

Baozun Inc.

Carbon Neutrality White Paper



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Introduction: Start the Journey to Baozun's Net Zero Carbon Emissions

Climate change poses a threat to the entire international community, and China plays a vital role in global climate governance. In 2020, Chinese President Xi Jinping made a solemn commitment of "striving to achieve peak carbon dioxide emissions by 2030 and carbon neutrality by 2060". Inevitably, enterprises will need to make overall arrangements in their medium and long-term strategies to meet the ultimate goal of "carbon neutrality".

As a leader in the brand e-commerce service industry in China, Baozun Inc. (including its consolidated subsidiaries and its variable interest entity and its subsidiaries, hereinafter referred to as "the Company" "Baozun" "Baozun Inc." or "we") serves as a bridge between brands and consumers, and shoulders the mission of building and guiding the green and sustainable consumption and product concepts. As such, we have formulated the goals and commitments of "Baozun Carbon Neutrality", which will guide our enterprise through this critical stage.

In 2021, we raised green and sustainable development to a strategic level. We have established a climate change governance framework and a supporting mechanism for carbon neutrality management. The Board of Directors fully oversees and takes responsibility for the Company's climate strategy. At the same time, we realize that the process of achieving carbon neutrality goal raises higher requirements for the Company's internal and external environmental management capacity and risk management capacity on climate-related risks. To meet such requirements, we need to integrate the concept of sustainable development into our daily operations and corporate culture.

We are well aware that joint efforts of the whole value chain are indispensable to realize the green ecology of the industry and promote responsible consumption. Therefore, in addition to building a sound management plan, we will work together with all stakeholders to practice green sustainability, build a robust green e-commerce ecology, and actively combat climate change.



Our Commitment to Carbon Neutrality

Carbon neutrality goals

Based on the inspection and management of our own carbon emissions, combined with our understanding of industrial and social development, we have set our carbon neutrality goals as follows. We plan to formulate scientific, reasonable and effective implementation strategies to facilitate the realization of our goals and make Baozun a positive contributor in the progress of global carbon neutrality.

Our Commitment to Carbon Neutrality

Medium-term goal

To reduce carbon emission (Scope I, II) by 50% by **2030** against base year FY2021; to reduce carbon emission (Scope III) by 50% by **2030** against base year FY2021

Long-term goal

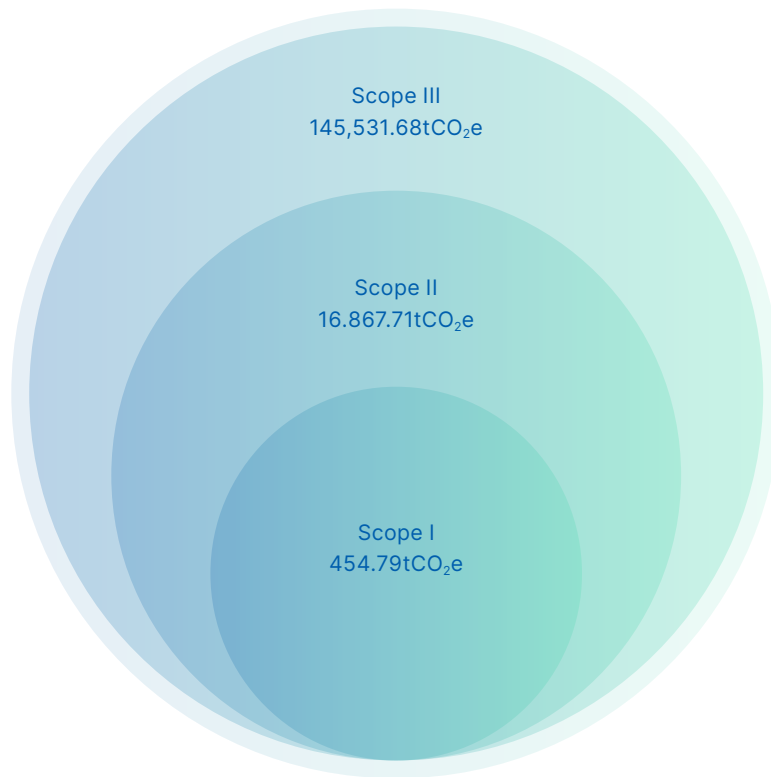
To achieve carbon neutrality across the value chain (including Scopes I, II and III) by **2050**



Emissions in base year

● Total amount and composition of greenhouse gas emissions by Baozun in 2021

162,854.18t carbon dioxide equivalent¹



Scope I

The direct emissions from greenhouse gas sources owned or controlled by Baozun were 454.79 tCO₂e, accounting for 2.63%, of total emissions, which mainly came from the diesel oil, gasoline consumption and natural gas consumption of self-owned vehicles.

Scope II

The indirect emissions of greenhouse gas generated from purchased electricity by Baozun were 16,867.71tCO₂e, accounting for 97.37% of total emissions, which mainly came from the electricity consumption from Baozun's offices and warehouse operations.

Scope III

All other indirect emissions generated by Baozun's value chain were 145,531.68tCO₂e, which mainly came from the packaging procurement, leased data centers, employee commuting and travel, downstream transportation and storage.

1. Emission accounting boundary: According to the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* developed by WRI (World Resources Institute) and WBCSD (World Business Council for Sustainable Development), the organizational boundaries shall be determined using the control right method, which means, the greenhouse gas emissions from all office areas and logistics warehouses within the business scope of the Company shall be reported. The reporting boundaries include the office area in Shanghai Headquarters and the Baotong E-logistics Warehouse Park.

2. In 2021, the Scope III of greenhouse gas emissions calculated mainly includes the emissions from leased data centers, packaging procurement, employee commuting and travel, and downstream transportation and storage.

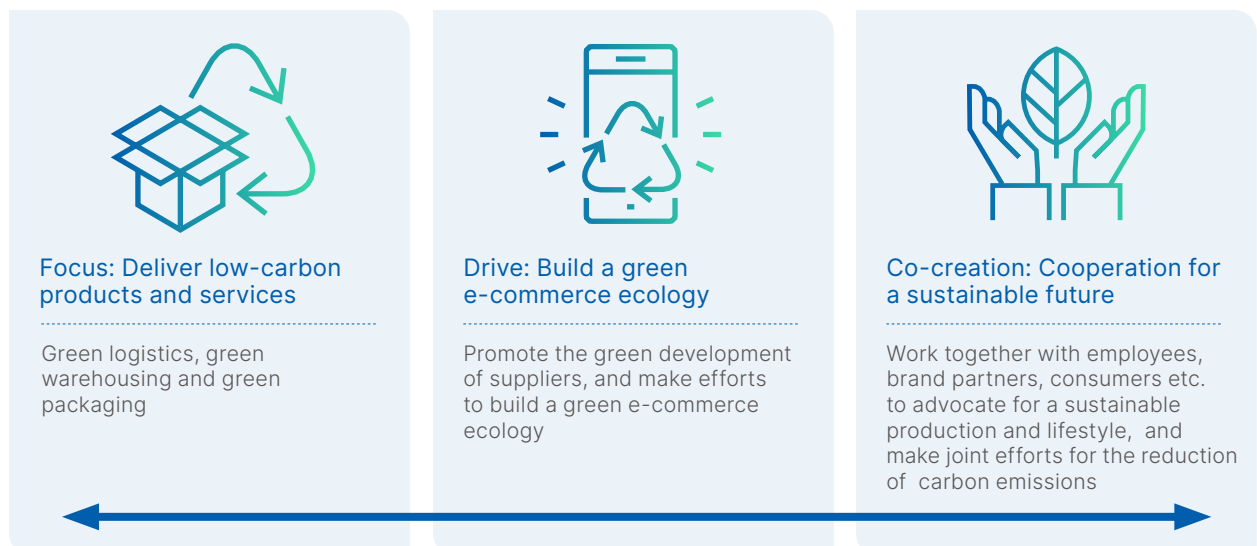
Key actions for carbon neutrality

To ensure effective climate governance, we followed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a subsidiary of the Financial Stability Board, and identified climate-change related risks and opportunities, augmenting our management style to actively address climate change.

Climate change management system

<p>Governance</p>	<p>The Company has identified mitigation of climate change as one of the priorities of work for each business unit as well as logistics and supply chain management;</p>
<p>Risk management</p>	<p>On the basis of TCFD's risk analysis framework, we identify potential risks and opportunities for operational activities and take climate change risks and opportunities as part of our future overall operational risk management;</p>
<p>Strategy</p>	<p>We evaluate the potential operational and financial impact of the significant risks and opportunities for the Company; Take management actions to reduce the carbon footprint during the full lifecycle of operation;</p>
<p>Goals and performance</p>	<p>We set goals for reducing greenhouse gas emissions, and evaluate climate change management performance level of the Company to formulate improvement plans by disclosing greenhouse gas emissions and emission density in the sustainable development report every year.</p>

In 2021, Baozun launched operations focusing on creating low-carbon products and services, driving suppliers to co-build a green e-commerce ecology, and collaborating with many partners for a sustainable future.

