

ESG

2022/23

Environmental, Social  
and  
Governance Report

ESG

 阿里巴巴 影业集团  
Alibaba Pictures

Alibaba Pictures Group Limited  
阿里巴巴影业集团有限公司

Stock Code: 1060

## CONTENTS

ABOUT THIS REPORT	2
ABOUT ALIBABA PICTURES	4
ESG STATEMENT OF THE BOARD	6
STAKEHOLDER ENGAGEMENT	7
DETERMINATION OF MATERIAL ISSUES	8
1 RESPONSIBLE GOVERNANCE	9
1.1 ESG GOVERNANCE	9
1.2 RISK CONTROL	10
1.3 INTEGRITY BUILDING	12
1.4 DATA SECURITY AND PRIVACY PROTECTION	13
2 EMPLOYEE MANAGEMENT	17
2.1 EQUAL EMPLOYMENT	17
2.2 TRAINING AND DEVELOPMENT	21
2.3 HEALTH AND SAFETY	25
2.4 REMUNERATION AND CARE	26
3 PRODUCT RESPONSIBILITY	30
3.1 PROMOTE POSITIVE VALUES	30
3.2 CONTENT GOVERNANCE AND ADVERTISEMENT COMPLIANCE	35
3.3 PROTECTION OF INTELLECTUAL PROPERTY RIGHTS AND COPYRIGHT	37
3.4 CUSTOMER SERVICE	38
4 JOINT EFFORTS IN PROTECTING THE ECOLOGICAL ENVIRONMENT	41
4.1 SUPPLIER MANAGEMENT	41
4.2 SOCIAL CHARITY	42
4.3 GREEN OPERATION	44
ESG INDEX	49
FEEDBACK FORM	54

## ABOUT THIS REPORT

### BRIEF INTRODUCTION TO THE REPORT

This is the 2022/23 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 listed in its annual report.

### REPORTING SCOPE

The information and data disclosed in this report cover Alibaba Pictures Group Limited and its principal subsidiaries as listed in its annual report. The reporting period spans from April 1, 2022 to March 31, 2023 (the “Reporting Period”).

### 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” refers to Alibaba Pictures and its subsidiaries collectively. “Alibaba Group” refers to Alibaba Group Holding Limited and its subsidiaries collectively.

### 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 27 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 the report covers Alibaba Pictures Group Limited and its subsidiaries, and is consistent with the scope of the annual report. 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: <http://alibabapictures.com>

Website of The Stock Exchange of Hong Kong Limited: <https://www.hkexnews.hk>

## ABOUT ALIBABA PICTURES

Alibaba Pictures is an internet-driven company engaged in the film and television industry. It forms an integrated platform that covers content production, internet-based promotion and distribution, merchandise licensing and integrated development, cinema ticketing management and data services for the entertainment industry.

Adhering to its core strategy featuring “content + technology”, Alibaba Pictures is committed to release to the market influential, positive and premium films and TV dramas, and focuses on developing the full business potential of integration and innovative applications of the Internet and traditional film and television industry, leading the digital and intelligent transformation of the entire industry chain.

Leveraging on the synergy between its own big data support and Alibaba Group ecosystem resources, Alibaba Pictures is developing its core business encompassing three major segments: content production business both domestically and internationally; internet-based promotion and distribution business integrating the internet and traditional offline distribution; integrated development business as an extension of Alibaba ecosystem.

Through building new industry infrastructure and strategic planning across the internet-based film and television industry value chain, Alibaba Pictures keeps empowering its partners to continuously provide enjoyable film, TV and entertainment services for mass consumers.

## Content

The content segment is one of the Group's core businesses, mainly comprising content from films, drama series and others. During the Reporting Period, the Group produced and distributed a total of 26 films covering various genres such as comedy, romance, drama series and animation, including, among others, "The Wandering Earth 2 (流浪地球2)", "Moon Man (獨行月球)", "Lighting Up The Stars (人生大事)", "Post Truth (保你平安)" and "Suzume (鈴芽之旅)". Films invested by the Group won numerous awards in the industry, such as the 35th China Golden Rooster Awards (i.e. one of the prestigious and coveted awards in the industry) for the Best Actor, Best Director, Best Feature Film and Best Art Direction. In addition to the significant investment in films, the Group has also been expanding its presence in other field of the content industry. Through the operation of studios, the Group has established close relationships with platforms, screenwriters and business partners, and continues to create high-quality content amidst the industrialisation of content production.

## Technology

The technology business is an important part of the Group's strategy. The Group actively explores future-proof smart digital technology business, develops integrated solution for digital shooting, facilitates the application of innovative technologies in the production of film and TV dramas, and promotes the digital upgrade of the entertainment sector. The technology business of the Group mainly comprises platform ticketing, digitalisation business and other business, including Tao Piao Piao, Yunzhi and the Cloud Production. In addition, the Group has been exploring ways to integrate technology with members-oriented business. It introduced its first "hyper-real" virtual idol, namely Leah. Leah was appointed as a digital brand spokesperson of Taomai VIP and other projects.

## IP merchandising and commercialisation

The IP merchandising and commercialisation business is the Group's core business for expanding its presence in the entertainment industry. As a part of Alibaba ecosystem, the Group has an abundant reserve of heartwarming and storytelling IPs derived from films, drama series and variety shows which could express and convey consumers' emotions and needs. IP merchandises provide consumers with a richer, better and more tangible product experience. This segment creates synergies with the content segment and allows consumers to build a deeper connection with IP characters and their stories across online and offline channels. The Group is not only a discoverer of IP content, but also a service platform to commercialise IPs. Backed by the Group's licensing and marketing capabilities, the Group could integrate the resources across Alibaba's ecosystem and provide comprehensive distribution channels connecting both corporate customers and individual consumers (IP2B2C). The Group aims to help develop the licensing industry in Mainland China by providing leading merchants with ongoing support, incubating new brands and exploring popular and emerging trends.

## ESG STATEMENT OF THE BOARD

Alibaba Pictures adheres to the sustainable development strategy. It attaches importance to environmental, social and governance (ESG) related matters, and strives to maintain a high level of corporate governance to safeguard the rights and interests of stakeholders such as investors, customers, employees, suppliers and business partners.

The board of directors (the “Board”) is the highest responsible and decision-making body for ESG matters. It regularly reviews and approves the Group ESG strategies and objectives, supervises the implementation of ESG efforts, and assumes corresponding responsibility for the Company’s ESG strategies and reporting. At the same time, the Board identifies, evaluates, prioritizes, and manages ESG related risks, and supervises major ESG risks. The Board has established an ESG Execution Team consisting of members of the Company’s management, which is responsible for coordinating ESG-related efforts, providing decision-making support for the Board’s consideration, and reporting any material ESG risk events and the implementation of objectives to the Board on a regular basis. The ESG Execution Team has also established an ESG Working Group comprising personnel from relevant departments, which is responsible for carrying out specific ESG-related work.

The Group attaches great importance to the concerns and demands of all stakeholders, as it continuously improves the stakeholder management mechanism, maintains communication with stakeholders through diversified channels, and regularly ascertains the expectations and requirements of stakeholders. The Group identifies and assesses important ESG issues and priorities, the results of which are reviewed by the Board and fully disclosed in the sections headed “Stakeholder Engagement” and “Determination of Material Issues” in this report. With due consideration given to the Company’s business development strategy and with reference to the best practices in the industry, the Group formulates specific work targets and plans in respect of important ESG issues. The Board performs its supervisory responsibility to review ESG targets and plans, and supervise the implementation of relevant targets, the progress towards the achievement of which is monitored and assessed by the ESG Working Group. During the Reporting Period, the Board focused on reviewing and monitoring the business ethics and anti-corruption, data security and privacy protection, talent diversity and development, and approved the work plan for 2023/24.

This report, which discloses in detail the progress of the ESG-related work of the Group for the period from April 1, 2022 to March 31, 2023, was reviewed and approved by the Board on May 31, 2023.

## STAKEHOLDER ENGAGEMENT

Stakeholders' expectations and feedback are important references for the Group's sustainable development. Therefore, Alibaba Pictures values the voices of various stakeholders, and seeks to maintain regular communication and contact with them through diversified channels.

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 Feedback channels	Product marketing and promotion Customer visit Cooperation and communication
Employees	Protection of employee interests Career development Ensuring occupational health and safety Work and life balance	Internal office system Employee training Luncheon Feedback collection
Audiences and users	Data security and privacy protection User experience Product quality	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' determination of material ESG issues. To identify material ESG issues of Alibaba Pictures and determine the reporting boundary, the Group has adopted a three-step process to conduct materiality assessment.

### Step 1: Identification

Reviewing the material issues of the previous financial year, and generating a preliminary list of major issues based on the benchmarking analysis results of industry characteristics, media supervision and international reporting standards.

### Step 2: Prioritisation

Analyzing the focus of stakeholders, adjusting and ranking the priorities of major issues based on the Company's business development strategy, and forming a matrix of major issues.

### Step 3: Validation

Reviewing and validating Alibaba Pictures' matrix of material issues, which determining the report boundaries, and better responding to stakeholders' demands.

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

Materiality to stakeholders	Very high	<ul style="list-style-type: none"> <li>Supplier management</li> <li>Employee health and safety</li> <li>Employee remuneration and benefits</li> <li>Equal employment and diversity</li> <li>Carbon emission management</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Business ethics and anti-corruption</li> <li>Data security and privacy protection</li> <li>Employee training and development</li> <li>Product quality and innovation</li> <li>Provision of quality content</li> <li>Compliance operations and risk management</li> </ul>
	High	<ul style="list-style-type: none"> <li>Customer service</li> <li>Community charity</li> <li>Reduction of waste emissions</li> <li>Tackling climate change</li> </ul>	<ul style="list-style-type: none"> <li>Intellectual property protection</li> <li>Content review and advertising compliance</li> <li>Enhancement of resource efficiency</li> </ul>
		High	Very high
		Materiality to Alibaba Pictures' sustainable development	

Chart: Alibaba Pictures' matrix of material issues

# 1 RESPONSIBLE GOVERNANCE

Alibaba Pictures is committed to integrating ESG concept into its development strategy and regards strong governance structure and internal control system as the cornerstones and crucial guarantee for its healthy development. The Group improves its ESG governance system and strengthens corporate operational risk management and control in strict compliance with the business ethics code of honesty, integrity and self-discipline, with an aim to improve the level of corporate governance.

