



2018

Corporate Social Responsibility Report

Sunshine Mission



About the Report

Profile of the Report

The report is the 11th Corporate Social Responsibility (CSR) Report issued by Suning.com Group Co., Ltd.

Compilation Basis

The report is prepared in accordance with *GRI Standards* of the Global Reporting Initiative (GRI) and with reference to *Guidelines for Social Responsibility of Listed Companies* of Shenzhen Stock Exchange, *Guidelines for the Preparation of China's Corporate Social Responsibility Report (CASS-CSR 3.0)* and *International Standard of Guidance on Social Responsibility: ISO 26000:2010* of Chinese Academy of Social Sciences and China's national standards of *Guidance on Social Responsibility Reporting* (GB/T 36001-2015).

Time Span

The time span of the report is from January 1, 2018 to December 31, 2018, with some information given beyond the aforementioned time span.

Release Cycle

The report is an annual report, issued concurrently with the annual report of Suning.com Group Co., Ltd.

Reporting Scope

The report covers Suning.com Group Co., Ltd. and its subsidiaries. See Note VI (1) (a) of the Company's *2018 Annual Report* for details of its main subsidiaries.

Data Sources

Economic data in the report comes from the audited annual report of Suning.com Group Co., Ltd. while other data comes from the company's internal documents and information statistics system which has been reviewed by relevant departments. Unless otherwise noted, the data is from Suning.com Group Co., Ltd.

Verification on the Report

The report has been verified by an independent third party named DNV · GL.

Reference Descriptions

For ease of expression, in the report, "Suning.com Group Co., Ltd." is also referred to as "Suning.com" or "Suning", "the Company" and "We".

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Sharing the same boat, we set sail; Bracing winds and waves, we travel thousands of miles. In the past 40 years of reform and opening-up, Suning has witnessed and participated in the transformation and reform of China's retail industry. By constantly seizing the momentum, Suning has become a leader and benchmark of several transformations of the retail industry. At present, the Smart Retail initiated by Suning has become a wind vane leading the development of the industry.

To achieve this, Suning relied on its in-depth understanding and grasp of the industry development trend and the nature of retail trade. Retail enterprises are not only suppliers of goods, but also providers of services. Moreover, new technologies such as Artificial Intelligence (AI), Big Data, Internet of Things (IoT) help us better understand the needs of consumers, so as to provide more refined and customized services. In order to achieve both "mounting clouds and driving fog" and "penetrating" into the hearts of users, we must, as always, stick to the core of improving users' experience and creating value for users.

In 2018, Suning opened a new era of smart empowerment. With its in-depth online and offline cultivation in all aspects, Suning has gradually improved and outputted its Smart Retail core capacity: Suning cooperated with entrepreneurs to share the resources spanning across the supply chain, sales, logistics, finance and other Smart Retail full value chain with them through the Suning Retail Cloud Store; Suning joined hands with industry giants for crossover cooperation to form a grand Smart Retail ecosystem; Suning fully promoted cooperation between government and enterprises, so as to contribute its business development fruits to the society and help build smart cities and promote high-quality regional development.

With incessant changes in science and technology, Suning relies on technology support to promote a retail reform. Suning's Smart Retail takes the "Scenario-based Interconnectivity + Smart Supply Chain" as the core, so as to remodel and transform the traditional retail and provide a better experience for users with higher efficiency. From the smart transformation of brick-and-mortar stores to the precise mining of users' preferences by online Apps and the integration of assorted frontier technologies into "the last-mile delivery network", Suning has achieved the upgrade of the omni-link path spanning "people, scenario and goods". The application of new technologies such as AI, face recognition, AR/VR is becoming a new label of Suning's Smart Retail.

Flourished by and orienting itself with the public welfare, Suning has been sharing its corporate development fruits with the society. In 2018, Suning continued to focus on the value of its employees, insisting that Suning's development should benefit every Suning person, so as to realize the common development in which they jointly create value and share rewards. Suning has been actively engaged in public welfare undertakings. With its own advantages in resources and in the industry, Suning has been relying on the omni-channel that integrates online and offline channel and carrying out extensively various forms of public welfare undertakings, such as e-commerce poverty alleviation, donation to education, emergency relief, environmental protection, helping the elderly and the orphans, helping the sick and the disabled, among others. Suning has been supporting targeted poverty alleviation and the development of education and conveying love and hope across society.

Suning's adherence to honesty and uprightness will be a meritorious deed in the long run. Based on the development idea of "Ultimate Creation within Three Years", in 2019, Suning will continue to carry forward the spirit of "Persist, Strive, and Never give up", so as to create comprehensive value for stake-holders and new brilliance of "Ultimate Smart Retail"!

About Us

Company Profile

Founded in 1990 in Nanjing, China, Suning.com Group Co., Ltd. (Stock Code: 002024) is a leading O2O Smart Retailer in China. In 2018, Suning.com once again ranked among the Fortune Global 500 in 2018.

As of the end of 2018, Suning.com owns over 10,000 offline stores in its local and overseas retail network, which includes Suning.com Plaza, Suning Convenience Store (Suning CVS), Suning Retail Cloud Store, Suning.com Cloud Store, Redbaby, SuFresh, JIWU, Suning Motor Shop, and other business types, ranking the top in offline chain stores in China. Suning.com's online business, with its self-operated, open and cross-platform operation, enables Suning to rank among the top in China's B2C market and have a leading growth rate in major e-commerce enterprises.

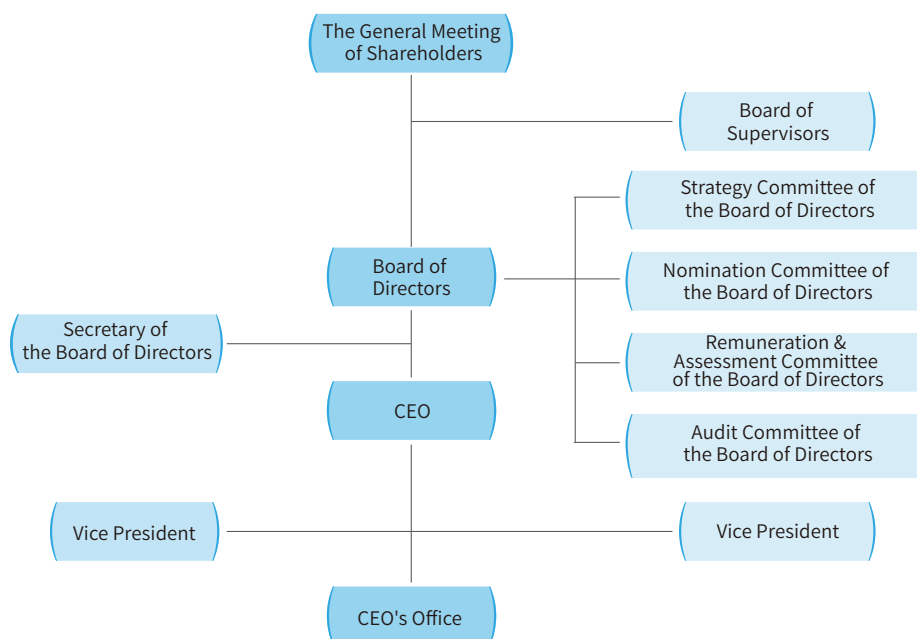
Corporate Governance

In 2018, the Company had standardized governance operation and information disclosure, in strict accordance with the requirements of national laws and regulations and the relevant provisions of China Securities Regulatory Commission (CSRC). The Company will continue to strengthen the implementation of its management and control system and improve its corporate governance structure.

The Company has formulated such normative documents and internal systems as *The Rules of Procedure of the Board of Supervisors*, *The Work Rules of the Chief Executive Officer*, *The Work Rules of the Secretary of the Board of Directors* and *The Major Investment and Financial Decision-Making System*. In 2018, the operation mechanism of corporate governance was further improved. According to relevant laws and regulations, the Company revised *The Rules of Procedure of the General Meeting of Shareholders* and *The Rules of Procedure of the Board of Directors* to further clarify the scope of rights, responsibilities and work procedures of the General Meeting of Shareholders and the Board of Directors. It also added *The Management System for Information Disclosure of Debt Financing Instruments* to regulate the information disclosure of non-financial corporate debt-financing instruments issued by the Company in the inter-bank bond market, so as to protect the legitimate rights of investors.

Meanwhile, the Company also established the Strategy Committee, the Nomination Committee, the Remuneration & Assessment Committee, and the Audit Committee of the Board of Directors; established and improved the assessment and remuneration management system of the Company's directors and senior managers in accordance with the requirements of *Company Law of the People's Republic of China*, *Code of Corporate Governance for Listed Companies in China* and *Guidelines on Protection of Investor Rights and Interests for SME Board*, so as to ensure effective supervision from the board of directors over the senior management.

Suning.com's Governance Structure



• Compliant Operation

Suning always strictly abides by laws and regulations, stays honest and trustworthy, and requires employees to abide by relevant laws and regulations of the international community and business locations, so as to ensure the compliance of products and projects and the stable operation of the business. Suning has sorted out and clarified the regulatory red lines, carried out compliance training at different levels, and improved compliance awareness. All departments work together to ensure the legality and compliance of the operation and management of the business.

For Big Data, IoT, supply chain, inclusive finance, and other innovative businesses, the Company conducts in-depth research on laws, regulations, precedents and practices in the related fields to guide the legal and compliant development of innovative businesses. Relying on modern information technology, the Company has promoted the application of electronic seals and signatures, improving user experience, optimizing the contract signing modes and operation mode while preventing legal risks. In order to resolve conflicts and disputes more effectively, the Company has established a diversified dispute resolution mechanism to avoid litigation and improve efficiency. According to the requirements of information disclosure of listed companies and other relevant requirements, Suning has no major administrative penalty or lawsuit to be disclosed.

• Internal Risks Control

The Company attaches great importance to risk management and internal control. In 2018, the Company continued to improve the construction of the internal control system featuring "Four Lines of Defense". First, the Company improved its internal control self-assessment management standard and organized the internal control self-assessment work; Second, the Company optimized risk management and control means, continuously upgrade the risk monitoring and early-warning platform, expanded the coverage of continuous risks monitoring, promoted the launch of risk control robots, and improved the automation of capital supervision; Third, the Company continued to carry out risk assessment of high-risk business, put forward suggestions for business optimization and risk monitoring and promoted their implementation, planned the structure of middle platform and implementation paths for risk control, and actively carried out risk control related training to improve the awareness of risk-control management and ability of the Company's personnel; Fourth, the Company formulated its financial accounting management system and process in strict accordance with *The Accounting Standard for Business Enterprises*, and improved the level of enterprise accounting informatization.

Furthermore, in 2018, the internal audit department of the Company improved the audit management standards, strengthened the audit project management, improved the coverage of audit in important organizations and key business areas, strengthened the rectification of problems, and played an increasingly important role in adding value and the improvement of organizational operation.

The continuous construction of these three lines of defense for risk management has ensured the legal compliance of the Company's operation and management, asset safety, authenticity and integrity of financial reports and relevant information, so as to improve the efficiency and effect of Company's operation and ability of risk management, and ensure a healthy development of the Company.

• Combating Corruption and Building a Clean Company

The Company always adheres to the policy of "combining punishment and prevention": the Company has set up an internal reporting and acceptance system, accepting assorted clues related to illegal and disciplinary-related activities, including commercial bribes, with such reporting and complaining channels as phone calls, mailboxes, WeChat official accounts, websites, among others, enabling inquiry into acceptance progresses. The Company has established a reward system for reporting and strengthened its internal publicity and promotion. In 2018, the Company issued rewards for 24 reported cases. The Company established an internal monitoring website for tackling and disclosing duty-related crimes. In 2018, in terms of typical commercial bribery cases, the website had 28 disciplinary releases, with a total of 300,000 visitors; The supervision department of the Company continued to carry out corruption-combating and fraud investigation for management cadres, strengthen and promote corruption-combating training activities in major risk generation systems, so as to create a good atmosphere and environment for corruption-combating and self-discipline.

• Adherence to Fair Competition

The Company adheres to the concept of openness, justice, fairness, and integrity, resolutely opposing any unfair competition and encouraging fair competition; strictly implements relevant laws and regulations such as *Anti-Unfair Competition Law of the People's Republic of China*, *Interim Provisions on Banning Commercial Bribery*, and signs *Sunshine Commitment* with all suppliers to protect fair market competition, improve the efficiency of economic operation, and promote the healthy development of the market economy. Meanwhile, the Company has strengthened the publicity, education, and training of employees' honesty and trustworthiness and sign *Sunshine Convention* with employees, so as to comprehensively establish the business ethics of employees and deliver the concepts of honesty, trustworthiness and fair competition.

In 2018, the Company further strengthened the signing and implementation of the "sunshine clause" in the contract templates, vigorously promoted the standardization of the bidding procurement process, established the blacklist system, and implemented its honest and clean operation.

• Protection of the Intellectual Property Rights

The Company attaches great importance to the protection of intellectual property rights, having formed a complete set of intellectual property protection systems and processes. For each technological innovation, product innovation and model innovation, it carries out all-round protection from the perspectives of patents, trademarks, copyrights, licenses, trade secrets, and others, and actively promotes the systematization and intelligence for the management of intellectual property rights. In 2018, the Company had 82 new registered trademarks, 77 new patent applications and 27 authorized patents.

• Prevention and Control of Financial Risks

Suning, in strict accordance with the requirements of financial regulatory agencies, carries out business within the scope of business permitted by the regulatory authorities, adopts bank-level risk control systems, comprehensively implements "Three Lines of Defense" for risk management, and establishes a centralized, independent, and professional risk management framework and Big Data risk control system.

In terms of credit risk management, it has implemented credit approval and centralized credit risk management and established a credit approval center and risk management center. Adhering to the principle of "Prudence, Science, Comprehensiveness and Independence", the Company has realized the whole-process and full-coverage effective risk control of credit business before, during, and after loans.

In terms of fraud risk management, the Company has formulated *Risk Control Implementation Process Specifications*, *Risk Rating Process Specifications*, *Management Measures for Customer Fraud Risk Classification*, *Credit Card Cash-out Risk Transaction Monitoring Process Manual*, *SuningPay Merchant Access Standards*, *SuningPay Merchant Payment Access and Risk Management Measures*, *SuningPay Merchant Risk Management Measures*, *Nanjing SuningPay Network Technology Co., Ltd. Compensation System*, *Yifubao Risk Management System* and other comprehensive work processes and management systems, and constantly improved and standardized various operations.

In 2018, Suning, relying on knowledge graph, machine learning, deep learning and other technologies, made great efforts to lay out five major financial technologies including biometric identification, Big Data risk control, smart investment consulting, smart marketing, and financial cloud, accelerated technology-driven development, incorporated and applied a variety of biometric identification and other security technologies, optimizing the payment process from login to data transmission, so as to guarantee transaction security, improve the security level and users' experience, and build a "firewall" against financial risks.

Anti-money laundering and the prevention of financial crimes are important links to promote the healthy development of internet finance. As a leading financial technology platform in China, Suning Financial Service has established an advanced anti-money laundering detection and control system by using intelligent algorithm models, which can effectively control the platform's risks of money laundering by classifying and rating the user's money laundering risks, monitoring the abnormal transactions suspicious of money laundering, and warning the abnormal data of anti-money laundering.

Investor Relations Management

• Standardized and Transparent Information Disclosure

The Company fulfills the obligation of information disclosure in strict accordance with the regulations of Shenzhen Stock Exchange and the Company's *Information Disclosure Management System*, and discloses the Company's information through *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and CNINFO (<http://www.cninfo.com.cn/>), the website designated by Shenzhen Stock Exchange, so as to ensure true, accurate, complete, timely and fair information disclosure, without cases of selective information disclosure. According to Shenzhen Stock Exchange's assessment of information disclosure of listed companies, the Company has been rated as "Excellent"/"A" every year since it became a listed company in 2004, which has played a good exemplary role in the market.

The Company's general meeting of shareholders, board of directors, and board of supervisors operated in a standardized manner. In 2018, it held eight general meetings of shareholders, 25 meetings of the board of directors, and 12 meetings of the board of supervisors, which were disclosed in accordance with the laws and regulations. In 2018, the number of announcements issued by the Company reached 162, making it a year with the most announcement since it became a listed company.

• Investor Relations Management

The Company has opened a variety of communication channels to shareholders, such as the investor hotline (025-84418888-888480/888122), the Secretary of the Board mailbox (stock@cnsuning.com), "Shenzhen Stock Exchange IRM" platform (<http://irm.cninfo.com.cn/ssessgs/S002024/index.html>), the general meeting of shareholders, communication with the management, visits of terminals, and others, providing smooth communication channels for all investors, especially small and medium shareholders.

Suning pays attention to understanding the needs of investors and constantly enriches and refines the contents of information disclosure of the Company. In its daily work, the Company's management also actively participates in investor exchange meetings, has in-depth exchanges with investors on the Company's status and planning, answers investors' questions, and communicates the business concepts behind the data and the Company's ideas for future business, so that investors can further understand and recognize the company's strategy and business development.

The Company's main business is retail, so Investors are also users of the Company. In order to encourage shareholders to experience the Company's products and services, the Company establishes a shareholder membership certification system (<http://mrs.sun-ing.com/mrs-web/stockholder/check.htm>), guides shareholders to register as shareholder members, carries out shareholder-targeted activities, proactively collects shareholders' suggestions and opinions and feeds them back to relevant departments for processing. Many constructive opinions have been adopted by the Company.

Protection of the Rights and Interests of Small and Medium Shareholders

The Company has clear provisions on the exercise of the rights of small and medium-sized shareholders in the Company's *Articles of Association*, *The Rules of Procedure of the General Meeting of Shareholders* and other provisions, which fully safeguards the exercise of the rights of small and medium investors.

The convening and holding procedures of the previous general meetings of shareholders of the Company in 2018 were in line with laws and regulations, *The Rules of the General Meeting of Shareholders of Listed Companies* and the Company's *Articles of Association*. The qualifications of the attendees and conveners for these meetings were legal and valid. The voting procedures and results of the meeting were legal and valid. The resolutions formed by the general meetings of shareholders were legal and effective. All of the general meetings were open to online voting to facilitate shareholders' participation. For all proposals, the votes from small and medium investors were counted separately and the results thereof had been subjected to separated disclosure.

In accordance with the requirements of CSRC's *Guidelines No.3 on the Supervision and Administration of Listed Companies—Distribution of Cash Dividends of Listed Companies* and other relevant regulations, in order to make clear the Company's reasonable return on investment to new and old shareholders, increase the transparency and operability of decision-making in distributing profit, and facilitate the shareholders' supervision of the Company's operation and distribution of profit, the Company has formulated *The Plan for Return to Shareholders of Suning.com Group Co., Ltd. in the Following Three years (2018-2020)*. When the company implements affairs regarding profit distribution, it shall carry out in strict accordance with the plan, and provide communication channels for investors, especially small and medium shareholders, so as to enable them to express their opinions and demands.

Small and medium investors are the main participants in China's capital market at this stage. In its development, the Company will strictly carry out corporate governance, standardize all works, continuously improve its profitability, fully protect the right to know, the right to profit, and the right to make decisions of small and medium investors, so as to actively safeguard the legitimate rights and interests of small and medium investors.

Social Responsibility Management

Suning adheres to the concept of social enterprise, integrates the sense of social responsibility into the daily operation and management of the Company, and strives to make consumers relieved, investors satisfied, and employees happy, so as to achieve win-win results for stakeholders, social praise for the Company, and a better life for human. Suning has determined not only to be a benchmark enterprise in the retail industry, but also the most valuable enterprise for the sustainable development of the industry and society.

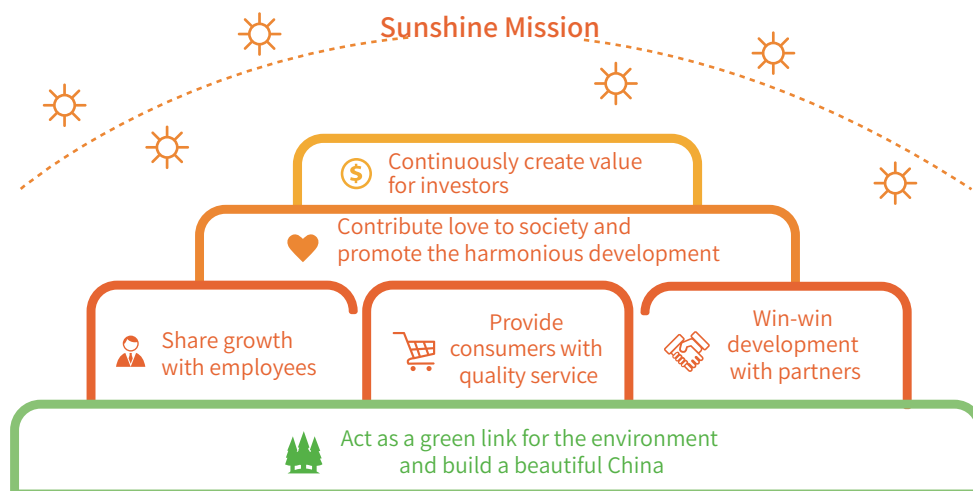
Background and Challenges of Sustainable Development

With adoption and promotion of global common goals such as *The Paris Agreement* and *The UN 2030 Agenda for Sustainable Development*, as well as the transformation of China's economy from a high-speed growth stage to a high-quality development stage, there are higher requirements for the development of enterprises. At present, it is a critical period for China to fight against pollution. The ecological development has been raised to the height of a national strategy, with increasing requirements for green development. Promoting the coordinated development of the economy, environment and society has become an inevitable choice and competitive factor for enterprises. As a leading enterprise in the retail industry, Suning has been accelerating the online and offline integration to improve its core retail capacity. With the momentum of consumption upgrading and technological innovation, a new economic environment and new industrial ecology have been formed. Suning needs not only to identify the risks and opportunities related to sustainable development but also to integrate its own business development with the overall sustainable development of the society. In addition to enhancing its sustainable development abilities with management innovation, technology innovation and other means, Suning should give full play to the participation of stakeholders and actively promote the construction of sustainable enterprises, industries and social ecology.

