



# ENRICHING LIVES, EMERGING STRONGER

FY2023 ESG Impact Report



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## LETTER FROM OUR GROUP CHIEF EXECUTIVE OFFICER



Dear Stakeholders,

I am delighted to present our latest Environmental, Social and Governance (ESG) Impact Report for FY2023, titled “Enriching Lives, Emerging Stronger”. This theme embodies our unwavering commitment to working alongside our stakeholders and the broader ecosystem to develop the digital commerce industry, through every challenge and opportunity.

Across the markets where we operate, we have seen borders reopen, travel resume and life begin to return to pre-pandemic normality over the past year. The road to recovery, however, is dampened by the weight of a slowing global economy. Despite the uncertainties ahead, we are optimistic that the digital commerce industry will remain a bright spot as the main driver of Southeast Asia’s digital economy, which is expected to grow to \$330 billion dollars by 2025<sup>1</sup>.

This optimism is also captured in the theme of our report this year, as we focus on building back stronger than ever before and empowering our key stakeholders – our customers, brands and sellers, partners, employees and more.

Last year, we launched a new brand proposition, “Add to Cart, Add to Life”. This reflects our belief in the transformative power of digital commerce to enrich consumers’ lives through meaningful connections and memorable experiences beyond online purchases. With the launch, we also introduced LazLive+, a curated interactive live content series featuring new ideas and experts from all walks of life, to inspire and meet the changing needs of consumers.

For our valued brands and partners, we hosted the third edition of our annual marquee event, LazMall Brands Future Forum (BFF) 2022, themed “Empowering Connections

through eCommerce”. Through insightful sharing and discussions, the event aimed to equip our brands with advanced digital tools and offerings available on LazMall, in response to changing needs of consumers, including the rise of omnichannel shopping and a much more complex and dynamic shopping journey.

We understand that people are the backbone of our business and we remain steadfast in enriching their work experience, while building up the skill sets and knowledge of our broader talent pool to remain resilient in a rapidly changing world. Our in-house digital learning platform, GROW, offers more than 1,000 interactive and engaging courses for our employees to develop themselves holistically.

Looking beyond our business, we also strive to drive inclusive and sustainable economic growth across the markets. We joined the Asia-Pacific Economic Cooperation (APEC 2022) Economic Forum to promote and support such initiatives across Southeast Asia, including efforts to support the digital transformation of micro, small and medium enterprises (MSMEs), where digitalization is crucial to improving the operational flexibility and long-term growth of businesses. In Vietnam, I am proud to share that our commitment to society was recognized last year when Lazada Vietnam received two prestigious Corporate Social Responsibility (CSR) awards from The Saigon Times and AmCham Association.

As a leading and responsible brand, we are constantly looking for ways to improve and manage our environmental impact for future generations. This year, on top of improving existing sustainable initiatives across our supply chain, we also accelerated the introduction and implementation of electric vehicles in our operations and supported the transition to solar energy at our logistics facilities in Indonesia.

As we prepare for the rapidly evolving digital environment, we continue to strengthen our corporate governance framework and actively advocate for strong cybersecurity,

**Sustainable development is not only a responsibility, but also an opportunity and commitment to the future.**

data protection and intellectual property (IP) protection. We are proud to have achieved ISO27001 certification and the highest level, Advocate, of the Cyber Security Agency of Singapore’s Cyber Trust mark certification, ensuring the trust and confidence of customers and partners in our robust and secure platform.

As we move forward to our next stage of growth, sustainability will continue to be our guiding principle. The implementation of Lazada’s ESG framework will drive us toward being an exemplary company, demonstrating our responsibility and focus on sustainability for long-term prosperity. I am proud of the progress we have made, but I know there is more to do. This endeavor is a journey and not a destination. We will continue to publish this annual ESG Impact Report voluntarily to share our actions and progress.

Sustainable development is not only a responsibility, but also an opportunity and commitment to the future. By working together, we can enrich the lives of all participants in the digital economy and build toward a resilient and sustainable future.

**James Dong**  
Chief Executive Officer  
Lazada Group

<sup>1</sup> Google. (2022). e-Economy SEA 2022 report. Google e-Economy SEA. <https://economysea.withgoogle.com/report/>

## 5 QUESTIONS WITH OUR SENIOR MANAGEMENT

Frank Luo (Chief Finance Officer) and Gladys Chun (General Counsel) share their perspectives on ESG matters.



**Frank Luo**  
Chief Finance Officer  
Lazada Group



**Gladys Chun**  
General Counsel  
Lazada Group

**As Lazada publishes its second ESG Impact Report, what notable experiences or achievements have you encountered along the way that you are particularly excited to share?**

**Frank:** Taking the first step is often the most challenging part of any journey. When we made the decision to embark on our ESG journey, we understood that it would be a complex and transformative process that requires substantial commitment. Nevertheless, we embraced this path voluntarily because we firmly believe it is the right thing to do. I am heartened to share that our Group's overall carbon footprint has been reduced by 10% this year. This is an encouraging milestone for us as we start to see some of our initiatives bear fruit.

**Gladys:** We saw improved efficiencies from our logistics operations as the main lever that reduced our overall carbon footprint. This will continue to be a key focus for our business as we strive toward decarbonizing our operations and ecosystem. Parallelly, we are actively pursuing scale and impact across our other material topics and we will continue to share our progress and developments.

I am heartened to share that our Group's overall carbon footprint has reduced by 10% this year. This is an encouraging milestone for us as we start to see some of our initiatives bear fruit.

**Ensuring the quality of ESG data is crucial to stakeholders. How does Lazada address the collection and maintenance of ESG data as well as the measures taken to ensure its accuracy and reliability?**

**Frank:** ESG matters cover a broad range of issues. The underlying data depends on a vast spectrum of factors, much of which exists in narrative or unstructured form. These data are often scattered across various sources where data gaps exist. For Lazada, technology is the key enabler to address these challenges. We are working on several fronts to strengthen our processing capabilities, such as establishing new data pipelines, creating a strong data management system and utilizing available data to benchmark performance. These improvements would translate to consistent, high-quality ESG datasets over time. Looking ahead, there will be opportunities to adopt new and innovative ways to improve existing processes, such as using artificial intelligence and machine learning, to create truly data-driven, future-proof reporting for the future.

**How does Lazada ensure the ESG framework captures the requirements of a changing compliance and regulatory reporting environment?**

**Gladys:** Given our presence across six markets, it is essential to have a deep and comprehensive understanding of the regulatory landscapes we operate in. For example, we undertake regular landscape assessments, engage regulators and other key stakeholders proactively to understand their perspectives on emerging issues and leverage external channels such as industry associations to keep up-to-date. Our ESG framework acts as a governance mechanism that integrates relevant regulations and standards into its criteria and ensures that our practices comply with the applicable laws and regulations. This ensures our ESG framework remains relevant and effective in supporting our overall ESG strategy.

Addressing ESG issues is not just about doing the right thing. It is also building the necessary foundation for organizations to properly manage risks and opportunities, to enable stronger and resilient businesses in the long run.

**What strategies and practices does Lazada employ to effectively identify, assess and mitigate its ESG-related risks and opportunities?**

**Gladys:** Our approach from day 1 is to build a future-proof company, and a key strategy is to be adaptable to the ever-changing business landscape. We managed our risks and opportunities all the same, with a proactive mindset that pays attention to emerging issues that could potentially impact business models and objectives. Ultimately, our business does not exist in a vacuum. We understand the dependencies between our business on nature and society and use this information to make appropriate investment and resource allocation decisions that result in preserving and creating value. Addressing ESG issues is not just about doing the right thing. It is also building the necessary foundation for organizations to properly manage risks and opportunities, to enable stronger and more resilient businesses in the long run.

<sup>2</sup> The stakeholder groups include employees, logistics, suppliers, buyers, sellers, communities and sustainability experts



# ABOUT US

## AT A GLANCE

As Southeast Asia's pioneer digital commerce platform operating across six countries in the region – Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam – we are committed to accelerating progress and fostering growth through the power of technology and commerce. Our vast ecosystem connects users with a network of over one million monthly active selling sellers, empowering transactions with utmost safety and security through trusted payment channels and the convenience of Lazada Wallet. We take pride in our expansive logistics network,

now one of the largest in the region, ensuring prompt and reliable parcel delivery to our valued users. Looking ahead, our ambitious vision is to serve 300 million shoppers by 2030, achieve US\$100 billion gross merchandise volume and be the best at enabling brands and sellers to digitalize their businesses. To reaffirm our steadfast dedication to sustainable and responsible business practices, we proudly present our second ESG Impact Report as a testament to our unwavering commitment to shaping a better future.

## WHO WE ARE AND HOW WE OPERATE

**Lazada is a leading digital commerce platform in Southeast Asia, providing a trusted and engaging ecosystem for consumers, brands and sellers. We continue to revolutionize digital commerce in Southeast Asia. Operating across six countries, we are known for:**



Building a superior online shopping platform catered to diverse consumer needs



Delivering high-quality services and products to bring value to all users



Pioneering shoppertainment initiatives like LazLive



Developing a reliable end-to-end logistic infrastructure and a strong partner network



Having the largest online grocery business in Singapore and more

### Online marketplace

We provide a user-friendly online marketplace for effortless transactions, facilitate seamless communication between buyers and sellers and ensure safety and security through trusted payment channels.



### Partnerships

We work closely with sellers to support their growth and equip them with tools for success on our platform. Additionally, we work with brands to offer exclusive deals, promotions and collaborations that cater to the diverse needs of our customers.

### Comprehensive range of offerings

We offer a diverse range of categories such as consumer electronics, fashion and beauty items, household essentials, groceries and more. We enable customers to explore, compare and purchase products from trusted sellers and renowned brands.

### Robust logistics capabilities

We have efficient order fulfillment and a reliable delivery service, supported by data-driven, technology-driven warehouses, sorting centers, shipping hubs and an extended network of logistics partners.

### Innovative technologies

We leverage AI-driven product recommendations, secure payment systems and convenient mobile applications to provide personalized and captivating shopping experiences accessible anytime, anywhere.

## The core of our business involves



### Lazada Marketplace

Lazada's Marketplace gives sellers (including SMEs) instant access to millions of new customers. Launched on Lazada's platform since 2013, Lazada Marketplace provides a full suite of services, from secure payment options and customer care support to a wide distribution network and marketing analytics, which empower our sellers to sell more.



### GlobalHits

With a mission to bring the world to Southeast Asia and provide a gateway for Southeast Asian brands to reach international consumers, Lazada's cross-border business features homegrown brands and sellers from markets that include China, Hong Kong SAR, South Korea, Japan, the United States and Europe.



### LazMall

Southeast Asia's biggest virtual mall connects shoppers to leading international and local brands. It sets a new standard in retail, offering consumers the assurance of 100% product authenticity and a 15-day free return policy.

## ABOUT THIS REPORT

This report showcases Lazada's efforts in addressing Environmental, Social and Governance (ESG) impact in six countries - Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam - and its subsidiary, RedMart, in Singapore. It includes a regional team that supports our cross-country operations with employees across the six countries and China. Covering the reporting period from 1 April 2022 to 31 March 2023 ("FY2023"), this report also includes data from the prior reporting period of 1 April 2021 to 31 March 2022 ("FY2022") for comparison where applicable.

This report contains our current policy, views and strategic direction, but it is not intended to create any legal rights or obligations. Further, this report may contain information derived from publicly available information or other third-party sources, and Lazada makes no representation, warranty or undertaking as to the accuracy, reasonableness or completeness of such information. Lazada does not undertake to update or revise this report.

This report is intended to provide an overview of Lazada's ESG management approach and performance regarding our operations in six countries. Lazada provides no guarantee that the information in this report is complete, accurate or up-to-date in all cases. To the extent permitted by applicable laws, Lazada disclaims any and all liability for any loss or damage whatsoever that may arise in connection with the use of documents or information contained in this report.

This report has been prepared with reference to the widely adopted Global Reporting Initiative (GRI) Standards 2021 and the Sustainability Accounting Standards Board (SASB) reporting standards. The GRI Standards were selected as it is the most widely adopted global standard among businesses to report on sustainability matters across comparable criteria. The GRI Guiding Principles also provide a guide for report content and quality. Reference was also made to the United Nations Sustainable Development Goals (UN SDGs), a set of 17 goals serving as a shared blueprint to achieve sustainable development. However, it does not create legal rights or obligations.

We have not sought external assurance for this ESG Impact Report but may do so in the future as we mature in our sustainability journey. To the extent there are any forward-looking statements in this report, they are made based on assumptions and estimates which we believe are realistic as of 31 March 2023. However, we cannot guarantee that they will prove to be correct. Actual results and events may differ from what we currently expect due to external factors, including but not limited to, competition, general economic, political, social and business conditions in its markets. Unless we are required to by applicable laws, we will not update any such forward-looking statements, nor do we assume any obligation to do so.

The essential elements that enable us to carry out our business are our three main pillars.



### LOGISTICS We get it there

With our end-to-end logistics capabilities and complete control over our supply chain, virtually any product is just a click away. We have fulfillment centers across cities in Southeast Asia, and our investment in warehouses, sorting centers and digital technologies complement our partner network as well as our cross-border and last-mile arrangements in the relevant country of operations.



### TECHNOLOGY A smarter way to shop

At Lazada, we harness both existing and emerging technologies to redefine the retail experience. Leveraging real-time data allows us to quickly adapt to changing demands and conditions. We connect consumers to sellers, create customized experiences and have evolved into an online retail destination that buyers come to for both shopping and entertainment.



### PAYMENTS Safe, seamless transactions

Ensuring safe and seamless transactions guides the development of Southeast Asia's most secure payments and financial services infrastructure. In a region still at varying stages of e-payment and digital commerce adoption, we have developed a suite of options together with our trusted payment partners that cater to existing preferences while easing buyers into digital payments through intuitive solutions they can trust.



# ESG AT LAZADA

As a leading digital commerce business in the Southeast Asian region, we aim to positively impact the environment, society and communities we engage with, while driving innovation and conducting business responsibly.

Our strategy revolves around fostering a stronger and greener economy through responsible business practices, sustainable initiatives and innovative solutions. We strive to create enterprise value while positively impacting the environment and enriching the lives of the communities we serve.

## ESG GOVERNANCE



We have a transparent and accountable system of ESG governance. The Executive Committee comprises experienced leaders from diverse backgrounds who oversee and review company operations. This committee provides guidance and oversight on various ESG topics, including sustainability matters, and monitors material issues such as carbon footprint, socioeconomic impact and data privacy to ensure alignment with commitments and obligations.

To support our ESG efforts, we have an ESG Task Force represented by cross-functional teams from different business units. Led by the Corporate Sustainability function, this Task Force plans, coordinates and executes

We seek continuous improvement by actively engaging our stakeholders and aligning our ESG initiatives with their expectations. Through our ESG Impact Report, we share our performance, successes and learnings and hold ourselves accountable by rigorously tracking and reporting our actions.

organization-wide sustainability strategies and initiatives. Reporting directly to the Executive Committee, the Task Force provides updates on our progress and plays a critical role in monitoring and reporting sustainability performance, tracking key metrics and developing progress reports.

The Executive Committee and Task Force form a robust corporate governance structure that upholds the highest standards of transparency, accountability and sustainability in our operations.

## ESG PRIORITIES

Our ESG priorities remain unchanged. We engaged an independent consultant previously to conduct a comprehensive materiality assessment, for a clear understanding of our ESG issues that are most significant to our business and stakeholders. Through a rigorous three-

stage process, we prioritized and validated the top six topics according to the double materiality concept, evaluating their impact on our enterprise value and our assessed impact on society or the environment.

## Stakeholder Engagement

We build strong relationships with our stakeholders through effective communication channels. We focus on the significance of our impact on them and their level of influence and interest in us. During this reporting period, we invited a third-party firm to conduct interviews with selected external stakeholder groups to understand their concerns

about ESG issues and expectations on Lazada in terms of ESG management. Their diverse perspectives enriched Lazada's focus on ESG matters and helped us tailor our business and sustainability strategies to ensure that we create value for all.