## 1.1 ESG GOVERNANCE

Alibaba Pictures has established an ESG governance system with a clear division of authority and responsibility, which defines the governance functions at all levels and ensures the institutionalisation, standardisation and professional management of the Company’s ESG efforts. The Group has established a governance structure with the Board and the ESG Execution Team at the governance level and with the ESG Working Group at the executive level. The Board, as the chief in charge of ESG-related matters, is responsible for reviewing and approving ESG strategies, policies and objectives, identifying and responding to material ESG risks, and regularly monitoring and assessing the progress towards achievements of the ESG objectives. The ESG Execution Team, consisting of the chief operating officer, chief financial officer (“CFO”) and general counsel (“GC”), is responsible for coordinating and directing the implementation of ESG efforts and for regularly reporting to the Board on the implementation of the ESG efforts and the progress towards achievement of related objectives. The ESG Working Group, comprising personnel from the Group’s ESG-related departments, including Internal Audit Department, Human Resources Department and Technology Centre, is tasked with implementing and executing specific ESG efforts and reporting regularly to the ESG Execution Team.

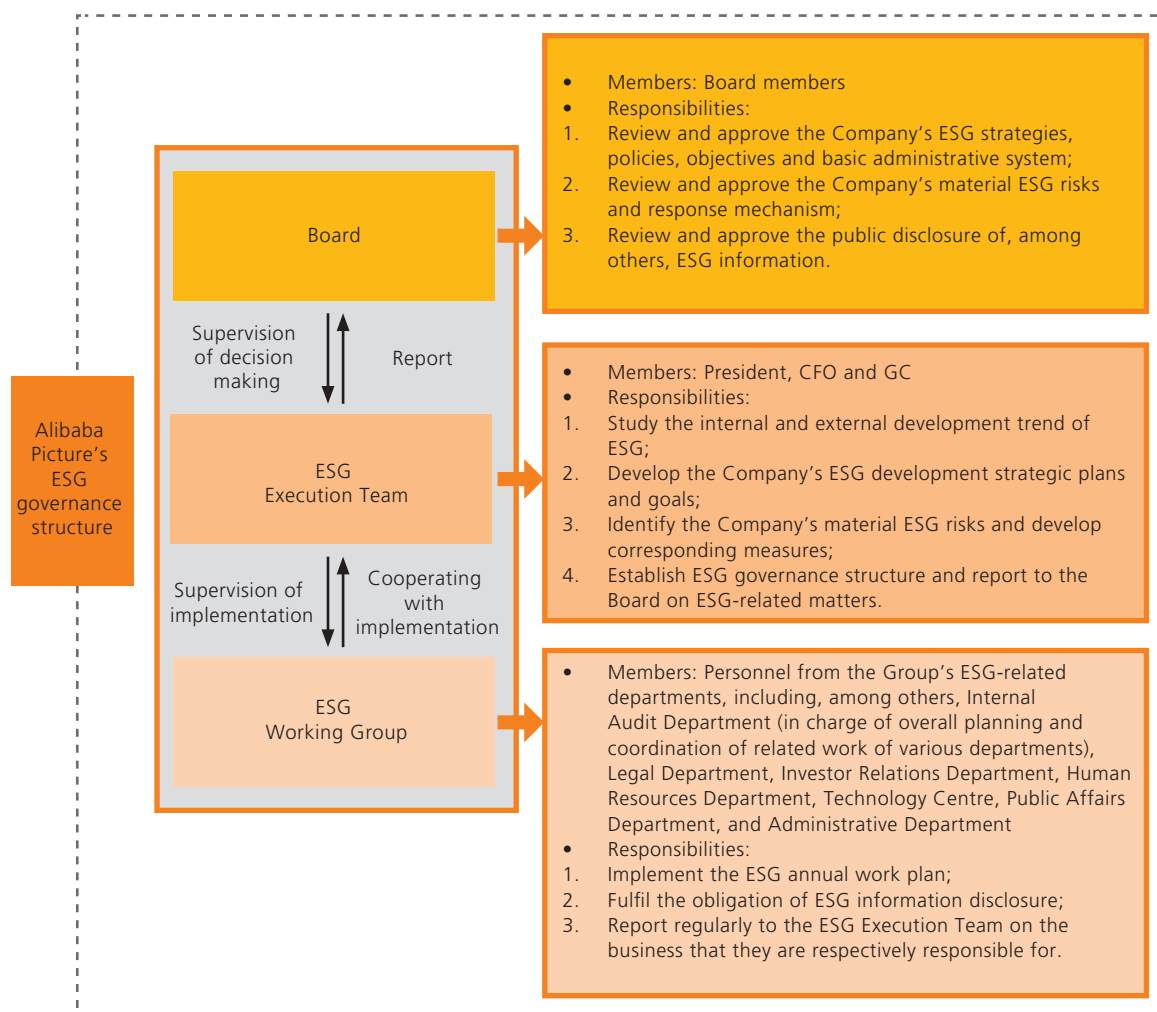


Chart: Alibaba Pictures' ESG governance structure

In December 2022, the Group won the “Best ESG” award at the “7th Zhitong Caijing Listed Company Awards” for its outstanding ESG performance.

In February 2023, Alibaba Pictures’ MSCI ESG rating was upgraded to BBB, which is at the leading level of the film and entertainment industry in China.



Picture: Best ESG award for Alibaba Pictures

## 1.2 RISK CONTROL

Alibaba Pictures has established a sound risk control and management system to ensure the effective 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, so as to ensure the stable and effective operation of the Company.

As the foremost control and decision-making body for risk management within the Company, the Board is fully responsible for the effectiveness of risk management. The audit committee of the Board (the “Audit Committee”) performs duties on behalf of the Board in respect of risk management and internal control and is tasked with implementing the Group’s risk management system construction, risk monitoring and management system construction, material risk identification and governance, supervision and assessment. As the chief in charge of risk management, each department is responsible for implementing its respective business line’s risk management system construction and risk governance.

The Group has set up a risk management and control mechanism with “three lines of defense” with experienced professionals on each team to address internal and external risks effectively through mutual cooperation and supervision at various levels.

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, and reporting risk events and risk data in accordance with standard requirements of the Company.

At the second line of defense, a virtual organisation consisting of the Financial Centre, the Legal Department and the Internal Control Team under 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.

The independent supervision functions of the third line of defense are performed by the Internal Audit Team under the Internal Audit Department and the Integrity Team of the Company. The Internal Audit Team under the Internal Audit Department has been designated to perform independent supervision and independent internal audit, and is responsible for evaluating the effectiveness of the Group’s risk management processes and internal control system. 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 national laws and the Company’s internal compliance management system in their commercial cooperation with external parties and performance of internal duties. The Internal Audit Department is responsible for submitting regular audit plans and related reports on risk management and internal control to the Audit Committee for review. It is the responsibility of the Audit Committee to audit the annual audit plans and review relevant reports on risk management and internal control.



Chart: Risk control structure of Alibaba Pictures

### 1.3 INTEGRITY BUILDING

Alibaba Pictures adopts the attitude towards probity, integrity, sunshine and impartiality. It is determined to reject any bribery, extortion, fraud, money laundering and other practices that violate business ethics. The Group abides by the *Criminal 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* and the *Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong)* and other relevant laws and regulations. It has formulated the *Anti-Bribery and Anti-Corruption Policy of Alibaba Pictures* and other internal policies based on the *Management Regulation on Competition Compliance of Alibaba Group* and the *Principles of Business Conduct of Alibaba Pictures Group*, which are applicable to all staff and suppliers of Alibaba Pictures to raise awareness of integrity among its employees and provide a basis for managing violations of business ethics. Bribery and other corrupt practices are strictly forbidden.

In order to achieve strict control of business ethics culture building and anti-corruption efforts, Alibaba Pictures has established the Integrity and Compliance Department to manage the supervision and prevention of corruption incidents and report to the Audit Committee and the Chief People Officer (CPO) of Digital Media and Entertainment Group. The Group conducts special anti-corruption audits from time to time and supervises the audits in respect of labour employment and other areas with greater autonomy and manoeuvre, so as to ensure the further improvement of Alibaba Pictures' business ethics supervision system.

As part of its greater efforts to raise integrity and compliance awareness as a whole, Alibaba Pictures organises business ethics training covering all employees, who are required to sign the "Integrity Pledge" upon joining the Company. During the Reporting Period, the Group held five trainings on anti-corruption, including, among others, integrity compliance induction training for new employees, targeted anti-corruption training, briefing on institutional rules and integrity case presentation for all employees. Meanwhile, the Group organised examinations in respect of business codes for all employees including the Directors, president and general employees. The coverage rate was 100%.

The Group imposes strict supervision on the procurement staff of the high-risk procurement department. Employees are prohibited from engaging in any unusual business relationships with suppliers, receiving any valuables, accepting invitation to banquets or facilitation payments, or committing any other acts in violation of business ethics. Meanwhile, the Group also forbids its employees to divulge procurement strategies, tender documents and other confidential information in relation to suppliers, and ensures that technical or commercial contracts are free of favourable or exclusive terms, so as to guarantee the standardisation, safety and impartiality of the tender and bidding process. Suppliers are required to sign the *Undertaking on Honesty and Integrity*, as the Group maintains zero-tolerance attitude towards 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 of them was involved in lawsuits in relation to any corruption or unfair competition.

In order to ensure the effective operation of Alibaba Pictures' integrity system, a whistle-blowing mailbox has been set up on the Group's official website. Employees or external partners are encouraged to report any suspected fraud, corruption and malpractice that come to their attention. The identities of whistle-blowers are kept in the strictest confidence to protect their safety by prohibiting anyone from retaliating against them. The Integrity and Compliance Department of the Group will conduct special investigation upon receipt of such reports, and impose appropriate disciplinary action on those involved, while those in violation of the laws and regulations will be reported to relevant departments and even transferred to judicial authorities. During the Reporting Period, there was no concluded legal case regarding corrupt practices brought against Alibaba Pictures or its employees.

