Alibaba compass
Social Responsibility Model of Alibaba

Core of the compass—To make it easy to do business anywhere
Our mission is to make it easy to do business anywhere, which is also the basis for us to establish our social responsibility system rooted in the business model.

Framework of the compass—Culture, Strategy and Management
Culture, strategy and management are the robust pillars of our social responsibility system. We believe that, in order to better fulfill our social responsibility, we must integrate social responsibility with culture, strategy and management to safeguard the practice of social responsibility.

Inner circle of the compass—Symbiotic circle and sharing circle
The symbiotic circle and the sharing circle are the two components of our social responsibility ecosystem, and are classified as follows according to the nature of affiliation with Alibaba: the symbiotic circle include customers, employees and shareholders; the sharing circle includes market, society, government and environment. We believe that Alibaba and stakeholders are interacting each other with mutual influence, and we need to obtain support from stakeholders and create values for them to achieve sound development.

Dynamic compass
This compass is not a static one. Alibaba fulfills three responsibilities and creates three values: economic, social and environmental ones, and the topics under the three values are attributed to stakeholders (as indicated in the following table). The outer circle of the compass (in a triangle structure) covers various topics of the three values, and the symbiotic circle and the sharing circle rotate with one another to match the corresponding topics under such three values.

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Economic value</th>
<th>Social value</th>
<th>Environmental value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Product quality and service; Technological innovation; Inclusive finance</td>
<td>Protection of basic rights and interests; Customer satisfaction</td>
<td>Green transactions</td>
</tr>
<tr>
<td>Employees</td>
<td>Competitive salary; Plural welfare</td>
<td>Equal employment; Protection of basic rights and interests; Care for employees</td>
<td>Green office</td>
</tr>
<tr>
<td>Shareholders</td>
<td>Creation of economic value</td>
<td>Protection of minority shareholders’ rights and interests; Information disclosure</td>
<td>Green investment</td>
</tr>
<tr>
<td>Marketplaces</td>
<td>Supply chain growth; Formulation of industrial standards; Promotion of industrial technologies; Promotion of industrial development</td>
<td>Responsible procurement; Training of industrial talents; Creation of industrial platform</td>
<td>Green supply chain; Green initiatives; Exchange of environmental protection</td>
</tr>
<tr>
<td>Society</td>
<td>Promotion of county-level economic development; Narrowing gaps between rural and urban areas</td>
<td>Platform of public welfare; Employee’s engagement in public welfare; Practice of public welfare; Promotion of social employment</td>
<td>Public welfare in environmental protection</td>
</tr>
<tr>
<td>Government</td>
<td>Full payment of taxes; Promotion of transformation and upgrading of the economy; Fair competition</td>
<td>Legal compliance; E-government; Judicial auction</td>
<td>Assistance to the government in environmental protection</td>
</tr>
<tr>
<td>Environment</td>
<td></td>
<td>Awakening awareness of environmental protection</td>
<td>Green buildings</td>
</tr>
</tbody>
</table>
Preface

Alibaba’s Main Awards (2014-2015)

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About Alibaba
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Preface

Since the beginning in 1999, Alibaba was founded on such a belief: The origin of business is to solve social problems, and only by committing ourselves to solving social problems can we create a valuable and sustainable commercial model. To solve information asymmetry that SMEs face in the real business world, we created Alibaba.com; to allow direct access and communications between consumers and businesses and reduce logistics cost, we created Taobao; to ensure integrity in business, we created Alipay; to make data the infrastructure of the new economy, we keep on developing Aliyun; and to lower the logistics cost of the whole society, we are devoted to building Cainiao Logistics Network.

In living our mission of “making it easy to do business anywhere”, we are dedicated to integrating technology and business. We have created an open, transparent and sharing ecosystem serving millions of businesses and partners from the countryside of Taobao Villages to the bustling streets in the big cities. In this way, we drove the growth of consumption, accounting for eight percent of China’s total retail sales, and transformed economic growth model, and created more than ten million jobs both directly and indirectly.

In fulfilling our social responsibilities, we are enthusiastic about public welfare and advance it in a business manner. In Alibaba, we integrate altruism and public welfare in our daily activity to ensure the long-term enhancement of values for customers, employees, investors and other participants. Meanwhile, we encourage and support all players on our platforms to engage in environmental protection, education and medical care by breaking down barriers in technology and trust. Within the company, we are concerned about social public welfare; encourage employees to commit themselves to public welfare, and use our business advantages to help the vulnerable groups. We believe that the key to shouldering social responsibilities is to awaken public awareness and raise the sense of social responsibilities by employing advantages of the Internet, so that every user has the opportunity to participate in public welfare.

Today, digital economy and the real economy are integrated as one, and both technology and commerce are undergoing a rapid change. When the Internet is rapidly leaping from the IT (Information Technology) age to the DT (Digital Technology) age, we are speeding up our transformation from an e-commerce company to a platform that provides the future infrastructure of commerce. We will insist on developing platforms, using data and Internet technology to improve efficiency in various sectors so as to optimize and restructure value chains. We believe that to enhance social efficiency in a business manner is the best way for us to assume our social responsibilities as an organization.

To facilitate social development by solving social problems is the source of inspiration for all of our products and innovations, which is also the value and meaning of Alibaba and the driving force to move us forward.

--Daniel Yong ZHANG, CEO of Alibaba Group
Alibaba’s Maid Awards

<table>
<thead>
<tr>
<th>Name of award</th>
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<tbody>
<tr>
<td>2012-2014 Self-Disciplinary Contribution Award of China’s Internet Industry</td>
</tr>
<tr>
<td>2014 China Top 100 Green Company</td>
</tr>
<tr>
<td>2014 Youth Civilization Advanced Unit (Taobao University)</td>
</tr>
<tr>
<td>2014 Outstanding Contribution Enterprise “25th Anniversary of China’s Full Function Access to Internet”</td>
</tr>
<tr>
<td>2014 Zhejiang Consumer Rights Protection Green Channel Enterprise</td>
</tr>
<tr>
<td>2014 Outstanding Work Unit Under Zhejiang Information Security Association</td>
</tr>
<tr>
<td>2014 Zhejiang Top 10 Key Software Enterprises (Taoruan)</td>
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<tr>
<td>2015 Most Influential Enterprise Award</td>
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<td>2015 Outstanding Demonstration Solution Award</td>
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<table>
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<tr>
<th>Rewarded by</th>
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<tbody>
<tr>
<td>Internet Society of China</td>
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<tr>
<td>Daonong Center for Enterprise and Green Companies Magazine</td>
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<tr>
<td>City Youth Department of Central Committee of China Communist Youth League</td>
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<tr>
<td>Internet Society of China</td>
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<tr>
<td>Zhejiang Provincial Administration for Industry and Commerce</td>
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<tr>
<td>Zhejiang Provincial Administration for Industry and Commerce</td>
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<tr>
<td>Zhejiang Information Security Trade Association</td>
</tr>
<tr>
<td>Zhejiang Provincial Economic and Information Commission</td>
</tr>
<tr>
<td>CNTV and Guiyang Municipal People’s Government</td>
</tr>
<tr>
<td>The Office of Central Leading Group of Internet Security and Information, the SCOPSR, the MOE and the MOST</td>
</tr>
</tbody>
</table>
MISSION
To Make It Easy To Do Business Anywhere
MISSION
To Make It Easy To Do Business Anywhere

Social Responsibility Originated from Our Mission

Our mission is to make it easy to do business anywhere. To achieve this mission, Alibaba fulfills its social responsibilities, strives to create social values, and commits to building an ecosystem of infrastructure of commerce and changing the old fashion of doing business for small enterprises and start-ups, offering consumers more choices of products and services. We formulate transparent and fair rules to safeguard the soundness and prosperity of the ecosystem and maintain the long-term diversity.

The business vision originated from our mission is to create an open, synergetic, and prosperous commercial ecosystem and empower our customers to meet, work and live at Alibaba. Alibaba has established the social responsibilities rooted in our business model, which, by creating values for stakeholders, promotes the development and progress of the society and realizes the goal of lasting at least 102 years.

Meet @ Alibaba:
We enable millions of commercial and social interactions among our users, between consumers and merchants, and among businesses every day.

Work @ Alibaba:
We empower our customers with the fundamental infrastructure for commerce and data technology, so that they can build businesses and create value that can be shared among our ecosystem participants.

Live @ Alibaba:
We strive to expand our products and services to become central to the everyday lives of our customers.

102 years:
For a company that was founded in 1999, lasting at least 102 years means we will have spanned three centuries, an achievement that few companies can claim. Our culture, business models and systems are built to last, so that we can achieve sustainability in the long run.

Social Responsibility Rooted in Our Culture

Internet Culture

Our value-based actions reflect the spirit of Internet in our daily work: openness, transparency, sharing and responsibility.

Openness
We are devoted to creating an open, synergetic, and win-win commercial ecosystem, which serves hundreds of millions of customers with three retail platforms: 1688.com, Alibaba.com, Alimama, ALiExpress, Ant Financial, Cainiao Logistics and Cloud Computing platforms.

Transparency
We leverage the advantages of the Internet in information communication and transparent information to empower customers to compete and obtain all information in a fair manner.

Sharing
Sticking to the philosophy of sharing, we proactively establish sharing platforms and create the best places for all the platform participants to bring into full play to their knowledge and experience.

Responsibility
While proactively undertaking responsibilities, we are devoted to promoting all the participants on our platforms to be honest, actively undertake social responsibilities and be responsible for themselves and others.

Our Culture

Our values are fundamental to the way we operate and how we recruit, evaluate and compensate our people, which will secure our consistent corporate culture and cohesion.
Globalization

Our global strategy is still devoted to helping small businesses conduct commerce more effectively, which, by providing a series of facilities including payment system and logistics system, empowers them to develop business in any corner of the world more flexibly and conveniently, hence facilitating the realization of our global strategic vision of "Global Buy, Global Sell".

Alibaba globalizes the domestic e-commerce infrastructure, such as providing payment solutions, logistics center and transparent and open trading platforms around the globe, helping small businesses around the world sell their products globally, and helping consumers around the world buy products globally. In the next decade, Alibaba strives to serve two billion consumers around the globe to buy products worldwide online, and delivery will be made within 72 hours around the globe and within 24 hours in China.

