ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT FOR FISCAL YEAR 2020

Baozun Inc ,
Ticker : NSADAQ: BZUN ; HKEX: 9991

Techonology Empowers The Future Success

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About the Report

Report Overview

This is the first environmental, social, and governance (ESG) report by Baozun Inc. (hereinafter referred to as "the Company") to highlight the Company's ESG efforts and accomplishments in 2020.

Reporting Scope

The information contained in this report covers this Company and its consolidated subsidiaries[1] and variable interest entity (hereinafter referred to as "the Group," "Baozun," or "we"). The disclosure period of the report starts on January 1, 2020, and ends on December 31, 2020 (hereinafter referred to as "the reporting period") with specific content concerning previous years and subsequent events. Unless otherwise stated, all currencies herein are denominated in RMB.

Reference Standards

This report refers to[2] the consultation conclusions on reviewing the *Environmental, Social, and Governance (ESG) Reporting Guide* and *Listing Rules* issued by the Stock Exchange of Hong Kong Limited (hereinafter referred to as "HKEX") in December 2019.

Data source and assurance of data reliability

The data and cases cited herein mainly come from internal statistical reports and records, third-party questionnaires, and interviews of the Group. This report does not contain any false records or misleading statements regarding material aspects.

Access and response to the report

Simplified Chinese and English versions of this report are available for readers. You may visit the Group's website (https://ir.baozun.com/sustainability-esg) to access the electronic version of the report. For any conflict or inconsistency, the simplified Chinese version shall prevail.

BAO ZUN

We attach great importance to stakeholders' opinions and welcome readers to contact us through the following contact details. We would highly appreciate your opinions to help us further improve our ESG report and the overall sustainability performance of Baozun in the future.

Tel: 86 (21) 80266000 ext. 6128; 6599

E-mail: fang.fang@baozun.com; wendy.sun@baozun.com

Address: Building No. B, No. 1268 Wanrong Road, Jing'an District, Shanghai

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[1.] Environmental data only includes subsidiaries in mainland China.

[2.] Baozun mainly refers to Appendix 27 *Environmental, Social and Governance Reporting Guide* to prepare this ESG report. Baozun made the qualified secondary offering at the HKEX and is exempted from *Article 13.91 of the Listing Rules*, namely the ESG Guide, according to *Article 19c.11 of the Listing Rules*. Hence when preparing this report, the ESG Guide is only for reference.

Key Highlights

Governance

100%

of suppliers signed anti-corruption documents

Cybersecurity

Certified by

ISO 27001

Information Security Management System

Certified by **Level 3**

of Classified Protection of Cybersecurity

Information security incidents and privacy leakage **0**

Industry and community

Hosting the Global Brand E-commerce Summit **(BECS)**

Industry influence

RMB 50,000+

Total sales amount of charity sale event

Environment

100%

Ratio of electric forklift trucks

7,867 tons
Environmentally-friendly packaging materials used

2,291 tons
Packaging materials recycled

9,731 tons of carbon dioxide equivalent
Total greenhouse gas emissions

Employee training and care

2,744 employees

Employees trained in total

62,192 hours

Total training hours

55.4%

Ratio of female employees

Launch **EAP**

Employee Assistance Program

Scientific and technological innovation

58

Number of valid patent applications filed

ROSS automation toolkits

Develop intelligent services tool

Use intelligent customer service robot:

Dianxiaomi.com

Develop digital operation tool for brick-and-mortar shops:

Shopdog

Letter from Management

Since our inception, we have worked closely with well-known brand partners to help them penetrate China e-commerce market and execute e-commerce strategies, which has driven our own rapid growth. Although the Covid-19 outbreak in 2020 affected the entire global economy, we were able to demonstrate the resilience of our business model. Throughout the pandemic and its aftermath, we were able to offer uninterrupted, seamless quality services for our brand partners, and our infrastructure proved itself to be both stable and robust. In September 2020, we completed a secondary listing on the Hong Kong Stock Exchange, which marked the start of a new journey. As part of this journey, we have developed a three-to-five-year medium-term strategic plan. The plan is based on a "customer-first" approach to drive growth, new business expansion through the exploration of new channels and business models, and continuous cost structure optimization through technology driven business process engineering.

Our corporate culture is based on principles of ethics, honesty, integrity and transparency – to which we are committed – and concepts of ownership, initiative, collaboration and innovation are deeply rooted in our corporate value. We also instill a strong code of business ethics in our corporate governance and corporate family as the basis of our long-term and sustainable development.

"Technology empowers the future success" is our vision. We facilitate the digital transformation of our brand partners using cutting-edge digital technology, and technological innovation plays an indispensable role in both supporting and empowering our operations, as well as developing new marketing capabilities. As the leader in the brand e-commerce service market, we have also been a competitor in technology, innovation and investing throughout the value chain. In addition to the ongoing development of new applications and tools, we are also exploring ways to integrate technology and business to make our operations more efficient, flexible, automated and intelligent.

"Delivering quality through developing people" is rooted in our culture and values. "Delivering quality" deepens our value proposition to brand partners, while "developing people" ensures that our team members grow and develop to their own full potential professionally. As one of the three pillars of our strategic plan, we adopt a "customer-first" approach to drive growth by focusing on service differentiation to meet the diversified needs of our brand partners. In addition, we are improving information security to operate in a responsible manner and lay a solid foundation for long-term sustainable growth and profitability by cultivating the best talent to provide our customers with the best products and services. While becoming the best at what we do, we encourage the entire Baozun family to strike a healthy work-life balance.

As environmental protection becomes increasingly important to China's carbon neutrality ambition, we continually improve green operations, accelerate the development of a green ecosystem, and integrate environmental protection with business development. Baozun promotes green office and green travel, actively fosters a green atmosphere and prioritizes the use of clean energy. Moreover, we advocate for simple packaging and recycling of packaging materials, engage in the circular economy, lead the way in pursuing green logistics, and strive to foster a green ecosystem.

Our motto is "forging a benevolent heart through public welfare". Based on this motto, we have been active in fulfilling our social responsibility as a corporate citizen. This year, we organized a "Love Bazaar," for the disabled and encouraged our employees to participate in social and public service activities and contribute to their communities. In addition, we aim to create a more inclusive and creative community around our industry, and we have organized an annual summit, where we and our partners share the latest trends in the e-commerce industry. We hope our summits will foster an atmosphere conducive to industry sharing, and we intend to work with partners to make e-commerce and the real economy ever more dynamic.

As digitalization advances, our unique position as a leading strategic partner for brands enables us to keep our brand partners ahead of the curve as China's e-commerce industry evolves. Going forward, we will continue to follow through on our vision that "Technology empowers future success." Based on our commitment to technology and innovation, we will keep on delivering and optimizing "customer-centric" e-commerce solutions for our brand partners. Meanwhile, we will promote employee care, and enhance collaboration and integration among our people and our departments. We strive to deliver solutions in a responsible and transparent manner in order to promote green and vibrant ecosystems, and to set new benchmarks in the e-commerce service industry that will continue to drive sustainability and enhance value creation for our stakeholders.

仇文彬
Vincent Wenbin Qiu

Baozun Inc.
Chairman and Chief Executive Officer

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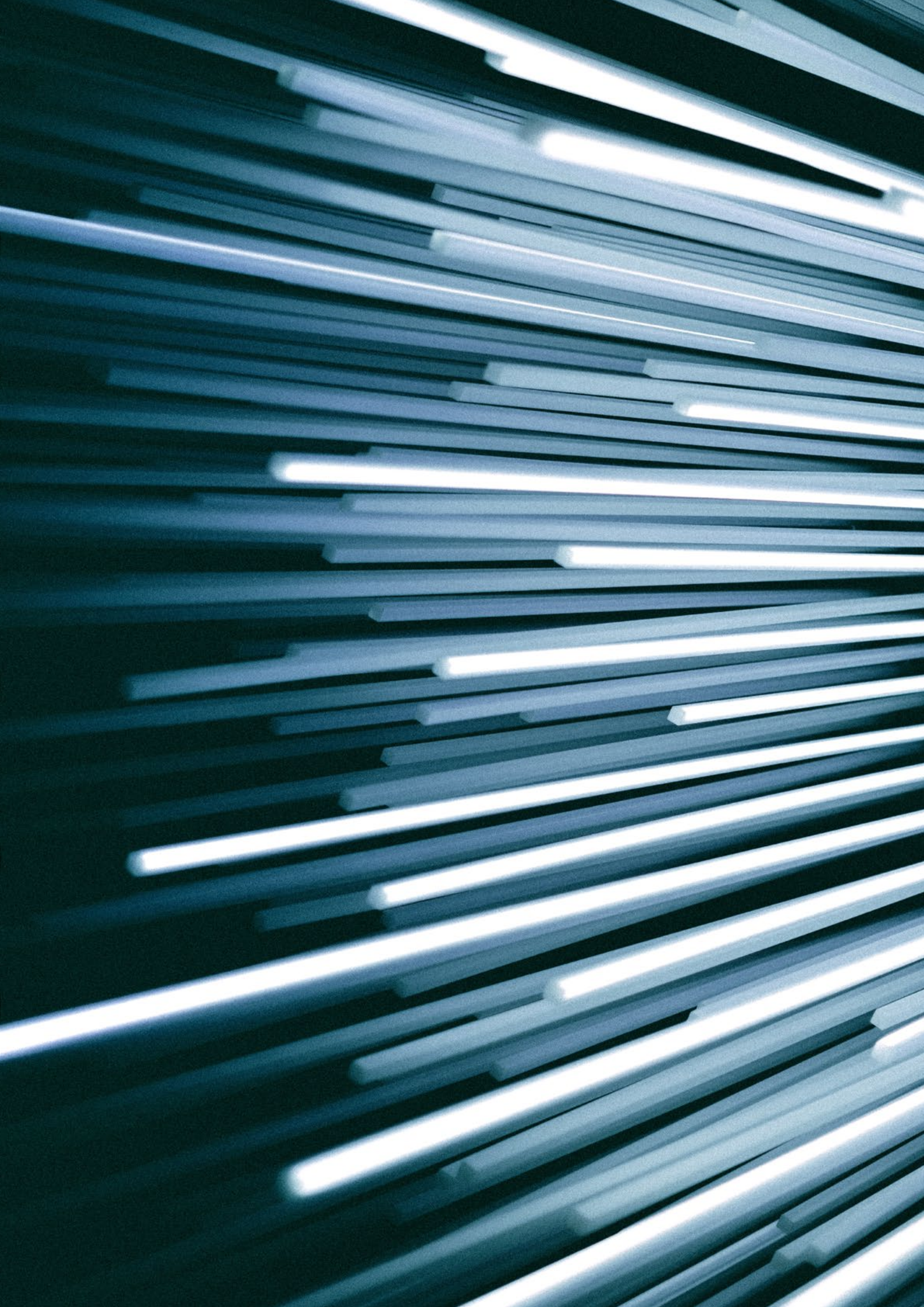
CORPORATE GOVERNANCE FOR LONG-TERM DEVELOPMENT

1.1About the Company

About Baozun

Founded in 2007, Baozun is the leader and a pioneer in the brand e-commerce service industry in China. Listed on Nasdaq in USA in May 2015 and HKEx in September 2019, we are headquartered in Shanghai and have branches throughout Hangzhou, Beijing, Hong Kong, and Taiwan.

With full end-to-end e-commerce capabilities, omni-channel coverage, and technology-enabled solutions, Baozun empowers the growth and success of a diversified portfolio of brand partners. Our integrated capabilities encompass all core aspects of the e-commerce value chain, including IT solutions, online store operations, digital marketing, customer services, and warehousing and fulfillment.

Baozun experienced sustained business growth in FY2020. The total net revenue reached RMB 8.9 billion, grew 21.6% from FY2019, and gross merchandise volume (GMV) reached RMB 55.7 billion, recording a year-on-year increase of 25.4%.

Baozun culture

Corporate culture	Delivering quality through developing people
Vision of Baozun	Technology empowers the future success
Mission of Baozun	Driven by technological innovation and customer needs, we strive to become the leading global E-commerce business partner
Values of Baozun	Ownership · Initiative · Integrity · Collaboration · Innovation

Recognition
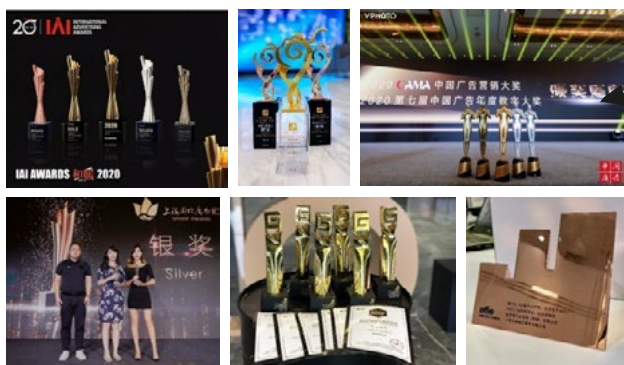
Digital Marketing

During the reporting period, Baozun won multiple prestigious awards for digital marketing, including the IAI International Advertising Awards, Golden Mouse, Tiger Roar Award, China Advertising Digital Awards, Shanghai International Advertising Awards, ROI Awards, Golden Wheat Awards, Effie Awards, and ECI Awards.