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.

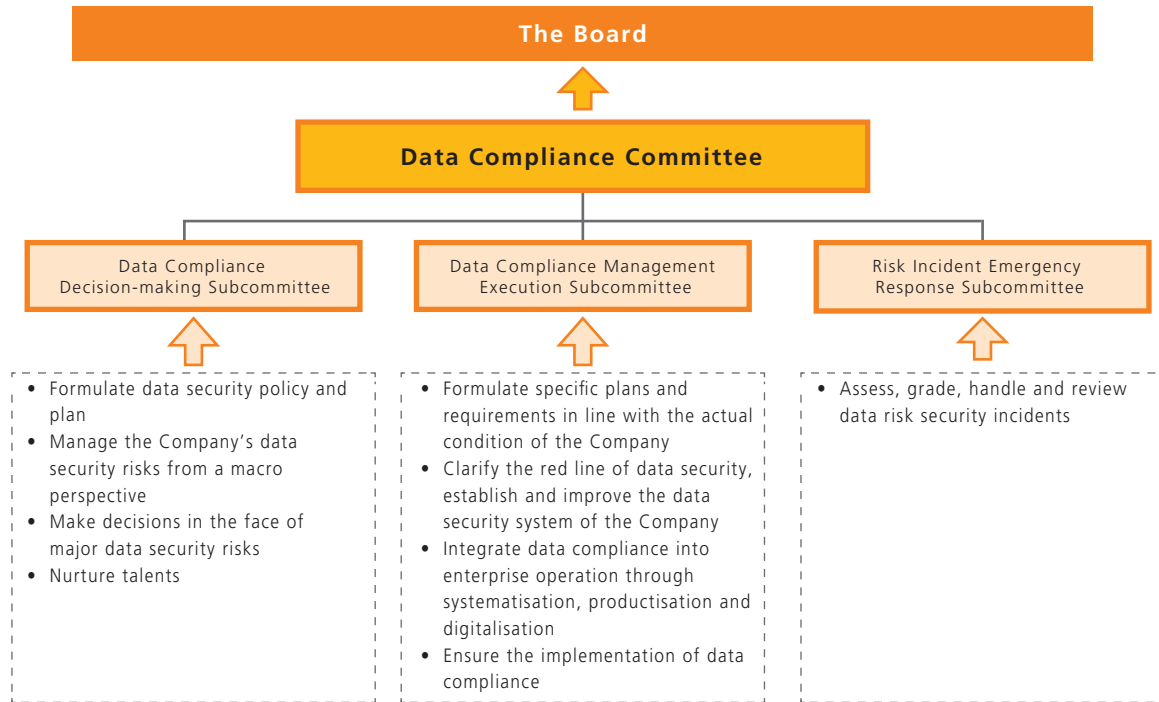
#### 1.4 DATA SECURITY AND PRIVACY PROTECTION

Alibaba Pictures attaches importance to data security management and customer privacy protection. It has established sound management systems and regulatory measures and maintains the bottom line of cyber security to guarantee user data security in all respects and lay a solid foundation for stable operation.

##### **Data Security**

Alibaba Pictures pays closer attention to cyber security management and attaches importance to the protection of customer privacy. A safe and secure data security management structure has been established to lay a solid foundation for the stable operation of the Group. The Group complies with 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* and the *Information Security Technology – Personal Information Security Specification* and other relevant laws and regulations and national standards, as well as 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, which define security requirements for the full data lifecycle.

During the Reporting Period, Alibaba Pictures continued to improve the development of data compliance organisation system. The Board has established the Data Compliance Committee, which is consist of Data Compliance Decision-making Subcommittee, Data Compliance Management Execution Subcommittee and Risk Incident Emergency Response Subcommittee. The Data Compliance Committee is responsible for regularly reporting to the Board on the Group's actual operational results of data security compliance, while the Board is responsible for overall supervision of matters on data compliance.



All employees are required to strictly abide by the laws and regulations and policy requirements during the full life cycle of data generation, collection, transmission, storage, use, disclosure and destruction in accordance with the provisions of *Principles of Business Conduct of Alibaba Pictures Group* on data security and data processing. Alibaba Pictures follows the basic principles of data processing, such as lawfulness, clear purpose, minimum necessity, storage limitation, accountability and traceability, and regards data security as a necessary guarantee for its sustainable development. The data security and privacy data management regulations of the Group also apply to all its suppliers. The internet-based office equipment of the suppliers is equipped with terminal security control software to fully identify the risk of data leakage. Any identified security vulnerability will be blocked and fixed before access to internet is given.

The Group has formulated the "*SOP on Emergency Response to Data Security Incident*". Incidents are classified into six levels according to factors such as the severity, controllability and social impact of the incidents. There are clear division of emergency response responsibilities and processing processes, including perception, reporting, analysis, classification, disposal and review. The protection of data security is supported by the pre-process interception, in-process detection and post-process handling, for which different measures are adopted. Annual special drills are conducted for data security incidents at different levels. During the Reporting Period, the Group conducted one practical drill and one desktop drill. These drills covered scenarios such as illegal access and abnormal cyber traffic. There was no incident of information security or data breach.



The Group has established an information security internal control evaluation system for key businesses. An evaluation report will be issued for the internal evaluation and self-examination conducted on privacy protection and information security in terms of compliance organisation and development, compliance system, compliance awareness enhancement, and supervision and management.

At the same time, the information system operated by the Group has obtained the registration certificate for the classified protection of information security approved and issued by the Ministry of Public Security. The four level-3 systems, including the Yunzhi ticketing system, Phoenix Jiaying Pro cinema operation and management platform, Tao Piao Piao cinema ticketing and review system, and Cloud Production, together with the level-2 system of the “Beacon Professional (燈塔專業版)” were reviewed. As of the end of the Reporting Period, all infrastructures of Alibaba Pictures were provided by Alibaba Group and Alibaba Cloud. Alibaba Cloud has obtained the ISO 27001 Information Security Management System and the ISO 27701 Privacy Information Management System Certification, which cover the cloud environment where Alibaba Pictures’ products are deployed.

The Group regularly provides special trainings on data security and privacy protection for all employees and managers, covering external laws and regulations in respect of data protection, the Group’s data security red line, office security requirements, and user personal information protection compliance training, with an aim to further strengthen the data security protection system and respond to various emergencies in a timely manner. During the Reporting Period, Alibaba Pictures conducted six special data security trainings, covering all regular employees and outsourced employees.



### Privacy Protection

In compliance with relevant laws and regulations, including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, Alibaba Pictures has formulated the *Operational Practices on Personal Information Collection*, the *Operational Practices on the Use of Personal Information*, the *Operational Practices on the Storage and Removal of Personal Information*, the *Management Requirements for and Operational Practices on Personal Information Protection Compliance Audit*, the *Operational Practices on Security Assessment of the Cross-border Transfer of Personal Information*, the *Operational Practices on Personal Information Protection Impact Assessment*, the *Operational Practices on Recording and Archiving of Personal Information Processing Activity*, the *Operational Practices on Exercising Rights in Respect of User's Personal Information*, the *Operational Practices on Complaints and Reports in Relation to User's Personal Information*, the *Management Requirements for and Operational Practices on Personal Information Security Incidents and Emergency Response*, the *Management Requirements for and Operational Practices on Transmitting Personal Information with Partners*, the *Management Requirements of Personal Information Processing and Life Cycle*, and the product privacy policies for each business line, for the purpose of standardizing the use and management requirements of personal information. In order to ensure that users understand their personal rights and interests in a timely manner, the Group publicly discloses the privacy policy of each product, and provides full text and summary to facilitate users' understanding and establish a transparent and equal relationship with users.

**Table: Privacy Policy of Alibaba Pictures Sub-business Lines**

<b>Name of Product</b>	<b>Effective Scope</b>	<b>Name of Policy</b>
Tao Piao Piao	Website, client and mini programme	<i>Tao Piao Piao Privacy Policy</i>
Beacon	Website, client and mini programme	<i>Beacon Privacy Policy</i>
Cloud Eyes	Website, mini programme	<i>Cloud Eyes Privacy Policy</i>

In order to ensure the integrity and confidentiality of data when handling sensitive information of products, the Group adopts various measures such as Cryptographic technology and secure network transmission protocols to ensure the security of data processing. During the R&D process, the Group also audits the final data protection function by using static scanning, dynamic detection, etc., to guarantee security in normal environment. When employees access to internal information, the Group encrypts sensitive data such as ID cards, passwords and mobile phone numbers. Separate permission is required for internal employees' access to the plaintext. In terms of product client, default desensitisation of personal information is adopted to reduce the risk of information leakage.

In the privacy policies of its platforms such as Tao Piao Piao and Beacon, the Group expressly informs customers of its rights to collect certain data in the normal course of providing services and provide the same to users for their access, control, editing and deletion to ensure that they are at liberty to control the disclosure of personal information. The Group undertakes not to rent, sell, or provide personal information to any third parties, in order to ensure the security of users' information. In addition, the Group has added the "dual list" function to its products and services, namely the personal information collection list and the personal information sharing list, to achieve transparency in the collection, use and sharing of personal information and fully protect personal rights and interests.

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

## 2 EMPLOYEE MANAGEMENT

Alibaba Pictures is committed to the people-oriented development strategy and continuously enhances the human resource management system to create an equal, respectful, inclusive and diverse working environment for employees. The Group attaches great importance to talent development and training, and strives to guarantee employees' occupational health and improve their wellness. It is committed to growing together with employees to achieve a win-win situation.

### 2.1 EQUAL EMPLOYMENT

Alibaba Pictures respects and protects the rights and interests of employees. It strictly abides by national policies and international conventions such as the *Universal Declaration of Human Rights*, the *International Labour Organisation Convention*, the *Labour Law of the People's Republic of China*, the *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, has become a signatory to the United Nations Global Compact, whose advocacy of human rights and labour standards is also observed by Alibaba Pictures.