Stakeholders	Engagement methods	Frequency	Key concerns	Lazada's response
Logistics 	<ul style="list-style-type: none"> <li>Business and operational meetings</li> <li>Training and development programs</li> <li>Communications and updates online and via the app portal</li> </ul>	Ongoing basis	<ul style="list-style-type: none"> <li>Operational updates</li> <li>Benefits, welfare and training</li> </ul>	<ul style="list-style-type: none"> <li>Improving communication efficiency by optimizing online platform and system functionality</li> <li>Motivating logistics partners through training and benefit system</li> </ul>
Buyers 	<ul style="list-style-type: none"> <li>Marketing and promotional campaigns</li> <li>Social media platforms</li> </ul>	Ongoing basis	<ul style="list-style-type: none"> <li>Access to products, including price and delivery</li> <li>User experience</li> <li>Data and privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>Providing new services and offerings to meet diverse and evolving needs</li> <li>Scaling up customer service operations through various support avenues</li> <li>Enhancing data and privacy protection via internal and external capacity-building training</li> </ul>
Communities 	<ul style="list-style-type: none"> <li>Industry discussions</li> <li>Programs and collaborations</li> <li>LazBeat news hub</li> <li>Lazada Insider podcast</li> </ul>	Ongoing basis	<ul style="list-style-type: none"> <li>Business strategy and outlook</li> <li>Sustainability efforts</li> </ul>	<ul style="list-style-type: none"> <li>Supporting the communities through commercial and non-commercial activities</li> <li>Communicating our sustainability performance to the community through multiple channels</li> </ul>
Employees 	<ul style="list-style-type: none"> <li>Townhall meetings</li> <li>Internal communications and updates</li> <li>Social cohesion activities</li> <li>Training and development programs</li> <li>LazListen</li> <li>Employee engagement</li> </ul>	Ongoing basis	<ul style="list-style-type: none"> <li>Career development and training opportunities</li> <li>Employment practices, remuneration and benefits</li> <li>Organizational updates</li> <li>Health and well-being</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing employee professional skills through a comprehensive training system combined with a training platform</li> <li>Providing suitable career development opportunities through a sound salary assessment and promotion mechanism</li> <li>Promoting employee satisfaction through diverse benefits and enrichment activities</li> <li>Improving employee work experience by creating a friendly work environment</li> </ul>
Government Sectors 	<ul style="list-style-type: none"> <li>Laws and regulations updates</li> <li>Communication events</li> </ul>	Ongoing basis	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Ensure compliance with the latest legal and regulatory requirements through proactive external engagements and reviewing internal policies regularly</li> </ul>
Sellers 	<ul style="list-style-type: none"> <li>Lazada University</li> <li>Lazada Insider podcast</li> <li>Surveys and publications</li> <li>Lazada seller center</li> <li>Marketing and promotional campaigns</li> </ul>	Ongoing basis	<ul style="list-style-type: none"> <li>Data and intellectual property protection</li> <li>Product and category trends</li> <li>Visitors conversion</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing data and privacy protection via internal and external capacity-building trainings</li> <li>Protecting sellers' rights through a contactable intellectual property protection system</li> <li>Strengthening sellers' market sensitivity through market trend-sharing activities</li> </ul>
Suppliers 	<ul style="list-style-type: none"> <li>Business and operational meetings</li> <li>Procurement management</li> <li>Product Innovation</li> </ul>	Ongoing basis	<ul style="list-style-type: none"> <li>Long-term cooperation</li> <li>Operational updates</li> </ul>	<ul style="list-style-type: none"> <li>Creating a fair and equitable business model through supplier management and internal control</li> <li>Exploring new market opportunities together through diversified cooperation models</li> </ul>



## Hear from Our External Stakeholders

**Community partner**

There is a risk of regulatory impact due to the implementation of stronger cybersecurity features, but Lazada is a pioneer in this particular topic, which could lead to regulatory scrutiny, but also positions the company as a leader in the industry.

**Seller**

The digital commerce industry is starting to work with sustainable companies due to increasing customer demand for environmentally friendly products. This is causing a shift in the marketplace, and it is important for Lazada to keep up with this trend.

**Sustainability expert**

Lazada has made good efforts in strengthening cybersecurity and data privacy, while creating positive socioeconomic impact such as job creation in Southeast Asia.

## Materiality Assessment

During this reporting period, we conducted a review of our material topics and found no significant changes to Lazada's activities and business relationships. Therefore, we retained the six material topics identified in the previous reporting period based on the results of our materiality assessment. Our external stakeholders also endorsed the results of our materiality assessment in the interview. We will continue to maintain communication with our stakeholders, incorporate their input and expand our material topics accordingly.

### Phase 1 Identification

A comprehensive list of 26 material issues was developed by reviewing multiple data sources, including industry trends, benchmarking peers' sustainability goals and strategies, and referencing international reporting standards like the GRI Standards and SASB.

### Phase 2 Refinement and Prioritization

Input from internal and external stakeholders was gathered through surveys and interviews to assess the influence of each shortlisted material issue on our business success and sustainability, documenting their perspectives on associated risks and opportunities.

### Phase 3 Validation

From Phases 1 and 2, we identified six material topics, validated by senior leadership which forms our ESG framework and are grouped under four key pillars.

## ESG FRAMEWORK



### Empowering Communities

We endeavor to enrich lives of Southeast Asian communities by providing the necessary jobs, services and capacity-building across our network and support economic development across the region.

### Socioeconomic impact

Impacting the productive and developmental potential of Southeast Asian economies by providing infrastructure, services, jobs and capability-building through our value chains.



### Future-ready Workforce

We continue to enrich the work experience for our employees while developing the skill sets and knowledge of the broader talent pool to stay resilient in a fast-changing world.

### Talent Attraction, Development and Well-being

Ensuring that Lazada's workforce pool in our countries of operation and fostering fair and progressive employment practices for our talent, equipping them with skills for the future and empowering them to develop meaningful careers with Lazada.



### Environmental Stewardship

We strive to minimize the impact of our operations on the environment in the communities we operate in with strategies that lower our carbon footprint and reduce our material use of natural resources.

### Carbon Footprint

Implementing a systematic approach to improve the energy efficiency of Lazada's operations and value chain as well as managing greenhouse gas (GHG) emissions from our operations into the earth's atmosphere.



### Materials and Packaging

Decoupling growth from natural resource consumption and reducing the use of non-renewable material inputs for Lazada businesses, with a focus on collaborating with stakeholders to rethink and reinvent packaging solutions.



### Effective Governance

We focus on providing our buyers and sellers a safe and reliable digital environment, supported by effective governance structures that uphold ethical, transparent and responsible business conduct.

### Cybersecurity and Data Privacy

Securing the management of digital information in a manner that upholds the right to privacy for all our stakeholders and protecting data from unwanted parties and unauthorized access, such as security threats and cyberattacks.

### Intellectual Property

Managing the protection of intellectual property rights to promote a trusted and fair environment.

## FY2023 HIGHLIGHTS

### Empowering Communities



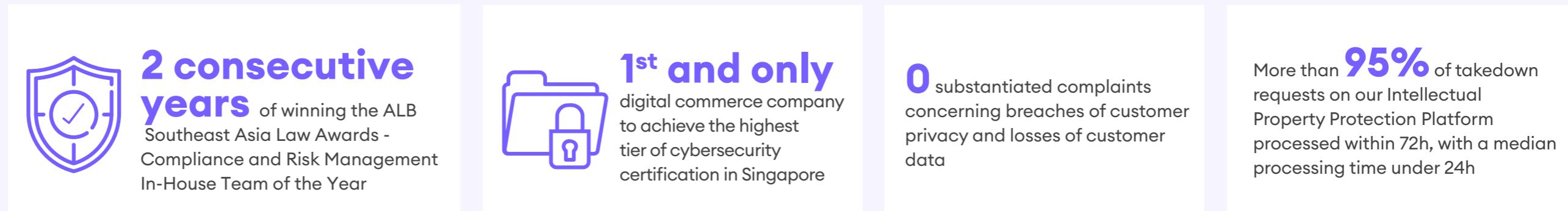
### Future-ready Workforce



### Environmental Stewardship



### Effective Governance

<sup>3</sup> Refer to the Appendix for details.<sup>4</sup> Monthly active selling sellers refer to the unique sellers who have at least one sale on Lazada's platform in the last 30 days.<sup>5</sup> Monthly active users refer to the unique users who log in on Lazada's platform in the last 30 days.



# EMPOWERING COMMUNITIES

As Southeast Asia's leading digital commerce platform, we contribute to the economic progress of the region, supporting the communities we operate in with employment opportunities, services and capacity-building initiatives throughout our network.

During this reporting period, we deftly navigated the transition from a pandemic-stricken landscape to a renewed chapter of economic expansion and prosperity. Through active engagement and empowerment of our communities with the right tools and services, we further their sustainable growth alongside our business.

As we forge a path toward a brighter future, we firmly believe in the transformative power of community empowerment and the significance of collective action. Our efforts revolve around three key pillars: opportunities across Lazada's ecosystem, lives and communities and community resilience.



More than **1.1 million** stakeholders across our ecosystem continue to benefit from the economic opportunities we provide



**1 million** monthly active selling sellers on Lazada's platform



**160 million** monthly active users on Lazada's platform



**2** Corporate Social Responsibility awards for community contributions in Vietnam

## OPPORTUNITIES ACROSS LAZADA'S ECOSYSTEM

At Lazada, we believe in building a long-term ecosystem that supports local communities and livelihoods that have come to depend on digital commerce as a main source of income. We create opportunities that drive economic growth and empowerment by connecting about 160 million active users to more than one million active selling sellers every month.

### Tapping on Technological Innovations to Enhance Connections

Harnessing technological advancements and innovations, we propel businesses forward in an ever-evolving digital landscape. These advancements create opportunities for economic growth, digital entrepreneurship and improved user experiences. One such feature is [Lazada's Sponsored Solutions](#) – an all-inclusive suite of visibility tools that maximize brand and seller exposure while driving conversion rates. Among a myriad of advantages, Lazada Sponsored Solutions aid brands and sellers in boosting sales by harnessing AI-powered automation. More than 400,000 brands and sellers have already harnessed their potential, attaining valuable insights to optimize and amplify their impact on a broader audience.

### Catering to Diverse and Evolving Needs

Amidst the growing integration of digital commerce in our everyday lives, we recognize the diverse and evolving needs of different user groups as online shopping behaviors mature. We introduced various channels designed to cater to the specific interests of our diverse groups of buyers and sellers. From inspirational livestream content on LazLive to fitness-focused Lazada Run, beauty-centric LazBeauty, fashion-forward LazLook and inclusivity-driven LazHalal, we have curated distinct experiences for various communities. Additionally, our LazAffiliate program allows tech-savvy social media consumers to promote products they love and earn commissions in return.

				
<b>Inspiration</b> LazLive is a livestreaming channel that provides quality shoppertainment content. Through livestreams focused on different passion points, LazLive helps users discover and build new interests.	<b>Fitness</b> Lazada Run is the first ever multi-country running event organized by a digital commerce platform in Southeast Asia. With three race categories and other exciting activities available for all ages, the event targets users passionate in fitness across six countries.	<b>Beauty</b> LazBeauty is a top beauty shopping destination in Southeast Asia that offers a wide assortment of beauty products for skincare, haircare, makeup and more. Members of the LazBeauty Club can also enjoy exclusive members-only perks and discounts.	<b>Fashion</b> LazLook is a top fashion shopping destination in Southeast Asia that offers a wide selection of stylish and affordable fashion items, which enables our shoppers to express their individuality, and play with various fashion styles.	<b>Inclusivity</b> LazHalal is a dedicated channel launched in Malaysia for consumers looking for halal-certified products. The channel offers products that comply with halal standards, providing convenience and reliability across a diverse range of products.

Up to  
**10x**  
return on investment, along with  
48% more growth, for brands and  
sellers that have embraced Lazada's  
Sponsored Solutions

### Supporting Muslim and Halal communities

Recognizing the importance for products and food to be reflective of the local communities, we launched a new Halal channel designed to support Muslim and Halal businesses and shoppers in Singapore and Malaysia.

During this reporting period, Lazada Singapore introduced a Halal store in RedMart, while Lazada Malaysia launched a dedicated store, LazHalal, ahead of the Ramadan festival. The timely introduction of Halal categories ensures that consumers have convenient access to a wide range of local and international products that are either Halal-certified or supplied by Muslim-owned sellers. This initiative enhances the overall shopping experience for our Muslim users and underscores our commitment to meeting the diverse needs of the local communities we serve. A similar channel, Lazada Amanah, was launched in 2021 in Indonesia, home to the largest Muslim population in the world.

Through this dedicated channel, the Halal category aims to provide businesses with an added opportunity to drive sales and engagement with a growing customer base that prioritizes halal products.



### Enabling a Seamless Shopping Experience

Our long-term business growth hinges on understanding and catering to consumers' omnichannel shopping behavior. In the wake of pandemic-induced lockdowns, the lines between online and offline shopping have blurred as consumers seek a seamless integration of both experiences, while brands and sellers look for opportunities to strengthen their online and offline integration. We recognize these evolving needs and actively support our ecosystem in seizing opportunities through omnichannel avenues to facilitate long-term economic growth and success.

### Omnichannel Tech Show

Lazada Singapore launched its inaugural omnichannel tech show, the Grand Online Tech Show, in May 2022. This groundbreaking occasion showcased the seamless integration of online and on-site activities, delivering an engaging shopping journey for tech enthusiasts and our valued brands and sellers. The tech show allowed customers to explore and test products in person while also enjoying the conveniences of online shopping. Consumers could easily make purchases through the Lazada App, with the option of doorstep delivery or in-store pick-ups.



### More than

**20**

international and homegrown tech brands were featured on-site at the Lazada Grand Online Tech Show 2022, and seen more than 25% growth in sales compared with 2021's all-virtual event

## National Day Heartland Celebration

As the official digital commerce partner for Singapore's National Day Heartland Celebrations 2022 @ North East, we hosted "Food Street by Lazada," an omnichannel event where Lazada partnered with 25 brand merchants to provide local food delights to more than 30,000 residents. Residents could conveniently buy digital vouchers from any brand merchant present at the event through our geolocation discovery feature, "Deals Nearby," and redeem them during their future visits.



**25**

brand merchants provided digital vouchers for purchase to residents at the event themed 'Reminisce our SG culture: Food Street by Lazada'

## Driving Inclusive and Sustainable Economic Growth

In November 2022, we proudly announced our partnership with the Asia-Pacific Economic Cooperation (APEC) 2022 Economic Forum, uniting to harness the potential of digital commerce and promote inclusive and sustainable growth across Southeast Asia. The forum's aim of "Openness, Connectivity, and Balance" resonated with Lazada's vision to accelerate the inclusive and sustainable growth of the digital economy in Southeast Asia through digital commerce and technology.



*Lazada [is] committed to [working] closely with governments and enterprises in the six major markets in Southeast Asia to achieve long-term growth by building a high-quality digital ecosystem. This is also the core of Lazada's continuous investment in technology, payment and logistics infrastructure, and trying to create value for local sellers and consumers.*

**James Dong**  
Chief Executive Officer  
Lazada Group



## Digitalization among our Sellers Community

Lazada Thailand has made great strides to support the digitalization of micro, small and medium enterprises (MSMEs). Partnering with the Bangkok Metropolitan Administration, Thailand Tourism Authority and Tourism Council of Thailand, we supported more than 200 local MSMEs with expertise to thrive in the digital economy. As part of our partnership, we offered more than 400 digital vouchers for accommodation and activities through our digital goods category to revive the tourism sector. These partnerships helped promote Thailand's local tourism agenda and strengthen the country's digital economy.



More than

**200**

homegrown labels and businesses benefited from greater support for online onboarding and new opportunities through our partnerships in Thailand

Similarly, Lazada Indonesia rolled out the Akselerasi Karya Rakyat (AKAR) Digital Indonesia initiative in partnership with various ministries to support the digital transformation of MSMEs in Indonesia. AKAR initiative provided resources to MSMEs in the Java region to improve digital commerce literacy and increase their competitiveness through skill-based training and mentorships. Since its launch, the AKAR initiative has successfully trained more than 2,000 MSMEs across Java, serving as a catalyst for Indonesia's digital economy.



More than

**2,000**

MSMEs have been trained across Java since the launch of the AKAR Digital Initiative in Indonesia

## Nurturing a Vibrant Seller Community

We strive to support our sellers and brand partners while promoting a thriving and welcoming seller community. We organized regular Seller Conferences to share the latest campaign updates, trends and insights with our sellers and brand partners. More importantly, our Seller Conferences provide a way for us to celebrate with our sellers and brand partners who have shown remarkable results in their digital commerce businesses.

