

2023 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 seventh 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, 2022 to March 31, 2023 (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).

REPORTING PRINCIPLES

Materiality: By referencing ESG issues of international concern, as well as engaging and communicating with stakeholders in different ways, Alibaba Health selects ESG issues that are related to the Company and are prioritized by materiality for review and approval by the board of directors.

Quantitative: The Company collects regular statistics on quantitative key disclosure indicators regarding environmental and social aspects in this report, and summarizes and discloses them at the end of the financial year. For further details, please refer to the relevant sections in this report.

Consistency: The approach to the disclosure of statistics used in this report is consistent with that in the Company’s previous ESG reports.

Balance: This report provides an unbiased picture of the Company’s ESG performance.

ABOUT THIS REPORT

REPORT VERSION AND AVAILABILITY

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

Website of Alibaba Health: <http://www.irasia.com/listco/hk/alihealth/>

Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

MESSAGE FROM SENIOR MANAGEMENT

Looking back at a particularly challenging year in 2022, Alibaba Health demonstrated great resilience and diligence in the face of adversity. Honoring our commitment to “making healthcare services accessible”, we integrated the coordinated development of enterprises and society into our corporate development strategy, which allowed us to further enhance internal strengths, promote sustainable development, and set an exemplar for the Internet healthcare industry. The aspiration on which Alibaba Health was built still guides us in actively performing our responsibilities as a leading Internet healthcare player, in implementing the “14th Five-Year Plan on National Healthcare Security”^ (《「十四五」全民醫療保障計劃》), and in bringing affordable healthcare services to the wider community.

Building on Alibaba Group’s digital capabilities, we 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. Meanwhile, we have been reviewing the extent of our own influence. In addition to figuring out how we can provide our users with quality healthcare services, we are also thinking about how we may play a more proactive role for stakeholders from the wider community. In strict compliance with relevant laws and regulations, we strengthen corporate governance with a business philosophy that highlights transparency and accountability to ensure our decisions are transparent and fair. We maintain a good corporate image by following honest, transparent and responsible practices.

Since we define ESG strategy as a key cornerstone for Alibaba Health’s future development, relevant ESG efforts are therefore incorporated into our corporate governance, with the board of directors, the management and functional departments taking up the supervision and routine executive functions of ESG activities, respectively. In doing so, ESG principles and requirements have been embedded in our daily operations. Not only have we become the only Internet medical company included in the “HSI ESG Enhanced Index” and “HSI Low Carbon Index”; we have also been maintaining an MSCI ESG rating of A. With these recognitions of our ESG efforts being received, we will continue to create social value through better ESG management. It is our belief that an active approach to ESG challenges and enhancement of ESG management system will lead to a business model, and economic growth with greater sustainability and social significance.

Over the past year, we fully supported China’s “Dual Carbon” strategic objective, while following the guiding principle of “lucid waters and lush mountains are invaluable assets”. As a leader in the Internet healthcare industry, Alibaba Health actively responded to the government’s call to promote the philosophy of green development through introducing a series of targeted measures to reduce our environmental footprint. Actively exploring the new model of smart health, Alibaba Health helped communities save energy and reduce emissions through digital medical and healthcare services and promoted quality services with green and low-carbon features. At the same time, we continued to undertake the construction of green data centers to promote energy efficiency and resource conservation. In addition to further advocating the use of renewable energy, we also intend to actively explore different technologies and solutions that reduce carbon emissions.

MESSAGE FROM SENIOR MANAGEMENT

Alibaba Health has always been committed to providing premium medical services, making greater contribution to affordable healthcare through a series of measures. By strengthening technological research and development and making our systems more responsive and accurate, we provide our patients with online diagnosis and treatment services that are more convenient and accessible. In terms of product safety and quality, Alibaba Health complies with all relevant laws and regulations. Not only have we adopted quality control measures throughout the supply chain covering drug storage, sales and transportation, we have also formed a dedicated quality control team, and put in place a comprehensive business management and control mechanism to ensure product quality and safety throughout the product life cycle. Meanwhile, we have further improved our tracking and management mechanism for medical resources – primarily operated via Internet platforms – to build a comprehensive service system covering professional practitioners, pharmaceutical products and diagnostic services, and to make our medical services more user-friendly, reliable and practical.

As an active supporter of the “Healthy China” strategy, Alibaba Health has undertaken a wide range of public service activities to demonstrate its heart-warming and substantial care towards the wider community. For example, we have established the world’s first “Global Drug Information Platform for Rare Diseases” to provide patients suffering from rare diseases with assistance and services on an ongoing basis. Guided by the principle of “early detection and early treatment”, we introduced the “Xiao Lu Lantern”^ (小鹿燈) Children’s Serious Disease Relief Platform. In order to narrow the urban-rural gap in accessing medical resources, we also initiated critical diseases consultations with doctors working at plateau regions and provided training to grassroots doctors.

In addition, we value a diverse corporate culture and employee development. Through the establishment of comprehensive employee management policies, we aim at ensuring open, equal and fair employment opportunities for all. We offer our employees competitive remuneration packages and benefit plans, including 7 additional days of companion leave per year for all employees and 10 additional days of parental leave for employees with children under the age of 3. At Alibaba Health, Friday is designated as Family Day, on which our employees are encouraged to leave work an hour early for family dinner. We provide special health insurance up to RMB500,000 to parents of employees who have remained with us for two years and more.

Operating at a time full of challenges and opportunities, we uphold our corporate mission of “making healthcare services accessible” in pursuing technological innovation unwaveringly and reinforcing the guarantee for product quality and safety. We remain committed to the business philosophy of driving the development of employees along with the Company, and will further improve corporate governance and environmental protection. Going forward, we will continue to honor our ESG commitment and raise the awareness of social responsibility. As we work with all of our stakeholders to promote sustainable economic growth, environmental benefits and social harmony, we will play a greater role in achieving the vision of health for all.

ZHU Shunyan

Chief Executive Officer of Alibaba Health

May 23, 2023

STATEMENT BY THE BOARD OF DIRECTORS

The Company and the board of directors (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 of Alibaba Health 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 into 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 Internal Audit Department regularly works with business units and departments to prepare and disclose the ESG report on an annual basis.

Alibaba Health understands that the opinions and expectations of all stakeholders will have a significant impact on its operation and development. By consulting management and experts, benchmarking against peers in China and overseas, and through media monitoring, Alibaba Health has reviewed and made adjustment to material issues with the concerns of internal and external stakeholders adopted as the selection criteria. Furthermore, a materiality matrix for the financial year ended 2023 has been identified, covering issues such as compliance operation, supply chain management and customer/consumer protection.

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 23, 2023.

COMPANY PROFILE

As the flagship healthcare platform of Alibaba Group, Alibaba Health has an unwavering commitment to its original intention to make healthcare services accessible. Alibaba Health will continue to consolidate and strengthen existing business foundations in healthcare, while maintaining high level of compliance and quality control. At the same time, it explores innovative business models, fosters new business ventures in the industry and prepares for the future to align with evolving customer needs. Utilizing 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, Alibaba Health aims to provide affordable, convenient, efficient and reliable medical and healthcare services to hundreds of millions of families.

Alibaba Health is principally engaged in pharmaceutical e-commerce business, healthcare and digital services business, as well as public service activities. Building on its strengths in Internet and digital technologies, as well as its brand advantages and resources accumulated over the years, Alibaba Health now serves as an important bridge among physicians, pharmaceutical merchants and patients to address the relationship between supply and demand. The Company has also established an online and offline integrated pharmaceutical and healthcare products service platform to further improve user experience and perform its social responsibility.

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. Building on its strengths in e-commerce, big data and cloud computing, Alibaba Health actively expands cooperations with recognized upstream healthcare, nutritional and healthcare product manufacturers and distributors through a business model that integrates its pharmaceutical direct sales business, Tmall’s Pharmaceutical Platform and new retail business. Through innovating and redesigning the three basic elements (that is people, goods and venues), Alibaba Health aims to provide a comprehensive suite of Internet integrated healthcare management solutions for users with healthcare needs.

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 relies on its abundant and quality reserve of medical practitioners to actively respond to and tackle key industry challenges: the asymmetry of medical information for users, the accessibility of healthcare services, the digitalization of healthcare providers, and the quality of healthcare services. We are committed to building an online platform of “Dr. Deer APP + Alipay healthcare channel” and an integrated online and offline healthcare service system that covers vaccines, medical checkups, nucleic acid testing, dental care, mental care, nursing, and other medical and healthcare services. These multi-faceted, multi-dimensional, professional and convenient medical services will continue to serve the end-users from, among others, Taobao, Tmall, Alipay, “Dr. Deer” APP and Quark while bringing quality medical resources to each community.

COMPANY PROFILE

Public Service: Alibaba Health, together with Alibaba Foundation, launched the “Join Us for Training on Yi Die Gu” (醫蝶谷一起學) training program for grassroots doctors. Through deepened cooperation with China Association of County Hospital President and Chinese Red Cross Foundation, Alibaba Health also provides free access to medical knowledge and skill training for grassroots doctors in less developed counties, so as to help them better diagnose common illnesses and frequently-occurring diseases, identify critical illness at its early stage, treat patients with serious diseases and provide emergency care. Alibaba Health joined hands with governments at all levels, well-known medical institutions, medical experts, authoritative public welfare organizations to launch “Xiao Lu Lantern” (小鹿燈) Children’s Serious Disease Relief Platform. The goal of this platform is to provide access to medical care for struggling families with children suffering from serious illnesses, connect them with high-quality medical resources, 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.

1 CORPORATE GOVERNANCE

Alibaba Health upholds a corporate governance philosophy marked by efficiency and robustness. It strengthens corporate governance through internal risk control, integrity management and communication with stakeholders, in order to achieve quality, sustainable and long-term development.

1.1 GOVERNANCE STRUCTURE

In strict compliance with the *Company Law of the People's Republic of China* (《中華人民共和國公司法》) and other relevant laws and regulations, Alibaba Health has put in place a sound corporate governance structure where the Audit Committee, Remuneration Committee and Nomination Committee have been formed under the Board.

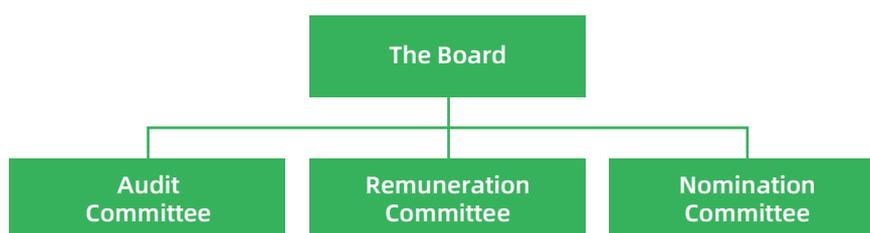


Chart: Corporate Governance Structure of Alibaba Health

Committees	Main duties
Remuneration Committee	<ul style="list-style-type: none"> to make recommendations to the Board on the Company's policy for and structure of remuneration in relation to all directors and senior management, as well as other remuneration-related matters, and on the establishment of formal and transparent procedures for developing its remuneration policy; 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 to make recommendations to the Board on the remuneration of non-executive directors; to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
Audit Committee	<ul style="list-style-type: none"> to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor, and to address any questions of resignation or dismissal of such external auditor; to review the half-year, annual financial statements, annual and interim reports and accounts before submission to the Board; to monitor the Company's financial reporting policy, risk management and internal control systems.

1 CORPORATE GOVERNANCE

Committees	Main duties
Nomination Committee	<ul style="list-style-type: none">to review the structure, size, composition and diversity of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;to make recommendations to the Board on the appointment, re-appointment or removal of directors, and succession planning for directors, in particular the chairperson of the Board and the chief executive officer;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.

Alibaba Health has put in place the "Board Diversity Policy", while the Nomination Committee is responsible for reviewing annually the structure, size and composition of the Board, including a diversified range of factors such as gender, age, cultural and educational background, professional experience, skills and knowledge. To enhance the Company's diversity performance, the Nomination Committee reviews corporate objectives related to Board diversity, and the effectiveness of their implementation.