Platform Awards

During the reporting period, as a faithful partner to many large e-commerce platforms, Baozun was honored with numerous awards, including "Six-star" Tmall Ecological Partner ("TEP") for Second Half 2019, Tmall Global Partner Award of FY2020 (TP), Best TEP of Maternal Care of 2020, "Six-star" TEP for First Half and Second Half of 2020, Taobao Partner, Alimama All-Domain Golden Partner and Alimama "Six-star" Service Partner.

Comprehensive Strength

During the reporting period, with exceptional comprehensive strength, Baozun was listed in Fastest-Growing Companies 2020 (27th) by *Fortune*, "2020 First Half Comprehensive Competitiveness Ranking of Chinese Brand E-commerce Service Providers" (1st) released by iiMedia Research, 2020 Gelonghui Best Listed Companies in Greater China (Most Innovative IPO of the Year), the 2020 BCG list of 100 emerging-market tech challengers and TOP 50 Most Valuable Chinese Stocks for Investment in 2020 by Tiger Brokers.
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Employee Recruitment

During the reporting period, Baozun made unremitting efforts to foster an equal and sound work environment to protect the health and safety of our employees and provide them with a supportive development platform. We were awarded "2020 Shanghai Best Employers Top 30" for the fourth consecutive year by Zhaopin,one of China's leading career platforms.

1.2 ESG Governance

Structure of the Board of Directors

Baozun strictly complies with the laws, regulations, and standards in the operation and listing areas and establishes a sound corporate governance structure. The general meeting of shareholders (hereinafter referred to as the "general meeting") serves as the top decision-making body, with the aim of protecting the rights and interests of shareholders. The general meeting oversees the Board of Directors, the decision-making body for daily business. Under the Board of Directors are the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. The different institutions play active roles in decision-making, operation management, and supervision.

By the end of 2020, the Board of Directors of Baozun comprised eight directors, including four independent, all with extensive industry experiences.

Name	Age	Gender	Position/Duties and Responsibilities
Vincent Wenbin Qiu	52	Male	Co-founder, Chairman and Chief Executive Officer
Junhua Wu	42	Male	Co-founder, Director and Chief Growth Officer
Satoshi Okada	62	Male	Director
Jessica Xiuyun Liu	44	Female	Director
Yiu Pong Chan	48	Male	Independent Director
Bin Yu	50	Female	Independent Director
Steve Hsien-Chieng Hsia	57	Male	Independent Director
Benjamin Changqing Ye	50	Male	Independent Director

To make ESG management scientific and systematic, we established an ESG governance structure and incorporated it into sustainability strategy to guide functional departments' practices on ESG.

In March 2021, we established a Sustainability Committee to oversee the ESG management practices and offer advice to the Board. The Committee is responsible for recommending ESG strategies, identifying major risks and opportunities, and approving and reviewing all ESG-related policies.

Functions of the Sustainability Committee

Strategic Advice and Risk Identification

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Identify major ESG issues and their risks and opportunities

↓

Suggest and regularly review ESG-related visions and strategies

↓

Determine targets based on strategy and regularly review progress

Policy Management

↓

Review ESG-related policies

↓

Review and supervise policies for major ESG issues
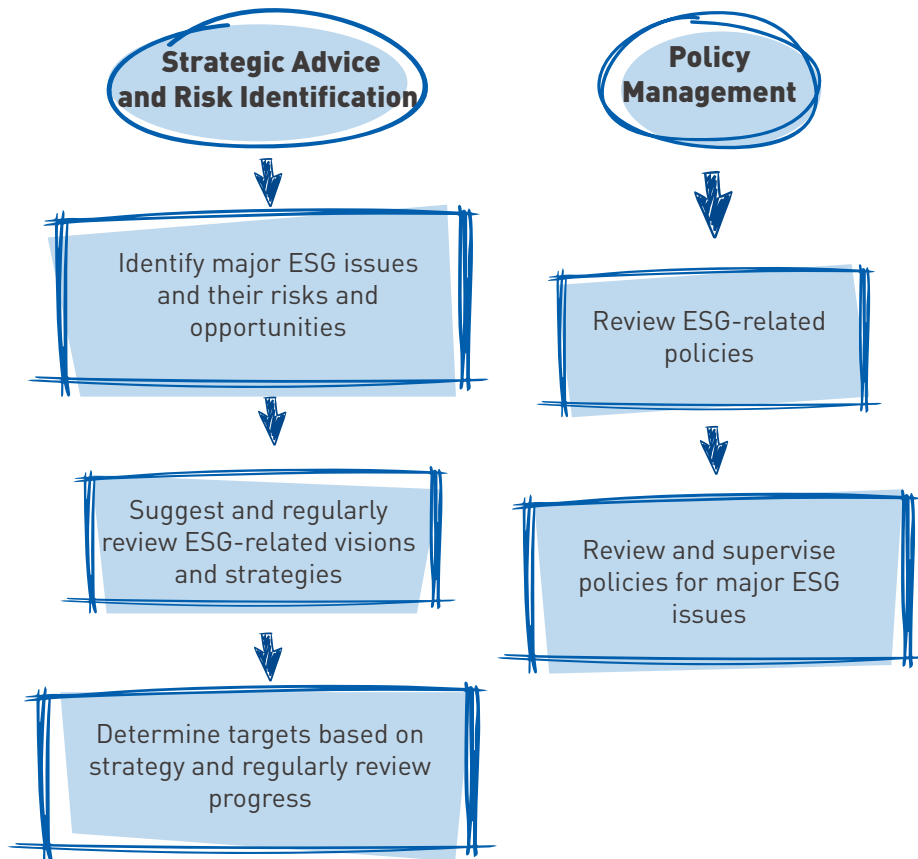
Risk management

Baozun has established comprehensive risk management and an internal control mechanism to identify, forestall and control risks related to business operation.

The Company established a Risk Assurance Committee and established complete risk management and internal control mechanism to identify, forestall and control risks related to business operation. The Audit Committee independently supervises the risk management of Baozun to ensure the operation of risk control systems.

Baozun has set up three defense lines of internal control to enhance the quality of internal control and strengthen the practice and supervision of internal control protocol. Through standardized operation and promotion and training on internal control, we enhanced employees' awareness of risk management, fostering a sound environment and culture of internal control.

First Defense Line-Operation Management

→ Participate in the discussion on the establishment of an internal control management system

→ Execute internal control and perform daily supervision

→ Implement relevant management systems of internal control

Three Defense Lines of Internal Control

Second Defense Line-Department of Supervision and Control

→ Ensure an appropriate and effective design of control and risk management procedures

→ Continuously monitor control and risks

→ Develop a unified understanding of risks and control

Third Defense Line—Audit Committee

→ Organize independent and objective audit and consultation activities

→ Adopt systematic and standard methods to evaluate and improve the effectiveness of risk management, control and governance procedures

1.3 Material Issues

Baozun incorporates stakeholder expectations and requirements as important factors in our ESG strategy and identifies specific action fields through various methods. To facilitate communication with investors, Baozun has launched an "Investor Relations" module on the official website (https://ir.baozun.com/) for investors and the general public to access and download the latest information about business operation and development, finance, corporate governance, and investor events. During the reporting period, Baozun participated in hundreds of investor communication meetings, including 46 online investor summits held by investment banks. We actively replied to investors' questions via email and held communication activities with shareholders and investors during the release of quarterly/annual earnings and other key announcements.

We leveraged a series of models to analyze ESG material issues addressing stakeholders' concerns. Meanwhile, we launched a questionnaire on economic, environmental, and social aspects for investors, media, employees, senior management, and other stakeholders. A total of 881 responses were collected. The results were compiled into a materiality matrix to understand the inputs from stakeholders and respond to their material concerns.

Importance to Stakeholders

- Governance Issues
- Environmental Issues
- Social Issues

Importance to the Baozun Sustainable Development
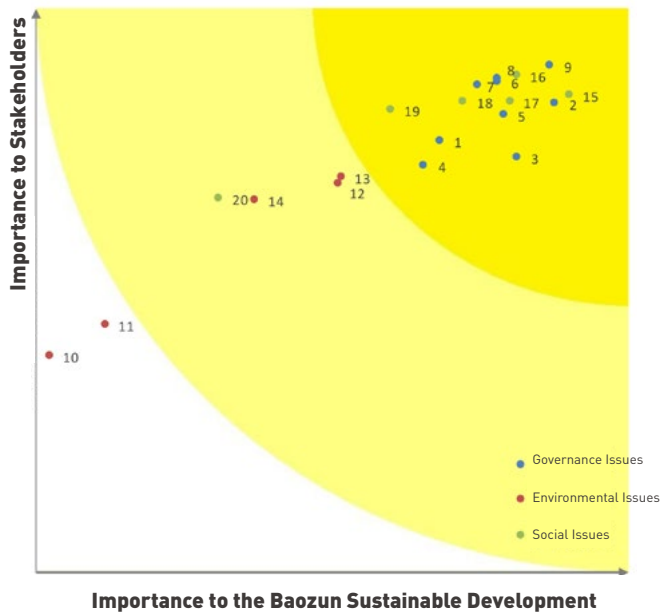
Scope	No.	Issue
Governance Issues	1	Effectiveness of the Board of Directors governance
	2	Anti-corruption and business ethics
	3	Improvement of user experience
	4	Management of supplier sustainability
	5	Information security
	6	Data and privacy protection
	7	Protection of intellectual property
	8	Product quality assurance
	9	Technological development and innovation
Environmental Issues	10	Response to climate change
	11	Emission management
	12	Energy and resource conservation
	13	Green office
	14	Low-carbon operation
Social Issues	15	Protection of employees' rights and interests
	16	Talent development
	17	Protection of employee benefits
	18	Employee equality and diversity
	19	Work-life balance
	20	Contribution to community welfare

1.4 Business Ethics

Ethics, honesty, integrity, openness, and transparency are essential to Baozun's corporate culture. Our commitment to business ethics permeates our processes of hiring, service delivery, relationship building, and business achievements. Baozun insists on ethical operations and firmly against bribery and corruption. We strictly abide by the *Anti-Unfair Competition Law of the People's Republic of China, the Sherman Antitrust Act*, and other related laws and regulations. We continuously utilize codes of conduct to prevent conflicts of interest, fraud, and insider trading to establish our business ethics values.

We established a Compliance and Fraud Investigation Department and anti-corruption management structure to create a healthy corporate value of ownership, initiative, integrity, collaboration and innovation. We aim to eliminate unfairness, ensure the company's and personal interests, and effectively sustain anti-bribery, anti-corruption, and anti-monopoly.

As part of our commitment to integrity, Baozun has developed and posted the *Code of Business Conduct and Ethics* applicable to all directors and employees (https://ir.baozun.com/static-files/eefedc50-612e-4c7a-95ab-a069bb06a051). It states the code of conduct in the workplace, business fields, and living communities and clarifies how our people should comply with legal and ethical requirements.

Compliance and Fraud Investigation Department

- Director
  - Data Group
  - Loss Prevention Inspection and Supervision Group
  - Audit Group
  - Investigation Group

Conflicts of Interest	Property and Information	Fraud and False Statements	Bribery
Employees should actively avoid any potential conflicts of interest.	Employees are obligated to ensure that any facilities, supplies and confidential information they come into contact with or obtain in the course of work are used for working purposes and not misused or wasted.	Any attempts to deceive customers, suppliers, shareholders, auditors or any other persons who are engaged in communication or business with Baozun are strictly prohibited.	No employee is allowed to engage in bribery, including but not limited to exploiting any fund of Baozun to pay for any illegal contributions, gifts, and entertainment or make any other illegal payments to any foreign or domestic government officials or employees.

To implement the Code of Business Conduct and Ethics, Baozun has combined the external and internal initiatives to develop policies and rules of the *System of Baozun for Inspection and Supervision*, *System of Baozun for Gifts-giving and Hospitability*, and *System of Baozun for the Protection and Rewards of Whistleblowers*. Employees are required to report gifts exceeding the limits.

Baozun has a zero-tolerance policy for dishonesty. Breach of integrity is grounds for immediate termination of employment. Our employees are responsible for reading, signing, and complying with the policies related to business ethics management mentioned above, as well as signing of the integrity commitment. Also, we require all suppliers to sign the *Anti-Corruption and Compliance Statement*, which requires compliance with anti-corruption regulations, including gift-giving, bribery kickbacks, entertainment hospitality, and conflicts of interest.

Culture of integrity

To fulfill our commitment to business ethics, Baozun provides various forms of promotion and stimulation such as training to help employees understand the importance of business ethics and anti-corruption.

Baozun has integrated its culture of integrity into employee training and corporate governance. All new employees must complete training of the internal supervisory policy by watching an educational video on the day they join the company. To further emphasize integrity for all staff, Baozun carries out an online training program, and the test results will be recorded in the employees' integrity score and considered for their promotions and wage raises.

We conduct compliance audits of outgoing executives and interview middle and senior employees on quarterly basis to confirm their understanding of our supervisory policies. We also issue an annual report of integrity interviews at the end of each year, according to the assessments and evaluations based on our policies and rules. Moreover, we remind all employees of our commitment to business ethics by publishing posters, along with other methods on holidays to warn against corruption.