Social Responsibility Model

According to the development strategy, brand reputation, industry influence, talent development and the expectations of all stakeholders, Suning takes "Sunshine Mission" as the core, promotes the concept of responsibility, and fulfills its responsibilities. Adhering to the principle that "service is the sole product of Suning.", Suning continues to enhance its business ability, develops together with its employees and partners to achieve win-win results, and realizes environmental friendliness while contributing value to the society.

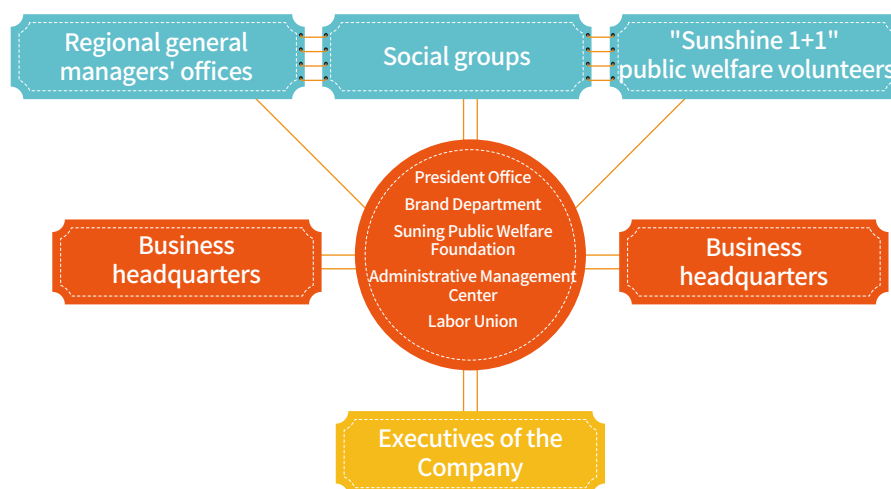
Value Mission:	Continuously enhance profitability and be responsible for shareholders and investors
Win-Win Mission:	Actively promote the development of the industry and be responsible for the development of partners
Service Mission:	Continuously improve service abilities and be responsible for the rights and interests of customers
Employee Mission:	Provide a platform for displaying talent and be responsible for the development of all employees
Environmental Mission:	Work together with the upstream and downstream of the supply chain and be responsible for the construction of an ecological environment
Harmonious Mission:	Strive to offer love and be responsible for the development of a harmonious society



Social Responsibility Management Procedures

Suning continues to improve its social responsibility management system and its social responsibility management institutions and promote the integration of social responsibility into the daily management and operation of the Company. The Company's management regularly discusses and deploys the Group's social responsibility strategies and planning and implements unified budget management for social responsibility projects. The executive organization of social responsibility composed of "CEO's Office—Administrative Management Center—Brand Department—Labor Union—Suning Public Welfare Foundation" is responsible for promoting the implementation of strategies and planning, formulating annual social responsibility work plan, and issuing social responsibility work instructions. The general manager office of each region shall coordinate with relevant departments to promote the implementation of the social responsibility work plan.

● Strategy ● Execution ● Implementation



Suning Social Responsibility Management Organization

Communication with Stakeholders

Suning has always been taking the expectations and requirements of stakeholders as the top priority, fully considered the impact of its own operation on all parties. Suning has also identified the subjects that interact with the Company's decision-making and operation activities based on the retail industry's feature of connecting consumers and producers. Through surveys with stakeholders, online and offline communication with employees, meetings with shareholders and with suppliers and other ways, Suning understands the demands of stakeholders and actively respond to the concerns of relevant parties.

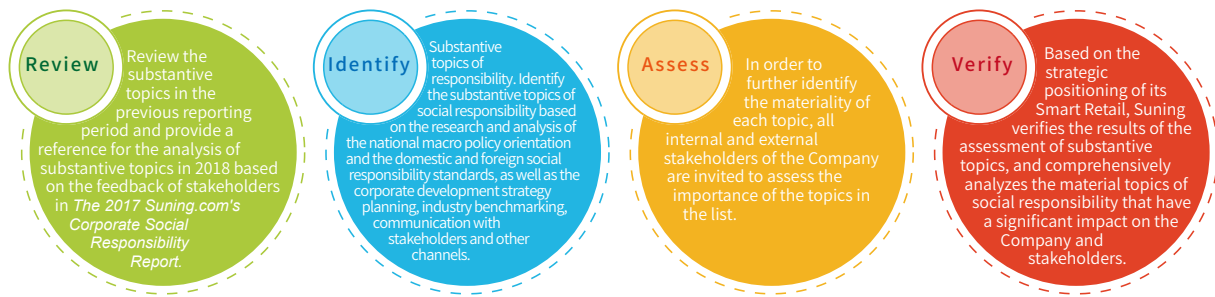
Stakeholders	Concerns and Expectations	Suning's Viewpoints	Communication Methods and Responses
Government	<ul style="list-style-type: none"> Compliance with laws Promoting social employment Promoting entrepreneurship and innovation Promote the development of the retail industry Promote the effective supply of factors of production Coping with climate change Conserve energy and reduce emissions 	Suning's growth is inseparable from the support of policies and market environment featuring fair competition. Suning is committed to promoting the value of China's modern retail industry with its own continuous development, providing a platform for entrepreneurship and innovation, and promoting social employment.	<ul style="list-style-type: none"> Comply with laws and regulations of the State Actively respond to government policies Share resources, build platforms and support entrepreneurship Have strategic cooperation with government departments Lead the transformation and upgrading of the retail industry Green operation
Investors	<ul style="list-style-type: none"> Sustainable value growth Strengthen risk management Transparency of information disclosure Protect the rights and interests of investors 	With its development inseparable from the support of investors, Suning is willing to share the transformation achievements with investors.	<ul style="list-style-type: none"> Strictly follow the relevant regulations on information disclosure of listed companies to ensure true, accurate, complete, timely, and fair information disclosure Add more channels and forms of information disclosure, maintaining close communication with investors Encourage shareholders to go shopping in Suning and share their experiences, collect suggestions and opinions, and promote the development of the Company

Stakeholders	Concerns and Expectations	Suning's Viewpoints	Communication Methods and Responses
Customers	<ul style="list-style-type: none"> · Enjoy quality shopping at any time, anywhere regardless of time and space and different situations · Free and smooth consumption process · Provide safe, environmentally friendly and high-quality products · Intimate, reassuring and comfortable service experience · Internet transaction security 	Customer demand is the most fundamental driving force for Suning's development. Suning's service will keep improving through innovation, so as to deliver the quality of life to users and achieve the value of consumption.	<ul style="list-style-type: none"> · Accelerate the construction of Smart Retail · Innovate service modes · Improve professional service capabilities · Strictly manage users' information and transaction processes
Employees	<ul style="list-style-type: none"> · Protection of employees' rights and interests · Development of employees' careers · Good communication channels · Health and safety of employees · Enrich employees' livelihood 	Giving full play to employees' intelligence is the endogenous strength for Suning's development. Suning's continuous development assists employees to realize greater self-worth.	<ul style="list-style-type: none"> · Comply with relevant laws and regulations · Provide reasonable remuneration and benefits · Carry out various forms of training · Improve internal communication mechanisms · Care for employees' livelihood · Establish labor unions at all levels · Provide a healthy and safe working environment
Suppliers	<ul style="list-style-type: none"> · Jointly abide by business ethics and the State's laws and regulations · Share the supply chain information · Promote industry development · Achieve mutual benefit and win-win results 	Suning regards suppliers as partners bound by more than simple economic relations. Each part should share platform value and achieve mutual benefit and win-win results.	<ul style="list-style-type: none"> · Have regular communication between senior management of each side · Have regular meetings with suppliers · Cooperate in holding industry development forums · Promote "Smart Retail CPU", relying on "RaaS" to share technology, management and other background resources · Innovate cooperation modes
Communities	<ul style="list-style-type: none"> · Promote the prosperity and development of the community · Offer disaster relief for the community · Improve the environment of community · Support and encourage the establishment of a harmonious society · Promote environmental protection awareness 	Communities are an indispensable part of Suning's development. Making contributions to communities can effectively convey Suning's Sunshine Value.	<ul style="list-style-type: none"> · Innovate public welfare modes · Carry out volunteer activities · Support the development of education, sports and culture · Carry out the activities of "poverty alleviation" · Build platforms for entrepreneurship · Offer assistance during major disasters · Participate in constructing the infrastructure of communities · Spread green ideas
External supervisors (media/social groups/public etc.)	<ul style="list-style-type: none"> · Supervise the Company's operation · Help the public understand the Company more comprehensively and objectively · The development of the Company should not be at the cost of the environment 	The positive interaction between Suning and the external supervisors will help to promote Suning's sustainable development and enhance its influence.	<ul style="list-style-type: none"> · Improve the self-discipline mechanism and consciously accept the supervision from the media and the public · Hold press conferences and carry out brand building · Actively use new media and release social corresponsibility reports · Green operation · Implement environmental protection and public welfare

Analysis of Substantive Topics of Social Responsibility

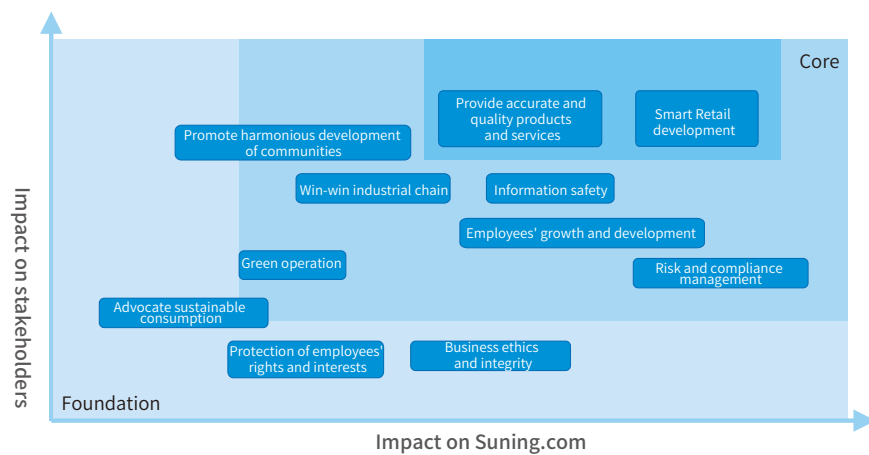
In 2018, Suning followed GRI's core program of *GRI Standards*. By conducting substantive analysis on social responsibility issues through the combination of internal evaluation, external organization evaluation, and surveys with stakeholders, Suning also focuses on the opportunities and challenges it faces and confirms substantive topics according to their priorities.

Based on Suning's corporate positioning and medium and long-term development strategies, "Smart Retail" has become the primary principle to judge the priorities of issues. Suning believes that the essence of Smart Retail is to use the internet and the IoT technology, fully perceive consumption habits, predict consumption trends, use the result to guide production and manufacturing, and provide diversified and personalized products and services to customers. The report should disclose issues that affect Suning's Smart Retail or help stakeholders to perceive, understand, and share Suning's Smart Retail value.



Key Substantive Topics	Corresponding Indexes and Aspects in the Core Program of <i>GRI Standards</i>	Boundary
Core capacity building of Smart Retail	Economic performance; Indirect economic impact	Internal
Provide accurate and quality products and services	Customers' health and safety; Product and service identification; Compliance	Internal
Business ethics and integrity	Corporate governance; Anti-corruption; Anti-unfair competition	Internal
Online and offline integration	Economic performance; Indirect economic impact	Internal
Compliance with laws and regulations	Corporate governance; Compliance	Internal
Supply chain capacity building and support	Local communities; Indirect economic impact	Internal + external stakeholders
Information safety	Customers' privacy	Internal
Protection of employees' basic rights and interests	Employment; Labor-capital relations; Diversity and equal opportunities; Equal pay for men and women; Non-discrimination; Training and education; Market performance	Internal
Green logistics	Materials; Energy; Exhaust emissions; Transportation; Sewage and waste; Compliance; Products and services	Internal + external stakeholders
Internet + precision poverty alleviation	Local communities; Indirect economic impact	Internal + external stakeholders

Finally, from the levels of impact on Suning and stakeholders, Suning determined the material topic matrix of corporate social responsibility of Suning in 2018, so as to show more clearly the focus of Suning's responses to the expectations of stakeholders.



Suning.com's Social Responsibility Substantive Topics Matrix

Special Topics: 40 Years of Reform and Opening-up Witness the Concurrent Growth between Suning and the Times

As a leader of the retail industry in China and even in the world, Suning has been constantly adapting to the changes of the times, promoting model innovation, transforming from specialty retail to chain retail, then to online retail, initiating Smart Retail, having profoundly influenced the development of China's retail industry and making itself a representative force for private enterprises to promote and lead the development of reform and opening-up.

2 From Being Single-Channel to Scenarios-Based Interconnectivity, Suning Leads a Revolution in Scenarios

With the continuous improvement of the purchasing power of the Chinese people, the consumption upgrade has become a new force to drive China's economic and social development. Based on Big Data analysis, AI guidance and other technologies, it brings changes in national consumption habits and a revolution in daily consumption scenarios.

Suning continues to expand retail channels, strengthen the integration of channels, apply "Scenario-based Interconnectivity" to Smart Retail. It also opened up online and offline scenarios based on four dimensions that "demands are scenarios", "products are scenarios", "contents are scenarios", and "services are scenarios". Meanwhile, Suning commits to building smart logistics, continuously increasing the construction of its logistics system, forming a comprehensive coverage of logistics services from city to county and town markets, from online to offline scenarios, so as to achieve "accurate arrivals of goods to sites, punctual arrivals of goods to people and diversity of sites to people", so as to meet users' needs for spatial diversity and time immediacy to the maximum extent.

1 From Chain-Stores to Smart Retail, Suning Leads the Consumption Revolution

In forty years of reform and opening-up, from chain stores to e-commerce, and then to Smart Retail, the innovation and breakthrough of China's retail industry have profoundly changed people's consumption modes.

As a leader in Smart Retail, Suning has started the comprehensive transformation featuring the integration of online and offline products, service integration and price integration since 2012, forming the prototype of Suning's Smart Retail. In 2018, Suning* accelerated the implementation of the Smart Retail Grand Development Strategy and launched the "two big, two small and multiple specialties" Smart Retail business type groups. By serving consumers in all aspects of life such as clothing, food, housing, transportation, entertainment with products and services of omni-category, omni-channel and all-scenario, it has established a comprehensive retail ecology, led the consumption upgrading, and served the consumers' better life.

3 From a Channel Provider to a Retail Infrastructure Service Provider, Suning Leads in Empowering the Industry Chain

From traditional retail to Smart Retail, what has been changed is not only the business model but also the business philosophy. Suning's open and sharing concept of "Sharing Capabilities, Linking Resources, Building Platforms, Win-Win" is not only an attitude but also an embodiment of capacity.

Suning actively cooperates with partners to innovate, share and coordinate development. Through the "Three clouds" (Logistics Cloud, Financial Cloud and Data Cloud) platform to share resources, Suning's Retail CPU will be outputted to the whole industry, including its specialized operation ability of the commodity supply chain, wide-coverage, fast and convenient logistics abilities, and abilities to meet the needs of users with its ultimate services. Suning will empower its partners more widely.

* "Suning" here refers to Suning.com and relevant related parties. "Two Big, Two Small and Multiple Specialties" refer to "Two Big (Suning Plaza, Suning.com Plaza), Two Small (Suning Convenience Store, Suning Retail Cloud), Multiple Specialties (Reddaby, SuFresh, Suning Sports, Jiwu, Suning Motor Shop, etc.).

First-Time Entrepreneurship

Started in Nanjing with specialty retail
(1990-1999)

- **1990**
On December 26, the first air-conditioner specialty store of Suning was open for business in Nanjing, China
- **1993**
Suning stood out in the Air-conditioner Sales Promotion Campaign
- **1996**
Suning went beyond Nanjing and opened its first store in other city in Yangzhou, ushering in the prelude of its chain development
- **1997**
Suning's first generation of self-built logistics distribution center was established in Jiangdongmen, Nanjing

Third-Time Entrepreneurship

Smart Retail: Diverse Collaboration
and Capabilities Sharing
(2009 to present)

- **2009**
Suning.com started its trial operation
- **2010**
Suning.com was officially launched for operation
- **2011**
Suning launched its third ten-year development strategy and comprehensively transformed into a scientific and technological smart Suning
- **2013**
Suning confirmed its Internet retail roadmap of "One Body and Two Wings"
- **2014**
Suning continued to promote the innovative implementation and full launch of its internet retail strategy through omni-category operation, omni-channel expansion, and all-round services
- **2015**
Suning O2O achieved outstanding results, with its internet transformation implemented and its Core CPU Capacity being shared
- **2018**
Featuring "Concentric Circles", Suning's Smart Retail ecosystem has been formally formed and accelerated, striving to provide consumers with personalized, diversified and quality products and services

Second-Time Entrepreneurship

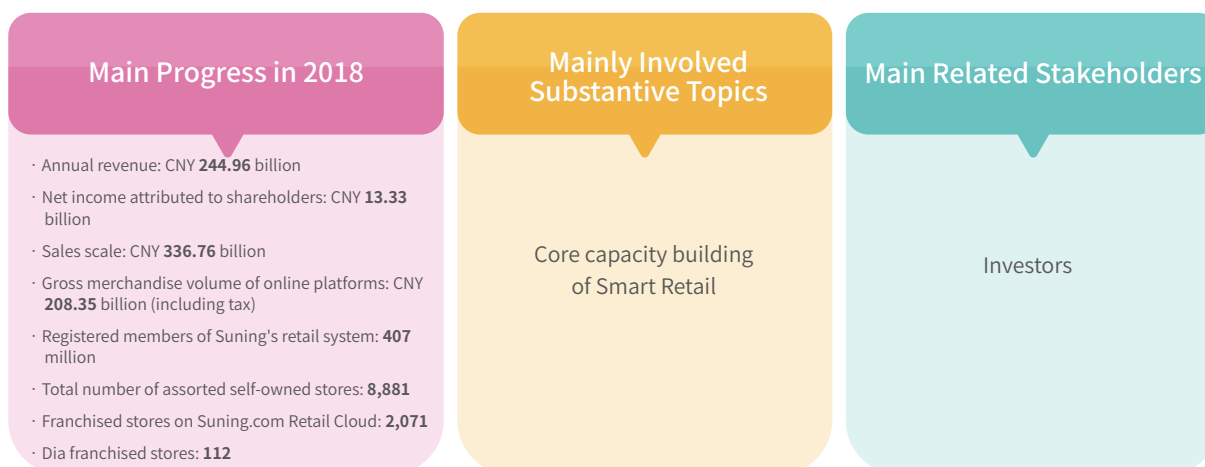
Comprehensive electric appliance chains
across the country; March overseas
(1999-2009)

- **1999**
Suning established the general policy for the second-time entrepreneurship of the national chain of comprehensive electrical appliances
Nanjing Xinjiekou Flagship was opened for business as the first self-built store of Suning
- **2000**
Suning carried out the second-time entrepreneurship and opened comprehensive electrical appliance chains across the country
- **2004**
Suning was listed on the Shenzhen Stock Exchange on July 21, becoming the first chain stores of household appliances launching IPO
- **2005**
Suning completed the battle of finishing its layout in first-tier markets
- **2006**
Suning SAP/ERP system went online, becoming a beacon-like project of the world's retail industry
- **2009**
Suning successively acquired LAOX in Japan and Citicall in Hong Kong, opening up its international development

Smart Retail for Quality Growth

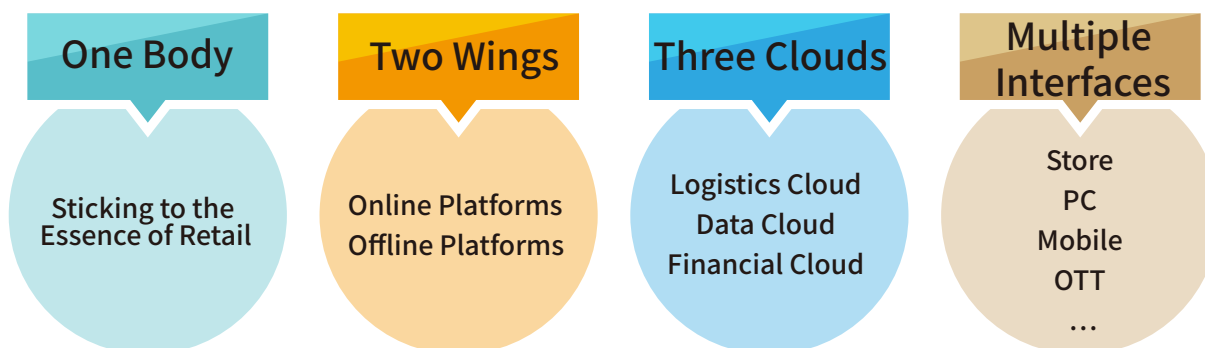
Based on technological innovation and consumption upgrading, Suning continues to promote its leading place in the development of the Smart Retail model, focusing on goods and services, centering around experience and efficiency, sticking to channel innovation and becoming a leader in the new layout of Smart Retail.





Comprehensive Implementation of Smart Retail

2018 marked the first year of Suning's Smart Retail Grand Development Strategy. Suning's Smart Retail has entered a stage of implementation and rapid development. Suning has deepened the transformation into Smart Retail through the digitalization of retail elements and the internet-based scenarios of multiple business types. It has established a Smart Retail ecosystem of "One Body, Two Wings, Three Clouds, Multiple User Interfaces", making itself a leading O2O Smart Retailer with omni-channel and for all customer groups and all scenarios.



An All-scenario Smart Interconnectivity Mode Featuring
"One Body, Two Wings, Three Clouds and Multiple Interfaces"

In 2018, Suning*, relying on a forward-looking Smart Retail layout, built an omni-channel network covering all markets, online and offline channels. It has launched a layout featuring multiple business types with "Two Big (Suning Plaza*, Suning.com Plaza), Two Small (Suning CVS, Suning Retail Cloud Store), Multiple Specialties (Suning.com Cloud Store, Redbaby, SuFresh, Suning Sports, JIWU, Suning Motor Shop etc.)." Suning's sales channels are featured by full coverage of markets from first-tier cities to counties and towns, and from the core business districts to communities.