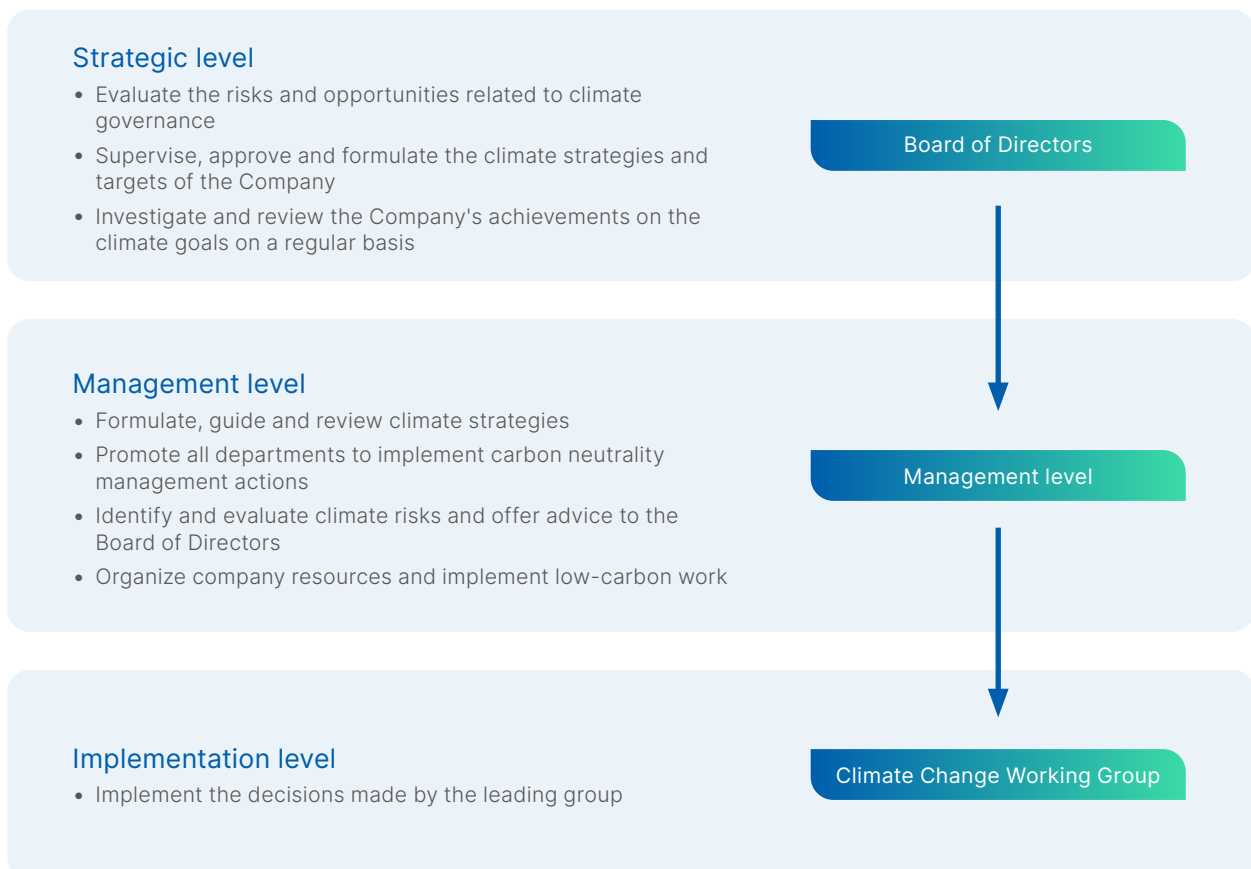


Carbon Neutrality Governance System

Climate Governance Framework

To achieve the goal of carbon neutrality, the Company needs to establish a comprehensive governance system for climate change from top to bottom. Baozun has formed a climate change governance structure that can be divided into three levels: strategic level, management level, and implementation level. The Board of Directors is responsible for supervising and formulating the Company's medium/long-term management strategies and directions to cope with climate change. The management level integrates the cross-department resources required for climate action, coordinating decision-making and arrangements for major projects, and reports to the Board of Directors. In terms of planning and implementation, the Company sets up a climate change working group in charge of executing relevant decisions.

Climate change governance system



Environmental management levels	Specific duties
Strategic level	<p>The Board of Directors is responsible for formulating the Company's climate strategies and supervising the management strategies related to climate issues, as well as supervising, checking and evaluating the Company's relevant proposals, including:</p> <ul style="list-style-type: none"> • Evaluating climate governance related risks and opportunities for the Company; • Ensuring the establishment of an appropriate and effective climate governance risk management system and internal control system; • Supervising, approving and formulating the climate strategies and goals of the Company • Investigating and reviewing the Company's performance on climate governance goals on a regular basis.
Management level	<p>The management level takes further measures to manage climate change risk, and formulate carbon neutrality goals as well as action plans, including:</p> <ul style="list-style-type: none"> • Formulating, guiding and reviewing climate strategies, and promoting ESG related concepts inside and outside the Company; • Promoting the implementation of carbon neutrality management actions across all departments, and being responsible for the implementation of goals; • Identifying climate related risks annually, evaluating the impact of such risks on the Company, and offering advice on risk responses to the Board of Directors; • Organizing and coordinating departments and resources of the Company to offer support in implementing low-carbon work.
Implementation level	<p>The climate change working group is responsible for implementing the decisions made by the group, including:</p> <ul style="list-style-type: none"> • Implementing the Company's carbon neutrality plan, action plan and targets, and regularly report the work progress to the management; • Collecting or processing issues found in the process of implementing carbon neutrality plan of the Company, and convening meetings of group members in a regular or irregular manner for the purpose of research, coordination and promotion.

Promotion Mechanism For Carbon Neutrality Management

The Company has established a promotion mechanism for carbon neutrality management, which covers employees and upstream and downstream partners. The Company aims to achieve carbon neutrality in its whole value chain through strengthening internal and external cooperation, and actively promoting carbon neutrality in the supply chain.

<p data-bbox="292 1511 692 1554">Evaluation and assessment system for carbon neutrality</p> <ul style="list-style-type: none"> • Incorporate the implementation of carbon neutrality goals into the performance assessment of relevant department heads, and establish an optimal evaluation and assessment system. • Establish a reward system based on the carbon neutrality performance evaluation results to reward those who meet their targets, and provide relevant training for those who get poor scores in performance assessments. 	<p data-bbox="963 1511 1318 1554">Integrate the carbon management information of suppliers</p> <ul style="list-style-type: none"> • Strengthen the carbon emission management of suppliers, and take into consideration the carbon emissions and energy efficiency in the onboarding and assessment of manufacturing and raw material suppliers, to achieve the carbon neutrality goal throughout the entirety of the value chain. • Establish a value chain carbon emission data management system to integrate the carbon emission data generated by upstream suppliers and downstream logistics and transportation for easier accounting and management. • For packaging suppliers, suppliers are encouraged to become sustainability-related certifications such as FSC or CFCC to ensure their carbon reduction efforts.
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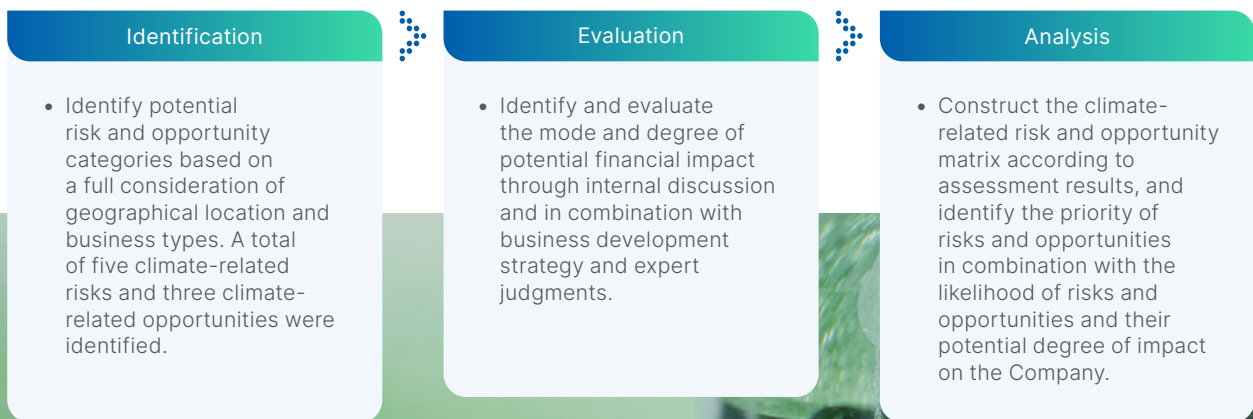
Climate Change Risks and Opportunities

In February 2022, the Intergovernmental Panel on Climate Change (IPCC) emphasized in its report *Climate Change 2022: Impacts, Adaptation and Vulnerability* that the impacts and risks of climate change are increasing, and global warming will cause multiple climate hazards around the globe in the next 20 years. Climate change is closely related to greenhouse gas emissions. Controlling greenhouse gas emissions as a strategy to slow down global climate change has been met with global consensus.

