to working with suppliers to create social benefit and achieve bilateral growth.

▼ Purchasing philosophy

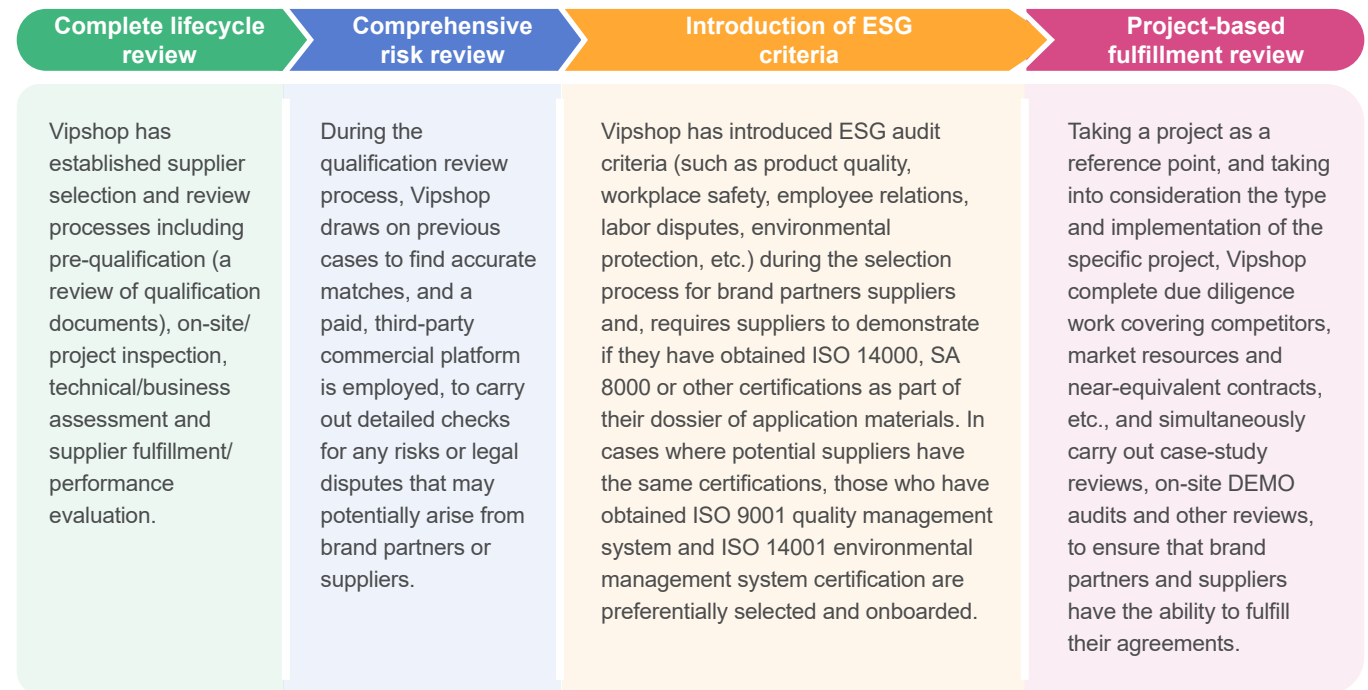


Supply chain lifecycle management

Supplier selection

At Vipshop, high standards are set for suppliers. Vipshop's Purchasing Management Procedures provide a detailed explanation of expectations for both suppliers and partners. Vipshop is committed to the principle of sustainable development, and comprehensively inspects the performance of suppliers during the selection process in terms of product quality, labor rights, working conditions, environmental protection, workplace safety, and commercial compliance.

In 2021, in order to standardize the process of bid procurement, define the responsibilities of the participating departments, and ensure the fairness and compliance of the procurement process, Vipshop updated its Procurement Management Specifications, revising and unifying principles for bidding, the research and selection processes, and healthy competition.



By the end of 2021, the total number of brand partners was in excess of

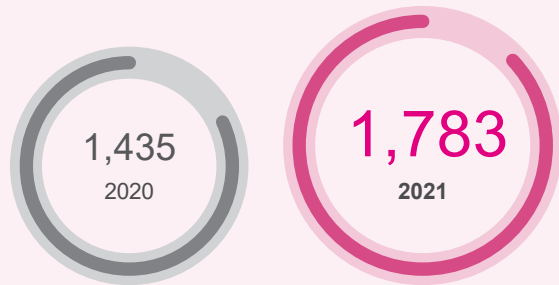
25,000

and the total number of collaborating brands had exceeded

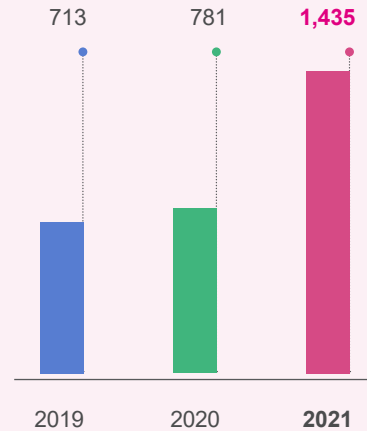
41,000



Number of new product suppliers



Number of new non-product suppliers



Supplier improvement and termination

Vipshop insists on annual, project-based evaluation of supply chain partners that primarily focus on quality and assess each projects' cycle. These evaluations focus on commercial ethical practice, quality control, corporate culture, environmental awareness and labor practices among other fields.

Vipshop conducts regular assessments of supplier quality and conducts assessments of brand partners' quality monthly, evaluating pre-sale and in-sale sample inspections, and post-sale customer complaints. For partners who are assessed as "requiring improvement", clear goals and measures are set, and a third-party quality inspection company is engaged to perform a comprehensive inspection of their products. In addition, Vipshop has developed a series of supplier quality management systems to continuously improve customer satisfaction.



Members' warning light system

Products that are flagged by members as problematic are controlled through a warning light system, which encourages suppliers to improve product quality controls and improves the members' experience.



Brand evaluation system

Periodic evaluation of existing brands' and newly incorporated brands' development are carried out. If their development is poor, their reputation with consumers is unsatisfactory or they are experiencing operational problems, they are categorized as low-grade brands and are entered into the system for downgrading and replacement.



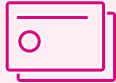
Quality sampling system

Comprehensive sampling inspections are carried out, with those brands returning substandard sampling results or receiving multiple quality-related complaints subjected to rolling sampling inspections or full-batch inspections. For brands that continually return substandard sampling results, their products or the entire brand may be taken offline until the issue is rectified; for those with severe quality-related issues, the partnership may be terminated.



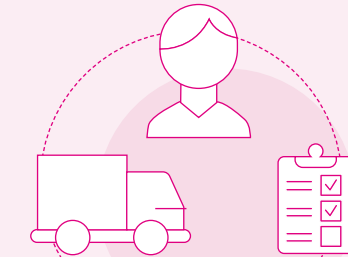
Communication with suppliers

Vipshop has established a comprehensive system for supplier communication, allowing Vipshop to ascertain the suppliers' status in accordance with their commercial performance, strengthening mutual understanding and trust. The communication system includes, but is not limited to, online communication, phone meetings, in-person visits, supplier meetings and Weishangtong (Vipshop's dedicated supplier communication channel).



Credibility rating system

Professional agencies have been engaged to carry out product appraisals and establish a supplier Credibility Assessment and Evaluation System which takes into consideration the results of sample inspections, to provide suppliers with a credibility rating which is then reflected in Vipshop's purchasing strategy.



Vipshop calls each partner brand

at least once a week

and meets them

at least once a month

to update them with Vipshop's latest policy information, and to understand each brands' requirements, establish amicable communication and work together to resolve issues.





Supplier compliance management

Vipshop runs a long-established online and in-person, anti-corruption training program for its suppliers, and requires all brand partners and suppliers to sign an Anti-Commercial Bribery Agreement and a Confidentiality Agreement as part of their contract. In 2021, in order to strengthen supplier's ethical practices, Vipshop sent copies of its Ethical Cooperation Proposal to approximately 4,600 suppliers and highlighted the available channels for reporting unethical practice (by email, phone or mail).

Vipshop's Asset Procurement Department is primarily responsible for this work and they conduct standardized assessments of suppliers' risk of default to understand and control suppliers' risk in real time. If any abnormalities are discovered, relevant measures must be employed rapidly and the Legal, Compliance and Finance Departments may be involved, if necessary, to minimize any development of abnormal risk. If a brand

partner or supplier is found to be engaging in illegal, non-compliant or unethical actions, the reporting process is activated immediately, and the Director of Purchasing may instruct that cooperation with the relevant brand partner or supplier ceases with immediate effect.

Vipshop sent copies of its Ethical Cooperation Proposal to approximately

4,600



suppliers and highlighted the available channels for reporting unethical practice



Empowering partners

Vipshop makes full use of its strengths in big data resources, platform support systems and logistics and warehousing capabilities, to provide its brand partners with solutions in terms of market insight, development of market channels, consumer interaction and product turnover. Vipshop helps brand partners to overcome developmental bottlenecks, resulting in tripartite benefits for brand partners, Vipshop and consumers.

In 2021, Vipshop undertook a comprehensive upgrade of its Super Brand Day project, working to further collaboration with more than 100 of its key brands by providing both online and offline resources. With a core message of "Great goods at great prices", this initiative stimulated mutual benefits, drove growth in numbers of new customers and created a tidal wave of sales. Super

Brand Days see close collaboration with key brands, and since September's IP upgrade, there have been 83 online events, with 24 of these setting new sales records for the relevant brand or group. Super Brand Days use a combination of extreme value, wider product selection and unexpected approaches to provide consumers with an exhilarating retail experience.

In addition, Brand of the Day is another focus-project currently in Vipshop's incubation pipeline. This project, which is highly popular with the brands themselves, offers an important avenue for brands to promote their image and value to members, and is a key tool for increasing daily sales figures. In the 3 months since coming online, Brand of the Day has seen a total of 45 brands realise exceptional, 10-fold daily sales figures.

Super Brand Days see close collaboration with key brands, and since September's IP upgrade, there have been

83 online events



with **24**



of these setting new sales records for the relevant brand or group.



BeLLE X Vipshop

2021 saw a continued deepening of Vipshop's collaboration with Belle Group, establishing an in-depth annual plan with Belle Group based around the strategy of "Great goods at great prices". The use of methods such as column layout, price optimization and the matching of consumers with products, helped Belle Group to solidify its brand image and reputation as "the benchmark of the shoe industry", and further strengthened the brand's "Big brand, super value" reputation with Vipshop's users.

Vipshop currently offers all of the products available in Belle Group's physical stores with the platform's range of products and depth of inventory doubling, helping to drive sales. In 2021, Belle Group launched several Big Brand Day events, taking advantage of the events' optimum resources, in-depth investment in the brand's prices and the collaborative promotional efforts of the brand and Vipshop's platform, in the process achieving the No. 1 sales in the 2021 Super Brand Day shoes & bags category. During Vipshop & Belle Group's Super Brand Day on October 10th, single day sales broke RMB 54.78 million, representing growth of 129% from the same event a year earlier, and setting a record in the process. A combination of strong brand exposure and marketing have successfully introduced Belle Group to a larger customer base, and strengthened the brand's penetration of the Vipshop platform.



Bosideng X Vipshop

Against a background of exceptional e-commerce footfall, Vipshop and Bosideng Group agreed a long-term strategic partnership, taking advantage of the platform's efficient circulation and helping Bosideng continuously break new ground in Q4, setting multiple Super Brand Day benchmarks! Since August 2021, Bosideng has launched a total of 6 Super Brand Days, seeing exceptional growth in the late-winter, securing the largest volume of single-day sales in any category of Vipshop's Super Brand Days in 2021.

