

2023/24

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



 阿里巴巴 影业集团™
Alibaba Pictures

Alibaba Pictures Group Limited
阿里巴巴影業集團有限公司

Stock Code:1060

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ABOUT THIS REPORT

BRIEF INTRODUCTION TO THE REPORT

This is the 2023/24 Environmental, Social and Governance (ESG) Report released by Alibaba Pictures Group Limited (“Alibaba Pictures” or the “Company”). It aims to showcase the ESG strategies, management and practices of Alibaba Pictures and its principal subsidiaries as of March 31, 2024 as listed in its annual report 2023/24.

REFERENCE

For the convenience of expression, Alibaba Pictures Group Limited is also referred to as “Alibaba Pictures”, the “Company” or “we” in this report. The “Group” or the “Alibaba Pictures Group” refer to Alibaba Pictures and its subsidiaries collectively. “Alibaba Group” refers to Alibaba Group Holding Limited and its subsidiaries collectively.

REPORTING SCOPE

The information and data disclosed in this report cover Alibaba Pictures and its principal subsidiaries as of March 31, 2024 as listed in its annual report 2023/24. The reporting period spans from April 1, 2023 to March 31, 2024 (the “Reporting Period”).

BASIS OF PREPARATION

This report has been prepared in accordance with the relevant provisions of the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

SOURCES OF INFORMATION

All information and data referred to in this report are sourced from the Group’s official documents, statistical reports and financial reports, which have been collected, summarised and reviewed by relevant departments. Unless otherwise specified, the reporting currency herein is Renminbi (RMB).

REPORTING PRINCIPLES

- Principle of Materiality: The report discloses a matrix of material issues and elaborates on the process and final results of determining material issues, together with a list of key stakeholders and corresponding communication measures. For details, please refer to the sections headed “Stakeholder Engagement” and “Determination of Material Issues” in this report.
- Principle of Quantitative: The environmental data disclosed in this report are presented with reference standards, calculation methods and parameters, which followed the ESG Reporting Guide.
- Principle of Balance: This report discloses positive and negative information objectively to ensure balanced content.
- Principle of Consistency: The information disclosed in this report covers Alibaba Pictures and its subsidiaries, and is consistent with the scope of the annual report 2023/24 of Alibaba Pictures. Methodologies adopted for the preparation of this report are consistent with the previous financial year. If there are any changes in the scope of disclosure and calculation methodologies that may affect the comparison with previous reports, explanations will be provided to the corresponding data.

REPORT VERSION AND AVAILABILITY

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

- Official website of Alibaba Pictures: <https://www.alibabapictures.com>
- Website of The Stock Exchange of Hong Kong Limited: <https://www.hkexnews.hk>

ABOUT ALIBABA PICTURES

Alibaba Pictures is a leading Mainland China-based company engaged in the content, technology, as well as film and television industries. It has extensive experience in the production of film and television content, internet-based promotion and distribution, content data services for the pan-entertainment industry, as well as merchandise development. Alibaba Pictures is committed to releasing to the market premium entertainment content whose core value reflects selflessness which involves ordinary people performing heroic deeds that promote strong sentiment and positive values. It also builds momentum on technology in collaboration with the offline entertainment industry to explore the potential of innovative operations, and promotes digital transformation across the entire industry chain.

During the Reporting Period, Alibaba Pictures introduced a string of premium films and TV dramas, such as "Post Truth (保你平安)", "Born to Fly (長空之王)", "Lost in the Stars (消失的她)", "Chang'an (長安三萬里)", "No More Bets (孤注一擲)", "Endless Journey (三大隊)", "YOLO (熱辣滾燙)" and "Pegasus 2 (飛馳人生2)".

In 2023, Alibaba Pictures completed the acquisition of Pony Media Holdings Inc., which, together with its subsidiaries operate under the trade name of "Damai", a leading provider of integrated live entertainment services in Mainland China, whose performance ticketing operation covers several professional categories, including concerts, musical festivals, dramas, exhibitions, talk shows and sports events. In terms of content investment and production, Damai operates four key brands for performance content, namely "Dang Ran You Xi (當然有戲)", Xiami Music Entertainment, Unlimited Art and "Cool Xiaomai (酷小麥)". In terms of event services, Damai has extensively applied paperless technology in large performance and exhibition events.

Film investment, production, promotion and distribution

The Group continues to step up its investment in self-production and co-production projects, strengthen its role as the leading promoter and distributor, and reinforce its core competency in investment and distribution services. During the Reporting Period, the Group presented and distributed over 60 films (including nearly 30 films with the Group as the leading promoter and distributor and six films with the Group as the self-producer and co-producer), and has more than 80 films in the pipeline for release. The Group integrated the promotion and distribution of film and drama series IPs, and realized basically consistent broadcasting schedules for the Chinese Lunar New Year film “Pegasus 2 (飛馳人生2)” and the exclusive drama series on Youku “Pegasus (飛馳人生熱愛篇)”, in which the Group participated in the production of the former and self-produced the latter. Apart from complementary car racing element and shared material library, the overlapping and resonance in the popularity of the IPs was also materialized in the process of promotion and distribution. To further improve its capabilities to produce and develop film content and fully develop its IPs, the Group initiated collaborations with external studios, aiming at increasing its production of high-quality film content for the industry. Additionally, the Group launched the “HINA International Young Director Program (海納國際青年導演發展計劃)”, through which it has invited Mr. Zhang Yimou, Mr. Huang Jianxin and Mr. Bill Kong as main instructors, and recruited 20 outstanding directors to nurture youth directors and promote collaboration on film and television projects.

Film ticketing and technology platform

The film ticketing and technology platform, being Tao Piao Piao, Yunzhi and digitalization business, is an integral part of the Group’s film business and the infrastructure of the film industry. As the film ticketing platform for cinema-goers well-received by the market and the industry-leading ticket-issuing system platform for cinemas respectively, Tao Piao Piao and Yunzhi provide online systems and services that allow users to purchase tickets and cinemas to issue tickets. During the Reporting Period, Tao Piao Piao and the Damai business joined hands to further enhance the “Taomai VIP” membership system, through which members can enjoy better consumer experience and ticketing privileges ranging from early online purchase for blockbusters and promotional offers to offline fast pass and access to star-studded events.

With a comprehensive application of artificial intelligence (“AI”) business by the digitalisation business, “Beacon AI (燈塔AI)”, a data product designed to provide intelligent promotion and distribution services for the entertainment industry, was launched in 2023. It mainly includes four functions: box office prediction, smart enquiry for promotion and distribution, public opinion analysis, and distribution materials for AI. Through simulating and analysing abundant historical data, the “Beacon AI” provided T+3 days and total box office forecasts, efficiently solving promotion and distribution problems while receiving timely comments and market feedback across the internet, so as to rapidly produce promotion posters and copywriting content. The Group also launched the first AI digital human Leah (厘里) from Alibaba Digital Media & Entertainment Group. Since its launch in 2022, not only has Leah cooperated with a number of international renowned brands and IPs, such as Taomai VIP, Tmall and Huawei, it also debuted in “I Am Nobody (異人之下)”, an exclusive drama series on Youku, as well as acted in “Mystery in the Box (盒子裏的貓)” and “Economics Unbound (萬物經濟學)” on Youku. It is the first digital actress to act in a drama series and a reality show. Meanwhile, the Group invested in innovation areas such as virtual studios, promoting digital filming solutions in the film and television industry while contributing to the promotion and application of AI and new technologies, as well as reducing costs and increasing efficiency.

Damai

Damai is the general ticketing agent for numerous top-tier concerts (such as those of Jay Chou, Mayday, Joker Xue, JJ Lin and Jason Zhang) and users' preferred ticketing platform for performances. Moreover, Damai's business has a deep layout of performance content, ticketing system, and other non-ticketing-agency areas. Damai successfully organised mega shows involving Han Hong, Wallace Chung, Ele Yan and other artists. It also explored content development, production and investment of performances, promoting its brand awareness in recent years with various self-produced stage plays/dramas, immersive plays as well as the Xiami Music & Arts Festival in Aranya (阿那亞蝦米音樂節). Meanwhile, Damai exclusively provided the 19th Hangzhou Asian Games with a technology-driven ticketing platform for offline entertainment, which was a cloud-based digital ticketing system characterised by speed and stability.

Drama series production

During the Reporting Period, the Group's drama studios continued to create works which are widely-recognized by the Chinese market. The Group will continue to invest in high-quality content that enhances consumer engagement and create timeless, touching and popular works. A number of projects of the Group's drama studio were released, such as the heroine-focused "*The Story of Hua Zhi* (惜花芷)", the motivational motor racing drama "*Pegasus* (飛馳人生熱愛篇)" and the medical-themed "*Surgery Live Room* (手術直播間)".

IP merchandising and innovative initiatives

As core operations, IP merchandising and other business help the Group to expand its presence in the entertainment industry, with the IP merchandising business being mainly focused on the Alifish business and creation of pop toys. Alifish is the Group's professional platform focusing on IP operation, licensing and commercialisation and development. Since its establishment in 2016, Alifish has cooperated with hundreds of domestic and international quality IPs, and nearly 10,000 brands and channel merchants. The Group has managed to build up an enormous and rich IP matrix, including Sanrio, Pokémon, Kakao, Universal Studios and Saint Seiya. As the largest platform for IP-licensing agents in China, not only has Alifish provided more high-quality IP-licensed products and enriched entertainment experience for consumers, it has also achieved a win-win situation with its business partners. Leveraging its rich IP matrix, direct and distribution channels, the Group has established a pop toy brand "KOITAKE", which combines independent pop toys IP with a number of movies, drama series and variety shows to create a host of distinctive pop toys.

ESG STATEMENT OF THE BOARD

Alibaba Pictures strives to establish a corporate governance system of high standard, which places environmental, social and governance (ESG) related matters at the core of its operation and development. Having put in place a sound ESG management system, the Group aims to safeguard the rights and interests of its stakeholders, such as investors, customers, employees, suppliers and business partners, by strengthening ESG governance, regularly communicating ESG-related work, and identifying key ESG risks and opportunities.

As the highest decision-making body for ESG matters, the board of directors of the Company (the Board) is responsible for regularly reviewing and approving the Group's ESG strategies, objectives and material ESG risks. In addition to making decisions based on the progress of key ESG management undertakings and projects for the year via a sound ESG governance system, it also provides supervision to the fulfilment of relevant duties. For details, please refer to the section headed "1.1 ESG Governance" in this report.

With due consideration given to the Company's business development strategy and with reference to best practices in the industry, the Group formulates specific work targets and plans in respect of important ESG issues. In actively fulfilling its supervisory responsibility, the Board thoroughly reviews ESG targets and plans to ensure the achievement of relevant targets, the progress towards which is strictly monitored and assessed by the ESG Working Group.

Additionally, the Group attaches great importance to the concerns and demands of all stakeholders, as it maintains transparent, open, timely and effective communication with them through diversified channels, and regularly ascertains their expectations and requirements. The Group identifies and assesses important ESG issues and priorities, the results of which are disclosed in detail in the sections headed "Stakeholder Engagement" and "Determination of Material Issues" in this report, following a stringent review by the Board. During the Reporting Period, the Group's board focused on reviewing and monitoring relevant issues, such as business ethics and anti-corruption, data security and privacy protection, talent diversity and development, it also approved the 2024/25 annual work plan.

This report, which discloses in detail the progress of the ESG-related work undertaken by the Group during the period from April 1, 2023 to March 31, 2024, was reviewed and approved by the Board on May 29, 2024.

STAKEHOLDER ENGAGEMENT

Alibaba Pictures values the voices of various stakeholders, it seeks to establish and improve a mechanism for stakeholder engagement through diversified channels, such as general meetings, feedback collection and information disclosure. By actively implementing two-way feedback channels, Alibaba Pictures collaborates with its stakeholders to promote sustainable development.

Stakeholders	Requirements and expectations	Communications and responses
Government/regulatory authorities	Compliance with laws and regulations Payment of tax Business ethics	Compliance management Visitor reception Supervision and inspection Regular and timely reporting
Investors	Financial results Business development Disclosure of information Communication channels	Regular disclosure of financial and operational information General meetings Company website Investor relations mailbox
Customers	Provision of quality products and services Meeting customers' diversified needs Open feedback channels	Product marketing and promotion Customer visit Cooperation and communication
Employees	Protection of employee interests Career development Competitive remuneration and benefits Work and life balance	Internal briefings Employee training Sound remuneration and benefits system Open day and employee feedback collection
Audiences and users	Data and privacy protection User experience Product quality	Statement and agreement for privacy protection User feedback collection Social media interaction
Suppliers and business partners	Open and fair purchases Compliance with contracts Win-win cooperation	Public tenders Cooperation agreements Industry exchanges
Community	Engagement in community development Support for charity causes Energy management and carbon emission	Media events Volunteer service Community communication

DETERMINATION OF MATERIAL ISSUES

The opinions of stakeholders from all walks of life are of significance to Alibaba Pictures' material ESG issues. During the Reporting Period, we reviewed and made adjustments to our material ESG issues through a three-step process involving identification, prioritisation and validation, which allowed us to further specify the reporting boundary.

Step 1: Identification

Reviewing material issues of the previous financial year, sorting out, summarizing and updating relevant issues based on the changes to the Group's core business during the Reporting Period and the comparative analysis results of industry characteristics, media supervision information and international reporting standards, so as to generate a preliminary list of material issues.

Step 2: Prioritisation

Undertaking deep-dive analysis of stakeholders' primary concerns, adjusting and ranking the priorities of material issues based on the Company's business development strategy, so as to form a matrix of material issues.

Step 3: Validation

Reviewing and validating Alibaba Pictures' matrix of material issues, so as to determine the report boundary and pinpoint stakeholder demands.