* "Suning" here refers to Suning.com and relevant related parties. "Two Big, Two Small and Multiple Specialties" refers to "Two Big (Suning Plaza, Suning.com Plaza), Two Small (Suning CVS, Suning Retail Cloud Store), and Multiple Specialties (Suning.com Cloud Store, Redbaby, SuFresh, Suning Sports, JIWU, Suning Motor Shop, etc.)."

Suning.com Plaza Settles Down in Xi'an, Multiple Business Types Working Together for Users' Experience Featuring "Ultimate Creation"



Xi'an Suning.com Plaza

On July 27, 2018, Suning.com Plaza, Suning's first store of its kind in Xi'an, was opened to business. Xi'an Suning.com Plaza covers an area of more than 50,000 square meters, incorporating such Suning's self-run business types as Suning.com Cloud Store 3.0, Redbaby maternal and infant stores, SuFresh boutique supermarket, JIWU, Suning Cinema, Suning Sports and other offline business types. It is committed to building an "N-in-One" comprehensive plaza integrating shopping, parent-child, dining, sports, and movie viewing, so as to provide Xi'an citizens with a wonderful life sample featuring quality shopping experience.

·The Rapid Expansion of Product Varieties in Omni-categories

Suning continues to expand products and services, accelerate the layout of multi-industry products around the markets at all levels, and achieve a great leap from home appliances and 3C to omni-category products like mother and baby, FMCG, general merchandise, home furnishing, fresh, and automobile products. Not only does Suning's sales scale breaks new highs repeatedly, but also it vigorously introduces high-quality products from overseas to meet the upgrading needs of users.

Suning CVS Strives to Build China's Leading O2O Localization Service Platform

As an important scenario layout around the community market in Suning ecosystem, Suning CVS focuses on high-frequency consumption of "fresh food + daily necessities", supplemented by Suning post offices, Suning Helper, Fang Suning, Suning Financial Service and other services, and uses O2O mode of "offline convenience stores + APP" to achieve deliveries for a range of three kilometers within half an hour. By the end of 2018, Suning CVS has realized its full layout in communities, CBDs, hospitals, schools, enterprises, transportation hubs and other scenarios. The total number of self-operated stores is 4,177 (including Suning CVS and Dia self-operated stores), and that of Dia franchised stores is 112.



Suning CVS

Suning Retail Cloud Store, Writing a New Chapter of Consumption Upgrading in County and Town Markets



As the strategic project of Suning Smart Retail capability output, Suning retail cloud platform launched digital reconstruction of the all-scenario and Smart Retail solutions enabled by the whole value chain platform. The solution shares Suning's all brands, goods, sales and operation, market publicity, logistics services, IT, finance and other capabilities, realizing the low-risk transformation of traditional stores, and made the retail business simpler, more efficient and intelligent. It also enables consumers in the markets of the four-tier or six-tier cities to enjoy the goods and services of the first-tier cities.

As of the end of 2018, there are 2,071 franchised Suning Retail Cloud stores in China. The data shows that, compared with the situation before franchising, the operation indexes of franchised Retail Cloud stores tend to be optimized, with the operation cost greatly reduced and the operation efficiency rapidly improved.

The Interior of a Franchised Suning Retail Cloud Store

The First JIWU Store is Open to Business, Saluting to a Wonderful Life

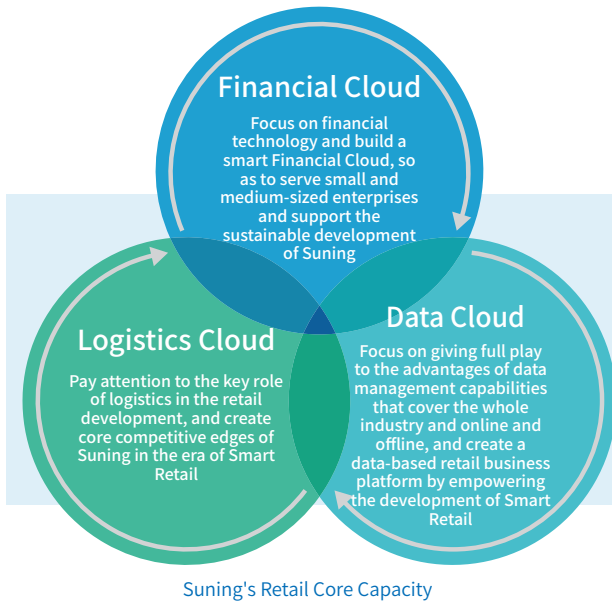
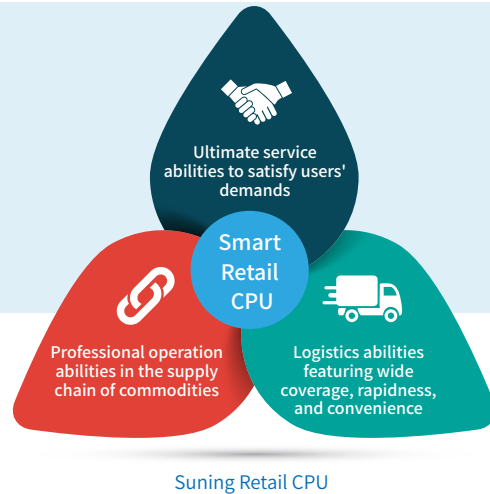
On March 23, 2018, the first JIWU store in China opened at Xinjiekou, Nanjing. As a new Smart Retail species launched after Suning Biu store, SuFresh and Suning CVS, JIWU advocates the consumption concept of "Saluting to a Wonderful Life". Its products cover mobile phones, digital products, computers, home appliances, beauty and personal care, home furnishing, coffee and other drinks and other categories. Meanwhile, based on the consumption data of Suning's online and offline consumption platforms, JIWU can meet the customized needs of users. By the end of 2018, JIWU had been launched in ten cities including Nanjing, Xi'an, Chengdu, Taiyuan, Suzhou, Guangzhou, Shanghai, Shenzhen, Changsha and Hangzhou, marking that Suning Jiwu began to be copied in bulk in the whole country.



JIWU Nanjing Xinjiekou Store

Solid Retail CPU Core

Suning utilizes science and technology to empower its retail, forges a core business retail capability integrating the commodity supply chain, logistics, and service, advocates the business principle of "Sharing Capabilities, Linking Resources, Building Platforms, Achieving Win-Win", and outputs Suning Retail CPU to the whole industry.



• Retail Core Capacity

Suning has deepened the sharing of core capabilities such as Data Cloud, Logistics Cloud and Finance Cloud, actively worked with partners to innovate, share and coordinate development, and provided tens of thousands of partners with data cloud services at the management and technology application end, logistics cloud services at the storage and distribution end, and supply chain finance services, empowering SMEs in more spheres.

• Smart Empowerment from Science and Technology

In 2018, Suning accelerated the implementation of the strategy of "Hi-Tech Suning, Smart Service", continued to promote scientific and technological innovation, established an information system incorporating front-end products, back-end operation and internal management, so as to realize real-time and online management of the whole process of goods, the supply chain, the financial payment, logistics services and market promotion, and to comprehensively support the construction of Suning's Smart Retail system.

Suning utilizes cutting-edge technologies such as AI, cloud computing, and Big Data to serve hundreds of millions of users in China and abroad in O2O retail, supply chain, financial payment, logistics, and so on. Smart speakers, smart delivery lockers, unmanned stores, autonomous vehicles, drones and a series of products researched and developed by Suning have been rapidly launched, enabling Suning to continue to lead the new development of the industry.

By the end of 2018, Suning has set up R&D bases in Beijing, Shanghai, Nanjing, Wuhan in China and in Silicon Valley of the United States, with more than 4,000 independently developed systems, including three major middle ends in the transaction, data, and AI.



Suning held the 2018 Autumn Conference for Smart Products in which it released 10 smart hardware products such as Suning Bii Smart Speaker (Ultimate Creation Version), Smart Alarm Clock

Suning Releases RaaS and plans to Open BiuOS for Global Strategic Cooperation in the Future

During the CES 2019, Suning released the RaaS and Suning Smart Retail Management System Open Source Strategy and announced it would open BiuOS for global strategic cooperation in the future. It is a brand-new strategy for Suning to open and upgrade itself and empower the ecosystem. Since then, Suning has formed a set of Smart Retail solutions centered on users, with the ability to open to and empower partners. From retail, logistics, finance, services and other aspects, Suning has opened up the circulation link from manufacturing to retail to comprehensively improve efficiency. Meanwhile, through Big Data technology, Suning has transmitted the needs of various users to the manufacturing end, making manufacturing more flexible, accurate and efficient.



Schematics of Suning Smart Retail Management System

The Birth of Unmanned Stores at Night: Suning CVS Biu×24h Store Laden with Frontier Technology

At the end of February 2019, the first Suning CVS Biu×24h Store officially was open to business in Nanjing. This convenience store mode originates from the smart transformation of Suning CVS, which initiated the "white + black" mode. At daytime, employees are arranged to operate normally. From ten o'clock at night to seven o'clock in the morning, it is changed to an unmanned store. Consumers need to scan the electronic membership code to enter the electronic automatic door to shop inside the store. Then, they use the automatic cash register to have self-service code scanning and checkout to complete the payment.

After previous operation and exploration in the unmanned Biu store, Suning has developed a complete sets of mature and systematic smart operation system for the unmanned stores, including the omni-sensing central control system controlling the automatic door and the automatic lamps and adjusting temperatures, the human-computer interaction system, the payment system, the RFID commodity identification system, the self-checkout system, the quick settlement slot system, the 24-hour customer service system, making Suning CVS Biu×24h become a real smart convenience store at night.

Link High-Quality Overseas Resources

Facing the new layout of consumption upgrading in China, Suning has the insight into the global retail development trend in the future, continues to expand its blueprint of the overseas market, and creates a Smart Retail model with a global layout and a world awareness. In 2018, Suning continued to carry out overseas supply chain construction and brand introduction through international trade, cross-border e-commerce, and other ways, making itself a forerunner and leader of Smart Retail in supporting the consumption upgrading.

• Building a Global Supply Chain

Suning, based on the Chinese market and cooperating with enterprises across the world, builds a new cooperation mode driven by new technology and new demand, so as to create a new-generation "global smart supply chain" driven by Smart Retail. In 2018, Suning officially launched the "2018-2020 Overseas Sourcing Plan". In the next three years, Suning will introduce many overseas brands of FMCG, home furnishing, clothing, accessories & luggage, 3C products, and other categories.

Appear in the Expo and Build a New Trade Platform for the Globe

In November 2018, the First China International Import Expo (hereinafter referred to as "CIIE") was held in Shanghai, China. As a leading O2O Smart Retail enterprise in China, Suning has invested sufficient resources in terms of procurement personnel, procurement orientation, procurement scale, and volume, proactively dispatched a procurement negotiation team of 500 persons to conduct business contacts and cooperation with major brands in CIIE, promoted on-site settlement of several cooperation agreements with overseas exhibitors, so as to constantly expand and meet the diverse and international consumption needs of Chinese consumers.



During CIIE, Suning Signed Cooperation Agreements with Multiple Well-known Enterprises

• Develop Cross-Border E-Commerce

In 2018, Suning accelerated the expansion of overseas direct sourcing business, covering Japan, the United States, Australia, South Korea, and other countries and regions, overcoming the disadvantages of single shopping channels for imported goods, sharing the local experience with overseas brands, and providing comprehensive and customized Smart Retail solutions. Meanwhile, through the form of "direct purchase" of high-quality overseas goods, Suning has been offering Chinese consumers shopping experience with imported goods featuring richer choices and better quality.

Suning continues to promote its "Global Buyers" strategy, bringing high-quality global goods to domestic consumers. While meeting consumers' demands, Suning has been effectively tackling the consumption pain point of "rampant counterfeiting goods".

Smart Openness for Shared Value

Through "Sharing Capabilities" and "Linking Resources", Suning will create more cooperation entrances and interfaces, connect and integrate more enterprises' and users' resources, so as to co-create and share value and build Suning's retail value platform and industrial ecosystem.

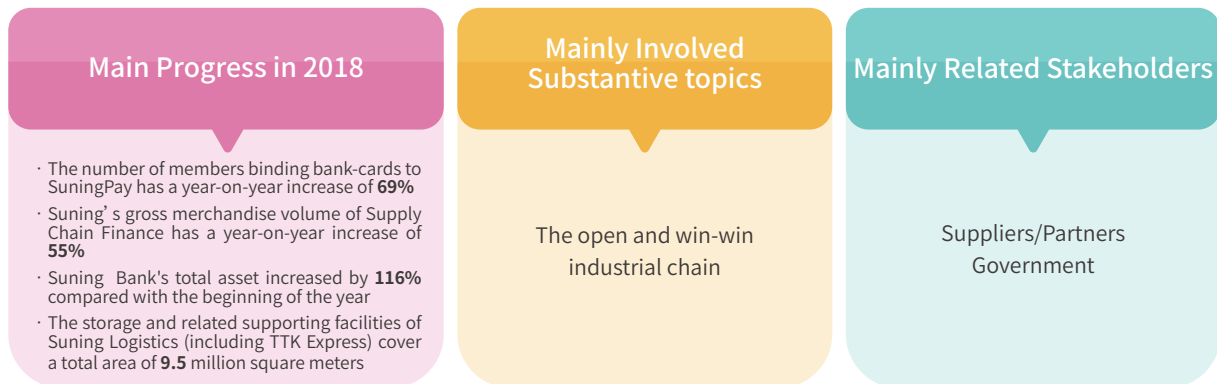
零售云县镇联盟正式启动



苏宁易购
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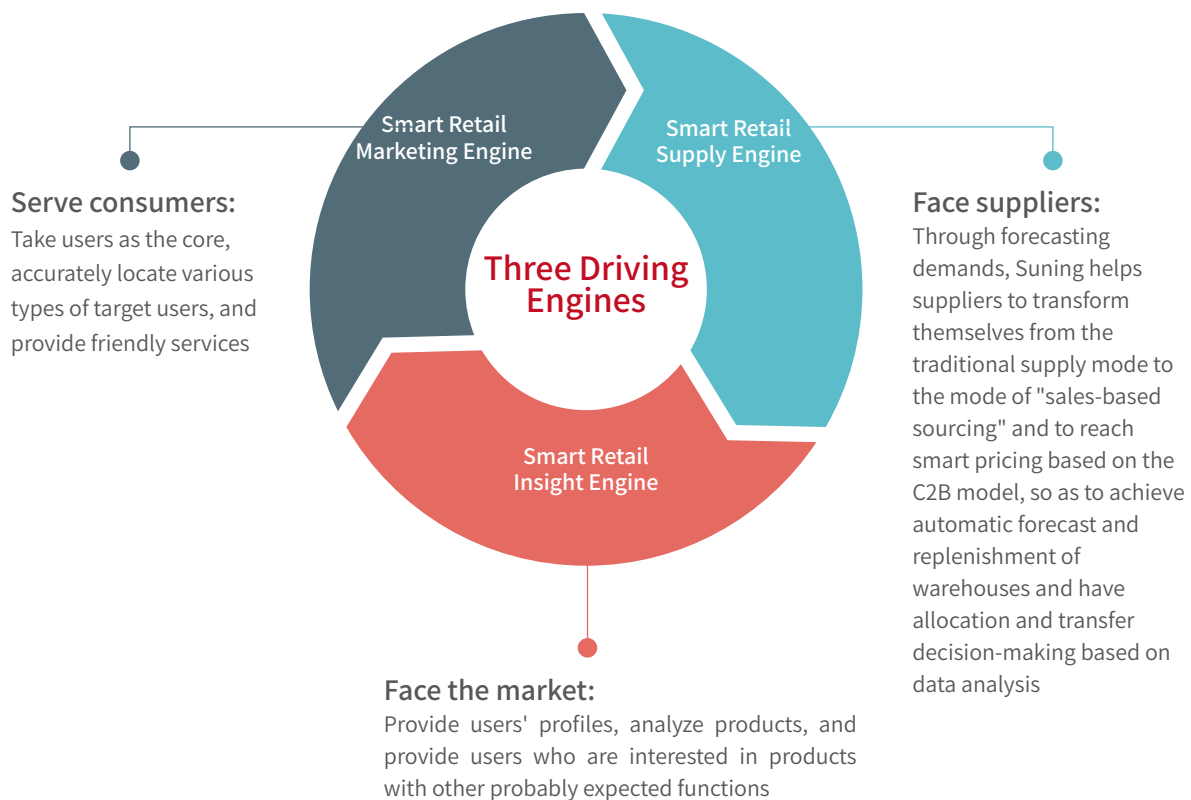
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省心做老板



Smart Supply Chain Drives the Industry Ecology

Suning focuses on building a Smart Retail supply chain based on Big Data technology, centering on the various retail business types and connecting consumers and suppliers, so as to promote the rapid construction of China's retail supply chain infrastructure, and to help the industrial supply chain to become a new economic growth point and a new driving force for local economic development.

In 2018, Suning's Smart Supply Chain Project was officially selected for the supply chain innovation and application city and enterprise pilot projects carried out by eight ministries and commissions including the Ministry of Finance and the Ministry of Commerce across the nation. It enhances the innovation strength of Suning's Smart Supply Chain.



Three Driving Engines of Suning's Smart Supply Chain

• Data Sharing

Data is a new factor of production in the era of Smart Retail and the digital economy based on data is a new driving force for economic development. Suning has been dedicated to the research of the value of Big Data, comprehensively carried out the application research of smart stores and smart logistics transformation which are based on the IoT, and of machine learning based on AI, Big Data, and innovative search technology, continuously increased the smart and personal features in collecting commodity information, continuously created new ecological relationships with downstream users. Meanwhile, by relying on big data of 600 million members of Suning Holdings Group's ecosystem*, Suning has also established an open mechanism for data sharing with suppliers.

"Star River Plan" to Create a Set of Smart Retail Solutions for Merchants

It is becoming a development trend of the retail industry to drive the implementation of the service application through Big Data-based empowering algorithms.

Suning launched the "Star River Plan". Through its IT capabilities in cloud platforms, Big Data and other aspects, and Suning's accumulation of online and offline retail data in which Suning has been deeply involved for many years, Suning has created complete Smart Retail solutions to empower merchants in all aspects. Merchants can deploy and utilize full-link resources such as design, sourcing, production, sales, logistics from the "Star River". By utilizing the ability of "Star River" data analysis platform, merchants can obtain rich data analysis pools, then tap potential value, scientifically guide their operation, and realize their own transformation and upgrading. In 2018, the gross merchandise volume of the online open platform of Suning.com was CNY 58.562 billion (including tax), with a year-on-year increase of 100.31%, indicating that the "Star River Plan" achieved remarkable results.

"Collective Brands" Plan, with Big Data Guiding Factory Production

In 2018, Suning launched the "Collective Brands" plan, having developed a series of small and medium-sized brands, in which Suning's Big Data is used to guide factory production and some star brands are selected for special cultivation, so as to support the rises of small and medium-sized brands. In addition, Suning Group Purchase launched the empowering package to provide all-round brand support for the "Collective Brands". The sales volumes of the cooperative brands have increased significantly since they settled in Suning Group Purchase. For example, Jiujiobao which is specializing in agricultural products, since it settled in Suning Group Purchase, has sold 55 million *jin* ("half a kilogram") of rice in total and even sold as many as 300,000 packages of rice in a single day. "Jianhuaaji", a store specializing in snacks, has an average monthly order of 600,000 since it was settled in Suning Group Purchase.

Build a Blockchain-Based Blacklist Sharing Platform to Help Sharing Credit Data

On February 28, 2018, Suning launched the Blockchain-Based Blacklist Sharing Platform System. Based on the super ledger Fabric architecture, the system encrypts and stores the blacklist data of financial institutions on the Blockchain to realize sharing, including the four major functions of adding, querying, deleting the blacklist and complaining, which can increase the effectiveness of the blacklist identification by nearly 20% and effectively reduce the cost of risk control.

• Logistics Opening

"Sharing" is an important way to realize the transformation of logistics from high speed to high quality and high efficiency. Suning has opened its accumulated logistics infrastructure, experience and value to the whole society, with service objects covering traditional home appliances, 3C products, stores and supermarkets, home furnishing, sports and health, FMCG, clothing, maternal and infant and other fields, including Midea, SHARP, Panasonic, CAINIAO, Gold Mantis, IKEA, Shangpin Home Collection, M&Z, Star-Living, Siemens, China Resources, KUKA and other comprehensive customers. The development concept of "Open and Sharing" has won Suning a good reputation in the industry.

* Suning Holdings Group has about 600 million members in its ecosystem, while Suning's retail system has 407 million members (as of the end of December 2018).

Logistics Real Estate Fund Has Been Successfully Filed on Record to Expand Logistics Storage Layout

In 2018, Suning Logistics and the Immovable Property Fund of Shenzhen Capital Group Co., Ltd. jointly launched the establishment of a logistics real estate fund, with an initial fund-raising scale of CNY 5 billion. It has completed its filing procedures and obtained its *Filing Certificate of Private Investment Fund*. The first phase of the fund is used to acquire mature storage facilities built by Suning, have market-oriented acquisition and investment in the development of qualified high-standard storage and logistics facilities, which helps Suning establish a leading logistics infrastructure network and service network in China's retail industry, and continuously deepen the process of opening up Suning's logistics capabilities.