More than  
**30**  
Seller Conferences organized regionally

More than  
**1,000**  
selected sellers received support through the Buddy Mentorship Program, with the help of more than 200 voluntary mentors across Indonesia, Thailand and Vietnam



To facilitate interaction and learning opportunities among sellers, we created Lazada's Seller Community forum, a vibrant hub for sharing insights and connecting with like-minded individuals. In all the markets we operate, sellers can join the local channels to seek guidance, gather valuable information and stay updated. The forum seamlessly integrates with other essential resources, such as the Lazada University and Help Center, to enrich the overall seller experience.

Additionally, we have a Buddy Mentorship Program to foster a strong support network among sellers. In this 4-week voluntary program, new sellers are matched with experienced mentors for learning opportunities and guidance on various digital commerce challenges. The program serves as a valuable peer-to-peer mentoring resource, enhancing seller support and success on our platform.

## Hear from Our Sellers

Isaac Saliendra started his eyewear brand, Peculiar, by turning to Lazada for free training courses and essential tools to launch his business. The support and resources offered by Lazada were instrumental in the initial growth of Peculiar, enabling it to become one of the platform's leading eyewear stores today.

Nguyen Hong Nguyen Ha launched Remmus, her online fashion brand, at 21. Facing the challenges of running a one-woman business, she turned to Lazada to expand and scale her business. Since joining Lazada, she has optimized a significant proportion of her operation costs for human resources and stock management and saw her business double in monthly sales.

Sisters Khor Yi Ting and Khor Yi Chen moved their seafood family business, The Fisherman, to Lazada in 2021. The transition challenged the sisters to rethink their existing operations and adjust accordingly. With automated operations by Lazada, the sisters can spend more time developing their product range and improving customer satisfaction.



*I was a 20-year-old fresh graduate with barely any business experience, and yet Lazada took me seriously. With Lazada, I didn't have to think of overcharges or any cost in maintaining my store. I was able to focus on product development, inventory and optimizing my operations.*

**Isaac Saliendra**  
Peculiar



*I am beyond thrilled to take advantage of all the support that Lazada provides for its new sellers, from promotional campaigns, livestreaming features, shipping initiatives, and most importantly, learning courses and a wonderful seller community to support newcomers.*

**Nguyen Hong Nguyen Ha**  
Remmus



*Thankfully, our journey as new sellers was guided by the Lazada team, which helped to drive more traffic and exposure for The Fisherman online store. There was a lot of trial and error involved, but we gradually managed to grow our customer base, thanks to the help from Lazada.*

**Khor Yi Thing**  
The Fisherman



## LIVES AND COMMUNITIES

Beyond the boundaries of the Lazada ecosystem, we extend our positive impact by empowering individuals and fostering positive change in our local communities. We believe we can contribute to a more cohesive and thriving society by encouraging active participation and reducing barriers to digital inclusion.

## Nurturing and Empowering Female Entrepreneurs

As we nurture a vibrant and supportive seller community, we also look to empower our women sellers on the Lazada platform. While the digital commerce industry holds tremendous potential for women across Asia, certain barriers still impede their full participation<sup>6</sup>. We partnered with various organizations to develop tailored support programs and initiatives to equip women with the essential tools and knowledge to excel in digital commerce.

<sup>6</sup> Edwards, R. B., & Suryadarma, D. (2022). Introduction to the special issue on Social and Economic Impacts of Online Marketplaces on Women in Asia. *Asia & the Pacific Policy Studies*. <https://doi.org/10.1002/app.5367>

## LazEmpower in Malaysia

In collaboration with the Malaysian Ministry of Women, Family & Community Development, we continuously support women from marginalized and low-income communities with workshops covering diverse topics such as business development and digital communication. These workshops play a crucial role in nurturing participants' interest in digital commerce by equipping them with essential skill sets and knowledge to embark on digital entrepreneurship. By providing the necessary resources and training, we aim to empower these women to create alternative livelihoods through digital commerce, fostering economic independence and social empowerment.

More than  
**600**  
women participated in the  
workshops since the launch of  
the program



## Encouraging Community Participation

Cash transactions for digital commerce purchases remain widely preferred in Southeast Asia. For involved parties, they pose challenges such as inconvenience, longer transaction time and risks of loss or theft, leading to more failed deliveries for consumers. Digital payments have emerged as a safer and more convenient alternative in this context. Although the digital payment penetration rate is growing, many Southeast Asian consumers still lack access to digital payment services due to limited infrastructure and low levels of financial inclusion.

At Lazada, we recognize the importance of supporting the adoption of digital payment services. We have formed partnerships and collaborations with regional eWallet and financial institution partners, facilitating a seamless and trusted digital shopping experience for consumers on these services.

Beyond digital commerce purchases, we worked with regional and local financial institutions to enable selected users to make payments digitally for utility bills, mobile top-ups, digital services and product vouchers. We believe digital inclusivity is essential for providing equal opportunities and ensuring that everyone can fully benefit from the advantages of the digital world.

## Active Participation from Youths

Aside from reducing barriers to digital payments, we also seek to encourage active participation from youths in the digital commerce industry. Recognizing the growing importance of digital commerce in the modern business landscape, we have undertaken initiatives to prepare young individuals for the opportunities and challenges it presents.

To achieve this, we collaborate with universities to integrate relevant digital commerce content into the curricula and organize insightful training workshops, ensuring that students receive up-to-date knowledge and hands-on learning experiences.

More than  
**8%**  
growth in digital payment adoption  
among monthly buyers on Lazada across  
the six markets

## Workshops and knowledge building in universities

In Vietnam and Malaysia, Lazada has taken significant steps to empower youths entering into the digital commerce industry. In Vietnam, Lazada collaborates with universities like Hue College of Economics and the Da Nang University of Economics, to offer official training courses on digital commerce. Upon completion, students receive certifications from Lazada.

Similarly in Malaysia, Lazada collaborated with Universiti Teknologi MARA to launch Lazada4Youth, a program focused on digital entrepreneurship and innovation. Lazada4Youth offers workshops that stimulate stronger digital entrepreneurship capabilities among young entrepreneurs, equipping them with essential skills to kickstart and grow their businesses online.

More than  
**900**  
total students in attendance  
across both programs



## COMMUNITY RESILIENCE

We believe that building a compassionate and resilient society starts with the local communities we operate in. We deeply appreciate the people and cultures in these communities, and we are committed to giving back and offering support in times of need.

## Supporting Positive Community Impact in Vietnam

Lazada actively contributes to the wider community by creating long-term economic and social value in Vietnam. Our efforts have been recognized through two Corporate Social Responsibility (CSR) awards received in this reporting period. The Saigon Times, a subsidiary of the Saigon Economic Review, and the American Chamber of Commerce (AmCham Association) acknowledged Lazada Vietnam for its outstanding awareness and effective CSR activities. We are proud to be Vietnam's first digital commerce platform to receive the AmCham Association CSR Recognition Award.



## Supporting Needy Communities

We endeavor to create a positive impact within the communities we operate in by supporting their needs through various community-building initiatives.

### Supporting rural communities in Vietnam

We believe in empowering our sellers to serve the local communities. In December 2022, the Lazada Seller Community in Hanoi, Vietnam, organized its inaugural charity event to raise funds for underprivileged children and low-income families from the mountainous district in the country's northwestern region. Representatives from the Lazada Seller Community visited the rural district and distributed more than 260 packages containing essential items such as school bags, warm clothes and winter essentials.

More than  
**260**  
packages delivered to families and  
children in need by the Lazada Hanoi  
Seller Community



### Food donation drive in Singapore

Lazada supported food donation programs to assist low-income families, older people and others in need. By providing the needy residents with accessible basic goods, we hope to support the community with food choices and supplies.

In Singapore, through food donation drives such as "Kampong Glam Gives Back," "Project Reach Out to Inspire" and "Food With Love," Lazadians and partner volunteers distributed groceries, fresh produce and daily essentials from RedMart to more than 350 individuals and families, making a meaningful contribution to the local community.



More than  
**150**  
families supported  
through "Food With Love"

More than  
**150**  
families supported  
through "Project Reach  
Out to Inspire"

More than  
**50**  
families supported  
through "Kampong Glam  
Gives Back"

Similarly in Malaysia, we collaborated with partners, Islamic Relief Malaysia and MyFundAction, to mobilize a charitable donation campaign in conjunction with the month of Ramadan. Lazada contributed toward the donation fund with every applicable order on its platform. The Membeli Untuk Memberi (Buy to Give) campaign distributed more than 4,500 essential food items to over 19,000 beneficiaries from low-income families, old folks homes and orphanages in more than 10 states across Malaysia.



### Blood donation drive in Indonesia and Thailand

Blood donations play a vital role in various medical situations and are particularly critical during emergencies. In collaboration with the local Red Cross chapters, Lazada Logistics Indonesia and Lazada Thailand organized blood donation drives to support this worthy cause. A total of 282 employees from Indonesia warehouse facilities across West Java, East Java, North Jakarta and North Sumatra and the Thailand office generously donated close to 100 liters of blood, potentially saving lives and making a valuable contribution to the local communities.

More than  
**280**  
employees donated close to 100 liters  
of blood



## Responding To Disaster Relief and Response

Natural disasters have affected countries such as Malaysia and Indonesia in the past year. As a pillar of support in our local communities, we supported relief efforts and provided swift assistance to affected communities during challenging times.

### Flood relief in Malaysia

In January 2023, severe floods hit the east coast of Malaysia, followed by flooding in Batu Pahat Johor in March 2023. As part of Lazada Malaysia's social impact initiative Lazada Teman You, members of the Malaysian public made safe and secure donations conveniently via the Lazada platform. We collaborated with the Ministry of Domestic Trade and Cost of Living to contribute more than MYR 50,000 (USD 11,300) worth of in-kind donations for the post-flood recovery in Bachok Kelantan, assisting more than 500 families. Additionally, in Batu Pahat Johor, Lazada Teman You donated MYR 60,000 (USD 13,560) worth of in-kind donations to support the affected communities.



### Cianjur earthquake support in Indonesia

In November 2022, an earthquake occurred in Cianjur, Indonesia and caused widespread damage and destruction in the region. The earthquake left hundreds of casualties and families homeless and in dire need of basic necessities. Lazada Indonesia swiftly responded to provide assistance and disaster relief by donating and distributing more than 2,300 daily essential items to the affected individuals and families.



**MYR 110,000**  
(USD 24,860) worth of in-kind donations  
raised and contributed as part of post-flood recovery efforts

More than  
**2,300**  
daily essential items donated and  
distributed to help disaster victims





# FUTURE-READY WORKFORCE

Our success is built on the shoulders of our employees, known as Lazadians, who deliver exceptional customer experiences and uphold operational excellence. They are the backbone of our organization and we are committed to investing in their growth and development.

We continue to build a future-ready workforce despite a challenging industry trend by providing Lazadians with extensive professional development opportunities, caring for their physical and mental well-being and engaging our community to nurture the talents of tomorrow.

We believe that Lazadians are the cornerstone of our journey to the future. This chapter exemplifies our dedication to nurturing the growth of our employees and the future of the digital commerce industry.



**44%** of our overall workforce are women



**32** nationalities employed by Lazada



**55** scholarships awarded to recipients from Indonesia and Vietnam



More than **1,000** courses available on our in-house learning platform **GROW**

## TALENT ATTRACTION

A diverse workforce brings different perspectives, leading to innovative solutions. Additionally, a diverse workforce is more adaptable to change, which is an important skill in today's rapidly changing world.

At Lazada, we strive to create a positive and inclusive working culture that attracts and retains top talent. We believe that everyone has something to offer, and we wish to create an environment where everyone feels valued and respected.

### Promoting Diversity, Equal Opportunity and Non-discrimination

We recognize the pressing challenge of low women representation in the technology industry, as their participation in the workforce remains notably lower than in other sectors, with only 32% of the technology sector's workforce in Southeast Asia<sup>7</sup>. We are taking measures to tackle this challenge. In Lazada, women constitute 44% of our total workforce, and we have witnessed an increase in the proportion of female employees over the past two years.

Our talent attraction strategy is designed to promote inclusivity and equal opportunities. We ensure that our job postings, recruitment channels, interview process and communication materials are devoid of discriminatory language and biases. We aim to strike a balance between "must-have" and "good to have" requirements, eliminating biases that may hinder diverse talent from applying. All candidates, regardless of their background, have equal chances to apply and be considered for open positions.

These principles of inclusivity and equal opportunities are exemplified in our local hiring efforts. Focusing on nurturing talent within the regions we operate, we aim to grow the local talent team across the organization. Simultaneously, we embrace the rich diversity of Lazadians hailing from 32 nationalities, celebrating the unique perspectives and experiences that our employees from various cultural backgrounds bring to the table. By fostering a workforce that is both locally grounded and globally diverse, we cultivate a working environment that encourages innovation, collaboration and professionalism among our talented workforce.

Within our work environment, we also nurture a fair and inclusive culture, upholding the values of meritocracy and mutual respect. We condemn all forms of bias, harassment, discrimination or bullying based on race, gender, ethnicity, religion or any other factors. Our employees are expected to refrain from engaging in harmful actions, including intimidation or threats. This extends to all types of harassment, including sexual harassment, toward all Lazadians.

## TALENT DEVELOPMENT

We believe that employees are our greatest asset. We invest in people development so that our staff can reach their full potential amidst the evolving business landscape and contribute to the company's sustainable and responsible growth.

We go beyond traditional skill-building approaches by offering a wide range of learning opportunities such as workshops, e-learning modules and mentorship programs. Our learning and development framework is built on three pillars, embracing the 70-20-10 model, with 70% through work experience, 20% through coaching and feedback with others and 10% through structured training.

### THROUGH EXPERIENCE

- On-the-job learning
- Stretch assignments
- Cross-functional projects
- Special projects
- Community involvement

### THROUGH COACHING AND FEEDBACK

- Performance review and career discussions
- Coaching and mentoring
- Collaborative learning
- Networking
- Organization-wide and industry events

### THROUGH STRUCTURED TRAINING

- Classroom training
- Workshops
- Conferences and summits
- E-learning

## Growing through Experience

The first pillar of our employee development approach revolves around experiential learning. This entails providing our employees with valuable on-the-job experiences and engaging them in assignments carefully designed to challenge and enhance their skills effectively.

### LazSwitch

Acknowledging the vital link between employee motivation, productivity and retention, we aim to create roles that align seamlessly with their interests. We launched LazSwitch, an internal transfer program that provides employees the opportunity to expand their exposure and experience across the company. Lazadians can access the LazSwitch portal to explore available job openings, express interest and learn more about the internal transfer process. Through this initiative, Lazadians are empowered to take an active role in their own career development and progression.

### Lazada Experience Program in Singapore

We offer the immersive Lazada Experience Program as part of a comprehensive onboarding journey for new joiners in Singapore. This program is structured into three stages: visiting Lazada sellers to understand their businesses, conducting departmental interviews to strengthen collaboration and touring the logistics warehouse to appreciate the operations and efforts of the logistics operations team. This well-rounded program ensures new Lazadians gain valuable insights and a holistic view of our operations and values.

### Lazada Culture Passport in the Philippines

The Lazada's Culture Passport initiative, introduced in the Philippines, facilitates cross-functional learning, drives innovation and encourages interdepartmental networking through a selection of 10 activities covering various business units. Participating employees get the chance to observe the end-to-end logistics processes, learn about technology for faster shipping and experience last-mile delivery.



*Participating in the logistics facilities tour showed me that providing the forecast of orders and volume will help our Logistics plan properly...!*

**Arnold Balao**  
LazMall Electronics  
Lazada Philippines



### LazPrentice in Indonesia

The LazPrentice program in Indonesia is a 6 month internship program tailored for student interns and fresh graduates, providing them with the opportunity to immerse themselves in the digital commerce industry with Lazada. This comprehensive program blends practical work experience with essential trainings, aiming to equip interns with fundamental knowledge and essential skills. The program covers a diverse range of activities, including goal setting, email etiquette, relationship building and various training opportunities. A graduation ceremony and appreciation night are organized to honor the interns' accomplishments and acknowledge their valuable contributions throughout the internship.



