2020

JD.com

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

JD.COM

Contents

About JD.com

JD.com is a leading technology driven e-commerce company transforming to become the leading supply chain-based technology and service provider. The company's cutting-edge retail infrastructure seeks to enable consumers to buy whatever they want, whenever and wherever they want it. The company has opened its technology and infrastructure to partners, brands and other sectors, as part of its Retail as a Service offering to help drive productivity and innovation across a range of industries. JD.com is the largest retailer in China, a member of the NASDAQ100 and a Fortune Global 500 company.

Overview

Report Profile

Release Form of the Report

This Environmental, Social and Governance (hereinafter referred to as "ESG") report is distributed electronically in Chinese and English.

Reference and Principles

This report references the United Nations Sustainable Development Goals (UN SDGs), the GRI Standards issued by the Global Sustainability Standards Board (GSSB), the ESG Reporting Guide from the Nasdaq Stock Market, industrial standards prepared by the Sustainability Accounting Standards Board (SASB), and the ESG Reporting Guide from the Hong Kong Stock Exchange (HKEX). The report also considers the four disclosure principles of Materiality, Quantitative, Balance, and Consistency.

Reporting Scope

The report aims to provide information on the ESG-related performance of the Group from January 1 to December 31 of 2020, and on material issues and boundaries identified by materiality analysis.

Source of Information

The information and data in this report are mainly from the Group's database, internal statistical reports, and public information, including prospectuses, annual reports, and media releases.

Currency

Unless specified, the monetary amounts shown in this report are all presented in RMB.

Referential Description

For ease of presentation, "JD," "the Group," and "we" all refer to "JD.com."

Contact Us

We value your feedback and opinions, and appreciate you emailing us at ir@jd.com, or mailing a letter to JD.com, No. 18 Kechuang 11 Street, Building A, Floor 20, Beijing Economic-Technological Development Area, Beijing, 100176, People's Republic of China.

For more information, please visit our official website at https://ir.jd.com/.

Letter from the Chairman

» <u>Powered by Technology for a More Productive and Sustainable World</u>

2020 was an extraordinary year for JD and the world. We witnessed the systematic influence of public health risks applied to the global economy, environment, and society. According to the "Global Risks Report 2021" issued by the World Economic Forum, the pandemic has exacerbated the global economic recession, social inequalities, and societal divisiveness, while introducing increased uncertainty for the world's development prospects.

In terms of risk likelihood and impact for the next decade, extreme weather, climate action failure, human-led environmental damage, public health crises, and biodiversity loss constitute the five most significant risks globally. Actively seeking solutions to these risks will bring new growth opportunities to the post-pandemic world.

More people recognize the importance of building a community with a shared future for humankind and promoting sustainable development. Currently, more than 20 countries and regions around the world—including China—have committed to "zero-carbon" ambitions, and major economies have devoted themselves to a green recovery. ESG investment that incorporates environmental and social factors into the overall risk assessment of enterprises, and pays more attention to long-term value creation, is becoming a mainstream trend of the global capital markets. In this context, the world's leading companies have updated their sustainable development goals and strengthened their mission and commitment to the future. JD is one of these leading companies—in 2020, we released a new group mission— Powered by Technology for a More Productive and Sustainable World.
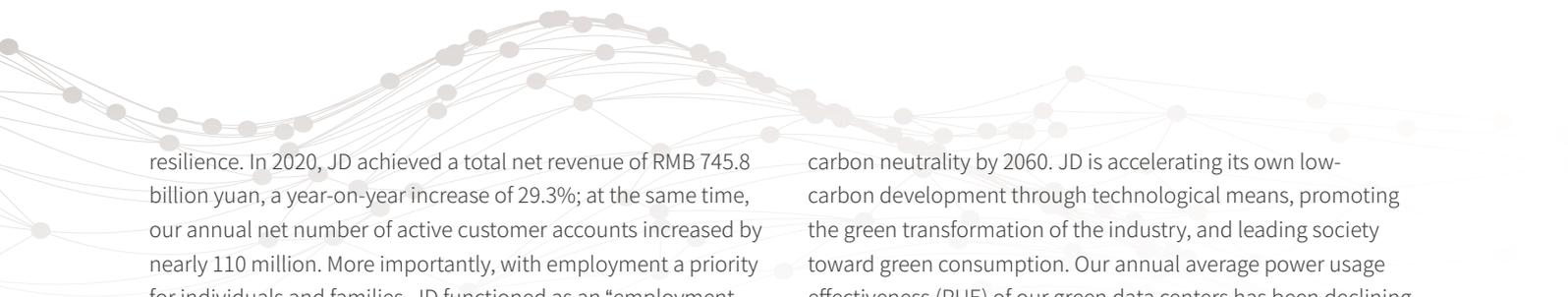
Digital and intelligent technologies have become drivers for JD to accelerate innovation during this pandemic. At different stages of the crisis, by relying on the Digitally Intelligent Social Supply Chain, JD has created social value in fighting COVID-19, through protecting people's livelihoods, supporting the economy, and stabilizing employment with a strong social responsibility mission and technological means. With technology, we respond to urgent anti-epidemic needs, stabilize prices, and ensure supplies. With "new infrastructure," we support the full recovery of China's economy and all efforts to decisively eliminate poverty, and safeguard everyone's health. This has also allowed us to gain widespread social recognition and trust from consumers. Encountering the downward pressure of the global economy, JD has shown strong

resilience. In 2020, JD achieved a total net revenue of RMB 745.8 billion yuan, a year-on-year increase of 29.3%; at the same time, our annual net number of active customer accounts increased by nearly 110 million. More importantly, with employment a priority for individuals and families, JD functioned as an "employment stabilizer." In 2020, the number of full-time employees in JD's system reached 314,000, a year-on-year increase of 38.3%.

Digital intelligent transformation is becoming a key driving force for the global post-pandemic economic recovery. According to the latest "Future of Jobs Report 2020" released by the World Economic Forum, digital transformation will create nearly 100 million new job opportunities worldwide by 2025. In China's *Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035*, "accelerating digitalization and constructing Digital China" is brought up as a key strategy. In 2020, JD announced its new position as a "supply chain-based technology and service provider." Through artificial intelligence (AI), big data, cloud computing, the Internet of things (IoT), blockchain, and other digital intelligence technologies, JD provides new development momentum for the whole society. We established the Customer-to-Manufacturer (C2M) initiative to help over 1,000 brand enterprises achieve "smart" manufacturing upgrades. We launched integrated supply chain and logistics technology solutions to reduce the overall cost and increase efficiency of the logistics industry. We provided over 20,000 service companies with an online trade fair that lasts 365 days. We help small and medium-sized enterprises (SMEs) embrace the era of digital intelligence and gain motivation for new development. We actively participate in constructing digital cities and villages. JD's new position has generated social value while gaining substantial growth momentum. In the fourth quarter of 2020, JD's net service revenue has reached RMB 32.1 billion yuan, a year-on-year increase of 53.2%, and its share of net revenue reached a record 14.3%.

Our health and sustainable development are closely related to the health of the entire planet, which is gradually threatened by climate change and environmental degradation. Studies have shown that by the middle of this century, climate change may cause direct losses of US$7.9 trillion to the world economy. China is playing an increasingly important role in global climate and environmental governance, and recently announced national targets for peaking carbon emissions by 2030 and achieving carbon neutrality by 2060. JD is accelerating its own low-carbon development through technological means, promoting the green transformation of the industry, and leading society toward green consumption. Our annual average power usage effectiveness (PUE) of our green data centers has been declining year by year and is currently below 1.3. JD Logistics (JDL) has become the first logistics company in China to join the Science Based Targets initiative (SBTi) and announce its greenhouse gas (GHG) emissions reduction goal. Furthermore, the types of green products on our retail platform have exceeded 100 million. We hope to seize the historical opportunities of this new round of technological revolution and industrial transformation, exert the ecosystem influence through our Digitally Intelligent Social Supply Chain, and provide more innovative solutions for the global response to climate and environmental risks with innovative technology. At present, JD's AI technology has shown great advantages in terms of energy savings and emissions reduction for thermal power generation companies.

It is our first time issuing an ESG report. We hope to fully respond to investors' concerns. We will continue improving our ESG governance structure and system, enhancing regulatory and legal compliance, information security, and operational safety, therefore responding better to external stakeholder expectations while realizing internal growth. As we gradually improve our ESG governance, we will manage social and environmental risks more systematically. In the new era, we will continue enhancing our resilience and ability to develop sustainably. Looking forward, we will explore and share the social benefits of the Digitally Intelligent Social Supply Chain with our employees, business and ecosystem partners, and consumers. We believe it is our responsibility to create shared value, and view technology as the means to jointly create a more productive and sustainable world!

Richard Qiangdong Liu
Chairman of the Board, JD.com

Statement from the Board

The company's Board of Directors continues to pay close attention to ESG. In 2020, the Board of Directors participated in the supervision of ESG reporting, carefully reviewed the results of the Group's important ESG issues, and provided references for corporate governance and risk management.

As a "supply chain-based technology and service provider," JD will continue to devote more efforts to building a more sustainable world with its supply chain capabilities. In the future, the Group will continue promoting the integration of ESG into the company's

business operations and long-term strategic development, fulfilling its corporate mission of being "Powered by Technology for a More Productive and Sustainable World," and striving to become the most trusted enterprise in the world.

ESG Governance System

The ESG governance system of JD.com covers the principles of ESG, and lays a solid foundation for ESG plan formulation, regular assessment, and management of related risks. JD's ESG governance system can help the

company establish an effective risk management system, maintain a good relationship with stakeholders, and enhance corporate governance. After implementing an ESG governance strategy and a sustainable development

management system, the Group will achieve the sustainable development of its own robust operations and contribute to building a more productive and sustainable world.

ESG Governance Structure

Strategy Execution Committee (SEC)

The SEC is responsible for making decisions on the strategic goals, directions, and key scope of work in the core areas of the Group's sustainable development, in addition to clarifying the internal organizational structure of ESG management, and supervising and guiding the overall implementation of work. SEC reports ESG-related findings to the Board of Directors to ensure that ESG governance is integrated into the company's overall strategic development.

ESG Working Group

The ESG Working Group is composed of the General Office, Working Group Members, and the Information Collection Network Group. The ESG Working Group is responsible for formulating ESG work strategies, identifying ESG risks and opportunities, disclosing the progress of ESG work, and regularly reporting ESG-related work to the SEC. The ESG Working Group also promotes and follows up with the implementation of Group-level goals in various business units and functional systems through the ESG data management system, and gradually normalizes ESG governance.

ESG Working Expert Group

Composed of high-level external experts, and the ESG Working Expert Group aims at providing professional advice to the SEC and supporting committee participation and decision-making. The ESG Working Expert Group provides professional capacity building and training, and regularly shares global ESG best practices and trends.

Resources

The ESG Working Group cooperates with JD Foundation to work with JD's ecosystem partners and leverages more internal and external resources to support the implementation of JD's ESG work, and ultimately provides value to society.

Strategic Position, Mission, Vision, and Values

Strategic Position

Supply Chain-based Technology and Service Provider

Mission

Powered by Technology for a More Productive and Sustainable World

Vision

Become the Most Trusted Company in the World

Values

- Customer First
- Integrity
- Collaboration
- Gratitude
- All in
- Ownership

Corporate Social Responsibility Strategic Framework

"Powered by Technology for a More Productive and Sustainable World" is our corporate mission and core social responsibility strategy. Based on JD's Digitally Intelligent Social Supply Chain as a technological driver and organizational drivers enabled by efficient corporate governance as well as the full engagement of employees and business partners, we continue to create value for economic development, environmental friendliness, and a harmonious society. We help establish a more productive and sustainable future in terms of promoting employment, enhancing rural revitalization, improving social efficiency, driving high-quality consumption, facilitating the digitalization of the real economy, and supporting supply-side structural reforms, thereby proactively being accountable for social responsibility.

JD's Digitally Intelligent Social Supply Chain

Technological Driver →

Boosting the Real Economy

Improving Social Efficiency

Powered by Technology for a More Productive and Sustainable World

Enhancing Environmental Friendliness

← **Organizational Driver**

Corporate Governance

Employees and business partners
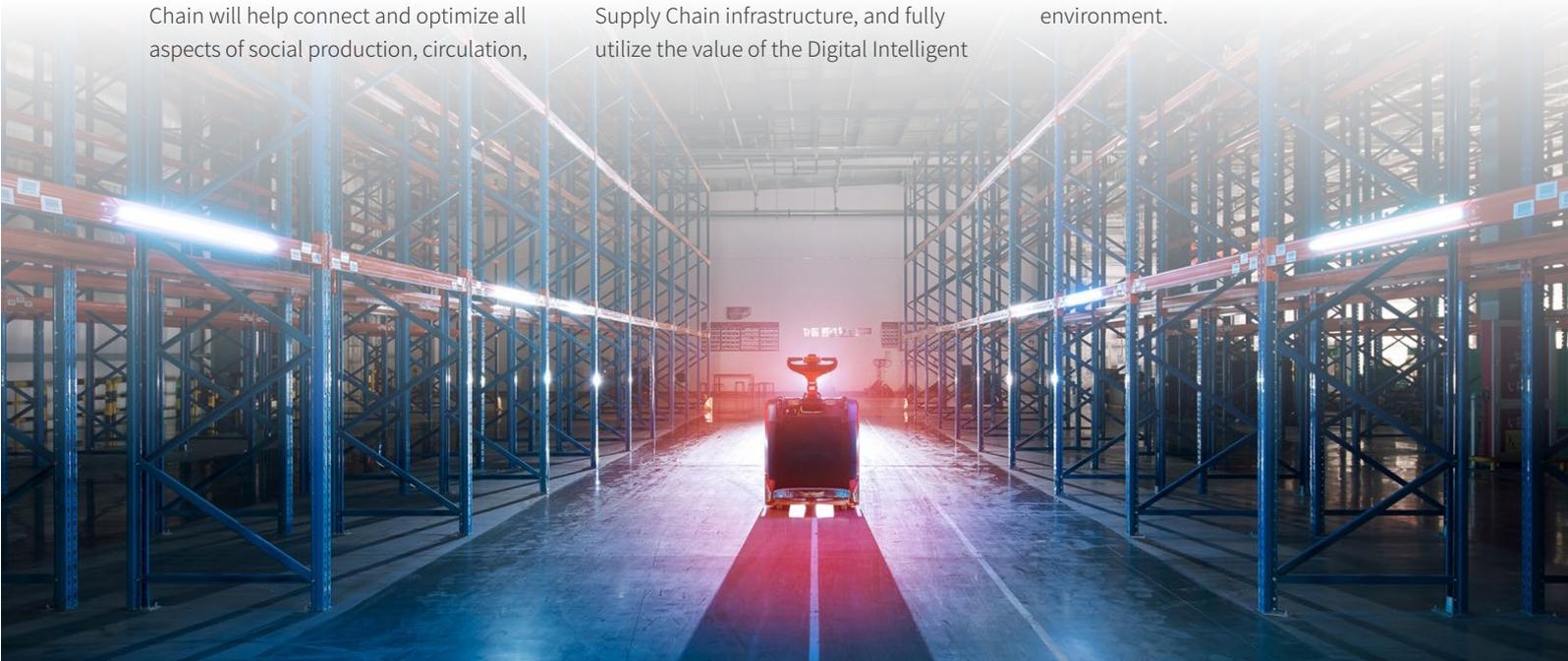
JD's Digitally Intelligent Social Supply Chain

With the advancement of technology and digital intelligence, social development has reached a new form of integrated development of information, knowledge, science, and technology. As a new generation of infrastructure, JD's Digitally Intelligent Social Supply Chain will help connect and optimize all aspects of social production, circulation, and service, thus reducing social costs and improving social efficiency. In early 2020, the Group's strategic positioning was officially upgraded to a "supply chain-based technology and service provider." In the next decade, JD will establish Digital Intelligent Social Supply Chain infrastructure, and fully utilize the value of the Digital Intelligent Social Supply Chain to continuously promote three long-term goals: boosting the real economy; improving social efficiency; and enhancing environmental friendliness, to create greater social value and work towards an efficient, fair, and harmonious social environment.
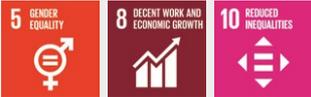
JD and SDGs

The UN SDGs describe a much-anticipated bright future that can only be realized by joint efforts of all mankind. In September 2016, China pledged at the G20 summit to fully implement the 2030 Agenda for Sustainable Development and promote inclusive development.