In 2014, China witnessed a cross-border GMV of RMB 4.2 trillion, accounting for 14.9% of total foreign trade volume of China. On November 11, 2014, our cross-border shopping platforms Tmall Global and AliExpress for the first time participated in the Singles' Day online shopping festival, which is on its way to becoming a global one for consumers around the globe.

Rural E-commerce

The digital divide between China's urban and rural e-commerce is huge, and the rural online shopping is 24.1% lower compared with urban areas, and the electronic payment in rural areas is 22.2% lower than that in urban areas. Targeting at the potential rural marketplaces, Alibaba plans to invest RMB10 billion to cover 100,000 administrative villages of 1,000 selected counties around the country to pilot a new e-commerce platform combining online and offline shopping. The business of the new platform covers commissioned shopping services, online sales supporting system, O2O rural supply e-commerce and rural finance. Alibaba believes that such a new platform is necessary for our growth and business strategies, which may also bring great values for rural development: empowering rural population to enjoy urban life, enabling talents to return to the countryside to start up business, facilitating farmers in purchasing means of production directly from manufacturers at a lowered price, and enabling farmers to sell their products around the world without leaving their homes. Furthermore, the talents who return to the countryside may bring back not only knowledge and technology but also urban culture and lifestyle and change rural spirit and style accordingly.

Big Data

Alibaba believes that in the next decade, Internet will evolve from the IT (Information Technology) age to the DT (Digital Technology) age, when data will become a core resource and computing will become a core competitive strength. So enterprises need to study how to run data-driven business and change data into business. Our big data strategy will become a robust support to the future commercial ecosystem. Our big data analysis not only gathers all the resources in Alibaba Group, but also creates business values through resource sharing and data exchanges. It also safeguards the secure and sound operation of Alibaba ecosystem of commerce, and promotes the development of e-commerce, logistics system, financial services and the entire ecosystem of commerce, providing more customers with homogeneous and convenient services.

Alibaba’s strategy “to build Alibaba into a real data company” has been an internal consensus, and the core of that is that all business shall be based on data and all data shall become business.

Our culture is vital to all of our stakeholders. In our ecosystem of commerce, all the participants including consumers, merchants, suppliers and others enjoy the opportunities to grow and benefit; and we advocate entrepreneurship, spur innovation and consistently care for and meet the demands of customers, hence realizing business success and rapid growth.
MANAGEMENT

Social Responsibility Rooted in the Business Model
To achieve the objectives of our social responsibilities, we have established a systematic social responsibility working mechanism, which will be holistically managed by Corporate Social Responsibility Department of Alibaba to promote the social responsibility engagement.

Identification of Substantial Topics

Based on the analysis of our own characteristics and external environment of social responsibilities, we have summarized the core topics of our social responsibilities, and sequenced them through internal discussion and external interviews; we have established the following 2D matrix as an important guidance to fulfill our social responsibilities.

Service enhancement, experience development for merchants, consumers, SMEs and customers, cloud computing infrastructure service

Labor and employment, compensation and welfare, corporate culture, education and training, employee health and career development, and performance assessment

Information disclosure, shareholder communication and rights protection

Communication with governments, and response to and influenced by policies and regulations

Anti-corruption, integrity and compliance, efficiency supervision

Safety guarantee, occupational health, energy saving, emission reduction and emergency response

Process management and norm control

Account security, information protection and anti-fraud management mechanism

Green building standard control and green office services

Public welfare fund

Customer Experience Business Group

HR Department

Investor Relationship Department

Government Affair Department

Integrity and Compliance Department

Administrative Department

Procurement Department

Safety Department

Property Department

Public Welfare Department
Since 2007, we have kept issuing social responsibility report, disclosing our social responsibility philosophy, practice and performance. In addition, we have set up a special social responsibility web page to serve as a platform for external communications as well as with stakeholders.

Communication with Stakeholders

Alibaba adopts various means to understand and proactively respond to the expectations of stakeholders so as to meet their demands.

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Stakeholders’ Expectations</th>
<th>Responses from Alibaba</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>A complete platform service system; Operation ability enhancement; Fair and secure trading environment; Convenient shopping platform</td>
<td>Customer service system construction; Platform supports and resource sharing; Providing e-commerce training; Establishing Alibaba security system; Building user experience teams</td>
</tr>
<tr>
<td>Employees</td>
<td>Protecting basic rights and interests; Democratic management; Excellent office environment; Excellent working atmosphere</td>
<td>Observing related laws and regulations; Round-table conference, Aliway, OPENDAY, OPEN mailbox and other communication platforms; Upgrading office environment; Promoting the communication and integration of corporate culture in Alibaba</td>
</tr>
<tr>
<td>Shareholders</td>
<td>Understanding the status quo of corporate operations; Protecting basic rights and interests</td>
<td>Shareholders’ meeting; Periodical reports and corporate announcements; Strengthening risk supervision, prevention and response</td>
</tr>
<tr>
<td>Marketplaces</td>
<td>Fair competition; Capacity enhancement; A mature commercial ecosystem; Leading e-commerce development; Recruiting more professional e-commerce talents</td>
<td>Supplier conference; Bidding conference; Performance review; Integrity covenants; Sponsoring or participating in industrial workshops; Participating in theoretic research and research on the trend of industrial development; Promoting the establishment of integrity Internet regulation system; Online and offline courses of Taobao University</td>
</tr>
<tr>
<td>Government</td>
<td>Legal compliance; Pushing economic development and transformation; Promoting social employment; Jointly establishing e-government</td>
<td>Strictly observing laws and regulations; Promoting rural e-commerce development; Jointly exploring innovative administrative mode with governments of various levels; Cooperating in projects with Chinese characteristics; Proactively responding to government policies</td>
</tr>
<tr>
<td>Society</td>
<td>Promoting employment; Promoting community development; Poverty and disaster relief</td>
<td>Providing platforms for business start-up; Empowering the disabled people; Facilitating the development of charity organizations; Providing public welfare platforms; Participating in public welfare activities</td>
</tr>
<tr>
<td>Environment</td>
<td>Reducing environmental pollution; Protection biodiversity; Reduction energy consumption; Actions to improve environment</td>
<td>Green office; Assessment of environmental impact on project development; Using new energy; Public welfare for environment protection</td>
</tr>
</tbody>
</table>

(For more information, please visit: http://csr.alibaba.com/?spm=a260r.2164150.0.0.LtDeHr)
A business working style in a public welfare mind
At Alibaba, we integrate the public welfare culture with the work of our employees and our business model, and we create values for stakeholders in pursuit of the harmonious development with them while creating economic values. We focus on social and public welfare projects. We not only capitalize on our business advantages to help vulnerable groups in the society and improving the environment but also strive to initiate public welfare projects in a business model, so as to enhance the efficiency of our actions to create greater social values by fully using available resources.

**Symbiotic Circle**

Alibaba regards customers, employees and shareholders as symbiotic stakeholders and pursues co-existence and growth with them. We believe in "Customer First" and only by creating enduring values for customers can we create values for shareholders. In the age of the new economy, our employees play the most important role in satisfying our customers, and creating values for our customers would be a hollow phrase weren’t for our diligent, happy, passionate, devoted and highly talented employees. Without a satisfying workforce, there will not be satisfied customers; and consequently, no satisfied shareholders.

**Customer First**

From the beginning till today, Alibaba survives the journey not because we have an ambitious strategy or perfect execution ability but because we stay loyal to our mission and our value of "Customer First". As determined by our mission, we may not become a business empire but an operator and service provider of an ecosystem, in which we want to create values for our customers, and therefore we can only become successful by enabling them to be successful. At Alibaba, customers include not only the broad range of SMEs and entrepreneurs, but also hundreds of millions of consumers. We provide a fair competition environment and technology for their communication and interactions as well as their business activities. By constantly innovating products and enhancing the experience, we help them grow, protect their rights and interests, and build a sound ecosystem of commerce jointly with them.
Alibaba has localized websites in different languages for different countries to integrate the markets of different countries organically. These websites are interconnected with each other in integrated contents, hence providing an integral international trading platform. Alibaba has established and operated the following three interconnected websites:

- www.alibaba.com in English language for merchants around the world
- www.1688.com in simplified Chinese for Chinese Mainland
- kr.alibaba.com in Korean language for Korean speaking users

In addition, Alibaba will launch its websites respectively in Japanese language (japan.alibaba.com), www.1688.com in simplified Chinese for Chinese Mainland, www.alibaba.com in English language for merchants around the world, and a South American website for local markets.

### Site Localization

Alibaba provides not only business services and zero-threshold start-up platform for SMEs, but also provides an unprecedented credit platform for the SME to accumulate credit assets through a brand-new open and effective credit assessment system. The secure and flexible online payment provides a safeguard for the smooth trading of small enterprises. And the information technologies such as cloud computing and big data sustain small enterprises to better use cost effective cloud computing and big data services.

### [Case Study]

**Empower SMEs to embrace cloud computing**

In 2014, Aliyun witnessed the sixth price reduction, and the accumulated price reduction of Elastic Compute Service (ECS) products had reached 61%, with an aim to attract more SMEs and developers to speed up to embrace cloud computing. Cloud computing empowers every developer to stand on the same starting line with big companies with the same ability, and ignite innovations they want.

In June 2014, the No. of customers served by Aliyun soared to 1.4 million. On the 2014 11.11, Alibaba sustained a daily GMV of RMB57.1 billion with cloud computing, 96% of which was operated by Aliyun cloud computing without any fault or leakage. With its order creation capacity reaching 80,000 orders per second, the peak payment capacity of Alipay exceeded 2.85 million transactions per minute, setting a world record high.

### Taobao Quick Refund

After the application by the buyer and agreement from the seller on returning goods and refund, the buyer fills the order number to return products, Taobao.com will effect advance payment to the buyer on behalf of the seller, and the refund will reach the buyer’s account within one second. **Voice**

A Shopkeeper: As long as I have a mobile phone I can manage my shop anytime

Before, living in Yushu I felt isolated from the outside world. A physical shop can only reach local customers. But a Taobao shop is open to customers around the world. As long as I have a mobile phone I can manage my shop anytime.