Identification of Climate Change Risks and Opportunities

In order to better identify and reduce the potential impact of climate change-related risks on business performance and effectively manage climate-related issues, Baozun has conducted an identification of climate-related risks and opportunities and an analysis of their financial impact on the Company's business through policy review, peer benchmarking and departmental interviews.

● Climate-related risk and opportunity analysis approach



Climate-related risk and opportunity matrix



Financial impact analysis of climate risks

Type	Degree of impact	Specific description	Potential financial impact
Resource utilization risk	High	The shortage or decrease in availability of resources such as energy, water resources, and materials required in the process of production and operation may be caused by climate change. This may lead to an increase in the price of resources used by the Company.	<ul style="list-style-type: none"> The rise in prices of relevant resources will cause an increase in operating costs. Constraints in resource usage may limit business operations, which in turn will cause a decrease in revenue.
Technical risk	High	In the process of technological transition, the development and application of energy-saving and environmental protection technologies for waste treatment, green packaging, etc. may affect the Company's operations and businesses.	<ul style="list-style-type: none"> In the process of technological transition, investment in R&D costs increases, which in turn will cause an increase in operating costs. The cost of new technology investment leads to an increase in the price of products and services, which in turn will cause a decrease in revenue.
Reputation risk	Medium	Failure to respond to stakeholders' expectations regarding proactive management actions and the improvement of information disclosure transparency in addressing climate change will have an impact on the reputation of the Company.	<ul style="list-style-type: none"> Reputation is affected, which will cause a decrease in revenue.
Acute physical risk	Medium	Severe climate abnormalities, such as typhoons and floods, will cause extreme weather or natural disasters, which may affect the upstream and downstream supply chains of the Company.	<ul style="list-style-type: none"> The disruption in cooperation between upstream and downstream supply chains, which will cause a decrease in revenue. The Company's operating costs will increase due to the disasters.
Policy and legal risk	Low	The risk of legal liability, regulatory action, disciplinary action, loss of property or loss of business reputation may occur due to failure to comply with climate-related policies or laws.	<ul style="list-style-type: none"> Revenue will decrease due to regulatory effect. Credit risk increases, which will cause it more difficult for the Company to raise funds.

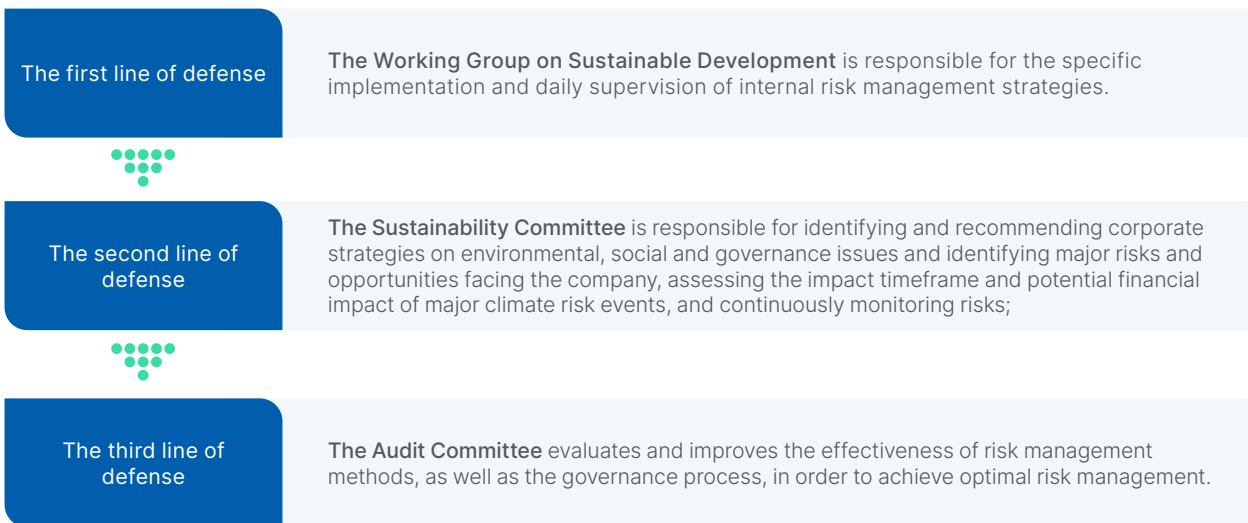
Financial impact analysis of climate opportunities

Type	Degree of impact	Specific description	Potential financial impact
Market opportunity	High	In the context of transitioning to a low-carbon economy, the social demand for low-carbon products and services may grow. If the Company is in a well-known position in this regard, it may attract more customers and consumers.	<ul style="list-style-type: none"> The public gains recognition towards green consumption, which will lead to increase in revenue.
Resource efficiency	Medium	The enhanced utilization efficiency of resources such as energy, water resources, and materials in the production and operation process will make a positive contribution to global carbon reduction. By monitoring the price of packaging materials, the logistics and transportation market price and the utilization of resources, the Company can grasp the market trend to formulate the optimal and effective plan.	<ul style="list-style-type: none"> Resource utilization efficiency is increased, and operating costs will be decreased.
Adaptability	Medium	Through business research and industry exchanges related to climate change, the Company actively formulates carbon neutrality plans, launches low-carbon products and services, takes measures to improve energy efficiency, builds a sustainable value chain, and continuously improves its resilience to climate change.	<ul style="list-style-type: none"> The adaptability to climate change issues is improved, which will cause an increase in revenue.

Management of Climate Change Risks

In order to systematically promote the Company's climate change risk management goals, Baozun adopted a systematic, risk-based and regular management method in 2021 to implement climate change risk monitoring, an early warning system, risk identification and assessment, risk response, supervision and inspection.

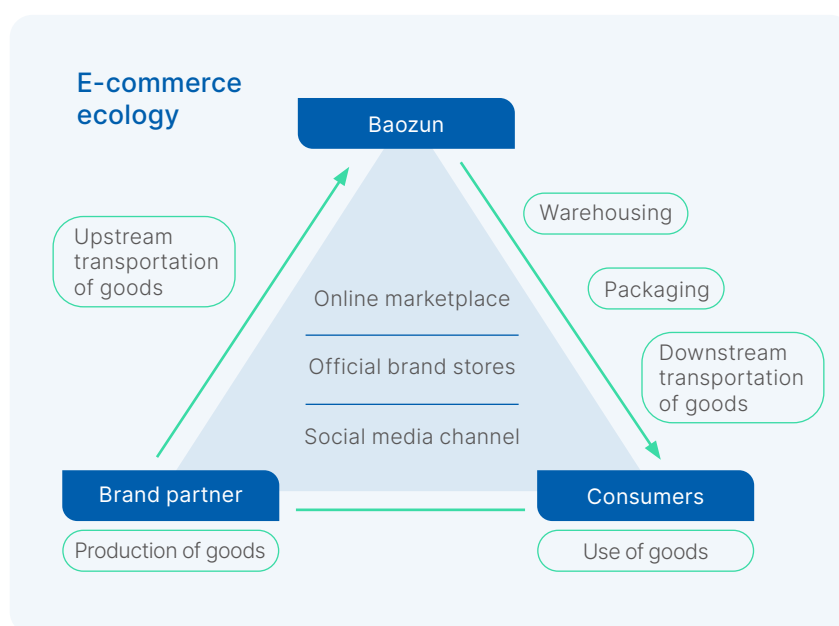
Baozun has adopted "three lines of defense" for climate change risk management. In particular, in 2021, Baozun Inc. established the Sustainability Committee consisting of board members and senior management, and it also set up a Working Group on Sustainable Development that is responsible for implementing internal risk management strategies. The Sustainability Committee is responsible for identifying major risks and opportunities facing the company and continuously monitoring the risks. The Audit Committee, as the third line of defense, is responsible for evaluating and improving the effectiveness of risk management, control and governance process to realize the comprehensive risk management.



Our Carbon Neutrality Strategy

Baozun is committed to providing e-commerce operation solutions centering on IT solutions, online store operation, digital marketing, customer service and warehousing and fulfillment. We provide omni-channel solutions across official brand shopping malls, online shopping platforms, social mobile malls and offline smart stores.

Based on the joint application of intelligent digital technologies such as cloud computing, big data and AI technology, and in combination with Baozun's intensive development in all fields of supply chain, we have built a connective bridge between brands and consumers, and have become a major force driving the boom of the omni-channel e-commerce ecology.