During the Reporting Period, the matrix of material issues identified by the Company is as follows:

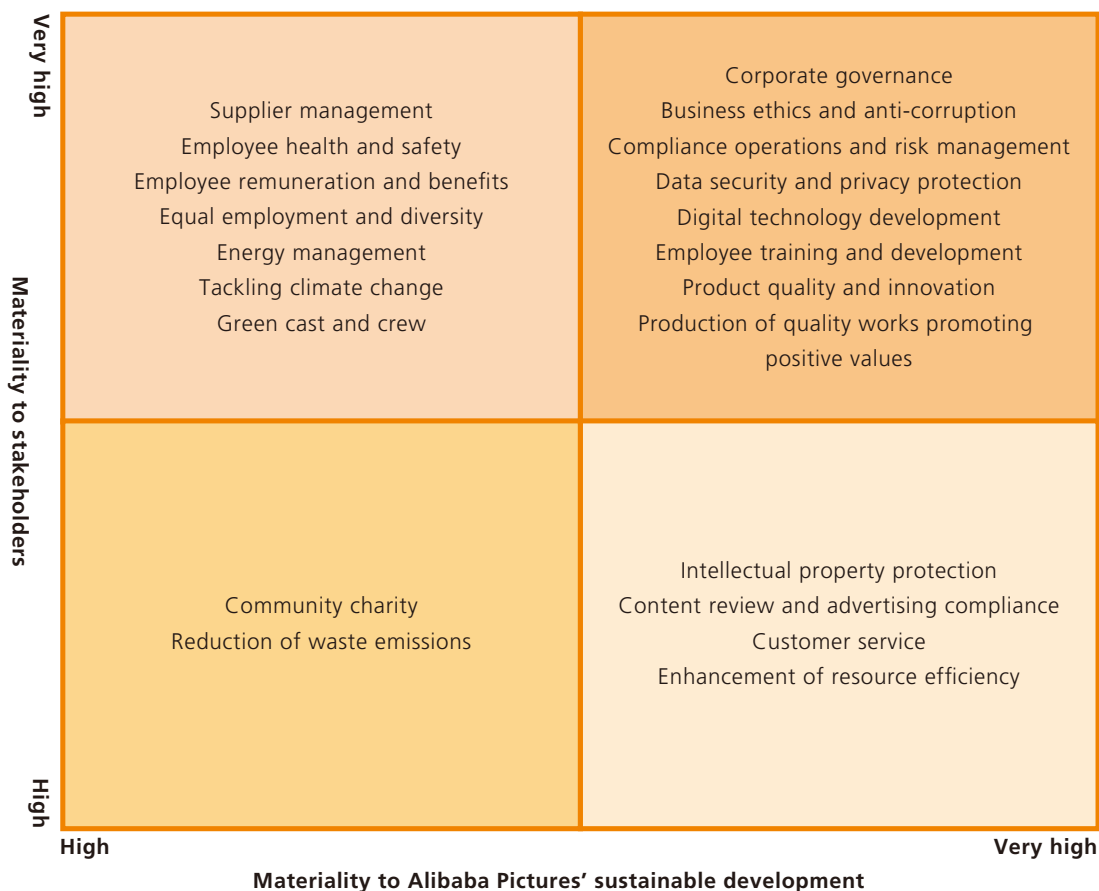


Chart: Alibaba Pictures' matrix of material issues

1 RESPONSIBLE GOVERNANCE

Alibaba Pictures is committed to integrating ESG concept into its development strategy, and it continues to enhance related capability through a governance structure with a clear division of authority and responsibility. To lay a solid foundation for steady progress, the Group continues to optimise its ESG governance system, strengthen risk management and control in compliance with the business ethics code of honesty and integrity, and safeguard data and privacy security.

1.1 ESG GOVERNANCE

Alibaba Pictures strives to establish an ESG governance system with a clear division of authority and responsibility, so as to promote institutionalised, standardised and professional management of ESG matters across the Group, enabling efficient implementation of ESG efforts. The Company has formulated a governance structure with the Board taking charge, while the ESG Execution Team and the ESG Working Group undertake coordination and execution, respectively. Sitting at the core of decision-making for all ESG matters, the Board is responsible for reviewing and approving ESG strategies and policies, identifying and responding to material ESG risks, and regularly inspecting the progress towards achieving ESG objectives.

The ESG Execution Team, consisting of the chief operating officer, chief financial officer (“CFO”) and general counsel (“GC”), is responsible for studying trends in the latest ESG-related policies, coordinating ESG efforts, and regularly updating the Board on the progress and status of related efforts and objectives. In addition, the ESG Working Group, which comprises ESG-related departments (including the Internal Audit Department, Human Resources Department and Technology Centre), is tasked with implementing and executing specific ESG efforts, and regularly reporting relevant results to the ESG Execution Team. To enable a comprehensive assessment of the management’s ESG performance and promote sustainable development of the Company, the Group has incorporated ESG indicators into its executive performance appraisal system.

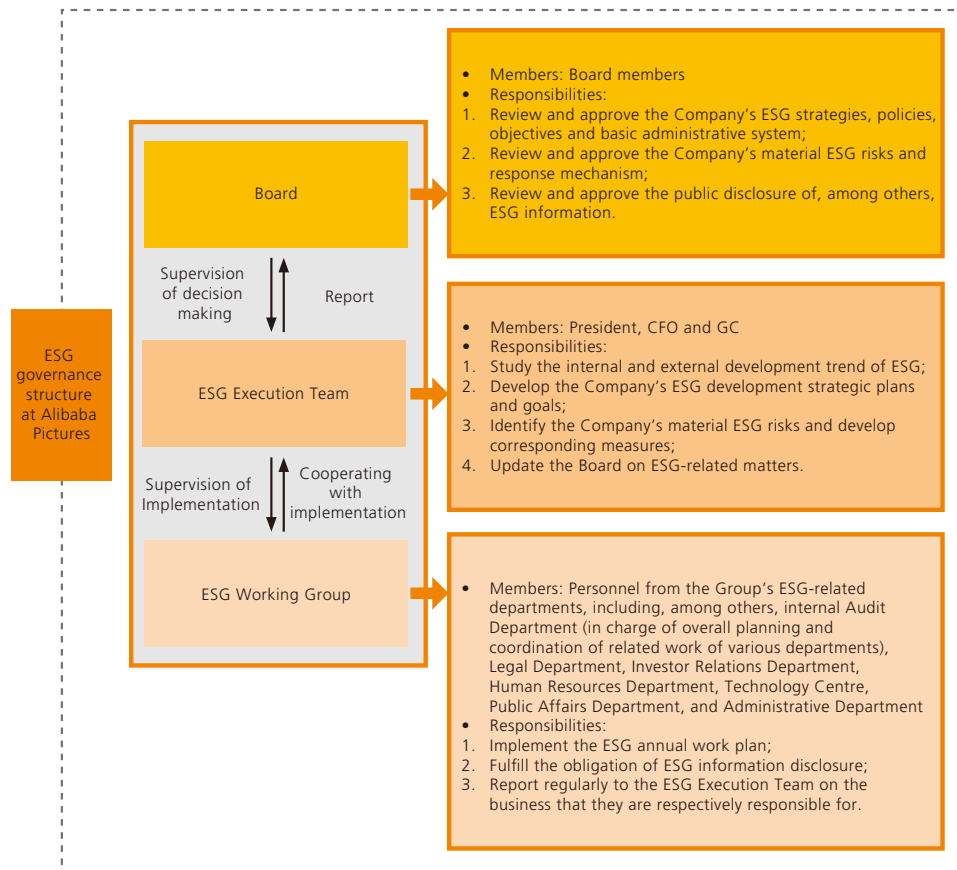


Chart: Alibaba Pictures' ESG governance structure

The Group continues to advance and has achieved significant results in its ESG efforts. In December 2023, Alibaba Pictures was awarded the “Most Social Responsible Listed Company” at the 8th Zhitong Caijing Listed Company Awards; “Tao Piao Piao Starlight (星光點點)”, its charity screening programme, won the “Velveteen Award (絨花獎)”, the most prestigious award at the 7th Corporate Social Responsibility Development Forum, which was co-hosted by *Beijing Business Today* and *Chinese and Foreign Corporate Culture* in 2023. In February 2024, Alibaba Pictures’ MSCI ESG rating was upgraded to A, making it a leader in Mainland China’s film and entertainment industry.

1.2 RISK CONTROL

Alibaba Pictures has established a comprehensive risk control and management system to ensure thorough implementation of its internal risk management. The Group also regularly conducts risk compliance and audit to continuously raise the awareness of risk prevention and strengthen risk management, with a view to ensuring stability and effectiveness across its corporate operations.

As the foremost decision-making body for risk management within the Group, the Board is fully responsible for ensuring the effectiveness of risk management. On behalf of the Board, the audit committee of the Company (the Audit Committee) performs important duties in respect of risk management and internal control. It is also tasked with driving the Group’s risk management system construction, risk monitoring and management system improvement, material risk identification and response, supervision and assessment, among other key efforts. As the chief in charge of risk management, each department is responsible for developing and implementing its respective business line’s risk management system to ensure an effective implementation of risk governance measures.

In active responding to internal and external risks, Alibaba Pictures has established a sound structure for risk prevention and management. Owing to a risk management and control mechanism featuring “three lines of defense”, which is overseen by experienced professionals, Alibaba Pictures is able to effectively guarantee the implementation of various risk management measures.

- At the first line of defense, operational teams of business units are responsible for executing relevant risk management processes and performing self-assessments on risk identification, risk alert and risk control in relation to internal risks of their respective units. They also report risk events and risk data in accordance with standard requirements of the Group.
- At the second line of defense, the Financial Centre, the Legal Department, the Security Department and the Internal Control Team of the Internal Audit Department are responsible for overall coordination of risk management efforts within the Group, including preparing the overall risk management plan; collecting, identifying, assessing, addressing and supervising risk information in daily operations; and leading various types of risk management work within their respective areas of expertise.
- At the third line of defense, the Internal Audit Team and the Integrity Team of the Internal Audit Department are jointly responsible for the independent supervision functions. The Internal Audit Team has been designated to perform independent supervision and independent internal audit, where the effectiveness of risk management processes and internal control system are subject to independent and objective evaluation. The Integrity Team is responsible for conducting independent inspections on compliance and anti-fraud, and assessing the compliance of all employees of the Group with applicable laws and regulations, and the effectiveness of the Group’s internal compliance management system in their commercial cooperations with external parties and performance of internal duties. The Internal Audit Team submits regular audit plans and related reports on risk management and internal control to the Audit Committee for review.

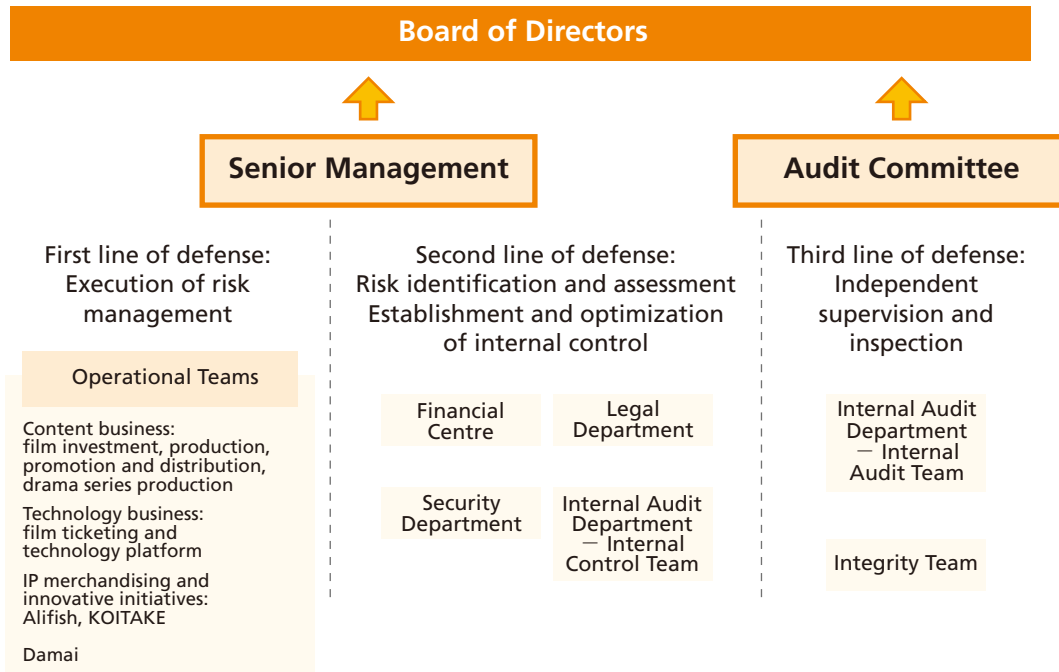


Chart: Risk control structure of Alibaba Pictures

In order to ensure compliance operation and effectively mitigate risks, the Group continues to standardise its rules and management process in accordance with the *Regulations and Management Norms of Alibaba Pictures Group*; it follows the *Authorisation and Approval System of Alibaba Group* and the *Guidelines for Management of Approval Authority for Major Business Matters of the Group* to ensure clear and reasonable authorisation for each business. It standardises accountability for process management and the management mechanism based on the *Guidelines for Process Management of Alibaba Group*, and takes multiple measures to enhance risk management and control.

1.3 INTEGRITY BUILDING

Alibaba Pictures is a diligent practitioner of the business ethics code of honesty, integrity and self-discipline, it maintains a zero-tolerance attitude towards any form of illegal practices that violates business ethics, such as corruption, fraud and money laundering. The Group abides by the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-unfair Competition Law of the People's Republic of China*, the *Interim Provisions on Banning Commercial Bribery*, the *Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong)*, and other relevant laws and regulations. It regulates business conducts through applicable internal policies, such as the *Principles of Business Conduct of Alibaba Pictures Group*, the *Employee Discipline System of Alibaba Pictures Group*, the *Rules for Managing Employee Interest Conflicts of Alibaba Pictures Group*, the *Management Regulation on Competition Compliance of Alibaba Pictures*, the *Regulations on Pricing Behaviour Management of Alibaba Pictures*, and the *Rules for Implementing Equity Fairness Compliance of Alibaba Pictures*. Alibaba Pictures has formulated the *Anti-Bribery and Anti-Corruption Policy of Alibaba Pictures*¹, applicable to all staff and suppliers of Alibaba Pictures, in which it specifies Alibaba Pictures' obligations and responsibilities in preventing bribery and other corrupt practices, and provides codes of conduct and guidelines for employees and partners.

¹ *Anti-Bribery and Anti-Corruption Policy of Alibaba Pictures* (www.alibabapictures.com)

Save as disclosed above, there are no relevant laws and regulations relating to bribery, extortion, fraud and money laundering the compliance of which have a significant impact on the Group.

The Group's Integrity and Compliance Department is responsible for the supervision and prevention of incidents relating to bribery, corruption, extortion, fraud and money laundering and it regularly reports work progress to the Board. In addition, the Group also regularly conducts special anti-corruption audits and supervises the audits in respect of labour employment and other key operations, so as to ensure the optimisation and improvement of the group-wide business ethics supervision system.

To create an atmosphere of integrity and compliance in the workplace, the Group continues to enhance the integrity and self-discipline awareness of all its employees and contractors. At Alibaba Pictures, employees and directors are explicitly prohibited from accepting any form of property, invitation to banquets or facilitation payments, or committing any other acts in violation of business ethics; all employees are also required to sign the *Integrity Pledge* upon joining the Company. During the Reporting Period, the Group further optimised its anti-corruption training based on relevant business characteristics, and it held a total of eight related training sessions, including, among others, briefing on institutional rules, integrity compliance induction training for newcomers, anti-corruption training for business teams, integrity case studies for all procurement staff, recording a total attendance of 477 employees. Meanwhile, the Group organised examinations covering, among others, anti-corruption, integrity and compliance in respect of business codes for all employees, and organized relevant learning before the exam, including the Directors, president and general employees. With a coverage rate of 100%, these examinations further helped the workforce enhance their awareness of and ability in integrity and compliance.