---From Alibaba’s IPO roadshow video
APASS Drives the Consumers on the Website with Data to Enhance User Experience

APASS (Alibaba Passport) customer service provides senior users with more dedicated and exclusive membership services, empowering them to enjoy excellent shopping services anytime, anywhere.

APASS focuses on providing premium services for high-end customers and building a data system covering all users. The data and products accumulated by APASS can help Taobao and Tmall members operate and construct the T/V membership system. While continuously accumulating in integrity, genuine products and services, we built models of consumer classification, merchant integrity, authentic products and service abilities, and we also carry out experiments in APASS user scenarios and promote the digitalized business operation of Taobao system with our models.

Alibaba Global Buying Serves Global Consumers

Cainiao Logistics
With Cainiao Logistics, Alibaba develops strategic cooperation with postal services of a number of countries consecutively. Through our postal partners, Cainiao Logistics is able to deliver to more than 220 countries and regions.

G.taobao.com
The upgraded global.taobao.com covers more than a hundred countries, ten thousand featured buyers around the world and boasts 30 million online merchandise, where consumers can buy any overseas merchandise they want.

Tmall Global and Juhuasuan
Eleven country pavilions of the US, England, France, Spain and Switzerland are concentrated on Tmall Global, where consumers may flexibly enjoy “one-day global shopping”. Juhuasuan has announced to start cooperation with the embassies of 20 countries, where the directly imported goods of more countries are expected to be launched for the first time.

In addition, global.taobao.com and Cainiao Logistics have jointly established a cross-border network, and together with Juhuasuan launched the import channels, consumers may conveniently achieve the goal of global shopping.

Providing Supports for Ecosystem Growth

Alibaba strives to provide all the ecosystem participants with diversified services and technology support so as to enhance their abilities, develop business more effectively, and jointly promote the growth of the ecosystem of commerce.

Providing Entrepreneurs With Practical Training

Alibaba consecutively established Alibaba Business College, Taobao University, Aliexpress University, Lakeside University, Cheng Gong Ying and other diversified training services tailored for entrepreneurs.

Innovating Financial Services for Small and Micro Enterprises

E-commerce data solves the financial information asymmetry of small and micro enterprises
Based on accumulated e-commerce data, we are able to assess the development trends and growth of small and micro enterprises, and grant them comprehensive credit lines while taking into account of their future sales revenue. By providing individual credit loans to their owners, we have effectively solved the financing difficulties for small and micro enterprises.

The technological innovations in credit loans have reduced the credit loan service cost of small and micro enterprises
Through Internet, we provide small and micro enterprises with credit loan service on a 24-hour and 365-day basis, and they may withdraw and use loans within credit lines. Internet credit loan service makes loans more convenient and cost-effective: the actual interest rate is only 6%-7%, lower than the financing cost from banks. Innovative financial service enables small and micro loan companies to engender business profits; helping cover both their operation costs and their credit risk costs.

The establishment of the concept in alignment with credit loan risk management of SMEs
The credit business risk of small and micro enterprises is a slightly higher than that of large and medium-sized enterprises, and such risk is deemed as a cost in our business operation, where the “Law of Large Numbers” is introduced from the insurance business to effectively dilute and reduce the risk cost. We have established a quick write-off procedure for the bad loans incurred from normal credit loan. Meanwhile, the due diligence and the principle of liability exemption have been adopted to exempt lending and approval crew from responsibilities so as to motivate them to engage in credit loan business with small and micro enterprises. By 2014, Alibaba’s micro loan business had provided lending service to over 900,000 small and micro enterprises, with accumulated loans exceeding over RMB230 billion and averaging RMB33,000 per loan; the NPL rate was around 1.6%, indicating a good development trend.

Cloud Computing and Big Data Platforms Support the Innovations of SMEs

With the help of technological innovation, Aliyun constantly improves its computing capability and economy of scale. By turning cloud computing into public service in the real sense, it strives to create a public and

Voice

A Student: Taobao is a lifestyle
Now I live in Shanghai, a sophomore art student. Taobao has been around as long as I can remember. I spend lots of afternoons shopping for clothes on Taobao. There is no need to go to the malls. Alibaba is a lifestyle. Taobao is a part of everyone’s daily life like eating or getting dressed. I can’t imagine life without Alibaba.

—From Alibaba’s IPO roadshow video
Cracking Down on “Credit Hypes”

Some merchants effected credit hypes using illegitimate means such as false trading to increase their reputation and rating, seriously damaging the fair e-commerce environment and customers’ right to know. Alibaba has seriously cracked down on such behaviors, sorted out the commodities and merchants causing damages to consumers’ rights and interests, released the traffic occupied by them to reward sellers who have provided quality commodities and services. Alibaba is listing such false behaviors as credit hypes in the online credit system of related merchants and individuals, where any online dishonest behaviors are recorded, and consequently affecting their online and offline credit status.

In 2015, the Security Department of Alibaba Group established the Special Forces for Combatting Hypes. Taobao.com will introduce a series of punishment measures from decrease of commodity rankings to decrease of shop rankings and still to shutting down shops.

Public Review System

Some of the many rules on the management of Taobao commodities, and some of them are outdated or unreasonable, and our customer service may not cover all of them. For the purpose of timely updating and management, we have established a public review system to mobilize our members for optimization. Initially through verification and examination of the rules on commodity management, we have currently taken steps to develop such business as complaints about commodity punishment, complaints on fakes, judgment of trading disputes, and selection of Taobao models.

<table>
<thead>
<tr>
<th>Fiscal Year 2014</th>
<th>Fiscal Year 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of valid cases judged</td>
<td>515,091</td>
</tr>
<tr>
<td>Number of persons participating in judgment</td>
<td>413,927</td>
</tr>
</tbody>
</table>

Providing Safeguard for Ecosystem Integrity

Alibaba strives to promote the sound development of commercial ecosystem and create a fair and honest trading environment for all its customers. In 2014, business units of Alibaba Group adopted various measures to improve the reliability and accuracy of information, increase the success rate on online trading, and create a healthy trading environment.

Upgraded Merchant Complaint Service System

In 2014, Taobao.com upgraded the merchant complaint service system without discrimination so as to improve the rightfulness and fairness of penalty and safeguard the merchants’ right to know. After upgrading, the technical measures of the complaint service system are more scenario-based, structured, data-based and automatic; complaints can be handled efficiently and misjudgment can be reduced, hence safeguarding the practical rights and interests of merchants, helping the platform optimize the effects of enforcement, and enhancing the management and control of marketplaces.
Providing Safeguard for Ecosystem Security

Alibaba Group strives to maintain a healthy and secure e-commerce environment, protects intellectual property rights, and severely punishes sales of counterfeit and sham goods so that customers can buy at ease. We have formulated rules on our platforms, supervised their implementation and adopted measures such as voluntary commitment by sellers, service supervision, records of trading information, and process guarantee to ensure that consumers’ interests will not be damaged.

### Alibaba Safety Department

The Security Department of Alibaba Group has established a management mechanism such as full security of account, information protection and anti-fraud measures, and built the robust real-time risk prevention capacity by utilizing big data. The Security Department not only fully deals with various complex business scenarios under Alibaba, but also closely cooperates with various functional government departments to empower business partners to manage security risks and provides hundreds of millions of users with dedicated security safeguards in areas from online shopping, logistics information, equipment security to cloud computing.

#### Seven weapons: super powerful security product chain of Alibaba Security Department

<table>
<thead>
<tr>
<th>Weapon</th>
<th>Description</th>
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<tbody>
<tr>
<td>Big-data risk control</td>
<td>The world-class risk control system based on big data analyzes and processes hundreds of petabyte data, implements security monitoring on each transaction at each second, and provides real-time assistance to users for avoiding any possible risk in shopping.</td>
</tr>
<tr>
<td>Qiandun/Ju’anquan--Mobile security</td>
<td>Qiandun provides users with leading big data risk analysis service and the world’s first full-process online shopping security; Ju’anquan is a platform that is open to developers, which focuses on application security and serves all the mobile business of Alibaba.</td>
</tr>
<tr>
<td>YunDNS--Creating cloud security</td>
<td>YunDNS provides customers with a full set of security services including DDoS safeguard, host intrusion prevention, web security safeguard and security examination.</td>
</tr>
<tr>
<td>Security Intelligence Center</td>
<td>The Intelligence Center boasts the millisecond risk monitoring and control capability and multi-dimensional risk prevention strategies.</td>
</tr>
<tr>
<td>Security Lab</td>
<td>Alipay Security Lab has developed three frontier ID verification techniques: Smile to pay, fingerprint pay and voice wave pay.</td>
</tr>
<tr>
<td>Alibaba 110--Online case report platform</td>
<td>Alibaba 110 may activate functions such as online case report and quick tip-offs.</td>
</tr>
<tr>
<td>YunOS-PMOS police mobile--Creating confidential security</td>
<td>PMOS realizes secure booting through hardware security enhancement and prevents forced updating of systems. The kernel-based active real-time defense technology effectively prevents the decryption of operating systems, and effectively prevents leakage or theft of data by measures as such data encryption and mandatory access control.</td>
</tr>
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### Integrated Online and Offline Efforts to Fight Fake Goods

#### Joint Online and Offline Fight Against Fakes

Through joint actions with the National Crackdown on IPR Infringements and Counterfeits Office, MPS, SAIC, NCAC, AQSIO, SIPO and other related agencies, Alibaba Group has consecutively maintained high pressure on the online sales of fake products, extended the protection of consumers’ rights to offline by use of big data, and dug out the production source of fake goods.

#### Providing case clues to assist offline fight against fakes

**Case Study**

Taobao big data assisted the police in seizing a fake sale case involving RMB20 million

In December 2014, Taobao joined hands with public security agencies from Shanghai, Fujian, Zhejiang and Hunan in seizing a case of fake sports shoes using big data, which involved a total amount of over RMB21.5 million. The police agencies from various places placed five cases on file, solved five cases, hunted down eight criminal suspects (eight suspects detained for criminal offence), broke down seven retreats where fake goods were sold and stored, and confiscated more than 300 pairs of various fake “Nike” sports shoes, and shut down two production lines.
Happiness for Employees

Employees are both the everlasting cornerstone for Alibaba Group and the important safeguard for its healthy operation and development. It is our responsibility to safeguard the basic rights and interests of employees, improve their development system, smooth their career development path, create a good working atmosphere and care about their life.