Employees are responsible for reporting any illegal or unethical behavior that they witness or hear about. We have established several reporting methods, including email, hotline, and internal network channel. According to the *System of Baozun for the Protection and Rewards of Whistleblowers,* while we investigate the reported behavior, employees must cooperate during the violation investigation. Baozun keeps the personal information and all reporting information provided by whistleblowers strictly confidential and prohibits retaliation against employees who report suspected violations.

Violation of guidelines
The employee concerned will be subject to disciplinary punishment

Serious nature of violation
The employee concerned will be dismissed

Breaking the law and involving large amounts of money
The employee concerned will be transferred to the judicial authorities.

Treatment of Baozun employees who violate the guidelines

Baozun had no material corruption lawsuits during the reporting period.

02 CYBERSECURITY AND PRIVACY PROTECTION

As a leading service provider in the e-commerce services industry, Baozun continuously develops our core technology and provides high-quality internet infrastructure. We pay particularly attention to data security and user privacy protection. As our customer base expands, we keep enhancing our efforts in information security protection.
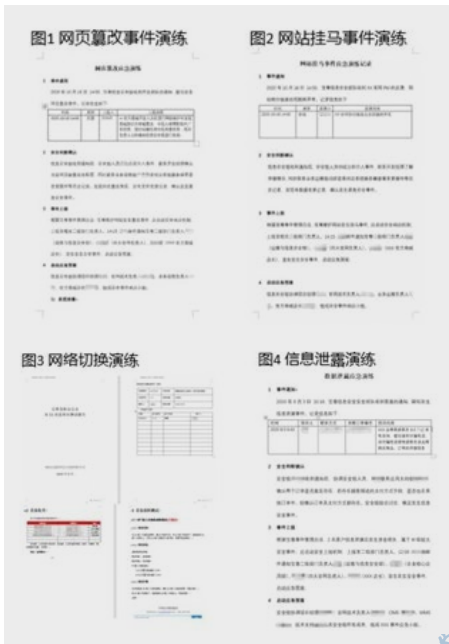
2.1 Management Principle

Baozun proactively safeguards information security in line with the *Electronic Commerce Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, the *Measures for the Administration of Internet Information Services*, the *Computer Information Network and Internet Security Protection and Management Regulations*, the *Regulations of the People's Republic of China for Safety Protection of Computer Information Systems* and the *Regulations on the Confidentiality Management of International Networking of Computer Information Systems*. We established the Information Security Management Committee as the highest decision-making body to lead Baozun's overall information security management, formulate information security plans and strategies, and promote the establishment of an emergency response mechanism.

To comprehensively boost information security management, our *Information Security Policy* outlines the overall objectives and management principles of information security; meanwhile, the *Information Security Management Manual*, assembles our information security management system, including incorporation of information management as a component of performance evaluations.

In formulating the *Management Regulation for Information Security Incidents* and the *Management Regulation for Emergency Response* policies, Baozun has established an emergency response mechanism for information security and regularly conducted emergency drills to ensure information security incidents are dealt with promptly and effectively to curtail the adverse impact of such incidents.

Internal

Inform the implementation group for emergency response and the information security group and then notify the leading emergency response group following damage assessment

Mark the personnel to be notified in the contact list attached to the emergency response plan, and confirm the positions of such personnel in the groups and their names and contact information

External

Report relevant information to external agencies, the interconnected units and important users negatively influenced in a timely manner

Based on the needs of emergency response, report relevant information to relevant equipment, facility and service providers (including communications and electricity) accurately to acquire appropriate emergency response support

External information notification should comply with the external information release strategy of the company

Emergency Response Mechanism for Information Security Incidents

Emergency Drill

Baozun holds emergency drills annually. We inspect the practicality, effectiveness, reliability of contingency plans through emergency drills, in order to enhance instant response to cybersecurity incidents, improve vigilance and sensitivity of accidents, and assess collaborative and practical abilities of service teams. We review each drill result afterward and assess multi-dimensional segments of action procedure, emergency response system, and launch countermeasure to overcome inadequacies and shortcomings identified in the drills and improve the emergency system continuously.
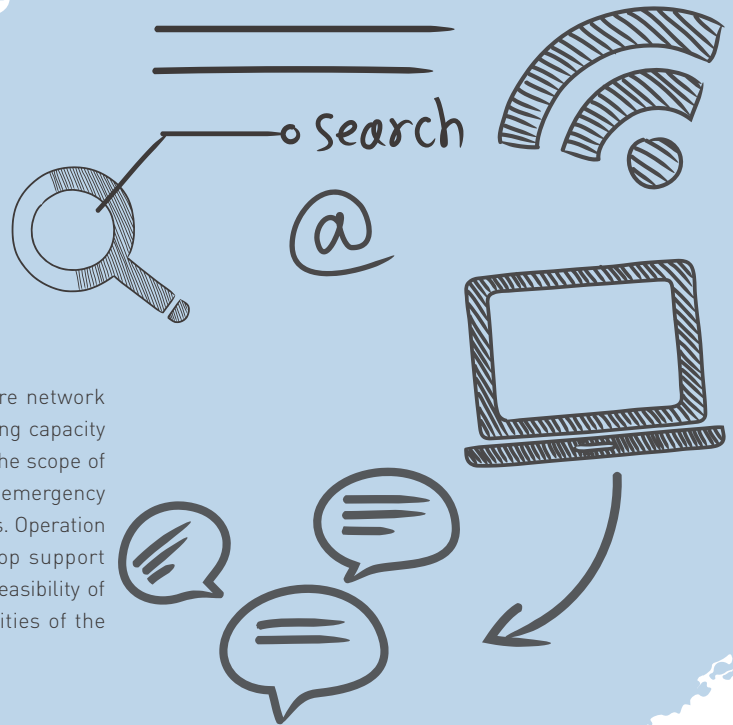
Network Switchover Drill

Baozun conducts switchover drill and stress test for the core network before major sales campaings every year to ensure the carrying capacity of core network and switch availability of key network nodes. The scope of the drill covers production and office surroundings, including emergency response of cable networks, wireless networks and 5G networks. Operation team, IT service, IT operation and maintenance, and desktop support departments also have been involved in the drill to verify the feasibility of the emergency plan and better understand their responsibilities of the procedure nodes they working on.

Baozun follows the cutting-edge practices of cybersecurity protection. Our information secury protection system passed nearly 300 items of assessment requirments which consist of physical environment, computing environment, communication networks, regional boundary, system maintainance, and system building. The test results of the protection of information system security levels[3] were recognized by the Public Security Authority with the certification of Level 3 of Classified Protection of Cybersecurity. In addition, we have obtained ISO 27001 Information Security Management System certification and actively conduct external third-party audits in line with the certification requriements.

Certification of Information Security Systems

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[3]. The protection of information system security levels were monitored, assessed, certified by the public security authority

2.2 Cybersecurity

Baozun deeply practices cybersecurity management in daily management operations. We have developed a series of management measurements, including the *Network Management Regulation*, the *Management Regulation for Vulnerability Patching*, the *Firewall Safety Standards* and the *Management Regulation for Virus Prevention and Control*, which stipulate safety construction requirements for the network structures security, network areas and partitioning, network behaviors management and equipment security configuration. We have also developed requirements for the management of communications security, vulnerabilities and patches, and handling procedures for viruses, along with identifying and managing the planning and implementation of firewalls to lower the cybersecurity risks. If the employee has any behavior that affects or damages the company's data or network security, the employment contract will be terminated immediately upon investigation. In terms of vulnerability handling, we have developed a sophisticated operation procedure, which is able to prevent and handle external attacks promptly and efficiently. We have adopted the role division model of "product managers / project managers + information security team + developers / operations and maintenance staff" to carry out vulnerability detection and remediation work in collaboration with each other.

Product Managers/ Project Managers	Information Security Team	Developers / Operations and Maintenance Staff
Review vulnerability detection plans and reports and vulnerability remediation programs, and supervise the vulnerability management, implementation and improvement Coordinate with information security team for vulnerability scanning and penetration tests, before new systems enter production or major version changes In the case of emergency go-live, inform the information security team colleagues to make up the vulnerability scanning and penetration testing within two weeks after the official production	Develop vulnerability detection plans and carry out vulnerability testing Develop security vulnerability detection reports and offer remediation recommendations and solutions Trace and verify remediation Provide the necessary technical support in the process of vulnerabilities fixing	Confirm the vulnerabilities mentioned in vulnerability detection reports Implement vulnerability remediation tests based on the remediation recommendations in the vulnerability detection report Implement vulnerabilities after passing such tests Notify the information security team for verification of vulnerability fixes after they are completed

To better manage vulnerability risks, we classify high, medium, and low risk, and specify the remediation duration for each risk level to ensure the timeliness of vulnerability remediation.

Level of Vulnerability-related Risks	Correction Duration	
	External Exploitable Vulnerability	Internal Exploitable Vulnerability Only
High risk	5 working days	10 working days
Medium risk	10 working days	1 months
Low risk	3 months	3 months

2.3 Data Protection

With the rapid scale up of Baozun business, we have accumulated a large amount of data containing names, telephone numbers, addresses and other customer information in the course of operation. Once information data leakage occurs, it will not only cause economic losses, but also bring negative impact to the reputation, so data security and privacy protection are especially important to us.

Data security management

Baozun has established a series of regulations and systems, including the *Management Regulation for Data Security, the Management Regulation for Data Backup and Recovery*, the *Management Regulation for Access Control* and *Data Privacy* to protect data information against threats thereby ensure business continuity, reduce potential risks and safeguard the long-term operation of our business platforms.

01 Data classification management

02 Data backup

03 Access control

04 Data access control of third parties
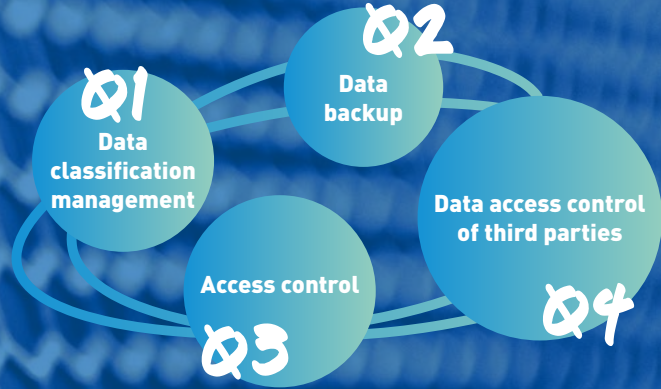
Measures for Baozun data security management

01 Data classification management

We adopt a hierarchical management of data, which is divided into four levels: Top Secret, Confidential, Secret, and Internal use, identifying each level of data and clarifying the definition of its information value.

Level	Disclosure Scope	Handling Method
★★★★★ **Top Secret**	It is accessible only to a few key persons and kept secret from other people.	It is encrypted. The scope of internal access or distribution must be approved by the CEO and registered.
★★★★ **Confidential**	It is made available to a certain group affiliated with a certain department and kept secret from other groups.	It is managed by designated personnel, preserved in a secret, special area and disposed of periodically. If anyone seeks to consult a confidential document, they must go through strict borrowing procedures for both paper and electronic documents with the borrowing record maintained for at least a year. A paper shredder must be used when such documents are removed. They must not be sold without being shredded.
★★★ **Secret**	It is made available to a certain department and kept secret from other departments (The distribution scope is determined by the manager of the department concerned. Such secrets may be distributed among employees with relevant business ties, but must not be made available to irrelevant employees).	It is managed by designated personnel, preserved in a secret, special area and disposed of periodically. If anyone seeks to consult an important secret document, they must go through strict borrowing procedures for both paper and electronic documents with the borrowing record maintained for at least a year. A paper shredder must be used when such documents are removed. They must not be sold without being shredded.
★★ **Internal Use**	It is for internal use only and should not be disclosed to the public.	Documents of this kind may be made available to employees.

02 Data backup

In order to prevent data loss, we set the data retention period in accordance with the length of time that organizations should retain data required by Chinese laws and regulations, and when the customer has other special requirements, the implementation will be separately agreed after both parties communicate and confirm. In addition, Baozun fully considers the environment in which the data information is backed up, the backup period, the scope and content of the backup to ensure the security.

Backup Frequency ✓

Operations and maintenance operators perform incremental backups of core business data on a daily basis and a full backups of data information every week.

They monthly perform a normal backup of the data information of the configuration of servers and cybersecurity equipment and conduct a backup before such operations as configuration modifications, system upgrading and patch installation.

Special Circumstances ✓

In the case of major system alterations of business systems, a full backups of core business data information should be made.

Backups should be performed before the configuration files of network equipment are upgraded and after configuration is modified.

Backup Media ✓

The backup of data information should employ durable media with reliable performance, such as magnetic tapes and compact disks. Information including data sources, backup dates and recovery steps should be specified on physical media, which should be preserved in a secure environment.

Backup Performance ✓

The process of backup performance should be planned and documented at great length with the subject of backups, backup time, backup strategies, backup paths and recording media (types) documented.

03 Access control

Baozun uses controlled access rights to prevent information leakage and safeguard information security by running isolation, setting minimum rights, developing approval process, separating reponsibilities, denying access by default and regularly reviewing accounts.

