



 **Alibaba**

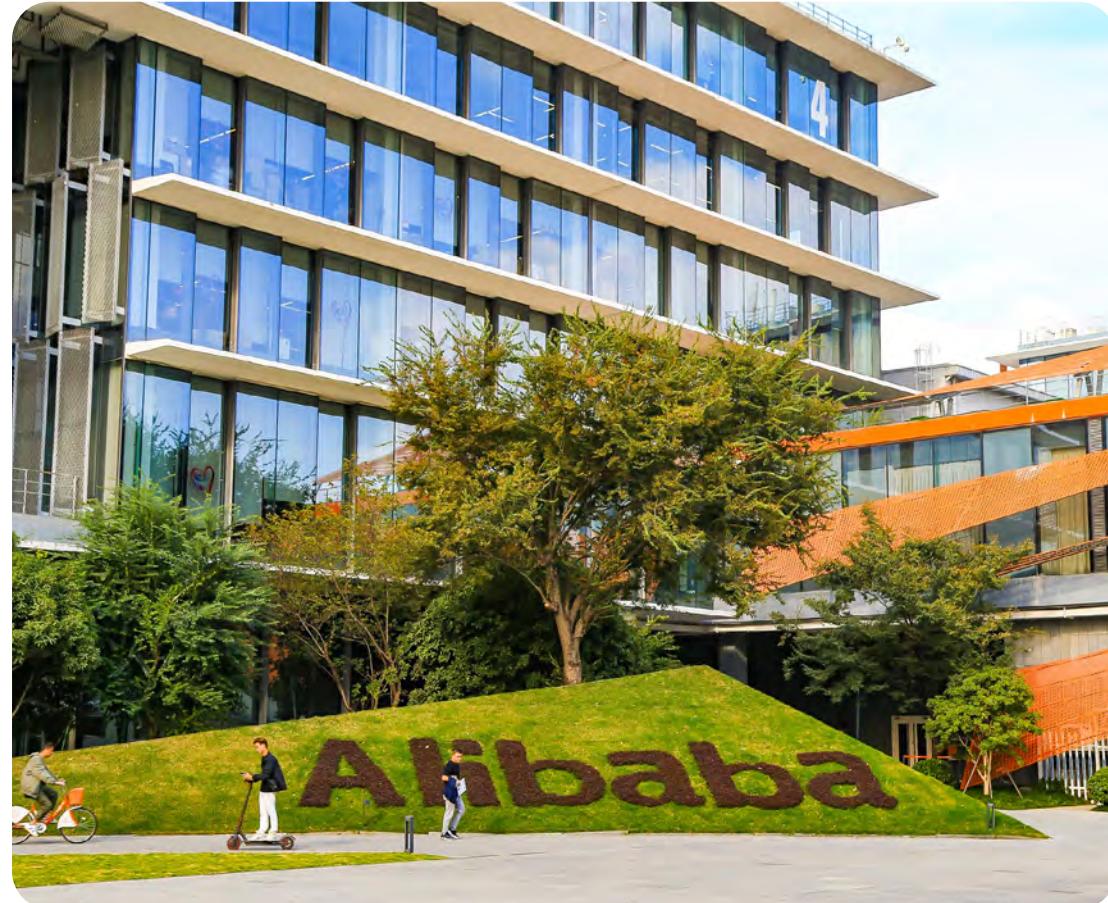
ENVIRONMENTAL, SOCIAL,
AND GOVERNANCE REPORT

2024

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Our mission

To make it easy to do business anywhere.

Our founders started our company to champion small businesses, in the 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 domestic and global economies. We believe that concentrating on customer needs and solving their problems – whether those customers are consumers, merchants or enterprises – ultimately will lead to the best outcome for our business. In the digital era, we are staying true to our mission by helping our customers and business partners harness the power of digital technology. We have developed a large ecosystem powered by technology infrastructure that enables participants to create and share value on our platforms. Our decisions are guided by how they serve our mission over the long term, not by the pursuit of short-term gains.

Our vision

We aim to build the future infrastructure of commerce. We envision that our customers will meet, work and live at Alibaba, and that we will be a good company that lasts for 102 years.

We do not pursue size or power; we aspire to be a good company that will last for 102 years. For a company that was founded in 1999, lasting for 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.

A letter from our CEO

Be Forward-looking, Maintain Positive Intentions, and Be Pragmatic

Dear All,

This year marks the third consecutive year of Alibaba's ESG (Environmental, Social, and Governance) report. On this occasion, I would like to share my thoughts on the company's ESG activities.

The core of our ESG efforts is focused on how to be a better company. This year marks Alibaba's 25th anniversary. Over the past 25 years, we have adhered to our mission of "making it easy to do business anywhere" by helping to foster a prosperous e-commerce industry in China. We have insisted on an open tech ecosystem with over 3,800 open-source models hosted on our ModelScope. We have supported economic revitalization in rural parts of China by deploying 29 rural revitalization commissioners to 27 counties. We pioneered the Scope 3+ emission reduction concept to drive decarbonization across our platform ecosystem. We encourage philanthropy by all employees with our "Three Hours for a Better World" initiative to bring about small but meaningful changes. These activities have shaped the essence of Alibaba and are as equally important to Alibaba as the creation of business value.

To become a better company, we need to participate in addressing common challenges. Over the past year, net emissions from our operations totaled approximately 4.449 million tons, down 5.0% year-

over-year. Clean electricity accounts for 39.0% of our total electricity consumption. We collaborated with over ten leading global medical institutions to develop the DAMO PANDA AI model to detect early-stage pancreatic cancer and a pilot project was implemented at the Lishui Hospital in Zhejiang Province. In addition, leveraging the capabilities of our various businesses, we have been at the forefront of disaster emergency relief efforts, including the Zhuozhou floods in Hebei Province and the Jishishan earthquake in Gansu Province.

To become a better company, we must also address the challenges we face in our development. Over the past year, we have undergone a series of significant organizational changes. In conjunction with clearly defining "user first" and "AI-driven" as our two core business strategies, we reaffirmed our commitment to ESG as one of Alibaba's cornerstone strategies.

We aspire to be a good company that will last for 102 years. This is not easy because we must make choices that result in "good" outcomes. For example, while adhering to a "user first" strategy may require increased investment that sacrifices short-term profitability, it will ultimately bring about the best business value over the long run. I hope that throughout this process, every Aliren will learn to make the right choices, however difficult. I hope all Aliren will be forward-looking, maintain positive intentions, and be pragmatic.

Be forward-looking: Over the past year, the development of generative AI has introduced tremendous potential for AI computing capabilities and increased demand for clean computing. To this end, we must take full advantage of the energy transition, actively embrace green energy, and develop cleaner computing capabilities.

Maintain positive intentions: Alibaba's most unique characteristic is being a platform technology company with a rich ecosystem of upstream and downstream stakeholders. Many decisions we make will have ripple effects across society and industries. This means that we must fully consider the impact of our decisions on society and the future, and all Alibaba employees should incorporate positive intentions into our work processes.

Be pragmatic: ESG is a verb that entails a series of long-term actions. Over the years, whether in supporting small and medium-sized enterprises, promoting rural revitalization, or nurturing young scientists, we have found that persistence and practical actions will always yield results.

A better Alibaba is worth our collective efforts.

Eddie Wu

Chief Executive Officer,
Alibaba Group
July 2024



Instructions

In this report, "Alibaba" "we" "the Group" and "the company" all refer to "Alibaba Group Holding Limited."

This report mainly covers the environmental, social, and governance (hereinafter referred to as "ESG") progress of Alibaba Group Holding Limited and all its direct or indirect subsidiaries and affiliated companies from April 1, 2023, to March 31, 2024.

Some parts of the report also cover prior years as well as give forward-looking statements.

Unless specified, the monetary amounts shown in this report are all presented in RMB.

The report is prepared in accordance with the ESG Reporting Guide from the Hong Kong Stock Exchange. It also refers to selected guidelines from the United Nations 2030 Sustainable Development Goals (SDGs), the Global Reporting Initiative (GRI) Standards, the standards issued by the Sustainability Accounting Standards Board (SASB), and the framework suggested by the Task Force on Climate-related Financial Disclosures (TCFD).

Additional disclosures can be found in our appendices.

Appendix 1: ESG Key Performance Metrics Table

Appendix 2: ESG Data Verification Statement

Appendix 3: Greenhouse Gas Inventory and Carbon Methodology

Appendix 4: Climate-related Disclosures

Appendix 5: Stakeholder Engagement and Materiality Assessment

Appendix 6: Progress of United Nations Global Compact

Appendix 7: Report Indicator Index

Appendix 8: Important Legal Information

This report is presented in electronic versions in the ESG section of the Group's official website (<https://www.alibabagroup.com/esg>). A Chinese version, an English version, and printer-friendly versions are available. In case of conflicts between the two languages, the Chinese version shall take precedence.

We value any feedback and opinions, which can be e-mailed to us at ESG@alibaba-inc.com.

Business Overview

To fulfill our mission “to make it easy to do business anywhere,” we enable businesses to transform the way they market, sell and operate and improve their efficiencies. We provide the technology infrastructure and marketing reach to help merchants, brands, retailers and other businesses to leverage the power of new technology to engage with their users and customers and operate in a more efficient way. We also empower enterprises with our leading cloud infrastructure and services and enhanced work collaboration capabilities to facilitate their digital transformation and to support the growth of their businesses.

In fiscal year 2024 ("FY2024"), our businesses comprise Taobao and Tmall Group, Cloud Intelligence Group, Alibaba International Digital Commerce Group, Cainiao Smart Logistics Network Limited, Local Services Group, Digital Media and Entertainment Group and All Others.

Taobao and Tmall Group is comprised of China commerce retail business and China commerce wholesale business. China commerce retail business mainly consists of Taobao and Tmall, the Company's digital retail business in China, Xianyu, a consumer-to-consumer community and marketplace in China for second-hand goods, as well as direct sales businesses, including Tmall Supermarket and Tmall Global. China commerce wholesale business mainly includes 1688.com, an integrated domestic wholesale marketplace in China.



Cloud Intelligence Group offers customers worldwide a comprehensive suite of cloud services based on a three-tier architecture of infrastructure-as-a-service (IaaS), platform-as-a-service (PaaS), and model-as-a-service (MaaS).

Alibaba International Digital Commerce Group is comprised of international commerce retail business and international commerce wholesale business. International commerce retail business mainly includes AliExpress, a global e-commerce platform, Trendyol, an e-commerce platform in Türkiye, Lazada, an e-commerce platform in Southeast Asia, Daraz, an e-commerce platform across South Asia with key markets in Pakistan and Bangladesh, and Miravia, an e-commerce platform in Spain. International commerce wholesale business mainly includes Alibaba.com, an integrated international online wholesale marketplace.

Cainiao Smart Logistics Network Limited ("Cainiao") has established a smart logistics network, with end-to-end logistics capabilities, on a global scale. Cainiao controls the key nodes of the logistics network to ensure service quality, efficiency and reliability, while leveraging trusted partners' capabilities to drive scalability and capital efficiency. Cainiao provides a wide array of innovative logistics solutions in China and around the world.

Local Services Group is comprised of "To-Home" business which include Ele.me, a local services and on demand delivery platform in China and "To-Destination" businesses which mainly include Amap, the provider of mobile digital map, navigation and real-time traffic information in China.

Digital Media and Entertainment Group is comprised of Youku, an online long-form video platform in China which produces and distributes high-quality video content and Alibaba Pictures, which provides content production, promotion and distribution, performance and event ticketing management, IP-related licensing and operations, cinema ticketing management, and data services for the entertainment industry.

All other business includes Sun Art, Freshhippo, Alibaba Health, Lingxi Games, Intime, Intelligent Information Platform, Fliggy, DingTalk, and other businesses.

Executive Summary



I. Road to sustainable development

The past year has been full of challenges. We have experienced the impacts of geopolitical conflicts, climate change, and macroeconomic uncertainties. According to the World Economic Forum's The Global Risks Report 2024, the world is set to undergo multiple long-term structural transformations. Over the next two years, the three most severe risks will be misinformation and disinformation, extreme weather events, and social polarization. In the long term, the world will also face multiple potential risks regarding the environment, society, and technologies. Half of the top ten risks will be environmentally related.

These stark realities underscore the daunting challenges in building a resilient, sustainable, and inclusive future. Apart from clear policy directions, we must leverage the power of technological innovations, ensure that all stakeholders join our efforts, and build a facilitative market mechanism.

Amid today's intricate and challenging social, environmental, and economic landscapes, we believe that, more than ever, we must exert a positive impact and dedicate ourselves to shaping a sustainable future. The inevitable course for sustainable development involves integrating sustainability into business development, harnessing the power of technological innovations, and building a stakeholder ecosystem. By fully leveraging these three fundamental elements, we can galvanize diverse forces to explore systematic and scalable collaborative solutions that align with public interests. In that process, we seize opportunities to navigate through challenging cycles and create not only business value but also value that goes beyond business.

Since Alibaba was founded, we have been growing our business by addressing social challenges under the mission of making it easy to do business anywhere. Our history of growth is marked by innovations, since we have been working relentlessly to apply technologies to business and collaborating with numerous stakeholders to pioneer new business models. Looking to the future, we will continue consolidating the three aforementioned fundamental elements to build a business and lifestyle ecosystem driven by cutting-edge technologies and social responsibility.

II. Strategic positioning and governance of ESG

(I) ESG as a cornerstone strategy

In FY2022, ESG was formally established as one of our cornerstone strategies. We have identified long-term strategic directions, embodied in the Alibaba seven-petal ESG flower. These are consistent with the United Nations' 17 Sustainable Development Goals and resonate with the essence of Chinese-style modernization. FY2024 was a pivotal year for our commitment to enhancing ESG governance.



(II) Enhancing ESG governance

Strengthening our ESG governance structure

To ensure the effective implementation of our ESG strategy, we established a three-level sustainability governance structure in FY2022. This structure comprises the Sustainability Committee of the Board of Directors, the Sustainability Steering Committee at the management level of the holding company, and the ESG Working Group connecting business groups and companies (the "businesses"). In FY2024, we further upgraded our ESG governance structure.

With the approval of the Sustainability Committee, we have issued the Alibaba Group ESG Governance and Disclosure Policy. This policy clearly defines the rights and obligations of the holding company as well as the businesses in ESG governance and disclosure. Additionally, it further clarifies the ESG-related responsibilities of the CEOs and ESG officers of the businesses. The achievement of ESG goals is included in the annual performance appraisal of their CEOs.

We have established three ESG special task groups -- the Technology Ethics Working Group, the Supply Chain Management Working Group, and the Diversity, Equity & Inclusion (DEI) Working Group. These special task groups report directly to the Sustainability Steering Committee. They work to promote the implementation of designated issues, such as policy-making, standard formulation, data governance, and the execution of initiatives or action plans.

Upgrading our ESG management system

In FY2024, under the guidance of the Sustainability Committee, we upgraded our ESG management system based on PDCA (Plan-Do-Check-Act) model.



III. Progress and highlights on key ESG issues

Over the past year, we have striven to help the Alibaba seven-petal ESG flower blossom and bear fruits. We are pleased to share our progress and highlights on key ESG issues.

(I) Moving solidly towards green, low-carbon, high-quality development

Advancing in the delivery of carbon neutrality targets

In 2021, we set the goals of: (1) achieving carbon neutrality in our own operations by 2030; (2) halving the net emissions intensity in the value chain by 2030; and (3) enabling and engaging the platform ecosystem to reduce emissions by 1.5 gigatons over 15 years. In FY2024, we made substantial progress towards these goals. Meanwhile, we further optimized our approaches to achieving them.

Emissions reduction from our own operations and the value chain (Scopes 1 & 2 and Scope 3)

In FY2024, net emissions from our own operations (Scope 1 & 2) totaled 4.449 million tons, down 5.0% year on year, and we reduced emissions by 2.320 million tons, up 63.5% year on year. Clean electricity accounted for 39.0% of our total electricity consumption, up 11.8 percentage points



year on year. The net emissions intensity in the value chain (Scope 3) was 8.1 tons per million RMB of revenue, down 7.0% year on year. All our businesses made efforts to deliver these results.

We strive to build clean clouds, providing users with green, low-carbon products and services. In FY2024, the average power usage effectiveness (PUE) value of Alibaba Cloud's self-built data centers was 1.200, down from 1.215 in FY2023 and consolidating our leadership across Asia. Clean electricity accounted for 56.0% of electricity consumed by these data centers. To secure more stable sources of clean electricity, we are constantly exploring new approaches. In Hebei Province, we have invested in and built a 500 MW "source-grid-load-storage" project. In Jiangsu Province, we have implemented a 20-year power purchase agreement to ensure a long-term supply of renewable electricity. Additionally, we have tried to replicate our low-carbon practices across

our leased data centers, encouraging the suppliers of those facilities to go greener. In FY2024, our leased data centers achieved around 551,000 tons of emissions reduction, and their average PUE value was 1.269.

Cainiao is committed to building and leading smart circular logistics. In FY2024, Cainiao continued to take emissions reduction actions along key stages of logistics, such as order processing, warehousing, packaging, and transportation. These efforts resulted in around 458,000 tons of emissions reduction. The ratio of trips using new energy vehicles for urban distribution by Cainiao Express' self-operated fleet reached 99%. As of March 31, 2024, our autonomous electric vehicles Xiaomanlv (also known as Little Donkey) have successfully delivered a cumulative total of over 41 million packages in campus delivery settings.

Enabling and engaging the ecosystem to reduce emissions (Scope 3+)

Unlike Scopes 1, 2, and 3, the delivery of Scope 3+ goal requires not only emissions reduction efforts but also scientific and trustworthy standards. Along the established emissions reduction approaches, we continued to explore new emissions reduction scenarios during FY2024 under our strategies of enablement and engagement. In FY2024, we achieved 33.338 million tons of emissions reduction in Scope 3+, up 45.5% year on year.

When it comes to enablement, Alibaba Cloud is a good example. We provide customers with greener and lower-carbon computing infrastructure services. In FY2024, that enabled customers to reduce emissions by 9.884 million tons. When it comes to engagement, we leverage platform mechanisms to drive individuals towards low-carbon lifestyle. In FY2024, Taobao and Tmall Group engaged consumers to purchase low-carbon products and facilitated the development of circular businesses, resulting in 10.100 million tons of emissions reduction.

In November 2023, we joined the World Business Council for Sustainable Development (WBCSD). Since then, we have collaborated with the Council and its other member companies to develop and promote guidance on the measurement and disclosure of avoided emissions. We worked with China Association for Standardization and China Environmental Unified Certification Center to create and release the General rules for enterprise scope 3+ greenhouse gas emission reduction accounting and reporting in last December.

Advancing in green development

We believe that the "reduce-reuse-recycle-renewable resource transition" (4R) circular economy is a key strategy for achieving harmony between environmental protection and economic growth.

We constantly explore environment-friendly packaging solutions. Cainiao adopts measures such as packing algorithms and ships in own container ("SIOC"), saving around 101,000 tons of packaging materials in FY2024. Additionally, Cainiao advocates the use of circulation boxes and the reuse of cardboard boxes. In FY2024, it had reused 47.558 million used cardboard boxes in warehouses.

We are committed to responsible water management. At Alibaba Cloud, we have built a water usage effectiveness (WUE) management system and established a dedicated task force, which sets a WUE target for each building at each of our self-built data centers and performs dynamic management. In FY2024, the average WUE value of our self-built data centers was 1.205 L/kWh.



(II) Supporting our people

Guided by the philosophy of empowering employees to become their better selves, we strive to build an environment where our employees develop together with Alibaba.

We endeavor to create a diverse, equitable, and inclusive culture. To that end, we constantly improve our compensation, benefit, and employee protection systems to create favorable work environment for our employees. Additionally, we offer a variety of learning and development opportunities, maintain open communication channels, and grow alongside our employees.

Building a workplace where everyone is respected and treated equally

We are committed to attracting, nurturing, and retaining talents and to form a diverse workforce. As of March 31, 2024, women accounted for 47.2% of our total employees, 41.4% of our management, and 30.0% of our senior executives.

We are committed to creating a diverse workplace where everyone is respected and treated equally.

On one hand, we promote the implementation of DEI through organizational and institutional support. Under guidance from the Sustainability Committee of the Board of Directors, a DEI Working Group has taken over from our Working Environment Committee. The working group has a broader range of responsibilities, including formulating DEI policies and standards as well as driving DEI implementation. The Alibaba Group Code of Business Conduct and the Alibaba Group Employee Rights Code, which apply to all employees, set forth clear management principles for DEI, advocating the development of employees in a diverse and inclusive manner.

On the other hand, we organize cultural training activities and launch risk management initiatives for DEI. To that end, we have set up a female Science, Technology, Engineering, and Mathematics Key Opinion Leader (STEM KOL) group, composed of female technical opinion leaders. We have organized events such as Women in Tech Roundtables to share the inspiring journeys and career wisdom of female role models. Furthermore, we have updated the category tree in our comprehensive risk management system to include sexual harassment, bullying, and other risk incidents.

We are committed to creating a multi-dimensional communication system that breaks down hierarchies, empowering employees with a stronger sense of participation and fulfillment. Our internal online community eliminates hierarchies and breaks down departmental silos to facilitate free expression and heart-to-heart communication. We have set up channels at each business for employees to communicate with the CEO and the management.



Attracting and retaining talents

Executing a well-conceived "hire, deploy, nurture, and retain" strategy is the main approach to achieving our goal of attracting and retaining talents.

We have built various open channels to attract a broad range of talents. We combine strategic planning, talent planning and organizational design to constantly improve the efficiency of matching people with positions.

We offer a variety of learning opportunities and resources for employees at different career stages. We launched AI-related courses in FY2024. Singularity Academy, our employee-oriented internal learning platform, has offered 38 courses on AI, which have attracted nearly 3,200 learners.

We provide our employees with competitive compensation and have set up a long-term incentive mechanism to support the sustainable development of our business. Since April 2024, to enhance the certainty and liquidity of employee compensation, we announced adjustments to our employee stock ownership program. Our long-term incentive mechanism now combines stock ownership or stock appreciation rights or stock options with long-term cash payouts. Some long-term incentives have shifted from annual vesting to quarterly vesting.

To ensure that our employees can work with peace of mind, we provide them and their family with adequate care. In FY2024, we arranged over 76,000 physical examinations for the parents of employees, and over 62,000 employees took family care leave to spend quality time with their family.

In FY2024, Alibaba Group was included on the Forbes list of the World's Best Employers 2023, among the Top 5 Chinese enterprises again.

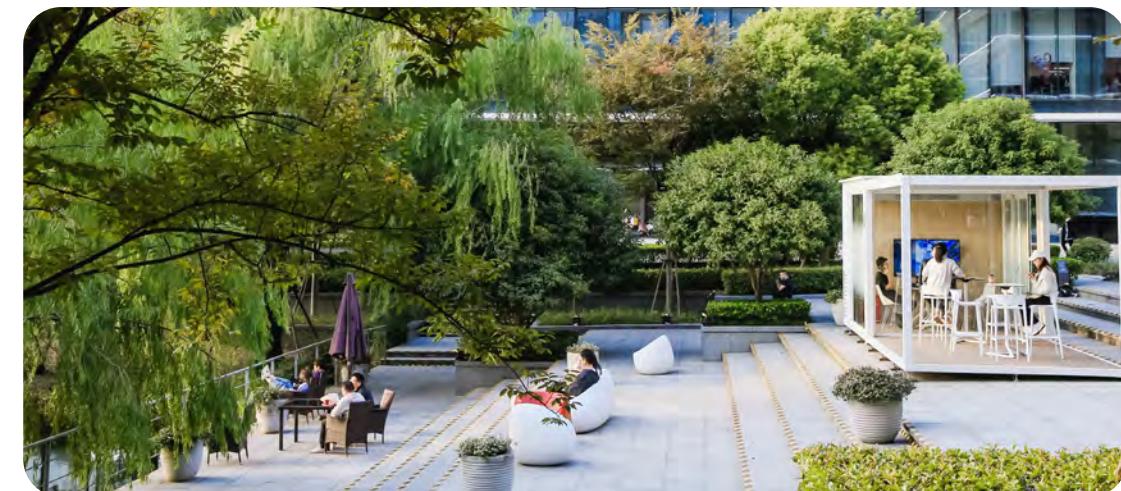
Enhancing employee health and vitality

We care about employee health and vitality. Therefore, we strive to create a healthy, safe, and digitally intelligent workplace with considerations for comfort and aesthetics. Additionally, we provide a full range of health services and club activities. We want each employee to remain physically and mentally healthy at work.

To build a systematic approach to safety, our business locations are gradually establishing environmental, health, and safety (EHS) management systems, along with relevant certifications. Our Xixi Campus Park A, Xixi Campus Park B, and Cloud Valley Campus in Hangzhou City have all obtained ISO 45001 and ISO 14001 certifications.

We prioritize first aid training for our employees. As of March 31, 2024, we had over 7,600 employees serving as First-aid Responders, 2,200 more than a year earlier.

We aim to build a green, low-carbon, vibrant, and people-centered workplace. As of March 31, 2024, we had a total of around 238,000 square meters of floor area certified by LEED at the Gold level. According to an employee survey, the satisfaction rate for our office environment was 93.6% in FY2024.



(III) Enabling a sustainable digital life

Based on the United Nations' Sustainable Development Goals, we drive sustainable consumption in four aspects -- diversity, inclusion, trust, and responsibility. Here are some highlights of our progress.



Inclusive consumption

We pay special attention to accessibility and age-friendly adaptation.

Barrier-free digital consumption

The Taobao and Tmall apps use optical character recognition (OCR) to convert text into voices. This feature helped over 260,000 visually impaired people "shop by listening" in FY2024.

Ele.me provides a screen reading function for visually impaired users, allowing them to order food easily. August 7 is Ele.me's Free Order Festival for Accessibility, specially launched for those users. On the 2023 Free Order Festival for Accessibility, the platform provided a discount of up to RMB39 for the first order placed by each visually impaired user.

In November 2022, Amap launch a Wheelchair Navigation feature. This feature avoids stairs and steep slopes during navigation. It prioritizes routes with accessible facilities, allowing wheelchair users to travel with ease. As of March 31, 2024, it was available in 50 cities across China. In FY2024, it helped plan over 54 million accessible routes.

Youku is committed to providing accessible audiovisual content for visually impaired individuals, making barrier-free viewing part of their daily lives. In December 2022, Youku Barrier-free Theater launched a function for authenticating visually impaired viewers. As of March 31, 2024, it amassed

a vast library of over 2,000 movies and TV episodes which were played over 970,000 times in FY2024.

Age-friendly digital consumption

When the Taobao app is put in its senior mode, the elderly can use the age-friendly voice search function to look for products. This innovative approach has made shopping much less of a hassle for the elderly.

Alibaba Health has harnessed digital technologies to improve drug safety for the elderly. This initiative specifically addresses the challenges faced by some elderly who struggle to read and understand drug instructions. The elderly can use the Taobao app to scan a bar code on the packaging, and the bar code leads to "Scan for Assurance," a drug traceability platform that displays instructions in large, easy-to-read text, which can be converted into speech for the elderly to hear. As of March 31, 2024, it was available for nearly 34,000 drugs bearing national medicine permission numbers.

Amap keeps expanding its WeCare Plan, which helps the elderly travel more easily. As of March 31, 2024, it had cumulatively built over 5,600 WeCare taxi assistance stations in 37 cities across China. In FY2024, Amap distributed over RMB80 million in medical transportation allowances to the elderly.

Responsible consumption

We promote responsible consumption and strive to minimize the environmental and social impacts of consumption.

We encourage and help users to embrace green lifestyles.

We are committed to expanding the scope of our low-carbon products system adhering to strict standards. As of March 31, 2024, the Taobao and Tmall platforms hosted 2.73 million Low-carbon Friendly Products.

For users who perform inappropriate searches, we offer positive guidance to lower potential social risks, in the fields of conserving wildlife, protecting minors, and more. In FY2024, over 70 million inappropriate searches were automatically redirected to educational pages.

(IV) Fueling small businesses

Enhancing the prosperity of micro-, small, and medium-sized enterprises (MSMEs) is a core commitment of Alibaba. In an era of digital and intelligent transformation, MSMEs face challenges on multiple fronts, including adaptation to technologies, market access, and business competition. We champion open technological innovations and upgrade platform mechanisms to foster their development.



Developing responsible technologies

We are committed to R&D and encourage innovations. As of March 31, 2024, we had been granted over 20,000 patents worldwide. In strategically important areas such as cloud computing, AI, and big data, we had been granted over 11,000 patents worldwide.

To be widely adopted and translated into real-world productivity, technologies must be not only efficient and cutting-edge but also open and inclusive. Generative Artificial Intelligence, which is in the middle of a boom, holds immense promise as the next catalyst for technological breakthroughs. To foster open artificial intelligence, we have open-sourced self-developed large language models, built and opened platform tools, and created a model ecosystem. As of the release date of this report, our Tongyi Qianwen (also known as Qwen) large language model had multiple open-source versions with different numbers of parameters, including 1.8 billion, 7 billion, 14 billion, 72 billion, and 110 billion. Furthermore, we champion the construction of a model ecosystem. In 2022, we joined hands with the Opensource Development Committee at the China Computer Federation to launch ModelScope, an AI model community. In this community, model makers upload models. Developers and companies can freely download these models for secondary development. As of March 31, 2024, the community hosted over 3,800 open-source models available for download and use. Our large language model application development platform, Bailian (also known as Model Studio), integrates major high-quality large language models from both domestic and international sources (either open-source or closed-source) and provides open application programming interfaces (APIs) that make companies easier to select, call, and fine-tune models. In March 2024, the platform's APIs were called over 78 million times on average per day.

Building markets, business capabilities, and ecosystems for MSMEs

We are committed to leverage technologies to bridge the gap between technologies and business needs. Our platforms empower a wide range of companies.

We connect MSMEs to vast and vibrant markets through our digital platforms, unlocking tremendous business possibilities. In FY2024, 85% annual active merchants on the Taobao and Tmall platforms are MSMEs. We help factories from industrial belts to connect with market demand. As of March 31, 2024, more than 320,000 such factories have opened stores on 1688.com, our integrated domestic wholesale marketplace. Nearly 30,000 such factories directly connect with consumers through Taogongchang (also known as Taobao Factory). Alibaba.com is our integrated international online wholesale marketplace, which helps MSMEs sell their products across borders. In FY2024, over 230,000 merchants worldwide used Alibaba.com to reach over 48 million buyers from over 190 countries and territories. Tmall Global, with its rich experience in cross-border e-commerce for imports, possesses both marketing insights and supply chain capabilities. In FY2024, incrementally around 7,000 overseas brands joined Tmall Global.

We transform technologies into digital tools and services, which empower MSMEs with the capabilities of operating digitally and globally. These capabilities enhance their operational efficiency and business acumen. In FY2024, we established the Alimama Wanxiang Lab, dedicated to providing merchants with AI productivity tools for marketing, promotion, and more. DingTalk connected to large language models such as Tongyi Qianwen for comprehensive intelligence across its instant messaging, documents, low-code development, and audio-video content services. As of March 31, 2024, a cumulative total of over 2.2 million companies and organizations had used AI on the DingTalk platform.

(V) Enhancing community inclusion and resilience

We value the importance of technological innovations and platform mechanisms. In our business practices, we sense and seize opportunities for using them to tackle social challenges and achieve win-wins among all stakeholders. We collaborate with various organizations in crucial fields to run targeted projects and make a positive impact. These projects focus on rural revitalization, social emergency response, and tech-empowered solutions to social challenges. We are committed to creating job opportunities across all our spheres of influence as part of our effort to help build a more inclusive and resilient society.

Rural revitalization

The sustainable development of the countryside calls for the integrated development of the primary, secondary, and tertiary industries. It also requires a higher talent density and better education in rural areas. We believe that digital technologies can help address these challenges if used appropriately.

We match our business resources with the development needs of rural areas to make contributions to rural revitalization. To make outbound logistics more efficient in the countryside, Cainiao builds county-level shared distribution centers, which facilitate resource consolidation and bring rural residents a broad choice of consumer goods that make their lives better. As of March 31, 2024, Cainiao had set up 1,600 county-level shared distribution centers across China.

We take a "retain, nurture, and introduce" approach to helping the countryside develop and introduce talents. By establishing customer experience centers in districts and counties, our Customer Service County program nurtures talents in digital service industry for local communities and creates job opportunities that attract workers back to their hometowns. As of March 31, 2024, the program has cumulatively helped 21,153 young people from small towns find jobs close to home. We have deployed a cumulative total of 29 rural revitalization commissioners to 27 counties across China. They connect our business and resources with the specific needs of local communities. This tailored approach enables us to tackle issues on the ground.

In our efforts to empower rural development, we start with basic education and healthcare. The Cloud for Youth Program tackles the challenge of limited sci-tech education at primary and secondary schools in underdeveloped areas. As of March 31, 2024, we have built 162 cloud computer classrooms cumulatively, served about 160,000 teachers and students across China, and provided over 25,800 sessions of featured courses. The Xiao Lu Lantern project has built a platform that offers a lifeline to seriously ill children in underdeveloped areas by providing medical assistance as well as financial support to cover their diagnosis and treatment. As of March 31, 2024, it has helped 1,967 children with serious illnesses cumulatively.

Social emergency response

With a firm commitment to addressing the needs of victims and supporting economic recovery in the aftermath of disasters, we draw on the power of digital technologies and platforms to mobile resources in times of crisis. In FY2024, Alibaba Foundation donated RMB42.2 million for disaster relief.

We contribute to emergency management and response. In FY2024, the emergency management cloud system that Alibaba Cloud built for the Ministry of Emergency Management of the People's Republic of China was delivered.

Cainiao prioritizes emergency logistics as a focal area of ESG, aiming to leverage technologies, data, and its network to establish a more robust, intelligent, and transparent emergency logistics system. It has established an organizational structure for emergency management to enhance infrastructure resilience. Under the leadership of its CEO, a cross-functional professional team rapidly mobilizes resources within its vast smart logistics network. Those include logistics centers, warehouses, mainline transportation, and last-mile delivery, together with the capabilities of logistics partners to support emergency logistics in scenarios such as disaster relief. An intelligent system has been established to effectively manage supplies, equipment, and facilities for emergency logistics. Additionally, Cainiao provides emergency response and disaster relief capabilities for other institutions and organizations.



Leveraging technologies to solve social problems

We harness cutting-edge digital technologies to address some social challenges.

Pancreatic cancer, which is dubbed as the "King of Cancer," often does not have obvious early symptoms. Almost 80% of patients with it are diagnosed at the late stage, when its five-year survival rate is merely 10%. In FY2024, we collaborated with over 10 leading medical institutions worldwide to develop the DAMO PANDA AI model for efficient early screening on pancreatic cancer. Our research findings have been published in *Nature Medicine*, one of the most prestigious international science journals.

For Alzheimer's disease, prevention is more important than treatment, just like in the case of cancer. We have collaborated with the Alzheimer's Disease Committee of the Chinese Aging Well Association to launch a program that enables the elderly to perform AI-powered screening on the disease with a mobile app. Additionally, the program leverages virtual person and intelligent Q&A technologies to equip the elderly and their family with a full knowledge about prevention, diagnosis, treatment, intervention, and care. The professionalism and social value of the program have been further recognized. It has published papers in the *Chinese Journal of Geriatric Heart Brain and Vessel Diseases* and in *Alzheimer's & Dementia*. Furthermore, the program has been listed as an exemplary case of charity by the World Internet Conference. As of March 31, 2024, it had benefited over 290,000 seniors cumulatively.

Creating and enabling inclusive employment

We facilitate the creation of inclusive, high-quality employment opportunities while operating our business.

As of March 31, 2024, the Barrier-free Entrepreneurship and Employment Assistance Plan for 10,000 Merchants, launched by Alibaba Foundation together with Taobao and Tmall, cumulatively supported over 4,000 merchants with disabilities through free training and business diagnosis services. In FY2024, the Ele.me platform had 5,786 hearing- or speech-impaired active delivery riders.

We offer specialized training for in-demand positions and skills in the digital economy, providing the industry with more professionals and job seekers with more career options. Orange Class is a platform for inclusive education that primarily serves students enrolled in vocational colleges. As of March 31, 2024, cumulatively around 190,000 individuals had learned on the platform, and those who took digital skill exams had obtained a total of over 160,000 certificates.



(VI) Facilitating participatory philanthropy

As an advocate for sustainable communities, we have set up a corporate culture that encourages and empowers all employees to participate in philanthropy. Drawing on our platforms, we collaborate with various organizations to make it easy to do good anywhere. That is how we practice the concept of participatory philanthropy.

Encouraging employees to participate in philanthropy

We motivate and support our employees to engage in a broad range of philanthropic activities. In FY2024, they clocked a total of 262,272 hours of volunteer service. Additionally, we had 119 active Hugs and Help groups, which mobilized 184,665 participants in 2,227 events. In May 2024, Alibaba First-aid Responder program won the gold prize in the first National Red Cross Competition for Volunteer Service Programs, organized by the Red Cross Society of China.

Platforms driving philanthropy

We leverage our digital platforms to establish a broad ecosystem across society, empowering more stakeholders to do good more conveniently and efficiently. In FY2024, the Goods for Good program on our e-commerce platforms attracted 1.87 million merchants and 470 million users, with a net donation amount of about RMB290 million.

As of March 31, 2024, 4,856 philanthropic organizations had settled down on the Three Hours for a Better World platform, which is oriented towards the general public. In FY2024, the platform attracted over 6.21 million users, who engaged in over 240 million philanthropic actions.

Collaborations making an impact

We collaborate with philanthropic organizations, media outlets, and other partners to champion philanthropic projects and make a greater social impact. In FY2024, the XIN 100 Program supported 272 outstanding projects from 118 philanthropic organizations. We collaborated with major media outlets in China to launch the Daily Positive Energy program, which celebrates everyday heroes by discovering, rewarding, and sharing their heartwarming small acts of kindness. As of March 31, 2024, the program has presented prizes to a cumulative total of 12,622 individuals.



(VII) Building trust

To gain the trust of corporate partners and society, we observe business ethics as well as applicable laws and regulations, operating under an effective, transparent, and diverse corporate governance framework that ensures adequate scrutiny. We also keep enhancing our capabilities of privacy protection and data security as we explore the norms and practices of technological ethics. Our efforts to ensure that business and technologies do good and exert a positive impact are key to earning social trust in our business ecosystem and digital technologies.

Building corporate trust

We are committed to establishing a professional corporate governance system to ensure an effective, transparent decision-making process. We have built a robust risk management system to safeguard the stability of our operations. While upholding business ethics and creating a healthy business environment, we strive to strengthen supply chain management and achieve our sustainable development in a responsible manner.

We maintained a 60% independent directors ratio and a 30% female directors ratio.

We have been enhancing ESG governance, and issued Alibaba Group ESG Governance and Disclosure Policy, which has been approved by the Sustainability Committee of the Board of Directors.

At Alibaba, every employee is expected to demonstrate high standards of business ethics. In FY2024, our employees achieved a 100% pass rate in the Alibaba Group Code of Business Conduct exam. Additionally, we provided over 24,000 hours of integrity training for our suppliers and partners.

We have updated the Alibaba Group Holding Limited Supplier Compliance Management Specifications and the Alibaba Supplier ESG Code of Conduct. As of May 31, 2024, 14,714 suppliers had signed the updated version of the Alibaba Supplier ESG Code of Conduct.

Building social trust

Technological advancements are indispensable for achieving the Sustainable Development Goals. We recognize that the digital revolution presents challenges and risks. That is why we prioritize privacy protection, data security, cybersecurity, and technology ethics, striving to establish a secure and ethical digital trust system.

At Alibaba, privacy protection, data security, and cybersecurity are all overseen by the Compliance and Risk Management Committee at the board level and have been incorporated into our comprehensive risk management system. We have formulated the Data Security Guidelines of Alibaba Group (General Guideline) and the Network Security Guidelines of Alibaba Group (General Guideline) to clearly define management structures, responsibilities, and management requirements. Based on these guidelines, we have released detailed operational specifications in the aspects of data security and cybersecurity. Additionally, we have established rigorous auditing mechanisms. We require and oversee that each business conducts at least one self-audit on data security and cybersecurity each year. In FY2024, the holding company's internal audit team conducted special inspections on data security and other related risks. Additionally, the third-party audit on the financial report of the listed company also covered matters such as policies and processes for data security as well as data collection and storage. We also continually promote employees' participation in training. In FY2024, we achieved a

100% pass rate in the exam on data security red lines among employees.

Ethics in science and technology refers to the value principles and behavioral codes that must be followed during the research and application process, and it safeguards the healthy development of science and technology. In FY2024, the Chair of Committee on Governance of Ethics in Science and Technology of Alibaba Group, who is Alibaba's CTO, also led the Technology Ethics Working Group. This working group reports directly to the Sustainability Steering Committee and provides a governance structure to support the further implementation of our initiatives for technology ethics. Based on its own business needs, the businesses establish an organizational mechanism for technology ethics reviews. This mechanism supports the formulation of detailed rules, the execution of the working mechanism, and the reviews for technology projects. Furthermore, we are committed to use technology to address the potential risks and challenges posed by technology per se. In FY2024, EasyRobust, our self-developed training framework is used to build robust visual classification models and improve reliability in complex, challenging real-world scenarios. It serves researchers in academia and algorithm engineers from multiple dimensions and has won the IEEE (Institute of Electrical and Electronics Engineers) Open Source Science Award.

ESG Performance Summary



Chapter 1 Restoring Our Green Planet

5.0%

Net emissions from our own operations totaled 4.449 million tons, down 5.0% year on year

63.5%

Emissions reduced in our own operations reached 2.320 million tons, up 63.5% year on year

7.0%

Net emissions intensity in our value chain dropped to 8.1 tons per million RMB of revenue, down 7.0% year on year

45.5%

Enabled and engaged the platform ecosystem to achieve 33.338 million tons of emissions reduction, up 45.5% year on year

1.200

Annual average PUE value of Alibaba Cloud's self-built data centers further dropped to 1.200



Chapter 2 Supporting Our People

47.2%

Women account for 47.2% of our total employees

41.4%

Women account for 41.4% of our management

DEI Working Group

Under guidance from the Sustainability Committee of the Board of Directors, a Diversity, Equity, and Inclusion (DEI) Working Group has taken over from our Working Environment Committee and shouldered a broader range of responsibilities

ISO 45001 and ISO 14001 certifications

Our Xixi Campus Park A and Park B and Cloud Valley Campus in Hangzhou City have all obtained ISO 45001 and ISO 14001 certifications

the Forbes list of the World's Best Employers 2023

Once again ranking among Top 5 Chinese enterprises on the Forbes list of the World's Best Employers 2023



Chapter 3 Enabling a Sustainable Digital Life

Universal Taobao

Taobao and Tmall Group positions itself as the "Universal Taobao." On the Taobao app, consumers have access to an extensive selection of products, including branded items, imports, and goods sourced directly from manufacturers or farms, together with various long-tail offerings

over 54 million

Amap's wheelchair navigation feature has helped plan over 54 million wheelchair-accessible routes

over 970,000 times

Youku Barrier-free Theater breaks down barriers for visually impaired viewers by offering a vast library of over 2,000 movies and TV episodes, which have been played over 970,000 times

2.73 million

The Taobao and Tmall platforms have provided a total of 2.73 million Low-carbon Friendly Products

about 70 million

The GreenNet Program has automatically redirected about 70 million inappropriate searches to educational pages



Chapter 4 Fueling Small Businesses

over 20,000

We have been granted over 20,000 patents worldwide

over 3,800

The ModelScope community offers over 3,800 open-source models for developers to download and use

85%

85% of annual active merchants on Taobao and Tmall are SMEs

over 320,000

Over 320,000 factories from industrial belts in China have set up shop on 1688.com

over 2.2 million

A cumulative total of over 2.2 million companies and organizations have used AI tools on the DingTalk platform



ESG Performance Summary



Chapter 5 Enhancing Community Inclusion and Resilience

29

In our efforts to introduce talents into the countryside, we have deployed a cumulative total of 29 rural revitalization commissioners

162

In the Cloud for Youth Program, we have built a cumulative total of 162 cloud computer classrooms and served about 160,000 teachers and students

1,967

The Xiao Lu Lantern project has cumulatively helped 1,967 children with serious illnesses

Nature Medicine

The Alibaba DAMO Academy has collaborated with over 10 top-notch medical institutions worldwide to make a breakthrough in early screening for pancreatic cancer. Their findings have been published in the globally prestigious science journal Nature Medicine

5,786

The number of active hearing- or speech-impaired delivery riders on the Ele.me platform was 5,786



Chapter 6 Facilitating Participatory Philanthropy

262,272

Our employees have provided 262,272 hours of volunteer service

119

119 active Hugs and Help Groups established by our employees have organized 2,227 events, which have achieved an attendance of 184,665 in philanthropy

Gold prize in the first National Red Cross Competition for Volunteer Service Programs

In May 2024, our First-aid Responder program has won the gold prize in the first National Red Cross Competition for Volunteer Service Programs

about 290 million

The Goods for Good program has attracted over 1.87 million merchants and over 470 million users, resulting in a net donation of about RMB290 million

12,622

The Daily Positive Energy program has been ongoing for ten years and has cumulatively enabled 12,622 individuals to receive positive feedback and encouragement



Chapter 7 Building Trust

Alibaba Group ESG Governance and Disclosure Policy

Issued Alibaba Group ESG Governance and Disclosure Policy, which has been approved by the Sustainability Committee of the Board of Directors

100%

Achieved a 100% pass rate in Alibaba Group Code of Business Conduct exam among employees

100%

Achieved a 100% pass rate in the exam on data security red line among employees

IEEE Open Source Science Award

EasyRobust, an Alibaba-developed training framework for the robustness of visual classification models, has won the IEEE Open Source Science Award



ESG Related Awards

Among Top 10 privately-owned enterprises
in China Corporate Social Responsibility Development Index,
awarded by the China Social Responsibility 100 Forum



Listed in China ESG Influence Ranking
by Fortune China

Leading enterprise in carbon neutrality in 2023,
awarded by Caijing

Carbon Neutrality Driven Data Center Energy Management and Job Scheduling System: An information and energy nexus perspective from Alibaba Cloud
won first prize at Global Call 2023,
an initiative from the United Nations Industrial Development Organization

Once again ranking among Top 5 Chinese enterprises on the **Forbes list of the World's Best Employers 2023**



Alibaba's rural revitalization commissioners won collective honor as selected among **Best Cases of Poverty Reduction** in the 4th Global Poverty Reduction Case Collection Campaign 2023

Cainiao's cross-border package consolidation and fulfillment system was **one of the top three finalists** for the prestigious Wagner Prize from the Institute for Operations Research and the Management Sciences (INFORMS)

Restoring Our Green Planet

Climate change, environmental pollution, and biodiversity loss are impacting our daily lives in numerous ways. Massive wildfires and flash floods are devastating our communities and the ecosystem that we depend on. These threats are escalating at an unprecedented pace. Only immediate global actions can prevent the severe and irreversible consequences that they may bring. As a digital platform company, we are obliged to play our part. Therefore, we are committed to exploring pathways towards carbon neutrality, protecting nature, and restoring our green planet.