Subsequently, the Chinese government launched *China's National Plan on Implementation of the 2030 Agenda for Sustainable Development.* The realization of the 2030 Agenda for Sustainable Development and the 17 SDGs requires collective actions from the public sector,
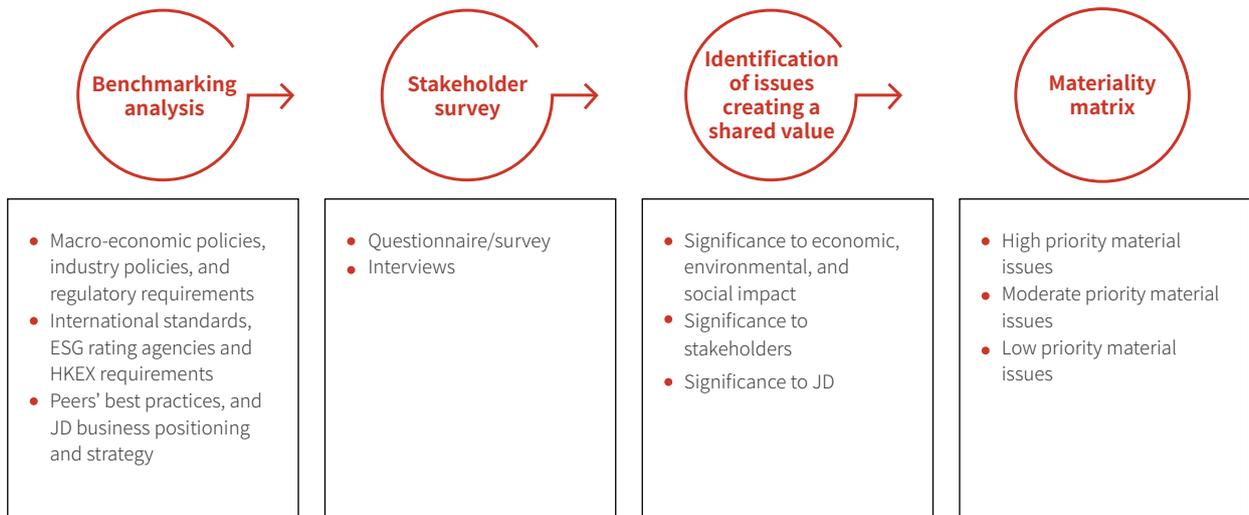
business enterprises, and civil society. As a supply chain-based technology and service provider, JD leverages its advantages in Digitally Intelligent Social Supply Chain and its platform impact to exert its commercial influence and actively implement the SDGs.

| SDGs	Our Actions
1 NO POVERTY / 2 ZERO HUNGER / 4 QUALITY EDUCATION	Through e-commerce, finance, corporate philanthropy, and other platforms, we provide education and employment opportunities, business resources and channels for poorer regions, utilizing our own strength and value in eliminating absolute poverty and facilitating rural revitalization.
3 GOOD HEALTH AND WELL-BEING	Responding to the COVID-19 pandemic, we devoted ourselves to fighting the virus as soon as possible by donating resources and providing technology solutions. We utilize the JD Health (JDH) platform and supply chain to ensure the provision of medical resources and daily necessities to safeguard public health, thus to better respond to emergency public health crises. In addition, we ensure the physical and mental health of our employees through health, welfare, and social security policies.
5 GENDER EQUALITY / 8 DECENT WORK AND ECONOMIC GROWTH / 10 REDUCED INEQUALITIES	We provide employees with an equal, safe, and decent work environment, and support them to obtain a fair income, a better workplace, better welfare guarantees, and a promising career path. Moreover, our platform enables SMEs to obtain fairer development opportunities, helps disadvantaged and vulnerable groups gain more employment opportunities, and promotes the development of the real economy.
7 AFFORDABLE AND CLEAN ENERGY / 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Through the construction of Digitally Intelligent Social Supply Chain infrastructure, we offer innovative solutions for the digitalization of various industries, help these sectors reduce costs, increase efficiency, and achieve low-carbon transformation with an efficient model.
6 CLEAN WATER AND SANITATION / 11 SUSTAINABLE CITIES AND COMMUNITIES	We use big data, AI, cloud computing and other technologies to provide intelligent solutions for urban planning, transportation, environment, energy, commercial, and security issues.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 13 CLIMATE ACTION / 14 LIFE BELOW WATER / 15 LIFE ON LAND	With the business operations, supply chain management, and platform effect, we strive to achieve a more environmentally friendly and low-carbon business model, promote sustainable and responsible consumption, and advocate the importance of biodiversity.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS / 17 PARTNERSHIPS FOR THE GOALS	We value the opinions of stakeholders and maintain regular dialogue with them. By offering technology solutions, we assist business partners and suppliers to achieve sustainable production and operations.
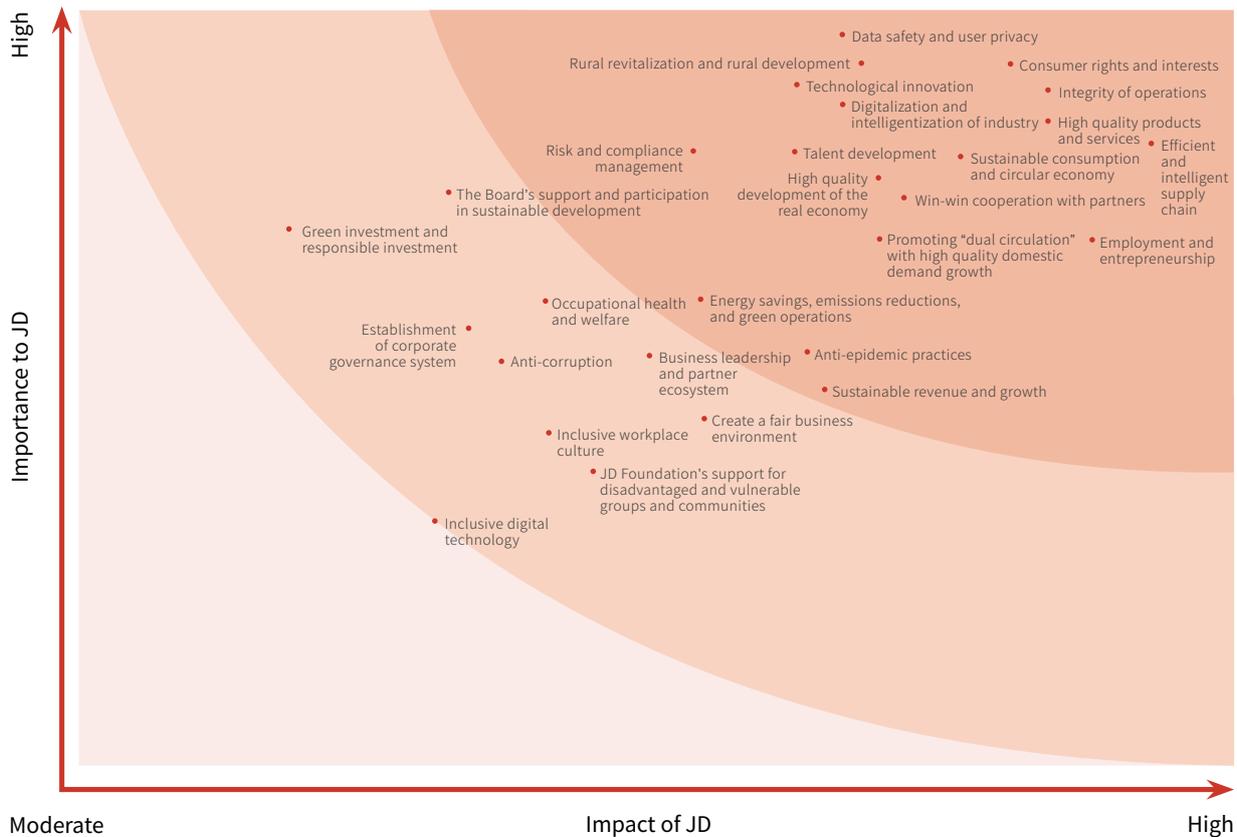
Materiality Assessment and Stakeholder Engagement

Through benchmarking analysis and stakeholder surveys, the Group has identified 28 strategic issues that facilitate the creation of shared values, and has created a materiality matrix. Among them, the high and moderate priority material issues are regarded as the most important topics to disclose in this report. The scope and boundary of the report are determined by data availability.

Materiality Assessment Flow

Benchmarking analysis

- Macro-economic policies, industry policies, and regulatory requirements
- International standards, ESG rating agencies and HKEX requirements
- Peers' best practices, and JD business positioning and strategy

Stakeholder survey

- Questionnaire/survey
- Interviews

Identification of issues creating a shared value

- Significance to economic, environmental, and social impact
- Significance to stakeholders
- Significance to JD

Materiality matrix

- High priority material issues
- Moderate priority material issues
- Low priority material issues

Materiality Matrix

Importance to JD (vertical axis: High)

Impact of JD (horizontal axis: Moderate → High)

- Data safety and user privacy
- Rural revitalization and rural development
- Consumer rights and interests
- Technological innovation
- Integrity of operations
- Digitalization and intelligentization of industry
- High quality products and services
- Risk and compliance management
- Talent development
- Sustainable consumption and circular economy
- Efficient and intelligent supply chain
- High quality development of the real economy
- Win-win cooperation with partners
- The Board's support and participation in sustainable development
- Green investment and responsible investment
- Promoting "dual circulation" with high quality domestic demand growth
- Employment and entrepreneurship
- Occupational health and welfare
- Energy savings, emissions reductions, and green operations
- Establishment of corporate governance system
- Anti-corruption
- Business leadership and partner ecosystem
- Anti-epidemic practices
- Sustainable revenue and growth
- Inclusive workplace culture
- Create a fair business environment
- JD Foundation's support for disadvantaged and vulnerable groups and communities
- Inclusive digital technology

Stakeholder Engagement

The Group fully considers the impact of its own operations on stakeholders, and maintains regular communication and diversified relationships with six types of stakeholders, including consumers, employees, shareholders and investors, governments and regulatory agencies, partners on the value chain, and communities and the environment. The expectations of various stakeholders provide a key reference for the Group to identify important sustainable development issues, enhance related work, and carry out relevant information disclosure.

Stakeholders	Material Issues	Communication
Consumers	• Consumer rights and interests • Integrity of operations • High quality products and services • Data safety and user privacy	• Continuous online and offline communication (apps/websites/stores) • 24/7 customer service hotline • Daily media communication • Social media communication • Consumer research
Employees	• Talent development • Occupational health and welfare • Inclusive workplace culture	• All-staff emails, communication meetings, forums, the staff and workers' representative congress, training activities and feedback mechanisms • Online and offline research activities • Email address for employee complaints • "Voice of Logistics Employees" platform
Shareholders and Investors	• Risk and compliance management • Sustainable revenue and growth • Anti-corruption • The Board's support and participation in sustainable development • Establishment of corporate governance system	• Phone calls, meetings, and company visits • Corporate annual reports, quarterly reports, and announcements • Roadshow • Daily reports and communication on sustainable development and ESG related issues
Governments and Regulatory Agencies	• High quality development of the real economy • Promoting "dual circulation" with high quality domestic demand growth • Technological innovation	• Daily reports and communication, and issuing policy recommendations • Industry forums and conferences • Field investigation • Sign cooperation agreements and establish strategic cooperation • Responding to inquiries for listed companies from regulatory agencies
Partners on the Value Chain	• Efficient and intelligent supply chain • Digitalization and intelligentization of industry • Win-win cooperation with partners • Business leadership and partner ecosystem • Create a fair business environment • Green investment and responsible investment	• Daily procurement, training, and evaluation • Industry forums • Supplier Conferences
Communities and Environment	• Sustainable consumption and circular economy • Anti-epidemic practices • Energy savings, emissions reductions, and green operations • Employment and entrepreneurship • Rural revitalization and rural development • Inclusive digital technology • JD Foundation's support for disadvantaged and vulnerable groups and communities	• Long-term public welfare projects • Daily media communication • Social media communication • Charity industry forums and activities • Volunteer activities

Special Topic: Combating COVID-19

Since the outbreak of the COVID-19 pandemic, JD has spared no effort in fighting the virus. JD leverages its leading advantages in supply chain and logistics through a series of efficient, reliable, and innovative anti-epidemic measures to meet social needs with medical resources and daily necessities. JD helps solve challenges generated by COVID-19, promote economic recovery with "new infrastructure," and protect public health and safety with care and love.

After the outbreak, JD responded quickly and set up a steering committee to make critical decisions and overall deployment. JD also immediately established a special team for epidemic prevention and control. The emergency working groups of each sub-group and department implement specific tasks to ensure a quick response mechanism that is live 24/7. JD continues delivering social value in anti-epidemic measures, boosting the economy, ensuring people's livelihoods, and stabilizing employment. The Group has invested more than RMB 1 billion yuan in donating of protective and medical supplies, guaranteeing the transportation capacity of special lines in Hubei and people's livelihoods in key areas, and empowering the platform partners' businesses.

Emergency Assistance

JD donated 1.08 million facial masks and tens of thousands of medical supplies to Hubei Charity Federation and Wuhan Hospital at the start of the pandemic. From January 21 to March 31, JDL transported more than 70 million medical emergency supplies for free, with a total weight of more than 30,000 tons, and delivered more than 10,000 tons of medical emergency supplies and daily necessities from all over the world to Hubei Province. In addition, JDL sent nearly 30,000 pieces of luggage from the medical assistance teams in Hubei to more than 30 provinces across the country for free.