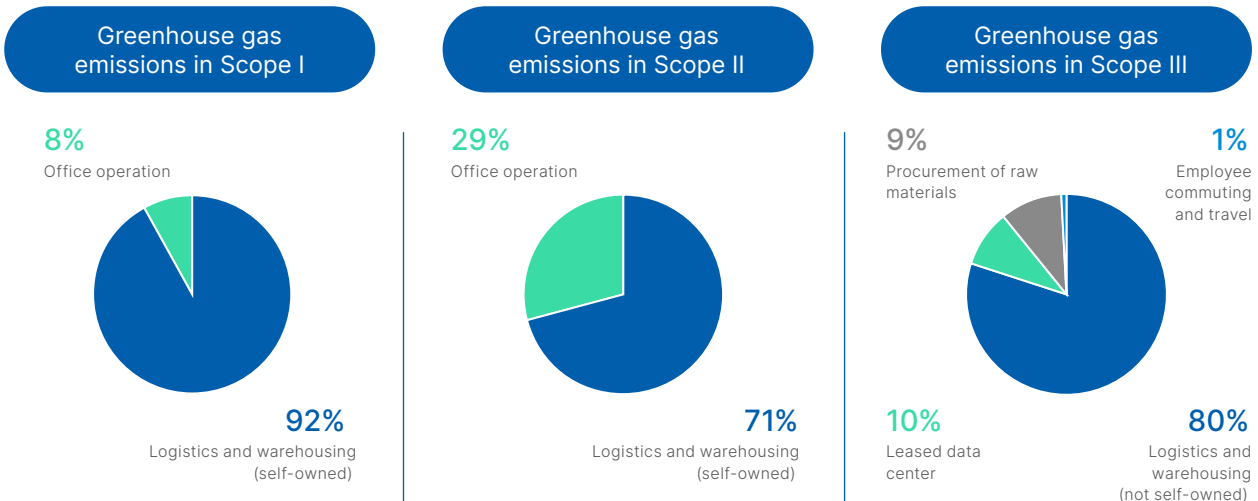
Our services such as online store operations and digital marketing are carried out online. Carbon emissions mainly come from the Company's electricity consumption. In warehousing and logistics services, the greenhouse gas emissions generated mainly come from direct energy such as gasoline and diesel and indirect energy such as electricity consumption, as well as the indirect carbon emissions generated by packaging materials, aviation, highways and warehousing.

In accordance to the philosophy of the Life Cycle Assessment, Baozun analyzes and calculates the carbon emissions generated in all business-related procedures, specifies the greenhouse gas emissions generated in the whole business operational stage of the Company, and further sorts out the Company's strategies to cope with climate change.

Life Cycle	Upstream			Self-operation		Downstream
	Procurement of packaging materials *	Leased data center	Employee commuting and travel	Office operation	Logistics and warehousing*	Logistics and warehousing*
Key operation process	Procurement of packaging materials *	Leased data center	Employee commuting and travel	Office operation	Logistics and warehousing*	Logistics and warehousing*
Type of emissions involved	Scope III	Scope III	Scope III	Scope I and scope II	Scope I and scope II	Scope III
Greenhouse gas emissions (tCO ₂ e)	13,415.28	14,631.55	759.40	4,908.19	12,414.31	116,726.45

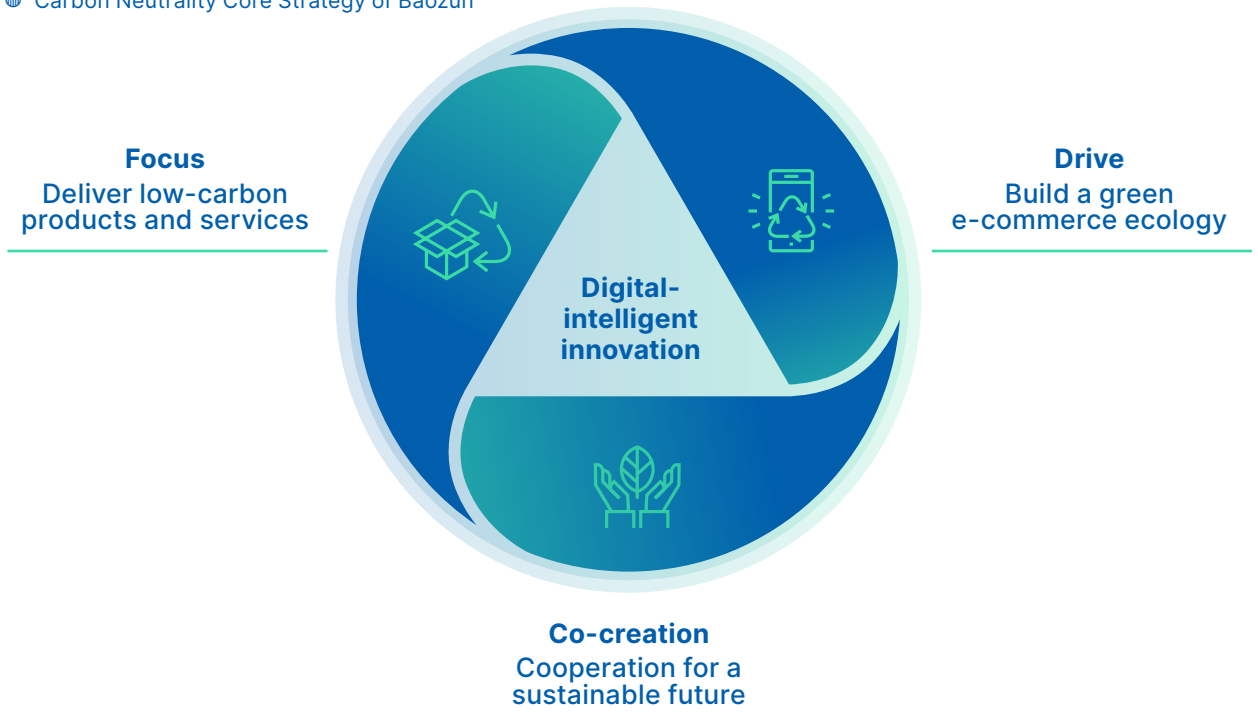
Notes: The operational stages marked with* are the key operation process of carbon reduction identified by Baozun.

Proportion of Greenhouse Gas Emissions in Each Operation Process



Based on the results of carbon emissions inspection, Baozun has identified the procurement, logistics and warehousing of packaging materials as the key operational component for carbon emissions management. With digital-intelligent innovation technologies as the core, we will deliver low-carbon products and services, build a green e-commerce ecology, and take actions from three dimensions. We focus on our own operations and deliver low-carbon products and services to achieve carbon neutrality in scope I and II. In addition, through active cooperation with employees, brand partners and consumers, we jointly advocate a sustainable lifestyle, promote the construction of a green value chain, and support the achievement of China's goals of "carbon dioxide peaking by 2030 and carbon neutrality by 2060".

Carbon Neutrality Core Strategy of Baozun

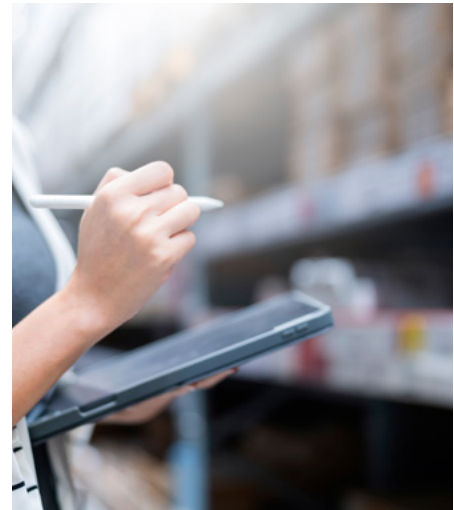
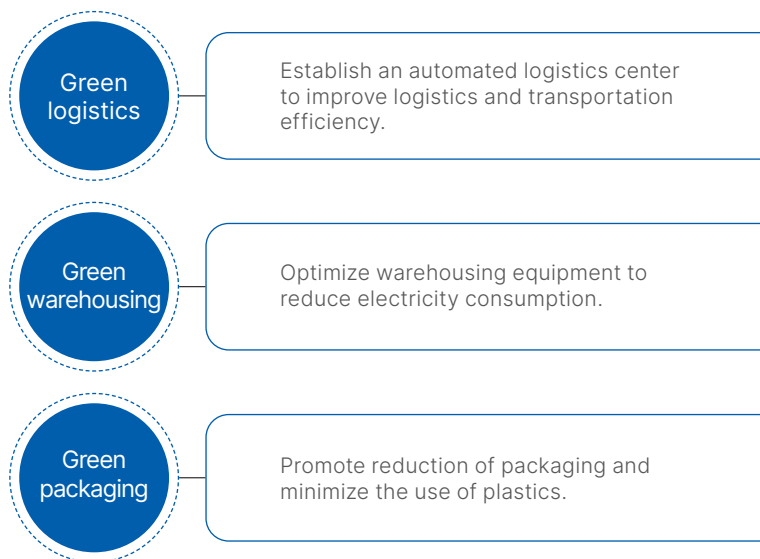


Focus: Deliver Low-carbon Products and Services

Baozun focuses on delivering low-carbon products and services. From the perspective of the life cycle management, we think deeply how to provide low-carbon products and services for brand partners and actively implement our ideations. We have established the Baotong E-logistics Technology (Suzhou) Limited, a subsidiary. Through use of digital-intelligent innovation technologies, we provide "full chain" green and low-carbon warehousing and logistics services for our brand partners and provide support and optimization for their warehousing and logistics.