Vipshop's analysis of the customer base for down jackets on their platform, helped Bosideng to expand its product line, customizing more than RMB 1.5billion-worth of items exclusively for the platform and connecting its warehouses with Vipshop's platform. In addition to this, Vipshop helped the brand refine their annual plans, drawing on resources across the board to implement customer-product matching etc. This resulted in a high turnover of Bosideng's products, attracted many new and potential customers, improved the brand's user assets, and helped Bosideng maintain healthy and high-quality growth. For Bosideng's Super Brand Day on January 2, 2022, Vipshop drew on multiple resources to empower the brand, creating a differentiation strategy, and combining in-house and outsourced resources, to help the brand accurately reach their high-need customers and attract additional high-quality customers, ultimately securing RMB 73 million of sales in one day, setting a new record for the largest volume of single-day sales for Vipshop's Super Brand Days!



Chow Tai Fook X Vipshop

The post-pandemic era has seen the global gold consumer market make a steady return, and the demand for gold in China increase. In 2021, Vipshop continued to strengthen its ties with Chow Tai Fook, working together with the brand to spare no efforts in setting a new benchmark example for the gold and jewelry industry. Super Brand Day events significantly helped to strengthen Vipshop's reputation in the high-value jewelry sector, and improved the popularity of jewelry across Vipshop's website, making a case for the platform model.

For Chow Tai Fook's Super Brand Day on December 21, 2021, Vipshop offered support by calling on all of its platform's resources, creating more than 100 million impressions and marketing assets in more than 250 Vipshop offline stores. In parallel, Chow Tai Fook's marketing resources were leveraged, using LED screens across more than 5,000 physical stores, large screens in major commercial streets, the LED screen on the side of Chow Tai Fook's HQ in Shenzhen and their in-house televisions to promote the event, adding a significant buzz to the event. In comparison to Chow Tai Fook's Big Brand event in the previous period, unique visitors (UV) grew by 137%; customer orders grew by 81%. Moreover, Chow Tai Fook set a new record for the highest total amount of sales in a 24-hours period since joining forces with Vipshop!



Quotes from our partners

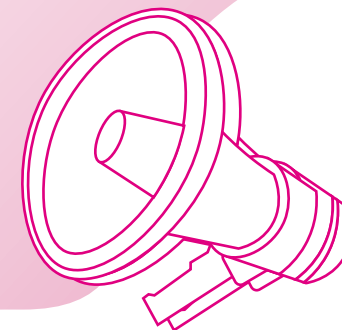
TEENIE WEENIE

"In 2021, we achieved rapid growth with Vipshop, achieving 81% growth in year-on-year sales. During the November 11 shopping event, our sales entered the top 3 for womens clothing brands, while the Super Brand Day events achieved RMB 51.98 million in sales in a 24 hour period, promoting sustained sales growth for the brand.

Vipshop is critically important for us. Using the platform's big data algorithms, we are able to learn about consumers' preferences, demands and consumption habits, and predict best-sellers for the next season in light of online sales trends. This allows us to make constant improvements and innovations, and release custom designed items for the platform that more accurately meet market's demands. During the Super Brand Day activities, Vipshop supported the brand by providing preferential resources and traffic support and, through the analysis of big data, helped us forecast bestseller items and sales figures, thus greatly reducing our overall production costs and other pressures."

Mercury

"Vipshop's Super Brand Day provided us with a great platform and played a decisive role as we looked to produce new, best-selling products. It provided growth both in terms of sales and our number of users. Vipshop also provided us with a lot of promotion outside of its platform, which enabled us to further expand our influence in the industry."





Vipshop Ecology

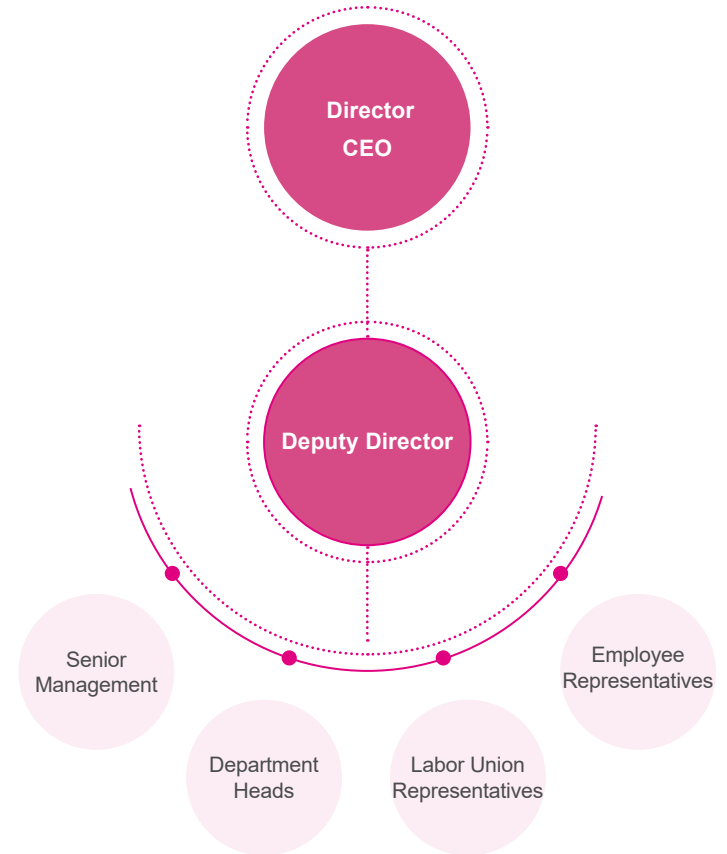
At Vipshop, we believe that everyone should have the right to live in a healthy environment, and that we have a shared responsibility to look after our planet. As a company that is dedicated to the concept of sustainable development, we are committed to reducing the environmental footprint of our entire value chain and accelerating the low-carbon transition of our society through continuous exploration, improvement and innovation.



Environmental management system

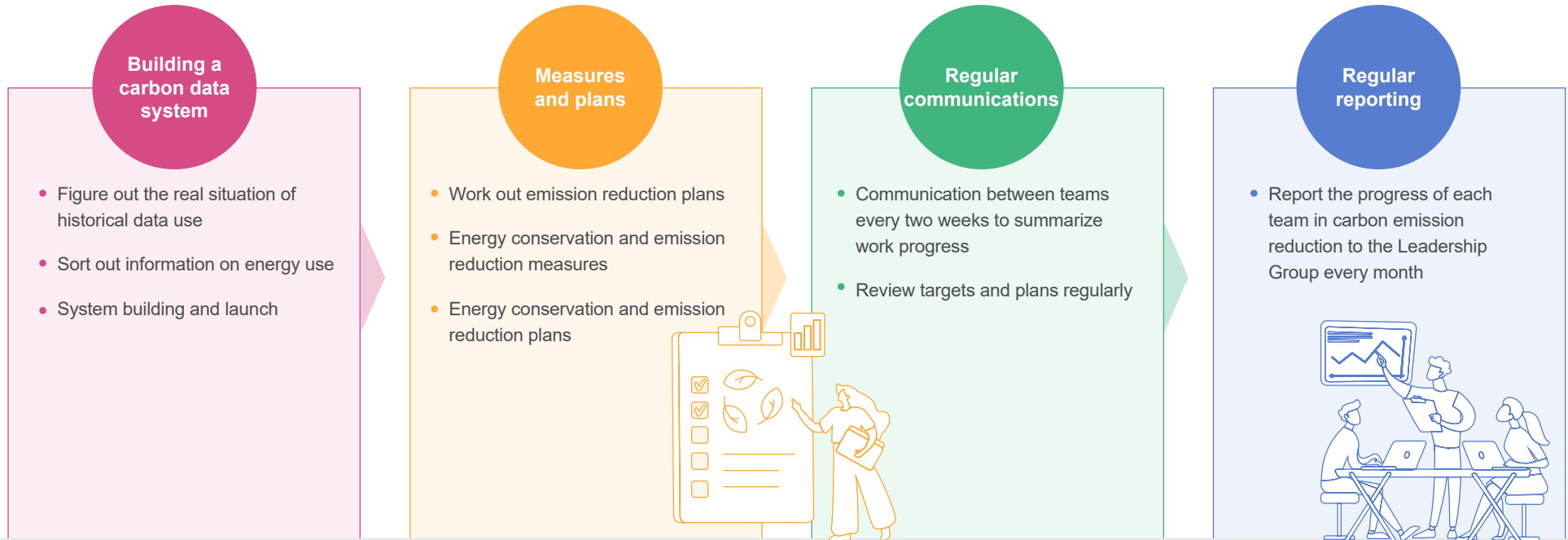
Vipshop strictly abides by the environmental laws and regulations where it operates. The Company have established a sound Environmental Health and Safety Policy and set up an EHS Committee to ensure effective implementation of its policies. Lead by the director, the EHS Committee is composed of senior management, department heads, labor union representatives and employee representatives, and guides and continuously drives the Company's EHS efforts. The EHS Committee schedules regular meetings and third-party EHS audits to regularly evaluate the Company's EHS performance and propose suggestions and plans for improvement.

Organization Structure of Vipshop's EHS Committee



Vipshop pro-actively works towards achieving the 30-60 Decarbonization Goal. In order to effectively promote implementation of energy conservation and carbon emission reduction actions, in 2021, Vipshop set up an Energy Conservation and Carbon Emission Reduction Leadership Group (hereinafter referred to as the "Leadership Group"), consisting of the COE Technical Support Team, COE Technical Team and Business Leaders. The Leadership Group coordinates the planning for energy conservation and carbon emission reduction, and monitors the achievement of related targets; the COE Technical Support Team assesses performance in relation to energy conservation and carbon emission reduction; the COE Technical Team coordinates the building of an energy conservation and carbon emission reduction system and establishment of an environmental standards system for the Group, coordinates the appraisal of the Group's energy conservation and carbon emission reduction plans, and regularly reports to the Leadership Group; the Business Leaders coordinate the implementation of energy conservation and carbon emission reduction measures across all departments.

In addition, Vipshop has established a top-down operational mechanism to ensure each project's accountability:



Each team is responsible for preparing their respective energy conservation and emission reduction measures and plans. The HR Department conducts performance assessments of their objectives and plans, while the COE Technical Support Team conducts a monthly summary and reports the progress to the Leadership Group every month.

Vipshop carbon footprint

Corporate carbon footprint is an important indicator of a company's environmental impact. It quantifies the total greenhouse gas (GHG) emissions associated with the Company's direct and indirect operations, shows its overall impact on climate, and highlights emission hot spots throughout the value chain.

In 2021, for the first time, Vipshop systematically assessed its carbon footprint based on its business activities and spend data, in accordance with the GHG Protocol Corporate Account and Reporting Standards, the GHG Protocol Corporate Value Chain Accounting and Reporting Standards, and other relevant standards.

In 2021, Vipshop's total GHG emissions were

463,989 tons



These were classified into three types: Scope 1, Scope 2 and Scope 3 emissions.

Scope 1 emissions (24,274 tons) came from the Company's direct operations, Scope 2 emissions (43,076 tons) came from the Company's purchased electricity, and Scope 3 emissions (396,639 tons) came from other upstream and downstream activities in Vipshop's value chain.



Scope 1 emissions

Diesel consumption of rented trucks (mobile source emissions) were the primary source of Vipshop's Scope 1 emissions, accounting for 86.9%. The Company also used company-owned vehicles for business trips and shuttle buses (mobile source emissions), which contributed a small portion (2.0%) of the Scope 1 emissions. Vipshop's stationary source emissions primarily came from consumption of natural gas for the Company's own logistics hubs kitchen operations and heating (10.2%) and sporadically from consumption of diesel by backup electricity generators (0.8%).