Focus on the Home Furnishing Logistics Market and Build the Service Chain of the Household Supply Chain

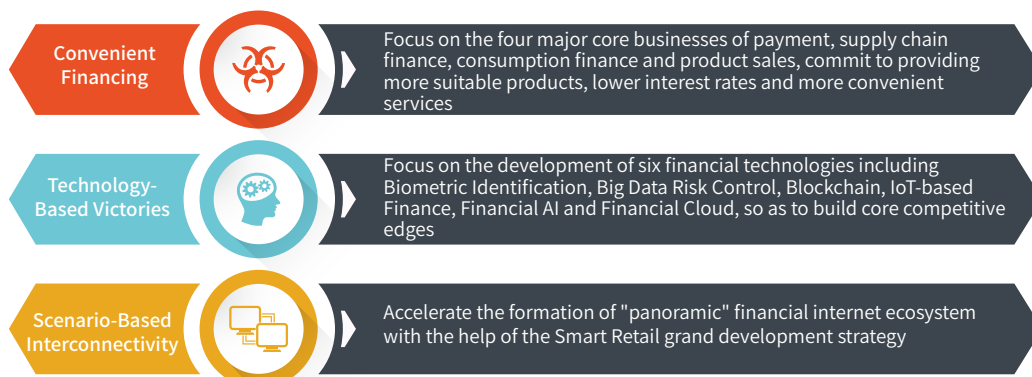
In China, the home furnishing market has an overall market scale of over CNY 4 trillion. The characteristics of "large and expensive goods" of home furnishing products require that every link of logistics service must be refined and specialized.

Suning continues to deepen its vertical layout of home furnishing logistics. In July 2018, Suning launched the "Home-Decorating Plan" and "Suning Home Furnishing Solutions" to jointly build a supply chain service benchmark of home logistics with well-known brands in the industry. Suning provides "12 prime services of home furnishing logistics", having reshaped the service standards of home furnishing logistics, thoroughly solved the pain points of home logistics, reduced costs and increased efficiency.

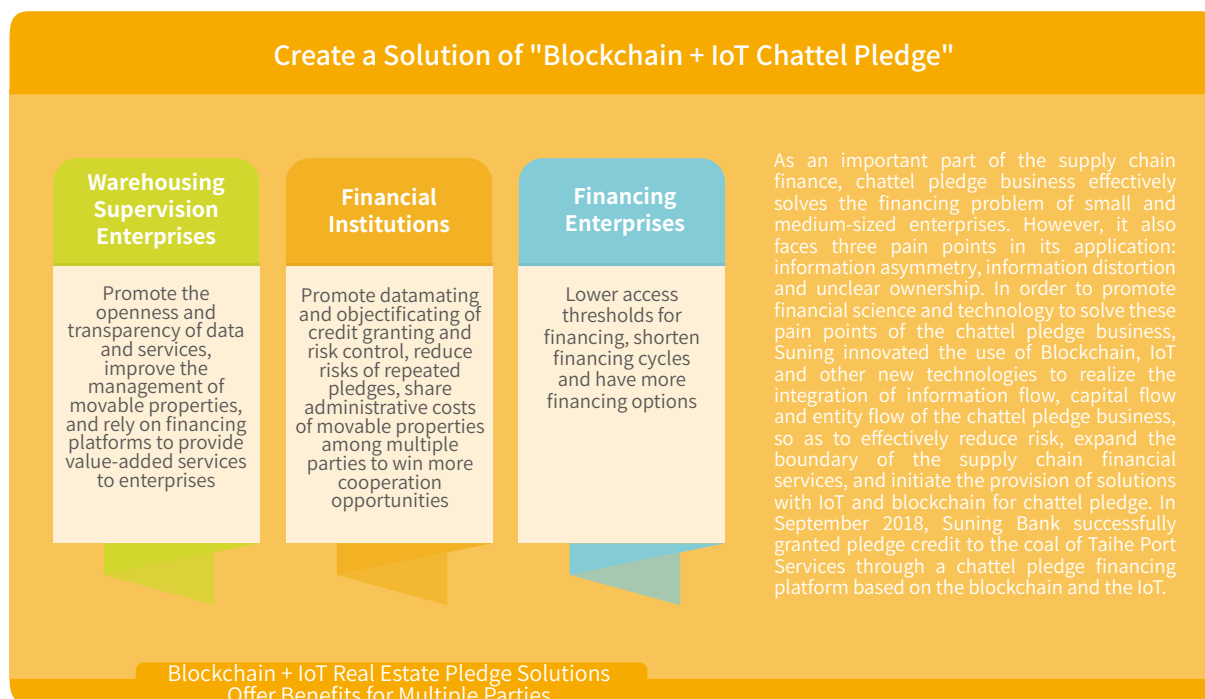
Relying on its advantages in the large-item logistics network, Suning carries out home furnishing logistics cooperation with IKEA, Shangpin Home Collection, Star-Living and other enterprises to comprehensively output Suning's large-item logistics network coverage, independently researched and developed information system, regional warehouse coordination advantages, high-quality warehouse and delivery integrated service, professional delivery and installation integrated products, so as to promote the construction of home furnishing supply chain and its all-scenario layout in the home furnishing industry.

• Inclusive Finance

As "a giant carriage" to help Smart Retail, financial services have always been the focus of building Suning's Smart Supply Chain. In 2018, Suning focused on core businesses such as supply chain finance, micro-business finance and consumption finance, provided all-scenario and more inclusive financing and loan services, built an online and offline integrated financial service platform. Suning is committed to providing better, more convenient, safer and more diverse inclusive financial services for public consumers and enterprise customers. At present, Suning has launched a series of ultimate financial products, such as SuningPay, Chain Fast Financing, Leye Loan, Willful Payment, Willful Loan, Pocket Money Treasure, Suning Smart Investment, Suning Warranty Extension, Suning Card.



Three Key Points for Suning to Promote Inclusive Finance



Deep Integration to Build a Retail Ecosystem

In order to further expand Suning's Smart Retail ecosystem, Suning continues to expand its external exchange and cooperation, preferentially selecting strategic partners of the Company, so as to strengthen business collaboration between enterprises and industries and to enhance the Company's core competitiveness and empower more partners.

• Build a Platform and Forge a Quality Alliance

Based on partners in Suning's ecosystem, Suning has fully opened its retail ecosystem, established "ecosystem partnerships" with suppliers in logistics, finance, data and other aspects, and jointly built an open, integrated and ecological super-platform in resource sharing, so as to connect more users, scenarios, products and services, and shouldered the responsibility of "a quality life alliance" to improve the living of the whole society.

Set up Smart Biu + Ecological Alliance to Interact with Partners



Brands are competing against each other and products cannot be interconnected, which have become a major problem for smart house furnishing enterprises. Suning adheres to the concept of equality, openness, cooperation and win-win, and establishes Suning Smart Biu + Ecological Alliance with industry partners. Through its platform advantages, Suning not only integrates advantageous technologies, products, content, supply chain and operation resources, so as to create more smart hardware products and smart life solutions, challenge the exclusiveness of the industry, and realizes the interconnection and interaction between different brands. Through BiuOS and its retail platforms, Suning shares the technology, content, channels, platforms and service advantages with partners, bringing new impetus for their common development.

Suning Establishes Smart Biu + Ecological Alliance

Su-life, a Smart Refrigerator Ecosystem, Opens up Resources in the Whole Industrial Chain

On April 9, 2018, Suning launched a brand-new smart refrigerator ecosystem called Su-life, which opens up resources across the whole industry chain such as PP Video, PP Sports, Suning Financial Services, SuFresh, Suning Supermarket, sharing the online and offline consumption behavior data of Suning.com with partners to help identify consumers' preferences for smart refrigerators, as well as the market demand for smart refrigerators in the future, so as to change the industry and consumption layout.



Su-life, a Smart Refrigerator Ecosystem

• Crossover Cooperation to Create an Innovative Community

Suning and its partners continue to expand cooperation areas, enhance cooperation levels and deepen cooperation layouts, working together to achieve crossover cooperation, so as to achieve high-quality development and meet the growing needs of the people for a wonderful life. In 2018, Suning cooperated with SAP, Evergrande Real Estate, etc., to further upgrade Smart Retail.

Work Together with SAP to Build Smart Retail and Logistics Platforms

On July 9, Suning signed a strategic cooperation agreement with SAP, a leading enterprise application software solution provider in Germany under the witness of Li Keqiang, Premier of the State Council of China, and Angela Merkel, Chancellor of Germany.

Suning and SAP will jointly carry out technological innovation and industry practice, conduct research in AI, machine learning, Blockchain, IoT and other fields, and jointly promote the digital economy. Both sides will jointly build a retail ecological service platform and a Smart Retail technology innovation center to provide China's small and medium retail enterprises with supply chain service capabilities such as store management, product supply, logistics distribution, payment and settlement. Meanwhile, both sides will jointly build a logistics ecological service platform. Driven by data, they will build a car-free carrier platform that can accurately monitor information docking and a logistics facility sharing platform that can dynamically match resources. They will also jointly build smart warehouses and smart distribution driven by technology, so as to improve operational efficiency and reduce industry costs.

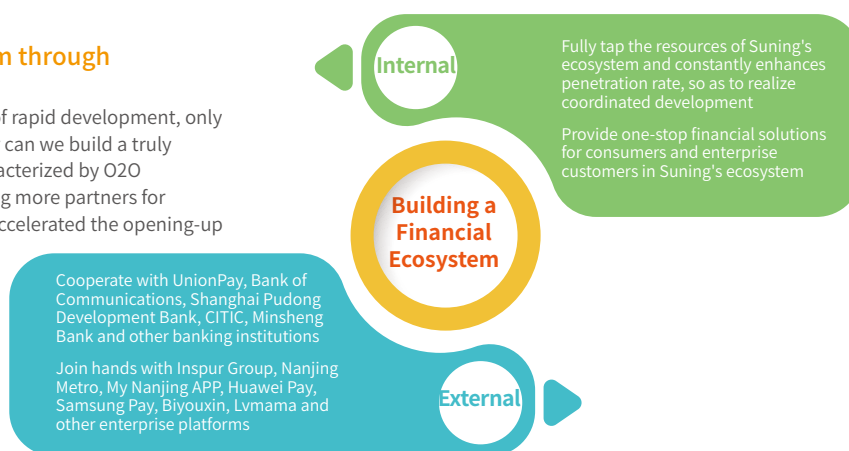
The cooperation between Suning and SAP is based on co-building, sharing and win-win. The deepened cooperation between both sides in the field of digitalization and innovation areas acts as a testimony of China-Germany friendship and further implementation of "the Belt and Road Initiative".

Work Together with Evergrande Real Estate to Accelerate the Launch of Suning.com Plaza

In June 2018, Suning and Evergrande Real Estate jointly invested CNY 20 billion to set up Hengning Business, so as to further strengthening the strategic partnership and giving full play to their respective advantages. On one hand, it can speed up the construction of Suning.com Plaza at low costs; on the other hand, it can guarantee the operation and return of Suning.com Plaza with high quality. In the future, with the mature operation of Suning.com Plaza, Hengning Business can activate the asset capital by promoting the asset securitization business of high-quality properties, and finally realize light assets in the business operation.

· Building a Financial Ecosystem through Multi-Party Cooperation

With inclusive finance entering a period of rapid development, only by financial institutions working together can we build a truly inclusive financial system. Suning is characterized by O2O integrated development. While welcoming more partners for collaborative development, Suning has accelerated the opening-up of its own financial technology capabilities and financial service capabilities supported by data, technology and scenarios, so as to facilitate the expansion of inclusive financial business and build a new, harmonious, diverse and open financial ecosystem.



**"Suning" here refers to Suning.com and relevant related parties.

Building an Inclusive Financial Ecosystem with "My Nanjing" APP

In order to integrate Suning's resources and technical advantages with the public service platform and create a more diverse, convenient, safe and efficient urban inclusive financial ecosystem, Suning and Nanjing Information Center have carried out deep cooperation in the construction of "Smart Nanjing" and "My Nanjing" APP project, giving full play to the advantages of financial technology development and scenario-based applications, proactively participating in the construction of Nanjing People's Public Service Platform, and promoting SuningPay, loan products, Suning Credit Points and other financial products and services to access the "My Nanjing" APP so as to boost inclusive finance into a "fast lane" of development.

Link Value and Contribute to High-Quality Development

Centering around retail value, Suning develops resource link and cooperation, so as to create value and sharing the future with all walks of the society; carries out extensive cooperation between governments and enterprises to share development opportunities in the new era; participates in industry exchanges and cooperation with an open mind to promote the development of the industry.

· Promote Cooperation between Governments and Enterprises

Suning actively responds to the calls of the government, further promotes the cooperation between governments and enterprises, built a win-win development platform with government departments at all levels, so as to help the national and local industrial upgrading and the sustainable economic and social development. By the end of 2018, Suning had reached agreements with 10 national ministries and commissions and national industry associations, and signed strategic cooperation contracts with 22 provinces, municipalities and autonomous regions*.

Reach Strategic Cooperation with the People's Government of Jiangsu Province to Promote High-Quality Development of Jiangsu Province



Suning Signed Strategic Cooperation Framework Agreements with the People's Government of Jiangsu Province

As a leader of private enterprises in Jiangsu, Suning has always been committed to better serving the construction of Jiangsu. On November 16, 2018, Suning* signed a strategic cooperation framework agreement with the People's Government of Jiangsu Province. Both sides will carry out in-depth cooperation in the fields such as Smart Retail, Smart Logistics, Inclusive Finance, Smart Jiangsu, Healthy Jiangsu, Cloud-based Enterprise Development, Cultural and Sports Development, Industrial Investment, Agricultural and Rural Modernization. In the future, Suning will help to improve the deepening reform of Jiangsu's consumption system and mechanism, promote the construction of smart cities in Jiangsu, and assist in Jiangsu's high-quality development.

*Suning Holdings Group is the contracting subject, while Suning.com is an important executor of strategic cooperation

**"Suning" here refers to Suning.com and relevant related parties.

• Assist the Progress of the Industry

As a leading Smart Retail enterprise in China, Suning is willing to share its practical experience with all walks of the society, promote the construction of a fair and honest industry environment, and contribute to the standardized development of the industry and the development in the future.

Signing *Convention on the Integrity of E-commerce* and Strengthening the Integrity Construction across the Industry Network

On October 10, 2018, jointly organized by China Federation of Internet Society (CFIS) and China Internet Development Foundation (CIDF), 10 enterprises in the industry, including Suning, Alibaba jointly signed *Convention on the Integrity of E-commerce*, making commitments in seven aspects of "genuine goods, no fraud for all customers, objective justice, data protection, effective rewards and punishments, open and sharing, and trustworthy performance", promoting the whole industry to build a fair and honest online shopping environment for consumers.

Join DevOps Standard Working Group to Promote the Construction and Improvement of the National Standard System



Suning Became a Member of DevOps Standard Working Group

Science and technology are one of the most core competitiveness of enterprises in the future, and also an opportunity for enterprises to excel themselves.

In November 2018, Suning was invited to become a member of the "DevOps Standard Working Group" at the DevOps International Summit jointly hosted by the Open Source Cloud Alliance for Industry (OSCAR) of the China Academy of Information and Communications Technology (CAICT), DevOpsDays and GreatOPS Community. In the future, taking into account its own advantages in innovation experience accumulated in research and development of DevOps product, Suning will work with DevOps members to promote the construction and improvement of DevOps standard system, provide industry guidelines and standards for relevant enterprises to land in DevOps, and promote the industry's science and technology.

Release a Blockchain White Paper and Lead the Industry to Look Forward Together



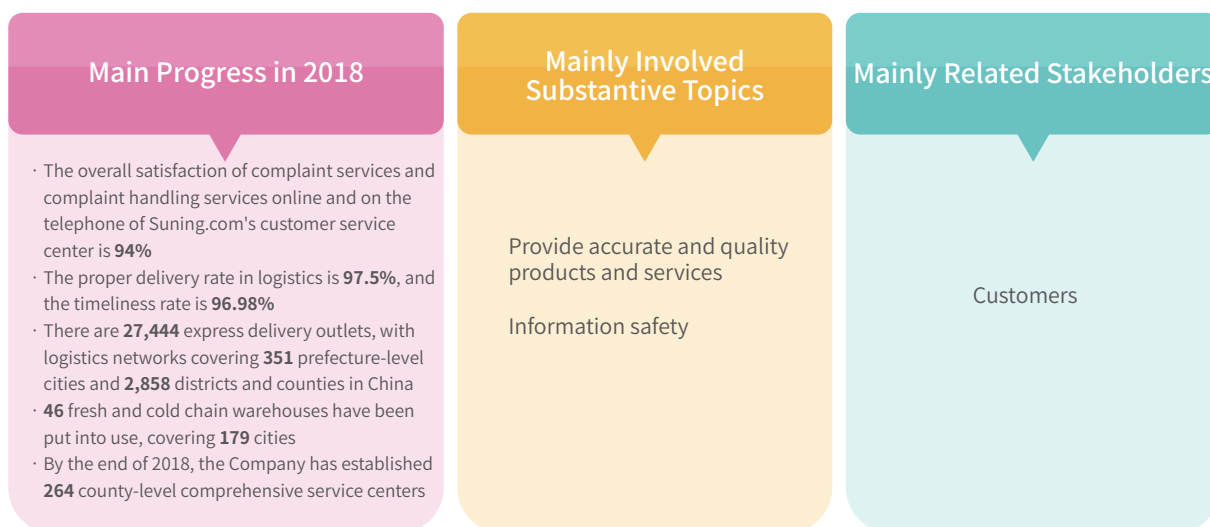
Suning Blockchain White Paper

The Blockchain technology is triggering a new wave of technological development, presenting a new opportunity for the offline industry to break through and develop. On July 20, 2018, Suning Institute of Technology (SIT) and Suning Institute of Finance (SIF) joined Suning Cloud issued *Suning Blockchain White Paper*, which explained in detail the application scenarios of blockchain in Suning's advantageous industries such as retail, logistics, science and technology, finance, cultural and creative industries and public services, and pointed out the development paths for many industries that can be served by the Blockchain technology in the future.

Smart Service for Quality Life

The concept that "service is the sole product of Suning and users' experience is the only way to test it" has rooted in all aspects of Suning's services. Suning has been focusing on the creation of services and users' experience, providing users with a reassuring consumption experience, efficient logistics and distribution services and considerate community services with its Smart Retail, establishing an industry benchmark and creating an enterprise with a conscience in the industry.





Let the Consumer Experience be More Reassuring

Suning is gradually developing towards the consumption direction of "quality goods + ultimate service", so as to create an open and guaranteed shopping environment for consumers, bring consumers better quality consumption and life experience, shape a better platform image, enhance consumers' trust, and realize the overall innovation of the industry.

· Let Quality be More Guaranteed

Adhere to the principle of self-operation. Suning adheres to the concept of genuine goods and opens its platform for the synchronous development of the B2C model. Through the commodity traceability system and the direct purchase mode from the origin of products, Suning controls product safety and quality from the origin.

Strictly control the product quality. Suning strictly checks and verifies the demands for certificates and tickets, finely selects merchants and commodities, analyzes with Big Data and accurately positions risky commodities. With the help of international and domestic authoritative testing institutions, Suning anonymously buys and inspects sampling to guarantee the quality.

Have strong-strong cooperation with authoritative units. Suning, together with the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China, carried out the "12365 Guide Action for Consumption of Prime Products". Meanwhile, Suning has set up a special page on Suning.com's APP and PC ends to protect the rights and interests of consumers from all aspects such as product quality, service and experience.

Establish a data-sharing mechanism for online transactions. While connecting its data system with that of Jiangsu Provincial Administration for Market Regulation, accessing to the qualification data of relevant enterprises and dynamic monitoring of businesses, Suning timely reports the results of sampling inspection of goods and other information to Jiangsu Market Supervision and Administration Bureau, so as to realize data sharing and cooperation between both sides, and constantly improve the quality of goods through online transactions.



Special Page on Suning.com's APP for "12365 Prime Product Plan"

Suning Group Purchase, Quality Goods with Low Prices

The common problem of social e-commerce lies in quality control and service. It is precisely because of the awareness of this problem that Suning Group Purchase focuses on the core brand value of "quality products". Through strong brand endorsement by Suning, users can recover the confidence lost due to the low quality of products by team purchases. Suning provides users with leading experience in the social e-commerce industry from commodity quality, after-sales, logistics and other aspects. With its quality control management system and supply chain traceability system, Suning effectively guarantees the quality of commodities on Suning Group Purchase.

· Let Transactions and Information be Safer

In order to ensure the transaction safety and information safety of consumers, Suning has established a special internal control system for personal financial information protection and a hierarchical authorization management mechanism for personal financial information database (including personal customer information security protection system and database security management specification) based on its implementation of the *Implementation Measures of the People's Bank of China for Protecting Financial Consumers' Rights and Interests*. Meanwhile, by standardizing the workflow of financial consumers' rights and interests protection, Suning has established a pragmatic and efficient mechanism for handling and managing financial consumers' complaints.

In order to ensure the security of consumers' financial accounts and funds more efficiently, Suning further strengthened the network and information security management in the payment field through the improvement of technology. In 2018, Suning launched "Darwin" blockchain financial blacklist sharing platform, which can increase the effective identification of blacklists by nearly 20%. Suning launched the first smart warranty extension service, the enterprise knowledge graph, the "magic recognition" anti-fraud intelligence graph, the gold manager smart marketing system, the risk control security brain CSI in the country, making the response time for a single transaction risk judgment and decision less than 100ms, enabling opening an account within 100 seconds, and ensuring a high usability of 99.9% in its payment engine. Suning has innovatively used "Jimu" early warning system against abnormal accounts, "Liangyi" risk control algorithm model, more than 3,000 risk control rules, and more than 5,000 expert models.

In 2018, Suning has no major customer privacy leaks and consumers' information security has been well protected.

Technological Innovation Creates an Ultimate Payment Experience with "One-Click Payment"

"One-Click Payment" is a one-click deduction solution created by Suning to provide merchants and users with security and convenience. There is no cash register, no payment password, no SMS verification code, no other intermediate step. With just one click, the payment is as fast as one step and one second, greatly improving the payment experience of users.

For "One-Click Payment", which omits the password, SMS and other verification links, the payment security is especially important. Suning's smart risk control brain, using Big Data and cloud computing, carries out risk identification and detection in a multi-dimensional and all-round way such as accounts, equipment, environments, behaviors, so as to ensure users' account security at all times. Through the data information of users' operation behaviors, transaction records and external operators, Suning improved the risk control models, established the risk characteristics database, smart algorithm component, and penalty center to detect the transaction situation in real time and accurately throughout the whole process, so as to achieve the fast and safe payment featuring accurate interception, low accident, no payment password and no SMS verification code.