As at the end of the Reporting Period, the Board of Alibaba Health comprised 7 directors from different industries in Mainland China and the Hong Kong Special Administrative Region of China. They were professionals in finance, economy, accounting, healthcare, engineering, auditing, risk and other fields. For biographical details of Board members, please refer to the Company's 2023 Annual Report.

1.2 INTERNAL RISK CONTROL

In compliance with applicable laws and regulations, Alibaba Health maintains a comprehensive risk management system and has established a three-level risk management organizational structure consisting of governance, management and execution. In particular, a risk management mechanism featuring "three lines of defense" is in place on the execution level which oversees risk identification, assessment, control and monitoring in daily business operation. Furthermore, a bottom-up approach for reporting enables personnel at governance and management levels to gain insight into the operation of the Company's risk management and internal systems, thereby forming a mechanism for efficient and orderly risk management and control.

1 CORPORATE GOVERNANCE

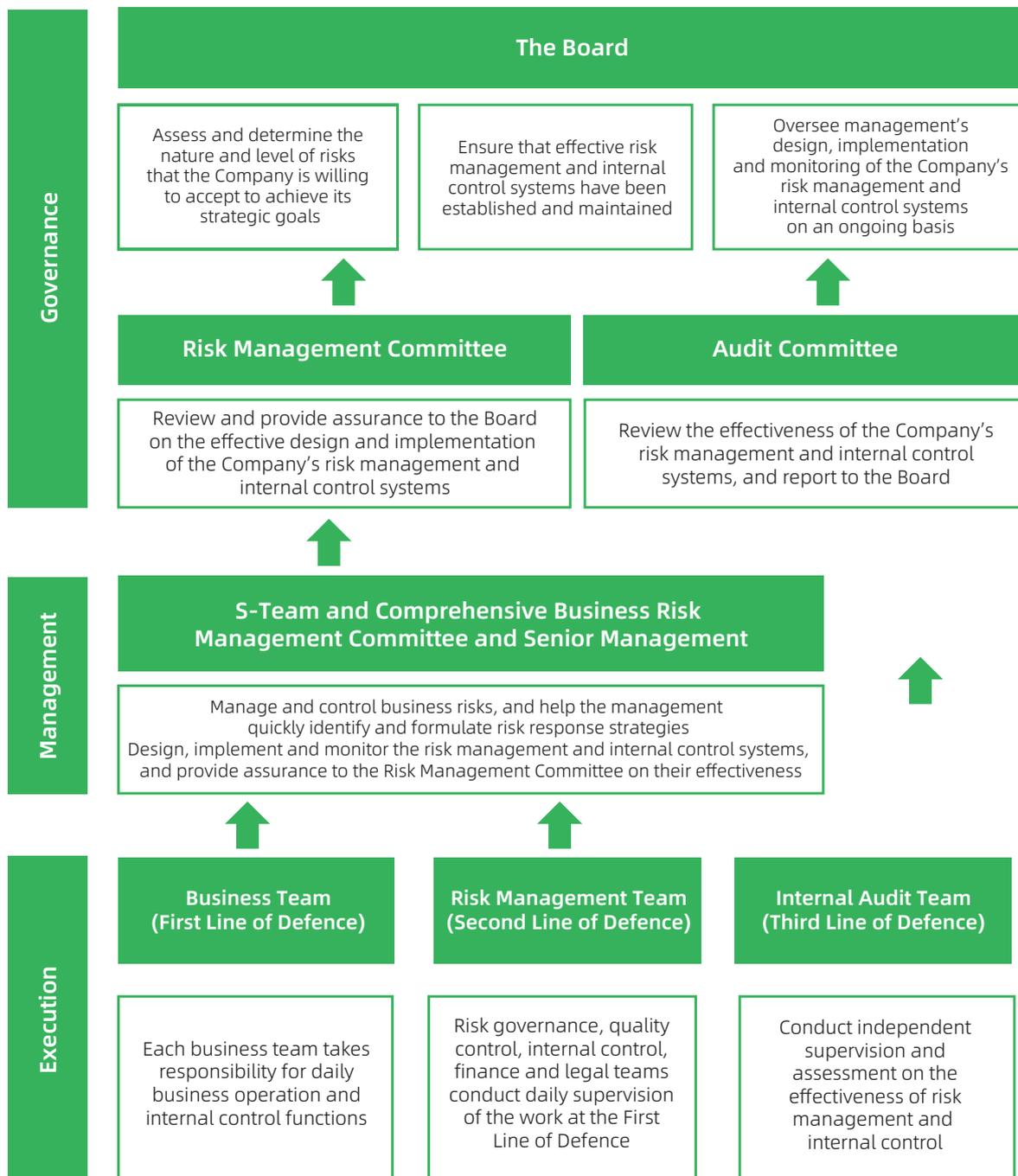


Chart: Risk Management Organizational Structure at Alibaba Health

1 CORPORATE GOVERNANCE

Risk Management Processes	
Risk identification	Based on the Company's strategic and operational objectives, the management identifies uncertainties and risk exposures which could prevent the Group from realizing its objectives in nine major areas, including strategy, operation, quality, customer service, finance, laws, human resources, information technology and data, and reputation.
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 response	Risk response strategies include risk avoidance, transfer, mitigation and acceptance. Based on the risk identification and assessment results, the management selects appropriate strategies and takes corresponding measures to manage and control risks.
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 Company's management, the Board, as well as its Audit Committee and Risk Management Committee.

Risk Management Assurance Mechanisms

- Risk response measures: The Company undertakes processes and internal control activities at the organizational, operational, financial reporting and IT system levels according to internal control manuals and relevant policies which are published on its policy management platform as reference and learning materials for all employees. The Company has also established a rules center for Alibaba Health to publicize policies and requirements in respect of the management of partners and businesses.
- Risk management performance appraisal: In order to ensure an effective implementation of its risk management as well as Group-wide risk management strategy, the Company raises all employees' risk awareness, standardizes internal control processes and adopts an accountability mechanism for all employees.
- Risk management training: The Company ensures the implementation of various operational procedures, policy regulations and internal control activities through related communication and trainings on risk management and internal control. These trainings take forms such as centralized training sessions, seminars, on-job communication and instructions, online video courses, e-mail reminders and online examinations, covering themes such as policy regulation, internal control, legal and regulatory compliance, integrity, and data security management.

1 CORPORATE GOVERNANCE

1.3 INTEGRITY MANAGEMENT

Alibaba Health considers honesty and integrity the foundation to build its sustainable operation, and therefore adopts a strict “zero tolerance” approach towards corruption. The Company strictly complies with the *Company Law of the People’s Republic of China* (《中華人民共和國公司法》), the *Anti-Money Laundering Law of the People’s Republic of China* (《中華人民共和國反洗錢法》), the *Anti-unfair Competition Law of the People’s Republic of China* (《中華人民共和國反不正當競爭法》), the *Interim Provisions on Prohibition of Commercial Bribery* (《關於禁止商業賄賂行為的暫行規定》), the *Anti-monopoly Law of the People’s Republic of China* (《中華人民共和國反壟斷法》) and other national laws and regulations. Taking its own operations into consideration, Alibaba Health has issued many management policies, such as the *Code of Conduct against Sexual Harassment* (《反性騷擾行為準則》), the *Gift Handling Regulations* (《禮品處理條例》), the *Requirements on Behaviors relating to Government Affairs* (《政府事務行為相關規定》), the *Securities Trading Guidelines* (《證券交易指引》), and the *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》). Three sets of management policies, namely the *Code of Business Conduct* (《商業行為準則》), the *Rules for Managing Conflicts of Interest among Employees* (《員工利益衝突管理細則》) and the *Employee Discipline System* (《員工紀律制度》) were updated and enhanced during the Reporting Period. Having gradually established a comprehensive integrity management system, Alibaba Health is able to provide robust guidance and strong support for its integrity management at the policy level.

During the Reporting Period, the Company also developed the *Alibaba Health Anti-commercial Bribery Compliance Policy* (《阿里巴巴健康反商業賄賂合規政策》), which applies to directors, senior management, as well as each formal and informal employee (including interns, rehired retirees, consultants and outsourced personnel). Specifying Alibaba Health’s obligations and responsibilities in preventing bribery and other corrupt practices, this policy serves as code of conduct and guidelines for its employees.

Chart: Core Content of the Anti-commercial Bribery Compliance Policy

Prohibition of facilitation payments	Compliance with gift, entertainment and hospitality requirements
Charity/public service donation and sponsorship	Political donation
Hiring a referred candidate	Interactions with third parties
Management of anti-commercial bribery compliance for self-funded medical institutions	Medical interaction and exchange activities
Conflict of interest	Training and engagement
Books and records	Supervision and review
Reporting of misconduct related to commercial bribery and compliance investigation	Handling non-compliance

1 CORPORATE GOVERNANCE

Alibaba Health has established its compliance system with reference to that of Alibaba Group and formed teams of professionals well-versed in integrity, internal control, audit, risk control, legal and financial practices. Alibaba Health has set up a Disciplinary Management Committee, whose members include the CEO, CPO, CFO, COO, CRO, head of legal affairs, and head of integrity. This committee is mainly responsible for the daily supervision of business ethics and anti-corruption issues, including amendments to relevant policies, reconsideration and reporting of employee discipline, as well as routine management of integrity risk.

During the Reporting Period, Alibaba Health undertook a wide range of trainings on business ethics and anti-corruption. Targeting at various different positions, such as management, front-line employees and new hires, Alibaba Health customized promotional and educational activities for its integrity policies, such as Code of Business Conduct, Employee Discipline System and Rules for Managing Conflicts of Interest. A designated education mechanism was in place for new recruits, who were all required to pass an exam within 30 days upon induction and attend designated offline trainings organized by the Company on a regular basis. During the Reporting Period, the Company provided all employees (including directors) with integrity trainings, covering subjects such as Code of Business Conduct, Employee Discipline System and Rules for Managing Conflicts of Interest. The training hours completed per general employee and per director were 3.14 hours and 1 hour, respectively.

Whistleblowing Management

During the Reporting Period, Alibaba Health formulated the *Rules for Integrity Reporting* (《廉政舉報制度》) to standardize its integrity reporting process covering acceptance and investigation of reports, protection of whistleblowers, and prevention of false accusations. The Company has set up a diverse range of public anti-corruption whistleblowing channels, developed and launched a mobile whistleblowing portal and other channels, such as QR codes and a reporting hotline. During the Reporting Period, Alibaba Health also introduced an additional whistleblowing email managed by designated personnel who are also responsible for analyzing and distributing whistleblowing information to ensure objectivity and independence.

Alibaba Health's Integrity Reporting Channels

Online reporting channel	alihealth.jubao.alibaba.com
Whistleblowing emails	Health_Integrity@alibaba-inc.com
Reporting hotline	400-854-5198

Alibaba Health has assigned integrity investigators to assess the validity and relevance of reports immediately after the receipts of reports, and to categorize information and conduct corresponding investigations. The Company has clearly stipulated information security protection for whistleblowers, undertaking to keep their identities and the information contained in their reports confidential. It has also stipulated the consequences of retaliation, so as to safeguard the legitimate rights and interests of whistleblowers.

During the Reporting Period, Alibaba Health was involved in 1 legal case regarding fraud. We handled this case in a timely manner while actively complying with relevant judicial requirements and procedures. The case in question has been properly addressed and did not incur much impact on the Company's business.

1 CORPORATE GOVERNANCE

Integrity in Procurement

Upholding honesty in procurement, Alibaba Health signs an “Integrity and Honesty Agreement Letter” with each supplier at the stage of database entry, requiring them not to engage in deception, fraud and other dishonest behaviors. The Company has formulated the *Alibaba Group Procurement Guidelines – Supplier Management Rules and Regulations (V2.0)* (《阿里巴巴集團採購指引之供應商管理細則規範V2.0》), which stipulates that when there is a breach of obligation of honesty and integrity by a supplier involved in, for example, bribery, improper advantage, bid-rigging, fraud and deception, we will determine the severity of such behavior and handle it in a serious manner.