*Really eye-opening experience and I enjoyed learning from the seller's perspective, how they view our products and services and how they benefit from Lazada!*

**Valerie Ho**  
Customer Care  
Lazada Singapore



*RedMart warehouse visit was eye-opening and it was interesting to catch a glimpse of the many moving parts happening behind the scenes in order to accomplish something seemingly as simple as delivering groceries to the consumers' doorstep.*

**Charmaine Hui**  
Marketing  
Lazada Singapore



<sup>7</sup> Rastogi, V., Meyer, M., Tan, M., & Tasiaux, J. (2021). Boosting women in technology in Southeast Asia. BCG Global.  
<https://www.bcg.com/publications/2020/boosting-women-in-southeast-asia-tech-sector>

## Progressing through Coaching and Feedback

The second pillar of our approach places a strong emphasis on learning through others, incorporating valuable elements such as close mentoring, collaborative work and performance reviews. Through regular performance reviews and career discussions, we actively support our employees in navigating their career paths. The feedback received from coaching, mentorship and mobility programs shape Individual Development Plans, which are further integrated into annual reviews to foster continuous growth and development.

### Coaching

We firmly acknowledge the significance of coaching as a crucial skillset, recognizing its profound impact on personal and professional development. Understanding that effective leadership plays a pivotal role in fostering growth and empowering individuals, we initiated a comprehensive coaching program at various levels within Lazada to equip leaders with essential coaching abilities.

#### Senior Leader Coaching Leadership Program

Our personalized intensive coaching program is specifically designed for senior management. Graduates of this program served as coaching role models for the whole organization.

**75%**  
of senior management completed the Senior Leader Coaching Leadership Program to date

#### People Manager Coaching Leadership Program

This coaching program introduced the fundamentals of coaching to all People Managers. This program includes Coaching Labs and Communities of Practice, providing practical hands-on experience and knowledge sharing. An Introduction to Coaching e-learning course is also available for all employees.

**750**  
employees completed the People Manager Coaching Leadership Program to date

## Learning through Structured Training

The third pillar of our approach centers on structured training programs, where we provide our employees with a comprehensive learning experience that encompasses cultural assimilation, team integration and career and skill development through diverse initiatives and programs.

As a testament to the effectiveness of these efforts, we achieved a balanced distribution of training hours between male and female employees contributing to an inclusive and equitable learning environment.

### Digital Learning Platform

Our in-house digital learning platform, GROW, offers all Lazadians an interactive and engaging learning experience. Employees can embark on a unique learning path and access curated learning materials. Through GROW, we are able to break past physical barriers and bring easy access to learning.

More than  
**1,000**  
courses available on our  
in-house learning platform GROW

## GROW Program Series

Building upon the foundation of our GROW digital learning platform, we also offer the GROW Program series, a transformative learning initiative implemented across multiple countries. Each program is thoughtfully tailored to cater to different skill levels and positions. From equipping new joiners with essential knowledge to empowering leaders with advanced capabilities, the series offers a wide range of relevant e-learning courses that enable individuals to excel in their respective roles.

### Grow Leaders in Malaysia

Leadership Ready Series is a program that caters to all Lazadians, from junior employees to senior management. Each level has its own program and objectives, such as Ready2Start, Ready2Supervise, Ready2Inspire, Ready2Lead and Ready2Coach, tailored to meet the specific needs and complexities of each level.



*[The trainer in the GROW program] has been super engaging and professional in his delivery... The workshop is interesting... [and the trainer delivers] the content in a compelling way.*

Wong Wei Jun  
Customer Care  
Lazada Malaysia

### Grow Leaders in Thailand

The digital commerce onboarding program is designed for new joiners to accelerate their understanding of our business operations and the digital commerce industry as a whole. The program focuses on capability development for the commercial function across employee groups from junior to senior staff.



*The [GROW program] session [helped] me understand Lazada better as well as how to use [its] internal tools. It gives the overview of Lazada business and educates new joiners on new knowledge about digital commerce.*

Ngamrojanavanit  
Pipornpong  
Seller Engagement  
Lazada Thailand

### Grow Leaders in Vietnam

The Operational Management Development Program seeks to accelerate the growth of potential leaders in logistics functions with various project-based tasks, dedicated mentorship and coaching and customized training. In the reporting period, up to 40% of the candidates were promoted to senior managers while 78% were promoted to managers.



*I have experienced lots of new things deeper than before such as people development, multitask handling, new stake holder management, [and] thinking seriously about [my] career path. [Throughout the GROW program], my Line Manager [and] Mentor always supported me ... [and helped me to] overcome my own fears.*

Nguyen Thi Kim Tien  
Logistics  
Lazada Vietnam

## Lazada Learning Month in Indonesia

Lazada Indonesia's Learning Month offers a diverse range of training programs, from soft skills such as agile project management and empathetic leadership to hard skills such as data storytelling and data to insight, all led by internal and external experts. The programs offer employees access to take charge of their own personal development. The selection and design of these programs are guided by a training needs analysis to ensure alignment with business needs.

## EMPLOYEE WELL-BEING

At Lazada, we believe that employee well-being is essential for a productive and motivated workforce. We offer a comprehensive range of programs and benefits designed to support the physical, mental and emotional well-being of our employees.

### Caring for Physical and Mental Well-being

#### Employee Benefits

Our comprehensive employee benefits encompass a variety of offerings. To maintain their relevance and competitiveness, we conduct regular reviews and benchmark analyses for these benefit programs against market standards, while user feedback is collected to gauge their effectiveness, usage and claim ratios, health screenings, leaves and self-funded benefits. These evaluations enable us to optimize our benefit offerings and adapt to the evolving needs of Lazadians, ensuring a supportive and rewarding work environment.

#### Engaging Events and Well-being Initiatives

We organized various events across different countries to engage, motivate, and recognize our employees. These events include company celebrations, sports days and team building activities aimed to uplift energy and create a positive work environment. It provides the opportunity for employees to come together, have an enjoyable time and feel appreciated for their contributions.



Epic 11th Aloha Birthday Party

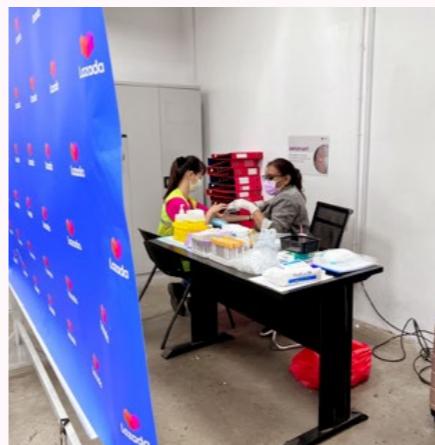


Logistics Sports Day



Teambuilding events

We implement diverse initiatives across countries to prioritize the physical and mental well-being of Lazadians.



Lazada Singapore arranged health screenings and personalized coaching sessions for employees.



Lazada Thailand and Lazada Indonesia conducted mental health workshops to promote Lazadians' mental well-being.



Lazada Vietnam launched LazRun and #AddFitnessToLife campaign to encourage physical well-being.

### Managing Occupational Health and Safety

Since 2016, we implemented a Health, Safety and Environment (HSE) Management System specifically tailored for our logistics operations. This system encompasses all aspects of digital commerce logistics activities, facilities and personnel across the Southeast Asia region. To ensure its effective implementation, we have a series of internal Standard Operating Procedures (SOPs).

One key SOP is the Regional Risk Management SOP, which guides identifying and assessing work-related hazards. A dedicated team of certified occupational health and safety personnel conduct this process and apply control measures to eliminate or minimize risks. The information from risk assessments for warehouse and supply chain processes is then uploaded to an internal portal, ensuring accessibility for all employees.

We have also established an SOP for regional HSE incident reporting and investigation to ensure thorough investigations of workplace incidents. This includes hazard identification, risk assessment, determination of corrective actions and improvements to the HSE management system.

#### Emergency Response Preparedness (ERP) in Indonesia

Lazada Logistics runs an ERP program that prepares employees for emergencies such as fires, earthquakes, floods and riots. The ERP program, led by the Emergency Response Team, prepares critical information such as evacuation map, emergency contacts, emergency response procedures, annual training and drills to ensure all workers are aware of what to do in the event of an emergency. The program's effective implementation contributed to Lazada Logistics' success in maintaining a workplace with zero casualties during emergencies in Indonesia.



## Connecting Lazadians

We value the opinions and feedback of our employees, actively seeking to understand their perspectives and improve talent management while enhancing overall job satisfaction. To gauge employee satisfaction, we conduct an employee survey annually to assess satisfaction across seven talent facets, with Lazadians actively participating and contributing their thoughts. In the most recent survey, we recorded an increase in the overall satisfaction score compared to the last reporting period. The results are shared internally and analyzed to identify actionable steps for further improvements.

### Ask Me Anything

Lazada introduced an initiative led by our Group Chief Executive Officer called Ask Me Anything, a video series aimed at strengthening the bond with employees. Employees have the opportunity to submit their questions to the Group Chief Executive Officer, who answers top questions covering a diverse range of topics, including campaign seasons, workplace arrangements, industry trends and talent mobility.



**James Dong**  
Chief Executive Officer,  
Lazada Group

### Buzz@Laz

Introduced in 2022, Buzz@Laz is an internal platform designed to facilitate internal operations, learning and communication among Lazadians. It encourages employees to upload posts, engage with content through likes and comments, establishes two-way communication and provides a space for employees to join interest groups.



In addition to providing scholarships for young talents, we actively organize learning programs and competitions to empower them and promote the development of their skills and knowledge.

### Digital Business Talents Contest in Vietnam

Lazada sponsored a nationwide Digital Business Talents contest in Vietnam, promoting digital commerce education and innovation. The contest attracted nearly 1,000 students from 50 universities, competing in online product sales, digital marketing, technology solutions and innovation while gaining firsthand experience of running a digital commerce business.



### The Women Scholarship in the Philippines

To narrow the gender gap of skilled professionals entering the digital industry, Lazada provided women in the Philippines with enabling opportunities and access to education, partnering with For The Women (FTW) to support minority and marginalized groups in pursuing tech careers.

**30**

Filipino women empowered to enter the digital industry through 14 intensive data science training sessions supported by the scholarship program

## OUTREACH ENGAGEMENT

As part of our dedication to societal development and responsible business practices, Lazada extends learning opportunities to external stakeholders in the community. We do this through targeted initiatives such as scholarships and training sessions, which enable individuals, forge connections and foster mutual growth for a brighter future.

### Inspiring and Supporting Youths

Empowering youths through scholarships exemplifies our commitment to nurturing young talent and investing in the future workforce. We have introduced the Lazada For The Women Scholarship and the Lazada Forward Scholarship. These two scholarships provide financial assistance and mentorship to recipients, enabling access to quality education and valuable practical experience.

### Lazada Forward Scholarship in Indonesia and Vietnam

The Lazada Forward Scholarship is a development program available to forward-looking undergraduate students in Indonesia and Vietnam, regardless of their university background and major. The program aims to remove financial barriers and empower the youths to excel

academically while providing them a foothold in the digital commerce industry. Selected applicants receive financial assistance to cover their university tuition fees and have the chance to secure employment at Lazada where applicable.

**55**

scholarships awarded to recipients from  
Indonesia and Vietnam



# ENVIRONMENTAL STEWARDSHIP

Environmental impacts are inherently interconnected with the well-being of our planet and humanity. At Lazada, we firmly believe we have a shared responsibility to protect the environment and promote positive ecological practices. We recognize the impact that our business has on the environment, particularly from increased transport-related emissions and waste generated from packaging materials.

Acknowledging these concerns, Lazada strives to minimize the environment footprint of our activities, by enhancing delivery efficiency and reducing packaging materials usage where possible. We also expanded our collaborations with like-minded partners and leveraged our platform's reach to advocate for responsible practices among our stakeholders. By taking these steps, we can contribute to creating a more sustainable future for ourselves and our planet.



## B20 Sustainability 4.0 Award

won by Lazada Indonesia in the Responsible Consumption and Production (Plastic) category



**10%** reduction of overall GHG emissions compared to the last reporting period



More than **20,000** trips avoided from our collaboration with logistics partners in Indonesia



More than **250kg** of recycled plastic reused since the launch of RedMart's eco range household cleaning products

## CARBON FOOTPRINT

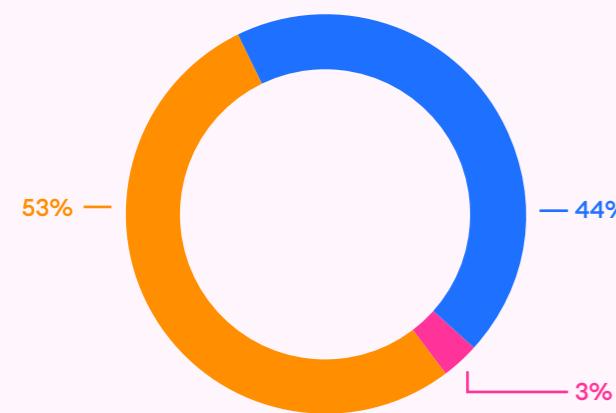
Climate change is one of the most pressing issues of our time. In Southeast Asia, the effects are increasingly evident, with rising sea levels leading to more frequent and devastating floods, and soaring temperatures impacting our daily lives. These effects will worsen if no action is taken, posing severe threats to the region's ecosystems, economies and communities.

As a responsible digital commerce platform, Lazada believes that it is our responsibility to do our part to mitigate climate change and protect the environment. We have been continuously updating our methodologies to reflect on-the-ground conditions and tracking our progress in reducing greenhouse gas (GHG) emissions. As a result of our efforts, our overall GHG emissions was reduced by 10% compared to the last reporting period.

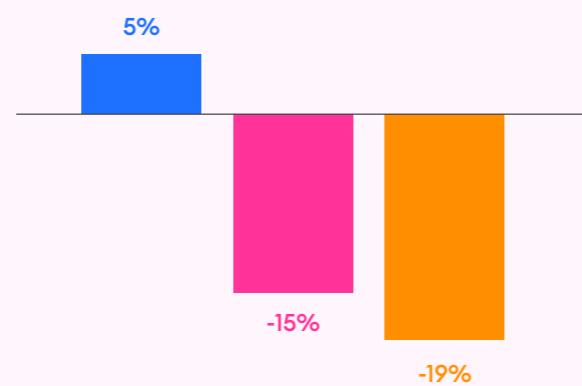
Specifically, within our emission scopes, emissions increased by 5% in Scope 1, while Scope 2 and Scope 3 emissions saw reductions of 15% and 19%, respectively. This is mainly attributed to changes in our logistics operations. We have introduced energy efficiency measures in our facilities and taken a more direct control of our transportation needs.

Notably, while experiencing an increase in parcel volume through our logistics, we successfully maintained a lower growth rate of Scope 1 emissions. Additionally, we achieved a higher reduction rate in Scope 3 emissions for every parcel processed. These results demonstrate our commitment to efficient emissions management despite expanding our operations.

**Proportion of GHG Emissions in FY2023 (%)**



**Changes in GHG Emissions in FY2023 Compared to FY2022 (%)**



● Scope 1

● Scope 2

● Scope 3

● Scope 1

● Scope 2

● Scope 3

## Taking steps into Clean Energy

Despite the challenges of limited infrastructure for electric vehicles, fluctuating availability of renewable energy, and high initial setup costs, we remain resolute in our commitment to drive positive change. Our initiatives represent the initial steps toward promoting clean energy, setting the stage for greater advancements as we embrace a holistic approach to sustainability and overcome obstacles.

### Adopting electric vehicles in Vietnam

Lazada partnered with Selex Motors, a startup that develops electric vehicles, and purchased 100 electric delivery motorbikes in Vietnam. The electric delivery motorbikes utilize a battery swap solution that allows users to swap depleted batteries for fully charged ones in less than two minutes through a network of battery exchange stations. Electric delivery motorbikes are fitted with larger transportation capacity and can achieve lower environmental and operational costs than gasoline motorbikes. This partnership contributes to Lazada's goal of managing our impact on the environment, where we have piloted our own fleet of electric bicycles in Hanoi and Ho Chi Minh City since 2017.