The Group is committed to building ethical partnerships with suppliers. By forbidding employees to divulge procurement strategies, tender documents and other confidential information in relation to suppliers, it ensures that tender and bidding processes comply with applicable regulations, are secure and fair, and that technical or commercial contracts do not contain favourable or exclusive terms. We also impose strict supervision on procurement staff from high-risk departments, make sure they maintain proper business relationships with suppliers and reject any unusual dealings.

All suppliers are required to sign the *Undertaking on Honesty and Integrity*, as the Group maintains a zero-tolerance attitude towards any corruption within the supply chain. As at the end of the Reporting Period, all suppliers of the Group had signed the *Undertaking on Honesty and Integrity*, and none was involved in any lawsuits in relation to corruption or unfair competition. In addition, the Company also further enhances the integrity awareness of its suppliers by organising integrity awareness campaigns and other activities. During the Reporting Period, we sent 70 suppliers *A Letter to Suppliers/Partners* online, in which we emphasised integrity as our basis for building long-term cooperation with suppliers and partners, and encouraged suppliers to join us in preventing corruption and bribery.

The Group encourages its employees and external partners to actively report any suspected bribery, extortion, fraud, money laundering and malpractice that come to their attention. A whistle-blowing mailbox has been posted on the official websites of Alibaba Pictures and its business lines, as well as in the workplace and supplier communications. To fully protect the safety and lawful rights of whistleblowers and prevent any form of retaliation against them, their identities are kept in the strictest confidence. Upon receipt of such reports, the Integrity and Compliance Department will set up designated teams to conduct in-depth investigations, the results of which then form the basis for any appropriate disciplinary actions to be imposed on those concerned by the Company in compliance with relevant rules. Those in violation of the laws and regulations will be timely reported to relevant departments and transferred to judicial authorities.

During the Reporting Period, Alibaba Pictures identified a total of two violations. Those involved in both violations had been seriously dealt with in accordance with existing procedures. In doing so, not only did the Company achieve a processing rate of 100%, it also took rectifying measures to address the business risks identified during the investigation. As at the end of the Reporting Period, no concluded legal case regarding corrupt practices was brought against the Group or its employees.

1.4 DATA SECURITY AND PRIVACY PROTECTION

Alibaba Pictures stays clear of the legal red line related to data security and privacy protection while adhering to its bottom line of value creation. It continuously solidifies its information security foundation, improves its management systems and regulatory measures for data security, and is committed to building a safe and compliant data management environment to effectively mitigate the risk of data and privacy leakage.

Data Security

Alibaba Pictures strictly abides by the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Information Security Technology – Personal Information Security Specification*, as well as other relevant laws, regulations and national standards. It also complies with Alibaba Group's *Data Security Policy*, *Regulation on Data Security Incident Emergency*, *External Data Disclosure Rules*, *General User Data Protection Standard* and other relevant policy documents, through which it constantly enhances data security management and effectively mitigates information security risks. In order to maintain order in its data security and compliance efforts, Alibaba Pictures has put in place a sound data compliance organisation system. The Board has established the Data Compliance Committee, which provides it with regular reports on the Group's actual operational results related to data security compliance. These reports cover, among others, policy implementation and risk incident progress, enabling the Board to discharge its duty to oversee matters on data compliance.

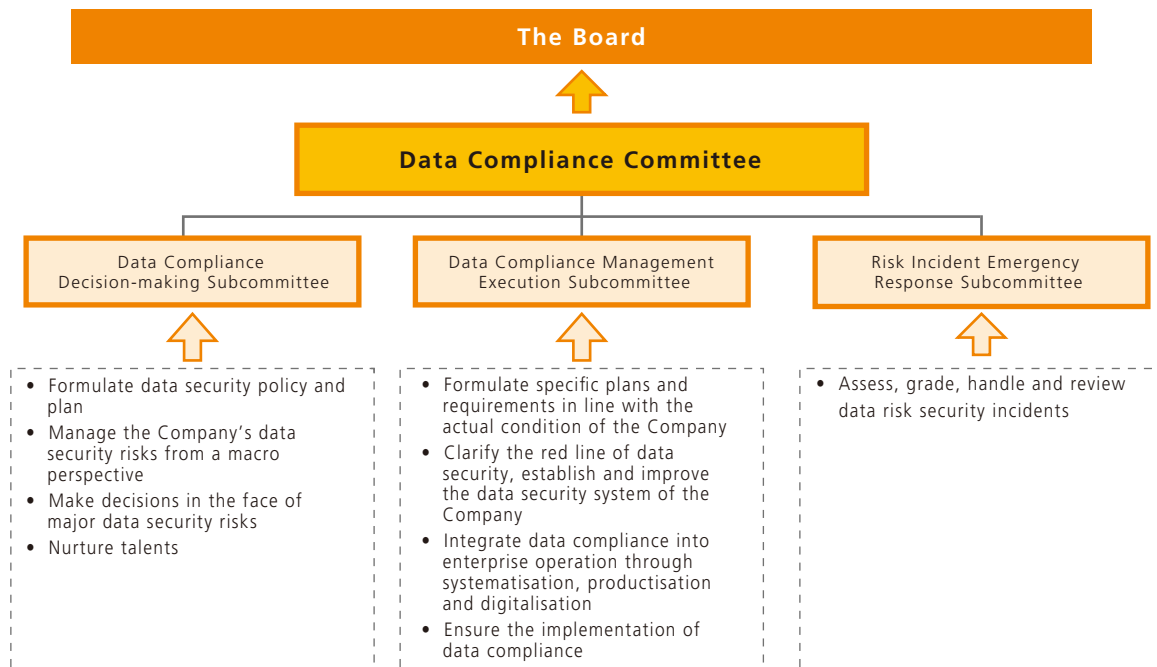


Chart: Data compliance organisation system of Alibaba Pictures

Alibaba Pictures attaches great importance to data security. All employees are required to strictly abide by relevant provisions in the *Principles of Business Conduct* throughout the full life cycle of data generation, collection, transmission, storage, use, disclosure and destruction, and ensure compliance with applicable laws, regulations and policy requirements. The Group continuously reviews data protection functions, even in the earlier stages, such as research and development, using static scanning, dynamic detection and other ways to ensure data security in common scenarios. Field-level encryption and secure network transmission protocols are adopted during data transmission and storage, with access rights to data being strictly controlled during data retrieval.

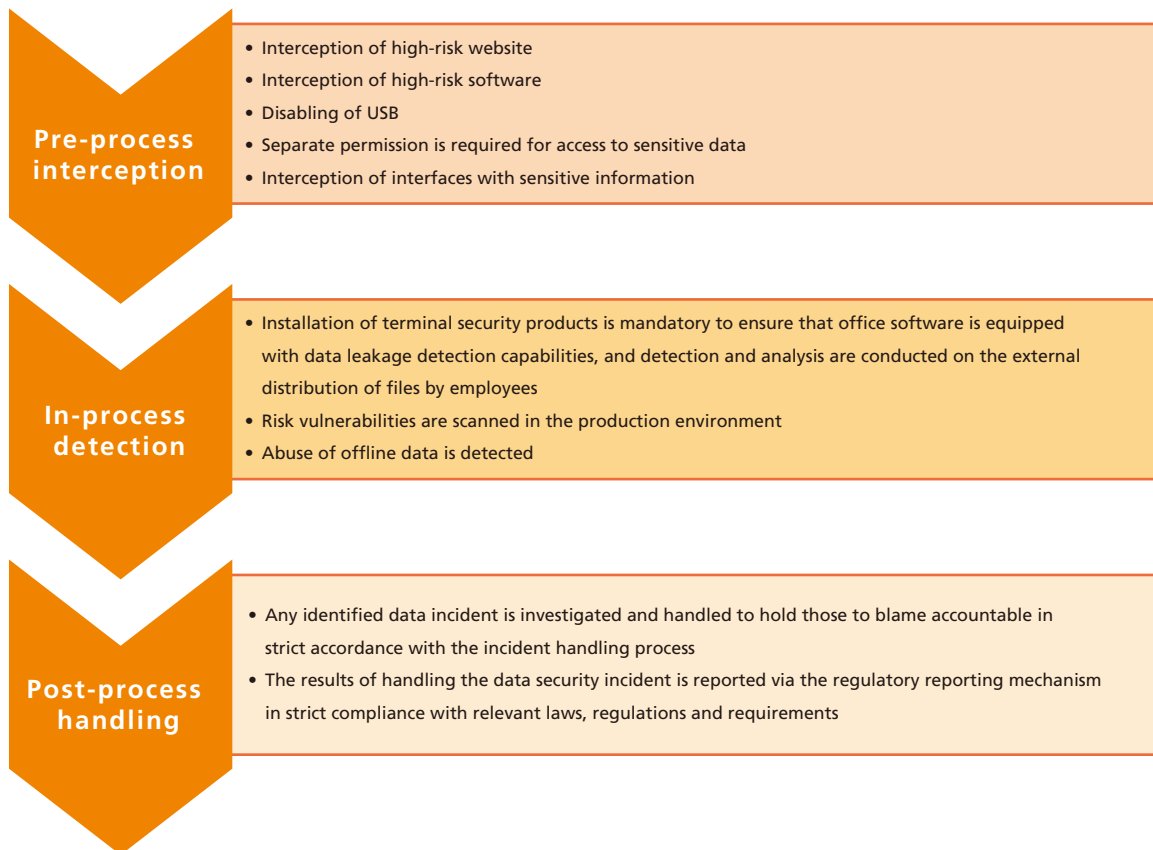
Table: Measures adopted by Alibaba Pictures to control data access

- Implementing a stringent admission approval mode through a unified admission management platform, where data security level and operation sensitivity are taken into account;
- Never proceeding with requests and operations involving high-risk data without multi-party (including senior management) approval and authorisation;
- Automatically retracting access rights to data in case of expiry, inactivity, employee transfer or resignation.

To ensure confidentiality and integrity during data processing, the Group always adheres to the basic principles of lawfulness, clear purpose, minimum necessity, storage limitation, accountability and traceability. In addition, the Group's data security and privacy data management regulations are binding on all suppliers. In order to ensure suppliers' data processing compliance, we will stipulate security requirements in relation to their development processes and deliverables during cooperation. Our internet-based office equipment is equipped with terminal security control software to fully identify the risk of data leakage. Any security vulnerability, once identified, will be immediately blocked and fixed by the Company before launching related services or products.

The Group has formulated the *Standard Operation Procedure (SOP) on Emergency Response to Data Security Incident*. With a nature-based approach, incidents are classified into six levels, for each of which the Group has specified emergency response responsibilities and processing processes, covering perception, reporting, analysis, classification, handling and review, among other steps. Concurrently, the Company has also established a data security protection mechanism involving pre-process interception, in-process detection and post-process handling, each supported by corresponding measures. Annual special drills are conducted by the Group for data security incidents at different levels to enhance emergency response. During the Reporting Period, the Company conducted two practical drills. As at the end of the Reporting Period, the Group reported no incident of information security or data breach.

Table: Data security protection mechanism at Alibaba Pictures



Privacy Protection

In strict compliance with relevant laws and regulations, including *Cybersecurity Law of the People's Republic of China*, *Data Security Law of the People's Republic of China* and *Personal Information Protection Law of the People's Republic of China*, Alibaba Pictures has formulated privacy policies governing the Group and each of its business lines, as well as various internal regulations, including *Operational Practices on Personal Information Collection*, *Operational Practices on the Use of Personal Information*, *Operational Practices on the Storage and Removal of Personal Information*, *Management Requirements for and Operational Practices on Personal Information Protection Compliance Audit*, *Operational Practices on Security Assessment of the Cross-border Transfer of Personal Information*, *Operational Practices on Personal Information Protection Impact Assessment*, *Operational Practices on Recording and Archiving of Personal Information Processing Activity*, *Operational Practices on Exercising Rights in Respect of User's Personal Information*, *Operational Practices on Complaints and Reports in Relation to User's Personal Information*, *Management Requirements for and Operational Practices on Personal Information Security Incidents and Emergency Response*, *Management Requirements for and Operational Practices on Transmitting Personal Information with Partners*, *Management Requirements of Personal Information Processing and Life Cycle*. In order to ensure that users can understand their privacy rights and interests in a timely manner, not only has the Group publicly disclosed its *Privacy Policy*², each of its business lines has also made public their own privacy policies, the full text and summary of which are provided for users' easy reference. During the Reporting Period, the Group's Tao Piao Piao and Damai clients streamlined *Privacy Policy* into *Privacy Policy for Basic Functions*, solely elaborating on the processing of personal information necessary for film and performance ticketing, and user consent for the collection and use of personal information by other add-on functions will be described and applied separately when a user enters a specific scenario.

Save as disclosed above, there are no relevant laws and regulations relating to privacy matters regarding products and services provided by the Group the compliance of which have a significant impact on the Group.

² *Privacy Policy* (www.alibabapictures.com)

Table: Privacy policy of Alibaba Pictures sub-business lines

Name of product	Effective scope	Title of policy	Policy link/portal
Damai	Website, client and mini programme	<i>Damai Basic Function Privacy Policy</i>	Damai Basic Function Privacy Policy (damai.cn)
Tao Piao Piao	Website, client and mini programme	<i>Tao Piao Piao Privacy Policy</i>	Tao Piao Piao Privacy Policy (taopiaopiao.com)
Maikong	client	<i>Damai Maikong Privacy Policy</i>	Maikong Privacy Agreement (taobao.com)
Beacon	Website, client and mini programme	<i>Beacon Privacy Policy</i>	Beacon Professional Privacy Policy (taopiaopiao.com)
CloudTake	Client	<i>CloudTake Privacy Policy</i>	CloudTake Privacy (cloudtake.yunshangzhipian.com)
Yunshangyue	Website and mini programme	<i>Yunshangyue Privacy Policy</i>	Yunshangyue Privacy Policy (yunshangyue.cn)
Koiland	Mini programme	<i>Koiland Privacy Policy</i>	Enter mini programme – My – Contact Customer Service – Koiland – More Information – Service Privacy & Data Alert
KOITAKE	Mini programme	<i>KOITAKE Privacy Policy</i>	Enter mini programme – My – Account Settings – Privacy Policy
Izhongchou	Mini programme	<i>Izhongchou Privacy Policy</i>	Enter mini programme – My – Account Settings – Privacy Policy
Youwu	Youku H5	<i>Youwu Privacy Policy</i>	Enter Youku H5 – My – Settings – Legal Documents

Alibaba Pictures is committed to minimizing the collection and retention of personal information and data, it also continues to enhance transparency in personal information management, aimed at safeguarding users' legitimate privacy rights. For instance, Tao Piao Piao and Damai have further restricted personal information to be collected, where non-variable equipment identifiers and other fields will no longer be collected. Meanwhile, the Group undertakes not to rent, sell, or provide personal information to any third parties, and that its users will be granted the right to access, control, edit, and delete data, guaranteeing the autonomy of their personal information. Moreover, in order to reduce the risk of user privacy leakage, the Group has made desensitisation of personal information a default setting for its product clients.