To achieve comprehensive integrity management and enhance supply-chain compliance, we have specified whistleblowing channels in our supplier portal and procurement contracts, undertaking to keep the information of whistleblowers strictly confidential. During the Reporting Period, the Company did not experience any incident of corruption in procurement.

1.4 COMMUNICATION WITH STAKEHOLDERS

Alibaba Health considers the concerns and demands of its stakeholders to be one of the key drivers of ESG management. The Company improves its communication mechanism for stakeholders, including the government, investors, consumers, employees and partners, and actively takes into account and integrates the opinions and suggestions of each stakeholder into its ESG management strategy, with a view to sharing values with stakeholders.

Stakeholders	Needs & Expectations	Communication & Responses
Government	Compliance with laws & regulations Response to national policies Support for economic development Payment of taxes according to laws	Compliance management Implementation of national policies Contribution to economic development Active payment of taxes
Investors	Return on investment Business & profit growth Risk management Information disclosure	Results announcement meetings General meetings Enhancement of internal control compliance Timely disclosure of operating information
Consumers	Quality products & services Healthcare knowledge education Safeguards of privacy and security	Premium pharmaceutical healthcare services Consumer satisfaction surveys Consumer information protection

1 CORPORATE GOVERNANCE

Stakeholders	Needs & Expectations	Communication & Responses
Employees	Staff benefits assurance Occupational health protection Sound career path Work-life balance	Competitive remuneration package Provision of staff health training Enhancement of career development path Improvement of staff wellness
Partners	Industry advancement and win-win outcome Transparent procurement Honesty in business	Launch of cooperative projects Public tenders Contract fulfillment according to laws
Environment	Energy conservation and emission reduction Mitigation of negative environmental impacts	Strict 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

1.5 IDENTIFICATION OF MATERIAL ISSUES

Upholding the mission of “making healthcare services accessible”, Alibaba Health has formed four core pillars for sustainable management to suit the actual needs of its own operations. By actively performing its corporate social responsibility, Alibaba Health strives to achieve the beautiful vision of a healthy social development.



Chart: Four Core Pillars of Alibaba Health

By combining its sustainable development pillars with the demands of its stakeholders and the common concerns of the industry, Alibaba Health prepares a list of ESG issues, from which it identifies ESG issues that have a significant impact on the Company and analyzes their materiality, so as to ensure that it fully responds to key issues that draw the attention of the Company and its stakeholders.

1 CORPORATE GOVERNANCE

Process of analyzing material ESG issues

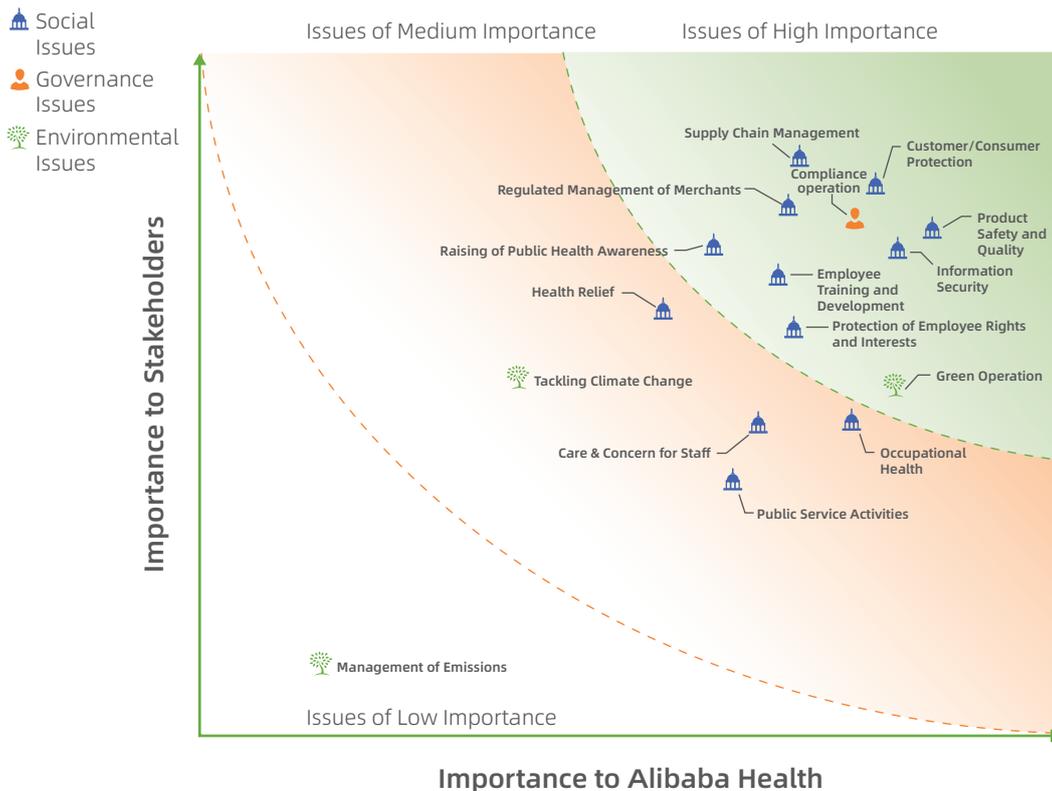


Chart: Materiality Matrix of ESG Issues of Alibaba Health in 2023

2 STANDARD DEVELOPMENT & QUALITY ASSURANCE

Alibaba Health always considers quality as the most essential element of healthcare services. Therefore, we attach great importance to product quality, regulated management of merchants and service standard assurance. Building on enhanced information security and intellectual property management, we have adopted an approach that emphasizes on high standards and strict requirement to make Alibaba Health an exemplar for the Internet healthcare industry and further strengthen our corporate image as a premium brand.

2.1 PRODUCT QUALITY AND SAFETY

Safety and quality assurance of pharmaceutical products are key to an orderly development of Internet healthcare. 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 Pharmaceutical Trade License* (《藥品經營許可證管理辦法》) and the *Interim Provisions on the Examination and Approval of Internet Pharmaceutical Trading Services* (《互聯網藥品交易服務審批暫行規定》). We undertake quality control in accordance with the *Good Supply Practice for Pharmaceutical Products (GSP)* (《藥品經營質量管理規範》) and have established the full process of a quality management system that covers quality control, product verification, product tracking and product recall.

2 STANDARD DEVELOPMENT & QUALITY ASSURANCE

Table: Full process of Quality Management of Alibaba Health in 2022

	Quality Control
<ul style="list-style-type: none"> • Quality control throughout the value chain: We developed quality control measures throughout the value chain covering drug storage, transportation and sales in accordance with GSP. • Quality management system: We amended our policies, operation rules and documents of roles and responsibilities on quality according to the latest regulations and current state of business. Management of drugs sold online was added to policies in relation to drug risk control, drug tracking, drug storage and delivery, adverse drug reactions, complaints and whistleblowing; and additional policies were developed for online pharmaceutical services as well as review and management of prescription for drugs sold online. 	
	
	Product Verification
<ul style="list-style-type: none"> • Development of verification standards: We 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 our platform, expressly stipulating the usage of additives in each product and preventing prohibited substances. • Laboratory set-up: We established a “transparent laboratory” for internal product verification. • Sampling tests on products: The Alibaba Health platform adopted an issue-oriented approach. In order to safeguard the legitimate rights and interests of its users, Alibaba Health conducted sampling tests on the quality of goods sold by merchants on its platforms based on the analysis of data from multiple dimensions, such as consumer complaints, quality of stores and refund rate. During the Reporting Period, Alibaba Health engaged third-party testing institutes at home and from overseas for sampling tests that cover a wide range of product categories, such as medical devices, healthcare products and supplements, traditional nutritional products and adult goods. Alibaba Health performed sampling tests on 395 batches of goods sold on its platforms and identified a total of 101 items for merchants’ rectification, with a completion rate of 100%. 	
	
	Product Tracking
<ul style="list-style-type: none"> • Product tracking platform: We established a third-party tracking platform called “Ma Shang Fang Xin” (碼上放心); • Tracking compliance service: We provided pharmaceutical product manufacturers and distributors with tracking compliance services in accordance with relevant tracking standards and specifications set out in national policies, with a view to ensuring that throughout the life cycle of drugs circulating within China, its source could be verified, its circulation could be tracked, and its accountability could be pursued. 	
	
	Product Recall
<ul style="list-style-type: none"> • Recall process: We improved recall management system to ensure drug recall was timely, compliant and traceable throughout the procedures. 	

2 STANDARD DEVELOPMENT & QUALITY ASSURANCE

We have formulated the *Management Rules for Drug Enquiries* (《藥品查詢管理制度》), *Management Rules for Drug Complaints* (《藥品投訴管理制度》), *Rules for Processing Drug Quality Information* (《藥品質量信息處理制度》) and *Rules for Drug Maintenance* (《藥品養護制度》), and established systems for drug quality enquiry, complaint, information collection and processing to ensure effective detection and identification of information of the drugs to be recalled.



We have formulated the *Management Rules for Drug Recalls* (《藥品召回管理制度》) for the direct pharmacy business of Alibaba Health in strict accordance with the *Administrative Measures for Drug Recalls* (《藥品召回管理辦法》), to ensure responses to the drug recalls from regulatory authorities and suppliers are made within 8 hours, and to maintain records of the entire process as required under GSP.



We have formulated the *Management Rules for Destruction of Unqualified Drugs* (《不合格藥品銷毀管理制度》), pursuant to which to drugs recalled are collectively destroyed by suppliers in accordance with regulatory requirements, while authentic and complete records of the recall and destruction are maintained.

Chart: Full Process of Product Recall

- **Recall cases:** No case of product recall on the direct business platform of Alibaba Health was recorded during the Reporting Period¹.
- **Product return rate:** During the Reporting Period, the proportion of returns on Alibaba Health's platform was 0.1003%.

¹ During the Reporting Period, the National Medical Products Administration ordered the recall of certain counterfeit and inferior drugs, Alibaba Health had no drugs of the corresponding batch in stock; providers on its platform (other than direct sales) voluntarily recalled substandard drugs 24 times.

2 STANDARD DEVELOPMENT & QUALITY ASSURANCE

Quality Trainings

Providing customers with quality products is a core objective for Alibaba Health, which is committed to cultivating a sense of responsibility for quality among its employees as well as suppliers on its platform. The Company provides a diverse range of trainings on product safety and quality control for various business teams and suppliers, and works with suppliers to build a quality and reliable Internet healthcare platform.

Internal Quality Training

Drug training:

- For customer service teams of pharmaceutical products: two themed training sessions on the handling of drug quality complaints, explanation of drug labels and Q&A about common complaint scenarios were held through offline and live streaming, covering about 130 employees;
- For drug quality control teams: training was provided on standard management of drug information at initial marketing and standard procedures for processing quality information;
- For warehouse operation teams: training was provided on quality control standard for the core processes of drug warehousing, as well as standards for entry and inspection of expiration dates of drugs in the warehouse.

Non-drug training:

- For operation teams of non-pharmaceutical products: a total of 6 training sessions were held, covering rules and regulatory requirements for non-pharmaceutical products at initial marketing; rules and regulatory requirements for nutritional and food products at initial marketing; the red line of 5 desired and 5 prohibited behaviors; consequences of and penalties for wrong and omitted deliveries; red-line penalties for trickery by merchants and common mistakes; and management standards for direct-delivery warehouse.

2 STANDARD DEVELOPMENT & QUALITY ASSURANCE

Trainings on Quality for Suppliers

- For suppliers of Alibaba Health Pharmacy and flagship stores: training was provided on textual description compliance², standard for entry of non-pharmaceutical products at initial marketing and extraction of initial marketing information. The training time was approximately 150 minutes;
- For internal operations: training was provided on operation compliance. The training time was approximately 90 minutes;
- For suppliers of nutritional and food products: training was provided on standards for the product launch and textual description of food. The training time was approximately 90 minutes;
- For merchants of devices and contact lenses: training was provided on standards for the product launch and textual description of devices and contact lenses. The training time was approximately 90 minutes;
- For merchants selling beauty care and hair care products: training was provided on standards for the launch and textual description of beauty care and hair care products. The training time was approximately 70 minutes;
- For the introduction of new products under the food category: training was provided on the SOP for introduction of new products – initial marketing information. The training time was approximately 79 minutes;
- For the introduction of new products by all merchants of non-pharmaceutical products: training was provided on the SOP for introduction of new products – initial marketing information. The training time was approximately 57 minutes.