Scope 2 emissions

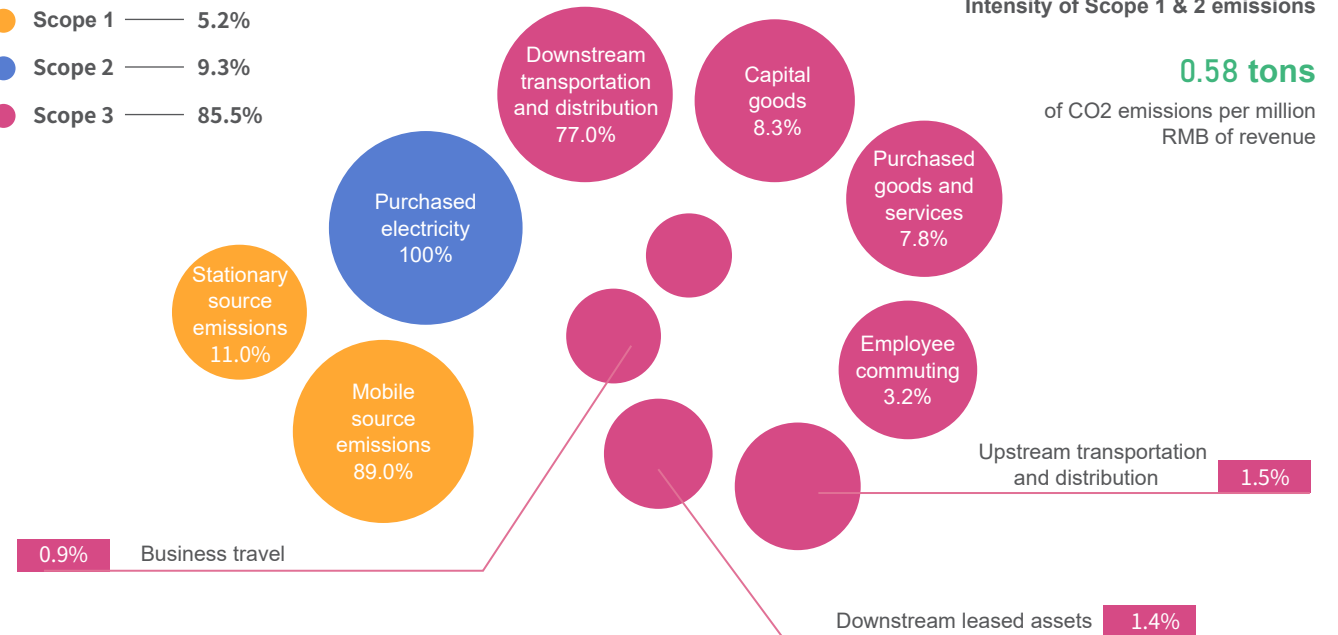
Vipshop's electricity consumption comes from offices (19.4%), logistics hubs (54.0%) and physical stores (26.6%). The Company's logistics hubs generate electricity using photovoltaic equipment and supply electricity to the grid during their operations. In the accounting of Scope 2 emissions, the net purchased electricity was used (purchased electricity minus electricity supplied to the grid).

Scope 3 emissions

For the first time, Vipshop calculated multiple categories within its Scope 3 emissions including: purchased goods and services (7.8%), capital goods (8.3%), upstream transportation and distribution (1.5%), business travel (0.9%), employee commuting (3.2%), downstream transportation and distribution (77.0%), and downstream leased assets (1.4%). Emissions from end-user delivery (downstream transportation and distribution) were the primary component of Vipshop's Scope 3 emissions. Other prominent sources of Scope 3 emissions included purchased goods and services (such as clothing and packaging consumables) and capital goods (such as purchased factory and office equipment).

Vipshop's GHG emissions

- Scope 1 — 5.2%
- Scope 2 — 9.3%
- Scope 3 — 85.5%



Taking action along our value chain

In recent years, Vipshop have taken extensive actions to reduce carbon emissions and increase operating efficiency. The latest GHG accounting results help Vipshop better understand emission hot spots, identify priorities for future emission reduction, and develop a practicable route to decarbonization.

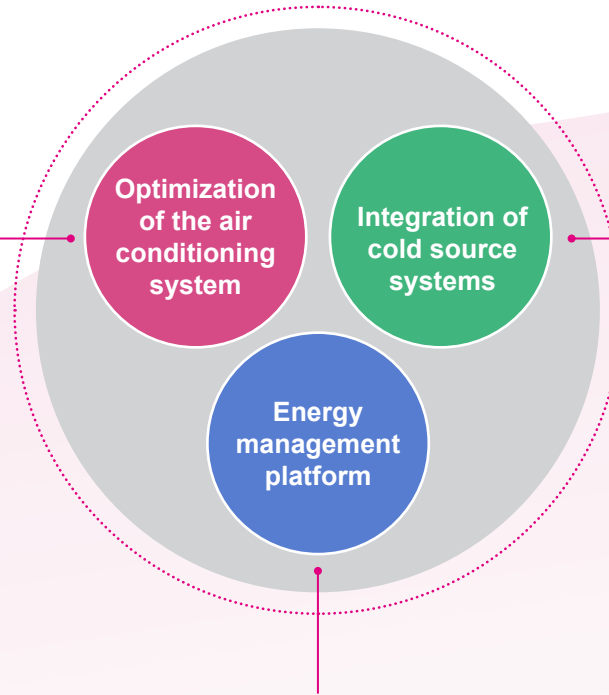
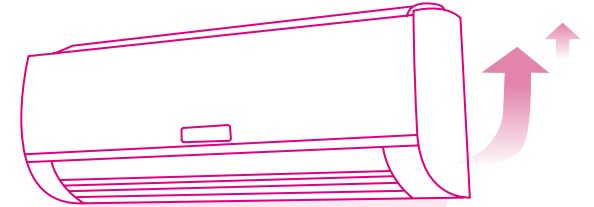
Improvements in energy efficiency

Administrative offices

The Vipshop HQ building constitutes over 160,000m² of floorspace, and adopts innovative sustainable design technology resulting in an environment-friendly workplace in terms of design, operations, and maintenance. In 2021, Vipshop's offices were granted the Two-Star Certificate for Green Building Design, received LEED BD+C certification, and its gained environmentally friendly, stylish, and innovative concepts were recognized by ICONIC Awards, MUSE Design Awards, and MELBOURNE Design Awards.



The air conditioning system is the main source of energy consumption at Vipshop's HQ. In 2021, Vipshop conducted a series of air conditioning system retrofits and upgrades as part of its energy efficiency plan:



Engagement of professional third-party air conditioning system optimization consultants. In 2021, Vipshop invested RMB 910,000 to optimize the air conditioning system through adjustments of the group control system, air balance and water balance. Since implementation in August, 2021, the optimization has saved 266,000 kWh of annual energy consumption, reducing GHG emissions by 154.6 tons.

With the introduction of panel heat exchangers into the cold source systems for the offices and the data center, excess cooling capacity from the data center is harnessed to meet the cooling requirements of part of the offices overnight and on weekends, thus realizing utilization of cooling capacity, optimized operations, improved efficiency, energy conservation and emission reduction.

Engagement of professional third-party energy management consultants. In 2021, Vipshop invested RMB 690,000 in creating an energy management model for their headquarters, resulting in refined energy management. Since implementation in July 2021, the model has saved 486,000 kWh of energy consumption, reducing GHG emissions by 282.4 tons.

Vipshop actively promotes green offices, and uses various means to encourage employees to reduce waste produced by their daily activities, and encourage a green office culture. In 2021, the Company carried out monthly 5S evaluations of its offices, praising departments who lead by example and reprimanding those lagging behind, effectively encouraging employees to stay environmentally conscious and maintaining a pleasant working environment.



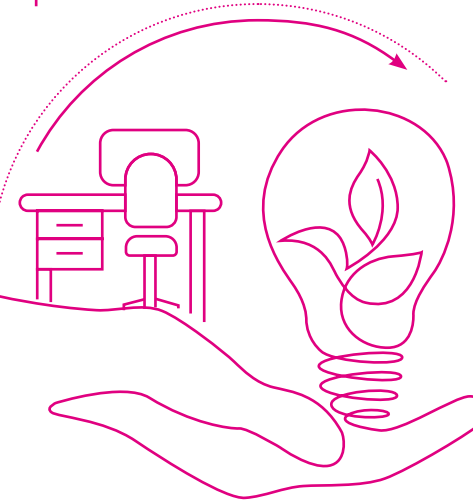
> Advocating green offices

01 Saving electricity

Vipshop has adopted the use of intelligent LED infrared sensor switches in stairwells; installed independent lighting circuits in office areas, pantries and elevator lobbies; optimized the control logic of background lighting in office areas; optimized the lighting strategy in staff canteens; installed independently operable, double lighting circuits in underground parking lots; and optimized the strategy for external floodlighting in order to reduce unnecessary lighting.

02 Saving water

A rainwater recycling system has been set up to harvest rainwater from the roofs of buildings. Once treated, this water is used for toilet flushing and landscape watering.



03 Sewage discharge

Vipshop has installed oil traps and sewage treatment systems, and established a research-informed plan of regular maintenance to ensure normal operation of the sewage system and strictly control the sewage quality at its source.

05 Waste disposal

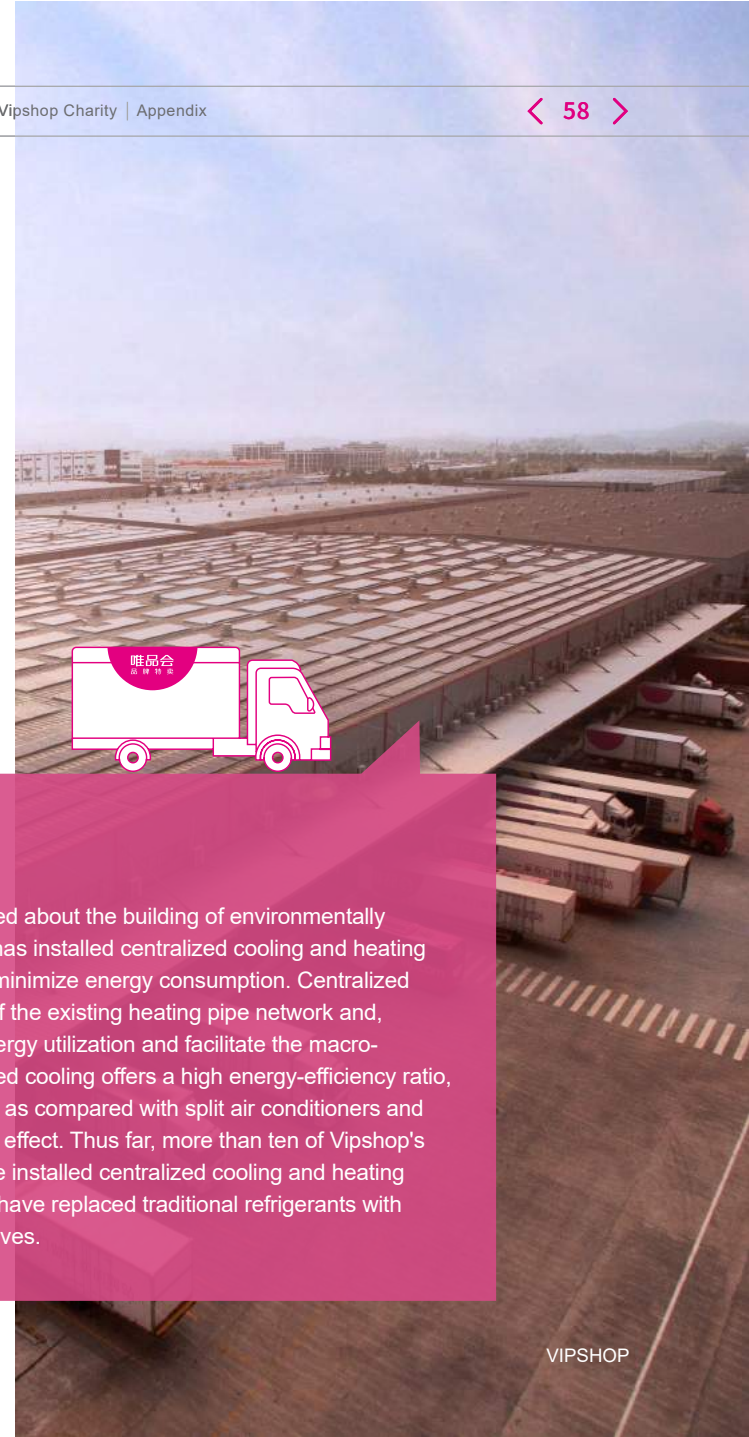
In terms of non-hazardous waste disposal, Vipshop categorizes collected waste and selects and signs cleaning contracts with relevant providers in accordance with the type of waste; catering suppliers appoint professional third-party contractors to arrange the disposal, transportation and accounting of kitchen waste, ensuring garbage sorting and clearance on a daily basis; the property management team collect cardboard boxes which are handed to professional recycling contractors on a monthly basis. As for hazardous waste disposal, Vipshop manages recycling of batteries and electronic products and regularly hands them over the professional recycling companies for processing.