This chapter:

Solidly promoting carbon neutrality

Conserving and restoring nature



Goals and progress

Carbon neutrality goal

Decarbonizing Alibaba (Scope 1 & 2):

We will achieve carbon neutrality in our own operations by 2030

Greening the value chain (Scope 3):

We will collaborate with our upstream and downstream partners in the value chain to halve the net emissions intensity by 2030 as compared with 2020

Enabling a low-carbon digital circular ecosystem (Scope 3+):

Beyond our own operations and the value chain, we pledge to leverage our digital platforms to facilitate consumers and companies, thereby encouraging even broader participation from more stakeholders. Between 2021 and 2035, we will enable and engage the platform ecosystem to cumulatively reduce 1.5 gigatons of emissions

Progress in FY2024

5.0%

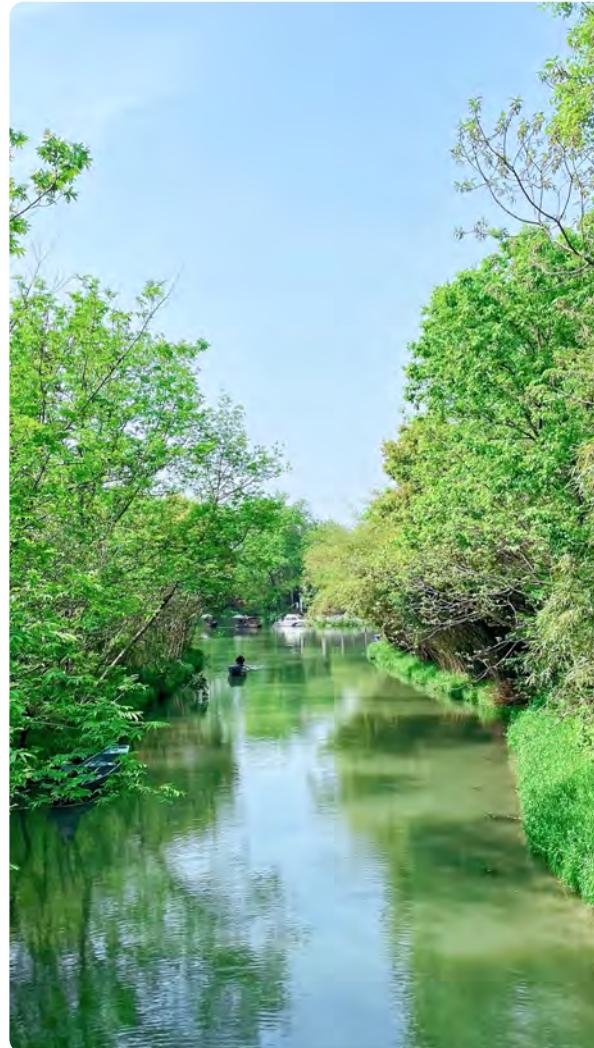
Net emissions from our own operations (Scopes 1 & 2) totaled 4.449 million tons, down 5.0% year on year. We reduced emissions by 2.320 million tons, up 63.5% year on year

7.0%

The net emissions intensity in the value chain (Scope 3) was 8.1 tons per million RMB of revenue, down 7.0% year on year

45.5%

We engaged and enabled the platform ecosystem (Scope 3+) to achieve 33.338 million tons of emissions reduction, up 45.5% year on year



Energy goal

Starting from 2030, electricity that powers our cloud computing will be 100% from clean energy

The annual average power usage effectiveness (PUE) value of Alibaba Cloud's self-built data centers will not exceed 1.3

Progress in FY2024

56.0%

Clean electricity accounted for 56.0% of the total electricity consumption at Alibaba Cloud's self-built data centers

1.200

The annual average PUE value of Alibaba Cloud's self-built data centers further dropped to 1.200

Environmental goal

Starting from calendar year 2022, all newly built campuses owned by us will be designed based on the standards for the LEED Gold certification and receive this certification

Progress in FY2024

238,000 square meters

The LEED-certified floor area at the Gold level has reached around 238,000 square meters, meeting our goal



Restoring Our Green Planet

Results of our actions

20-year


We have implemented a 20-year power purchase agreement for electricity generated from renewable source

99%


New energy vehicles now account for 99% of intra-city delivery trips made by Cainiao's self-operated fleet

Energy

39.0%



Clean electricity as a percentage of our total electricity consumption has reached 39.0%, up 11.8 percentage points year-on-year



Packaging

around 101,000 tons

Cainiao's packing algorithms and other measures have slashed the use of packaging materials by around 101,000 tons

47.558 million

Cainiao promotes recycling and reusing packaging and has reused 47.558 million cardboard boxes in warehouses

Water

1.205 L/kWh

The average water usage effectiveness (WUE) value of Alibaba Cloud's self-built data centers was 1.205 L/kWh

Strategies and approaches

It has become a consensus that development cannot come at the expense of the environment and that protecting the environment does not mean advocating against development. We must protect the environment during the course of development without compromising either. As we strive to achieve that, the most pressing challenge is to decouple economic activities entirely from the consumption of non-renewable resources. Economic activities must shift from the linear "acquire-use-discard" model to the circular "reduce-reuse-recycle-renewable resource transition" (4R) model. That is the future of environmental sustainability, which requires participation and cooperation from all stakeholders as well as technological innovations.

While delivering high-quality products and services, we, as a digital platform company, must take actions to minimize the environmental impact of our business activities. These actions need to cover our own operations and the entire value chain. Additionally, we must harness the extensive connectivity of our digital platforms to exert a positive influence on companies and individuals within the ecosystem so that they join us in protecting this beautiful planet. That is the strategy guiding our efforts to address various environmental issues.

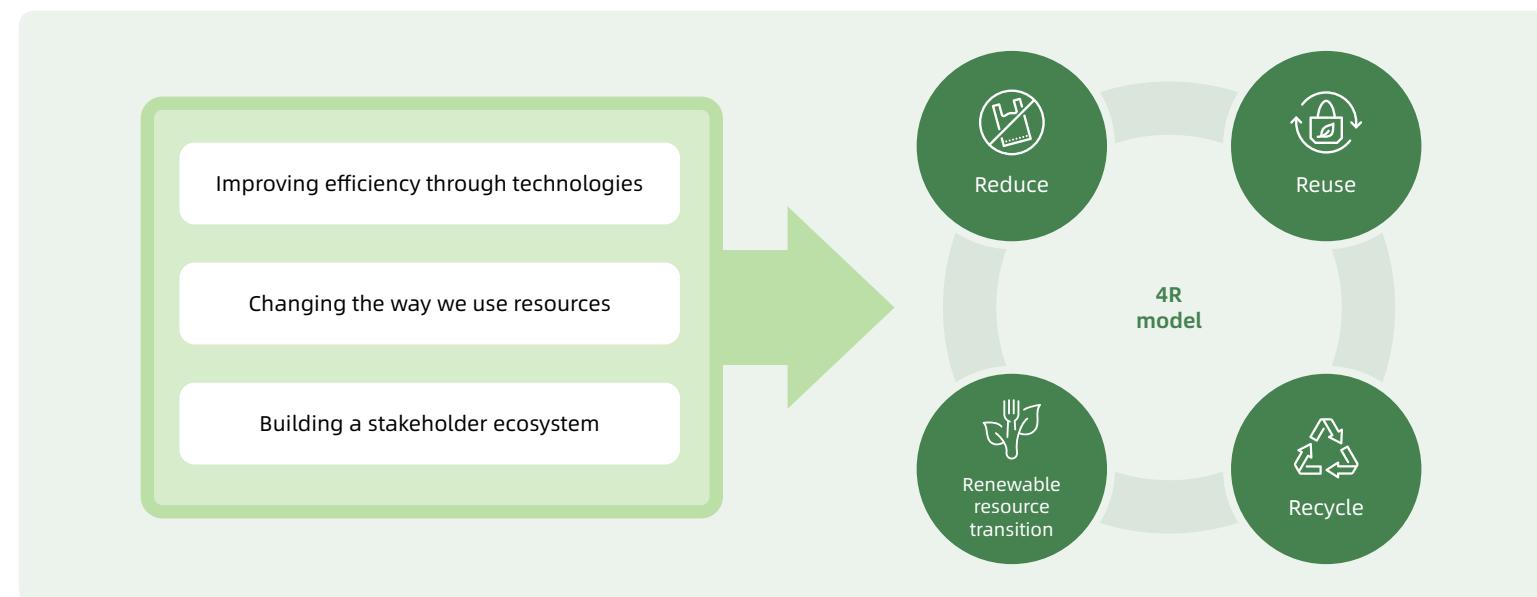
In 2021, we announced our carbon neutrality goal, which is a future-oriented challenge. Low-carbon technologies are not yet mature in many sectors, such as cross-border air freight and long-haul land transportation. Furthermore, we still have emerging opportunities to grasp and growing demand to meet, especially amid the rapid development of AI. That adds complexity to the achievement of our carbon neutrality goal. Nonetheless, we will not stop moving forward. This goal has been deeply integrated into our policies, governance efforts, and operations. In FY2024, we formulated the Alibaba Group ESG Governance and Disclosure Policy to ensure the effective implementation of our ESG strategy internally.

We strictly complies with the Air Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution, the

Water Pollution Control Law of the People's Republic of China and other environmentally relevant laws and regulations of countries where we operate, in line with the principles of the United Nations Sustainable Development Goals (UNSDGs) and the United Nations Global Compact (UNGC). We issued the Alibaba Group Environmental Policy, which applies to various environmental issues. For emissions control, we set annual emissions targets for the entire Group and business groups and companies (the "businesses"). Within a business, its annual emissions target is linked to its CEO's performance results and compensation. We are piloting Internal Carbon Pricing, where the businesses can trade emissions quotas under certain conditions. That allows them to play to their respective strengths and achieve synergy in emissions reduction.

We are fully aware that we cannot achieve our carbon neutrality goal alone. We must join hands with various stakeholders, such as consumers, suppliers, and ecosystem partners, to drive decarbonization on a broad scale. As for innovative technologies required in this process, we do not wait on the sidelines. Instead, we do whatever we can to develop practical solutions in collaboration with those stakeholders. As we step into the future, we are full of confidence.

Next, we will go through the progresses made by the businesses on various environmental issues in FY2024.



**Solidly promoting carbon neutrality**

> Conserving and restoring nature

Solidly promoting carbon neutrality

Climate change is a major wildcard of our time. Changing weather patterns threaten food production, and the rising sea level increases the risk of floods. In 2023, global carbon dioxide emissions reached a new high of 37.4 gigatons. 2023 was the warmest year in the 174-year observational record. The 1st Global Stocktake on climate governance issued a stern warning that the world is significantly off track to achieve its climate goal. Without immediate actions, adapting to the ravages of climate change will become more difficult and costly.

In FY2024, with a robust ESG governance mechanism, we continued to explore how to reduce emissions amid business growth. When we apply the three fundamental elements of sustainable development to our concrete actions for carbon neutrality, they involve improving efficiency through technologies, changing the way we use resources, and building a stakeholder ecosystem. We make constant efforts in those aspects.

Overview of our progress towards carbon neutrality

Greening our own operations and the value chain

Enabling and engaging the platform ecosystem to reduce emissions



**Solidly promoting carbon neutrality**

> Conserving and restoring nature

Overview of our progress towards carbon neutrality

Our sustainability efforts begin with measuring emissions. Without accurate measurement, emissions reduction is futile. Since our first comprehensive inventory of emissions was made in 2021, we have constantly strengthened data governance. In particular, a digital management system has been launched to monitor change in emissions and energy consumption. As in previous fiscal years, FY2024's inventory was made by China Environmental United Certification Center, and the results were audited by Bureau Veritas. For transparency, we disclose our progress in emissions reduction through our annual ESG reports.

Net emissions

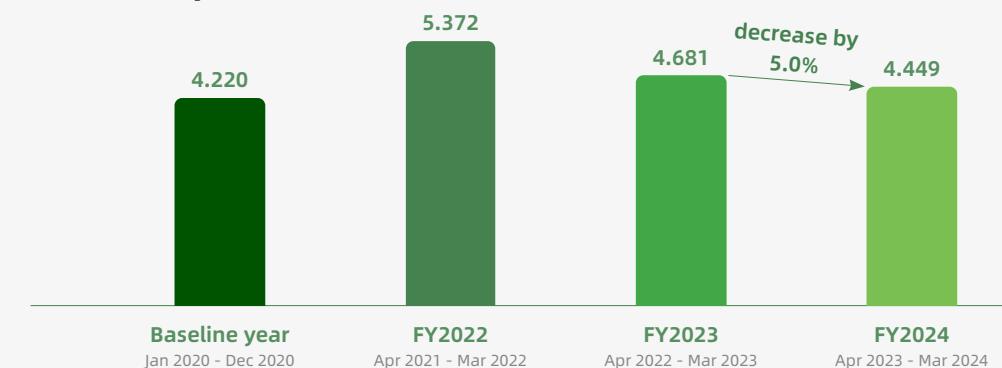
In FY2024, the direct net greenhouse gas (GHG) emissions from the entities controlled by Alibaba (Scope 1) totaled around 717,000 tons, including emissions from stationary combustion such as the use of natural gas, fugitive emissions such as refrigerant leakages from retail stores, and emissions from mobile sources such as self-operated fuel vehicles used in retail and logistics.

GHG emissions from our purchased electricity and heat (Scope 2) totaled 3.732 million tons. We purchased electricity and heat mainly for the operations of our cloud computing data centers, retail stores, warehouses, and office spaces.

Net emissions from our own operations (Scopes 1 & 2) totaled 4.449 million tons, down 5.0% year on year.

GHG emissions from our upstream and downstream partners in the value chain (Scope 3), which are our indirect emissions, mainly stem from: (1) fuel consumption in transportation and delivery services that we pay for; (2) the purchase of electricity for our leased data centers; (3) the use of packaging materials and consumables; (4) the business travel and commuting of employees. In FY2024, the net emissions intensity in the value chain was 8.1 tons per million RMB of revenue, down 7.0% year on year.

Net emissions of Scopes 1 & 2

Unit: million MtCO₂e

Net emissions intensity of Scope 3

Unit: MtCO₂e per million RMB of revenue

**Solidly promoting carbon neutrality**

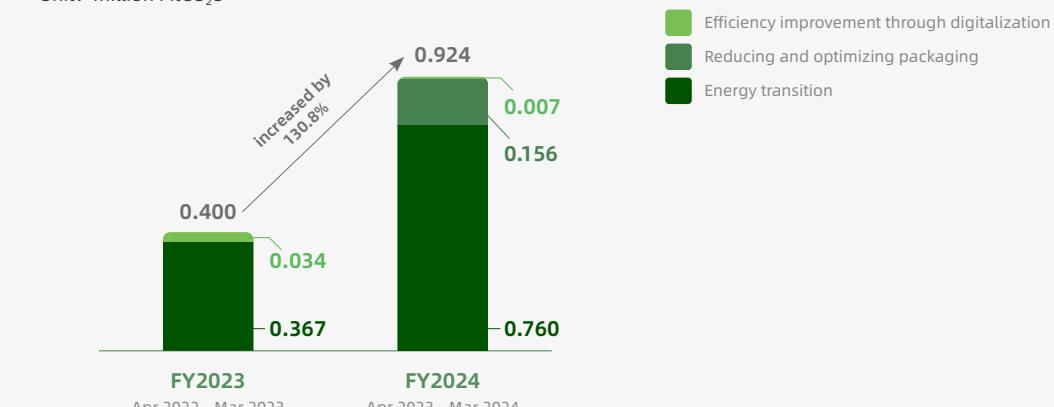
> Conserving and restoring nature

Emissions reduction

In 2021, we proposed the principle that direct emissions reduction takes precedence over carbon removal, which takes precedence over carbon offsets. We have adhered to this principle ever since.

In FY2024, we reduced 2.320 million tons of emissions from our own operations (Scopes 1 & 2), up 63.5% year on year. We have endeavored to improve efficiency and change the way we use resources. In FY2024, clean electricity accounted for 39.0% of Alibaba's total electricity consumption. We claimed the top buyer across industries on BloombergNEF's list of China's Top Clean Energy Buyers and Sellers in 2023.

Emissions from the value chain (Scope 3) are more complex and tougher to reduce. The majority of these emissions come from purchased electricity and logistics activities within the value chain. Reducing emissions in the logistics sector, especially in cross-border air freight and long-haul land transportation, is the top challenge for the realization of our Scope 3 goal. Many technologies are economically nonviable, because they are not mature and lack supporting infrastructure. Our strategy is to encourage suppliers to adopt proven solutions as soon as possible while also following and exploring new technologies. In FY2024, we achieved around 924,000 tons of emissions reduction in the value chain (Scope 3) by working with suppliers on their energy transition, which involved a combination of measures, such as deploying new energy vehicles for intra-city delivery, implementing solutions for intelligent route optimization, connecting leased data centers to clean electricity, and launching initiatives to reduce and optimize packaging.

Emissions reduction in our own operations (Scopes 1 & 2)Unit: million MtCO₂e**Emissions reduction in our value chain (Scope 3)¹**Unit: million MtCO₂e



Solidly promoting carbon neutrality

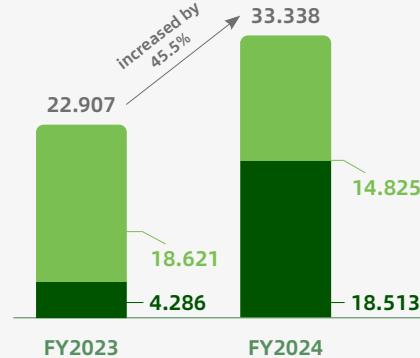
> Conserving and restoring nature

As we press ahead with efforts to reduce emissions from the value chain, we recognize that our partners in the value chain require time horizon in decarbonization and face real challenges of technological innovations and business model transformation. Therefore, we need to invest in projects such as carbon removals. In FY2024, we leveraged the vision technologies of the DAMO Academy, to conduct due diligence for forest carbon removal projects and evaluate their quality. Our project portfolio, which meets the VCS standards, has helped decrease around 242,000 tons of emissions from the value chain. In FY2024, the net emissions intensity in the value chain of the group dropped to 8.1 tons per million RMB of revenue, down 7.0% year on year.

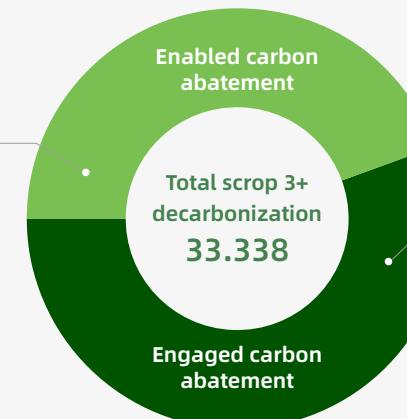
From the perspective of the entire economy and society, going from Scope 1 to Scope 2 and then to Scope 3 results in double counting. The underlying logic is to create a collaborative approach, where companies work together to achieve synergy in emissions reduction. The emergence of digital platforms has opened up new possibilities for collaboration. These platforms enable and engage broader efforts on emissions reduction society-wide by providing digital tools and innovative business models. We have defined Scope 3+ to capture emissions reduction thus achieved.

Scope 3+ differs from Scopes 1 & 2 in that it lacks established standards and measurable methodologies. We need to establish scientifically sound standards while also pushing for the achievement of emissions reduction targets. In FY2024, under the strategies of enablement and engagement, we reduced Scope 3+ emissions by 33.338 million tons, up 45.5% year on year.

Emissions reduction from platform ecosystem (Scope 3+)

Unit: million MtCO₂e

Enabled carbon abatement:
14.825
Low-carbon cloud services / 9.884
Low-carbon office services / 4.637
Low-carbon production / 0.304



Engaged carbon abatement:
18.513
Low-carbon products / 9.902
Reuse and recycle of idle goods / 7.335
Low-carbon mobility / 1.246
Low-carbon catering / 0.030

Digital technologies enabling customers to improve efficiency and reduce emissions
Leveraging platform mechanisms to drive consumers toward a low-carbon lifestyle

Action pathway / Emission reduction

**Solidly promoting carbon neutrality**

> Conserving and restoring nature

Greening our own operations and the value chain

In FY2024, we kept expanding and deepening our emissions reduction efforts in three major directions -- improving efficiency through technologies, changing the way we use resources, and building a stakeholder ecosystem. We dug deep into four major scenarios for emissions reduction -- low-carbon cloud computing, smart circular logistics, sustainable retail spaces, and sustainable campuses. Meanwhile, we constantly explored and implemented new approaches for emissions reduction. Although the results of some emissions reduction efforts are difficult to quantify at present, we remain firm in our belief that they not only are good deeds on our part but also have a positive impact on the value chain and even the platform ecosystem.

Building green, low-carbon cloud

In FY2024, Alibaba Cloud provides cloud services for over 5 million customers worldwide. While delivering high-quality cloud services, we integrate the concept of sustainability into our business design to make cloud services more efficient and also less carbon-intensive. According to the Carbon Trust's 2022 report entitled Alibaba Cloud's Carbon Benefits, customers in China that switched from traditional on-premise computing infrastructure to Alibaba Cloud avoided 85.5% of their emissions from computing. The largest savings come from higher PUE and lower electricity consumption. We believe that further increasing the share of clean energy in our energy mix helps customers and the entire society avoid more emissions.

56.0% 

of the total electricity consumed by Alibaba Cloud's self-built data centers is from clean source

1.200 

the annual average PUE value of Alibaba Cloud's self-built data centers



Major awards that Alibaba Cloud received in FY2024 for green, low-carbon development

Carbon Neutrality Driven Data Center Energy Management and Job Scheduling System:
An information and energy nexus perspective from Alibaba Cloud won the First prize in the United Nations Industrial Development Organization's Global Call

"10KV AC Input DC Uninterruptible Power Supply Technology"
is selected into the National Catalog of Recommended Technologies and Equipment for Saving Energy and Reducing Emissions in Industry and IT (2024 edition)



Solidly promoting carbon neutrality

> Conserving and restoring nature

Improving efficiency through technologies

At data centers, we always strive to run critical IT equipment, such as servers, with less energy. Electricity is required to power not only critical IT equipment but also auxiliary equipment such as lighting and cooling. For example, the operations of data centers generate heat and therefore need cooling systems to keep equipment working properly and extend its lifespan.

PUE is a crucial metric for measuring the energy efficiency of data centers. If the PUE value is close to 1, it indicates that most electricity powers critical IT equipment and that energy efficiency is extremely high. Alibaba Cloud's self-built data centers achieved an average PUE value of 1.200 in FY2024, down from 1.215 in FY2023 and consolidating our leadership across Asia.

In FY2024, we further refined PUE management at our data centers. For each building within each data center, we set a PUE target and tracked actual figures against it. Additionally, we made constant efforts to promote our intelligent algorithm-powered operation and maintenance (O&M) strategy. This strategy leverages professional knowledge spanning multiple fields, including electrical engineering, HVAC (Heating, Ventilation, and Air Conditioning), and automation control, along with years of O&M experience. The system continuously incorporates learning from intelligent algorithms to collectively facilitate fine-tuning and optimization of O&M. In FY2024, the number of data centers deployed with the strategy increased to 19. We also built a management platform to perform real-time monitoring and management on those data centers so that the strategy could work effectively and stably.

We have explored innovative solutions to make good use of heat generated by data centers. That is where waste heat recovery systems come in. These systems recover waste heat and use it for heating, thereby achieving higher overall energy efficiency. In FY2024, Alibaba Cloud's Zhangbei Data Center implemented a project for supplying waste heat to the municipal heating system. It not only improves energy efficiency but also generates economic benefits.

Waste heat recovery project at the Zhangbei Data Center

In FY2024, our data center in Zhangbei County, Hebei Province, implemented a project for supplying waste heat to the municipal heating system. The project transformed the data center into a dual-purpose facility providing both cloud services and heating. It started supplying waste heat to the county's municipal heating system in November 2023. During the 2023 heating season, which lasted from December 2023 to April 2024, the project provided 14,670 gigajoules of heating, equivalent to a reduction of standard coal consumption by 617.8 tons.





Solidly promoting carbon neutrality

> Conserving and restoring nature

Changing the way we use resources

Achieving carbon neutrality requires more than just resource conservation. It also demands an energy transition.

We pledge that, starting from 2030, our cloud computing will be powered 100% by electricity generated from clean energy. In FY2024, we regularly conducted market-based clean electricity transactions and deployed distributed photovoltaic systems. We signed a power purchase agreement for clean electricity. Furthermore, we invested in and built new energy projects. Clean electricity as a percentage of the total electricity consumption at our self-built data centers increased from 53.9% in FY2023 to 56.0% in FY2024, putting us in a leading position across the industry in China.

We have signed and implemented a power purchase agreement for clean electricity

In Yangzhou City, Jiangsu Province, we have signed and implemented a 20-year power purchase agreement, locking in an annual supply of 170 million kWh of electricity generated from renewable source.

Investing in and participate in “source-grid-load-storage” projects

Source-grid-load-storage projects use energy and digital technologies to integrate energy production, the power grid, energy loads, and energy storage systems. That achieves a dynamic balance among the supply, demand, and consumption of energy. These projects promote the development and consumption of renewable energy in places where it is generated while also serving the need for peak shaving and frequency regulation on the power grid. In Baoding City, Hebei Province, we have invested in and built a “source-grid-load-storage” project with an installed capacity of 500 MW. Once completed and connected to the power grid, the project will generate nearly 1 billion kWh of green electricity annually. In Zhangjiakou City, Hebei Province, we have got involved in a “source-grid-load-storage” project that has an installed capacity of 200 MW. When it is up and running, it will provide about 600 million kWh of green electricity annually.

Driving green, low-carbon transformation across the value chain

To drive continuous year-over-year emissions reduction among our data center suppliers, we have developed capabilities to monitor, measure, and analyze electricity consumption and emissions at our leased data centers. These capabilities enable us to conduct regular assessments on the green, low-carbon practices of our data center suppliers. Additionally, we link the PUE values of our leased data centers with the reward mechanism of those suppliers to incentivize them to join our journey towards a greener future.

At the same time, we provide our data center suppliers with standards, technologies, and resources from our self-built data centers so that they can manage PUE levels better and access clean electricity more easily. In FY2024, our leased data centers achieved around 551,000 tons of emissions reduction, and their annual average PUE value was 1.269. In Guangdong Province, five of our leased data centers are powered 100% by clean electricity.



**Solidly promoting carbon neutrality**

> Conserving and restoring nature

Building smart circular logistics

According to the International Energy Agency (IEA), transportation is responsible for over one-third of GHG emissions worldwide. Therefore, emissions reduction in transportation is of significant importance to decarbonization and climate change adaptation. Unfortunately, it is widely recognized as a tough sector to decarbonize. That is especially true for air transportation. Cainiao provides logistics services for our e-commerce business on platforms, such as AliExpress and Tmall Global, and also external customers. It boasts a worldwide smart logistics network with end-to-end capabilities. According to data from China Insights Consultancy, Cainiao is the world's largest cross-border logistics provider for e-commerce and a leader in logistics services in China. The inherent difficulty of greening transportation, alongside ever-growing customer demand, poses a challenge to achieving our carbon neutrality goal. To tackle this challenge and unlock the green transformation of the logistics value chain, we must work closely with our partners, step up our actions to improve efficiency through technologies, and press ahead with our energy transition.

Our green initiatives extend across all links of the logistics value chain, encompassing order processing, warehousing, packaging, and transportation. In FY2024, we reduced a total of around 458,000 tons of emissions from our own operations and the logistics value chain.

around 458,000 tons 

of emissions were reduced from Cainiao's operations and value chain

54.1% 

of the total electricity consumed by Cainiao is from clean source

Order processing

Our green journey begins as early as when a consumer makes a purchase and an order is processed. The digitalization of order fulfillment and related processes including measures such as multi-order consolidation improve efficiency, reduce packaging, and save transportation resources.



Warehousing

Cainiao has retrofitted its logistics facilities such as warehouses with distributed photovoltaic systems. It is also an active participant in clean electricity transactions. As of March 31, 2024, the cumulative installed photovoltaic capacity for its warehouses was 47.9 MW, up 59.3% year on year. In FY2024, clean electricity accounted for 54.1% of the total electricity consumption within the control scope of Cainiao's operations, greatly increased by 36.2 percentage points from that of FY2023.

Packaging

For sustainability development, we explore solutions in directions of reducing packaging, and recycling and reusing packaging. They involved introducing electronic waybills, optimizing packaging designs, executing packing algorithms, advocating ships in own container ("SIOC"), and urging brands to use circulation boxes and electronic packing lists. In FY2024, these solutions resulted in around 156,000 tons of quantifiable emissions reduction.

For details, see the section "Reducing and optimizing packaging" in Chapter 1, P43 

**Solidly promoting carbon neutrality**

> Conserving and restoring nature

Transportation

Transportation accounts for the largest share of emissions in logistics. In particular, the logistics of cross-border courier services are highly complex. To ensure that consumers worldwide receive their desired goods quickly, we must use a combination of transportation methods. However, the maturity of technologies for large-scale emissions reduction varies significantly among different transportation methods. Our strategy is to prioritize the implementation of emissions reduction solutions deployable on a massive scale and keep exploring innovative approaches.

Leveraging our expertise in digital intelligence, we use our self-developed algorithms to optimize carrier route planning by minimizing travel distances and lowering empty load rates. This approach enabled us to reduce over 1,200 tons of emissions in FY2024.

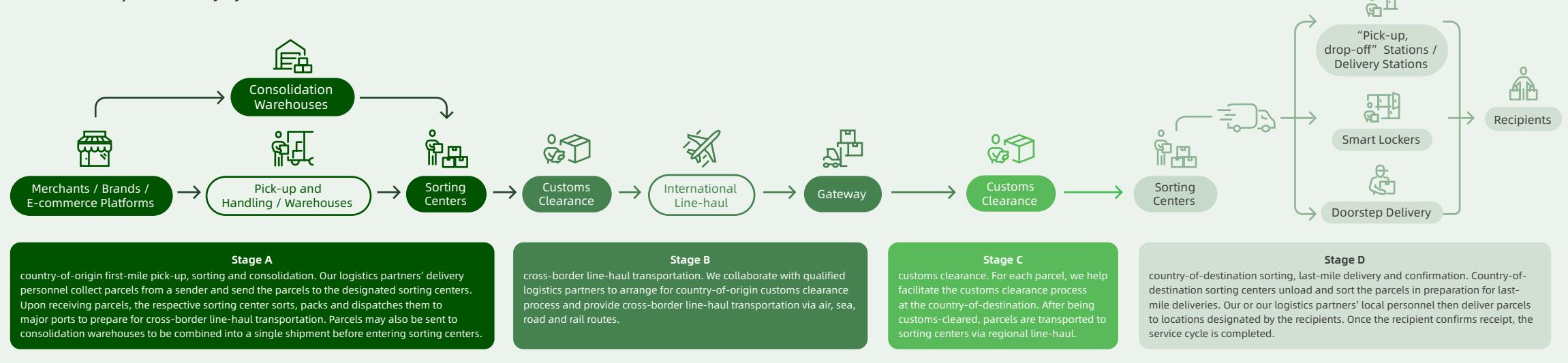
Electrification is a crucial step for the green transformation of logistics. We champion the use of new energy vehicles and autonomous vehicles in various scenarios. In FY2024, new energy vehicles now account for 99% of intra-city delivery trips made by Cainiao's self-operated fleet. In campus settings, we are expanding the application of our autonomous electric vehicles Xiaomanlv (also known as Little Donkey). As of March 31, 2024, in the campus settings, these vehicles have successfully delivered over 41 million packages cumulatively. Furthermore, we are spearheading pilot projects for hydrogen freight vehicles. In FY2024, Cainiao deployed hydrogen freight vehicles for trial operations in Beijing City as well as Hangzhou City and Jiaxing City in Zhejiang Province.

99%

of intra-city delivery trips was made by new energy vehicles in Cainiao's self-operated fleet

over 41 million

have been delivered by our autonomous electric vehicles Xiaomanlv in campuses cumulatively

Cross-Border Express Delivery by Cainiao

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> Conserving and restoring nature

Creating sustainable retail spaces

Retail spaces are where we interact with consumers and provide them with a tangible shopping experience. Creating sustainable retail spaces is not only a goal that we must achieve but also a significant means by which we directly influence consumers and help them appreciate the importance of green transformation.

Our offline retail spaces mainly include the stores of Intime Department Store, Sun Art, and Freshippo. Their emissions in Scope 1, 2, and 3 come primarily from electricity consumption, refrigerant usage, and purchased packaging. These are also our focal points.

Improving efficiency through technologies

We are committed to digitalized management practices across our retail spaces. Intime's self-developed smart energy management system enables granular monitoring on energy consumption. Sun Art automates its operations wherever an opportunity is available. Examples of its detailed measures include retrofitting exhaust hood fans with automated control systems and equipping parking lots with radar-activated lights that are automatically turned off as vehicles move away. To improve energy efficiency, Freshippo configures two sets of cold chain parameters for different ambient temperatures in summer and winter.



Changing the way we use resources

Our offline retail business has been actively involved in energy transitions. Sun Art has made constant efforts to install distributed photovoltaic systems on the rooftops and in parking lots of its stores. This effort is further bolstered by its participation in market-based clean electricity transactions. In FY2024, clean electricity accounted for 25.2% of its total electricity consumption, and its energy transition resulted in about 390,000 tons of emissions reduction. In FY2024, Sun Art also introduced 10 new energy freight vehicles for trial operations, including new energy heavy-duty trucks. Intime aspires to build green malls. As of March 31, 2024, it had 40 green malls across China. In FY2024, clean electricity accounted for 47.3% of Intime's total electricity consumption, with its energy transition contributing about 304,000 tons of emissions reduction.

Refrigerants represent another significant, unavoidable source of emissions from retail spaces. Using more climate-friendly refrigerants and refrigeration equipment is crucial for emissions reduction. Sun Art is taking steps to promote the low-carbon refrigerant R448A. In FY2024, 74 of its stores were already using this refrigerant.

25.2%

of the total electricity consumed by Sun Art is from clean source

47.3%

of the total electricity consumed by Intime Department Store is from clean source

For details, see the section "Reducing and optimizing packaging" in Chapter 1, P43





Solidly promoting carbon neutrality

> Conserving and restoring nature

Building sustainable campuses

We have over 100 campuses and locations worldwide. They offer an important channel for internal or external stakeholders to understand Alibaba.

We have a well-established set of principles for building and operating sustainable campuses. During the design and construction phases, we consult and follow cutting-edge global standards to integrate environmental protection and sustainable development into our design philosophy and construction practices. During the operational phase, we leverage technological innovations for saving energy and improving efficiency. As we further our energy transition and advocate resource recycling, we encourage and help employees to participate in green, low-carbon initiatives.

In FY2024, emissions per unit of area on our self-used campuses dropped by 15.3% year on year. Alibaba Guangzhou Campus and Alibaba Shenzhen Campus have been certified as carbon-neutral by China Environmental United Certification Center.

15.3%

decrease year on year in emissions per unit of area on our self-used campuses

31.8%

of the total electricity consumed by our self-used campuses and self-owned properties is from clean source

Designing and building green campuses

During the site selection and design stages for each new campus, we consider its environmental and ecological impacts. Our priorities in this regard include protecting native species, managing water resources efficiently, and optimizing energy efficiency.

We have set a goal for all newly built campuses owned by us to meet the standards for the LEED Gold certification starting from calendar year 2022. As of March 31, 2024, around 238,000 square meters of floor areas have obtained the LEED Gold certification, meeting our target. In FY2024, the office community comprising some of our existing campuses in Hangzhou City, Zhejiang Province, obtained the LEED for Cities and Communities certification in the category of existing communities at the Platinum level, which is the highest. That is China's largest office community to have received the certification at the Platinum level.





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> Conserving and restoring nature

Improving efficiency through technologies

Electricity and natural gas are the two most used energy sources on our campuses.

In our commitment to energy efficiency, we prioritize tackling the top two energy consumption scenarios on our campuses -- lighting and air conditioning. We have deployed smart lighting systems for all the underground parking lots of newly built campuses. These systems automatically turn off lights as vehicles move away. Additionally, we have independently developed an intelligent management platform called the Equipment Brain. The platform leverages the power of the Internet of Things and digital technologies to firstly digitalize campus infrastructure and then by integrating data on occupancy, weather, and environmental conditions, the platform acts as a smart decision-making engine that takes an intelligent approach to managing all facilities on our campuses. For example, it can remotely turn off lights in conference rooms that have been left unoccupied for an extended period of time. In FY2024, the platform resulted in over 2,900 tons of emissions reduction in just six campuses including our Xixi Campus Park A and Park B in Hangzhou City.

To reduce natural gas consumption, we began installing high-efficiency vacuum boilers on newly built campuses in FY2024. These boilers can achieve a combustion efficiency of up to 94%, which is significantly higher than China's national average of 65%-70%.

Changing the way we use resources

We are driving an energy transition across our self-used campuses and self-owned properties. As long as it is possible, we equip them with distributed photovoltaic systems. In FY2024, clean electricity accounted for 31.8% of their electricity consumption.

Virtual power plants optimize resource scheduling

A virtual power plant (VPP) is an innovative energy management system that integrates and manages distributed energy resources and energy storage facilities to achieve centralized scheduling and optimization. It is similar to a physical power plant in the sense that it can provide comprehensive energy services. Its major advantage is its ability to alleviate the supply-demand imbalance of electricity across society and promote the consumption of electricity generated from clean energy. Our campuses have diverse scenarios of electricity consumption. Moreover, they are equipped with distributed photovoltaic systems and energy storage facilities. In FY2024, we leveraged these conditions and Alibaba Cloud's digital capabilities to develop an internal VPP platform for efficient scheduling of electricity. When the power grid is heavily loaded during demand peaks, the platform offers help by feeding in electricity. In FY2024, we finished building VPPs for three campuses in Shenzhen, Hangzhou, and Shanghai, respectively, and they responded 15 times to the operational demands of local electrical power system.

Incentivizing employees to embrace green, low-carbon practices

The smooth operation and maintenance of our campuses require the active participation of all employees. To better inspire and encourage them to embrace green, low-carbon office behavior and mobility, we have launched the Youxin and Huanxing platforms. They can earn credits on the platforms for their green, low-carbon practices.

Engaging employees in low-carbon practices:

We encourage our employees to embrace low-carbon office behavior. To be more specific, we advocate a variety of energy-saving and emissions-reducing practices in the workplace, such as turning off lights and air conditioning in unoccupied areas, printing documents on both sides of the paper, and recycling cardboard boxes. Records on the Youxin platform show that, in FY2024, 137,498 employees engaged in low-carbon-friendly practices 4,091,682 times².



Promoting low-carbon commuting for employees: We champion low-carbon mobility among our employees. To that end, we encourage four low-carbon travel choices, including trains as a substitute for airplanes, carpooling, company shuttles, and subways. According to our Huanxing platform, employees' engagement in low-carbon practices on business trips in FY2024 resulting in nearly 6,000 tons of emissions reduction. Furthermore, we have constantly installed more charging piles, which facilitate low-carbon commuting.

²Footnote 2: Practices that the Youxin platform records include but are not limited to turning off lights in unoccupied areas, printing documents on both sides of the paper, climbing staircases, bringing personal cups to the workplace, finishing meals without leftovers, recycling cardboard boxes, and recycling plastic bottles.



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Enabling and engaging the platform ecosystem to reduce emissions

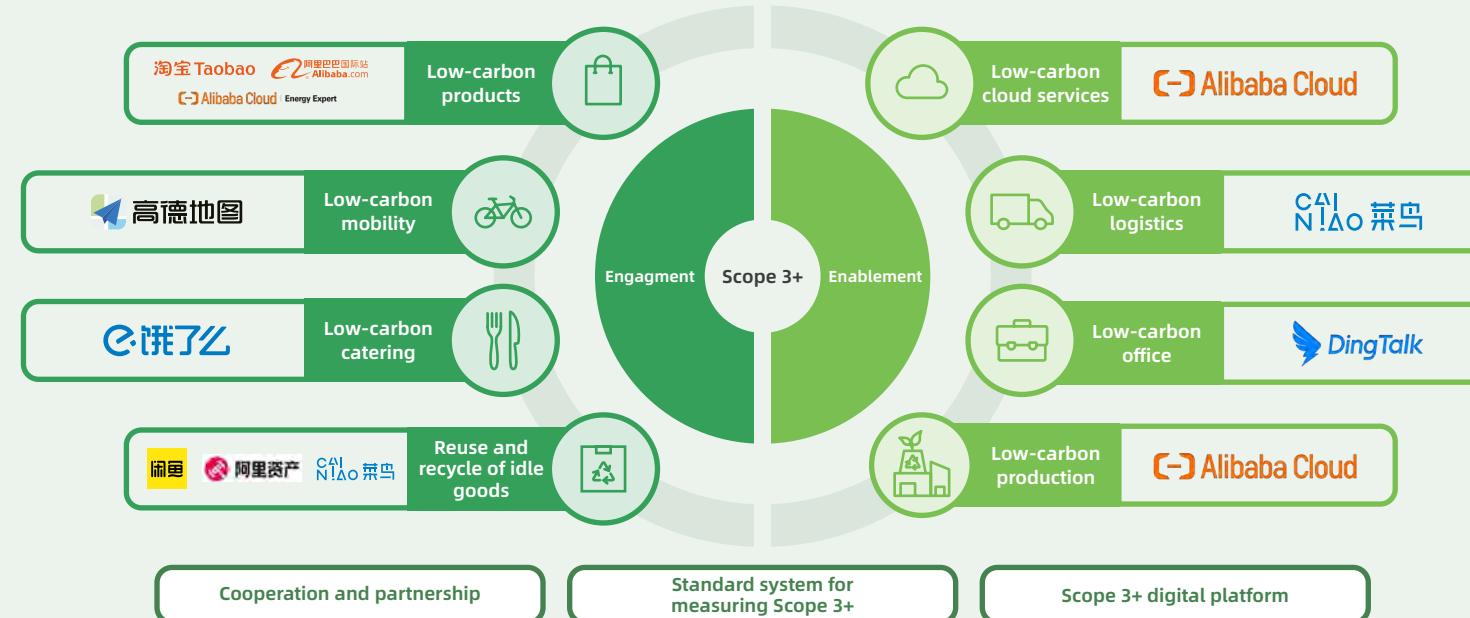
The green, low-carbon transformation requires concerted efforts from the entire society to identify the best emissions reduction approaches, formulate the right solutions, and integrate them into business designs via well-conceived incentive mechanisms. As an enterprise that integrates technologies, retail, logistics, and supply chains, our strategic priority is to facilitate customers across diverse industries and various consumer groups towards digital transformation. Our innovations in digital technologies and platform business models often hold the potential to facilitate emissions reduction.

Based on this logic, we set forth our Scope 3+ goal in 2021, aiming to enable and engage the platform ecosystem to cumulatively reduce 1.5 gigatons of GHG emissions between 2021 and 2035. In our business activities, we identify and promote products and services that contribute to the realization of global net zero emissions. Meanwhile, we work to establish a scientific standard system for Scope 3+. To that end, we collaborate with professional institutions worldwide to explore the formulation of international standards in hopes of building consensus. As we see it, this effort holds immense significance, since it inspires more stakeholders to join us in reducing emissions.

Emissions reduction scenarios and progress in Scope 3+

Along the emissions reduction pathways already established, we continued to explore new emissions reduction scenarios during FY2024 under our strategies of enablement and engagement. Our detailed actions included broadening the extent of low-carbon products to cover categories such as new energy vehicles and using AI-based control systems to help industrial firms reduce emissions while improving efficiency. In FY2024, we achieved emissions reduction in Scope 3+ reaching 33.338 million tons, up 45.5% year on year.

Eight major emissions reduction approaches for Scope 3+



**Solidly promoting carbon neutrality**

> Conserving and restoring nature

Digital technologies enabling customers to improve efficiency and reduce emissions

Enablement is a strategy where we provide companies with alternative products or services that reduce emissions without compromising functionality. We constantly explore the potential of using digital technologies to enhance efficiency and reduce emissions so that we can help companies reduce emissions. In that regard, there are four low-carbon approaches identified for cloud services, office services, logistics, and production, respectively.

In the digital era, the low-carbon transformation of our customers and the entire society is inseparable from the continuous decarbonization of cloud computing infrastructure. In FY2024, Alibaba Cloud continued to invest in low-carbon innovations, further improved energy efficiency, and pressed ahead with its energy transition, with a view to helping customers reduce emissions. Our low-carbon cloud services enabled customers to reduce 9.884 million tons of emissions as compared with on-premise computing infrastructure. Alibaba Cloud has launched the Energy Expert, a platform for managing energy consumption and emissions. Leveraging AI-driven technologies, it helps enterprises to rapidly measure and analyze figures on energy consumption and emissions, to provide suggestions on saving energy and improving efficiency. That helps companies all over the world build green competitiveness. As of March 31, 2024, the Energy Expert has cumulatively served 3,184 companies.

DingTalk is China's No.1 enterprise productivity app. It provides millions of enterprise users with a comprehensive suite of online office tools, streamlining everything from video conferencing to paperless office operations. By minimizing business travel and paper consumption, these tools contribute to emissions reduction. In FY2024, DingTalk enabled enterprise users to reduce 4.637 million tons of emissions.