² Textual description compliance means that the textual description on the product detail page of a product sold online should be compliant with national laws and regulations.

2 STANDARD DEVELOPMENT & QUALITY ASSURANCE

2.2 REGULATED MANAGEMENT OF MERCHANTS

To further enhance the regulated management of its merchants, Alibaba Health has established a strict admission, review and exit system for platform merchants under different categories, such as merchants selling medical device, medical service providers and consumer healthcare institutions, to select premium merchants and products. We routinely manage and supervise merchants admitted to our platforms, striving to provide customers with safe and reliable services.

- For merchants selling medical devices: we have established a strict review and regulation system for the qualifications of medical device merchants and products 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. When the merchant is admitting to our platform, we require merchants to act in accordance with Alibaba Health's regulations for launching medical device products, to upload information about the registration certificate or label of the medical device before launching such products on the platform. We will also verify the authenticity and validity of relevant qualifications.
- For medical service providers: we have 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* (《阿里健康支付實體檢／檢查機構招商管理規範》). We conduct a preliminary verification of the qualifications of all medical institutions and physicians admitted to 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 final confirmation.
- 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 to inspect from time to time the management, service and other qualification documents of such institutions, as well as the actual state of their operations, to ensure the authenticity of their information.

2 STANDARD DEVELOPMENT & QUALITY ASSURANCE

2.3 CUSTOMER SERVICE

By fully utilizing the advantages of “Internet + Healthcare” and using its Internet platform as the main medium, Alibaba Health has built a comprehensive system covering professional physicians, pharmaceutical products and consultation services. Meanwhile, with a deeply integrated “online + offline” cooperation mode, we expand offline medical consultation channels and extend the service chain to a wider consumer group, providing more consumers with convenient, excellent and new options of medical consultation.

Pharmacist Service

Alibaba Health is committed to building a first-class pharmacist team and a sound platform-based service system. We strictly verify qualifications of pharmacists admitted to our platforms and continuously enhance pharmacist consultation services to address various users’ purchasing needs in a timely and accurate manner.

The Company has cultivated a service team of professional pharmacists by establishing a rigorous admission verification mechanism complemented by training and incentive mechanisms:

- certificates of qualification and practice certificates of pharmacists are strictly verified during admission to ensure the authenticity and accuracy of pharmacist information;
- pharmacist team is regularly provided with professional training courses, such as medical knowledge and medication precautions, to improve their professional capabilities;
- gold medal pharmacists are selected every month to encourage pharmacists to provide users with more suitable services by improving their own service skills.

As at March 31, 2023, 3,390 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 64,000 consultations per day.

Building on its professional pharmacist team, the Company continues to optimize its pharmacist service system and provides online consultation services by professional pharmacists on a 24/7 basis. We provide consumers with consultation and medication services both before and after purchase. Guided medication services are also provided for members of the “Prescription for Chronic Disease Welfare Program”. Our platform has developed convenient tools such as medication reminders and automatically generated medication plans to fully address the medication needs of consumers. In response to complaints concerning product and service, we have formulated the *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 require the customer service department to follow standard procedures when handling customer complaints, requests for return, exchange or refund, and to improve service quality based on customer feedback. During the Reporting Period, we received 270,300 complaints³ and our response rate to customer complaints was 100%.

³ Number of complaints/number of orders * 10,000.

2 STANDARD DEVELOPMENT & QUALITY ASSURANCE

Medical Consultation Experience

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

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. By leveraging on its accumulated technologies, channels, and operational advantages, Alibaba Health provides chronic disease patients with comprehensive healthcare services at their fingertips. Making use of its Internet hospitals as a network, the Company has fully utilized its technical advantages to improve healthcare efficiency, service process and the capabilities to provide healthcare. With the launch of service offerings, including online consultation, follow-up consultation and prescription, discounted medication, targeted education, precise follow-up visits, companion support and after-sales support services, the Company has established a new service portal for chronic disease patients, doctors and pharmaceutical companies. As at the end of the Reporting Period, the Company served nearly 9 million chronic disease users, representing a year-over-year increase of 35%, with the per capita length of medication use on a rapid rise year-on-year.

Aimed at establishing a new retail system for medical supplies, Alibaba Health has built on its online platforms to further explore offline pharmacy resources and deliver the last-final customer experience. To bring consumers greater purchasing flexibility, we also collaborate with offline pharmacies to offer 24/7 expedited drug delivery services.

Case study: Alibaba Health joined hands with its partners to launch a service platform for appointment and reservation to provide high quality TCM services to users

In August 2022, Alibaba Health and Beijing Radio and Television Station jointly launched the "Service Platform for Appointment & Reservation with Top TCM Practitioners in Beijing" (首都名中醫掛號預約服務平台), which integrates TCM appointment, healthcare knowledge popularization, and questionnaire (via offline activities). The platform brings together more than 300 TCM experts from nearly 30 Grade III Class A hospitals, including 17 famous TCM practitioners certified by the Beijing Municipal Administration of Traditional Chinese Medicine, making high-quality TCM services accessible.



Picture: TCM service platform

2 STANDARD DEVELOPMENT & QUALITY ASSURANCE

Responsible Marketing

Alibaba Health follows market regulations and adopts responsible marketing practices. We comply 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》), actively manage marketing compliance risks across the operation, with an aim of ensuring that we operate with integrity. 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》), and we have set up a testing mechanism on training content to foster a stronger sense of marketing compliance among internal staff.

We impose strict control on product marketing strategies to avoid relevant risks and ensure content compliance throughout the value chain.

- Prior to product launch, we would explicitly prohibit merchants from 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 true and accurate medicine and treatment information to patients, reinforcing the foundation for compliant marketing.

2.4 MANAGEMENT OF INFORMATION SECURITY

While promoting digital healthcare, Alibaba Health seeks to ensure that information and privacy of consumers are protected. By establishing a sound structure and system for information security management, improving security technology capability and strengthening the routine and effective management, Alibaba Health has built a solid information security barrier.

Information Security Governance

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 information security management rules formulated by Alibaba Group, including, among others, 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制度》), which cover the Company's subsidiaries, business scenarios and third-party partners, with a view to improving internal information security management system, standardizing the requirement of personal data transmission management as well as improving the Company's and its partners' compliance level of information and data security.

2 STANDARD DEVELOPMENT & QUALITY ASSURANCE

Alibaba Health has established an organizational structure for information security management. Responsible for the daily supervision and final decision-making on the Company's information and data security, Risk Management Committee of the Board holds regular meetings as well as ad-hoc meetings for emergencies. Our Chief Risk Officer (CRO) and the CRO team are responsible for managing and maintaining data security. The CRO prepares a summary of data security work and reports to the Risk Management Committee on an annual basis, while the CRO team meets regularly to recap data security matters and discuss daily issues, so that security can be ensured for Alibaba Health's employee data, its own application data, as well as information across its upstream and downstream activities.



Chart: Information Security Management Structure

Information Security Operation

Alibaba Health continues to improve the information security protection mechanisms, promote security protection technology enhancement, and minimize risks relating to information security. We have established sound standards for information system management and business continuity protection mechanism, taken encryption protection measures, and developed a data management process covering all procedures, from data collection and transmission, secured storage, encryption protection, authorized access and use, to destruction.

In the ordinary course of business, we have put in place contingency plans to handle emergencies like an unexpected information system disruption, and regularly execute disaster recovery plans and drills, aiming to enhance our defense capabilities against information security risks. Meanwhile, we engage third parties for information security assessment and audit from time to time. We aim to enhance our capabilities to safeguard information security through internal and external security assessment tests.

2 STANDARD DEVELOPMENT & QUALITY ASSURANCE

Table: Security Assessment Tests of Alibaba Health

Internal tests:	External tests:
<ul style="list-style-type: none"> Establishment of procedures and system: conducting privacy compliance inspection of any applet before launch Tools related to research and development: conducting privacy compliance inspection for APP asset 	<ul style="list-style-type: none"> Going through real-time tests with the participation of over 10,000 data security experts from all over the world by sharing the data security expert team (https://security.alibaba.com/) with Alibaba Group Mobile APP goes through regular third-party compliance assessment and audit on an annual basis

We regularly carry out information security-related certification to further strengthen data security and information protection at Alibaba Health. 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) have 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 Health	ISO 27000 information security management system certification ⁴
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

Information Security Promotion

Alibaba Health has established a training system for information security, developed training plans, and carried out various information security and data security activities. The Company’s training mainly covers laws and regulations relating to data security, system requirements, practices, management approach, compliance assessment, emergency drills, knowledge and skills. 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 continuously enhanced the identification and control of security risks.

In terms of data security training, Alibaba Health has formulated a sound level-based training system, aiming to improve security awareness and skills among its employees.

⁴ The ISO 27000 information security management system certification applies to software research and development, operation and maintenance services on the “Ma Shang Fang Xin” drug tracking platform, covering over 80% of the Company’s lines of business.

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- 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;
- Designated personnel in charge of data security management: based on system requirements, designated personnel must attend no less than 10 hours of training courses per year;
- All staff (including interns and outsourced employees): campaigns on data security and information confidentiality, with security trainings and examinations organized for all staff.

Privacy Protection

Alibaba Health attaches great importance to customer privacy protection. It strictly abides 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》), and 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 *Management Requirements of Alibaba Health for Processing and Protecting Personal Information* (《阿里健康個人信息處理及保護管理要求》), 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. It conducts regular trainings on data security and confidentiality for all staff, including relevant trainings on personnel management, process management and information technology, in order to regulate privacy security protection and better protect the personal privacy of customers. During the Reporting Period, Alibaba Health did not record any incidents of customer privacy leakage.

The Company strengthens customer privacy protection through customer information management and information access management. We take a series of management measures such as information classification, data access control and minimal collection, to strictly protect user information stored in our business operations.

- We have formulated the *Operational Practices of Alibaba Health on Personal Information Collection* (《阿里健康個人信息收集操作規範》), in which we specify the scope of customer information to be collected and used and undertake to properly secure relevant privacy data on our platforms, not to divulge or use personal information and data without permission, not to collect personal data from third parties, and to minimize the collection and retention of data;
- 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;

2 STANDARD DEVELOPMENT & QUALITY ASSURANCE

- 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”. We undertake not to lease, sell or provide any personal information to third parties, and to specify details about data collection and scenarios in which such data will be used in the compliance agreement;
- We have formulated the *Operational Practices of Alibaba Health on Storage and Removal of Personal Information* (《阿里健康個人信息存儲與刪除操作規範》), in which we provide customers with the right to search, supplement, update and remove their personal information. During the Reporting Period, the “Dr. Deer” APP was updated with new features, including user cancellation, data transfer, cancellation and destruction;
- Alibaba Health has formulated the *Alibaba Health’s Management Requirements for and Operational Practices on Personal Information Security Incidents and Emergency Response* (《阿里健康個人信息安全事件與應急響應的管理要求與操作規範》), *Practices on Emergency Response to Data Security Incident* (《數據安全事件應急響應規範》) and *Practices on External Reporting of Personal Information Leakage* (《個人信息泄露事件對外報告規範》). In the event of an emergency such as personal privacy or data leakage, we will take appropriate measures by following relevant plans to minimize the consequences.

The Company has also formulated a data protection plan covering its suppliers and relevant partners, which identifies and conducts classified and hierarchical management of all suppliers involved in information systems to generate a list of suppliers of information systems. It also regularly conducts information security assessments on and inspections of suppliers in the list to protect customer privacy from any intrusion.