Running Isolation	Physical and logical isolation measures are used for network and information systems with different levels of importance and purposes to ensure the independent operation of all systems.
Minimum Right	Employees only have the minimum access necessary for them to complete their work. Access is closely related to duties and updated in a timely manner. All access is prohibited, except for those expressly permitted.
Approval Process	An employee needs to apply for skip-level access and obtain approval. Access may be granted to the employee concerned upon the approval of their immediate supervisor and the system administrator concerned and other departments in charge of the audits needed.
Separation of Responsibilities	No employee should undertake more than one role. In the course of implementing important access, the responsibilities of requesting parties, authorizing parties and managers should be separated.
Default Access Denial	For users without explicit authorization, the system adopts a default no-access principle.
Account Review	User accounts are periodically reviewed every half year. In the case of position changes, the system access granted to the employee concerned will be adjusted according to their position adjustment. When an employee resigns, all of their user accounts should be disabled or deleted.

04 Data access control of third parties

In addition, Baozun strictly controls the third-party data use authority by contractually binding the responsibilities and obligations of the third party in using the data, obtaining the authorization and consent of the party to which the information belongs in advance, keeping complete records of data sharing, and taking timely remedial measures when data security risks occur, so as to minimize the risks in the process of information use.

Contract Constraint	Determine the responsibilities and obligations of third parties in contracts.
Inform relevant parties	Inform the owners of personal information of the purpose of sharing or transferring such personal information, the types of data receivers and possible consequences, and obtain prior authorization and consent from such owners.
Keep a record of operation	Accurately documents and stores the sharing of sensitive personal information, including the dates, scale and purpose of sharing and the basic information of data receivers.
Timely remedy	If a third party processes personal information in violation of laws and regulations or the agreement reached between both parties, we will immediately request the data receiver to terminate relevant acts, and adopt or request the data receiver to adopt remedial measures (e.g., changing the password, revoking access or disconnecting it from the Internet) to control or eliminate the security risks threatening sensitive personal information. We will end business ties with the data receiver concerned, if necessary, and ask it to promptly delete sensitive personal information obtained from Baozun.

Protection of private information

It is our mission to provide customers with high-quality services. We always put customers' legitimate rights and security in the first place. We promise to use and protect private information in an appropriate, measured and legal manner.

We continuously reduce the frequency of information data extraction, avoid using production data separating from the business, protect customers from privacy violations, and further protect private information by encrypting sensitive information and masking cell phone numbers.

Phone Number Masking

Management of Personal Private Information

Inform owners of personal information of the purpose, methods and scope of personal information or personal biological information collected or used, and obtains authorization and consent from such owners.

Obtain the expressed consent of the guardians or the minors for minors aged over 14, and obtain the expressed consent of the guardians of minors aged under 14, before collecting their personal information.

Sensitive personal information collected will be de-identified and all user data analysis must be based on desensitized data.

Check information or isolates access through role-based access control.

Sensitive personal information to be displayed will be de-identified to lower the risk of leaking personal information during display.

Raise Awareness of Privacy Protection

During the reporting period, Baozun organized privacy protection training regarding the requirements on privacy protection for internal employees and consumers, such as de-identifying personal sensitive data when it needs to be displayed and prohibiting bulk export of data containing personal sensitive information, as well as popularizing personal information leakage prevention techniques to employees to enhance privacy protection awareness and prevent privacy leakage incidents.
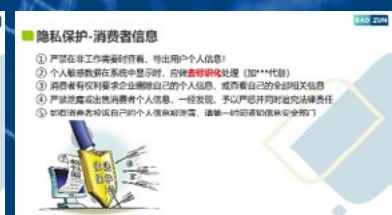
03

TECH-EMPOWERED SERVICE IMPROVEMENTS

As a well-known brand e-commerce business partner and a technology innovation and solutions company, driven by our vision — "technology empowers the future success" —we focus on providing integrated business solutions for e-commerce value chains. Rooted in the evolving digital business, and enabled by technology and innovation, we optimize and penetrate service through the whole supply chain to offer customized solutions for brand partners, and enhance and refine customer experience, bridging our brand partners with customers.

3.1 Brand Services

Our business encompasses official brand stores, online marketplaces and platforms, mobile shopping malls, and offline smart stores. We provide brands with omni-channel services covering online store operations, digital marketing, IT solutions, warehousing and fulfillment, and customer service. Driven by technological innovation and customer -centric approach, Baozun strives to become the leading global brand e-commerce business partner in business development and future cooperation.

Customer service

Brand partners are the most important clients of Baozun, and we are accomplished to win brand partners' trust and loyalty. We pursue to engage in-depth cooperation with our brands partners, and we have effectively empowered them to best utilize China e-commerce dynamics, leveraging on our forward-looking international insights and localization expertise.
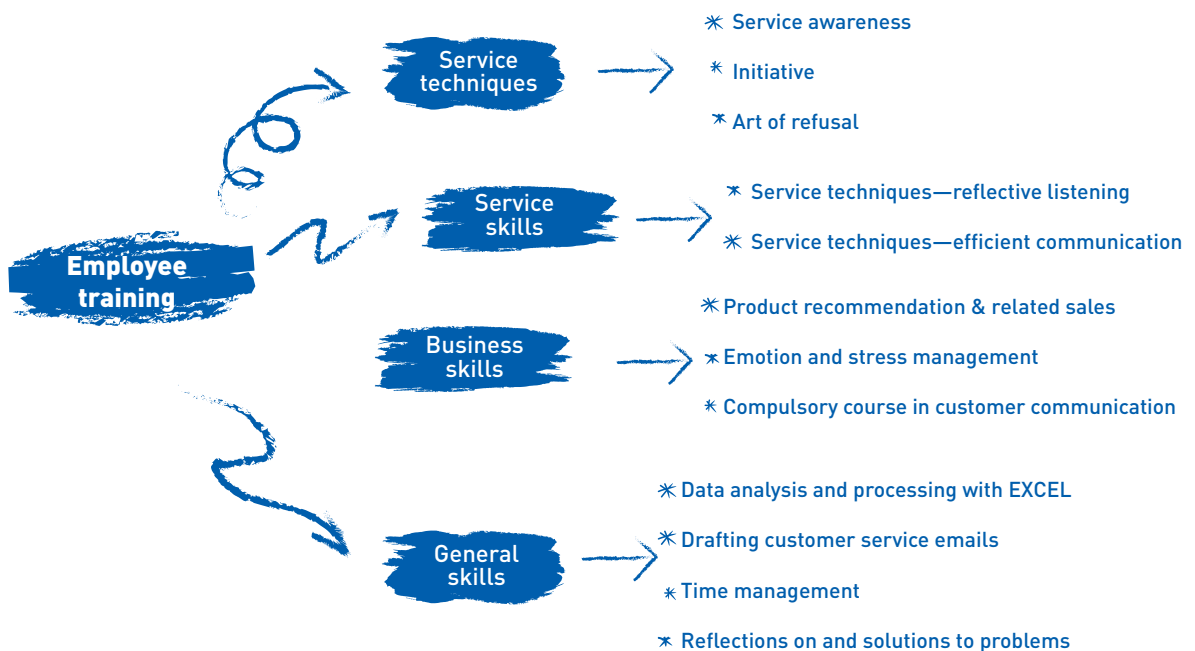
Baozun normally sets up a dedicated customer service team for each brand partner to enhance consumer experiences, message brand value, and enhance brand image.

To manage the customer service teams, Baozun established a comprehensive customer service management system and policies (*Management Regulation for Baozun Customer Service KPI Performance, Management Regulation for Baozun Customer Service Position's Allowance, Baozun Customer Service Position Promotion and Responsibility Definition*) to evaluate and incentivize employees for excellent customer service. Meanwhile, we also conduct regular training for the customer service team and perform service quality tracking and monitoring to ensure high-quality service.

Baozun conducts all-round service training for employees with a training system comprising four aspects: service techniques, service skills, business skills, and general skills. We provide additional theoretical courses and customer service training for new employees to understand our business, customer service career paths, and compliance-related requirements.

Employee training

Service techniques
- ✳ Service awareness
- ✳ Initiative
- ✳ Art of refusal

Service skills
- ✳ Service techniques—reflective listening
- ✳ Service techniques—efficient communication

Business skills
- ✳ Product recommendation & related sales
- ✳ Emotion and stress management
- ✳ Compulsory course in customer communication

General skills
- ✳ Data analysis and processing with EXCEL
- ✳ Drafting customer service emails
- ✳ Time management
- ✳ Reflections on and solutions to problems

Customer Service Training at Baozun

In May 2020, Baozun delivered the eighth training for new customer service employees. Topics included the employee development system, pre-sale workflows, service red lines for online customer service, and procedures for handling logistics, complaints, aftersales receptions, and communication tips.
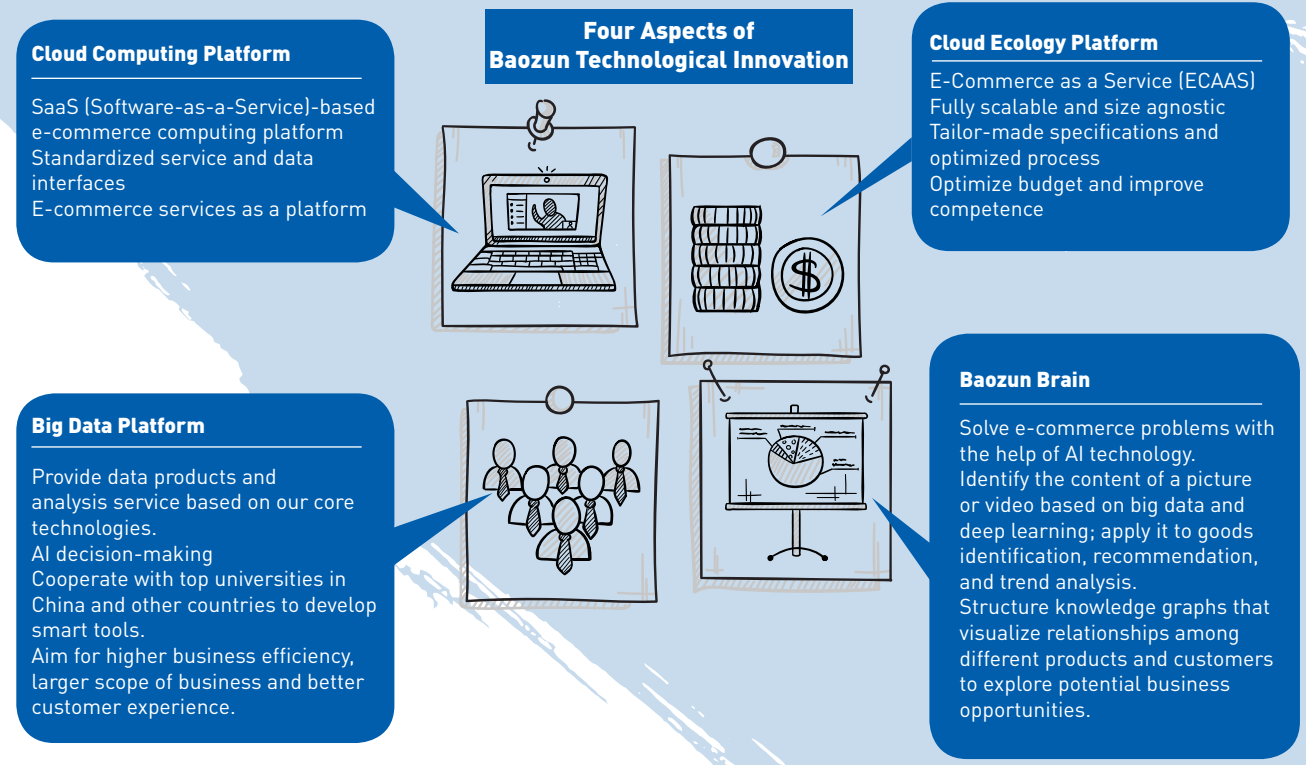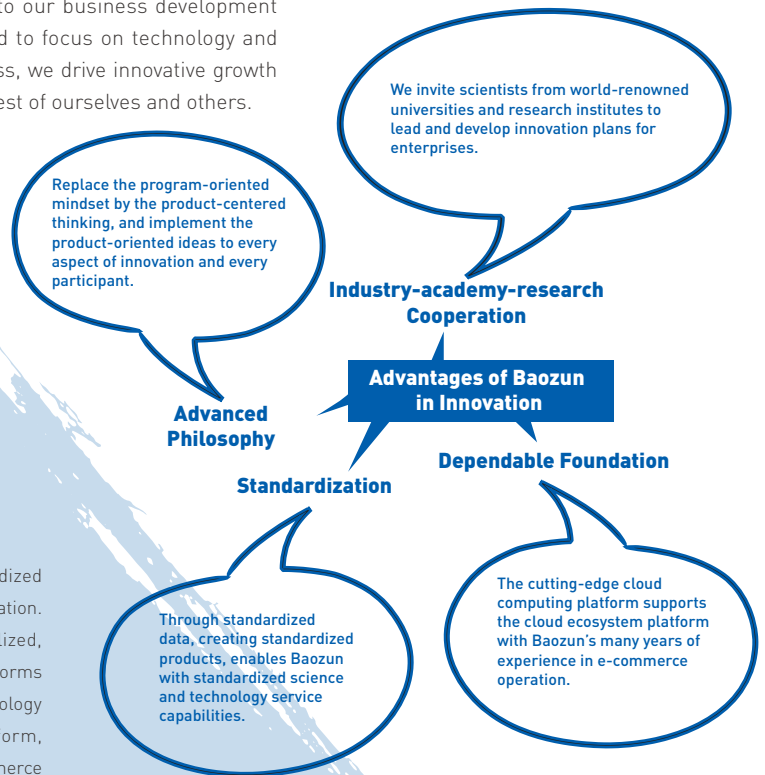
Scientific and technological innovation

Innovation is in our DNA--science and technology are critical to our business development in the digital era. We have recruited talent at home and abroad to focus on technology and product research and development. With the concept of openness, we drive innovative growth and actively protect intellectual property (IP), protecting the interest of ourselves and others.