04 Paperless offices

Vipshop encourages all employees to work online in a paperless manner, advocates double-sided printing, and provides monthly alerts on the frequency that printing equipment is used by each department, further improving its low-carbon and energy-saving system of operations.

Offline stores

Vipshop's offline stores are an important means for strengthening the discount retail business model, and for creating positive interaction between the Company and its customers. In recent years, Vipshop has intensively promoted energy-saving technologies including LED lighting, smart control systems and, natural lighting in offline stores, and actively explored efficient lighting solutions. For example, during 2021, in its new and revamped stores, Vipshop adopted a partitioned arrangement for light switch control circuits. The new solution can adjust the number of lights turned on as needed while constantly providing base-level lighting, significantly improving lighting efficiency.



Logistics hubs

Vipshop has long been concerned about the building of environmentally friendly logistics hubs. Vipshop has installed centralized cooling and heating systems in its logistics hubs, to minimize energy consumption. Centralized heating systems make full use of the existing heating pipe network and, can improve the efficiency of energy utilization and facilitate the macro-deployment of energy. Centralized cooling offers a high energy-efficiency ratio, can reduce energy consumption as compared with split air conditioners and avoid the associated heat island effect. Thus far, more than ten of Vipshop's logistics hubs across China have installed centralized cooling and heating systems. Furthermore, Vipshop have replaced traditional refrigerants with environmentally friendly alternatives.

Vipshop's Green Warehousing

1 Exterior Walls

Autoclaved, aerated concrete blocks, insulated, color cladding and waterproof, environmentally friendly paint are used.

2 Roof Panels

Insulated, color cladding and variable frequency fans are used.

3 Exterior Windows

Double glazing used to reduce heat transmission.

4 Steel Components

Incorporating a thin, water-based fireproof coating.

5 Interior Walls

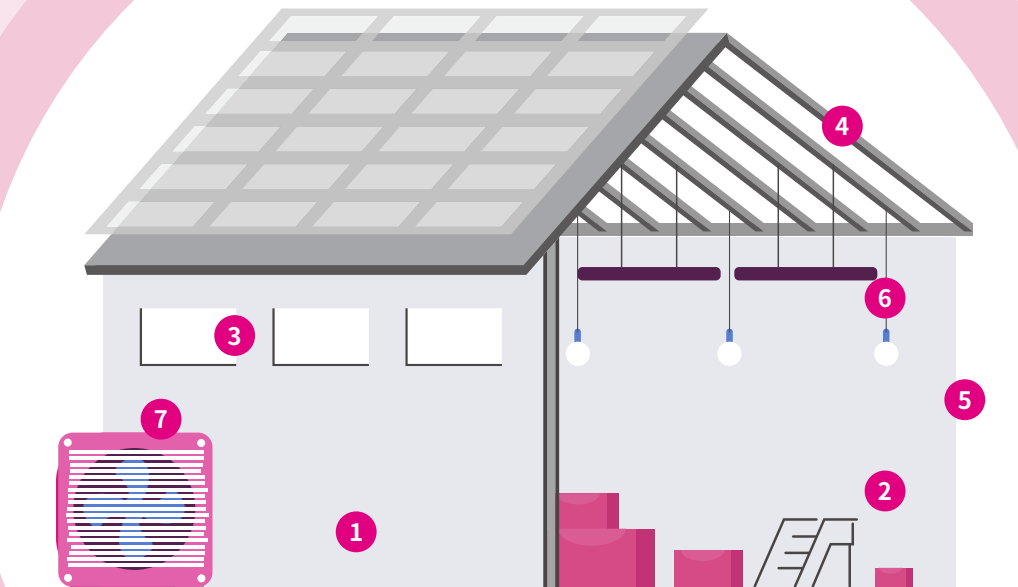
use of environmentally friendly ICT wall paint.

6 Warehouse Illumination

Roof-level daylight lighting strips in combination with smart LED lighting systems at mid- and low-level.

7 Warehouse Cooling

Promotion of environmentally friendly air conditioners to replace high-power cooling fans.



Use of renewable energy to boost potential carbon emission reduction

Expanding the use of renewable energy is a core focus of Vipshop's carbon emission reduction strategy. Since 2016, Vipshop has continuously invested in the construction of photovoltaic power stations across its nationwide warehousing and logistics hubs. By the end of 2021, two of Vipshop's logistics hubs have completed construction of, and brought online, photovoltaic power stations.

Vipshop's logistics hub, located in Zhaoqing, Guangdong Province, is the first e-commerce logistics hub in China powered by photovoltaic energy. It uses the grid-connected photovoltaic power generation system and has installed rooftop solar panels on 12 warehouses, with a power generation area of 230,000m² and a total installed capacity of approximately 22 MW. In 2021, the South China logistics hub generated 19,051 MWh of electricity.

In 2017, a photovoltaic power station was installed on the rooftops of 29 warehouses at Vipshop's Central China Logistics Hub in Ezhou, Hubei Province, with a gross capacity of 41 MW across a power generation area of 520,000 m². The photovoltaic power station was put into service in 2019. In 2021, the Central China Logistics Hub generated 40,888 MWh of photovoltaic electricity.

Nationwide, Vipshop's logistics hubs have a total roof area of 2.5 million m². The majority of these are located in areas with sufficient sunshine and are designed for photovoltaic capacity, making them suitable for the development of photovoltaic projects. At present, Vipshop has developed 756,000m² of photovoltaic power generation with a further 1.7 million m² available for subsequent development.

In 2021, the South China Logistics Hub generated

19,051 MWh

of photovoltaic electricity



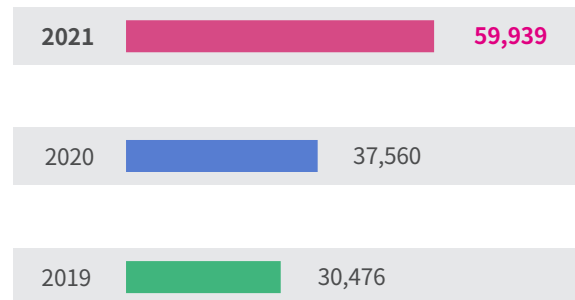
The Central China Logistics Hub generated

40,888 MWh

of photovoltaic electricity

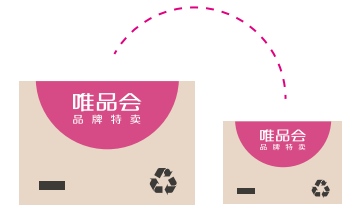


Total photovoltaic power generation (MWh)

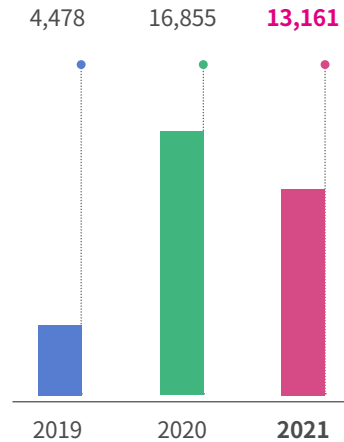


Environmentally friendly packaging

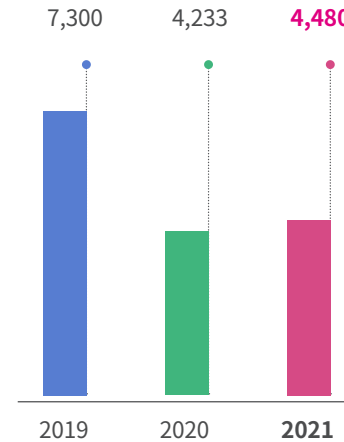
Vipshop is committed to using lightweight, green, recyclable packaging. Vipshop strives to minimize its use of packaging materials while ensuring that items are delivered in a good condition. Over the years, Vipshop's use of plastic packaging has reduced dramatically. In parallel with this, Vipshop have used multiple approaches to reduce their consumption of paper packaging, through structural optimization and re-use.



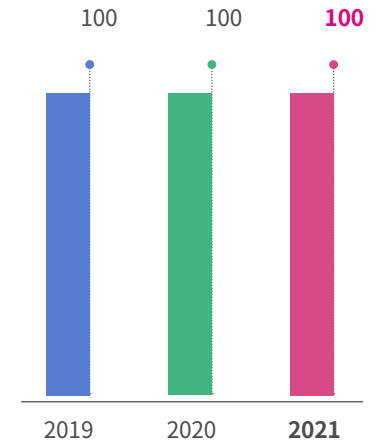
Total wood/paper fiber packaging used (tons)



Total plastic packaging used (tons)

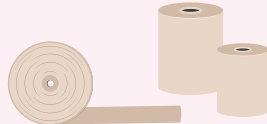


Percentage of recyclable plastic packaging (%)



> A multi-faceted approach to reducing packaging

Optimization of packaging materials



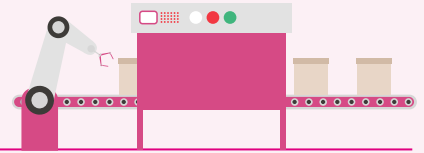
- The design of cardboard packaging has been optimized, resulting in a 13% saving of the amount of material used. In 2021, 113 million optimized cardboard packages were used, reducing material usage by **1,920** tons.
- The thickness of small-size plastic bags has been optimized from 0.07mm to 0.065mm, reducing the use of plastic materials by 7%. In 2021, **173** million small-size plastic bags were used, representing a saving of **237** tons of plastic materials;
- The width of packing tape used has been reduced from 48mm to 45mm. In 2021, 1.582 million rolls of packing tape were used, representing a saving of **17.4** tons of plastic film and adhesive;
- Cardboard packaging used by luxury items has been optimized to use a "zipper" style option, reducing the amount of material used by 39% and also reducing the amount of packing tape required. In 2021, Vipshop reduced its use of paper by **102** tons, and reduced the length of packaging sealing tape used by **2.61** million metres.



Using recyclable boxes

In 2021, Vipshop used **12,800** recyclable boxes and with each used at least 50 times, saving **640,000** boxes.

Increasing packaging efficiency



To reduce the weight of packaging materials, Vipshop has used machine learning to automatically calculate the most suitable packaging for orders. In addition, handling orders of the same size in groups and, using the automatic package sealer or color bag packaging machine where relevant, Vipshop has improved packaging efficiency by **10–20%**.

Reuse of packaging

In 2021, Vipshop reused **13.42** million paper boxes from incoming supplier goods, reducing the use of new paper boxes for packaging.





Vipshop Workplace

While employees make contributions to the development of the Company, the Company also needs to take care of employees and empower them to develop their careers. Vipshop has always emphasized the importance of mutual achievement for employees and the Company, providing them with various, comprehensive and competitive benefits, a dedicated promotion system and a positive and inclusive working environment. The wellbeing and growth of employees is one of Vipshop's key development goals.

With outstanding approaches to talent management and brand influence, in 2021, Vipshop was recognized for talent management, with awards including "Best Employee Recognition Award 2021" by zhipin.com, "Extraordinary Employer 2021 of Guangdong Province" by liepin.com, and "Top 20 Greatest Potential Employer for Young People in 2021" by ciwei.net. This is a strong commendation of Vipshop's efforts in continuous improvement of employee satisfaction. It also attests to Vipshop's achievements in HR strategy and organizational construction.