The Group has established a sound internal employment management system and formulated 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 to regulate the management of employee recruitment, dismissal, working hours, rest periods, etc. It adopts the employment policy that is open, fair and equal throughout the process of recruitment, training and promotion. Any form of child labour and forced labour is prohibited. To avoid illegal employment of child labour, underage workers, and forced labour, prior to confirmation of employment, the Company requires job applicants to provide valid identity documents to ensure that the applicants are lawfully employable. If the Company discovers such a case, the employment will be immediately terminated. During the Reporting Period, Alibaba Picture did not identify any cases of child labour or forced labour.

Alibaba Pictures is always open-minded and adopts flexible mechanism to proactively recruit talents and build a high-quality workforce. Based on its business needs, the Group has formulated a scientific and reasonable annual recruitment plan, which is progressively implemented with the consent of the respective management. The Group maintains good business contacts with headhunters and recruitment platforms to further improve the efficiency and accuracy of recruitment. During the Reporting Period, the Group conducted campus recruitment programmes such as "Alibaba Pictures Management Trainee Programme" and "One Minute Talk Show" to ensure the smooth operation of talent recruitment channels with a pipeline of sufficient talents.

**Table: Recruitment programmes of Alibaba Pictures**

<b>Management Trainee Programme</b>	In order to select and nurture outstanding talents with potential in content investment, production, distribution and business, the Group actively launches the management trainee programme and turn such trainees into employees who perfectly share the same cultural values of the film industry.
<b>One Minute Talk Show</b>	The Group participated in the filming of Alibaba Group's "One Minute Talk Show" campus recruitment promotional video, which introduced the Alibaba Pictures' business characteristics and cultural atmosphere in a lively and humorous way. This promotion not only facilitated the brand building of Alibaba Pictures, but also attracted job applications from outstanding graduates, thus providing strong support for building a talent pipeline.

Alibaba Pictures enters into employment contracts with new recruits in accordance with applicable laws to protect their legal rights and interests. As of the end of the Reporting Period, Alibaba Pictures had 1,393 employees with 100% labour contract signing rate.

Alibaba Pictures is a strong advocate of equality, inclusion and diversity in the workplace. By formulating the *Alibaba Pictures Group's Code of Conduct against Sexual Harassment* and the *Principles of Business Conduct of Alibaba Pictures Group*, Alibaba Pictures is committed to prohibiting any discrimination or harassment which may arise from the gender, race, nationality, physical condition, religion, marital status and other factors. The Group has conducted a series of diversity training courses for all employees, including "Say No to Discrimination and Harassment" and "Self-Cultivation of New Youth", to help employees raise awareness of diversity and inclusion in the workplace and enhance their ability to protect themselves from discrimination and harassment in the workplace.

**Table: Employee composition of Alibaba Pictures during the Reporting Period**

<b>Indicator</b>		<b>Number of employees (person(s))</b>
Total number of employees		1,393
Number of employees by employment type	Full-time employee	1,383
	Part-time employee	10
Number of employees by gender	Male	709
	Female	684
Number of employees by rank	Senior management	16
	Middle management	58
	General staff	1,319
Number of employees by age group	29 and below	554
	30-50	836
	Above 51	3
Number of employees by geographical region	Mainland China	1,390
	Hong Kong, Macau and Taiwan, China	0
	Overseas	3

**Table: Employee turnover of Alibaba Pictures during the Reporting Period**

<b>Indicator</b>		<b>Number of employee turnover (person(s))</b>	<b>Employee turnover rate (%)</b>
Overall employee turnover rate		275	19.74%
Employee turnover rate by gender	Male	136	19.18%
	Female	139	20.32%
Employee turnover rate by rank	Senior management	0	0
	Middle management	6	10.34%
	General staff	269	20.39%
Employee turnover rate by age group	29 and below	91	16.43%
	30-50	183	21.89%
	Above 51	1	33.33%
Employee turnover rate by geographical region	Mainland China	275	19.78%
	Hong Kong, Macau and Taiwan, China	0	0
	Overseas	0	0

Alibaba Pictures strengthens its democratic management and creates equal communication and feedback channels to collect and listen to employees' opinions in a timely manner. The Group promotes communication between managers and employees of different departments through various forms of activities such as online and offline interactions. Meanwhile, the Group has established a confidential and smooth channel for employees' complaints and grievances, which protects the identity of the complainant and the content of the complaint, allowing employees to report any discrimination, harassment and assessment disputes in a timely manner, so that the basic rights and interests of employees are fully protected.

**Table: Communication among employees of Alibaba Pictures**

Open day for employee communication	Open Day activity serves as a platform for open communication among employees, through which the Company's development strategy and culture are delivered to employees. The activity provides specific answers and replies to relevant questions by collecting anonymous comments and suggestions from employees.
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Picture: The spot of Open day for employee communication

Online Booking	Online Booking serves as a booking platform for managers and employees to communicate with one another, providing opportunities for them to share their personal growth and professional career.
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Executive luncheon	Executive luncheon is held on a quarterly basis, during which the management trainees have lunch with the executives or management team, and participated in topic sharing, theme sharing, plan presentation and various other activities, which effectively enhances the communication between the management trainees and the management personnel.
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Alibaba Pictures regularly conducts annual employee satisfaction surveys to collect and listen to employees' feedback and expectations. In 2023, the Group distributed the satisfaction questionnaires to all employees, covering, among others, work experience, work environment, growth and leadership evaluation, with a satisfaction survey result of 81.62 points. Based on the feedback from employees in the survey on professional development and personal ability improvement, the Group proactively carried out a key talent promotion programme by introducing a variety of training courses with specific coordination and optimisation designed to meet the needs of employees.

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

## 2.2 TRAINING AND DEVELOPMENT

Employee growth is an important engine for the sustainable development of enterprises. Alibaba Pictures focuses on the career development of employees by optimising promotion channels and continuously improving the talent development system to empower them to realise their personal values.

In accordance with the *Employee Training Management Policy*, the Group optimises the talent training system in all aspects to diversify and expand employee training programmes for new employees, management and other different groups, focusing on the improvement of employees' leadership, expertise and general skills, and empowering employees to achieve all-round development. The Group regularly invites representatives from regulators bodies, business experts and internal management teams to share their insights on the training courses in order to provide employees with more diversified and up-to-date learning resources.

**Table: Training System of Alibaba Pictures**

Newcomer training	Bud Programme (萌新計劃)	This training focuses on the subject of technology design, covering, among others, business overview, general specification, technical system lectures, together with activities such as team task presentation, former graduates' sharing their insights on campus recruitment, induction round table meetings and end-of-course awards.
	100-Film (百影)	This training includes briefing on film and performance related business, promotion of film and performance culture, improvement of newcomers' expertise, learning and sharing of integrity and compliance awareness and other subjects. During the Reporting Period, the 100-Film Programme was attended by a total of 40 trainees, helping newcomers fully and quickly understand their job description.



Picture: The end of 100-Film Training

Cuizhuo Lecture  
(淬啄講堂)

This training includes the article writing skills course, user research and presentation, work summary and representation, and briefing on business line and other courses, all were designed to help new management trainees familiarise themselves with the business and improve their skills in the workplace.



Picture: Management trainees attending Cuizhuo Lecture

Managers training  
Warrior Camp  
(戰將營)

This training is aimed at managers to help them improve their basic quality of management. As at the end of the Reporting Period, the Warrior Camp training programme covered 100% of the managers.

New Manager  
Class  
(新將班)

This training programme is aimed at new managers, covering, among others, human resource management and team project management. It is designed to turn new managers into competent managers by quickly improving their leadership. During the Reporting Period, the New Manager Class was attended by over 40 trainees.



Picture: Trainees attending the New Manager Class

Honghu Manager Training Camp (鴻鵠管理者訓練營) Aimed at all managers in the technology business platform, this training covers DISC personality analysis, manager leadership improvement. It is designed to effectively improve the team manager's ability to make a breakthrough in business management.

Deep Immersion Class (深流班) This training offers an opportunity for new managers to communicate with and learn from experienced managers, with the latter sharing their managerial insights and methods as well as answering questions raised by the former, helping the former accumulate managerial experience and quickly improve their leadership skills.

General and professional skills training for employees

Film Sharing Class (影享學堂) This training is conducted on a monthly basis for employees of film and performance business, covering the subjects of, among others, logical thinking, communication skills, stress management and other common skills in the workplace, such as emotional stress management training, problem analysis and systematic thinking training and effective communication training.



Picture: Film Sharing Class

Fluorescence Class (熒光課堂) This training is aimed at employees of film and performance business and is designed to impart business-related compliance knowledge and enhance employees' legal compliance knowledge. During the Reporting Period, the Fluorescence Class held more than ten training sessions on topics including data compliance, advertising compliance and algorithm governance.



Picture: Fluorescence Class



**Trickle-down Class**  
(涓滴小課堂)

This training is aimed at employees from operations and product teams, and has included 16 thematic Compliance Operation training sessions on topics such as the Marketing Operation Compliance Practice Guidelines, which are designed to raise employees' awareness of safety and compliance issues and enhance their professional knowledge.

**Mcdong and Huahua Alumni**  
(麥動花花同學會)

This training is conducted for employees of performance business, covering user research and sharing, performance SOP rule training, finance and tax law Q&A training and other business-specific learning and competence improvement courses, which are designed to deepen their understanding of performance business rules and regulations.



Picture: Mcdong and Huahua Alumni

**Fengque Class**  
(豐雀課堂)

This training covers general skills, business know-how and "slash" skills, and has included a series of courses such as EXCEL skills training, communication training and Internet marketing compliance training, which are designed to deepen employees' understanding of the business and enhance their self-competence.

**Taomai Class**  
(淘麥學堂)

This training is conducted for employees of Taomailang Business, covering PPT, Excel and other office software practical skills related courses, which are designed to effectively improve employees' efficiency in using office software.

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%	15.30
	Female	100%	16.33
By rank	Senior management	100%	17.32
	Middle management	100%	18.65
	General staff	100%	15.66

In order to improve the project management and operation capabilities of Alibaba Pictures' employees, the Group provides all employees with the quotas and opportunities to attend the PMP Certification<sup>1</sup> and the National Qualification Examination for Performance Agents (hereinafter referred to as the Agent Certification) every year, and those who pass the examination will be reimbursed for relevant examination fees. By the end of the Reporting Period, 19 employees obtained PMP Certifications and 163 employees completed the registration for the agent certificate examination.