Basic Rights and Interests--Basis of Happiness

Alibaba strictly observes laws and regulations such as the Labor Law of the PRC. We sign labor contracts with our employees according to the law, pay social insurance in strict accordance with the relevant provisions, protect employees’ personal privacy, and continuously improve labor and employment management.

Compensation and benefits

- Competitive compensation and benefits in the industry
- Equal pay for equal work
- 100% coverage of social insurance

Occupational health

- 93% coverage of health examination and health archives
- Strengthening employees’ occupational health training
- Establishing green medical treatment channels for major diseases

Work and rest

- Employees enjoy 5-15 days of paid leave based on the number of their working years
- Strictly implementing the provisions on leave during female employees’ pregnancy and lactation

Diversified Training--Facilitating Development

Alibaba has established a complete training system including new employees orientation training, professional training and management training. The regular training course system covers corporate culture, values, personal management, centennial responsibility, professional and technical training and team management. Furthermore, the Group also adopts an online learning platform to provide employees with online courses, and supports personalized functions such as online exams and establishment of learning archives, hence realizing the common growth of employees and Alibaba.

In addition, Alibaba has established various awards and held various contests to encourage employees with outstanding performance. We motivate employees to improve their technical levels, cultivate their awareness for innovation, and promote their development with perfect incentive mechanisms.

Work Happily and Live Seriously

At Alibaba, we advocate “Work Happily and Live Seriously”, and provide our employees with a harmonious office environment and leisure space, creating a free and open working environment and a warm teamwork atmosphere.

Alibaba Ten Societies enrich spare lives

Alibaba Ten Societies are hobby groups organized and managed by employees, which enrich the their spare lives with activities, and demonstrate and promote Alibaba’s Fun culture.

At present, there are already 40 societies, mainly including Photography Society, Calligraphy Society, Martial Art Society, Taichi Society, Chinese Zither Society, Music Society, Film Society, Singles’ Society, Reading Society, English Society, Pet Society, Travel Society, and Football Society.
Full-dimensional harmonious environment

The first-phase project of Alibaba Xixi Campus consists of six single-unit buildings and two parking buildings with a total area of approximately 290,000 square meters, including a main office area, canteens, a gym, an auditorium and an audio-video hall and other daily work and relaxation infrastructure, which provide our employees with a harmonious life and leisure environment to enrich their spare time.

Bakery selling various Western-style pastries
Super large gym
Flower shop with daily supply of fresh flowers
Cozy bookstore

AliDay

Alibaba determines May 10 as AliDay. On each AliDay, we celebrate the Alibaba spirit, and extend thanks to our families and friends who make Alibaba a place full of love, courage and strength.

Alibaba people clearly understand that, without the mutual support of our team mates, and of our families and friends who share weal or woe with us, we would not have been able to survive SARS in 2003 or weather through the past sixteen years and arrive where we are today.

Over the years, we have become much calmer as we grow.

When the going gets tough, we face the challenges fearlessly and calmly;
When the going gets tough, we do not complain but rather let go of our concerns;
The more difficulties there are, the more we want to overcome them. When we face a death trial, we stick together with a common belief, and we create and embrace an even brighter future together!
Just as our Chairman Jack Ma said, the Alibaba spirit of decisiveness, solidarity, commitment, and mutual support and care demonstrated by Aliren during our combat SARS are long lasting.

On this special day, we come to our company together with our parents, with our spouses and children, and with our relatives and friends to have a look at the place where we work every day, and talk about our dreams for which we have shed our sweat, spent our youth and fought relentlessly.

On this day, we will hold a group wedding for new couples of Alibaba, and 102 new couples will join the grand event; the senior management of the Group will meet with all of us; and carnivals, family photos and other fun activities will be organized on the campus for the Xiao’ers and their family members to enjoy the happy moments.
Care for Employees—No Worries Ensuing

Alibaba focuses on humanistic care for its employees, and many systems have been established to render care and love to our employees and their families.

- Health-Employee Assistance Program
  The Company insures the Health–Employee Assistance Program (H-EAP) for its employees, providing employees with health assistance services including consulting hot lines, training and workshops, electronic periodicals, intranet columns and care messages, as well as hospitalization and medical operation arrangement for major diseases.

- Dandelion Program
  The beneficiaries cover the employees and their spouses and children with a focus on relieving sickness. The participation is voluntary - an employee pays RMB80 and the Company subsidizes RMB160 to establish a mutual-help fund, by which a participating employee trapped in difficulties can receive a maximum aid of RMB200,000.

- Rainbow Program
  The program aims at helping those Alibaba employees who still face financial difficulties after receiving the existing safeguards and assistance from the society and Alibaba (including uniform social insurance, supplementary commercial insurance and Dandelion Program) in case of unfortunate events such as natural disasters, emergencies or major diseases.

- Ihome Housing Program
  Alibaba has invested RMB3 billion in helping some employees to alleviate their financial pressure when making down payment for buying their first house by providing RMB200,000 to RMB300,000 interest-free loan for each employee. In this way, these employees can live and work in peace and contentment. Alibaba has also cooperated with many real estate companies in promoting favorable activities of house purchasing.

Returns to Shareholders

Alibaba pays attention to protecting shareholders’ rights and interests and offers shareholders sustainable commercial returns. Furthermore, we have improved our internal control system and strengthened internal fight against corruption to prevent shareholders’ rights and interests from infringement. We have built platforms for communication with shareholders and adopted various ways to communicate with shareholders and established an investor-friendly relationship.

Solid Internal Control System

With its internal control system, Alibaba ensures its compliance with applicable laws and regulations to achieve sustainable and sound development. Being responsible for formulation and enforcement of the corporate internal control system, the management of Alibaba authorizes its internal control department to bear the full responsibility for strengthening the internal control system relating to corporate financial reporting and compliance, and helps the management improve the existing business process to achieve higher operational efficiency and yield better results. With the establishment of a good control environment, effective risk assessment system, diversified control activities, smooth communication mechanism and corresponding supervision mechanism, employees have full knowledge and ensure strict observance, hence assuring entire integrity.

Internal Fight Against Corruption

For the purpose of avoiding any adverse effect from the malpractices of the employees within the Group, the Group has established the Integrity and Compliance Department. The Integrity and Compliance Department is dedicated to investigating the corruption cases in Alibaba Group, and will punish the Xiaoeers and merchants involved in corruption found through investigation according to the disciplinary systems of employees and members’ regulation. The integrity investigations focus on business risks, management loopholes and mechanism deficiencies. At the same time, the Integrity and Compliance Department proactively undertakes the functions of analyzing the causes of corruption and promoting the improvement of mechanisms, hence capitalizing on its advantages in big data to gradually help data systems increase the intelligent allocation of platform resources; While adapting to the marketization, the Group introduces market price bidding to allocate resources. Through adjustment of mechanism and improvement of businesses, platform merchants are encouraged to operate honestly, hence providing fair and transparent business environment for business start-ups and development of millions of small and medium merchants.

In 2014, the Integrity and Compliance Department accumulatively completed investigating 104 cases, dismissed 108 violating employees, gave corresponding opinions on risk control improvement in relation to issues of authority management, division of responsibility, work records and inspections found in the investigation, and promoted the risk improvement plan jointly with the risk control department.

Case Study

All-around link with public welfare

In principle, the employees of Alibaba do not accept gifts from customers. As business practices, if direct refusal or return of gifts is not practical and may cause the other party/both parties to be in an awkward situation, the employees may accept the gifts on behalf the Group provided that the accepted gifts should be reported and submitted to the Administration Department of the Group.

The Integrity and Compliance Department donates part of fresh gifts to the beneficiaries of public welfare jointly with the Administration Department, and sells part of the physical gifts through the online shop (www.buy42.com) run by the disabled or on an internal charity bazaar within the Group, and all the proceeds will be used for charity purposes. We wish to turn the goodwill expressed by business partners to Alibaba into the energy to help vulnerable groups in the society, hence enabling those vulnerable people to receive more care, love and warmth.
Investor Relationship Management

We strive to build a positive investor relationship in the following ways:

- Maintain two-way communications with shareholders, including one-on-one and group meetings, investor meeting reports, regular phone calls and emails;
- Establish information disclosure mechanism and procedure, and observe the information disclosure requirements under the US securities laws and regulations;
- Continuously update the information and news relating to shareholders on the investor relationship website;
- Provide a set of full financial and operation information, including annual reports and quarterly reports, with PDF version available for investors;
- Issue quarterly financial reports, Form 6-K quarterly reports and Form 20-F annual reports in electronic version that are accessible from the English website site of our investor relationship; (For details please log on: http://alibabagroup.com/en/ir/secfilings)
- Convene institutional investor and analyst meetings;
- Demonstrate our culture and values through the business activities of the Group, such as the 11.11 Shopping Festival, to improve the mutual understanding between investors and Alibaba;
- Provide investors with channels to participate in corporate governance through the annual shareholders’ meetings and written communications;
- Observe all the legal requirements of Cayman Islands (with jurisdiction over the Company), which provide for protection of investors; (For details please log on: http://www.sec.gov/Archives/edgar/data/1577552/000119312514333674/d709111dex32.htm).

Sharing Circle

Our business advantages and economic foundation accumulated through years of growth provide us with the ability and resources to value more stakeholders. Alibaba is making full use of its own advantages to share development and progress with the market, government, society and environment. We promote the development and economic transformation of our partners by use of our business advantages, promote information-based administration of the government by use of our technological advantages, and facilitate public welfare and environment protection with our platform and resource advantages.

Marketplaces

As a market player, Alibaba proactively promotes a good market environment and contributes to the economic development. We adopt the responsible procurement principle to ensure fair and just procurement, we conduct industrial research and training to promote industrial development, and we promote the development and transformation of traditional economy by use of our industrial advantages.

Responsible Supply Chain

For the purpose of ensuring the rationality, accuracy and timeliness of various procurement processes and the validity of authorization and approval, the Group has issued the Procurement Guidelines of Alibaba Group in the intranet of the Group, requesting all the employees to fully understand and observe the procurement rules.