Moreover, the Industrial Brain, our AI-powered digital control system, provides energy-intensive industries, such as cement manufacturing, steelmaking, and solid waste management automobiles, with solutions that improve energy efficiency and conserve resources. In FY2024, it enabled our customers to reduce 304,000 tons of emissions.

Alibaba Cloud's Industrial Brain offers a low-carbon smart manufacturing solution for Huaxin Cement to save energy and reduce emissions

In the cement industry, the most rapid and cost-effective approach for energy conservation and carbon reduction is through the use of alternative fuels. However, these alternative fuels pose significant challenges due to their wide variations in combustion performance and calorific value, as well as high levels of harmful components. Their large-scale use presents substantial challenges to clinker quality and stable production management. To address this industry-wide challenge, Alibaba Cloud and Huaxin Cement have jointly developed an intelligent control system for low-carbon cement production (HIAC), based on Alibaba Cloud's "Industrial Brain" control platform AICS. Through data learning and optimization by large language models, HIAC effectively controls the stability of temperature during the cement rotary kiln calcination process. This leads to improved stability and efficiency of alternative fuel combustion, ensuring cement production quality while making a solid step towards green and low-carbon production. In June 2024, Huaxin Cement has won the Innovation Award of the World Cement Association 2024 for the project.



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Leveraging platform mechanisms to drive consumers toward a low-carbon lifestyle

Engagement is a strategy where we offer stakeholders technical guidance, incentives, and so on to prompt them to take the initiative in reducing emissions. Leveraging platform mechanisms, we engage individuals and companies to reduce emissions from the perspectives of behavior and products. We encourage consumers to adopt a low-carbon lifestyle, which includes low-carbon consumption. In that regard, there are four low-carbon approaches identified for products, idle item reuse and recycle, mobility, and dining, respectively.

We encourage merchants on our platforms to increase the supply of low-carbon products. We have broadened the extent of low-carbon products to such as new energy vehicles and environment-friendly home furnishings. In FY2024, Taobao and Tmall engaged consumers to buy low-carbon products, resulting in 2.787 million tons of emissions reduction. We have made use of the traffic and operational resources on Alibaba.com to support the development of renewable energy industry. In FY2024, this effort engaged users to reduce 7.114 million tons of emissions.

When consumers trade idle items or recycle used items, the reuse rate of these items are increasing. In FY2024, 83 categories of idle items circulated via trading or recycling on Xianyu engaged consumers to reduce 6.594 million tons of emissions.

We also facilitate the trading of pre-owned large items on the Alibaba Auction platform to enhance the revitalization and circular reuse, extending their lifespans. In FY2024, Alibaba Auction engaged users to reduce around 720,000 tons of emissions.

In its Green Travel Carbon Inclusion Project, Amap encourages users to create carbon ledgers and choose among green mobility options, such as walking, cycling, buses, and subways. As of March 31, 2024, the project has expanded to 17 cities, including Beijing and Guangzhou, cumulatively inspiring over 51 million users to embrace low-carbon mobility. In FY2024, it achieved 1.246 million tons of emissions reduction under the strategy of engagement.





Solidly promoting carbon neutrality

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Building and implementing a standard system for Scope 3+

Exploring unified global standards for evaluating the performance of emissions reductions solutions is a key foundation for addressing climate change.

Since the formulation of our emissions reduction goal for Scope 3+ in 2021, we have been working with professional institutions worldwide to explore how to establish a scientific standard system for Scope 3+ emissions reduction. As of March 31, 2024, we have participated in the development of 43 standards for Scope 3+ emissions reduction scenarios. 18 of those standards were new ones that we helped develop in FY2024. We worked with China Association for Standardization and China Environmental Unified Certification Center to create and release a standard named the General Rules for Enterprise Scope 3+ Greenhouse Gas Emission Reduction Accounting and Reporting.

In November 2023, we became a member of the World Business Council for Sustainable Development (WBCSD). We participate in the Council's Avoided Emissions Working Group to jointly develop guidance on the measurement and disclosure of avoided emissions. At the COP28, we jointly released the Chinese version of the Guidance on Avoided Emissions. We strive to engage more companies in finding practical Scope 3+ emissions reduction solutions, and drive a wider range emissions reduction.



Development history of the Scope 3+ emissions reduction system

Commit to reduce "Scope 3+" emissions

We pioneered in proposing the 'Scope 3+' concept and decarbonization target in the Alibaba Group Carbon Neutrality Action Report and committing to leveraging platforms to drive a cumulative reduction of 1.5 billion tons of carbon emissions in our ecosystem in 15 years.

Release the report Scope 3+ Emissions Reduction: A New Methodology for Corporate Climate Actions Beyond Value Chains

With the technical support of Carbon Trust, we collaborated with the China Environmental United Certification Center to release the framework report of 'Scope 3+ emission reduction'. The report proposes two primary reduction categories, 'Enablement' and 'Engagement', as well as the preliminary emissions reduction approaches.

2021.12

2022.3

2022.8

2022.10

2023.7

2023.10

2023.11

2023.12

Release the first batch of standards for measuring the 'Scope 3+' carbon reduction in various scenarios

We collaborate with professional institutions to conduct scientific identification and measurement of various carbon-reducing products and services on our platforms. In March 2022, jointly with the China National Institute of Standardization to release the first batch of 17 group standards, including the General technical requirements for evaluating CO₂ emission reductions of energy-efficient end-use products.

Launch the Low-carbon Friendly Products system

We establish a certification system and a product carbon reduction measurement standard system, and apply them on Taobao and Tmall platforms, encouraging merchants to enrich their supply of Low-carbon Friendly Products.

Disclose annual Scope 3+ emission reduction with verification

In 'Alibaba Environmental, Social, Governance Report (2023)', we disclosed a cumulative total of 22.907 million tons of annual platform ecosystem emission reduction in FY2023

Join the WBCSD 'Avoided Emissions' working group

We participate in the World Business Council for Sustainable Development (WBCSD) 'Avoided Emissions' working group to jointly develop guidance on the measurement and disclosure of avoided emissions.

Release 'Scope 3+' emission reduction standard

We developed and issued the General rules for enterprise scope 3+ greenhouse gas emission reduction accounting and reporting with the China Association For Standardization and the China Environmental United Certification Center.



Solidly promoting carbon neutrality >

Conserving and restoring nature

Conserving and restoring nature

Beyond the aggravation of climate change, our planet faces a multitude of environmental crises, all impacting the ecosystem drastically. These include the excessive use of packaging materials, water shortages and degradation, pollution, waste, and biodiversity loss. All of these crises are inextricably linked to the health of the planet and the well-being of human beings. For harmonious coexistence between nature and human beings, we believe that the 4R circular economy offers a practical solution. As Earth's citizens, companies must act now.

Reducing and
optimizing packaging

Conserving and
purifying water

Reducing and
recycling waste

Ecosystem
protection





Solidly promoting carbon neutrality >

Conserving and restoring nature

Reducing and optimizing packaging

Packaging is a crucial part of consumer experience.

Our packaging footprint primarily stems from our logistics operations and offline retail activities. Despite diverse operational environments involving different product categories, weather conditions, and delivery methods, we are committed to providing harmless, clean, and easy-to-use packaging to consumers. Therefore, we must consider all relevant factors to develop effective technologies and provide appropriate packaging solutions that contribute to the realization of the Sustainable Development Goals (SDGs).

Reducing packaging

Digital technologies and intelligent algorithms

Our green journey begins as early as when a consumer makes a purchase or an order is processed. For higher efficiency and more effective resource conservation, we have taken innovative measures, for example, introducing electronic waybills and deploying packing algorithms, to digitalize processes such as order fulfillment. Cainiao has blazed a trail by launching China's first standardized electronic waybill system, available to all courier companies and merchants. Furthermore, it has designed and optimized specifications for cardboard boxes with the help of big-data-based algorithmic models. Its packing algorithms recommend the most appropriate packing solutions, which ensure that packaging boxes fit products better and have their internal spaces more fully occupied. In FY2024, these measures saved over 9,600 tons of packaging materials, thereby achieving over 15,000 tons of emissions reduction.³

Upgrading packaging solutions

Cainiao has also developed minimalistic packaging solutions tailored for different industries. In FY2024, this initiative covered about 130 million packages. Cainiao has constantly pushed for ships in own container (SIOC) and electronic packing lists. Complex transportation environments pose challenges for adopting SIOC. Not all products are suitable for it due to potential damage risks. For products that can leverage their original boxes, careful collaboration between merchants and logistics providers is crucial to ensure product integrity. In FY2024, SIOC was adopted for over 430 million packages. These three measures saved about 92,000 tons of packaging materials and reduced about 109,000 tons of emissions.³

Freshippo always prioritizes the simplification of packaging and has established a standardized internal workflow to streamline it. In FY2024, it reduced the packaging weight per item by about 5%-13% for some products that used plastic packaging.

For courier cardboard boxes, Intime always uses lightweight designs as well as fillers and adhesive tape that are environment-friendly. It is estimated to have reduced the weight of cardboard boxes by 45 tons in FY2024.



Footnote 3: Cainiao is committed to making endeavors in reducing packaging. The methodologies for calculating the packaging saved from the above five measures (introducing electronic waybills, deploying packing algorithms, developing minimalistic packaging solutions, adopting SIOC, and pushing for electronic packing lists) are based on benchmarking scenarios in FY2022.



Solidly promoting carbon neutrality >

Conserving and restoring nature

Recycling and reusing packaging

In the warehousing process of the retail business, goods move through multiple stages. Traditional methods rely on disposable cardboard boxes or foam containers. Now, we can replace these outdated practices with the adoption of circulation boxes to increase the number of times resources are utilized.

Sun Art adopts different packaging strategies for different types of food products. For fresh food, it utilizes reusable circulation bins in the warehousing processes, replacing disposable cardboard or foam boxes. As of March 31, 2024, Sun Art has cumulatively deployed 18,875 reusable circulation bins, significantly reducing packaging waste. For meat products, Sun Art has introduced recyclable melamine trays in 233 stores across East China to replace disposable plastic trays by the end of 2023, cumulatively avoiding the use of about 160,000 plastic trays.

In FY2024, Freshippo launched an initiative to have suppliers remold damaged plastic crates into new ones. This initiative aims to minimize the use of new materials. In FY2024, it avoided the use of about 280 tons of new materials.

In our logistics operations, we place great emphasis on the recycling and reuse of cardboard boxes.

Cainiao's warehouse staff regularly sort and recycle cardboard boxes. In FY2024, 47.558 million cardboard boxes were recycled and reused, contributing nearly 19,000 tons of emissions reduction.

Cainiao is piloting the use of circulation boxes in its transportation and warehousing operations. It embeds its self-developed radio-frequency identification (RFID) chips into circulation boxes and connects them to its self-developed digital management system for circulation boxes. As a result, each circulation box has a unique RFID number. That was done primarily to address issues such as high loss rates during transportation and low efficiency in inventory counting. In FY2024, the system resulted in over 13,000 tons of emissions reduction. As of March 31, 2024, Cainiao has made over 710,000 times deployment of circulation boxes in the merchant warehouses operated by it, involving over 130,000 circulation boxes.

We go beyond our own operations and leverage our influence to build green packaging awareness among consumers.

In collaboration with over 40 domestic and international brands, Intime launched the Empty Bottle Initiative. Consumers can obtain brand privileges and coupons by bringing empty cosmetic bottles to Intime stores. In FY2024, Intime recycled over 68,000 empty cosmetic bottles. Through partnerships with art institutions, some of these bottles were transformed into environment-friendly art installations. The rest went to professional third parties, which recycled them for circular utilization.

More sustainable packaging materials for a renewable resource transition

While we are committed to reducing and reusing packaging materials, packaging is unavoidable in many scenarios. The transition to paper-based and biodegradable materials is an essential step in addressing plastic pollution. We have constantly invested resources in that aspect.

SUN ART
Retail Group Limited



Sun Art constantly promotes the use of more environment-friendly packaging materials. In FY2024, 251 of its stores across China used biodegradable produce bags, 57 more than the previous year.

银泰百货
Intime Department Store

For packages in its own e-commerce business, Intime has replaced traditional plastic bubble bags with bio-based, fully biodegradable courier bags. In FY2024, it put 2 million such environment-friendly bags into use.

Lazada

In FY2024, Lazada launched a full-on initiative to only purchase cardboard boxes certified by the Forest Stewardship Council (FSC). The initiative aims to ensure that packaging materials that it uses originate from responsibly managed forests. As of March 31, 2024, 100% FSC certification was achieved for orders delivered via Fulfilled by Lazada (FBL), except in Malaysia.



Solidly promoting carbon neutrality >

Conserving and restoring nature

Conserving and purifying water

Water is indispensable for achieving the SDGs about human health, nutrition, and economic growth. China's water challenge is particularly complex, with the country's per capita amount of water resources only a quarter of the global average. We are committed to implementing a responsible water management strategy.

We make constant efforts to manage our water footprint better. Our main water consumption scenarios are as follows:

Alibaba Cloud's data centers: Water is mainly used in cooling systems to maintain the normal operating temperatures of servers and other equipment.

Campuses: Water usage on the campuses mainly covers residences, equipment and systems, food and beverage services, as well as campus landscaping and greening.

Offline retail spaces of Sun Art, Freshippo, and Intime: In the stores of Sun Art and Freshippo, the storage of perishables, especially seafood, needs water. These stores also function as consumer experience centers, and a pleasant environment where consumers have convenient access to water is a major part of consumer experience.



Alibaba Cloud's data centers

Measuring water efficiency

WUE is a crucial metric for evaluating the efficiency and sustainability of data centers operation. A lower WUE value indicates better performance. WUE is calculated by dividing the amount of water in liters used for humidifying or cooling a data center with the total amount of electricity in kilowatt-hours used for running the data center's critical IT equipment.

As mentioned above, data centers generate a lot of heat during their operations. Without cooling systems, the infrastructure could overheat, leading to equipment failures. To address this issue, we can use either air cooling or evaporative cooling. Air cooling generally demands more energy, while evaporative cooling consumes more water. Therefore, there is a delicate trade-off between PUE and WUE.

WUE depends on numerous variables, among which the data center's location plays a significant role. Colder climates naturally provide a cooler environment for the data center and eliminate the need for significant amounts of freshwater for cooling. This translates to a low WUE value. When we design a data center, we assess the local climate and the availability of water resources. Our choice for the cooling solution is based on comprehensive considerations for metrics such as PUE and WUE. In FY2024, we completed WUE measurement and analysis for all our self-built data centers, whose average WUE value was 1.205 L/kWh. Furthermore, in order to facilitate stakeholders in gaining a better understanding of our water management efforts and tracking annual progress, we have also decided to disclose the average WUE of data centers with cooling systems that primarily involved water usage, which was 1.784 L/kWh in FY2024.

Improving water efficiency

Based on the accurate measurement of our water footprint, we established a WUE management system and set up a WUE task force in FY2024. The task force sets a WUE target for each building at each of our self-built data centers and performs dynamic management. We provide all data centers with a list of strategies for WUE optimization, and they can implement these based on their local conditions. We have made constant innovations to conserve water resources at the source, particularly in water-scarce regions⁴. In areas where water scarcity coincides with low temperatures, such as Zhangbei County in Zhangjiakou City, Hebei Province, and Ulanqab City, Inner Mongolia, we have primarily chosen air cooling for our self-built data centers. This approach leverages natural ventilation to cool servers, significantly reducing water consumption. The average WUE value of our self-built data centers in those places is 0.456 L/kWh.

Using sustainable water resources

We try to reduce water consumption whenever possible. Additionally, we explore alternative water sources such as reclaimed water and collected rainwater. In Zhangbei and Ulanqab, we are implementing wastewater reclamation projects for our data centers. In FY2024, the project in Zhangbei reclaimed 5,219 cubic meters of wastewater, and the project in Ulanqab was in trial operations.

Footnote 4: Based on the annual precipitation, Zhangjiakou City, Hebei Province, and Ulanqab City, Inner Mongolia, are both categorized as semi-arid areas. Precipitation data sources: <https://zh.wikipedia.org/wiki/%E5%BC%A0%E5%AE%B6%E5%8F%A3%E5%8B%82>, and <https://zh.wikipedia.org/wiki/%E4%B9%8C%E5%85%80%E5%AF%9F%E5%B8%83%E5%B8%82>.



Solidly promoting carbon neutrality

Conserving and restoring nature



Campuses

We incorporate the sustainable use of water resources into the entire life cycle management of the campuses, which is a systematic and comprehensive task. We constantly improve the water resource utilization efficiency on the campuses during the stages of planning, design, construction, and operation, reducing the environmental impact and promoting the green and sustainable development of the campuses.

Campus design and construction

We prioritize water conservation from the very outset of the campus design process. For newly built campuses, we adopt the philosophy of designing sponge cities. The "sponge city" concept advocates transforming cities into resilient and water-sensitive environments by implementing measures that enhance their abilities to absorb, store, infiltrate, and purify rainwater. This approach effectively addresses water shortages, flood hazards, and water pollution. In FY2024, embracing the "sponge city" concept, we implemented a series of measures for our newly inaugurated Xixi Campus Park C in Hangzhou City and campus in Beijing City, such as: (1) utilizing permeable paving materials allowing rainwater to percolate directly into the ground; and (2) building a rainwater collection system to get rainwater from rooftops and the ground for reuse.

Campus operations

We make constant efforts to deploy our Environment, Health, and Safety (EHS) management system, issue EHS policies, and utilize EHS operational control procedures for comprehensive water management. To reduce water consumption, we have taken a range of installations, including: (1) level 1 water-efficient sanitary fittings, (2) rainwater collection systems, (3) wastewater treatment and reusing facilities, and (4) smart water meters to monitor and manage water consumption.





Our campus in Shenzhen City Guangdong Province was awarded the title of **Shenzhen's Water-efficient Commercial Complex in 2023**. This honor placed the campus among 17 water-efficient complexes recognized by the city.



Retail spaces

In FY2024, Sun Art reduced water consumption per store by 2.5% year on year. Sun Art is committed to responsible water usage. It strives to reduce water consumption in daily operations through the implementation of water-saving measures, such as installing water-efficient fixtures and recycling wastewater. Freshippo has installed water-saving devices on kitchen ranges to automatically detect water levels and prevent water waste. Intime's West Lake store in Hangzhou, Qingchun store in Hangzhou, and Wuhu store were awarded the title of Water-efficient Site in 2023.

Multiple stores of Intime received the title of Water-efficient Site

Intime takes a refined water management approach tailored to the unique characteristics of department stores. To conserve water, it uses water-efficient equipment and adheres to strict water management guidelines across various scenarios, such as landscaping, daily water usage, and central air conditioning. In terms of water reuse and recycling, Intime maximizes the utilization of collected rainwater for landscaping purposes and recycles condensate water from central air conditioning systems.



Solidly promoting carbon neutrality >

Conserving and restoring nature

Reducing and recycling waste

The issue of pollution and waste remains largely unaddressed, with human beings generating an estimated 2.1-2.3 gigatons of municipal solid waste annually, of which only 61% to 62% is treated at controlled facilities⁵. Our operations generate various types of waste, including non-hazardous waste, such as plastic items and paper packaging, as well as hazardous waste, such as batteries and electronics. They mainly come from Alibaba Cloud's operations, campuses, and physical retail stores. We use scientific methods to classify and treat waste generated from our diverse business activities, aiming to minimize resource waste, ensure compliant disposal, and achieve circularity.



Alibaba Cloud's data centers

At its data centers, Alibaba Cloud regards compliant waste disposal as a non-negotiable requirement. It entrusts qualified third-party companies to handle the storage, transportation, and disposal of hazardous waste in full compliance with laws and regulations.

Additionally, Alibaba Cloud is steadily improving its capabilities of recycling equipment to reduce the amount of waste. Our recycling center conducts testing, refurbishment, disassembly, and repairs on servers and spare parts, helping to extend the life spans of servers. In FY2024, we achieved warranty extensions for servers that contained a total of 36.44 million cores and recycled parts from 26,170 servers.



Campuses

In accordance with local laws and regulations, we constantly promote waste classification and disposal on our campuses. Just like with all other aspects of our environmental footprint, we believe that what cannot be measured cannot be managed. Leveraging enhanced management systems and operational procedures, we implemented digitalized waste management within our campuses in FY2024. That enables us to track our waste footprint and guides our management actions.

Furthermore, we have launched pilot projects for full-process waste management on certain campuses in an effort to pave the groundwork for building zero-waste facilities. At the source, we promote high-standard waste classification. In the final disposal stage, we collaborate with suppliers to track and document the ultimate treatment methods for waste.

In terms of waste reuse and recycling, on our new campus in Beijing City, we convert kitchen waste into organic fertilizer through fermentation treatment, which is then used for fertilization of the campus's greenery, achieving 100% resource recycling of kitchen waste.

Our hazardous waste is collected by original manufacturers or qualified third-party companies for 100% compliant, harmless treatment. We track the process to ensure harmless disposal.

In FY2024, we piloted various waste management initiatives in Xixi Campus Park A in Hangzhou City, achieving an over 70% year-on-year reduction in the amount of waste discharge.



Retail spaces

Sun Art constantly pushes for good practices of waste management. All types of waste undergo collection, classification, and quantitative measurement. For recyclable waste, appropriate recycling procedures are implemented. In FY2024, Sun Art launched a waste oil recycling project in collaboration with partners. The project converts waste oil from Sun Art stores into high-quality bio-based materials. These materials can be used to produce alternatives to traditional diesel, such as renewable diesel and hydrogenated vegetable oil. They can also serve as raw materials for producing sustainable aviation fuel. As of March 31, 2024, 107 stores of Sun Art have signed agreements to participate in the project.



Solidly promoting carbon neutrality >

Conserving and restoring nature

Ecosystem protection

We always believe that nature and human beings are an interconnected community. We are committed to learning and keep an eye on frameworks as well as metrics for biodiversity risks and opportunities, such as the Task Force on Nature-related Financial Disclosures (TNFD) framework. Through a preliminary assessment of dependencies, influence factors, risks, and opportunities, we have identified the potential positive and negative impacts of our business operations on biodiversity. We endeavor to build and preserve biodiversity within our business operations. Furthermore, we take a collaborative approach that engages various stakeholders for resource sharing and joint efforts.

Preserving biodiversity in our business operations

Due to the nature of our business, we assess that our business operations have a relatively limited impact on biodiversity. That includes the impact of the construction and operations of our campuses as well as the impact of illegal wildlife trading that may take place on our platforms. We make constant efforts to protect the authenticity and integrity of the ecosystem from two perspectives.

Enhancing biodiversity on our campuses

For all newly built campuses, we conduct a comprehensive environmental impact assessment during the site selection and planning stages. We strive to ensure that our office buildings coexist harmoniously with nature. We bring in native species and diversified plants to enrich the vegetation structure. We reduce light pollution and mitigate noises to reduce disturbances to animals. From the perspective of an ecological balance, we work to optimize the overall operations of our campuses. Our Xixi Campus Park A in Hangzhou City has more than 100 herbal species and

over 30 free-ranging waterfowl. For our Xixi Campus Park C in Hangzhou City, we adopted the innovative concept of BioHabiNet during the design phase. That has created biodiverse, protected natural habitats, allowing our employees to connect with nature.

Our campuses cannot be efficiently operated without the participation of our employees. The Nature Academy Happiness Tour, an employee-operated organization established as a Hugs and Help group under our framework for philanthropy, has held various activities over the past decade, such as guided nature walks, biodiversity surveys, and evening talks by experts, to bring our employees and their family or friends closer to nature. In FY2024, 78 plant enthusiasts received systematic training and became plant experts. In FY2024, the Hugs and Help group conducted 97 guided nature walks, engaging employees and their family or friends in about 3,000 pop science sessions about nature.





Solidly promoting carbon neutrality

Conserving and restoring nature

Wildlife conservation on digital platforms

We leverage our digital capabilities to identify illegal trading on our platforms, cooperate with law enforcement to crack down on it, and take actions to raise user awareness about wildlife protection.

Tackling illegal trading on multiple fronts with technologies

We take a systematic approach to combating illegal wildlife trading on our platforms, targeting the supply side. Utilizing cutting-edge technologies such as AI, we monitor content in various forms, including text, images, videos, and livestreams. That enables us to identify hunting tools and key perpetrators in an intelligent manner. Upon detecting violations, we swiftly impose treatment in collaboration with law enforcement. We have assisted in solving multiple cases involving criminals hunting wild animals or harvesting wild plants for the purpose of illegal trading.



Enhancing awareness and participation among consumers and merchants to better protect the ecosystem

Our GreenNet Program covers multiple platforms, such as Taobao, Xianyu, and Youku. As of March 31, 2024, a cumulation of 17.05 million user searches related to wildlife trading have been automatically redirected to educational pages. The program has launched the Philanthropic Guardian Action within Taobao and other apps, urging the public to care for endangered wildlife. We have collaborated with China Wildlife Conservation Association, the Wildlife Trade Monitoring Network, and other organizations to establish a professional knowledge base for pop-science education. As of March 31, 2024, cumulatively over 430,000 people have voluntarily signed up for the Philanthropic Guardian Action.⁶



Freshippo partnered with the IFAW to launch Zero Carbon Elephant-Friendly Honey

Daotangjing Village in Yunnan Province is adjacent to the central area of the Xishuangbanna National Nature Reserve. Local residents here live in close harmony with wild Asian elephants. The International Fund for Animal Welfare (IFAW) has partnered with the Xishuangbanna National Nature Reserve Administration and the Xishuangbanna Tropical Rainforest Conservation Foundation to launch the Community Livelihood Development for Asian Elephant Conservation Project. By extending support to beekeeping, the project aims to reduce the risk of human-elephant encounters when local residents work in the mountain. At the same time, honey generates extra income for them. In FY2024, Freshippo collaborated with the IFAW to launch a product known as Zero Carbon Elephant-Friendly Honey. A proportion of the proceeds from its sales goes to supporting the sustainable livelihood development in community.

Footnote 6: Our GreenNet Program went live in November 2020, and the above statistics were collected from June 2021 onwards.



Solidly promoting carbon neutrality

Conserving and restoring nature

Multi-stakeholder participation for resource sharing and joint efforts

We believe that nature conservation hinges on the active participation of local communities. Through long-term collaboration with local institutions, we build close ties with local communities, facilitating them in conservation efforts.

Inspiring public participation in environmental protection

Through our digital platforms, we inspire the public to care about nature around them and participate in environmental protection activities such as emissions reduction and climate change response. In other words, we use the Internet to promote nature education.

In July 2023, Alibaba Philanthropy sponsored the 2023 China Nature Education Conference under the theme of "Harmonious Coexistence Between Nature and Human Beings -- Nature Education amid China's Modernization." The event had one main session, six breakout sessions, and 20 parallel sub-forums. It was viewed online more than 146 million times.

In June 2023, the first Olympic Esports Week was held in Singapore. Alibaba Cloud's Energy Expert helped measure and analyze emissions from temporary venue construction, event organization, and equipment usage, encouraging the audience to care about saving resources and participate in low-carbon events. From September to October

2023, the 19th Asian Games were held in Hangzhou. Alibaba Cloud's Energy Expert and the Operation & Management Center of the Hangzhou Asian Games Village jointly launched the Low-carbon Ledger for the Cloud Asian Games Village, which was the first project in the history of the Asian Games to promote a low-carbon lifestyle by digital means.



Building a broad partner ecosystem

In FY2024, we engaged in extensive cooperation with top-notch institutions from home and abroad in multiple aspects of climate change response and carbon neutrality, such as risk assessment, energy transition, and standard formulation. At the 28th United Nations Climate Change Conference (COP28), we, together with our ecosystem partners, organized the first Digital Transformation Day, a side event at the China Pavilion of the conference. The event was centered on a coordinated digital and green, low-carbon transformation, with a series of side events on digital economy, digital technology, digital divide and standards.

In our efforts to leverage digital philanthropy capacity to facilitate environmental protection, we have helped build the Guangzhou Green Data Environmental Service Center. Alibaba Foundation supports it with resources and professional capabilities. To be more specific, the foundation has helped it establish a comprehensive environmental data platform that covers data from all over China

about environmental impact assessments, pollution sources, environmental quality, and ecology. The platform lowers data access barriers and cuts the costs of obtaining professional knowledge. As of the end of 2023, the total volume of environmental data on the Guangzhou Green Data platform has exceeded 3.45 billion records, up from 440 million as the end of 2019. These records cover over 5.6 million environmental stakeholders such as enterprises, and the platform processes a monthly average of about 25 million external requests for data.



Supporting Our People

A constantly growing talent pool is our most valuable treasure. To help our employees become their better selves, we strive to provide every one of them to learn and grow in a diverse, equitable, and inclusive culture. We build working environments where they can keep their passion and create value under the support and care that we provide.

Despite the challenging external environment over the past year, we believe that creating good working environments for employees and helping them grow empower us to deliver better products and services to customers. This dedication to our people also contributes significantly to the sustainable development of Alibaba and the entire business ecosystem.

This chapter

Promoting diversity, equity, and inclusion

Attracting and retaining talents

Enhancing employee health and vitality





Supporting Our People

Results of our actions



Promoting diversity, equity, and inclusion

47.2%



Women account for 47.2% of our total employees, 41.4% of our management, and 30% of executive management

DEI Working Group



Under guidance from the Sustainability Committee of the Board of Directors, a Diversity, Equity, and Inclusion (DEI) Working Group has taken over from our Working Environment Committee. The working group has a broader range of responsibilities, including formulating DEI policies and standards as well as driving DEI implementation

Enhancing employee health and vitality

ISO 45001 and ISO 14001 certifications

Our Xixi Campus Park A, Xixi Campus Park B, and Cloud Valley Campus in Hangzhou City have all obtained ISO 45001 and ISO 14001 certifications

over 7,600

We have trained a total of over 7,600 First-aid Responders

93.6%

The satisfaction rate for Alibaba's office environment is 93.6%

Attracting and retaining talents

the Forbes list of the World's Best Employers 2023

Once again among Top 5 Chinese enterprises on the Forbes list of the World's Best Employers 2023

Strategies and approaches

Under the philosophy of helping our employees become their better selves, we engage them extensively in discussions about a wide range of matters. Based on that, we have gradually developed six core values, which form the kernel of our culture and play a crucial role in how we conduct business, recruit talents, manage employees, evaluate their performance, and determine their compensation.

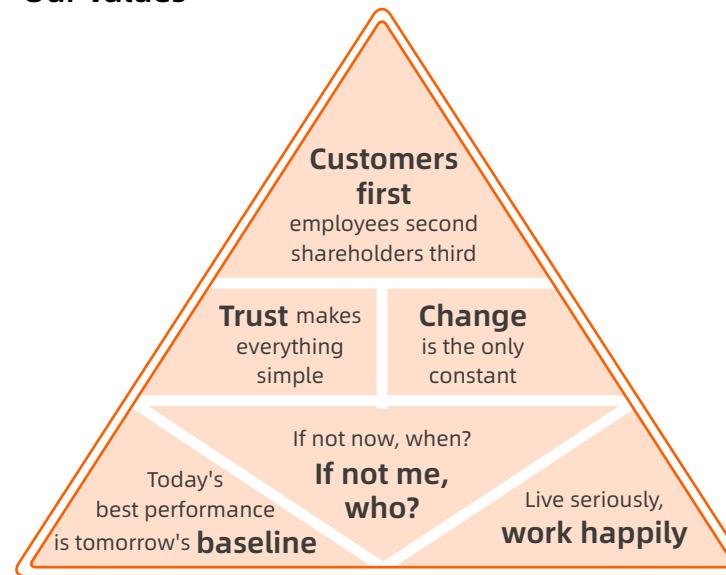
Rules and policies

The Alibaba Group Code of Business Conduct, rooted in our mission, vision, and values, sets the professional standards for all employees. It includes clear stipulations about the protection of employee rights and interests as well as the maintenance of order in the workplace. In FY2024, based on this code and as well as our existing HR management policies and practices, we formulated the Alibaba Group Employee Rights Code, a collection of our management principles for human rights, occupational health & safety, DEI, and employee training & development.

Compliance with international standards

We comply with the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the United Nations Guiding Principles on Business and Human Rights, the Ten Principles of the UN Global Compact, and the Declaration of Fundamental Principles and Rights at Work formulated by the International Labor Organization. In February 2021, we became a signatory to the United Nations Global Compact.

Our values



Amid the increasingly complex and rapidly changing market environment, we launched a new governance structure in FY2024. It focuses more on our core business and supports more agile decision-making. Based on that governance structure, we have revamped our organizational management system. The business could establish its own employee management and development plan that serves its business growth. What remain unchanged are our commitment to our values and our pledge to protect employee rights and interests.

Customers first, employees second, shareholders third

This is our choice and our sequence of priorities. Only by creating constant value for our customers can our employees grow and our shareholders achieve long-term returns.

Trust makes everything simple

Trust is the most precious thing in the world, yet it is also the most fragile. Our history is one of building and cherishing trust. If you are calculating, the world is complex. If you are straightforward, the world is simple. Our people are genuine and unpretentious, with trust for one another. Since there is no second-guessing or suspicion, we can tackle problems efficiently, and our work is more streamlined.

Change is the only constant

Whether we change or not, the world is transforming, our customers are developing, and the competitive landscape is evolving. We must remain awed and humble in the face of change. Otherwise, we may overlook new opportunities when they emerge, belittle them when we notice them, fail to understand them when we take a closer look, and lag behind when we finally act. As we improve ourselves and reshape circumstances, we are engaged in the best forms of change. Embracing change is the most unique part of our DNA.

Today's best performance is tomorrow's baseline

In our most difficult times, it was this very spirit that helped us overcome adversities and survive. When we suffer a setback, we know how to motivate ourselves. When things are going well, we dare to set moonshot goals. If we do not make progress, we will fall behind. To thrive in the future, we must remain creative and bold so that we can challenge and surpass ourselves.

If not now, when? If not me, who?

This was a tagline in our first job advertisement and became our first proverb. It embodies our belief in our mission and our sense of responsibility for confronting challenges head-on.

Live seriously, work happily

Work is for now, but life is forever. You dedicate yourself to work, but you ultimately belong to your life and family. Just work as happily as you enjoy life, and live as seriously as you work. Only when you take life seriously will it treat you fairly. Everyone has their attitudes towards work and life, so we respect the choice made by every employee. Performance appraisal in this aspect of our values is left to life itself.

**Promoting diversity, equity, and inclusion**

> Attracting and retaining talents > Enhancing employee health and vitality

Promoting diversity, equity, and inclusion

Our customer base is vast and diverse, representing a wide spectrum of evolving needs. Our diverse workforce empowers us to better understand and empathize with our customers.

A diverse, equitable, and inclusive culture makes our employees identify more with Alibaba and boosts their enthusiasm for work. If their experience at work is positive, that positivity ultimately finds its way into product innovations and customer experience.

We are committed to attracting, nurturing, and retaining talents who form a diverse workforce. We strive to build working environments where everyone is respected and treated fairly. As of March 31, 2024, women accounted for 47.2% of our total employees, 41.4% of our management, and 30.0% of our senior executives. At that time, we had 1,342 employees with disabilities.

Building a workplace where everyone is respected and treated equally

Open communication, cooperation, and inclusion



**Promoting diversity, equity, and inclusion**

> Attracting and retaining talents > Enhancing employee health and vitality

Building a workplace where everyone is respected and treated equally

Treating every employee equally is essential to unleash their full potential. To achieve that, we strive to create working environments that feature fairness, respect, and trust.

Management structure and policies for DEI

We provide organizational and institutional support to ensure concrete actions in DEI management.

In August 2021, we founded the Working Environment Committee, with its inaugural membership comprising five female senior executives, which directly reports to the Group's Board of Directors. The committee formulates policies and implements procedures to create inclusive working environments. In FY2024, under the guidance of the Sustainability Committee at the Group's Board of Directors, the DEI Working Group took over from the Working Environment Committee. This move aimed to further our diverse, equitable, and inclusive culture. The working group has a broader range of responsibilities, including formulating DEI policies and standards as well as driving DEI implementation.

The Alibaba Group Code of Business Conduct and the Alibaba Group Employee Rights Code, which apply to all employees, clearly state our management principles for DEI and advocate employee development in a diverse, equitable, and inclusive way. We have stepped up our efforts to prevent and handle severe incidents such as sexual harassment. In particular, we have released the Alibaba Group Code of Conduct Against Sexual Harassment, which specifies prohibited behavior that must be avoided in the workplace and defines a procedure for processing complaints. With the Group's policies as the bottom line, all business groups and companies (the "businesses") can develop their own policies that fit their business needs.

DEI management system

To build a DEI management system, we organize training sessions on our DEI culture and implement risk management measures.

We are active in training and advocacy activities for DEI topics such as anti-discrimination and anti-harassment. We empower our employees to build their own communities and online forums for DEI as a move to foster a diverse and inclusive atmosphere. In FY2024, we set up a female communication platform and a female Science, Technology, Engineering, and Mathematics Key Opinion Leader (STEM KOL) group, which is a group of female technical opinion leaders. Additionally, we organized events such as Women in Tech Roundtables to share the inspiring journeys and career wisdom of female role models. Besides, we produced Her Shining Power, our advocacy video showing the power of female role models, and Boundary 2, our second advocacy video championing efforts to combat sexual harassment in the workplace. These videos have been played through the communication channels on our campuses to enhance employee awareness.

To receive inquiries and complaints about severe incidents such as sexual harassment, we have set up a dedicated mailbox and assigned personnel to staff it. Once a complaint is accepted, personnel will be immediately arranged to launch an investigation. Upon the completion of the investigation and the issuance of a disciplinary decision, we instruct the leader and HR manager of the respondent's team to

execute the disciplinary decision. If we find any severe misconduct on the part of the respondent, he or she will be dismissed. Depending on circumstances, we may provide complainants with necessary legal and psychological counseling. As a protection for complainants, we have implemented robust measures that restrict access to their information and impose confidentiality obligations on those who have access.

In FY2024, we updated the category tree in our comprehensive risk management system to include risk incidents such as sexual harassment and bullying.

**Promoting diversity, equity, and inclusion**

> Attracting and retaining talents > Enhancing employee health and vitality

Integrating DEI principles into practices

We integrate DEI principles into all our business scenarios and make efforts to implement them.

At Alibaba, we provide equal opportunities for recruitment, compensation, career advancement, and learning, regardless of nationality, ethnicity, age, gender, physical ability, religious belief, and cultural background.

To help our employees better fulfill their responsibilities as parents or caregivers, we offer a vast array of benefits, such as maternity leave, family care leave, parental leave, and children's medical insurance. Our self-used campuses are equipped with milk preparation rooms and mom lounges, which provide private spaces for new mothers. To help employees with disabilities, we have installed accessible ramps and elevators on each floor in the newly built Xixi Campus Park C in Hangzhou City.

DEI culture at Alibaba International Digital Commerce Group

May 10 marks our annual AliDay, one of our most significant events at the Group level. On this day, we invite the family members of our employees to visit our campuses and engage them in a variety of exciting activities. That is our way to express our gratitude for their unwavering support and companionship. On AliDay 2023, Alibaba International Digital Commerce Group hosted the Global Cultural Fair to present employees, their family members, and their friends with arts and traditions from various cultures. The event enhanced cross-cultural awareness and understanding.

To foster a cultural atmosphere of mutual respect and appreciation, Lazada, our e-commerce platform in Southeast Asia, brought employees together through celebrations for the festivals of the region's ethnic groups. During Hari Raya Puasa, its offices in Singapore, Indonesia, and Malaysia held cultural sharing events, inviting employees to savor ethnic delicacies. Its office in Malaysia also held a Traditional Costume Day for that festival. During Diwali, its offices in Singapore and Malaysia organized celebrations, where employees shared Indian snacks and hand-drawn artworks.





Promoting diversity, equity, and inclusion

> Attracting and retaining talents > Enhancing employee health and vitality

Open communication, cooperation, and inclusion

Our values hold that trust makes everything simple. In a world of uncertainty and constant changes, trust is the core driving force behind our progress. We believe that a culture of trust among our employees, characterized by simplicity and straightforwardness, is one of the guiding principles that we must stand by as we move forward. We are committed to creating a multi-dimensional communication system that breaks down hierarchies, empowering our employees with a stronger sense of participation and fulfillment.

Our internal online community eliminates hierarchies and breaks down departmental silos to facilitate free expression and heart-to-heart communication. It enables our employees to share professional insights, practical tips, and industry trends, along with glimpses into their colorful everyday lives.

Managers keep their doors open to employees. Booking is a tool that streamlines two-way communication between managers and employees. Managers announce their availability on Booking, and employees make appointments for direct communication with managers. A lot of managers have got used to announcing their availability on Booking every month. In FY2024, a total of 834 managers posted over 3,000 pieces of information on Booking, and more than 8,000 employees made appointments. Furthermore, the CEOs of the businesses remain in regular contact with employees via lunch meetings, afternoon teas, and video calls to ensure that employees stay informed about matters concerning their personal development or the Group's growth and get to air their suggestions as well as opinions on those matters.

If an employee has an opinion, suggestion, complaint, or report that needs attention at the Group level, they can also directly send an email to OPEN Mailbox. We promise to respond within 48 hours while keeping their personal information confidential.





Promoting diversity, equity, and inclusion >

Attracting and retaining talents

> Enhancing employee health and vitality

Attracting and retaining talents

Retaining key talents is critical to maintaining our competitive edge and driving innovations. We have created a variety of open channels through which we bring together a diverse pool of talents, who can realize their full potential by leveraging the good opportunities that we provide for their learning and growth. Furthermore, we always share the fruits of our development with our employees. By establishing a comprehensive system to safeguard their legitimate rights and interests, we ensure that our compensation and incentive structure is both internally equitable and externally competitive. That is part of our effort to continuously improve employee benefits.

A vibrant system for recruiting and nurturing talents

Abundant opportunities for learning and training

Fair, competitive compensation and incentives

Heart-warming benefits





Promoting diversity, equity, and inclusion >

Attracting and retaining talents

> Enhancing employee health and vitality

A vibrant system for recruiting and nurturing talents

Recruitment is the first step in human resources management. Recruiting the right people is one of the most efficient approaches for both us and job seekers. We combine strategic planning with talent planning and organizational design, with a focus on accurate job placement and efficient talent replenishment. Based on their strategic plans, all the businesses have established their talent pools, which facilitate an analysis of the supply-demand dynamics in the job market as well as their actual demand so that they can stay ahead of trends and maintain an adequate supply of suitable talents. Additionally, they have built tools for talent planning and analytics, which support internal talent stocktakes, talent profiling, and checks on how well their talent reserves match their organizational objectives. These tools offer great assistance to recruitment. Under the principle of equity and fairness, we offer all job seekers a fair, transparent, and friendly experience by following the Alibaba Group Recruitment Convention and the Six Dos & Six Don'ts for Interviewers, which were released in 2021.

To meet our demand for talents, we have built a slew of open and diverse channels for recruitment, such as university-enterprise partnerships for talent development, internship programs, campus hiring, public hiring, and internal referrals. This comprehensive approach allows us to attract top talents in large numbers and improves the efficiency of matching people with positions.

As a measure to present our employees with more career choices and encourage talent mobility internally, we offer open, transparent opportunities for job transfers. For that purpose, we have released job transfer or talent mobility policies specific to the businesses, established a platform for job transfers, and set up an internal job market. In FY2024, we had 4,206 successful applicants for job transfers.

We adhere strictly to relevant International Labour Organization conventions and local laws and regulations applicable to our operations. We categorically reject the use of child labor. We oppose all forms of forced labor and ensuring the freedom and personal integrity of our employees. Recruitment is voluntary, and the use of forced, bonded, contractual, or involuntary prison labor is strictly prohibited. We do not tolerate any form of forced work or overtime through the use of violence, threats, or restrictions on personal freedom.

Our development requires a constant influx of fresh talents, and young people need more opportunities to engage in real-world business practices. Therefore, we run various projects that connect us with universities and students.



Promoting university-enterprise cooperation to facilitate the development of campus recruits and interns

In FY2024, Taobao and Tmall Group launched the T-Star campus recruitment project to attract and nurture rising stars in the tech field. Young employees selected for the project will embark on personalized growth journeys crafted by the business group and gain access to high-quality R&D resources. Taobao and Tmall Group has built the Intern Gold Rush Platform to provide interns with easy access to information.

Alibaba International Digital Commerce Group constantly deepens its cooperation with top universities worldwide to reach, attract, and nurture talented young people. The business group holds on-campus events to help students gain a comprehensive understanding of the overseas e-commerce ecosystem and plan their future careers. On the Open Day, students are invited over for work experience-sharing sessions, where they get a glimpse into what it is like to work at the business group. Furthermore, the Internship Camp Program provides systematic training and orientation to help interns quickly adapt to the workplace and improve their professional skills.

As of March 31, 2024, Cloud Intelligence Group has collaborated with a cumulative total of over 200 universities to launch over 600 research projects. For university students, they initiated the Research Intern Plan, which proposed more than 100 research topics.



Promoting diversity, equity, and inclusion

Attracting and retaining talents

Enhancing employee health and vitality

Abundant opportunities for learning and training

At Alibaba, we aspire for each employee to realize their full value and become their better selves. In this dynamic digital era, high-quality jobs and growth opportunities empower employees to better tap into their potential and create value so that they keep growing and achieve long-term career success.

According to the Alibaba Group Employee Rights Code, we need to build a learning and development platform where all employees have access to a diversity of internal and external activities so that they can develop well both personally and professionally, becoming their better selves and maximizing their own value.

New employee development

We offer tailored pre-job training programs for new employees. They benefit from supervisor support and peer mentorship¹ intended to help them adapt to the workplace quickly. We also provide off-the-job training focused on professionalism and workplace skills for them to get up to speed with ease.

New employee training programs

Each business offers a new employee training program that provides newcomers with online learning courses and off-the-job face-to-face training. The foundational training module includes introducing Alibaba's history, business, mission, vision, and values. For example, Alibaba International Digital Commerce Group provides training on topics such as global cultures and cross-cultural communication. Cloud Intelligence Group has a new employee training model based on a troika of pre-onboarding guidance, onboarding orientation, and on-the-job training. The aim is to help newcomers understand our culture, organizational structure, and business. Cainiao's Newcomer Classroom equips all new employees with a solid knowledge about the business group and helps them get into their roles quickly.