Suning's "One-Click Payment" Won "the Annual Case Award of Brand Experience"



Suning's "One-Click Payment" Won "the 2018 Internet Most Valuable Product Award"

Suning also attaches great importance to the protection of consumers' privacy, fully respects consumers' right of self-choice, and provides security protection for the information that consumers allow to adopt or authorize according to legal requirements. When consumers apply for deletion of information and cancellation of accounts, Suning confirms the content in time and provide satisfactory services.

• Let the Ultimate Service be More Reassuring

Ultimate service will become Suning's most powerful brand competition edge. Suning has made seven commitments, including the promise that all parts of large-item home furnishing products bought on Suning's self-operated stores are provided, zero installation fee. Suning launched a credit-based service to change old products for new ones. According to its own credit system, Suning provides a one-stop service to change old products for new ones. Suning officially launched its O2O service system, create a new automobile service experience combining online purchase and offline service, so as to comprehensively improve customers' consumption experience. Through coordination across the whole industry, Suning provides users with high-quality products and services in an all-round way.

"30365" Service Creates a New Benchmark for the Industry

In early March 2018, Suning launched 46 service items to provide consumers with a one-stop service experience, of which the "30365" plan refreshed the industry service standards. The aforementioned "30365" refers to available returns within 30 days and replacements within 365 day. The scope of goods includes large appliances and household appliances. It can be said to be an initiative move in the field of home appliances. The purpose is to give consumers a reassuring after-sales commitment, optimize the service and commitment, leaving the risk to the enterprise and ensuring the rights and interests of consumers, so as to enable consumers to enjoy a real brand-level after-sales service.

"Rapid Return" Upgrades Suning's Service Experience

Although "online shopping" is convenient, the tedious process of applying for a refund or a return annoys many consumers. On the eve of the shopping festival known as the "Single's Day", Suning launched the "Rapid Return" service. Quality users can enjoy a quick refund service featuring "refund before return". After the return application is approved, real-time refund can be made to the account.

Besides, Suning provides special service hours or drop-in pickup within two hours in some cities across the county. Customers only need to apply for the service on APP, and the system will inform Suning couriers who will have door-to-door pick-up within two hours.

Coordinate the Whole Industry with Concentric Circles to Create the Most Passionate World Cup

For the World Cup, a four-year carnival for football fans, Suning played a new "Suning-style" World Cup-themed retail game through the combination of online and offline multi-industry integration during the 2018 Russia World Cup. Suning.com held super large-scale fan parties in many cities. Suning's quantitative advantage in brick and mortar stores and screens across the country has created more viewing venues and opportunities for fans and friends. Suning CVS launched "the late-night gas station" considerate service, opening to business for 24 hours a day. It cooperated with Suning Logistics to provide fans and friends with the "Cool Delivery during the World Cup" service featuring rapid deliveries within 30 minutes for areas within three kilometers before nine o'clock at night. In Suning Cinema and Wanda Cinema in 43 cities across the country, the theme session of "One Film + One World Cup" was launched, in which fans and their families were invited to watch the games for free. Suning combined the passion of football with that of Suning, which vividly demonstrates Suning's development strategy featuring industry-wide coordination and concentric circles.

Let Logistics and Distribution be More Efficient

In 2018, Suning accelerated the change of its business structure and operation mode, carried out the transformation of business and mode based on Suning.com, continuously improved the construction of warehouse, transportation and distribution network, and had started the construction of logistics bases. Suning began to strengthen its own insight and openness to the development of the industry, develop new technologies and tools, and continuously develop new products laden with "frontier technology" to improve the operation quality. Suning makes full efforts in constructing logistics terminal service scenarios, so as to realize convenient, efficient and economical logistics and distribution.

· Rapid Construction of the Logistics Network

Suning has completed the "multipolar and multipoint" storage network layout across the country. By the end of December 2018, Suning Logistics and TTK Express had a total area of 9.5 million square meters of storage and related supporting facilities, 27,444 express outlets, and a logistics network covering 351 prefecture-level cities and 2,858 districts and counties across the country. Suning began its overall layout in the community networks to build a logistics service system free of blind spot by combining community delivery stations, store self-pickup stations, smart self-pickup delivery lockers, Suning Helper and joint self-pickup stations.

At the Suning.com 818 Logistics Press Conference, Suning launched the "One Hundred Rivers Plan", which will accelerate the construction of the backbone warehouse network and the community warehouse network. Meanwhile, through the way of science and technology and social coordination. Suning will comprehensively build basic networks serving partners in multiple fields and build a national logistics network.

In terms of the distribution of the backbone warehouse network, its focus shifts gradually from first-tier and second-tier cities to third-tier and fourth-tier cities. In terms of technical implementation, it will expand from automation to unmanned scenarios.

In the construction of the community warehouse network, the front warehouse and the store warehouse laid by Suning will cover more cities and help us better realize the logistics distribution of the last 100 meters.

"Suning Instant Delivery": A High-Quality Instant Delivery Service

"Suning Instant Delivery" aims to provide a community-based instant service network, so to realize the fast delivery service of one-hour arrival to communities within three kilometers, and the scheduled delivery service of the precise appointed time. "Suning Instant Delivery" relies on Suning CVS to quickly build a local real-time logistics network. Brick and mortar stores including Redbaby, SuFresh, Suning.com Plaza, have been connected to the "Suning Instant Delivery" real-time delivery system. In the future, diverse brand stores in the society will also access and share the high-quality instant delivery service of "Suning Instant Delivery".

· Technology Empowers Smart Logistics

At present, Suning Cloud Warehouse has realized smart logistics during the whole process from warehousing, replenishment, picking, distribution to delivery. In April 2018, Wolong-1 Delivery Vehicle, the unmanned delivery vehicle for the last mile launched by Suning Logistics, can not only work 24 hours a day but also get on and off the elevator to deliver goods directly to customers. Meanwhile, the AGV Robot Warehouse of Ji'nan Suning was launched, and the national robot warehouse network was gradually taking shape. Suning also has a UAV distribution network. With all these, Suning Logistics's "unmanned technology corps" is gaining its momentum.

Suning Launched the Unmanned Heavy Truck "Xinglong-1 Unmanned Truck", "Warehouse to Warehouse" Unmanned Solutions Made Stunning Appearances

In May 2018, Suning's unmanned heavy trucks successfully completed the high-speed scene test in Yancheng and Shanghai automobile testing grounds. The unmanned heavy truck named "Xinglong-1" has the driving technology dwarfing those of veteran drivers. It can not only automatically plan the route for driving, but also easily avoid obstacles. Facing pedestrians suddenly appearing on the road, it can also give early warning and park calmly in advance. The driving error between two times of driving can be controlled within two centimeters, taking the leading position in the industry. This is one breakthrough realized by Suning in the field of unmanned vehicles in trunk lines.

· Construction of Logistics Terminal Service Scenarios

Suning has made full efforts to provide consumers with convenient and free package self-pickup services by arranging stores, smart self-pickup lockers and community delivery stations across the country.

Suning Logistics's Unmanned Express Vehicle "Wolong-1" is Launched to Serve "the Last Mile" in the Community Delivery

Wolong-1 Delivery Vehicle is an unmanned vehicle that can realize information interaction with elevators and deliver goods to the doors. Relying on the IoT, cloud computing, AI and other new technologies, it can realize integrated positioning through multiple sensors such as "multi-line lidar + GPS + inertial navigation", so as to realize smart delivery: Lidar scans the panoramic three-dimensional map of the community first and marks the detailed location of each building, with every pavilion and tree clearly visible. With the help of its own built-in "brain"—artificial intelligence chip, Wolong-1 Delivery Vehicle comprehensively analyzes the relevant information such as the community map, GPS navigation, confirms the current location and destination, so as to plan the distribution route.

Suning is always with you

· Suning CVS Brings a Nearby Warm Life

Suning's Smart Retail is building a "local internet" through a layout featuring multiple business types. In 2018, Suning added a total of 4,266 Suning CVS (including Dia's self-operated and franchised stores) with a variety of fresh and FMCG, making it "a shared refrigerator and kitchen" for the community. They provide customers with many services such as trade-in service for old mobile phones, free collection and express delivery, the appointment for home appliance cleaning and maintenance, telecommunication operator value-added services, among others. While meeting the needs of community residents' life services, they have also become the vanguards in gathering community traffic and building a "Local Internet" for Suning.

Suning CVS "Millions of Breakfasts" Plan

In today's fast-paced life, there are many people who are too busy to have breakfast. In response to this, Suning CVS launched "Millions of Breakfasts" plan to encourage office workers to have breakfast. Its main package including "steam stuffed bun + egg + soymilk" only costs CNY 5, which is very convenient and nutritious and widely popular among young office workers.

· Suning Helper: A Good Helper of Life

As an important support and focus of Suning's services, Suning Helper helps customers all over the country, providing one-stop service within the life cycle of electrical appliances, from delivery, installation, testing and maintenance to warranty extension, cleaning, replacement of consumables, and recycling services, so that Suning Helper became a good helper in the consumers' livelihood, staying closer and more intimate to consumers.

Suning Helper has been persisting in innovative operations for many years, continuously turning its services into products and platforms. Having opened 7*24H all-weather service appointments, Suning Helper offers self-help service appointments at Suning.com's PC end and its WeChat accounts. It has also launched the formaldehyde detection service for new houses, provided customized consultation and professional detection and management service for all-scenario of offices, homes, and others.

On the 818 Shopping Festival, Thousands of Suning's Installation Engineers Traveled Afar to Aid Northeast China

In the summer of 2018, there were rare hot days in Northeast China. In such extreme weather, the sales volume of air conditioners in Northeast China sky-rocketed. The installation volume has also exploded while the local installation personnel was in short supply. In this regard, relying on its powerful after-sales operation ability of Suning Helper, Suning quickly dispatched nearly 2,000 service engineers from Beijing, Tianjin, Ningbo, Xuzhou, Qingdao and other places to directly be "air-transported" to aid the three northeastern provinces, having ensured the timely installation of air conditioners.

The air conditioner installation engineers were dispatched from 43 regions in China, and then traveled for thousands of miles on a chartered aircraft. Such a reinforcement mode featuring "The Chess Board-like Unity of the Entire County" has been running for many years in Suning. Although it had greater operating costs than other platforms, its excellent after-sales service has become a core competitiveness edge of Suning.



Shenyang Suning Warmly Welcomes Aiding Colleagues from Suning Helper

• Suning's Customer Service Offers Smart Service for Livelihood

Suning's customer service, based on the online and offline platforms, takes customer care as its responsibility, continuously improving service efficiency and creating the ultimate service experience for customers. In 2018, the overall satisfaction of online, call consulting services and complaint handling services of the customer service centers of Suning.com reached 94%.

Suning's offline customer service provides customers with 7*24H full-time service, responding calls within 30 seconds. Suning has online smart customer service robots to offer one-to-one service to each user, able to achieve a millisecond-level response. Meanwhile, Suning has established a task list platform, which can record complaints and suggestions from users on omni-channels, as well as showing the handling plan and progress on each link.



Suning's Customer Service Call Seats

Smart Customer Service Robots Enable Warmer Communication

Suning customer service robots have been fully smart, which can not only divert the pressure of traditional artificial customer service personnel, but also improve the problem-solving efficiency and the service quality, thus enhancing users' experience. Su-voice smart assistant, the "knowledgeable" pre-sales customer service representative and Sunny, the 24-hour after-sales customer service representative with a super long standby time, are the smart customer service robots successfully launched by Suning.

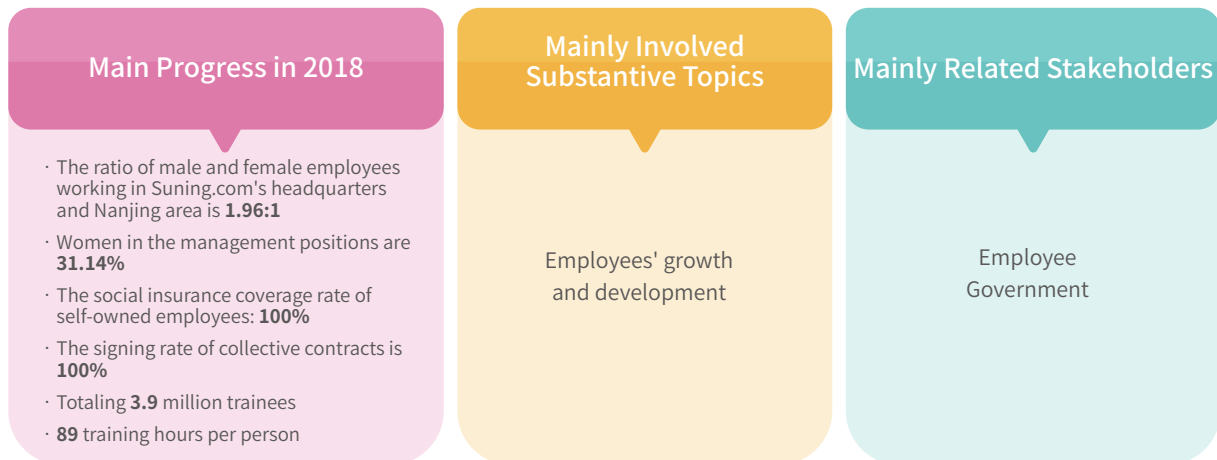
"Su-voice smart assistant" stores a great deal of information about products and preferential activities. Meanwhile, it can analyze the historical purchase behaviors of users based on big data to realize one-to-one precision marketing for customers. In addition to its shopping guide function, "Su-voice smart assistant" is also a good life companion, with a series of skills such as chatting, checking the weather, telling jokes, etc., providing customers with smart dialogue services.

Sunny, an after-sales customer service representative, is an indispensable member of the customer service team. In addition to providing 24-hour uninterrupted service, Sunny, integrated with the AI technology, has comprehensively been improved in its abilities of reading comprehension, speech and image recognition, so that it can think about what users want and solve customers' problems.

Smart Platform for Staff Development

Human capital is more important than monetary capital. Suning insists that its development will benefit every Suning person, so as to realize the co-creation, co-shouldering and sharing between the Company and the staff. Suning inspires employees to grow to be successful, safeguards their legitimate rights and interests, cares for their happy life, and strives to create a harmonious working atmosphere.





Young Dreams Inspired by Smart

When young employees are chasing after their dreams, Suning provides all-round support for them, so that they join in the fight "without any burden" and "strive" for the cause they love. Suning attaches great importance to the growth and training of employees. Relying on the growth platform of itself as a retail giant enterprise, Suning spares no effort to cultivate successors for Suning's business development, so as to lay a solid foundation for the development of Suning to become a time-honored enterprise.

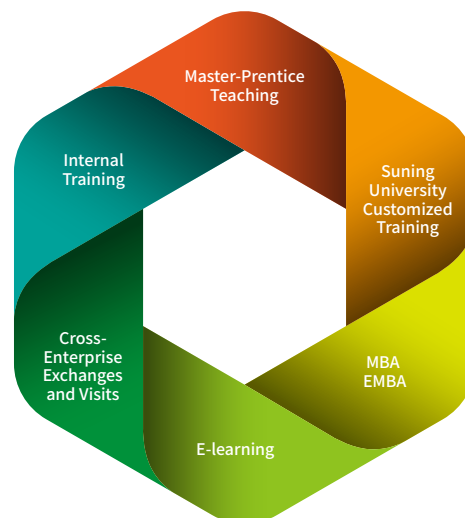
• More Systematic Professional Growth

In 2018, Suning, adhering to the principle of "In-house Training and Promotion", continued to optimize the talent training system of the internal selection echelon, the social recruitment echelon and the 1200 echelon centering on the development of its Smart Retail. Suning made every effort to cultivate excellent enterprise successors at different levels; Based on the posts, Suning provides various training covering all stages of employees' development so as to improve their comprehensive abilities. Meanwhile, the Company further optimized and improved the self-help learning platform for employees, making it convenient for employees to arrange their own learning. In 2018, Suning's training hours per person reached 89 hours, and the number of trainees reached 3.9 million.

In terms of training, in 2018, Suning focused on the development of its Smart Retail, making every effort to build a learning-oriented organization, and planned four general colleges and 15 business schools under Suning University. Among these measures, in order to fully support the rapid launch of Suning CVS, Suning further improved its training organization and curriculum system, completed the construction of training teams and training bases in the headquarter and stores in 43 regions, and further copied its successful experience to other business types. In addition, in the aspect of digital learning, Suning places more emphasis on the mode of multiple scenarios, a training orientation, large middle ends. Suning has further upgraded the 2.0 platform system of Suning University, planed a lot of learning products on the internet, successfully launched learning products such as The Valuable Book of Required Knowledge and Skills and A Collection of One Hundred Cases having realized "7*24H" independent learning.



Suning Employee Self-Help Learning Platform



A Hybrid Learning Model of Internet-Based Learning

1200 Echelon: Training Successors for Time-honored Suning

Suning has always attached great importance to talent training. Suning has been bringing in outstanding graduates from universities from China and abroad every year through "1200 Echelon", Suning has been bringing in outstanding graduates from universities from China and abroad every year, covering the world's top universities and colleges. At present, "1200 Echelon" has become a star project of cultivating the talent echelons of Suning. Suning has trained a large number of outstanding "1200 Echelon" cadres through the "three-high mode" featuring "A High Starting Point, High Responsibilities and A High Level Senior Manager as a Mentor". Among the "1200 Echelon" management trainees 26% are president-level cadres, 36% are general-manager-level and director-level cadres, and 33% are manager-level cadres.



Suning's "1200 Echelon" Campus Recruitment Meeting

• A Broader Stage for Growth

The development of Suning's Smart Retail has created a broad career development space for employees. Suning helps employees to establish a thinking mode which opens up the entire industrial chain, enabling them to realize all-round growth in multiple fields and new thinking; In terms of management, Suning promotes the coordination and cooperation of many internal small teams to form a small team management system. While creating "Suning Speed", it has also created a stage for more employees to release their capabilities.

"10,000-1,000-100 Plan" Attracting the World's Top Talents

From traditional retail to smart retail, IT has become the basic support for the transformation and development of the retail industry. Suning has launched a "10,000-1,000-100 Plan" to recruit talents around the world, and "expanded its troops" for the development of its smart retail. Through bringing in mature talents, cultivating top university and college graduates, working together with top universities and colleges and investing in leading enterprises and other ways, Suning has made key talent reserves in advance in cloud computing, AI, Big Data, and other fields, so as to provide technical talent-based driving force for the further development of smart retail.

At present, more than 90% of Suning's R&D team members are under 30 years old, which strongly supports Suning's transformation and development.

• More Competitive Remuneration and Benefits

Suning strictly implements various social welfare security systems, and provides employees with multiple guarantees combined with industry characteristics including salary, benefits, short-term and long-term incentive. The average wage increase of Suning employees has maintained more than double-digit growth for more than ten years in a row.

Holiday Benefits

Public Holidays, Marriage Leave, Maternity Leave/Abortion Leave, Pregnancy Test Leave, Breastfeeding Leave, Paternity Leave, Home Leave, Annual Leave, Bereavement Leave, Sick Leave, and Work-Related Injury Leave

Festival Cash Gifts

Women's Day Cash Gift
Dragon Boat Festival Cash Gift
Mid-Autumn Festival Cash Gift
Spring Festival Cash Gift

Subsidies

Meal Subsidy
Communication Subsidy
Housing Subsidy
Traffic Subsidy
Travel Subsidy

Overseas Benefits

Overseas employees can enjoy overseas subsidy, housing subsidy, settlement expenses, home leave, reimbursement of round-trip expenses and gifts on traditional festivals

Physical Examination

Entry Physical Examination
Physical Examination of Employees Involving Catering Posts
Annual Physical Examination

Festival Activities

The department systems of the Group organize group activities for the staff
Annual Meeting

Housing Security to Solve Housing Problems for Employees

Suning has provided about 9,000 dormitories and apartments in 41 cities in China, including Beijing, Shanghai, Guangzhou, Shenzhen, Nanjing, Hangzhou, actively solving housing problems for employees.

In addition, Suning launched the "1200 Employee House-Purchasing Loan Project", providing core employees with a maximum amount of CNY 500,000 of low interest as a house-purchasing loan. By the end of 2018, the approved cumulative applied amount was nearly CNY 200 million.



The Interior of Suning's Staff Apartments

Suning Launched Employee Stock Ownership Plan to Share Rights and Interests and Co-Shouldering Responsibilities

In a speech at the Spring Festival greeting party in 2018, Zhang Jindong, Chairman of Suning.com Group, said that we should continue to promote employee stock ownership incentive and investment on innovative teams, so that everyone can share these development opportunities.

On May 14, Suning.com published an announcement that the Board of Directors of the Company had reviewed and approved the draft of the third-phase employee stock ownership plan (hereinafter referred to as "ESOP"). The total capital of the ESOP would be no more than CNY 500 million, and the total number of employees participating in the ESOP would be no more than 1600. Suning's middle-level employees and business backbone employees would be the biggest beneficiaries of the ESOP. This fully reflected Suning's "thirst for talents", guaranteed Suning's "backbone force" for future development, and allowed more employees to enjoy the dividends of the Company's development.

Legal Rights and Interests to Ensure Vitality

Suning strictly implements the relevant national and local laws and regulations by abiding by the *Labor Law of the People's Republic of China* and *Labor Contract Law of the People's Republic of China*, so as to safeguard the legitimate rights and interests of employees. Suning adheres to the principle of fairness and justice, the equal employment of men and women and the equal pay for equal work. It respects the human rights of employees, and also ensures decent work, striving to build a harmonious employee relationship.

• Health and Safety

Suning attaches great importance to the safety and health of employees. Suning has passed GB/T28001-2011 occupational health and safety management system certification and promoted occupational health and safety, making continuous improvement to provide a safe and healthy working environment for employees.