With numerous suppliers, Alibaba adopts the basic procurement principle of justice, openness and fairness. All the procurement businesses shall observe the principle of “separation of incompatible responsibilities”. For procurement of large sums, the Group implements the bidding process, attracting suppliers to compete in a fair manner, and experts from various departments of the Group will conduct comprehensive reviews on the participating suppliers to choose the best.

For the aim of ensuring a fair and just procurement process and preventing any potential interest tunneling, the Group adds an “Integrity Clause” in all the procurement contracts signed with suppliers, which covenants that no illicit benefits should be provided to the employees of the Group or its affiliates. The Group requires that regular suppliers or those involving large supply amount shall enter into a “Integrity Covenant Letter”, which specifies in detail that both parties shall observe business practices and standards, including commitment not to engage in any deceiving or fraudulent behaviors or provide the employees of Alibaba with any form of illicit benefits directly or indirectly.

Promoting Industrial Development

As a leader of e-commerce in China, Alibaba promotes the industrial development in its own way and by use of its advantages. Meanwhile, Alibaba encourages to re-establish Taobao chambers of commerce and societies throughout China, re-establishes commercial alliance systems within various categories, and encourages sellers to improve connections with Taobao through such societies and chambers so as to achieve autonomic.
Promoting Economic Transformation and Upgrading

[Boosting Domestic Demands]

E-commerce has significantly reduced the trading cost of shopping, hence enhancing people’s will of and demand for consumption. With the increasing number of netizens and the increase of online shopping percentage, e-commerce is playing an increasingly important role in boosting domestic demand, and becoming a great engine in driving residents’ consumption. As of December 2014, China boasted 649 million netizens and 361 million online shopping users, and the percentage of online shopping reached 55.7%.

In 2014, China boasted online retail GMV of RMB2.79 trillion, accounting for 10.6% of total retail GMV of consumer goods of the whole society, among which the GMV of Alibaba platforms reached RMB2.44 trillion, accounting for 87% of total online retail GMV of the country.

[Promoting Transformation of Traditional Manufacturing Industry]

Internet and big data technology enable the market demand information to be quickly reached to brand merchants and producers, consequently a new consumer-driven business model (C2B) is born, which requires the manufacturing system to be highly flexible and customized. E-commerce promotes the online connection among enterprises and the online transaction of the manufacturing industry, enabling enterprises to respond quickly to the market and transition to the C2B model.

The platforms of Alibaba have become an important bridge between enterprises and consumers. More importantly, by combining the huge data of the platform and the big data technology of Alibaba, consumer demands may be predicted more accurately, enabling enterprises to have a more precise market positioning.

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Case Study

Tgc.1688.com–linking producers and sellers

Tgc.1688.com is a tailored processing platform that links producers and sellers online. In essence, it migrates the production lines, production capacities and schedules of garments factories to the Internet, which, on one hand, solves the seller’s problem of finding proper factories, placing trial orders, reordering or developing new styles, and on the other hand, it commercializes the capacity of offline factories that are opened up to broad e-commerce sellers through the platform of tgc.1688.com, hence helping factories receive orders and realizing their e-commercialization.

Four features of tgc.1688.com

- A small batch of trial orders
- Quick reorder
- Quality factory
- Quality guarantee

Five features of tgc.1688.com

- Trial orders of minimum 50 pieces and additional orders for “hot-selling styles” based on the trial sales, realizing zero stock and trial orders free of concerns
- Flexible production schedules and timely response of fabrics stocking status, supplementary orders within 3 days and solving worries about short of supply
- Tgc.1688.com gathers 12,000 factories with OEM experiences of international and domestic brands
- Compensation for delayed delivery, and worry-free of late deliveries that affect sales, and material guarantee service ensures quality

[Leading the Development of E-commerce Service Industry]

E-commerce service industry involves other various industries such as finance, talents, third-party logistics, information service, and education and training. According to Research statistics data, the GMV of e-commerce market of China in 2014 reached RMB12.3 trillion, an increase by 21.3%, and O2O local life service grew by 42.6%. It is expected that e-commerce will maintain a stable and fast growth in the years to come, and will reach RMB24.2 trillion in 2018. Undoubtedly, modern service industry will keep growing with the development of e-commerce, and its percentage will witness constant increase in the entire service industry.

The IPO of Alibaba has brought the e-commerce economy of China to the frontier of social opinions, attracting attention from home and abroad, and such attention may bring support to the entire e-commerce community. With the public listing of Alibaba, traditional enterprises and ordinary people pay more attention to e-commerce and the e-commerce-based transformation of domestic traditional industries will accelerate, which will benefit the O2O progress and drive the development of more e-commerce enterprises.
Alibaba observes legal requirements, and established the Code of Business Conduct focusing on integrity and compliance. Meanwhile, based on its own advantages, Alibaba provides the government with big data services of the Internet to facilitate the informationalization of the government affairs and the building of E-government.

Serving the Government

With the advent of the big data era, not only will enterprises face the test of data security and data peak traffic, the government will face similar or even more severe issues.

Based on the deep understanding of government informationalization, Alibaba constructs an open, sharing, flexible, highly efficient, secure and reliable government cloud infrastructure framework. Through close cooperation with integrators and ISVs of the government industry, Alibaba is capable of rendering full government cloud services, and able to provide government departments with sharing infrastructure resources, open data support platforms, rich smart government applications, 3D security safeguards, guaranteeing highly efficient operation and maintenance service.

As the only domestic enterprise that successfully ceased relying on IBM, Oracle and EMC (de-IOE), Alibaba starts to transfer externally its “de-IOE” ability and increasingly engages itself in the trial programs of cloud computing introduced by the government by utilizing its home-grown “Apsara Distributed Cloud Computing” platform and by adopting the cloud architecture. With respect to government cloud, China Meteorological Administration, Zhejiang Provincial People’s Government and Guizhou Provincial People’s Government have begun to adopt Aliyun cloud computing services. Aliyun has reached strategic agreements on cloud computing with many provinces including Hainan, Guangxi, Ningxia, Henan and Hebei.

Zhejiang “Government Supermarket” backed up by Aliyun

Zhejiang Provincial People’s Government is the first provincial government website that has phased out its own data center and migrated its service to Aliyun.

With the support of the robust computing capacity of Aliyun Cloud Computing, Zhejiang Government Service Network (www.zjzwfw.gov.cn) has integrated more than 40 province-level departments, and 11 city-level and 90 county-level (town and district) government service resources, realizing direct data links with provinces, cities and counties, and changing the “walk by feet” to “flow by data” in administrative examination and approval procedure.

More than 3,300 departments of different administrative levels of Zhejiang Province and over 60,000 examination and approval items have been included in Zhejiang Government Service Network, which provides netizens with online services. Netizens can “deal with the government” like going shopping on Taobao, and all the 60,000 examination and approval items at the province, city and county-level may be handled online, and bills can be paid via Alipay.

The website has also integrated e-map services, gathering the information of nearly 5,000 offices and service venues and providing convenient services throughout the province.

Message from Customers: “By eliminating its own data center and adopting cloud computing architecture, Zhejiang Provincial People’s Government has cast a trust vote to cloud computing and Aliyun, which will generate a huge demonstration effect throughout the country.”
Business Conduct of Alibaba Group. It strives to observe the highest standards of business practices and rules.

The Group has established its internal integrity culture and constantly promotes it. It requires all its employees to certify the Code of Business Conduct of Alibaba Group every year, and requires that each employee shall embody the value of integrity in business transactions with outside partners, and The Group does not tolerate any unethical or illegal behaviors. Business partners may obtain from the Integrity and Compliance Department of Alibaba the guidelines on business compliance of Alibaba Group at any time, or report any suspicious cases of unethical or illegal behaviors conducted by the employees of Alibaba Group. We will be cautious and prudent in handling all the queries and petitions, and try our best to keep their confidentiality within the framework of laws and regulations, and all the investigations will be made on the basis of law and compliance. Alibaba Group strictly prohibits a retaliation or punishment against anyone who has in good faith provided information and assistance in the investigation of suspected unethical or illegal behaviors.

Meanwhile, we pass on the integrity culture to the enterprises that have business relationship with. All the member rules of the websites under Alibaba Group have specified integrity requirements for their merchants, and in case of any acts of merchants seeking unfair benefits, Alibaba will close the door of cooperation with them forever.

On Alibaba Economic Cloud Map, government officials may clearly see at a glance such information as the e-commerce GMV, regional distribution of buyers and sellers and the outbound and inbound volume of parcels, with data curves visually reflecting development trends. With the help of the data analysis function of the economic cloud map, cross-comparisons may be realized over multiple dimensions such as regional distribution, industrial distribution, commodity categories, seller groups and buyer groups. The map also depicts the full description of the structural features of the local e-commerce, explores the advantageous industries, hot-selling commodities, potential enterprises and main consumption forces within a region, and compares the data with those of neighboring regions, and advantages and shortcomings can be found for any region. The map alerts key industries to the GMV limit and predicts any possible economic fluctuation before it occurs. With the help of the economic cloud map, a separate analysis can be made on such featured businesses as local rural e-commerce and cross-border trade.

Judicial Auction

The judicial auction platform established by Taobao under Alibaba provides support to the judicial auction by the government. The Taobao judicial auction model is of important significance to link the case management system with the trading platform, and enhancing the enforcement efficiency. Meanwhile, the auction model is conducive to eliminating inside collusion, reducing judicial corruption, and decreasing the auction cost, hence in maximum enforcement efficiency. Meanwhile, we pass on the integrity culture to the enterprises that have business relationship with. Alibaba, we use our own platforms to help more charity and public welfare organizations to exist and develop, trying our best to provide support to public welfare.

Promoting Economic Development

Small counties are connected to large markets via the Internet, and more and more county specialty products are sold around China and even overseas. Meanwhile, county consumers are presented with access to a wealth of affordable goods via the Internet, and online shopping has become a new choice for more and more consumers, especially those from counties and the rural areas. The constant development of county-level e-commerce is promoting new urbanization of the broad countryside.
Vizdan Shop—Support shopkeepers in ethnic areas

In 2011 after the young Uygur man Amu met four young volunteers who were aiding the development of Xinjiang in Kashgar, a city in southern Xinjiang, they organized local farmers to set up the Vizdan (which means “conscience” in the Uygur language) farmers professional cooperative. By taking advantage of e-commerce, they sold local agricultural products to the rest of the country. Vizdan has now established a sales system consisting of a B2C Tmall shop and a C2C Taobao shop. In addition to its own distribution business, the B2C shop provides logistics and storage service to the C2C shop, which also serves the function of “direct sales + image demonstration”.