Science and Technology

JD Technology (JDT) has launched epidemic inquiry robots to provide the public with emergency services such as online consultation, epidemic knowledge sharing, epidemic monitoring, and medicine delivery. JDT developed a platform releasing emergency resource information that can conduct intelligent searches and match supply-and-demand from governments, enterprises, and philanthropic organizations. In addition, JD has built an "outbreak situation awareness system for high-risk populations" to provide technical support for epidemic prevention and control. JDT independently researches and develops AI robots for indoor delivery of medical supplies during the pandemic. Moreover, JDL has launched a "no-contact" delivery model for smart vehicles in multiple cities to reduce pandemic exposure risks in the express transportation industry.

Protecting Public Health

JDL provides a healthy environment for front-line service personnel and has provided more than 10 million facial masks and other anti-epidemic materials and insurance to front-line employees to ensure a safe working environment to the greatest extent. JDT provides free "COVID-19" insurance for front-line medical personnel, JD's front-line employees and their families in the fight against the pandemic. The insurance value is RMB 300,000 yuan per person, and a maximum of RMB 1 million yuan for family members who pass away or become disabled due to the COVID-19. So far, 105,000 eligible employees have received insurance for free. In addition, JDH provides free online services for medical consultation and psychological counseling. During the period from January 26 to April 30, 2020, the platform served more than 11 million users. Moreover, JDH launched "Patients with Chronic Diseases Medicine Help Platform," which assists patients with chronic diseases.

Comprehensive Assistance to Recovery

On February 2, JD launched multiple subsidy projects for platform merchants, which include fee reductions, financial and logistics support, traffic support, technical support, and health coverage, and more. On February 8, JD announced an additional RMB 100 million yuan subsidy for merchants using JDL warehouses. On March 4, JD announced that it would provide RMB 1.5 billion yuan resources to launch the Spring Rain Plan, which integrates all platform marketing capabilities to support key categories' promotion. The Plan provides desired traffic to brands and merchants, and facilitates the offline stores to resume their businesses through JD's omni-channel coverage. Furthermore, the special policies that lower the entry requirements for merchants to operate on JD platforms restarted stagnant industry chain. Through multiple policies, JD provides more low price and high quality products to consumers, fully satisfying explosive post-pandemic demand, thereby boosting consumer confidence, and helping the entire industry chain return to the fast lane.

01 Corporate Governance

Internal Control and Compliance Management

Information Security

Anti-corruption

Internal Control and Compliance Management

Guided by the concept of "achieving success the right way," the Group complies with laws and regulations, builds a culture of honesty and anti-corruption, realizes technology and data-driven compliance management, and establishes a forward-looking, flexible, and efficient compliance system. All employees, risk management teams, and independent audit and supervisory teams constitute the "defensive lines" of the compliance system.

The first defensive line

All employees

The second defensive line

Risk management teams

The third defensive line

Independent audit and supervisory teams
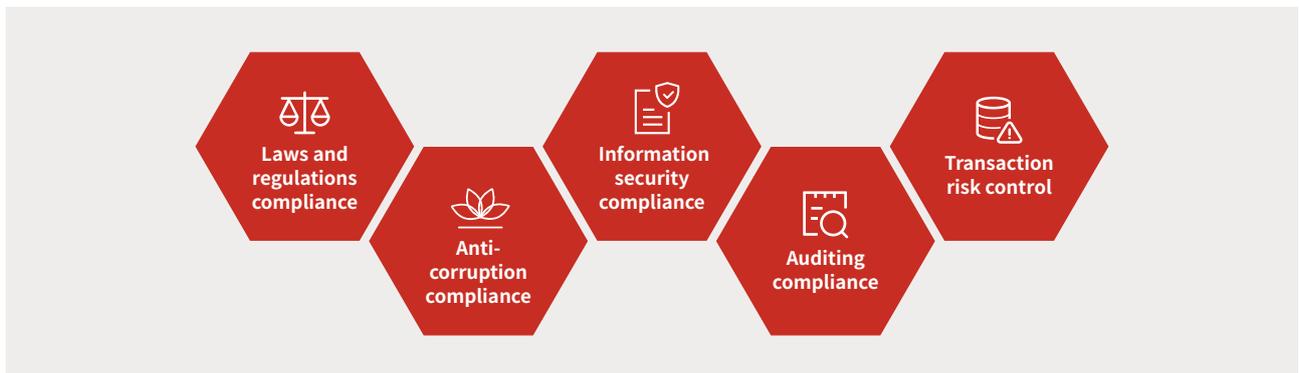
Based on the three "defensive lines," the compliance system consists of five perspectives to fully guarantee internal control and compliance, including laws and regulations compliance, anti-corruption compliance, information security compliance, auditing compliance, and transaction risk control. The first perspective is laws and regulations compliance: JD strictly abides by relevant laws, regulations, and rules; the second perspective is anti-corruption compliance: JD always has zero tolerance for corruption; the third perspective is information security compliance: JD is committed to ensuring the security of personal and customer information and ensuring the confidentiality of JD's information and data; the fourth perspective is auditing compliance: JD's independent audit and supervisory teams establish and implement internal control systems for the Group and its subsidiaries, and conduct supervision and evaluation; the fifth perspective is transaction risk control: each JD business unit accurately identifies and intelligently confronts business transaction risk behaviors. Through employee training, accountability mechanisms, and incentives, the Group ensures the effectiveness of the overall compliance system.

Externally, the Group is supervised by the Public Security Organ, the Ministry of Industry and Information Technology of the People's Republic of China, the Cyberspace Administration of China, the State Administration for Market Regulation of the People's Republic of China, consumer associations, the State Post Bureau of the People's Republic of China, and more. The Group has been rigorously complying with a series of Chinese laws and regulations, including *E-commerce Law, Cybersecurity Law, the Provisions on Ecological Governance of Network Information Content, Advertising Law, Product Quality Law, Food Safety Law, Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers, Postal Law,* and *Interim Regulation on Express Delivery*, and more. At the same time, in the development of international business, the Group strictly adheres to local laws and regulations in the countries in which it operates, establishes a legal compliance system for international business, and gradually improves the system with the development of international business.

Laws and regulations compliance

Anti-corruption compliance

Information security compliance

Auditing compliance

Transaction risk control

Information Security

The Group attaches great importance to information security. In 2020, the Group established its Safety and Risk Control Committee, which is in charge of overall planning and decision-making related to data safety and user privacy. The Information Security Department, established for the Group's cybersecurity, is responsible for executing decisions from the Safety and Risk Control Committee and defending the Group's network and system through data encryption and decryption, data leakage prevention, and other technical control methods. Moreover, the Information Security Department conducts comprehensive monitoring and protection of system security and guards against external attacks. Information security training courses are required for new employee enrollment with 100% participation.

JD obtained the ISO27001 information security management system certification in 2018, and the ISO27701 privacy information management system certification in 2020. With reference to ISO27001 and ISO27701, JD has established a complete and mature information security and privacy security management system, which constitutes 63 safety management system requirements covering all related departments and suppliers, including "JD.com Data Security Management Specification," "JD.com Supplier Security Management Practice," "JD.com User Personal Information and Important Data Security Regulation," and more.

100%

new employment participation in information security training courses

Data Safety

JD has set up a data monitoring and auditing mechanism to implement comprehensive data security control. JD strictly abides by a series of laws and regulations such as the *E-Commerce Law of the People's Republic of China* and *Network Security Law of the People's Republic of China*, and actively responds to domestic and international policy requirements. According to Article 37 of the *Cybersecurity Law of the People's Republic of China*, JD has formulated the "JD.com Data Cross-border Protection Security Management Standard," which clarifies the cross-border data evaluation process and controls the security of data exiting the country.

In terms of data ecosystem security, JD has formulated the "Basic Security Requirements and Guidelines for JD's Business and Data Openness," which requires the security team to evaluate the data security capabilities of businesses and partners involved in data openness. At the same time, the "Regulations for the Security Development of Third-Party Services," "Access Rules and Security Specification," and other policies and regulations set safety requirements on partners in terms of account numbers, databases, and permissions.

User Privacy

JD attaches great importance to user privacy and security. JD has obtained the Level Three Trusted Cloud Services (TRUCS) Certification issued by the Data Center Alliance and China Academy of Information and Communications Technology (CAICT), the Ministry of Industry and Information Technology (MIIT) of the People's Republic of China, and Security Information System Security Protection Level Three accreditation issued by the Ministry of Public Security of the People's Republic of China. In 2020, JD has obtained the ISO27701 privacy information security management system certification.

JD has established and improved its privacy and security management system with reference to the *Cybersecurity Law of the People's Republic of China, Personal Information Protection Law (Draft) of the People's Republic of China, GB/T 35273 Information Security Technology Personal Information Security Specification of the People's Republic of China,* the European Union's *General Data Protection Regulation (GDPR)*, ISO27701 and other domestic and international standards.

JD's privacy and security management system includes 12 system requirements, such as the "JD.com Information Security and Privacy Policy" and "JD.com Privacy Impact Assessment." JD has established a confidentiality agreement for information disclosure, a privacy compliance system for customer service work, customer information verification standards, and other procedures and systems, which require that employees must not copy, leak, embezzle or misappropriate any customer information. To promote the implementation of privacy and security requirements, the Group organized 4 enterprise-wide trainings in 2020.

JD also respects and values the privacy protection of international users, and has established a compliance mechanism to protect users' privacy rights in accordance with the requirements of local laws. For instance, in response to the EU's *GDPR* requirements, JD International (JDI) has carried out compliance risk assessment and rectification work on related businesses. In addition, JD has established the "JD.com User Subject Rights Response Process" to identify 10 privacy rights of users in accordance with EU's *GDPR* requirements, clarify the specific procedures for user rights exercise, and ensure that users can successfully complete complaints and applications for privacy rights.

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enterprise-wide privacy security trainings organized by the Group in 2020

Anti-corruption

JD strictly adheres to Chinese laws and regulations and other applicable normative documents. At the same time, as an overseas listed and internationally operated company, JD also strictly abides by local national anti-corruption and anti-bribery laws and other relevant regulations in other countries. JD has always upheld a "zero tolerance" attitude towards corruption and has continuously improved the construction of its anti-corruption system. The anti-corruption system and regulations include the "JD.com Business Conduct and Ethics Code," "JD.com Anti-Corruption Regulations," "JD.com Whistleblower Protection and Reward System," "JD.com Integrity Reward Policy (for Trial Implementation)," "JD.com Active Filing Reward Policy (for Trial Implementation)," "JD.com Gifts Management Regulations," "Vendor Paid Travel and Business Dinner Regulations," "Anti-Commercial Bribery Agreement," and more.

For internal anti-corruption management, JD has set up a corruption reporting center to comprehensively collect various types of corruption information in various fields. JD will keep all information providers and all materials provided strictly confidential. Reporters can contact JD via phone and email (Tel: 400-601-3618; Email: jiancha@jd.com). Moreover, to improve the integrity and self-discipline of employees and create a positive work environment, the Group releases internal anti-corruption announcements through the company's intranet, and collectively announces multiple ongoing corruption investigations and the names of employees who have engaged in misconduct. JD conducts anti-corruption trainings across the entire Group, covering 225,071 employees, which accounts for 96.19% of full-time employees. New employees must complete the online anti-corruption training course and assessment in order to complete their probation period. Everyone working in the Group receives anti-corruption trainings and conducts an assessment every year. Management personnel above the director level need to receive special anti-corruption trainings. In addition, JD analyzes and categorizes business risks through case review, establishes an early warning and communication mechanism for corruption risks, and helps business departments take the initiative in prevention and internal control. Furthermore, JD's application of big data and cloud computing in anti-corruption work has achieved good results in case management, data anomaly monitoring systems, and corruption case investigation.

As for industrywide joint anti-corruption efforts, JD continues to build the Sunshine Integrity Alliance® (hereinafter referred to as "the Alliance") [1], which initially started with 13 member organizations but has now exceeded 500. The Alliance initiated "Sunshine Academy" on its official website to share resources such as anti-corruption resources, training courses and policies. The Alliance and the Criminal Law Research Center of Renmin University of China jointly established the "Corruption Control Training Center for Enterprises," which provides free corruption control trainings to member companies. The "Corruption Control Training Camp" organized by the Alliance attracted more than 40 representatives from 30 companies to participate.

In terms of international anti-corruption, JD is establishing a compliance system with the *Foreign Corruption Practices Act (FCPA)*, which includes relevant systems and trainings. The trainings will cover all international business staff and group management personnel.

96.19%

full-time employees participated in anti-corruption trainings

100%

new employees completed online anti-corruption training and assessment in order to complete probation

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[1] In 2017, JD initiated and established the Alliance with 13 industry leaders and the Criminal Law Research Center of Renmin University of China to jointly create a sunny and transparent business environment.

02 Environmental Protection

Green Operation

Low-carbon and Green Supply Chain

Green Lifestyle Advocacy

Based on its operating and business advantages, JD builds a green and low-carbon business model covering three dimensions: Corporate Operations, Supply Chain, and Sustainable Consumption, to achieve green economic development and jointly build a green community.

Green and Low-carbon Targets
Upholding China's 2060 Carbon Neutrality Target

JD's Environmental Protection Strategy

Corporate Operations		Supply Chain		Sustainable Consumption	
Green Low-carbon Data Center	Green Procurement	Low-carbon Storage	Low-carbon Logistics	Zero Waste City	Sustainable Lifestyle
Green Office	Green Travel	Circular Packaging		Trend Insights and Research	Eco-partners

In September 2020, China announced its goal of peaking carbon emissions in 2030 and achieving carbon neutrality in 2060. Responding to China's climate goal is JD's responsibility and where its future opportunities lie. We will work hard to build a greener supply chain with a lower carbon footprint, strive to become a leading carbon-neutral corporation, and use our influence in the supply chain to radiate participation by wider range of business partners in promoting China's goal of achieving carbon neutrality.

Green Operation

JD aims to lead by example through the company's own green operations with a lower carbon footprint and greening our business world.

Green and Low-carbon Data Center

Through low-carbon design, green procurement, energy management, efficient resources use and waste management, as well as daily green operations, JD has achieved greener data center practices with a lower carbon footprint. The data centers' annual average PUE is decreasing each year, reaching below 1.3 by utilizing energy-saving technologies such as frequency conversion and indirect evaporative cooling, as well as refined operations and maintenance management. In the future, the data centers will use new technology that recycles residual heat derived from data center operations, to provide a green and clean heat source for urban integrated heat supply networks.

Green Procurement

JD actively implements the concept of green procurement, comprehensively considering the energy-saving and environmental protection benefits of product design, procurement, production, packaging, logistics, sales, service, recycling, and reuse. The Group prioritizes the procurement of raw materials, products and services which are environmentally friendly, energy effective, and can be fully utilized. We ensure the effective implementation of the green procurement system through the "Green Procurement Management Regulations" and the negative list system.

Green Office

Our administrative department also values environmental protection and energy conservation. We remind our employees to save electricity, make good use of paper and resources, and reduce waste. We promote paperless offices within the company to reduce paper consumption. Some of our office areas have installed inductive lighting to achieve smart energy conservation. We take environmental factors into consideration when purchasing daily office supplies. For example, we prioritize sourcing toilet paper products from Forest Stewardship Council (FSC)-certified suppliers to reduce the Group's environmental impact.