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 complies 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 sufficient respect is shown to the intellectual property rights of others while protecting its own intellectual property rights from infringement. During the Reporting Period, Alibaba Health issued the *Strategy for Hierarchical and Classified Management of Patent Assets* (《專利資產分層分類管理策略》), in which investable intellectual properties from four core technologies (namely medical e-commerce, Internet healthcare, knowledge graph and intelligent middle ground) are identified, providing guidance on the production of quality patents. The Company also relaunched the *Brand Management Rules of Alibaba Health (v1.0)*[^] (《阿里健康品牌管理規範v1.0》) to protect its proprietary brands from infringement. Our employees are required to strictly comply with provisions relating to intellectual property as specified under applicable laws, regulations and corporate rules, any third-party names, trademark, data or software must be used in a lawful manner.

The Company has put in place a standard process for patent application, developed a separate patent-related incentive policy, and established an incremental incentive mechanism covering internal innovation, core technology and patent application. This helps encourage innovation in employees and facilitate the introduction of new and improved products. During the Reporting Period, the Company adopted diversified methods to strengthen intellectual property protection. During this year, the number of patents licensed increased by 233% when compared with the previous year, in which Internet healthcare accounted for 50%, medical e-commerce for 30%, and intelligent middle ground for 20%. The total number of copyrights reached 192.

2 STANDARD DEVELOPMENT & QUALITY ASSURANCE

Chart: Intellectual Property Protection Measures Taken by Alibaba Health during the Reporting Period

Action against infringement	By joining the supplier pool centrally managed by the Group, Alibaba Health identified infringement of its intellectual properties through scraping or clue scanning by professional institutions. During the Reporting Period, we identified 204 clues, and successfully protected our rights in 33 cases out of 72 cases.
Training on intellectual property	<ul style="list-style-type: none"> • Thematic training On the World Intellectual Property Day and the Group Compliance Day[^] (集團合規日), the Company co-organized relevant training sessions with the Group, and disseminated information to all employees. • Normalized training The Company provided its employees with normalized training, which included sharing on technical capability and internal technological innovation, non-regular technical review and monthly reporting on brands. • Non-regular training In the event of undesirable circumstances, such as infringement of intellectual property, the Company provided brief training to relevant departments based on the circumstances or related cases.
Internal collaborative management	Alibaba Health undertook online process management of intellectual property through cross-departmental collaboration, raised the awareness of intellectual property protection among merchants, and coordinated brands in for follow-up actions in case of infringements.
External cooperation in the industry	Alibaba Health became a patent pilot enterprise of Hangzhou in 2022 and cooperated with Zhejiang Intellectual Property Protection Center and Beijing Intellectual Property Protection Center to obtain slots for expediting certain patent application. This in turn shortened the waiting time for patent approval.

3 CULTURAL DIVERSITY & DEVELOPMENT

Alibaba Health has long been upholding a people-oriented business philosophy, believing that employee contribution is the key to the Group's sustainable development. To that end, Alibaba Health focuses on building a diversified and industry-leading workforce. We keep enhancing employee management practices to further address employees' needs at work, improve employee satisfaction and loyalty, and create a healthy, safe, fair, transparent yet inclusive workplace.

3.1 COMPLIANCE EMPLOYMENT

In order to ensure that its employees' rights and interests are fully protected, Alibaba Health has always 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 Regulations* (《住房公積金管理條例》). It has also established relevant internal rules, such as the *Governance Standards for In-the-Loop Organizations of Alibaba Group* (《阿里巴巴集團環路組織治理規範》), the *Employee Transfer Policy of Alibaba Group* (《阿里巴巴集團員工轉崗政策》), the *Reemployment Management Policy of Alibaba Group* (《阿里巴巴集團二次僱傭管理政策》) and the *Internal Referral Policy of Alibaba Group* (《阿里巴巴集團員工內部推薦政策》). Alibaba Health strives to prevent non-compliance by standardizing the execution of its labor policies, thoroughly verifying personal information, and prohibiting the employment and use of child workers and any forms of forced labor. Where there is abuse of child labour, Alibaba Health will immediately terminate such employment and encourage the affected children to return to school. At the same time, we respect all employees and applicants regardless of gender, ethnicity, marital status, disability and any other factors protected by law, so as to ensure all employees are entitled to open, equal, fair employment and promotion opportunities.

Alibaba Health complies with its internal remuneration management system and incentive policies, offering competitive remuneration and benefit plans, including, among others, annual salary adjustments, bonuses, performance awards and share awards for promotion, which are designed to attract, retain and motivate outstanding employees. We have also established a share-based compensation policy for Alibaba Health's Directors, employees, or relevant persons who, as determined by the Board, have contributed or will contribute to the Company.

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 and commercial insurance policies, we also offer various welfare measures to our employees and their parents while creating good living and working conditions for our employees, so that they can further achieve work-life balance.

Basic benefits	<ul style="list-style-type: none">• Social insurances: pension insurance, medical insurance, maternity insurance, unemployment insurance and work-related injury insurance• Housing provident fund• Paid annual leave• Statutory leave for marriage, bereavement and maternity
Other benefits	<ul style="list-style-type: none">• Nursing rooms are available on company premises• Allowing employees with minor children to take leave for parent-teacher meeting• Travel leave for employees whose hometowns are far away• Offering employees and their parents the "Carnation" checkup package• Offering employees and their parents a medical insurance with a coverage amount of RMB1 million

3 CULTURAL DIVERSITY & DEVELOPMENT

Case study: Alibaba Health’s customized “Carnation” checkup package for employees and their parents

Throughout FY2023, Alibaba Health continued to offer its employees and their parents the “Carnation” checkup package, a comprehensive checkup service. In 2021, this project was selected by the Internet Society of China as an exemplar in its *Proposal for Platform Enterprises to Care for Workers*[^] (《平台企業關愛勞動者倡議書》). The “Carnation” checkup package provides a comprehensive range of checkup items, and is designed to help employees and their families detect and prevent diseases at an early stage. At the same time, the package comes with healthcare consulting services, through which a professional medical team answers questions and provides personalized health advice and management solutions to employees and their families, so as to create a healthy and harmonious working and living environment. As at March 31, 2023, the “Carnation” checkup program is available for appointment at institutions across 115 cities, and a total of 1,211 check-up arrangements have been made for parents.

Table: Employee Composition of Alibaba Health in FY2023

Indicator		Unit	Number
Total number of employees		person	1,560
Number of employees by gender	Male	person	866
	Female	person	694
Number of employees by employment type	Full-time	person	1,551
	Part-time	person	9
Number of employees by level	Senior management	person	42
	Middle management	person	481
	Entry-level employees	person	1,037
Number of employees by age	29 years of age or under	person	527
	30 to 50 years of age	person	1,027
	51 years of age or above	person	6
Number of employees by geographic location	Mainland China	person	1,559
	Hong Kong SAR, Macau SAR and Taiwan of PRC	person	1
	Overseas	person	0

3 CULTURAL DIVERSITY & DEVELOPMENT

Table: Employee (Voluntary) Turnover Rate of Alibaba Health in FY2023

Indicator		Unit	Number	
Employee (voluntary) turnover rate	Total employee turnover rate	%	32.56	
	By gender	Male	%	33.72
		Female	%	31.12
	By age	29 years of age or under	%	48.20
		30 to 50 years of age	%	24.63
		51 years of age or above	%	16.67
	By geographic location	Mainland China	%	32.52
		Hong Kong SAR, Macau SAR and Taiwan of PRC	%	100
		Overseas	%	0

3.2 TALENT DEVELOPMENT AND TRAINING

Believing that there is no limit to one’s potential, Alibaba Health upholds a development philosophy of growing together with its employees by continuing its optimization of employee training related systems. In order to build a leading workforce in the industry and deliver accomplishments that celebrate the Company as well as its employees, Alibaba Health provides employees with broad promotion channels through a comprehensive training system and diversified career development paths.

Alibaba Health has always been proactive in promoting OKR (Objectives and Key Results) management tools, around which it aims to build a business management system. In order to enhance key managers and all employees’ understanding of its corporate mission, all managers are required to attend OKR-related training courses and relevant exams, which has greatly enhanced cooperative efficiency and operational quality at Alibaba Health. In 2022, Alibaba Health fully introduced a performance management model featuring OKR. Through distributed engagement covering all employees, managers specified basic understanding and target requirements. As a result, all employees at Alibaba Health set their own OKR.

3 CULTURAL DIVERSITY & DEVELOPMENT

Training programs at Alibaba Health include internal training, external training and online training, with an aim to helping employees at various levels find training subjects and set learning objectives to suit their needs. Leveraging on the training system of Alibaba Group, the Company encourages all of its employees to participate in Group-wide training activities, such as basic management trainings like “Xia Ke Xing”^ (俠客行), so as to promote the performance and growth of employees in their daily work, and to lay a solid foundation for the Company’s sustainable development. At the same time, we have established the “Alibaba Health Academy”^ (阿里健康學院) to actively invite business and industry gurus from within the industry or the Alibaba Group to hold seminars and share their experience on business, R&D and operations.

Table: Employee Training System of Alibaba Health

Applicable Categories	Training Contents
New hires	<ul style="list-style-type: none"> • Providing the Induction Training Manual. • Assigning senior staff as mentors to help new hires onboard as quickly as possible. • Providing a three-day closed-door orientation to all new hires, who will be given a comprehensive introduction to the Company’s business and culture, professional knowledge and experience relating to institutes engaged in healthcare business, as well as sharing sessions on work details with seniors and leaders.
Middle management	<ul style="list-style-type: none"> • Organizing “Xia Ke Xing”^ (俠客行) leadership enhancement training, which enables deep learning of management responsibilities and team building through simulated experiences, covering all learning targets for newly promoted managers. • Organizing “Night Talk with Management”^ (管理夜話), a management ability enhancement training program that focuses on three topics including recruitment, performance and promotion and allows the trainees to discuss with senior management through case studies. • Live streaming online training for all managers of Alibaba Health to clarify the value proposition and work requirements for managers, enabling them to develop a comprehensive view on working methods.
Senior management	<ul style="list-style-type: none"> • 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.

Furthermore, the Company sets out to strengthen its talent pipelines by evaluating the performance of employees semiannually and offering promotion opportunities to outstanding employees every year. Enabled by better outcomes from talent identification, appointment and development efforts, the Company has built itself a sustainable workforce of great capacity.

3 CULTURAL DIVERSITY & DEVELOPMENT

Table: Employee Training at Alibaba Health in FY2023

Indicator		Unit	Number	
Percentage of employees trained by gender and level (e.g. senior management, middle management)	Total number of employees trained	person	5,577	
	Total percentage of employees trained	%	100%	
	Percentage of employees trained by gender	Male	%	100%
		Female	%	100%
	Percentage of employees trained by level	Senior management	%	100%
		Middle management	%	100%
		Entry-level employees	%	100%
Average training hours completed per employee by gender and level	Average training hours of employees	hour(s)	33.27	
	Average training hours of employees by gender	Male	hour(s)	34.15
		Female	hour(s)	32.18
	Average training hours of employees by level	Senior management	hour(s)	75.25
		Middle management	hour(s)	30.14
		Entry-level employees	hour(s)	33.03

3 CULTURAL DIVERSITY & DEVELOPMENT

Case study: Induction Training at Alibaba Health

As a training program for new hires, “100 Years of Healthy Living” (百年健康) aims to promote Alibaba Health’s vision for corporate development and organizational culture, and to share and pass on its work ethics. Meanwhile, the program provides an opportunity for new hires to communicate with management and gain a better understanding of the Company’s business, culture and structure. During FY2023, a total of 160 employees participated in training sessions under “100 Years of Healthy Living”.



Picture: Group photos taken at “100 Years of Healthy Living” training sessions

Case study: “Night Talk with Management” (管理夜话) training session launched by Alibaba Health

Launched through online live streaming, Alibaba Health’s “Night Talk with Management” is a training program themed on the management focus for the month. The training covers topics such as performance management, promotion arrangement and leadership, offering professional content through sharing conversations, lecturer-based training and managerial insights. By creating a platform on which managers can communicate with and learn from each other, Alibaba Health has greatly improved work efficiency. During FY2023, a total of 1,128 employees participated in training sessions under “Night Talk with Management” (管理夜话).