Leadership development

We advocate continuous learning among managers. For one thing, we invite external experts to share their insights and discuss with our managers. For another, we build an atmosphere for continuous learning through internal sharing and discussions in hopes of helping managers broaden their horizons, break down boundaries, regularly update their knowledge, constantly hone their skills, and ultimately drive business growth.

We have launched What Managers Should Know, an online program intended to strengthen general management capabilities through practical learning. The project focuses on real-world management scenarios identified as typical in the current year, for example, how to set proper target and develop efficient strategies to achieve it. It equips managers with management principles as well as tools and methods related to management.

We nurture leadership excellence through a multi-faceted development program, which is tailored for managers at different levels and blends online learning with thematic seminars. The primary focus of training junior managers is to help them transition from being individual contributors to being effective leaders. Middle managers are mainly trained on comprehensive professional skills, strategic thinking, and business acumen, which prepare them for greater responsibilities.

Specialized training

We have set up specialized groups for various areas, such as technologies, data, design, marketing, risk management, customer experience, finance, organizational building, talent development, and ESG. These specialized groups engage employees in efficient learning and insightful discussions, which enable them to refine their professional skills continuously.

All the businesses create their own learning platforms and knowledge sharing communities tailored to their business characteristics and the specific needs among employees. These enable employees to study collaboratively, accumulate knowledge, swap ideas, and exchange their learnings.

To empower our employees and meet their varied needs for development in today's fast-changing world, we offer a personalized learning experience through a variety of innovative training programs. We have developed targeted training courses on trends such as globalization and AI technologies.

Singularity Academy has set up an AI zone

To help our employees, especially R&D engineers, learn AI technologies efficiently and update their skill sets for the AI era, we have launched Singularity Academy, an employee-oriented internal learning platform. It offers three tracks -- AI Beginner Camp, AI Growth Camp, and AI Application Camp, with a total of 38 courses. This platform has attracted about 3,200 learners.

Alibaba International Digital Commerce Group has launched learning column themed about globalization

To nurture global mindsets and skill sets among employees, Alibaba International Digital Commerce Group has launched learning column themed about globalization. It equips them for a cross-cultural workplace by fostering essential skills, such as those needed for country studies, cross-cultural communication, cross-regional management, and language proficiency. In FY2024, the learning column ran 10 editions, attracting over 10,000 viewers.

¹Footnote 1: Peer mentorship: When a new employee joins, we assign an experienced employee to be his or her mentor. The mentor helps the new employee integrate into the team in a short time and get familiar with our business quickly. If the new employee has any questions about their development, the mentor provides answers.



Promoting diversity, equity, and inclusion >

Attracting and retaining talents >

Enhancing employee health and vitality

Fair, competitive compensation and incentives

We provide our employees with competitive compensation and have set up a long-term incentive mechanism to support the sustainable development of our business. In April 2024, to enhance the predictability and liquidity of employee compensation, we announced adjustments to our employee stock ownership program. We are adjusting our long-term incentive mechanism step by step to combine stock ownership or stock appreciation rights (SARs)²/stock options with long-term cash payouts. Some long-term incentives have shifted from annual vesting to quarterly vesting.

A fair and equitable performance appraisal system is the cornerstone for motivating employees. By linking the performance results of all employees to their short-term and long-term incentives, we create a direct connection between effort and reward. We appraise employee performance from multiple dimensions to ensure fairness and equity. There is a comprehensive performance appraisal process that incorporates multiple methods, such as objective management, a dual-track mechanism evaluating values as well as performance, team-based performance appraisal, and flexible stage-based reviews with development conversations. At the beginning of an appraisal period, the supervisor works with the employees to set up performance objectives. A dynamic objective management mechanism is in place to ensure that information is shared in an open, transparent manner and easily iterable. That helps employees understand the objectives of the organization as well as those of the team, stimulating their own potential. For an individual employee, objective setting and performance appraisal may take place on a quarterly, semi-annual, or annual basis, depending on their role. We track their performance along the way and give them timely, unbiased feedback.

If employees object to their performance results, they can file an appeal, and a dedicated review panel will intervene. The review panel will make a decision based on arguments made by the employee, their supervisor, and their related parties to ensure the fairness of performance appraisal. Additionally, we have established a counseling channel for performance improvements, aiming to help employees achieve performance improvement targets.





Promoting diversity, equity, and inclusion

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Heart-warming benefits



We are committed to providing our employees with heart-warming benefits. Employee benefits are subject to jurisdiction- and industry-specific regulatory requirements, which we fully respect and comply with. Therefore, we have crafted a benefit program that adapts to these regulatory requirements and provides comprehensive support for not only our employees but also their family members. The program actually goes the extra mile and offers some non-mandatory benefits to our employees and their family members. Its aim is to foster a sense of security among our employees.



Family care

Investing in employee well-being goes beyond our employees themselves. We have extended our comprehensive benefit programs to cover family care. We run an insurance program that relieves our employees from the burdens of their children's medical expenses. In FY2024, the insurance program benefited the children of over 76,000 employees. Additionally, we offer annual physical examinations for all employees and their family members. We have entered into partnerships with a cumulative total of over 300 physical examination providers across 185 Chinese cities as of March 31, 2024. In FY2024, we arranged more than 76,000 physical examinations for the parents of employees.

Intime provides summer care and education for the children of employees

Intime has worked with communities, schools, and other partners to launch Yintian Academy, which operates under the philosophy embedded in the ancient Chinese quote "Treat our young as they ought to be treated, as well as the young of others." It offers free summer care to the children of staff working in Intime stores and provides some spots for children from local communities. Apart from taking care of children, its service plan includes activities such as career role-play. As of March 31, 2024, the academy has set up 53 branches, covering all Intime stores and local communities across over 30 cities across China.



Work-life balance

A healthy work-life balance is essential for the productivity of our employees. The Alibaba Heart-warming Program is always here for them. To encourage our employees to spend more quality time with their family, we offer family care leave. In response to China's policy, we offer parental leave, which gives new parents extra time to take care of their newborns. In FY2024, over 62,000 employees took family care leaves, and over 14,000 took parental leaves. Furthermore, we recognize the diverse needs of the modern workplace and support flexible work arrangements.



Diverse benefits

We take great care to prepare holiday gifts and work anniversary gifts, among other benefits. With the iHelp Dandelion Mutual Assistance Program, our employees and their family members can apply for financial assistance in the event of a major illness or accident. With the iHope Rainbow Program, our employees and their family members can apply for special assistance funds when they encounter severe financial hardships. With the iHome Property Purchase Program, we help our employees ease the pressure of down payments when they become first-time home buyers. Once they settle down in their own homes, they have more peace of mind both at work and during their daily lives. In FY2024, over 2,500 employees filed applications under this program and obtained much-needed funds.³



The businesses could formulate their featured benefit plans according to their own business needs.





Promoting diversity, equity, and inclusion

> Attracting and retaining talents

> Enhancing employee health and vitality

Enhancing employee health and vitality

We care about employee health and vitality. Therefore, we strive to create a healthy, safe, and digitally intelligent workplace with considerations for comfort and aesthetics. We want each employee to remain physically and mentally healthy at work. That is achieved through comprehensive professional health services and diverse club activities.

Creating safe working environments

Caring for employees physically and mentally

Creating vibrant working environments





Promoting diversity, equity, and inclusion

> Attracting and retaining talents

> Enhancing employee health and vitality

Creating safe working environments

We strictly follow requirements set forth in laws and regulations, such as the Work Safety Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases. The Alibaba Group Employee Rights Code includes rules about occupational health and safety.

The majority of our employees work on campuses, while a small proportion work at locations such as logistics facilities or data centers. Under the philosophy of prioritizing safety, we have implemented a wide range of safety measures at all locations. To establish a systematic approach to safety, the businesses are taking steps to build their environment, health, and safety (EHS) management systems, complemented with relevant certifications.

over 7,600 
the number of First-aid Responders

Taking Alibaba's Xixi Campus in Hangzhou City as a benchmark, we are refining the rules, management structures, and management systems of our self-used campuses to create safe working environments for all employees.

In FY2024, we released the QEHS Management Handbook for campuses in line with ISO 45001 and ISO 14001. Additionally, we kept improving the management structure to ensure effective implementation. Based on the management requirements of the QEHS system, we have made constant improvements to all aspects of occupational health and safety for employees, and we have taken comprehensive actions accordingly.

Risk identification & management: We have drawn a comprehensive risk map that helps pinpoint, track, and address dynamic risks stemming from behavior in operations as well as static risks existing in equipment and operating environments.

Safety training: Training on occupational health and safety is an integral part of our EHS efforts. We offer first aid training for all employees and have set up the 13520 First Aid Volunteer System. In FY2024, we organized 87 first aid training sessions to certify First-aid Responders, and the total length of training was 661 hours. As of March 31, 2024, we have trained a cumulative total of over 7,600 First-aid Responders, representing a year-on-year net increase of over 2,200.

Emergency management and resources: We have formulated the Alibaba Group Administrative Manual for Emergency Response, a comprehensive document that details systematic processes and clear guidelines aimed at enhancing our emergency preparedness. Additionally, we conduct monthly emergency drills, which verify whether all relevant personnel are able to act swiftly and efficiently across various scenarios based on organizational structures, assigned roles, risk levels, and emergency types. We consistently invest in improving our emergency response teams and facilities to better address potential threats to employee safety from unforeseen incidents. In FY2024, we constantly enhanced our emergency response capabilities and established a non-stop emergency notification system that could reach nearly 100,000 employees within one minute. This system ensures that emergency notifications can be delivered, received, and seen. As of March 31, 2024, we had 175 automated external defibrillators (AEDs), registering a year-on-year growth of 39 units. This expansion minimizes health risks for our employees in case of emergencies.

Our campuses in Hangzhou City, including Xixi Campus Park A, Xixi Campus Park B, and Cloud Valley Campus, have all obtained ISO 45001 and ISO 14001 certifications.





Promoting diversity, equity, and inclusion

> Attracting and retaining talents

> Enhancing employee health and vitality

Expanding the implementation of EHS systems

The implementation of EHS systems are expanded to cover more locations, such as our self-operated logistics facilities under Cainiao Group and our self-built data centers within Cloud Intelligence Group.



Cainiao has built an EHS system

At the business group level, Cainiao has set up a Safety Risk Management Committee led directly by the CEO. It has established a dedicated EHS management team, which is responsible for establishing organizational and management systems for safe operations within all business departments. Its detailed work includes establishing metric-based targets for reducing occupational injuries, setting up safety training systems, introducing multi-level control over safety risks, identifying hazards, reporting incidents, and executing emergency management plans.

In FY2024, Cainiao arranged for all business departments to identify hazards, assess risks, and take necessary control measures. The business group formulated the Control and Management Procedure for Responding to EHS Risks and Opportunities. This document helps identify, analyze, and assess: (1) internal and external factors; (2) the needs and expectations of stakeholders; and (3) risks and opportunities associated with processes designed according to the management system. Based on that, Cainiao determines which risks to address and which opportunities to grasp. Cainiao has formulated the Control Procedure for Emergency Preparedness and Response, which guides its actions to implement emergency response plans so that it can prevent or reduce safety and environmental incidents as

well as occupational diseases or hazards. Additionally, the business group has issued the System for Performing and Reviewing Risk Response, which defines an emergency response mechanism that includes a review and accountability component.

Cainiao also issued the Policy for Conducting and Reviewing Risk Response, which defines an emergency response mechanism and a review & accountability mechanism.

As of March 31, 2024, Zhejiang Cainiao Supply Chain Management Co., Ltd. has obtained multiple ISO certifications, such as ISO 9001, ISO 14001, and ISO 45001, striving for constant improvements to its EHS performance.



Alibaba Cloud

Alibaba Cloud has launched an EHS system

Alibaba Cloud has established a committee of safe operations at each self-owned data center. EHS engineers have been hired to be in charge of safe operations. In FY2024, Alibaba Cloud took comprehensive measures to identify, classify, and manage safety risks. It compiled the Safety Management Rules for Special Operations in IDC Operation and Maintenance to standardize the procedures for requesting, approving, conducting, and accepting special operations. Additionally, it issued the Specifications on EHS Incident Management in IDC Operation and Maintenance for reporting, handling, recording, and reviewing EHS incidents.





Promoting diversity, equity, and inclusion

> Attracting and retaining talents

> Enhancing employee health and vitality

Caring for employees physically and mentally

Prioritizing the physical and mental health of our employees is not just about caring for them. It is a strategic investment in our future success and competitiveness. Healthy employees are demonstrably more productive and creative. That is conducive to long-term organizational growth.

We offer a miscellany of activities designed for the physical health of our employees, including health lectures, chronic disease management, maternity schools, and parenting classes.

We are dedicated to fostering a multi-dimensional service system for mental health. This system offers our employees a range of services, including psychological counseling, psychological assessments, and education on mental health. We work with third-party professional teams to offer psychological counseling. This service, available via a 24/7 hotline, addresses common concerns about family, education, personal growth, interpersonal relationships, and more. We use tools such as the Hollander Occupational Interest Scale for psychological assessments. Assessment results help employees plan for their careers. By means of regular psychological training and online education, we help our employees see their own inner worlds more clearly and make them more capable of self-adjustments.



Creating vibrant working environments

Under the principle of putting people first and remaining close to nature, we strive to make our working environments comfortable, inclusive, and convenient so that our employees have a pleasant experience working on our campuses.

We aim to build a green, low-carbon, and people-centered workplace. As of March 31, 2024, we had around 238,000 square meters of floor area certified by LEED at the Gold level. In December 2023, the office community comprising some of our existing campuses in Hangzhou City received the LEED for Cities and Communities certification at the Platinum level, which is the highest.

Our newly built campus in Hangzhou City, Xixi Campus Park C, features indoor fitness areas, alongside multi-purpose classrooms for employee club activities. Its outdoor facilities include a field-and-track ground, a soccer field, and more to meet the leisure and sports needs of our employees. Additionally, healthy and nutritionally balanced dining options are available to meet the leisure and recreational needs of our employees. The newly opened Beijing campus has an open-air square and a sunken one. They feature fitness trails, multi-functional courts, and dining areas amid natural landscapes, accommodating outdoor communication, temporary outdoor work, and small gatherings.

Apart from excellent infrastructure, we provide our employees with convenient digital life services on our campuses. To meet their demand for administrative services, we have come up with a variety of offerings, including a 24/7 hotline at the number 1818, a service bot called Ali Assistant, and QR codes for requesting services. Employees can ask Ali Assistant questions about work and life on our campuses. If it cannot answer a question, a service ticket is generated for human follow-up. In FY2024, Ali Assistant provided administrative services around 1.3 million times worldwide. In FY2024, we achieved a 99.6% resolution rate for service tickets generated following conversations with Ali Assistant.

We care about how our employees feel in the workplace and whether the office environment is healthy enough. Therefore, we conduct satisfaction surveys across our workforce each quarter to identify common issues for which we need to make improvements.

According to employee survey data, the satisfaction rate for Alibaba's office environment was 93.6% in FY2024.

93.6%

the satisfaction rate for Alibaba's office environment



Enabling a Sustainable Digital Life

The Sustainable Development Goals (SDGs), proposed by the United Nations, have defined the essence of sustainable consumption. As digitalization reshapes the way we consume and live, we see new possibilities for improving consumer well-being and achieving the SDGs. We need to provide consumers with a broader, enhanced choice of products and services, thereby improving consumer experience. Whether we can achieve that has an impact on consumer participation in the Alibaba ecosystem and the sustainable development of our business.

This chapter

Diverse consumption

Trustworthy consumption

Inclusive consumption

Responsible consumption





Enabling a Sustainable Digital Life

Results of our actions



Inclusive consumption

over 970,000 times

Youku Barrier-free Theater breaks down barriers for visually impaired viewers by offering a vast library of over 2,000 movies and TV episodes, which have been played over 970,000 times

Responsible consumption

2.73 million

The Taobao and Tmall platforms have provided 2.73 million Low-carbon Friendly Products

over 1.8 billion

The cumulative total of orders placed with the "No Cutlery" option on the Ele.me platform has exceeded 1.8 billion

Diverse consumption

Universal Taobao

Taobao and Tmall Group positions itself as the "Universal Taobao." On the Taobao app, consumers have access to an extensive selection of products, including branded items, imports, and goods sourced directly from manufacturers or farms, together with various long-tail offerings

about 2 billion

The Taobao and Tmall platforms have host about 2 billion products



about 70 million

The GreenNet Program has automatically redirected about 70 million inappropriate searches to educational pages

over 54 million

Amap's wheelchair navigation feature has helped plan over 54 million wheelchair-accessible routes

over 5,600

Amap has built a cumulative total of over 5,600 WeCare taxi assistance stations for the elderly in 37 cities across China



Strategies and approaches

In FY2024, we established "user first" as one of our strategic priorities. That means putting customers first when we formulate business goals and design product processes, covering our business philosophy and product concepts.

Taobao is positioned as the "Universal Taobao" because of its ability to provide consumers with a vast, diverse selection of products and services. It serves a huge consumer base and caters to various needs at multiple levels. We stick to the positioning of "Universal Taobao" and regard price competitiveness as a core strategy across products at various levels. We enhance the quality and safety of products throughout the entire process. Additionally, we constantly improve consumer experience on the entire consumer journey, strengthen the protection of consumer rights and interests, and strive to create a trustworthy consumption environment.

We believe that no one should be left behind in sustainable consumption that makes life better. Digital platforms must work towards that direction. As we make constant efforts to develop inclusive consumption, we are particularly focused on accessibility and age-friendly adaptations.

We closely watch the consumer market and provide constant support to make it easier for consumers to practice responsible consumption. Additionally, we encourage and empower consumers to develop more sustainable consumption habits.



**Diverse consumption**

> Trustworthy consumption > Inclusive consumption > Responsible consumption

Diverse consumption

Greater product diversity is a driving force for improved consumers' welfare, and diverse consumption is key to winning the market. We are committed to providing consumers with a broad range of cost-effective products and services.

Wider choice | **Better value for money**



**Diverse consumption**

> Trustworthy consumption > Inclusive consumption > Responsible consumption

Wider choice

Consumer preferences are becoming increasingly diverse and complex. To catch up with the evolution of the consumer market, we closely follow and analyze consumption dynamics to gain an understanding of the lifestyles, value propositions, and future expectations of consumers. With that understanding, we present them with a broad array of products that represent different value propositions.

Taobao and Tmall Group positions itself as the "Universal Taobao." On the Taobao app, consumers have access to an extensive selection of products, including branded items, imports, and various long-tail offerings. To offer a wider choice, we constantly expand our business upstream along the supply chain to source more products from manufacturers or farms. We see that as a crucial measure to attract different consumer groups and meet their needs. As of March 31, 2024, the Taobao and Tmall platforms have provided about 2 billion products.

We track ever-changing consumer needs and leverage platform mechanisms to help the supply side discover emerging or niche needs. That creates a virtuous supply-demand circle, which also benefits consumers.

In overseas markets, we adjust our supply strategy according to consumer behavior in different countries and regions so that we can provide local consumers with a variety of products.

The Chinese consumer market is characterized by a multi-layered spectrum of value propositions. China has the world's most varied consumer base and robust manufacturing prowess. Therefore, we can ensure that every category includes a rich assortment of products representing distinct value propositions and appealing to various consumer needs.

Eddie Wu, CEO of Alibaba Group

The "Universal Taobao" caters to diverse lifestyles

The universal Taobao goes beyond everyday needs to offer a vast array of interesting and trendy products that function as vehicles for self-expression. The platform is particularly popular with young consumers. Over the past year, it has witnessed multiple waves of new fashion movements for dopamine dressing, the Maillard style, millennialism, Chinese aesthetics, and more.

Taobao resonates with consumers' pride in sci-tech achievements. Yandan No.1 is a space-bred variety of coral lily developed by Chinese scientists. When its seeds were listed as a product on Taobao, Yandan No.1 became China's first space-bred flower variety widely available on the market. The product received immense attention and a positive response from consumers, with the first batch selling out within just two days.





Better value for money

Price is one of the most important factors that impact purchase decisions. We prioritize price competitiveness, which is about offering good value for money from high-quality products. It is a central strategy spanning all categories of products as we present the right products together with pricing information so that consumers can buy better products at lower prices.

Delivering a value-for-money shopping experience

On Tmall platform, products with the “Price Match Guarantee” label allow a consumer who has bought an item to claim compensation if they find a lower price for the same item from the same merchant within a certain period or if the out-of-pocket price is higher than the listed price of the same item on the platform. They simply need to provide valid proof for a platform review. If they pass the review, the merchant will return the price difference. Taobao and Tmall host various promotional events and launch a series of price discount measures such as the “Billions in Allowances,” delivering consumers an experience of excellent products at good prices.

Taogongchang connects consumers with high-quality, affordable products

Taobao and Tmall Group's Taogongchang (also known as Taobao Factory) business reduces end prices by cutting out the middleman and lowering marketing costs. That brings consumers the ultimate value for money. Taogongchang List of National Treasures 2023 covers all kinds of high-quality, cost-effective products, from dental floss to height-increasing insoles, from disposable bed sheets for travel to nutrient soil for plants on the balcony, and from Pixian bean paste, the soul of the Sichuan cuisine, to a disciplinary ruler that laid-back youngsters love to use as a reminder for themselves to stay calm.





Diverse consumption >

Trustworthy consumption

> Inclusive consumption

> Responsible consumption

Trustworthy consumption

A trustworthy consumption environment is a prerequisite for a good life. To build it, we strengthen the protection of consumer rights and interests by providing better, safer products and improving consumer experience.

Improving the quality and safety of products at all stages

A full-cycle approach to consumer experience





Diverse consumption >

Trustworthy consumption

> Inclusive consumption > Responsible consumption

Improving the quality and safety of products at all stages

We comply with local laws and regulations wherever we operate. We also adhere to national standards and applicable industry standards. Furthermore, we constantly improve our product quality management system and partner with merchants to ensure the quality and safety of products.

To protect consumers and regulate merchant conduct, Taobao and Tmall formulate rules based on China's laws. These rules cover merchant onboarding, quality control, marketing compliance and so on. As of March 31, 2024, we have released over 200 sets of rules. Furthermore, the platforms have a comprehensive digital system for product quality management, covering the prevention, identification, and handling of risks. The aim is to ensure that consumers can shop with confidence in a trustworthy consumption environment.

The Product Quality Center helps merchants improve quality

Taobao and Tmall have launched the Product Quality Center. By labeling and analyzing consumer feedback such as reviews and inquiries, the center helps merchants quickly discover product quality issues and provides suggestions on rectifications. That improves the efficiency of data-driven operations for merchants. As of March 31, 2024, we had a total of over 2,500 quality labels.



Prevention

To prevent non-compliant products from being listed, we have built a comprehensive mechanism to vet merchants and products. In addition, we support merchants with product quality training and digital tools.



Identification

In accordance with applicable laws, regulations, and standards, such as the Product Quality Law of the People's Republic of China and the National General Safety Technical Code for Textile Products, we have established a robust quality inspection system to spot harmful and non-compliant products on our platforms. It is powered primarily by algorithmic models, supplemented with manual checks. If there is a special case that requires a closer look, we initiate an ad hoc review. Furthermore, we leverage algorithmic models and governance experience to identify high-risk items. Then, we buy some of them as a sample for an inspection, known as a sampling inspection.



Handling

Upon identifying a harmful or non-compliant product, we take actions such as removing the product and delisting it. Penalties on the merchant may include restricted operations or liquidated damages, depending on the severity of the violation. To prevent the defective product from reaching more consumers, we use digital channels to send notifications to the merchants, requesting them to conduct a self-inspection and halt the sale of the product. As part of our responsibility, we assist the manufacturer in executing a recall.



Diverse consumption >

Trustworthy consumption

> Inclusive consumption

> Responsible consumption

Tmall Supermarket gives consumers peace of mind with food products

Consumer interests are the most fundamental consideration for decision-making at Tmall Supermarket, which is committed to creating a convenient shopping experience where consumers have full peace of mind buying and eating food products.

In accordance with laws and regulations such as the Food Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, the Administrative Measures for Food Recalls, and the Interim Provisions on the Administration of Consumer Product Recalls, Tmall Supermarket has established a robust set of risk control rules that govern all stages, from product access qualification, to product sales and after-sales service.



In the product access qualification stage, we perform reviews based on our compliance management rules to ensure that only compliant products can be listed. Those rules cover the qualifications of merchants, brands, and products.

In the sales stage, our product inspections span the entire process of warehousing operations. There are personnel dedicated to performing inspections on products from stock-in to stock-out. There are stock-in acceptance inspections as well as inspections on the transportation and storage conditions of products and environmental cleanliness. Based on the risk levels of products and feedback from consumers, we conduct unannounced inspections on suppliers and products on an irregular basis to ensure that products comply with China's laws and regulations. That helps ensure a good consumer experience. Additionally, we engage third parties for double-blind sampling inspections. Upon identifying issues in products, we promptly notify the suppliers and take appropriate actions based on the risk levels of the issues. For the products, these actions may include issuing alerts, requiring rectifications, delisting them, or initiating recalls. For the suppliers, these actions may range from issuing warnings to imposing penalties, or even terminating cooperation.

Governed by the Tmall Supermarket Policy on Product Quality Risk Grading & Quality Issue Penalties and the Tmall Supermarket SOP for Handling Product Quality Risks, for the products with quality problem identified by consumers complains or self-inspection, combining risk information in post-sale follow-ups, consumer reviews and refunds, Tmall Supermarket takes necessary measures to mitigate the risks, for example, delisting the product in question and contacting the affected



consumers to follow up. To strengthen the management of tracing and recalling for consumer goods and food products, Tmall Supermarket also formulated internal policies, such as Tmall Supermarket Policy on Tracing and Recalling Food Products and the Tmall Supermarket Policy on Tracing and Recalling Consumer Goods, in align with relevant laws and regulations. For (1) the unsafe food products identified through self-inspection, consumers complain, or notification from market supervision authorities, and (2) the confirmed defective consumer goods, that require a recall by Tmall Supermarket upon assessment, the recall procedure would be implemented according to the internal policies.



Diverse consumption >

Trustworthy consumption

> Inclusive consumption

> Responsible consumption

Ele.me improves its food safety system by implementing the Trustworthy Ordering strategy

Under the strategy of "trustworthy ordering, on-time delivery," which was put forward in 2022, Ele.me has shaped its ESG philosophy of "Trust (trustworthy consumption), Joy (enjoyable experience) and Kindness (heartwarming assistance) to create a better life".

Ele.me has established a series of food safety rules and published them in its Rules Center. It has set up a Food Safety Management Department, which tackles the crucial tasks of building the right organizational structure, coordinating the formulation of the rule system, and enforcing platform governance. Three key areas define its management approach -- pre-sales merchant management, in-sales delivery oversight, and after-sales consumer rights & interests protection. Furthermore, Ele.me is taking steps to build an emergency response system and a comprehensive training system.

In FY2024, Ele.me further strengthened the protection of consumer rights & interests. A major step in that regard was to introduce the proactive after-sales service mode. In this mode, when a consumer initiates an after-sales service request following a severe food safety incident, we reach out to them by phone to offer after-sales service. In FY2024, the consumer satisfaction rate for our proactive after-sales service was 91.1%.

Ele.me, as a platform, has taken an impactful measure to establish a mechanism that fosters a virtuous cycle between supply and demand. As a result, consumers have more peace of mind, while merchants gain better opportunities for sustainable growth. In FY2024, merchants certified under the Little Blue Heart, the Trustworthy Ordering List¹, and the Star-Food Rating² could retain their badges on the Ele.me platform for easy identification among consumers.

We score the overall environments of restaurants from multiple dimensions, including business qualifications, physical environments, open kitchens, staff management, and online data. Qualified restaurants get the Little Blue Heart certification. As of March 31, 2024, a cumulative total of over 43,000 merchants have obtained this certification.



Footnote 1: The Trustworthy Ordering List is a high-quality takeaway guide building on the Little Blue Heart. It is a monthly updated, consumer-driven list of reorder-worthy restaurants selected according to reviews from takeaway consumers and recommendations from an expert review panel.

Footnote 2: The Star-Food Rating is a third-party standard evaluation system for food. It tests and certifies dishes offered by restaurants from multiple perspectives, such as nutritional value and ingredients.



Diverse consumption >

Trustworthy consumption

> Inclusive consumption

> Responsible consumption

A full-cycle approach to consumer experience

We make significant investments in enhancing the core experience of consumers. We are committed to building a trustworthy, convenient shopping environment for consumers, from pre-sales assistance and in-sales support to after-sales service and logistics.



Pre-sales

The first step of the consumer journey on our platforms is to find their desired products with confidence. Therefore, we must ensure the truthfulness and accuracy of product information.

We pledge to provide truthful and accurate information about our products and services to avoid misleading consumers. Furthermore, we protect vulnerable groups such as the elderly and children, and we never discredit or slander our competitors. Upholding laws and regulations such as the Advertising Law of the People's Republic of China and the Measures on Internet Advertising Management, we have established platform rules such as the Alimama Compliant Marketing Policy and the Violation Management Rules on Anti-spamming and Implementation Methods. By collaborating with merchants, we strive to ensure that product information is compliant and accurate.

We have established systematic measures for the governance of advertising and marketing. Before an advertisement is published, we have conducted a compliance review that may adopt different methods, such as image-text algorithmic models and manual checks. If any non-compliant content is found, we intercept the advertisement and instruct the merchant to make rectifications. After it is published, we use image-text algorithmic models to scan all information contained in it. The model automatically identifies potential violations of platform rules as well as applicable laws and regulations. Examples of these violations include using banned extreme words to describe products and marketing non-dietary supplements as having certain functions of dietary supplements. If any such violation is identified, we take necessary actions, such as removing the advertisement, allocating demerit points upon the product or the merchant, and eliminating the merchant from the platform, depending on the circumstances. For non-compliant merchants, we organize regular awareness education, guiding them towards compliant and ethical business practices.

In FY2024, the Taobao and Tmall platforms dealt with over 3.1 million cases of false advertising products. Additionally, the platforms organized 110 training sessions for merchants involved in misconduct.



Diverse consumption >

Trustworthy consumption

> Inclusive consumption

> Responsible consumption

In-sales

On our platforms, consumers often rely on store experience scores and product labels as a guide for their purchase decisions. In FY2024, we took a deep look into all factors affecting consumer experience and launched a series of new initiatives. At the store level, we upgraded the standard for store experience scores and introduced the store label system for part of stores. At the product level, we created a system of high-quality service labels. We believe that transparent information builds trust between merchants and consumers. That translates into lower transaction costs.

The new version for store experience scores gives more prominence to metrics that consumers are most concerned about, such as the refund rejection rate and the promised delivery time. The new store labels include "Average Order-to-shipping Time," "Customer Service Satisfaction," and so on. These are all key dimensions that have a major impact on consumer experience.

Store experience scores and store labels are prominently displayed, for example, on store homepages and product detail pages, providing valuable information for consumers to make informed decisions.

High-quality service labels for products include "Delivery & Installation," "One-hour Delivery," and "Delivery from Origin." When consumers purchase products with these labels, they are entitled to the corresponding high-quality services.

After-sales

After-sales service is an integral part of a worry-free shopping experience. We value feedback from every consumer. In FY2024, we made constant efforts to improve after-sales service experience and address consumer concerns through convenient channels for after-sales inquiries, complaints, and refunds.

We have added an entry point for customer service during the consumer-merchant negotiation stage so that consumers can seek help from us if there is any tough issue. To improve customer service quality, we have established service specifications and quality standards. To ensure that these are effectively implemented, we have a dedicated team evaluating the processes and results of customer service. In FY2024, the consumer complaint rate on the Taobao and Tmall platforms was 0.019%.

We have optimized the refund procedure to lower the possibility of merchants rejecting refund requests. That is a boost to consumer experience. When a consumer initiates a refund request, we offer guidance for them to clearly describe the issue with the product so that the merchant can process the refund request more efficiently. If the merchant wants to reject the refund request, they must specify a reason and submit proof. They cannot reject it without a reason. If the product has been shipped, the merchant needs to ask the logistics provider to intercept it. The fact that the product has been shipped is not an acceptable reason for rejecting the refund request. If a consumer initiates a refund request for a product that has not yet been shipped, we offer multiple convenient refund services, such as instant refunds and fast refunds. In FY2024, the overall refund rejection rate decreased by 39.7% year on year. If a refund request was initiated for an item that has not yet been shipped either by the merchant or by the consumer, we offer multiple convenient refund services, such as instant refund and fast refund.



Diverse consumption >

Trustworthy consumption

> Inclusive consumption > Responsible consumption

Logistics

Logistics is one of the major driving forces for the development of e-commerce platforms, and it is crucial for improving consumer experience. All of our e-commerce platforms are committed to optimizing logistics services.

The Taobao and Tmall platforms closely monitor the shipping status of packages. In case of anomalies, such as packages getting stuck in transit or delayed shipping, we take proactive measures to protect consumer rights and interests. If a merchant delays shipping an order without the consumer's consent, the platform supports a refund request without a return. We are committed to providing an enhanced, more affordable delivery experience for consumers by offering delivery-to-doorstep service and improving logistics services in remote areas.

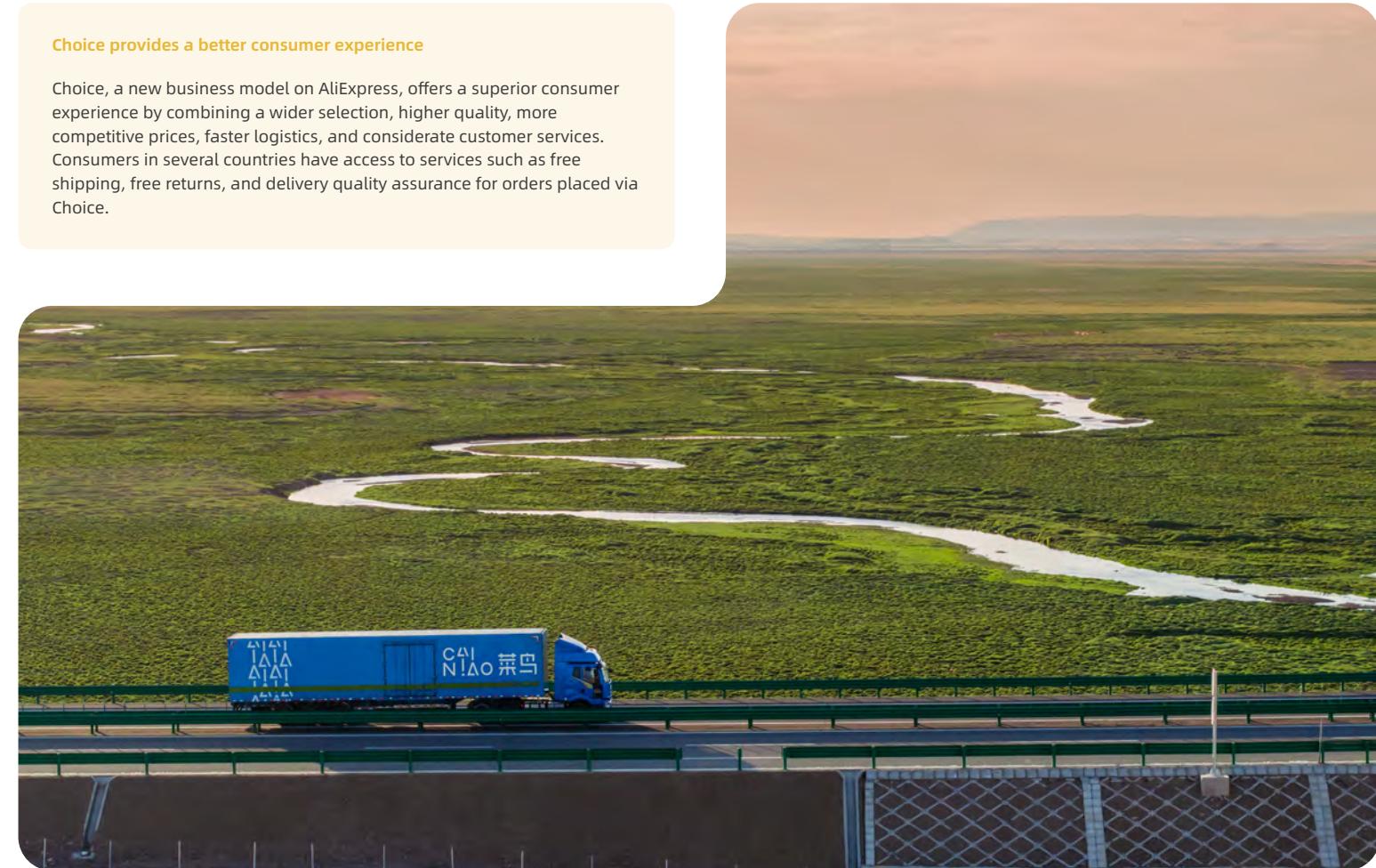
Tmall Supermarket is an Alibaba-operated retail platform, which works with Cainiao and other logistics service providers to provide consumers with same-day and next-day delivery services. The 1212 Half-day Delivery mode, created by Tmall Supermarket and Cainiao, ensures that products ordered by noon arrive by 9:00 p.m. on the same day and that products ordered by midnight arrive by 12:00 p.m. the next day. In this mode, we promise delivery-to-doorstep service. If that fails to be provided, we make a compensation.

Cainiao has made constant innovations in the field of cross-border e-commerce logistics. In 2020, it shortened the order-to-delivery time between China and major overseas destinations from 30-60 days to just about 10 days, with a single package costing as little as a coffee. Cainiao and AliExpress jointly launched a 5-day global delivery service in FY2024. Packages from China can reach major overseas destinations in just 5 working days.

As of March 31, 2024, the 5-day global delivery service has been expanded to over ten countries, including Spain, France, Portugal, Belgium, Saudi Arabia, the United States, and Mexico.

Choice provides a better consumer experience

Choice, a new business model on AliExpress, offers a superior consumer experience by combining a wider selection, higher quality, more competitive prices, faster logistics, and considerate customer services. Consumers in several countries have access to services such as free shipping, free returns, and delivery quality assurance for orders placed via Choice.





Diverse consumption > Trustworthy consumption > **Inclusive consumption** > Responsible consumption

Inclusive consumption

We constantly make innovations and improve the platform economy to bridge the digital divide. Our aim is to make consumption more inclusive so that no one is left behind in enjoying a wonderful life.

Barrier-free digital consumption

Age-friendly digital consumption





Diverse consumption > Trustworthy consumption >

Inclusive consumption

> Responsible consumption

Barrier-free digital consumption

We strive to ensure that a diverse range of products and services are accessible to consumers with genuine needs. That is our ultimate goal for building a beautiful, sustainable life. However, we recognize that there is a digital divide that prevents marginalized groups, including the elderly and individuals with disabilities, from participating in the digital economy and reaping the benefits of a digital lifestyle. China has over 17 million visually impaired people, over 24 million hearing-impaired people, and nearly 300 million individuals with limited access to information³. We strive to serve them, because we are committed to inclusive consumption that leaves no one behind.

A wide range of digital solutions for a barrier-free digital life

We strive to understand the challenges faced by individuals with disabilities in using digital technologies. By improving solutions and making innovations, we provide them with necessary assistance in various living and working scenarios so that they have equal access to benefits brought by digital technologies.

We have established diverse communication channels for understanding user needs and a mechanism for product iterations. We gather user

feedback from user platforms and groups such as the Green Channel Group. Offline events that take place on a regular basis are also a source of user feedback. When we understand more about the needs of individuals with disabilities, we can incorporate their feedback into product iterations that bring additional features. Taobao, Tmall, Ele.me, and our other major apps have finished accessibility adaptations, with quite a few of them having obtained the national first-level certification for accessibility in China.





Diverse consumption

> Trustworthy consumption

> Inclusive consumption

> Responsible consumption



Barrier-free consumption

Shopping: On Taobao, images from product detail pages play a pivotal role in helping consumers understand and choose products. Traditional screen readers can only read pure text outside images. As a result, visually impaired individuals often need assistance from family members or friends to make purchase decisions and complete online transactions. To help them out, we have upgraded the screen reading function of Duguang Optical Character Recognition (OCR) to allow them to learn about product details through speech in a "shop by listening" mode. Information previously confined to images, such as product styles, fabrics, and care instructions, can now be converted into voices for them to hear. In FY2024, we provided services for over 260,000 visually impaired individuals.

Ordering food: Ele.me provides a screen reading function for visually impaired users, allowing them to order food easily. August 7 is Ele.me's Free Order Festival for Accessibility, specially launched for those users. On the 2023 Free Order Festival for Accessibility, the platform provided a discount of up to RMB39 for the first order placed by each visually impaired user.



Barrier-free travel

In November 2022, Amap launched a wheelchair navigation feature to facilitate travel for individuals with disabilities. This feature helps them avoid stairs and steep slopes. It prioritizes routes with accessible facilities, allowing wheelchair users to travel with ease. As of March 31, 2024, it was available in 50 cities. In FY2024, it helped plan a cumulative total of over 54 million accessible routes.



Barrier-free entertainment

Youku is committed to providing accessible video content for visually impaired individuals, making barrier-free viewing part of their daily lives. In December 2022, Youku Barrier-free Theater launched a function for authenticating visually impaired viewers. In FY2024, it added new content beyond movies and TV dramas to include short plays, animations, documentaries, and audiobooks, with a view to enriching audiovisual choices for visually impaired individuals. Youku has worked to shorten production cycles so that, when a movie that has shown in the movie theater premieres online, its accessible version is also ready. As of March 31, 2024, Youku Barrier-free Theater has amassed over 2,000 accessible movies and TV episodes, which have been played over 970,000 times in FY2024. Furthermore, Youku has made offline efforts to promote accessible movie viewing. That encourages visually impaired individuals to step out of their homes and integrate into society. In FY2024, Youku organized accessible premieres for some of the latest theatrical movies, such as Born to Fly and All Ears.



Barrier-free medicine taking

Braille used to remain largely absent from drug boxes, daily product packaging, and even basic public facilities. In June 2022, Alibaba Health launched the Alibaba Health Font, the world's first customized font library featuring a unique Braille-Chinese conversion function and phonetic annotation capabilities for texts. Alibaba Health Font 2.0 made its debut in November 2023. This version supports functions such as Chinese-to-English translation and proofreading, and it is available for free download. Alibaba Health Font 2.0 has received the Gold Prize at the 8th China Design Intelligence Award.





Age-friendly digital consumption

With an understanding of the real needs in the daily lives of the elderly, we constantly work to provide considerate, convenient, and efficient digital services through age-friendly adaptations that target specific offline scenarios.

Senior mode of Taobao app facilitates shopping with voice search

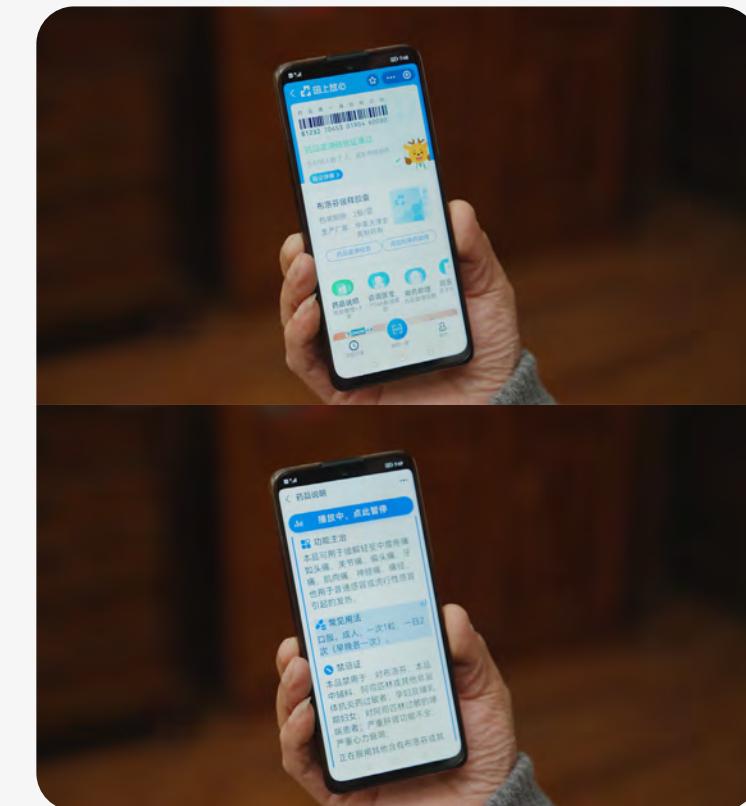
Our major apps have finished age-friendly adaptations. In the future, we will make further efforts and upgrade age-friendly standards to ensure that our apps are not just usable but also easy to use for the elderly. When the Taobao app is put in its senior mode, the elderly can use the age-friendly voice search function to look for products. This innovative approach has made shopping much less of a hassle for the elderly.

Digital technologies of Alibaba Health help the elderly better understand drug instructions

Alibaba Health harnesses digital technologies to make drug instructions age-friendly and improve drug safety for the elderly. This initiative specifically addresses the challenges faced by seniors who struggle to read and understand drug instructions. Now, the elderly can use the Taobao app to scan a bar code on the packaging, and the bar code leads to "Scan for Assurance," a drug traceability platform that displays drug instructions in large, easy-to-read text, clearly presenting information such as usage, dosage, indications, adverse reactions, and contraindications. The platform goes a step further by incorporating a voice announcement feature, which allows the elderly to listen to information rather than solely relying on reading. As of March 31, 2024, it was available for nearly 34,000 drugs bearing China's national medicine permission numbers.

Amap keeps expanding its WeCare Plan

Amap keeps expanding its WeCare Plan, which provides the elderly with convenient and considerate digital travel services. Since some elderly people have difficulties with location services or are not sensitive to directions, Amap has built WeCare taxi assistance stations. When they need a taxi, they can simply take out their phones, scan the QR code at any of those stations, and hail a taxi with a single tap. Furthermore, it provides individuals aged 60 or over with annual medical transportation allowances to make their travel to the hospital more affordable. As of March 31, 2024, Amap has established a cumulative total of over 5,600 WeCare taxi assistance stations in 37 cities across China. In FY2024, it distributed over RMB80 million in medical transportation allowances.





Diverse consumption > Trustworthy consumption > Inclusive consumption > Responsible consumption

Responsible consumption

As consumption creates a wonderful life, we must mitigate and eliminate its potentially negative environmental and social impacts. Building solutions and deploying them on a large scale are our responsibility and align with our interests. We closely watch the consumer market and provide constant support to make it easier for consumers to practice responsible consumption. Additionally, we encourage and empower consumers to develop more sustainable consumption habits.