Innovation and cooperation

The "technology gene" continuously drives Baozun to deliver technological upgrades and transformation. Building on a solid foundation, advanced ideas, standardized services, and unique innovation advantages fostered through industry-academy-research cooperation, Baozun applies technologies including cloud computing, big data, and artificial intelligence (AI) to propel development through innovation. We serve global users and empower brands' technological future with an excellent e-commerce platform and ecosystem.

With our advanced and proprietary cloud computing platform, standardized data, and innovation philosophy, we continuously push technological innovation. We serve global brand partners and established a multilingual, globalized, omni-channel e-commerce operation platform. Our cloud computing platforms have standardized data and services. Baozun actively carries out technology innovation covering Cloud Computing Platform, Cloud Ecology Platform, Baozun Brain, and Big Data Platform to realize Baozun's vision in e-commerce innovation.

We invite scientists from world-renowned universities and research institutes to lead and develop innovation plans for enterprises.

Replace the program-oriented mindset by the product-centered thinking, and implement the product-oriented ideas to every aspect of innovation and every participant.

Industry-academy-research Cooperation

Advantages of Baozun in Innovation

Advanced Philosophy

Standardization

Dependable Foundation

Through standardized data, creating standardized products, enables Baozun with standardized science and technology service capabilities.

The cutting-edge cloud computing platform supports the cloud ecosystem platform with Baozun's many years of experience in e-commerce operation.

Baozun pursues cutting-edge industrial innovation and focuses on in-depth image data research. We seek to collect data through a technical approach and make valuable conclusions through image recognition and in-depth study, offering scientific support to brand partners' commercial operations. We also cooperate with universities as a critical way to promote innovation. We invite scientists from world-renowned universities to lead our research teams. We set up labs through joint efforts with universities, apply research results to daily business operations, and cooperate with first-class brands to accelerate the transformation of new technology into products.

Four Aspects of Baozun Technological Innovation

Cloud Computing Platform

SaaS (Software-as-a-Service)-based e-commerce computing platform
Standardized service and data interfaces
E-commerce services as a platform

Cloud Ecology Platform

E-Commerce as a Service (ECAAS)
Fully scalable and size agnostic
Tailor-made specifications and optimized process
Optimize budget and improve competence

Big Data Platform

Provide data products and analysis service based on our core technologies.
AI decision-making
Cooperate with top universities in China and other countries to develop smart tools.
Aim for higher business efficiency, larger scope of business and better customer experience.

Baozun Brain

Solve e-commerce problems with the help of AI technology.
Identify the content of a picture or video based on big data and deep learning; apply it to goods identification, recommendation, and trend analysis.
Structure knowledge graphs that visualize relationships among different products and customers to explore potential business opportunities.

To protect technological outcomes, Baozun established a comprehensive IP protection system and administrative measures, developed the *Intellectual Property Manual*, and regularly update IP-related information to ensure our protections are intact and accurate. Further, we strive to raise awareness about IP, regulate IP application procedures, and fight infringements to protect the rights and interests of our customers. To encourage our employees to apply for patents, Baozun has prepared and implemented the *Incentive Measures for TIC Patent Application* and provided an exhaustive *Patent Application Handbook* for employees to understand the concept of IP and enhance application quality. As of the end of the reporting period, Baozun had 58 filed patents application, of which 55 are in the examination stage, and three have passed the preliminary examination.

Incentive Measures for TIC Patent Application

According to the *Incentive Measures for TIC Patent Application*, the inventor who follows through a patent application together with a patent application agency will be awarded a bonus based on the type of their patent. Given that patented technology is the core technology of the Group, the inventor and the Patent Evaluation Committee should keep the patented technology confidential and shall not disclose such contents to any third parties or natural persons other than the agency designated by the Group both before and during the patent application.

Patent Application Handbook

The *Patent Application Handbook* is a handbook prepared by Baozun for employees, explaining on how to apply for patents. It elaborates on the concept of IPs, patent application procedures, patent types and patent-awarding conditions. The handbook helps employees make applications by drawing on previous examples, ensures the basic quality of patent applications, prevents them from making inferior patent applications and increases the pass rate of applications.

Infringement prevention

Baozun practices preventive measures for potential infringements and actively deals with infringements that we suffer or could potentially suffer to safeguard our rights and interests.

Rival investigation	Entrust agencies to carry out rival investigations referring to relevant policies of Alibaba
Strengthen R&D and patent application	Increase R&D investments, enhance patent management, and arrange patent applications Apply for patent protection when R&D results meet the requirements of patent application Apply for dependent patents separate from basic patents to expand the covered scope
Monitor similar patent applications	Closely monitor main industrial rivals for up-to-date information about patent applications and analyze correlations with Baozun's products and technologies to circumvent infringement risks Launch infringement assessments and solutioning when a rival's patent concerns one of our key products
Patent invalidation request	Consider filing an invalidation request for the patent concerned when it is impossible to circumvent or lower infringement risks Declare patent invalidation request with industrial peers when the patent concerned may influence the entire industry

In the case of an accusation of patent infringement, we shall engage with patent attorneys and establish an emergency team composed of patent attorneys, relevant personnel from the legal services department, and the patent inventor. The team will analyze the effectiveness of the patent and its infringement and actively undertake countermeasures to resolve the relevant dispute.

Baozun ensures technological innovation will provide long-term support for business development via continuous service upgrades, protecting cutting-edge innovation achievements with a comprehensive management system, and removing possible compliance problems involving IP during operation.

Approaches to dispute settlement

Reconciliation:
The patentee and the person accused of patent infringement may agree to settle the dispute through private negotiation or engage a third party to help resolve the dispute. In general, a patent infringement notice is sent to the infringing party indicating intention of negotiation.

Infringement reporting:
If the patentee possesses evidence that could prove the accused party has infringed their patent, they may make a report to the patent bureau or other relevant administrations to investigate and, if confirmed, impose administrative punishment.

Lawsuit:
The patentee may file a case in court.

Service upgrades

Upholding the concept of "customer-first," Baozun continuously improves service quality and upgrades service systems. Automation tools and network analysis are used to support an intelligent customer service system. We also conduct customer satisfaction surveys periodically, through which to proactively identify customer problems, bolster satisfaction, and provide quality service.
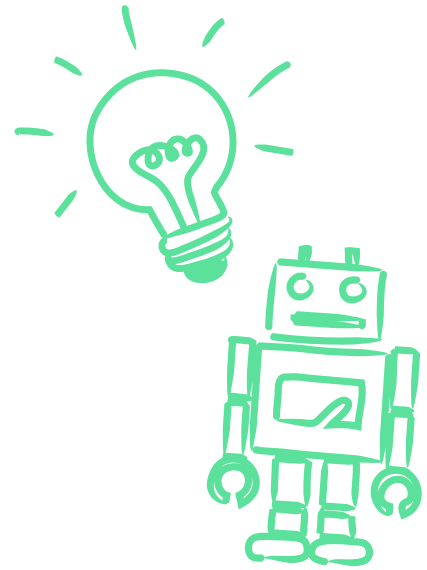
Intelligent services

Baozun has launched an intelligent service operation platform called the Retail Operation Support System (ROSS) and a mobile application called Shopdog to facilitate business development of stores and boost service efficiency/quality. At the same time, Baozun has rolled out Dianxiaomi.com, an intelligent customer service robot for Alibaba to answer our customers' most common questions, substantially cut the workload of customer service employees, and reduce service costs at stores. Introducing these automation and intelligent platforms demonstrates our professionalism above the industry average and helps upgrade our services. Baozun has developed Baozun Hybrid Cloud, which is a hybrid cloud infrastructure, upon which our proprietary technology is built on, with seconds-level flexibility for capacity adjustment to guarantee the stability of various Baozun services.

Automation Toolkits—ROSS

Baozun's automation toolkits ROSS offers various features for commodities, design, and activities, enabling all-around automatic data processing and image recognition to improve operating efficiency.

Baozun has made a range of achievements with ROSS. For example, with image processing, ROSS leveraged intelligent image processing technology to automatically complete image scaling, matting, clipping, and boundary extension in bulk, based on custom process flows and exporting high-quality images, saving enormous human effort.

To help employees adapt to the new operation mode, Baozun launched a series of training sessions, with a total of 1,260 users participated in 53 training sessions, consisting of online live streams, offline product sharing sessions, and one-to-one teaching. These training sessions help our employees to learn to solve technical issues from the automation transition and adapt to automation tools, ensuring the wide application in daily operations. During the reporting period, a total of 304 stores applied usage of ROSS automation toolkits.

Intelligent Customer Service—Dianxiaomi.com

Baozun began to use Dianxiaomi.com, an intelligent customer service robot by Alibaba, on a large scale in 2017. Starting with 30 stores, Dianxiaomi.com was used in 156 stores as of November 2020, including around 50 using the service all day. Dianxiaomi.com's AI reaches 60% of industrial average solving capability, handling most customer inquiries for these 50 stores, achieving customer satisfaction, and saving human effort.

Dianxiaomi.com tracks customer trajectory and service quality throughout the entire shopping process, from customer entry, inquiry, order placement, payment, and final data evaluation. It also diagnoses store operations, records frequently asked questions, and enriches the knowledge base for better customer service in the future. The intelligent customer service system meticulously controls the entire transaction process to ensure stable store operation.

In 2020, 18 stores under Baozun's management ranked top in the "Dianxiaomi.com" deployment list (Fengshen List) and were awarded 35 prizes.

Digital Operation Tool for Brick-and-Mortar Shops— Shopdog

Shopdog, a mobile application built on multiple platforms, enables brand brick-and-mortar shops to develop O2O, online stores, and other full-scenario digital operations (store delivery, in-store pickup, return, in-store exchange, and online ordering). By removing temporal and spatial barriers to the business operation of stores, Shopdog helps them increase sales and boost inventory turnover.

During the Covid-19 outbreak, as the transactions of offline stores stayed mostly stagnant, Shopdog helped 1,500+ offline stores maintain strong business momentum, and making an average record of facilitating10,000+ orders and over five million in GMV.
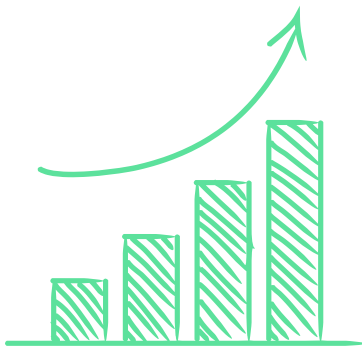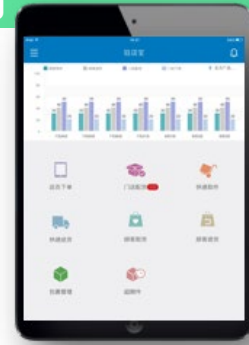
Baozun hybrid cloud

To guarantee the stability of various services, Baozun has developed Baozun Hybrid Cloud, which has great flexibility in adjustment capacity within seconds time frame. As a flexible platform, the platform can quickly realize internal or public cloud extension in response to business/customer demand. During the reporting period, we scaled up Baozun Hybrid Cloud, improved its performance, connected all of Baozun's business, and migrated the disaster recovery database system. Baozun Hybrid Cloud successfully supported the surging sales of the FY2020 extended Double 11 shopping festival, recording up to a total order value of RMB 16.5 billion.

Customer satisfaction survey

To improve customer service experience, we send customer satisfaction surveys and analyze the feedback to improve our services to continuously enhance customer experience.

In addition, Baozun has developed the *Baozun Customer Complaint Management Regulation* to deal with customer complaints. Customers can submit complaints through multiple channels, including industry and commerce channels and customers' association channels, after which, relevant departments will process the submissions and sort them into different categories.

Disputes

We aim to verify disputes within one business day. Stores must settle disputes on a timely basis and aim to give the customer feedback within three days. If a dispute-related complaint concerns any violations, the complaint will be escalated to reporting and submitted to the relevant personnel in charge.