Green Commute

We have strategically cooperated with DiDi and reduced our employees' carbon footprint through carpooling. Since 2016, there have been 196,131 electric vehicle rides and an accumulative mileage of 3,437,911 km from employees' daily commute according to DiDi, reducing our carbon emissions by 275,032.88 kg carbon dioxide equivalent (kgCO$_2$e).

Low-carbon and Green Supply Chain

As a supply chain-based technology and service provider, JD contributes to China's carbon neutrality goal and global climate action by building a cleaner supply chain system with a lower carbon footprint.

Climate Goals
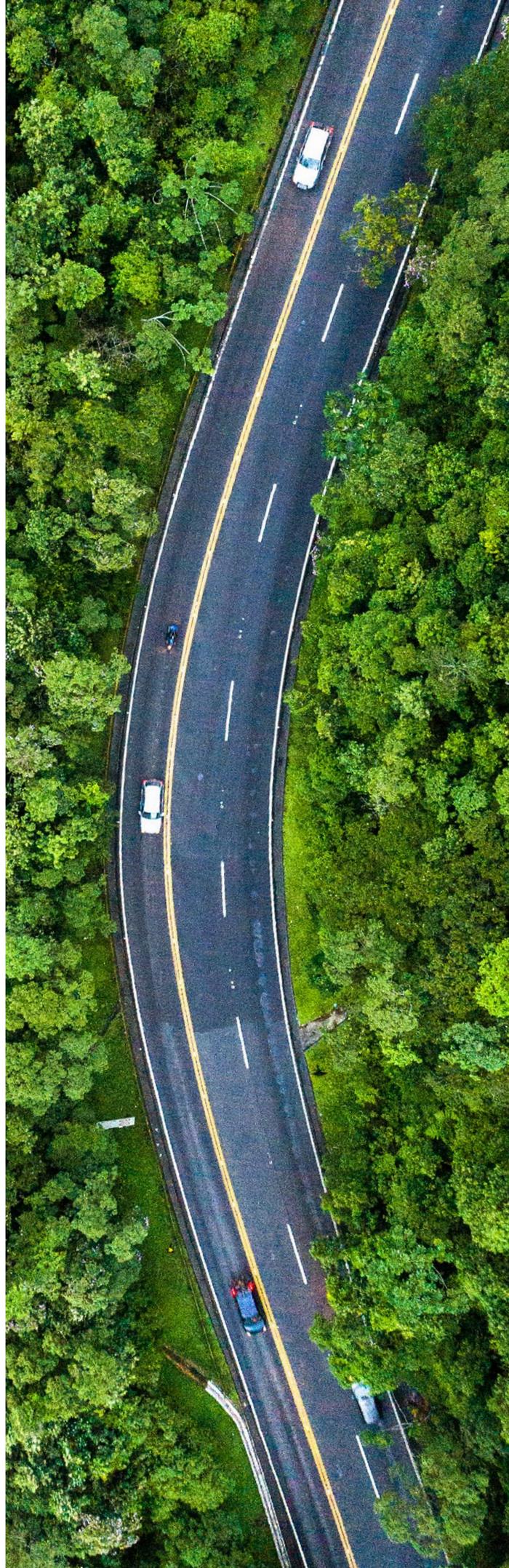
In October 2019, JDL announced that it would join the Science Based Targets initiative (SBTi), becoming the first Chinese logistics company to commit to a science-based emissions reduction target. JDL commits to reduce GHG emissions 50% by 2030 compared with 2019. On July 6, 2020, JDL's Green Stream Initiative[2] launched the first Environmental Protection Day in the logistics industry, further promoting and implementing the concept of the entire green supply chain. As of December 2020, the Green Stream Initiative has influenced more than 200,000 merchants and hundreds of millions of consumers.

Specific Measures

<div style="background:#c0392b;color:white">Transportation</div>

JD replaces traditional fuel-combustion trucks with new energy vehicles, leading to the development of green transportation. From 2017 to 2020, JDL launched new energy vehicles in more than 50 cities in seven regions across China, reducing at least 120,000 tons of CO$_2$ emissions per year. In addition, JD has built and introduced more than 1,600 charging stations nationwide to better support the new energy vehicles. We use big data to carry out real-time optimal route planning and storage network planning to reduce the number of vehicles in transit, increase the full load rate of return vehicles, and optimize the efficiency of logistics transportation.

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[2] The Green Stream Initiative was launched on June 5, 2017. JDL joined hands with upstream and downstream partners in the supply chain (including brand owners to retailers, and retailers to users) to promote the greening of the end-to-end supply chain. On May 25, 2018, the Green Stream Initiative was comprehensively upgraded, from focusing on the field of green logistics and ecological environment to the sustainable development strategy of the entire Group that includes comprehensive content regarding "Environment," "Society," and "Economy."

Storage

We realized the application of warehouse rooftop solar photovoltaic (PV) systems through installation in Shanghai "Asia No.1" Intelligent Logistics Park, and have explored more low-carbon innovative solutions for warehousing. Since 2020, to promote renewable and clean energy, we have worked with our new energy business partners to promote the construction of solar PV power plants in smart industrial parks nationwide.

In 2017, JDL took the lead in deploying a rooftop distributed solar PV system in Shanghai "Asia No.1" Intelligent Logistics Park, and it was officially connected to the grid in 2018. At present, solar power generation has covered the energy demands of the park including warehouse lighting, automatic sorting, packaging,

picking and other multi-scenario operations. In 2020, the power generation has reached 2.538 million kWh, equivalent to approximately 2,000 tons of CO_2 emissions reductions and saving approximately 800 tons of standard coal.

In addition, JD's automatic warehouses and industrial parks nationwide are expected to install a total of more than 200 megawatts of solar PV power plants by the end of 2021, to achieve an annual power generation of more than 160 million kWh after completion. With JD's Xi'an "Asia No.1" Intelligent Logistics Park as a pilot site, JD plans to create a rooftop solar PV power generation area of more than 1.5 million m^2 in Tianjin, Hefei, and other places in the future.

2.538 million

kWh of solar power generated by solar PV systems in JD's Shanghai "Asia No.1" Intelligent Logistics Park in 2020

2,000

tons of CO_2 emissions reduced by applying solar PV systems in JD's Shanghai "Asia No.1" Intelligent Logistics Park in 2020

Packaging

As the first logistics company in China to fully implement green packaging, JDL has always committed to green and sustainable principles in package design and use, striving to promote innovation in the packaging, transportation,

and storage processes, and using our influence to drive upstream and downstream partners and consumers to jointly promote the achievement of the UN SDG 12–Sustainable Production and Consumption.

We realized that the express and delivery industry uses significant natural and social resources. Therefore, we introduced multiple measures to make JD's logistics more circular and less carbon-intensive:

01   We use reusable delivery boxes to reduce the volume of disposable cardboard and tape

02   For fresh products, we use foldable thermal insulation boxes, which reduce the amount of single-use ice bags whilst replacing disposable foam boxes

03   We replace disposable woven bags with reusable transfer bags, and replace stretch wrap with recycled winding nets to reduce the use of plastic products

04   We provide circular and shared logistics solutions for the industry

05   Based on big data and collaboration with brand enterprises, we explore new green models at the source to solve the problems of disposable packaging waste by reducing commodity packaging, using minimal packaging, shipping in original packaging, and implementing B2B circular packaging, and paperless operations

As of the end of 2020

16 million

accumulated uses of
reusable boxes[3]

A total reduction of

180 million

disposable foam boxes[4]

and **600** million

disposable ice packs[4]

The average utilization rate of reusable
transfer bags has exceeded

98%

which saves nearly **80** million

disposable plastic woven bags annually[5]

10 billion

fewer pieces of disposable
packaging used industry-wide[6]

400 million

fewer meters of tape used per
year by promoting thinner tape
and reusable boxes[7]

13,219

fewer tons of paper consumed
per year due to electronic
express sheet usage[7]

Industry Empowerment

AI + Thermal Power Generation

To make electricity greener, JDT researched and developed an AI-based optimized control system for thermal power plants based on deep reinforcement learning technology. The system can dynamically optimize multiple core variables, including dampers and valve control for coal feeding and steam systems. This system has solved the worldwide challenge of optimizing the complex systems that continuously control high-dimensional variables. Moreover, the project has been approved by many domestic power plants and authoritative institutions in the cities of Nanning and Langfang, creating a precedent in the application of AI deep reinforcement learning technology in the field of power station boilers.

In December 2019, the AI-based Thermal Power Generation project was selected as an outstanding case in *China Business Climate Action*, released during the 25th United Nations Climate Change Conference, also known as COP 25.

Straw Burning Cloud Monitoring System

In June 2020, JDT launched a smart vision network based on AI, 5G, big data, and cloud computing, which plays an important role in wildfire identification as well as agricultural and forest fire prevention. At present, the straw burning monitoring system based on the smart vision network has been piloted in the Jinan Prior Zone for Replacing Old Growth Drivers with New Ones. The system offers straw burning real-time monitoring, which can help prevent fires. By implementing 24-hour monitoring, the phenomenon of burning straw has declined in the Prior Zone.

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[3] The time scope of the data: From December 2017 to December 31, 2020.

[4] The time scope of the data: From 2015 to December 31, 2020.

[5] According to the data retrieved on December 31, 2020.

[6] The time scope of the data: From 2014 to December 31, 2020.

[7] The time scope of the data: From January 1, 2020 to December 31, 2020.

Green Lifestyle Advocacy

Consumer preferences for more sustainable lifestyles and consumption are leading to changes in market demand. This is driving industries to transition towards greener development models, which can lead sustainable lifestyles, and to participate in and promote sustainable development. In 2019, JD joined hands with the World Wide Fund for Nature (WWF) to launch the Giant Panda-Friendly Enterprise Alliance. With the help of JD's platform, we drive upstream business partners to develop sustainable products with agricultural products from panda habitats, while using trustworthy products. The Internet platform provides consumers with rich, high-quality, and responsible consumption choices.

As an industry leader in this new era of consumption, we strive to provide more sustainable options through our own supply chain, ecosystem, and brand influence, by promoting sustainable consumption and a lifestyle that recycles resources, thus facilitating the transition to a green and high-quality value chain.

Sustainable Consumption

Consumer Advocacy

JD has held more than 100 green promotional and education events, calling on hundreds of millions of consumers to participate in environmental protection and public welfare. Activities include Earth Hour, Azure Earth Sustainability Week, Green Packaging Design Competition, Green Packaging Forum, Waste Classification Awareness Campaign, and the use of recycled packaging during marathons.

Pre-loved Objects Donation Plan

Through JD Giving Platform, JD Foundation has cooperated with JDL to implement the Pre-loved Objects Donation Plan. With the Green Stream Initiative and a nationwide logistics network, JDL has worked with partners to collect 10 million boxes in more than 100 cities. We reduced 17,500 tons of carbon emissions through box recycling. At the same time, 4 million pre-loved objects (including clothes, toys, and books) are reused through JD Foundation's Collecting Objects with Love platform.

10 million	**17,500**	**4** million
used boxes collected in total	tons of carbon emissions reductions through box recycling	pre-loved objects (including clothes, toys, and books)

Safeguarding Biodiversity through Sustainable Consumption

To protect wildlife, JD has helped assert stronger regulatory pressure to eliminate the trafficking of endangered wildlife. With the scale of our platform, JD takes actions such as regular checking, shelf cleaning, intercepting sensitive words in transit, and search blocking to cut off illegal transactions of wildlife on the platform. In 2020, JD set up a task force to regulate wildlife trade and established a list of more than 100 types of wildlife-related commodities. In addition, JD has produced posters to protect endangered flora and fauna, raising consumer awareness of wildlife protection.

Zero Waste City

Community Resource Recycling

JDL launched its box recycling project in 2016, and extended the package recycling to all categories, which includes plastic bags, plastic tapes and bubble wrap, as well as boxes. In 2019 and 2020, JDL jointly initiated plastic packaging recycling with brand enterprises like P&G and Coca-Cola.

10 million	**2** billion	**100,000**
boxes have been recycled by post-delivery recycling since 2016	new boxes were saved by cooperating with brand enterprises to recycle and reuse box resources[8]	plastic bottles from brand enterprises were recycled[9]

[8] The time scope of the data: From 2014 to December 31, 2020.

[9] The time scope of the data: From 2019 to December 31, 2020.

Innovative Models for Waste Classification
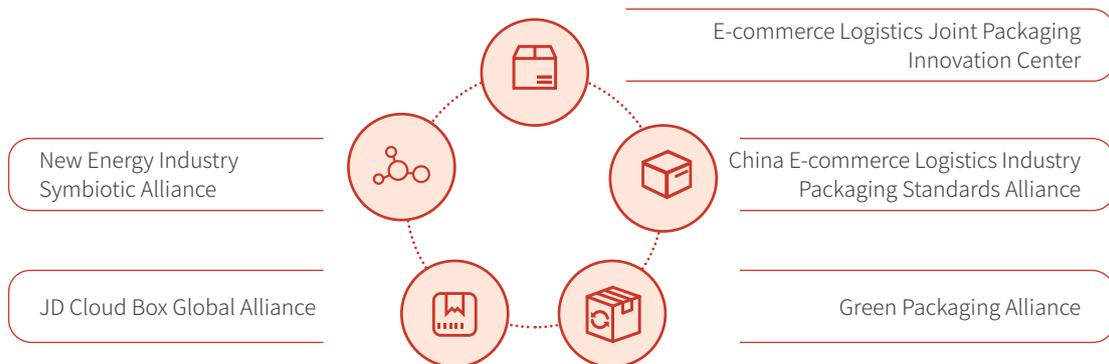
In April 2019, the Ronghua Subdistrict Office of Beijing Economic-Technological Development Area, in cooperation with JD's household waste classification station, launched an innovative waste classification pilot project.

Achievements:

17,414
households set up green credit accounts in the area

94%
participation rate in 19 residential complexes

13,804
cases of credits exchange

16
self-service recycling stations

26%
of food waste sorted and filtered out

Green Alliance

Leveraging the scale of the platform and our industry influence, JD has cooperated with tens of thousands of enterprises to establish various green stream ecological alliances, jointly exploring the green packaging ecosystem and promoting sustainable consumption.

E-commerce Logistics Joint Packaging Innovation Center

New Energy Industry Symbiotic Alliance

China E-commerce Logistics Industry Packaging Standards Alliance

JD Cloud Box Global Alliance

Green Packaging Alliance

03 Working Environment

Human Resource Compliance Management

Ensuring High-quality Employment

JD has always been committed to providing a favorable environment for talent development. JD not only provides employees with decent work while ensuring their health, rights, wages and welfare, but also creates an equal, inclusive, and diverse working environment with a broader range of opportunities, thus ensuring that all JD people can work decently and happily, as well as helping them achieve more fulfilling lives.

Human Resource Compliance Management

Employee Profile

In 2020, JD actively played its role as an "employment stabilizer." According to JD's Fourth Quarter and Full Year 2020 Results, there are over 360,000 employees in both listed and non-listed companies under the JD system, and the number of employees (excluding part-time and interns) in the listed companies is approximately 310,000. In 2020, JD hired nearly 100 thousand new employees. In addition, JD has indirectly created job opportunities for 18 million people. Currently, JD's diversified business sectors have incubated more than 2,000 positions, including the front-line staff that provide superior services to customers, industrial elites in research and development (R&D), experts in supply chain management, and procurement and salespersons delivering essential supplies to the public. JD's staff structure is diversified, covering employees with different fields of expertise.