Advocating green, low-carbon consumption and lifestyles

Helping build a healthy consumption environment





Advocating green, low-carbon consumption and lifestyles

We actively explore and deploy green consumption solutions. For one thing, we build a green product system on the supply side. For another, we provide consumers with a wider choice of green, low-carbon products, inspiring them to adopt green, low-carbon lifestyles that involve those products, making it an integral part of their daily lives.

Increasing the supply of green, low-carbon products

In October 2022, we launched the Low-carbon Friendly Products system. Since then, we have been identifying and assessing products that are environment-friendly, energy-efficient, manufactured in a low-carbon process, and made of low-carbon materials. These products are labeled Low-carbon Friendly Products. As of March 31, 2024, the Taobao and Tmall platforms have provided 2.73 million Low-carbon Friendly Products, spanning 47 categories. On Alibaba.com, green, low-carbon products are becoming a new vertical, covering things such as renewable energy components and garments made of renewable materials. We provide traffic support for products and stores in these fields, giving more exposure to merchants that have made investments and innovations in green, low-carbon development.

Standard systems are an essential infrastructure for achieving the green, low-carbon transition. We actively participate in the development of standards for green, low-carbon products. In FY2024, we were involved in the drafting and revision of two national standards in China, namely Environmental Management -- Lifecycle Assessment -- Data Documentation Format (standard number: GB/T 43620-2023) and General Principles for Green Product Assessment (project plan number: 20230776-T-469).

Guiding consumers towards green, low-carbon lifestyles

In FY2024, we made constant efforts on platforms such as Amap, Xianyu, Cainiao, and Ele.me to guide users towards lower-carbon options in various daily scenarios. We encouraged them to transform their actions into habits that are conducive to the green, low-carbon transition.

Ele.me offers the "No Cutlery" option on its platform to reduce the use of disposable items. As of March 31, 2024, cumulatively over 1.8 billion orders have been placed with the "No Cutlery" option. In September 2023, Science Magazine featured a cover paper highlighting the positive impact of Ele.me's green nudging efforts. The paper argues that the platform's measure of setting "No Cutlery" as the default option and rewarding consumers with green points effectively reduces the consumption of single-use cutlery and the amount of plastic waste that may be generated from it. This measure also helps consumers form lasting habits of green, low-carbon consumption.

Our study provides compelling evidence that nudges can be a powerful tool for changing behaviors. It also suggests that private sector and platform companies can provide highly cost-effective solutions to promote prosocial behaviors among their customers.

Albert Park, Chief Economist of the Asian Development Bank



We organize various activities to encourage more consumers to engage in recycling, reusing, and idle item trading. The Xianyu platform has launched the Green Partner Initiative to champion green lifestyles. During the 2023 11.11 Global Shopping Festival, the initiative teamed up with brands, such as Starbucks and XPeng, to launch green challenges and offer various incentives to encourage consumer participation.

For details, see the section "Enabling and engaging the platform ecosystem to reduce emissions" in Chapter 1, P38





Diverse consumption > Trustworthy consumption > Inclusive consumption > Responsible consumption

Helping build a healthy consumption environment

Digital platforms have become essential channels for consumers to acquire information, products, and services. However, they may also be misused to spread harmful information and sell illegal products. We have an obligation to prevent that from happening.

We have a systematic governance approach to handling inappropriate searches on our platforms. In 2020, we launched the GreenNet Program, which offers positive guidance for inappropriate searches and advocates pop science together with multiple stakeholders. It aims to promote scientific, safe, healthy, civilized, and environment-friendly consumption. In FY2024, the program still focused on five areas -- safeguarding physical and mental health, conserving wildlife, protecting minors, maintaining public safety, and securing personal information. In FY2024, over 70 million inappropriate searches were automatically redirected to educational pages. Additionally, we launched a campaign together with procuratorates to include legal awareness education on the pages of the GreenNet Program.

We leverage our digital capabilities to identify signs of illegal trading on our platforms, cooperate with law enforcement to crack down on it, and take actions to raise user awareness about wildlife protection.

For details, see the section "Ecosystem protection" in Chapter 1, P48



Fueling Small Businesses

Alibaba's mission is to make it easy to do business anywhere. The prosperity of micro-, small, and medium-sized enterprises (MSMEs) is crucial to us, as they have been working alongside us to serve the vast consumer market. Without their involvement, Alibaba would not have become the Alibaba that is beloved by customers.

This chapter

Developing responsible technologies

Providing markets, business capabilities, and ecosystems for MSMEs





Fueling Small Businesses

Results of our actions

Champion open AI

110 billion

In May 2024, Tongyi Qianwen's 110-billion-parameter model announced to be open-sourced

over 3,800

The ModelScope community offers over 3,800 open-source models for developers to download and use

Developing responsible technologies

over 20,000

Have been granted over 20,000 patents worldwide

over 78 million times

The Bailian platform has made multiple models, either open-source or closed-source, available to users via open application programming interfaces (APIs). That brings about additional convenience to users. The platform's open APIs were called over 78 million times on average per day in March 2024

Providing markets, business capabilities, and ecosystems for MSMEs

85%

Help MSMEs connect with markets. 85% of annual active merchants on Taobao and Tmall are micro-, small, and medium-sized merchants

over 320,000

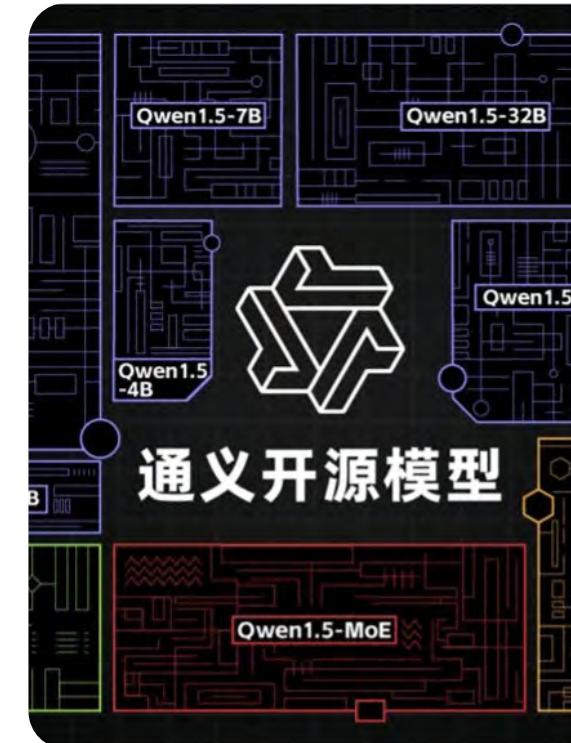
Help factories from industrial belts access markets directly. Over 320,000 factories from industrial belts have set up shop on 1688.com. Nearly 30,000 factories from industrial belts have leveraged the Taogongchang model to connect with consumer demand

over 48 million

Promote market connectivity worldwide. On Alibaba.com, over 230,000 merchants worldwide serve over 48 million buyers from more than 190 countries and regions

over 220 million

Offer AI tools for MSMEs. A cumulative total of over 2.2 million companies and organizations have used AI tools on the DingTalk platform



Strategies and approaches

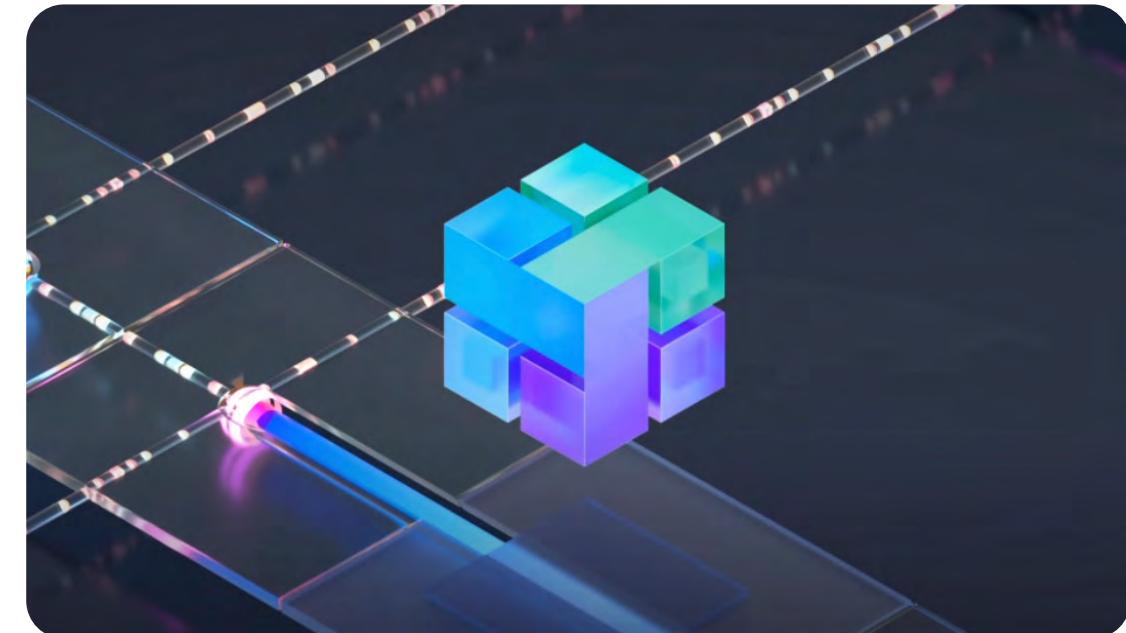
In the context of digital and intelligent transformation, MSMEs face challenges on multiple fronts, including adaptation to technologies, market access, and business competition.

As a platform company focused on technologies, we have a responsibility to invest in technological innovations and integrate digital technologies such as AI into the real economy. That drives more efficient, widespread digitalization across various industries and equips MSMEs with more capabilities for sustainable development.

Firstly, we connect MSMEs with vast and vibrant markets through our digital platforms, unlocking business possibilities for them.

Secondly, we transform technologies into digital tools and services, providing MSMEs with the capabilities of operating digitally and globally. These capabilities enhance their operational efficiency and business acumen.

Finally, we keep optimizing the business environments on our platforms to lower the operating costs of MSMEs.





Developing responsible technologies

> Providing markets, business capabilities, and ecosystems for MSMEs

Developing responsible technologies

Alibaba makes relentless investments in R&D and encourages innovations. We are convinced that technological development brings more opportunities for economic growth across society and ultimately benefits more people. Generative Artificial Intelligence, which experienced a boom in FY2024, holds immense promise as the next catalyst for technological breakthroughs. Amid various innovative technologies and their applications, we have laid out "AI-driven" strategy. We are committed to developing responsible technologies that are:

Efficient and cutting-edge

Open and inclusive

Safe and trustworthy

Environment-friendly





Developing responsible technologies

> Providing markets, business capabilities, and ecosystems for MSMEs

Efficient and cutting-edge

Our investments in R&D capabilities and resources have laid the foundation for us to remain at the forefront of technologies. As of March 31, 2024, we have been granted over 20,000 patents worldwide. In strategically important areas such as cloud computing, AI, and big data, the total of our patents granted worldwide exceeded 11,000.

Efficient and intelligent cloud computing

Cloud computing is a prime example of our commitment to investing in R&D and resources. From early-stage software innovations to hardware-software co-innovations, we have consistently invested in R&D across multiple dimensions, covering underlying hardware, operating systems, and cloud products. These investments have driven continuous improvements in overall efficiency.

Underlying hardware: In FY2024, we introduced an updated version for virtual servers in our Elastic Compute Service (ECS). Leveraging our intelligent scheduling algorithms, we further improved the utilization efficiency of computing resources and achieved a substantial drop in the cost per unit of computing power.

Operating systems: Apsara is an operating system specifically designed for cloud computing. It is configured with our self-developed Cloud Infrastructure Processing Unit (CIPU) to significantly enhance efficiency.

Cloud products: We provide customers with a diverse range of high-performance cloud products, covering cloud computing, databases, big data, and more. Polar DB, a database developed by Alibaba Cloud, offers customers high-performance services with superb elasticity that supports scaling resources up or down in a matter of seconds. It costs much less than a traditional commercial database. In FY2024, we introduced multiple products providing access to large language model capabilities for efficiency gains. In October 2023, we launched Tongyi Lingma, an intelligent coding assistant based on the Tongyi Qianwen (also known as Qwen) large language model. It is capable of generating codes and answering R&D questions. Tongyi Lingma was downloaded nearly 2.07 million times in FY2024.



Major honors that Alibaba Cloud has received

Top 1

Alibaba Cloud, once again, has claimed **the largest share** of the Asia-Pacific IaaS market (Gartner MarketShare: Services, Worldwide, 2023)

Leader

Alibaba Cloud has ranked as a **leader** in public cloud development and infrastructure platforms across China (Forrester Wave rankings, 2022)

Leader

Alibaba Cloud is **the only Asia-Pacific cloud service provider** recognized as a leader in the Magic Quadrant for Container Management (Gartner, 2023)

Leader

Alibaba Cloud is recognized as a **leader** in the Magic Quadrant for Cloud Database Management Systems (Gartner, 2023)

Self-developed AI large language models

Tongyi Qianwen is our proprietary foundational large language model. In September 2023, it became one of the first large language models officially registered in China. In last October, we released Tongyi Qianwen 2.0 with hundreds of billions of parameters, which demonstrated significant improvements in complex instructions understanding, literary creation, general mathematics and so forth. For English-language tasks, Tongyi Qianwen 2.0 ranks second globally on the MMLU benchmark. For Chinese-language tasks, it has got the highest score on the C-Eval benchmark. It also demonstrates excellent performance in data reasoning and code interpretation, coming in second globally on the GSM8K reasoning benchmark. In January 2024, we upgraded Tongyi Qianwen's visual understanding capabilities, which achieved world-leading performance in document analysis, tasks related to Chinese-language images, and more, according to evaluations by MMLU, MathVista, and others.





Developing responsible technologies

Providing markets, business capabilities, and ecosystems for MSMEs

Open and inclusive

To be widely adopted and translated into real-world productivity, technologies need to be not only efficient and cutting-edge but also open and inclusive. We are staunch believers and advocates of open-source technologies in an open tech ecosystem. Alibaba Cloud is committed to building the most open cloud computing company in the AI era. We are committed to leveraging open-source technologies for inclusive development in a thriving ecosystem. That, in turn, creates more possibilities for more people.

Over 3,800 
open-source models are in ModelScope community

Over 78 million times 
Bailian's APIs were called on average per day in March 2024

Open-source technologies

As of March 31, 2024, we have launched multiple major open-source projects in five major domains -- AI, cloud-native systems, big data, databases, and operating systems. Examples of these projects include Apache Flink, Apache RocketMQ, Apache Dubbo, Koordinator for the hybrid deployment of applications, and open-source AI model community ModelScope.

Among the projects initiated and donated by Chinese enterprises to the Apache Foundation and CNCF Foundation, we hold the top position in terms of the number of donated projects.

Alibaba Cloud promotes the development of open cloud-native systems

According to a survey by Forrester, over 80% of business decision-makers in China are using cloud-native technologies such as containers and distributed databases to drive innovations and go digital. An open cloud-native ecosystem plays a crucial role in facilitating this transformation.¹

Alibaba Cloud is committed to open-source cloud-native technologies, offering the most comprehensive open-source coverage as a domain innovator. Examples of its major open-source projects include Koordinator and OpenKruise. In FY2024, Alibaba Cloud received the 2023 OSCAR Outstanding Case Award for Top Open-Source Companies from China Academy of Information and Communications Technology for its devotion to cloud-native open-source projects.

Open AI

In FY2024, generative AI came to be recognized as a definite game-changer in this era. However, the exorbitant costs of developing and using large language models pose a significant challenge for most companies, particularly MSMEs. In response to this challenge, we proposed the concept of Model as a Service (MaaS) quite early. We strive to build cloud computing that fit the development patterns of AI. Going from there, we can nurture an open ecosystem that turbocharges innovations and drives various industries forward. To foster "Open Artificial Intelligence," we open-source self-developed large language models and platform tools, and develop model ecosystem.

As of the release date of this report, our Tongyi Qianwen large language model had multiple open-source versions with different numbers of parameters, including 1.8 billion, 7 billion, 14 billion, 72 billion, and 110 billion. Additionally, we have open-sourced two multi-modal large language models, one specializing in visual interpretation and the other in audio understanding.

Our AI platform, aptly named Platform for AI (PAI), is an engineering platform of machine learning for developers and companies. It provides a full range of services, including model training and inference optimization. With PAI, developing a model is no longer a matter of starting from scratch. PAI serves many customers, including Xiaohongshu and Kunlun as well as large language model startups from China and elsewhere. On PAI, we offer a number of open-source tools. Projects such as Pai-Megatron-Patch and

TePDist are open-source groundbreakers in hot-spot fields such as training tools for large language models and fully automated distributed systems for deep learning. They have improved efficiency for all stages of AI development. EasyPhoto, based on Stable-Diffusion, is a one-stop toolbox for creating digital avatars, functioning as a plug-in to create authentic, realistic, and beautiful AI portraits. It is a pioneer and leader in multiple technical areas.

Additionally, we champion the construction of a model ecosystem to drive the open development of AI. In 2022, we joined hands with the Opensource Development Committee of the China Computer Federation to launch ModelScope, an AI model community. In this community, model makers upload models. Developers and companies can freely download these models for secondary development. As of March 31, 2024, the community had a total of over 3,800 open-source models for developers to download and use.

In October 2023, we launched Bailian (also known as Model Studio), a one-stop development platform for large language model applications. It integrates a variety of quality large language models, either open-source or closed-source, from both China and elsewhere. It provides open APIs that make it easier for companies to select, call, and fine-tune models. With the capabilities made available by Bailian, companies can build a custom model in a matter of hours. In March 2024, Bailian's APIs were called over 78 million times on average per day.



Developing responsible technologies

> Providing markets, business capabilities, and ecosystems for MSMEs

Advancing inclusive development

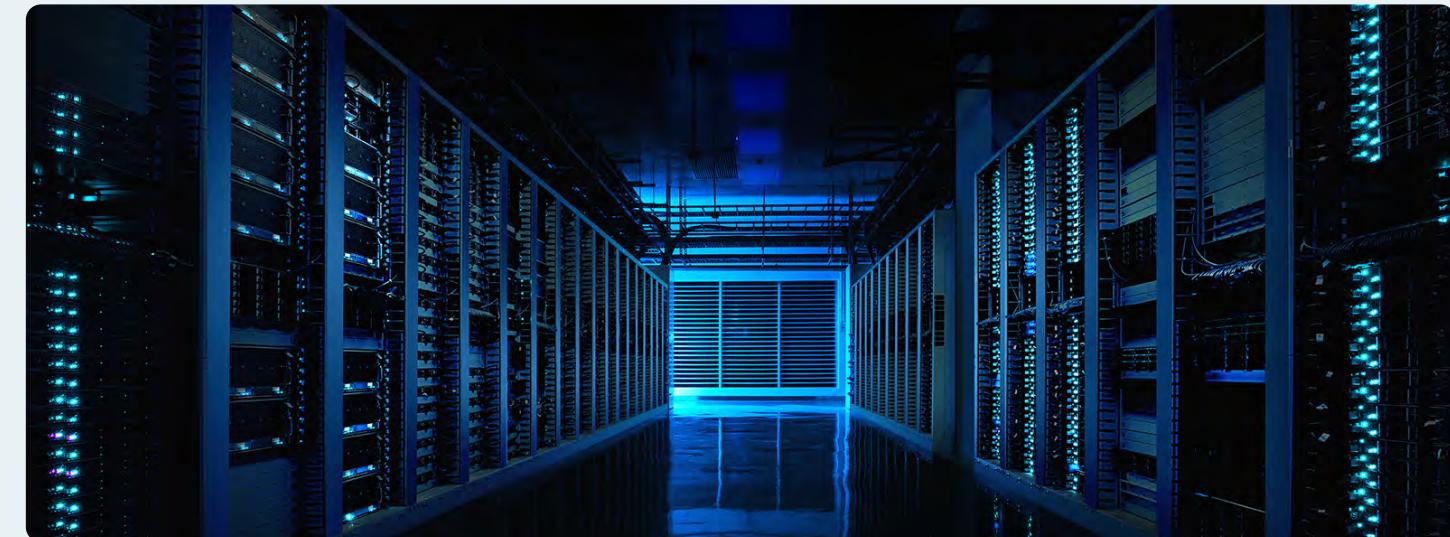
We are duty-bound to make cloud computing services more accessible. Tens of millions of MSMEs within our business ecosystem are already using cloud computing to empower their operations.

Lowering the costs of technologies to make cloud computing more inclusive

Leveraging our innovation capabilities and economies of scale, we have constantly lowered the costs of cloud computing. On February 29, 2024, we once again cut the prices of our cloud products across the board, with an average reduction of over 20% and a maximum reduction of 55%. Our price reduction initiatives prioritize core products that are used most frequently, such as cloud servers and databases.

Alibaba Cloud offers free trials and RMB99 plans

To assist MSMEs in utilizing cloud services at a low cost, we introduced free trials and RMB99 plans in FY2024. Free trials are available for 150 popular cloud products, such as cloud servers and databases. Whether a company is building its official website or applying digitalization for its business, it can always find suitable cloud products to try free of charge for a maximum of 12 months. RMB99 plans primarily target startups, offering them must-have cloud products at a price of just RMB99.





Developing responsible technologies

Providing markets, business capabilities, and ecosystems for MSMEs

Safe and trustworthy

If technologies are to drive social progress, they first need to win trust and support from various stakeholders. We build safe and trustworthy technologies from three perspectives -- privacy protection & data security, technology ethics, and product & service optimization. For details, please refer to Chapter 7 Building social trust.

For details, see the section "Building social trust" in Chapter 7, P157



Focusing on product quality management

Alibaba Cloud has always been customer-centric, and our product quality management system covers the entire lifecycles of products, from launch to in-service operations and discontinuation.

Before a product is launched, it goes through a preliminary review, invited beta testing, public beta testing, and a final review. The Product Quality Management Department participates in the entire process. In the preliminary review, the product is assessed mainly by the product manager and the Product Quality Management Department. During invited beta testing, we visit customer sites to garner feedback and iterate the product accordingly. Public beta testing, which generally takes three months, is about putting the product to the test of the market. The final review mainly involves us verifying multiple product capabilities, covering technical architecture, security, compliance, stability, and fault alert mechanisms. At this time, we also define and measure product specifications regarding availability, stability, and security. When the final review is passed, the product's service level agreement (SLA) becomes part of our commitment to customers.

When the product is on the market, a quality tracking mechanism kicks in. Based on customer feedback, we make continuous improvements to product quality and customer experience. Additionally, we have a functional change mechanism. A functional change to the product must pass a technical acceptance test and a product review. Before we incorporate it into the product, we notify customers of it.

When we discontinue a product, we adhere to a standard process that ensures compliance with regulatory requirements. We prioritize customer rights and interests by providing alternative solutions and phasing out the product in an orderly manner.

Multiple products of Alibaba Cloud have obtained the ISO 9001 certification for quality management systems. These products span various areas, including big data, enterprise applications and services, AI, basic cloud services, cloud infrastructure, and data management.

Optimizing customer experience

Our Customer Service and Experience Department is dedicated to providing good customer experience, with professional and standardized services. We offer comprehensive support, including pre-sales consultations and 24/7 after-sales service through hotlines, web channels, work orders, and DingTalk. Our professional service process and platform ensure fast response and high service quality. We constantly improve our capabilities of proactive services. Through intelligent patrols and proactive risk alerts, we help customers stay ahead of potential risks, learn about proposed solutions, and understand optimizations that we recommend. We prioritize the protection of customer rights and interests. Our official website has a dedicated reporting center and a complaint portal to handle complaints. We track the progress of complaint processing and improve our products accordingly for the betterment of customer experience.



Developing responsible technologies

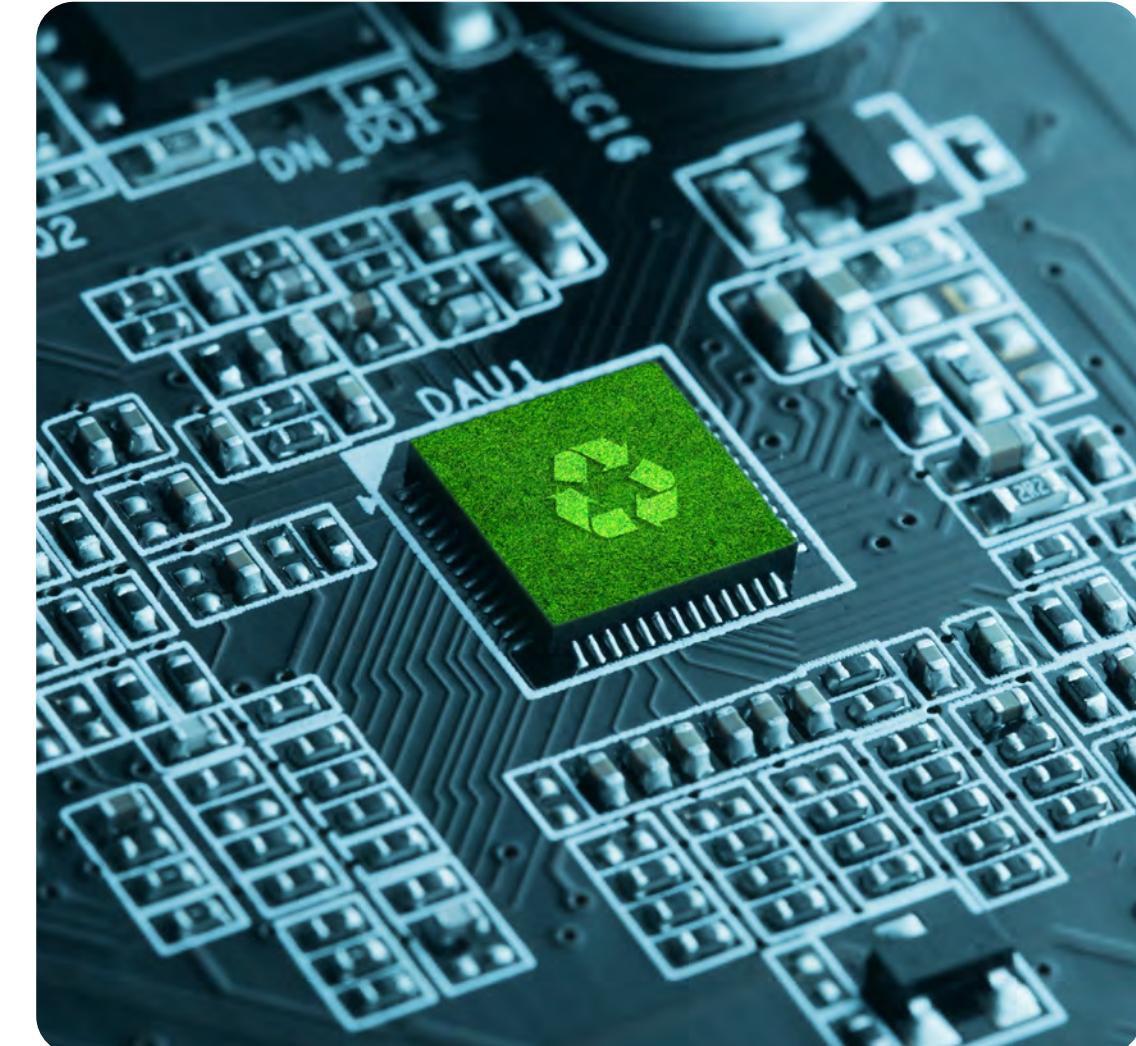
> Providing markets, business capabilities, and ecosystems for MSMEs

Environment-friendly

Clean computing power underpins social value created by cloud computing and is one of the major pillars supporting the development of AI. Driven by the huge and ever-increasing number of data centers worldwide, the demand for energy saving and emissions reduction is constantly growing at these facilities. We believe that integrating environmental considerations into data center operations not only makes our business greener but also provides an effective way to help customers achieve green development. In FY2024, the average power usage effectiveness (PUE) value of our self-built data centers was lowered to 1.200, putting us in a leading position across Asia. Alibaba Cloud's customers moved their data centers from on-premise infrastructure to the cloud, resulting in 9.884 million tons of emissions reduction under our strategy of enablement. As we expand the philosophy of green computing to digitalization, we make great efforts to drive green transformation and efficient governance across society by greening digital technologies such as AI.

For details, see the section "Greening our own operations and the value chain" in Chapter 1, P30

For details, see the section "Enabling and engaging the platform ecosystem to reduce emissions" in Chapter 1, P38





Developing responsible technologies >

Providing markets, business capabilities, and ecosystems for MSMEs

Providing markets, business capabilities, and ecosystems for MSMEs

Our e-commerce business is a testing ground and application scenario for technologies. We leverage technologies, from the Internet to AI, to bridge the gap between innovations and business needs. Our platforms empower a wide range of companies, ultimately creating value for the broader public.

**Connecting MSMEs
with broad markets**

**Enhancing the digital
capabilities of MSMEs**

**Building a favorable digital business
environment together with MSMEs**





Developing responsible technologies >

Providing markets, business capabilities, and ecosystems for MSMEs

Connecting MSMEs with broad markets

Our platforms boast extensive connectivity and enable MSMEs to tap into vibrant consumer markets, where they can unleash their full potential and seize a variety of opportunities. We exercise our platform regulation capabilities to facilitate the growth of various types of MSMEs. That fosters a thriving ecosystem to better serve diverse market needs.

85%



of annual active merchants on Taobao and Tmall are micro-, small, and medium-sized merchants

Over 320,000



from industrial belts have set up shop on 1688.com

Connecting MSMEs to China's vast domestic market

A huge consumer base engages with our platforms daily, purchasing and using a wide array of products and services. Diverse consumer needs present a multitude of business opportunities for MSMEs. Taobao, which is positioned as the "Universal Taobao" is a good example. We have built a vibrant, diverse marketplace that attracts all kinds of entrepreneurs, especially those running MSMEs. In FY2024, micro-, small, and medium-sized merchants accounted for 85% of annual active merchants on Taobao and Tmall².

Constant initiatives to support new merchants and meet diverse consumer needs

Diverse consumer needs call for a myriad of offerings, which is what we constantly work to provide. In FY2024, millions of new stores were opened on Taobao and Tmall. Additionally, Taobao launched the Star-making Plan for One Million New Merchants, and Tmall launched the Brand Prosperity Plan. Both initiatives target new merchants. We equip new merchants with customized perks and services, which shed light on their growth trajectories and give them a better shot at business success.

Connecting factories from industrial belts with broad markets

To help merchants from industrial belts connect with market demand, 1688.com, an integrated domestic wholesale marketplace in China, has launched an online map of industrial belts to show the distribution and features of industrial belts so that customers can easily find merchants that offer what they need. Additionally, the platform provides traffic support and training for merchants from industrial belts. This approach helps create branding effects for those merchants so that they can connect with markets more efficiently. As of March 31, 2024, over 320,000 factories from industrial belts have opened stores on the platform.

Through the manufacturer-to-consumer (M2C) model of Taogongchang (Taobao Factory), Taobao and Tmall help factories from industrial belts connect directly with consumer demand. This model lowers the costs of intermediate links and brings good value for money to consumers. As of March 31, 2024, nearly 30,000 merchants from industrial belts have been connected directly with the consumer market via Taogongchang.

E-commerce drives the sales of products derived from intangible cultural heritages

Intangible cultural heritages carry the civilization of human society and embody the diversity of global cultures. Protecting them has a profound significance for sustainable development. We have launched the Inheritance Support Plan and the 100 Craftsmen on Taobao Initiative. Taobao has created a dedicated channel for craftsmen. These are meaningful efforts to drive the sales of products derived from intangible cultural heritages and thereby promote cultural dissemination. In FY2024, the Inheritance Support Plan provided craftsmen with free customized training on e-commerce operations. In this plan, we worked with local bureaus of cultural tourism and women's federations to organize face-to-face training sessions in Danzhai County in Yunnan Province, Qiandongnan Prefecture in Guizhou Province, Jingdezhen City in Jiangxi Province, and Xi'an City in Shaanxi Province. Trainees learned how to run Taobao stores and grow their own businesses. In 2023, the sales volume of products derived from intangible cultural heritages on Taobao and Tmall reached RMB107.32 billion, up 37.7% year on year³.

Footnote 2: Annual active merchants refer to those that had sales in the fiscal year on the Taobao or Tmall platform. Annual active merchants that had a Gross Merchandise Volume("GMV") of less than RMB1 million in the fiscal year are defined as micro-, small, and medium-sized merchants in the sentence.

Footnote 3: The data comes from the Report on the Consumption of Products Derived from Intangible Cultural Heritages via E-commerce (2023), jointly released by China Tourism News, Taobao and Tmall Group's Research Center, and Shanghai University.



Developing responsible technologies >

Providing markets, business capabilities, and ecosystems for MSMEs

Connecting markets around the world

We have established an extensive global network of cross-border e-commerce to help MSMEs go global and grasp additional opportunities.

Alibaba.com boosts cross-border e-commerce

Alibaba.com is our integrated international online wholesale marketplace, and it helps MSMEs sell their products across borders. In FY2024, over 230,000 merchants worldwide used Alibaba.com to reach over 48 million buyers from over 190 countries and regions.

Over **48** million



buyers were reached on Alibaba.com



Tmall Global connects brands and MSMEs around the world with China's consumer market

One of the most important things for overseas brands to enter the Chinese market is to build brand awareness. Tmall Global, with its rich experience in cross-border e-commerce for imports, possesses both marketing insights and supply chain capabilities. In FY2024, the number of overseas brands on Tmall Global increased by about 7,000.

The influencer economy has become a prevalent marketing and sales model. Tmall Global collaborates with live streamers and short video creators to help overseas brands connect with China's consumer market quickly and effectively. The detailed measures include content seeding, livestreaming sales, and more. Additionally, Tmall Global has launched the Supernova Creation Camp to provide new merchants from overseas with necessary support.





Developing responsible technologies >

Providing markets, business capabilities, and ecosystems for MSMEs

Enhancing the digital capabilities of MSMEs

While creating market opportunities for MSMEs, we also provide a suite of digital tools and services to empower their growth. We strive to offer as many training and learning opportunities as possible in the realm of digital business, propelling them onto a fast track of digital transformation.

Over 2.2 million

companies and organizations have used AI tools on the DingTalk platform cumulatively



Digital tools for business operations

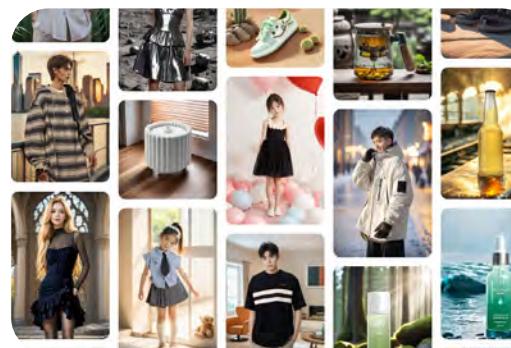
Marketing and traffic are crucial for business operations. Our Alimama platform effectively matches the marketing needs of merchants with media resources from Alibaba or third parties. The platform offers convenient tools used to make engaging content such as creative posters and videos. The content is used for various types of marketing services.

In FY2024, we integrated AI capabilities into the Alimama platform. Video content is a good example. Merchants only need to provide basic product information, and the platform's AI-powered tool for making videos can quickly generate short videos and automatically create scripts using our large language model. This tool was well-received among merchants, and their video adoption rate increased by seven percentage points.

In FY2024, Alimama established the Wanxiang Lab, dedicated to providing merchants with AI productivity tools related to marketing and promotion. Over 360,000 merchants have utilized such tools from the Wanxiang Lab. There is a tool that empowers clothing merchants to quickly create high-quality product images with real-life model try-on effects simply by uploading a garment picture. That significantly cuts costs. Between the time when this tool was released and March 31, 2024, the daily average download rate of AI-generated images was higher than 45%.

On Qianniu platform of Taobao and Tmall, we collaborate with third-party partners in the ecosystem to provide MSMEs with digital enterprise services, covering software, content, and supply chain management, enabling entrepreneurs to have access to a series of digital tools for business operations, including product management, order management, and more, anytime and anywhere. In FY2024, we launched the Qianniu Copilot, a business assistant that provides merchants with business frequently asked questions and a variety of AI-powered tools for their operations.

Our AI customer service offers a new chatbot that can greet consumers, assist with sales inquiries, and answer questions. It improves service efficiency, drives up conversion, and cuts operating costs. It even helps merchants provide personalized customer greetings.



Digital collaboration and management

As next-generation digital technologies, epitomized by AI, transform the economic and social landscapes, digital industries are becoming more deeply rooted in the real economy, and other industries are moving faster forward on a journey of digitalization. We always try to help MSMEs utilize digital technologies on a large scale and at low costs to improve their operational efficiency.

DingTalk is a leading intelligent platform in China for office collaboration and enterprise management. It provides companies and organizations with new ways to work, share, and collaborate. DingTalk offers comprehensive solutions for enterprise collaboration, covering real-time communication and organizational management. It comes with a variety of online collaboration tools for office automation (OA), HR management, cloud documentation, and more. On the DingTalk platform, companies can also conveniently access a wide range of applications, including those from third-party service providers. Additionally, DingTalk has a low-code development platform to enable companies to develop customized solutions in a more convenient, cost-effective manner. As of March 31, 2024, a cumulative total over 10 million low-code applications have been developed through the DingTalk platform, providing tools for the digital transformation of MSMEs.

In FY2024, DingTalk integrated to large language models such as Tongyi Qianwen for comprehensive intelligence across its instant messaging, documents, low-code development, and audio-video content services. As of March 31, 2024, a cumulative total of over 2.2 million companies and organizations have used AI on the DingTalk platform. In March 2024, the number of monthly active corporate and organizational users of AI exceeded 1.7 million.



Developing responsible technologies >

Providing markets, business capabilities, and ecosystems for MSMEs

Training on digital business skills

The digital transformation of MSMEs requires skilled workers who can effectively utilize digital tools and entrepreneurs who have a mindset geared towards digital management. We not only provide free e-commerce courses for MSMEs on our e-commerce platforms to help them enhance their skills but also run a Cloud Classroom to build internal digital learning platforms for companies, thereby addressing challenges about talent development in digital operations. For MSMEs in China's underdeveloped regions and the rest of the world, we offer featured offline courses to support innovation and entrepreneurship.

Providing digital skill training for MSMEs

Digital skill improvement for e-commerce merchants

We provide MSMEs with free courses, covering e-commerce fundamentals and growth strategies.

Digital learning platforms for companies

The Cloud Classroom, our self-developed online learning system, provides constant support for numerous companies and organizations to nurture digital talents. It has attracted learners from organizations such as schools, hospitals, and charities as well as companies from multiple industries, such as e-commerce, malls & supermarkets, logistics, and automobiles. In FY2024, 4.46 million people learned with the Cloud Classroom, clocking a total learning time of about 19.34 million hours.

Supporting innovation and entrepreneurship in underdeveloped regions

We establish talent training bases for the digital economy in underdeveloped regions around China. As of March 31, 2024, we have cumulatively worked with stakeholders such as local governments, companies, and industrial parks to build 82 such



training bases, through which we have organized a cumulative total of over 1,600 offline training classes with an attendance of more than 208,000.

Contributing to e-commerce talent development worldwide

In 2017, we launched the Alibaba Global Initiatives (AGI). That is a program aiming to inspire entrepreneurs, youngsters, and women worldwide with China's experience and best practices in developing the digital economy. It helps nurture digital talents and drives inclusive trade.

Lazada runs a sustainability academy for MSMEs

In October 2023, Lazada launched the Lazada Sustainability Academy (LSA), a pioneering initiative in Southeast Asia's e-commerce industry. It aims to empower MSMEs to grow more sustainably within the digital ecosystem. The LSA offers online training programs and courses that cover a wide range of sustainability topics relevant to MSMEs, including sustainable packaging practices, energy-efficient operations, product traceability, the circular economy, and employee health & safety. The LSA's content partners include the Singapore Environment Council, the International Trade Center, the National University of Singapore Business School's Centre for Governance and Sustainability, and so on.





Developing responsible technologies >

Providing markets, business capabilities, and ecosystems for MSMEs

Global operational capabilities

Venturing into overseas markets presents significant challenges for MSMEs, because it involves a variety of hurdles, such as language barriers, expensive yet inefficient logistics, and unfamiliarity with business regulations as well as compliance requirements. Alibaba.com provides MSMEs with a comprehensive set of digital tools and services, simplifying every aspect of global sales. Cainiao's international express helps customers ship products across borders more easily, economically, and efficiently. Additionally, we have launched the Electronic World Trade Platform (eWTP), an endeavor to foster the growth of digital trade worldwide.



Tools for global operations

In FY2024, Alibaba.com further enhanced the intelligence of its digital tools for operations. AI products such as the smart workstation OKKI AI and the AI Business Assistant offer a range of functions, including product listing & management, market analysis, customer reception, real-time translation for video chats, and enterprise management. As of March 31 2024, cumulatively over 10,000 companies have subscribed to the AI Business Assistant on Alibaba.com, and AI technologies have been used for listing over 1 million products, for example, to optimize the titles and descriptions.

Global supply chain network

We have established an extensive, cost-effective logistics network spanning the entire world, offering a diverse range of logistics services while continuously driving down costs. That is a recipe for increasing the efficiency and quality of logistics services.

We strive to integrate digital technologies into logistics. To meet the diverse logistics needs of MSMEs, we have established a digital logistics network and collaborated with global logistics partners to develop and share logistics technologies. Electronic waybills, autonomous vehicles, intelligent warehousing facilities, and logistics tracking services, which we helped develop, have been widely adopted. Cainiao received the Gold Stevie Award for Innovation in Transportation & Logistics in the 2023 Asia-Pacific Stevie Awards for its e-commerce logistics digital collaboration platform. Its cross-border package consolidation and fulfillment system was one of the top three finalists for the prestigious Wagner Prize from the Institute for Operations Research and the Management Sciences (INFORMS).

Cainiao keeps honing its capabilities of cross-border e-commerce logistics

Leveraging its end-to-end logistics network, control over critical nodes, advanced technologies, and extensive operational experience, Cainiao helps merchants deliver packages to overseas consumers more efficiently at lower fulfillment costs. Additionally, Cainiao addresses challenges in cross-border e-commerce. Its services include 5-day global delivery, 10-day global delivery, 20-day global delivery. In September 2023, Cainiao upgraded its priority cross-border courier service and collaborated with AliExpress to offer 5-day global delivery, a globally leading service in cross-border e-commerce logistics. As of March 31 2024, Cainiao's 5-day global delivery service has been expanded to over ten countries. In FY2024, Cainiao's cross-border and international business averaged over 5 million packages fulfilled daily.



Alibaba.com has launched a global logistics tracking service

In May 2023, Alibaba.com launched a global logistics tracking service for merchants worldwide. That is an intelligent service visualizing cross-border logistics throughout the entire process. To view the latest logistics tracking information, merchants simply log in to the global logistics tracking service system, select the logistics service provider, and enter the tracking number. They can perform a batch query to track all shipments in transit. Additionally, the system notifies consumers of logistics progress in real time. It watches for anomalies at critical nodes and sends alerts if any are detected. That brings about greater logistics reliability for both merchants and consumers.



Developing responsible technologies >

Providing markets, business capabilities, and ecosystems for MSMEs

Promoting inclusive trade worldwide

In 2016, we proposed the eWTP as an initiative to promote more convenient, innovative, and inclusive trade worldwide through digital technologies and cross-border cooperation. The eWTP joins hands with national and local governments to promote the growth of the digital economy through business practices and explore new rules for digital trade. It collaborates with global partners to advance digital trade, improve digital logistics networks, establish public service platforms, and nurture digital talents. As of March 31, 2024, 11 pilot collaborative projects have been launched in eight countries, with the addition of one in Cambodia as compared with FY2023.

AI upgrades for the eWTP

As a digital public service platform for multi- and bi-lateral trade, the eWTP has a key function of providing services for MSMEs across all stages of cross-border trade, including digital customs clearance, digital compliance, and legal risk consultation. In FY2024, we implemented AI upgrades for our existing tariff & compliance query tool and launched an AI-powered Smart Tariff tool.

Based on product sales information, the AI-powered Smart Tariff tool can: (1) classify products according to customs codes; (2) quickly find the legal requirements of the destination country; (3) calculate tariffs. It provides companies with support on regulatory requirements regarding customs codes, compliance, and tariff payment.





Developing responsible technologies >

Providing markets, business capabilities, and ecosystems for MSMEs

Building a favorable digital business environment together with MSMEs

Creating a favorable digital business environment for MSMEs is essential for maintaining market vitality and inspiring innovations. In FY2024, Taobao and Tmall continued its efforts to lower the entry barriers and costs of digital operations for MSMEs, protect intellectual property, safeguard merchant rights, increase compliance training, and optimize the digital business environments on platforms.

Lowering the entry barriers and costs of digital business operations

We constantly strive to enhance merchant services by taking measures such as providing free digital tools and making return shipping insurance cheaper. These measures lower the entry barriers and costs of digital business operations.

Providing digital tools for merchants free of charge: We keep increasing our investments in developing digital tools that are essential for merchant operations. These tools are provided for merchants free of charge and reduce their software spending. In FY2024, we came up with multiple new free tools, including one for order management and another for product management.

Inclusive service support: We empower merchants with various forms of inclusive service support, including providing allowances on insurance premiums for return shipping and offering quick payment collection.





Developing responsible technologies >

Providing markets, business capabilities, and ecosystems for MSMEs

Protecting intellectual property and merchant rights

Providing protection for merchants during their business operations and fostering a positive market environment are crucial for maintaining the vitality of our ecosystem.

Protecting intellectual property to support innovations

When we protect intellectual property, we are encouraging innovations. In FY2024, we continued to upgrade our intellectual property protection system, empowering MSMEs with digital technologies and cultivating merchant awareness about intellectual property protection and compliance.