Reporting

We aim to inform the store of complaints within a day and then begin an investigation. We identify violations involved, collect snapshots of the suspected order, provide evidence, and consult the Legal Services Department to prove that the Company has not committed illegal acts within three days. In a case involving risk of law-breaking, we conduct a risk assessment and notify the responsible person from the store, industry director, and the Legal Services Department.
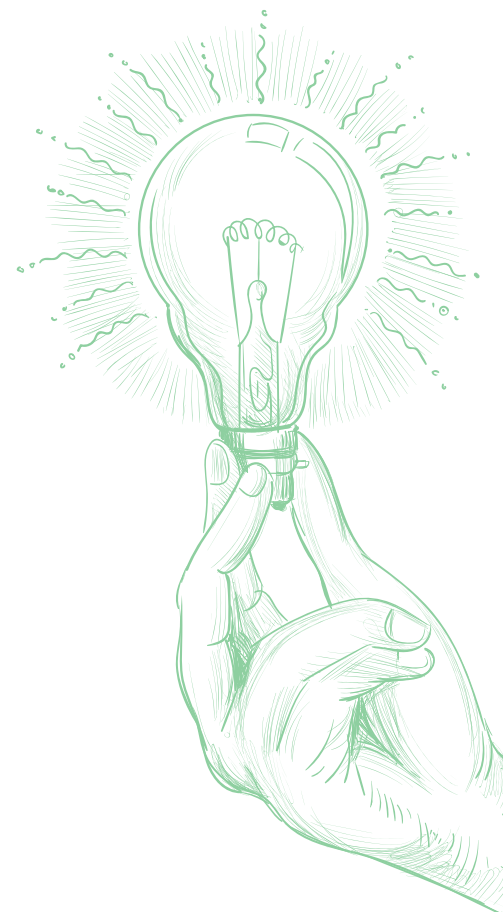
Baozun also rates the service quality of stores based on the time spend for handling returns, dispute refund rate, customer satisfaction, and the number of complaints, and links the store performance to our employees' KPI and ratings, to motivate them to provide better services for customers.

3.2 Supplier Management

Baozun attaches great importance to supply chain management. Responsible suppliers guarantee Baozun's compliance and business operation and also help us provide quality service to customers. During the reporting period, Baozun cooperated with 166 suppliers, both domestically and internationally.

To strengthen supplier management, Baozun formulated the *Procurement Management Policy*, clarifying regulations for the whole purchase process and supplier management measures and regulating procurement scope and responsibility. We establish and regularly review the procurement plan and track the whole purchase process step by step to ensure transparency and quality.

Supplier entry

For new suppliers, Baozun's procurement department forms a new supplier investigation team together with the requiring department to evaluate the supplier's price, quality, technology, and service and conduct on-site evaluations if necessary. Suppliers included in the supplier pool must fill out an information collection form specified by Baozun, including suppliers' basic information, financial information (capital and sales), and past cooperation. Suppliers are also required to take the background investigation and sign a non-disclosure agreement, an anti-corruption and compliance statement, a family & friends statement, and a commitment letter to avoid possible risk.

Supplier categorization

Baozun divides suppliers into core suppliers and general suppliers and conducts categorized management. For general suppliers, Baozun puts a premium on systematic collaborations and keeps simplify purchase procedures. For the core suppliers, Baozun aims to establish long-term strategic alliances.

For supply chain management, Baozun has established a cooperation system responsible both to customers and brand partners. We choose reliable suppliers to facilitate sustainable business development.

Supplier review

Baozun carries out performance assessments for core suppliers semiannually and for general suppliers on an annual basis. Suppliers who fail to pass the evaluation or fall out of the blacklist are blocked in the supplier system. Baozun has set up a *Supplier Annual Assessment Form for suppliers*, with verified evaluation content for each business category. For example, in the professional service sector, in addition to the suppliers' basic information and financial status, Baozun also assesses their ratings on quality, cost, delivery, and service teams. Multifaceted assessments on the timeliness and consistency of their service, contingency plans, and teamwork are important to ensure suppliers' service quality.

3.3 Social Promotion

In terms of responsible promotion, Baozun strictly reviews all external publicity materials while responding to critical incidents promptly to minimize their negative influence. Meanwhile, Baozun actively communicates with the media on the Group's major events and progress updates.

Publicity & review

Baozun adheres to unified management of news, media interviews, image logos, advertising, and publicity. We aim to maintain a responsible attitude, formulate a complete content review process, and make sure that PR content is all verified and reviewed to ensure contents published are authentic, impartial, and non-misleading, truly realizing responsible publicity.

Media Communication

Baozun actively maintains relationships with the press, communicating key business highlights through one-on-one online conference calls and regular offline interviews. For key events, Baozun actively takes online and offline media interviews to discuss business highlights and hot social topics and invites the media for interviews and reports.

The interview by CCTV-2 during 2020 "618 Sales Promotion"

As the first major e-commerce promotion activity after Covid-19, the 2020 "618 Sales Promotion" catered to consumers' passion and bore the expectations for e-commerce recovery.

As a significant market player in China's e-commerce economy, Baozun was interviewed by CCTV-2. During the interview, we introduced the development of the brand e-commerce service industry and the importance of the e-commerce business with the theme "2020 Semiannual Report on China's E-commerce." The interview was widely broadcasted, covering Baozun's brand partners, capital market, along with other audiences, helped Baozun showcase our professional capability and deepen our leading position in the e-commerce industry.

04

A SPIRITED TEAM WITH OPENNESS AND INCLUSIVENESS

Baozun is an innovative technology company committed to creating a safe workplace that promotes teamwork, diversity, inclusiveness, and mutual trust. We are passionate, creative, uphold "Work Hard, Play Hard," and target to achieve a healthy balance between work and life.

4.1 Employment

Baozun strictly abides by the *Labor Law of the People's Republic of China* and follows open and fair competition when recruiting new employees. We do not discriminate in any aspect of race, region, gender, age, disability, marital status, household registration, childbirth status, or religious beliefs when recruiting, hiring, training, or promoting. We encourage a diverse culture and provide work opportunities for minority groups such as the disabled and encourage them to exert their creativity.

Baozun pays attention to employee qualifications and posts recruitment requirements in open channels after the employment needs are provided by the hiring department and reviewed by human resource department. After receiving the candidates' resumes, Baozun strictly screens them according to the requirements of the hiring department and arranges interviews and background investigation for the candidates to ensure authenticity and quality experience for the employees who join the company. Baozun prohibits the use of child labor and strictly verifies the age of candidates in recruitment surveys, upholding the principle of not hiring those who are under 16 years old.

Baozun does not tolerate any form of verbal, physical, or visual harassment that results in an offensive, hostile or coercive atmosphere, especially sexual harassment. The Company also forbids offensive jokes or insults related to race, ethnicity, religion, geography, age or sex, the distribution or display of offensive photographs or animations, and dissemination of derogatory or discriminatory information via e-mail or other electronic devices.

At the end of the reporting period, Baozun had a total of 6,076 employees.

2,707

3,369
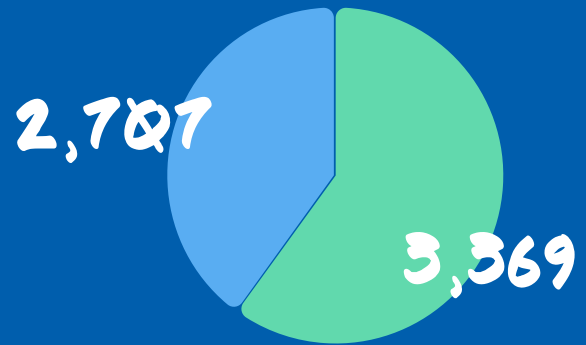
Employee breakdown by gender

● Male   ● Female

2,225

15   **3,836**
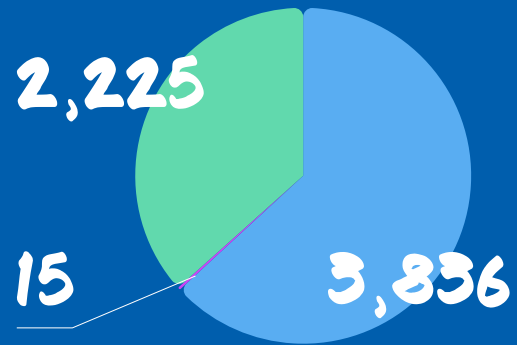
Employee breakdown by age

● ⩽ 30
● 30 < X < 50
● ⩾ 50

362   **762**

653

4,299
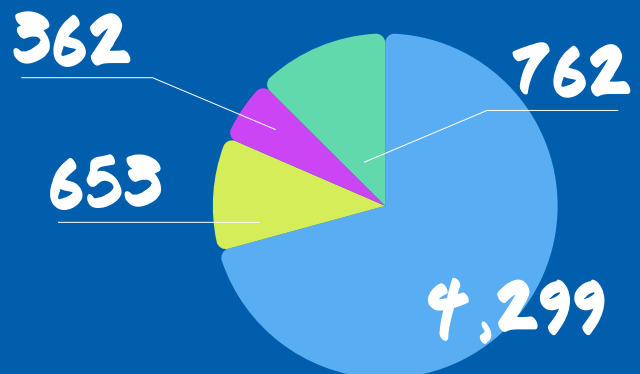
Employee breakdown by functions

● Front-end   ● Information technology
● Back-end   ● Warehouse and logistics

4.2 Growing Together

Baozun is committed to providing employees a platform to unleash their energy, realize their value, and change the world, empowering employees with special training in communication, management skills, and operations. During the reporting period, Baozun provided training to 2,744 employees, with a total of 62,192 training hours and 22.7 training hours per capita.

Trained employees by the training type

646
466
1,632

Training hours by the training type

8,891
4,792
48,509

- 🟡 Safety and environmental protection
- 🟢 Professional skills
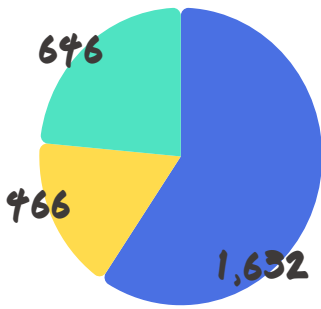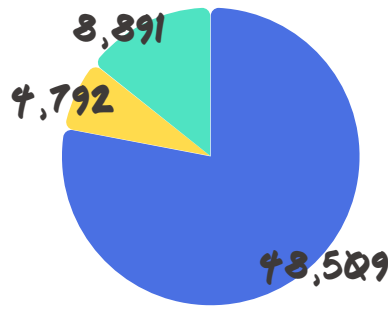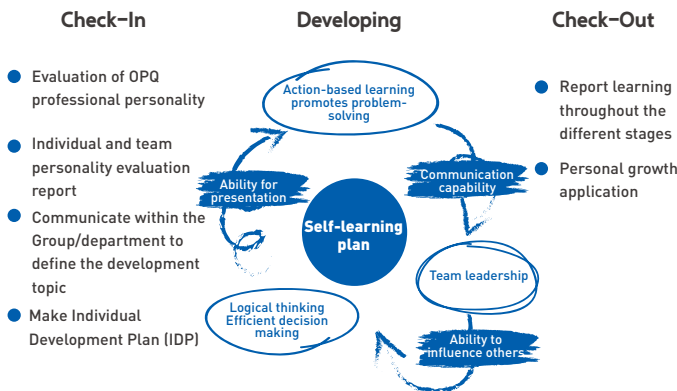- 🔵 General skills

We set up Baozun College to provide employees with general online skills, internal expertise, newcomer induction training, and offline knowledge sharing (internal and external). During the reporting period, Baozun focused on leadership training for high-potential employees in key internal positions, emphasizing core competencies such as business presentation, cross-departmental communication, and structural thinking, providing 24 offline coaching sessions. We also carries out interface design capability enhancement training for relevant teams to improve employees' professional skills and work efficiency.

Leadership training roadmap for high-potential talent

Check-In
- Evaluation of OPQ professional personality
- Individual and team personality evaluation report
- Communicate within the Group/department to define the development topic
- Make Individual Development Plan (IDP)

Developing
Action-based learning promotes problem-solving
Communication capability
Ability for presentation
Self-learning plan
Team leadership
Logical thinking Efficient decision making
Ability to influence others

Check-Out
- Report learning throughout the different stages
- Personal growth application

Employee training

Baozun has established performance management methods to regularly assess employee performance, create a dynamic and competitive environment, and promote the company's strategic development. Employee performance bonuses and salaries are linked to performance appraisals, as is a salary incentive policy that provides year-end rewards to employees in cash, stock options, or restricted stock units. We give priority to employees with top performance assessment rankings in promotions.

Baozun employee performance assessment standard

Financial indicators	Operation indicators	Team management	Contextual performance
Indicators reflecting the financial performance of business units	Indicators reflecting the completion of work	Indicators reflecting the management level of the managerial employee	Indicators reflecting the performance that cannot be revealed by the standards above (such as responses to last-minute emergencies and creativity).

We have developed a fair and transparent promotion channel for talent management, with windows open twice a year. Employees can be nominated for good performance at work and are promoted and publicized after passing the examination and defense. If there is any objection to the promotion list, we will review it before confirming the promotion.

Baozun employee promotion procedure

Announce the quota ⇒ Initial nomination ⇒ Primary review ⇒ Oral defense & Secondary review ⇒ Promotion passed ⇒ Public announcement / double check ⇒ Results effective

4.3 Health & Safety

Baozun values dynamic, passionate, and creative employees and provides them with a comfortable, safe, and humane working environment, taking occupational health and safety requirements as the basis for employee job security and incorporating them into our operations. By strictly complying with laws and regulations for safety and health, including the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, Baozun strives to provide a safe and healthy work environment for its employees.

To protect our employees' health, we take various measures in daily life and health management, including the establishment of a safety management framework, a safety protection policy, and epidemic-specific management.