Picture: Poster of “Night Talk with Management” (管理夜话) training session launched by Alibaba Health

3 CULTURAL DIVERSITY & DEVELOPMENT

Case study: “Xia Ke Xing” (俠客行) training session for new managers of Alibaba Health

In November 2022, Alibaba Health organized a 3-day “Xia Ke Xing” (俠客行) training session, which guided the new managers to receive hands-on simulated training. This training covered a comprehensive range of special subjects that new managers were required to learn, including, among others, responsibility comprehension, team building and leadership, which equipped new managers with skills of efficient communication and management, thereby helping them manage the team more holistically and improve the teamwork efficiency.



Picture: taken on the spot of “Xia Ke Xing” (俠客行) organized by Alibaba Health

3.3 EMPLOYEE HEALTH AND SAFETY

Alibaba Health attaches great importance to the occupational health and safety of employees. In strict compliance with 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 relating to employees and workplace safety, it strengthens the construction and implementation of internal emergency response mechanism, and actively creates a healthy, safe, comfortable and sound working environment. We provide comprehensive health and safety protection for employees and, in addition to basic social insurances such as medical insurance and work-related injury insurance, supplementary medical insurance for all employees, 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.

Indicator	Unit	Number
Number of work-related fatalities occurred in each of the past three years	Person	0
Rate of work-related fatalities occurred in each of the past three years	%	0
Lost days due to work injury	Hour	0

3 CULTURAL DIVERSITY & DEVELOPMENT

In order to enhance the emergency response capability of the Company to better protect the health and life safety of employees, we have established a multi-level interactive, efficient and flexible emergency response mechanism and commanding and coordinating system. Meanwhile, the Company is also equipped with professional first-aid equipment, to enable quick response to and proper handle of potential emergencies such as injuries or diseases of employees and people trapped in lifts. In addition, we actively cooperate with employees to recruit first-aid volunteers from its employees and provide safety and first-aid training to registered employees and grants profession certification to them, all in an effort to enhance their emergency response capabilities and awareness of self-and buddy-aid.

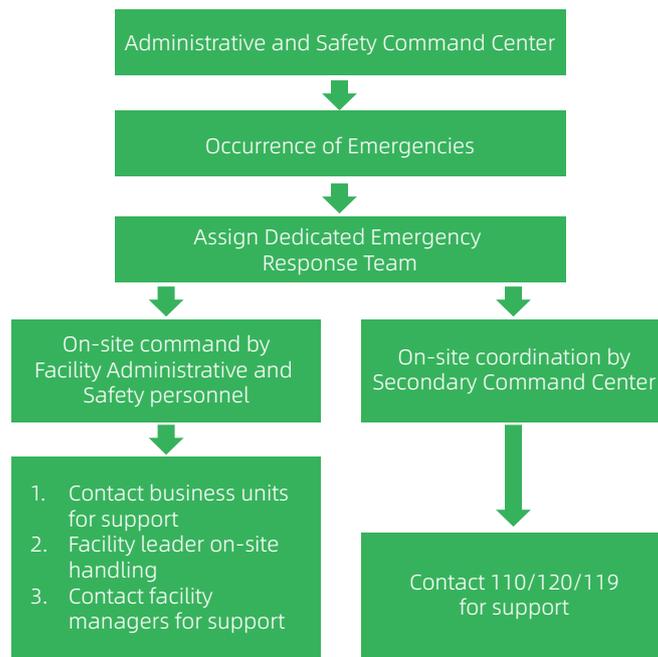


Chart: Emergency Response Mechanism of Alibaba Health

3 CULTURAL DIVERSITY & DEVELOPMENT

3.4 EMPLOYEE CARE

Alibaba Health recognizes the efforts made and values created by its employees in their daily work, and is therefore constantly committed to providing more humanitarian care for its employees, meanwhile encouraging them to achieve work-life balance, as part of its efforts to improve their sense of belonging and well-being.

In order to enable our employees to get sufficient relaxation, we organize a rich and diverse range of cultural and sport activities for them to promote communication and interaction among employees in the form of festival and anniversary activities. The annual “Ali Day” and festival celebrations provide a platform for employees to show themselves and communicate with each other. We organize group celebrations and give out exquisite gifts on important holidays such as Dragon Boat Festival and Mid-Autumn Festival. The Company also holds celebration ceremonies for employees completing three years of service and five years of service, recognizing their loyalty and contribution to the Company. Meanwhile, we provide 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, we attach great importance to the satisfaction and opinions of our employees, by actively creating an atmosphere and culture with information transparency and active engagement, and encouraging our employees to provide timely feedback on their needs. Alibaba Health actively participates in the manager snapshot organized and initiated by Alibaba Group, by conducting surveys and researches on the management behaviour of all managers based on leadership requirements. Employees are encouraged to give timely and authentic feedback, which drives the managers’ self-reflection and rapid growth, thereby achieving a win-win situation between employees and managers. In FY2023, Alibaba Health distributed 1,840 manager snapshot questionnaires to its employees and collected 1,572 questionnaires, of which the average score of “90-degree appraisal” (appraisal of managers by subordinates) was 89.2 points and the average score of “360-degree appraisal” (including the comprehensive appraisal of superiors, subordinates, and partners) was 84.7 points⁵.

⁵ The full score of the manager snapshot questionnaire is 100 points.

4 GREEN VALUE CHAIN

Adhering to the concept of green development, Alibaba Health actively tackles climate change, as it attaches great importance to green operation, green logistics and waste management, and fully implements the philosophy of “lucid waters and lush mountains are invaluable assets”, while committed to promoting sustainable development and building a green value chain.

4.1 TACKLING CLIMATE CHANGE

With the mounting risks associated with climate change, it has been of great urgency to take a series of actions to address the adverse impacts of extreme weather. In the context where the nation has announced targets of “carbon peaking by 2030” and “carbon neutrality by 2060”, Alibaba Health actively responds to national policies by implementing the carbon reduction strategic plan of Alibaba Group, and carrying out a series of actions for carbon neutrality, through which it actively undertakes its responsibility and mission in the context of “dual carbon”.

Alibaba Group’s Commitment to Carbon Neutrality⁶ :

- Achieve carbon neutrality in its own operations by 2030 (Scopes 1 and 2);
- Achieve 50% of carbon intensity reduction by 2030, using 2020 levels as baseline, through collaboration with upstream and downstream value chain partners (Scope 3);
- Encourage a wider range of social participation by supporting consumers and enterprises, and drive a cumulative ecosystem-wide emission reduction of 1.5 gigatons in 15 years by 2035 (Scope 3+).

The Company is clearly aware of the urgency of climate change. It takes positive steps to address the impacts of climate change on the business of the Company by proactively identifying and evaluating the risks brought about by various climate changes based on factors such as industry characteristics and operation situations. Alibaba Health is committed to protecting the safety of its operating equipment and employees with, among others, remote working mechanisms that are designed to cope with the adverse impact of extreme weather such as typhoon, rainstorm and sandstorm on the Company. At the same time, in order to address patients’ difficulty in taking medication due to travel inconvenience under extreme weather, the Company has formulated contingency plan, which efficiently and timely meets patients’ medication needs, as part of its efforts to safeguard the safety of patients.

4.2 GREEN OPERATION

Alibaba Health actively put the green operation concept into practice. It takes a diverse range of actions including, among others, setting up a green data center, advocating green office for employees and building green facilities, all with a view to effectively implement national strategies.

Green Data Center

In active response to national policies, Alibaba Health relies on data centers operated by Alibaba Cloud to, among others, improve hardware efficiency in computing utilization rate and heat-dissipation efficiency, which accelerate digital upgrade and achieve the goal of carbon reduction and efficiency improvement, thereby minimizing the adverse environmental impact of its business operations.

⁶ Source: [Alibaba Group Carbon Neutrality Action Report_20211217_SC_Final.pdf](#)

4 GREEN VALUE CHAIN

By applying AI technologies in low-carbon site selection, clean energy, liquid cooling and resource recycling and other initiatives, we have further accelerated the iteration of green and energy-saving technologies, so as to maximize energy saving and consumption reduction. Meanwhile, by leveraging on the strength of its technologies, the Company has gradually expanded the scope and efficiency of the data centers operated by Alibaba Cloud Data Center. In addition, Alibaba Cloud Data Center has adopted green energy such as wind power and photovoltaics, and deploys the largest immersed liquid-cooling cluster in domestic cloud computing data centers, which enable the power usage effectiveness of such centers to reach international leading standard. With ongoing commitment to the construction of green digital infrastructure, Alibaba Cloud Data Center strives to meet Alibaba Group's target of achieving "Scope 3" carbon neutrality by 2030, laying a solid foundation for making itself a "green cloud".

Table: Alibaba Cloud's Awards for Energy Conservation & Environmental Protection in FY2023

Time of award	Award Recipient	Awarded by	Award
October 2022	Single-phase liquid immersion cooling	China Association for Engineering Construction Standardization	2022 Data Center Scientific and Technological Achievement Award
November 2022	DC uninterruptible power supply system with 10kV AC	General Office of the MIIT	2022 National Recommended List of Equipment with Energy Conservation Technology in the Field of Information
November 2022	Single-phase liquid immersion cooling	General Office of the MIIT	2022 National Recommended List of Equipment with Energy Conservation Technology in the Field of Information
December 2022	DC uninterruptible power supply technology with 10kV AC	General Office of the Ministry of Ecology and Environment	List of Low carbon Technologies Especially Promoted by the State (Batch IV)
March 2023	Alibaba Zhejiang Cloud Computing Renhe Liquid Cooling Data Center	General Office of the MIIT	2022 National Innovative Data Center

GREEN OFFICE

Alibaba Health 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, and has formulated its internal Management System for Green Office and Energy Saving and Consumption Reduction. It has also set up carbon emission and water consumption targets for facilities, so as to standardize the green office system.

In order to achieve centralized and refined management of electricity consumption in facilities, we have set up an administrative engineering operation center, and continue to improve and upgrade building control systems, which, taking into account factors such as numbers of employees, weather and temperature, control lighting, air conditioners and other office electric appliances based on actual needs. At the same time, we implemented inspection and monitor of night time lighting and air conditioning to shut down equipment not in use, achieving a reduction of 10% in energy consumption at night.

Alibaba Health has established an internal OA office system to regulate the use of water, electricity and air conditioning and the management of office supplies in the offices, and achieve efficient and paperless office. The Company actively encourages its employees to practice the concept of low-carbon life, and promotes the concept of green office among employees through posters, advertisement, group push and other publicity means, all with a view to enhancing their awareness and involvement in green environmental protection, as part of its efforts to work with its employees to create a green office environment.

4 GREEN VALUE CHAIN

Table: Highlights of Alibaba Health's Green Office Measures in FY2023

Office supplies management	<ul style="list-style-type: none"> ➢ Apply for use of low-consumption items on demand, such as pens, notebooks, glue sticks, paper clips; ➢ Register offline to apply for use of high-consumption items, such AA/AAA batteries; ➢ Apply for large use of office supplies for single large demand; ➢ Establish a points system for "Good Behavior In Good Faith"⁷ (有心好行為) to encourage employees to reduce paper usage by using double-sided printing.
Energy management	<ul style="list-style-type: none"> ➢ Set the time for intelligent control system to turn on and off the lights; ➢ Select the cooling mode of the air conditioner in the IT room; ➢ Set the electric heater in the tea room to run from November to April, and adjust the temperature to low temperature; ➢ Install a timer for direct water dispenser to turn it off during the set non-running period; ➢ Use sunshade curtains to lower indoor temperature in summer, thereby reducing energy consumption of air conditioning.
Employees' commuting management	<ul style="list-style-type: none"> ➢ Encourage employees to use public transport for low-carbon commuting and travel; ➢ Arrange shared bikes and parking spots nearby the office building.