Employment and Labor Standards

JD embodies the principles of fairness, impartiality, openness and selection of the best. The "JD.com Employee Handbook" has clearly stipulated that JD does not treat people differently under the protection of laws and regulations, regardless of ethnicity, race, color, age, gender, nationality, marital status, association, as well as religion, sexual orientation, sexual identity and expression, disabilities, pregnancy and political stance. In our talent recruitment and retention process, we strive to encourage employees to make the best use of their talents.

JD strives to introduce people with disabilities into its overall workforce, with a minimum threshold of 1.5%. The customer service center in JD Retail set up a "Sunshine Angel and General Department," specifically to recruit employees with disabilities. In 2020, the number of people with disabilities employed in the cities of Suqian, Chengdu and Yangzhou, was 108.

To prohibit the use of child labor and forced labor, the "JD.com Employee Handbook" has strict employee admission regulations that prohibits the hiring of individuals under 16 years old. JD respects and safeguards the legitimate rights and interests of every employee, and the "JD.com Employee Handbook" has clearly regulated the reporting process and employee treatment during vacations and paid leave.

JD organizes regular employee satisfaction surveys. The 2020 employee satisfaction survey for employees in the Beijing headquarters and each subsidiary shows that the employee satisfaction has reached 4.08 out of 5. The survey was mainly based on questionnaires and supplemented by interviews. The main focus is feedback on related services provided to employees in the workplace, such as canteen and catering, shuttle buses, supporting amenities (supermarkets, gyms, etc.), security, basic facilities (air conditioners, elevators, lighting), office hardware (desks and chairs), and functional areas (meeting rooms, lounges, maternity rooms, etc.).

360,000+

employees in both listed and non-listed companies under the JD system

18 million

job opportunities were indirectly created by JD

1.5%

of JD's workforce consists of people with disabilities

108

employees with disabilities in the cities of Suqian, Yangzhou, and Chengdu

To create a convenient and effective communication platform, JD has set up multiple ways to receive feedback from employees, including a hotline, forums, email box, and official mobile app. Employees can help supervise the Group's business operations and management procedures through feedback, reports, complaints, etc., with related issues being delivered to people in charge to handle. A closed loop is formed by timely linking received feedback to solutions, which helps us hear employee concerns. As such, we can protect their rights and benefits, and improve their satisfaction.

At the same time, JD pays close attention to human rights protection within the companies that it has invested in. 100% of JD's significant investment agreements[10] include human rights clauses or underwent human rights screening.

Ensuring High-quality Employment

Occupational Health and Safety

JD creates a safe working environment for all employees and ensures employees' occupational health and safety. At JDL, relevant management regulations and monitoring systems include "Quality, Environment, Occupational Health and Safety Monitoring and Measurement Control System," "Environment, Occupational Health and Safety Operational Control System," etc. In addition, JD received the Occupational Health and Safety Management System certification issued by the China National Accreditation Service (CNAS).
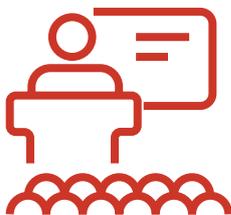
Training and Development

JD emphasizes the importance of nurturing diversified talents, and has established systematic training programs for employees, providing a variety of talent development plans and resources.

Training Programs

JD keeps improving its talent training and management mechanism, which now includes the "Employee Training and Management System," "Internal Trainer Management System," "Course Management System," "Training Suppliers Management System," among others.

Training Platforms

JD established an internal exclusive Software as a Service (SaaS) online learning platform, which was put into use from April 2019. Its training programs have cumulatively been viewed more than 27 million times. From 2019 to 2020, JD organized more than 22,000 training sessions for JD's supporting systems and business units.

27 million

cumulative uses of JD's online learning platform

Training Plans and Resources

JD values the recruitment and nurturing of diversified talents, providing internship and management trainee programs, international management trainee programs for overseas senior MBA candidates and holders, high-potential talent programs for the core management groups, and senior executive study tour plans. JD also provides continuing education programs for employees to pursue bachelor's and master's degrees, including MBA degrees. Furthermore, JD offers ample learning resources, including a systematic training curriculum on management, leadership and professional competence. Employees can also participate in training programs across industries, and experience job rotation mechanisms and benchmark studies.

[10] Significant investment agreements: JD holds 50% or more majority control.

Talent Development Plan

JD has set the principle goals of openness, and providing abundant talent programs to enable employees to accelerate career development.

Open Opportunities

JD provides open opportunities for employees. Employees can openly switch to other positions within the organization by application. They can also be recommended to try new opportunities.

"70% and 80%" Principle

JD promotes and appoints employees with good values who meet 70% of qualification requirements, especially for young employees. When management positions are available, the company aims to fill 80% of them through internal nomination of qualified employees, which provides more platforms, opportunities, and resources to cultivate the core management team.

"Backup" Principle

Managers attach great importance to nurturing their backups from the perspectives of values, competency, and potential; and inspiring employees to explore their full potential.

"Mentor and Mentee" Mechanism

For front-line employees working in sectors like warehouses, express delivery and customer services, JD has established a comprehensive training and development system that includes the "mentor and mentee" program, helping new employees to quickly fit in and grow.

Employee Welfare

JD believes that happiness and enthusiasm for work are the driving forces of a great company. JD provides competitive remuneration, and establishes a rich, demand-responsive and experience-first welfare system, striving to create a decent living and working environment while improving employees' well-being at work.

Management System

JD has set up a comprehensive remuneration and welfare management system, including "JD.com Salary Management Regulations," "JD.com Daily Salary Increase and Employee Stock Options Management Regulations," "JD.com Salary Adjustment Management Regulations," "JD.com Domestic and Overseas Relocation Management System," "JD.com Attendance and Leave Management System," "JD.com Bonus Pool Management System," "JD.com Subsidy Management Regulations," "JD.com Retreat Fee Management Regulations," "JD.com Love Relief Fund Management System," "JD.com Settlement Plan," and more.

Remuneration System

JD respects and rewards every employee's contributions, providing employees with a competitive remuneration system within the industry and guaranteeing decent salaries. In addition to a monthly base salary, employees' remuneration consists of performance bonuses, year-end bonuses, welfare subsidies, long-term incentives, and more. JD signs labor contracts with official employees and pays five social insurance funds[11] and one housing fund for employees in accordance with laws and regulations. In 2020, the five types of social insurance and one housing fund paid by JD exceeded RMB 5 billion yuan.

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[11] A pension contribution plan; a medical insurance plan; an unemployment insurance plan; a work-related injury insurance plan, and a maternity insurance plan.

Disease and Accidental Risk Prevention

Through the comprehensive basic welfare guarantee system, Love Relief Fund and multiple health services, JD weaves a "Safety Net" for all employees, effectively helping them cope with the risk of diseases, emergencies and more.

Front-line Employee Protection

In addition to the five types of social insurance and one housing fund, JD provides delivery personnel with accidental injury commercial insurance, special environmental subsidies, and abundant holiday and bereavement leave. During the pandemic, JD purchased COVID-19 insurance for all front-line employees.

Medical Check-ups

JD provides regular medical check-ups and examination services for employees working in different positions.

Love Relief Fund

JD set up the Love Relief Fund in 2010, and since then has provided financial aid for thousands of employees and their families in need. The scope of the aid covers employees or their family members suffering from serious diseases, employees' death or disability, educational expenses of their children, and employee property protection insurance and more. From 2018 to 2020, JD provided 955 aid payments worth RMB 38.4 million yuan in total.

Medical Insurance Fund

In 2017, JD launched the Medical Insurance Fund for long-time employees of over 5 years. If existing social and commercial insurance is not sufficient to cover medical expenses, employees can apply to receive payments, and obtain unlimited reimbursement of medical expenses in public hospitals, and up to one year of sick leave benefits.

Employee Assistance Program (EAP)

Since 2019, JD has launched EAP. Through onsite visiting, calling, crisis intervention and other methods, medical professionals under strict privacy protocols can diagnose and provide advice and counselling for employees suffering from mental health issues. This helps employees take care of themselves, release stress, and live and work in a non-stressful and joyful environment.

Family and Life Care

Through projects such as the Settlement Plan, Educational Support for Employees' Children, Extended Maternity Leave, Kindergarten, and others, JD safeguards the health and wellbeing of employees' families.

Settlement Plan

The Settlement Plan is a welfare plan for all employees. According to the policy, when employees who fulfill the working age requirement intend to purchase their first apartment in the city where they work, they are eligible to apply for an interest-free or low-interest loan of up to RMB 1.5 million yuan without a mortgage or guarantee. Currently there is a fund pool of RMB 1 billion yuan. From 2018 to 2020, the Group has issued interest-free or low-interest loans totaling up to RMB 880 million yuan, which benefitted around 1,500 staff to purchase homes. In addition, JD has provided 2,417 welfare apartments for employees since 2016. According to JD's full annual tax payment condition, JD's employees are qualified to apply and purchase joint-ownership apartments in the region in which they work and have successfully purchased hundreds of joint-ownership apartments.

Education Support

By the end of 2019, JD launched the Love Relief Fund to support the education of employees' children. If employees unexpectedly lose their working capability or pass away due to diseases or accidental events, their children can apply to receive aid for education to support themselves finishing their study from kindergarten to college. Two families benefited from this fund in 2020.

Extended Maternity Leave

JD launched the welfare project of Extended Maternity Leave in 2015, providing 30 days extra maternity leave for staff that meet specific age and time-served requirements. Hundreds of JD mothers have enjoyed Extended Maternity Leave each year.

JD Children's Education

From 2017, JD cooperated with the authoritative educational institution Oriental Cambridge Education Group to set up childcare centers at JD's headquarters to alleviate the stress on employees who have just become new parents. In 2018, JD and the high-end kindergarten Etonkids jointly created the kindergarten project, which up to 270 children have now joined.

Workplace Welfare

To ensure employees' physical and mental health, JD creates a comfortable office environment for employees, and provides workplace benefits and care projects.

Workplace Benefits

JD has set up health counselling rooms, gyms, restaurants, coffee shops, and convenience stores in its headquarters, and has continuously improved the quality of these businesses to provide employees with high-quality health protection, catering and living support services. The headquarters arranged nearly 200 shuttle buses to provide services for almost 100 commuting routes for more than 30,000 employees, and cooperates with online ride-hailing companies to provide employees with free taxi services for after-hours commuting. At the same time, JD continues to reach out to establish contracts with more nearby merchants so that employees can obtain benefits in catering, car purchases, and other daily consumption activities. This welfare program at the Group's headquarters' is gradually being replicated at its facilities across the country.

Full Sports Season

The Group organizes the annual Full Sports Season for employees, holding different types of competitive activities including football, basketball, badminton, and e-sports competitions, to attract employees with different interests and from different age groups to take part in cross-team recreation, creating an easy and non-stressful working environment.

Employee Care Program

During Chinese traditional festivals such as the Spring Festival, JD gives gifts to employees. From 2018 to 2020, JD has produced and delivered more than 500,000 festival gift boxes per year, with all JD employees covered.

04 Supplier Management

Supplier Admittance and Compliance Management

Supplier Environmental and Social Risk Identification Management

Supplier Digital Management

Based on its own product supply and logistics supply chain, JD has constructed world class supply chain infrastructure, creating a cooperative value chain ecosystem with mutual benefits. Through a holistic supply chain management system and digital management platform, JD strives to improve the ESG performance of its supply chain partners.

Supplier Admittance and Compliance Management

The main product categories under management within JD's procurement and department of cost and expense include engineering, administrative, IT operations, and material operations. JD has established a supplier management system for the whole process, and actively cultivates and maintains a strategic partnership with suppliers. Primarily, JD has established a full set of supplier management plans, including supplier sourcing, warehousing, performance, incentives and elimination, resource library management and renewal evaluation, covering all the aspects of supplier management of "selection, adoption, cultivation and elimination." In terms of anti-corruption, intellectual property rights, outsourcing control, change control and other aspects, suppliers will be notified in written form with a list of outstanding requirements.

Documents on the supplier management system

"Business Management Rules"
"Supplier Performance Appraisal Procedure"
"Supplier Agreement Honoring Feedback and Handling Process"
"Supplier Quality Exception Handling Process"
"Green Procurement Management Regulation"

Supplier Environmental and Social Risk Identification Management

JD implements the concept of green and low-carbon procurement, and fully considers corporate social responsibility and environmental impact by prioritizing the procurement of raw materials, products and services that are environmentally friendly, energy efficient, and can easily achieve comprehensive resource utilization.

Environmentally Friendly Supplier Auditing Standards and Systems

JD keeps improving its standards and systems on green procurement, including "Green Procurement Management Regulation" and "The Maximum Allowable Values of Energy Performance and Energy Efficiency Grades of Commercial Refrigerating Appliances—Part 1：Refrigerated Display Cabinets with Remote Condensing Unit." While comprehensively considering energy-saving and environmental protection factors of product design, procurement, production, packaging, logistics, sales, service, recycling, and reuse, JD works with its upstream and downstream partner companies, and creates a green supply chain by jointly practicing corporate social responsibility in environmental protection, energy saving, and emissions reduction.

In terms of specific procedures, supplier sourcing and admittance are conducted according to the specific conditions of projects submitted by the business demand department. In the process of supplier admittance, the department of cost and expense needs to fully consider environmental requirements, and qualified suppliers must meet the requirements of green advocacy and China's laws and regulations.

As for the logistics and consumables category (boxes, waterproof bags, logistic tags, courier envelopes, and buffer packages), each discharged pollutants (wastewater, waste oil, and waste gas) will be strictly controlled to meet the environmental standards and regulations in the process of manufacturing, transportation, and delivery. Additionally, production and processing enterprises are required to employ full-time waste disposal personnel who take charge of regular collection and treatment of wastewater, waste gas, and solid waste at fixed sites in the factories. The suppliers are also required to have comprehensive environmental documentation and raw material controlling systems, prohibiting the procurement and the use of poisonous and hazardous substances, as well as recycled materials that have potential health risks to people.

For the green procurement categories, candidate suppliers must strictly follow JDL's technical standards in the process of bid calling, price inquiry, and bidding. JD's suppliers are required to provide qualified green products and services. Suppliers who fail to reach the technical standards are not qualified to participate in the procurement of packaging consumables.

Instructions on Bidding, Price Inquiry and Comparison Management for Green Procurement Category

Projects Calling for Bids

During the bidding, suppliers must mention their environmental capability and contributions when elaborating on the proposals. Their contributions in the environmental field can serve as a bonus in how they are scored. This criterion is included in their technical assessment.

Price Inquiry, Comparison and Bidding Projects

For suppliers who did not win the bid, if proof of outstanding contributions to environmental protection can be provided, procurement department employees can submit a written application (regarding environmental factors) to the department head for approval. At the same time, this document will also be submitted to the CEO of the related business unit for approval, driving the development of green procurement.