Main strategy: Green logistics, green warehousing and green packaging

● Deliver low-carbon products and services



Green logistics

Baozun built "Baotong Cube Automated Logistics Center - Brand Effect Assistant", which uses intelligent robots to convey and sort systems. In addition, intelligent transportation platforms are applied to increase the processing efficiency and promote energy saving in the logistics center. Meanwhile, we provide distribution demand analysis for brand partners, aiming to optimize the transportation route and improve logistics transportation efficiency in our overall planning for our distribution network.

Baotong Cube Automated Logistics Center

Baotong Cube Automated Logistics Center covers an area of nearly 50,000 m². It applies intelligent robots, conveying and sorting systems to process over 300,000 orders each day at B2C end. Intelligent logistics brings convenient consumption experience for the customers, and accelerates the operational efficiency of the logistics center.

To further reduce the greenhouse gas emissions in logistics operation and respond to the national plan for developing green cargo channels, Baozun will further optimize the logistics form in the future, promote the development of freight transport towards the mode of highway-railway transformation and highway-waterway transformation, and increase the proportion of cargo transportation through railway and waterway. In terms of medium/long distance transportation, we will mainly use railway and waterway channels to reduce carbon emissions generated by air transportation and highway transportation.

Green warehousing

Baozun built "Baotong National Warehousing Center - Brand Inventory Manager", which implements the warehousing network planning based on big data, and launched structural adaptations of multiple warehouses across the country to improve efficiency of delivery from warehouse to consumers. In terms of warehousing management, Baozun has formulated the *Energy Saving Management Regulation for Warehouse Operations*. LED energy saving lighting system is adopted in the factory area, and lighting control is adopted in non-operation areas to reduce energy consumption.

Low-carbon Cube Automated Warehouse

In Baozun Yongding Logistics Park, we continue to optimize the details of warehouse management, thereby reducing use of energy.

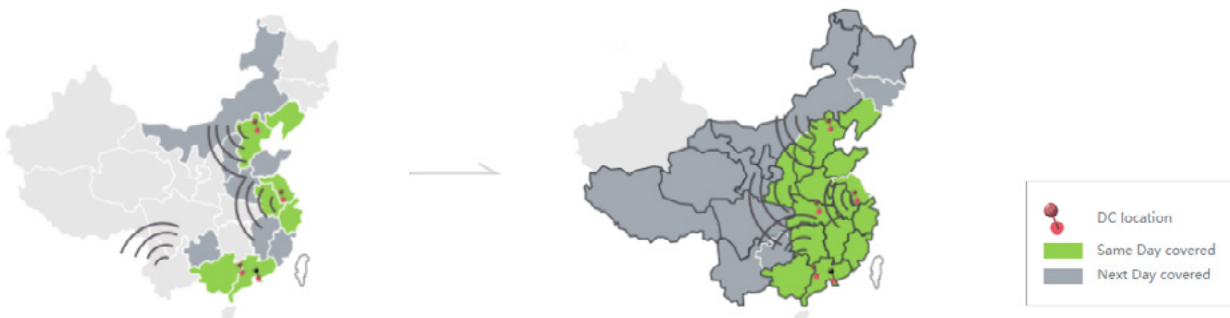
- Lighting energy-saving retrofit: The normally-on lamps in corridors, picking areas, toilets etc. in the warehouse are retrofitted into voice/light-activated induction lamps to reduce electricity consumption;
- Reducing pipeline no-load sleep time: The no-load sleep time of the original assembly line was 40s. On the premise of meeting the production demand, it was reduced from 40s to 20s to avoid equipment loss and to reduce power consumption.

In 2021, in active response to the national appeal of "green energy, energy saving and emission reduction", Baozun promoted the cooperation in solar photovoltaic project with State Grid Jiangsu Integrated Energy Service Co., Ltd. under coordination of Wujiang District Development and Reform Commission, and provided on-site support for the project. The annual electricity production capacity in this project is 3 million kWh, which will be directly delivered to Wujiang New Energy Town through booster, and is expected to reduce about 2,620t carbon dioxide emissions each year.



Based on professional analysis on consumption data, Baozun has set up 12 warehousing centers across the country and completed its warehousing network planning. We plan to improve the layout and construction of warehousing centers within three years, give full play to the distribution role of warehousing centers, increase distribution efficiency and save resource costs.

● National Warehousing Center Layout and Three-year Planning



Green packaging

The warehousing and logistics services offered by Baozun involve the use of paper and plastic packaging materials. By means of packaging reduction and recycling, we will continue to reduce packaging amount and realize green packaging in a better way.

Reduce

- Replaced 50cm-width wrapping film with 30cm-width wrapping film during full container load-storage and warehouse allocation process, thereby reducing the use of wrapping film by approximately 9 tons in Q3 2021.



Reduced use of wrapping film

- Using folding boxes and replacing tape with box stickers in single-piece footwear orders, thereby reducing tape usage by 76.9 tons in 2021.
- Changed the width of Baozun logo sticker and scotch tape from 6cm to 4.8cm, which further reduced the amount of tape used in subtleties.



Reduced outer package



Reduced tape

Recycle

- Using recycled carton box for distribution packaging and return-to-warehouse packaging, thereby reducing the use of packaging materials.



Use of recycled cartons

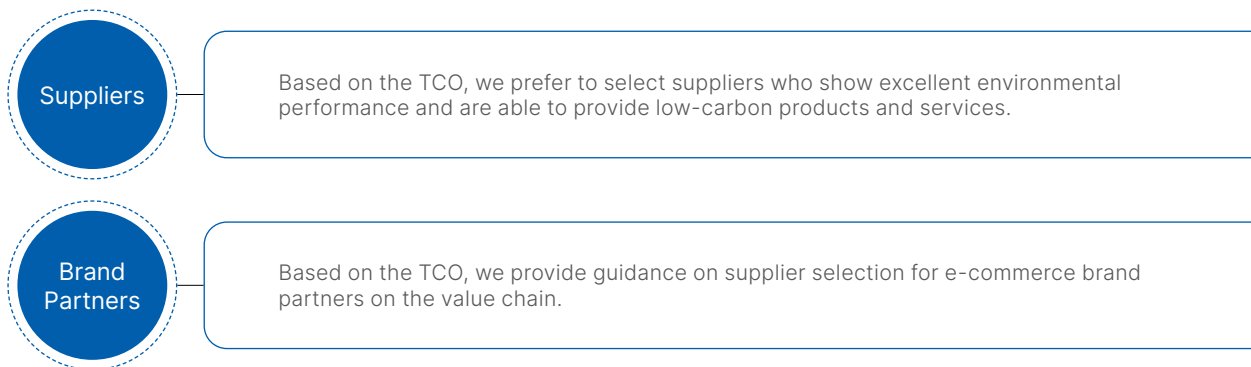
Drive: Build a Green E-commerce Ecology

Baozun pays significant attention to the construction of e-commerce green ecology. As an important partner of brand e-commerce customers, we take the initiative to drive upstream and downstream supplier partners to build a green e-commerce ecology and promote ecological carbon emission reduction in the whole value chain.

Main strategy: Select suppliers based on TCO procurement concept and provide guidance on supplier selection for e-commerce brand partners

As part of our category sourcing strategy, we introduce the concept of Total Cost of Ownership (TCO), rather than simply paying attention to the price, which provides guidance on supplier selection for e-commerce brand partners on the value chain. We consider environmental, social and ethical standards during the procurement lifecycle. Based on the total cost of ownership throughout the lifecycle, we promote the procurement process of e-commerce brand partners to be greener and low-carbon while cooperating with them to reduce carbon emissions on the whole value chain from packaging to the warehouse and logistics.