Table: Energy Consumption of Alibaba Health in FY2023⁷

Indicator	Unit	Data
Purchased electricity	kWh	1,482,187.78
Electricity consumption per employee	kWh/employee	950.12
Comprehensive energy consumption ⁸	tce	182.16
Comprehensive energy consumption per employee	tce/employee	0.12
Total greenhouse gas emissions ⁹	tCO ₂ e	845.29
Greenhouse gas emissions per employee	tCO ₂ e/employee	0.54
Water consumption	tonne	11,128.26
Water consumption per employee	tonne/employee	7.13
Paper consumption	tonne	1.10
Paper consumption per employee	tonne/employee	0.001
Total packaging material used for finished products	tonne	Alibaba Health's business is not involved in the direct provision of packaging materials for finished products. Accordingly, such indicator is not applicable

⁷ The environmental data is collected from Block B of Beijing Greenland Center, Beijing CITIC Tower (also known as China Zun), Hangzhou Xixitang, Hangzhou Alibaba Park B and other offices in Guangzhou of which Hangzhou Xixitang and Hangzhou Alibaba Park B are newly included as compared with the previous year.

⁸ The comprehensive energy consumption is calculated in accordance with the General Principles for the Calculation of Comprehensive Energy Consumption GB-T2589 2020 (《綜合能耗計算通則GB-T2589 2020》).

⁹ Alibaba Health is not involved in any direct greenhouse gas emissions (Scope 1). Indirect greenhouse gas emissions (Scope 2) are from the consumption of purchased electricity. The emission factors of purchased power refer to the Notice of the Ministry of Ecology and Environment of the People's Republic of China on the Management of Greenhouse Gas Emission Reports of Enterprises in the Power Generation Industry from 2023 to 2025 published on February 7, 2023.

4 GREEN VALUE CHAIN

GREEN FACILITY

Alibaba Health actively explores the circular development mode in the facility, and uses Internet of Things and big data analysis technology to optimize the operation of lighting and air conditioning systems in the facility. Meanwhile, we implement a number of energy-saving technological renovation projects in the facility by taking various measures, such as installing independent water purification systems and revamping the mall dome, thereby minimizing the operational footprint and promoting the symbiosis of energy and environment in the facility.

Energy-saving technological renovation projects of Alibaba Health

- Renovation of centralized air conditioning systems in the facility, enabling their automatic and intelligent operation in light of the change of weather, environment and customer flow;
- Renovation of lighting equipment in the facility, reducing the LED lighting energy consumption by 30% through appropriate adjustment;
- User-end intelligent renovation of air conditioning, enabling automatic operation based on customer flow data, and reducing air-conditioning energy consumption by 10% per annum;
- Renovation of the dome of mall open to the public, enhancing the shading effect, and reducing air-conditioning energy consumption by 5%;
- Renovation of the cooling clusters in the facilities, reducing the energy consumption of host air-conditioning system by 10%.

Case study: Green facility of Alibaba Health

With the concept of “environment, technology and humanitarianism” in mind, Alibaba Health follows the sustainable design by, among others, encouraging low-carbon commuting, promoting ecological diversity, preventing extreme climate and conserving water, which are the elements of its design to work on the design and construction of green facilities. We rely on the massive use of “prefabricated” decoration technology to install standardized industrial components, such as prefabricated walls, prefabricated toilets and modular conference rooms, to reduce the solid waste used in construction and improve the recycling rate of decoration components.

We set up the charging pile parking space, use the first grade water efficiency sanitary wares, install lighting equipment with automatic sensors, and introduce natural light and natural wind loops in the facilities. At the same time, we proactively work on the construction of green facilities by promoting low-carbon travel, water conservation, energy conservation and waste management.

4 GREEN VALUE CHAIN

GREEN LOGISTICS

Green logistics system is crucial for the development of a green and low-carbon circular economy. In collaboration with Cainiao, Alibaba Health engages in an undertaking to reduce emissions and build a low-carbon supply chain, by introducing more new energy vehicles and self-driving vehicles, and promoting the rapid development of new energy vehicles in the context of energy transformation and integration. Meanwhile, we have established a complete system for the use of recyclable packaging, and developed metric standards of recyclable packaging for the industry based on industry-specific characteristics, leading the industry to jointly minimize the use of packaging materials. In addition, we entered into circular operation agreements with mainstream service providers to jointly build green logistics.

The Company continues to develop a smart management plan for recycling systems throughout our value chain. By installing RFID tags in cargoes via Internet of Things technology, we could track cargo status and locations, and conduct more efficient and smarter management of recyclable packaging.

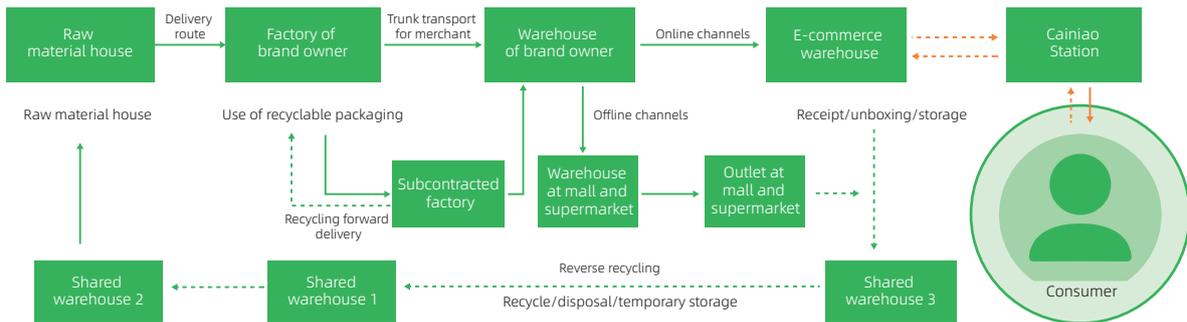
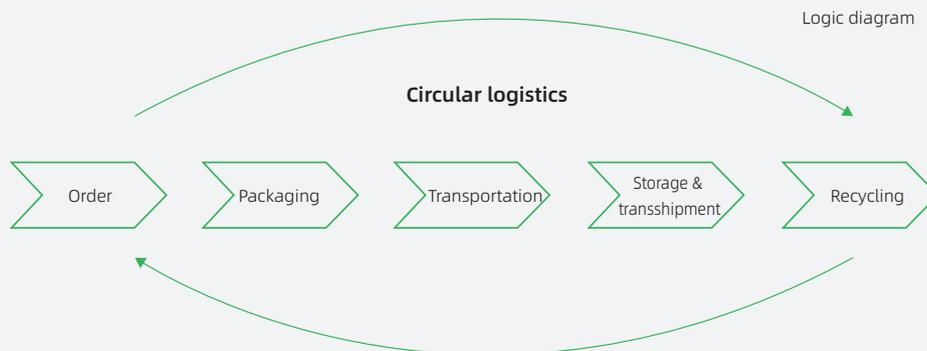


Chart: Smart management system throughout our value chain

Case study: Logistics emission reduction projects launched by Alibaba Health

In a bid to reduce the carbon emissions of consumption and production logistics, Alibaba Health cooperates with Cainiao to promote the construction of circular logistics, covering the entire logistics chain of orders, packaging, transportation, storage and recycling. We continue to optimize our operation by various means including, among others, adopting the technological innovation, changing the way of using resources, promoting suppliers and consumers to follow green and low carbon practices. Besides, we rely on various means including, among others, packaging reduction, packing optimization, packaging reuse and packaging recycling by developing the packaging material planning and algorithm optimization for different warehouses and product categories. Recycled boxes are widely used and consumers are guided to jointly participate in circular economy, as part of our joint efforts to support the logistics platform in reducing the usage of packaging materials.



Picture : Logic diagram of circular logistics

4 GREEN VALUE CHAIN

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》), the *Beijing Municipal Regulations on the Management of Municipal Solid Waste* (《北京市生活垃圾管理條例》) and other laws and regulations. It has formulated its Management System for Green Office and Energy Saving and Consumption Reduction and other systems relating to waste sorting and cleaning for buildings, thereby promoting the implementation of environmental treatment plan for waste and fulfilling its social responsibility.

In order to reduce the adverse impact of the waste generated in the process of operation on the environment, Alibaba Health has established a complete waste management system in strict accordance with the relevant laws and regulations, and arranged proper disposal of used toner cartridges, used ink cartridges and used light tubes. It also encourages its employees to follow garbage classification standards when disposing of wastes, which facilitates the Company's secondary manual sorting of wastes. Besides, the Company arranges responsible disposal of used drugs to avoid environmental impact.

Table: Highlights of Alibaba Health's Waste Management Measures in FY2023

- Set up two hazardous waste collection points for collection of expired drugs and mercury thermometers.
- Conduct secondary manual sorting of all wastes in the facility, which were sorted into recyclable wastes and non-recyclable wastes to be disposed in designated garbage rooms.
- Cooperate with the government and suppliers to explore the cooperation model involving three parties of "Facilities – Street – Recycling suppliers", and establish an informatization management system for waste disposal in the facilities, thereby making the entire chain for domestic wastes traceable.

Table: Waste Emission of Alibaba Health in FY2023

Type of Waste	Unit	Data
Hazardous waste	tonne	0
Hazardous waste generated per employee	tonne/employee	0
Non-hazardous waste	tonne	251.36
Non-hazardous waste generated per employee	tonne/employee	0.16
Disposal/recycle of expired drugs	tonne	46.73

5 RESPONSIBLE TECHNOLOGY

Alibaba Health has always been committed to social responsibility as an important part of corporate development. It continuously enhances and improves its supply chain management, and collaborates with suppliers to promote sustainable development. Meanwhile, the Company actively participates in public service activities, utilizing its healthcare resources and advantages to benefit the society through various ways and activities.

5.1 SUPPLY CHAIN MANAGEMENT

Alibaba Health ensures impartiality in procurement while improving efficiency, so as to comprehensively promote sunshine procurement and build a responsible supply chain. Alibaba Health attaches great importance to supply chain management, as it strictly follows the *Government Procurement Law of the People's Republic of China* (《中華人民共和國政府採購法》), the *Tendering and Bidding Law of the People's Republic of China* (《中華人民共和國招投標法》), the *Good Supply Practice for Pharmaceutical Products* (《藥品經營質量管理規範》) and other relevant laws and regulations. It continues to improve internal systems such as the *Supplier Management Rules and Regulations of Procurement Guidelines of Alibaba Group*[^] (《阿里巴巴集團採購指引之供應商管理細則規範》) and the *Supply Management System of Alibaba Health*[^] (《阿里健康供貨管理制度》), which cover full-process supplier management measures in relation to, among others, supplier sourcing, reviewing, database entry, performance management, volume allocation and elimination, all with a view to ensuing legal and compliant procurement. In FY2023, we updated our supplier management accountability and supplier qualification and certification requirements, and reclarified our rules for supplier evaluation.

The primary business of Alibaba Health involves related categories such as pharmaceutical products, healthcare supplements and medical devices for its direct pharmacy business. Procurement for its 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. With respect to the supplier pool for each procurement category, we have prepared supplier management plans for specific categories and adopted a classification approach towards supplier management, with database entry review of procurement platform at 100%, which ensures legal and compliant procurement.

Alibaba Health has also put in place clear quality requirements and an appraisal system for the receipt, inspection, storage, maintenance, delivery, transportation and return of Original Equipment Manufacturer (OEM) products from self-operated warehouses. For those onboarded suppliers, the Company inspects self-operated warehouses and OEM plants throughout the whole chain on a regular basis, with a view to ensuring that the quality of direct sales products meets the standards required. Alibaba Health has a complete process in place to deal with suppliers on the blacklist. The management of the Company and the "FireEye System"[^] (火眼系統) identify non-compliant incidents and suppliers, and adopted four different levels to determine the types of violations, which are subsequently punished and eliminated according to contracts or integrity agreements.

Meanwhile, the Company conducts comprehensive review and evaluation on suppliers in terms of, among others, creativity assessment, execution quality and service ability, and carries out on-site visits. In addition, the Company conducts post-acceptance service rating according to the service requirements of categories, with a view to ensuring suppliers meet various qualification requirements of Alibaba Health. At the same time, we have developed the "FireEye System", which monitors medium-to-high risk suppliers in real time and sends out early warnings. It also provides timely financial, legal and other advices to further avoid relevant risks.

5 RESPONSIBLE TECHNOLOGY

We have established good partnerships with suppliers to achieve our shared sustainable development goals. We require our suppliers to abide by national and local environmental protection laws, and encourage them to adopt energy-saving and emission-reducing production methods and use environmental-friendly products and services, such as using renewable energy and environmental-friendly materials. At the same time, we carry out risk identification and evaluation on suppliers in respect of, among others, product quality, business ethics and environmental impact, with a view to comprehensively identifying ESG-related risks in the supply chain and continuously enhancing the ESG management level of suppliers.