Upgrading our intellectual property protection system

We are committed to protecting the intellectual property of ourselves and MSMEs on the platforms. We have built a complaint system and are constantly improving it. To cater to the specific needs of complainants, we have refined various mechanisms, including Taobao and Tmall Group's intellectual property protection platform. As of March 31, 2024, the cumulative number of rights holders registered on the platform has exceeded 700,000. In FY2024, the platform constantly optimized its rights protection guidelines, which now include clear text explanations and helpful video tutorials. Additionally, rights holders can receive service support in multiple ways, such as online consultations and conference calls.

Protecting business innovations with technological innovations

Increasingly complex scenarios of intellectual property infringements keep emerging. In response, we constantly improve our capabilities of identifying counterfeits.

Alibaba Original Design Protection Platform

Alibaba Original Design Protection Platform is a comprehensive solution for original content that merchants publish on our platforms, including images, short videos, and creative designs. It covers registration, rights protection, and authorization. By using AI technologies to index the massive amount of product content on our platforms, the platform efficiently and accurately detects infringing content, which is then handled quickly. Original images and short videos can be "stamped" using the digital watermarking technology. When an infringement occurs, a single click is all the merchant needs to do to protect their own rights. As of March 31, 2024, Alibaba Original Design Protection Platform has protected a cumulative total of over 900 million images, over 99.53 million short videos, and over 760,000 design manuscripts, benefiting over 540,000 merchants.

Enhancing intellectual property protection capabilities and compliance awareness among merchants

Training and tutoring are important preventive measures for intellectual property protection. We convey the concept of compliant business operations to merchants using various formats of content, including text, images, short videos, and livestreaming. We nurture an atmosphere of innovations and nudge merchants to fulfill their social responsibility for respecting and protecting intellectual property. In FY2024, we organized 33 education and awareness sessions about intellectual property, covering common infringement scenarios, patent issues, Asian Games intellectual property, and typical cases during large-scale promotional campaigns. In FY2024, over 7 million merchants learned knowledge about intellectual property protection through our dedicated livestreams for compliance, rule sections on our platforms, and other dissemination channels.

Multi-stakeholder governance

The Alibaba Anti-counterfeiting Alliance (<https://aaca.alibaba.com/#/home>), known as the AACA for short, is the world's first anti-counterfeiting alliance for e-commerce platforms. It provides a new approach to multi-stakeholder cooperation and co-governance in addressing counterfeiting and infringement issues. It has built an extensive impact. As of March 31, 2024, a cumulative total of over 1,100 brands have joined the AACA.

In FY2024, the AACA organized a variety of events and projects to promote intellectual property protection and raise awareness among all stakeholders, especially the public. The 2023 AACA Conference was held in Hangzhou City, Zhejiang Province, last December. The event invited government agencies, experts, industry associations, and the alliance's member companies to share best practices and explore new frontiers. Additionally, we are still running the Pop-up Museum Project and the What Mengmeng Would Evaluate Today short video series for consumers. These initiatives use interactive pop-up exhibitions and short videos to urge consumers to respect intellectual property and protect innovations.



Developing responsible technologies >

Providing markets, business capabilities, and ecosystems for MSMEs

Enhancing risk self-governance and protecting merchant rights

Companies often face compliance challenges and complex business environments. MSMEs generally lack professional teams of legal affairs and compliance to address these. Therefore, we have launched a one-stop business risk resolution platform known as Yingshangbao.

Equipped with tools for product compliance inspections, Yingshangbao sends early warnings to merchants if minor violations are detected. It also possesses risk detection capabilities for various types of violations, such as false advertising and other violations of advertising laws. It offers targeted suggestions to help merchants understand issues and take prompt corrective actions. Business operations are subject to various uncertainties and risks, such as fulfillment anomalies due to force majeure events and malicious reviews from consumers. Yingshangbao provides warnings for these types of risks. In FY2024, it launched a pre-inspection compliance tool for content marketing and product listing. Unlike previous tools, which focused on image or text inspections, the new one enables merchants to directly inspect short videos.

In FY2024, Yingshangbao helped 2.18 million merchants avoid non-compliant behavior through its pre-warning and detection mechanisms.



Building a compliant business environment together

To foster a better business environment on our platforms, we have launched the "Compliance Frontline" legal education column for merchants on Taobao and Tmall. The column leverages livestreaming and short videos to achieve a broad reach and targeted dissemination, because these forms of content are widely accepted. It helps merchants understand e-commerce-related laws and regulations such as the Personal Information Protection Law of the People's Republic of China, the Regulations for the Governance of Network Information Content Ecosystem, the Regulations on the Protection of Minors in the Cyberspace, and the Anti-telecom and Online Fraud Law of the People's Republic of China. Such an understanding enhances merchant awareness about compliant operations. In specific business scenarios, we promote legal education on various topics, such as protection of minors, personal privacy, and anti-fraud. In FY2024, 250 editions of educational content were released, with over 2.1 million merchants viewing 11.95 million times.



Enhancing Community Inclusion and Resilience

Since Alibaba was founded, we have been growing by addressing social challenges. As we invest resources in that, we find opportunities for technological innovations and business expansion. When society develops well and communities that we serve become more prosperous, we have broad market space for further business growth.

This chapter

Rural revitalization

Social emergency response

Leveraging technologies to tackle social problems

Enabling inclusive employment





Enhancing Community Inclusion and Resilience

Results of our actions

Rural revitalization

29



In our efforts to introduce talents into the countryside, we have deployed a cumulative total of 29 rural revitalization commissioners

162



In the Cloud for Youth Program, we have built a cumulative total of 162 cloud computer classrooms and served about 160,000 teachers and students

1,967



The Xiao Lu Lantern project has cumulatively helped 1,967 children with serious illnesses

Leveraging technologies to tackle social problems

Nature Medicine

The Alibaba DAMO Academy has collaborated with over 10 top-notch medical institutions worldwide to make a breakthrough in early screening for pancreatic cancer. Their findings have been published in the globally prestigious science journal Nature Medicine

over 290,000

Leveraging AI technologies, we have independently developed a tool for Alzheimer's disease screening. It has been used to screen a cumulative total of over 290,000 elderly people



Enabling inclusive employment

over 4,000

The Barrier-free Entrepreneurship and Employment Assistance Plan for 10,000 Merchants, launched by Taobao and Tmall, has helped a cumulative total of over 4,000 merchants with disabilities

5,786

The number of active hearing- or speech-impaired delivery riders on the Ele.me platform has increased to 5,786

about 190,000

Cumulatively about 190,000 individuals have learned on Orange Class, an inclusive vocational education platform

Strategies and approaches

Tackling social challenges is not a corporate burden but a catalyst for growth and innovations. We believe that combining addressing social challenges with our core business strategies is key to sustainable development. We are committed to leveraging technological innovations and platform mechanisms to sense and seize opportunities for combining efforts to tackle social challenges with business practices and making that a driving force for the common good.

We are collaborating with various organizations in crucial fields to run targeted projects and make a positive impact. These projects focus on rural revitalization, social emergency response, and tech-empowered solutions to social problems. We are also committed to creating job opportunities across all our spheres of influence as part of our effort to help build a more inclusive and resilient society.

"Philanthropy must come with a sense of mission. It is like running an enterprise. The first thing to do is identify social problems. After that, we think of solutions. Finally, we implement the solutions. Philanthropy allows us to reflect on what we should do in society, helping us discover our mission and our true selves."

Joe Tsai, Chairman of Alibaba Group



**Rural revitalization**

> Social emergency response > Leveraging technologies to tackle social problems > Enabling inclusive employment

Rural revitalization

The urban-rural divide poses a significant obstacle to equitable development in many countries and territories, including China. The sustainable development of the countryside calls for the integrated development of the primary, secondary, and tertiary industries. It also requires a higher talent density and better education in rural areas. We hold that digital technologies help bridge the urban-rural divide if used appropriately. As rural areas develop, the living standards of rural residents keep improving, and new opportunities emerge for our business growth.

A rural value chain that combines digital technologies and the real economy

Talent revitalization

Vibrant people and communities in the countryside



**Rural revitalization**

> Social emergency response > Leveraging technologies to tackle social problems > Enabling inclusive employment

A rural value chain that combines digital technologies and the real economy

To fundamentally transform the mono-economic model in rural areas, we need to leverage market opportunities as we continue to expand the agricultural value chain. That involves improving the efficiency and diversity of the rural economy. Rural development requires solutions tailored to local conditions. We integrate local advantages into our business growth. That allows us to focus on all aspects of the agricultural value chain, from production to logistics and sales. We strive to make a positive impact on rural development by leveraging digital innovations and the unique capabilities of our platforms.

Digital technologies improving agricultural production

Digital technologies facilitate the development and utilization of agrotech, thereby enhancing the efficiency of agricultural production.

Smart breeding made possible by cloud computing and AI

The breeding process involves high-throughput data analysis, which requires powerful computing capabilities and modeling techniques, complex command-line operation skills, and a variety of toolkits. This hinders the use by breeders and researchers. To make precise breeding decisions, we need a cloud-based, AI-powered computing platform with rich functionalities and a user-friendly interface. In FY2024, we partnered with the Institute of Crop Sciences and the Hainan National Breeding and Multiplication Institute, both under the Chinese Academy of Agricultural Sciences, to launch a full-process smart breeding platform.

Building demonstration smart orchards

The lack of standardization in agricultural production hinders large-scale development, and digitalization is one of the key means to achieve standardization. We believe that integrating digitalization with agricultural development to build smart agriculture holds the potential to modernize agriculture.

Digital technologies have helped Yijun County, Shaanxi Province, create a demonstration orchard for apples



In FY2024, we launched a demonstration orchard for mountain apples in Tangnihe Village, Yijun County, Shaanxi Province. The project is the county's first digital, high-standard demonstration orchard for mountain apples, carrying significant importance as a model for transforming and upgrading agriculture. With integrated water-fertilizer management, environmental soil monitoring, and digital collaboration tools. It is expected to result in a 15% reduction in annual labor costs and a 5% increase in the proportion of high-quality fruits.

Improving logistics efficiency

We tackle rural logistics challenges by raising efficiency in inbound logistics, which is for moving agricultural products from their places of origin to our platforms, and outbound logistics, which is for distributing them to consumers. For inbound logistics, Cainiao is rapidly expanding its network of place-of-origin warehouses, inbound logistics centers, and processing centers. For outbound logistics, Cainiao is building county-level shared distribution centers. This initiative streamlines logistics by transitioning from "a single brand running multiple stations" to "multiple brands sharing a single station," promoting resource consolidation and reducing overall logistics costs across society. As of March 31, 2024, Cainiao has established a total of over 1,600 county-level shared distribution centers across China.



**Rural revitalization**

> Social emergency response > Leveraging technologies to tackle social problems > Enabling inclusive employment

Improving brand marketing

Brands are a major symbol of high-quality development and a shared aspiration of both producers and consumers. We constantly explore and uncover the unique value of regional brands, thereby enhancing the influence of rural specialties.

**Helping promote the brand of Qinghai Province's Qingxiu embroidery, an intangible cultural heritage**

The Qingxiu embroidery, recognized for its rustic style, diverse categories, vibrant colors, and special cultural characteristics, has been included into the catalog of intangible cultural heritages. In FY2024, we organized a fashion show showcasing the Qingxiu embroidery, an intangible cultural heritage from the Ping'an District of Qinghai Province. The event fostered partnerships between the district and multiple Chinese-style clothing brands. These partnerships have resulted in co-branded products carrying the cultural elements of the Qingxiu embroidery, which can therefore step out of the mountains and reach a broad audience on the market with its brand identity. 3% of co-branded product sales are donated to local institutions that are tasked with protecting intangible cultural heritages. This approach provides ongoing support and constant vitality for the preservation of intangible cultural heritages.

The Seeking Beauty in Rural Areas Initiative unveils the beauty of the countryside

We have launched the Seeking Beauty in Rural Areas initiative, which aims to leverage the expertise of our designers to provide underdeveloped counties with comprehensive branding solutions free of charge, thereby unearthing their unique charm. As of March 31, 2024, the initiative has served 14 underdeveloped counties.

Foping County, Shaanxi Province, is renowned as "China's top panda county." The team running the Seeking Beauty in Rural Areas Initiative has conducted in-depth research on the county's ecological resources and featured industries. Based on that, they have formulated and released the brand image of Foping pandas. It can be used for branding, county mascots, tourist promotion, cultural creations, and core product designs.



Bolstering the soft power of cultural tourism

When culture, tourism, and agriculture are combined for coordinated development, the true charisma of rural culture is unveiled. To achieve that, we leverage digitalization as a bridge and champion a holistic approach. Fliggy creates unique rural tourist routes based on scenic spots, historic sites, and cultural features within counties.

**Fliggy helps counties create a digital experience in cultural tourism**

Digital Travel Guide under Discovering Beauty with Philanthropy program is a digital product that we have developed specifically for rural tourism. It functions as a county's secondary official website and expands public services for cultural tourism to cyberspace. Additionally, it has an offline component that offers a hand-drawn map integrating tourist resources from agriculture and culture, covering everything from food, lodging, and transportation to tours, shopping, and photography. Tourists can book travel products, plan itineraries, and discover unique routes through online searches or offline QR code scans to experience the charm of digital cultural tourism in counties. The product has been included in World Tourism Alliance Case Studies in Rural Revitalization 2023, jointly released by the World Tourism Alliance and the International Poverty Reduction Center in China, as well as the Selected Cases of Rural Revitalization in China, released by Xinhuanet.

**Rural revitalization**

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Talent revitalization

Talents matter significantly to rural revitalization. We have established a three-pronged talent system: (1) Retaining local talents: We create entrepreneurship and employment opportunities for locals by developing a digital countryside; (2) Nurturing talents: We invest in vocational training that supplies professionals to local industries and offer suggestions on the development of those industries; and (3) Injecting fresh vitality: We bring talents from Alibaba and cities to rural areas.

Creating entrepreneurship and employment opportunities locally

We provide tremendous opportunities for digital entrepreneurship and employment for talents who are willing and able to return to their hometowns. With our help, they can function like a bridge between the rural economy and the platform economy.

Building customer service counties across China

By establishing customer experience centers in districts and counties, our Customer Service County program nurtures digital talents for local communities and creates job opportunities that attract workers back to their hometowns. As of March 31, 2024, the program has helped a cumulative total of 21,153 young people from small towns find jobs close to home.

Creating AI data labeling jobs in counties

The boom of AI has brought about a plethora of new job opportunities, including AI data labeling, which mainly involves assigning different labels to data samples used for AI training. These data samples contain content such as voices, images, and text. Labeling them helps AI models learn and understand the real world. Our team for AI data labeling projects launched an initiative in 2019 to bring digital job opportunities to rural communities. As of the end of 2023, the initiative has been expanded to over ten districts and counties across multiple provinces in China, including Julu County in Hebei Province, Leishan County in Guizhou Province, Jialing District in Sichuan Province, and Lancang County in Yunnan Province. By then, it has provided training on AI data labeling for a cumulative attendance of over 1,800.



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Nurturing local talents

To address the uneven distribution of digitalization training resources and strengthen the weak foundation of e-commerce talent development in rural areas, we offer a variety of training programs.

Rural Livestreaming Program: In August 2023, we launched the Rural Livestreaming program under the slogan "It's your showtime, farmer!" to equip over 3,000 farmers across China with necessary skills for becoming live streamers.

E-commerce Talent Program: We have set up a comprehensive e-commerce talent training system that combines online and offline. The system provides merchants in counties and rural entrepreneurs with free courses on topics such as the fundamentals of e-commerce operations. They can learn knowledge and skills anytime and anywhere.

Pacer Plan: We partner with ecosystem partners to select experienced e-commerce experts as growth consultants, who provide six months of on-site support to key merchants in counties. That is a boost to digital talent development for local communities. As of March 31, 2024, the plan has been expanded to ten counties, including Puan County in Guizhou Province and Cangxi County in Sichuan Province.

Nurturing talents for cultural tourism in the countryside under Discovering Beauty with Philanthropy program: Bearing in mind the specific needs of counties, we have designed two training modules for leveraging digital tools to advance rural cultural tourism, one about content marketing and the other about short video production, complete with a competition. Professional instructors from Fliggy Academy deliver lectures to help locals become livestreamers and digital professionals in the tourist sector. As of March 31, 2024, Discovering Beauty with Philanthropy program has been expanded to nine provincial-level regions, such as Gansu, Guangxi, Yunnan, and Jilin. By then, its online training had a cumulative attendance of 41,327.



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Introducing talents to the countryside

There is no one-size-fits-all approach to rural development. In 2019, we launched the Rural Revitalization Commissioner System, which deploys experienced employees to serve as rural revitalization commissioners in underdeveloped counties. They work closely with local communities to connect our business and resources with the specific needs of each county. This tailored approach helps solve practical problems on the ground. Drawing on years of experience, we have established a rural revitalization model centered on our Rural Revitalization Commissioner System. The model involves three types of stakeholders -- governments, Alibaba, and other social forces. It utilizes three types of factors -- industries, talents, and technologies. The aim is to invigorate endogenous momentum within counties and drive their growth.

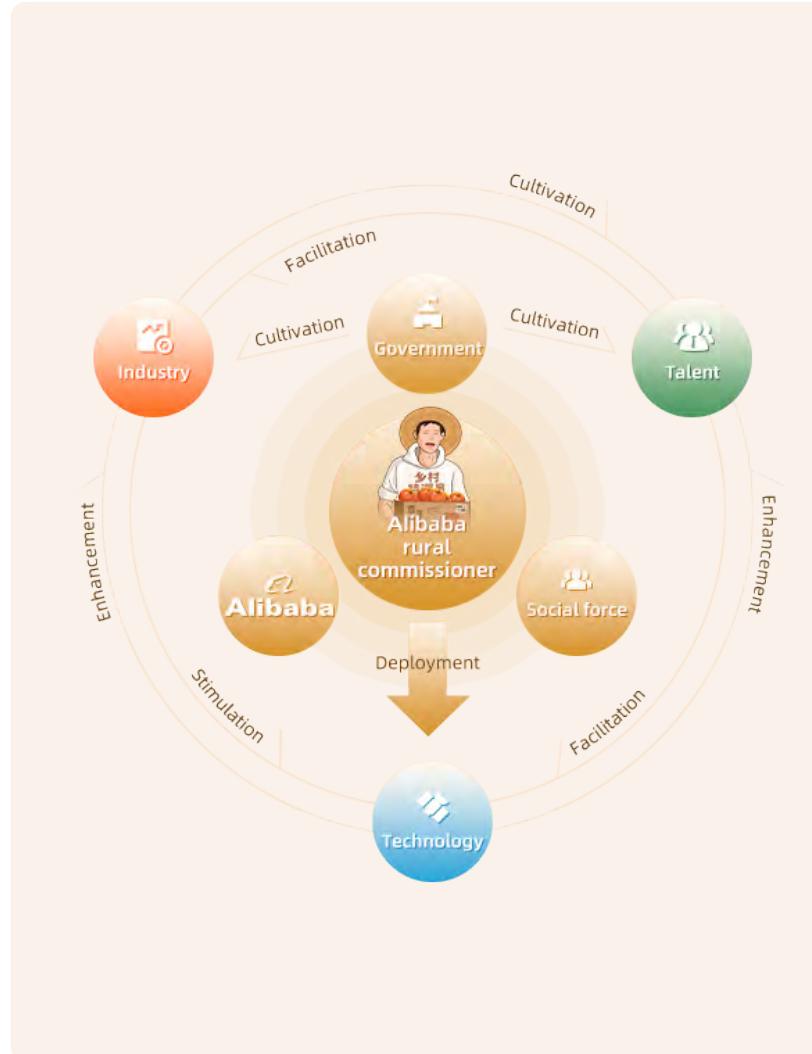
As of March 31, 2024, we have equipped 27 counties across China with a cumulative total of 29 rural revitalization commissioners, two of whom were newly appointed in FY2024.

Collective honors of rural revitalization commissioners

- Best Cases of Poverty Reduction in the 4th Global Poverty Reduction Case Collection Campaign 2023, organized by the International Poverty Reduction Center in China together with seven other organizations
- Exceptional Contributor Award in the Rural Revitalization Empowerment Plan, organized by China Agriculture Film and Television Center
- Innovative Case of Rural Revitalization 2023, organized by people.cn

Personal honors of rural revitalization commissioners

- National March 8th Red-Banner Holder
- National Female Role Model for Making Great Contributions



Our colleague Liu Yunfei has become a National March 8th Red-Banner Holder

Liu Yunfei was Alibaba's first female rural revitalization commissioner. For over four years, she has been stationed in Zhangbei County, Hebei Province, a land covering nearly 4,200 square kilometers with a population of only around 360,000. Revitalizing the county so that young people can find jobs and stay is one of her top priorities. She has made great efforts to bring projects to the county: (1) introducing the Hand-painted Nail Artists Employment Project to create job opportunities for local women; (2) asking instructors from Taobao's training team to provide monthly online and offline training sessions, where locals learn skills and tips for e-commerce livestreaming; and (3) helping bring Alibaba's Customer Service County program to the county.

In FY2024, Liu Yunfei was awarded the title of National March 8th Red-Banner Holder for her outstanding achievements as a rural revitalization commissioner over all these years.

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Vibrant people and communities in the countryside

In our efforts to drive rural development, we start with basic education and healthcare. Together with all stakeholders, we strive to build vibrant and beautiful rural communities where people thrive in their lives and jobs.

Basic education

In an era marked by accelerating digitalization and a focus on quality education, basic education in underdeveloped rural areas is struggling with inadequate school infrastructure and limited capabilities. We bring technological resources and capabilities to rural areas as we explore innovative approaches to deepening and broadening basic education in the countryside. We aim to help bridge the educational gap between the countryside and developed areas.

The Cloud for Youth Program beefs up IT infrastructure for rural education

We joined forces with China Education Development Foundation in October 2021 to launch the Cloud for Youth Program. This program tackles the challenge of limited sci-tech education at elementary and secondary schools in underdeveloped remote areas. By equipping them with improved IT infrastructure, it connects teachers and students with cutting-edge science and technology, ultimately boosting digital literacy among students.

We have built cloud computer classrooms for rural schools. This initiative cuts infrastructure costs and helps us explore next-generation smart learning spaces powered by cloud computing. Unlike traditional computers, cloud computers enable centralized management of resources on the cloud. We upload content such as courses on state-of-the-art technologies and their applications to the cloud. Students have direct access to it on their cloud computers. In FY2024, we organized an event where some renowned teachers from East China and over 80 of our engineers collaborated with rural teachers to bring knowledge about AI and other technologies to rural schools. More than 3,700 students experienced large language models first-hand and used AI to generate over 1,700 paintings.

As of March 31, 2024, we have built a cumulative total of 162 cloud computer classrooms and served about 160,000 teachers and students. Additionally, we have offered over 25,800 sessions of featured courses.



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Medical security

Thriving rural communities depend on a strong foundation of primary healthcare. To ensure this, we stick to our existing strategy and strengthen rural medical security from two perspectives: (1) upgrading medical capabilities & infrastructure; and (2) providing medical assistance.



The Xiao Lu Lantern project provides seriously ill children in underdeveloped areas with financial support and medical assistance

We have partnered with China Birth Defects Intervention and Aid Foundation, China Social Welfare Foundation, and Zhejiang Provincial Youth Development Foundation to launch the Xiao Lu Lantern project, which has built a platform that offers a lifeline to seriously ill children in underdeveloped areas and mountainous counties in Zhejiang Province by providing medical assistance as well as financial support to cover their diagnosis and treatment. As of March 31, 2024, the project has spent a cumulative total of over RMB39 million organizing over 180 free medical consultations across 57 underdeveloped counties in 16 provinces and mountainous counties in Zhejiang Province. That has benefited a cumulative total of 1,967 children eligible for help.

ECG Network Initiative

We have launched the ECG (Electrocardiograph) Network Initiative, which builds a standardized, intelligent ECG cloud platform centered on the county hospital and connecting all township health centers in the same county. With an “intelligent hardware + cloud platform + AI” approach, the initiative enables doctors at the county hospital to perform remote diagnosis. That, in turn, supports doctors at township health centers in making more informed treatment decisions and facilitates timely referrals. As of March 31, 2024, the initiative has reached 48 township health centers across Fuping County in Hebei Province, Xunwu County in Jiangxi Province, and Pinggu District in Beijing. By then, it has cumulatively served 7,901 patients with 8,423 ECG tests and 2,391 remote image interpretations.

Alibaba Rural Health Plan launched as a joint endeavor

To enhance public health services in rural China, we have collaborated with Amity Foundation to launch the Alibaba Rural Health Plan. This villager-centric plan leverages the expertise of rural doctors and organizes resources at the community level. By building village clinics, offering medical equipment, and providing education for rural doctors across various counties, it aims to strengthen the rural healthcare system and improve the capabilities of rural areas to provide primary healthcare. As of March 31, 2024, we have built or renovated 394 village clinics, provided equipment for 936 village clinics, and organized 238 training sessions for rural doctors.

Love · Health Huts

In FY2024, we partnered with Ling Feng Foundation to start a collaborative project for building rural health management units known as Love · Health Huts. The project provides comprehensive support for rural doctors from multiple perspectives, including equipment, medical skills, and management practices. It enables them to become better health stewards for their communities. As of March 31, 2024, Love · Health Huts has been set up for 20 village clinics and township health centers in Fuping County and Julu County, Hebei Province, and cumulatively served patients 50,347 times.



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Social emergency response

We leverage our digital capabilities and platform ecosystem to increase social resilience for a better response to uncertainties caused by various risks, including major public health emergencies and natural disasters. By doing that, we create a steady stream of opportunities for sustainable development.

Mobilizing and coordinating resources

Building solutions and systems





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Mobilizing and coordinating resources

When a disaster strikes, we are concerned about people's daily needs and economic recovery in areas affected by it. Therefore, we do what we can to help ensure smooth socioeconomic operations in the aftermath of the disaster. In FY2024, Alibaba Foundation donated RMB42.2 million for emergency response and disaster relief¹.

Emergency response to floods

Flash floods caused by continuous heavy rains struck North China in July 2023, wreaking havoc across multiple cities. Shortly afterwards, a deluge swept through Northeast China, plunging the lives of millions into chaos. Alibaba Foundation responded swiftly, partnering with Freshippo, Sun Art, and other stakeholders to ensure a steady supply of goods in the affected regions. Emergency supplies were first delivered to the hardest-hit areas, and our rescue teams were deployed rapidly there to provide immediate assistance. Leveraging our platforms and business expertise, we helped local merchants weather the crisis.

Post-earthquake relief

A 6.2-magnitude earthquake rocked Jishishan County, Gansu Province, and surrounding areas in December 2023, causing casualties and property damage. We immediately sent supplies to the frontlines, ensuring adequate logistical support from the very moment the disaster struck.



Taobao and Tmall launched the "I Buy Book from Zhuozhou" campaign to offer merchants immediate relief

Torrential downpours inflicted severe losses on hundreds of publishers and booksellers in Zhuozhou City Hebei Province. Taobao and Tmall teamed up with Cainiao to offer warehousing and transshipment services for the affected merchants, who were also exempted from penalties for shipping anomalies. To lower their operating costs, an online campaign known as "I Buy Books from Zhuozhou" was launched, aimed at facilitating a quick recovery. Additionally, special livestreaming sessions were organized to promote products from affected merchants commission-free. A fast-track onboarding procedure that included dedicated one-on-one support was established to enable those merchants to start selling on Taobao right away. Since a mountain of books were left waterlogged and useless, Cainiao launched the Book-turned-envelope Project. In the project, Cainiao repurposed over 30 tons of damaged books into around 200,000 courier envelopes, which were distributed to Cainiao's service outlets so that customers could use them to deliver files.

Tmall Supermarket rushed to help earthquake-stricken areas

Tmall Supermarket partnered with the Alibaba Foundation to provide earthquake-stricken areas in Gansu Province with over 50,000 essential items in multiple categories, including convenient food, cookies, and cooked meat. These items were delivered to the centers of disaster zones within just two days.

Intime rushed to help earthquake-stricken areas

In FY2024, Intime donated 1,000 thick winter down jackets to earthquake-stricken areas in Jishishan County, Gansu Province. It partnered with brands to secure these supplies and expedited their delivery to disaster zones, offering cold weather protection to those staying at temporary shelters.

Cainiao rushed to help earthquake-stricken areas

In the aftermath of the earthquake, Cainiao worked with philanthropic organizations to deliver supplies, such as household relief packages and warming kits. This collaboration ensured that victims received essential items quickly. Cainiao procured and delivered 4,000 household relief packages, 6,000 rice-flour-oil combos, and over 8,700 shelter items such as tents, garments, and quilts.

¹Footnote 1: This figure is the sum of donated funds and supplies.



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Building solutions and systems

With our diverse digital products and services, we facilitate emergency management, enabling us to play a role in building digital capabilities for disaster relief.



Alibaba Cloud helped build the Emergency Management Cloud

In FY2024, the Emergency Management Cloud, which Alibaba Cloud helped build, was delivered. This system is deployed with multiple technical products, offering cloud services to the Ministry of Emergency Management of the People's Republic of China, its direct affiliates, and its provincial departments. The system gathers historical data and real-time data, covering two aspects: (1) more than 30 types of natural disasters across China, including floods, typhoons, earthquakes, droughts, and urban waterlogging; and (2) safe operation issues in high-risk industries.

Amap provides handy functions for calling the police and rescue agencies

Amap provides a feature that allows users to call the police or rescue agencies with a single tap in its mobile app. That is made possible by a comprehensive database of police and rescue numbers for freeways across provincial-level regions in the Chinese Mainland. The feature tackles the common problem of users not knowing what local numbers to call in case of emergencies. On top of that, the feature provides users with a centralized page for convenient access to rescue guidelines. With these readily available, they can navigate the roads with greater peace of mind. As of March 31, 2024, the feature has been launched for all provincial-level regions in the Chinese Mainland.





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Cainiao builds a multi-dimensional emergency logistics system

Emergency logistics is one of Cainiao's ESG priorities. Cainiao is committed to using technologies, data, and networks to achieve more powerful, intelligent, and transparent emergency logistics.

Making emergency logistics more resilient

Cainiao has built a robust emergency response system to ensure quick actions, efficient operations, and targeted services.



Improving the management mechanism for emergency logistics

Cainiao constantly improves its emergency response capabilities, defines clear responsibilities at all levels, and strengthens the management of emergency response plans. Cainiao has streamlined its organizational structure. When a disaster strikes, Cainiao sets up a task force based on its severity, and the business group's CEO gets involved in decision-making. Additionally, Cainiao has established a linkage mechanism for coordination with emergency response authorities at different levels.



Building a supporting system for emergency relief supplies

Cainiao has streamlined its full-process services for stockpiling, allocating, and transporting emergency relief supplies. It has formulated a complete set of solutions for disaster preparedness, warehousing, emergency transportation, and last-mile delivery. That helps build an efficient, flexible system for delivering emergency relief supplies. Furthermore, it has established an operational model to ensure an adequate reserve of emergency relief supplies and improved its response mechanism based on integrated warehousing-distribution facilities. Additionally, it has strengthened the central role of Cainiao Posts in community services to improve the speed and accuracy of emergency response.



Accumulating digital capabilities for emergency logistics

Cainiao leverages its industry-leading digital technologies and proven supply chain solutions to create a purpose-built supporting platform for emergency relief supplies. The platform integrates digital capabilities into disaster preparedness and relief to achieve digitalized and visualized management in the full process of managing emergency relief supplies.

Cainiao provides multi-dimensional digital support for emergency response. It seamlessly integrates emergency logistics management into its existing digital infrastructure for warehousing, transportation, order fulfillment, and settlement. Equipped with the IoT, unmanned warehousing, autonomous vehicles, intelligent sorting solutions, and radio-frequency identification (RFID) systems for managing emergency relief supplies, Cainiao keeps honing its digital capabilities for emergency logistics in all aspects.

Cainiao offers a full set of infrastructure services for intelligent logistics parks dedicated to emergency response. That covers construction, management, and operations, supported by mechanized, automated equipment alongside the IoT and digital solutions. The aim is to build comprehensive digital capabilities for securing an adequate reserve of emergency relief supplies.

Sharing its capabilities of managing emergency logistics

Cainiao has consolidated its technologies and resources to share its capabilities of managing emergency logistics with government agencies and philanthropic organizations, thereby helping them allocate emergency relief supplies in a timely, effective manner. That minimizes risks from unexpected events and natural disasters, contributing to building a harmonious, safe, and orderly society. As of March 31, 2024, Cainiao has entered into partnerships with organizations such as China Foundation for Rural Development, One Foundation, Amity Foundation, the World Food Programme, Shanghai Food and Strategic Reserves Administration, and China Youth Development Foundation.





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Leveraging technologies to tackle social problems

The application of AI has become an integral part of our quest for a better future of Earth and humanity. As we delve into cutting-edge AI technologies and applications to address challenges in our own business, we also explore their potential for contributing solutions, for example, to address healthcare difficulties and improve research efficiency at research institutes.

AI helping the healthcare sector tackle challenges

AI helping research institutes improve research efficiency





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AI helping the healthcare sector tackle challenges

The world is still faced with public health challenges that threaten human well-being. We are committed to leveraging our technological capabilities and strengths to help address these challenges.

Exploring the development and application of AI technologies to address the global challenge of early screening on pancreatic cancer

Dubbed the “King of Cancer,” pancreatic cancer does not have obvious early symptoms. 80% of patients with it are diagnosed at a late stage, and its five-year survival rate is merely 10%. The disease has become the malignant cancer with the lowest survival rate in China and even around the world.

When AI is combined with non-contrast CT, we have a method for large-scale screening on early-stage pancreatic cancer. In FY2024, DAMO Academy collaborated with over 10 leading medical institutions worldwide to develop the DAMO PANDA AI model for efficient early screening on pancreatic cancer. Its high-precision location of lesions and high detection rates mean that elusive tumors can be located and that missed or wrong diagnosis can be avoided. A population validation covering over 20,000 cases has shown that it is 92.9% accurate in identifying lesions and 99.9% accurate in ruling out lesions.

Our research findings have been published in the globally prestigious science journal Nature Medicine.

Intervention in Alzheimer's screening

For Alzheimer's disease, prevention is more important than treatment, just like in the case of cancer. We have collaborated with the Alzheimer's Disease Committee of the Chinese Aging Well Association to launch a program that enables the elderly to perform AI-powered screening on the disease with a mobile app, which also provides personalized analysis and suggestions based on screening results, recommending nearby partnering experts for further diagnosis.

In FY2024, we went further and leveraged virtual person technologies and intelligent Q&A to equip the elderly and their family members with a solid knowledge about prevention, diagnosis, treatment, intervention, and care. The professionalism and social value of the program have been further recognized. Its papers have been published in the Chinese Journal of Geriatric Heart Brain and Vessel Diseases and in Alzheimer's & Dementia. Both journals are influential in this field. Additionally, the program has been listed as a typical case of charity by the World Internet Conference.

As of March 31, 2024, the program has served a cumulative total of over 290,000 elderly people in more than 320 cities, including Hangzhou, Shanghai, and Wuhan, through charitable initiatives launched in collaboration with local governments, industry associations, and organizations in the healthcare ecosystem.

AI helping research institutes improve research efficiency

AI for Science has emerged as a new frontier in AI development worldwide. By harnessing the ability of machine learning to fit high-dimensional functions, we promote the sharing of fundamental infrastructure, including basic models, algorithms, databases, and knowledge bases. In that direction, there is a clear snowball effect, which may lead to a restructuring of research models and a sci-tech revolution.

Alibaba Cloud has identified five key focus areas regarding AI for Science -- life sciences, brain sciences, AI, geology & geography, and astronomy. By collaborating with universities and research institutes, we aim to accelerate the development of science and technology.

"Philanthropy is a way to solve problems. Combining our business practices with our philanthropic efforts makes a complete Alibaba. Philanthropic actions are never too small. As long as they target real problems, they are vital. Now, new technologies represented by AI are expanding the possibilities of philanthropy. I hope that our philanthropic actions can be more forward-looking, innovative, and oriented towards serving society."

Eddie Wu, CEO of Alibaba Group



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Enabling inclusive employment

When we conduct business together with our ecosystem partners, we also present local communities with inclusive, high-quality job opportunities.

**Creating job opportunities
on a large scale**

**Promoting inclusive
employment**

**Enabling high-
quality employment**

**Improving safety and security
for flexible employment**





Creating job opportunities on a large scale

The contributions made by our digital platform ecosystem to employment are reflected in what we term the "three rings."



The first ring

The first ring consists of diverse job opportunities that we directly provide for various types of talented individuals. In August 2023, we officially kick-started our fall recruitment campaign for fresh graduates, offering over 60 types of positions across multiple fields, such as algorithm development, engineering technologies, data, operations, product development, marketing, and design.



The second ring

The second ring focuses on entrepreneurship and employment opportunities that directly arise from the core business or economic activities on the platforms. There are three dimensions to this type of employment: (1) MSMEs sell products or provide services on the platforms, and their business also creates employment opportunities; (2) gig workers such as ride-hailing drivers, delivery riders, and live streamers get work from the platforms; (3) and various other employment opportunities are created within the platform ecosystem. Ele.me, for example, had over 4.01 million active delivery riders in FY2024.



The third ring

The third ring encompasses entrepreneurship and employment opportunities that arise indirectly from the core business or economic activities on our platforms. This ring is composed of entrepreneurship and employment opportunities that exist upstream and downstream of our platforms or from the practice of providing services for gig workers.





Promoting inclusive employment

The application of digital technologies, which have low entry barriers, has significantly enhanced the inclusiveness of employment in terms of gender, education, and geographical location. Our business models lower employment barriers for groups such as women and people with disabilities, reduce the costs of entrepreneurship and employment, and ultimately create a more diverse, equitable, and inclusive employment landscape.

Female employment

We prioritize female employment and make constant efforts to improve it. According to a research report, a growing number of post-2000 females are opting to start their own businesses on e-commerce platforms. Over 30% of female entrepreneurs who joined the Taobao and Tmall platforms in 2023 were born in the 2000s. That had never been the case in any previous year. Over the past five years, about half of the top 100 stores by sales volume on Taobao were owned by female entrepreneurs. Furthermore, content e-commerce has become their home turf, due to their inherent empathy and abilities to perceive emotions. In 2023, women accounted for 80% of live streamers on Taobao.²

Barrier-free employment

We are committed to supporting the employment of people with disabilities. In 2022, Taobao launched the Barrier-free Merchant Operations Plan. In FY2024, Alibaba Foundation worked with Taobao and Tmall to upgrade the plan to the Barrier-free Entrepreneurship and Employment Assistance Plan for 10,000 Merchants. To help 10,000 merchants with disabilities within three years, the plan provides training on e-commerce operations, among other resources. Additionally, the Barrier-free Employment Development Fund has been established to facilitate merchants with disabilities, aiming to increase revenue of their stores. As of March 31, 2024, the plan has served a cumulative total of over 4,000 disabled merchants and offered nearly 90 training sessions free of charge, complete with business diagnosis services.

Ele.me has upgraded care for speech- or hearing-impaired delivery riders

Speech- or hearing-impaired inevitably encounter many difficulties at work, since they are unable to communicate with customers over the phone.

In FY2024, there were 5,786 active speech- or hearing-impaired delivery riders on Ele.me. The platform has implemented various features, such as intelligent outbound calls, electronic information cards, and speech-to-text conversion, to facilitate their communication across all stages, including order taking, arrival at merchant sites, product collection, and delivery. When an order is handled by a speech- or hearing-impaired delivery rider, we send prominent reminders to the merchant and the consumer, for example, via pushed messages and the logistics detail page, to inform them about that, thereby fostering more understanding and tolerance.



Footnote 2: The research report is the Taobao Women Entrepreneurship Report, released by the Research Center of Taobao and Tmall Group.



Enabling high-quality employment

The growth of the digital economy has led to job expansion and income growth, encouraging more workers to pursue self-employment or select jobs in various new forms. We offer specialized training for the most sought-after positions and skills in the digital economy, providing the industry with more professionals and job seekers with more career options.

Orange Class -- an inclusive vocational education platform

Orange Class is an inclusive vocational education platform that integrates learning, training, competitions, examinations, and employment. With vocational students as its main audience, the platform gathers high-quality educational resources and aims to enhance students' vocational skills, helping them land good jobs. Online, the platform provides over 200 courses for free to the public. Offline, the platform has collaborated with Hangzhou Polytechnic and Lishui Vocational and Technical College to establish industry colleges to explore the "Zhejiang Model" for digital talent training via school-enterprise cooperation. Students can choose to take examinations. If they pass, they can apply for digital skill certificates. As of March 31, 2024, the platform has cumulatively attracted about 190,000 learners, and they have obtained over 160,000 digital skill certificates. By then, a pool of over 84,000 digital talents have been established. The project has launched an awarding with China Education Development Foundation. In 2023, the inaugural award selection was concluded, with scholarships and teaching awards granted to 683 students and 137 teachers from provincial-level regions across China.



Lingyang focuses on nurturing digital talents

As a drafter of China's national standard for business data analysts, a lead organization in the formulation of the country's standard for AI trainers, and a developer of Zhejiang Province's examination question bank for those standards, Lingyang provides various industries with versatile talents who have been trained in high-quality programs that link theory with practice. In FY2024, our integrated platform for learning, practice, examination, and evaluation aligned with China's catalog of new occupations to help certified trainees not only receive governmental recognition but also better employment opportunities. As of March 31, 2024, cumulatively we have provided certification services for around 100,000 trainees who aspired to become data analysts and around 100,000 trainees who aspired to become AI trainers.





Improving safety and security for flexible employment

The high-quality employment of delivery riders has always been a priority at Ele.me. We take a multi-dimensional approach that covers job security, occupational safety, occupational care, and personal development. In FY2024, there were over 4.01 million active delivery riders on the Ele.me platform. As of December 31, 2023, 367,636 delivery riders were from rural revitalization areas. The majority of our delivery riders are crowdsourced workers with flexible job arrangements, and the rest are full-timers who have signed contracts with our logistics service providers.

Occupational rights and interests

To protect occupational rights and interests, we provide comprehensive protection in terms of management rules and insurance.

We have developed the Policy on the Protection of Delivery Rider Rights and Interests and the Delivery Service Specifications for Logistics Service Providers to create a transparent compensation system, clarify the rules for allowances in special scenarios, and stipulate the minimum wage.

According to our rules, the platform provides crowdsourced delivery riders with an hourly wage not lower than the minimum hourly wage for local part-timers and demands all logistics service providers provide full-time delivery riders with a salary no lower than the local minimum salary.

As for insurance, we have worked with insurers to develop commercial insurance policies suitable for delivery riders. Additionally, we have improved third-party liability insurance and other guarantees. According to our rules, all delivery riders are required to have commercial insurance. Under arrangements made by authorities, we have launched a pilot project of occupational injury insurance for workers engaged in new forms of employment for seven provincial-level regions, including Beijing and Shanghai. The pilot project has realized dual insurance, including both occupational injury insurance and commercial insurance.





Occupational safety

In FY2024, we improved occupational safety from five perspectives -- organizational support, management rules, training, hardware equipment, and intelligent scheduling, aiming to strengthen safety awareness and prevent occupational risks.



In terms of organizational support, we have established a task force for safety supervision and management at the platform level. We require all logistics service providers within our ecosystem to have safety officers.

In terms of management rules, we have implemented various safety measures for delivery riders throughout the delivery process by defining clear responsibilities for all parties involved, establishing standard operating procedures, and developing emergency response plans.

Our internal employees have all signed a work safety responsibility statement. We have formulated: (1) 22 internal policies covering all safety matters; (2) standard operating procedures in 42 categories; and (3) comprehensive emergency response plans for 10 major types of safety incidents.

In terms of managing logistics service providers, we have signed safety management agreements with all of them and arranged for them to establish a safety officer system as well as a standardized safety system.

In terms of managing delivery riders, we have signed safety informed consent documents and commitment letters with all delivery riders, aiming to establish a comprehensive mechanism to evaluate their safety compliance.

In terms of training, a safety training system has been established for delivery riders. The system covers their entire careers, focusing on legal common sense and safety knowledge regarding fire protection, transportation, public security, food safety, and delivery behavior.

We train logistics service providers to strengthen their safety awareness. In FY2024, we collaborated with logistics service providers to establish an ecosystem safety community, where we created a dedicated safety team of over 800 members, including both full-timers and part-timers. Additionally, we developed over ten specialized safety courses, conducted over 30 training sessions for logistics service providers, and helped them build standards for safe operations. Those training sessions took various forms, including online lectures, offline courses, and livestreams.

In terms of hardware equipment, we have introduced a smart helmet that allows delivery riders to use voice commands or shortcut keys to perform operations such as accepting orders, confirming arrival at stores, reporting anomalies, and navigating to consumer locations. When a delivery rider falls or suffers an impact that exceeds a preset threshold, the helmet activates its SOS mode and issues a voice message to verify the delivery rider's safety. If the delivery rider does not respond, it calls their emergency contact for help, together with a text message that includes the delivery rider's location information.

In terms of intelligent scheduling, we keep a close eye on delivery conditions and have measures to avoid putting delivery riders through difficulties caused by bad weather, complex routes, and so on. Furthermore, we have a fatigue prevention strategy to ensure that delivery riders are well-rested.



Occupational care and development

We care about the real needs of delivery riders regarding their life and work. We reach out to them and provide them with various types of help, aiming to facilitate their personal development.



Communication mechanism

We have launched the Delivery Rider Rules Center and established a communication mechanism for disputed reviews. We have also set up a 24/7 service hotline for delivery riders. In FY2024, Ele.me organized over 100 roundtables to solicit feedback from delivery riders on various matters, including the performance appraisal system, the incentive & accountability mechanism, benefits, and career development.



Occupational care

We have signed an agreement with All-China Federation of Trade Unions to build one-square meter care stations. With the Blue Knight Fund, we extend our care for delivery riders to their families. As of March 31, 2024, we have cumulatively helped over 300 families of delivery riders cope with critical illnesses and assisted 100 of their family members in completing education.



Career identity and advancement

To build a career identity for delivery riders, Ele.me has launched an award system involving three categories of recognition -- career achievements, social recognition, and historical records. In FY2024, four delivery riders were awarded the May 1st Labor Medal at the national level, and another ten were awarded the medal at the provincial or municipal level.



Facilitating Participatory Philanthropy

Establishing and spreading goodwill among people as well as between human beings and nature is the fundamental logic for sustainable development. As an advocate for sustainable communities, we strive to make it easy to do good anywhere. Our efforts start with our employees and connect various stakeholders. That is how we practice the concept of participatory philanthropy.