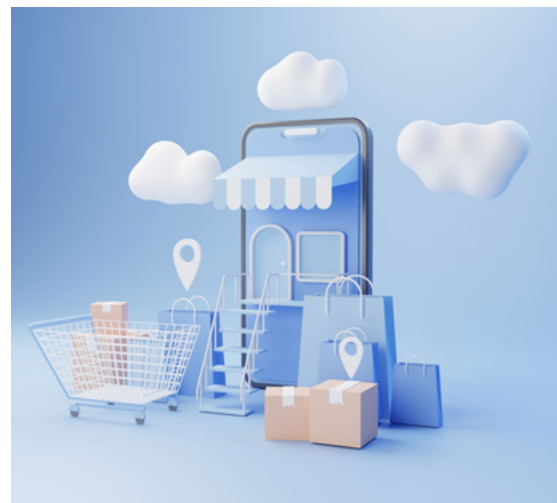
● Build a green e-commerce ecology



Supplier onboarding

Baozun adheres to the principle of green procurement and conducts strict inspection in terms of supplier compliance and onboarding to ensure their compliance with Baozun's requirements for supplier environmental management. The new suppliers are required to fill out the *Supplier Information Form*, which outlines clear requirements for suppliers' environmental performance, including their plans and actions to reduce energy consumption and emissions, and to conduct greenhouse gas emission inspection.

Baozun has formulated *Procurement Policy 3.0*, requiring suppliers to provide carbon emission data on a regular basis and submit them to Baozun for review. In addition, we require suppliers to set carbon emission reduction targets, and plan to cover at least 80% suppliers, which shall be taken as a positive measure to encourage suppliers to jointly respond to carbon neutrality goals. All our logistics and transportation suppliers are required to formulate carbon targets and action plans in line with the requirements of Baozun's carbon emission reduction progress by 2023.

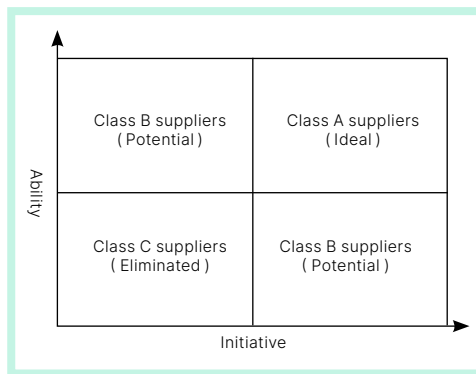


Review and rating

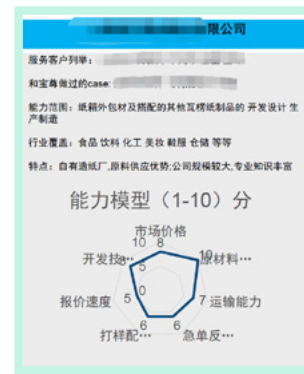
Baozun has formulated different procurement policies by product category. We encourage suppliers to improve their sustainability management and have furthermore included their management in our evaluation and rating system of suppliers. The management of packaging material suppliers is a major issue that we focus on. We encourage packaging suppliers to become FSC or CFCC certified. In addition, we have developed a supplier selection strategy matrix, and will divide suppliers into Class A, B and C based on the audit and evaluation results. Suppliers evaluated as Class C will be eliminated depending on the circumstances.

- Class A suppliers (Ideal): Suppliers who can guarantee the stable supply of raw materials and have ability, initiative and environmental awareness.
- Class B suppliers (Potential): Suppliers who have the ability but no initiative or with have the initiative but inadequate ability, regarded as suppliers in reserve.
- Class C suppliers (Eliminated): Suppliers who have neither ability nor initiative. These are eliminated as appropriate and replaced with our own purchasers.

Supplier Selection Strategy Matrix



Core Supplier Capability Evaluation Card



Incentives and improvements

Baozun motivates suppliers to make improvement using incentives. We provide more procurement resources for Class A suppliers and help suppliers performing better in environmental sustainability to get more market opportunities. We recommend Class A suppliers to brand partners, and encourage brand partners to select suppliers with better environmental performance so as to promote the establishment of a green e-commerce ecology. Meanwhile, by adopting such measures, we can incentivize Class B suppliers to have better environmental performance and drive more suppliers to take energy conservation and emission reduction actions through positive feedback and incentives.

Recommend Warehousing and Transportation Suppliers to Brand Partners

In 2021, Baozun selected its warehousing and transportation platform suppliers based on TCO procurement concept and recommended these suppliers to brand partners. Upon procurement of the transportation platform by brand partners, the efficiency of storage and transportation improved. Meanwhile, the energy consumption in storage operations were reduced by 25%.



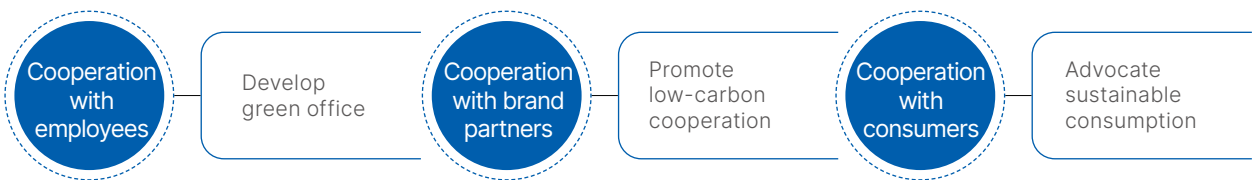
Intelligent conveyor platform

Co-creation: Cooperation for a Sustainable Future

Innovation is rooted in our blood, and this "science and technology gene" pushes us to constantly upgrade technologically. Based on the core competitiveness of "digital-intelligent innovation", we actively work with employees, brand partners, consumers and other stakeholders to advocate for sustainable work, production and lifestyles, and make efforts to achieve global sustainable development and create a brighter future.

Main strategy: Work together with all stakeholders to advocate a sustainable production and life style

Cooperation for a sustainable future



Cooperation with employees

Baozun actively advocates a green office concept by paperless office, holding conferences online, conserving energy and water, and integrating the "green" concept into daily work and life of employees.

Practice green office

<div style="border: 1px solid #0070C0; border-radius: 50%; width: 60px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> energy saving </div>	<ul style="list-style-type: none"> Adopt LED and sensor lights for new buildings to reduce electricity consumption. Avoid turning on lights when surrounding light is sufficient, and to turn off lights after work. Switch to low power mode or power off and unplug electronic devices when not in use. Uniformly set the thermostat to 26°C in summer and 20°C in winter, and turn them off after work or when they are not needed.
<div style="border: 1px solid #0070C0; border-radius: 50%; width: 60px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> paperless office </div>	<ul style="list-style-type: none"> Advocate cloud office and cloud meetings. Advocate a paperless office and double-sided printing.
<div style="border: 1px solid #0070C0; border-radius: 50%; width: 60px; height: 60px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> green commuting </div>	<ul style="list-style-type: none"> Provide short-distance shuttle buses for employees to reduce taxi taking. Install EV chargers to encourage the usage of new energy vehicles.

Cooperation with brand partners

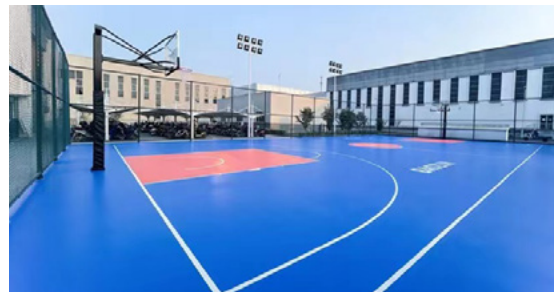
For brand partners, Baozun is not only a business partner who offers low-carbon products and services, but also a partner that jointly explores low-carbon operations and green consumption. We actively work together with brand partners to promote reduced use of green package and reduce carbon footprint in upstream and downstream industrial chains.

Explore green packaging

In 2021, Baozun partnered with a well-known brand to promote the use of eco-friendly, biodegradable packaging bags to replace its current plastic packaging bags. Throughout 2021, the brand's warehouse consumed 202.5 tons of eco-friendly, biodegradable packaging bags.

Exploration on recycling of worn shoes

The Baozun Basketball Court, located in Wujiang Yongding Logistics Park, was officially put into use in November 2021. What makes this court unique is that it is made entirely from old shoes, by using cutting-edge Grind technology to recycle rubber. The court was the result of the collaboration of Baozun and its brand partners in the "Turning Waste into Treasure & Recycling Worn Shoes" project, and was a sign of Baozun's commitment to working together with related partners for sustainable development goals.



Baozun basketball court made of worn shoes

Cooperation with consumers

As a connective bridge between the brands and consumers, Baozun is well aware that consumers are important practitioners of a sustainable lifestyle and an important force that drives sustainable development. We are devoted to creating a green e-commerce ecology, actively working with brand partners to offer consumers diversified and green, sustainable choices. Baozun will take more actions to advocate a sustainable lifestyle among consumers, so as to get more momentum for the sustainable future.

Recycling filter element to advocate a sustainable life.

Since 2020, Baozun has been working together with BRITA to launch a filter element recycling program aimed at consumers and Baozun employees, advocating a sustainable lifestyle. Our recycled filters are sent to qualified professional institutions for disassembly, cleaning and recycling. They will be reproduced as folders. As of March 25, 2022, Baozun had recycled 8,700 waste filters through Tmall channels and the Company's internal channels.