Green Procurement Negative List System

The negative list system is applied in the supplier management of logistics consumables. The system sets thresholds in terms of evaluated environmental credit levels, environmental violation records, environmental information disclosure levels, emissions and energy consumption, and clean production auditing. JD's "Green Procurement Management Regulation" requires the green procurement category to implement the negative list system. For suppliers shortlisted in the green procurement library, JD will suspend or terminate the procurement contracts if any circumstance in the negative list or other environmental problems have taken place. If the Group incurred any loss because suppliers deliberately concealed their violation of environmental laws and regulations, JD has the right to protect its benefits in accordance with laws and regulations.

Environmental and Social Management Certification Audit

JD conducts audits of its suppliers' environmental and social certifications qualifications. During the admittance of suppliers in the server category, required auditing standards include the ISO9001 Quality Management System Certification, ISO14001 Environmental Management System Certification, ISO50001 Energy Management System Certification, and OHSAS18001 International Health and Safety Management Standard Certification. In addition, when selecting and certifying suppliers and conducting on-site inspections, we carefully review whether they have environmental assessment qualifications, environmental system certifications, and occupational health system certifications.

Supplier Digital Management

JD manages suppliers through a centralized digital system called the "JD.com Supplier Collaboration Platform on Recruitment and Procurement," promoting electronic and paperless processes. On the platform, JD posts procurement information, bid winning announcements and news updates, and seamlessly synchronizes information among suppliers.

JD adheres to the business philosophies of "Customers First" and "Integrity" by establishing close cooperative relationships with suppliers and other partners, to jointly create a healthy win-win e-commerce ecosystem. JD also states its anti-corruption policy on the platform, a standard to which all stakeholders must adhere. Moreover, to encourage suppliers, other partners, and employees to participate in JD's monitoring system for integrity of operations, JD released the "JD.com Whistleblower Protection and Rewarding Scheme" to protect whistleblowers.

05 Product Responsibility

Platform Management

Quality Management

Intellectual Property Protection

Content Governance

Customer Service

Organizations and Corporate Clients Growth

JD is committed to building "2C+2B" two-tier supply chain capabilities to create value for individual consumers, institutions, and corporate customers. Starting from multiple dimensions of platform management, quality management, intellectual property, content governance, and customer service, JD ensures product integrity and responsibility, and provides individual consumers with a superior experience. Additionally, JD is constantly sharing infrastructure and technology platforms to institutions and corporate customers, providing comprehensive services and technology solutions, and continuously optimizing the cost, efficiency, and experience of the entire industry.

Platform Management

To better guarantee the rights and interests of consumers, JD manages suppliers and merchants with strict standards, principles, and procedures in terms of entry qualification review and contract performance. All merchants must provide required qualifications through an online system and can only start business activities after being approved by the professional qualification review team.

In terms of merchant management, JD has established a complete set of merchant evaluation and management mechanisms, including the "Regulations for the Management of Prohibited Products and Information on JD.com Open Platform" and the "Regulations on Score Management for Merchants on the JD.com Open Platform." Once a merchant is found to have sold or suspected of selling counterfeit goods, or publishing prohibited information, unqualified products, false transactions, improper profit making, false propaganda and other violating documents, the merchant will be penalized in accordance with platform rules and agreements. If the circumstances are severe, JD will forcibly close the store and remove it from the platform, placing the merchant on a quality control blacklist. JD uses smart technology to block companies that attempt to re-enter the platform after being banned for selling counterfeit products. In 2020, a total of 514 companies were blocked.

514

companies blocked from using JD's platform in 2020 due to selling counterfeit products

Quality Management

JD has established a product quality management system based on AI and big data technology, which conducts risk assessments and screenings of products on sale. JD takes the initiative to investigate potential quality risks and conducts real-time public opinion monitoring. A designated team conducts hotspot checks on the products on sale according to the quality risk model. As part of this work, the team simulates ordinary consumers placing orders on JD's platforms, and entrusts a third-party testing agency to conduct testing and identification. If any problems are found, JD will immediately remove the products and penalize the responsible merchant.

JD highly values the quality monitoring and control of key commodities such as fresh food. In addition to monitoring online reviews of the products, JD cooperates with professional testing agencies to conduct in-depth on-site audits. JD maintains a laboratory information management system, uploads laboratory testing information in real time, and actively accesses the databases of government regulatory agencies to help conduct dynamic data monitoring of JD's platform. JD's fresh food department initiates Inspection of Every Item of Fresh Food by conducting COVID-19 tests on all imported fresh foods. JD conducts weekly COVID-19 tests for employees working in cold chain warehouses and other areas, and requires them to have negative test results to work. The premises are sanitized regularly using protocols that strictly adhere to the government's policies on cold chain warehousing to ensure food safety.

To better protect the rights and interests of consumers, JD initiated the 3420 Plan, which is to establish 3 major strategies of full-process supervision, openness and co-construction, and capacity sharing, 4 management control procedures of qualifications, daily supervision, big data-driven prevention and control, and reward and punishment mechanisms, 2 major actions of quality ecology and quality transparency, as well as the ultimate goal of achieving 0 quality safety incidents. After the implementation of the plan, the rate of consumer quality complaints in 2020 was 28% lower than that of 2018.

In terms of actions for raising its environmental standards, JD has voluntarily applied for and received green, organic, and energy-saving certifications, such as the Marine Stewardship Council (MSC). JD also cooperates with various experts to establish a quality alliance to label high-quality products with Quality Certification that meet requirements and provide marketing resource support. JD not only fulfills personalized needs of customers but also leads the development of the industry and promotes sustainable consumption.

Intellectual Property Protection

JD attaches great importance to intellectual property-related work and strictly adheres to a series of laws and regulations such as the *Patent Law of the People's Republic of China* and *Trademark Law of the People's Republic of China.* We are committed to ensuring authentic and licensed products, ensuring a quality platform environment, and safeguarding the legitimate rights and interests of intellectual property rights holders through pre, during and post multi-stage measures. As a technology-driven company, JD values the improvement and accumulation of its own technological capabilities and has formulated an intellectual property strategy that fits the development of the Group, implementing the strategy both in China and overseas.

The Intellectual Property Department of JD has a series of intellectual property management systems such as the "JD.com Patent Management Measures," "Trademark Management Measures," and "Copyright Management Measures" to ensure that intellectual property work is rationale-based, evidence-based, and well-organized. JD's Intellectual Property Department is fully responsible for the intellectual property work of the Group, including patents, trademarks, copyrights, domain names, infringement complaints, rights protection and anti-counterfeiting work.

As of the end of 2020, the Group had applied for more than 16,000 domestic and foreign patents, and trademark applications have covered more than 60 countries and regions. JD continuously provides training programs related to patent strategy and infringement judgments for core R&D and management personnel. In 2020, more than 4,000 employees were trained.

As of the end of 2020

16,000

domestic and foreign patent applications

60

countries and regions were covered by trademark applications

4,000+

employees trained in patent strategy and infringement judgments in 2020

Content Governance

JD attaches great importance to network information content governance, and creates a clear, healthy, and trustworthy network space for consumers, while working with business partners to build a good platform environment.

Advertising Content Governance

JD greatly values the safety control of advertising content, strengthens the management of the content review team, and continuously improves the systematic multi-level review mechanism to ensure that content complies with the public order and customs procedures for goods.

In terms of platform advertising governance, JD complies with the *Advertising Law of the People 's Republic of China, Interim Provisions on the Administration of Advertising Language and Text, Administrative*

Measures on Internet Information Services, Regulations on the Administration of Advertising Publication Registration, and *Interim Measures for the Administration of Internet Advertising Laws and regulations*. A series of rules and regulations have been formulated such as "JD.com Brand Management Standards" and "JD.com Platform Advertising Review Specifications" to strictly control the security risks of advertisements posted on the platform. JD.com checks all ongoing materials through the

content review mechanism of supplier cooperation projects to ensure that advertising content placed on the platform complies with relevant laws and regulations and is aligned with JD's values. JD requires suppliers to assign "content review officers" who strengthen cooperation with JD to strictly review the advertising content on the platform. JD.com has also set up a "Jing Zhun Tong" online learning platform to help employees and vendors understand advertising review specifications.

Content Governance

To establish a comprehensive network governance system, JD has established a content governance committee and an executive committee to handle illegal and harmful information more efficiently and accurately.

JD strictly abides by the *Provisions on Ecological Governance of Network Information Content* and other laws and regulations, and has established strict regulations for the management of prohibited goods and information with a total of 12 categories and 103 sub-categories, and escalates penalties for different violation scenarios. Relying on information compliance analytics and AI technology models, JD blocks illegal and undesirable videos and pictures. At the same time, a manual management team was formed to continue to strengthen the control of prohibited

goods and information through front-end keyword inspections, shop inspections, and back-end inspections. From 2018 to the end of 2020, a total of 12 million products were checked, and a total of 350,000 products that violated the regulations were removed from the platform.

JD has taken the initiative to carry out a clean-up action to centrally control harmful information, and remove any soft pornographic content of minors to ensure a quality platform environment. In order to further protect minors from e-cigarettes, JD actively responded to the national call and removed e-cigarette products from all platforms. JD also completely bans the sale of water bullet gun-related products to ensure the safety of consumers.

12 million

products inspected from 2018 to 2020

350,000

products that violated the regulations were removed from JD's platform

Customer Service

JD has always pursued a "people-centered" service culture, adhered to the original intention of "Customer First," and provided consumers with high-quality services covering the entire value chain of shopping, after-sales, and delivery.

Consumer Experience

JD starts from three aspects—products, prices, and services—to create a superior user experience. In terms of products, JD provides a full range of product selections, guarantees authentic and licensed products, and provides consumers with smart and personalized product recommendations. As for prices, benefiting from economies of scale and operational efficiency, JD provides consumers with extremely competitive prices. Moreover, JD provides consumers with fast and reliable logistics services, highly responsive and considerate customer service, and friendly return and exchange policies.

From JD's apps, home appliance stores, and convenience stores, to the logistics network spreading across thousands of counties and towns, JD applies its strong supply chain, data, technology, and marketing capabilities to provide customers with desired products and services in the right time and place. JD ensures that consumers are provided with fast, accurate, stable, and good services.

In the face of various uncertainties caused by COVID-19, JD ensures high-quality customer service experience for users. As of the end of 2020, JD had invested more than RMB 15 billion yuan in customer service over the past decade, and will continue to increase future investment. JD's endless pursuit of superior customer service has won the trust of more customers.

As of December 31, 2020

JD's active customer accounts in the past 12 months reached

471.9 million, a net increase of nearly **110** million

active customer accounts throughout the year

Responding to Complaints and Problems

Starting from the perspectives of intelligent technology, upgrading solutions, risk prevention and control, and training, JD has improved its internal capabilities and provided consumers with a high-quality customer experience. JD uses self-service intelligent AI technology to realize self-service response and precise assistance. JD established a service management and control mechanism with orders as the main context, and solves potential customer complaints and problems more efficiently through order management and control.
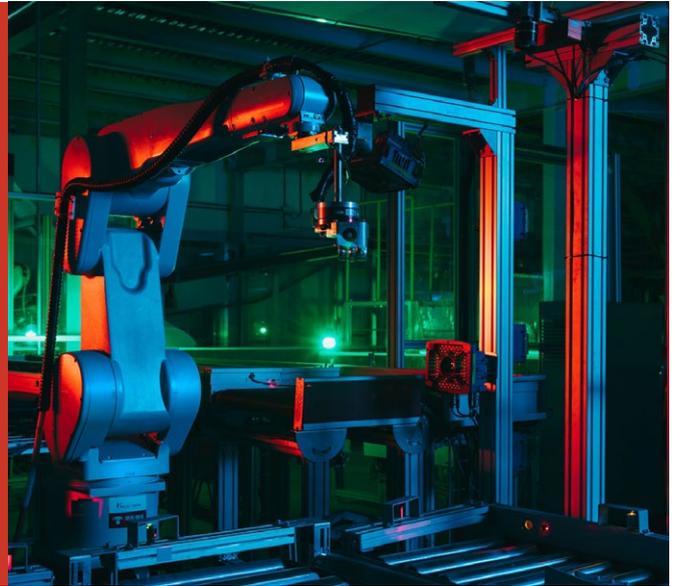
In responding to complaints, JD fully plays the role of "green channel" through "front-end management and control" to ensure timely response and efficient handling of complaints. In the "front-end management and control" stage, preliminary research and judgment of potential risks are carried out to prevent risks from occurring. In the "green channel" stage, while increasing resource investment, JD strengthens trainings for customer service personnel to improve problem solving efficiency. The customer complaint response rate is 100%.

Responding to problems, JD has established a 24/7 service team to address account and order problems at all hours of the day. JD provides user-friendly and reliable services to improve the customer experience and brand credibility. JD's after-sales satisfaction rate has reached 95.2%.

Organizations and Corporate Clients Growth

JD has opened up its infrastructure and technology platform to different organizations and corporate clients, by providing them comprehensive services and technology solutions. Facing the era of industrial digital intelligence, JD will take full advantage of its Digitally Intelligent Social Supply Chain ability to deeply integrate digital technology into the real economy, continuously boosting the development of the real economy, supporting the industrial digitalization, and growing together with the organizations and corporate clients we serve.

Industrial Digital Transformation

As a supply chain-based technology and service provider, JD continuously optimizes the cost, efficiency, and experience of the industry, bringing new growth momentum to various sectors.

For the retail and manufacturing industry, JD initiated the C2M model for a large number of brand enterprises and manufacturers to fill the information gap between them and their consumers. JD also shares abundant capabilities and resources with its partners, boosting the digital transformation of China's manufacturing industry. Meanwhile, Jingxi promotes the factory direct supply model through Jingxi Industrial Belt Factory Direct Selling Premium Products Program and boosts the full-scale transformation from "production" to "production and sale" by building an efficient and full retailing system, which removed intermediate circulation. As a result, nearly 10,000 enterprises from both the supplier and consumer side have benefitted.

For the logistics industry, JD promotes the smart logistics system formulated by 5G, IoT, big data, cloud computing and AI, by providing integrated supply chain services and logistics technology solutions for clients, which lowers the cost and increases the efficiency for the logistics

industry overall. To increase efficiency, JD launched a series of products including drones, smart vehicles and unmanned warehouses focusing on different points of the logistics delivery and distribution process. At the same time, to actively utilize the warehouse resources at different sites and empower the logistics enterprises and merchants, JD cloud warehouse brought out the warehouse management system and standards, fully opened the training system, and provided scientific planning schemes, to improve the cloud warehouse partners' logistics management and operational capabilities.

For the medical health industry, JD is supporting the digital transformation of the medical industry, enhancing the basic health service level by adopting the "Internet+" model. JDH cooperates with hospitals in different cities, uses patient-centered medical care provision technology throughout the whole medical process, and created solutions for online and offline integrated smart hospitals. Relying on the resources from local governments and its technology and robust ecosystem, JDH is collaborating with local authorities to build a digital "Healthy City," accelerating the digital transformation in the health industry.

Based on its digital technology, JDH utilizes the one-stop solutions to assist the county-level and sinking market partners for channel construction, marketing, and operation, by continuously escalating the level of community health service.