The Group actively integrates privacy protection into its product development while continuously optimising its technology to fully protect users' privacy rights. The Group has added the "dual list" function, namely the personal information collection list and the personal information sharing list, to its products and services, with a view to achieving transparency in the collection, use and sharing of personal information. During the Reporting Period, a new browsing mode was introduced to the Tao Piao Piao and Damai clients, which allows users to browse the homepage and product details before deciding whether or not to consent to the privacy policy after understanding the content of the service, in order to enhance respect for the privacy of user information.

Certification for Information Security and Privacy Protection

Alibaba Pictures regularly conducts internal evaluation and self-examination on information security and privacy protection for its core business and issues evaluation reports covering four key compliance dimensions, namely, compliance organisation, system improvement, awareness enhancement, and supervision and management. During the Reporting Period, Alibaba Pictures completed a routine self-examination on cyber and data security for 2023. At the same time, the Group actively promotes external assessment and certification in relation to cyber security. The Group operates an information system with certificate of registration for cyber security protection level of information system, which is approved and issued by the Ministry of Public Security of the People's Republic of China. As of the end of the Reporting Period, all information security infrastructures of Alibaba Pictures were provided by Alibaba Group and Alibaba Cloud, the latter of which has obtained certifications under the ISO 27001 Information Security Management System and the ISO 27701 Privacy Information Management System, which cover the cloud environment where Alibaba Pictures' products are deployed.

Table: External certification for cyber security of Alibaba Pictures sub-business lines within the Reporting Period

Name of certificate	Name of system
Registration for cyber security protection level of the Ministry of Public Security of the People's Republic of China	Level-3 systems: Yunzhi ticketing system, Phoenix Jiaying Pro cinema operation and management platform, Tao Piao Piao cinema ticketing and review system, Cloud Production, Damai ticketing system, Maizuo ticketing system, Youwu digital collectible platform Level-2 systems: Beacon Professional
Registration for security protection grading of telecommunications network of Ministry of Industry and Information Technology of the People's Republic of China	Level-3 systems: Internet network transaction system on Yunzhi mini programme of Beijing Juzi Orange Culture Media Co., Ltd., National Damai ticketing system of Beijing Damai Cultural Media Development Co., Ltd. Level-2 systems: STAR-SOURCE information services business system of Beijing Liyu Cultural Communication Co., Ltd., Internet network transaction system for performance ticketing and sales of Qingdao Jinmai Network Technology Co., Ltd.

Training on Information Security and Privacy Protection

The Group provides regular training on data security and privacy protection for all employees, with specialised sessions for technicians, product design teams, new hires and staff of other key positions. These sessions cover external laws and regulations, the Group's data security red line, personal information protection, and cases of data security breaches. Meanwhile, as the Company is focused on raising awareness and capability of outsourced employees, suppliers and partners in data security protection, it conducts security red line training and certification for all outsourced personnel, organises data security training for key partners, and specifies data security requirements for suppliers throughout cooperation. During the Reporting Period, Alibaba Pictures conducted a total of five special data security training sessions, covering all regular and outsourced employees.

2 EMPLOYEE MANAGEMENT

Alibaba Pictures is committed to its people-oriented development strategy. It continuously enhances its human resource management system, dedicated to creating a working environment of diversity, equality, harmony and inclusivity for employees. In order to achieve shared growth between employer and employee, we continue to improve the professionalism and competitiveness of our employees, and put in every effort to protect their rights and interests.

2.1 EMPLOYMENT MANAGEMENT

Alibaba Pictures strictly abides by international conventions, such as the *Universal Declaration of Human Rights* and the *ILO Conventions*; it also complies with national laws and regulations, such as the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Implementation Regulations for Labour Contract Law of the People's Republic of China*, and the *Social Insurance Law of the People's Republic of China*. Alibaba Group, the Group's holding company, is one of the signatories to the United Nations Global Compact (UNGC); Alibaba Pictures, itself a voiced advocate of UNGC's call for human rights and labour standards, is committed to respecting and safeguarding employees' rights and interests.

Save as disclosed above, there are no relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare, preventing child and forced labour, the compliance of which have a significant impact on the Group.

Rights and Interests Protection

Alibaba Pictures has established a sound system for internal employment management, comprising the *Employee Recruitment Procedures*, the *Employee Management Policy*, the *Employee Rights and Interests Statement*, the *Employee Discipline System of Alibaba Group* and other rules and regulations, which regulate the management of recruitment, promotion, compensation, dismissal, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfares of employees as well as other matters to fully safeguard its employees' rights and interests. We consistently follow an employment policy that is open, fair and equal, requiring applicants to provide valid identity documents, maintain zero tolerance towards any form of child labour or forced labour. Upon discovery, any breach of applicable laws or regulations will be subject to serious procedures undertaken in accordance with relevant laws, regulations and internal rules. During the Reporting Period, Alibaba Pictures did not identify any cases of child labour or forced labour.

The Group attaches great importance to its talent development strategy and formulates its annual recruitment plan, in a reasonable manner, based on overall corporate planning, business needs and existing workforce to ensure that the Company is supplied with necessary talents for its sustainable development. In terms of talent base, we continue to explore new talent pools while actively maintaining close business ties with headhunting firms and recruitment platforms. During the Reporting Period, we developed talent pools underpinned by third-party platforms, leveraging the strength of “Alibaba Pool (阿里庫)”. This initiative delivered a wealth of core talent resources and laid a solid foundation for the Company’s long-term development. As we value greater recruitment efficiency and accuracy, we have developed and put into reasonable use several online recruitment tools, such as progress bulletin, HC bulletin, offer templates and position priority bulletin. In doing so, we managed to achieve refined management of recruitment activities, making them more transparent and efficient.

Furthermore, the Group proactively diversifies its recruitment channels. In the campus recruitment arena, we recruit independently with a proactive approach, having launched Alibaba Pictures’ official digital media and entertainment website to attract more high-potential professionals by further promoting the “Alibaba Pictures Management Trainee” Programme. In the field of social recruitment, we have held a number of internal promotions to attract more outstanding talents, including one designated to HarmonyOS. The Group has created an internal transfer mechanism, via which employees can learn about job vacancies through the corporate recruitment website to broaden their career paths.

Case study: “Alibaba Pictures Management Trainee” programme

In September 2023, the Group debuted the “Alibaba Pictures Management Trainee” programme, a marketing campaign that branded its digital media and entertainment matrix as a potential employer in eight colleges including Beijing Film Academy and the Central Academy of Drama, where students were invited to facility tours. The programme aimed at selecting excellent graduates with the potential and passion for jobs in the cultural and entertainment industry, and cultivating a group of high-quality management talents in the cultural and entertainment industry through systematic training and practical exercise. The programme successfully selected 16 management trainees following a careful organisation and strict selection process.

Alibaba Pictures consistently adheres to the principle of lawful and compliant employment by entering into employment contracts with all its employees. As of the end of the Reporting Period, Alibaba Pictures had 1,455 full-time employees with a 100% labour contract signing rate.

Alibaba Pictures is a strong advocate for equality, inclusion and diversity in the workplace. In strict compliance with the *Code of Conduct against Sexual Harassment of Alibaba Group* and the *Principles of Business Conduct of Alibaba Group*, Alibaba Pictures undertakes not to discriminate against any employee over gender, race, nationality, physical condition, religion, marital status and other factors. To raise awareness of inclusion among employees and prevent workplace discrimination and harassment at all times, we have conducted diversity-themed training courses for all employees, including “Say No to Discrimination and Harassment” and “Self-Cultivation of New Youth”. At the same time, we take into account the wellbeing of employees from ethnic minority backgrounds, offering Halal-certified meals at our cafeterias to create a more harmonious and positive atmosphere at work.

Employees will be dismissed if their behaviours constitute any breach of law, breach of confidentiality, falsification, conflict of interest, damage to the Company’s rights and interests, disruption of office order or any other contravention against the code of conduct of employees of Alibaba Group which could be subject to dismissal.

Table: Employee Composition of Alibaba Pictures during the Reporting Period

Indicator		Unit	Number of employees
Total number of employees		Person	1,484
Number of employees by employment type	Full-time employee	Person	1,455
	Part-time employee	Person	29
Number of employees by gender (full-time employees only)	Male	Person	675
	Female	Person	780
Number of employees by rank (full-time employees only)	Senior management	Person	16
	Middle management	Person	55
	General staff	Person	1,384
Number of employees by age group (full-time employees only)	29 and below	Person	611
	30 – 50	Person	829
	Above 51	Person	15
Number of employees by geographical region (full-time employees only)	Mainland China	Person	1,450
	Hong Kong, Macau and Taiwan, China	Person	2
	Overseas	Person	3

Table: Employee Turnover of Alibaba Pictures during the Reporting Period

Indicator		Number of terminates (person(s))	Employee turnover rate (%)
Number of employees left and turnover rate by gender (full-time employees only)	Male	113	16.70
	Female	188	24.10
Number of employees left and turnover rate by rank (full-time employees only)	Senior management	1	6.25
	Middle management	8	14.55
	General staff	292	21.10
Number of employees left and turnover rate by age group (full-time employees only)	29 and below	164	26.84
	30 – 50	137	16.53
	Above 51	0	0.00
Number of employees left and turnover rate by geographical region (Full-time employees only)	Mainland China	301	20.76
	Hong Kong, Macau and Taiwan, China	0	0.00
	Overseas	0	0.00

Alibaba Pictures has actively strengthened democratic management and created an equal, transparent communication and feedback platform, where it sincerely listens to each employee. We have promoted in-depth communication between managers and employees at different departments through various forms of online and offline interactions. Moreover, we have also established channels for employees to lodge complaints and grievances in an effective and confidential manner, allowing them to speak up against any discrimination, harassment or assessment dispute, so that their legitimate rights and interests are fully protected.

Table: Staff Communications at Alibaba Pictures

Film & Performance
 Openday

“Film & Performance Openday” serves as a live platform for Alibaba Pictures’ management team to communicate with all its employees. During the event, the management team directly answers questions from pupils about operational and organisational strategies, and grant cultural awards on site. During the Reporting Period, a total of 120 employees were invited to attend the Openday event in person, while 878 live streamed it online.



Picture: The Spot of Film & Performance Openday

JIE’s Party

As a channel for the president of Alibaba Pictures to engage in face-to-face communication with frontline staff, “JIE’s Party” upholds the principle of communicating clearly-defined requirements and information in an open, direct, effective manner. At its premiere in August 2023, 13 employees exchanged views with Alibaba Pictures’ president. The event also led to the birth of a technical innovation contest, whose success resulted in the implementation of five outstanding proposals.



Picture: The Spot of JIE’s Party

Film & Performance Startupper Challenge

Targeting employees from Alibaba Pictures' Product R&D Department, "Film & Performance Startupper Challenge" is a technical innovation and proposal challenge designed to inspire more changes and opportunities for the business by encouraging its staff to actively offer innovative, commercially-feasible ideas based on the needs of its film and performance related business. During the Reporting Period, we successfully hosted the first "Film & Performance Startupper Challenge", with a total attendance of 386 employees.



Picture: The Spot of Film & Performance Startupper Challenge

"Popcorn" Performance Report

As one of Alibaba Pictures' self-produced online information programmes, 'Popcorn' targets all of its employees with a result orientation. By showcasing the achievements of major and key operation-side projects and rewarding members involved in such projects, it creates a stronger sense of honour among participating staff. During the Reporting Period, we recorded a total of 13 issues, covering 100% of the workforce.

Alibaba Pictures attaches great importance to feedback on employee satisfaction. Focusing on a wide range of dimensions, we conduct annual surveys on employee satisfaction, where talent promotion plans have been developed based on feedbacks from employees on career development and personal growth, while diversified training programmes have been introduced to meet our employees' needs for career advancement.

Remuneration and Care

In strict compliance with the *Employee Performance Management System of Alibaba Group*, Alibaba Pictures has established a robust employee performance assessment and incentive mechanism to continuously enhance organisational effectiveness and promote shared growth between employer and employee. For the purpose of incentivising staff potential and creativity, the Group's employee remuneration package, which consists of three components, namely fixed salary, variable salary and equity incentive, is subject to annual adjustment based on employees' performance.

In respect of employee promotion, Alibaba Pictures has formulated the *Employee Promotion Management Policy* to ensure employee promotion decisions are made following objective and impartial evaluations where employees are subject to a comprehensive assessment of their performance, ability, potential, implementation of corporate culture and values, length of service, violation of discipline and other factors.

Forming part of a sustained effort to optimise its performance management system, Alibaba Pictures motivates employees to create value via OKR³, a combination of objective management and performance assessment. The Group has adopted a dual approach (self-assessment and supervisor assessment) where all of its employees are subject to omni-perspective, multi-dimensional performance assessment. Should employees have objections to the assessment results within the specified timeframe, they may submit an appeal application online. The Group has put in place a mechanism to offer appeal-filing employees protection; employees may also set the degree of adjustability for their performance through self-assessment. Moreover, we organise an annual award event at which employees are awarded various honorary titles, such as "MVP Individuals and Teams" and "Red Strawberry Award", as an ongoing incentive for value creation.

We have established and have been improving the employee equity incentive plan and assessment mechanism based on the institutional framework of Alibaba Group. All employees, consultants or directors of the Group and its affiliates have an equal opportunity to be granted incentive stock options. During the Reporting Period, the Group's equity incentive covered 565 employees.

Alibaba Pictures is committed to optimising and improving its welfare system covering all employees, by enriching it with various humanistic activities, it aims to keep bringing more joy to its employees.

³ OKR: Objectives and Key Results

Table: Employee Benefit System of Alibaba Pictures

Health security	<ul style="list-style-type: none"> • Providing all employees with five social insurances and one housing fund in accordance with laws and regulations, and purchasing supplementary commercial insurance for each employee as well as their parents and children; • Introducing the “Alibaba Pictures Carnation Parental Care Programme” (阿里影業康乃馨父母關愛計劃) to provide free annual physical examination for employees and their parents, offering comprehensively protection for the health and wellbeing of employees and their families.
Living security	<ul style="list-style-type: none"> • Providing employees with paid annual leave, 7-day companion leave and iHome housing loan; • Offering parental leave and companion leave to give breastfeeding parents and those with children under the age of three sufficient time off, so that they can spend quality time with their children.
Office security	<ul style="list-style-type: none"> • Providing employees with monthly transportation subsidies; • Allowing employees to apply for flexible working for up to one day per week.
Specific benefits	<ul style="list-style-type: none"> • Providing employees with movie tickets for their birthdays and events viewing tickets, and regularly organising activities for employees to enjoy private viewing film screenings; • Organising celebration and offering customised souvenirs to employees celebrating their first, third, fifth and tenth anniversary of service, as recognition of and reward for their hard work and dedication; • Organising various forms of online and offline interactive activities during special festivals to create a stronger sense of belonging. For example, the Company distributes Freshippo e-coupons to employees via email on Women’s Day; the Company hosts a commencement ceremony themed “Sowing in the Spring” as employees return to work after the Spring Festival for successful beginning.
Cultural and sports activities	<ul style="list-style-type: none"> • Regularly organising staff cultural and sports activities, such as team outing, traditional festival celebration, gift distribution, sports contest, thematic salon and online topic sharing; • Yoga courses: Offering free yoga courses to all employees to effectively improve their physical and mental health, with five yoga sessions having been held during the Reporting Period; • Online interactive summer and winter activities: Organising weekly discussion activities on topics such as “Share Your Holiday Photos” and “Share Good Books and Goodies” on the online platform to enrich employees’ cultural lives and foster stronger bonds among them.