Free Medical Counseling Activities of
Traditional Chinese Medicine

Suning has formulated *Regulations on the Management of Work-Related Injuries and Accidents*. In 2018, the incidence of work-related injuries of the Company's employees was 0.03%. Injured employees were included in the social security according to the relevant regulations for timely treatment and other handlings; Meanwhile, Suning carries out safety inspection regularly, strengthens safety publicity and education, organizes after-sales service personnel to participate in safety training. Suning's headquarter organizes fire drills twice a year.

Suning also helps employees relieve work pressure and tackle sub-health problems by organizing free medical counseling activities, caring-themed lectures, and activities. In 2018, Suning organized eight free medical counseling activities; nine caring-themed lectures on first aid knowledge and medical treatment; during promotion periods, Suning also provided EAP psychological consultation service for customer service representatives to help them relieve the work pressure.

• Democratic Management

Suning actively promotes democratic management and ensures employees' right to know, participate, express and supervise. Suning, through the construction of the Party committee and the Labor Union, has set up an internal employee relationship processing organization to understand employees' demands and solve their problems, improve the enthusiasm and effectiveness of employees' participation in the enterprise management, and create a harmonious enterprise culture. Suning established its Party branch in 1993 and Party committee in 2003. By the end of 2018, Suning had about 14,000 Party members*, a secondary Party committee/general Party branch, and 193 grass-root Party organizations, with full coverage on Suning's industries and companies in all parts of the country. Suning scale of Party construction was in the leading position among non-public enterprises.

Family-Like Atmosphere for Happy Work

Employees are Suning's most valuable wealth. Suning spares no effort in providing employees with all-round care. Suning has built an employee service platform by integrating internal resources, covering catering, leisure, entertainment, accommodation, housekeeping, travel, medical care, education, and other aspects, so as to provide employees with a one-stop service with multiple channels and scenarios.

• Life Service

Suning provides employees with a variety of fitness, nutrition, and other meals. During promotion periods, Suning provides employees with a variety of meals with rich nutrition to "refill their energy". In order to solve the problem of "Difficult Travels" for employees, Suning arranged the Company's shuttle buses to pick up and send employees to and from work every day. Meanwhile, Suning developed its internal "Yocar Hitch Ride" software to build the internal employee sharing travel platform.

In Suning, there are gymnasiums, basketball courts, badminton courts, employees' cinemas to help employees relax and exercise. There are also specially customized blind dates and employee travel plans for employees to make their life colorful. In addition, Suning also actively helps migrant workers to solve the problem of the enrollment to schools of their children.

• Colorful Activities

Every year, Suning holds a variety of corporate cultural activities, including Suning Summer Gala, holiday care activities, Suning Sports Meet, hot summer greetings, brand activities, leisure and entertainment activities and the Couriers's Festivals and others, so as to enrich the daily life of employees.

"Delivering Happiness" in the Second Suning Couriers' Festival

Since 2017, Suning has carried out the Couriers' Festival for two consecutive years, aiming to improve the professional identity of couriers, calling on the whole society to pay attention to the group value of couriers, and effectively protect the rights and interests of couriers.

On August 28, 100 "Super-Passionate Couriers" selected by the whole company came to Suning Headquarter to participate in the award ceremony of the Couriers' Festival, and each of them received a cash reward of CNY 5,000 and went to study in Suning Yuhua Logistics Base. Meanwhile, Suning's major regions have also carefully organized a series of caring-themed activities, such as visiting and sightseeing, watching movies with paid leaves, sending "pleasantly surprising deliveries", to give warmth to couriers who have been bustling around in working days.



Before Chongqing Suning's Giant Express Delivery Carton, Couriers Are Reunited with Their Families



100 Excellent Couriers Swear on the Second Couriers' Festival

*This is the total number of CPC members of Suning Holding Group, most of them are CPC members of Suning.com

Colorful Activities



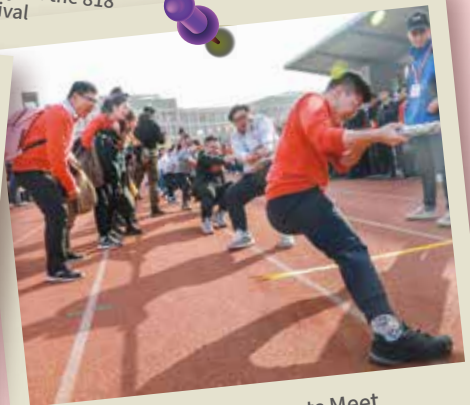
On the eve of Shopping Festival 818, famous TV star Jiang Shuying and famous singing group Rocket Girls 101 made their sudden appearances in Suning Headquarter to deliver benefits to employees



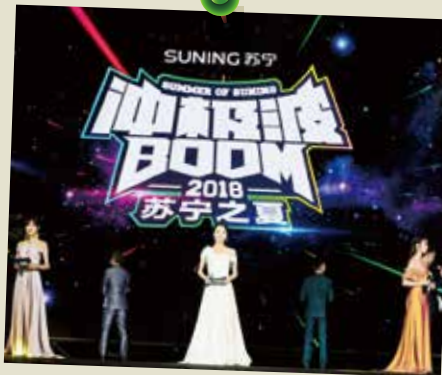
Employees' Carnival Party on the 818 Shopping Festival



Employees Enjoying Delicacies



Suning Sports Meet



Suning Summer Gala



Suning Summer Gala



Suning Family Day



"Suning · Preconnection: Stay Fearless to Love" Dating Activity



· Efficient Office Work

In 2018, Suning transformed some working areas from the traditional fixed office mode to the shared office mode, creating a free, warm and rigorous working environment for employees.

Suning provides employees with one-stop smart office services. In 2018, Suning launched Imeeting Conference Management System to realize smarter and more efficient conference management and service. Company innovatively used smart seals, so that staff can have self-service sealing and the system can automatically count the number of seals and take pictures of the seals printed and taken away. Suning also established Suning Lexicon, translating Suning's proper nouns into Chinese, English, Japanese, Korean and Italian versions for employees to have self-help inquiries at any time. The application of the smart office system not only improves the management efficiency and reduces the human cost, but also makes the work process of the staff orderly, greatly improving the employees' work efficiency and quality.

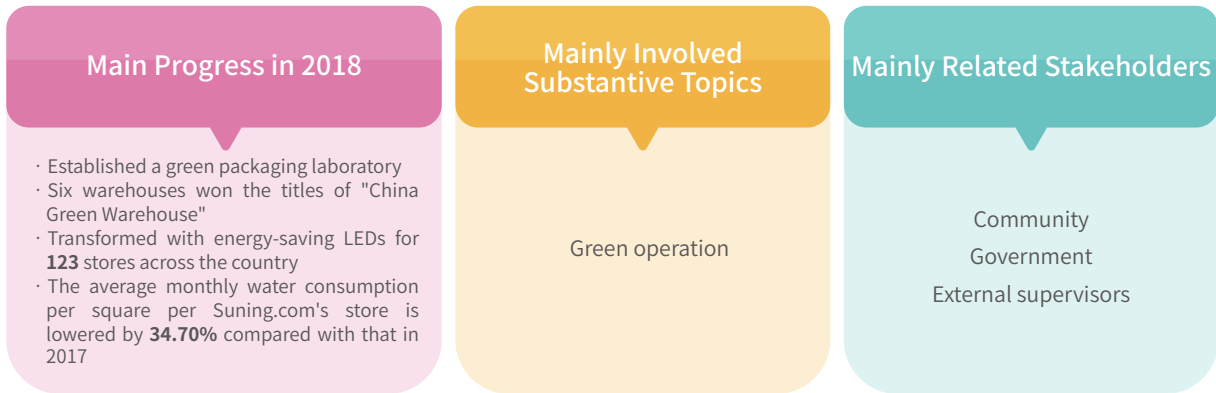


The Office Environment of Suning's Employees

Smart Protection for Nicer Environment

The rapid development of the economy and science and technology has brought problems such as resource exhaustion, environmental pollution and climate change. Suning adheres to the concept of sustainable development, integrates the concept of green and environmental protection into its enterprise strategies, and actively promotes green logistics and green operation. Suning also strives to spread the concept of green environmental protection to the value chain, calling on the whole society to jointly develop the ecology.





Smart Logistics, With Exuberant "Green" Meaning

As a benchmarking green storage and distribution enterprise in China, Suning adheres to the concept of green development, minimizing the negative impact of the logistics link on the environment. Green warehouse, green transportation, green distribution and green terminals have become the focuses of Suning's green logistics action, continuously protecting the green life cycle of express delivery from production to distribution.

• More Inputs on Green Logistics

Suning has actively promoted green logistics. Starting from transportation, storage, packaging and other key links, Suning has built a three-dimensional green logistics system focusing on improving operational efficiency and reducing carbon emissions. Suning is committed to reducing energy consumption and lowering the environmental pollution.

• Green Logistics Center

The construction of the Suning warehouse area attaches importance to environmental protection. Through reasonable site selection, scientific planning and appropriate advanced design, it can effectively save resources, reduce energy consumption and pollution emissions and improve logistics efficiency.

Suning's Six Warehouses Won Three-Star "China Green Warehouse"

In June 2017, Nanjing Suning Cloud Warehouse, Xi'an Jingyang Logistics Center and Chongqing Suning Distribution Center won the titles of the first batch of "China Green Warehouses". One year later, at the Fifth China Green Warehousing and Distribution Conference, China Green Warehouse Rating Committee awarded six three-star (the highest level) "China Green Warehouses" to Shanghai Suning Fengxian Logistics Center, Suning Guangzhou Logistics Center, Suning Chengdu Logistics Center, Neijiang Suning Southwest Logistics Center, Suning Changchun Chaoyang Logistics Center and Harbin Suning Pingfang Logistics Center. Suning's nine "green warehouses" have become the leading green warehouse group in terms of quality and quantity in China.



Green Warehouse

· Green Transportation

Suning strengthens the management of logistics and transportation links. It has developed a transportation network planning system, optimized and adjusted the lines with a high proportion of empty warehouses, which is expected to save more than CNY 30 million per year. Suning has formulated and strictly implemented a low fuel consumption index of logistics vehicles for one hundred miles. Meanwhile, Suning has realized low-carbon operation for "the last mile" through a fixed number of people and vehicles, GPS monitoring, personnel's energy-saving awareness, and skill training.

Besides, Suning has increased the use of new energy logistics vehicles to promote low-carbon environmental protection, energy conservation and consumption reduction from the source. In 2018, 2,861 new energy vehicles were put into use which would reduce carbon dioxide emissions by 860,000 kilograms.

"Green City Plan" Upgrades the Green Logistics Action

The "Green City Plan" is Suning's new exploration and action upgrading in the city dimension. It is committed to building a globally leading full-link green logistics solution. Combining local characteristics, it is also featured by the innovative drive, source governance and social coordination, so as to promote the all-scenario application of green products and create a new-type green logistics express delivery city.

Taking Haikou as a benchmark, during the Double 11 Shopping Festival of 2018, Suning promoted the large-scale use of shared express delivery cartons and middle-paper-less express delivery bills in Haikou. It also realized the landing of shared express carton recycling stations in Suning CVS, helping the recovery of community express packaging and environmental governance. In the future, the "Green City Plan" will help the establishment of the "Green Haikou" model from four dimensions of green storage, green packaging, green transportation and green recycling. Later, its successful experience will be promoted to the whole country.

· Green Packaging

On May 1, 2018, *Interim Regulation on Express Delivery* officially implemented by the State clearly stipulates to promote the reduction and reuse of express delivery packaging materials. Suning cooperates with local packaging associations to make more effective recycling of express delivery packaging through resource sharing. Since the launch of the Drift Carton, the first generation of shared express delivery carton product on April 18, 2017, Suning has successively launched cold chain circulation heat insulation cartons, middle-paper-less express delivery bills, zero-tape cartons, automatic bubble packaging, recycled woven bags and other products, setting a good example of green packaging in the industry.

To Alleviate the Problem of White Pollution, Suning Launched "Zero-Tape Cartons"

Ordinary express delivery cartons are often "tied" by various kinds of tapes. Users usually need to cut the tape layer by layer. Moreover, the main material of tapes is PVC, which takes almost one hundred years to degrade. Excessive use of the tapes has brought serious white pollution.

Upgrading on the basis of ordinary cartons, Suning sets "environmental protection closure latches" at both ends of the carton, which can guarantee the privacy and safety of the goods to the greatest extent even without the use of tapes. In addition, the surface rigidity of zero-tape cartons is high, not easy to crack, light and easy to use, recyclable for more than five times. The single-use price of a finished product is 15% lower than that of an ordinary carton. With the help of physical principles, this express delivery carton abandons assorted sealing tapes, which not only avoids the pollution and waste of tapes, but also give a more pleasant unpacking experience.



Suning's "Zero-Tape Cartons"

• Developing Green Innovation

Exploring the road of environmental protection for a long time, Suning has always firmly kept in its mind the responsibility of environmental protection. On April 22, 2018, Suning held the press conference for the establishment of the Green Packaging Laboratory on the Earth Day. The Green Packaging Laboratory will focus on the development of green packaging and safe packaging, vigorously advocate moderate packaging, striving to build a resource-saving, environment-friendly, recycling and sustainable logistics packaging industry pattern.

Meanwhile, Suning has also organized systematic research on basic packaging standards, professional packaging standards and product packaging standards, actively participated in the revision and improvement of diversified packaging standards of the country, industry and enterprises, so as to form a standard system featuring strong relevance, aggregation and operability. Through the research and development of new technology and new solutions, Suning will continue to promote the improvement of e-commerce logistics packaging solutions.

Suning Launched the First "Green Sharing" Packaging Design Competition

In 2018, Suning launched the First "Green Sharing" Packaging Design Competition, which is aimed at professionals of packaging production enterprises, professionals of design institutions, university and college students and social people who task themselves with environmental protection, so as to collect excellent solutions.

Finally, the Sharing Fresh Life-Car-Mounted Fresh Carton and Rental Services proposed by Shanghai Broadway-GRP Co., Ltd.; the General Smart Mobile Equipment Packaging Solution by EPE Group, Environment-Friendly and Light Luxury Logistics Bags and Environment-Friendly Smart Light Luxury Logistics Cartons researched and developed by Yuen Foong Yu Group won the honors of "Green Innovators".



Works of the "Green Sharing" Packaging Design Competition

Innovative Operation with "Green" Perseverance

Suning has always adhered to green operation, running the concept of saving resources and protecting the environment throughout the whole process and all aspects of operation and management, so as to realize the integrity of economic, social and environmental benefits and promote its sustainable development.

• Establishment of Green Stores

Suning adheres to the concept of green environmental protection to manage and upgrade the stores, improve the infrastructure of the stores and improve energy management. Meanwhile, through the promotion of and training on energy conservation and consumption reduction for the stores' staff, it practically practices the concept of green stores.

In terms of materials, 80% of the materials used in daily displays of Suning.com's stores are recyclable or alterable materials. Materials with longer periodicity are used as many as possible for street advertisements, reducing the frequency of changing the paintings by 30%, effectively reducing the impact of waste materials on the environment.

In 2018, Suning continued to promote the energy-saving lamp project in its stores and carried out LED energy-saving lamp transformation in 123 stores across the nation, with 39,700 lamps transformed and 1,459,600 kWh saved annually.

In 2018, the average annual electricity consumption of a Suning.com's store per 100 square meters per hour was 2.7518 kWh, saving 0.09% compared with that in 2017; in terms of water consumption in the stores, the water consumption per square meter is about 0.1097 ton per month, saving 34.70% compared with that in 2017.

*In order to improve the scientific accuracy of the calculation, the calculation formulas of store power and water consumption in 2017 and 2018 have been adjusted

• Energy-Efficient Data Centers

Traditional data centers have high energy consumption and a scattered layout, resulting in a waste of social resources. Suning adheres to the construction of green data centers as the IT infrastructure bearing Suning's core business, and utilizes the advantages of natural resources and advanced technology to conserve energy, reduce consumption and wastes and improve efficiency, having significantly improved the economic and social benefits of the enterprise.

As one of the first batch of "national green data centers", Suning Yuhua Data Center continued to promote its energy-saving transformation in 2018. The freezing channel closure + row room air conditioning and refrigeration solution adopted in the second-floor machine room greatly reduced PUE* (from 1.8 before the transformation to 1.4) while improving the operation reliability of the machine room. It is estimated that each cabinet can save CNY 2.65 million of power costs each year.

• Promote Green Office Work

Suning advocates green energy-saving office work and integrates the concept of green work, green life and green development into the hearts of every Suning person. Suning encourages employees to save paper, water, and power, and to have green travels, so as to conserve resources and reduce emission during the office process.

In 2018, Suning transformed the lighting fixtures in the office areas of the headquarter into LED ones, and actively adjusted and controlled the operation time of lighting and air conditioning. The annual average office power consumption for one hundred square meters was 2.2772 kWh, which was 0.32% lower than that in 2017.

Join Hands with Partners for a "Green" Future

Suning not only insists on its own green development, but also gives full play to the advantages of the upstream and downstream of the retail industry, promoting suppliers, consumers and even the whole society to participate in the construction of a green future, and calling on the whole society to jointly protect our beautiful home.

• Green Procurement

As a member of the National Energy Conservation and Emission Reduction Standardization Technology Alliance, Suning takes the initiative to promote the application and implementation of the Alliance's standards in the sales of products. In order to better guide the suppliers' green production, Suning has strengthened the procurement and recommendation of energy-efficient household appliances and increased the sales proportion of energy-efficient products.

Suning Carry Out "Lung-Purifying Project" With Its Partners

According to the statistics, there are 113 air conditioners in every 100 urban households in China. The air-conditioning pollution will greatly affect the air quality of every household, and the wide impact indicates the seriousness of the problem.

In order to improve people's living environment, Suning has actively carried out the "Lung-Purifying Project". Firstly, Suning cooperated with professional associations to issue *The White Paper on China's Indoor Air Quality and Health*; Secondly, Suning cooperated with well-known enterprises of air conditioners and primary air products to give allowance, special refunds and other forms of subsidies to users who purchase healthy air conditioners and primary air products; Thirdly, Suning launched the "Free Air Conditioner-Cleaning Trial Plan" and issued 100,000 free cleaning cards; Fourth, Suning cooperated with Guangdong Zhong Nanshan Medical Foundation to establish the "Special Fund for the Lung-Purifying Project", and donated CNY 1 to this Foundation for public welfare every time a sales order of "an old air conditioner for a new one" or "a primary air product" is completed.

• Green Consumption

Suning firmly believes that green consumption is an inevitable requirement for the transformation and upgrading of the retail industry. Suning continues to promote the new consumption concept by giving subsidies and preferential policies to green design products and carrying out the old household appliances for new ones, so that "green consumption" will go deeper in people's minds.

*The abbreviation of Power Usage Effectiveness, referring to the ratio of all the energy consumed by the data center to the energy used by IT load

Suning and the Ministry of Industry and Information Technology Released the 2018 Global Promotion Plan for Green Design Products

In order to promote the global retail industry and brand manufacturers to widely adopt green design products and lead the upgrading of green consumption, Suning, together with the Ministry of Industry and Information Technology, jointly held the 2018 Suning Global Launch Conference of Green Design Products.

The plan aims to establish a four-party closed-loop system to transfer the green design concept from policies, products and channels to the end-users in cooperation with the Department of Energy Conservation and Resources Utilization of the Ministry of Industry and Information Technology. Suning would make full use of its online and offline resources. On one hand, Suning would cooperate with first-tier well-known brand manufacturers to launch subsidies and preferential policies for green design products, and carry out intensive and popular promotion activities according to different stages of Suning's brand promotion; on the other hand, Suning would promote the green design products supported by the Ministry of Industry and Information Technology in an all-round and multi-level way by means of old products for new ones, monthly special promotional sessions, green products going rural and green subsidies worthy over CNY 100 million.



2018 Suning Global Launch Conference of Green Design Products

• Green Advocacy

Suning not only pays attention to the impact of its own operation on the environment, promotes suppliers and consumers to participate in the creation of a green future, but also spreads the concept of green life to the whole society and promotes the practice of the green life style.

Suning's Green Environmental Protection Public Welfare Move Adds Green to the Country

Suning launched a call-making activity ("a cheering activity") for the cities on the eve of the Spring Festival in 2018. Suning elaborately created 21 exclusive videos for the cities and promised to plant a tree for the city with each collection of 100 thumbs-up.

During the Tree-Planting Festival, Suning, together with more than 200 environmental protection volunteers, launched the green tree planting campaign of "trees shading the land and flowers blooming all year round" in Gucun Park, Shanghai; In Hangzhou, Suning's green volunteers, together with the teachers and students of Liuxia Primary School, have planted or adopted more than 300 saplings, enabling students to build up their awareness of ecological and environmental protection in their labor and making the campus greener and more beautiful. Finally, Suning fulfilled its commitment to planting more than 3,000 trees in more than 10 cities across the country.