For the finance industry, JDT is providing its mature, agile IT architecture capabilities, data middle platform capabilities, intelligent risk control capabilities, and smart marketing and operation capabilities to financial institutions to help them complete their digital transformation. At the same time, it assists financial institutions to create an open ecosystem through digital capabilities and links financial service scenarios, financial customers, and financial businesses created by JDT to financial institutions' service systems, helping them establish another growth scenario.

In addition, JD continues to increase R&D investment and enhance the connection between the Digitally Intelligent Supply Chain and the real economy. Facing diversified scenarios such as smart traffic, medical care, business service, etc., JD has launched different innovative solutions to help more industries enhance overall quality and efficiency.

Safeguarding Corporate Security

JD established an intelligent risk control system to safeguard corporate security, which helps consumers enjoy secure financial and insurance services, assists financial institutions to effectively identify potential insurance fraud behaviors, and decrease overall operational costs and risks.

JDT is applying AI technology to the financial risk management field, and it has established a comprehensive risk management system covering statistics, models, strategy, systems, etc., and completed credit risk evaluation for 700 million users. It has also accumulated more than 100,000 risk strategies and more than 1,000 different types of risk analysis models, and helped retain the fraud loss rate of no more than one per million for JD's subordinate financial businesses. In the online insurance field, Allianz JD has adopted the anti-fraud model to manage and control the risks, identified mutiple fraudulent activities and related characteristics, established risk account warning mechanisms, and used community discovery for pre, during and post risk scanning, therefore effectively supporting the claims verification process and lowering the cost of invalid claims. At the end of 2020, a total of 82,800 risk cases were screened, including 6,492 personnel and 77,300 JD accounts. A total of 4 cases—worth 2.789 million RMB and involving 30 people—related to fraudulent return and exchange were detected and reported to the police.

82,800
risk cases were screened

6,492
personnel were covered

77,300
JD accounts were included

A total of **4** cases—worth RMB **2.789** million yuan and involving **30** people—related to fraudulent return and exchange were detected and reported to the police

Urban Governance Modernization

To align with the trend of urban governance modernization, JDT created an urban governance modernization platform with a base of smart city operating systems and brought out the "One Core and Two Wings" system.

For urban governance, this system can connect multiple departments, rebuild overall decision-making mechanisms, and enhance social governance capabilities. As part of China's first batch of pilot cities for modernizing urban governance, Nantong city, Jiangsu province, has built the first national modernized command center for urban governance, based on JDT's Smart City Operation System.

Empowering SMEs

JD is actively opening up its technology and service capability to SMEs, and is helping them lower costs and increase overall efficiency.

Contributing to recovery and development of the real economy

Under the shock of the 2020 pandemic, JD launched the Dual Engine Program to specifically support SMEs, and has already served an accumulated total of 760,000 enterprises. JD also upgraded corporate membership benefits and established the long-term supporting mechanism for marketization through its Corporate Member Day. JD joined hands with partners, launched the Mantanxing Project with China Centre for Promotion of SME Development, held smart procurement competitions in cooperation with Maker in China, and provided full industrial value chain support for SMEs.

760,000

enterprises were served and empowered by JD

### Operation and business environment optimization for SMEs
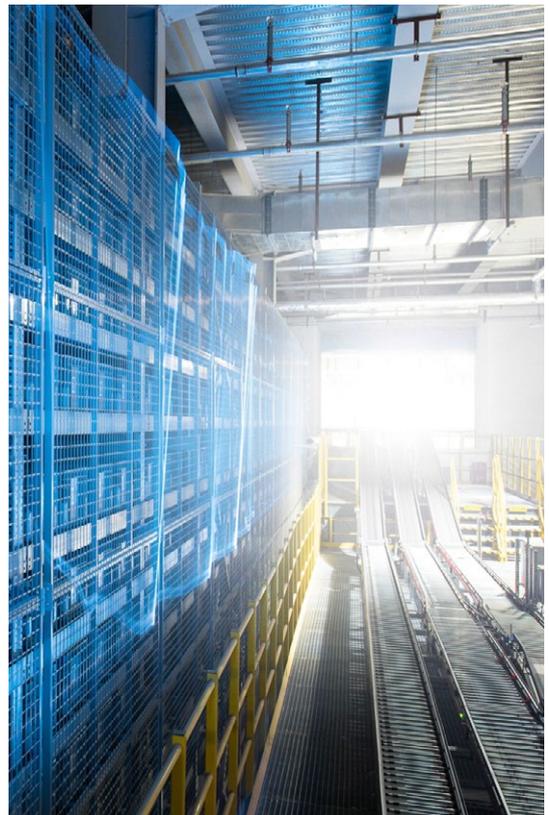
To optimize the operation and business environment for SMEs, JDT has taken measures in digital technology fields such as blockchain and IoT by launching the Inclusive Cloud Sign Plan to support SMEs, providing free blockchain digital agreement signing service to all domestic SMEs. Through the use of the blockchain credit exchange platform, JD helps SMEs gain more convenient financial services, alleviating the financial pressure post-pandemic. JD and CMST Development jointly created the Huoduibao platform and a commodity supply chain collaboration platform, which helped the commodity industry achieve a blend of "industrial digitalization" and "financial digitalization."

Connecting Global Markets

As one of the largest e-commerce platforms in China, JD is leveraging its technology and resource advantages, by driving more domestic brand enterprises to better utilize domestic and global markets and resources and participate in globalization.

In the domestic market, during the pandemic, JD's corporate business department launched the Domestic Brand Uniting Plan in cooperation with Lenovo and other well-known brand enterprises, providing customized supporting measures according to the size of domestic enterprises. Moreover, Jingxi launched its Supporting Policy for Foreign Trade Merchants, Domestic Sales Action and invested resources worth more than RMB 2 billion yuan. The actions opened 100,000 entry windows for foreign trade enterprises with preferential policies and helped foreign trade merchants on the platform increase their monthly sales by a thousand fold.

At the same time, JDI provides one-stop cross-border services through the "self-operated + platform" model to help SMEs that are going global, driving the global economy to move towards open, inclusive, and win-win development. JD's Southeast Asian e-commerce platform provides high-quality B2C products and services to users in Thailand, Indonesia, and other regions. In terms of logistics, JD is building a global network to provide integrated supply chain services and solutions for key industry customers. In terms of business flow, JD is expanding overseas distribution channels based on its independent commodity supply chain, by building a cross-border shipping service platform.

06 Community Responsibility

Corporate Philanthropy and Social Responsibility

Focus Areas and Practices
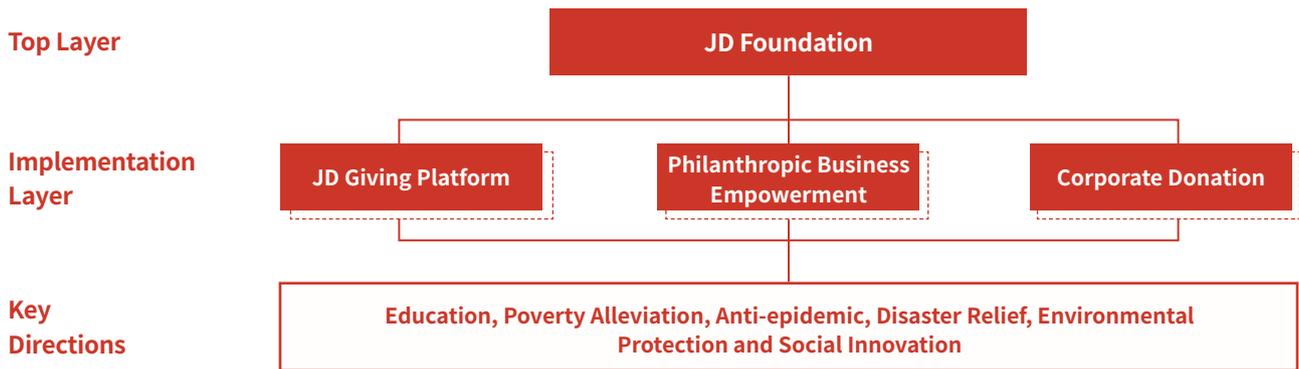
Adhering to the original aspiration of "achieving success the right way," JD has always insisted on using the power of science, technology, and humane care to help different society groups in need. At the same time, JD is connecting those with resources and a desire to help with people in need, radiating warmth to every corner of the society.

Corporate Philanthropy and Social Responsibility

JD coordinates the Group's charitable activities through JD Foundation, and advocates "Philanthropy for Everyone" based on internet charity fundraising information platforms, such as Collecting Objects with Love, and Nuandong Philanthropy. Meanwhile, each business unit also actively practices the public welfare philosophy of the Group, conducting diversified philanthropic activities based on their own business characteristics, and thus promoting the development of China's philanthropy.

In 2020, JD Foundation donated around RMB 200 million yuan. JD Giving Platform raised RMB 19.77 million yuan and more than 850,000 charitable items.

JD's Corporate Philanthropy Governance Structure

Top Layer	**JD Foundation**		
Implementation Layer	**JD Giving Platform**	**Philanthropic Business Empowerment**	**Corporate Donation**
Key Directions	**Education, Poverty Alleviation, Anti-epidemic, Disaster Relief, Environmental Protection and Social Innovation**		

JD Foundation

The Foundation was established on September 24, 2014 with the mission of advocating corporate responsibility for a higher quality of life, and supporting public welfare. Led by the ideas of social innovation and entrepreneurship, JD Foundation organizes charitable activities in the fields of poverty alleviation, education, and environmental protection.

JD Giving Platform

This platform is the first Internet fundraising information platform recognized by the Ministry of Civil Affairs of People's Republic of China. The platform creates social value and drives everyone to participate in philanthropy through three main sectors: Collecting Objects with Love supplies donation system; Nuandong Philanthropy fundraising system; and the public welfare cultivation project.
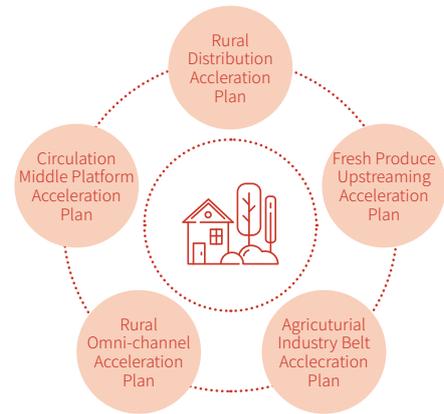
Collecting Objects with Love supplies donation system	**Nuandong Philanthropy fundraising system**	**Public welfare cultivation project**
Collecting Objects with Love is a one-click direct donation model that enables customers to donate objects, with direct supplies delivery to recipients. Until now, the number of objects collected has exceeded 3.56 million pieces, and the public had been encouraged to recycle around 4 million pieces of pre-loved objects.	This system provides a reliable fundraising platform for philanthropic organizations, creating a public, transparent, authentic, and sustainable philanthropy ecosystem model.	To spread the spirit of giving, and optimize the public welfare experience. JD developed different mini games to embed in its core business scenarios, making it more fun and easier to participate. This resulted in a warmer philanthropy-cultivating action plan.

Focus Areas and Practices

JD actively practices social responsibility in areas of targeted poverty alleviation, environmental protection, public health benefits, support for disadvantaged groups, and disaster relief, by launching abundant public welfare projects.

Targeted Poverty Alleviation

JD's corporate philanthropy covers poverty alleviation in industries, employment, entrepreneurship, finance, health, public welfare, etc. By September 30, 2020, JD had helped impoverished regions put more than 3 million commodities online, and achieved RMB 100 billion yuan in sales, which has directly driven more than 1 million impoverished households to increase income. JD helped 400 impoverished counties in Yunnan, Shanxi, Henan, and other provinces to launch more than 1,200 crowdfunding projects, and raised more than RMB 56 million yuan in a designated fund. In October 2020, JD initiated and announced the Prosperity and Growth Plan which will drive trillions of RMB in the next three years in sales for villages, cultivate 1 million talents for agriculture-themed livestreams on its e-commerce platforms, jointly establish a total of 100,000 agriculture-themed livestream bases, and initiate a series of farmer support measures, such as the Five Acceleration Plans, thus enhancing real sustainable development.

Rural Distribution Accleration Plan

Circulation Middle Platform Acceleration Plan

Fresh Produce Upstreaming Acceleration Plan

Rural Omni-channel Acceleration Plan

Agricuturial Industry Belt Acclecration Plan

JD's Prosperity and Growth Plan boosts rural revitalization by Five Acceleration Plans

Environmental Protection

JD supports the formulation of the green and low-carbon circular economy system, advocates consumers to donate their clothes and belongings, and promotes the reuse and recycling of second-hand products.

Exchange Old Clothes for Love Clothes Donation Project

From 2019 to 2020, JD Foundation launched the Exchange Old Clothes for Love clothes donation project in cooperation with China Charity Federation. Through customer orders placed on the platform and the free home collection service of JD's express service, the project successfully recycled more than 473,000 pieces of clothes in 90 cities in China, including Beijing, Shanghai, Shenzhen, Chongqing, and Shenyang. While nurturing community awareness of public welfare, it is also a lively practice of promoting low-carbon lifestyles, emissions reductions, and waste classification.

Public Health

JD actively promotes the development of public health, advocates healthy lifestyles, and drives medical improvements.

Online Volunteering Consultation, Remote Health Support

In March 2020, JDH and the psychiatry branch of the Chinese Medical Doctor Association jointly established a Psychological Assistance Platform, providing free online psychological counselling and assistance. The Global Free Health Counselling Platform was subsequently launched, providing free online inquiry and psychological counselling services to 60 million compatriots living overseas. More than 2,000 doctors participated in answering inquiries on JDH's online platform, including full-time doctors working for JDH.

In June 2020, JDH and southwest regional media including Sichuan Daily, Guizhou Metropolis Daily, Yunnan Information Daily and others went to impoverished counties including Rongjiang, Guangnan, and Jinyang to conduct one-to-one live video volunteering medical consultations from JDH's full-time doctors, as well as the distribution of knowledge on common diseases such as high blood pressure and diabetes through broadcasting.

Supporting Disadvantaged Groups

Caring for disadvantaged groups not only benefits their livelihoods and development, but also that of the entire society. JD carried out special actions to support vulnerable groups such as the visually impaired or elders with empty nests.

Light Up the World for the Visually Impaired

During the international White Cane Safety Day on October 15, 2020, the JD app's main site implemented full-link barrier-free shopping, and JD Foundation and the China Social Relief Foundation jointly launched the "Where there's love, there's light" public welfare project, in the form of H5 audio and video stories. These called on the public to care for the visually impaired and collected computers for a school that taught students with visual impairment in Gansu province. During the event, the JD app's main website effectively drove 11 million people's attention and participation through the launch of screen pictures and the "Love" featured page. The barrier-free service covered more than 6,000 visually impaired people, and the school received more than 60 computers for the visually impaired.

11 million

people were engaged

6,000

individuals with visual impairment were served by the barrier-free service

60

computers sent to schools for the visually impaired

Disaster Rescue and Relief

JD actively responds to important major social events, participating in disaster rescue and relief.