Case study: “Leaping Cup” badminton tournament

“Leaping Cup” badminton tournament is an annual event hosted by Alibaba Pictures, eagerly participated in by employees from Beijing, Hangzhou, Shanghai, Xi’an and other cities. Over 10 teams of Alibaba Pictures employees took part in the tournament this year, which not only enriched their works and lives, but also enhanced team cohesion, creating a positive and vigorous atmosphere within the organisation.



Picture: “Leaping Cup”

Case study: “510” Friends & Family Day

On May 10, 2023, Alibaba Pictures organised the “Open Day for Friends & Family” to express its most sincere gratitude towards friends and families of employees. We invited friends and families to our facility, where they joined our cultural and entertainment spirit in a string of activities into which we invested much thought, including the “Cultural & Entertainment Carnival”, face-to-face with friends and family, food stands and fun outdoor sports games. During the event, we invited family members and friends of over 100 Alibaba Pictures employees to facility tours, creating a workplace featuring merriment and entertainment.



Picture: “Open Day for Friends & Family”

Case study: Little New Year's Eve Gala

In February 2023, Alibaba Pictures held the Little New Year's Eve Gala, live-streaming a kaleidoscope of spectacular performances to foster a joyful, vibrant atmosphere during the festival. This event demonstrated the positive spirit of its employees, who collectively enjoyed the festivity and merriment.



Picture: Little New Year's Eve Online Gala

2.2 HEALTH AND SAFETY

Alibaba Pictures stays clear of legal red lines in an ongoing effort to create a healthy and safe workplace. In strict compliance with the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, *Production Safety Law of the People's Republic of China*, *Fire Protection Law of the People's Republic of China*, *Regulation on Work-Related Injury Insurance*, *Employees' Compensation Ordinance* (Chapter 282 of the Laws of Hong Kong) and other relevant laws and regulations, we have developed internal systems such as the *Principles of Business Conduct*. We have also been improving our employee safety guarantee system to reduce occupational safety risks at the source. For the past three years, Alibaba Pictures did not record any work-related fatalities, and the number of working days lost due to work-related injuries was zero.

Save as disclosed above, there are no relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards, the compliance of which have a significant impact on the Group.

At Alibaba Pictures, violence, smuggling of contraband or controlled weapons, and alcohol consumption are strictly prohibited. Alibaba Pictures is committed to providing its employees with a safe and sound working environment, for which it has set up designated smoking areas and prohibits smoking in any other areas. To raise employees' safety awareness and help them better handle emergencies, Alibaba Pictures actively responds to the group-wide call for selecting floor "First Aid Man" and "Fireman" from internal staff. Working together to maintain a safe and stable corporate operation, "First Aid Man" is trained at professional institutions for relevant first-aid knowledge to timely respond to emergencies, while "Fireman" is responsible for eliminating fire hazards and directing evacuation during a fire emergency.

The Group values the physical and mental health of its employees, it offers them professional health consultation, medical guidance, expert recommendation and other services. In addition to organising regular medical check-ups for employees and inviting relevant agencies to offer report interpretation for each employee, we also desensitise them by summarising common illnesses among employees via medical reports, commercial insurance claims, health centres and other channels, as well as by organising events, such as the “Traditional Chinese Medicine Paste Festival” and online/offline consultations with experts from tertiary hospitals. At the same time, we provide employees with a raft of psychological counselling services, covering family relations, parent-child relationship, self-growth and interpersonal interactions. These counselling services are undertaken by third-party professional teams, who will keep all information concerning the staff’s appointments and psychological counselling treatment strictly confidential.

Where health and safety-related problems are likely to occur during the course of filming, we will establish an accountability system for safe production, enter into contractual agreements with the film and TV producers, who are required to comply with all laws and regulations on occupational safety, with a view to ensuring faithfully implementation of all safety guarantees and facilities throughout the film-making process. Meanwhile, the Group also provides tailor-made medical insurance covering accidental injuries for crew and cast members to offer them comprehensive health coverage during the entire course of filming.

2.3 TRAINING AND DEVELOPMENT

Employee growth is the core momentum driving Alibaba Pictures towards sustained development. We stay committed to establishing and improving our training system for cultural and entertainment talents, and to creating a career path for our employees that features synergy between value creation and personal growth.

Alibaba Pictures has comprehensively optimised its talent training system in accordance with the *Employee Promotion Management Policy* and the *Employee Training Management Policy*, offering different groups systematic and differentiated training and development programmes to drive employees towards comprehensive development through multi-dimensional assistance. We regularly invite representatives from regulatory bodies, business experts, and our internal management team to share the most current and practical courses with our employees, thereby ensuring their access to the most up-to-date and enriched learning resources for self-development while keeping pace with the times. At the same time, the Group co-hosts a talent training programme with China Film Art Research Center, under which it promotes school-business cooperations to contribute to the development of design and production talents.

Among the several digital learning platforms that we have built to continuously utilise various learning resources, the “Film & Performance Camp” platform has set up a number of learning sections related to expertise, management capacity, new motivation, comprehensive strength and cultural power, aiming to deliver one-stop online learning resources for employees in the film and performance business line. The “New Recruits Growth Map” platform can offer employees learning resources and fit-in tips at key points in time, such as the first, second, third, sixth or twelfth month upon induction, with a view to helping them better understand Alibaba Pictures and adapt to their roles.

Table: Training System at Alibaba Pictures

Newcomer training	New motivation for film and performance	Serving the target audience of new hires in cultural and entertainment operations, this training assists newcomers in learning about the culture, business and innovative operations of Alibaba Pictures through a whole day of enriched activities, including classroom learning and group discussion.
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Picture: New Motivation for Film and Performance

Roundtable on film and performance techniques	Serving the target audience of new hires in technical operation, this training keeps employees updated on business development dynamics and technology innovation trends through face-to-face exchanges with the Company's CTO ⁴ . Focusing on the theme of technological design, the training offers a comprehensive coverage on standard and in-depth business overview, interpretation of general specifications and detailed elaboration on technical systems, aimed at further enhancing newcomers' skill levels to lay a solid foundation for their career advancement.
Live film and performance	Serving the target audience of all newcomers, this training provides on-the-spot experience for 1 to 3 days, enabling newcomers to better understand frontline operations and consolidate what they have learnt about their own positions.

Leadership development training

Warrior Camp

Serving the target audience of all managers, this training supports them in regularly broadening their management philosophies and refining their management skills.

Top+

Serving the target audience of middle-level managers, this training emphasises on boosting the comprehensive business strengths, as well as vertical and horizontal influences of those in core positions.



Picture: "Top+" Training

Training for high-potential youths

Star Scheme

Serving the target audience of high-potential youths, this training aims to recruit and nurture fresh talents for the Company and the film and performance sector.



Picture: Star Scheme

Management
trainee
development

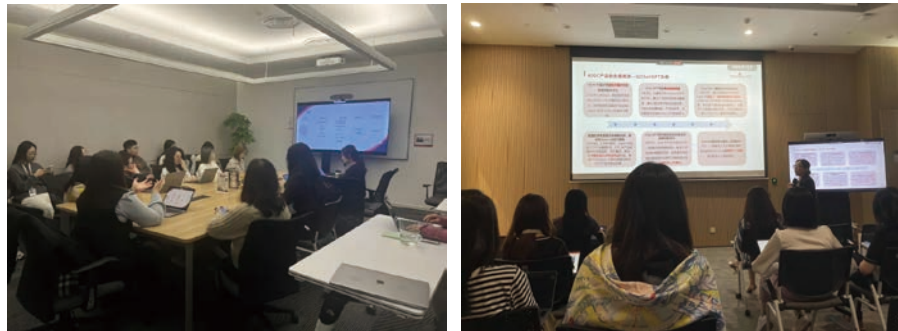
Aimed at selecting and developing outstanding talents with content investment, production and distribution, and business potentials, this training drives trainees towards fast growth through sessions on business perspectives and skills, professional development, business sensitivity, and innovation capacity.



Picture: Management Trainee Development

Expertise training

In order to provide employees with all-around support for ongoing professional growth, they have access to a number of special events, such as Fengque Class, Fluorescence Class, Safe Production Month, AIGC⁵ Auditorium and “BigMarcom” industry sharing, designed to suit different business and functional lines.



Pictures: Fluorescence Class

⁵

AIGC: Artificial Intelligence Generative Content

Table: Employee Training of Alibaba Pictures during the Reporting Period

Employee categorisation		Percentage of employees trained (%)	Average training hours completed per employee (hour(s))
By gender	Male	100	16.49
	Female	100	16.79
By rank	Senior management	100	17.72
	Middle management	100	18.82
	General staff	100	16.54

To further enhance the professionalism of Alibaba Pictures' employees in project management and across business lines, the Group continues to offer all employees the opportunity to apply for the PMP Certification⁶ and sit the National Qualification Examination for Performance Agents, reimbursing relevant examination fees for those who have successfully obtain the certificate or passed the examination. As of the end of the Reporting Period, 104 employees had registered for the agent certificate examination, 40 of whom obtained the certificate.

3 PRODUCT RESPONSIBILITY

Alibaba Pictures dedicates itself to providing customers with high-quality film content and excellent service experience, and contributes to promoting the construction of spiritual civilization by proactively building a positive business ecology. Meanwhile, the Group is actively engaged in intellectual property protection and advertisement compliance management, which demonstrates its corporate social responsibilities and commitment.

3.1 PROMOTE POSITIVE VALUES

Adhering to its development strategy featuring "content + technology", the Group upholds the value of selflessness involving ordinary people performing heroic deeds that promote strong sentiment and positive values, in a bid to deliver greater positive social impacts through diversified media such as films, TV dramas and digital products.

Content Culture Dissemination

Alibaba Pictures has an extensive scope of business, covering production, investment and distribution of films and drama series. During its course of business operation, The Group strictly follows the *Film Industry Promotion Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and other relevant laws and regulations, and pays attention to the latest developments of the guidelines and regulations of regulatory authorities on real-time basis. In order to ensure the high quality and compliance of films and drama series, the Company has established a strict mechanism for content control and selection. All works are required to be reviewed and approved by relevant regulatory authorities before it is publicly released or submitted for film festivals, ensuring that the content is in compliance with the laws and regulations.

⁶ The Project Management Professional (PMP) Certification, sponsored by the Project Management Institute (PMI), is a qualification examination that rigorously assesses the knowledge and skills of project managers.

The Group is actively committed to the films industry with a positive and healthy attitude by producing and distributing a series of high-quality and highly-acclaimed films with positive energy, contributing to the content construction and market development in China. During the Reporting Period, Alibaba Pictures participated in the production and co-production of several highly-acclaimed films about Chinese stories and the power of the times, including "No More Bets (孤注一擲)", "Lost in the stars (消失的她)", "YOLO (熱辣滾燙)", "Pegasus 2 (飛馳人生2)" and "Chang'an (長安三萬里)". The films produced and distributed by the Group generated a box office of over RMB32.5 billion in aggregate, with an attendance exceeding 760 million people.



Film poster: "No More Bets
(孤注一擲)"



Film poster: "Chang'an
(長安三萬里)"



Film poster: "YOLO
(熱辣滾燙)"



Film poster: "Pegasus 2
(飛馳人生2)"



Film poster: "Lost in the stars
(消失的她)"



Film poster: "Great Love Dunhuang
(吾愛敦煌)"

Meanwhile, several drama studios of the Group were dedicated to producing positive drama series with professional perspectives and innovative thinking, including “Pegasus (飛馳人生)”, “The Story of Hua Zhi (惜花芷)” and “Surgery Live Room (手術直播間)”. During the Reporting Period, Alibaba Pictures produced “Surgery Live Room (手術直播間)”, which depicts a relatively vivid picture of the healthcare industry and doctor cohort and explores the valuable meaning of life. The youth-themed sports drama about friendship, kinship and dreams “Pegasus (飛馳人生)”, uses the most advanced follow shot technology, realistic special effects and panoramic display to depict China’s magnificent landscape, showcasing the youngsters’ hard work and competitive spirit on the athletic arena. Embedded in ancient cultures, “The Story of Hua Zhi (惜花芷)” tells the inspirational story of women growth, and is well received by the audience.



TV drama poster:
“The Story of Hua Zhi (惜花芷)”



TV drama poster: “Pegasus
(飛馳人生之熱愛篇)”



TV drama poster:
“Surgery Live Room (手術直播間)”

The Group fully recognises the importance of test screening, and implements the test screening mechanism throughout the various key stages of release, final cutting, promotion and distribution. At the distribution stage, the Company collaborates closely with the distributors to collect the honest feedback from audience through test screening, providing a sound basis for precise adjustment of works. At the final cutting stage, the Company specifically organises internal test screening to get the genuine feedback and impressions of the audience and gives suggestions and opinions to the producer and creation team in a timely manner, helping them refine the works. At the film promotion and distribution stage, we extensively collect both positive and negative comments from the audience through roadshow test screenings, providing great support to develop a more targeted promotion strategy and plans.

Developing Creative Products

Adhering to its product philosophy of “developing story-telling products and granting heart-warming licences”, Alibaba Pictures constantly explores IP derivatives and quality IP collaboration to promote traditional cultures as well as the prosperity and vitality of consumption by bringing more creative and interesting peripheral products to the market.

Alifish is the Group’s professional platform focusing on IP operation, licensing and commercialisation and development. Since its establishment in 2016, the platform has built strong partnerships with hundreds of domestic and international renowned IPs, and nearly 10,000 brands and channel merchants. Adhering to its values of “developing story-telling products and granting heart-warming licences” and with professional services and design capabilities, Alifish won the “Outstanding Customer Service” award at the CLE Star Awards 2023 in a row during the Reporting Period. In September 2023, Alifish was granted the licence (including the commercialisation, marketing and off-line space licences) for all kinds of products of Crayon Shin-chan in Mainland China. It is committed to offering users with rich and interesting derivative products and interactive experiences.

During the Reporting Period, Sanrio, the internationally-renowned licensor represented by Alifish, won the “Most Commercially Valuable Property” award at CLE Star Awards 2023. The pen gift boxes co-branded by LAMY China and Pokémon under the authorisation of Alifish won the “Best Licensee – Stationery/Gift” award.



Pictures: Awards won by Alifish at the CLE Star Awards 2023

Building on its commitment to films and TVs, traditional cultures and public services, Alibaba Pictures' pop toy brand "KOITAKE" continues to launch quality IP derivatives through licensing or original IPs to meet people's needs for a better life.

Description of popular products

"Empresses in the Palace (甄嬛傳)" mystery boxes are highly popular among users, with sales of over 1,000,000 across all channels as of December 2023.

