



ALIBABA HEALTH  
Information Technology Limited

阿里健康信息技術有限公司  
(Incorporated in Bermuda with limited liability)  
(於百慕達註冊成立之有限公司)  
Stock code 股份代號 : 00241



2022  
環境、社會及管治報告  
ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT

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## ABOUT THIS REPORT

### PUBLICATION CYCLE

This is the sixth consecutive Environmental, Social and Governance ("ESG") Report annually prepared and published by Alibaba Health Information Technology Limited.

### BASIS OF PREPARATION

This report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (HKEX-ESG).

### REPORTING PERIOD

The reporting period is from April 1, 2021 to March 31, 2022 (the "Reporting Period").

### SCOPE OF REPORT

The main body of this report is Alibaba Health Information Technology Limited, including all the management and supporting departments of the Company.

### REFERENCE

For the convenience of expression, Alibaba Health Information Technology Limited is also referred to as "Alibaba Health", "the Company" or "we" in this report. The "Group" refers to Alibaba Health and its subsidiaries and "Alibaba Group" refers to Alibaba Group Holding Limited and its subsidiaries.

### NOTE ON CURRENCY

Unless otherwise specified, the currency in this report is in Renminbi (RMB).

### REPORT VERSION AND AVAILABILITY

This report is released online. You can access and download this report from the following websites:

Official website of Alibaba Health: <https://www.alihealth.cn/>

Website of The Stock Exchange of Hong Kong Limited: [www.hkex.com.hk](http://www.hkex.com.hk)



## MESSAGE FROM SENIOR MANAGEMENT

Stepping into the year 2022, while Alibaba Health made one effort after another to keep COVID-19 at bay nationwide, we have kept thinking about the role we should play to meet the needs of our society, especially at times when rising demand drove the Internet healthcare industry to grow and expand. Going forward, how should we respond to public concerns over “medical care” and “health”?

Alibaba Health remains dedicated to its corporate mission of “promoting healthy living of 120 years for everyone”. In our opinion, “healthy living” implies our responsibility to bring affordable healthcare services to the wider community, allowing each user to benefit from our quality health support system that integrates treatment, prevention and healthcare in a dignified manner. This coincides with the development direction of China’s healthcare industry as specified in the “Fourteenth Five-Year Plan for National Health”<sup>▲</sup> (「十四五」國民健康規劃). Building on Alibaba Group’s digital capabilities, we will actively utilize our own capabilities and service experience accumulated over the years in Internet and IoT technologies, setting out to deliver values to our users over the longer term in the Internet healthcare field.

While we are committed to providing our users with quality healthcare services, we also never stop thinking about how we might play a more proactive role for stakeholders of the wider community. Alibaba Group released its “Carbon Neutrality Action Report” at the end of 2021, followed by further disclosures on its ESG efforts in 2022, defining ESG strategy as a key cornerstone for its future development. At Alibaba Health, ESG efforts are also regarded as a key strategy to pursue sound business development while maintaining mutually beneficial relationships with its users and various stakeholders. During the financial year ended March 31, 2022 (“FY2022”), we managed to incorporate ESG efforts into our corporate governance, with the Board, the management and functional departments taking up the supervision and routine executive functions of ESG activities, respectively, so that ESG principles and requirements were embedded in our daily operations. In this financial year, Alibaba Health became the only Internet medical company included in the “HSI ESG Enhanced Index” and “HSI Low Carbon Index”; MSCI upgraded our ESG rating from BBB to A. With these recognitions of our ESG efforts being received, we will continue creating social value through better ESG management.

Alibaba Health has set up three top ESG priorities for the current financial year: focusing on service and product quality; pursuing mutual growth with its employees and ecosystem partners; and contributing to carbon peaking and carbon neutrality as required under Alibaba Group’s “Dual Carbon” initiative. We always comply with regulatory requirements of the healthcare industry and make no compromise on quality control. Operating in an industry known for its constant evolution of technologies and service models, we take concrete actions to embed “quality” and “safety” in each of our services and products. We aim to truly benefit our customers, employees and ecosystem partners, thereby facilitating the healthy and sustainable development of the industry.

In response to Alibaba Group’s “Dual Carbon” initiative, we are thoroughly reviewing how to leverage our expertise in digital medical and healthcare services to help our society conserve energy and reduce emission, thereby contributing to the green and low-carbon transition of the Company, Alibaba Group, our customers and the society. As we bring offline services online, patients no longer need to endure endless trips between hospital and home. Quality online medical and healthcare services are also quality green and low-carbon services. We have also continued to strengthen cooperation with data service providers and logistics service providers to promote the application and development of green data centers and green logistics, for energy conservation and emission reduction in our value chain.



## MESSAGE FROM SENIOR MANAGEMENT

The COVID-19 pandemic has led to deeper public awareness of the importance of medical care and health. Preserving our mission as we move forward, Alibaba Health will, as always, work together with each and every user and ecosystem partner to promote a greater and healthier lifestyle.

**ZHU Shunyan**

*Chairman and Chief Executive Officer of Alibaba Health*

May 25, 2022



## STATEMENT BY THE BOARD OF DIRECTORS

The Company and the board of directors (the "Directors") of the Company (the "Board") have fulfilled the requirements of the *Environmental, Social and Governance Reporting Guide* of The Stock Exchange of Hong Kong Limited to advance the Board's participation in and decision-making on ESG-related matters. As the top decision-making body responsible for ESG issues, the Board is responsible for making decisions on the Company's ESG management approach and strategy, ensuring that an appropriate and effective ESG risk management system is in place within the Company, reviewing assessment results of the Company's material ESG issues and ESG report for the current year, and actively embedding ESG requirements in all aspects of the Company's operation.

Led by the Board, Alibaba Health has established an effective mechanism for ESG daily management and information disclosure. ESG efforts are led by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company, while each business unit and department must fulfil ESG-related requirements and report progress of ESG work in a timely manner. Being responsible for ESG information disclosure, the Investor Relations Department regularly works with business units and departments to prepare and disclose the ESG report on an annual basis.

During the Reporting Period, Alibaba Health adhered to the environmental goals set by Alibaba Group in relation to business operations. This report, which discloses in detail Alibaba Health's ESG-related matters during the year, has been reviewed and approved by the Board on May 25, 2022.



## COMPANY PROFILE

As the flagship healthcare platform of Alibaba Group, Alibaba Health has an unwavering commitment to the mission of “promoting healthy living of 120 years for everyone”. The Group will continue to consolidate and strengthen existing business foundations in healthcare, and explore innovative business models, foster new business ventures in the industry and prepare for the future to align with the evolving needs of its customers. The Group hopes that, with its relentless efforts and dedication to Internet and life science technologies in the next decade and beyond, it can engage in the whole process of users’ lives at an early stage, enabling them to live with vitality and dignity through “early prevention, early examination, early detection, and early treatment” services on its platforms. To achieve this goal, Alibaba Health will utilize its leading digital technology and digital operation capabilities, with “cloud-based infrastructure” as the foundation, “cloud-based pharmacy” as the core, and “cloud-based hospital” as the engine to provide affordable, convenient, efficient and reliable medical and healthcare services to hundreds of millions of families.

### PRINCIPAL BUSINESSES

Alibaba Health is principally engaged in pharmaceutical e-commerce business, as well as healthcare and digital services business.

**Pharmaceutical E-commerce Business:** The customer-centric pharmaceutical e-commerce business of Alibaba Health fully makes use of its brand advantages and resources accumulated over the years. By utilizing IoT and other Internet technologies, Alibaba Health is able to deploy its multi-channel business model integrating its pharmaceutical direct sales business, Tmall’s Pharmaceutical Platform and new retail business to further expand its collaboration with high-quality upstream brands, pharmaceutical and healthcare supplement manufacturers and key domestic pharmaceutical distributors. The objective is to provide an integrated online and offline healthcare management platform for users with health needs through the innovation of the elements of persons, goods and venues to further nurture and develop buying pharmaceutical products online as a consumer habit.

**Healthcare and Digital Services Business:** By leveraging on its strong capability in technological innovation, digital and intelligent technologies, Alibaba Health has optimized industrial processes and improved service efficiency. Alibaba Health has penetrated the areas of Internet healthcare and healthcare service, and leveraged on the ability of Alibaba’s ecosystem to acquire user traffic. Not only has Alibaba Health been offering multi-faceted, multi-dimensional, professional and convenient medical and healthcare services to end users from channels including Taobao, Tmall, Alipay, “Dr. Deer” APP and Quark, it has also brought quality medical resources to each community. At the same time, Alibaba Health continues to operate its “Ma Shang Fang Xin”<sup>^</sup> (碼上放心) tracking platform, which provides pharmaceutical companies, healthcare organizations and consumers with information tracking services for pharmaceutical products, vaccines, health products and consumer products, with a view to accelerating the establishment of a safe and convenient tracking mechanism for the industry.



## COMPANY PROFILE

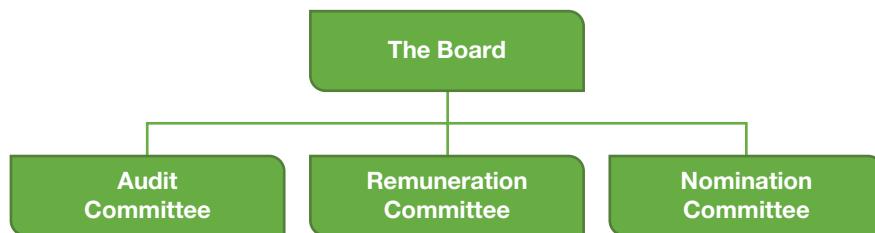
### Ecosystem Collaboration

In the field of cancer screening, Alibaba Health has joined hands with Landing Medical to launch a new model of clinical tumor diagnostic services which provides high-quality and timely online and offline cancer screening solutions for medical institutions in target cities. This allows AI diagnostic technology to play a more important role in early screening and rapid diagnosis of high-incidence tumors. In the digital medical services field, the “hospitals of the future” information system jointly built by Alibaba Health and Seenew Medical Technology (Zhejiang) Co., Ltd.<sup>▲</sup> (熙牛醫療科技(浙江)有限公司) assisted the First Affiliated Hospital — Zhejiang University School of Medicine with the “cloud migration” of its four clinical centers. By transferring its core information system online, the hospital was able to achieve the free flow of information among the four clinical centers. This has significantly improved the operational efficiency and service quality of the hospital.