This chapter

Encouraging employees to participate in philanthropy

Platforms driving philanthropy

Collaborations making an impact





Facilitating Participatory Philanthropy

Results of our actions

Encouraging employees to participate in philanthropy

262,272



Our employees have provided
262,272 hours of volunteer service

119



119 active Hugs and Help groups established
by our employees have organized 2,227
events, which have achieved an attendance
of 184,665 in philanthropy

Gold prize in the first National Red Cross Competition

In May 2024, our First-aid Responder program has won the gold prize in the first National Red Cross Competition for Volunteer Service Programs

Platforms driving philanthropy

about RMB **290** million

The Goods for Good program has attracted over 1.87 million merchants and over 470 million users, resulting in a net donation of about RMB290 million

over **240** million

The Three Hours for a Better World platform has attracted over 6.21 million users, who have engaged in over 240 million philanthropic actions



Collaborations making an impact

272

The XIN 100 Program has supported 272 outstanding projects from 118 philanthropic organizations

12,622

The Daily Positive Energy program has presented prizes to a cumulative total of 12,622 individuals

Strategies and approaches

We are convinced that philanthropy is about not only giving but also active participation. Through small acts of kindness, we inspire everyone's goodwill and kindness. Guided by this philosophy, we launched the Three Hours for a Better World initiative on September 10, 2015, encouraging every employee to translate their passion for philosophy into concrete actions. In September 2017, the initiative was expanded to the entire society as a move to drive participatory philanthropy.

We integrate participatory philanthropy closely with our business model. To that end, we leverage the extensive connectivity of our digital platforms to attract more individuals and companies to philanthropy. Additionally, we collaborate with third parties, including philanthropic organizations and media outlets, to tap into their influence and awaken people's philanthropic awareness on a broader scale.

Our philanthropic strategy covers the following aspects:

Encouraging employees to participate in philanthropy: We have established a mechanism to support employee participation in community service and philanthropic activities.

Platforms driving philanthropy: We leverage digital technologies and platform innovations to encourage more stakeholders to engage in philanthropy.

Collaborations making an impact: We work with philanthropic organizations, media outlets, and other partners to champion philanthropic projects and broaden the social impact of our efforts.

With these measures, we are committed to creating a greater, more lasting social impact, thereby contributing to the sustainable development of communities.

I hope that every employee of Alibaba keeps this passion, remains altruistic, does their best to tackle problems for society, and stands ready to help those in need around us. I believe that, as a growing number of people develop this passion, the world will surely become a better place.

Xiaofeng Shao, Secretary General of Alibaba Group





Encouraging employees to participate in philanthropy

> Platforms driving philanthropy > Collaborations making an impact

Encouraging employees to participate in philanthropy

At Alibaba, we have created a culture of participatory philanthropy. We have also set up a mechanism that encourages and helps employees to take on more responsibility for philanthropy and add positivity to society. In FY2024, Alibaba Foundation donated nearly RMB200 million to external causes.

Creating a corporate culture of participatory philanthropy

Empowering employees to engage in philanthropic decision-making





Encouraging employees to participate in philanthropy

> Platforms driving philanthropy

> Collaborations making an impact

Creating a corporate culture of participatory philanthropy



Three Hours for a Better World

In an all-staff letter nine years ago, Jack Ma, founder of Alibaba Group, called on every employee to "spend three hours of their own time annually providing volunteer service as a way to practice and support philanthropy." That is known as the Three Hours for a Better World initiative, which carries our honor and philosophy from one generation to the next. It has enabled us to foster a culture of philanthropy deeply rooted in our hearts. In FY2024, our full-time employees clocked 262,276 hours of volunteer service¹.

262,276 hours

of volunteer service were clocked by our full-time employees





Encouraging employees to participate in philanthropy

> Platforms driving philanthropy > Collaborations making an impact

Hugs and Help groups

We go beyond individual participation and encourage employees to form volunteer groups based on interests, skills, or business expertise. These are known as Hugs and Help groups. They have inspired more and more people to practice philanthropy, driving positive change for individuals and society at large. Hugs and Help groups embody the spirit of collaboration in philanthropy. We have an abundance of like-minded partners on the journey of doing good. Together with them, we pool individual strengths to drive positive change and achieve a far-reaching impact.

In FY2024, there were 119 active Hugs and Help groups, which organized 2,227 events, with an attendance of 184,665.

Alibaba First-aid Responders Hugs and Help group provides emergency assistance

As of March 31, 2024, Alibaba First-aid Responders Hugs and Help group has trained over 20,000 Alibaba employees and their family members on first-aid skills in 14 cities across China.

Going beyond internal service, our first-aid responders use their first aid skills to serve society. In December 2023, 66 of them were on hand to ensure runner safety at the Hangzhou Marathon. They were equipped with automated external defibrillators (AEDs) for a swift response to any medical emergency. The Hugs and Help group has provided first-aid support for five marathons.

In May 2024, Alibaba First-aid Responders program won the gold prize in the first National Red Cross Competition for Volunteer Service Programs, organized by the Red Cross Society of China.



The Star Fueling Station offers help to families with autism

In July 2023, one of our technologists founded a Hugs and Help group known as the Star Fueling Station to help families with autism. As the father of a child with autism, he has a personal connection to the cause. As of March 31, 2024, the Hugs and Help group has supported 20 events under a variety of themes, such as stress reduction and social integration. These events benefited 150 families with autism. Its dedication has instilled renewed courage in these families so that they can face the future.



The Sign Language Classroom teaches our employees sign language

We have launched a Hugs and Help group called the Sign Language Classroom to provide sign language training for our employees. By teaching sign language, it has set up a bridge for communication between the hearing-impaired community and able-bodied individuals. It has built a growing network of volunteers who are both skilled in sign language and passionate about philanthropy. It not only teaches sign language but also establishes a bond of hearts. Each session and each movement at the fingertip sow the seeds of understanding and care, facilitating barrier-free communication and allowing each individual to feel seen and heard. As of March 31, 2024, the Sign Language Classroom has held 110 offline training sessions, attended by over 1,400 individuals.



Alibaba Charity List

To encourage and recognize philanthropic activities among our employees, we started releasing the Alibaba Charity List in 2017. It aims to reward outstanding teams, individuals, and projects that have made significant contributions to philanthropy.

Alibaba Charity List for FY2024

The latest edition of the Alibaba Charity List was unveiled in February 2024. It was based on the results of an online vote by around 40,000 people, including our current employees, former employees, and ecosystem partners, and a deliberation process involving around 10,000 public judges. 12 philanthropic projects received the titles of the Most Socially Insightful Project, the Most Socially Influential Project, and the Most Technologically Innovative Project. 14 Hugs and Help groups, employees, and ecosystem partners were awarded the title of the Charity Star of the Year. Alibaba Health, Digital Entertainment, and Intime were awarded the title of the Outstanding Charitable Group of the Year. The Annual Special Contribution Award was newly set and awarded to our team of rural revitalization commissioners.





Encouraging employees to participate in philanthropy

> Platforms driving philanthropy > Collaborations making an impact

Empowering employees to engage in philanthropic decision-making

We care about engaging our employees in philanthropic decision-making. Our Philanthropy Committee, founded in 2012, elects new Alibaba philanthropic partners every three years. They act on behalf of all employees to make decisions on philanthropic practices. For important matters such as shaping our philanthropic culture, they collect feedback staff-wide and ensure that it is considered in the decision-making process.

In FY2024, the fourth cohort of our Alibaba philanthropic partners planned and launched the Good Things Happen program. This program provides support for good philanthropic ideas among employees so that they can be turned into concrete actions. That inspires more employees pursuing individual and social value to join us in doing something meaningful.





Encouraging employees to participate in philanthropy >

Platforms driving philanthropy

> Collaborations making an impact

Platforms driving philanthropy

The uniqueness of our approach to philanthropy is that we leverage our digital platforms to establish a broad ecosystem across society, helping more stakeholders do good more conveniently and efficiently.

Engaging consumers and merchants in philanthropy

Engaging the public in philanthropy





Encouraging employees to participate in philanthropy >

Platforms driving philanthropy >

Collaborations making an impact

Engaging consumers and merchants in philanthropy

Merchants on platforms such as Taobao and Tmall can voluntarily configure their products on sale to be included in the Goods for Good program and set a portion of the transaction amount as a donation to a designated philanthropic organization or project. When a transaction occurs, the platform makes the donation based on that setting. In FY2024, over 1.87 million merchants and over 470 million consumers participated in the program, which resulted in a net donation of about RMB290 million.

Taobao and Tmall launched the New Listings by the Elderly program

In FY2024, Taobao and Tmall, in partnership with Alibaba Philanthropy and China Ageing Development Foundation, launched the New Listings by the Elderly program. It provided 50 tutorial videos that integrated the life experiences and skills of seniors with content that interested young people, calling for attention to the spiritual needs of the elderly. These tutorial videos, sold at a charitable price of RMB0.99 apiece, covered a variety of topics, such as everyday skills, personal stories, hobbies, and crafts recognized as intangible cultural heritages. We recommended these tutorial videos through the Buy an Extra One function on the checkout page of Taobao and Tmall platforms, encouraging consumers to buy them along with their regular purchases. All proceeds from the program will be donated to the Joyful Aging Companionship Project, which cares for the elderly left behind in rural areas.

Engaging the public in philanthropy

On the China Charity Day in 2017, Alibaba organized the inaugural 95 Philanthropy Week and launched the Three Hours for a Better World platform, calling on everyone across society to spend three hours on philanthropy each year. If all ordinary people do what they can for the common good, their small acts of kindness bring about small yet beautiful changes to the world.

The Three Hours for a Better World platform is oriented towards the public and connects hundreds of millions of consumers with philanthropic organizations in need of public support, thereby driving broad participation. Since its inception, the platform has tapped into our ecosystem resources to launch multiple apps that allow the public to easily participate in a wide range of philanthropic activities. As of March 31, 2024, 4,856 philanthropic organizations have settled down on the platform. In FY2024, the platform enabled over 6.21 million users to perform over 240 million acts of kindness.

Alibaba's seventh 95 Philanthropy Week

In 2023, we held the seventh 95 Philanthropy Week. This year, we launched a variety of initiatives, including the XIN Marine Plan and the Love-powered Communities. Through diverse, interesting interactions, we integrated philanthropic actions into more scenarios to make philanthropy collaborative, goal-oriented, guided, and accessible.





Encouraging employees to participate in philanthropy

> Platforms driving philanthropy

> **Collaborations making an impact**

Collaborations making an impact

We collaborate with philanthropic organizations, media outlets, and other partners to champion philanthropic projects and make a broad social impact.

Offering help to philanthropic organizations

Spreading positivity and encouraging good deeds from everyone





Encouraging employees to participate in philanthropy

> Platforms driving philanthropy

> Collaborations making an impact

Offering help to philanthropic organizations

Philanthropic organizations play a crucial role in driving positive social change on a broader scale. We are committed to supporting the growth of these organizations and their projects. To that end, we provide them with platforms and share technological solutions with them. That is a way to contribute to the sustainable development of philanthropy.

The XIN 100 Program keeps expanding

We have launched the XIN 100 Program to provide comprehensive support for philanthropic projects that align with our philanthropic principles. Each year, the plan collaborates with top philanthropic organizations to incubate at least 100 benchmark projects as a way to drive innovations in philanthropic models. Currently, it focuses on five major areas -- rural revitalization, care for the elderly & disabled, child well-being, environmental protection, and emergency response. In FY2024, it has supported 272 outstanding projects from 118 philanthropic organizations.



Supporting the digital development of philanthropic organizations

China's philanthropic organizations tend to have a weak digital presence. The Green Code platform, an online platform built by our engineers in their spare time to help philanthropic organizations go digital, connects developers to the technological needs of philanthropic organizations. The platform functions as a bridge that connects caring geeks who are willing to volunteer their skills, wisdom, and experience with philanthropic organizations that need a helping hand as they digitalize their operations.





Encouraging employees to participate in philanthropy

> Platforms driving philanthropy

> Collaborations making an impact

Spreading positivity and encouraging good deeds from everyone

Integrating philanthropy into media narratives plays a crucial role in raising people's awareness, broadening public participation, and ultimately driving positive social change. We are committed to integrating the concept of participatory philanthropy into the mainstream values of society, inspiring more acts of kindness. Therefore, in addition to practicing philanthropy, we spread word about good deeds through various media channels society-wide, explore new ways to integrate resources and innovate solutions, and enable positivity to be transmitted and amplified. That helps create a more profound virtuous cycle for society.



Daily Positive Energy encourages good deeds from ordinary people

Since 2013, Alibaba collaborated with major media outlets in China to launch the Daily Positive Energy program, which is committed to spreading kindness and positivity. The project celebrates everyday heroes by discovering, rewarding, and sharing their small yet heart-warming acts of kindness. By organizing inclusive philanthropic activities through the media, it ignites the spirit of giving, inspiring everyday good deeds that weave a more compassionate society. As of March 31, 2024, the program has presented prizes to a cumulative total of 12,622 individuals across more than 1,000 county-level regions in over 300 prefecture-level cities across China.



Positive Energy Dream Initiative for Inspirational Students

Alibaba has partnered with over 50 local media outlets across China to launch the Positive Energy Dream Initiative for Inspirational Students. It offers scholarships to students who have aced the college entrance exam despite adversities. In the three years since its launch, the initiative helped 349 students.

In FY2024, to further translate its impact into philanthropic actions, the initiative entered into a partnership with Hangzhou Jiahui Foundation, a philanthropic organization that focuses on higher education assistance. To encourage more philanthropists across society to participate, they jointly launched a public fundraiser bearing the same name as the initiative on multiple platforms.



A new media workshop gathers influential philanthropists from the media

As of March 31, 2024, China New Media Philanthropic Workshop, supported by Alibaba, have run four editions, and major media outlets from 23 provinces across China have participated in its training and discussion sessions. In FY2024, the workshop brought together about 200 brilliant minds from various sectors, such as the media, philanthropy, academia, and business. Among them were over 130 media professionals. The workshop's goal is to rally influential philanthropists from the media to champion positive narratives and actions so that participatory philanthropy can become a lifestyle, therefore promoting the development of philanthropic undertakings in China.

Building Trust

To gain the trust of our corporate partners and society, firstly, we observe ethical business practices and comply with applicable regulations, overseen by an effective, transparent, and diverse corporate governance structure; and secondly, we are dedicated to advancing privacy protection and data security capabilities, and practices of technology ethics. Our goal is to gain and maintain public trust in our business ecosystem and digital technology, striving to ensure our business and technology ultimately benefit society at large.

This chapter

Building corporate trust

Building social trust





Building Trust

Results of our actions



Building social trust

IEEE Open Source Science Award

The Alibaba-developed visual classification model training framework EasyRobust has won the IEEE Open Source Science Award

Building corporate trust

Alibaba Group ESG Governance and Disclosure Policy



Issued Alibaba Group ESG Governance and Disclosure Policy, which has been approved by the Sustainability Committee of the Board of Directors

over 24,000

Have provided over 24,000 hours of integrity training for our suppliers and partners

100%



Achieved a 100% pass rate in Alibaba Group Code of Business Conduct exam among employees

100%

Achieved a 100% pass rate in the exam on data security red lines among employees



Strategies and approaches

Alibaba's business ecosystem is founded on public trust.

Guided by Alibaba's mission, vision, and values, we have formulated Alibaba Group Code of Business Conduct, which applies to all employees. It provides guidelines for how to behave at work and sets standards for interacting with different stakeholders, including colleagues, customers, suppliers, and communities. Additionally, it covers various ESG issues, such as risk management, business ethics, fair competition, privacy protection, and data security. Each year, all employees are required to participate in a training program and take an exam on the code of business conduct.

For the ESG topics covered in this chapter, we have established governance structures, management protocols, and mechanisms. At the board level, we have set up a Compliance and Risk Management Committee and a Sustainability Committee, which oversee and manage different ESG issues. Specifically, issues including those related to comprehensive risk management, privacy protection, data security, cybersecurity, and anti-corruption are reported directly to the Compliance and Risk Management Committee of the Board of Directors, while those about supply chain ESG management and technology ethics are reported to the Sustainability Steering Committee under the Sustainability Committee of the Board of Directors.





Building corporate trust

We are committed to establishing a professional corporate governance structure to ensure an effective, transparent decision-making process. We have built a robust risk management system to safeguard the stability of our operations. While upholding business ethics and creating a healthy business environment, we strive to strengthen management of suppliers and achieve sustainable development in a responsible manner. These measures have laid the corporate foundation for us to gain trust.

Building an effective, professional corporate governance structure

Improving risk management system

Observing business ethics

Enhancing supplier management





Building corporate trust

> Building social trust

Building an effective, professional corporate governance structure

A first-class corporate governance structure enables us to make continuous innovations that result in the creation of top-notch products and services for customers and society.

Board governance

We strive to build a professional and diverse Board of Directors that functions independently and effectively.

As of March 31, 2024, Alibaba's Board of Directors comprised 10 members, including 4 executive directors and 6 independent directors. The Board of Directors has 6 committees, including the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, the Sustainability Committee, the Compliance and Risk Management Committee, and the Capital Management Committee.



Audit Committee

This committee is chaired by an independent director, and all its members are independent directors with a financial background. It is responsible for: (1) managing the processes and audit activities of accounting and financial reporting; (2) selecting, assessing, and supervising external independent auditors; (3) overseeing internal audit department and processes; and (4) approving related-party transactions.



Nominating and Corporate Governance Committee

This committee is chaired by an independent director, and 67% of its members are independent directors. It is responsible for: (1) nominating directors other than those whom the Alibaba Partnership has the right to nominate; (2) reviewing the composition of the Board of Directors; and (3) providing advice and suggestions on corporate governance and compliance.



Compliance and Risk Management Committee

This committee is chaired by an independent director, and 60% of its members are independent directors. It is responsible for: (1) overseeing Alibaba Group's compliance and risk management, covering cybersecurity, privacy protection, and data security; (2) defining Alibaba Group's overall compliance and risk management requirements; (3) issuing compliance and risk management framework policies; (4) assessing the levels of major risks; (5) overseeing the implementation of policies and processes in response to major risk exposures; and (6) assessing the effectiveness of the compliance and risk management system.



Compensation Committee

This committee is chaired by an independent director, and all its members are also independent directors. It is responsible for: (1) formulating and managing compensation policies; (2) reviewing the performance of directors and senior management; and (3) reviewing the compensation packages of senior management and the total value of stock ownership incentives and bonuses for employees.



Sustainability Committee

This committee is chaired by an independent director, and 33% of its members are independent directors. It is responsible for overseeing Alibaba Group's ESG practices, and its detailed work includes: (1) identifying and assessing ESG opportunities and risks; (2) ensuring robust oversight and internal management of ESG strategies, goals and implementations; and (3) evaluating the execution of ESG plans and initiatives.



Capital Management Committee

This committee is chaired by Joe Tsai, Chairman of the Board of Directors. It is responsible for: (1) formulating overall capital management and allocation plans and overseeing their implementation; (2) reviewing and making decisions on important matters of Alibaba Group as a holding company, including capital market transactions, shareholder return plans, investments, M&A deals, and subsidiaries' stock incentive plans, financing, etc.

**Building corporate trust**

> Building social trust

According to Alibaba Group Holding Limited Corporate Governance Guidelines and the charters of the committees of the Board of Directors, members of the Board of Directors and its committees may independently seek advice from consultants in fields such as legal affairs and finance. Independent directors may hold meetings in the absence of management. We invite the Board of Directors and its committees to conduct annual self-evaluations, which cover various matters, such as whether board members have all necessary access to independent consultants. In FY2024, the Board of Directors, the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Sustainability Committee conducted self-evaluations, and directors believe that they have all necessary access to independent consultants and that they are informed of our business.

We strive for diversity on the Board of Directors in multiple aspects, such as gender, culture, and professional skills, which is consistent with the continuous diversification of our business. The Charter of the Nominating and Corporate Governance Committee clearly states that factors including age, gender, cultural background, and cooperability must be considered comprehensively when nominating directors.

The Board of Directors represents a diverse range of professional backgrounds and industry experiences, spanning retail, computer science, electrical engineering, economics, finance, legal affairs, business administration, real estate, and so on. Between FY2021 and FY2024, the percentage of female directors grew from 18% to 30%.

We constantly monitor the effectiveness of the Board of Directors. In particular, we track director terms to achieve a balanced mix of views from incumbent directors and new directors. As of March 31, 2024, the average term of board members was 4.95 years. The effective operations of the Board of Directors and its committees are evaluated in accordance with Alibaba Group Holding Limited Corporate Governance Guidelines.

The Board of Directors and each of its committees are required to conduct a self-evaluation at least once a year and report the results to the Board of Directors through the Nominating and Corporate Governance Committee. The criteria used in a committee's self-evaluation come from its written charter. Factors to consider for self-evaluating the performance of the Board of Directors and its committees include but are not limited to the skills and backgrounds of their members, the adequacy and effectiveness of their meetings, and the participation of directors in board and committee meetings¹.





Building corporate trust

> Building social trust

Sustainability governance

A robust governance structure is the cornerstone of any successful strategy. ESG is the foundation of our long-term strategy, which requires strong governance to deliver its best results.

Sustainability governance structure

In FY2022, we established a sustainability governance structure that has three layers -- the Sustainability Committee of the Board of Directors, the Sustainability Steering Committee, and the ESG Working Group.

In FY2023, some of our business groups and companies identified key ESG issues in their operations, formulated ESG plans, and established related ESG governance structures.

In FY2024, we initiated a new governance structure and built an organizational management framework that is more aligned with our business strategy. To adapt to this change, we have issued Alibaba Group ESG Governance and Disclosure Policy, which has been approved by the Sustainability Committee. This policy clearly

defines the rights and obligations in ESG governance and disclosure of the holding company as well as those of the business groups and companies ("the businesses"). Additionally, it further clarifies ESG-related responsibilities of the CEOs and ESG officers of the businesses. The achievement of ESG goals is one of the criteria in the annual performance review of the CEOs of the businesses.

We have established three new ESG special task groups -- the Technology Ethics Working Group, Supply Chain Management Working Group, and DEI Working Group. These special task groups report directly to the Sustainability Steering Committee. They are responsible for implementing designated tasks to address special issues including policy-making, setting standards, and the execution of initiatives or action plans.

Sustainability Committee

In FY2022, we established the Sustainability Committee of the Board of Directors, with Jerry Yang serving as the committee's Chairman. The Sustainability Committee is responsible for overseeing ESG efforts across Alibaba Group on behalf of the Board of Directors. Its work includes: (1) identifying and assessing ESG opportunities and risks; (2) approving annual ESG goals; (3) ensuring robust oversight and internal management of ESG strategies, goals and implementations; (4) evaluating the implementation of ESG plans and initiatives; and (5) reviewing ESG-related disclosures.

Sustainability Steering Committee

Under the leadership of the Sustainability Committee, we have set up the Sustainability Steering Committee to formulate and implement strategic goals for ESG-related matters. We have also set up the ESG Strategic Operations and Research Department, which is responsible for: (1) implementing the strategies and projects developed by the Sustainability Steering Committee; (2) establishing and maintaining a monitoring system to measure progress; and (3) coordinating with the ESG teams of functional departments at the holding company as well as those of the businesses. The Sustainability Steering Committee has three special task groups -- the Technology Ethics Working Group, the Supply Chain Management Working Group, and the DEI Working Group. These special task groups promote the implementation of relevant tasks to address the special issues.

ESG Working Group

The ESG Working Group comprises the ESG officers of the businesses as well as those of the holding company's functional departments. It works in collaboration with the ESG Strategic Operations and Research Department led by the Sustainability Steering Committee to ensure the achievement of ESG strategies and goals. To that end, it has established and maintained an ESG evaluation and management system. The CEO of each business and the head of each of holding company's functional department designate a person as its ESG officer. The ESG officer of each business is usually the CEO's direct report or the CEO themselves.



Building corporate trust

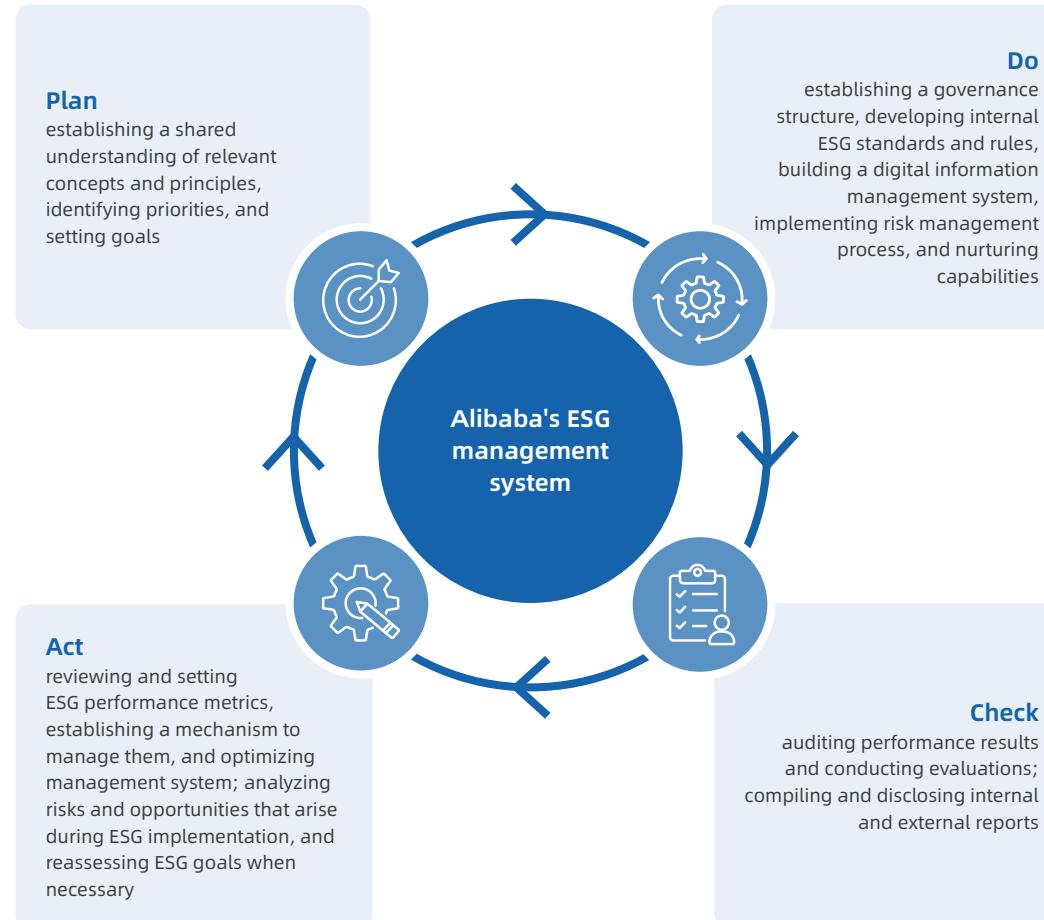
> Building social trust

ESG management system

In FY2024, under the guidance of the Sustainability Committee, we upgraded our ESG management system based on PDCA (Plan-Do-Check-Act) model.

Alibaba Group ESG Governance and Disclosure Policy clearly stipulates that the CEO of each business holds ultimate responsibility for its ESG efforts, which involves not only promoting relevant initiatives but also delivering and being held accountable for ESG results to the Sustainability Committee of the Board of Directors. At each business, the ESG officer is in charge of implementation.

At the beginning of the fiscal year, the Sustainability Steering Committee issues annual ESG goals, together with a working list, to the CEO of each business. Throughout the fiscal year, the ESG officer of each business, through the ESG data management system, submits metric-based ESG progress reports to the members of Sustainability Steering Committee at regular intervals, which keeps the committee updated on progresses and risks in the implementation of the businesses' ESG goals so that it can offer necessary support accordingly. At the end of the fiscal year, the Sustainability Steering Committee reports to the Sustainability Committee of the Board of Directors on the achievements made by the Group and the businesses in reaching their ESG goals. As of the release date of this report, we have submitted the FY2024 ESG evaluation reports of the businesses to the Sustainability Committee. In FY2024, to effectively promote the implementation of ESG goals across the businesses, we also launched an ESG metric-based scoring mechanism and ESG awards internally.



ESG training and advocacy at multiple levels

The successful implementation of our ESG strategy hinges on the support of our Board of Directors, management team, and employees. In FY2024, we conducted a diverse range of training and advocacy activities. For all board members as well as the CEOs of the businesses, we organized four ESG training sessions. To disseminate ESG knowledge among employees, we have developed multiple internal training channels. In FY2024, we conducted a total of 18 ESG training sessions, covering topics such as climate change, GHG emissions, DEI, and technology ethics. Furthermore, we regularly issued internal newsletters on ESG and provided employees with timely industry information.

We are gradually integrating ESG into the Group's meaningful signature events to reach a wider audience of employees. At a major group-wide event for compliance advocacy in FY2024, we organized a panel discussion about ESG, inviting members from the ESG teams of the businesses to share their experience and spread word about ESG.





Improving risk management system

To better adapt to the complex, rapidly changing market environment while supporting healthy development and flexible decision-making at all the businesses, we upgraded our risk management structure and mechanism in FY2024. The overall principle is that the holding company builds a comprehensive risk management structure that covers the businesses, complemented with a dynamic approach to classify and grade risks and incidents.

We have established a three-tier risk management structure -- the Compliance and Risk Management Committee of the Board of Directors, the Comprehensive Risk Management Committee, and the Comprehensive Risk Management Working Group.

The Compliance and Risk Management Committee of the Board of Directors

is under the direct leadership of an independent director working as its Chairperson. It is responsible for overseeing compliance and risk management across the Group.



The Comprehensive Risk Management Committee

is under the guidance of the Compliance and Risk Management Committee of the Board of Directors. It comprises members of the senior management teams at multiple departments, such as those in the fields of security, legal affairs, finance, and technologies. It is responsible for designing a comprehensive risk management framework. Its main tasks include: (1) identifying major group-level risks and formulating a risk governance strategy accordingly; (2) improving the risk management framework; and (3) establishing a monitoring and evaluation mechanism for risk management. The Comprehensive Risk Management Department, working under the committee, ensures on-the-ground implementation for comprehensive risk management.



The Comprehensive Risk Management Working Group

comprises the holding company's functional departments² and the comprehensive risk management leaders and the members of risk management teams from the businesses. It is responsible for implementing specific tasks in comprehensive risk management.



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Our risk management mechanism consists of: (1) system construction; (2) risk management processes; (3) supervision, evaluation, and inspection; (4) risk management culture and training; and (5) Emergency Response Management.

Institution building

We have released a revised version of Alibaba Group Comprehensive Risk Management Framework. This document clearly defines the basic principles, organizational structure, division of responsibilities, and working mechanism for comprehensive risk management. Additionally, we have formulated management systems and operational guidelines for important risk areas to ensure the effective implementation of comprehensive risk management.

Risk management process

A risk management process has been established, encompassing risk identification and assessment, risk control and governance, and risk reporting and decision-making. In FY2024, we conducted a systematic review of the Group's risks. We also updated and formulated Alibaba Group Category Tree for Risk Management, the risk classification standards, and the corresponding risk management process. The holding company regularly assesses and inventories risks for each business, requiring each business to file for approval and record-keeping. Additionally, we have established internal and external risk monitoring channels and a compliance reporting mechanism to encourage scrutiny from internal and external stakeholders. For valid reporting, we launch investigations. For major risks, the Comprehensive Risk Management Committee establishes a special governance project and regularly reports to the Compliance and Risk Management Committee.

Supervision, evaluation, and inspection

We leverage a combination of internal inspections, external audits, and whistleblower reports to swiftly identify and effectively address shortcomings. The holding company and the businesses have established internal supervision and evaluation mechanisms as well as external scrutiny and rectification mechanisms. The Comprehensive Risk Management Committee conducts annual evaluations and inspections on the compliance and risk management performance of the businesses. The evaluation and inspection reports are submitted to the Compliance and Risk Management Committee of the Board of Directors. The Internal Audit Department of the holding company performs independent audits on the compliance and risk management performance of the holding company and the businesses each year. These audits generate reports that are submitted to the Audit Committee of the Board of Directors. Additionally, we hire third-party audit firms to conduct independent audits on Alibaba Group annually and provide auditing opinions. The business could also hire third-party audit firms to conduct independent audits to provide relevant certification reports tailored to its nature. In March 2024, the holding company has initiated supervision and inspection on the risk management mechanism of each business for FY2024. As of the report release date, a report has been compiled based on the supervision and inspection results and submitted to the Compliance and Risk Management Committee.

Risk management culture and training

To address the different training needs of various positions, we have developed a variety of training programs to enhance risk awareness and guide daily decision-making and behavior. In FY2024, we organized over 1,000 training sessions for specialized positions. Risk management has been incorporated into Alibaba Group Code of Business Conduct exam, required for all employees. In FY2024, the exam's pass rate reached 100%. To promote compliance and risk awareness on a wider scale, we held the third group-wide Compliance Day in December 2023. The event featured forums and interactive games to educate all employees about compliance in different fields. The topics of the forums included data and AI compliance, advertising compliance, and financial compliance.

Emergency Response Management

We have formulated Alibaba Group Specifications for Handling ESU Incidents to establish emergency management processes based on the types of levels of risk incidents. Major compliance issues must be reported by the businesses to the Comprehensive Risk Management Committee.



Observing business ethics

As a platform company, we recognize the paramount importance of fostering an open, transparent, and fair market environment. At Alibaba, every employee is required to demonstrate high standards of business ethics. We conduct our business with honesty, integrity, and compliance. Fairness, trust, and openness guide our activities as we strive to create a sustainable business environment alongside all stakeholders. Alibaba Group Code of Business Conduct is strictly consistent with national laws and regulations, including those related to civil or commercial affairs, unfair competition, and criminal activities. It clearly outlines fundamental requirements such as eradicating bribery and corruption as well as safeguarding fair competition.

Anti-corruption

With a zero-tolerance stance against corruption, we have established and kept refining our anti-corruption system. To ensure that the system works effectively, we constantly put efforts into building an effective organizational structure and a robust management system. Additionally, we conduct regular assessments, perform periodic audits, and strengthen awareness training to improve our capabilities of conducting anti-corruption investigations and preventing risks.



Management structure

The Compliance and Risk Management Committee of the Board of Directors is responsible for establishing and refining anti-corruption management practices to ensure that we operate our business and behave in compliance with the group's code of business conduct and ethical standards. The Integrity and Compliance Department and the Legal and Compliance Department serve as the executive bodies for anti-corruption management. The Legal and Compliance Department is responsible for drafting, interpreting, and implementing anti-corruption policies. The Integrity and Compliance Department is responsible for preventing and investigating corruption as well as building and promoting a culture of integrity. This department has the authority to hold all employees accountable, regardless of their positions. It maintains full independence from internal audit and control departments as well as all the businesses. This way, we have a collaborative mechanism featuring multiple lines of defense.

Management policies

Since 2009, we have taken gradual steps to establish a comprehensive set of policies that guides employee conduct and upholds our commitment to building a culture of integrity. These policies are constantly updated in accordance with applicable laws and our requirements to improve our anti-corruption management system. In addition to the requirements in Alibaba Group Code of Business Conduct of eradicating bribery and corruption, we have also issued Alibaba Group Anti-bribery and Anti-corruption Policy, which applies to all employees.



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Management mechanism

We have established a well-developed management mechanism to prevent and manage risk incidents in anti-corruption.

Protection against corruption risks

At the beginning of each year, the Integrity and Compliance Department analyzes historical corruption cases to identify high-risk business activities and positions. Targeted training and regular monitoring are implemented accordingly. A continuous review of past cases further helps pinpoint potential risks. In FY2024, 234 potential risks were detected, 163 of them have been remedied, and we are remedying the rest in FY2025.

Strengthening daily education and training is one of the best ways to prevent risks. We require all employees to pass Alibaba Group Code of Business Conduct exam each year. In addition, we offer targeted training to new employees, managers, employees in high-risk business activities or positions, and external partners and suppliers. Each year, all employees are required to sign a letter confirming their commitment to observing Alibaba Group Code of Business Conduct and engaging in anti-corruption practices.

We urge managers to assume responsibility for overseeing and managing anti-corruption efforts. Alibaba Group Code of Business Conduct mandates that managers prioritize risk control, champion positive culture, and provide their teams with effective guidance and support. The manager's performance results are linked to his or her team's

performance in identifying and handling integrity risks. A manager will be held accountable if he or she fails to effectively fulfill his or her managerial duties in integrity, which will affect his or her performance results, including bonuses and promotions.

We have a strong culture of integrity. According to an internal survey, our employees' recognition of integrity in our workplace increased from 4.42 points to 4.46 points on a scale of 5 in FY2024.

100%



pass rate in Alibaba Group Code of Business Conduct exam was achieved by our employees, which is part of a certification program that also includes an integrity training module

over 24,000 hours



of integrity training for our suppliers and partners were provided



Alibaba integrity reporting email:
lianzheng@alibaba-inc.com



Alibaba's integrity reporting website:
<https://jubao.alibaba.com>

Managing risk incidents in anti-corruption efforts

Our anti-corruption management system covers the identification of risk incidents, conducting investigations, risk handling, and adjustments to management protocols in response to risks.

We identify risk incidents by gathering clues through internal and external reporting as well as regular assessments. Misconduct can be easily reported 24/7 through multiple independent reporting channels, including our official websites of the group and the businesses such as those of Taobao, Ele.me, and Freshippo. Additionally, dedicated email addresses, hotlines, and internal forums are available to whistleblowers. We support different languages for reporting misconduct, such as English, Thai, Indonesian, and Vietnamese.

We encourage all employees, business partners, and the public to report corruption. Anonymous reporting is supported. As of March 31, 2024, we have established nearly 120 online and offline reporting channels. We have informed our employees and partners of the reporting channels through a comprehensive approach that includes internal and external training, awareness campaigns, and partner outreach via email or text. In accordance with legal and regulatory requirements, clear whistleblower protection clauses are enshrined in Alibaba Group Code of Business Conduct and other policies. Strict measures are in place to safeguard the identities of whistleblowers and the information that they provide. A zero-tolerance policy for retaliation ensures their rights and interests are protected.

When a clue about corruption comes in, the Integrity and Compliance Department and the manager of the suspected employee's business department collaborate in accordance with their respective responsibilities to launch a rigorous, independent investigation and reach a conclusion as to whether a violation has occurred. If a violation is confirmed, the suspected employee's business department and the Human Resources Department make a disciplinary decision within five working days. Disciplinary actions include dismissal, demerits, warnings, and admonitions. Except for minor violations that only result in reprimand, all levels of violations affect the employee's compensation, incentives, and promotions. We publish information about violations on our internal forum as cautions to all employees.

The Integrity and Compliance Department discloses the latest corruption incidents to an external audit firm on a quarterly basis and responds to risk control questions it raises, which process applies to the whole Group. In addition, this department reports quarterly to the Audit Committee and the Compliance and Risk Management Committee of the Board of Directors, covering matters such as corruption incidents, remediation of major risks, and recommendations on how to build a culture of integrity.

In FY2024, a total of 33 corruption cases implicating employees were referred to the judiciary. Among these corruption cases, 6 were prosecuted and closed, with all individuals involved receiving sentences.



Antitrust and fair competition

We are committed to building and maintaining a fair and competitive market environment. We pledge to compete fairly, with strict policies in place to prevent unreasonable restrictions on partners or discriminatory treatment of customers. In FY2024, we updated Alibaba Group Competition Compliance Management Regulation. Guided by these regulations, the businesses have issued their own specific management specifications, for example, Taobao and Tmall Group Competition Compliance Management Regulation, which outlines specific operational requirements regarding fair competition in our e-commerce business.

While respecting merchants' autonomy in their operations, our e-commerce business continuously enhances platform rules and allocates resources equitably to maintain a fair and orderly platform environment. In FY2024, our key management measures included the following:

We invest a growing amount of technical resources in competition compliance to upgrade our risk monitoring models and strengthen our capabilities of keyword detection, semantic recognition, and so on. This approach enables us to swiftly identify risks within agreements and rules, facilitating prompt analysis, assessment, and handling of risk exposures.

We constantly refined the rules for allocating resources on our platforms among all merchants in a fair and equitable manner. To ensure fair access to platform resources, Taobao and Tmall Group has formulated the Regulations on the Standardized Allocation of Business Resources under the principle of treating all merchants in a fair, reasonable, and non-discriminatory way. This document covers requirements regarding search recommendations, promotions, algorithm applications, and so on.

Leveraging a multi-channel approach, we gathered external information from various sources to identify risks, develop preventive solutions, and formulate management measures. Taobao and Tmall Group regularly communicates and discusses risks with various stakeholders through complaint and reporting channels operated by dedicated personnel. It also engages third parties to conduct surveys to actively solicit stakeholders' inputs and understand their expectations. When necessary, governance actions should be taken promptly.

In FY2024, we did not receive any anti-monopoly lawsuits claiming business conducts that eliminate or restrict competition.

We have set up internal and external reporting channels. Dedicated email addresses are available to receive complaints about unfair competition on Taobao and Tmall platforms. They are prominently displayed on the official websites of both platforms and included in the merchant service agreement.



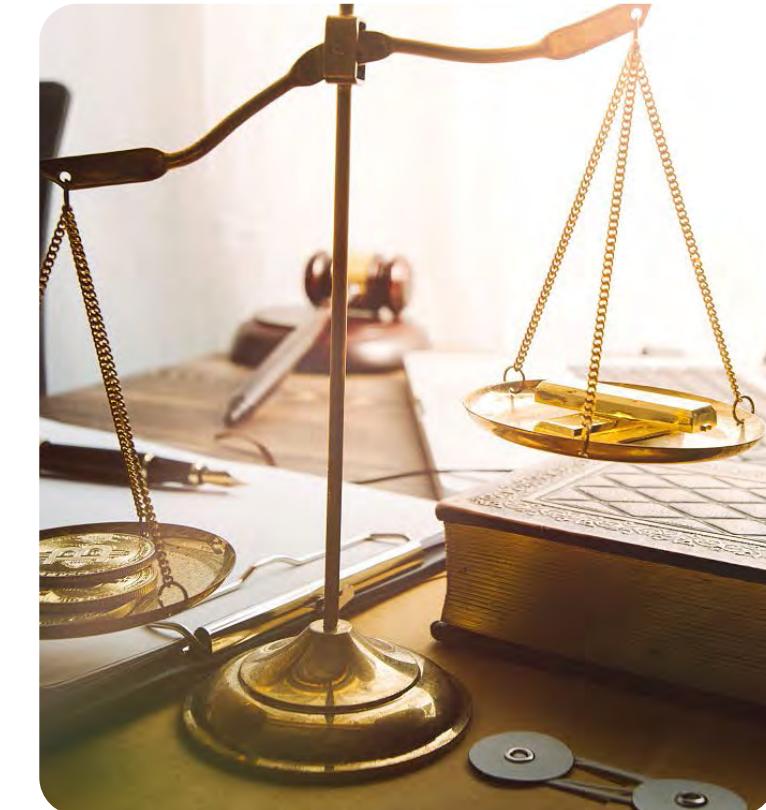
Email for receiving unfair competition complaints on Taobao:

Taobao-tousu@Alibaba-inc.com



Email for receiving unfair competition complaints on Tmall:

Tmall-tousu@Alibaba-inc.com





Enhancing supplier management

Our success is inseparable from the support of our suppliers. Therefore, we motivate them to join our efforts towards the realization of the Sustainability Development Goals (SDGs). To that end, we must take actions to implement various initiatives systematically.

Supplier management system

Maintaining an ethical, honest, and sustainable business environment has always been at the heart of our management of suppliers and aligns with our ESG efforts.

Policies

We have formulated Alibaba Group Holding Limited Specifications on Supplier Compliance Management. This document clearly defines the principles for onboarding, reviewing, selecting, using, evaluating, and penalizing suppliers. It integrates ESG compliance requirements into the management process. Those requirements include prohibiting the use of child labor and forced labor, banning discrimination and workplace harassment, and prohibiting the sale or provision of personal information.

Compliant onboarding

To prevent conflicts of interest during supplier onboarding and selection, we have established clear guidelines for related relationships between suppliers and Alibaba employees as well as related relationships between suppliers. These guidelines cover the types of related relationships, criteria for identifying them, and operational requirements. All suppliers must sign the Honesty and Integrity Agreement during the onboarding process. This agreement compels them to commit to compliance and ethics. We require employees to comply with



Alibaba Group Code of Business Conduct when dealing with external partners. Employees must not solicit or accept bribes such as money, gifts, entertainment, or hospitality, nor must they borrow money from external partners. We have opened a dedicated reporting hotline to address any suspected or actual misconduct involving Alibaba employees.

Open and transparent digital management process

We have established a digital supplier management system internally to achieve full-process visibility and traceability. Adhering to the principles of fairness and transparency, we manage and evaluate suppliers using uniform standards so that they have equal access to business opportunities. During the onboarding process, we implement stringent certification requirements and follow proper bidding procedures to ensure that we partner with the best fit. During the term of cooperation, we prioritize

fair allocation of resources and provide positive guidance to support suppliers. After project delivery, we conduct an evaluation of supplier performance based on our standards. The results are recorded within the system as key metrics that influence supplier grading. This approach achieves tiered supplier management.

Externally, we run a unified supplier portal, available as both a website and a mobile app. It presents suppliers with a comprehensive view of their cooperation status, including a snapshot of cooperation, quotations, orders, and payments. We publish timely announcements regarding business cooperation, management requirements, and integrity compliance. Additionally, we actively seek supplier feedback on specific matters, such as the management and efficiency of business cooperation. We achieve this through a dedicated inquiry hotline and supplier surveys, among other channels.

Risk assessment

To mitigate compliance risks, we have established a comprehensive control mechanism that encompasses ex-ante prevention, in-process monitoring, and ex-post investigation. We conduct risk identification throughout the entire procurement process, covering risk reviews in supplier certification, risk scans, and contract fulfillment evaluations. Depending on the type and severity of a risk incident, we take different actions against the supplier, such as freezing or eliminating cooperation. In case of a major risk incident, we terminate cooperation with the supplier.