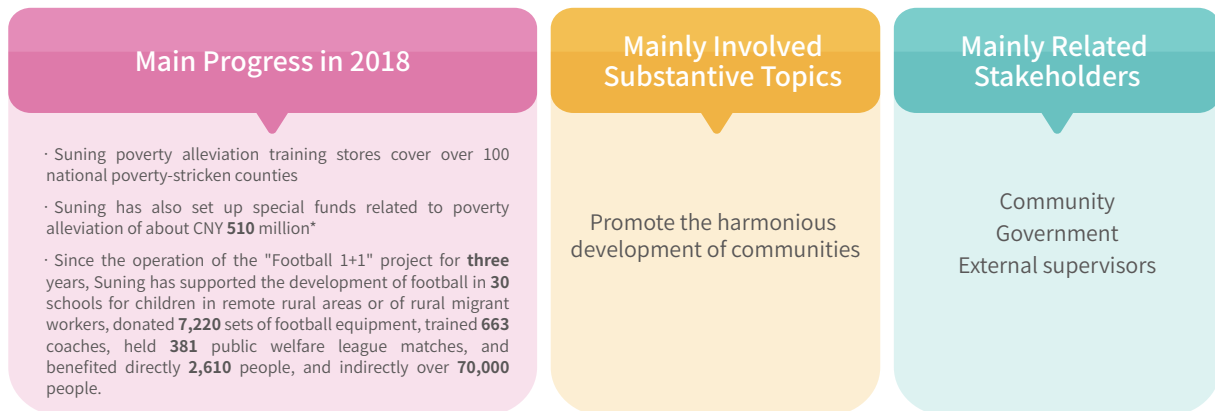


Card of Suning's Public Welfare Tree-Planting Month Activity

Smart Contribution for Better Communities

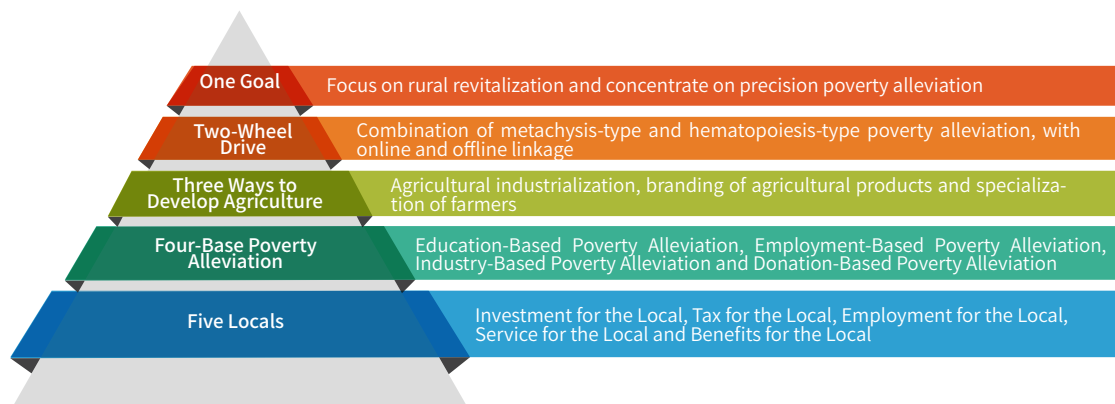
Suning, taking into account its own resources and industry advantages, has been actively engaged in the public welfare undertaking. Through e-commerce-based poverty alleviation, public welfare donation, voluntary services and other forms, it has extensively carried out targeted public welfare, child care, sports-based public welfare, disaster relief and other activities to convey love and hope across the society.





Internet + Poverty Alleviation Empowering Rural Revitalization

Suning has actively responded to the national strategy of precision poverty alleviation and rural revitalization and adopted the poverty alleviation ways featuring the online and offline integration, so that the people of poor-stricken areas can share the economic development benefits. Suning gave full play to its own technology and market advantages, effectively docked supply and demand, and cracked the resource constraints in poor areas, having opened up a new path of "Internet + poverty alleviation".



Strategic Framework of Suning's Precision Poverty Alleviation

· A New Road of E-Commerce-Based Poverty Alleviation

As a leading smart retail enterprise in China, Suning has been focusing on the rural market for many years. Relying on the advantages of its own smart retail, Suning has integrated various resources and rapidly rooted in the county, town, township and village markets to help rural revitalization. Suning has formed a new-type poverty reduction mechanism featuring "Teaching People to Fish", which provides an effective new idea to solve the problem of poverty.

Suning's Smart Retail Empowers County and Town Entrepreneurs: Zhang Changgang's Million-yuan Business Story

Zhang Changgang, from Xiaogang Village, Fengyang County, Anhui Province, had a new identity in 2018, that is, a franchisee of the Suning Retail Cloud Store. Before joining Suning Retail Cloud, Zhang and his wife opened a 50-square-meter convenience store. When the business was good, they can earn CNY 60,000 to CNY 70,000 a year. After joining the Suning Retail Cloud, he opened a featured store of Suning.com with several partners in Banqiao Town, Fengyang. The sales volume reached more than CNY 4 million in just a few months after opening to business. After getting the profit, Zhang has gradually eliminated his worries and uneasiness about transformation and entrepreneurship.

On November 30, Premier Li Keqiang visited the Suning Headquarter in Nanjing and made an on-site call with Zhang. Zhang spoke frankly that the high-speed sales growth of the featured store cannot be separated from suning's brand, supply chain, technology, logistics and financial support. The premier also praised the model of Suning's Retail Cloud.

*The donation and public welfare organization cooperation involved in this chapter are implemented by Suning.com and related companies

• A New Model of Targeted Poverty Alleviation

In 2017, Suning innovatively launched the "Poverty Alleviation Training Store" model, and gradually promoted and copied it to national poverty-stricken counties. Suning.com's poverty alleviation training stores have realized "the Integration of Poverty Alleviation on Four Bases" featuring industry-based poverty alleviation, employment-based poverty alleviation, education-based poverty alleviation and donation-based poverty alleviation. Suning is committed to building a long-term mechanism of precision poverty achieving "real alleviation for poverty and alleviation for real poverty".

Taking Root in the Loess Plateau, Suning Promotes "China's Big and Beautiful Pears" to the Whole Country

Located in Shanxi Province, Xi County is a key county in the poverty alleviation and development work in China, and also a major county of the fruit industry, with 80% of its agricultural income coming from fruit trees. Among them, the most representative one is the Jade Dew Fragrant Pears known as "China's Big and Beautiful Pears" featuring a thin peel, refined pulp, a small kernel, a large edible portion and a high saccharinity.

In 2018, in order to help Xi County's targeted poverty alleviation, Suning opened a new model of O2O poverty alleviation, that is, the poverty alleviation training stores, the first of its kind in China, in Xi County, so as to provide employment training and marketing skills training for local farming households. Suning also guided and promoted the production and sales of local featured agricultural products represented by Jade Dew Fragrant Pears through platforms like online Chinese Characteristic Halls and Local Poverty Alleviation Halls. In view of the frostbite Jade Dew Fragrant Pears in the county caused by the sudden frost disaster, Suning actively carried out field surveys and provided effective assistance and support program for Xi County in combination with China's public welfare foundation Shanpin Commune, which helped the fruit farmers to get through the difficulties smoothly. The move was praised by the local fruit farmers and the government.



Jade Dew Fragrant Pears Sold on Suning.com

Suning's Caring Helps Sell Yongsheng Garlic

"Baota Garlic" of Yongsheng County, Yunnan Province, is a local characteristic agricultural product, which has been exported to Thailand, Vietnam and other countries. However, after the further expansion of its planting area in 2017, the market suddenly changed, with garlic seriously unsalable. Its price plunged from CNY 5 per kilogram last year to CNY 0.7 per kilogram.

Suning was the first to send staff to Yongsheng after learning about this situation. With the overall arrangement and full support of the local government, Suning adopted the government's guide price to purchase the garlic of farming houses on site, avoiding the huge loss brought by the market fluctuation. The purchased garlic was sold through the online and offline channels of Suning. As of 18:00 on May 1, more than 83 tons of garlic were sold through the double-line platform of Suning.com alone, with nearly 20,000 orders, making Suning the primary force in the marketing aids.



Suning.com's Action to "Save Yongsheng Garlic"

• A New Momentum in Poverty Alleviation

Suning is committed to actively participating in the cause of poverty alleviation. Up to now, Suning has donated more than CNY 1.2 billion of funds and materials to the society; In addition, Suning has set up relevant special funds for poverty alleviation of about CNY 510 million.

Suning Joins Hands with Hodo to Donate CNY 100 Million to Assist Poverty Alleviation

"Foundation of Jiangsu Private Enterprises' Decisive Victory Over the All-around Well-off Society and Poverty Alleviation" is established by Jiangsu Federation of Industry and Commerce in order to implement the strategic decision-making and deployment of the 19th National Congress of the Communist Party of China, which will be used for the industry-based poverty alleviation project in line with the national targeted poverty alleviation strategy. As the initiators of the Foundation, Suning* and Hodo Group donated CNY 100 million to the Fund to help solve the problem of insufficient capital investment faced by the current industry-based poverty alleviation, so as to further improve the efficiency of the industry-based poverty alleviation.



Suning and Hodo Jointly Donated CNY 100 Million to "Foundation of Jiangsu Private Enterprises' Decisive Victory Over the All-around Well-off Society and Poverty Alleviation"

Caring + Education to Help Achieving the Wish of Becoming Excellent

The strength of a country lies in its people, while the formation of excellent people comes from learning. Suning has always been adhering to the concept that "Education is a Major Plan of the State", fully supporting the development of education, actively participating in the construction of basic education facilities in poor areas, promoting advanced education methods and promoting the equality of education resources, so that more children have opportunities to enjoy high-quality education resources.

The Dream Caravan: Bringing Diverse Learning Experience to Children

"The Dream Caravan-Suning" is a public welfare project jointly built by Adream Foundation and Suning. When the caravan is put up, it is a big truck. When it is unfolded, it is a multimedia classroom. Within a space of 60 square meters, it is equipped with high-tech hardware and software facilities such as VR glasses, 3D printers, tablet computers, electronic audio-visual programs, intelligent subscription systems, among others, which can simultaneously undertake a variety of teaching functions such as "a small library", "a mobile reading room", "a mobile cinema".

In 2018, with the theme of "A Frontier Trip of Competency-based Education", this dream caravan brought science and technology activity courses to the frontiers, so that local teachers and students could fully experience "the magic of dreams, the power of science and technology, and the beauty of art". The volunteer teachers of the dream caravan brought local students VR experience courses and dream courses such as *Going to the Far*, *Financial Management*, *Light Photography* and *3D Printing Technology Course*, which not only fully mobilized students' enthusiasm for participation, but also made them experience the innovative education mode.



VR Experience in the Dream Caravan

Suning not only fully supports the development of education, but also gives full play to its own industry advantages and resource integration capabilities to gather more brands and make a contribution to the development of education for poor-stricken areas and people.

*Suning Holding Group is the main donor of the Foundation, and Suning.com is an important executor

Suning Unites 18 Water Purification Brands to Care for Orphaned University and College Students

On July 10, 2018, Suning.com, together with the Amity Foundation, launched the Summer Water Purification Festival, and officially launched the "Good Water from Good Purifying Cores Brings Clean Caring" public welfare program of July 13 to July 29, CNY 10 would be donated to the Amity Foundation to fund orphaned university and college students for one designated water purifier sold on omni-channels of Suning.com. 18 water purification brands including A. O. Smith and Midea jointly interpreted the love and health connotation of the water purification industry.

Public Welfare + Sports to Convey the Feelings of Sports

The combination of sports and public welfare can not only generate strong fund-raising energy with the charm of sports, but also effectively mobilize the public, enable more people contact, understand and fall in love with public welfare, enhance people's mutual understanding, promote the spirit of mutual love, self-esteem and independence, and inject strong impetus for the development of public welfare. Suning, together with partners from all walks of the society, made the public welfare become daily and life-oriented through various forms of sports.

One Step One Change: Walk Together for Public Welfare

One Step One Change is a hiking fund-raising activity launched by China Foundation for Poverty Alleviation in 2014. A team of four contestants should not only complete the walking challenge, but also mobilize their relatives and friends to complete the fundraising and support the public welfare with practical actions. Since 2016, Suning has become a ten-year strategic partner of the "One Step One Change" activity. With the help of Suning, "One Step One Change" has become a landmark public hiking project in China. In 2018, two "One Step One Change" activities were successfully held in Beijing and Nanjing. Since the beginning of the activity, more than CNY 20.96 million has been raised and more than 223,000 people have been mobilized to donate, benefiting more than 120,000 primary school student/times.

In addition to the "One Step One Change" activity, Suning has also continued to carry out the "Football 1+1" public welfare project, which provides rural children with football dreams a platform to achieve their dream through a series of activities such as competitions and summer camps.

Meet on the Green Football Pitch to Achieve Football Dreams

On June 1, amid the happy atmosphere of the Children's Day, the opening ceremony of 2018 (the third) Suning · Amity "Football 1+1" Public Welfare League was held simultaneously in Anhui, Jiangsu and Qinghai, participated by 250 young football players from 25 schools.

Since the implementation of the "Football 1+1" project jointly sponsored by Suning and Amity Foundation in 2016, it has supported the development of campus footballs in 30 schools for children in remote rural areas or of rural migrant workers, donated 7,220 sets of football equipment, trained 663 coaches, held 381 public welfare league matches, and benefited directly 2,610 persons and indirectly over 70,000 persons.



The Opening Ceremony of 2018 Suning · Amity "Football 1+1" Public Welfare League

In the first half of 2018, the "Suning.com" website was designated by the Ministry of Civil Affairs as one of the 20 public charity fund-raising information platforms in China. Suning Public Welfare has been actively promoting the daily management and operation of the platform after obtaining the qualification, and widely connected with social charities, provided channels for public fundraising, and further widened the paths of public welfare development. As of August 2018, Suning Public Welfare platform has brought in nine excellent social organizations with public fund-raising qualification and released more than 30 public fund-raising projects covering education, poverty alleviation, medical assistance, natural protection and other types to raise caring donations for the society. "Sunshine Kindergarten", "Hope of the Heart", "I Have a Populus Euphratica Forest" and other public welfare projects have been greatly supported by philanthropic netizens.

In addition, facing natural disasters, Suning spares no effort to actively participate in works like disaster relief, so as to support the disaster areas to rebuild their homes. In 2018, when Typhoon Rumbia hit, some parts of Weifang, Shandong Province were seriously affected. Suning rushed to the front line for relief support at the earliest time and was affirmed by the people and government in the disaster area.



Prospect



In 2019, Suning will continue to adhere to the commitment that "service is the sole product of Suning", focus on creating value for users, comprehensively promote smart retail into a new era of "Ultimate Smart Retail" development, and strive for perfection with the requirements of ultimate smart retail operation, an ultimate speed and extreme experience, so as to better repay the society and meet customers' expectations and needs.

Suning will focus on the users' value, comprehensively eliminate the blind spots and weaknesses in its services, comprehensively improve the users' experience, further improve the efficiency of the collaboration among multiple business types. Based on its smart retail layout, Suning will center around the extension of core retail capabilities such as commodities, channels, users, technology, among others, to create a closed-loop service, so that its quality service will go deeper into the hearts of the people.

Suning will deeply explore the Internet-based scenarios, strengthen the output of its smart retail core capabilities, and co-share and co-grow with partners. Suning will speed up the expansion of its retail cloud stores to provide more entrepreneurs with entrepreneurial opportunities, strengthen data sharing with partners, promote C2B reverse customization mode and drive the supply-side reform. Suning increases the opening of its "SaaS" to provide more relevant enterprises with smart solutions for the retail industry.

Suning will continue to share its corporate development achievements with the society, continue to promote the practice of "poverty alleviation training store" in the whole country, and establish a long-term "industry-based poverty alleviation mechanism" in more areas; actively expand the scope of public welfare to support the development of education, so that more children can enjoy high-quality education resources. Suning takes into account its own industry and resource advantages and improves the influence of its sports public welfare, so as to help the construction of a harmonious and beautiful society.

"Since ancient times, those who made great achievements must not only have extraordinary talents, but also minds of perseverance." A new journey starts in a new year. In the new era, Suning will continue to stick to its original inspiration, back-feed the society and undertake greater social responsibility. Meanwhile, Suning will create greater value for society through its continuous innovation and development.

Appendix

CSR-Related Honors of Suning and Its Related Companies in 2018

Time	Award Name	Ministry of Civil Affairs
May 23	Charitable Organization Internet Public Fund-Raising Information Platform	Social Poverty Alleviation Department of the State Council Leading Group Office of Poverty Alleviation and Development, China International Electronic Commerce Center
May 25	"2018 E-Commerce-Based Poverty Alleviation Model"	The People's Government of Jiangsu Province
September 5	The Most Caring Charitable Donation Unit and the Most Influential Charity Project	Ministry of Civil Affairs
September 13	"China Charity Award"	International Financial News
November 16	2018 E-Commerce Public Welfare Pioneer Award	Cyberspace Administration of China
November 30	2018 Best Innovation Case of Internet-Based Poverty Alleviation	WTO Guide
December 6	"Golden Bee 2018 Excellent CSR Report · Evergreen Award"	JRJ.com
December 13	Outstanding Social Responsibility Award	The State Council Leading Group Office of Poverty Alleviation and Development
December 16	"Typical Cases of National E-Commerce-Based Poverty Alleviation"	Guided by People's Daily, All-China Federation of Industry and Commerce, China Charity Alliance and China Charity Federation; Hosted by People.cn
December 17	"People's CSR Award · Enterprise of the Year"	China Enterprises Evaluation Association
December 18	"China's Satisfactory Brand"	Xinhua Net
December 18	China CSR Outstanding Enterprise Award	Ministry of Civil Affairs

Key Performance

	2014	2015	2016	2017	2018
Operating revenue (Unit: CNY 100 million)	1089.25	1355.48	1485.85	1879.28	2449.57
Number of various self-owned stores (domestic and abroad)	1696	2649	3491	3867	8881
Signing rate of suppliers of <i>Sunshine Commitment</i>	100%	100%	100%	100%	100%
Customer satisfaction	93.64%	95.57%	96.59%	94.60%	94.00%
Training time per employee (Unit: Hour)	88.96	87.40	82.50	85.85	89
Average annual power consumption per hour per 100 square meters per store (Unit: kWh)	—*	—*	—*	2.7544	2.7518
Monthly water consumption per square meter per store (Unit: Ton)	—*	—*	—*	0.1680	0.1097











*In order to improve the scientific accuracy of the calculation, the calculation formulas of power and water consumption per store in 2017 and 2018 have been adjusted.

UN's 2030 Sustainable Development Goals








In September 2015, the United Nations formally adopted the document *Transforming our World: The 2030 Agenda for Sustainable Development*, which proposed 17 sustainable development goals (SDG) and 169 targets and came into force on January 1, 2016. It is committed to wiping out all forms of poverty, achieving equality and tackling climate change, while ensuring that no one is left behind.

Attaching great importance to the implementation of this Agenda, the Chinese government has issued *China's National Plan on Implementation of the 2030 Agenda for Sustainable Development*, so as to make balanced progress in the implementation in the three major areas of the economy, society and environment.

As a bridge connecting consumers and producers, the retail industry supports the government and works with other industries and consumers to achieve these goals through innovation and development. Based on its own reality, Suning.com promotes the implementation of *China's National Plan on Implementation of the 2030 Agenda for Sustainable Development* with practical actions and characteristic practices, contributing to realizing the 2030 Sustainable Development Goals.

UN's 2030 Sustainable Development Goals	Goal Content	Suning.com's Practices
1 No Poverty 	End poverty in all its forms everywhere	E-commerce helps targeted poverty alleviation. Taking "the e-commerce poverty alleviation training store" mode as an effective means, it explores a new path of "Internet + poverty alleviation". The e-commerce-based poverty alleviation training stores cover more than 100 national poverty-stricken counties.
2 Zero Hunger 	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Embed enterprise resources into the industry, take roots in the rural areas and integrate into the society, so as to provide efficient and high-quality services for farmers.
3 Good Health and Well-Being 	Ensure healthy lives and promote well-being for all at all ages	"The Dream Caravan-Suning", "One Step One Change", "Football Dreams on Campus", "Football 1+1", "Blue Love Star Action-Parent-Child Public Welfare Run" and other activities focusing on children's physical and mental health; Provide employees with diverse welfare and other guarantees.
4 Quality Education 	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Actively participate in the construction of education infrastructure in poverty-stricken areas, promote the equalization of quality education, and promote the overall development of children by supporting projects such as "One Step One Change" and "The Dream Caravan"; Provide diverse learning and training for Suning's employees.
5 Gender Equality 	Achieve gender equality and empower all women and girls	Pursue the employment policy of non-discrimination and equal pay for equal work; Care for female employees so that they can balance family matters and work.
6 Clean Water and Sanitation 	Ensure availability and sustainable management of water and sanitation for all	Advocate green and energy-saving office work; Encourage employees to save water and power and have green travel.
7 Affordable and Clean Energy 	Ensure access to affordable, reliable, sustainable and modern energy for all	Have green management and upgrading in the stores, improve energy management, transform 39,700 energy-saving LEDs in the stores and reduce about 1.47 million tons of carbon dioxide emissions.
8 Decent Work and Economic Growth 	Promote inclusive and sustainable economic growth, employment and decent work for all	Safeguard the basic rights and interests of employees and establish a fair and scientific remuneration system; Promote employment.
9 Industry, Innovation and Infrastructure 	Build resilient infrastructure, promote sustainable industrialization and foster innovation	Release "Raas", share technology, management and other background resources; Innovate the retail consumption scenarios and have the layout of the retail network at the county level; Co-build business circles in communities; Support regional transformation and development.
10 Reduce Inequalities 	Reduce inequality within and among countries	The development of the company drives the common development of the society and enables employees and the public to share the development fruits. Have more overseas partners, link high-quality foreign resources, and bring in more high-quality goods and cutting-edge technologies into China.

— Appendix —

UN's 2030 Sustainable Development Goals	Goal Content	Suning.com's Practices
11 Sustainable Cities and Communities 	Make cities inclusive, safe, resilient and sustainable	Support the coordinated development of urban and rural areas and develop business circles in communities; Utilize e-commerce to improve farmers' ability to cope with disasters; Participate in emergency rescue and reconstruction.re high-quality goods and cutting-edge technologies into China.
12 Responsible Consumption and Production 	Ensure sustainable consumption and production patterns	Accurately match the supply and demand relationship through the construction of the smart supply chain; Have green sourcing; Carry out theme activities to convey green ideas to consumers.
13 Climate Action 	Take urgent action to combat climate change and its impacts	Promote the green development of logistics, strive to reduce the adverse impact of the operation process on the environment, reduce the operation loss, and do a good job in conserving energy and reducing emission.
14 Life below Water 	Conserve and sustainably use the oceans, seas and marine resources	Reduce the use of plastics and plastic products, so as to reduce the impact of plastics on the marine environment.
15 Life on Land 	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	Reduce the damage to trees and forests by reducing packages, recycling, sharing express delivery cartons, and reducing the consumption of paper in offices; Actively participate in tree-planting activities and enhance the green ecology.
16 Peace, Justice and Strong Institutions 	Promote just, peaceful and inclusive societies	Pay attention to law-abiding and compliance, strictly improve the long-term mechanism for punishing and preventing corruption and strengthen internal supervision and rectification.
17 Partnerships for the Goals 	Revitalize the global partnership for sustainable development	Innovate cooperation mode and open global strategic cooperation of BuiOS in the future; Actively participate in industry associations, alliances and actions to promote the industry development.