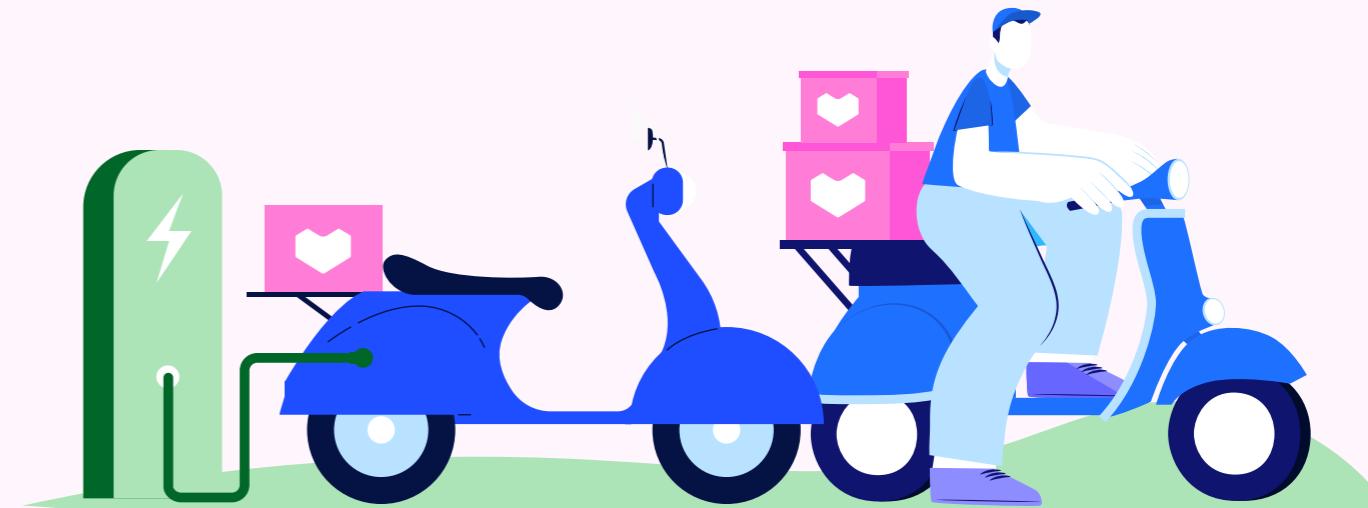


### Developing green logistics operations

We aspire to adopt eco-friendly practices within our logistics operations. To achieve this, Lazada Indonesia introduced solar panels to two logistics facilities in Bali and Bandung, which can generate up to 15% of the total electricity consumed. Other initiatives include facility enhancements such as automated LED lighting control, usage of smart routing technology and eco-friendly packaging solutions.

Our collective efforts have been recognized as Lazada Logistics Indonesia emerged as the inaugural winner of the prestigious B20 Sustainability 4.0 Award in the Responsible Consumption and Production (Plastic) category during this reporting period. This esteemed accolade, initiated by the Swiss Chamber of Commerce in collaboration with other partner organizations, acknowledges private-sector businesses that support sustainable development in Indonesia.

The success of this solar-powered facility concept and other initiatives have paved the way for the adoption of eco-friendly practices in other logistics facilities across Indonesia. This is a testament to our continuous efforts to set a positive example for the industry.



## Enabling Sustainable Consumption

At Lazada, our commitment to managing our carbon footprint goes beyond clean energy adoption. We promote sustainable consumption by optimizing efficiency and implementing energy-saving measures. Furthermore, we inspire and encourage our customers and partners to join us in embracing sustainability practices.

### Green Logistics

Logistics is the backbone of our business, enabling the seamless movement of millions of parcels. Our logistics services cover pick-up, storage and packing to delivery, with more than 85% of the parcels picked up handled at our facilities. While our logistics operations play a crucial role in our operations, land transport remains a significant contributor to our carbon emissions. To address this, we adopted sustainable initiatives like Priority Delivery which helps to consolidate prioritized orders to optimize delivery routing for maximum efficiency. Additionally, our Multi-Channel Logistics consolidates orders from Lazada's brand partners, regardless of the digital commerce platforms they operate on. By centralizing deliveries through Lazada, we reduce carbon emissions that would otherwise be generated by separate deliveries from each digital commerce platform.

In Indonesia, our logistics team introduced an initiative to reduce the trips taken for parcel transfer. Known as the Transport Access Point (TAP) program, we work with our logistics partners to use Lazada's trucks to deliver their parcels to destination cities when possible, eliminating the need for separate trucks. The TAP program is currently implemented in Sumatra and West Java. The TAP program enhances service and efficiency, helps our third-party logistic partners avoid repeated trips, reduces carbon emissions associated with transportation and demonstrates the positive impact generated from strong partnerships.

More than  
**20,000**  
trips avoided through our  
collaboration with logistics partners  
in the TAP program in Indonesia

### Optimal Energy Efficiency

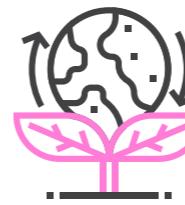
Optimal and efficient energy usage is key to responsibly managing our energy consumption and carbon footprint. In Singapore, we implemented energy-saving measures at our RedMart facility, such as an automated system for lights and air conditioning, which switches off when the office is vacant. We also conducted multiple energy optimization studies and trials, with a particular focus on optimizing the operation of our cooling towers. In our dry warehouse, we enhanced energy efficiency by replacing air handling units with industrial wall fans and high-volume low-speed ceiling fans. The switch led to a reduction in energy consumed without compromising our employees' comfort. Collectively, these energy-saving initiatives contributed to a more energy-efficient facility.

Approximately  
**7 million**  
kilometers of distance avoided

**3%**  
year-on-year reduction in energy  
consumption through energy-saving  
measures at RedMart facility in  
Singapore

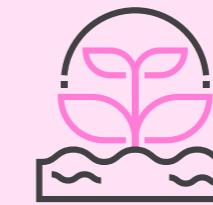
## Fostering Sustainable Lifestyle

We strive to empower our customers with options that promote sustainable practices in their daily lives. Through our grocery arm, RedMart, we promote sustainable grocery shopping by offering various products with reduced environmental impacts.



Locally sourced  
products

RedMart offers locally sourced items with a lower carbon footprint due to reduced transportation distances and sustainably caught seafood, prioritizing biodiversity and the long-term sustainability of fish stocks.



Plant-based protein  
alternatives

We provide a variety of plant-based meats that produce less greenhouse gas emissions and require less land compared to traditional meat products.



Climate-conscious  
purchasing process

We employ reusable insulation in delivery totes and encourage the collection of carton boxes for reuse or recycling, reducing the usage of single-use packaging and the amount entering landfills.

Nearly  
**30%**  
of RedMart's housebrands are  
sourced locally and free from  
preservatives

## MATERIALS AND PACKAGING

Sustainable materials are designed to minimize negative environmental impacts, making them a better choice for the planet. As a multinational company, Lazada shares the responsibility to take action against environmental degradation by adopting sustainable materials and packaging. We have taken tangible steps toward sustainable packaging, centering our initiatives on three key pillars: offering product options with eco-friendly materials, reducing and repurposing material and collaborating for collective impact.

### Offering Sustainable Product Options

The choice of materials used in our products significantly influences our environmental footprint. Recognizing the potential environmental benefits of having sustainable materials, we have introduced eco-friendly products that empower customers to make sustainable choices.

#### RedMart's eco range products

RedMart offers a wide range of eco-friendly products, from household essentials like hand soap and dishwashing liquids to fruit and vegetable wash. Notably, we offer eco-friendly paper product options such as bamboo facial tissues and baby wipes that are fully biodegradable and certified by Forest Stewardship Council (FSC). This certification ensures the material used in our products originates from responsibly managed and sustainable forests. During this reporting period, we expanded our own eco-packaging range with household cleaning products that use plant-based ingredients packed in bottles made from recycled plastic.

**More than  
250kg**  
of recycled plastic reused since the  
launch of RedMart's eco range  
household cleaning products in May 2022



RedMart has taken steps to enhance transparency and accountability in our Singapore operations by adopting the Singapore government's Mandatory Packaging Reporting Scheme within its internal procedures. RedMart submits its packaging and 3R (Reduce, Reuse, Recycle) plans to the National Environment Agency annually. It is committed to maintaining records of these reports and plans for five years, ensuring thorough monitoring of its packaging's environmental impact throughout its lifecycle.

## Minimizing Packaging Waste

Alongside our eco-friendly product offerings, we strive to reduce, repurpose and explore innovative solutions to minimize waste and reduce plastic usage in our operations.

### Repurpose and resale initiatives

We have various initiatives to minimize food waste. In the reporting period, RedMart launched a pilot initiative with local brewer CRUST Group to repurpose surplus bread from RedMart into a uniquely crafted beer called RedMart X Crust Lager Beer.

We also actively engage in food resale practices where excess stock from our warehouse is made available to other food services and companies at discounted prices, promoting the efficient use of resources. Additionally, perishable items like fresh produce, meat, seafood and bakery items are donated to charitable organizations, ensuring surplus food reaches those in need.

More than  
**30kg**  
of bread repurposed into a uniquely  
crafted beer as part of RedMart's  
pilot initiative



### Enhancing SOPs to minimize waste

With a wide selection of more than 80,000 items, RedMart manages its large inventory by selling goods at markdown prices to buyers. These goods are typically packed in carton boxes for collection.

To enhance this process, RedMart identified a solution that reduces the usage of carton boxes where possible. Recognizing a consistent demand from one regular buyer, RedMart introduced a new SOP that stores orders in the buyer's tote boxes. Once the collection is completed, the buyer will return the totes to RedMart for the next order. Additionally, using totes eliminates the need for sealing carton boxes with Oriented Polypropylene (OPP) tape, promoting a more sustainable packaging process.

Through close collaboration with like-minded partners, RedMart has reduced its food and packaging waste by creating a closed-loop system that minimizes its environmental footprint.



More than  
**1,400**  
carton boxes avoided by  
switching to tote boxes in the  
reporting period

## Collaborating with Stakeholders

As a leader within our ecosystem, we implemented initiatives that promote sustainable practices and environmental responsibility. We collaborate with partners to push for innovative solutions and take pride in paving the way for meaningful change.

### Collaboration to promote a sustainable supply chain

Lazada collaborated with Eiger Adventure, an outdoor activities products brand, to create a sustainable shopping experience for all customers in Indonesia. Using Lazada's multi-channel logistics solution, all online orders from Eiger Adventure are fulfilled and delivered by Lazada using sustainable materials, such as Forest Stewardship Council (FSC)-certified carton boxes for outer packaging and recycled paper-based honeycomb wraps for inner packaging. The paper-based honeycomb wraps, sourced from discarded cartons to replace plastic air pillows, increase the reuse of paper-based materials and simultaneously minimize the amount of plastic created. With a shared commitment to developing a sustainable supply chain, this collaboration highlights Lazada's capability to support brands on their sustainability journey.



More than  
**1,000kg**  
of discarded cartons shredded and  
reused as inner packaging, and  
more than 100kg of plastic air pillows  
avoided since the launch of this  
collaboration in January 2023

### Collaboration to reduce ocean waste

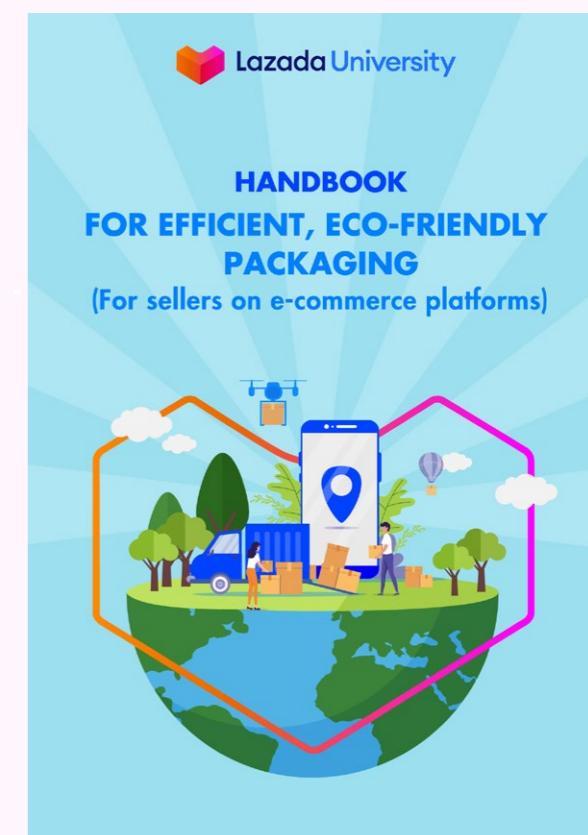
Southeast Asia generates more than 31 million tons of plastic waste annually<sup>8</sup>. When such plastic waste leaks into our oceans, it negatively impacts the sustainability of marine habitats and livelihood for communities living in coastal areas and beyond. Indonesia, being the world's largest archipelagic country, is especially susceptible to these challenges. As part of our commitment to support sustainability practices in the countries we operate in, we supported a competition to find a scalable and sustainable waste management system around the Thousand Islands of Indonesia. The competition, jointly organized by Lazada with the Archipelagic and Island States Forum (under the auspices of the United Nations Development Program), the Indonesian Coordinating Ministry for Maritime Affairs and Investment and Divers Clean Action, attracted 8 teams to pitch their solutions to address the waste problems on the Thousand Islands. Under the same program, more than 50 Lazadians and volunteers participated in a coastal clean-up event and collected 196kg of waste from the islands and surrounding waters for recycling and disposal.



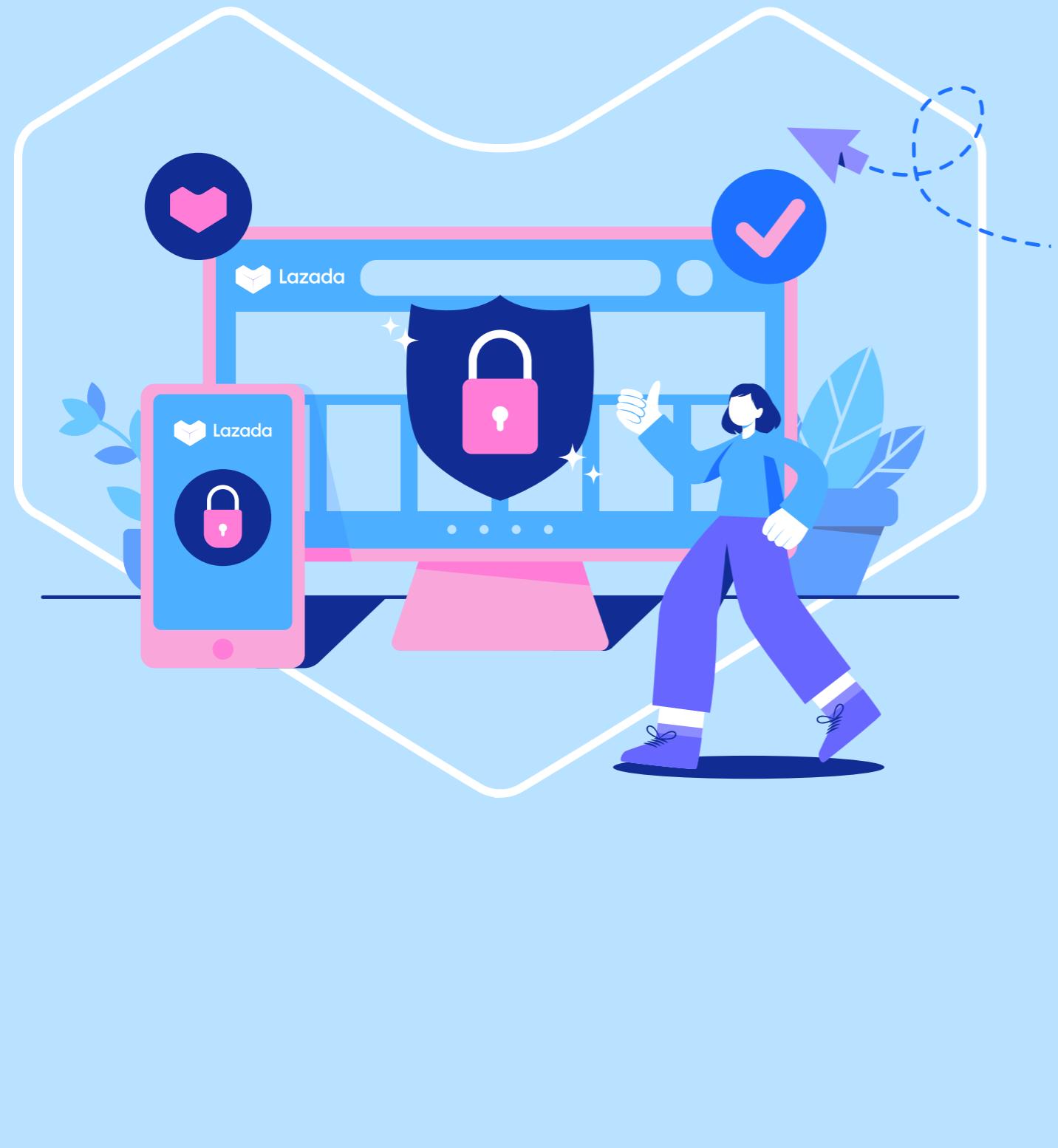
More than  
**190kg**  
of waste collected from the islands  
and its surrounding waters for  
recycling and disposal

### Leading the Change in Our Ecosystem

Through our collaborations and joint initiatives, Lazada has pushed forward new solutions to lead meaningful change in our ecosystem. Lazada Vietnam recently launched its Sustainable Packaging Handbook, unveiled during the Digital Economy and Sustainable Development workshop, which serves as a practical guide for digital commerce sellers. It offers insights, best practices and case studies on eco-friendly packaging designs, material selection and waste management. Aligned with Vietnam's National Strategy on Responding to Climate Change, the handbook was highly appreciated and endorsed by the leaders of the Vietnam E-commerce and Digital Agency, Vietnam Business Council for Sustainable Development and Vietnam E-commerce Association.