Against the Flood Public Welfare Plan

In May 2020, Nuandong Philanthropy launched the Against the Flood public welfare plan, focusing on flooding in southern regions of China together with philanthropic organization partners, including China Social Relief Foundation and Chinese Relief and Development Foundation.

- On August 13, Xichong county, Nanchong city, and Sichuan province suffered from heavy rainfall, resulting in extensive damage to crops and severe damage to roads. Our philanthropic organization partners immediately rushed to the scene to investigate. After evaluation, 87 disaster relief boxes supported by kind netizens from JD platforms were distributed to victims in Xichong County, which effectively alleviated the villagers' post-disaster difficulties and delivered warmth with practical actions.

- On August 18, Leshan city, Sichuan province encountered severe flooding at levels that hadn't been seen in 50 years. The Chinese Relief and Development Foundation immediately initiated the emergency response, and actively cooperated with Nuandong Philanthropy to raise funds, sending out 50 sets of grain and oil packs (1,250 kg of rice, 250 kg of noodles, 500 liters of oil) to Shuangyan Village, Gaofeng Town, Jingyan County, and Leshan City on September 14, to assist villagers with their post-disaster resettlement.

Appendix 1: Key Performance

Note: Unless specified, the key performance indicators cover the time range from January 1, 2020 to December 31, 2020.

Table 1: 2020 Environmental Key Performance

Categories	Indicators	Data
Emissions of Air Pollutants	Nitrogen oxide (g)	1,265,202,794.93
	Sulphur oxide (g)	875,016.55
	Particulate matter (g)	97,626,071.52
GHG Emissions	Direct (Scope 1) GHG emissions (tCO$_2$e)	355,585.45
	Energy indirect (Scope 2) GHG emissions (tCO$_2$e)	646,827.08
	Other indirect (Scope 3) GHG emissions (tCO$_2$e)	1,273,523.16
Waste Produced	Total waste (tons)	25,768.96
	Total hazardous waste (tons)	70.00
	Total non-hazardous waste (tons)	25,698.96
Use of Resources	Natural gas consumption (cubic meters)	279,462.00
	Diesel fuel consumption (liters)	53,857,297.57
	Gasoline consumption (liters)	605,533.23
	Electricity use (kWh)	332,138,151.94
	Water consumption (tons)	2,090,092.94
	Total packaging that used non-renewable material (tons)	10,279.44
	Total packaging that used renewable material (tons)	107,712.13
	Packaging materials used per product (g)	30.00

Note:

1. Emissions data of air pollutants are from the JD-operated vehicles' data system.

2. GHG emissions statistics include administrative offices, logistics and transportation, warehousing in both mainland China and overseas (including Hong Kong and the United States), and data centers. Due to data availability, we only collected other indirect GHG emissions (Scope 3) data from JDL.

3. Non-hazardous waste includes renewable and non-renewable materials, among which renewable materials include paper consumables, and non-renewable materials include plastic consumables. Hazardous waste is categorized into the "HW08 Waste Mineral Oil and Waste Containing Mineral Oil" in *National Hazardous Waste List*.

4. The non-renewable packaging used for finished products includes plastic materials, and the renewable packaging used for finished products includes paper-based materials.

Table 2: 2020 Social Key Performance

Categories	Indicators	Data
Employment	Total number of employees	314,906
	Percentage of male employees (%)	77.1
	Percentage of female employees (%)	22.9
	Percentage of male employees (excluding front-line workers) (%)	60.0
	Percentage of female employees (excluding front-line employees) (%)	40.0
	Percentage of employees under 30 (%)	42.6
	Percentage of employees between 30-50 (%)	56.8
	Percentage of employees above 50 (%)	0.6

Categories	Indicators	Data
Health and Safety	Number of work-related fatalities occurred in the past three years	0
	Rate of work-related fatalities occurred in the past three years (%)	0
Development and Training	Percentage of employees trained (%)	92.78
	Total training time for all employees (hours)	3,878,427.44
	Total training time for all male employees (hours)	2,681,840.22
	Total training time for all female employees (hours)	1,196,587.22
	Average training time completed per male employee (hours)	10.99
	Average training hours completed per female employee (hours)	16.44
	Average training hours completed per full-time employee (hours)	12.20
	Average training hours completed per non full-time employee (hours)	5.07
	Percentage of employees that attended the anti-corruption training (%)	96.19
Anti-corruption	Number of public lawsuits against company or employee for corruption	0
	Filed and investigated corruption cases	7
	Number of incidents in which employees were fired or punished due to corruption	77
Community Investment	Charity cash donation (RMB)	200,000,000

Note:

1. The source of employment data is the statistical data of JD's human resources system as of December 31, 2020, which is for all JD employees except part-time employees and interns. Unless otherwise specified, all percentage statistics are based on the number of employees at the end of the year as the denominator.

2. The statistical scope for filing and investigating corruption cases are fraud arbitrage, acceptance of bribes, and occupation of office.

3. The anti-corruption training data is based on the online sign-in data of full-time employees. Offline trainings are not included.

Table 3: 2020 Supplier Management Key Performance

Categories	Indicators	Data
Supplier Management	Number of suppliers	3,273
	Number of operations and suppliers using young workers for hazardous work	0
	Number of operations and suppliers using child labor	0
	Percentage of new suppliers screened by environmental criteria (%)	85
	Number of suppliers conducting environmental impact assessment	201
	Number of suppliers identified as having significant negative environmental impact	0
	Percentage of new suppliers that were screened using social criteria (%)	85
	Number of suppliers assessed for social impact	201
	Number of suppliers identified as having significant negative social impact	0

Note:

1. The statistical scope of "the total number of suppliers" refers to suppliers who received pre-winning bids in the procurement business of the Procurement and Cost Department.

2. The "percentage of new suppliers screened by environmental criteria" and "number of suppliers conducting environmental impact assessments" are calculated based on the current situation of logistics consumables suppliers.

3. The definition of "having significant negative environmental impact" and "having significant negative social impact" is defined as violations or major incidents announced and/or reported by relevant government departments and/or the media.

4. "Social criteria" include laws and regulations related to human rights protection and labor standards.

Appendix 2: Content Index

ESG Indicator	Reporting Section
Introduction	Report Profile
Statement from the Board	Statement from the Board
ESG governance system	ESG Governance System
Corporate social responsibility strategy	Corporate Social Responsibility Strategic Framework
Materiality assessment and stakeholder engagement	Materiality Assessment and Stakeholder Engagement
Environment	
General disclosure of emissions	Table 1: 2020 Environmental Key Performance
Types of emissions and respective emissions data	Table 1: 2020 Environmental Key Performance
Direct (Scope 1) and "energy indirect" (Scope 2) GHG emissions	Table 1: 2020 Environmental Key Performance
Total hazardous waste produced	Table 1: 2020 Environmental Key Performance
Total non-hazardous waste produced	Table 1: 2020 Environmental Key Performance
Description of emission target(s) set, and steps taken to achieve them	Climate Goals
General disclosure of resources used	Table 1: 2020 Environmental Key Performance
Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total	Table 1: 2020 Environmental Key Performance
Water consumption in total	Table 1: 2020 Environmental Key Performance
Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced	Table 1: 2020 Environmental Key Performance
Employment and Training	
General disclosure of employment	Human Resource Compliance Management
Total workforce by gender and age group	Table 2: 2020 Social Key Performance
Disclosure of health and safety	Table 2: 2020 Social Key Performance
Number and rate of work-related fatalities that occurred in each of the past three years (including the reporting year)	Table 2: 2020 Social Key Performance
Description of occupational health and safety measures adopted, and how they are implemented and monitored	Occupational Health and Safety
General disclosure of development and training	Training and Development
The percentage of employees trained	Table 2: 2020 Social Key Performance
The average training hours completed per employee by gender and employee category	Table 2: 2020 Social Key Performance
General disclosure of labor standards	Employment and Labor Standards
Description of measures to review employment practices to avoid child and forced labor	Employment and Labor Standards
Supplier Management	
General disclosure of supply chain management	Supplier Admittance and Compliance Management
Number of suppliers	Table 3: 2020 Supplier Management Key Performance
Description of practices relating to engaging suppliers, and how they are implemented and monitored	Supplier Admittance and Compliance Management
Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Supplier Environmental and Social Risk Identification Management
Description of practices to promote green consumption and advocate green products	Sustainable Consumption

ESG Indicator	Reporting Section
Product Responsibility	
General disclosure of product responsibility	Product Responsibility
Description of practices to respond to complaints and problems	Responding to Complaints and Problems
Description of practices to protect intellectual property	Intellectual Property Protection
Description of quality assurance process	Quality Management
Description of consumer data protection and privacy policies, and how they are implemented and monitored	User Privacy
Anti-corruption	
General disclosure of anti-corruption	Anti-corruption
Filed and investigated corruption cases in the reporting period	Table 2: 2020 Social Key Performance
Description of preventive measures and whistle blowing procedures, and how they are implemented and monitored	Anti-corruption
Description of anti-corruption training provided to staff	Anti-corruption
Community Investment	
General disclosure of community investment	Corporate Philanthropy and Social Responsibility
Focus areas of contribution	Focus Areas and Practices
Resources contributed (e.g. money or time) to the focus area	Table 2: 2020 Social Key Performance

Appendix 3: GRI Standards Content Index

Number	Categories	Reporting Section
101	Foundation	Report Profile
102	General Disclosures	Overview
103	Management Approach	ESG Governance System Materiality Assessment and Stakeholder Engagement Corporate Governance
201	Economic Performance	Letter from the Chairman
202	Market Presence	Training and Development Community Responsibility
203	Indirect Economic Impacts	Special Topic: Combating COVID-19 Organizations and Corporate Clients Growth
204	Procurement Practices	Green Procurement Supplier Environmental and Social Risk Identification Management Supplier Digital Management
205	Anti-corruption	Anti-corruption
206	Anti-competitive Behavior	Intellectual Property Protection
301	Materials	Green Procurement Specific Measures
302	Energy	Green and Low-carbon Data Center Specific Measures
303	Water and Effluents	Table 1: 2020 Environmental Key Performance
304	Biodiversity	JD and SDGs Sustainable Consumption
305	Emissions	Specific Measures Table 1: 2020 Environmental Key Performance
306	Waste	Green Lifestyle Advocacy Table 1: 2020 Environmental Key Performance
307	Environmental Compliance	Supplier Environmental and Social Risk Identification Management
308	Supplier Environmental Assessment	Supplier Environmental and Social Risk Identification Management
401	Employment	Employee Profile Employee Welfare
402	Labor/Management Relations	Employment and Labor Standards Employee Welfare
403	Occupational Health and Safety	Occupational Health and Safety
404	Training and Education	Training and Development
405	Diversity and Equal Opportunity	Employment and Labor Standards Table 2: 2020 Social Key Performance
406	Non-discrimination	Employment and Labor Standards
407	Freedom of Association and Collective Bargaining	N/A
408	Child Labor	Employment and Labor Standards
409	Forced or Compulsory Labor	Employment and Labor Standards
410	Security Practices	Special Topic: Combating COVID-19 Employee Welfare
411	Rights of Indigenous Peoples	N/A

Number	Categories	Reporting Section
412	Human Rights Assessment	Employment and Labor Standards
413	Local Communities	Green Lifestyle Advocacy Organizations and Corporate Clients Growth
414	Supplier Social Assessment	Supplier Management
415	Public Policy	Materiality Assessment and Stakeholder Engagement Data Safety
416	Customer Health and Safety	Platform Management Quality Management
417	Marketing and Labeling	Content Governance
418	Customer Privacy	Information Security
419	Socioeconomic Compliance	Corporate Governance

Appendix 4: External Verification Certificate

SGS

ASSURANCE STATEMENT

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. SHANGHAI BRANCH'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE JD.COM'S ENVIRONMENTAL, SOCIAL AND GOVERNMENT (HEREINAFTER REFERRED TO AS "ESG") REPORT

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION
SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. SHANGHAI BRANCH S' (thereafter as "SGS) was commissioned by JD.com to conduct independent assurance of the 2020 ESG REPORT. Based on the SGS Sustainability Report Assurance methodology, SGS performed the assurance of the management methodology and data related to the HKEX requirements contained within this report at JD.com Headquarters, No. 18 Kechuang 11 Street, Beijing Yizhuang Economic-Technological Development Area, Beijing, P. R. China.; Data and information of other sites were not assured in this assurance scope.

The information in the 2020 ESG REPORT of JD.com and its presentation are the responsibility of the board and related functions. SGS has not been involved in the preparation of any of the material included in the 2020 ESG REPORT.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all JD.com's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the reporting principles contained within the HKEX listing rules appendix 27 《Environmental, Social and Governance Reporting Guide》 and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured at a moderate level of scrutiny using our protocols for:
- evaluation of content veracity;
- evaluation of the report conformity against the HKEX listing rules appendix 27 《Environmental, Social and Governance Reporting Guide》.

The assurance comprised a combination of pre-assurance research, interviews with relevant employees based at JD.com Headquarters, No. 18 Kechuang 11 Street, documentation and record review and assurance with external bodies and/or stakeholders where relevant.

Financial data drawn directly from independently audited financial accounts has not been checked back to its source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE
SGS is the world's leading inspection, verification, testing and certification company. We are recognized as the global benchmark for quality and integrity with a network around the world. SGS affirm our independence from JD.com being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with CSR Lead Assuror, CCAA Registered ISO 14001 Auditor, ISO 45001 Auditor and SA8000 Auditor.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within the ESG Report verified is reliable and provides a fair and balanced representation of JD.com sustainability activities in 2020.

Some statements and original data within the scope were not assured due to lack of accessible sites and records due to lack of authorization for assurance, and these are clearly marked throughout the text.

We believe that JD.com has chosen an appropriate ESG reporting guide, and information contained within the Report can be used by its stakeholders.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

In our opinion, the ESG Report is presented in accordance with the reporting rules and the KPIs disclosures of the HKEX listing rules appendix 27, i.e., 《Environmental, Social and Governance Reporting Guide》.

Reporting Rules

Materiality
JD.com conducts a third-party survey and internal planning to report the ESG issues of concern by stakeholders and performed analysis with materiality. SGS recommended that JD.com could perform the stakeholder survey in a timely manner, via usual communication to collect the stakeholders' needs and expectations, which would enhance the ESG issues' materiality and sufficiency.

Quantitative
JD.com performs the statistics and analysis for KPIs, plans the management methods and some KPIs, refers to the criterions and international general regulations, and reports the disclosures' impact and purpose. Some comparative yearly data could better help stakeholders to evaluate its management system's effectiveness and make decisions;

Balance
JD.com shows the balance reporting rule in the ESG report and reports environmental, social and governance issues accurately.

Consistency
JD.com plans the disclosure methodologies with consistency for report content and data statistics at all levels in the company, in addition, remarks and interpretations were marked in the ESG report to help stakeholder make a clear comparison.

Limitations of assurance
Some data and record within the scope were not assured due to lack of authorization and planning methodology in advance, and no further statements for other sites listed in the ESG report.

Signed:

For and on behalf of SGS-CSTC

David XIN   Director
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, China
April 8, 2021

WWW.SGS.COM