### 2.3 HEALTH AND SAFETY

Alibaba Pictures takes the fundamental responsibility of reducing occupational disease hazards and creating a safe and comfortable working environment. In strict compliance with the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, the *Production Safety Law of the People's Republic of China*, the *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 local laws and regulations, the Group has developed internal systems such as the *Principles of Business Conduct of Alibaba Pictures Group*, and improved an employee safety guarantee system to prevent and reduce to the greatest extent the occurrence of occupational safety risks and the damages resulted therefrom. The Group did not record any work-related fatalities, and the number of working days lost due to work-related injuries was zero for past three years.

Alibaba Pictures strives to provide a safe and healthy workplace for its employees, where employees are strictly prohibited from using any form of violence, possessing or using prohibited drugs, controlled weapons or any other objects that may affect the safety of the Company's employees. Employees are also strictly prohibited from drinking or intoxication in the workplace. In addition, the Group has set up designated smoking areas. Smoking in any other areas is prohibited.

<sup>1</sup> 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.

Alibaba Pictures takes care of the physical and mental health of its employees in all respects. It has set up infirmaries, gyms, baby care rooms and other welfare facilities to comprehensively meet the health needs of employees at all levels. The Group regularly organise annual physical examination for its employees, and cooperates with professional medical institutions to provide one-on-one on-site physical examination reports and specific index interpretation services to employees. In addition, the Group operates a health consultation hotline to provide free physical and mental health consultation for employees. The Group offers ihealth training courses and invites psychologists to popularise mental health knowledge online every quarter to help employees understand scientific and practical mental health knowledge and improve their ability to relieve mental stress.

#### **Case study : Alibaba Pictures equips the floors with “Fireman and First Aid Man”**

In response to the call of Alibaba Group, Alibaba Pictures recruits “First Aid Man” and “Fireman” for the floor from internal employees. “First Aid Man” receives a series of trainings on, among others, first aid supplies and first aid knowledge from Alibaba Health, the Red Cross Society of China, AHA (American Heart Association) and other professional training organisations. As the first person on the scene, “First Aid Man” provides first aid services for employees in case of accident, while “Fireman” plays an important role in emergency evacuation command in case of fire and elimination of fire hazards in the course of daily life.

Where the health and safety-related problems are likely to occur during the course of filming, the Group has established an accountability system for safe production, and has entered into contractual agreements with the film and TV producers, who are required to comply with all laws and regulations on occupational safety and are urged to faithfully implement all safety guarantees and facilities during the entire filmmaking process. In addition, the Group provides tailor-made medical insurance covering accidental injuries for crew and cast members during the course of filming.

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.

## **2.4 REMUNERATION AND CARE**

In accordance with the *Employee Performance Management System of Alibaba Group*, Alibaba Pictures has established a reasonable employee performance assessment and incentive mechanism to provide employees with a competitive remuneration package, which consists of three components, namely fixed salary, variable salary and equity incentive, and are subject to adjustment annually based on employees’ performance. Employees are encouraged to share the development achievements of the Company by creating more values.

The Group has established and improved 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 are eligible to receive incentive stock options. During the Reporting Period, the Group’s equity incentive covered 374 employees.

In respect of employee promotion, the Group has formulated the *Employee Promotion Management Policy* to objectively and impartially evaluate employee promotion through comprehensive assessments of employees’ performance, ability, potential, implementation of corporate culture and values, length of service, violation of discipline and other factors.

Meanwhile, the Group improves its performance management system and adopts a three-dimensional assessment approach that includes self-assessment, partner assessment and supervisor assessment to comprehensively evaluate the performance of each employee. If employees have objections to the performance assessment results, they can file an appeal for a review of such results through a complaint channel. The Group organises an annual award event to appreciate employees with outstanding performance, by awarding them with various honorary titles, such as MVP Individuals and Teams and Red Strawberry Award, to fully stimulate the vitality of employees.

In addition to creating a competitive compensation system, Alibaba Pictures is committed to providing “heartwarming benefits” by constantly improving the welfare system covering all employees and conducting various humanistic activities in due course.

**Table: Employee benefit system of Alibaba Pictures**

Health security	<ul style="list-style-type: none"> <li>• Providing employees with five social insurances and one housing fund in accordance with laws and regulations, and providing supplementary commercial insurance for each employee as well as their parents and children. Moreover, the “Alibaba Pictures Carnation Parental Care Programme” (阿里影業康乃馨父母關愛計劃) is designed to provide free physical examination for employees and their parents every year.</li> </ul>
Living security	<ul style="list-style-type: none"> <li>• Providing employees with paid annual leave, 7-day companion leave and iHome housing loan. Meanwhile, parental leave and companion leave are offered for employees, and those employees during breastfeeding and with children under the age of three are entitled to parental leave.</li> </ul>
Office security	<ul style="list-style-type: none"> <li>• Providing employees with transportation subsidy every month, and allowing employees to apply for flexible working for up to one day per week.</li> </ul>
Specific benefits	<ul style="list-style-type: none"> <li>• Providing employees with movie tickets for their birthdays and events viewing tickets, and regularly organising activities for employees to enjoy private viewing film screenings.</li> <li>• To jointly witness and record the growth of employees, the Group has anniversaries of one-year, three-year, five-year and ten-year service for employees and gives them customized souvenirs.</li> </ul>
Cultural and sports activities	<ul style="list-style-type: none"> <li>• Carrying out cultural and sports activities for employees on a regular basis, such as team outing, traditional holiday celebrations and gift distribution, sports events, theme salons and online topic sharing.</li> <li>• Yoga courses: Free yoga courses are offered to all employees to improve their physical and mental health. Five yoga sessions were held during the Reporting Period.</li> <li>• Online interactive summer and winter activities: Discussion activities on topics such as “Share Your Holiday Photos” and “Share Good Books and Goodies” are organised weekly on the online platform, enriching the cultural life of employees.</li> </ul>

### Case study: “Moon Man (獨行月球)” private viewing activity

In July 2022, after the release of “Moon Man (獨行月球)”, a film produced by Alibaba Pictures, the Group organised a private viewing activity for its employees to share the development achievements of Alibaba Pictures in the film and television industry, which enriched the spiritual and cultural lives of employees and created a friendly and harmonious working atmosphere.



Picture: “Moon Man (獨行月球)” private viewing activity

### Case study: Chinese Lunar New Year Activities

In January 2023, the Group prepared Chinese New Year gift packs with a film and performance theme for employees. The pack included chocolates, a cup, a canvas bag with a film and performance culture design, hand cream and other practical items for daily use. A total of 1,370 packs were distributed finally. Meanwhile, the Group carried out offline DIY activities for celebrating the Chinese New Year in three office areas in Beijing, Shanghai and Hangzhou and arranged for employees to make Chinese Lunar New Year lanterns and greeting cards, so as to enhance emotional exchange among employees.



Picture: Chinese New Year offline activity



Picture: Chinese New Year gift packs for employees

### Case study: Women's Day Activity

On March 7, 2023, the Group held a Women's Day salon activity with a theme of "The Power of Her Growth (她成長的力量)", aiming to promote communication and collaboration among female employees, and to allow them to properly slow down their pace and relax their mind and body after work.



Picture: Women's Day Activity

Save as disclosed herein, there are no relevant laws and regulations relating to promotion, compensation, benefits and welfare the compliance of which have a significant impact on the Group.

### 3 PRODUCT RESPONSIBILITY

Alibaba Pictures pays close attention to product and service quality and is committed to providing customers with high-quality film content and drama content as well as heartwarming service experience. The Group takes high-quality works as its core and builds a positive business ecology, striving to promote the construction of spiritual civilisation. At the same time, the Group values intellectual property protection and advertisement compliance management, and actively fulfils its corporate social responsibilities.

#### 3.1 PROMOTE POSITIVE VALUES

The Group continues to uphold the value of selflessness involving ordinary people performing heroic deeds that promote strong sentiment and positive values, producing healthy and positive works and promoting positive energy via films, TV dramas and digital products in order to establish an upright and bright corporate image.

##### ***Content Culture Dissemination***

Part of Alibaba Pictures' business covers production, investment and distribution of films and drama series. The Group 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 continues to pay attention to updates on guidelines and regulations of regulatory authorities. It strictly controls and selects the content of films and drama series, and all works are required to be reviewed and approved by relevant regulatory authorities before it is publicly released or submitted for film festivals.

The Group has participated in the production and distribution of a series of high-quality and highly-acclaimed films with positive energy, delivering content to the market with a positive and healthy attitude via excellent films and TV dramas, and promoting works in line with the spirit of the times and demonstrating the power of China. The Group has produced and distributed a number of outstanding films, including "*Moon Man (獨行月球)*", which promotes positive values in a humorous way; "*Born to Fly (長空之王)*", which demonstrates the power of Chinese air force; "*Post Truth (保你平安)*", which reflects ordinary people with great power; and "*New Gods: Yang Jian (新神榜：楊戩)*", which promotes the beauty of Chinese traditional culture. The Group has also participated in the production of excellent works such as "*A Guilty Conscience (毒舌律師)*" and "*Lighting Up the Stars (人生大事)*". Furthermore, the Group, in cooperation with various producers, has produced and distributed a series of valuable and in-depth films and TV dramas, including "*Detective VS. Sleuths (神探大戰)*", which is an excellent and typical Hong Kong movie that embodies legal justice; "*The Wandering Earth 2 (流浪地球2)*", which describes human bravery in the face of disasters; "*Home Coming (萬里歸途)*", which tells a moving story about the evacuation of overseas Chinese people and demonstrates the strength of the motherland; and "*Hidden Blade (無名)*", which depicts great heroes in war. During the Reporting Period, the films produced and distributed by the Group generated a box office of over 13 billion in aggregate, with an attendance exceeding 300 million.