Through the cooperative, Vizdan offers agricultural technical training to farmers and signs supply contracts with them, whose income has increased after they join Vizdan. Today, Vizdan has more than 30 purchasing points across Xinjiang, covering over 2,000 farmers. Currently, about 60 and 40 percent of Vizdan’s sales of agricultural products are from its B2C shop and Taobao shop respectively.

【Narrowing Urban-Rural Gap】

In 2014, Taobao villages, the most typical pattern of rural e-commerce, witnessed a leapfrog development, bringing about new changes to the countryside.

Growth trend of Taobao villages by size

Utilizing marketization, Taobao villages guide some farmers to join the e-commerce network, and to develop feature industries through the large Internet-linked markets, hence contributing to the prosperous trading of commodities, facilitating local employment, and driving the development of diversified service industries. Such employment mode makes “leaving the farming land without leaving one’s hometown” a reality and increases the income and wealth of farmers, presenting “localized employment” with a higher happiness index.

By the end of 2014, the Alibaba retail platform boasted 750,000 sellers of agricultural products, an YOY increase by 98%. And, along with the employment effect generated by Taobao shops, the number of new farmers on the Alibaba retail platform exceeded 1 million.

【Case Study】

The progress of e-commerce development in Lin’an City, Zhejiang

The e-commerce of Lin’an City has witnessed three stages: budding, development and expansion, and has developed its own e-commerce model focusing on regional brand agricultural products and covering the tertiary industry, forming an e-commerce ecosystem that integrates the governments, societies, service providers and other various operators.

In 2014, the online sales of agricultural products throughout Lin’an City exceeded RMB1.8 billion, generating an extra income of RMB200 million for farmers. The GMV of e-commerce reached RMB7 billion in the industrial sector, accounting for 10.6% of that of above-scale industries of the city, and the annual GMV of cross-border e-commerce was approximately USD100 million. At present, Qingliangfeng Town has become a nationwide Taobao town, and Bainiu Village, Xindu Village, Yupin Village and Maxiao Village have become nationwide Taobao villages.

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Promoting Economic Transformation

Through cooperation with industrial belts and local e-commerce associations, Alibaba helps to nurture new Internet brands in every place and in every category, and supports their Internet-based transformation.

Quality in China

At 10:00 am on April 21, 2015, sports shoes of nearly 100 styles from 17 self-owned brands in Putian made a debut on the Juhuasuan platform, titled “Quality Shoes Made in Putian, China”. In this promotion, the retail platforms on Alibaba together with sellers would be liable for advance compensation to buyers, were they not satisfied with the quality of products. Apart from this, Alibaba will cooperate with more representative industrial belts, “endorse” good brands and sellers with local governments and industrial associations, and utilize the “Internet plus” to drive the transformation and upgrading of OEM businesses.

Creating Employment Opportunities

The e-commerce platforms, logistics and rural development strategies of Alibaba play a unique role in creating employment opportunities. By the end of 2014, our retail marketplaces created 10 million direct job opportunities and 3.47 million indirect job opportunities, including about 1.5 million deliverymen and 1.97 million third-party service providers in areas like Taobao models, TP, shopping guides, decoration, art designing, customer service, software development and training.

By virtue of e-commerce platforms, we have begun enabling those who desire to start their own business with technology and service support, providing a stage for grass-root entrepreneurs who lack funds and infrastructure to realize their dreams.

Case Study

Baichuan Plan, paving the way for entrepreneurs

Alibaba launched its “Baichuan” business plan on 14 October, 2014 to build a commercial ecosystem featuring “Cloud + Apps” in the mobile age. For ordinary people desiring to start their own business, this plan will make App development easier as they do not need to consider all the aspects. In other words, with the Baichuan platform, entrepreneurs do not even need to know too much about technology, all they need are just good ideas and plans.

Technically, this plan mainly uses the “cloud” platform to provide such services as architecture setup, data storage and security, helping developers reduce costs of development and maintenance. It also offers services in areas like business liquidation, investment service and office venue. The massive data accumulated by Alibaba will then help APP developers better understand their targeted users so as to provide more accurate personalized services. Apps that join in this plan can use the “cloud” platform infrastructure provided by Alibaba, log in with their Taobao accounts under direct authorization, and gain access to Alibaba’s commodity, trade, payment, and O2O open systems, and help upgrade e-commercialization of Apps.

MYOTee--An innovative company in Aliyun.com

An App named “MYOTee” boasted more than 30 million downloads in June 2014, with an increase of 3 million downloads every day, and its developers were all born in 1990s. The company, based in a rented apartment in Bao’an District, Shenzhen, has only 9 employees and its monthly IT expenses are merely RMB73.

The company has benefited from the low-cost service provided by Aliyun. It spends RMB73 renting a cloud server from Aliyun.com every month, and this negligible cost supports all visits to its official website. Liang Jianfeng, one of its founders, explained, “At the very beginning, low cost and convenience to use and maintain are our primary considerations for buying a cloud server.” Cloud computing features elastic upgrading and smooth scalability, and the method of payment based on actual usage significantly reduces investment risks and enables developers to save more resources to develop their market share and user base.

Case Study

Empowerment to realize the value of life

The ongoing progress of e-commerce has become an important platform to enable the disabled to start their business, get a job, and fulfill their value of life. On this platform, the disabled have the same opportunities and rights as normal people and can give full play to their abilities and realize their value of life.
Cui Wanzhi — A disabled entrepreneur on Alibaba’s platform

Cui Wanzhi, born in March 1976 in Feidong, Anhui, has difficulty walking and speaking due to cerebral hypoxia resulting from nuchal cord at birth. He started his entrepreneurial journey at Taobao in 2005. Two years later, he created three garment brands — “Die Lian”, “Er Pu Shu” and “Yi Xin Jia Yuan”. In 2008, he registered his own company Die Lian and migrated to the Taobao Mall (currently Tmall). His company ranked among Top 30 Alibaba Global Netrepreneurs in 2010, and Top 10 Alibaba Global Netrepreneurs in September 2012.

Since 2005, I had engaged in e-commerce with Alibaba, and now I mainly make cheongsam. From Taobao to Tmall, my online shop now has more than 100 employees, while at the beginning I had only a dozen of employees. Our annual turnover reaches RMB50 million, 70% of which is from Alibaba’s platforms. I am truly grateful to the Alibaba platform, which has helped me find a right way to start my own business. The e-commerce platforms like Taobao and Tmall give equal job opportunities and entrepreneurial opportunities to the disabled and normal people. Internet has experienced rapid changes and Alibaba is also under transformation. I don’t know what the future will be, but I think we should embrace and catch up with changes, and accumulate experience during the changes. I also believe that Alibaba will continue to stick to its concept of Customer First, focusing on every group and carry out its mission.”

—Cui Wanzhi

Taobao University.

A disabled painter: Taobao gives me hope for life

When I first saw Taobao, I knew little about the Internet. My customers from the shop taught me how to copy and paste and what all the keys were fro. I figured it out this way. About one month after posting my paintings online, I sold my first one. Taobao gives me hope. Without it, how would I sell my work in this little town? Who would know about me?

—Ding Hongyu, from Alibaba’s IPO roadshow video

According to the data as of June 2015, a total of 3 million disabled people were members of Taobao. Their consumption in Taobao reached RMB13 billion in 2014 as online shopping helped them to avoid inconvenience of going out. Meanwhile, more than 300,000 disabled people became Taobao merchants with a view to improving their lives through their online start-up business, and their sales totaled RMB10.5 billion in 2014.

Devotion to Public Welfare

For 16 years since its inception, Alibaba has adhered to the spirit of “Internet + Public welfare” and encouraged more people to participate in public welfare undertakings while fulfilling its social responsibilities. Since 2010, Alibaba has committed 0.3% of its revenue as charity fund. In 2014, Alibaba Foundation donated 89.42 million for disaster relief, environmental protection, capacity building of assisted people, and industrial development in 2014.

Alibaba Foundation

Alibaba Public Welfare Foundation was set up on December 22, 2011 with the initial fund of RMB50 million. Its purpose is to raise people’s awareness in public welfare, develop public welfare undertakings, and promote the sustainable development between human and society, human and nature. It focuses on supporting water environment protection, publicity of environmental protection and development of non-profit environmental protection organizations. The Foundation approved a donation of RMB37,570,414 to 20 programs relating water environment protection and environmental protection campaign in 2014.

Employee Charity Committee

For more professional charity practices and more efficient use of charity funds, Alibaba set up the Employee Charity Committee—“Charity Partners”—to decide where such funds shall be spent. From 2012 to 2014, the Committee reviewed and approved 61 programs under the Foundation with a total donation of RMB65,763,900.70.
Based on its business model and expertise, Alibaba builds a credible public welfare platform that includes everyone and provides tools and opportunities to users for communication and interaction about public welfare. In 2014, 213 million users of our platforms made over 1.11 billion donations through Alibaba’s charity platform, with a total amount of RMB280 million, while the amount per donation was only RMB0.25.

**Charity shops--Online shops set up by charity organizations**

As of 2014, there were 421 charity shops, and the fund that was raised has exceeded RMB50 million annually from just over 1.1 million orders. Among them, 69 shops transacted/raised fund over RMB100,000. With the “NGO online charity training program” and in the form of exchange groups with them, Alibaba helps more NGOs improve their ability to manage their shops and their communication with the public in commercial ways.

**Charity products--products used for the charity donation program**

The year of 2014 witnessed 11 billion donations of charity products, four times the number in 2013, and the annual donation amount exceeded RMB72 million, nearly three times the amount of 2013. In particular, driven by the “Singles Day” Shopping Festival in November, the number of donations soared to a record high, reaching over 180 million in a single month. As shown by the real-time data on January 4, 2015, the number of sellers who desired to participate in the charity product program was on the rise; the number of sellers who participated in the program was well over 1.1 million and the products labeled as charity products were about 80 million.