<sup>8</sup> World Bank Group. (2021, August 11). ASEAN member states adopt regional action plan to tackle plastic pollution. *World Bank*. <https://www.worldbank.org/en/news/press-release/2021/08/28/asean-member-states-adopt-regional-action-plan-to-tackle-plastic-pollution>



# EFFECTIVE GOVERNANCE

Good governance provides the foundation for well-informed decision-making, strategic planning and risk management of a company. It also builds trust and accountability among stakeholders, and compliance with legal obligations which safeguards the company from potential issues.

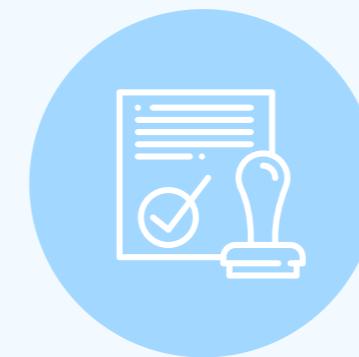
At Lazada, we take a proactive approach to governance, believing that effective governance is essential for long-term success and sustainability. Overtime, we have established a robust governance structure prioritizing responsible business practices, safeguarding data privacy and intellectual property rights.



**2 consecutive years**  
of winning the ALB Southeast Asia Law  
Awards - Compliance and Risk Management  
In-House Team of the Year



**1<sup>st</sup> and only**  
digital commerce company to achieve the  
highest tier of cybersecurity certification  
in Singapore



**0** substantiated complaints concerning  
breaches of customer privacy and losses  
of customer data



More than **95%** of takedown requests  
on our Intellectual Property Protection  
Platform processed within 72h, with a  
median processing time of under 24h

## CORPORATE GOVERNANCE

Governance is a key component of Lazada's long-term sustainability and success. It ensures that we operate ethically and responsibly, focusing on delivering value to all stakeholders.

A strong emphasis on ethical behavior and corporate responsibility anchors our governance structure. We have fortified our risk management framework, ensuring its efficacy through well-defined roles, responsibilities and reporting mechanisms. This framework helps us identify, assess and mitigate risks, which can help us protect our assets and reputation.

### Upholding Business Ethics and Anti-corruption

As an ethical and responsible entity, we are committed to conducting business with unwavering ethical principles. Our policies and guidelines govern our approach to business, ensuring that we operate legally, honestly and ethically while complying with national laws and international trade rules. The governance policies cover critical aspects such as anti-bribery, anti-corruption, conflict of interest and information security. Every employee is expected to promote a culture of integrity and responsibility within Lazada. Through our concerted efforts, we take pride in achieving a record of zero instances of corruption and bribery.

### Code of Business Conduct, Anti-Bribery and Corruption

The Group's Code of Business Conduct serves as a comprehensive guideline, outlining the expected behavior of our employees across various areas, including basic duties, compliance, respect for others, anti-discrimination and anti-money laundering, among others. It emphasizes the importance of upholding our values and maintaining ethical business practices, thereby promoting a work environment that enhances Lazada's reputation for integrity and trust.

Each employee is seen as an advocate, practitioner and promoter of Lazada's culture and is expected to align their professional judgments, statements and actions with our code of business conduct. They are also encouraged to positively guide their team members and avoid behaviors that may have a detrimental impact on the company.

The Anti-Bribery and Corruption (ABC) policy is aligned with major global anti-bribery and corruption laws, including those in the countries in which we operate. We adopt a zero-tolerance approach to bribery and corruption of any form. We conduct annual training for all employees, focusing on our Code of Business Conduct and ABC policy, among others. These sessions underscore the importance of compliance requirements, obligations and expectations related to bribery and corruption prevention. Additionally, all new joiners are required to complete an e-learning module to familiarize themselves with Lazada's policies. We also provide annual e-learning refresher courses, which employees attest to completing. Regular communication ensures that employees stay informed about important compliance matters. These efforts reinforce our commitment to conducting business with the utmost honesty and integrity.

### Conflict of Interest

Our Board and leadership team set the tone at the top and are committed to acting with integrity and independently of any conflict of interest. We have a comprehensive Conflict of Interest provision to prevent personal interests from affecting decision-making. The policy outlines measures to be taken in case of any actual, perceived or potential conflicts.

### Supplier Code of Conduct

We hold our suppliers to high standards, and they are required to acknowledge and adhere to our [Suppliers' Code of Conduct](#). This code aligns with Lazada's internal guidelines and policies and outlines the expected behavior of our suppliers. We expect our business partners to share our commitment to conducting business in a legal, fair and ethical manner. Any violation of this code may lead to the termination of contracts.

### Grievance Mechanisms

At Lazada, we maintain a safe and professional work environment through effective communication channels and grievance-handling mechanisms. Our open-door policy encourages line managers to create an atmosphere where employees feel comfortable sharing their input without fear of retaliation. We implemented guidelines to address grievances confidentially and resolve disputes promptly. This approach fosters an environment of trust and mutual respect which serves as a solid foundation for overall success across Lazada. We actively encourage all employees to approach their supervisors or management if they witness any violations of policies or standards, ensuring a supportive and accountable workplace.

Lazada provides a whistleblowing mailbox ([whistleblow@lazada.com](mailto:whistleblow@lazada.com)) and an [external whistleblowing channel](#) for reporting any suspected or actual fraud, corruption, illegal acts, or unethical practices by employees and personnel. This platform is available to employees, buyers, sellers and stakeholders. Incidents can be reported in good faith for investigation and appropriate action in compliance with applicable laws and regulations. All grievance information is treated as confidential and is shared only with authorized personnel on a need-to-know basis.

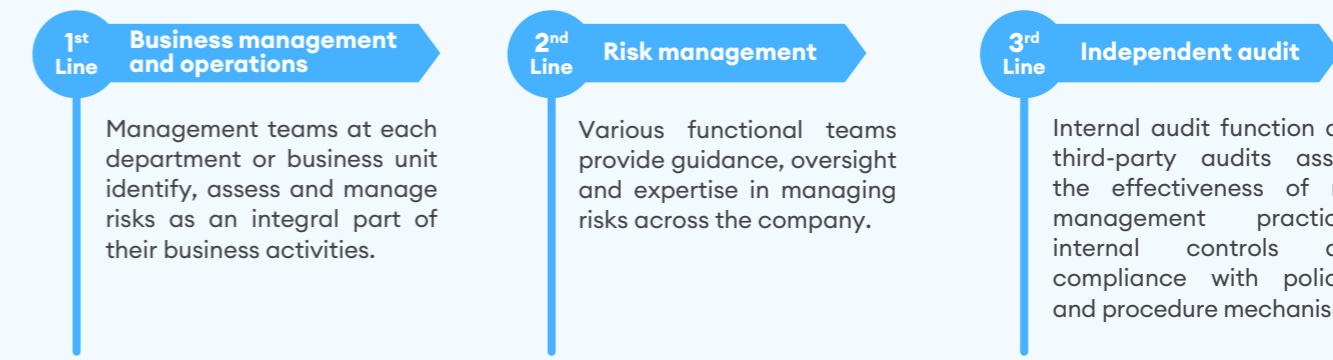
## Implementing Risk Management

Preparing for an uncertain future is crucial, considering risks ranging from climate change, technological disruption, geopolitical instability and global supply chain disruptions. We understand that integrating ESG factors into corporate decision-making is a significant step toward responsible and sustainable risk management.

We have implemented Enterprise Risk Management (ERM) to ensure a structured and comprehensive approach to better manage risks across our organization. Led by the Group Chief Executive Officer, the ERM Steering Committee has oversight of the company's most material risks. Supporting the Steering Committee is the ERM

Working committee whose primary responsibilities include the development of a robust risk management framework and policy at the group level. They also focus on enhancing risk management processes, identifying major risks and devising effective risk mitigation strategies.

Furthermore, our risk management system operates in synergy with internal and third-party audits, forming a "three lines of defense" mechanism of risk management and control. This multi-layered approach allows us to proactively monitor, assess and respond to risks, ensuring greater protection for our customers and stakeholders.



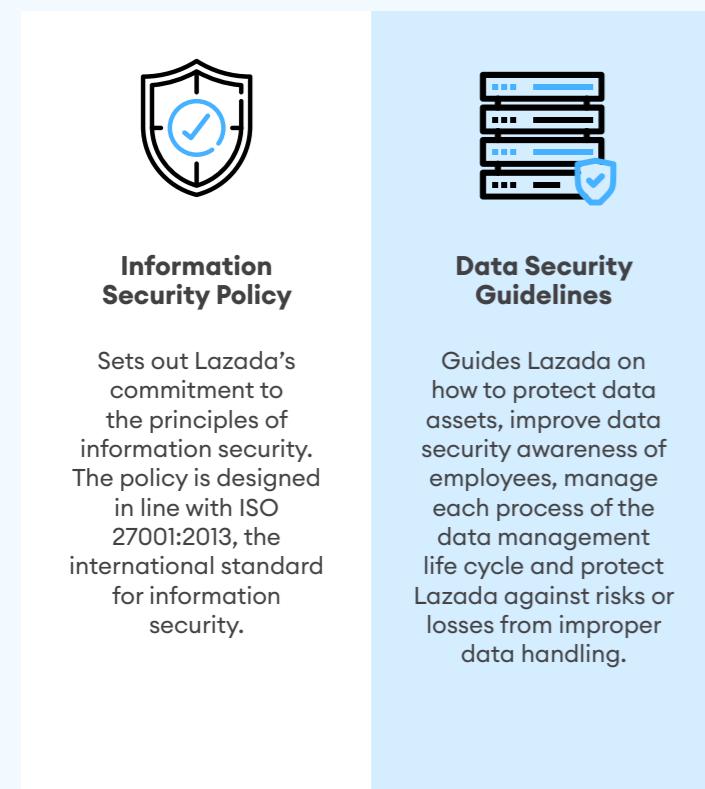
### Asian Legal Business Southeast Asia Awards

Lazada achieved a remarkable feat by winning the prestigious Asian Legal Business Southeast Asia Awards during the reporting period. We were honored with the title "Compliance and Risk Management In-House Team of the Year" for two years in a row, acknowledging our exceptional compliance and risk management capabilities. The award recognized our exceptional capabilities in managing privacy incidents and third-party data risks across Southeast Asia, ensuring data security and compliance.

## CYBERSECURITY AND DATA PRIVACY

Cybersecurity and data privacy are critical to the success of digital commerce. In the ever-changing world of digital commerce, it is essential to protect customer data from unauthorized access, use, or disclosure. This is especially important given the vast amount of data that flows through our online platform.

At Lazada, we implement robust measures to ensure secure transactions and prevent data breaches. We undergo regular comprehensive audits by external assessors to enhance our cybersecurity measures and align with industry standards.

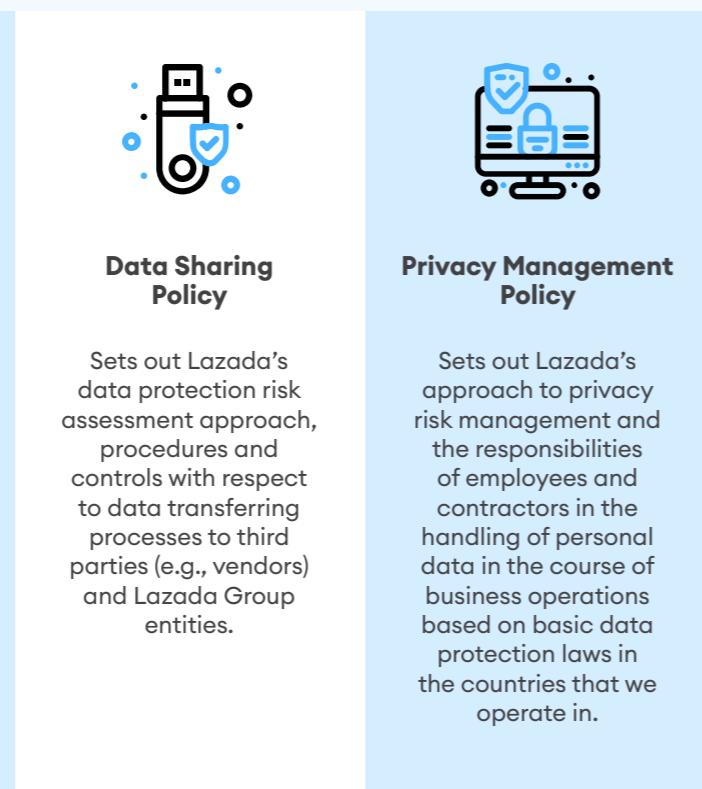


### Ensuring Customer Security

Safeguarding our customers and their data is our utmost priority. In the dynamic realm of the digital landscape, we recognize both the opportunities and challenges that may arise. We have implemented rigorous security measures to address these, including regular internal audits to identify and address potential lapses. We also collaborate with stakeholders from various departments to ensure regulatory compliance and maintain a culture of security awareness.

As a result, we have achieved no substantiated complaints concerning customer privacy breaches or customer data losses in the reporting period.

We successfully obtained certification against the ISO 27001:2013 standard in 2019 and have retained it since then, assuring the security of our corporate information assets. This certification distinguishes Lazada as one of the few certified digital commerce platforms in Southeast Asia. Furthermore, Lazada Singapore has achieved the Advocate level of the Cyber Trustmark certification issued by the Cyber Security Agency of Singapore. This certification demonstrates Lazada Singapore's exceptional safety and security standards and its capabilities to effectively identify and mitigate abnormal systems or user behaviors.



**0**  
substantiated complaints concerning  
breaches of customer privacy and losses  
of customer data

### Security Measures

Lazada has implemented a robust vulnerability management process, including routine network vulnerability scans on server infrastructure to identify common application and system-level vulnerabilities. Before launching any application into production, an internal vulnerability scan is automatically conducted using our release management platform.

Moreover, our security measures encompass penetration testing executed by our in-house Red Team and an independent external provider for applications connected to public networks. Any issues identified during these tests are promptly addressed and managed through our internal ticketing platform and vulnerability management processes.

To fortify our cybersecurity defenses and safeguard our users' trust, we are taking measures to consistently mitigate these risks, including promoting user and employee awareness and implementing robust third-party risk management practices.

### Employees Awareness Improvement

To foster a culture of cybersecurity and data privacy responsibility, we have implemented Project Sparta, an internal awareness program. This program encompasses various initiatives aimed at enhancing the cyber-resilience of our employees which include periodic drills, cybersecurity training and awareness campaigns through posters and live streams.