Equality, diversity and inclusion

Vipshop believes that: improving employees' sense of their own achievement is essential for the development of the Company. Vipshop adheres to the talent management principles of "Ethics, Talent and Merit"; "Business development interlinked with employee development"; "Fair, just, transparent and merit-based". Vipshop is committed to creating an equal, diverse, inclusive and healthy working environment for our employees and building a high-quality development platform.



Creating a diverse and equal platform

A diverse workforce is a cornerstone of Vipshop's efforts to achieve sustainable development and create commercial and social value. Vipshop is dedicated to understanding, respecting and encouraging differences, and strives to provide equal opportunities for all employees. The Company strictly abides by relevant laws and regulations and, corporate rules and regulations, to ensure that all recruitment, onboarding, work and resignation/retirement procedures are standardized, open and transparent. The Company has established internal system documents including, Vipshop Staff Recruitment Management Measures, Vipshop Promotion Management Measures, and Vipshop Cadre Management Measures to ensure that every employee, regardless of race, religion, color, age, gender, sexual orientation, gender identity, nationality or disability, can realize their personal value through Vipshop's diverse platform.

To eliminate all forms of sexual harassment in the workplace, the Company has regulations that strictly prohibit any form of sexual harassment, regardless of role or position. Vipshop has clearly defined a department (Corporate Culture Department) for reporting and escalation with an email address (voice@vipshop.com) and phone number (020-22330999). The Department keeps the whistle-blower's information strictly confidential and conducts prompt, thorough and fair investigations.

Since 2019, Vipshop have been actively driving the transformation of Pinjun Express, streamlining its business operation model, improving operational efficiency, focusing on core segments, and entrusting peripheral services, such as express delivery, to external partners, including SF Express and Yunda Express. As of the end of 2021, Vipshop has a total of 6,738 employees. Among them, 3,514 are female, accounting for 52.15% of the total number of staff. The Company actively works on cultivating outstanding female leaders at all levels of management and providing fair training and promotion resources for female employees.

Total employees

6,738



Female employees

3,514



Female employees account for

52.15%



Total number of employees

6,738⁴
2021

7,567
2020



20,442³
2019

Percentage of female employees (%)

52.15
2021

50.89
2020



41.47
2019

Percentage of female employees in the management team (%)⁵

40.61
2021

39.46
2020



37.10
2019

Percentage of employees from ethnic minorities (%)

2.41
2021

2.66
2020



3.80
2019

Percentage of employees who are foreign nationals (%)

0.74
2021

0.49
2020



0.19
2019

Percentage of employees with disabilities (%)

0.74
2021

0.58
2020



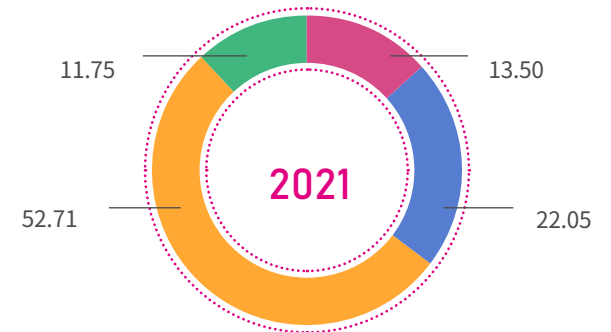
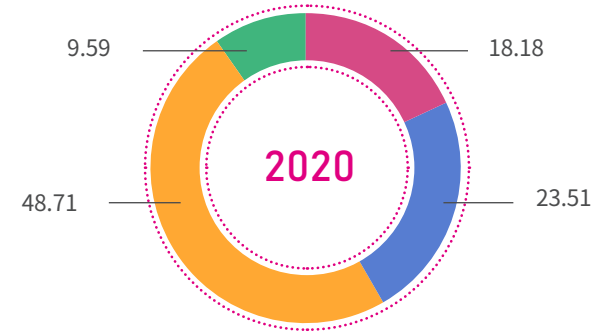
0.66
2019

³ In 2019-2020, Vipshop have been actively driving the transformation of Pinjun Express, streamlining its business operation model, improving operational efficiency, and focusing on core segments. As a result, significant fluctuations may be found in the total number of staff and related ratios.

⁴ The total number of employees (6,738) disclosed in this report does not include staff (1,275) at ShanShan Outlets.

⁵ At the management level, the proportion of the total number of female employees at the management level out of all employees at the management level.

Staff composition by education background (%)



- Employees with a master's degree or above (%)
- Employees with a bachelor's degree (%)
- Employees with three-year college education
- Employees with high school / technical / secondary vocational education and below (%)

Protection of employees' rights and interests

Protecting the basic rights and interests of employees is the premise and foundation of talent management. Vipshop upholds the lawful protection of employees' rights and interests and strictly complies with the relevant provisions of the Labor Law of the People's Republic of China and the laws and regulations of the place of operation. Vipshop signs labor contracts with all employees and adheres to the principle of equal employment, maintaining 100% coverage of collective contracts and social insurance for many years. The Company also supports collective bargaining and employees are encouraged to make suggestions, with the constructive opinions put forward by employees actively adopted by the Company, protecting employees' rights to collective bargaining. In addition, Vipshop's employees are encouraged to organize their own interest groups, in order to create a relaxing and positive working atmosphere.

Vipshop strictly abides by the Regulations on Prohibition of Child Labor and has established internal regulations prohibiting the use of child labor, while strictly preventing the employment of child labor and forced labor in accordance with the relevant laws and regulations of the Constitution, the Labor Law and the Law on the Protection of Minors, eliminating non-compliant practices that violate employees' legitimate rights and interests or cause labor disputes.

To ensure that employee rights and interests are protected, Vipshop regularly reviews the Company's systems and implementation to ensure that the legal rights and interests of employees are consistent with, or no less than, the relevant national regulations. The Company also controls overtime working hours, ensures the availability of parental leave, and protects those eligible for maternity leave. In addition, Vipshop conducts democratic procedures and public announcements in strict accordance with regulations.

Vipshop signs labor contracts with all employees and adheres to the principle of equal employment, maintaining

100%

coverage of collective contracts and social insurance for many years.





Employee development

Vipshop pays close attention to the growth and development of each employee, firmly believes that the growth of employees means the growth of the Company, and invests significant resources and manpower for these purposes. By establishing a comprehensive employee training system and an excellent career development path, Vipshop continuously realizes the potential of employees and accelerates their growth, striving to achieve common growth and mutual benefit for the Company and its employees.

Employee recruitment and retention

Vipshop continuously focuses on attracting, retaining and developing talent. In order to attract and retain talent, Vipshop has established multiple recruitment channels, offers favorable employee benefits and has built a complete system for employee development.



Recruitment strategy

- Vipshop is flexible in its approach to recruitment, including online recruitment, community recruitment, headhunting, RPO, campus recruitment, overseas recruitment and internal recommendation. In addition, corresponding management systems and evaluation standards have been established to maximize the efficiency and minimize the cost of the recruitment process. In parallel, throughout the recruitment process, Vipshop also focuses on candidates' experiences and impressions, working hard to enhance the brand's influence as an employer.



Provision of benefit

- Vipshop has increased the competitiveness of its compensation packages, in particular by offering enhanced performance incentives for key talents;
- Vipshop has established a leading system of staff-focused, employee benefits.



Employee development

- Vipshop focuses on encouraging development of its employees through its education and development systems for key sectors and talents;
- Vipshop provides key employees with an improved platform and increased space for development through a combination of role rotation and expansion of roles;
- Vipshop has established an open organizational culture and, top-down and bottom-up information flows and communication mechanisms.

Employee training

Vipshop regards its employees as the driving force behind its business development, and continuously strengthens its talent echelon model to ensure sustainable development of the company. In 2021, as an extension of the existing HR training and development system, Vipshop built a tiered, classified talent training and development system, and provided diverse, customized training programs for employees in differing roles. These approaches included its management team training camps, team-building training camps for new recruits and a three-star class for its managers. Vipshop

also ran buyer training camps, knowledge sharing sessions from business leaders, the "Infinite Point Plan" for innovative operations and, a supply chain linkage program for employees in core sectors. This was effective in providing support for the implementation of the company's talent strategy. In addition, Vipshop produced and published its Management Regulations on Training of Overseas Talent and Management Regulations on Tuition Grants for Academic Education of Employees. In 2021, Vipshop invested more than RMB 7 Million in staff training, representing a year-on-year increase of 68.47%, with more than 5,500 employees receiving training over a total of 130,000 hours.



In 2021, Vipshop invested more than **RMB 7.00 million** in staff training,

representing a year-on-year increase of

68.47% with more than 5,500 employees receiving

training over a total of 130,000 hours.



Indicator

	2019	2020	2021
Total training costs (millions of RMB)	2.63	4.16	7.00
Total training time (hours)	136,898	47,309	130,350
Number of training participants ⁶	14,451	4,072	5,500
Average spend of training per person (RMB)	181.72	1,020.41	1,272.73
Average training time per person (hours)	9.47	18.58	23.70

⁶ The number of employees receiving training includes training activities at Vipshop's HQ but excludes training organized by other first-tier departments. number of employees receiving training involves headquarters training activities but does not involve those organized by first-tier departments.

Vipshop continues to innovate the format and content of its employee training and has designed a training system that consists of basic support courses, training for new recruits, manager training and skills training, to equip employees with the knowledge and skills necessary for professional development and sustainable, personal growth.





Basic support course systems

[V-Learning]

The V-Learning platform provides more than 1,000 online courses in various fields, aimed at helping employees study and providing employees with the latest experiences and skills, to empower their personal growth, at a time and place to suit them.

[Case study library]

The case study library is used to teach Vipshop's culture and pass on practical experience, enrich the resources and methods used in in-house training and, implement case study matching for the Company's Vipshop's Stars management training classes.



Management training systems

[VIP EMBA]

The VIP EMBA program allows students to acquire the latest industry insight and methodology from others and to learn about personal strengths, weaknesses, and room for growth, from within. It enhances the coordination and leadership skills of the management team.

[Vipshop classroom]

The Vipshop classroom provides employees with a place to broaden horizons and discover new approaches through a combination of learning from industry leaders and exposure to external perspectives.

[Vipshop's stars]

The Vipshop's stars initiative trains the managers of tomorrow, improves the management abilities of Vipshop's managers and provides a platform for the development and creation of a talent pool.

[Education grants]

Education grants are offered to encourage employees to engage in further education, and continuously improve their skillsets. Employees who meet the requirements are eligible to apply for education grants and Vipshop provides grants in accordance with its guidelines, making funding available for Masters, PhD, MBA and EMBA qualifications and, professional accreditation.



New recruit training systems

[New recruit training camp]

The new recruit training camp is campus recruits, those recruited from the community, interns and, graduates from management training programs. It fosters understanding of the Company's culture, values and relevant policies, and provides new recruits with a seamless onboarding process. Vipshop's new recruit training camp achieved a 100% attendance rate.



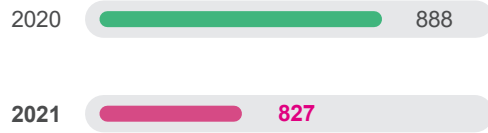
Skills training systems

Vipshop has produced specific support policies for employees, to encourage them to contribute to their own learning journeys, continually improve their skills and contribute to the Company's development. Training programs include empowerment through the Business Center's Group System, the "Infinite Point Plan" (innovation program incubator), skills lectures and "Strong Planning".

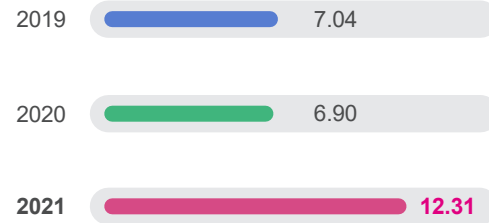
Employee promotions

To help employees access better opportunities for development at Vipshop, the Company continues to make employee development channels more scientific and standardized, and refines control of the process; increases the incentives for high-performing employees to allow them to stand out from other colleagues; establishes “model talents” and development measures based on the characteristics of different business segments, and develops differentiated incentive policies. Vipshop provides long-term incentives (shares) for employees, with a four-year vesting schedule calculated from the grant date. Long-term incentives encourage the bilateral development of employees and the business, and allow employees to directly receive benefits from the development of the Company.