# 1 CORPORATE GOVERNANCE

## 1.1 GOVERNANCE STRUCTURE



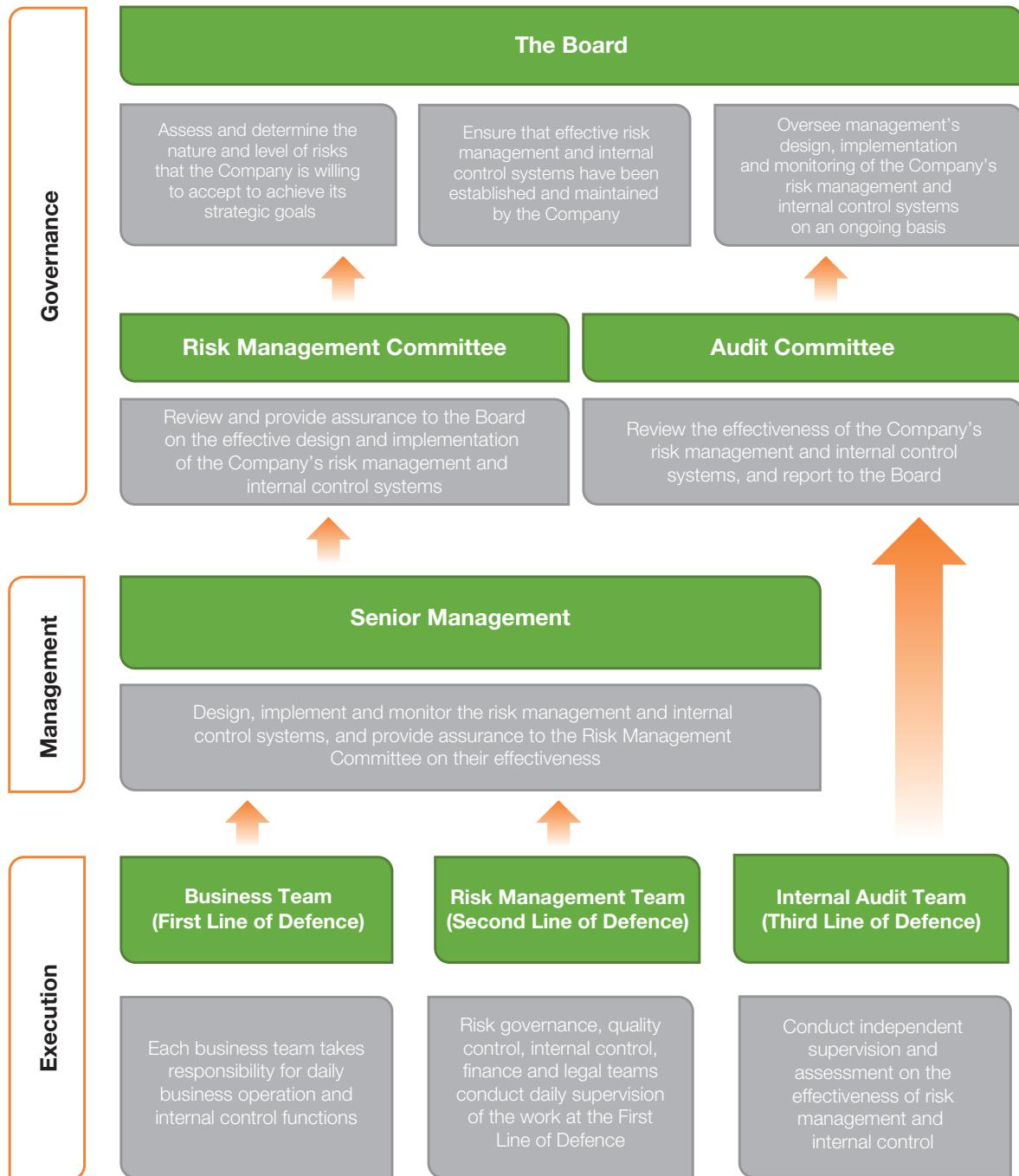
Committees	Main duties
Remuneration Committee	<ul style="list-style-type: none"> <li>to make recommendations to the Board on the Company's policy for and structure of remuneration for all Directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;</li> <li>to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, and make recommendations to the Board on the remuneration of non-executive Directors.</li> </ul>
Audit Committee	<ul style="list-style-type: none"> <li>to consider the appointment of the external auditor and any questions in relation to its resignation or dismissal;</li> <li>to discuss with the external auditor the nature and scope of the audit;</li> <li>to review the half-year and annual financial statements before submission to the Board.</li> </ul>
Nomination Committee	<ul style="list-style-type: none"> <li>to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;</li> <li>to identify individuals suitably qualified to become members of the Board and to select or to make recommendations to the Board on the selection of individuals nominated for directorships.</li> </ul>



## 1 CORPORATE GOVERNANCE

### 1.2 INTERNAL RISK CONTROL

Alibaba Health's risk management organizational structure has three levels: governance, management and execution. The risk management responsibilities and reporting lines of the different levels are illustrated below.





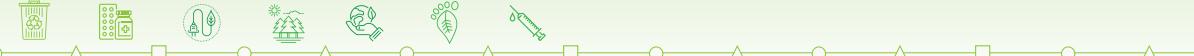
## 1 CORPORATE GOVERNANCE

### Risk Management Processes

Risk identification	Based on the Group's strategic and operational objectives, management identifies uncertainties and risk exposures which could affect the Group in realizing its strategic and operational objectives in nine major areas, including strategy, operation, quality, finance, laws, human resources, information technology and data, and reputation and user experience.
Risk assessment	Management and its management team evaluate and rate the identified risks based on the two dimensions of probability and impact and rank them as "high", "moderate" or "low" based on the rating results.
Risk monitoring	Risk monitoring is to oversee the implementation of risk response measures as well as to continuously improve the effectiveness of internal control activities, which includes ongoing monitoring during daily business operation and regular independent assessment.
Risk reporting	Risk reporting is to report on the effectiveness of the design and implementation of the risk management and internal control systems to the Group management, the Board, the Audit Committee and the Risk Management Committee.
Risk response	Risk response strategies include risk avoidance, transfer, mitigation and acceptance. Based on the risk identification and assessment results, management adopts appropriate risk response strategy to design relevant measures to address the specific risk.

### Risk Management Assurance Mechanisms

- The Group's management actions for risk response include processes and internal control activities at the organizational, operational, financial reporting and IT system levels. The relevant processes and internal control activities have been recorded in internal control manuals and policies, which are published on its policy management platform as reference and learning materials for all employees. The Group also established a rules center to publicize policies and requirements in respect of the management of partners and businesses.
- Risk management performance appraisal provides assurance for risk management implementation and Alibaba Health ensures implementation of its risk management strategies by raising all employees' risk awareness, standardizing internal control processes and adopting the accountability mechanism of all employees.
- The Group ensures the implementation of operational procedures, policies and internal control activities through related communication and trainings on risk management and internal control, which may take such forms as centralized training sessions, seminars, on-job communication and instructions, online video courses, e-mail reminders and online examinations etc., covering content such as policies, internal control, legal and regulatory compliance, integrity, and data security management.



## 1 CORPORATE GOVERNANCE

### 1.3 INTEGRITY MANAGEMENT

In line with Alibaba Group, Alibaba Health adopts a strict zero tolerance approach towards corruption, remains committed to legitimate and compliant operation, and strictly abides by the business ethics of honesty, trustworthiness, incorruptibility and self-discipline. Anti-corruption trainings are carried out to raise awareness of law and integrity among employees. Non-compliant employees will be subject to disciplinary actions, and their managers will be held accountable. In 2021, Alibaba Health issued the *Code of Business Conduct* (《商業行為準則》), *Rules for Managing Conflicts of Interest among Employees* (《員工利益衝突管理細則》) and *Employee Discipline System* (《員工紀律制度》), together with the *Code of Conduct against Sexual Harassment* (《反性騷擾行為準則》) which took effect simultaneously, and updated a number of rules, including *Gift Handling Regulations* (《禮品處理條例》), *Requirements on Behaviors relating to Government Affairs* (《政府事務行為相關規定》), *Securities Trading Guidelines* (《證券交易指引》), *Data Security Specifications* (《數據安全規範》) and *Guidelines for Employee Participation in External Activities Organized by Third Parties* (《員工參加第三方舉辦的外部活動指引》), forming a mature policy system for anti-corruption and compliance. Following the promulgation of these policies, multiple rounds of promotion campaigns and examinations were carried out in the following months for all employees, managers and human resources teams across all levels, recording a pass rate of 100% for all employees, including the CEO.

Alibaba Health established its compliance system with reference to that of Alibaba Group, and the Company formed teams of professionals well-versed in integrity, internal control, audit, risk control, legal and financial practices. During the Reporting Period, Alibaba Health set up a Disciplinary Management Committee, whose members include the CEO, CPO, CFO, COO, CRO, head of legal affairs, and head of integrity. Its main duties include: revision and management of the Company's systems, reconsideration and reporting of employee discipline, and routine risk management.

Alibaba Health has established and strictly implemented a compliance training system. The Company organizes compliance trainings from time to time for front-line employees, managers and human resources teams. Compliance publicity and education with appropriate contents are provided for different positions, the effectiveness of which is tested with examinations. A designated education mechanism is in place for new recruits, who are required to pass the examination within 30 days of employment and attend all designated offline trainings that are organized on a regular basis. To further optimize Alibaba Group's certification exam for code of business conduct, Alibaba Health updated and upgraded the system and functions of the gamified online test, now featuring questions more relevant to business scenarios. During the Reporting Period, the Company conducted integrity trainings for all employees, with an average of 5.91 hours of training per person. Directors of the Company were required to participate in integrity trainings, with an average of 1 hour of training each Director.

In addition, Alibaba Health has set up multiple public anti-corruption whistleblowing channels, developed and launched a mobile whistleblowing portal, and continued to build and promote whistleblowing channels, including QR codes, whistleblowing systems and emails. Having assigned integrity investigators to conduct investigations and categorize information immediately after the reporting, Alibaba Health also clearly stipulated information security protection for whistleblowers and the consequences of retaliation. During the Reporting Period, the Integrity department of the Company proactively investigated and reported 2 legal cases regarding fraud to the law enforcement authorities. We actively complied with relevant judicial requirements and procedures, and took warning for internal education to continuously strengthen our integrity. As the 2 aforementioned cases were timely discovered and handled, they did not incur much impact on the Company's business.