Film poster:  
"Home Coming (萬里歸途)"



Film poster:  
"Moon Man (獨行月球)"



Film poster:  
"Post Truth (保你平安)"



Film poster:  
"A Guilty Conscience (毒舌律師)"



Film poster:  
"Hidden Blade (無名)"



Meanwhile, the Group has several drama studios in the pipeline to produce creative dramas series from a professional perspective, telling stories that promote positive energy, including suspense series “*Be Reborn* (重生之門)” and “*Medical Examiner Dr. Qin: The Mind Reader* (法醫秦明之讀心者)”, and romance series “*Lighter & Princess* (點燃我，溫暖你)”, “*Falling into You* (燦道)” and “*Because of Love* (今生有你)”, all well received by viewers. During the Reporting Period, “*Rising Lady* (她們的名字)”, a drama series of Alibaba Pictures featuring a group of urban ladies, was awarded as Honourably Selected Drama of the Year of 2022 Entertainment Capital Golden Puffer for its charming characters and brilliant stories.



TV drama poster: “*Be Reborn* (重生之門)”



TV drama poster: “*Medical Examiner Dr. Qin: The Mind Reader* (法醫秦明之讀心者)”



TV drama poster: “*Falling Into You* (燦道)”



TV drama poster: “*Lighter & Princess* (點燃我，溫暖你)”



TV drama poster: “*Because of Love* (今生有你)”

When participating in distribution, the Group speculates and analyses the work by the way of test screening, assisting the distributor in refining the work based on word of mouth at the final cutting stage and the promotion and distribution stage. At the final cutting stage, the Group organises internal test screening and gives suggestions and opinions to the producer and creator in a timely manner by finding out genuine feedback and impressions of the audience, and refines the work based on the suggestions. For example, in the test screening of “*White Snake 2: The Tribulation of the Green Snake* (白蛇2：青蛇劫起)”, the producer refined the film according to the audience suggestions, which improved the rhythm of the film. After its release, the film was well received by the audience.

At the film promotion and distribution stage, the Group collects positive and negative comments from the audience through roadshow test screenings, and develops promotion and plans accordingly. For example, the promotion, distribution and test screening of “*Post Truth* (保你平安)”, a film co-distributed by Alibaba Pictures, were carried out in a number of cities, and the film was released in designated places through a large-scale roadshow after positive feedback was received.

### ***Developing Creative Products***

Alibaba Pictures continues to develop content IP derivatives, bringing more creative and interesting peripheral products to the market through quality IP collaboration. Aiming at cultural promotion, the Group has contributed to the combination of different IPs with products through IP derivatives, developing excellent products that bring freshness and meaning.

During the Reporting Period, the Häagen-Dazs for Louvre Ice Cream mooncake project authorised by Alifish was well received, winning the “Best Licensed Product (Food – Beverage for Corporate Brand)” award at the Licensing International Excellence Awards 2022. In January 2023, Alifish obtained the exclusive authorisation to manufacture and sell merchandises of 26 Sanrio characters, including Hello Kitty, Melody and Kuromi, in Mainland China, aiming to create a variety of derivative products for users.

The Group’s pop toy brand “KOITAKE” capitalises on the pop toy boom, gains insight into customer demand and looks for hot IPs for innovation.

### Case study: "KOITAKE" launched "Empresses in the Palace (甄嬛傳)" mystery boxes

"KOITAKE" launched the mystery boxes of "Empresses in the Palace (甄嬛傳)", a popular drama series, making it appealing to fans and consumers with an interesting style and innovative design. In 2022, benefitting from close attention to the market and keen insight into the taste of consumers, "KOITAKE" continued to launch various pop toys with excellent design concepts and won the "Beijing Brand Innovation – Cultural and Creative Brand Innovation Award" (北京市品牌創新文創類創新獎). It was also listed on the 2022 Cultural Consumption Innovation Gold List (2022年度文化消費創新力金榜).



Picture: "Empresses in the Palace (甄嬛傳)"  
mystery boxes by "KOITAKE"

Apart from making excellent IP derivative designs, Alibaba Pictures keeps pace with the times and focuses on digital products in innovation and research and development, resulting in a number of advanced digital products such as digital collectibles and virtual idols. Alibaba Pictures values the inheritance of intangible cultural heritage, with its subsidiary Lingjing Culture combining popular digital collectibles with businesses such as Tao Piao Piao while connecting digital collectibles with traditional culture and film and TV dramas that promote positive values to launch outstanding products with cultural attributes. During the Reporting Period, Lingjing launched its first digital collectible platform to facilitate users' purchase and gathering of the launched digital collectibles.

**Table: Digital products of Alibaba Pictures**

**Digital collectibles**

Maritime Silk Road digital collectibles	Co-launching digital collectibles with the Nanhai Museum on the International Museum Day to showcase the original features of relics and achieve inheritance in a virtual manner.
"Chinese Neo Folk's Evening (新民樂國風夜)" audio digital collectibles	Attracting attention to outstanding traditional cultural IP in a new form, showing its unique charm
"Moon Man (獨行月球)" digital collectibles	The first digital collectible linked to movie ticketing in China
"Pleasant Goat and Big Big Wolf (喜羊羊與灰太狼)" digital collectibles	The first digital commemorative movie ticket
"My Legacy and I (Season 2) (我的時代和我第二季)" video digital collectibles	The first video digital collectible in the documentary industry

**Virtual idol**

Virtual idol "Leah" (厘里)	Alibaba Pictures introduced the "hyper-real" virtual idol who served as an ambassador for the 2022 MLB World Series in September 2022
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**3.2 CONTENT GOVERNANCE AND ADVERTISEMENT COMPLIANCE**

The Group strives to create high-quality and advanced products and content while optimising its product and advertisement content review mechanism and in compliance with laws and regulations, in order to cultivate a positive and healthy cyber culture and create an ethical cyber environment for users.

**Content Governance**

Alibaba Pictures has developed 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* and other internal management systems to regulate content governance and cybersecurity across multiple platforms, in strict 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*, aiming to actively create a healthy and clear cyber environment.

The Group has developed a content review mechanism, where a sensitive word list is established for common violations in text to filter user information, comments and product information, identify non-compliant text characters and filter illegal and harmful content such as pornography, advertisements and personal attacks. Meanwhile, the Group has introduced the content-based filtering algorithms to identify and recall non-compliant graphics and videos.

The Group has established a complaint and reporting mechanism for non-compliant content. Various channels, including a whistle-blowing mailbox and a hotline, are available for reporting any violations of laws and regulations. In addition, reporting portals are provided on product information pages, video pages and comment detail pages. The Group has set a response time limit of 15 days to solve relevant problems in a timely manner.

### **Advertisement Compliance**

Alibaba Pictures has formulated the *Review System of Commercial Advertisement for Tao Piao Piao*, the *Film and Performance Marketing Activities Compliance Review Specifications*, the *Compliance Guidelines for Differentiated Rights Issuance* and other internal systems to clarify the review criteria and processes for marketing review and advertising review.

The Group is committed to building a compliant, disciplined and trustworthy marketing team. The Compliance Governance and Public Affairs Centre of Alibaba Pictures conducts training and 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 operation/film and performance marketing centre, so as to prevent non-compliant marketing. During the Reporting Period, Alibaba Pictures organised a total of nine marketing training sessions with nearly 1,000 participating employees, which further improved employees' awareness of compliance risks in online marketing activities. Meanwhile, the Group has developed sound advertisement review rules to conduct content, legal and security reviews of advertisements placed online and offline. As at the end of the Reporting Period, the Group completed content review for a total of 15 commercial advertisements placed.

The Group's film and drama series production, investment and distribution business and technology business are free of product quality and safety issues. The Group does not expect any product recall due to quality or safety issues, as all IP derivatives, including mystery boxes, go through quality inspection procedures. There was no case of product recall due to safety issues during the Reporting Period.

Save as disclosed above, there are no relevant laws and regulations relating to health and safety, and advertising regarding products and services provided the compliance of which have a significant impact on 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 and copyright management system. The Group encourages its employees to carry out innovation and R&D activities, and stringently reviews the compliance of content created and published, so as to protect the legitimate rights and interests of both the users and the platform.

#### *Intellectual Property Rights*

In addition to protecting its intellectual property interest, Alibaba Pictures fully respects the intellectual property rights of others. The Group 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 optimise the intellectual property management system. The Group attaches great importance to the protection of trademarks, patents, copyrights, domain names, etc. To protect the interests of both creators and corporations, it applies for registration regarding the company's R&D and innovation achievements in a timely manner, and takes necessary measures to deal with infringing products or content.

The Group has established an intellectual property incentive mechanism and continues to optimise the patent incentive rules to create an innovation-friendly atmosphere across the Group. The Group has Innovative Proposal Awards, Patent Application Awards and Patent Authorisation Awards, offering different awards and bonus amounts. During the Reporting Period, the Group's achievements in intellectual property rights were as follows:

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

Types	Amount (piece)
Trademarks	179
Patents	1
Copyrights (software)	14
Copyrights (works)	13
Domain names	6

#### *Protection of Copyright*

In terms of derivative IP development and production business operations, the Group abides by the *Law of the People's Republic of China on Protection of the Rights and Interests of Consumers*, the *Product Quality Law of the People's Republic of China*, the *E-Commerce Law of the People's Republic of China*, the *Food Safety Law of the People's Republic of China* and other laws and regulations. The Group also strictly follows the internal systems, such as the Derivatives Business Management Process of Integrated Development Department, where it stringently assesses the content of derivative development and ensures that licenses are legally obtained from copyright holders.

**Table: Relevant legal requirements for different categories of derivatives**

<b>Categories</b>	<b>Laws and regulations</b>
Derivative models, toys and mystery boxes	<i>E-Commerce Law of the People's Republic of China, Product Quality Law of the People's Republic of China</i>
Derivative food products	<i>Food Safety Law of the People's Republic of China</i>
Derivative cosmetics	<i>Regulations on Supervision and Administration of Cosmetics</i>
Derivative audio-visual products	<i>Regulations on Publication Administration, Regulations on Administration of Audio-visual Products</i>

### 3.4 CUSTOMER SERVICE

Alibaba Pictures has long been upholding the value of “customers first”. It creates comfortable experience for customers through a comprehensive and diversified service model, with a good mechanism for communication with customers in order to respond to their demand in a timely manner and continue to provide customers with quality, thoughtful and excellent services.