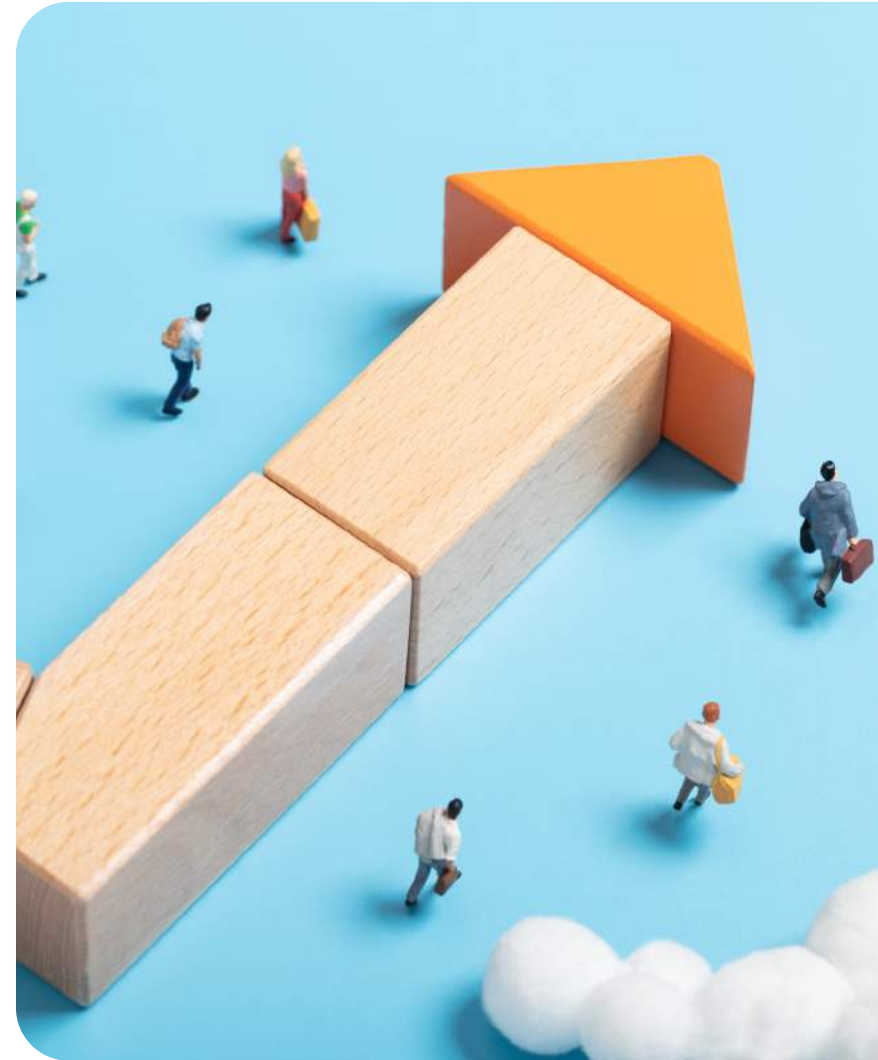
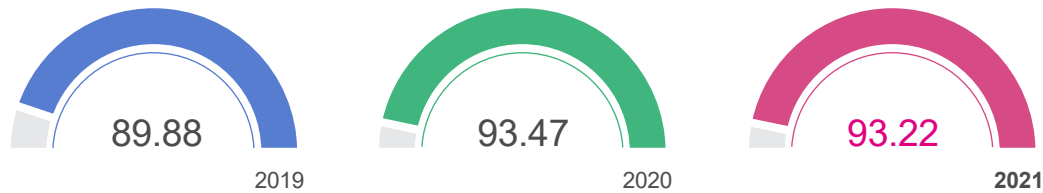
Number of employees gaining promotion



Percentage of employees gaining promotion (%)



Percentage of employees receiving professional development assessment (%)



Employee wellbeing

Employee wellbeing is an important factor in establishing a bond between employees and the Company. Vipshop is committed to providing employees with excellent benefits, increasing their sense of happiness and motivation at work. To achieve this, Vipshop has established a system of benefits in strict accordance with the relevant laws and regulations and as stipulated in the Labor Law of the People's Republic of China. Vipshop has also established welfare packages including its V-Care Employee Assistance Fund to assist employees in need.

Compensation and benefits

In 2021, the company strictly enforced its Vipshop Management System on Salary, the Vipshop Management System on Welfare and the Vipshop Management System on Vacations to ensure employees were rewarded for their work and to enhance their sense of belonging and overall happiness.

Employee benefits: In 2021, Vipshop further enhanced its comprehensive staff benefit system, providing employees with more comprehensive benefits, including additional benefits such as accommodation for talent, increasing the amount of interest-free housing loans, SF Express shipping privileges, and full-pay sick leave that also benefits immediate family members.

Vacation management: Employees are entitled to statutory paid annual leave based on their length of service, including annual paid vacation, full-pay sick leave, leave for visiting parents, leave for attending teacher-parent meetings and societal contribution leave. Since December 2021, Vipshop also offers parental leave in accordance with national guidelines.

Employee assessment and incentive mechanisms: In 2021, the Company continued its existing long-term incentive program for employees and provided limited shares as incentives for employees who made outstanding contributions.

Health & safety

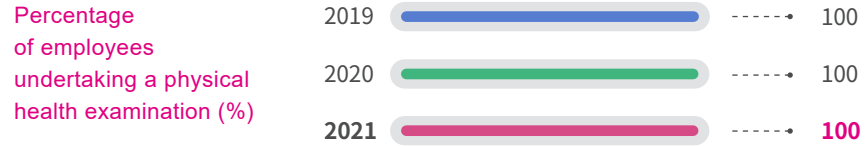
Vipshop cares deeply about the health and safety of its employees and established the EHS Management Committee who are specifically responsible for the management of employees' occupational health and safety. In 2021, under the coordination of the EHS Management Committee, Vipshop adopted a series of measures to ensure the occupational health and safety of its staff. These included the provision of physical health examinations and health care services, the installation of additional safety equipment in the workplace and the development of health and safety training for employees. In 2021, Vipshop reported zero work-related deaths.



- ▶ Vipshop organizes annual physical health examinations for employees at designated hospitals.
- ▶ Vipshop organizes health and safety awareness events including first aid training, fire drills and lectures focused on women's health.
- ▶ Vipshop has established its Employee Assistance Program (EAP), running lectures on mental health, and engaging professional counsellors who provide mental health counseling services.
- ▶ Starting in 2021, Vipshop provided a new online health management platform, whereby medical professionals provide employees with health guidance (via online video classes), interpretation of medical results and other health management advice.



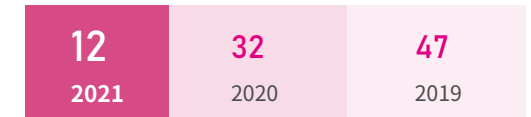
During the pandemic, where circumstances allowed, employees who were requested to isolate by text message from the relevant epidemic prevention department or local district, were allowed to work from home, with no need to log at-work attendance and the ability to work flexible hours.



Rate of time lost through injury (excl. HQ) (hours per million work-hours)



Number of recorded work-related injuries (total)



Number of recorded occupational health issues (total)



Annual investment in safe working practices (RMB million)



Occupational Health and Safety (OHS) Training

Number of employees receiving OHS training



Percentage of employees receiving OHS training (%)



Average number of OHS training hours (hours per employee)⁷



⁷ Average number of hours of OHS training per employee involving training organized by first-tier departments involved in safe production but excluding HQ training.

Employee care

Vipshop cares about the needs of every employee, using its employee care measures to create a pleasant and comfortable workplace. To assist employees-in-need and their families, Vipshop has established its V-Care Employee Assistance Fund. Based on the principle of "from employees, for employees", the system collects contributions from each and every employee to assist those in need. The V-Care Employee Assistance Fund is run by the labor union, to help alleviate concerns for employees-in-need. In 2021, Vipshop provided assistance for employees-in-need, and their families, on 95 occasions, with contributions totalling RMB 740,000.

To enhance employees' sense of happiness, Vipshop has established a Vipshop Labor Union Staff Service Station, which covers nearly 25,000m2 and includes a staff bookstore, staff restaurant, staff cinema, a gym with views over the river, pool room, nail studio, hair salon, sleeping pods, massage room, infinity pool, rooftop basketball court and soccer pitch, which are all available to staff members at no cost. In 2021, the Vipshop Labor Union Staff Service Station was designated as a

Guangzhou Metropolitan Area Staff Service Demonstration Site.

Vipshop also offers welfare and care measures for employees with special requirements, for example, pregnant and breastfeeding mothers are entitled to a priority queue for meals and have access to a fully equipped baby care room. To further enhance employees' sense of happiness and belonging, Vipshop offers gifts for national holidays (including Spring Festival, the Dragon Boat Festival and Mid-Autumn Festival) and provides monetary donations (for weddings, childbirth and bereavements).

In 2021, Vipshop established 12 employee groups including groups for cultural activities and sports clubs, with approximately 1,500 people signing up. 80 cultural and sporting events were organized during the year, including Satori learning sessions, community classes, family day events, an annual company meeting, annual departmental meetings, and face-to-face communications at all levels, in total attended by 20,000 participants.



2021



The total number of cultural and sporting events

80



The total number of participants in cultural and sporting events

20,000



The total number of existing/newly established cultural societies and sports clubs

12



The total number of employees signed up with cultural societies and sports clubs

1,500



Total amount of financial support for employees-in-need, and their families (Million RMB)

0.74



Number of times assistance was provided to employees-in-need, and their families

95

Employee communication

Vipshop places great importance on maintaining smooth and amicable communication with each and every employee, continuously innovating and adding to the content of, and methods for, communication with employees. In 2021, in addition to its existing bulletin board system (BBS), online and offline mailboxes, Vipshop added its Face-to-face with Vipshop communication channel, whereby all levels of employee are able to directly ask questions to, and engage in dialogue with, the VP, regarding aspects of the business, organization or culture that they are interested in, contributing to the promotion of

an open organizational culture.

Vipshop's Labor Union organized several lectures throughout the year, encouraged employees to offer suggestions relating to the management and running of the Company, collecting and implementing the constructive suggestions provided by employees. In addition, Vipshop ran events such as Face-to-face with Vipshop and 360 Management to uphold employees' rights to contributing to the Group's narrative. In 2021, Vipshop established an annual employee satisfaction questionnaire, covering all full-time employees at Vipshop's HQ, where overall satisfaction was rated at 86/100.





V-Charity


Under the guidance of the Party and the Government, China has won the battle against poverty and constructed a moderately prosperous society in all aspects. China continues to strive towards achieving its second centennial goal. At this stage, common prosperity is the core focus of the efforts to better meet the people's growing needs for a better life. As a responsible corporate entity, Vipshop has established a unique "Internet + Charity" model, leveraging its resources, technology, and network advantages as an internet company. Over the years, Vipshop has increased efforts to empower women, revitalize rural areas and, provide relief for epidemics and natural disasters, in addition to promoting community engagement and volunteering activities. Vipshop has created a series of flagship charity programs including V-Love Mothers, V-Loves Charity Program, and V-Love Workshop.