## 1 CORPORATE GOVERNANCE

### Alibaba Health's Integrity Reporting Channels

Online reporting channel	<a href="https://jubao.alibaba.com">https://jubao.alibaba.com</a>
Reporting email	alihealth-integrity@alibaba-inc.com lianzheng@alibaba-inc.com
Reporting hotline	400-854-5198

### 1.4 COMMUNICATION WITH STAKEHOLDERS

Alibaba Health recognizes the importance of understanding the demands and concerns of its stakeholders (including consumers, partners and the government) in the ongoing improvement of social responsibility management. Alibaba Health has therefore been working to improve the participation mechanism of stakeholders to address their concerns and demands, aiming to create value for stakeholders while promoting business development.

Stakeholders	Needs & Expectations	Communication & Responses
Government	Compliance with laws & regulations Support for economic development Payment of taxes according to laws	Compliance management Implementation of state policies Active payment of taxes
Investors	Return on investment Business & profit growth Risk management Information disclosure	Timely disclosure of operating information Results announcement meetings General meetings
Consumers	Quality and affordable products & services Healthcare knowledge education Consumer privacy protection	Pharmaceutical healthcare services improvement Consumer satisfaction surveys Consumer information protection
Employees	Staff benefits assurance Occupational health protection Sound career path Work-life balance	Provision of good remuneration package Implementation of staff training Enhancement of career development path
Partners	Industry advancement and win-win outcome Procurement with openness, fairness and impartiality Faithful performance of contracts	Contract fulfillment according to laws Public tenders Launch of cooperative projects
Environment	Energy conservation and emission reduction	Management of emissions Improvement of efficiency in the use of resources and energy Participation in environmental public welfare activities
Society and the Public	Integration of business operation and public welfare Support for community development	Charitable activities Volunteer services



## 1 CORPORATE GOVERNANCE

### 1.5 IDENTIFICATION OF MATERIAL ISSUES

After due consideration of the demands and concerns of its stakeholders, Alibaba Health identifies material ESG issues and analyzes their materiality to ensure that the ESG report covers all important issues to the Company and its stakeholders. To ensure a full understanding of the impact of each ESG issue on stakeholders, we assess and prioritize each issue through the following steps.

#### Environmental, Social and Governance Issues Selection Process

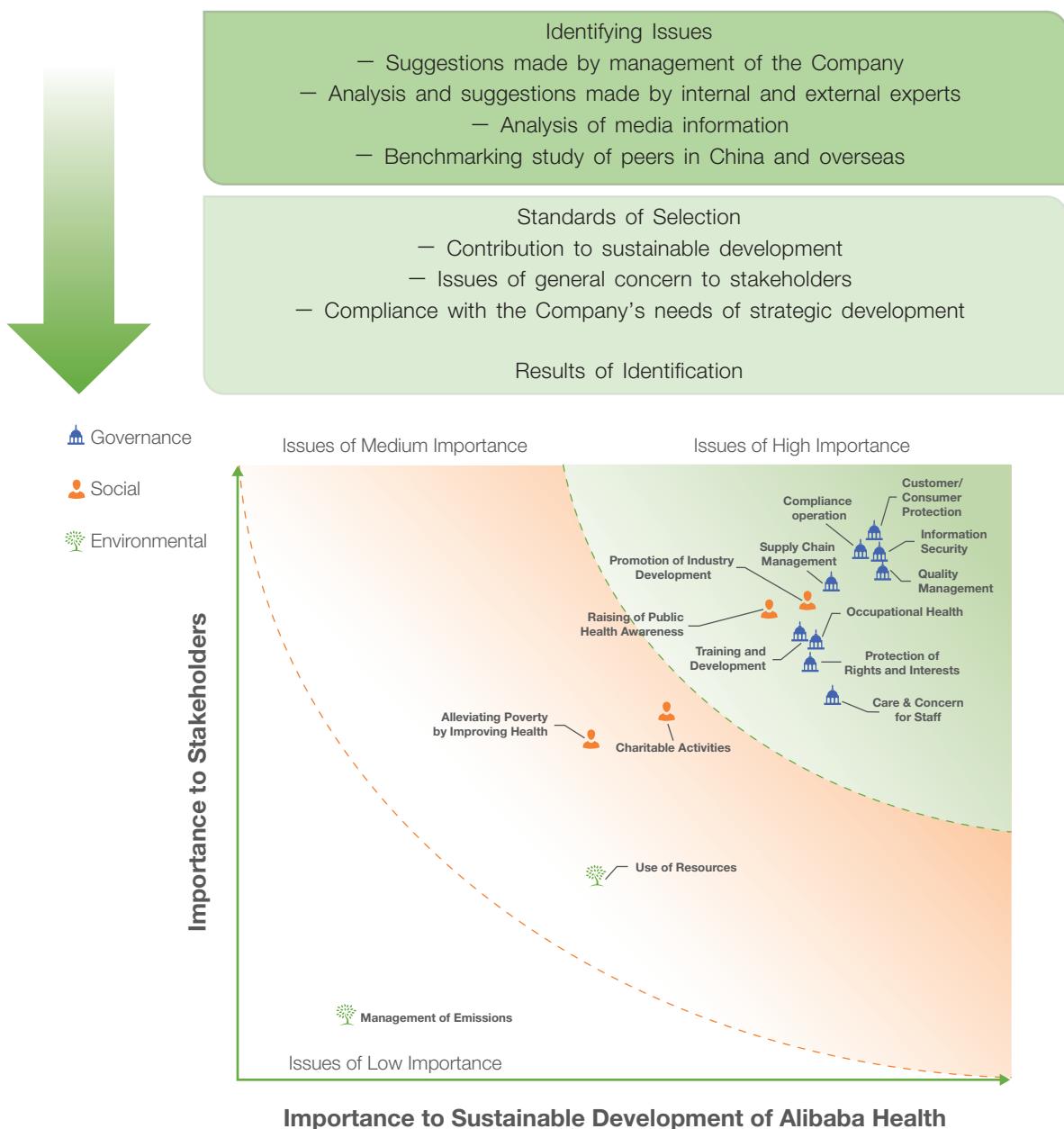


Chart: Materiality Matrix of ESG Issues of Alibaba Health



## 2 QUALITY ASSURANCE

As an integrated online and offline medical and healthcare services platform, Alibaba Health always considers user health its top priority. The Company continues to establish and improve product quality management system, optimize standards for merchants and products on its platform, providing its customers with reliable, convenient and safe products and services.

### 2.1 PRODUCT QUALITY

It is the responsibility and fundamental commitment of Alibaba Health to ensure the quality of drugs sold and a stable operation of its platforms. Alibaba Health strictly abides by relevant laws and regulations, including the *Food Safety Law of the People's Republic of China* (《中華人民共和國食品安全法》), *Drug Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》), *Vaccine Administration Law of the People's Republic of China* (《中華人民共和國疫苗管理法》), *Regulations on the Implementation of the Drug Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法實施條例》), *the Measures for the Administration of Drug Trading Licenses of the People's Republic of China* (《藥品經營許可證管理辦法》) and the *Interim Provisions for Examination and Approval of Internet Drug Trading Services of the People's Republic of China* (《互聯網藥品交易服務審批暫行規定》). We have developed our quality control system in accordance with the *Good Supply Practice for Pharmaceutical Products (GSP)* (《藥品經營質量管理規範》) and established a quality control system that covers the processes of quality control, product verification, product tracking and product recall.



## 2 QUALITY ASSURANCE

**Table: Product Quality Management of Alibaba Health in 2021**

Quality Control	<ul style="list-style-type: none"> <li><b>Quality control throughout the value chain:</b> developed quality control measures throughout the value chain covering drug storage, transportation and sales in accordance with GSP.</li> <li><b>Quality control team:</b> responsible for quality management of all business operations, taking measures such as AI drug safety system, free drug use consultation to ensure product quality.</li> </ul>
Product Verification	<ul style="list-style-type: none"> <li><b>Development of verification standards:</b> formulated standard documents such as the <i>Standards for Launching Vaccine Products on the Platform of Alibaba Health</i> (《阿里健康疫苗平台商品發佈標準》) and <i>Technical Specifications for Prohibited Additives in Edible Products</i> (《可食用類產品違禁添加技術規範》) based on the characteristics of specific products sold on platform, expressly stipulating the usage of additives in each product and preventing prohibited substances.</li> <li><b>Joint development of product standard:</b> in 2021, we collaborated with 4 major verification institutions (including the Chinese Academy of Inspection and Quarantine) on a complete upgrade of the industry standard for bird's nest, and issued the "first guideline on selecting bird's nest online" for Tmall. By building a mindset that "quality birds' nests are sold on Tmall", we aimed to boost user confidence in this product category and drive the industry towards healthy development.</li> <li><b>Laboratory set-up:</b> we established a "transparent laboratory" for product verification, such as developing standards and conduct verification for food products.</li> <li><b>Sampling tests on product:</b> we conducted sampling tests on products regularly and informed consumers of test results on the product introduction page in our online store.</li> </ul>
Product tracking	<ul style="list-style-type: none"> <li><b>Product tracking platform:</b> established a third-party tracking platform called "Ma Shang Fang Xin".</li> <li><b>Development of tracking standards:</b> formulated tracking standards and specifications so that the source of products could be verified, circulation could be tracked, and accountability could be pursued throughout the full life cycle of products sold on platform.</li> </ul>
Product recall	<ul style="list-style-type: none"> <li><b>Product recall:</b> products with defects could be recalled through the product tracking system in a timely manner.</li> <li><b>Recall cases:</b> no case of product recall on the direct business platform of Alibaba Health was recorded in FY2022.</li> </ul>

During the Reporting Period, the proportion of returns due to safety and health reasons on Alibaba Health's platform was 0.92/10,000.



## 2 QUALITY ASSURANCE

### 2.2 REGULATED MANAGEMENT OF MERCHANTS

In order to regulate operation and management of its platforms and ensure product quality, Alibaba Health has established a strict admission, review and exit system for merchants under different categories, such as consumer healthcare institutions offering medical devices or medical services, thereby ensuring continuous provision of quality products to customers on its platforms.

In respect of merchants selling medical devices, Alibaba Health has established a strict review and regulation system for the qualifications of medical device merchants and product qualification in strict compliance with the *Measures for Supervision and Management of Online Sales of Medical Devices* (《醫療器械網絡銷售監督管理辦法》). During the entry stage, we require all merchants to be qualified for medical device business, and to have obtained medical device online registration certificates, business licenses and other documents as required. All admitted merchants must act in accordance with Alibaba Health's regulations for launching medical device products, and upload information about the registration certificate and label of the medical device before launching. We will verify the authenticity and validity of relevant qualifications after they have been uploaded.