Filter recycling poster

Indicators and Goals

Greenhouse Gas Emission Data

In 2021, Baozun carried out greenhouse gas emissions inspections at the operational level, and conducted a trend analysis of the carbon emission data within its own Scope I and Scope II. The greenhouse gas emissions at the operational level of the Company in 2021 are shown in Table 1, and the trend analysis of greenhouse gas emissions at the operational level from 2019 to 2021 is shown in Figure 1.

Greenhouse gas emissions in Scope III include the indirect greenhouse gas emissions generated by activities such as procurement of packaging materials, downstream transportation and warehousing, employee commuting, and business travel. Based on its business characteristics, the Company has evaluated and identified the emission categories in scope III based on its materiality. Through the collection, statistics and analysis of various types of data, the Company has identified the key operation process of greenhouse gas emissions in Scope III, with the emission conditions as shown in Table 1.

Table 1- 2021 Emission Data of Baozun Inc.

Indicators	Unit	2021	
Greenhouse gas emissions in Scope I ¹	tCO ₂ e	454.79	
Greenhouse gas emissions in Scope II ²	tCO ₂ e	16,867.71	
Total greenhouse gas emissions at the operational level	tCO ₂ e	17,322.50	
Greenhouse gas emission density at the operational level ³	tCO ₂ e/ RMB million	1.84	
Greenhouse gas emissions in Scope III ⁴	Packaging materials purchased	tCO ₂ e	13,415.28
	Leased data center	tCO ₂ e	14,630.55
	Downstream transportation and storage (Not self-owned)	tCO ₂ e	116,726.45
	Employee commuting and travel	tCO ₂ e	759.40

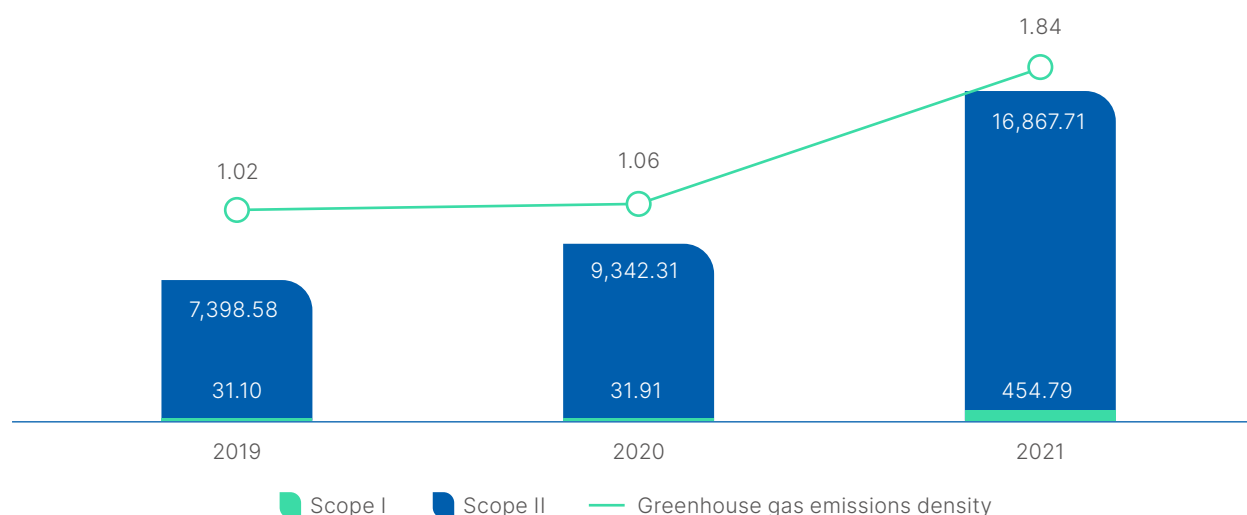
1. Greenhouse gas emissions in Scope I include natural gas, gasoline and diesel for vehicles owned by the Company. When calculating natural gas, gasoline and diesel carbon emissions, we refer to the *Accounting Methods and Reporting Guidelines for Corporate Greenhouse Gas Emissions - Power Generation Facilities* (revised version 2022) issued by the Ministry of Ecology and Environment of the People's Republic of China.

2. The source of greenhouse gas emissions in Scope II is purchased electricity. For the accounting methods for greenhouse gas emissions refer to the *Accounting Methods and Reporting Guidelines for Corporate Greenhouse Gas Emissions - Power Generation Facilities* (revised version 2022) issued by the Ministry of Ecology and Environment of the People's Republic of China.

3. Greenhouse gas emission density at operational level = total greenhouse gas emission at operational level (Scope I + Scope II)/total net revenues.

4. According to the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard of Corporate Value Chain (Scope III)* developed by WRI (World Resources Institute) and WBCSD (World Business Council for Sustainable Development), the Company carries out statistics and calculations on greenhouse gas emissions in Scope III of important categories.

● Figure 1-Greenhouse Gas Emission Trend 2019-2021 of Baozun Inc. (Unit: tCO₂e, tCO₂e /RMB million)

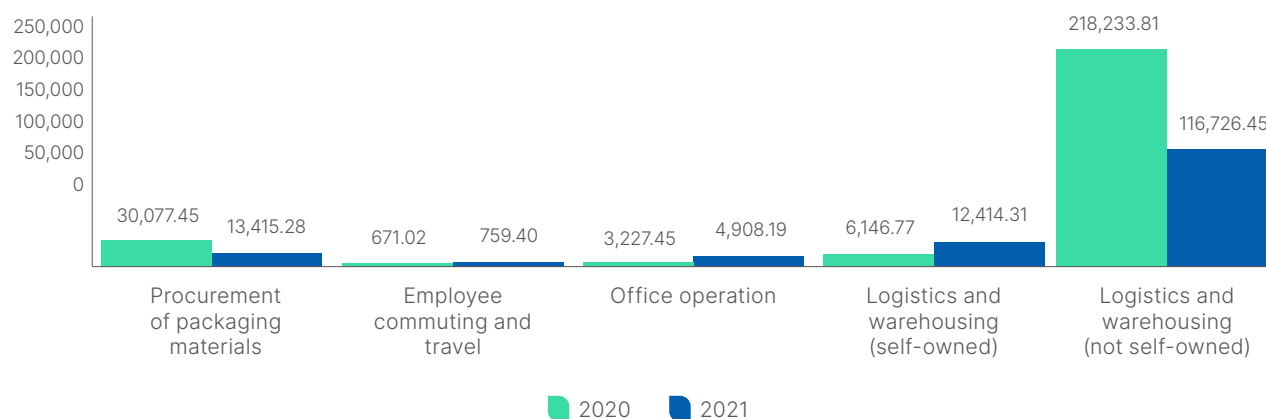


As Baozun's business continues to expand, in 2021, the greenhouse gas emissions in logistics and warehousing self-operated by Baozun increased by 102% compared with 2020; Greenhouse gas emissions in downstream logistics and storage operation decreased by 47%; Due to our reduced use of packaging, the carbon emissions generated by procurement of upstream packaging suppliers decreased by 55% in 2021.

● Table 2-Changes in Greenhouse Gas Emissions of Baozun Inc. at All Links

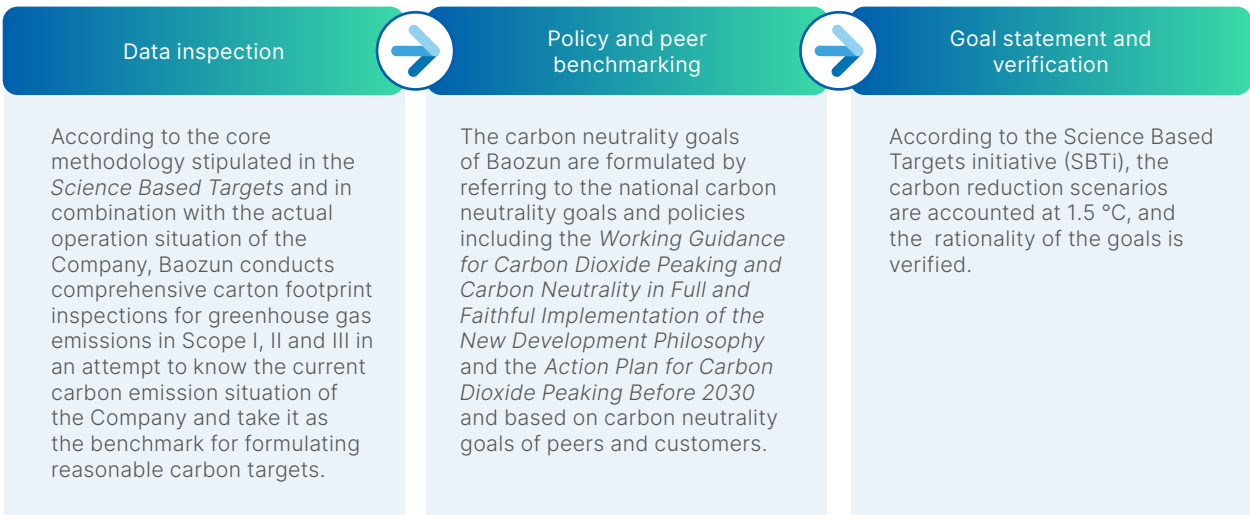
Key operations	Procurement of packaging materials	Employee commuting and travel	Office operation	Logistics and warehousing (self-owned)	Logistics and warehousing (not self-owned)
Greenhouse gas emissions in 2021 (tCO ₂ e)	13,415.28	759.40	4,908.19	12,414.31	116,726.45
Data of 2021 compared with 2020	Decrease by 55%	Increase by 13%	Increase by 52%	Increase by 102%	Decrease by 47%