Responsible person mechanism	Safety assurance policies	Epidemic control
Establish a Safety Committee consisting of the vice president, the head of HR department and the head of business department Confirm security management responsibilities at all levels	Purchase social insurance and commercial health insurance for employees Organize employees to get physical examination every year Distribute subsidies during overly hot weather, and provide necessary equipment, medicines and food for heatstroke prevention	Measure employees' temperature and check their health code on a daily basis Require employees to wear masks Request personnel coming from high-risk regions to take nucleic acid tests

To enhance employees' awareness of safety in warehouse and logistic business, Baozun conducts pre-job safety training for employees at its warehouse and fulfillment group, according to business classification to ensure that they have sufficient safety knowledge to properly operate the equipment and safety facilities to reduce risks in operation. During the reporting period, Baozun carried out pre-job training of business categories and security categories for all new employees and required them to sign a Level-3 safety education card before starting work. All forklift workers must be trained on safety operations before starting work and participate in monthly retraining.

Baozun has formulated the *Emergency Plan Management Measures* and conducted two fire drills in warehouses during the reporting period according to the requirements of relevant government agencies. The drills covered emergency evacuation, fire fighting knowledge, and fire extinguisher and fire hydrant use exercises. In the summer, the warehouses launched heat prevention and cooling training, including emergency rescue. Meanwhile, every park was equipped with various heat prevention and cooling items. In case of heavy rainfall during the storm season, each park prepared sandbags and drainage pumps to prevent rainwater from flowing into the warehouse due to untimely drainage.

While we prioritize our own employees' health and safety, we advocate that our partners protect their own employees' as well. Service providers should ensure that their service personnel comply with the *Regulations for the Safety and Loss Prevention of Warehouse Personnel* and have workers' compensation insurance in accordance with applicable laws or regulations.

In 2020, Baozun had a total of 7 work-related accidents, which were injuries caused either by bumping into storage shelves during work or traffic accidents while commuting. All the injured employees have received medical care and fully recovered. According to statistics, the number of work-related fatalities was zero, the number of work-related injuries was 7, the injury rate per thousand was 1.2, and the number of working days lost due to work-related injuries was 162.

4.4 Humane Care

Baozun takes care of every employee and advocates creating an efficient, relaxed, and caring working atmosphere. We pay for social insurance funds, including pension contribution fund, medical insurance fund, unemployment insurance fund, work-related injury insurance fund and maternity insurance fund, and a housing provident fund, according to government regulations, as well as commercial insurance for all employees. We provide high-quality auxiliary facilities in the office building such as a gymnasium, reading room, staff recreation area, and breastfeeding room to address the needs of different employees.

Gymnasium

Leisure area

Breastfeeding room

At the same time, Baozun pays close attention to employees' psychological health and carries out Employee Assistance Programs (EAP) to help employees recognize stress sources, understand their stress levels, and learn to use resources around them to reduce stress. Benefits of stress reduction include improved work efficiency, mental health, and work-life balance. We aim to enhance psychological capital and happiness through online and offline psychological counseling, mental health promotion, and health lectures.

Online

Employees can get psychological assessments, do some psychological readings and communicate with consultants on Wise Psychology

Posted twice a month to share psychological knowledge and fun psychological tests in combination with the trending hot spots and social phenomena

Employees (including their families) can set up appointments with professional psychiatrists in the form of telephone counseling, video counseling and face-to-face visits

Offline

Organize mental health lectures once or twice each month according to specific needs. During the reporting period, the Company organized many lectures including ones with the topic "I manage my own emotions," "Become positive through being positive," "Relieve your pressure and pursue happy work." 30-50 people attended each lecture, 85% of whom deemed themselves inspired after the events in terms of their lives, work and self-adjustment

Teach the employees to identify their sources of stress and employ resources around them to relieve their pressure so as to work more efficiently

Implementation of EAP

Baozun carries out EAP activities every year to help employees gain a happier work and life. With the theme of "Victory against wind and waves requires a heart that is hard to break," the 2020 EAP event included psychological mini-games such as "Room Tree Man," "Square Blocks," and "Idea Racing" in the two parks of the Group. Through these activities, our employees learned more about psychology in real life, thus deepening their self-understanding. Two hundred thirty employees participated in this activity, and 92% of the colleagues participated in two games, which were generally well-received.

During events such as the "Double 11 Shopping Festival [4]", to boost employee morale and reduce their stress, Baozun provides logistical supplies for employees, decorates the office to create a warm environment, provides afternoon tea, and also cooperates with brands such as Starbucks and Häagen-Dazs to provide free snacks and drinks.

Baozun also conducted a 5-day "employee week" with a total of 3,963 participants. Through community activities, combined with various challenge games, Baozun staff experienced the diverse corporate culture and values.

Employee benefits during Double 11

Employee week activities

Baozun believes that efficient communication with employees is critical to promoting our long-term and healthy development. According to the employee survey results, employee satisfaction and engagement have increased for three consecutive years. To continuously improve employee satisfaction and engagement, we conduct in-depth analysis and make targeted adjustments to low-satisfaction areas according to employee feedback.

Rate of satisfaction
85%
3% increase compared to 2019

Degree of engagement
4.4 point
0.07% point increase compared to 2019

[4] An online sales promotion activity held on November 11 every year.

05

CARING FOR THE ENVIRONMENT AND BUILDING HARMONY

In realizing our vision of "technology empowers the future success," Baozun steadily strengthens green operations and accelerates the creation of green ecology. The Group is committed to corporate sustainability by integrating environmental protection with business development, aiming toward carbon neutrality.

5.1 Green Operation

Baozun focuses on environmental protection in daily operations. We strive to create a green and healthy work environment, raise employees' resource conservation awareness, and protect the planet together. We follow the *Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on Environmental Impact Assessment* to protect the environment with tangible actions.

Green surrounding

By advocating the concept of green office and travel, Baozun is actively creating a green environment at the office. We proposed a paperless office and installed an intelligent printing system, saving about 0.5 tons of paper during the reporting period.

Green office

- Promote paperless office
- Install an intelligent printing system to avoid mistakes and repeated printing
- Encourage employees to select duplex printing and reuse paper
- Use environmental-friendly office supplies

Green travel

- Encourage employees to travel by public transport and arrange shuttle buses at designated subway stations
- Advocate green travel and obtain superior's approval for long-distance trips, avoiding unnecessary carbon emissions
- Set up charging stations for new energy vehicles to prompt the use of new energy vehicles

We strictly follow environmental protection regulations such as the *Regulations on the Administration of Construction Project Environmental Protection* when planning and building warehouses. We are also planning to equip our new office with a variety of intelligent applications. In the future, we plan to adopt multi-region air conditioners, install a new automatic building control system, and use various new environmentally-friendly materials to achieve intelligent HVAC and further improve energy efficiency.

Energy management

Baozun has set up energy management systems such as the *Energy Saving Management Regulation for Warehouse Operations*, which is revised every year according to actual operation status. We set a target of 6.3% reduction in energy consumption per order delivered during the reporting period, which was achieved successfully.

The primary energy consumption in warehouses comes from automation equipment and lighting. Baozun suppliers of automation equipment must comply with our energy-saving standards, to turn the equipment to standby or slow-running whenever applicable and add intelligent workflow matching function to the equipment control system, which has effectively reduced our energy consumption. Lights in the warehouse have been replaced with LED energy-saving bulbs, and constant lights have been replaced with sensor lights controlled by sound and light to avoid waste.

Energy consumption during office operation is also worth paying attention to. We require security officers to regularly patrol the building 24 hours a day and turn off air conditioners and lighting on empty floors. We also send out daily messages via computer channels to remind our employees to shut down their computers when leaving.

In the future, Baozun will continue to promote the use of renewable energy and change our energy mix to further reduce consumption and environmental pollution.

Energy consumption	Unit	2020
Purchased electricity	10 thousand KWH	1,375
Diesel	Ton	4.7
Gasoline	Ton	4.5
Direct energy consumption [5]	Tons of Coal Equivalent (TCE)	13
Indirect energy consumption [6]	TCE	1,690
Overall energy consumption	TCE	1,703
Overall energy consumption per revenue	TCE / RMB million of revenue	0.19

[5] Direct energy includes gasoline and diesel.
[6] Indirect energy refers to purchased electricity.

Water resource management

Committed to strengthening water management, Baozun adheres to water recycling and uses technical equipment with high water efficiency to reduce water consumption. In constructing our new office building, we have adopted water-saving equipment and planned to install an automatic irrigation system for watering the building's green plant walls for further water-saving.

Water resource consumption	Unit	2020
Domestic water usage	Tons	140,685
Water consumption per revenue	Tons / RMB million of revenue	15.89

Rainwater recycling

To save water, the Top Warehouse Park uses a rainwater recycling device for fire-fighting. During the reporting period, Baozun reused approximately 500 tons of water.

## Packaging material management

Baozun's primary packaging material is sorted into main materials, auxiliary materials, and consumables during operations. We advocate simple packaging and recycled packaging materials, including standardized packaging, winding tape, self-adhesive cartons, environmentally-friendly packaging tape, and reusable crates to reduce our environmental impact. During the reporting period, all primary packaging materials used were environmentally friendly.
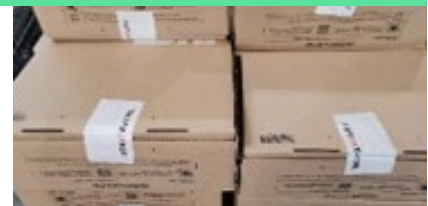
Main materials
Cartons, shopping bags, waterproof bags, etc.

Auxiliary materials
Tapes, stuffing, promotion cards, etc.

Consumables
Labels, waste cartons, ground marking lines, etc.

Packaging material categories

Packaging materials reduction measures

In July 2020, Yongding and Yishang parks started to replace wrapping films with wrapping belts, saving 1/3 - 1/2 of wrapping film.
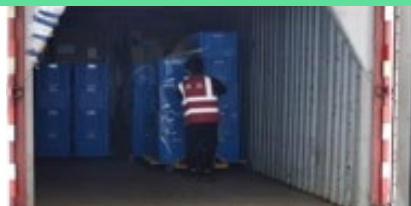
In October 2020, Yongding Park upgraded to transport goods in circulation boxes as a replacement for cartons, effectively reducing carton usage.

Some brands adopted self-adhesive cartons for single items without packaging tape. The tape was replaced with material-saving seal labels.

We carry out green treatment of waste cartons, selecting qualified carton recyclers or consumable suppliers for recycling or reuse. Some large-sized cartons in good condition are sent to cancel orders or transfer between warehouses to extend carton service life and reduce waste.

Packaging material consumption	Unit	2020
Packaging material[7] consumption	Tons	7,867
Packaging material consumption per revenue	Tons / RMB million of revenue	0.89

7. Packaging materials are mostly cartons. Therefore, the statistics include the top 20 types of cartons and packaging bags in 2020 in terms of material consumption.

5.2 Green Ecology

Baozun pays attention to our carbon footprint and waste and pollutants generation during operations. On a regular basis, we participate in brand environmental protection to jointly establish their medium and long-term environmental sustainability goals, and take an active role in promoting green logistics and strove to build a green and ecologic environment.

Carbon emission management

We recognize global climate change's impact on the increasing frequency and intensity of extreme weather. We closely monitor climate change risks and opportunities for Baozun and our business partners and endeavor to reduce carbon footprint in daily operations, logistics, and warehouse operations to slow down the trend of global climate change.

Baozun has gradually replaced its self-owned vehicles with leased vehicles to fulfill daily usage requirements. We also require all leased vehicles to comply with China's national emission standards. We require advanced booking for vehicles to eliminate non-compliant use of company cars to reduce our carbon footprint in daily operations.

Baozun strives to develop green logistics through energy replacement and smart warehouses. During the reporting period, we encouraged to use electric forklifts among storage parks to replace diesel-fueled forklifts. Baozun only owns two diesel-powered delivery vehicles and plans to replace them with electric vehicles in the future.

We also implemented a smart inventory allocation system to match demand more accurately and reduce unnecessary transportation.

Greenhouse gas emission	Unit	2020
Scope 1 greenhouse gas[8] emissions	Tons of CO_2 equivalent	28
Scope 2 greenhouse gas[9] emissions	Tons of CO_2 equivalent	9,703
Total greenhouse gas emissions	Tons of CO_2 equivalent	9,731
Greenhouse gas emissions per revenue	Tons of CO_2 equivalent / million RMB of revenue	1.10

Waste management

Baozun produces little hazardous waste in office operations. A small number of used ink cartridges generated in the office are delivered to suppliers for recycling and reuse. The non-hazardous waste produced mainly includes waste paper, cans, water bottles, and other office wastes collected, sorted, and processed by the property management for recycling.

During the reporting period, Baozun formulated the *Warehouse Waste Management Regulation* for internal use and successfully achieved a target to reduce waste generated per single delivery order by 10%.

Baozun cooperates with brand partners to carry out warehouse waste sorting and recycling activities, realizing waste reuse by repairing worn-out pallets discarded from storage and transportation instead of disposal. We generated approximately 2,291 tons of non-hazardous solid waste during the reporting period, mainly waste cartons and wrapping films, of which, the majority had been recycled.