In terms of medical service providers, Alibaba Health has put in place relevant requirements for sourcing and admission, and formulated the *Standards on Admission to Alibaba Health Medical Platform* (《阿里健康醫療平台入駐標準》) and *Rules of Alibaba Health on Management of Sourcing of Physical Check/Inspection Providers in Alipay* (《阿里健康支付寶體檢／檢查機構招商管理規範》). We will first conduct a preliminary verification of the qualifications of all medical institutions and physicians entering the platform, which will then be checked against relevant information on the website of the National Health Commission of the People's Republic of China ("National Health Commission") for confirmation.

As for consumer healthcare institutions, we have developed rules, management standards and verification processes in relation to sourcing such institutions for our platforms. During the admission stage, we combine qualification verification with site visit: verifying relevant qualification documents of such institutions while going on site visits from time to time to inspect their management and service documents, as well as the actual state of their operations. By ensuring the authenticity of their information, we aim to provide consumers with quality and safe healthcare services.

### 2.3 CUSTOMER SERVICE

Alibaba Health is committed to providing users with quality and safe products and services. In addition to establishing online and offline channels for medical consultation and medication, we have also built a service system offering professional pharmacist services across various platforms, making sure that we cater for the needs of different patients and bring a carefree and excellent service experience to our users.

#### Pharmacist Service

Alibaba Health strictly verifies qualifications of pharmacists entering its platforms, through pharmacist team building and platform-based service systems, it continuously enhances pharmacist consultation services, and satisfies user's purchasing needs in a timely manner.



## 2 QUALITY ASSURANCE

The Company cultivates a service team of professional pharmacists through strict admission verification, pharmacist training and incentive mechanism. We strictly verify certificates of qualification and practice certificates of pharmacists during admission to ensure the authenticity and accuracy of pharmacist information. The Company regularly provides professional training courses, such as medical knowledge and medication precautions to its pharmacist team, aiming to ensure timely update of their professional knowledge and the accuracy of messages conveyed. Meanwhile, we select gold medal pharmacists every month based on their performance, which not only serves the need for a reasonable management of our pharmacist team, but also encourages pharmacists to provide users with more suitable services by improving their own service skills. As at March 31, 2022, nearly 160,000 licensed physicians, pharmacists and nutritionists were available on our platform to provide online health consultation services to users, while the online consultation services reached an average of 300,000 consultations per day.

Continuous standardization of our pharmacist service platform has enabled us to provide users with more convenient and real time services. Alibaba Health now provides online consultation services by professional pharmacists on a 24/7 basis. Consumers can seek advice from our professional pharmacist team on consultation and medication both before or after purchase. Guided medication services are also provided for members of the “Prescription for Chronic Disease Welfare Program”. Our platform also offers convenient tools such as medication reminders and automatically generated medication plan, aiming to provide professional services to cater for the needs and wellbeing of consumers. In response to complaints concerning product and service, we formulated *Operation Procedures for Customer Complaints Management* (《客戶投訴管理操作規程》) and *Quality Complaint Management System* (《質量投訴管理制度》), which stipulate the process of handling customer complaints, requests for return, exchange or refund. Our response rate to customer complaints was 100% for the year.

### Medical Consultation Experience

Leveraging on Alibaba Group’s strengths in the Internet business with regard to the needs of its own business development, Alibaba Health has expanded its service scope by establishing a dual-channel system with access to online medical consultation and offline retail services. This laid the foundation for an integrated online and offline medical and healthcare services network, through which Alibaba Health offers consumers a consultation experience with greater convenience.

In light of the increased usage of online consultation APPs, Alibaba Health has launched its online consultation platform featuring online registration, waiting, remote follow-up consultation and home delivery of medicine, providing users with one-stop consultation services covering the entire value chain. In addition, by leveraging its accumulated technologies, channels, and operational advantages, Alibaba Health provides chronic disease patients with comprehensive healthcare services at their fingertips. The number of chronic disease users has reached 6.5 million, representing an increase of 119% as compared with that for the year before.

Aimed at establishing a new retail system for medical supplies, Alibaba Health built on its online platforms to further explore offline pharmacy resources. This enabled Alibaba Health to deliver the last-final customer experience by offering them easy access to desired drugs. To bring consumers greater purchasing flexibility, we collaborated with offline pharmacies to offer 24/7 expedited drug delivery services.



## 2 QUALITY ASSURANCE

### Responsible Marketing

Alibaba Health always follows market rules and the principle of honest marketing, it also complies with applicable laws and regulations, such as *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》) and *Provisions for Drug Insert Sheets and Labels* (《藥品說明書和標籤管理規定》), so as to ensure legal operations with integrity. During the Reporting Period, no case of non-compliance in relation to product and service identification was recorded.

We impose strict control on product marketing strategies to ensure product content compliance throughout the value chain. Prior to product launch, we would explicitly prohibit advertising for prescription drugs or foods for special medical purposes (FSMPs), and review healthcare products, medical devices, and non-prescription drugs against our *Advertising Checklist* (《廣告審查表》). After each product launch, we would utilize system tools for real-time monitor of product description to ensure communication of scientifically accurate medicine and treatment information to patients. In addition, not only do we conduct regular trainings on applicable laws such as *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》) and *Drug Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》), we also set up a testing mechanism on training content, with a view to strengthening a sense of marketing compliance among internal staff.

### 2.4 ENSURING INFORMATION SECURITY

Alibaba Health attaches great importance to cybersecurity and the protection of users' private data. To honor its fundamental commitment to data security, Alibaba Health has established sound structure and system for security management, and it continuously improves on security technology capability, all in an effort to ensure platform data security and protect customer privacy.

#### Information Security Management

The Company strictly complies with applicable laws and regulations, including the *Cybersecurity Law of the People's Republic of China* (《中華人民共和國網絡安全法》), *Regulations on Technical Measures for Internet Security Protection* (《互聯網安全保護技術措施規定》) and *General Data Protection Regulation (GDPR)* (《通用數據保護條例》), it also follows multiple internal management rules formulated by Alibaba Group, including the *Data Security Specifications (General) of Alibaba Group* (《阿里巴巴集團數據安全規範(總綱)》), *Information Disclosure Rules of Alibaba Group* (《阿里巴巴集團 — 對外數據披露細則》) and *Financial Information Security Management Rules of Alibaba* (《阿里巴巴財務數據安全管理規範》), with a view to standardizing internal information security management, as well as ensuring information security and data compliance.

In order to strengthen information security of the Company and ensure the effective execution of security management, Alibaba Health has established a structure for information security management. Our Risk Management Committee of the Board is responsible for information security of the Company and takes part in the supervision and final decision-making on the Company's data security. Our Chief Risk Officer (CRO) and his/her team are responsible for the daily management and maintenance of data security. The CRO prepares a summary of data security work and reports to the Risk Management Committee on an annual basis. In the ordinary course of business, our CRO team meets regularly to recap data security matters and promptly communicate on emergency responses, so as to ensure the security of our employee data, of Alibaba Health's application data, as well as of information across our upstream and downstream activities.



## 2 QUALITY ASSURANCE

### Information Security Operation

Alibaba Health continues to promote security technology enhancement, with a view to mitigating risks relating to information and data security through a set of information security protection mechanisms. We have established sound standards for information system management, business continuity protection mechanism and encryption protection measures. Alibaba Health has developed data management rules related to the entire process, from data collection and transmission, secured storage, encryption protection, authorized access and use, to destruction. We have put in place contingency plans to handle emergencies like an unexpected information system disruption. We also regularly execute disaster recovery plans and drills, aiming to enhance our defense capabilities against information security risks.

In terms of information security assessment, we continuously enhance our capabilities to safeguard information security through internal and external security assessment tests.

**Table: Security Assessment Tests of Alibaba Health**

Internal tests:	External tests:
<ul style="list-style-type: none"> <li>Compliance assessments: legal assessment, data security assessment</li> <li>Technical platform assessment: black and white box testing</li> </ul>	<ul style="list-style-type: none"> <li>Going through real-time security tests with the participation of over 10,000 data security experts from all over the world by sharing the data security expert team (<a href="https://security.alibaba.com/">https://security.alibaba.com/</a>) with Alibaba Group</li> </ul>

While we continue to enhance our own information security capabilities, we also invite external third-party institutions for competency certification and security assessment, with a view to driving and improving data security and information protection at Alibaba Health. As of March 31, 2022, several systems or platforms, including among others, Alibaba Health, Alibaba Cloud (a data services provider for the healthcare industry), “Dr. Deer” (a medical consultation system on Alibaba Health’s platform) and “Ma Shang Fang Xin” (a platform operated under Alibaba Health) had been certified by reputable institutions. Among them, the “Ma Shang Fang Xin” platform managed to obtain the highest-level certification in information security for non-banking institutions in China.

**Table: Information Security Certification of Alibaba Health**

Certified Institutions	Certification Systems
Alibaba Cloud	Registration certificate of level-3 information security protection of information system, Ministry of Public Security
“Dr. Deer” medical consultation system	Registration certificate of level-3 information security protection of information system, Ministry of Public Security
“Ma Shang Fang Xin” platform	Certification of level-3 information security protection of information system, Ministry of Public Security
Alibaba Health	ISO27000 Information Security Management System certification ISO9000 Quality Management System certification



## 2 QUALITY ASSURANCE

### Information Security Promotion

Alibaba Health engages in various information security and data security emergency drills and trainings. In accordance with its data security contingency plans and drills, the Company has developed different emergency scenarios to test its competence in responding to security risks, and it continues to identify and ratify issues found in these drills. In terms of data security training, Alibaba Health has formulated a sound level-based training system, aiming to drive constant improvement in security awareness and skills among employees.

- New employees: data security training, specialized data security training in respect of the warehousing system;
- Personnel involved in data security incidents: data security incidents recap and relevant training;
- All staff (including interns and outsourced employees): campaigns on data security and confidentiality-related contents, with security trainings and examinations for all staff.

### Privacy Protection

Alibaba Health attaches great importance to customer privacy protection. We strictly abide by relevant laws and regulations, including the *Personal Information Protection Law of the People's Republic of China* (《中華人民共和國個人信息保護法》), the *Data Security Law of the People's Republic of China* (《中華人民共和國數據安全法》), the *Provisions on the Protection of Personal Information of Telecommunication and Internet Users* (《電信和互聯網用戶個人信息保護規定》). To safeguard customer privacy through the effective implementation of its customer information management mechanism, Alibaba Health has formulated privacy protection policies for relevant products, such as the *Legal Statement and Privacy Policy of Alibaba Health* (《阿里健康法律聲明及隱私權政策》), the *Legal Statement and Privacy Policy* (《法律聲明及隱私權政策》) for the “Dr. Deer” platform, and the *Legal Statement and Privacy Policy* (《法律聲明及隱私權政策》) for Alipay's healthcare channel. During the Reporting Period, there were no incidents of customer privacy leakage caused by Alibaba Health.