**Charity crowd funding--raising funds for charity projects**

Taobao initiated 46 charity crowd funding activities in 2014, raising funds exceeding RMB6 million, and more than 300,000 people participated in such activities.

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**Case Study**

**Crowd funding: “i-dB Project”--a charity concert of Zhou Bichang**

A charity concert of Singer Zhou Bichang, a “i-dB Project” volunteer, to show care for hearing-impaired children was held on January 24, 2015.

This concert was jointly launched by dozens of broadcasters and hosts to fund deaf children in poverty to have cochlear implant surgery and rehabilitation training, helping them restore hearing at the best time of treatment. After consulting with Alibaba, they decided to hold a concert of Zhou Bichang by crowd funding. In only one and a half month, from December 9, 2014 when the preparation for the concert was started to the final official opening, 6392 people gave their support by donating RMB1,329,200, which hit a record of charity crowd funding at Taobao.

**The Public Service Advertisement (PSA) Alliance--PSAs by sellers in their shops**

Since the launch at the end of March 2013, PSAs have been displayed for 708 million PVs. At the shops on Taobao and Tmall, over 300,000 sellers placed PSAs at the same time.

**Cloud-based public welfare platform--Cloud computing serves public welfare organizations**

In September 2014, Aliyun.com launched a cloud-based public welfare platform to help public welfare institutions migrate to cloud servers. By using cloud computing and big data technology, it supports the public welfare sector in China in an innovative way. Its support to public welfare organizations includes migration of websites to cloud servers, mobile-based public welfare, big data processing and information sharing. In this way, it facilitates the application of the Internet technology by public welfare organizations and improves the efficiency of public welfare services. A number of leading institutions in many industries, including One Foundation, China Foundation for Poverty Alleviation and the Blue Map, have all become its users.
“Positive Energy Everyday”--A platform aimed at spreading “positive energy”

The “Positive Energy Everyday” encourages the public to discover, recommend, comment on and spread the stories of good people and them doing good deeds, involving everyone in spreading “positive energy”; more importantly, it gives the decision-making power to the public.

As of April 2015, the platform carried out 89 regular award grants and more than 200 special award grants to over 1,000 people, with bonuses over RMB12 mil. Now, the platform ranks No.1 of its kind on Sina Weibo (Micro Blog) in terms of influence, with 420,000 followers.

Disaster relief--platform-based assistance to the stricken areas

To aid the stricken areas hit by Typhoon Rammasun, Taobao’s PC and mobile terminals launched a crowd-funding platform overnight on July 21, 2014. A full-page crowd-funding announcement was placed on the homepage of Taobao and m.taobao.com, and together with Cainiao Logistics Network, Taobao Hainan Pavilion, Tianya Community, Xinhua News Agency and Shenzhen Mall, a charity crowd-funding was initiated to help people in the stricken areas of Hainan, which was the first Internet-based charity crowd funding in China. In less than 12 hours, over 20,000 netizens participated in the funding. 30,000 bottles of mineral water, 13,000 bowls of instant noodles and 5,000 packets of biscuits were sold.

[Employees’ Practice of Public Welfare Services]

Alibaba encourages its employees to participate in public welfare services. In Alibaba’s orientation training, there is a session called “100-year responsibility” aimed to convey the concept of gratitude and awe and introduce the practice of social responsibility in Alibaba. In the class, the lecturer will introduce the social responsibility and the practice of public welfare in Alibaba to every new employee and teach them how to become a responsible citizen. The Alibaba-style course integrates the concept of social responsibility with the practice of public welfare, which enables everyone to develop a habit of fulfilling such services.

Alibaba has built a sound platform and motivation mechanism for its employees to participate in public welfare in various ways, as well as a unique public welfare start-up platform to help its employees realize their social values.

“From FY2015 on, I wish everyone in Alibaba could spend three hours doing public service every year to support public welfare with concrete actions. Doing public service means living an serious life. We hope that what our employees receive from Alibaba is not only improvement of their salary and their capacity, but also the heart of gratitude and the willingness to engage in public service.”

--Jack Ma
The Alibaba Happy Group is a public welfare group voluntarily formed by Alibaba’s employees. After being certified by Alibaba’s Corporate Social Responsibility Department, the Happy Group can receive RMB50,000 annually for its operation and receive professional resources from Alibaba. From October 2010 when the first Happy Group was born to date, there are 35 Happy Groups with more than 1,400 key members. As of May 2015, Happy Groups had organized over 700 activities, involving more than 24,000 persons.

The Happy Group is a platform for employees to bring into full play of their strong points. Over the seven years since I joined Alibaba, I once participated in a Happy Group named Phonograph of Love, where all members were not only passionate, but also used their abilities and imagination to give assistance to blind children as much as possible.

—Zi Hui, employee of Alibaba

[Global Public Welfare]

Alibaba’s Global Dreamer Program is aimed at unearthing and gathering ambitious young people with positive attitude who have dreams across the world and help them realize their dreams with their acquired knowledge and skills.

This program was launched in 2013, and by now, about 90 dreamers from the Chinese Mainland, Hong Kong, US, UK, Canada, Australia and Singapore participated in the program.

[Innovation in Public Welfare Practice]

Alibaba has proactively integrated commercial and social resources with public welfare undertakings and enabled more businesses to realize the value of solving social problems. We keep on exploring the possibility of innovative public welfare practices, including introducing “voiceless classrooms”, recommending the disabled to work as porn censors, providing daily special offers for charity purposes and the auction channel for charity, introducing favorable loan policies to vulnerable groups, and promoting charity sales on Juhuasuan, in an aim to to diversify public welfare services.

[Jutudi—a land sharing program]

Jutudi, launched by Juhuasuan in March 2014, is the first privately customized farming program in China, through which customers can receive the fruits and vegetables every month produced in the land that they invest in, and enjoy free travel and accommodation there. Jixi County, Anhui was selected as a pilot case. In just 5 days, clicks on the program totaled 500 million, more than 3,500 customers placed orders, and 465 mu of land was sold with sales of RMB2.28 million. There have been 21,000 deliveries by express of agricultural products produced in Jixi, and more than 800 customers enjoyed the tour in Jixi as “land owners”, which has driven the rapid development of local tourism. Through land transfer, re-employment of former land owners as workers and offering local food, farmers involved have increased their income by more than RMB2,000 per mu.
Environment

Alibaba is committed to protecting environment not only by controlling pollution and reducing energy consumption of its own accord, but also by putting in efforts to raise the awareness of environmental protection among the public through its e-commerce platform and Alibaba Foundation, which is the feature of Alibaba in fulfilling its responsibility for environment.

Green Buildings

[The green energy data center]

Alibaba’s Zhangbei Data Center, with its cloud-computing base now under construction, will be operated 100 percent with green energy. It is covered with solar panels on the exteriors and adopts natural air-cooling and water-cooling systems. Such green energy will be transformed into computing resources in situ for global use.

[A green business center]

Alibaba’s business center in Shanghai Hongqiao emphasizes on resources conservation, quality and comfort. Mature and effective green technologies have been adopted, with a view to qualifying three-star level of green buildings in six aspects: conservation of land, energy, water and materials, indoor environmental quality, and operation and management.

<table>
<thead>
<tr>
<th>Resources Conservation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Adopt rainwater/reclaimed water reuse technology to collect rainwater from roof and ground and reclaimed water from washrooms, and to reuse rainwater/reclaimed water in a more economical way;</td>
</tr>
<tr>
<td>• Adopt exhaust heat recovery technology to preheat fresh air with the exhaust, thus reducing energy consumption of the heating system of the air conditioner and reducing operating costs;</td>
</tr>
<tr>
<td>• Adopt solar water heating system to provide hot water for users.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quality and Comfort</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Use permeable outside ground to change exterior runoff of rainwater and increase rainwater infiltration;</td>
</tr>
<tr>
<td>• Use roof gardening to effectively improve the regional micro environment;</td>
</tr>
<tr>
<td>• Use ECOTECT day-lighting simulation and FLUENT indoor air environment simulation to optimize indoor lighting and ventilation, hence making the office more comfortable.</td>
</tr>
</tbody>
</table>
**Green Office**

We have created a green office environment for employees and exerted efforts to raise employees’ awareness of energy conservation and environmental protection, and require them to practise the concept of environmental protection at work.

- Promoting the practice of paperless office, and preventing useless printing to reduce paper waste by introducing ID recognition technology;
- Using recycled paper towels in toilets, and controlling lighting by auto-control or remote control to reduce energy consumption;
- Posting energy conservation signs in the office area to remind employees;
- Using the “hitchhike” software to enable employees to share cars with colleagues so as to reduce exhaust emissions;
- Providing remote conference support to reduce business trips.

**Efforts in Environmental Protection**

While the nature of public welfare undertakings is to awaken the goodwill of everyone, public participation is one of the most effective ways to “awaken” people’s consciousness to protect the environment. Alibaba’s fund that was invested in environmental protection totaled RMB12,185,856 in 2014, 61% of which was put in water environment protection and in raising public awareness and calling for actions for environmental protection.

### Water Environment Protection

In 2014, Alibaba Foundation mainly funded water environment protection to prevent water pollution and to protect water ecology. The programs funded by Alibaba Foundation directly interfered with about 100 companies that discharged illegal excessive wastes, and promoted interaction and cooperation among government regulators, NGOs and the public in Shandong, Zhejiang, Jiangsu and Chongqing in this regard.

- In addition, Alibaba Foundation invested to develop a water pollution map to enable easy access for the public, NGOs and government law enforcement personnel to gain real-time data of emissions from major enterprises under national monitoring list;
- It also advanced emission reduction from enterprises creating water pollution in the Yangtze River Basin by cooperating with nearly 10 NGOs that were active in the area and non-government organizations in Zhejiang Province, as well as by interacting with environmental regulatory authorities.

### Efforts in Raising the Public Awareness and Calling for Actions for Environmental Protection

- **“Clean our water”, a campaign to raise people’s awareness of water protection**
  Alibaba Foundation and Bazaar Charity Fund of China Siyuan Foundation kicked off the clean water program in 2014. Alibaba Foundation also cooperated with One Foundation to carry out the clean water program, including introducing environmental education and technical assistance in regard to clean drinking water at schools in China.