During the Reporting Period, the Group completed the development of NPS<sup>2</sup> system to further learn about users’ satisfaction with products from multiple dimensions, including “price discounts, the ticket purchase process, membership services and after-sales service”. At the same time, the Group collects enquiries and feedback from customers comprehensively through the NPS system to analyse, adjust and optimise relevant services and businesses, and rectify product and service strategies from the perspective of customers.

#### ***Tao Piao Piao***

In accordance with the *SOP Manual for Customer Feedback Handling* and other relevant systems formulated by Alibaba Pictures, Tao Piao Piao optimises its process of handling customer feedback from two aspects, namely, product experience and service processes, to improve customer service experience.

In terms of products, Tao Piao Piao has optimised the layout and process of the app platform comprehensively, providing convenient guidance and prominent signs for customers to complete the operation, which makes it less difficult for users and improves customer perception. Taking into account the daily needs of customers, the Group has optimised intelligent product feedback and real-time logistics information, aiming to provide convenience for customers.

<sup>2</sup> NPS: Net Promoter Score

In addition to product optimisation, Tao Piao Piao also proactively improved service quality from customers' perspective, providing customers with intelligent ticket rescheduling and return services as permitted by rules and conditions, and contacting customers and cinemas and handling matters between them.

The total number of customer complaints received by Tao Piao Piao in relation to product quality or feedback amounted to 3,732 during the Reporting Period, all of which were handled properly through efficient communication with customers and timely feedback.

### Beacon

As a digital promotion and distribution platform of the Group, Beacon strives to receive feedback from people from all walks of life, actively explore industry development patterns and improve the effectiveness of promotion and distribution with a focus on digital technology, thereby empowering customers and reducing product risks for customers.

The Group has developed the *SOP for Beacon Customer Services*, which collects, sorts out and evaluates feedback from customers, carries out regular follow-up interviews and issues user interview reports, and conducts surveys through online questionnaires, so as to improve service quality comprehensively. 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, based on the film popularity on promotion and distribution platforms (including TikTok and Weibo) before its release, recent box office trends, the film type, the release schedule and market competition, Beacon provides customers with 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. As at the end of the Reporting Period, Beacon served more than 100 films and drama series projects, with box office of films in partnership of nearly RMB28 billion. It helped its customers save 20% of their promotion and distribution budget.



Picture: Forecast of box office trends of "Moon Man (獨行月球)"



### **Yunzhi**

Yunzhi is Alibaba Pictures' professional and open platform which offers digitalised operation and management services and is committed to providing cinemas with high- technology and high-quality products through smart solutions. We provide customers with smart film scheduling services that give them convenience in daily operations, not only improving the releasing efficiency of cinemas but also analysing information such as the proportion of box office and attendance rates of existing films, enabling cinemas to make better operation plans. Moreover, Yunzhi develops mini programmes in cooperation with Beacon to analyse cinema operation processes and planning for users on multiple dimensions such as dynamic monitoring and marketing effect analysis, providing intelligent and efficient services.

During the Reporting Period, Yunzhi completed the upgrade and revision plan of POS<sup>3</sup> products through the investigation of on-site POS services at cinemas, which solved problems such as poor screen readability under cinema lights and abnormal system feedback caused by multiple concurrent operations, and enabled cinemas to improve on-site operation efficiency. Yunzhi has covered more than 4,500 cinemas across the country, while refined management helped cinemas improve their operating efficiency by 80%.

### **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. It covers the whole process of digital services including financial management, shooting management, personnel management, process management, document management and script breakdown, promoting further industrialisation of the film and television industry.

During the Reporting Period, Cloud Production provided more than 300 crews with meticulous management, which improve process management efficiency and kept project quality and risks under control. As at the end of Reporting Period, Yunzhi broke down 3,500 scripts in aggregate, improving crew production efficiency by 30% in terms of risk control, risk assessment and financial management.

<sup>3</sup>

POS: Point of Sales, a POS system for commercial application

## 4 JOINT EFFORTS IN PROTECTING THE ECOLOGICAL ENVIRONMENT

Alibaba Pictures actively fulfils its corporate social responsibility, establishes a fair and just supplier management system and works with its partners to achieve win-win cooperation. The Group contributes to the society with actions, fulfils its green and low-carbon commitment and carries out public welfare activities to help the industry and society build a sustainable future.

### 4.1 SUPPLIER MANAGEMENT

Alibaba Pictures is committed to building an honest, compliant, open, transparent, green, healthy and sustainable supply chain, and follows Alibaba Group's general management systems such as the *Procurement Guidelines of Alibaba Group* and the *Tendering and Bidding Rules and Regulations*, to further strengthen the whole process management of admittance, assessment, daily management and exit of all suppliers, and keep environmental and social risks involved in the procurement process under strict control. As at the end of the Reporting Period, Alibaba Pictures had a total of 253 suppliers, 248 of which are from Mainland China, two are from Hong Kong, Macau and Taiwan, and three are from overseas.

**Table: The whole supplier management process**

<b>Supplier admittance</b>	To ensure the compliance of supplier selection and procurement work, suppliers are required to fill in supplier information either by themselves or by procurement staff upon their admittance. All suppliers are required to pass the qualification check before they are admitted. This includes 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.
<b>Supplier Evaluation</b>	Evaluating suppliers on various dimensions, such as technology, quality, responsiveness, delivery and cost, in order to maintain the high standards and quality of suppliers.
<b>Daily management of suppliers</b>	Classifying the suppliers into several levels, and conducting dynamic evaluation, periodic evaluation and annual comprehensive evaluation of suppliers to fully understand their current status.
<b>Supplier Exit</b>	Removing 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, with reference to the rating and evaluation results.

Alibaba Pictures actively builds a sustainable supply chain, requires its suppliers to maintain high standards of business ethics and encourages suppliers to keep improving their environmental and social performance. The Group evaluates the ESG performance and risks of its suppliers, and monitors any possible violations, such as corruption, bribery, environmental pollution, to fulfil the requirements of supplier risk management.

In terms of environmental protection, the Group incorporates *China Compulsory Certification* (3C Certification) and the *Restriction of Hazardous Substances* (RoHS) into its evaluation of suppliers in accordance with the requirements of environmental 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 Certification and RoHS certification when selecting suppliers, adhering to its philosophy of green procurement. At the same time, the Group complies with the *ESG Code of Conduct for Suppliers of Alibaba Pictures* and recommends that suppliers follow guidance in six environment-related areas, including:

- 1) Environmental permits and reports;
- 2) Requirements for pollution prevention and resource-saving measures;
- 3) Systematic identification, labelling and management of hazardous materials and wastes;
- 4) Greenhouse gas emissions;
- 5) Water resource management;
- 6) Exhaust gas emissions.

In order to further raise suppliers' awareness of ESG issues and promote healthy and long-term cooperation between both parties, the Group regularly organises trainings for suppliers and other partners, covering business process guidance, honesty and integrity promotion, laws and regulations on occupational safety and health. During the Reporting Period, the Group carried out a total of five training sessions for more than 20 major suppliers.

#### 4.2 SOCIAL CHARITY

With an attitude of "engaging in charity through a commercial approach", Alibaba Pictures leverages on its characteristics to bring happiness to people in need. The Group actively held volunteering activities and organised public screening, empowering disabled people and audience from remote regions, and contributing to building a beautiful society. Meanwhile, the Group participated in rural revitalisation as well as women's health and safety protection. During the Reporting Period, employees of Alibaba Pictures devoted a total of 7,755.7 hours in public welfare projects, with a total of 1,063 participating employees.

### Case study: “Accessible theatre” built by Alibaba Pictures

In 2022, the China Disabled Persons’ Federation and Alibaba Entertainment Public Welfare (阿里文娛公益) jointly built an “accessible theatre” for visually impaired people, helping them feel the world of light and shadow and watch movies without barriers. The Group obtained the authorisation for the accessible versions from film studios, using the video-and-voice interactive technology to give a new look to old movies. Highly-acclaimed movies, such as *Born to Fly* (長空之王), *The Wandering Earth* (流浪地球), *Dying To Survive* (我不是藥神), *Pegasus* (飛馳人生), *Detective Chinatown 2* (唐人街探案2), were presented to visually impaired people, which crossed the digital gap and let all the audience enjoy the wonderful movies equally. Since the launch of the accessible theatre, we have provided free film services for 17 million visually impaired people across the country. In the future, we will continue to break technical barriers and present more excellent works to visually impaired groups.

Alibaba Pictures has always attached great importance to the caring for rural children, providing charitable movie services for the rural children through “content + technology”, and is dedicated to producing heartwarming films which make greater impact. During the Reporting Period, the Group organised the “Tao Piao Piao Xingguang Diandian” charitable showing programme for several times, bringing warmth to rural children and enriching the cultural life of rural youth.

### Case study: “Tao Piao Piao Xingguang Diandian” charitable showing programme

In 2022, Alibaba Pictures organised the “Tao Piao Piao Xingguang Diandian” public welfare activities in Ningbo villages for the first time and hosted the charitable showing of “*Mozart from Space* (外太空的莫札特)” for five times, which was well received. In addition, The Group hosted the charity performances of “*Moon Man* (獨行月球)” and “*Exchange Lives* (交換人生)” in Beijing villages, which had a positive impact on local villagers and children, and brought excellent cultural works to the rural areas.



Picture: “*Mozart from Space* (外太空的莫札特)” charitable showing



Picture: “*Exchange Lives* (交換人生)” charitable showing

Alibaba Pictures actively participated in rural revitalisation and development. The Group leveraged on its business advantages and provided help for rural agricultural sales. During the Reporting Period, Alifish (阿里魚), together with KAKAO FRIENDS, Tmall Fresh (天貓生鮮), and Baba Farm of the Taobao App (手機淘寶芭芭農場), launched a peach project for rural revitalisation and shared wealth, let high-quality products be known to more people through broader ways, helped rural households sell their products all over the country, and made contributions to rural revitalisation. Moreover, the Group cares about and protects female mental and physical health. During the Reporting Period, Alifish (阿里魚) cooperated with Big-ear Dog IP (大耳狗IP) in the “Big-ear Dog Charity Journey (大耳狗公益愛心之旅)”, teaching online science knowledge and providing adolescence education for female students.