"The Story of Minglan (知否知否應是綠肥紅瘦)" mystery boxes have rapidly gained popularity among users since their launch.

Product posters



The original IP KAYLA'X "Legendary Spirits (鎖妖簿)" mystery boxes with a product design focusing on Chinese traditional spirits and featuring in classic stories as the backdrop with Chinese-style elements promotes Chinese traditional cultures in ways favoured by the young generation.



A pop toy dedicated to public cause, the "PiPi Homestead Plan!" Missing Bird Mystery Box Series (「PiPi安家計劃！」尋鳥啟事系列盲盒) calls for greater attention to the current living conditions of rare birds and collective efforts to protect endangered species.

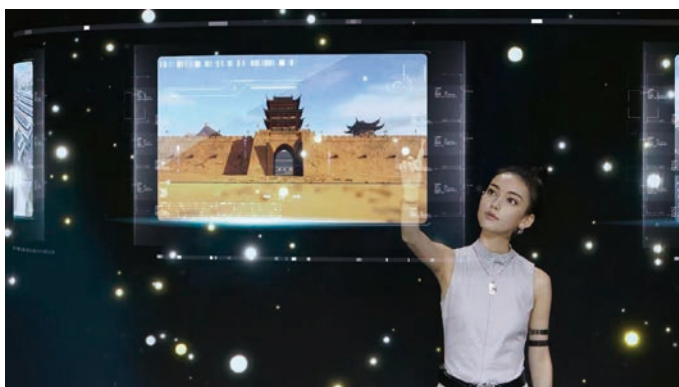


Alibaba Pictures continues to invest in digital products in addition to IP derivatives. The Lingjing business under the Group focuses on the development of industry-leading digital products such as digital humans and digital collectibles by constantly expanding the possibility of integrating digitalisation with content creation.

During the Reporting Period, Alibaba Pictures' digital virtual idol, namely the digital human Leah, became a part of the content production of various drama series, variety shows, documentaries and advertisements, in which digital technologies were used to reduce costs and enhance efficiency. In March 2024, Leah was formally embedded into the large language model "Tongyi Xingchen (通義星塵)", becoming a hyper-real digital human, the first of its kind in China capable of free dialogue in an unlimited way.

Case study: Digital human Leah debuted in drama series and documentaries

During the Reporting Period, the digital human Leah debuted in *"I Am Nobody (異人之下)"*, becoming the first digital actress to act in a reality show in China and casting a new light on the development of domestic digital human industry. Meanwhile, the digital human Leah, as the main speaker, participated in the production of a documentary *"Wind From the East (風起東方)"*, which uses the combination of super-real digital human, XR and AI technologies to explore the journey of discovery along the silk road across time and space, and becomes an important milestone for digital human industry and technological development in China.



Picture: Digital human Leah participated in the production of the documentary *"Wind From the East (風起東方)"*

In addition, the Lingjing business under Alibaba Pictures, in collaboration with the Van Gogh Cultural Heritage Foundation in the Netherlands, carefully selected classics by Van Gogh to launch the official-licensed series of digital collectibles in memory of the 170th anniversary of Van Gogh, together with limited release of commemorative coins in memory of the 170th anniversary of Van Gogh to pay a tribute to the outstanding contribution by Van Gogh in the field of arts.

3.2 CONTENT GOVERNANCE AND ADVERTISEMENT COMPLIANCE

Alibaba Pictures is committed to creating a civilised and healthy network environment and adheres to the principle of operating in compliance with the laws and regulations, so as to offer users a clear spiritual space by creating good and quality products and contents while improving its content and advertisement review mechanism and process.

Content Governance

Alibaba Pictures has developed a series of internal management policies, including the *Content Safety Work System and Standard*, the *Content Safety Review Standard and the Acceptance System for Complaints and Reports of Illegal and Improper Information*, in compliance with requirements of relevant laws and regulations, including the *Cybersecurity Law of the People's Republic of China*, the *Administrative Measures on Internet Information Services* and the *Provisions on Ecological Governance of Network Information Content*. With respect to Tao Piao Piao platform, the Group has formulated the *Preceding Safety Evaluation System for Tao Piao Piao Safety Review Team*, the *Internet Rumors and Illegal Supply Chain Information Handling System for Tao Piao Piao Safety Review Team*, the *Comments Posting Services Management System for Tao Piao Piao Safety Review Team*, with an aim to provide safe and reliable services to users. In addition, the Company publicly released the *Management Rules for Tao Piao Piao Community*, the *Management Rules for Damai Community*⁷, and displayed them on its official APP, aiming to create an ethical platform for exchange of views on films and performances.

Save as disclosed above, there are no relevant laws and regulations relating to health and safety in connection with products and services provided, the compliance of which have a significant impact on the Group.

Alibaba Pictures is committed to building a disciplined and compliant content production team by regularly conducting compliance-specific trainings for its business teams. During the Reporting Period, the Group held five content governance compliance trainings attended by 430 employees, which effectively raised the business personnels' awareness and skills on compliance.

Table: Alibaba Pictures' content governance compliance trainings during the Reporting Period

Content of training	Unit	Number of attendees
Challenges faced by AIGC ⁸ products and technological compliance solution	Person	350
Compliance training for the making of a film	Person	20
Compliance training for the making of pop figures	Person	20
Compliance training for Alifish business mode	Person	20
Legal issues and risk prevention in relation to the production of films and TV dramas	Person	20

⁷ *Management Rules for Damai Community* (damai.cn)

⁸ Artificial Intelligence Generated Content

The Group adopts the content review system where an exhaustive list of sensitive words and expressions is established for common violations in text to strictly filter user information, comments and product information, effectively identify and eliminate non-compliant text characters and remove illegal and harmful content such as pornography, advertisements and personal attacks. Furthermore, the Company has introduced the sophisticated content-based filtering algorithms to accurately identify and quickly recall non-compliant graphics and videos. During the Reporting Period, the Group newly introduced the professional review technology for AIGC content to provide safe and effective content review and filtering services for innovative business, ensuring that all contents were in compliance with the laws and regulations and the platform rules.

Meanwhile, the Group has in place a well-established complaint and reporting mechanism for illegal and non-compliant content. Various channels, including a whistle-blowing mailbox and a hotline, are available for users to report any violations of laws and regulations. In addition, users can file reports without time restrictions, as reporting portals are prominently provided on product information pages, video pages and comment detail pages and other key pages. We have strictly set a strict response time limit of 15 days to solve relevant problems in a timely and effective manner and to maintain the healthy ecology of the platform.

Advertisement Compliance

Alibaba Pictures strictly abides by the laws and regulations in relation to advertising for products and services provided by the Group, such as *Advertising Law of the People's Republic of China*, *Interim Provisions for Regulating Promotional Activities*, *Measures for the Administration of Internet Advertising*. Alibaba Pictures has formulated the *Film and Performance Marketing Activities Compliance Review Specifications*, the *Template Library for Guidelines and Rules on Marketing Activities*, the *Compliance Guidelines for Differentiated Rights Issuance*, the *Review System of Commercial Advertisement for Tao Piao Piao* and other internal systems to clarify the review criteria and processes for marketing review and advertising review.

Save as disclosed above, there are no relevant laws and regulations relating to advertising the compliance of which have a significant impact on the Group.

Alibaba Pictures is committed to building a compliant, disciplined and trustworthy marketing team. The Compliance Governance and Public Affairs Centre of the Group vigorously conducts in-depth compliance inspections on various aspects (including marketing content and marketing forms) of departments such as the film and performance product & design centre as well as the film and performance marketing centre, so as to resolutely prevent non-compliant marketing activities.

Meanwhile, the Group has developed a set of sound advertisement review rules to regularly conduct content, legal, security and other reviews of advertisements placed online and offline. As at the end of the Reporting Period, the Group completed content review for a total of 148 commercial advertisements placed, ensuring that the advertisement content was compliant, safe and effective.

In order to ensure that the marketing activities are compliant and conducted smoothly, prior to each important timeslot throughout the year, the Group has established a marketing review and filtering task force which conducts compliance review for the whole process covering the solution design and launch of marketing activities and the handling of customer complaints, and uses the intelligent review tools to further enhance the completeness of review. During the Reporting Period, the advertisement content review was 79% more effective than before the establishment of the task force and the use of intelligent review tools.

In order to further raise the employees' compliance awareness, during the Reporting Period, Alibaba Pictures held two marketing training sessions for new employees and employees in key positions, which were attended by a total of 112 employees and effectively enhanced employees' understanding and prevention awareness of compliance risks in online marketing activities.

The Group's film and drama series production, investment and distribution business and technology business are free of product quality and safety risks. For all IP derivatives, including mystery boxes, the Company adopts strict quality inspection and recall procedures to ensure the reliability and stability of product quality. The Group does not expect any product recall due to quality or safety and health issues. Besides, the Group has established a comprehensive after-sales management mechanism to deal with problems related to product quality in a timely manner. The Group recorded no case of product recall due to safety and health issues during the Reporting Period.

The Group's business does not involve labelling activities. Therefore labelling issue is not relevant to the operation of the Group.

3.3 PROTECTION OF INTELLECTUAL PROPERTY RIGHTS AND COPYRIGHT

Alibaba Pictures values the protection of intellectual property rights and copyright and has developed a sound intellectual property management system, ensuring that the innovations of a business are fully respected and protected. We encourage our employees to carry out innovation and R&D activities, and provide them with sufficient resources and support, so as to stimulate their innovation potentials and to drive the continued advancement and development of the Company.

Intellectual Property Rights

Alibaba Pictures strictly follows relevant laws and regulations, such as the *Patent Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*. It has also developed internal systems, such as the *Intellectual Property Management of International Cooperation Projects*, aiming to establish and continuously optimise the intellectual property management system. The Group recognises the importance of protecting trademarks, patents, copyrights, domain names, etc. and ensures that applications are made for registration regarding the company's R&D and innovation achievements in a timely manner, so as to protect the legitimate interests of both creators and corporations. The Company will take necessary legal actions against any product or content suspected of design infringement.

In order to further stimulate the employees' passion for innovation, the Group has established an intellectual property incentive mechanism and continues to optimise the patent incentive rules to create an energetic and innovative working environment. The Group has, among others, Innovative Proposal Awards, Patent Application Awards and Patent Authorisation Awards, offering generous rewards. During the Reporting Period, the Group's achievements in intellectual property rights were as follows:

Table: Intellectual property rights of Alibaba Pictures newly acquired during the Reporting Period

Types of patents	Amount (piece) of patents
Trademarks	53
Patents	/
Copyrights (software)	3
Copyrights (works)	15
Domain names	7

In addition, Alibaba Pictures actively explores new ways to protect the intellectual property rights through, among others, the data property rights registration⁹. During the Reporting Period, the Group participated in the national pilot projects of data intellectual property rights. The Beacon’s “Real-time box office and pre-sale box office database”, which is a digital intelligence product of Alibaba Pictures, has passed the audits of the Beijing Intellectual Property Protection Center and was granted the first data intellectual property registration certificate in the film and entertainment industry, which effectively protects the data assets of the Group.



Picture: Data property registration certificate of Beacon “Real-time box office and pre-sale box office database”

⁹ Data property rights registration, namely the property registration services provided by the Data Property Rights Management Department to the qualified applicants for “the database with certain rules or capable of algorithm processing, with commercial values and intellectual achievement attribute”. A company that has completed the data property rights registration will be issued the data property rights registration certificate, which enables the company to claim the ownership of the data rights and include the data assets as the intangible assets to reflect the contribution of the company’s business operations

Protection of Copyright

Throughout the process of derivative IP development and production business operations, the Group always adheres to the *Law of the People's Republic of China on Protection of the Rights and Interests of Consumers*, the *E-Commerce Law of the People's Republic of China* and other laws and regulations. The Group has established the internal systems, such as the Derivatives Business Management Process of Integrated Development Department, where it meticulously and stringently assesses the content of derivative development, including, among others, derivative models, toys and mystery boxes, derivative food products, derivative cosmetics, derivative audio-visual products, and ensures that licenses for all derivatives are legally obtained from copyright holders.

The Group actively responded to the Copyright Protection Center of China's call for innovation in the internet copyright governance mode by proactively adopting its Digital Copyright Identifier (DCI)¹⁰ as the proof to protect the copyright. It has applied for the electronic copyright registration certificate which enhances the safety of copyright management.

3.4 CUSTOMER SERVICE

Alibaba Pictures has long been upholding the core value of "customers first". It continues to enhance the product quality and service capabilities, optimising the service process while listening to and responding to customers' needs. The Group adopts the NPS¹¹ system to gain in-depth insight into the users' satisfaction and feedback about its products from multiple key dimensions, including the ticket purchase process, membership services and after-sales services. Through a targeted approach, it rectifies product and service policies to continuously enhance customer satisfaction and loyalty.

Tao Piao Piao

Tao Piao Piao regulates its customer services process and mechanism in accordance with the *SOP Manual for Customer Feedback Handling*. It is committed to continuously optimising its customer service system, so as to enhance customers' product experience. In terms of customer services, Tao Piao Piao publicly displays its customer service hotline on its App to ensure that the customers can quickly contact the customer service platform and answer their questions. It has also set up an exclusive customer service skill team to provide black diamond members with more considerate and professional services.

Tao Piao Piao remains focused on customers' needs and optimises the ticket purchase process to ensure that the users can easily and quickly complete the ticketing operation. Meanwhile, Tao Piao Piao upgrades the technology and optimises the functions to enhance the users' browsing experience, enabling them to obtain movie information, select seats and complete payment more quickly. During the Reporting Period, Tao Piao Piao actively responded to the *Notice from the Ministry of Industry and Information Technology on Further Improving the Service Capabilities of Mobile Internet Applications* (工業和信息化部關於進一步提升移動互聯網應用服務能力的通知). The "account information download" function has been added on the customer side to enhance the service capabilities of the product, as it provides a more convenient way for the users to duplicate personal information.

¹⁰ Digital copyright identifier (DCI) is a pattern of characters used to identify and describe the right-belonging relationship between the copyright holders, their associated right holders and the respective works in the context of digital network environment

¹¹ Net Promoter Score

In addition, Tao Piao Piao actively conducts the user surveys to learn about users' satisfaction about the products and services and to make improvements based on their feedback accordingly. During the Reporting Period, the total number of customer complaints received by Tao Piao Piao in relation to products or services amounted to 17,531 cases¹², all of which were followed up on, handled and addressed by dedicated staff in accordance with the *SOP Manual for Customer Feedback Handling*, with a handling rate of 100%.

Damai

As a professional live events ticketing platform, Damai focuses on the continued optimisation of customer services and product experience. In order to quickly respond to customers' needs, Damai has set up a prominent customer service portal on the App, enabling the users to contact the customer service and ask questions or seek help at any time. Meanwhile, Damai has launched a customer service tool, namely Damai customer service assistant, enabling the customer service staff to handle users' inquiries and complaints more effectively.