In addition, we value the communication with suppliers, as we conduct periodical reviews of key projects through visits and interviews as well as online sharing sessions on quarterly basis, and carry out annual reviews and communication, to enhance the timeliness and effectiveness of communication. We offer supplier training on a regular basis, with more than 10 training sessions provided to suppliers of our direct business each year, covering all suppliers. Such trainings are offered on subjects including, among others, the products/merchants' first-time operation rules and requirements, supplier management system requirements, warehouse management regulations, and case study of product issues.

Table : Number of suppliers by geographical region of Alibaba Health in FY2023.

By geographical region	Direct business	Non-direct business	Total
Mainland China	1,220	299	1,519
Overseas, Hong Kong SAR, Macau SAR and Taiwan	216	3	219

5.2 HEALTH RELIEF

Alibaba Health is committed to appropriate utilization of its own capacities to address healthcare issues as its attitude towards public services. It actively implements the "Healthy China" strategic plan, and dedicates itself to the healthcare industry by providing health services for the society through various reliefs.

We continue to provide the society with medicine assistance services by utilizing the social resources to create a one-stop service platform for patients with rare diseases. A more accessible online platform has been set up to address the patients' difficulties in seeking medicine and treatment, enabling a visible presentation of relevant information, such as charges for medicine and medical insurance reimbursement rates nationwide. We have also set up the "Xiao Lu Lantern" (小鹿燈) Children's Serious Disease Relief Platform, and cooperate with local medical institutions to offer free consultation services for children with serious diseases, which reduce the medical burden of their families. Meanwhile, we deeply extend our caring to the society and strive to ensure that the health relief service truly benefit those in need and alleviate burden for patients and strengthen their confidence in treatment, by various means including, among others, training grassroots doctors and offering healthcare consultation services in rural areas.

5 RESPONSIBLE TECHNOLOGY

Case study: Alibaba Health releasing the doctor-searching map for rare diseases, which serves as a guide for patients with rare diseases to seek medical treatment

During the Reporting Period, Alibaba Health was committed to addressing the three difficulties in receiving treatment and medicine and making a payment faced by patients with rare diseases, by focusing on the needs of patients and continuously upgrading the one-stop information services platform for rare disease patients, to ensure that more intelligent healthcare solutions were provided to patients with rare disease patients in a timely manner. Meanwhile, based on the catalogue of rare diseases published by the National Health Commission of the People's Republic of China and in collaboration with governments at all levels, Illness Challenge Foundation, pharmaceutical companies and medical institutions, we had released the first doctor-searching map for, among others, 121 rare diseases, which significantly shortened the path of seeking treatment for patients with rare diseases and provided them with more convenient and accurate diagnosis.



Picture: Introduction to the functions of Alibaba Health Rare Diseases Information Service Platform

5 RESPONSIBLE TECHNOLOGY

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

In FY2023, Alibaba Health built the Xiao Lu Lantern Children's Serious Disease Relief Platform based on the principle of "early detection and early treatment" and rolled out the "Xiao Lu Lantern – Hassle-free Future" project in Qinghai, Sichuan, Guizhou, Hainan and other provinces, which addressed the difficulties in seeking medical services faced by children and families suffering from congenital heart disease, leukemia, thalassemia and other serious diseases by providing them with convenient access to medical services, quality medical resources and financial support. The "Xiao Lu Lantern" project won numerous awards including, among others, the "CSR Practitioner of the Year" in the Corporate Social Responsibility and Innovation Case for 2022, the "2022 Healthy China Innovation Practice Case" and the 2022 Annual Public Welfare Project Award at the 12th Philanthropy Festival.

As at March 31, 2023, the "Xiao Lu Lantern" health relief project held 37 free medical consultation sessions, covering 31 economically underdeveloped counties in 15 provinces across the country. A total of over 14,000 children were identified through free screening, campus screening, as well as reports filed at both county and foundation-supported hospital levels. A total of 886 children were identified to be qualified for receiving assistance and a total of more than RMB17,000,000 relief funds were allocated.



Picture: taken on the spot of free medical consultation of "Xiao Lu Lantern" public welfare project launched by Alibaba Health

5 RESPONSIBLE TECHNOLOGY

Case study: Empowering grassroots doctors with training

Alibaba Health and Alibaba Health Philanthropy had jointly set up a learning platform for grassroots doctors to provide quality medical training content, access to online communication, remote consultation and other supports to grassroots doctors in less developed areas, with a view to enhancing the professional abilities of grassroots medical personnel. At the same time, in order to improve the diagnosis and treatment of common cardiovascular diseases in less developed areas, Alibaba Health Philanthropy joined hands with China Association of County Hospital President to carry out online and offline cardiovascular intervention specialist training, so as to provide guarantee for patients receiving timely and effective treatment. As at March 31, 2023, a total of 14,002 grassroots doctors received trainings, including 3,744 interventional cardiologists.



Picture: taken on the spot of training session for grassroots doctors organized by Alibaba Health Philanthropy



Picture: Ceremony of cardiovascular intervention specialist training project launched by Alibaba Health Philanthropy

Case study: Healthcare consultation services in rural areas

In order to alleviate the shortage of medical resources in rural areas due to their vast geographical areas and great number of populations, Alibaba Health, together with the People's Daily New Media, launched a 24/7 free medical consultation platform for rural areas to guarantee smooth access to the consultation services for patients. We joined hands with relevant organizations and experts to offer medical trainings, record videos that popularize medical knowledge, and provide professional online healthcare service support for grassroots doctors and medical personnel working at the frontline of rural medical services, in a concerted effort to protect the health of rural residents.



Picture: 24-hour free consultation platform launched by Alibaba Health

5 RESPONSIBLE TECHNOLOGY

5.3 PUBLIC SERVICE ACTIVITIES

Alibaba Health is actively engaged in social welfare activities. It has established a comprehensive internal public welfare management system and launched a diverse range of public welfare initiatives through which it utilizes the strengths of its resources to benefit the society. Through holding charity concerts and joining hands with merchants to provide hearing aids for the elderly with hearing loss, as well as launching a series of public welfare projects for the visually impaired, we encouraged our employees and merchants to practice public welfare activities by taking upon ourselves the goal of promoting “public welfare” to contribute to the flourishing of public service activities. In FY2023, Alibaba Health devoted 38,605.6 hours and donated RMB3,159,263.08 to social welfare activities attended by 1,032 employees.

Case study: Charity concert with the theme of “Sing For Rare”

In February 2023, Alibaba Health, together with the Illness Challenge Foundation and Alibaba Health Philanthropy, organized a charity concert for rare diseases with the theme of “Sing For Rare”, at which patients with rare diseases were invited to form bands and sing together to feel the power of life. The concert also inspired employees to think about and pay closer attention to patients with rare diseases.



Picture : Charity Concert for Rare Diseases

5 RESPONSIBLE TECHNOLOGY

Case study: “You See We Feel” – Charity Project for the Visually Impaired

With “Life First and Inclusive Healthcare” as its brand value proposition, Alibaba Health is concerned about the health of 17 million people who are visually impaired in China, and has designed Alibaba Health font, the first of its kind in the world capable of simultaneous translation between Chinese, braille and phonetic alphabet of rarely-used Chinese characters, which, in active response to the *Law of the People’s Republic of China on Creating an Accessible Environment* (《中華人民共和國無障礙環境建設法》), lays a foundation for the application of drug information in braille. Alibaba Health font can illustrate that it makes it more convenient to use braille in various scenarios, such as product packaging design and artistic creation, serving as a bridge for communication between the visually impaired people and the rest of the world, and it is now being popularized through various forms including, among others, public welfare exhibition, packaging application, public popularization and international creativity awards. In FY2023, “Alibaba Health font” was used to design and launch the portable medicine box in braille, and the first batch of 4,000 small portable medicine boxes in braille was donated to the China Association of the Blind. In addition, “Alibaba Health font” was awarded the “Bronze Lion” in the “Cannes Festival of Creativity” in France in June 2023.

In March 2023, a public welfare exhibition of Alibaba Health Font was planned and organized by Alibaba Health in collaboration with Alibaba Health Philanthropy, Beijing Contemporary Art Foundation and Danish Cultural Centre to convey its value proposition of “Life First” to the public. The public welfare exhibition adopted the forms of arts and packaging design case to demonstrate the solutions to application of braille in various aspects of daily life. While serving as a platform for the visually impaired people to share their stories, it calls upon the society to pay more attention to the visually impaired people. The opening ceremony of the public welfare project for the visually impaired people was attended by the China Association of the Blind, UNESCO, Embassy of the Kingdom of Denmark, Embassy of the Netherlands, Embassy of Finland, and the cultural and public welfare institutions in Greece and other countries, and received over 1 billion views on the internet.



Picture: Group photograph of Alibaba Health Font



Picture: Opening ceremony of public welfare exhibition of Alibaba Health Font



Picture: Poster of Alibaba Health Font

5 RESPONSIBLE TECHNOLOGY

Case study: Sponsoring “Hearing Aid Scheme” in collaboration with professional brands

In a bid to help the hearing-impaired elderly alleviate their health concerns, Alibaba Health collaborated with hearing aid brands and Alibaba Health Philanthropy to sponsor the “Hearing Aid Scheme”, which provided online and offline hearing test and consultation services, and facilitated the propagation of scientific knowledge, while calling upon the society at large to pay more attention to the elderly with hearing difficulties. We helped the elderly with hearing loss drill their nerves for hearing with the hearing aids, remove the barriers of communication with their families and friends, and improve their quality of life by harnessing the power of science.



Picture : Publicity of Hearing Aid Scheme launched by Alibaba Health

^ For identification purpose only

ESG INDEX

Scope of Environmental, Social and Governance, General Disclosures and Key Performance Indicators (KPI)			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.	43, 47
	A1.1	The types of emissions and respective emissions data.	44, 47
	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).	44
	A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	47
	A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	47
	A1.5	Description of emission target(s) set and steps taken to achieve them.	42
	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.	47
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	43
	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).	44
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	44
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	42-44
	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.	42-44
	A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	44

Scope of Environmental, Social and Governance, General Disclosures and Key Performance Indicators (KPI)			Pages
A3: Environmental and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	43
	A3.1	Description of the significant impact of activities on the environment and natural resources and the actions taken to manage them.	43-47
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.	42
	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.	42
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.	33
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	34
	B1.2	Employee turnover rate by gender, age group and geographical region.	34
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.	39
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	39
	B2.2	Lost days due to work injury.	39
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	39-40
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	36
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	37
	B3.2	The average training hours completed per employee by gender and employee category.	37

ESG INDEX

Scope of Environmental, Social and Governance, General Disclosures and Key Performance Indicators (KPI)			Pages
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.	33
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	33
	B4.2	Description of steps taken to eliminate such practices when discovered.	33
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	48-49
	B5.1	Number of suppliers by geographical region.	49
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	48-49
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	49
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	48-49
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.	19
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	21
	B6.2	Number of products and service-related complaints received and how they are dealt with.	25
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	31-32
	B6.4	Description of quality assurance process and recall procedures.	20
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	30-31

Scope of Environmental, Social and Governance, General Disclosures and Key Performance Indicators (KPI)			Pages
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.	14
	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.	15
	B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	15
	B7.3	Description of anti-corruption training provided to directors and staff.	15
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.	49, 53
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	49, 53
	B8.2	Resources contributed (e.g. money or time) to the focus area.	53

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 “√”

- 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)
- How would you rate the overall ESG performance of Alibaba Health?
 Excellent Good Average Poor
- What's your overall rating for the report?
 Excellent Good Average Poor
- How would you rate the quality of ESG information disclosed in the report?
 Excellent Good Average Poor
- How would you rate the structure of the report?
 Highly reasonable Relatively reasonable Average Less than reasonable
- How would you rate the layout and presentation of the report?
 Excellent Good Average Poor
- What are your expectations regarding Alibaba Health's ESG effort?



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