### 4.3 GREEN OPERATION

Alibaba Pictures adheres to an environmental-friendly and sustainable development approach, enhances environmental management and reduces its own environmental impact during operation. Under the leadership of Alibaba Group, the Group actively responds to the national goal of “carbon peaking and carbon neutrality”, works with the industry chain to create a low-carbon ecosystem, and promotes social transition to green and low-carbon development.

#### *Responding to Climate Change*

To actively address global warming, Alibaba Pictures incorporates climate risk management into its business strategies and risk management system. The Group conducts assessment on the climate change impact on business development risks and opportunities, and continues to improve climate-related risk prevention strategies and capacity building.

The main risks to which the Group’s film and television business is exposed arise from natural disasters such as typhoons, rainstorms and floods. In extreme weather conditions, the Group’s camera crews may face suspension, or may suffer property damage and personal injury, which would result in economic and personnel losses. In respect of the Group’s IP derivatives business, the supply from manufacturers may also be disrupted due to natural disasters, which would lead to insufficient inventory and reduced product sales. To mitigate such climate risks, the Group has improved weather monitoring and early warning and developed scientific and reasonable emergency plans for natural disasters. Meanwhile, the Group has purchased property insurance and personal insurance for the camera crews.

In terms of transition opportunities, with the support of technology and digitalisation platforms, the Group continues to explore the technological upgrading of businesses of film and television promotion and distribution and internet ticketing, achieving paperless operation and digitalisation, which will bring the Group with greater business growth and development opportunities amid China’s transition to a low-carbon economy.

To mitigate climate deterioration, Alibaba Pictures responds to Alibaba Group’s commitment to carbon neutralisation and carbon reduction<sup>4</sup>, namely:

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

The Group cuts greenhouse gas emissions through reducing the usage of traditional fossil fuel, increasing the deployment of clean energy and adopting intelligent management systems in offices.

<sup>4</sup> For the Alibaba Group’s commitment to carbon neutralisation and goals, please refer to Alibaba Carbon Neutrality Action Report.

**Smart office:**

- Smart daily office solutions can be used for online conference room reservation, collaboration and discussion at meetings and automatic post-meeting shutdown of electronic equipment in the conference room, thereby achieving paperless operations.
- “Equipment Brain (設備大腦)”, an office equipment management and control system, displays the real-time equipment operation in the office and can be set to turn off lights remotely and for different periods based on changes in the number of users. The temperature can be automatically adjusted according to environmental temperature to achieve power saving.

**Green Office**

Alibaba Pictures incorporates the concepts of environmental protection, energy saving and consumption reduction into its operation, increases employees’ awareness of and participation in environmental protection, and lives 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, enhances environmental management, and practices low-carbon and environmentally-friendly principles in office and daily operations. In light of the nature of the Group’s business, its business operation does not cause any material impact on the environment and natural resources, nor does it generate any air pollution or material hazardous and non-hazardous waste, or material discharge of waste water, nor does it involve the use of packaging materials for finished products. During the Reporting Period, the Group had no environmental violations.

In terms of resources usage, the Group follows the water conservation target of Alibaba Group: By 2025, water consumption per employee in the self-owned facility will reduce by 15% compared to 2021. Water-saving equipment and sanitary ware will be used in the facility to achieve such goal. In addition, the Group does not operate any factories and only has water supply facilities in the common areas of its office buildings where utilizes municipal water, therefore in sourcing there is no issue in water.

In terms of waste management, the waste generated by the Group mainly consists of office and domestic waste<sup>5</sup>. Recyclable waste was fully recycled through the Group’s classified waste bins. As for non-recyclable waste, the Group handed it over to the municipal department for compliant discharge upon standard harmless disposal.

<sup>5</sup> 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 implemented a series of green office initiatives, including:

- |  |   |
|--|---|
| Energy-saving renovation                         | <ul style="list-style-type: none"><li>• Optimising the lighting system, changing LED panel lights in the office area and installing motion sensor lighting at the underground car park</li><li>• Switching the electronic equipment, such as printers, to the energy-saving mode</li></ul>  |
| Recycling and reuse                              | <ul style="list-style-type: none"><li>• Printers are set to double-sided printing by default</li><li>• Setting a site for small post office carton box collection to facilitate reuse</li><li>• Establishing a stationery corner to gather reusable paper and office supplies for second use</li></ul>  |
| Nurturing and practicing environmental awareness | <ul style="list-style-type: none"><li>• Encouraging environmental protection behaviour, 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</li><li>• Promoting green travel and encouraging employees to hitch-hike, car-share and use public transport to reduce carbon footprint</li><li>• Encouraging green packaging, organising low carbon campaigns and discouraging the use of disposable chopsticks, spoons and plastic bags</li><li>• Promoting the Clear Your Plate campaign and continuing to organising "Clear Your Plate and Be Food Wise" (有心光盤，量力而食) activities to reduce food wastage</li></ul> |

**Table: Energy consumption of Alibaba Pictures during the Reporting Period<sup>6</sup>**

Indicator	Unit	FY2023 Data
Fuel gas consumption	m <sup>3</sup>	36,850.96
Purchased power	MWh	2,390.83
Purchased heat	MWh	364.22
Comprehensive energy consumption	tce	387.58
Comprehensive energy consumption per capita	tce/person	0.28
Total greenhouse gas emissions	tCO <sub>2</sub> e	1,588.28
Total greenhouse gas emissions (Scope 1)	tCO <sub>2</sub> e	80.56
Total greenhouse gas emissions (Scope 2)	tCO <sub>2</sub> e	1,507.72
Density of CO <sub>2</sub> emissions per capita	tCO <sub>2</sub> e/person	1.14
Water consumption	tonnes	18,804.73
Density of water consumption per capita	tonnes/person	13.50

### ***Green Cast and Crew***

Alibaba Pictures is committed to energy saving and emission reduction in the entire industry chain, encouraging its business partners to undertake their green development responsibilities. The Group actively builds a green cast and crew, reduces energy consumption in the crew and enhances the efficient use of resources by ways of promoting virtual filming technology, paperless offices and crew resources recycling. During the Reporting Period, the Group launched “electronic commemorative tickets” on the Tao Piao Piao platform, covering 99% of the movies, and replaced digital tickets with traditional paper tickets, thereby promoting green consumption.

<sup>6</sup> 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, and the energy usage, all from the Group’s decarbonisation system, was calculated based on the proportion of our office spaces.
2. 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. A power grid emission factor of 0.5703 kgCO<sub>2</sub>e/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相關重點工作的通知)* issued on February 7, 2023 by the Ministry of Ecology and Environment of the People’s Republic of China.



**Case study: Zreal virtual shooting (幀享虛擬拍攝)**

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 a digital virtual shooting solution – Zreal virtual shooting OS, which has been fully upgraded from 1.0 to 2.0 in 2022. There are over 5,000 reusable standardised virtual shooting scenes on the digital asset platform of Frameshot OS, covering various street scenes, landmarks, different seasons and weather, etc., which can be used in place of the actual sets and props, thus significantly reducing the wastage of time, resources and transportation. During the Reporting Period, virtual shooting was used in drama series including “Crime Crackdown (掃黑)”, “Fifth Place Fortune (第五名發家)” and “Derailment (脫軌)”, and movies such as “Pegasus (飛馳人生)” and “Born to Fly (長空之王)”.

**Case study: Digitalisation solutions provided by Cloud Production**

Cloud Production of Alibaba Pictures provides digitalisation solutions for the film-television industry, achieving paperless operation for the whole process of drama series and film production. Before shooting, Cloud Production can check the preparation progress online; during shooting, on-site monitoring, viewing and field notes, financial approval sheets, etc. are adopted electronically; after shooting, the reviewer can watch the film online instead of hard disk delivery and compact disk viewing, which effectively saves 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 1,000 crews and established a low carbon industry chain for sustainable development.

Save as disclosed above, there are no relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste the compliance of which have a significant impact on the Group.

## ESG INDEX

Environmental, Social and Governance Indicators			Sections
<b>Environmental</b>			
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
	KPI A1.1	The types of emissions and respective emissions data	4.3 Green Operation
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) total greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3 Green Operation
	KPI 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
	KPI 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
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	4.3 Green Operation
	KPI 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
	KPI 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
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.3 Green Operation
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.3 Green Operation
	KPI 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
	KPI 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 Indicators			Sections
<b>Environmental</b>			
A3: Environmental and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	4.3 Green Operation
	KPI 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
	KPI 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
<b>Social</b>			
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 Equal Employment, 2.4 Remuneration and care
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	2.1 Equal Employment
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	2.1 Equal Employment
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.	2.3 Health and Safety
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	2.3 Health and Safety
	KPI B2.2	Lost days due to work injury.	2.3 Health and Safety
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	2.3 Health and Safety

Environmental, Social and Governance Indicators			Sections
<b>Social</b>			
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	2.2 Training and Development
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	2.2 Training and Development
	KPI B3.2	The average training hours completed per employee by gender and employee category.	2.2 Training and Development
B4: Labour 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 labour.	2.1 Equal Employment
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	2.1 Equal Employment
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	2.1 Equal Employment
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.1 Supplier Management
	KPI B5.1	Number of suppliers by geographical region.	4.1 Supplier Management
	KPI 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
	KPI 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
	KPI 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 Indicators			Sections
<b>Social</b>			
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	1.4 Data Security and Privacy Protection, 3.2 Content Governance and Advertisement Compliance
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.2 Content Governance and Advertisement Compliance
	KPI 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
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.3 Protection of Intellectual Property Rights and Copyright
	KPI B6.4	Description of quality assurance process and recall procedures.	3.2 Content Governance and Advertisement Compliance, 3.4 Customer Service
	KPI 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 Indicators			Sections
<b>Social</b>			
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
	KPI 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
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	1.3 Integrity Building
	KPI 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
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	4.2 Social Charity
	KPI 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/regulatory authorities    Investors    Customers    Employees    Audiences and users  
 Suppliers/Business Partners    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?
-