2021 Achievements of V-Charity

As of the end of Q4 2021, V-Charity had donated funds to charity in excess of

RMB 346 million



In 2021, charitable donations totalled

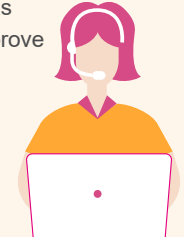
RMB 80.97 million



As of the end of 2021, the V-Love Mothers program has helped reduce burdens and improve prospects for

50,000

one-parent families-in-need




As of the end of December 2021, the V-Loves Charity Program had set up over 30 high-quality charitable programs, with more than

10.91 million

members taking part by voting with

15.6 billion

V-Love Points



In 2021, more than

1,859

employee volunteers contributed approximately

11,000

hours of volunteer work



In 2021, Vipshop won 13 charity sector awards including the

"2021 Innovative Brands + Planning - Most Charitable of the Year Award" and "

Guangzhou Charity Rankings List - 5-star Charitable Contributor" award



Everybody heads for love

The V-Loves Charity program embarks on its mission

November 2020, V-Charity rolled out its upgraded V-Love Charity Program, bringing together multiple, high-quality charity projects from various sectors, to create a varied, powerful, innovative, and collaborative platform, exploring the "e-commerce + Charity" model as a means of contributing to charity through online shopping. Vipshop's APP users were able to gain V-Love Points through their online purchases, and then use these to vote for their chosen charities and contribute towards one of a wide variety of social causes. Vipshop donates money in accordance with users' allocation of V-Love Points, and the V-Love Charity Program offers users a convenient way to engage in charitable contributions, whereby the "small goods for big love" concept, helps foster a platform of inclusive love and care.



● **VIP Love Charity Program**

In 2021, V-Loves Charity Program joined forces with more than 30 high-quality charitable projects across all sectors, including providing aid to sick children, assistance to special needs groups, support to women in distress, rural revitalization and youth empowerment. More than 10.91 million members took part, voting with more than 15.6 billion V-Love Points.

扫码捐唯爱心



For more information on V-Love Points projects and their progress, scan the QR code.

Brew by Heart Program

The Brew by Heart Program aims to give visually impaired people more employment and development opportunities and promote their integration in society through advocacy events providing specialized coffee-industry training, increasing employment opportunities and calling for the integration of those with disabilities into society. In 2021, more than 1,000 individuals benefitted from the program.



Hair for Love Program

The Hair for Love Program provides young girls who have suffered hair loss due to chemotherapy with free of charge wigs, made from hair donated by kind-hearted individuals, to help restore their pride and confidence. In 2021, 160 girls benefitted from this program.



Baby Guardian Program

The Baby Guardian Program provides financial aid and additional support for the treatment of children with congenital heart disease, blood disorders, solid tumors, birth defects and other developmental diseases, to help them recover as soon as possible. In 2021, medical assistance was provided to 47 children suffering from serious illness.



iHEARu Program

The iHEARu program offers financial aid to young people from economically disadvantaged backgrounds who have hearing impairment, so that they can upgrade their cochlear implants and to help them hear again. In 2021, 18 children with hearing impairments were helped.



Feedback from those who have received assistance

Thank you all! Putting on the donated wig, I realized I look better when people can see my forehead!

——Xiaowen (pseudonym) a beneficiary of the Hair for Love program

Thank you all so much! My new cochlear implant is great, and works really well. I can now hear so clearly. Without a working implant, it was so frustrating.

——A beneficiary of the iHEARu program

Before I lost my sight, I had always dreamed of opening a cafe, but then my life became filled with hospital visits and time at home. After finding the Brew by Heart program, I feel like I have hope again.

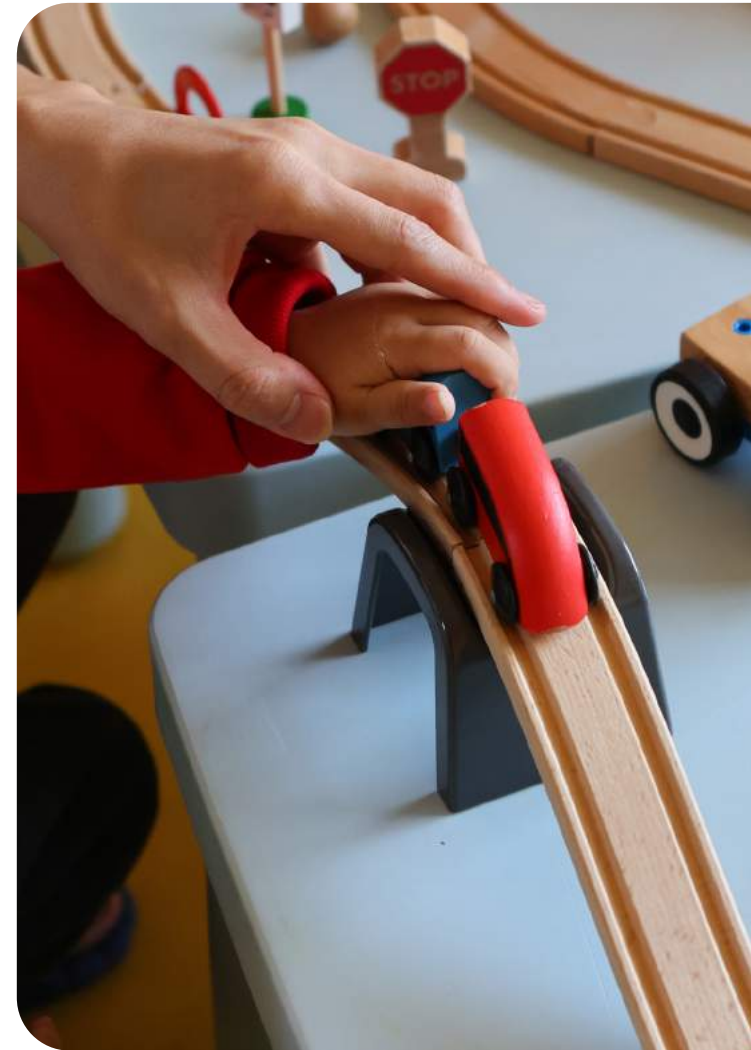
——A beneficiary of the Brew by Heart program

With support from V-Charity, the V-Love Points donated by users, all count as donations towards the treatment of sick children and help them get through the difficult treatment process. Thank you everyone.

——Ai You Foundation

It is tough to live with illness. The V-Loves Charity Program uses its V-Love to bring new life to people suffering from rare bone disorders.

——China-Dolls Center for Rare Disorders



Employee volunteering in the community

Vipshop has established a comprehensive volunteer management system, paying every employee to volunteer for one day per year, motivating employees to contribute to community development and various charity initiatives. In 2021, Vipshop's V-Love Volunteer scheme focused on working with communities, and empowering young people, through a series of volunteer initiatives including developing the Warmth of V-Love program to visit charities and the Accompanying Star Children soccer camp.

By the end of 2021, 1,859 Vipshop employees had contributed approximately 11,000 hours of volunteer service.

◎ Vipshop volunteer initiatives

Warmth of V-Love: providing warmth and love through charity visits

January 16, 2021, Vipshop rolled out its Warmth of V-Love charity visit initiative, whereby employee volunteers visited families-in-need and distributed V-Love Care Packages, helping to spread warmth and love. By April 25, Vipshop's volunteers had visited all districts of Guangzhou and organized **139** separate visits to charities, calling by on **2,876** families and distributing V-Love Care Packages with a total value of RMB **1.74** million, across Guangzhou's **11** districts.



Welcoming charity partners to Vipshop's Charity Space

In addition to encouraging Vipshop's employees to go out into the community, Vipshop also uses its Charity Space to invite charity partners to visit. September 18, 2021, Vipshop unveiled its Charity Space. Vipshop's Charity Space hosted charitable events and charity initiatives at its Pazhou headquarters' soccer field. Every Saturday, Vipshop provides free soccer training sessions for special children and their families, and in the future, the Charity Spaces Initiative will grow to reach more communities and provide spaces for charitable organizations and groups that require them.



V-Love Mothers for all-encompassing love

As an internet company with a long-standing commitment to women's issues, Vipshop has continued to explore the innovative model of "Internet + Charity" to assist women in distress, through the establishment of its V-Love Mothers program, designed to help one-parent families-in-need. In 2017, Vipshop established a charitable group to support one-parent families through the provision of health care, financial aid, educational empowerment and protection of rights. The resulting charity ecosystem offers practical support to one-parent families in distress. As of the end of 2021, the V-Love Mothers program has helped reduce burdens and

improve prospects for 50,000 one-parent families-in-need.

In 2021, the V-Love Mothers charity initiative focused on providing single-parents with legal assistance and access to support groups, professional services across multiple domains including legal, psychological and educational assistance. Vipshop has assembled a team of more than 200 professional lawyers and counsellors, dedicated to providing women with professional legal advice, legal assistance and psychological consultation services. During the year, the hotline received 6,719 requests for advice, totalling more than

1,800 hours of assistance.

Additionally, Vipshop also encourages moms to support each other. By the end of 2021, 38 V-Love Mothers assistance groups had been established with 2,503 participants providing a total of 4,279 hours of services.



● V-Love Mothers core services

Legal advice and assistance

The V-Love Mothers charitable initiative invites lawyers with experience in resolving marital and family disputes to provide single-parents in need with consultation services across a variety of topics. In parallel, the V-Love Mothers charitable initiative also works with professional legal organizations to provide legal assistance to pregnant women in financial difficulty, helping a greater number of women-in-need access high-quality legal assistance, free of charge.

Psychological counselling and emotional guidance

V-Love Mothers works with professional psychologists and, marriage and family counsellors, to provide counselling services that cover family relationships, marriage, parenting and stress management for single mothers and women in marital distress, helping them to address the myriad of issues faced by single-parents during the process of raising their child.

Support groups

The support groups focus on topics such as psychological rebuilding, resolution of family issues, single parenting, lack of sleep and legal assistance. The groups, led by around 20 senior psychologists, experienced counsellors and lawyers, who are experienced in family and marital affairs, help single-mothers to rebuild and work towards a better life.



QR code for the V-Love Mothers charitable initiative applet

What our V-Love Mothers say

Before I joined the group, I couldn't forgive my family for everything they had done to me, and I couldn't forgive my ex-husband for allowing our one-year-old child to be raised in a broken home. After ten weeks in the support group for psychological rebuilding, I feel more relaxed and no longer feel anxious. It's a complete transformation for me and my friends have told me, "Look at you! We are finally relieved!"

—Xiaomei

I'd like to express my respect for the V-Love Mothers as this is the most dedicated corporate charitable initiative that I have come across. I can feel its sincerity and its down-to-earth attitude to getting things done! Thumbs up for the V-Love Mothers project! This kind of entrepreneurial spirit is awesome!

—Ju Xiaoyan, a teacher in a support group for parenting for 3-6 year olds

I found the support group for parenting children aged 3-6 years from the V-Love Mothers. In the group, I've learned a lot of practical knowledge about parenting including, how to become more self-aware, love myself and, understand and respect children. My relationship with my child has been greatly improved.

—Tiantian (single father)

Program influence

In order to raise awareness about, and support for, single mothers, the V-Love Mothers charitable initiative has posted a wide range of content, including documentaries, public advocacy, interviews, plays and social commentary across eight new-media platforms, including Douyin (TikTok), Xiaohongshu, KuaiShou and bilibili, improving visibility and awareness of one-parent families and providing them with additional care and assistance. In 2021, V-Love Mothers' advocacy content was viewed more than 230 million times.

In 2021, V-Love Mothers advocacy content was viewed more than

230 million

times.



Continual efforts towards Rural Revitalization

2021 marks the start of China's 14th Five-year Plan and the official commencement of the Rural Revitalization Strategy. Vipshop has played to its strengths by continuously developing and advancing a series of charitable programs dedicated to rural revitalization. Vipshop is focused on three aspects of revitalization: talent, culture and industry. Vipshop uses professional, sustainable, charitable programs to stimulate the internal drive and potential of rural development, consolidate the achievements of poverty alleviation and, build a harmonious and beautiful countryside.