GRI Standards Index

The report follows the core program of *GRI Standards*.

	Index Number and Descriptions	State	Section of the Report	Brief Description
Organization profile	102-1 Organization name	Full disclosure	Company Profile	Suning.com Group Co., Ltd.
	102-2 Activities, brands, products and services	Full disclosure	Company Profile; Smart Retail for Quality Growth	Suning is China's leading O2O Smart Retailer, operating categories covering home appliances, 3C, maternal and child, department stores, supermarkets, clothing, etc.
	102-3 Location of headquarters	Full disclosure	Company Profile	Nanjing, Jiangsu Province
	102-4 Location of operations	Full disclosure	Company Profile	Domestic and abroad
	102-5 Ownership and legal form	Full disclosure	About Us	Private enterprise
	102-6 Markets served	Full disclosure	Company Profile; Smart Retail for Quality Growth	Domestic and abroad
	102-7 Scale of organization	Full disclosure	Company Profile	Over 10,000 self-operated innovative internet stores and outlets
	102-8 Information on employees and other workers	Full disclosure	Smart Platform for Staff Development	The ratio of male and female employees in Suning is 1.96: 1
	102-9 Supply chain	Full disclosure	Corporate Governance; Smart Openness for Shared Value	Suning builds the smart supply chain to drive the industry ecology
	102-10 Significant changes to the organization and its supply chain	Full disclosure	About Us	No significant change
	102-11 Precautionary principle or approach	Full disclosure	Corporate Governance	Suning continues to improve the construction of "three lines of defense" internal control system to prevent and control risks in an all-round way
	102-12 External initiatives	Full disclosure	Link Value and Contribute to High-Quality Development	Suning's accession to <i>The E-Commerce Integrity Convention</i> and other external initiatives helps the industry progress
	102-13 Membership of associations	Full disclosure	Link Value and Contribute to High-Quality Development	Suning becomes a member of DevOps Standard Working Group and promotes science and technology of the industry
Strategy	102-14 Statements by senior decision-maker	Full disclosure	Address by the Chairman	—
Ethics and integrity	102-16 Values, principles, standards and norms of behavior	Full disclosure	Corporate Governance	Suning's "Sunshine Mission"
	102-17 Mechanisms for advice and concerns about ethics	Full disclosure	Corporate Governance	Suning adheres to the principle of "Concurrent Punishment and Prevention" to fight against corruption and build a clean company
Governance	102-18 Governance structure	Full disclosure	Corporate Governance	—

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Stakeholders' participation	Index Number and Descriptions		State	Section of the Report	Brief Description
	102-40 List of stakeholder groups		Full disclosure	Social Responsibility Management	—
	102-41 Collective bargaining agreements		Full disclosure	Smart Platform for Staff Development	The signing rate of collective contracts is 100%
	102-42 Identifying and selecting stakeholders		Full disclosure	Social Responsibility Management	—
	102-43 Approach to stakeholder engagement		Full disclosure	Social Responsibility Management	—
	102-44 Key topics and concerns raised		Full disclosure	Social Responsibility Management	—
Reporting practice	102-45 Entities included in the consolidated financial statements		Full disclosure	About the Report	For more information, see Suning.com's <i>2018 Annual Report</i>
	102-46 Defining report content and issues' boundaries		Full disclosure	About the Report	The report covers Suning.com Group Co., Ltd. and its subsidiaries
	102-47 List of substantive topics		Full disclosure	Social Responsibility Management	—
	102-48 Restatements of information		Full disclosure	About Us	No restated information
	102-49 Changes in reporting		Full disclosure	Social Responsibility Management	No significant change
	102-50 Reporting period		Full disclosure	About the Report	The reporting time span is from January 1, 2018 to December 31, 2018, with some information given beyond the abovementioned time span
	102-51 Date of the most recent report		Full disclosure	About the Report	The last report was released in March 2018
	102-52 Reporting cycle		Full disclosure	About the Report	Once a year
	102-53 Contact point for questions regarding the report		Full disclosure	Feedback on the Report	brand@cnsuning.com
	102-54 Claims of reporting in accordance with GRI Standards		Full disclosure	<i>GRI Standards</i> Index	The report is compiled in accordance with the core program of <i>GRI Standards</i>
	102-55 GRI content index		Full disclosure	<i>GRI Standards</i> Index	—
GRI 201: Economic performance	102-55 GRI content index	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Social Responsibility Management; Smart Retail for Quality Growth	Suning continues to promote the Smart Retail mode
	Topic-specific disclosures	201-1 Direct economic value generated and distributed	Full disclosure	Smart Retail for Quality Growth	Net income attributed to shareholders: CNY 13.328 billion
		201-2 Financial implications and other risks and opportunities due to climate change	Full disclosure	Smart Protection for Nicer Environment	Suning integrates the concept of green and environmental protection into the enterprise strategies, and actively promotes green logistics and green operation

GRI 203: Indirect economic impacts	Index Number and Descriptions		State	Section of the Report	Brief Description
GRI 203: Indirect economic impacts	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Link Value and Contribute to High-Quality Development; Smart Contribution for Better Communities	Suning is committed to sharing development achievements with the industry and society
	Topic-specific disclosures	203-1 Infrastructure investments and services supported	Full disclosure	Link Value and Contribute to High-Quality Development	Suning actively responds to the calls of the governments, further promotes the cooperation between governments and enterprises, and built a win-win development platform with government departments at all levels
		203-2 Significant indirect economic impacts	Full disclosure	Smart Contribution to Better Communities	Suning extensively carries out such activities as targeted poverty alleviation, caring for children, sports public welfare, disaster relief
GRI 205: Anti-corruption	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Corporate Governance	Suning always adheres to the policy of "Concurrent Punishment and Prevention"
	Topic-specific disclosures	205-2 Communication and training about anti-corruption policies and procedures	Full disclosure	Corporate Governance	Suning promotes incorruption training activities and creates a good atmosphere and environment for incorruption and self-discipline
GRI 206: Improper competition	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Corporate Governance	Suning firmly opposes any unfair competition and strictly implements relevant laws and regulations such as <i>Anti Unfair Competition Law of the People's Republic of China</i> , <i>Interim Provisions on the Prohibition of Commercial Bribery</i> and so on
	Topic-specific disclosures	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Full disclosure	Corporate Governance	No legal proceedings against improper competition, antitrust and monopoly practices have taken place
GRI 302: Energy	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Smart Protection for Nicer Environment	Suning actively promotes green logistics and green operation to reduce energy consumption
	Topic-specific disclosures	302-1 Energy consumption within the organization	Full disclosure	Innovative Operation With "Green" Perseverance	Suning's average daily office power consumption per 100 square meters is 2.2772 kWh, 0.32% lower than that in 2017
		302-4 Reduction of energy consumption	Full disclosure	Smart Protection for Nicer Environment	The energy-saving lamp project of Suning's stores saves 1,459,600 kWh of power every year
		302-5 Reductions in energy requirements of products and services	Full disclosure	Smart Protection for Nicer Environment	Suning increases the use of new energy logistics vehicles to promote low-carbon environmental protection, energy conservation and consumption reduction from the sources
GRI 305: Emission	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Smart Protection for Nicer Environment	Suning actively promotes green logistics and green operation to reduce greenhouse gas emissions
	Topic-specific disclosures	305-5 Reduction of GHG emissions	Full disclosure	Smart Protection for Nicer Environment	Suning put 2,861 new energy vehicles into use in 2018, which can reduce carbon dioxide emissions by 860,000 kg
GRI 401: Employment	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Smart Platform for Staff Development	Suning strictly implements the relevant national and local laws and regulations, abides by <i>Labor Law of the People's Republic of China</i> and <i>Labor Contract Law of the People's Republic of China</i> , safeguarding the legitimate rights and interests of employees
	Topic-specific disclosures	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Full disclosure	Smart Platform for Staff Development	All Suning's employees shall enjoy the welfare benefits stipulated by relevant laws and regulations

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GRI 403: Occupational health and safety	Index Number and Descriptions		State	Section of the Report	Brief Description
	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Legal Rights and Interests to Ensure Vitality	Suning has formulated <i>Regulations on Management of Work -Related Injuries and Accidents</i> and passed the GB/T28001-2011 certification of occupational health and safety management system
	Topic-specific disclosures	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Full disclosure	Legal Rights and Interests to Ensure Vitality	Employees' work-related injury rate of 0.03%
		403-4 Health and safety topics covered in formal agreements with labor unions	Full disclosure	Legal Rights and Interests to Ensure Vitality	Suning brings health and safety issues into the formal agreements with the Labor Union
GRI 404: Training and education	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Young Dream with Smart Inspiration	Suning attaches great importance to the growth and training of employees and adheres to the principle of "In-house Training and Promotion"
	Topic-specific disclosures	404-1 Average hours of training per year per employee	Full disclosure	Young Dream with Smart Inspiration	Suning has 89 hours of training per employee
		404-2 Programs for upgrading employee skills and transition assistance programs	Full disclosure	Young Dream with Smart Inspiration	Suning continues to optimize the talent training system of internal selection, social recruitment and 1200 echelons
GRI 405: Diversity and equal opportunities	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Legal Rights and Interests to Ensure Vitality	Suning adheres to the principle of fairness and justice, the equal employment of men and women and equal pay for equal work
	Topic-specific disclosures	405-1 Diversity of governance bodies and employees	Full disclosure	Smart Platform for Staff Development	The ratio of male and female employees is 1.96:1. Female managerial personnel account for 31.14% of all managerial personnel
		405-2 Ratio of basic salary and remuneration of women to men	Full disclosure	Legal Rights and Interests to Ensure Vitality	Suning follows the principle of "Three Sameness" of the same responsibilities and pay for the same post
GRI 406: Non-discrimination	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Legal Rights and Interests to Ensure Vitality	Suning adheres to the principle of fairness and justice, the equal employment of men and women and equal pay for equal work
	Topic-specific disclosures	406-1 Incidents of discrimination and corrective actions taken	Full disclosure	Legal Rights and Interests to Ensure Vitality	No discrimination occurred during the reporting period
GRI 409: Forced or compulsory labor	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Legal Rights and Interests to Ensure Vitality	Suning strictly implements the relevant national and local laws and regulations, abides by <i>Labor Law of the People's Republic of China</i> and <i>Labor Contract Law of the People's Republic of China</i> , safeguarding the legitimate rights and interests of employees
	Topic-specific disclosures	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Full disclosure	Legal Rights and Interests to Ensure Vitality	No forced or compulsory labor occurred in the reporting period
GRI 413: Local communities	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Smart Contribution to Better Communities	Suning actively participates in public welfare and philanthropy based on its own resources and industry advantages
	Topic-specific disclosures	413-1 Operations with local community engagement, impact assessments, and development programs	Full disclosure	Smart Contribution to Better Communities	Suning strives to communicate and cooperate with local stakeholders to discover the real needs of the community in its operations
		413-2 Operations with significant actual and potential negative impacts on local communities	Full disclosure	Smart Contribution to Better Communities	Operation venues without actual or potential significant negative impact

GRI 414: Supplier social assessment	Index Number and Descriptions		State	Section of the Report	Brief Description
GRI 414: Supplier social assessment	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Smart Openness for Shared Value	Suning and all suppliers sign <i>Sunshine Commitment</i> to protect fair market competition
	Topic-specific disclosures	414-2 Negative social impacts in the supply chain and actions taken	Full disclosure	Smart Openness for Shared Value	No negative impact on the supply chain
GRI 416: Customer health and safety	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Smart Service for Quality Life	Suning insists on "quality goods + ultimate service"
	Topic-specific disclosures	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Full disclosure	Smart Service for Quality Life	No non-compliance
Marketing and labeling	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Smart Service for Quality Life	For more information, please refer to Suning's website on customer service http://www.suning.cn/cms/servicePrinciple/index.htm
	Topic-specific disclosures	417-1 Requirements for product and service information and labeling	Full disclosure	Smart Service for Quality Life	For more information, please refer to Suning's website on customer service http://www.suning.cn/cms/servicePrinciple/index.htm
		417-2 Incidents of non-compliance concerning product and service information and labeling	Full disclosure	Smart Service for Quality Life	No non-compliance
		417-3 Incidents of non-compliance concerning marketing communications	Full disclosure	Smart Service for Quality Life	No non-compliance
Customer privacy	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Consumers' Experience Is More Reassuring	Suning further strengthens the network and information security management in the payment field through the improvement of technology, so as to more efficiently ensure the security of consumer financial accounts and funds
	Topic-specific disclosures	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Full disclosure	Consumers' Experience Is More Reassuring	No non-compliance
Socioeconomic compliance	GRI 103: General requirements for reporting the management approach	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Full disclosure	Corporate Governance	Suning always strictly abides by laws and regulations and stays honest and trustworthy, so as to ensure the compliance of products and projects
	Topic-specific disclosures	419-1 Non-compliance with laws and regulations in the social and economic area	Full disclosure	Corporate Governance	No non-compliance

Verification and Assurance Statement

Scope and Methods

DNV·GL Management Service Group (hereinafter referred to as DNV·GL) independently verified *The 2018 Social Responsibility Report* (hereinafter referred to as the "*Report*") of the Suning.com Group Co., Ltd. (hereinafter referred to as "Suning.com") on the commission of Suning.com.

The verification is planned and implemented in accordance with requirements of *The DNV·GL Verification Protocol for Sustainability Reporting*, which are derived from DNV·GL's professional experience and include *ISAE3000 Standards* and *GRI Standards* and other international best practices.

In addition to verifying the contents disclosed in the *Report*, we also evaluated the data collection, recording and summary process of specific social responsibility performance information of Suning.com according to the reliability principle. Specific social responsibility information: Environmental performance in 2018 as disclosed in the *Report*.

The performance and data in the *Report* refer to the core program of *GRI Standards: 2016*.

The financial data and information disclosed in the *Report* are from *The 2018 Financial Report of Suning.com* audited by a third party, and the review of the financial data obtained from this annual report is not within our scope of work.

We have planned and implemented relevant verification work to obtain the necessary evidence to provide the basis for opinions of the assurance. This verification is based on the requirements of "principles to be followed" in *The Verification Protocol* and provides limited-level assurance. A higher level of assurance will require additional work at the Group and site levels to obtain further evidence to support our assurance opinions.

Mutual Responsibilities

Suning.com is responsible for data collection, analysis, summary and information disclosure in the *Report*. When DNV·GL carried out this work, it executed all the verification work in accordance with the terms agreed by both parties. This statement describes DNV·GL's relevant opinions on the *Report*, and each stakeholder of Suning.com is the intended user of this statement.

Apart from this verification statement, DNV·GL is not involved in the preparation of any content and data in the report. The verification process is based on the premise that the data and information provided to us by Suning.com are complete and reliable. DNV·GL understands the relevant positive and negative comments on Suning.com through various public channels during the verification process, so as to maintain the full neutrality of the verification. DNV·GL expressly disclaims any responsibility or obligation for any decision made by any person or entity based on this statement.

Verification Activities

The verification team, which is composed of a number of sustainable development and verification experts, conducted on-site review at the headquarter of Suning.com and its subordinate branches. Our verification activities include:

- Review the social responsibility issues disclosed in the *Report*, which affect Suning.com and are concerned by stakeholders;
- Review the management methods and activities of "stakeholder participation" of Suning.com, such as customer satisfaction surveys and communications;
- Review relevant information of management and disclosure of social responsibility performance by Suning.com according to reporting principles;
- Interview with the relevant management of social responsibility management of Suning.com and the persons in charge of key positions, and review the relevant social responsibility management activities;
- Based on the key responsibility topics disclosed in the *Report*, our team visits the headquarter of Suning.com Group Co., Ltd., Suning.com Qilinmen Tianfu Plaza Store and Suning CVS Zijin Dongjun Store to review the management process and system of social responsibility performance information and implementation of social responsibility management strategy within the organization;
- Review the supporting evidence of performance information and data disclosed in the *Report* based on the overall priority of social responsibility substantive topics of Suning.com;
- Sample and verify the generation, collection and management process of qualitative and quantitative data disclosed in the *Report*;
- Review the *Report's* compliance with the core programs of *GRI Standards: 2016*.

Verification Opinions

Based on the verification work that has been carried out, nothing makes us think that the *Report* is not properly stated in accordance with the reporting principles. In terms of the reliability of performance information or data, nothing makes us think that this performance information or data are not correctly obtained from all business levels, or deliberately fabricated.

Within the scope of this verification, nothing makes us think that the *Report* does not comply with relevant requirements of *GRI Standards: 2016*, such as:

- General standard disclosure: The "general disclosure" and "management methods" information disclosed in the *Report*, including the explanation of the reasons for the undisclosed items, did not fail to comply with relevant requirements of *GRI Standards: 2016*.
- Special disclosure of issues: The information disclosed in the *Report* related to "special standards for issues", including management methods and performance information related to substantive topics, did not fail to comply with relevant requirements of *GRI Standards: 2016*.

Verification Findings

The following suggestions and improvement opportunities are extracted from the verification report submitted by DNV · GL to the management of Suning.com. However, this does not affect our conclusions in the report. The following recommendations are consistent with the existing management objectives of Suning.com:

- It is recommended that the Company should further establish a more complete and relatively stable social responsibility performance indicator system around the established sustainable development strategies and substantive topics, so as to show more transparently the trend of changes in the Company's social responsibility performance data in the *Report*;
- It is recommended that the Company should further comb and standardize the collection, sorting and analysis process of social responsibility performance data on the basis of established social responsibility management process, so as to disclose more accurately the Company's social responsibility performance data in the *Report*;
- It is recommended to disclose more performance information related to key substantive topics in the form of quantitative data in the *Report* so as to respond more comprehensively to the reasonable expectations of stakeholders in the *Report*.

Reporting principles of *The Verification Protocol*:

Substantiality: The *Report* disclosed the methods and evaluation processes of determining substantive topics established by Suning.com, and how to implement the internal management mechanism and performance standards of these substantive topics; The *Report* transparently disclosed the sustainable development performance information of the key responsibility issues such as "Smart Retail" and "the supply chain empowering" of Suning.com and related substantive topics.

Stakeholder Inclusion: The *Report* disclosed the communication mechanism with stakeholders, which has been established by Suning.com, the issues of different stakeholders identified by Suning.com and the identification results of key issues. The *Report* basically covered the core issues of stakeholders when selecting and disclosing key responsibility issues.

Responsiveness: The *Report* disclosed the commitment and action of Suning.com on the core issues concerned by the stakeholders and the substantive topics identified by the screening, disclosed the social responsibility practice of Suning.com on the benchmarking *UN's 2030 Sustainable Development Goals*, and more comprehensively responded to the key responsibility issues concerned by the main stakeholders.

Completeness: In reporting scope and boundaries defined by Suning.com, we believe that the *Report* did not omit any information that is enough to affect the decision of stakeholders or the main issues of social responsibility during the reporting period, but it is better to disclose more completely performance information related to the selected substantive topics, such as information security and other issues.

Accuracy: During the verification, the verification team verified the specific performance information disclosed in the *Report*. Suning.com demonstrated to the verification team the collection and statistics process of its social responsibility performance information and data. During the verification, it found that some specific data and information were missing, but no systematic errors were found.

Neutrality: We believe that the overall tone of the *Report* is basically neutral, with balanced information disclosure. The focuses of various issues disclosed in the *Report* are basically proportional to their nature.

— Verification and Assurance Statement —

The sustainable development background: Suning.com takes coordinated economic, environmental and social development of the industry and region as the overall background to discuss its sustainable development actions and performance. The social responsibility management information and data disclosed in the *Report* are related to the strategic objectives and business development background of Suning.com.

DNV · GL - Management Services Group



Wu Di
Leader of the Verification Team



David Hsieh
Approval
China Sustainability Business Manager

Shanghai, March 2019

Feedback on the Report

Feedback Form

Distinguished Readers,

Greetings! The process of preparing *The 2018 Corporate Social Responsibility Report of Suning.com Group Co., Ltd.* is one of comprehensively reviewing and systematically summarizing the concepts and practices of corporate social responsibility of Suning.com, as well as the process of further enhancing communication with stakeholders. We hope you can provide feedback on *The 2018 Corporate Social Responsibility Report of Suning.com Group Co., Ltd.*, so as to help Suning.com improve its ability and level of responsibility performance. We will listen to your feedback carefully and extend our heartfelt thanks to you.

—Brand Department, Suning.com Group Co., Ltd.

Choice Questions: (Please tick the corresponding position)

1. Your general impression on the report is:

☐ Very good ☐ Good ☐ General ☐ Poor ☐ Very poor

2. In your opinion, the quality of the social responsibility information disclosed in the report is:

☐ Very high ☐ High ☐ General ☐ Low ☐ Very low

3. In your opinion, the structure of the report is:

☐ Very reasonable ☐ Relatively reasonable ☐ General ☐ Poor ☐ Very poor

4. In your opinion, the layout design of the report is:

☐ Very reasonable ☐ Relatively reasonable ☐ General ☐ Poor ☐ Very poor

5. In your opinion, the readability of the report is:

☐ Very good ☐ Good ☐ General ☐ Poor ☐ Very poor

Open Questions:

1. What are your suggestions on the social responsibility work of Suning.com Group Co., Ltd.?

2. What deficiencies do you think exist in the report?

3. What valuable social responsibility information do you think the report provides you?

4. What other social responsibility information do you think needs to be disclosed in the report?

If any, please send a letter to: No.1, Suning Avenue, Xuzhuang Software Park, Xuanwu District, Nanjing City, Jiangsu Province, China; or send an e-mail to: brand@cnsuning.com



Corporate Social Responsibility Report
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