Pollutant discharge

Baozun complies with the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and the *Law of the People's Republic of China on the Prevention and Control of Water Pollution* and other relevant laws and regulations, taking the initiative in managing pollutants. Baozun's main business, providing e-commerce services for brand merchants, leads to no exhaust gas in the operation process and only involves the discharge of wastewater from office areas. During the reporting period, we conducted an environmental assessment at warehouses and found the results meeting compliance requirements. There was no water pollution, and all wastewater discharged complied with the emission standard.

Pollutant discharge	Unit	2020
Total wastewater discharge	Tons	112,548
Wastewater discharge per revenue	Tons / million RMB of revenue	12.71

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8. Scope 1 greenhouse gas emission includes the direct emission by gasoline and diesel consumption.

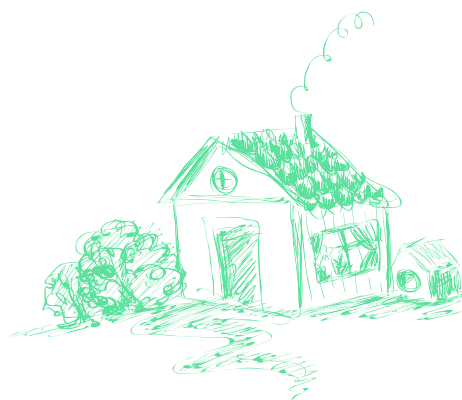9. Scope 2 greenhouse gas emission includes indirect emission from purchased power consumption.

06

GIVING BACK TO THE COMMUNITY, AND ESTABLISHING OUR BRAND

As a corporate citizen, Baozun cherishes community values and supports community development. Baozun is devoted to restructuring and upgrading its business model and bringing new vitality to the entire e-commerce industry and the real economy.

6.1 Contribution to the Public

As a responsible enterprise, we strive to create a positive cultural environment and promote social progress through public welfare undertakings. Adhering to the principle of "forging a benevolent heart through public welfare," Baozun actively assumes its share of social responsibility.

We organized a "Love Bazaar" in 2020, calling on Baozun employees to donate their spare items for on-site charity sales and donate the earnings to charity organizations. All the shop stands in the market symbolized the passing of love. Among these stands was a special stall for the charity project co-hosted by Baozun, CTG, and EnSan Youth, which offered beautiful handicrafts made by children with disabilities. Total sales exceeded RMB 50,000.

"Love Bazaar" charity sale

Baozun pays attention to the disabled. In addition to providing job opportunities, we also purchase gifts made by disabled children for employee gift bags to enhance the charity awareness of our employees and improve the children's living conditions. To acknowledge Baozun's perennial participation in helping the disabled, the Disabled Labor Service Center of Huangpu District, Shanghai, gave us a diamond collage as a gift made by eight disabled students over half a year.

In light of the material shortages during COVID-19, Baozun collected a batch of masks to donate to local government agencies, properties, and other front-line workers.

6.2 Influence on the Industry

After several years of rapid growth, e-commerce has undergone a lot of maturation. With big data, artificial intelligence, and other digital technologies maturing, our business model also refines and upgrades as digitalization progresses. Precise and scenario-based experiential digital services will bring fresh vitality to the entire e-commerce and real economy.

Global Brand E-commerce Summit

Through our Global Brand E-Commerce Summit (hereinafter referred to as "BECS"), Baozun dug into the annual digitalization process of the brand e-commerce industry, focusing on technology-enabled store construction and operation, full-chain digital marketing, and intelligent warehousing and fulfillment. Each year, BECS invites executives from the world's top 1000 consumer brands, several industry leaders, renowned e-commerce experts, and scholars to gather and discuss the industry's future. As the leader of the vertical track, Baozun continues to work together with industry experts to stimulate e-commerce growth through the BECS platform.

The 5th BECS Summit was held online for the first time. In 2020, with the theme of "GIVE ME FIVE," government experts, leading companies from e-commerce platforms, brand owners, and media gathered together to discuss how the e-commerce industry can work as a whole to capture the counter-trend of growth in the post-epidemic era.

In the rapidly-changing e-commerce industry, BECS has played an industry-leading role to help more e-merchants work together to grow in the post-epidemic era. BECS achieved hundreds of thousands of website visitors and over 10,000 website interactions, further strengthening the event's brand as a valuable annual event for branded e-merchants, and Baozun's leader position in the industry

College of industry

Baozun enriches our cooperation with business partners, which also gradually develops our own capability. We are committed to developing a college of industry, to build a talent training base, e-commerce project operation incubation bases, and work-life bases. Through our training certification and internship employment system, we train e-commerce talents in sales, visual technology, and operation management. In 2020, we began cooperation with Nantong Open University, through which we expect 120 e-commerce talents to graduate in 2021.

College of Industry Base	Industry training system
Talent training base Train 120 e-commerce talents per year. Cover CRM, operation, design, short video editing, commodity, and live-streaming and other fields. Teachers from the enterprise and school teach the course together. The experience of baozun is compiled as a textbook and used in daily teaching.	**Skills improvement system** Introduce advanced e-commerce job requirements and performance system, transform talent training standards and content system. Education promotion project leveraging on the College of Industry External e-commerce course training
Operation and incubation base for e-commerce project. Carry out students' daily practices with Baozun project to bridge the gap between study and work. Explore the new mode of live-streaming, short video and other innovative training.	**Talent supply system** Annual output target of 120 mature e-commerce talents with an annual growth target of 30%. Order-based training program undertaking Projects outsourcing undertaking Output human resources to solve the employment problem of graduates

01
APPENDIX

Appendix I HKEx ESG Reporting Guide Index

General Disclosures and KPIs		Chapter in ESG Report
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) Policies (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	5. Caring for the Environment and Building Harmony
KPI A1.1	The types of emissions and respective emissions data.	5.2 Green Ecology
KPI A1.2	Total greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	5.2 Green Ecology
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Baozun produces almost no hazardous waste in the process of operation and management.
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	5.2 Green Ecology
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	5.1 Green Operation
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	5.2 Green Ecology
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	5.1 Green Operation
KPI A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	5.1 Green Operation
KPI A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	5.1 Green Operation
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	5.1 Green Operation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	5.1 Green Operation
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	5.1 Green Operation

General Disclosures and KPIs		Chapter in ESG Report
A. Environmental		
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	5. Caring for the Environment and Building Harmony
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5. Caring for the Environment and Building Harmony
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Not applicable
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Not applicable
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) Policies (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	4.1 Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	4.1 Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Baozun will complete relevant information disclosure in future ESG reports
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) Policies (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.3 Health & Safety
KPI B2.1	Number and rate of work-related fatalities .	4.3 Health & Safety
KPI B2.2	Number of Lost working days due to work injury.	4.3 Health & Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.3 Health & Safety

General Disclosures and KPIs		Chapter in ESG Report
B. Social		
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.1 Brand Services 4.2 Growing Together
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	4.2 Growing Together
KPI B3.2	The average training hours completed per employee by gender and employee category.	4.2 Growing Together
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) Policies (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced Labor.	4.1 Employment
KPI B4.1	Description of measures to review employment practices to avoid child and forced Labor.	4.1 Employment
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Employment
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.2 Supplier Management
KPI B5.1	Number of suppliers by geographical region.	3.2 Supplier Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.2 Supplier Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.2 Supplier Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Not applicable

General Disclosures and KPIs		Chapter in ESG Report
B. Social		
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) Policies (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.1 Brand Services
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Baozun's products do not involve refund due to safety and health.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	3.1 Brand Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.1 Brand Services
KPI B6.4	Description of quality assurance process and recall procedures.	3.1 Brand Services
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.3 Data Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) Policies (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.4 Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.4 Business Ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.4 Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	1.4 Business Ethics
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates, taking into consideration the communities' interests.	6.1 Contribution to the Public
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, Labor needs, health, culture, sport).	6.1 Contribution to the Public
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	6.1 Contribution to the Public

Appendix II   ESG Related Laws and Regulations

Law of the People's Republic of China on Product Quality

Law of the People's Republic of China on Standardization

Regulations of the People's Republic of China on the Administration of Industrial Product Production Licenses

Patent Law of the People's Republic of China

Copyright Law of the People's Republic of China

Detailed Rules for the Implementation of the Patent Law of the People's Republic of China

Environmental Protection Law of People's Republic of China

Law of the People's Republic of China on Environmental Impact Assessment

Regulations on the Administration of Construction Project Environmental Protection

Water Law of the People's Republic of China

Law of the People's Republic of China on the Prevention and Control of Water Pollution

Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution

Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution

Integrated Emission Standard of Air Pollutants

Emission Standard of Air Pollutants for Coal-burning Oil-burning Gas-fired Boiler

Energy Conservation Law of the People's Republic of China

Law of the People's Republic of China on Electric Power

Law of the People's Republic of China on Promoting Clean Production

Renewable Energy Law of the People's Republic of China

Labor Law of the People's Republic of China

Labor Contract Law of the People's Republic of China

Law of the People's Republic of China on the Guarantee of the Rights and Interests of Women

Provisions on Prohibition of Child Labor

Social Insurance Law of the People's Republic of China

Trade Union Law of the People's Republic of China

Safety in Production Law of the People's Republic of China

Law of the People's Republic of China on Prevention and Control of Occupational Diseases

Cybersecurity Law of the People's Republic of China

Measures for the Administration of Internet Information Services

Computer Information Network and the Internet Security Protection and Management Regulations

Regulations of the People's Republic of China for Safety Protection of Computer Information Systems

Regulations on the Confidentiality Management of International Networking of Computer Information Systems

Advertisement Law of the People's Republic of China

Price Law of the People's Republic of China

Anti-Unfair Competition Law of the People's Republic of China

Sherman Antitrust Act

Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers

E-commerce Law of the People's Republic of China

Anti-Monopoly Law of the People's Republic of China

Interim Regulation on Internet Advertisements

Securities Act of 1933

Company Law of the Cayman Islands

Act Ensuring Quality Information and Transparency for Abroad-Based Listings on U.S. Stock Exchange

Appendix III General Table of Quantitative Data

Indicators			Unit	2020
Environmental				
Wastewater	Domestic wastewater		Ton	112,548
	Wastewater discharge per revenue		Tons / RMB million	12.71
Greenhouse gas emission	Scope I greenhouse gas emissions		tCO$_2$e	28
	Scope II greenhouse gas emissions		tCO$_2$e	9,703
	Total amount of greenhouse gas emissions		tCO$_2$e	9,731
	Greenhouse gas emissions per revenue		tCO$_2$e/RMB million	1.10
Electricity	Electricity at the headquarters		kWh	3,700,000
	Electricity in warehouse	By Region		
		North China	kWh	461,109
		Central	kWh	97,111
		East China	kWh	9,280,123
		South China	kWh	213,083
Number of electric forklifts			/	27
Oil	Gasoline		Ton	4.5
	Diesel oil		Ton	4.7
	Number of self-owned vehicles powered by diesel/gasoline		/	2
Energy consumption	Direct energy consumption		TCE	13
	Indirect energy consumption		TCE	1,690
	Comprehensive energy consumption		TCE	1,703
	Comprehensive energy consumption per revenue		TCE/RMB million	0.19
Water	Domestic water		Ton	140,685
	Water consumption per revenue		Tons / RMB million	15.89
Efficiency of water use	Amount of recovered rainwater		Ton	500
Use of packaging materials			Ton	7,867
Recycling of packaging materials	Amount of packaging materials recycled		Ton	2,291
Use of environmentally-friendly packaging materials	Amount of environment-friendly packaging materials		Ton	7,867

Indicators		Unit	2020
Social			
Total number	Total number of employees	Person	6,076
By gender	Total number of male employees	Person	2,707
	Total number of female employees	Person	3,369
By age	Employee: ≤30	Person	3,836
	Employee: 30-50 (excluding 30 and 50)	Person	2,225
	Employee: ≥50	Person	15
By full-time, part-time type	Full-time	Person	6,076
	Part-time	Person	0
By region	Employees in Mainland China	Person	5,978
	Employees in Hong Kong	Person	80
	Employees in Taiwan	Person	18
By level	Employees of management level	Person	74
	Average employees	Person	6,002
By function	Information technology	Person	762
	Front-end	Person	4,299
	Warehouse and logistics	Person	653
	Back-end	Person	362
management	Total number of management	Person	74
	By gender		
	Male management	Person	48
	Female management	Person	26
	By age		
	The number of management aged 30 and under	Person	2
	Management at the age of 30-50 (excluding 30 and 50)	Person	69
	Management over 50	Person	3
New employee	By gender		
	Total number of new male employees	Person	1,037
	Total number of new female employees	Person	1,346
	By age		
	Total number of new employees under 30	Person	1,805
	Total number of new employees at the age of 30-50 (excluding 30 and 50)	Person	577
	Total number of new employees over 50	Person	1
	By region		
	Total number of new employees in Mainland China	Person	2,355
	Total number of new employees in Hong Kong	Person	16
	Total number of new employees in Taiwan	Person	12

Indicators		Unit	2020
Social			
Total number of deaths	Work-related deaths	Person	0
	Rate of work-related deaths	%	0
Work-related injuries	Number of accidents causing occupational injury	/	7
	Number of occupational injuries	Person	7
	occupational injury rate by thousand-person	‰	1.2
Working days lost due to work-related injury	Total working days lost due to occupational injury	Day	162
Intellectual property protection	Number of valid patent applications filed	/	58

BAO ZUN