Talent revitalization and diversified empowerment of rural children through education

Talent is the key to rural revitalization. At present, due to the fact that rural development is somewhat lagging behind its urban counterpart, young adults and high-quality talent are leaving rural areas. To realize rural revitalization and increase the modernization of agriculture and rural areas, the huge shortage of talent in the countryside must be addressed. Since 2011, Vipshop has been providing charitable contributions for education grants, dedicated to providing students in poverty-stricken areas with the chance of receiving a high-quality education.



Programs that have received funding in recent years

- **Teach for China**

In the 2020-21 school year, Vipshop supported the Teach for China program to send 20 teachers to 10 schools in Yunnan, Guangdong and Guangxi Provinces, where education resources are scarce. These teachers gave more than 10,000 lessons and benefitted 3,000 students.



- **Light the Way with Children's Voices**

This program, supported by Vipshop, offers provincial and national performance opportunities for rural children's choirs, enabling more children to get out of the mountains and sing about China's rural revitalization. By the end of 2021, hundreds of teachers and students have participated in the program.



- **Adream Classrooms**

The Adream Classroom program provides all-in-one "hardware + software" solutions for high-quality education through a combination of its concept of "constructing a modern classroom + providing classroom materials". In 2021, Vipshop supported the construction of six Adream Classrooms, and three of these in Jiangxi Province have already been completed.



- **Blue Letter Project**

The Blue Letter Project helps by using letter writing to build connections between volunteers and more than 2,000 children who have been left behind in rural areas, providing emotional support and helping them to lead a happy, healthy childhood.



V-Love Workshop, cultural revitalization and industrial revitalization hand-in-hand

In response to the national campaign to alleviate poverty, Vipshop created its V-Love Workshop initiative: an e-commerce, charitable platform focusing on the rejuvenation and preservation of intangible cultural heritage. Through a combination of cross-industry guidance, talent training, creation of fashion items and online charity sales, the program has successfully produced contemporary, fashionable, commercialized, and sustainable intangible cultural heritage products while assisting local craftspeople.

V-Love Workshop

V-Love Workshop combines Vipshop's strengths as an e-commerce platform by using design resources to reimagine traditional aesthetics and create intangible heritage fashion items that satisfy modern aesthetics and practical needs, bringing intangible heritage back to life. This program also provides systematic training and a sales platform to craftspeople so that they can earn a sustainable income from home.

Supporting the intangible cultural heritage shopping gala

In order to consolidate the achievements of poverty alleviation and facilitate rural revitalization, Vipshop has worked hard, with a focus on workshops and time-honored brands, to raise the public's appreciation of the charm of traditional Chinese culture and promote intangible cultural heritage preservation by purchasing and using intangible cultural heritage products. Since 2020, the Department of Intangible Cultural Heritage of the Ministry of Culture and Tourism and relevant authorities have supported all regions and e-commerce platforms to carry out Intangible Cultural Heritage Shopping Galas during annual Cultural and Natural Heritage Days.

Vipshop have responded to this call, holding an Intangible Cultural Heritage Shopping Gala for the past three years. This platform-based event has focused on intangible cultural heritage brands and products, especially food, clothes and daily necessities.



Vipshop's Liangshan traditional crafts workshop

In February 2019, with the support of the Ministry of Culture and Tourism, Vipshop set up its Liangshan Traditional Crafts Workshop in Sichuan Province. Liangshan possesses abundant intangible cultural heritage and distinct ethnic characteristics, making for an excellent platform for marketing and poverty alleviation. Vipshop's Liangshan Workshop is the 15th traditional crafts workshop set up by the Ministry of Culture and Tourism. It is one of the first batch of "Intangible Cultural Heritage + Poverty Alleviation" key support areas to be rolled out nationally by the Ministry across areas of extreme poverty.

By the end of 2021, Vipshop's Liangshan Workshop had designed more than 30 intangible cultural heritage fashion products and launched over 20 products.



Competition for innovative intangible cultural heritage design

In the second half of 2020, Vipshop's Liangshan Traditional Crafts Workshop held the first Liangshan Innovative Design for Intangible Cultural Heritage Competition. This aimed to bring innovatively designed traditional crafts into modern life, and promote the creative transformation and innovative development of traditional crafts. In April 2021, outstanding brands and works of independent designers selected from the competition were presented at the "Yuan Yi" show during Shenzhen Fashion week, supported by Vipshop's Liangshan Workshop and the Shenzhen Garment Industry Association.



Contribution to the fight against Covid-19 and disaster relief

In 2021, new locally transmitted cases of Covid-19 appeared in Guangzhou, Nanjing, and Xi'an and, floods hit Henan and Shanxi provinces, resulting in a perfect storm that had serious impacts on people's lives. Vipshop paid close attention to events and leveraged its advantages in material dispatch, warehousing, and logistics as an e-commerce company, to provide materials and financial support worth RMB 43.44 million to epidemic control efforts in Guangzhou, and flood-relief efforts in Henan and Shanxi provinces.

Vipshop provided material and financial support worth

43.44 million



to Guangzhou, Henan and Shanxi



May

In May 2021, Guangzhou had confirmed cases of Covid-19, again sounding the alarm for epidemic prevention and control. V-Charity initiatives rapidly grappled with various units in Guangzhou's requirements for anti-epidemic supplies and fully unleashed its advantages as a local e-commerce provider to mobilize warehousing centers nearby, contact regional suppliers and provide material support as quickly as possible.

July

In July 2021, large-scale torrential rain in Henan province led to catastrophic flooding, causing significant damage to the production and livelihood of people in many parts of the province. Vipshop donated RMB 20 million to China's Foundation for Poverty Alleviation for use in emergency relief and post-disaster reconstruction in Henan province.

October

In October 2021, unexpected heavy rainfalls caused collapses, landslides and other geological disasters in many parts of Shanxi province, resulting in casualties. Vipshop donated RMB 10 million to the Shanxi Province Charity Federation for emergency assistance.

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Appendix

ESG performance indicators

Environmental indicators

Greenhouse gas (GHG) emissions				
Key Indicators	Units	2019	2020	2021
Scope 1 & Scope 2 emissions (location-based)	Tons	134,914	70,292	67,350
Scope 1 emissions	Tons	75,213	1,330	24,274
Scope 2 emissions (location-based)	Tons	59,701	68,962	43,076
Scope 3 emissions	Tons	N/A	N/A	396,639
Scope 3 emissions - purchased goods and services	Tons	N/A	N/A	30,815
Scope 3 emissions - capital goods	Tons	N/A	N/A	32,841
Scope 3 emissions - upstream transportation and distribution	Tons	N/A	N/A	5,966
Scope 3 emissions - business travel	Tons	N/A	N/A	3,395
Scope 3 emissions - employee commuting	Tons	N/A	N/A	12,750
Scope 3 emissions - downstream transportation and distribution	Tons	N/A	N/A	305,352
Scope 3 emissions - downstream leased assets	Tons	N/A	N/A	5,520

Energy				
Key indicators	Units	2019	2020	2021
Gasoline	Tons	N/A	N/A	169
Diesel ⁸	Tons	23,719	11 ⁸	6,879
Natural gas	m ³	841,974	508,388	1,146,872
Net purchased electricity	MWh	29,405	44,855	74,141
Purchased electricity	MWh	59,881	82,421	134,080
Electricity sent to the grid	MWh	30,476	37,566	59,939

Packaging				
Key indicators	Units	2019	2020	2021
Total wood/paper fiber packaging used	Tons	4,478	16,855	13,161
Total plastic packaging used	Tons	7,300	4,233	4,480
Proportion of recyclable plastic packaging used	%	100	100	100

⁸ In 2019-2020, Vipshop have been actively driving the transformation of Pinjun Express, streamlining its business operation model, improving operational efficiency, and focusing on core segments. During 2020-2021, Vipshop has continued to improve the scope of its statistics, incorporating diesel consumption figures accruing from its partners' use of vehicles. This resulted in a significant fluctuation in diesel consumption.

Social indicators

Employment				
Key indicators	Units	2019	2020	2021
Number of employees				
Total number of employees ⁹	People	20,442	7,567	6,738
Workforce diversity: gender				
Male employees	%	58.53	49.11	47.85
Female employees	%	41.47	50.89	52.15
Male employees at management level	%	62.90	60.54	59.39
Female employees at management level	%	37.10	39.46	40.61
Workforce diversity: education				
High school / technical / secondary vocational education and below ¹⁰	%	62.05	18.18	13.50
Training college	%	15.08	23.51	22.05
Those with a bachelor's degree	%	19.38	48.71	52.71
Those with a master's degree and above	%	3.49	9.59	11.75
Workforce diversity: others				
Employees from ethnic minorities	%	3.80	2.66	2.41
Foreign employees	%	0.19	0.49	0.74
Employees with disabilities	%	0.66	0.58	0.74

Training and development				
Key indicators	Units	2019	2020	2021
Employee training				
Total training expenses	RMB million	2.63	4.16	7.00
Total training hours	Hours	136,898	47,309	130,350
Average training expenses	RMB	181.72	1,020.41	1,272.73
Average training hours	Hours	9.47	18.58	23.70
Number of employees who received training	Person	14,451	4,072	5,500
Employment promotion				
Number of employees who received promotion ¹¹	Person	1,552	888	827
% of employees who received promotion	%	7.04	6.90	12.31
% of employees who received promotion assessment	%	89.88	93.47	93.22

⁹ In 2019-2020, Vipshop have been actively driving the transformation of Pinjun Express, streamlining the business operation model, improving operational efficiency, and focusing on core segments. Thus, fluctuations may be found in the total number of staff.

¹⁰ In 2019-2020, Vipshop have been actively driving the transformation of Pinjun Express, streamlining the business operation model, improving operational efficiency, and focusing on core segments. As a result, there has been a major fluctuation in the percentage of employees with high school / technical / secondary vocational education or below.

¹¹ In 2019-2020, Vipshop have been actively driving the transformation of Pinjun Express, streamlining the business operation model, improving operational efficiency and focusing on core segments. As a result, there has been a major fluctuation in the number of staff who were promoted.

Compensation and benefits				
Key indicators	Units	2019	2020	2021
Proportion of contracted employees	%	100	100	100
Percentage of employees with social insurance	%	100	100	100

Health & safety				
Key indicators	Units	2019	2020	2021
Proportion of employees receiving physical health checks	%	100	100	100
Lost time injury rate (headquarters)	Per 1 million man-hours	0.1	0.7	0.9
Lost time injury rate (ex. headquarters)	Per million man hours	1.1	2.1	0.7
Number of recorded work-related injuries	Total	47	32	12
Number of recorded occupational health issues	Total	0	0	0
Annual investment in safety	RMB million	8.00	10.00	7.89
Number of employees receiving health and safety training	Employees	25,000	8,000	9,800
Percentage of employees receiving health and safety training	%	100	100	100
Average amount of hours receiving health and safety training	Hours	24	24	24

Procurement management				
Key indicators	Units	2019	2020	2021
Number of new product suppliers	Companies	N/A	1,435	1,783
Number of new non-product suppliers	Companies	713	781	1,435

¹²This report discloses the total number of customer service agents including Vipshop's customer service staff and supplier employees that provide customer services for Vipshop.

Customer service				
Key indicators	Units	2019	2020	2021
Total number of customer service agents ¹²	People	1,521	1,598	1,767
Customer survey satisfaction rate (phone)	%	97.99	98.44	97.91
Customer survey satisfaction rate (online)	%	78.12	88.13	91.83
Decrease in the amount of quality-related complaints (service hotline)	%	N/A	N/A	14

Community contributions				
Key indicators	Units	2019	2020	2021
Charitable donations	RMB million	32.00	65.00	80.97
Volunteering	Employees	8,281	1,859	1,859
Hours of volunteering	Hours	44,370	7,436	11,000

Governance indicators

Anti-bribery and corruption				
Key indicators	Units	2019	2020	2021
By phone	%	N/A	N/A	7.4
By letter/document	%	N/A	N/A	14.8
By complaints portal	%	N/A	N/A	3.7
Face-to-face	%	N/A	N/A	7.4
By email	%	N/A	N/A	66.7

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