The Company further strengthens customer privacy protection through customer information management and information access management. In order to strictly protect user information stored in our business operations, we take a series of management measures such as information classification, data access control, specifying the scope of personal information to be collected and used, undertaking to proper storage of relevant privacy data on our platforms, as well as prohibiting unauthorized leakage or use of personal information and data. Customers are allowed to search, supplement, update and remove their personal information. Meanwhile, we strictly manage access to customer information, which is only granted to authorized data management personnel, whose access operations are kept on database records. We stipulate expressly that all accounts with data security implications shall not be privately assigned to others in order to prevent personal information and data leakage. In terms of information disclosure to third parties, we only disclose necessary customer information to a third party that the customer has been informed of and authorized, on condition that a written disclosure review has been confirmed, all the while following the principle of “only disclosing the minimum needed”.



## 2 QUALITY ASSURANCE

In order to better protect customer privacy, Alibaba Health conducts regular trainings on data security and confidentiality for all staff. Through relevant trainings on personnel management, process management and information technology, it aims to constantly regulate and enhance privacy security protection.

### 2.5 MANAGEMENT OF INTELLECTUAL PROPERTY

Alibaba Health strictly abides by applicable laws and regulations such as the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》), the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》) and the *Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》). It complied with regulatory rules in relation to intellectual property rights as specified in Alibaba Group's *Code of Business Conduct* (《商業行為準則》), in order to make sure sufficiently respect is shown to the intellectual property rights of others while safeguarding its own legitimate rights and interests. During the Reporting Period, there were no intellectual property complaints held against Alibaba Health.

The Company continues to optimize work processes and regulations for intellectual property protection among internal staff and platform merchants. Our employees are required to strictly comply with provisions specified under applicable laws, regulations and agreements, any third-party names, trademark, data or software must be used in a lawful manner. Meanwhile, we step up efforts in identifying and managing intellectual property infringement risks in our operations, reject intellectual property infringement, continuously raise awareness of intellectual property protection among merchants, and coordinate brands for follow up actions in case of infringements, with a view to protecting the legitimate rights and interests of intellectual property holders and consumers.

To foster an innovation environment in the Company and drive product upgrades, we have established an incentive mechanism for innovative employees based on Alibaba Group's innovation award scheme. In so doing, we aim to promote the research and development of innovative products, show respect to and protect employees' innovations, and inspire a spirit for technological innovation among internal staff.



## 3 EMPLOYEE MANAGEMENT

Alibaba Health has always regarded its employees as its most valuable assets. Being a people-oriented company, Alibaba Health respects the legitimate rights and interests of all employees, supports their career development, enriches their leisure lives, and is committed to creating a healthy, safe yet inclusive workplace for employees.

### 3.1 COMPLIANCE EMPLOYMENT

Alibaba Health safeguards the legitimate rights and interests of its employees and continuously promotes the development of its talent management system. Alibaba Health strictly complied with applicable laws and regulations, such as the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》) the *Social Insurance Law of the People's Republic of China* (《中華人民共和國社會保險法》) and the *Regulations on the Administration of Housing Provident Funds Management* (《住房公積金管理條例》), as well as its own Policy of Employment Management. Alibaba Health strictly prohibits employment of child workers and forced labor, upholds the principle of equal employment to prevent any form of discrimination based on gender, ethnicity, marital status, religion and other factors in all aspects of staff recruitment, remuneration, training and promotion, so as to ensure all employees are entitled to open, equal and fair employment opportunities. Alibaba Health has established standardized remuneration management system and incentive policies, it also offers competitive remuneration packages and performance bonuses. In addition to safeguarding employees' basic rights, such as contributions to the five social insurances and housing provident fund, as well as entitlement to statutory holidays, the Company also offers them a comprehensive welfare system including but not limited to, providing paid holidays for pregnant employees, setting up nursing rooms for employees who are breastfeeding mothers, allowing employees with minor children to take leave for parent-teacher meeting and travel leave around holidays for employees whose hometowns are far away.

As of March 31, 2022, Alibaba Health had 1,849 employees, of which 43.05% were female. The Company entered into labor contracts with 100% of its employees. It reported no cases of child labor or forced labor, and did not identify any discrimination incident.



### 3 EMPLOYEE MANAGEMENT

**Table: Employee Composition of Alibaba Health in FY2022**

Indicator		Unit	Number
Total number of employees		person	1,849
Number of employees by gender	Male	person	1,053
	Female	person	796
Number of employees by employment type	Full-time	person	1,829
	Part-time	person	20
Number of employees by age	29 years of age or under	person	478
	30 to 50 years of age	person	1,356
	51 years of age or above	person	15
Number of employees by geographic location	Mainland China	person	1,845
	Hong Kong SAR, Macau SAR and Taiwan	person	3
	Overseas	person	1
Number of employees by level	High-ranked employees	person	39
	Middle-ranked employees	person	616
	Entry-level employees	person	1,194

**Table: Employee Turnover Rate of Alibaba Health in FY2022**

Employee turnover rate	By gender	Male	%	16.43
		Female	%	14.32
	By age	29 years of age or under	%	12.97
		30 to 50 years of age	%	16.59
		51 years of age or above	%	0.00
	By geographic location	Mainland China	%	15.45
		Hong Kong SAR, Macau SAR and Taiwan	%	33.33
		Overseas	%	100.00



### 3 EMPLOYEE MANAGEMENT

#### 3.2 TALENT DEVELOPMENT AND TRAINING

Upholding a development philosophy of growing together with its employees, Alibaba Health has been improving a system for employee growth and development, with ongoing optimization of employee training related systems. The Company provides its employees with extensive training opportunities and resources, as well as broad promotion channels, so as to help realize their dreams.

Alibaba Health proactively promotes OKR (Objectives and Key Results) management tools, aiming to enhance key managers and all employees' understanding and recognition of its corporate mission, thereby driving the development and progress of employees along with the Company. The Company has established a comprehensive and diversified training system for employees at all levels, so as to offer them comprehensive trainings on teamwork, flexibility, insight, systematic thinking and creativity as well as to improve their professional competence and skills continuously.

The Company provides its employees with abundant online and offline training opportunities by, for instance, inviting business elites from Alibaba Group to hold seminars and share experience on business, R&D, operations and policies. Leveraging on the training system of Alibaba Group, the Company encourages its employee to participate in training activities of the Group, such as basic management trainings like “San Ban Fu”<sup>^</sup> (三板斧) and “Xia Ke Xing”<sup>^</sup> (侠客行), so as to enable employees in different positions to acquire training contents needed for personal development in a timely manner.

“Health Academy”, a live streaming online training program focusing on industry and user insights and covering business introductions, industry and market insights, regulatory policies for internet medical and healthcare, user observation and products strategies, has been offered to all employees. In 2022, “Health Academy” launched higher grades series, which is led by key members of senior management and enables high-quality communications and interactions with reference to market best practices, aiming to inspire perception and exploration of the industry and our own business.

Alibaba Health also supports its key employees to pursue professional study. In 2022, the Company invited professors from Zhejiang University to provide a total of 21 class hours of training on general knowledge of pharmacy, in order for its employees to have better understanding of basic concepts of medication and learn more about relevant industry policies and the R&D process of drugs.

During the Reporting Period, employees of Alibaba Health participated in trainings with an aggregate total audience of 3,200, with 100% of employees trained and an average of 74 hours of training per person.



### 3 EMPLOYEE MANAGEMENT

**Table: Employee Training System of Alibaba Health**

Applicable Categories	Training Contents
New hires	<ul style="list-style-type: none"> <li>• Providing the Induction Training Manual.</li> <li>• Assigning senior staff as mentors of the new hires to help them onboard as quickly as possible.</li> <li>• Providing a three-day “Alibaba Health Welcomes New Arrivals” orientation training to all new hires, to comprehensively introduce the Company’s business, focus on challenges of new hires in their jobs, highlight interactive learning and launch a series of trainings including the “Learning Roadmaps”, activities for newcomers and offline trainings.</li> </ul>
Middle management	<ul style="list-style-type: none"> <li>• Organizing “Xia Ke Xing” leadership enhancement training which enables deep learning of management responsibilities and team building through simulated experiences, covering all learning targets for newly promoted managers.</li> <li>• Organizing “Guan Li Ye Cao”^ (管理夜草), a management ability training program which focuses on three topics including recruitment, performance and promotion and allows the trainees to discuss with senior management through case studies, covering over 90% of newly promoted front line managers.</li> <li>• Customized product-oriented or technology-oriented training sessions for mid-level employees.</li> <li>• Live streaming online training for all managers of Alibaba Health to clarify the value proposition and work requirements for managers, and provide relevant working methods.</li> </ul>
Senior management	<ul style="list-style-type: none"> <li>• Through the manager training programs, monthly and quarterly management meetings and other activities, the Company’s senior management discuss the innovative management skills as well as the future development and goals of the Company, and share their management experiences. These activities enhance the cohesion and strategic leadership of the team and lay a solid foundation for the long-term and stable development of the Company.</li> <li>• Supporting the senior management to seek further education, attend external courses and obtain external certificates.</li> <li>• Supporting leaders of Medical E-Commerce to study Chinese Course on Drug Development and Regulatory Sciences (CCDRS) modules, so as to develop deeper insight into global pharmaceutical R&amp;D and the development environment of pharmaceutical enterprises.</li> </ul>

Furthermore, the Company has stepped up its effort to strengthen its talent pipelines by evaluating the performance of employees semiannually and offering two opportunities for promotion every year in order to facilitate the identification, selection, appointment and development of talents, and to provide them with fair and extensive career development opportunities.



### 3 EMPLOYEE MANAGEMENT

**Table: Employee Training of Alibaba Health in FY2022**

Indicator	Unit	Number
Average training hours completed of employees	Hour(s)	74
Percentage of employees participating in trainings by gender	%	100%
Male	%	100%
Female	%	100%
Average training hours by gender	Hour(s)	74
Male	Hour(s)	74
Female	Hour(s)	74
Percentage of employees participating in trainings by level	%	100%
High-ranked employees	%	100%
Middle-ranked employees	%	100%
Entry-level employees	%	100%
Average training hours by level	Hour(s)	60
High-ranked employees	Hour(s)	60
Middle-ranked employees	Hour(s)	80
Entry-level employees	Hour(s)	66

#### 3.3 EMPLOYEE HEALTH AND SAFETY

Alibaba Health attaches the greatest importance to the health of its employees and strives to create a healthy and safe workplace, strengthens safety awareness of employees, and exerts persistent effort to pandemic prevention and control, all with a view to safeguarding the mental and physical wellbeing of employees.