In terms of the product experience, Damai comprehensively optimised the ticket purchase process ranging from searching for performance information, browsing and payment based on the result of user survey, ensuring that the users can enjoy the seamless and convenient experience of purchasing tickets. Meanwhile, Damai introduced the functions of highlights introduction and AI aggregated evaluation, enabling users to more quickly learn about the information of live events and the comments from other users. During the Reporting Period, Damai made proactive improvements in response to the users' concerns over ticket scalpers and seat blocking, so as to protect the rights and interests of users.

With respect to the after-sales experience, Damai initiated and implemented a sound ticket refund mechanism, which enables users to refund tickets in a more flexible way, enhancing user satisfaction through a simplified refund process that allows users to submit refund applications on their own. Damai also conducted user surveys and data analysis to provide the VIP members with exclusive benefits and services, such as the priority to purchase tickets and exclusive seats, which further enhanced the members' satisfaction and loyalty. During the Reporting Period, Damai received 265,258 complaints¹³, all of which were properly handled by dedicated staff in a timely manner.

During the Reporting Period, Damai developed a digital ticketing solution, the first of its kind in the history of the Asian Games. As a cloud-based digital ticketing system, it is able to automatically allocate seats for as many as 100,000 spectators in 30 seconds, which is more than five times faster than that of conventional systems, enabling the upgrade and improvement of ticketing services for the Hangzhou Asian Games. The system also offers various functions such as event pre-sale, registration and ballot for popular events, as well as electronic ticket transfer and resale, in order to fully meet the diverse needs of the public.

¹² During the Reporting Period, the complaints received by Tao Piao Piao were mainly related to the scenarios of ticket refunds, with business growth leading to an increase in number compared to last year

¹³ During the Reporting Period, the complaints received by Damai were mainly related to the scenarios of ticket refunds

Beacon

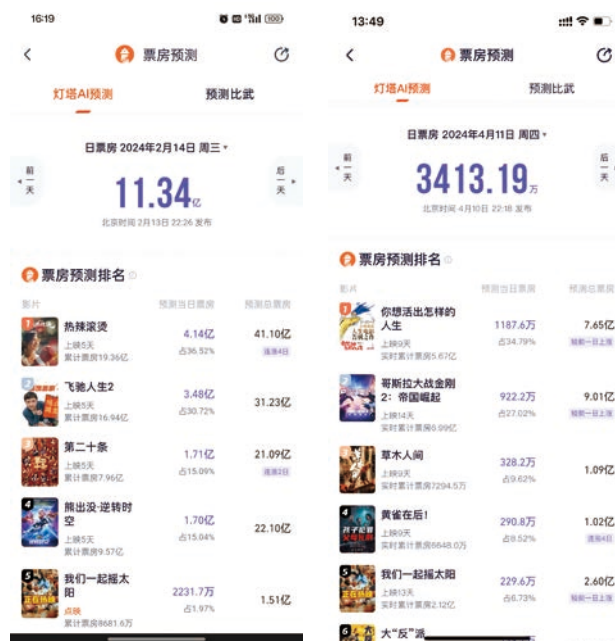
As a digital promotion and distribution platform of Alibaba Pictures, Beacon actively collects feedback from people from all walks of life, thoroughly explores the industry development patterns and improve the effectiveness of promotion and distribution based on digital technology, thereby creating more values for the customers, while reducing product risks faced by customers.

In accordance with the *SOP for Beacon Customer Services*, the Group collects, sorts out and evaluates feedback from customers in a systematic manner, carries out regular follow-up interviews and surveys through online questionnaires, and issues user interview reports. For corporate customers, Beacon assigns a designated person to communicate with them on a regular basis and respond to their requests within 24 hours.

Furthermore, by comprehensively taking into account the film popularity on promotion and distribution platforms (including TikTok and Weibo) before its release, box office trends, the film type, the release schedule and market competition, Beacon provides customers with detailed box office forecast, daily box office during the pre-sale period, film schedule forecast and other services, so as to help customers achieve their box office goal.

During the Reporting Period, Beacon launched "Beacon AI (燈塔AI)" as the first data product designed to provide intelligent promotion and distribution services for the entertainment industry, which creatively integrates AI large model technology and data products and comprehensively covers various business scenarios of box office prediction, time-sharing presale, real-time status, opening progress and public opinions, providing customers with timely and precise data support to significantly enhance the comprehensiveness, timeliness and intelligence of the promotion and distribution data.

As at the end of the Reporting Period, Beacon served more than 1,020 films and drama series projects, with box office of films in partnership of nearly RMB118 billion. It helped its customers save 20% of their promotion and distribution budget.



Pictures: Forecast of box office ranking of Beacon AI

Yunzhi

As the Group's professional and open platform which offers digitalised operation and management services, Yunzhi is committed to providing cinemas with high-technology and high-quality products through smart solutions. The platform provides smart film scheduling services that not only optimises the releasing efficiency of cinemas but also provides strong support for the cinemas to work out accurate plans through in-depth analysis of information such as the proportion of box office and attendance rates of existing films. Moreover, Yunzhi develops mini programmes in cooperation with Beacon to provide comprehensive and in-depth analysis of operation processes and planning for cinemas on multiple dimensions such as dynamic monitoring and marketing effect analysis.

During the Reporting Period, Yunzhi upgraded the POS¹⁴ products and launched the emergency version, which solved the problem of accidental network outage which made it impossible for the cinemas to sell tickets at the front desk, thereby enabling the cinemas to sell tickets both online and offline. The Yunzhi system adopts the advanced datart¹⁵ technology to launch the custom reporting function, allowing the users to independently prepare multidimensional statements with selected characters as fast as within two hours without the support of R&D team, which not only saves the cost of research and development, but also optimises the user experience. Since its launch, the function has successfully prepared nearly 40 custom reports that are recognised and well received by users of more than 200 cinemas.

As at the end of the Reporting Period, Yunzhi has covered more than 5,100 cinemas across the country, and helped cinemas improve their operating efficiency through refined operation management.

Cloud Production

Cloud Production is a digital management platform that covers the whole process of film production created by the Group by integrating the production and management of film and drama series content with digital technology. The platform not only covers key processes of financial management, shooting materials management, shooting site and post-production process management, but also realises the whole process of digital services including personnel management, process management, document management, script breakdown and post-production visual effect of films, effectively promoting further industrialisation of the film and television industry.

During the Reporting Period, Cloud Production provided nearly 80 crews with meticulous management, which improves process management efficiency and keeps project quality and risks under control. As at the end of Reporting Period, Yunzhi broke down more than 4,000 scripts in aggregate, reducing the production cycle time at the shooting and editing stages by 7.3% and improving the overall editing efficiency by 50% through onsite and post-production digital process management.

¹⁴ Point of Sales

¹⁵ Datart is an open platform of data visualisation, which provides a complete set of tools for data visualisation, enabling users to easily analyse and present the data

4 JOINT EFFORTS IN PROTECTING THE ECOLOGICAL ENVIRONMENT

Alibaba Pictures actively undertakes its social responsibility, establishes a fair and just supplier management system and works with its partners to achieve mutual prosperity. The Group is committed to contributing to the society, upholding its green and low-carbon concept while actively participating in public welfare activities, with great efforts to promote the sustainable development of the industry and society.

4.1 SUPPLIER MANAGEMENT

Alibaba Pictures persistently integrates ESG idea into its whole process of supply chain management. It strictly follows Alibaba Group's general management systems such as the *Procurement Guidelines of Alibaba Group* and the *Tendering and Bidding Rules and Regulations*, and continuously strengthens the whole process management of admittance, assessment, daily management and exit of suppliers. In order to improve the procurement efficiency, the Group formulated the *Secondary Procurement Process* during the Reporting Period to simplify the procurement process in response to the requirements for certain special categories such as media, software and exhibition. As at the end of the Reporting Period, Alibaba Pictures had a total of 286 suppliers, 282 of which are from Mainland China, four are from Hong Kong, Macau, Taiwan and elsewhere.

Table: The Whole Supplier Management Process

Admittance stage	<ul style="list-style-type: none"> • To verify the validity of information and determine the nature of suppliers, suppliers are required to fill in supplier information either by themselves or by procurement staff; • All suppliers are required to pass the qualification check before they are admitted. This includes, but not limited to, the overall scale, bank account permit and administrative penalty records. Suppliers are allowed to be added into the database only after they are categorised as qualified; • For suppliers with "Medium" or "High" risk grade, identify the cause of risks, ensure that the risk control measures are in place, with risk statements in the system, and provide the risk reports where necessary.
Evaluation stage	<ul style="list-style-type: none"> • Conduct comprehensive evaluation of suppliers on various dimensions, such as technology, quality, responsiveness, delivery and cost, ensuring that the standards and quality of suppliers meet the requirements of the Group.
Daily management	<ul style="list-style-type: none"> • Implement the supplier hierarchical management system, and conduct dynamic evaluation, periodic evaluation and annual comprehensive evaluation of suppliers to fully understand their current status; • Supplier scores will be displayed on the procurement platform.
Exit stage	<ul style="list-style-type: none"> • Remove suppliers who fail to meet the requirements, such as those with poor delivery performance or minimal transaction amounts, from the list in a timely manner, based on the rating and evaluation results.

Alibaba Pictures is committed to building a sustainable supply chain, specifically requiring its suppliers to maintain high standards of business ethics while encouraging suppliers to keep improving their environmental and social performance. The Group meticulously evaluates the ESG performance and potential risks of its suppliers, and closely monitors any possible violations, such as corruption, bribery, environmental pollution, so as to ensure that the requirements of supplier risk management are effectively implemented.

In terms of environmental protection, the Group incorporates the environmental requirements such as *China Compulsory Certification* (3C Certification) and the *Restriction of Hazardous Substances* (RoHS) into its supplier evaluation system in strict accordance with the requirements of regulations such as the *Administrative Measures for the Prevention and Control of Environmental Pollution by Electronic Waste* and the *Administrative Measures on License Grant for Treatment Qualification for Waste Electrical Appliances and Electronic Products*. The Group will give priority to those with 3C and RoHS certifications when selecting suppliers, actively practising its philosophy of green procurement.

In addition, the Company complies with the *ESG Code of Conduct for Suppliers of Alibaba Pictures* and provides its suppliers with specific guidance in the environmental areas, including the environmental permits and reports, pollution prevention and resource-saving measures, identification and management of hazardous materials and wastes, greenhouse gas emission control, water resource management and exhaust gas emissions.

The Group actively carries out the supplier training and communication, promotes the long-term and healthy cooperation between both parties, and works with partners to build a sustainable supply chain. The Company regularly organises trainings for suppliers and other partners, covering business process guidance, honesty and integrity education, laws and regulations on occupational safety and health. During the Reporting Period, the Company carried out the procurement platform operation training for more than 100 major suppliers, and conducted interviews, reviews and other exchange activities with the major suppliers of the respective business.

4.2 SOCIAL CHARITY

With a vision of “engaging in charity through a commercial approach”, Alibaba Pictures leverages on its business advantages to actively participate in social charity activities, delivering warmth and care to people in need. We hold volunteering activities, organise public screening activities in support of rural revitalisation projects, protect wildlife and fulfil our social responsibilities with concrete actions, contributing to the social harmony and progress.

In order to enrich the cultural life of rural residents and narrow the gap between public cultural services in urban and rural areas, Alibaba Pictures joined hands with Alibaba Foundation to launch the “Tao Piao Piao Starlight (星光點點)” charity screening program. By leveraging Alibaba Picture’s strength in “content + technology”, the program promoted the charitable screening of newly-released quality films in former revolutionary base areas, areas inhabited by ethnic minorities, remote areas, and poverty-stricken areas across the country. This has not only improved the sense of gain and happiness among rural residents, but also helped revitalize rural culture and achieve common prosperity in a spiritual sense.

Case study: “Tao Piao Piao Starlight (星光點點)” charitable activities

During the Reporting Period, Alibaba Pictures presented five films, namely *Born to Fly* (長空之王), *Super Wings the Movie: Jett Speed* (超級飛俠：樂迪加速), *Chang'an* (長安三萬里), *Backkom Bear: Mars Mission* (貝肯熊：火星任務) and *Be My Family* (無價之寶), in rural villages. A total of 1,000 screenings of the latest films on general release were held for rural residents in 20 provinces, cities or autonomous regions to share with them the power of culture and achievements in cultural development.



Pictures: “Tao Piao Piao Starlight (星光點點)” Charity Screening

Alibaba Pictures collaborated with the China Disabled Persons’ Federation and Alibaba Entertainment Public Welfare (阿里文娛公益) to launch the “accessible theatre” projects. It worked with the Beijing Demonstration Centre of Service for Persons with Disabilities, China Association of Persons with Visual Disabilities, China Braille Library and Sichuan Association of Persons with Visual Disabilities to jointly promote the accessible theatre, accessible film and television cultures and related volunteering services. During the Reporting Period, a total of more than 30 philanthropic organisations joined the accessible theatre whitelist to support the regular organisation of accessible screening activities in different local areas. We also collaborated with the film producers, government departments and philanthropic organisations to successfully organise the accessible premieres for the films “Born to Fly (長空之王)” and “All Ears (不虛此行)”, delivering an unprecedented movie-watching feast to audiences with visual disabilities. We collaborated with 11 local disabled persons’ federations and philanthropic organisations across the country to hold a total of 31 movie-watching activities offline attended by more than 3,700 viewers from user viewing groups and schools for the blind in 24 cities. As at the end of the Reporting Period, more than 2,000 films and TV dramas were screened in the accessible theatres, representing a year-on-year increase of more than 400%.

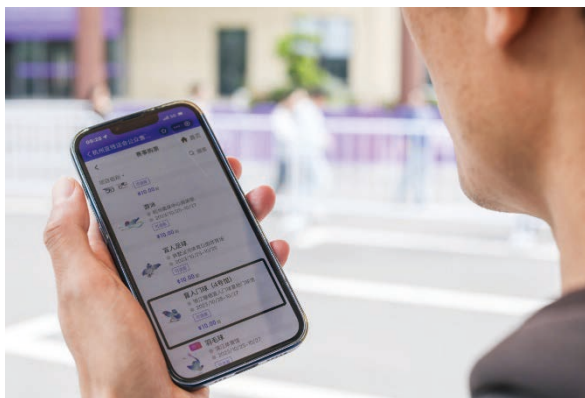
In addition, the “accessible theatre” was listed as the typical selected case at the 18th China Information Accessibility Forum, demonstrating the outstanding contribution of Alibaba Pictures to the visually-impaired groups.

Case study: Alibaba Pictures organised the accessible film festival

In December 2023, Alibaba Pictures organised the first accessible film festival, which included the presentation ceremony of annual philanthropic awards, accessible roundtable forum and offline movie-watching and other activities, allowing the visually impaired to deeply understand the charm and meaning of movie culture.

Case study: Damai made it easy for the disabled to purchase tickets for Hangzhou Asian Para Games

Damai developed the accessible version of the official ticketing website for the Hangzhou Asian Para Games, which focused on the ticketing pain points of persons with visual disability and colour blindness, and leveraged on the interaction technologies such as sound processing and visual reinforcement, enabling various users to enjoy a “hassle-free watching, closed-eye listening and casual using experience” when purchasing tickets and watching games. During the ticketing peak, the number of online users of the accessible version of the official ticketing website for the Hangzhou Asian Para Games reached 1,000.