● Figure 2-Trend of Greenhouse Gas Emissions 2020-2021 of Baozun Inc. at All Links (Unit: tCO₂e)



Scientific Setting of Carbon Emission Targets

According to the *Science Based Targets* prepared by *Science Based Targets* initiative (SBTi), Baozun Inc. has formulated its goals to be achieved by 2030 and 2050 by referring to peers, brand partners and relevant domestic and international policies on carbon neutrality. In addition, Baozun uses the tools of Science Based Targets initiative (SBTi) for calculation to verify the reasonability of the target.



Carbon Neutrality Goals and Principles of Baozun Inc.

2030

Greenhouse gas emissions in Scope I, II reduced by 50% against base year FY2021

- *Target principle: We will take emissions reduction and use of green electricity as the main approaches. We will continuously reduce the carbon emissions of self-operated operation process, reduce energy consumption in logistics, warehousing and office operations, and increase the proportion of renewable energy.*

Greenhouse gas emissions in Scope III reduced by 50% against base year FY2021

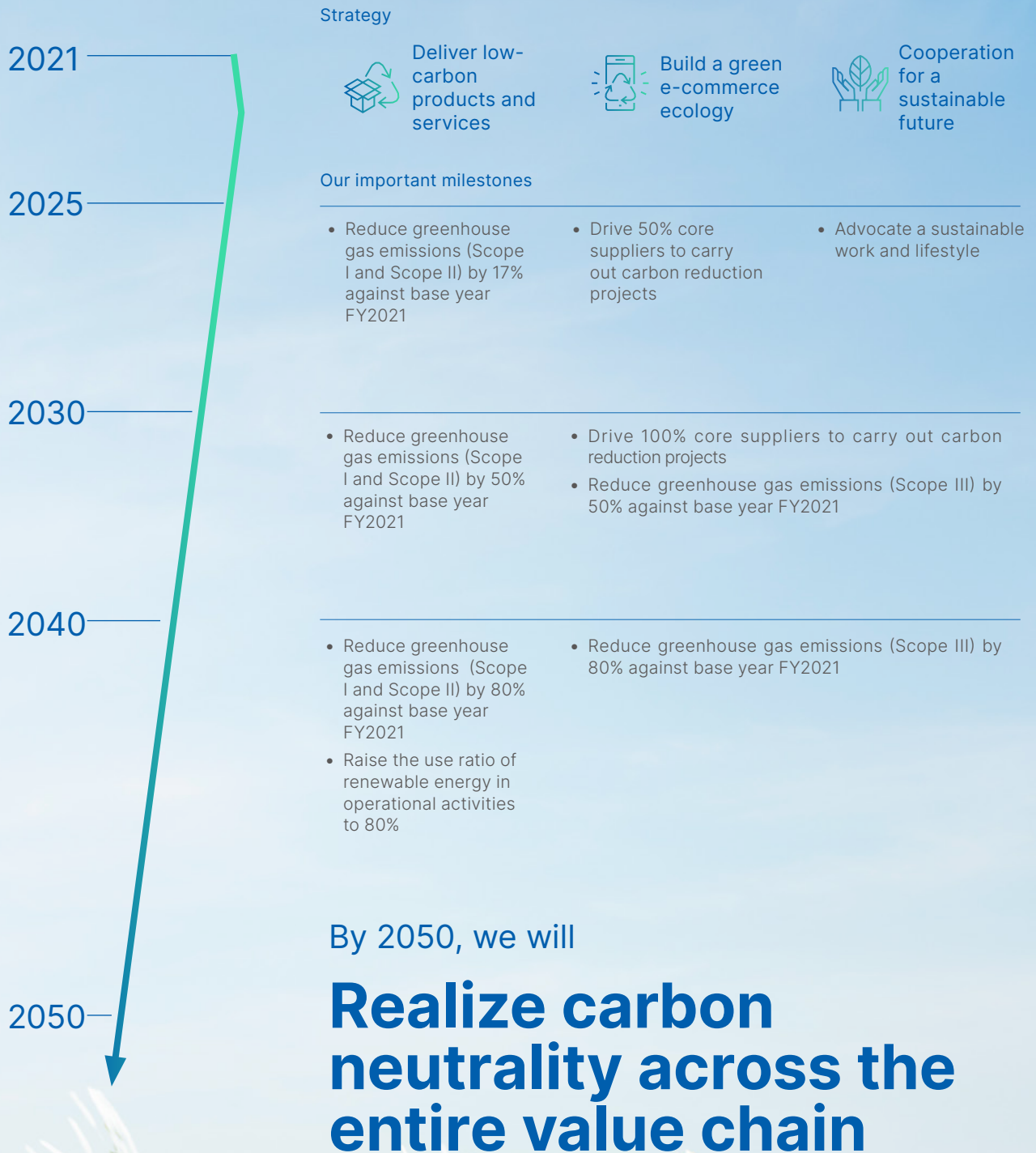
- *Target principle: We will gradually extend the carbon neutrality goal in the whole value chain. We will constantly improve the statistical scope of carbon emission data in Scope III, and require upstream suppliers and downstream transportation & logistics service providers to fulfill carbon emission reduction targets in a synchronized manner with Baozun.*

2050

Achieve carbon neutrality across the whole value chain (including Scope I, Scope II and Scope III)

- *Target principle: We follow the basic principle of meeting the 1.5 °C target in the Paris Agreement. In the process of promotion, we will evaluate with due care and use the way of carbon offset to finally achieve the comprehensive carbon neutrality.*

Carbon Neutrality Roadmap



Outlook

As one of the contributors to the monumental goal of carbon neutrality, Baozun Inc. officially released a *Carbon Neutrality White Paper* in 2022, and will share and witness our efforts and future action trends with the stakeholders such as the government, peers, brand partners, non-profit organizations, and the public through scientific methods and solemn commitments.

We take the "digital-intelligent innovation" as an important driving force to realize our carbon neutrality goal in a faster way. With Baozun's "science and technology gene", we take use of scientific and technological innovation to deliver low-carbon products and services, build a connective bridge between brand partners and consumers, and offer firm and powerful support for the building of the entire green e-commerce ecology.

Climate change poses a common threat to mankind, while carbon neutrality serves as the most powerful tool to cope with this challenge. We are fully aware that the joint efforts of all stakeholders are required to achieve our carbon neutrality goal. For this purpose, through active cooperation with employees, brand partners and consumers, we jointly advocate a sustainable production and life style, and integrate low carbon into work and life. We will keep an open and cooperative attitude in carrying out more diversified cooperation with various stakeholders for a low-carbon and sustainable future.



About This Report

This report is a *carbon neutrality white paper* issued by Baozun Inc., which discloses relevant information on climate issues governance, strategy, risk and management, targets and performance.

References for preparing the report:

- *Recommendation of the Task Force on Climate-related Financial Disclosures (TCFD)*
 - *The Enhancement and Standardization of Climate-Related Disclosures for Investors by Securities and Exchange Commission (SEC)*
 - *Reported according to TCFD Recommendations: Guidelines for Climate Information Disclosure by the Stock Exchange of Hong Kong*
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Organizational scope of the report

Organizational scope: Baozun Inc., its consolidated subsidiaries, its variable interest entity and its subsidiaries, which are consistent with the entities covered in the consolidated financial statements included in Baozun's annual report for the year ended December 31, 2021. The increase in energy consumption (including purchased electricity, natural gas, diesel and gasoline), comprehensive energy consumption, water consumption and greenhouse gas emissions in 2021 is mainly due to the expansion of Baozun's operations. The five subsidiaries acquired by Baozun in 2021 are as follows: Full Jet Limited; Bao Best IOT Technology (Suzhou) Co., Ltd.; Suzhou Baoleantone International Logistics Co., Ltd.; Shanghai Yi Shang Network Information Co., Ltd.; and Shanghai Morefun Information Technology Co., Ltd.

Reliability assurance

The information and data disclosed in this report derive from Baozun official documents, including the statistical reports, annual reports, sustainability reports, etc.

Feedback

For any comments, suggestions or questions about this Report, please contact us with the contact information as follows:
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