### Protecting Privacy

Safeguarding privacy is closely tied to ensuring customer security. Operating in the dynamic digital commerce industry of Southeast Asia, Lazada obtains a wide variety of essential services from third parties across diverse industries to support our operations. To maintain our stringent cybersecurity and data privacy obligations expected by regulatory and contractual requirements, we must thoroughly assess our partners' security measures before entering into service agreements.

### Third-party Risk Management

We implemented a robust Third-party Risk Management program to assess the security maturity and capabilities of third-party service providers and safeguard the interests of buyers and sellers. Under this program, all third-party service providers are automatically included, and risk profiling is carried out to identify and prioritize potential risks. Collaborative risk assessments and management processes are conducted with third parties. Furthermore, we have seamlessly integrated the Third-party Due Diligence process into our regular operational onboarding procedures, ensuring sustainability and scalability as our business grows.

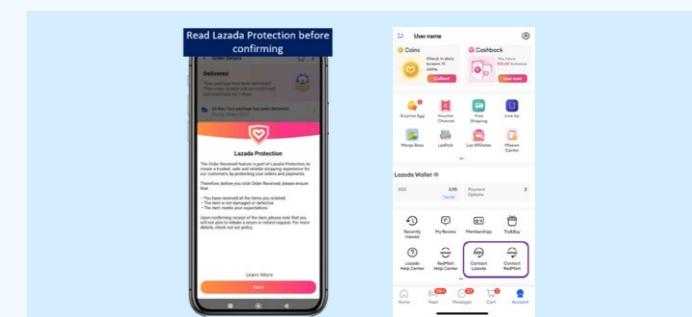
### Empowering and Collaborating

To maximize long-term customer security and privacy protection, we actively engage with stakeholders to gain valuable insights and enhance our cybersecurity practices. By leveraging our technological strengths, we also empower stakeholders in the fight against cybercrime, fostering a robust and secure digital commerce ecosystem.

### In-platform Protection

We encourage our platform users to play an active role in fraud prevention. We have established a dedicated channel for users to report suspicious activities, allowing us to take prompt action to protect users from potential losses. Our in-platform protection features include:

- Utilizing advanced data science and technology to efficiently identify and address suspicious sellers and transactions
- Implementing an in-platform secure payment solution for all transactions
- Offering direct feedback channels on the platform, empowering buyers to promptly report suspicious sellers and unauthorized transactions



## Cybersecurity Partnerships

Lazada stays updated on industry trends and global cybersecurity regulations relevant to our operations. We proactively identify cybersecurity concerns and regularly benchmark our practices against industry peers to maintain high performance. This outward perspective ensures our adherence to data privacy laws and allows us to adapt to the evolving cybersecurity landscape while meeting industry standards.

### Bug bounty live event with YesWeHack

Lazada Singapore partnered with YesWeHack, a leading global Bug Bounty and Vulnerability Disclosure Policy Platform, to host a two-day live bug bounty event. As part of this collaboration, certain security mechanisms were voluntarily disabled for participating researchers, allowing them to conduct comprehensive testing.

This event provided a unique opportunity to thoroughly assess our applications, and the direct interaction with researchers facilitated an exclusive exchange of insights into the vulnerabilities discovered.

**115**  
vulnerability reports received from  
researchers, including some of the  
world's top security experts



Accomplishing a live program on this scale demonstrates Lazada's commitment to security and progressive stance toward bug bounties. By engaging with the broader community, the digital commerce giant is placing an unprecedented level of trust in ethical hackers to better strengthen their security, transparency, as well as data privacy and protection. We are delighted to be able to contribute to yet another successful collaboration with Lazada.

**Kevin Gallerin**  
CEO APAC  
YesWeHack



### Online scam training for Law Enforcement Agency in Thailand

Lazada Thailand has collaborated with the Thailand Central Investigation Bureau (CIB) since 2021. During the reporting period, we partnered with the International Criminal Police Organization and the Singapore Police Force to conduct training for the CIB on combating online scams, public-private partnerships and scam prevention strategies.



## INTELLECTUAL PROPERTY

Intellectual property (IP) protection is essential for a legally compliant and healthy digital commerce environment in Southeast Asia. Committed to safeguarding IP Rights (IPR) and product authenticity, we are the first Southeast Asian digital commerce company with a dedicated IPR Protection Team. To further deepen our efforts in IPR protection, we took the lead in forming the Southeast Asia E-Commerce Anti-Counterfeiting Working Group (SeCA) in September 2022.

We released the [2022 Lazada Intellectual Property Rights Annual Report](#), highlighting our main achievements. In this section, we present a selection of key figures extracted from the report to provide a snapshot of our impact.

### Collaborating with Stakeholders

Recognizing the urgency of collective action, Lazada has formed strategic collaborations with esteemed organizations within the digital space. The collaborations aim to tackle the rapidly evolving challenges of counterfeit trade in online retail and increase knowledge and capabilities among regulators in safeguarding IPR.

#### Advancing IPR protection

Lazada Indonesia co-organized a capacity-building workshop, "Advancing IPR Protection in Indonesian eCommerce," in October 2022. This collaborative effort involved partnering with the Directorate General of Intellectual Property under the Ministry of Law and Human Rights. This workshop focused on enhancing the capabilities of the Indonesian Intellectual Property Task Force and other governmental agencies in safeguarding IPR within the digital commerce landscape, providing a valuable platform for exchanging best practices on IPR protection.



#### Strengthening cooperation with Memorandum of Understanding partners

In addition to collaborations with industry leaders and government agencies, we continued to strengthen our efforts in intellectual property protection (IPP) through strategic partnerships and Memorandum of Understanding (MOU) signings with esteemed organizations such as the Intellectual Property Protection Agency, Regional Enforcement Allied Computer Team (REACT) and the Pharmaceutical Security Institute, among others. These collaborations led to impactful workshops and events, including sharing our IPP program with other organizations and government agencies.

Our dedication to safeguarding consumers from counterfeit goods was recognized during the REACT Annual Assembly, further reinforcing our commitment to protect the interests of brands, rights holders and consumers.

### Southeast Asia eCommerce Anti-Counterfeiting Working Group

Lazada launched the Southeast Asia eCommerce Anti-Counterfeiting Working Group (SeCA Working Group) with our brand partners during IP Week @ SG, organized by the Intellectual Property Office of Singapore.

Headquartered in Singapore, the SeCA Working Group pledges to support IPR and consumer protection initiatives within the digital commerce landscape. The Working Group plans to develop an online directory that includes IPR protection policies, programs and resources to create a trusted and safe digital commerce environment.

## Safeguarding Governance through Technology

In addition to collaborative action, we leverage technology to strengthen our safeguarding efforts. Lazada's IPP Platform is a user-friendly portal for rights holders to submit takedown requests in cases of suspected infringement. Our platform accepts requests pertaining to trademark, copyright, patent rights and registered design rights while offering comprehensive assistance and guidance throughout the takedown process. To ensure continuous improvement, we made updates to enhance the user experience, including refined user notifications, clearer explanations for takedown request rejections and an updated Lazada IPP Guide.

### IPP Platform Performance

**More than 1,500** active users in 2022 filing takedown requests on the IPP Platform across Lazada's 6 countries, a 15% user growth compared to the last reporting period

**6.5%** increase in takedown requests compared to the last reporting period in spite of user growth

**More than 95%** of takedown requests processed within 72h, with a median processing time under 24h

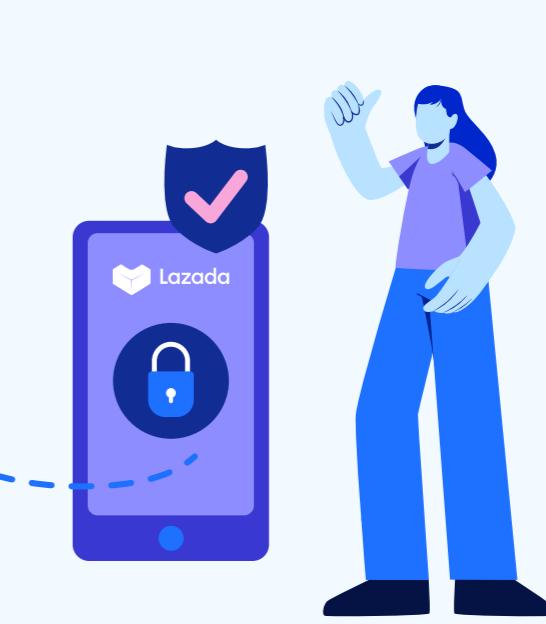
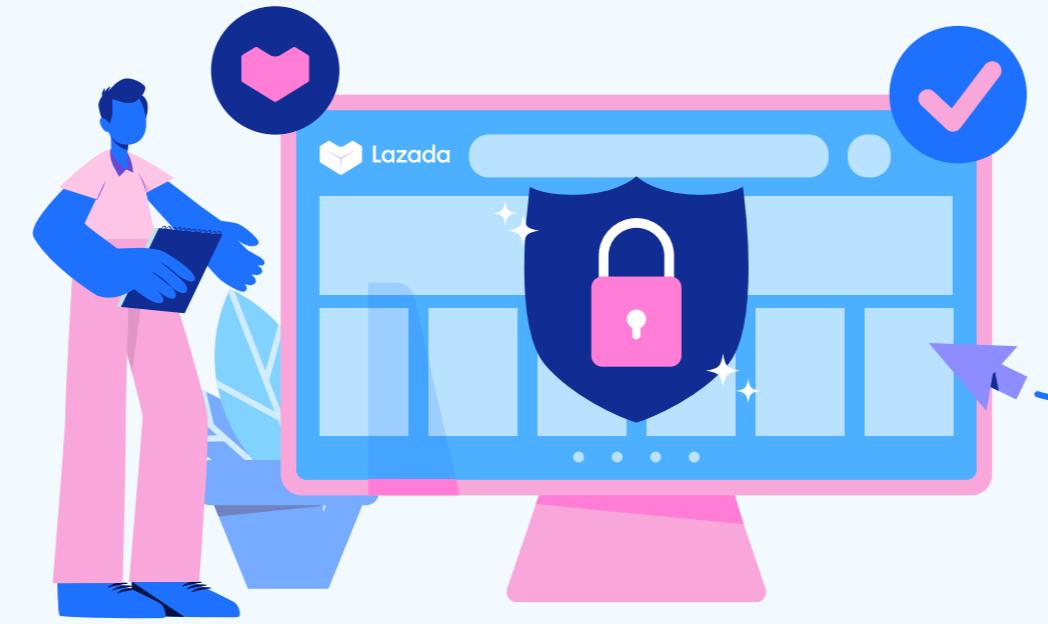
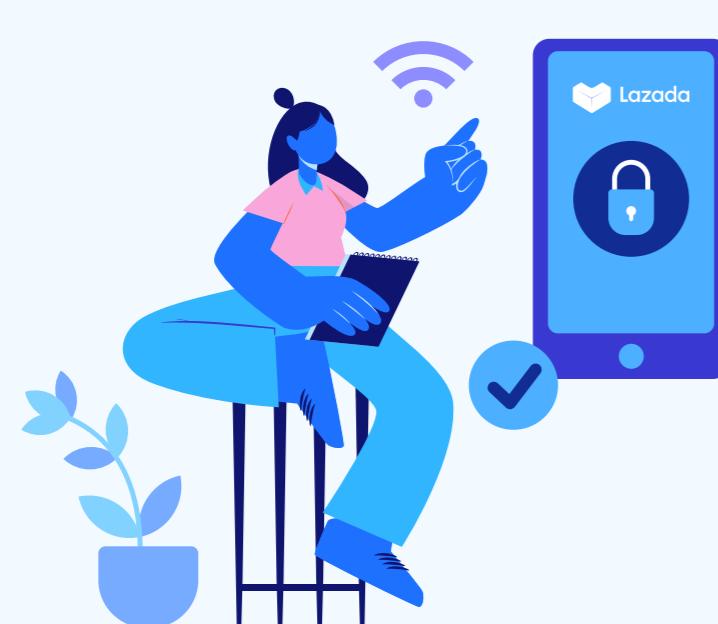
Our IPP Plus Programme offers enhanced service support and expedited takedown processing for selected participants meeting specific notice and takedown criteria. Participants are chosen based on factors such as reporting volume and accuracy. The IPP Plus Programme strengthens collaboration between rights holders and Lazada by facilitating increased qualified takedown requests and expediting enforcement efforts.

### IPP Plus Platform Performance

**Estimated 100** brands on IPP Plus

**More than 90%** takedown requests processed within 24h

**Less than 12h** median removal time for a successful takedown request



### Proactive Measures Program Performance

**90** brands gradually included to be part of Lazada's proactive program

**96%** maintained rate of proactive removal before a transaction took place

**6** proactive removals have occurred before a reactive listing is reported by a participating rights holder

Finally, we actively support brands in offline investigations and enforcement actions targeting the entire supply chain. By collaborating closely with numerous brands, we analyze potential leads and provide valuable support for their enforcement actions. By working hand-in-hand with these brands, we have been able to take swift and decisive measures to block the entrance of counterfeit goods into the sales market.

### Online-To-Offline Enforcement Actions

**More than 200** potential leads were analyzed with brand partners

**8** enforcement actions were supported on counterfeit goods distribution with an estimated total value of more than USD 700,000

# APPENDIX

## ADDITIONAL INFORMATION

Conversion rates of local currencies to USD used throughout the report are shown in the table below.

Currency Conversion Rates Used	
SGD to USD	SGD 1 = USD 0.752
THB to USD	THB 1 = USD 0.029
VND to USD	VND 1 = USD 0.0000426
PHP to USD	PHP 1 = USD 0.0184
MYR to USD	MYR 1 = USD 0.226
IDR to USD	IDR 1 = USD 0.0000669

Currency conversion rates are extracted from [XE currency tables](#) based on historical close rates as of 31 March 2023.

## Empowering Communities

The methodology and assumptions below derive the number of economic opportunities created directly and indirectly from Lazada's platform on page 10.

Economic Opportunities Created Directly and Indirectly from Lazada's Platform	
<b>Number of Sellers</b>	Number of active sellers that have at least one sale on Lazada's platform as of the end of the reporting period.
<b>Number of Employees</b>	Number of permanent and contract employees on Lazada's payroll as of the end of the reporting period.
<b>Number of Third-Party Logistics (3PL) Drivers</b>	Number of 3PL drivers was estimated using the number of parcels delivered by 3PL drivers for Lazada in the reporting period, divided by the delivery efficiency (parcel/driver) during the reporting period.
<b>Assumptions:</b>	The delivery efficiency of 3PL drivers is assumed to be similar to that of Lazada Logistics operations.
Lazada Logistics' delivery efficiency was computed using the total number of parcels delivered divided by the total number of drivers in Indonesia, Malaysia, the Philippines, Thailand and Vietnam. Singapore was excluded as it does not have Lazada Logistics operations.	
<b>Number of Enabler Company Employees</b>	Number of enabler company employees was estimated by aggregating the average number of employees in the reporting period by each enabler company that Lazada works with within the countries in which we operate. This number was rounded down to the nearest thousand for a more conservative estimate, as different enabler companies may use different methods to estimate the average number of employees in the reporting period.
<b>Number of Influencers</b>	Number of influencers was estimated by aggregating the total number of influencers that Lazada worked with across LazLive and various social media channels in the countries in which we operate during the reporting period. This number was rounded to the nearest thousand for a more conservative estimate.

## Future-ready Workforce

Values reflected are rounded to the appropriate decimal places.