- **Public participation**
  In 2014, Alibaba Foundation launched the Waterathon program to encourage volunteers with professional knowledge to develop environmental protection activities and products suitable for public participation. About 200 volunteers participated in the research and development of the program, and 15 innovative projects won the fund from the Foundation. The public, in the an open source way, can copy these projects in the future, making it easier for the public to participate in environmental activities and projects.
### Look Ahead

Alibaba will, together with its stakeholders, continue to pursue sustainable development and make due contributions to the social development and progress.

We will further integrate social responsibilities with our mission, culture and strategy, on the basis of which we fulfill social responsibilities.

We will establish and further improve a proper social responsibility management system, and promote the standardization and effectiveness of our social responsibility practice. After going public, the topics of Alibaba’s social responsibility have attracted much attention from investors, which cover areas like anti-corruption, human capital, customer service, energy efficiency, environmental protection, and food safety. We will proactively respond to such topics through our efforts in institutional improvement and disclosure of official public documents.

We will promote and innovate our social responsibility practice; We will strengthen our communication with stakeholders, and actively respond to their demands through our actions; we will build a sound commercial ecosystem to progress together with stakeholders while creating values for them; and we will boost the economic development, environmental protection and social public welfare by means of using our advantages.

### KEY PERFORMANCE INDICATORS

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<th>Indicator</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
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<tr>
<td>Annual Revenue (in millions, RMB)</td>
<td>34,517</td>
<td>52,504</td>
<td>76,204</td>
</tr>
<tr>
<td>Annual Revenue Growth (%)</td>
<td>72</td>
<td>52</td>
<td>45</td>
</tr>
<tr>
<td>Annual GMV (in billions, RMB)</td>
<td>1,077</td>
<td>1,678</td>
<td>2,444</td>
</tr>
<tr>
<td>Annual GMV Growth (%)</td>
<td>62</td>
<td>56</td>
<td>46</td>
</tr>
<tr>
<td>Total Annual Profit (in million, RMB)</td>
<td>8,649</td>
<td>23,403</td>
<td>24,320</td>
</tr>
<tr>
<td>Net Assets Yield (%)</td>
<td>1,686</td>
<td>77</td>
<td>15</td>
</tr>
<tr>
<td>Earnings per Share/ADS (EPS) (RMB)</td>
<td>3.57</td>
<td>10.0</td>
<td>9.70</td>
</tr>
<tr>
<td>Debts-to-Assets Ratio (%)</td>
<td>83</td>
<td>63</td>
<td>38</td>
</tr>
<tr>
<td>Active Buyers (in million)</td>
<td>172</td>
<td>255</td>
<td>350</td>
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### Indicators

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
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<tbody>
<tr>
<td>Number of Employees</td>
<td>20,251</td>
<td>21,922</td>
<td>27,257</td>
</tr>
<tr>
<td>Number of New Employees</td>
<td>2,553</td>
<td>4,037</td>
<td>9,113</td>
</tr>
<tr>
<td>Percentage of New Employees (%)</td>
<td>10.90</td>
<td>16.60</td>
<td>29.40</td>
</tr>
<tr>
<td>Number of Employees with Disability</td>
<td>1</td>
<td>3</td>
<td>16</td>
</tr>
<tr>
<td>Total Number of Female Employees</td>
<td>9,014</td>
<td>9,182</td>
<td>11,006</td>
</tr>
<tr>
<td>Percentage of Women Employees (%)</td>
<td>44.50</td>
<td>41.90</td>
<td>40.40</td>
</tr>
<tr>
<td>Percentage of Women Management (%)</td>
<td>26.90</td>
<td>26.00</td>
<td>23.20</td>
</tr>
<tr>
<td>Percentage of Labor Contracts Signed with Employees</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Social Insurance Coverage (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Check-up &amp; Health File Coverage (%)</td>
<td>93</td>
<td>91</td>
<td>93</td>
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<tr>
<td>Cases of Occupational Diseases</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Annual Paid Leave Per Employee (Day)</td>
<td>18.3</td>
<td>17.1</td>
<td>15.3</td>
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<tr>
<td>Number of Safety Training</td>
<td>4</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Investment in Assistance to Employees with Special Needs (in RMB10,000)</td>
<td>6.13</td>
<td>8.10</td>
<td>6.35</td>
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<td>P3.1, P3.2</td>
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<td>Social Responsibility Originated from Our Mission</td>
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<td>G1.1</td>
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<td>Social Responsibility Integrated with Our Strategies</td>
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<td>Action: A Business Working Style in a Public Welfare Mind</td>
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<td>Providing Convenient Services for the Ecosystem</td>
<td>G4-8</td>
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<td>Providing Support for Ecosystem Growth</td>
<td>M2.2</td>
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<td>Providing Safeguards for Ecosystem Integrity</td>
<td>G4-PR6, G4-PR7</td>
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<td>Providing Safeguards for Ecosystem Security</td>
<td>M2.3</td>
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<td>Basic Rights and Interests – Basis of Happiness</td>
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<td>Care for Employees – No Worries Ensuring</td>
<td>S2.27</td>
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About Alibaba

Profile of the Group

Alibaba Group was founded in 1999 by 18 people led by Jack Ma, a former English teacher in Hangzhou, China. From the outset, the company’s founders shared a belief that the Internet would level the playing field by enabling small enterprises to leverage innovation and technology to grow and compete more effectively in the domestic and global economies. Since launching its first website to help small Chinese exporters, manufacturers and entrepreneurs to sell internationally, Alibaba Group has grown into a global leader in online and mobile commerce. Today Alibaba and its affiliates operate leading wholesale and retail online marketplaces as well as Internet-based businesses offering advertising and marketing services, electronic payment, cloud computing and network services and mobile solutions and so on.

Group Governance

The Group’s governance team consists of the Board of Directors, Board Committees, Alibaba Partnership and senior management. By such governance structure, Alibaba is dedicated to achieving sustainable development objectives within the Group and externally while pursuing its own strategic objectives.

Role and Responsibilities of the Board of Directors

The Board of Directors guides and supervises the business and affairs of the Group in accordance with all applicable laws and regulations. Under such system, it acts as the top decision-making body of the Group, except for issues that shall be reserved to be solely or jointly determined by/with shareholders. The Board is responsible for selection and supervision on the performance of the CEO and other management members, creation of long-term operation strategies of the Group and determination of the compensation for executives.

Board Structure

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jack Yun MA</td>
<td>Executive Chairman</td>
</tr>
<tr>
<td>Joseph C. TSAI</td>
<td>Executive Vice Chairman</td>
</tr>
<tr>
<td>Jonathan Zhaoxi LI</td>
<td>Vice Chairman</td>
</tr>
<tr>
<td>Daniel Yong ZHANG</td>
<td>Director and CEO</td>
</tr>
<tr>
<td>J. Michael Evans</td>
<td>Director and President</td>
</tr>
<tr>
<td>Masayoshi SON</td>
<td>Director</td>
</tr>
<tr>
<td>Chee Hwa TUNG</td>
<td>Independent Director</td>
</tr>
<tr>
<td>Walter Teh Ming KWAUK</td>
<td>Independent Director</td>
</tr>
<tr>
<td>Jerry YANG</td>
<td>Independent Director</td>
</tr>
<tr>
<td>Börje E. Ekholm</td>
<td>Independent Director</td>
</tr>
</tbody>
</table>
Audit Committee

Walter Teh Ming KWAUK, Chairman
J.Michael Evans

Compensation Committee

Jerry YANG, Chairman
Walter Teh Ming KWAUK

Nominating and Corporate Governance Committee

Joseph C. TSAI
Jerry YANG

Alibaba Partnership

Alibaba has 30 partners. Partners have the right to nominate directors and distribute bonuses and among others. The main duty of partners in their capacity as partners is to embody and promote to improve the mission, vision and values of Alibaba ecosystem. Though partners have the right to nominate directors, a nominee may not take the office until the shareholders’ general meeting passes the nomination.

Senior Management

Jack Yun MA, Executive Chairman
Maggie WU, Chief Financial Officer
Lucy PENG, Chief People Officer
Michael Evans, President
Jeff Jianfeng ZHANG, President of China Retail Marketplaces
Yongfu Yu, President of Mobile Internet and Alimama
Tim Steinert, General Counsel and Secretary

Daniel Yong ZHANG, Chief Executive Officer
Joseph C. TSAI, Executive Vice Chairman
Jianhang JIN, President
Sophie Minzhi WU, President of Wholesale Marketplaces
Simon Xiaoming HU, President of Alibaba Cloud Computing
Zhenfu LIU, Chief Risk Officer
Peng JIANG, President, YunOS
Jian WANG, Chairman of Technology Committee

About This Report

This Report is the seventh Corporate Social Responsibility Report published by Alibaba Group (hereinafter referred to as “Alibaba”, the “Group” or “we”).

Reference

This Report has been prepared in accordance with the Sustainability Reporting Guidelines (G4) issued by the Global Reporting Initiative (GRI) and the Corporate Social Responsibility Reporting Guidebook published by the Chinese Academy of Social Sciences (CASS-CSR 3.0).

Time span

This Report covers Alibaba’s fiscal year 2015, from April 1, 2014 to March 31, 2015, though some contents are not within such period.

Data Source

Unless stated otherwise, the data of this Report are from Alibaba’s Prospectus, internal financial statements and relevant statistics. As for statistics, “FY” and “year” are used to indicate a fiscal year or a calendar year respectively, e.g. “FY 2015” and “Year 2015”; a year that is not specially indicated is a calendar year.

Currency

Unless stated otherwise, the currency used in this Report is RMB (Yuan).

Availability of Report

In view of environmental protection, the electronic version of this Report in PDF format is strongly recommended, which can be downloaded from our social responsibility website (http://csr.alibaba.com).

If you request for this Report in paper, or have any questions, comments or feedback on this Report, please contact Alibaba’s Social Responsibility Department via e-mail (csr@service.alibaba-inc.com).
Dear users,

Thank you for reading the 2014-2015 Social Responsibility Report of Alibaba Group. To improve Alibaba’s efforts on social responsibilities and compiling of this Report, your comments and suggestions are welcome.

Your feedback suggestions:
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   - Very Good
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   - Not Bad
   - Bad

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3. Do you think the information disclosed in this Report is clear and complete?
   - Yes
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   - Yes
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