The Company strictly abides by the *Occupational Disease Prevention and Control Law of the PRC* (《中華人民共和國職業病防治法》) and the *Safety Production Law of the PRC* (《中華人民共和國安全生產法》) and other laws and regulations. The Company provides supplementary medical insurance for all employees in addition to basic social insurances such as medical insurance and work-related injury insurance, offering comprehensive coverage for employees which comprises various social insurances and multi-level supplementary insurance. Furthermore, the Company arranges annual checkup for its employees so that they can know about their health conditions in time. During the Reporting Period, Alibaba Health did not experience any work-related injury or fatal accidents, and there were no lost working hours due to work-related injuries.

**Table: Work-related Fatality of Alibaba Health in the Past Three Years**

Indicator	Unit	2022	2021	2020
Work-related fatality	Person	0	0	0



### 3 EMPLOYEE MANAGEMENT

In order to enhance the emergency response capability of the Company, we have established a multi-level interactive, flexible and efficient emergency response mechanism and commanding system, equipped with professional first-aid equipment, to enable quick response to and proper handle of emergencies such as injuries or diseases of employees, people trapped in lifts, pandemic prevention and control. Meanwhile, the Company is committed to creating a safer workplace in collaboration with employees, and therefore recruits internal emergency response personnel from its employees, provides safety and first-aid training to registered employees and grants profession certification to them.



Chart: Emergency Response Mechanism of Alibaba Health

In 2022, Alibaba Health actively complied with the pandemic prevention and safety requirements of the country and the Alibaba Group, taking a number of prevention and control measures within the Company to combat the pandemic. Pursuant to national anti-pandemic policies and Group strategies, the Company created “Dianzuo”<sup>^</sup> (典座), a product which safeguards security of the facilities through entry control of all employees with “Facility Code” and “City Code”. We also carried out normalized pandemic prevention measures, such as offering free face masks to employees, installing partitions on dining tables, arranging different dining time to avoid crowding, and organizing COVID-19 nucleic acid and antigen test for all employees.



### 3 EMPLOYEE MANAGEMENT

#### 3.4 EMPLOYEE CARE

Alibaba Health appreciates its employees for their hard work and contribution, and therefore demonstrates ongoing humanistic care for its employees, advocates work-life balance, and organizes various cultural and sport activities, aiming to improve their sense of belonging and well-being.

Alibaba Health organizes various activities for its employees to enrich their lives and promote communication and interaction among employees, providing a platform for employees to show themselves and communicate with each other. On May 10 of every year — Ali Day, employees of Alibaba Health can participate in Alibaba Group's group wedding activities. We organize group celebrations and give out gifts on holidays such as Dragon Boat Festival and Mid-Autumn Festival. We also hold celebration ceremonies for employees completing three years of service and five years of service, and rewards were given to such employees.

With sincere care for female staff, the Company not only organized activities for them on Women's Day, but also provided heartfelt care and services for pregnant employees, such as setting up dedicated rooms for rest in each facility, offering dedicated seats in canteens and providing maternity clothing.

In addition, the Company values communications with employees and encourages them to provide timely feedback on their needs, so as to cultivate an atmosphere and culture with information transparency and active engagement. We actively participate in the quarterly employee survey conducted by the Alibaba Group. According to results of the survey, our performance ranked relatively well within the Alibaba Group, testifying a high level of employee satisfaction.



## 4 DUAL CARBON INITIATIVE

Alibaba Health upholds the philosophy of “lucid waters and lush mountains are invaluable assets” and attaches great importance to the impact on ecological environment caused by its operation. Therefore, it is committed to building a sustainable and beautiful environment by continuously monitoring climate change and minimizing environment impact in every aspect of its operation.

### 4.1 TACKLING CLIMATE CHANGE

In light of multiple challenges faced by the ecological environment arising from extreme weather caused by climate change, reducing carbon emission and proactively tackling climate change have become widely concerned issues in the human society. In active response to the national goal of “carbon peaking and carbon neutrality”, Alibaba Health has implemented carbon reduction strategy and carbon neutrality action of Alibaba Group, sparing no effort to tackle climate change with practical actions.

The Company is in the process of tackling tasks related to climate risks response, and proactively identifies and analyzes potential risks and opportunities brought by various climate changes based on factors such as industry characteristics, business deployment and operational locations, and develops targeted strategies. On the one hand, as the frequent occurrence of extreme weather, such as typhoon, rainstorm and sandstorm, would cause damage to operating assets, equipment and staff of the Company, we must attach high importance to weather alerts at all time and strengthen preventive measures, to ensure stable operation of the Company with flexible mechanisms for employees such as remote working. On the other hand, as extreme weather may cause travel inconvenience which affects offline drugs purchasing and boosts demand for online healthcare services, we have formulated contingency plan for such scenario so as to meet the needs for medical services in a timely manner.

### 4.2 GREEN OPERATION

To honor its commitment to integrating the concept of environmental protection into every part of its daily operation and management, Alibaba Health strives to promote employees' awareness of energy conservation and carbon reduction. It builds green facilities, engages in energy-saving renovations and reduces carbon emissions via a green supply chain, with a view to mitigating the negative impact of its operations on climate and resources.



## 4 DUAL CARBON INITIATIVE

### Green Data Center

To comply with the requirements under China's "Dual Carbon" strategy, Alibaba Health relies on data centers operated by Alibaba Cloud to replace traditional IT infrastructure with cloud computing, with a view to improving hardware efficiency in computing utilization rate, heat-dissipation efficiency and power usage effectiveness (PUE). Through accelerated digital transformation and upgrade, as well as further progress in carbon reduction and efficiency improvement, Alibaba Health has successfully minimized the adverse environmental impact of its business operations.

At the same time, building on Alibaba Cloud's efforts in energy conservation and emission reduction, we actively put the "Green Data Center" concept into practice. We apply AI technologies in low-carbon site selection, clean energy, liquid cooling and resource recycling to accelerate the innovation, iteration and upgrade of green and energy-saving technologies. For instance, through continuous exploration of liquid cooling applications, Alibaba Cloud has eliminated mechanical cooling and reduced the total power consumption of its data centers by more than 70%, as heat generated by servers is directly absorbed by dielectric liquid coolants and dissipated in the outer circulation, achieving nearly zero energy consumption throughout the entire heat dissipation process. Alibaba has deployed the world's largest liquid-cooled cluster at its Renhe Cloud Data Center in Zhejiang Province, enabling the PUE there to reach 1.09, the lowest in the world. Looking forward, Alibaba Cloud Data Center will make every effort to build green digital infrastructure and, on the basis of achieving "Scope 1"<sup>1</sup> and "Scope 2"<sup>2</sup> carbon neutrality together with Alibaba Group, strive to achieve "Scope 3"<sup>3</sup> carbon neutrality by 2030, aiming to make itself a "green cloud".

<sup>1</sup> Scope 1: direct emissions, being direct GHG emissions produced through fuel combustion activities, as well as physical and chemical production processes directly controlled by the company. Typical examples under Scope 1 include GHG emissions from coal-fired power generation, use of self-owned vehicles, chemical material processing and equipment.

<sup>2</sup> Scope 2: indirect emissions, being GHG emissions from energy purchased by the company, including electricity, thermal power, steam and cooling.

<sup>3</sup> Scope 3: indirect emissions from upstream and downstream activities in the value chain, including a wide range of upstream and downstream activities undertaken by the company.



## 4 DUAL CARBON INITIATIVE

**Table: Alibaba Cloud's Awards for Energy Conservation & Environmental Protection in 2021**

Award Recipient	Awarded by	Award
Alibaba Cloud Liquid Cooling Technology	China Computer Federation (CCF)	2021 CCF Award for Innovation on Computer Science and Engineering — Technological Progress Award
Alibaba Cloud's Green Data Centers	Ministry of Ecology and Environment	2021 Annual Model for Low-carbon Practices — Model for Low-Carbon Enterprises^ (2021年低碳綠色典型案例—低碳典型企業)
Alibaba Nantong Data Center, Alibaba Zhangbei Data Center	Ministry of Industry and Information Technology, National Development and Reform Commission, Ministry of Commerce, National Government Offices Administration, China Banking and Insurance Regulatory Commission, National Energy Administration	Runner up in the “2021 National Green Data Center” List
Alibaba Cloud	BloombergNEF	No. 1 in the 2021 “Clean Energy Buyers Ranking in China”
Innovative Energy-Saving Solutions by Alibaba Cloud's Green Data Centers	Paulson Institute, Tsinghua University	Green Innovation Recognition of Excellence under the 2021 Paulson Prize for Sustainability



## 4 DUAL CARBON INITIATIVE

GREEN OFFICE

The Company strictly abides by the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), the *Energy Conservation Law of the People's Republic of China* (《中華人民共和國節約能源法》) and other relevant laws and regulations. We strive to improve the utilization rate of energy and resources, and actively undertake energy saving and consumption reduction activities to save water and electricity and reduce paper consumption.

In 2022, Alibaba Health set up an administrative engineering operation center to enable centralized and refined management of electricity consumption in various facilities across the country. The Company utilized building control system and took into account factors such as numbers of employees, weather and temperature to controls office electric appliances including lighting, air conditioners and power sockets based on actual needs. At the same time, the Company implemented intelligent inspection and monitor of night time lighting and air conditioning to shut down equipment not in use, achieving a reduction of 10% in the overall energy consumption at night.

**Table: Highlights of Alibaba Health's Green Office Measures**

Energy management	<ul style="list-style-type: none"><li>• Assign dedicated personnel to inspect office area throughout the day and turn off unnecessary electrical equipment on a timely basis; adjust indoor air-conditioning temperature and fresh air systems in buildings to reduce electricity waste.</li><li>• Convert all meeting rooms into video conference rooms and promote the use of video conferencing to effectively reduce unnecessary business trips.</li><li>• Encourage low-carbon travel and provide shuttle buses for staff.</li></ul>
Water resource management	<ul style="list-style-type: none"><li>• Advocate water conservation and reduce water waste through awareness promotion and slogans.</li></ul>
Solid waste recycling	<ul style="list-style-type: none"><li>• Set strict quotas for the use of office supplies, and require office supplies to be obtained only as needed to avoid wastage.</li><li>• Put recycling bins in the office, advocate double-sided use of paper, and encourage employees to place single-sided printing paper, used paper in the recycling bins for reuse; bind recycled single-side printed papers into manual notebooks for employees to use.</li><li>• Work with Alibaba Group to roll out the activity of exchanging waste paper for green plants.</li><li>• Conduct discarded dry battery recycling activities, and encourage employees to bring their discarded batteries to the Company for centralized recycling.</li></ul>



## 4 DUAL CARBON INITIATIVE

### GREEN FACILITY

Alibaba Health has carried out various energy-saving technological renovation projects for equipment in facilities to improve energy efficiency. For example, it used Internet of Things and big data analysis technology to optimize operation logic of air conditioners and lighting system; it built solar power system in various facilities and promoted the use of green energy such as photovoltaics to further reduce greenhouse gas emissions; and it participated in the development of energy management systems for smart facilities to enable refined management of resources.