Breakdown of Employees by Employee Type and Gender (%)						
Categories	FY2021		FY2022		FY2023	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Male	58.9	0.6	56.6	0.3	<b>56.1</b>	<b>0.2</b>
Female	39.5	1.1	42.4	0.7	<b>43.0</b>	<b>0.7</b>
Others <sup>9</sup>	-	-	-	-	<b>0.1</b>	-

Breakdown of Employees by Region and Gender (%)							
Categories	FY2023						
	Singapore	Indonesia	Malaysia	The Philippines	Thailand	Vietnam	Regional
Male	<b>6.8</b>	<b>10.3</b>	<b>4.3</b>	<b>7.1</b>	<b>6.6</b>	<b>7.2</b>	<b>13.9</b>
Female	<b>4.2</b>	<b>5.8</b>	<b>3.9</b>	<b>7.0</b>	<b>7.8</b>	<b>6.4</b>	<b>8.7</b>
Others <sup>9</sup>	-	-	-	<b>0.0</b>	<b>0.0</b>	-	-

Breakdown of New Hires Rate <sup>10</sup> by Gender, Age Group and Region (%)			
Categories	FY2021	FY2022	FY2023
Overall	24.4	39.8	<b>27.9</b>
Breakdown by Gender			
Male	22.8	34.5	<b>24.5</b>
Female	26.6	46.7	<b>32.1</b>
Others <sup>9</sup>	-	-	<b>66.7</b>
Breakdown by Age Group			
Under 30 years old	33.7	61.5	<b>45.7</b>
30 – 50 years old	18.5	24.4	<b>15.8</b>
Over 50 years old	2.7	6.5	<b>5.7</b>
Breakdown by Region			
Singapore	13.0	26.8	<b>26.3</b>
Indonesia	29.0	32.8	<b>25.7</b>
Malaysia	26.2	56.7	<b>38.9</b>
The Philippines	18.0	27.3	<b>19.8</b>
Thailand	25.4	40.7	<b>34.4</b>
Vietnam	26.9	52.0	<b>36.1</b>
Regional	31.9	45.7	<b>22.1</b>

<sup>9</sup> Employees under other genders refer to those who identify themselves as genders other than male and female, as well as those who prefer not to disclose their gender.

<sup>10</sup> Internal transfers from sister companies within the Alibaba Group (the parent company of Lazada), are categorized as “transfers” rather than new hires. The figures only reflect the new hires of permanent employees. The new hires rate was derived by dividing the number of new hires by the number of permanent employees.

Parental Leave												
Categories		FY2023										
Return to work rate <sup>11</sup> (%)							Retention rate <sup>12</sup> (%)					
Male							88					
Female							84					
Female							83					
Male							78					

Diversity of Gender and Age Group under Each Employee Level (%)													
Categories		FY2021				FY2022				FY2023			
Level <sup>13</sup>	1	2	3	4	1	2	3	4	1	2	3	4	
Breakdown by Gender													
Male	13.2	25.5	15.4	5.3	10.7	24.9	15.0	6.4	8.9	25.4	14.8	7.1	
Female	7.8	19.2	9.7	3.9	7.5	21.0	10.7	3.9	6.3	22.9	10.6	4.0	
Others <sup>9</sup>	-	-	-	-	-	-	-	-	0.0	0.0	-	-	
Breakdown by Age Group													
Under 30 years old	10.6	24.5	5.7	0.3	10.3	25.8	6.0	0.4	8.3	27.0	5.3	0.4	
30-50 years old	9.1	20.1	19.0	8.6	6.9	19.9	19.3	9.6	6.0	21.1	19.7	10.4	
Over 50 years old	1.3	0.2	0.4	0.3	0.9	0.2	0.4	0.3	0.9	0.2	0.4	0.3	

## Environmental Stewardship

Material Usage (Metric Ton)												
Material Type		FY2023										
Renewable Materials Usage <sup>14</sup>		7										
Non-renewable Materials Usage <sup>15</sup>		404										

<sup>11</sup> The return to work rate was derived by dividing the number of employees that did return to work after parental leave by the number of employees due to return to work after taking parental leave.

<sup>12</sup> The retention rate was derived by dividing the number of employees retained 12 months after returning to work following a period of parental leave by the number of employees returning from parental leave in the prior reporting period.

<sup>13</sup> Level 1 refers to employees who are fresh graduates; Level 2 refers to employees who are associates and analysts; Level 3 refers to employees who are managers and senior managers; and Level 4 refers to employees who are vice presidents and above.

<sup>14</sup> Renewable materials refer to paper packaging materials used by RedMart's house brands during the reporting period.

<sup>15</sup> Non-renewable materials refer to plastic utilized by Lazada logistics during the reporting period.

## Description on Methodology

GHG Emissions	
GHG emissions refer to a group of gases that contributes to the greenhouse effect by absorbing infrared radiation. Lazada adopted the operational control method in accordance with the GHG Protocol Corporate Standard for its direct (Scope 1) and electricity indirect (Scope 2) GHG emissions. Computation of Scope 3 emissions is based on the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.	

**Scope 1** Direct GHG emissions occurring from sources owned or controlled by Lazada's operations in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam in the reporting period. Lazada's Scope 1 emissions sources include:

### Mobile combustion

**Singapore:** The fuel consumed by RedMart's operations in the reporting period was sourced from transportation vehicles. The fuel type is diesel, expressed in Litres, calculated to GHG emissions using emissions factors from Singapore's Fourth Biennial Update Report (2020). Gases considered in the calculation include CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. Lazada Logistics operations in Singapore were excluded as Lazada Singapore works mainly with third-party logistics providers and emissions for third-party logistics providers are included under Scope 3 emissions.

**Indonesia, Malaysia, the Philippines, Thailand and Vietnam<sup>16</sup>:** The emission of Lazada Logistics operations in these countries are derived from the total distance traveled for all vehicles owned or controlled by Lazada and the emission factors were sourced from the GHG Protocol Emission Factors from Cross-Sector Tools (2017) while Global Warming Potential (GWP) values were sourced from the IPCC Fifth Assessment Report (2014). Gases considered in the calculation include CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.

### Fugitive emissions

**Singapore:** Refrigerant charge for the chillers. The refrigerant type is R507, expressed in Kilograms, calculated to GHG emissions using GWP from the IPCC Fifth Assessment Report (2014).

**Indonesia, Malaysia, the Philippines, Thailand and Vietnam:** Fugitive emissions from fire extinguishers in infrastructure. Fire extinguisher composition contains CO<sub>2</sub> and HCFC-123, expressed in Kilograms, calculated to GHG emissions using GWP from the IPCC Fifth Assessment Report (2014).

**Scope 2** Indirect GHG emissions occurring from the generation of purchased electricity that is consumed in Lazada's owned or controlled operations in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam in the reporting period. Lazada's Scope 2 emissions sources include:

### Electricity consumption

Total purchased electricity consumed by Lazada's facilities (offices, warehouses/fulfillment centers, sortation centers and hubs) in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam in the reporting period, expressed in multiples of watt-hours. Where electricity consumption data was unavailable for a facility, electricity consumption data was estimated using the electricity consumption intensity corresponding to its facility type relative to its geographical location.

Grid emission factors used for the reporting period were taken from government sources including the Energy Market Authority of Singapore and Ministry of Energy of Thailand, and from international reports including the IGES List of Grid Emission Factors and the Climate Transparency report. Gases considered in the calculation include CO<sub>2</sub>.

<sup>16</sup> In the last reporting period's report (page 56), there was an error in the methodology description for GHG emissions calculation of Lazada Logistics operations. The description was incorrectly expressed as fuel consumption in watt-hours, whereas the correct expression should have been distance traveled in kilometers, the same as in this report.

## GRI Content Index

<b>GHG Emissions</b>	
<b>Scope 3</b>	Other indirect GHG emissions that are a consequence of Lazada's activities and operations in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam in the reporting period but occur from sources that are not owned or controlled by Lazada. Lazada's reported Scope 3 emissions sources were selected based on the significance of their contribution to total emissions, influence Lazada has over the emissions category, and data feasibility. They include:
	<b>Category 1: Purchased goods and services</b> Purchased goods and services relating to logistics and warehousing consumables.
	<b>Category 4: Upstream transportation and distribution</b> Upstream transportation relating to land transportation, air freight, ocean freight, and third-party logistics providers.
	<b>Category 6: Business travel</b> Business travel of employees by air.
	Computation of Scope 3 emissions is based on the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The GHG Protocol Scope 3 Evaluator Tool, which leverages environmental input-output datasets based on the World Input-Output Database (WIOD) and the Open IO Database, was also used in the quantification of emissions. Gases considered in the calculation include CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O.

<b>Statement of use</b>	Lazada has reported with reference to the GRI Standards for the period 01 April 2022 to 31 March 2023.			
<b>GRI 1 used</b>	GRI 1: Foundation 2021			
<b>Applicable GRI Sector Standard(s)</b>	None			
<b>General disclosures</b>				
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	About Us - At a Glance	5	/
	2-2 Entities included in the organization's sustainability reporting	About Us - About This Report	5	/
	2-3 Reporting period, frequency and contact point	About Us - About This Report	5	/
	2-4 Restatements of information	No restatement.	/	/
	2-5 External assurance	No external assurance.	/	/
	2-6 Activities, value chain and other business relationships	About Us- Who We Are and How We Operate	5	/
	2-7 Employees	Appendix	34	For confidentiality purposes, actual employee numbers are not disclosed.
	2-8 Workers who are not employees	/	/	Workers who are not employees pertains to interns. For confidentiality purposes, actual worker numbers are not disclosed.
	2-9 Governance structure and composition	The board of directors is the highest governance body of Lazada Group.	7	/
	2-10 Nomination and selection of the highest governance body	Board members are selected based on a list of criteria that includes tenure of service with Lazada, qualifications, business experience, expertise and other competencies relevant to serve on the Board.	/	/
	2-11 Chair of the highest governance body	The chairman of the Board is not the senior executive of Lazada Group.	/	/

GRI Standard	Disclosure	Section/Statement	Page Reference	Notes
<b>GRI 2: General Disclosures 2021</b>	2-12 Role of the highest governance body in overseeing the management of impacts	The board of directors provides leadership by setting the strategic objectives of Lazada Group. ESG at Lazada - ESG Governance	7	/
	2-13 Delegation of responsibility for managing impacts	The Executive Committee reports regularly to the Board about the status and development of Lazada, including ESG-related matters. ESG at Lazada - ESG Governance	7	/
	2-14 Role of the highest governance body in sustainability reporting	ESG at Lazada - ESG Governance	7	/
	2-15 Conflicts of interest	Effective Governance - Corporate Governance	29	/
	2-16 Communication of critical concerns	Critical concerns are communicated to the highest governance body.	/	For confidentiality purposes, the number and nature of critical concerns are not disclosed.
	2-22 Statement on sustainable development strategy	From our Leaders	3	/
	2-23 Policy commitments	Lazada has included the content related to responsible business conduct and respect for human rights in its Code of Business Conduct Policy in Effective Governance Chapter. While the policy currently does not refer to authoritative intergovernmental instruments or stipulate conducting due diligence, there are plans to revise the policy to be aligned with International Labour Organization (ILO) and Organisation for Economic Co-operation and Development (OECD) guidelines in the near future.	/	The Code of Business Conduct Policy is only for internal announcements and is not disclosed publicly.
	2-24 Embedding policy commitments	ESG Governance Effective Governance - Corporate Governance	7, 29	/
	2-25 Processes to remediate negative impacts	Effective Governance - Corporate Governance, Intellectual Property	29, 32	/
	2-26 Mechanisms for seeking advice and raising concerns	The grievance mechanism also serves to seek advice and raise concerns about responsible business conduct.	/	/
<b>GRI 3: Material Topics 2021</b>	2-29 Approach to stakeholder engagement	ESG at Lazada - ESG Priorities	8	/
	2-30 Collective bargaining agreements	Lazada does not engage in collective bargaining with its employees during this reporting period. However, we adhere to local regulations and standards on working conditions and maintain good relationships with all our stakeholders.	/	/

GRI Standard	Disclosure	Section/Statement	Page Reference	Notes
<b>Material topics</b>				
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	ESG at Lazada - ESG Priorities	8	/
	3-2 List of material topics	ESG at Lazada - ESG Framework	9	/
<b>Material Topic: Socioeconomic Impact</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Empowering Communities	11	/
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Empowering Communities – Community Resilience	15-17	/
	203-2 Significant indirect economic impacts	Empowering Communities – Opportunities across Lazada's Ecosystem	12-14	The significance of the impacts is not evaluated in the context of external benchmarks and stakeholder priorities.
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments and development programs	ESG at Lazada - ESG Priorities	8	/
	413-2 Operations with significant actual and potential negative impacts on local communities	Lazada's operations have no significant actual or potential negative impacts on local communities.	/	/

GRI Standard	Disclosure	Section/Statement	Page Reference	Notes	GRI Standard	Disclosure	Section/Statement	Page Reference	Notes
<b>Material Topic: Talent Attraction, Development and Well-being</b>									
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Future-ready Workforce	18		<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Environmental Stewardship - Carbon Footprint	24, 25	/
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Appendix	34	For confidentiality purposes, numbers of new hires, numbers and rates of turnovers are not disclosed.	<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Environmental Stewardship - Carbon Footprint	24	For confidentiality purposes, the GHG emissions are not disclosed.
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Future-ready Workforce – Employee Well-being	21	/		305-2 Energy indirect (Scope 2) GHG emissions	Environmental Stewardship - Carbon Footprint	24	For confidentiality purposes, the GHG emissions are not disclosed.
<b>GRI 404: Training and Education 2016</b>	401-3 Parental leave	Appendix	35	/		305-3 Other indirect (Scope 3) GHG emissions	Environmental Stewardship - Carbon Footprint	24	For confidentiality purposes, the GHG emissions are not disclosed.
	404-3 Percentage of employees receiving regular performance and career development reviews	All employees, except those still on probation, received a regular performance and career development review during the reporting period.	/	/		305-5 Reduction of GHG emissions	Environmental Stewardship - Carbon Footprint	24	For confidentiality purposes, the reduction of GHG emissions are not disclosed.
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Appendix	35	/		<b>Material Topic: Cybersecurity and Data Privacy</b>			
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	There is no incident of discrimination during the reporting period.	/	/	<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Effective Governance - Cybersecurity and Data Privacy	30	/
<b>Material Topic: Materials and Packaging</b>									
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Environmental Stewardship - Materials and Packaging	26	/	<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Effective Governance - Cybersecurity and Data Privacy	30	/
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	Appendix	35	/		<b>Material Topic: Intellectual Property</b>			
	301-2 Recycled input materials used	Environmental Stewardship - Materials and Packaging	26, 27	Recycled materials like shredded cartons are used in our operations, but the weight is not quantifiable.	<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Effective Governance - Intellectual Property	31, 32	/

## Sustainability Accounting Standards Board (SASB)

SASB Code	Accounting Metric	Section/Statement	Page Reference	Notes
<b>SASB: E-Commerce</b>				
<b>Hardware Infrastructure Energy &amp; Water Management</b>				
CG-EC-130a.1	(1) Total energy consumed (2) percentage grid electricity (3) percentage renewable	Information unavailable/incomplete	/	Fuel consumed by the distribution process in Indonesia, Malaysia, the Philippines, Thailand and Vietnam is not recorded as the vehicles with the fuel consumption are not owned by Lazada.
CG-EC-130a.2	(1) Total water withdrawn (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Not Applicable	/	Non-material topic for Lazada as our business has limited water consumption.
CG-EC-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	Not Applicable	/	Data centers are under the operation of Lazada's parent company, Alibaba, and are out of the reporting scope.
<b>Data Privacy &amp; Advertising Standards</b>				
CG-EC-220a.1	Number of users whose information is used for secondary purposes	All users who have not opted out.	/	/
CG-EC-220a.2	Description of policies and practices relating to behavioral advertising and user privacy	Effective Governance - Cybersecurity and Data Privacy	30	/

SASB Code	Accounting Metric	Section/Statement	Page Reference	Notes
<b>Data Security</b>				
CG-EC-230a.1	Description of approach to identifying and addressing data security risks	Effective Governance - Cybersecurity and Data Privacy	30	/
CG-EC-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Effective Governance - Cybersecurity and Data Privacy	30	/
<b>Employee Recruitment, Inclusion &amp; Performance</b>				
CG-EC-330a.1	Employee engagement as a percentage	Confidentiality constraints	/	/
CG-EC-330a.2	(1) Voluntary (2) involuntary turnover rate for all employees	Confidentiality constraints	/	For confidentiality purposes, the turnover rates are not disclosed.
CG-EC-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff (3) all other employees	Appendix	35	/
CG-EC-330a.4	Percentage of technical employees who are H-1B visa holders	Not Applicable	/	Lazada does not operate in the US during the reporting period.
<b>Product Packaging &amp; Distribution</b>				
CG-EC-410a.1	Total greenhouse gas (GHG) footprint of product shipments	Confidentiality constraints	/	For confidentiality purposes, the GHG emissions are not disclosed.
CG-EC-410a.2	Discussion of strategies to reduce the environmental impact of product delivery	Environmental Stewardship - Carbon Footprint	24	/