Picture: The Accessible Version of the Official Ticketing Website for the Hangzhou Asian Para Games

Besides, during the Hangzhou Asian Para Games, Damai deployed a team of one hundred professional ticketing officers to ensure at all time robust and efficient services, such as the stable operation of the ticketing system, on-site verification of tickets, and provision of ticketing information.



Picture: Damai Ticketing Officers at Work

Case study: Alifish (阿里魚) charity program for agricultural families

Giving full play to its business advantages, Alifish (阿里魚), together with celebrities and merchants, showed love and care to rural children and stray animals. In January 2024, Alifish collaborated with well-known artists and various caring merchants to organize a charitable event where 300 exquisite New Year gifts were donated to rural children for a more joyful and hopeful festival.



Pictures: The Alifish Charitable Donation Event

Case study: Missing Bird Mystery Box Series

In collaboration with Alibaba Foundation and the Mangrove Wetland Conservation Foundation, “KOITAKE” launched in 2024 the brand-new “PiPi Homestead Plan!” Missing Bird Mystery Box Series (「PiPi安家計劃！」尋鳥啟事系列盲盒), which was inspired by six rare bird species. Through offline pop-up events, promotional posters in the facility and various channels, more people were encouraged to protect endangered species and return to rare birds their natural and homey habitats. A portion of the product sales revenue was donated directly to the Mangrove Wetland Conservation Foundation for habitat conservation for rare birds and environmental education.



Pictures: Offline Pop-up Event featuring the Missing Bird Mystery Box Series

Meanwhile, Alibaba Pictures worked with its business partners and Party-building groups in communities to launch a series of effective public welfare activities. As we were concerned about the demand of vulnerable groups in the community, we invited renowned artists to participate in our public welfare activities, and organized screening of the *Lost in the Stars* (消失的她) with the Beijing Yuanzhong Gender Development Center to draw the attention of the community to women’s issues. With an emphasis on raising health awareness in the community, we organized a voluntary non-remunerated blood donation activity with the 301 Military Hospital. Moreover, we were dedicated to fostering a greater sense of social responsibility among our employees, for whom we launched the “Three Hours for Charity” (公益三小時) community activity to encourage their participation in community assistance and services outside the office, and to promote a harmonious and inclusive relation between the community and the Company.



Pictures: The “Three Hours for Charity” Activity

During the Reporting Period, a total of 771 employees of Alibaba Pictures participated in public welfare activities for a total of 8,451.3 hours.

Green Office

Alibaba Pictures has always incorporated the concepts of environmental protection, energy saving and consumption reduction into its operation. It continues to increase employees' awareness of and participation in environmental protection, living up to its commitment to green office.

The Group strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and other laws and regulations, while our alignment with internal regulations such as the Alibaba Group Environmental Policy will continue to enhance environmental management and ensure the implementation of low-carbon and environmentally-friendly principles in office and daily operations. In light of the nature of Alibaba Picture's business, our business operation does not involve activities that cause any material impact on the environment and natural resources, including emissions, discharge of waste water, generation of hazardous waste and non-hazardous waste, the use of packaging materials for finished products and use of raw materials. During the Reporting Period, the Group recorded no environmental violations.

Due to the nature of operations, water consumption of the Company during the Reporting Period was minimal. Water supply facilities are provided and managed by property managers on the Company's rented premises, and as such the Company had no issue in sourcing water that is fit for purpose during the Reporting Period. In terms of water resource utilization, the Group supports the scientific and reasonable water conservation goal set by Alibaba Group: by 2025, the per capita water consumption in our own facilities will be reduced by 15% as compared to 2021. Meanwhile, we have adopted various measures for water conservation, such as our proactive participation in initiatives related to protection of water resources, regular monitoring and reporting on water consumption, as well as ongoing enhancement of water management procedures to maintain an efficient use of water.

Due to the nature of the business operation of the Group, which does not involve activities that cause any material emission of greenhouse gas, the Group has not yet set its own environmental goals, and will develop relevant goals based on actual situations in the future.

In terms of waste management, we are devoted to improving waste management in our operation and value chains, and to disposing wastes in full accordance with relevant regulations. The waste generated by the Group mainly consists of office and domestic waste¹⁷. Part of the solid waste is fully recycled through the Group's classified waste bins, while non-recyclable waste is handed over to the municipal department for compliant discharge upon standard harmless disposal.

¹⁷ Due to the low production of waste in the Group and its small impact on the environment, no relevant statistics are available for the time being. As our business is growing, our waste production will increase, and we will consider gradually improving our statistical procedure.

The Group has adopted the following measures to promote environmental protection:

- Energy-saving renovation
- Optimizing the lighting system continuously in the inventory section by installing our self-developed “Equipment Brain (設備大腦)” in offices where smart decisions are made on equipment usage, system settings are dynamically adjusted to ensure the equipment is turned off when necessary, and an LED lighting system has been put into full service; fully adopting a smart lighting system in newly built underground garages to achieve the vision of “cars gone, lights off”;
 - Switching the electronic equipment, such as printers, to the energy-saving mode;
 - Self-adjusting the lighting and the air-conditioning temperature of the office spaces by scanning the QR code with a mobile phone;

As previously mentioned in this report, the Group targets to maintain or reduce its existing energy consumption intensity in the forthcoming financial year.

- Paperless operations
- Smart daily office solutions used for online conference room reservation, collaboration and discussion at meetings and automatic post-meeting shutdown of electronic equipment in the conference room.
- Recycling and reuse
- Printers are set to double-sided printing by default;
 - Setting a site for small post office carton box collection to facilitate reuse;
 - Establishing a stationery corner to gather reusable paper and office supplies for second use.
- Nurturing and practicing environmental awareness
- Encouraging environmental protection behavior, such as turning off lights and air conditioners, taking the stairs instead of using elevators, bringing your own cup, to increase the employees’ environmental awareness;
 - Encouraging green packaging, organizing low carbon campaigns and discouraging the use of disposable chopsticks, spoons and plastic bags;
 - Promoting the “Clear Your Plate” campaign, continuing to organize the “Clear Your Plate and Be Food Wise” (有心光盤·量力而食) activities to reduce food wastage;
 - Encouraging low-carbon travel. For daily commute, increasing the number of charging stations in the facility. For business travel, reward points are provided in the business travel reservation system based on four types of low-carbon business travel, including taking trains instead of planes, carpooling, taking the company shuttle bus and taking the subway, to guide and encourage our employees to go on business trips in a more low-carbon fashion.

Table: Energy Consumption and Greenhouse Gas Emission of Alibaba Pictures during the Reporting Period¹⁸

Indicator	Unit	Data during the Reporting Period
Fuel gas consumption	m ³	34,359.39
Fire extinguisher consumption	kg	1,011.97
Refrigerant consumption	kg	970.02
Purchased power	MWh	2,814.02
Purchased heat	MWh	2,802.34
Comprehensive energy consumption	tce	638.45
Comprehensive energy consumption per capita	tce/person	0.43
Total greenhouse gas emissions	tCO ₂ e	2,878.03
Total greenhouse gas emissions (Scope 1)	tCO ₂ e	464.09
Total greenhouse gas emissions (Scope 2)	tCO ₂ e	2,413.94
Density of CO ₂ emissions per capita	tCO ₂ e/person	1.94
Water consumption	tonnes	24,863.52
Density of water consumption per capita	tonnes/person	16.75

¹⁸ Table notes:

1. The Group rents office spaces from Alibaba Group in campuses in various cities in the People's Republic of China, such as Beijing, Hangzhou, Shanghai and Guangzhou, and shares the energy-using and water facilities installed in public areas of the office buildings by property management companies of the campuses with other employees of Alibaba Group.
2. The energy usage, all from the Alibaba Group's decarbonisation system, was calculated based on the proportion of our office spaces.
3. The data of comprehensive energy consumption and greenhouse gas emission were calculated according to the General Rules for Calculating Comprehensive Energy Consumption (GB2589-2020) and the corresponding conversion coefficients mentioned in the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions of Enterprises* (企業溫室氣體排放核算方法與報告指南) for 24 industries.
4. A power grid emission factor of 0.5703 kgCO₂e/KWh was taken, which was provided in the *Notice on Work Related to the Reporting and Management of Enterprises' Greenhouse Gas Emissions in Power Generation Industry in 2023-2025* (關於做好2023-2025年發電行業企業溫室氣體排放報告管理有關工作的通知) issued on February 7, 2023 by the Ministry of Ecology and Environment of the People's Republic of China.
5. Alibaba Pictures further improved its emission statistical data during the year by including fugitive emission sources, such as fire extinguishers and refrigerants, which led to a rise in greenhouse gas emissions.

Green Cast and Crew

Alibaba Pictures is committed to promoting low-carbon transition in the entire industry chain, and collaborates with its business partners to fulfil the commitment to green development. To build a green cast and crew, the Group effectively reduces energy consumption of the crew and enhances the efficient use of resources by promoting virtual filming technology, paperless offices and crew resources recycling. Damai's paperless technology is widely used in major performance and exhibition events, putting the low-carbon and environmental-friendly concepts into practice.

During the Reporting Period, we continued to launch the "electronic commemorative tickets" on the Tao Piao Piao platform to replace traditional paper tickets with digital tickets for 99% of the movies, thereby promoting green consumption.

Case study: Digitalization solutions provided by Cloud Production

Cloud Production of Alibaba Pictures provides digitalization solutions for the film-television industry with its product matrix, helping over 1,000 cast and crew in more than 400 film and television companies achieve paperless management for the whole production process. Before shooting, Cloud Production can check the financial status and progress in real time through online preparation. During shooting, monitoring, viewing and field notes, etc. are adopted electronically through CloudTake. During the post-production process, the reviewer can watch the film online using Cloud Eyes instead of hard disk delivery and compact disk viewing, which effectively reduces resource consumption during the production process.

Case study: Crew asset reuse

Alibaba Pictures promotes the reuse of crew assets by reusing its props and costumes again for more scenes after filming is completed, thereby reducing the environmental impact of costume disposal. In addition, the Group conducts charity auctions for costumes used in drama series and films, thereby effectively avoiding waste. Since the launch of crew asset reuse, the initiative has served more than 2,000 cast and crew, variety shows, films and advertisements, and established a low carbon industry chain for sustainable development.

Case study: Zreal digitalized production solution 2.0

In order to solve the problems of time-consuming and energy-consuming traditional live-action filming, as well as the inability to recycle resources, the Group has launched Zreal digitalized production solution 2.0. As at the end of 2023, Zreal virtual production studios were established in various places such as Beijing, Hengdian and Qingdao, providing advanced software and hardware for project services, testing by cast and crew, technological research and development.

In May 2023, Zreal completed the shooting of an experimental film "*Lighthouse (燈塔)*" in the virtual production studio in Qingdao in only 11 days. A total of 13 scenes and 2,700 shots were included, which is equivalent to the scale of a 5-episode drama series. Commenced in October, the virtual filming of the large-scale costume drama "*Riverside Code at Qingming Festival (清明上河圖密碼)*" used a total of eight scenes, including snowy forest, lakeside sunset and culverts, with the filming and HR efficiencies expected to achieve a 30% and sixfold increase respectively.

ESG INDEX

Environmental, Social and Governance Aspects, General Disclosures and Key Performance Indicators (KPIs)			Sections
Environmental			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4.3 Green Operation
	A1.1	The types of emissions and respective emissions data.	4.3 Green Operation
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) total greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3 Green Operation
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3 Green Operation
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3 Green Operation
	A1.5	Description of emission target(s) set and steps taken to achieve them.	4.3 Green Operation
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	4.3 Green Operation
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	4.3 Green Operation
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	4.3 Green Operation
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.3 Green Operation
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.3 Green Operation
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4.3 Green Operation
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	4.3 Green Operation

Environmental, Social and Governance Aspects, General Disclosures and Key Performance Indicators (KPIs)			Sections
Environmental			
A3: Environmental and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	4.3 Green Operation
	A3.1	Description of the significant impact of activities on the environment and natural resources and the actions taken to manage them.	4.3 Green Operation
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	4.3 Green Operation
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	4.3 Green Operation
Social			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	2.1 Employment Management
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	2.1 Employment Management
	B1.2	Employee turnover rate by gender, age group and geographical region.	2.1 Employment Management
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	2.2 Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	2.2 Health and Safety
	B2.2	Lost days due to work injury.	2.2 Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	2.2 Health and Safety

Environmental, Social and Governance Aspects, General Disclosures and Key Performance Indicators (KPIs)			Sections
Social			
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	2.3 Training and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	2.3 Training and Development
	B3.2	The average training hours completed per employee by gender and employee category.	2.3 Training and Development
B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	2.1 Employment Management
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	2.1 Employment Management
	B4.2	Description of steps taken to eliminate such practices when discovered.	2.1 Employment Management
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.1 Supplier Management
	B5.1	Number of suppliers by geographical region.	4.1 Supplier Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	4.1 Supplier Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.1 Supplier Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.1 Supplier Management

Environmental, Social and Governance Aspects, General Disclosures and Key Performance Indicators (KPIs)			Sections
Social			
B6: Product responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	1.4 Data Security and Privacy Protection, 3.2 Content Governance and Advertisement Compliance
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.2 Content Governance and Advertisement Compliance
	B6.2	Number of products and service-related complaints received and how they are dealt with.	3.2 Content Governance and Advertisement Compliance, 3.4 Customer Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.3 Protection of Intellectual Property Rights and Copyright
	B6.4	Description of quality assurance process and recall procedures.	3.2 Content Governance and Advertisement Compliance, 3.4 Customer Service
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	1.4 Data Security and Privacy Protection

Environmental, Social and Governance Aspects, General Disclosures and Key Performance Indicators (KPIs)			Sections
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	1.3 Integrity Building
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.3 Integrity Building
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	1.3 Integrity Building
	B7.3	Description of anti-corruption training provided to directors and staff.	1.3 Integrity Building
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	4.2 Social Charity
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	4.2 Social Charity
	B8.2	Resources contributed (e.g. money or time) to the focus area.	4.2 Social Charity

FEEDBACK FORM

Dear Reader,

Greetings!

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

Please answer the questions as follows by marking "✓"

- In relation to Alibaba Pictures, which of the following applies to you?
 Government Investors Employees Customers Suppliers/contractors
 Partners Industry peers Community and the public Media
 Non-governmental organizations Others (please specify)
 - How would you rate the overall ESG performance of Alibaba Pictures?
 Excellent Good Average Poor
 - What's your overall rating for the report?
 Excellent Good Average Poor
 - How would you rate the quality of ESG information disclosed in the report?
 Excellent Good Average Poor
 - How would you rate the structure of the report?
 Highly reasonable Relatively reasonable Average Less than reasonable
 - How would you rate the layout and presentation of the report?
 Excellent Good Average Poor
 - What are your expectations regarding Alibaba Pictures' ESG effort?
-