#### Energy-saving technological renovation projects in Hangzhou facility of Alibaba Health

- The self-owned facility carried out intelligent renovation of its centralized air conditioning system to enable fully automatic and intelligent operation of the centralized air-conditioning system according to weather change, indoor temperature and change in people flow. This project was recognized by Yuhang District as a demonstration project for public building energy efficiency improvement and energy-saving renovation, with a 11% reduction in energy consumption as evaluated by the government.
- Energy-saving renovation for lighting equipment across the facility, which replaced all traditional fluorescent tubes with LED lighting, reducing lighting energy consumption by 30%.
- User-end intelligent renovation for air conditioning in the rented facility, which enables automatic operation based on people flow data, reducing air-conditioning energy consumption by approximately 10% per annum.



## 4 DUAL CARBON INITIATIVE

### Case study: Deployment of photovoltaics at Cainiao Logistics Parks

In 2021, green energy was utilized for electricity generation at 6 Cainiao Logistics Parks located in Jiading District of Shanghai, Jiangxia and Huangpi Districts of Wuhan, Qingxi Town of Dongguan and Xiasha Street of Hangzhou, with a gross electricity production of 87,000 kWh recorded during the Double 11 Shopping Festival. Furthermore, following the installation of rooftop photovoltaic facilities at a Tmall Supermarket warehouse in Jiading District of Shanghai, not only was the warehouse capable of generating enough electricity to satisfy its own needs, it also transferred 1,000,000 kWh in the form of green energy to the city's power grid on an annual basis.



Picture: Photovoltaics installation at a Cainiao Logistics Park

### GREEN LOGISTICS

In collaboration with Cainiao, Alibaba Health engaged in an undertaking to reduce emissions and build a low-carbon supply chain. In addition to forming a larger fleet comprising new energy vehicles and self-driving vehicles, Alibaba Health also continued to enhance its capacity in recycling operations. We actively promoted the use of recyclable packaging, developed metric standards that benefit the industry, entered into agreements in relation to recycling operations with mainstream service providers, and conducted scenario-based assembly line adaptations, through which we managed to minimize the use of packaging materials. Additionally, we also participated in the development of a smart management plan for recycling systems throughout our value chain. By installing RFID tags, we could track cargo status and locations, and data is analyzed through systematic reports to enable smarter and more efficient management of recyclable packaging.



## 4 DUAL CARBON INITIATIVE

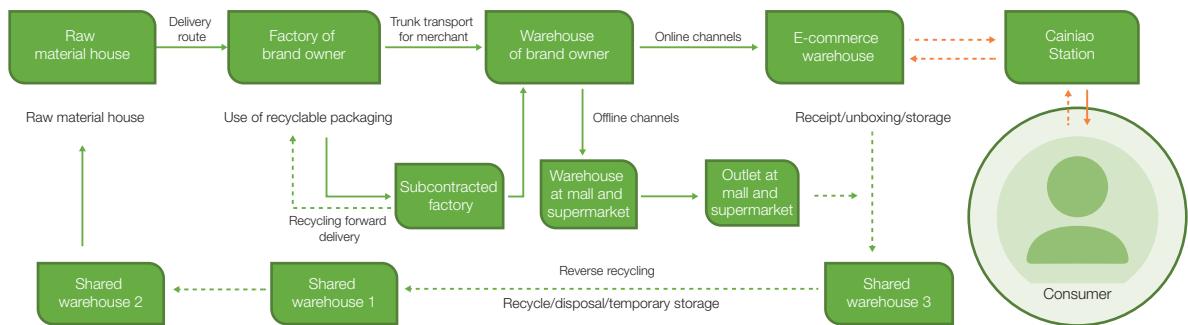


Chart: Use of recyclable packaging and its recycling path

In addition, we actively created emission-reduction scenarios with a strong sense of participation for consumers. We set out to provide a solution for green supply chain throughout the value chain, covering the design of product packaging, the use of packaging in courier transport, and the recycle of packaging materials. Meanwhile, we encouraged consumers to take part in our recycling scheme by providing 2-hour door-to-door collection services in over 300 cities nationwide. By allowing consumers to place orders online to have their products or packages delivered to designated collection points, we managed to provide them with one-stop experience of environmentally-friendly practices.

### Case study: Cainiao's green packaging recycling scheme

During the Double 11 Shopping Festival 2021, in order to encourage consumers to participate in our packaging recycling scheme, we launched the “Recycling Packaging for Eggs”<sup>▲</sup> (快递包装回收换鸡蛋) campaign at 87,000 Cainiao stations located in over 300 cities nationwide, where fresh eggs were given away to environmentally conscious participants every day. As an exemplar of how consumers at large could be encouraged to participate in green practices, this campaign covered an audience of 920 million and attracted a total of 5 million participants from online and offline channels, recycling 3.45 million packages.

In the meantime, to further raise awareness about green logistics among consumers during the Double 11 Shopping Festival 2021, Cainiao introduced an enquiry function where consumers could access their personal data on carbon emissions reduction for the past year and generate their “Personal Statement on Carbon Emissions Reduction”. A total of 30 million users checked out their “Personal Statement on Carbon Emissions Reduction” during this period.





## 4 DUAL CARBON INITIATIVE



Picture: A Cainiao Station participating in the recycling scheme during the Double 11 Shopping Festival

**Table: Energy and Resource Consumption of Alibaba Health in FY2022**

Type of Resource	Unit	Figure
Purchased electricity	kWh	356,483
Per capita electricity consumption	kWh/person	192.80
Comprehensive energy consumption <sup>4</sup>	tons of standard coal	43.81
Per capita comprehensive energy consumption	tons of standard coal/person	0.02
Total greenhouse gas emissions <sup>5</sup>	tons of CO2 equivalent	290.23
per capita greenhouse gas emissions	tons of CO2 equivalent/person	0.16
Water consumption	tons	7,470
Per capita water consumption	tons/person	4.04
Paper consumption	tons	1
Per capita paper consumption	tons/person	0.0005

<sup>4</sup> Comprehensive energy consumption is calculated in accordance with *General Principles for the Calculation of Comprehensive Energy Consumption GB-T2589 2020* (《综合能耗计算通则GB-T2589 2020》).

<sup>5</sup> Alibaba Health is not involved in any direct greenhouse gas emissions (Scope 1). Its indirect greenhouse gas emissions (Scope 2) is calculated by converting purchased electricity in accordance with the *2012 Baseline Emission Factors for Regional Power Grids in China* (《2012年中国区域电网基准线排放因子》) published by the National Development and Reform Commission.



## 4 DUAL CARBON INITIATIVE

### 4.3 WASTE MANAGEMENT

Alibaba Health strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* (《中華人民共和國固體廢物污染環境防治法》), with stringent standards for pollutant emissions and disposal, as well as classification and compliant treatment of solid waste, aiming at minimizing the negative impact on ecological environment.

Alibaba Health's waste generated in the process of operation mainly includes packaging materials for logistics, expired drugs recycled from offline stores, office wastes such as used toner cartridge, used light tubes, used batteries and used paper, and household wastes. In addition, in view of its own business characteristics, the Company is not engaged in manufacturing during its operation, so there is no demand for packaging materials for manufactured products.

In 2022, in order to avoid environmental impact, the Company not only arranged harmless disposal of recycled drugs in accordance with the law, but also actively carried out garbage classification and encouraged its employees to follow garbage classification standards when disposing of recyclable wastes and non-recyclable wastes, which were then processed by the Company.

**Table: Waste Emission of Alibaba Health in FY2022**

Type of Waste	Unit	Figure
Total hazardous waste	tons	0
Hazardous waste generated per capita	tons/person	0
Total non-hazardous waste	tons	352
Non-hazardous waste generated per capita	tons/person	0.19
Disposal/recycle of expired drugs	tons	70



## 5 PARTNER RESPONSIBILITIES

Alibaba Health has always attached the greatest importance to the active fulfilment of corporate social responsibility in its development. Internally, we always value moral and honest behaviors, and strictly forbid any form of corruption, bribery and fraud; externally, we continuously improve our supply chain management in order to create a sustainable supply chain and strive for synergies and sustainable development with suppliers. Moreover, the Company actively participates in public service activities, utilizing its resources and advantages to benefit the society in areas such as medical & healthcare services, public service & charitable activities.

### 5.1 SUPPLY CHAIN MANAGEMENT

Alibaba Health attaches great importance to supplier management, and has established a sound collaboration model with suppliers to lower costs and risks. To ensure legal and compliant procurement, we minimize potential risks of impartiality during tendering and bidding based on the principles of consistency, prudence and fairness. In addition to building a supplier pool for each procurement category, the Company has also prepared supplier management plans for specific categories and adopted a classification approach towards supplier management. This entails a full-process supplier management system that covers aspects including, among others, supplier sourcing, reviewing, database entry, performance management, volume allocation and elimination, the aim of which is to standardize our management, prevent and control risks and regulate the procurement practice. Further, Alibaba Health conducts on-site visits to all suppliers before confirming their participation in and formal presentation of the bidding and reviews their business qualifications in advance to ensure that suppliers meet the requirements of Alibaba Group and the Company.

Procurement for our core business mainly includes pharmaceutical products, healthcare supplements and medical devices for our direct pharmacy business. Alibaba Health strictly maintains fairness and impartiality in procurement while improving efficiency, so as to comprehensively promote transparent procurement and create a responsible supply chain. Pursuant to the *Alibaba Health Supplier Management System* (《阿里健康供貨商管理制度》), we have standardized the procedures of supplier database entry and supplier information input, and established the supplier rating system and supplier evaluation and elimination mechanism. Based on GSP, we put in place clear quality requirements for the receipt, inspection, storage, maintenance, delivery, transportation and return of the medical products respectively in terms of our direct business. Meanwhile, Alibaba Health has established an appraisal system for products from self-operated warehouses and Original Equipment Manufacturer (OEM), and suppliers have to pass a comprehensive evaluation of their credentials and management capabilities before they can be introduced. For those suppliers that have been introduced, the Company inspects self-operated warehouses and OEM plants on a regular basis, with a view to ensuring quality of direct sales products throughout the supply chain.

Procurement for our non-operating activities includes, but not limited to categories of administrative & integrated services, engineering, outsourcing services, professional services, HR services, IT software/hardware and equipment. Alibaba Health strictly complies with the rules, regulations and system processes set up by Alibaba Group's procurement department, which have clarified the coverage, procurement requirements, approval process and payment process. As at March 31, 2022, we have 221 non-operating related suppliers, which are all based in Mainland China.

Alibaba Health engages third party institutions to review its suppliers. During the Reporting Period, 214 supplier reviews were completed, and 2 suppliers who failed to pass their reviews were eliminated.



## 5 PARTNER RESPONSIBILITIES

Alibaba Health offers supplier training on a regular basis, with no less than 4 comprehensive training sessions provided to suppliers of its direct business each year, covering all suppliers. Suppliers are provided with publicity and guidance on relevant laws, regulations and typical case studies to improve their quality control capabilities.

### 5.2 PUBLIC SERVICE ACTIVITIES

Since its establishment, Alibaba Health has been actively participating in public service activities, through which it utilizes the strengths of its resources to benefit the society. By building a team of staff volunteers and engaging in volunteer services, accelerating social development in the medical sector, as well as supporting a public lifestyle that is both healthy and safe, Alibaba Health aims to contribute to the harmonious development of the society.

#### Healthcare public welfare activities

In response to the “Healthy China” strategic plan, Alibaba Health actively committed itself to medical and public welfare causes based on its business scope and strengths. We introduced a training program for grassroots doctors, contributing to the establishment of a system for basic healthcare services. At the same time, we focused on the fields of children’s serious disease relief and special drugs and rare diseases, all in an effort to enhance public welfare through our charitable contributions.

##### Case study: Training program for grassroots doctors

Alibaba Health Philanthropy, together with Alibaba Foundation, China Association of County Hospital President, Ling Feng Foundation and other organizations, carried out a training program for grassroots doctors. With improving the clinical capacity of county hospitals as its objective, the program aimed to offer better healthcare services to rural residents. The learning platform, which covered all specialties of generic medical care, could help bridge the gap between grassroot doctors and experts from Grade III Class A hospitals through online seminars, discussions and case studies, allowing the former to enhance their clinical knowledge and skills. As of the date of this report, the program covered more than 10,000 doctors from 421 county hospitals, approximately 70,000 doctor training sessions had been completed.



## 5 PARTNER RESPONSIBILITIES

### Case study: Xiao Lu Lantern Children's Serious Disease Relief Platform

In order to help more children with serious diseases and their families, the "Xiao Lu Lantern" (小鹿燈) Children's Serious Disease Relief Platform was officially launched on May 31, 2021. The platform was jointly supported by governments at all levels, well-known medical institutions, medical experts, authoritative public welfare organizations, as well as Alibaba Foundation and Alibaba Health Philanthropy. The goal was to provide access to medical care for families caring for children with serious illnesses and difficulties, connect them with high-quality medical resources and help alleviate their financial burden of medical treatment, as well as costs associated with them receiving medical treatment in other places, which include travel and accommodation costs. By helping sick children seek early diagnosis and treatment, this program aimed to reduce disabilities and deaths caused by diseases, and to reduce the occurrence of lapse and relapse into poverty due to diseases. As at March 31, 2022, the platform held 18 volunteer medical consultations covering over 200 towns in 17 counties and 11 provinces. Over 3,000 children received preliminary screenings, of which more than 300 had obtained medical and financial assistance.

### Case study: Further investment in special drugs and rare diseases

Alibaba Health Philanthropy also invested further in the field of special drugs and rare diseases, launching the "Patient Assistance" mini program in September 2021. In addition to expanding access to special drugs for patients in a joint effort with mainstream foundations, Alibaba Health Philanthropy also collaborated with Boao Le Cheng Rare Disease Clinical Center in the establishment of the first "Global Drug Information Platform for Rare Diseases" in China, aiming to address the challenge in accessing foreign innovative drugs faced by millions of rare disease patients in China, helping them acquire necessary drugs as early as possible to enhance the chance of recovery. Meanwhile, Alibaba Health Philanthropy worked with Beijing Health Promotion Association to design and develop the "Medication Cost Calculator", which enables a visible presentation of relevant information, such as charges for medicine, medical insurance reimbursement rates nationwide, inventory of free pharmaceutical products and reimbursement of supplemental insurance policies, with a view to alleviating burden for patients and strengthening their confidence in standardized treatment.



## 5 PARTNER RESPONSIBILITIES

### Concerted Efforts to Contain COVID-19

Alibaba Health has a key part to play in the Internet healthcare industry amid the lingering pandemic. Not only has it been upgrading its pandemic-related healthcare services on platforms such as Alibaba Health Pharmacy and “Dr. Deer” APP, it has also increased the number of cities where consumers can access door-to-door COVID-19 nucleic acid testing services. Furthermore, Alibaba Health calls together teams of experts, doctors and professional pharmacists to offer online volunteer medical consultations and address medication needs of chronic disease patients, contributing to pandemic prevention and control efforts nationwide.

#### Case study: Upgrading door-to-door COVID-19 nucleic acid testing services

In August 2021, a citywide COVID-19 nucleic acid testing campaign was launched in multiple Chinese cities, including Nanjing and Wuhan. In order to help improve testing efficiency in these cities, Alibaba Health further upgraded its existing online appointment services by making online appointments for door-to-door testing, offline testing and in-home medical care available in 94 cities across China. Users could book a slot online immediately after paying for nucleic acid testing services, thereby avoiding the higher risk of infectious exposure due to crowd gatherings while saving time.

In November 2021, Alibaba Health worked with professional institutions to bring door-to-door nucleic acid testing to users in 120 cities across China, allowing them to book a slot as early as the same day.

#### Case study: Organizing online volunteer medical consultation to serve homebound patients

In August 2021, Alibaba Health launched volunteer medical consultation and prescription services on the “Dr. Deer” APP in response to COVID-19 risks, which allowed users to seek online consultation at home and have necessary drugs delivered to their doorsteps. Nearly 1,000 doctors contributed to the effort via the “Dr. Deer” APP, providing 24/7 consultation services to those from COVID-stricken regions. Alibaba Health also arranged a 60-second rapid response scheme to pediatric diseases, where doctors from Grade III Class A hospitals answered questions from parents caring for sick children.

In March 2022, more than 3,000 doctors voluntarily joined an online volunteer medical consultation campaign launched by Alibaba Health, where they provided consultation services to patients in difficult times. On a daily basis, over 500 doctors of various specialties (such as respiratory medicine, pediatrics, internal medicine and dermatology) from different parts of China provided consultation services online via designated sections at Alibaba Health’s Internet hospitals, successfully meeting patients’ different needs.



## 5 PARTNER RESPONSIBILITIES

### Case study: Updating the “COVID-19 Essential Items Checklist”<sup>^</sup> (日常防疫清單) to meet the needs of chronic disease patients

In April 2022, Alibaba Health Pharmacy updated the page of its “COVID-19 Essential Items Checklist”, adding a designated section titled “Stock Up On Chronic Disease Medication”<sup>^</sup> (慢病備藥) to supplement healthcare supplies under existing categories such as Protection & Disinfection, Common Household Medicines, Immunity Enhancement and Physiotherapy Monitor. This created a one-stop shop for homebound patients with chronic diseases to stock up on their routine medicines. Furthermore, not only has Alibaba Health Pharmacy set out detailed science facts for each of the sections on its “COVID-19 Essential Items Checklist” page, it also provides 24-hour pharmacist services for individual drugs. More than 2,000 pharmacists holding national certificates of qualification will provide consumers with 24/7 free medication instructions online.

<sup>^</sup> For identification purpose only



## ESG INDEX

General Disclosures and Key Performance Indicators		Pages
Environmental		
A1: Emissions	General Disclosure	Information on: (a) the policies; and (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.
	A1.1	The types of emissions and respective emissions data.  The Company's operations do not involve the generation of polluting emissions
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) total greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
	A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
	A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
	A1.5	Description of emission target(s) set and steps taken to achieve them.
	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.



## ESG INDEX

General Disclosures and Key Performance Indicators		Pages
Environmental		
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.
	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).
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.
	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.  The Company's operations use water from municipal water supply, and therefore do not involve water-related issues
	A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.  No involvement by the Company
A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.
	A3.1	Description of the significant impact of activities on the environment and natural resources and the actions taken to manage them.
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.
	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.



## ESG INDEX

General Disclosures and Key Performance Indicators			Pages
Social			
B1: Employment	General Disclosure	Information on: (a) the policies; and (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.	22
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	23
	B1.2	Employee turnover rate by gender, age group and geographical region.	23
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (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.	26
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	26
	B2.2	Lost days due to work injury.	26
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	26–27
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	24–25
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	26
	B3.2	The average training hours completed per employee by gender and employee category.	26
B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	22
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	22
	B4.2	Description of steps taken to eliminate such practices when discovered.	22



## ESG INDEX

General Disclosures and Key Performance Indicators		Pages
	Social	
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.
	B5.1	Number of suppliers by geographical region.
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.



## ESG INDEX

General Disclosures and Key Performance Indicators		Pages
<b>Social</b>		
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (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.
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.
	B6.2	Number of products and service-related complaints received and how they are dealt with.
	B6.3	Description of practices relating to observing and protecting intellectual property rights.
	B6.4	Description of quality assurance process and recall procedures.
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.
	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.
	B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.
	B7.3	Description of anti-corruption training provided to directors and staff.
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).
	B8.2	Resources contributed (e.g. money or time) to the focus area.



## FEEDBACK FORM

Dear Reader,

Greetings!

Thank you for reading this report. We sincerely welcome any opinions and suggestions you may offer on the report, so that we can keep improving our abilities and standards for ESG practices!

Please answer the questions as follows by marking “✓”

1. In relation to Alibaba Health, which of the following applies to you?

- Government     Investor     Employee     Customer     Supplier/Contractor  
 Partner     Peer     Community & Public     Media     NGO  
 Others (please specify)

2. How would you rate the overall ESG performance of Alibaba Health?

- Excellent     Good     Average     Poor

3. What's your overall rating for the report?

- Excellent     Good     Average     Poor

4. How would you rate the quality of ESG information disclosed in the report?

- Excellent     Good     Average     Poor

5. How would you rate the structure of the report?

- Highly reasonable     Relatively reasonable     Average     Less than reasonable

6. How would you rate the layout and presentation of the report?

- Excellent     Good     Average     Poor

7. What are your expectations regarding Alibaba Health's ESG effort?



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