Building corporate trust

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Supplier ESG practices

We advocate and continuously promote ESG practices among our suppliers. In FY2024, we further improved supplier management by incorporating ESG into operations. We established a dedicated Supply Chain Management Working Group that reports directly to the Sustainability Steering Committee. Its primary responsibilities include defining standards and baselines for supplier ESG management across the entire Group, issuing policies based on these standards, promoting ESG practices, and conducting inspections.

In FY2024, we updated Alibaba Supplier ESG Code of Conduct. It clearly outlines the ESG principles that suppliers should stand by, covering multiple areas, including the prohibition of child labor and forced labor, the protection of labor rights and interests, occupational health and safety, environmental protection, privacy protection and data security, business ethics.

As of May 31, 2024, 14,714 suppliers have signed the updated version of Alibaba Supplier ESG Code of Conduct. We encourage suppliers to declare their ESG actions and conduct due diligence on the ESG practices of key suppliers. In FY2024, regarding the ESG practices, we audited 30% of our suppliers³. We include areas requiring optimization and improvement that we identify from the due diligence process into our daily management, and our procurement team tracks improvements made by suppliers.

We have made it clear that we prefer working with suppliers that demonstrate a strong track record of ESG performance. Suppliers that severely violate Alibaba Supplier ESG Code of Conduct will be terminated.

Pressing ahead with supplier management training

Supplier management is critical for our operations and business development. We constantly invest resources to strengthen training for employees in supplier management departments. The training covers a wide range of topics, including integrity compliance, financial rules, laws and regulations, and professional skills for procurement.

Compliance management of outsourced labors

We recognize the invaluable role of personnel, both within our own operations and across the supplier ecosystem. Outsourced labor plays a crucial part in our business growth and service delivery.

We mandate that our suppliers of outsourced labors strictly adhere to all applicable laws and regulations, including the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China. Additionally, they must follow labor standards and regulations, such as Alibaba Group Policy on the Management of and Alibaba Group Specifications on Safety Management or Personnel Behavior for Outsourced Labor. To ensure compliance, we use the following methods to manage and oversee suppliers.

We conduct audits on our suppliers of outsourced labors. These audits cover five dimensions -- labor practices, recruitment, wage settlement, safety, and business ethics.

We have developed digital communication tools specifically for outsourced labors. Through these tools, we disseminate crucial information to ensure that they are aware of Alibaba's labor standards. Additionally, we have opened a reporting channel to gather feedback on non-compliant labor practices.

We have issued clear rectification instructions to suppliers that have deviated from our requirements for the management of outsourced labors.

Occupational health and safety for outsourced labors in our logistics business

As our logistics business has grown significantly in line with our strategy, we need more suppliers and outsourced labors to provide solutions. Within our own operational sites, we have worked constantly to implement an EHS system that ensures the health and safety of supplier staff and outsourced labors. For details, see Enhancing employee health and vitality in Chapter 2. For supplier-managed sites and service scenarios, we require suppliers to sign an agreement related to EHS management. We also conduct follow-up inspections from time to time. For parties that do not meet our requirements, we provide suggestions for correction. For parties that may incur or have incurred serious environmental pollution or labor safety incidents due to their incomplete rectifications or refusal to rectify, we have the right to pressurize them via measures such as requesting full rectifications within a timeframe, reducing or suspending orders of their products or services, and replacing them.

Collaboration for Scope 3 emissions reduction

As part of our carbon neutrality commitment, we are taking measures to address Scope 3 emissions within the supply chain and gradually gaining a deeper understanding of the impact of supplier emissions on our overall environmental performance. We encourage suppliers to directly provide emissions data and take proactive actions to decarbonize. For key categories in Scope 3 emissions, we try our best to assist suppliers in implementing decarbonization measures.



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Building social trust

We firmly believe that technological advancements are indispensable to achieving the SDGs. We also recognize that the digital revolution presents unprecedented challenges and risks. While continuously enhancing our corporate governance mechanism, we prioritize privacy protection, data security, cybersecurity, and technology ethics, striving to establish a secure and ethical digital trust system. Our aim is not only to pursue technological advancements but also to become a leader in building digital trust.

**Privacy protection
and data security**

**Safeguarding
cybersecurity**

**Technology
ethics**





Building corporate trust >

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Privacy protection and data security

Business development is rooted in the flow of information and data. Data flowing during the digital transformation creates potential for social progress and business development. Meanwhile, privacy protection and data security have emerged as major concerns. Our operations are subject to complex, ever-changing laws and regulations regarding privacy protection, data security, and cybersecurity. Failure to comply with the related laws and regulations could lead to claims for compensation, regulatory investigations, lawsuits, or even penalties. It may also negatively impact our business in other ways. Privacy protection and data security are fundamental to business success. In FY2024, we did not experience any major data breaches.

Management principles and structures

We have established clear principles for data security and built a strong organizational framework to protect user privacy and safeguard data security.

Guided by our commitment to regulatory compliance, we meticulously apply the following fundamental principles across the entire lifecycle of data.

Principle of informed consent: Before we process the personal information of users, we ensure that they have been informed about and agree to our rules for processing such information.

Principle of minimal necessity: We adhere to the principle of minimal necessity throughout all stages of data processing. The amount of data that we collect and the extent to which we process the data are limited to the minimal level necessary for the fulfillment of our business purposes. Additionally, we request only reasonable, necessary permissions for those purposes.

Principle of comprehensive security: We constantly strengthen our data security capabilities by implementing stringent standards across all layers, such as the application layer and the network layer. Additionally, we reinforce personal information protection throughout the entire process of product development, ensuring compliance at every stage from development to release. We also enhance security management for the suppliers and use technical means to safeguard personal information.

We have incorporated privacy protection and data security into our comprehensive risk management system. This critical issue is given high priority by the Board of Directors, management, and frontline employees.

At the board level, the Compliance and Risk Management Committee oversees the Group's overall compliance and risk management, encompassing cybersecurity, privacy protection, data security, intellectual property protection, and other compliance matters. This committee is chaired by an independent director. It regularly participates in the reviews of our privacy protection and data security strategies as well as day-to-day operations. In FY2024, it was briefed quarterly on our practices of privacy protection and data security. The Comprehensive Risk Management Committee is responsible for identifying major risks and formulating corresponding risk governance strategies for the group. This includes improving the risk management system framework and establishing a supervision and evaluation mechanism. Privacy protection and data security risk are among the major risks managed by the Comprehensive Risk Management Committee.

At the management level, we have established a specialized decision-making group for data security comprising members from the Comprehensive Risk Management Working Group, President of the Security Department, General Counsel, and the security heads of the businesses. It is responsible for formulating policies and goals for data security as well as making decisions related to data security risks.

At the operational level, we have established a management group and an execution group for data security. In accordance with the Data Security Law and the Personal Information Protection Law, we have appointed Data Protection Officers (DPOs) and Public Information Officers (PIOs) for the businesses. They are responsible for coordinating privacy protection and data security in their respective businesses.



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Policies and protocols

We strictly adhere to laws and regulations on privacy protection and data security in the countries and regions where we operate. These are globally respected laws and regulations, including but not limited to privacy protection laws and standards for protecting data privacy or personal information, such as the Personal Information Protection Law of the People's Republic of China, the General Data Protection Regulation of the European Union, the Data Protection Act of the UK, and the California Consumer Privacy Act.

In FY2024, we updated Data Security Guidelines of Alibaba Group (General Guideline) to clearly define our data security management structure as well as specific responsibilities and management requirements. It covers all stages in the entire lifecycle of data, including collection, storage, usage, transmission, sharing, and destruction. Based on this master plan, we have issued 20 sets of detailed operational specifications, such as Alibaba Group Personal Information Collection Specifications for Mobile Clients and Alibaba Group Security Specifications for Open Data Sharing in the Ecosystem.

We have published the Privacy Policy Compliance Specifications on Alibaba Group's official website. Furthermore, we have established the Alibaba Privacy Platform, which provides public access to the privacy protection policies of our major apps.

Management practices

We uphold the three fundamental principles and embed privacy protection into our business design. Additionally, we implement risk prevention and emergency response measures, fostering a strong ecosystem of suppliers and third-party partners to safeguard user privacy and data security.

Integrating privacy protection into product design

We incorporate personal information protection into the process of developing an app or a new app feature. Prior to development, the personal information protection team of each business conducts a compliance and security review on personal information processing in the app or feature. Only after passing the review, could an app or feature be launched. During development, automated compliance scans are performed to block products that has compliance or security issues. During testing, additional compliance and security checks are performed to identify and rectify problems. After the app or feature is launched, we conduct regular security and compliance checks. Consumers can provide feedback or file complaints about privacy protection through various channels.

We fully integrate management principles into processes, empowering users with control over their data.

Right to know: Through our publicly disclosed privacy policy, we provide complete, true, and accurate information about the purposes and scopes of personal information collection as well as the rules for processing such information. When a user uses any of our apps, a pop-up message, together with a dedicated functional page, explains the rules for processing personal information and asks for user consent. For particularly sensitive personal information, the app provides a separate notification and requests explicit consent from the user. If the way we process personal information changes significantly, the app uses a pop-up message, a push notification, or some other method to remind the user to review our new privacy policy and ask for consent again.

Right to manage: We provide users with a privacy management function. With any of our apps, users can go to the Privacy Center and view the types of data that the platform collects. For each type, users can grant or revoke permission for data collection. In FY2024, the Privacy Center of Taobao app had over 48 million visits.

Right to delete and change: Our products allow users to easily change their personal information and delete accounts. When a user sends a request for accessing, copying, changing, supplementing, or removing their personal information, we provide the necessary assistance.



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Safeguarding user control over personal information

In FY2024, we phased in a function for scenario-specific management of location permission. When location access is needed in a scenario, users are informed about the purpose and asked for consent. There is a switch for location access in each scenario. Users can easily grant and revoke permission. We only collect location data with user consent within the minimum scope and at the lowest frequency necessary for business purposes in specific scenarios.

位置权限使用说明



"手机淘宝"想访问您的位置信息，为了帮您快速推荐地址

如何管理权限 >

同意

拒绝

Protection of minors

Taobao and Tmall Group has established the Specifications on Protecting the Personal Information of Minors to regulate the protection of minors' personal information.

When it is necessary, Taobao app set a guardian consent process, reminding the guardian to read the Rules for Protecting the Personal Information of Children and Instructions for Guardians. The child's continued use of the app must be authorized by the guardian.

On Taobao app, the livestreaming and short video sections offer a minor mode. When it is activated, this mode blocks some functions in those sections, such as searches, comments, tipping, and short video payments. Additionally, it blocks content unsuitable for minors and imposes limits on usage time, time slots, and spending. The purpose is to protect the physical and mental health of minors.



Consumer feedback and complaint channels for privacy protection

Consumers can report privacy violations of Internet companies, including Alibaba, to the 12321 Unsolicited Electronic Messages Complaining and Reporting Center. Our apps provide dedicated complaint channels for privacy violations. Additionally, the emails and office addresses of our personal information protection departments are publicly available for consumers to provide feedback or file complaints.





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Risk and emergency management

We implement risk management for privacy protection mainly through risk assessment, security monitoring and control, employee permission management, and employee training.

We have formulated Alibaba Group Specifications for Data Security Assessments and Audits, requiring all the businesses to identify scenarios involving personal information protection in their daily operations and conduct risk assessments accordingly. Furthermore, all the businesses conduct comprehensive assessments on personal information protection annually. We regularly review data privacy risks related to human rights, and we have established a routine for detecting system vulnerabilities, performing penetration tests, and managing risks properly. All these measures help ensure a high level of data security.

We constantly monitor data security incidents and risks both internally and externally. We use various technologies and measures for security control, including data classification, digital watermarking, and technologies for detecting leakages on the outer fences of large models.



Digital watermarking is an information security technology that embeds unnoticeable watermarks into digital content, such as videos, audio files, images, text, webpages, screen displays, and databases, for the purpose of labeling the copyrights and sources of such content. Even if screenshots, photos, or recordings of digital content are shared on social media, the watermarks can still be correctly extracted to trace the leakage back to the violator. When this technology is used for file risk control, we can mark file content and achieve full-process traceability. Additionally, combined with terminal data loss prevention (DLP), it can build a classification, traceability, and early warning system for unstructured data. We have explored watermarking for years. As of March 31, 2024, we have filed over a cumulative total of 70 patents related to this technology. Based on our various application scenarios and business needs, we have developed and deployed a comprehensive watermarking system for which we own all intellectual property rights. Its technology for adding digital watermarks to videos obtained both the ChinaDRM certification and the Cartesian certification. The former is China's authoritative certification in this field, while the latter is one of the world's most prestigious certifications for video watermarking, recognized by Hollywood.

Upon detecting unusual access to sensitive data, an alert is triggered right away, which ensures that we promptly notice the risk incident and take appropriate actions.

All new employees must participate in data security training. We follow the principle of minimal permission for employees to access data. Each year, we conduct awareness training on data security red lines, accompanied by an exam-based certification. Employees can also strengthen their knowledge about privacy protection, data security, and cybersecurity through our Security Service Center platform. In FY2024, the pass rate in the exam on data security red lines was 100%, and the platform recorded over 1.7 million learning sessions.

We have released Alibaba Group Specifications for Handling ESU Incidents. This document outlines requirements for emergency response plans and incident response procedures. When a data security incident occurs, we follow the emergency response plan corresponding to its severity. Our actions may include issuing a response, reviewing the incident, reporting it, and penalizing those involved.

Management of suppliers and ecosystem partners

To better manage data security risks from suppliers and ecosystem partners, we have formulated Alibaba Group Security Specifications on Open Data Sharing in the Ecosystem. When we onboard suppliers or ecosystem partners, we perform due diligence on their security qualifications and data security management systems. They must sign an agreement that includes requirements for data security management and audits. In the cooperation stage, we conduct regular audits on data security and personal information protection. A penalty system is in place, and suppliers or ecosystem partners with data security issues may be eliminated.

Privacy protection measures for overseas regions

Apart from the Group's management principles and systems for privacy protection and data security, we implement the following key measures for overseas regions:

Policies: We develop privacy policies that meet the regulatory requirements of each country or territory where we operate. These policies are regularly reviewed and updated to reflect any change to local laws and regulations. Additionally, any new business requirement involving personal data undergoes a privacy impact assessment to ensure compliance with privacy laws and regulations.

Cross-border data transfers: We follow applicable legal frameworks, such as the General Data Protection Regulation of the European Union, when we perform cross-border data transfers. To ensure adequate data protection during these transfers, we use standard contractual clauses and other approved mechanisms. We avoid cross-border data transfers as much as possible. If local laws, regulations, or government agencies require personal data for business activities to be stored locally, we comply with that requirement and deploy local storage.

Third-party compliance: We leverage strict contractual clauses and regular audits to ensure that our third-party partners and service providers comply with local laws on data protection.



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Safeguarding cybersecurity

The importance of cybersecurity as a fundamental guarantee is becoming increasingly prominent. We have built a cybersecurity management system and use proactive risk control as well as technical means to identify potential cybersecurity risks. This comprehensive approach has improved our overall cybersecurity performance. In FY2024, we did not experience any major cybersecurity incidents.

Management structures and policies

Just like privacy protection and data security, cybersecurity is a cornerstone for our ability to provide secure digital business services for our customers. Therefore, we have included cybersecurity into the oversight scope of the Compliance and Risk Management Committee of the Board of Directors and incorporated it into our comprehensive risk management system. In case of a major cybersecurity incident, the Comprehensive Risk Management Committee examines the information and issues involved, oversees remedial actions, and reports to the Compliance and Risk Management Committee in due time. Internally, we have set up a cybersecurity decision-making group, responsible for setting group-wide cybersecurity goals and making decisions for major cybersecurity incidents or significant security projects. At the operational level, we have set up a management group and an implementation group for

cybersecurity. The management group is responsible for building a robust management system, while the implementation group ensures the implementation of management requirements and strategies. Furthermore, in accordance with the Cybersecurity Law of the People's Republic of China, we have appointed a cybersecurity head for each business, responsible for coordinating cybersecurity efforts.

We strictly comply with cybersecurity laws and regulations in the countries and regions where we operate, including but not limited to the Cybersecurity Law of the People's Republic of China and the Regulations on the Management of Security Vulnerabilities in Network Products. We have formulated Network Security Guidelines of Alibaba Group (General Guideline) to define our cybersecurity management structure, responsibilities, and various management requirements.

Cybersecurity management system

We have built a cybersecurity protection system and a risk management and emergency response system to manage cybersecurity risks.

Cybersecurity protection system

With years of experience in cybersecurity for Internet business, we have developed a mature cybersecurity defense strategy that is constantly updated with the latest technologies. All our business now runs on the cloud, providing users with 24/7 access to uninterrupted, high-quality products and services. Cloud platform security is fundamental to the protection of user rights and interests as well as our business operations. We strive to leverage our rich experience to enhance cloud platform security so that we can provide safeguards for both ourselves and our customers.



Building corporate trust >

Building social trust

Cybersecurity protection strategy

Amid the development of the digital economy, our exposure to cybersecurity risks is on the rise and also presents its complexities. We have established an end-to-end multi-dimensional defense system that covers terminals, the Internet, backbone networks, and data centers. We believe that no single security measure can provide 100% defense against all types of attacks, so we have adopted a diverse range of mutually complementary protective measures at multiple layers. Even if an attacker is able to break through one layer of defense, they will face the next. This measure raises the cost and difficulty of the attack, making it less likely to succeed. We call this strategy in-depth defense. Additionally, we leverage security technologies to conduct real-time monitoring and protect applications from attacks.

We strive to strengthen behavioral control. To that end, we adopt measures such as trusted identity management, trusted authentication and authorization, and trusted behavior auditing to ensure that only authorized personnel can perform specific operations and access specific services or data. These measures enhance security protection for the system and reduce the risk of attacks or data leakages.



Trusted cloud infrastructure

With the widespread application of big data and cloud computing, the importance of cloud platform security has become all the more pronounced. We integrate our long-term cybersecurity experience into the protection of our cloud platform to protect customer business. Leveraging our technical capabilities and operational management measures, we provide customers with a trusted platform environment that is secure in all aspects, such as physical data centers, hardware, virtualized execution environments, operating systems, and containers.

Alibaba Cloud's security and trustworthiness start with hardware-level anti-tampering. By means of CPU hardware encryption and isolation, it provides "confidential computing" capabilities and protects data running in memory from unauthorized third-party modifications.

At the container level, Alibaba Cloud has created an open-source container project for encrypted computing. The project builds container clusters for virtualized isolation and encrypted computing to create a secure and trusted computing environment for apps running on the cloud.

A redundant system is established at the computing system and product levels of the cloud platform. Alibaba Cloud can use snapshots and images to back up system partitions and data partitions. When customers need to roll back data to a previous point in time, they can achieve this with the snapshot rollback function.

Additionally, customers can use remote attestation technologies to verify whether a cloud platform is in the expected secure state.



Risk and emergency management

Risk management

We prevent and manage risks through risk shifting-left and hierarchical management. Risk shifting-left is a security management concept that emphasizes identifying and addressing security issues early in the software development lifecycle rather than addressing them at the end of the development process or after the software is released. This approach aims to reduce the cost and complexity of addressing potential security issues by identifying and addressing them earlier. That improves the security performance of the final product.

Hierarchical management refers to implementing cybersecurity measures at multiple layers to improve the efficiency and effectiveness of cybersecurity management. That includes: (1) asset stratification, which implements different levels of protection for assets at different levels of importance and sensitivity; (2) risk control stratification, which develops different preventive and response measures based on risk levels; and (3) security education stratification, which provides differentiated training on security awareness and skills according to employees' roles and their access to data.

In accordance with the Network Security Guidelines of Alibaba Group (General Guideline), we conduct inspections on the implementation of cybersecurity requirements and organize cybersecurity drills each year. Cybersecurity drills simulate real-world attacks, with an attacking team and a defending team facing off against each other. In FY2024, we organized eight cybersecurity drills. All new employees are required to complete the security red line certification within 30 days of onboarding.

Large model for security Liantang

Liantang is our self-developed large model for security. With its large model capabilities, it improves the accuracy of detecting security vulnerabilities and generates repair code to eliminate them. With Liantang, the accuracy rate of security risk identification goes beyond 80%.



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Emergency response management

We have established Alibaba Security Response Center, which is a community platform for security technologies. We work with external security researchers and partners around the world, encouraging them to report security vulnerabilities so that we can address security risks in a timely manner.

We have formulated Alibaba Group Network Security Emergency Response Specification to control cybersecurity risk incidents, define the standard for grading and classifying risk incidents, specify teams in charge, and formulate procedures for reporting and responding to cybersecurity risk incidents. The protocol ensures a rapid, effective, and orderly response, safeguarding the stable and healthy development of our business.



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Building social trust

Recognition and compliance

We enforce strict internal and external audit mechanisms for cybersecurity and data security. Each business is required to conduct at least one self-audit on data security and cybersecurity each year. In FY2024, all the businesses completed their audits. The holding company's internal audit team conducted special inspections on data security and other related risks. Additionally, the third-party audit on the financial statements of the listed company also covered matters such as policies and processes for data security as well as data collection and storage.

For our main businesses, we always have multiple widely recognized certifications for privacy protection, data security, and cybersecurity.

Taobao and Tmall Group	ISO 27001, Multi-level Protection of Information Security Scheme, security certification for apps on the mobile Internet
Alibaba International Digital Commerce Group	ISO 27001, ISO 27701, Multi-level Protection of Information Security Scheme, CSA Trustmark, PCI-DSS certification
Cainiao	ISO 27001, ISO 27701, ISO 27018, Multi-level Protection of Information Security Scheme
Ele.me	Multi-level Protection of Information Security Scheme
Amap	ISO 27001, ISO 27701, Multi-level Protection of Information Security Scheme, TISAX certification
Fliggy	ISO 27001, Multi-level Protection of Information Security Scheme, PCI-DSS certification

Third-party audits hired by Alibaba Cloud

Every six months, Alibaba Cloud hires a professional third-party accounting firm to audit security controls for its cloud service system in accordance with the rules of the American Institute of Certified Public Accountants, aiming to assess whether the internal control design of Alibaba Cloud's organization is appropriate and whether the control measures have been effectively implemented. Based on these third-party audits, Alibaba Cloud provides System and Organization Controls (SOC) reports, which can be used as evidence. The purpose is to show Alibaba Cloud's latest internal controls to various stakeholders, including cloud customers, independent auditors, regulatory authorities, and shareholders, giving them a sense of our professionalism and commitment to keeping information secure, available, and confidential.

Security compliance certifications obtained by Alibaba Cloud

Alibaba Cloud, a leading cloud service provider in Asia-Pacific for security compliance, is committed to building a robust compliance system for its global business. With over 140 security compliance certifications obtained worldwide, it enforces strict standards and adheres to rigorous implementation. This ongoing effort keeps improving its level of security compliance, allowing customers to efficiently meet the security compliance requirements specific to their regions and industries. In FY2024, Alibaba Cloud obtained two new certifications -- the Data Security Management Certification from China Cybersecurity Review Technology and Certification Center and the Korea-Information Security Management System (K-ISMS) certification from the Korea Internet & Security Agency.

Some certifications that Alibaba Cloud has obtained

The Chinese Mainland		Worldwide	Overseas regions and industries	
Cyberspace Administration of China	Security assessments for cloud computing services: E-government cloud Financial cloud (enhanced level)	ISO 9001 ISO 27001 ISO 27017 ISO 27018 ISO 27701 ISO 29151 ISO 20000 ISO 22301 ISO 27799 BS 10012 CSA STAR PCI DSS TRUSTe SOC1 SOC2 SOC3	Europe GDPR EU-US Privacy Shield DPP EU Cloud CoC	Dubai NESA/ISR
Ministry of Public Security	Multi-level Protection of Information Security Scheme: Financial cloud (Level 4) Public cloud (IaaS/PaaS/SaaS, Level 3) E-government cloud (Level 3) Sales license for security products	ISO 9001 ISO 27001 ISO 27017 ISO 27018 ISO 27701 ISO 29151 ISO 20000 ISO 22301 ISO 27799 BS 10012 CSA STAR PCI DSS TRUSTe SOC1 SOC2 SOC3	United States GxP HIPAA/HITECH MPAA CIS Benchmark SEC Rule17a-4(f) NIST 800-53/CSF	Australia APRA TPN
Ministry of Industry and Information Technology	China Academy of Information and Communications Technology: Security assessments for trusted cloud systems Security assessments for big data	ISO 9001 ISO 27001 ISO 27017 ISO 27018 ISO 27701 ISO 29151 ISO 20000 ISO 22301 ISO 27799 BS 10012 CSA STAR PCI DSS TRUSTe SOC1 SOC2 SOC3	Germany C5 Trusted Cloud TISAX	Hong Kong SAR, China HKMA HKIA SFC SRAA PDPO
State Administration for Market Regulation	China Cybersecurity Review Technology and Certification Center: Security product certification	ISO 9001 ISO 27001 ISO 27017 ISO 27018 ISO 27701 ISO 29151 ISO 20000 ISO 22301 ISO 27799 BS 10012 CSA STAR PCI DSS TRUSTe SOC1 SOC2 SOC3	Singapore MTCS PDPA OSPAR DPTM CBPR/PRP	
State Cryptography Administration	Security capability assessments for cryptographic applications: Products and services of public cloud systems Proprietary cloud (Level 3)	ISO 9001 ISO 27001 ISO 27017 ISO 27018 ISO 27701 ISO 29151 ISO 20000 ISO 22301 ISO 27799 BS 10012 CSA STAR PCI DSS TRUSTe SOC1 SOC2 SOC3		



Building corporate trust >

Building social trust

Technology ethics

To gain social trust, technologies must be responsible and accountable. In FY2024, generative AI experienced a boom. It is expected to become a crucial engine driving technological progress. While we uphold our strategy of driving business growth with AI, we care about safety, fairness, and privacy in the domain of AI. Throughout the product design and development processes, we always practice responsible AI under the tenet of being responsible to users. We have proposed six fundamental principles for technology ethics governance -- people-centricity, inclusion and integrity, privacy protection, safety and reliability, trustworthiness and controllability, and open governance. These principles are derived from practices and represent a deepening, continuation, and inheritance of our strategy for responsible technologies.

Management structure and system

In FY2023, Alibaba Group established the Committee on Governance of Ethics in Science and Technology and formulated the Code of Governance of Ethics in Science and Technology of Alibaba Group as well as the Management Standards for the Ethics Review of Science and Technology of Alibaba Group. In FY2024, the Chair of the Committee on Governance of Ethics in Science and Technology, who is Alibaba's CTO, also led the Alibaba Technology Ethics Working Group. This working group reports directly to the Sustainability Steering Committee and provides a governance structure to support the further implementation of our initiatives for technology ethics.

The main responsibilities of the Committee on Governance of Ethics in Science and Technology of Alibaba Group are to: (1) establish and refine the governance structure; (2) release management rules and work protocols; (3) formulate review strategies; and (4) deploy technical tools

or solutions. Based on its business characteristics, each business can set up an organizational support mechanism for technology ethics reviews. This mechanism is for tasks such as: (1) developing detailed rules and regulations for the business; (2) implementing a working mechanism for technology ethics reviews; and (3) conducting technology ethics reviews for specific projects in actual business. As of the release date of this report, businesses such as Alibaba Cloud and DAMO Academy have established their organizational support mechanisms.

As of the release date of this report, we have updated the Code of Governance of Ethics in Science and Technology of Alibaba Group and the Management Standards for the Ethics Review of Science and Technology of Alibaba Group. Furthermore, businesses such as Alibaba Cloud and DAMO Academy have issued their own review management standards.





Building corporate trust >

Building social trust

Management system

Despite its rapid development and growing application, generative AI is still in its nascent stage, and risk governance for generative AI is still being explored. We have optimized our governance system and measures for emerging risks, for example, content safety, privacy protection, and model safety. For unclear issues and those without established consensus, we are investing resources in collaborative research with ecosystem partners.

In FY2024, we implemented a series of preventive measures and solutions across the three stages of a large model's lifecycle -- pre-training data preparation, during training, and upon release.

Pre-training data preparation

Data quality largely determines the upper limit of a large model's capabilities and safety. We attach great importance to data quality and data compliance governance. We review data sources during the collection stage. To ensure compliance, we select credible data sources. In the process of constructing datasets, we perform cleanup and safety filtering to remove data that contains risks.



Training

A key factor in improving the safety of content generated by the large model is to constantly evaluate and calibrate its safety level during the training stage, which enhances its intrinsic safety. We have engaged in some meaningful practices in this aspect.

We use a risk dataset to build risk instructions and specific attack samples. These are then used to evaluate the large model's safety level, identify its defects, and ultimately make it more secure.

To address identified risks, we need to generate corresponding safe corpora and use them to train the large model, helping it learn the correct attitudes and stances towards risky queries. Additionally, reinforcement learning is used to further improve the large model's quality. We also have labelers sequencing the content generated by the large model to ensure the large model's correctness, reduce its bias, and reinforce "human preferences and values."

Before any application based on the large model is launched, a safety team reviews important factors such as the large model's purpose, technologies, data, and intervention methods in line with business scenarios. For any non-compliance or infeasibility, the team makes actionable suggestions and oversees the implementation of corrective measures. The aim is to eliminate potential high risks regarding deviations from ethical principles before any application based on the large model is launched.

Release

After a large model is released, the content that it generates is the result of its interaction with the user. The user's inputs and the large model's response history both determine what content is generated.

For inputs and outputs, we conduct risk monitoring and implement safety measures. These include: (1) providing standardized responses to specific queries; (2) identifying risks associated with queries; (3) interpreting the intents behind queries; (4) taking a comprehensive approach to judging risks and filtering out harmful content in queries and responses; (5) guiding the large model with correct values in specific situations. These measures are intended to prevent safety risks and intercept illegal attacking instructions from malicious users.

We use retrieval augmentation to alleviate the problems of uncontrollable content generation and hallucination in the large model. Additionally, we embed invisible content identification information in specific application scenarios for the large model. That allows us to trace the sources of risky content during its spread.



Building corporate trust >

Building social trust

R&D and innovations

Technology ethics governance is a long-term process that needs to be optimized in practice so that it can adapt to technological development and changes in the external environment. We constantly explore ways to improve the safety and reliability of AI.

We have proposed a method based on diffusion reconstruction contrastive training (DRCT) to detect AI-generated images. The method leverages the diffusion process to reconstruct the essential features of images. That, coupled with contrastive learning, enables us to distinguish between real images and AI-generated ones. As a result, the robustness and generalizability of large models are improved. We have published a paper entitled DRCT: Diffusion Reconstruction Contrastive Training towards Universal Detection of Diffusion Generated Images, which was recognized as a spotlight at the 2024 International Conference on Machine Learning (ICML 2024). Only 3.5% of all papers at the conference were selected as spotlights.

To address the risks of hallucination in large models, we have proposed an external retrieval augmentation solution to enhance responses from AIGC large models by recalling background knowledge from external knowledge bases. Additionally, we have proposed editing from within the parameters of AIGC large models to improve their native ability to understand general knowledge. Our paper on this topic was selected for the Annual Meeting of the Association for Computational Linguistics (ACL) and the European Conference on Artificial Intelligence (ECAI).

EasyRobust, an Alibaba-developed training framework for visual classification models, has won the IEEE Open Source Science Award

In the field of content safety, machine review algorithms based on visual models are gradually replacing manual reviews, and the demand for the robustness of visual recognition is growing. Our self-developed training framework EasyRobust enhances the reliability of algorithm services in complex and challenging real-world scenarios, helping build robust visual classification models that serve academic researchers and algorithm engineers in multiple aspects. The framework has won the IEEE Open Source Science Award.

CValues, a Chinese-language assessment set for the safety and responsibility of large models

Compared with other content production methods, generative AI content production is more efficient yet less controllable, and it has the potential to generate unsafe, irresponsible content. Therefore, safety assessments and governance for large models are of great importance.

There is a variety of datasets for measuring the general capabilities of large models, but there is a severe lack of datasets for safety assessments. In FY2024, Alibaba launched an open-source project for large model governance. We also launched CValues, a Chinese-language assessment set for the safety and responsibility of large models. With human values as the benchmark, it aims to assess the performance of Chinese-language models in dealing with problems and challenges in real-world scenarios, helping us understand the capabilities and limitations of those models.

Enhancing consensus for the industry's development

We advocate technology ethics governance internally. Through various initiatives such as exchanging insights on cutting-edge technologies and governance trends as well as organizing seminars attended by internal and external experts, we aim to raise awareness among technical personnel about technologies that may cause ethical issues and risks that are associated with technology ethics. This way, we can enhance the awareness and competence of our employees regarding technology ethics. Externally, we participate in standard formulation, industry conferences, and other activities.

In FY2024, Alibaba Group and China Electronics Standardization Institute jointly released the White Paper on Generative AI Governance and Practices. The white paper is a systematic analysis of the main risks in large model technologies and their applications. It proposes targeted and actionable governance suggestions and practical solutions from the perspective of applications. While we are committed to making breakthroughs in AI applications, we also strive to build a firewall for AI development, working with all stakeholders to solve more social problems with AI and thereby benefit more people.

As a co-leader of the Large Model Group under China's National Working Group for AI Standardization, Alibaba has actively participated in the construction of an AI standard system. In line with the National Guidelines on Building a Comprehensive Standard System for the AI Industry (2024 edition) as well as technical and industrial practices, we have participated in and promoted the formulation of dozens of international, national, and industrial standards.

Continuous efforts to organize AI training

We have launched a training program known as AI Chaser for the society. It focuses on the application and governance of AI, covering new AI technologies, new perspectives on AI governance, and new trends in sustainable development. In FY2024, the program ran 13 sessions.



Appendix 1 ESG Key Performance Metrics Table

Environment	Unit	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Total GHG emissions (Scope 1, 2, and 3)¹	MtCO₂e	13,249,439	12,362,994	12,316,292
Scope 1 emissions ²	MtCO ₂ e	926,779	928,939	718,491
Scope 2 emissions	MtCO ₂ e			
-market-based	MtCO ₂ e	4,445,238	3,756,085	3,732,075
-location-based	MtCO ₂ e	/	5,141,880	6,022,008
Scope 3 emissions ³	MtCO ₂ e	7,877,422	7,677,970	7,865,726
Carbon offset	MtCO₂e	0	119,352	243,663
-Scope 1 carbon offset	MtCO ₂ e		2,670	1,395
-Scope 2 carbon offset	MtCO ₂ e		1,288	
-Scope 3 carbon offset	MtCO ₂ e		115,394	242,268
Net GHG emissions⁴(after applying offset) (Scope 1, 2, and 3)	MtCO₂e		12,243,642	12,072,629
Scope 1 net emissions ⁴	MtCO ₂ e		926,269	717,096
Scope 2 net emissions ⁴	MtCO ₂ e		3,754,797	3,732,075
Scope 3 net emissions ⁴	MtCO ₂ e		7,562,576	7,623,458
GHG emissions intensity (after applying offsets) (net GHG emissions in Scope 1, 2, and 3 per unit of revenue)	MtCO₂e/million RMB	15.5	14.1	12.8
Scope 1 emissions intensity	MtCO ₂ e/million RMB	1.1	1.1	0.8
Scope 2 emissions intensity	MtCO ₂ e/million RMB	5.2	4.3	4.0
Scope 3 emissions intensity	MtCO ₂ e/million RMB	9.2	8.7	8.1

1. (1) We apply the principle of operational control to define the boundaries of this GHG inventory. It covers those GHG emissions categories in Scopes 1, 2, and 3 that are both significant for Alibaba in the year ended March 31, 2024 (FY2024) and measurable. The GHG categories covered in this inventory include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), nitrogen trifluoride (NF₃), and sulfur hexafluoride (SF₆). In the results of the inventory, five greenhouse gases, CO₂, N₂O, CH₄, HFCs, and SF₆, were found in this reporting period. Please refer to Appendix 3 for detailed Scope 3 emission inventory categories. (2) The total GHG emissions are the sum of Scope 1, Scope 2 (market-based) and Scope 3 (market-based).

2. In FY2024, we strengthened data governance and management. As a result, the data about the business activities of a few business groups or companies became more accurate, which had an impact on the calculation results for Scope 1. However, due to the lack of historical data, we could not make retroactive adjustments.

3. For these indicators, emissions calculations are all market-based.

4. Net GHG emissions equal to GHG emissions minus carbon offsets. This calculation method applies to Scope 1 emissions, Scope 2 emissions (market-based), and Scope 3 emissions (market-based).

Environment	Unit	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Total GHG emissions reduction	MtCO₂e	619,944	1,819,267	3,243,886
Scope 1 emissions reduction	MtCO ₂ e		272	2,124
Scope 2 emissions reduction	MtCO ₂ e	619,944	1,418,731	2,318,027
Scope 3 emissions reduction	MtCO ₂ e		400,264	923,735
Scope 3+ emissions reduction	MtCO ₂ e		22,907,425	33,337,734
Total energy consumption	MWh	8,786,584	8,899,025	9,438,867
Direct energy consumption	MWh	1,721,483	1,761,167	1,049,769
Direct energy consumption intensity (direct energy consumption per unit of revenue)	MWh/million RMB	2.0	2.0	1.1
Natural Gas	thousand m ³	12,482	12,426	16,942
Liquefied petroleum gas	tonnes	2.4	2.1	1.7
Diesel ⁵	tonnes	131,687	134,589	71,256
Gasoline	tonnes	254	639	762
Indirect energy consumption: purchased electricity⁶	MWh	7,065,278	7,137,858	8,314,596
Indirect energy consumption intensity: purchased electricity (indirect energy consumption per unit of revenue)	MWh/million RMB	8.3	8.2	8.8
Percentage of clean electricity	%		27.2	39.0
Indirect energy consumption: purchased heat	MWh	/		74,502
Indirect energy consumption intensity: purchased heat (indirect energy consumption per unit of revenue)	MWh/million RMB			0.1
Renewable energy consumption⁶	MWh	480,456	1,113,602	2,025,377
Average PUE of self-built data centers⁷	/	1.247	1.215	1.200

5. In FY2024, we strengthened data governance and management. As a result, mileage calculations for a few business groups or companies were based on more accurate data.

6. Based on our latest understanding of audit evidences, we have updated the methodology for calculating renewable electricity and also corrected minor errors. Historical data have been restated accordingly.

7. PUE is the ratio of a data center's total energy consumption to the energy consumption of its IT equipment. In this report, it is calculated for data centers within our operational control during FY2024.

Environment	Unit	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Packaging				
Total quantity of packaging	tonnes			236,471
Packaging intensity	tonnes/million RMB			0.3
Water resources				
Total water consumption	m ³			36,280,169
Total water consumption intensity	m ³ /million RMB			38.6
Waste				
Total quantity of non-hazardous waste	tonnes			287,364
Non-hazardous waste intensity	tonnes/million RMB			0.305
Total quantity of hazardous waste	tonnes			2,008
Hazardous waste intensity	tonnes/million RMB			0.002

Employment - Employee numbers⁸		Unit	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Total number of employees		/	254,941	235,216	204,891
Percentages of employees by gender					
Male	%		50.5	50.9	52.8
Female	%		49.5	49.1	47.2
Percentages of employees by age					
<=35	%		50.7	54.0	53.4
36-50	%		44.2	41.6	42.4
>50	%		5.1	4.4	4.2
Percentages of employees by work location					
The Chinese Mainland	%		92.7	91.7	91.9
Hong Kong, Macao, and Taiwan	%		0.4	0.5	0.7
Other countries and regions	%		6.9	7.8	7.4
Number of employees with physical disabilities		/	2,007	1,451	1,342
Percentage of women in management					
Management ⁹	%	/		41.9	41.4
Executive management	%	50.0		25.0	30.0

8. The scope of employee data includes full-time employees of all the consolidated entities of Alibaba Group.

9. Management refers to employees who are responsible for managing and leading other full-time employees.

Employee turnover¹⁰	Unit	Year ended March 31, 2022		Year ended March 31, 2023		Year ended March 31, 2024	
		%	24.6	24.6	26.5		
Total turnover rate							
Male	%			25.9		25.5	
Female	%			23.3		27.6	
Percentages of employees turnover by gender							
<=35	%			30.0		28.3	
36-50	%			18.2		23.3	
>50	%			20.4		34.1	
Percentages of employees turnover by age							
The Chinese Mainland	%			24.3		25.0	
Hong Kong, Macao, and Taiwan	%			24.6		21.0	
Other countries and regions	%			29.1		44.6	
Percentages of employees turnover by work location							
Training and education¹¹							
Average hours of training per employee		hours	49.0	51.0	51.0	15.6	
Average hours of training per employee by gender							
Male	hours			54.0		16.1	
Female	hours			45.5		14.5	
Average hours of training per employee by level							
Management	hours			63.9		18.2	
Non-management	hours			48.5		15.1	

10. The scope of employee turnover includes full-time employees of all the consolidated entities of Alibaba Group.

11. The scope of statistics on employee training, health, and safety includes all full-time employees in the business groups and companies directly managed by Alibaba Group. Employee training refers to professional training, courses, lectures, and educational activities that employees participate in on our learning platforms. In FY2024, employee training was defined in a stricter sense so that it only included content related to career development and skill improvement for employees. We did not apply this new definition to adjust data disclosed for previous fiscal years.

	Unit	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Percentage of employees trained	%		96.9	83.3
Percentages of employees trained by gender				
Male	%		96.9	85.3
Female	%		96.8	79.5
Percentages of employees trained by level				
Management	%		97.9	87.5
Non-management	%		96.7	82.6
Employee health and safety¹²				
Number of work-related fatalities	/	0	1	2
Work-related fatality rate ¹³	%	0	0.0009	0.0021
Number of work-related injuries	/	25	20	31
Number of workdays lost due to work-related injuries	/	839	429	653
Work-related injury rate ¹⁴	Number of work-related injuries/million working hours	0.11	0.09	0.16
Number of suppliers¹⁵				
Total number of suppliers		53.3	44.8	62.3
The Chinese Mainland	thousand	36.1	31.0	45.7
Other countries and regions	thousand	17.2	13.8	16.6

12. The data comes from work-related injuries and deaths recorded by Alibaba's human resources team and has been verified by local authorities.

13. Work-related fatality rate = (Number of work-related fatalities / Total number of employees) * 100%.

14. Work-related injury rate = (Number of recorded work-related injuries / Total number of working hours) * 1,000,000.

15. The suppliers here refer to those in the categories of media, events, services, engineering, IT, and logistics that were ever shortlisted for projects or had transactions in the 18-month period ended March 31, 2024. The scope of statistics was extended to cover more internal procurement systems as compared with FY2023. As a result, the number of suppliers increased. The location information of suppliers is based on the company registration locations provided by them, not places where they work for Alibaba.

Appendix 2 ESG Data Verification Statement



ESG ENVIRONMENTAL DATA VERIFICATION STATEMENT

is awarded to

Alibaba Group Holding Limited

Bureau Veritas Certification (Beijing) Co., Ltd (BVC China) was engaged to conduct an independent verification of the environmental data in ESG report of Alibaba Group Holding Limited ("Alibaba Group") registered in Offices of Trident Trust Company, Cayman Limited, First Floor, One Central Place, P.O. Box 947, George Town, Grand Cayman, Cayman Islands for the period stated below. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the environmental data is responsibility of Alibaba Group. BVC China's responsibility was to provide independent verification on the accuracy of those data reported, and the underlying systems and processes used to collect, analyze, and review the information.

Boundaries of the reporting company covered by the verification:

- Operational Control
- Headquarters and Branches, Worldwide

Period covered by this verification:

• April 1, 2023 to March 31, 2024

Level of Assurance:

- Reasonable

(Except scope 3+ GHG emissions reduction which are a limited assurance level)

Verification Methodology:

- Interview with relevant personnel of Alibaba Group
- Examination of mandatory evidence produced by Alibaba Group
- Review of Alibaba Group data and information systems and methodology for data collection, aggregation, analysis, and audit of sample of data used by Alibaba Group to determine those environmental data

Assurance Opinion:

Based on the process and procedures conducted, in our opinion, that Alibaba Group has established appropriate systems for the collection, aggregation and quantification of data for determining those environmental data for the stated period and boundaries. The data are reliable.

Statement of Independence, Impartiality, and Competence:

The Bureau Veritas Group is an independent professional company that specializes in Quality, Health, Safety, Social and Environmental management with over 160 years history in providing independent assurance services.

Note: The Bureau Veritas team has a business relationship with Alibaba Group. Its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

The Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

Lead verifier: Ivy Liu

Verification date: 21/05/2024 - 01/07/2024

No.: EM/22334747

Issue date: 18/07/2024

Version no.: No.1

Signed on behalf of
Bureau Veritas Certification (Beijing) Co., Ltd

Certification body address: Room 02, 9/F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang An Street, Dongcheng District, Beijing, China, 100723
Further clarifications regarding the verification statement or its validity may be obtained by consulting the organization.
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Page 1 of 4;



Verified Environmental Data List of Alibaba Group ESG Report (GHG emissions related data)			
Environmental data	Value	Unit	Verification criteria
Total GHG emissions (t where: Scope 1 GHG emissions 718,491	12,316,292	tonCO ₂ e	
Scope 2 GHG emissions (Market-based) ^[1] 3,732,075			
Scope 2 GHG emissions (Location-based) ^[2] 6,022,008			
Scope 3 GHG emissions ^[3] 7,865,726			
Total GHG offsetting ^[4] where: Scope 1 GHG offsetting 1,368	243,663	tonCO ₂ e	
Scope 3 GHG offsetting ^[5] 242,208			
Total net GHG emissions ^[6] where: Scope 1 net GHG emissions 717,096	12,072,629	tonCO ₂ e	
Scope 2 net GHG emissions ^[6] 3,732,075			
Scope 3 net GHG emissions ^[6] 7,823,438			
Total net GHG emissions intensity ^[7] where: Scope 1 net GHG emissions intensity 0.8	12.8	tonCO ₂ /RMB revenue	
Scope 2 net GHG emissions intensity 4.0			
Scope 3 net GHG emissions intensity 8.1			
Total GHG emissions reduction ^[8] where: Scope 1 GHG emissions reduction 2,124	3,243,886	NoCO ₂ e	
Scope 2 GHG emissions reduction 2,118,027			
Scope 3 GHG emissions reduction 923,738			
Scope 3+ GHG emissions reduction ^[9] 33,337,734			

Note:
 [1] Data and information supporting the Scope 1, 2, and 3 GHG emission assertions were historical and, in some cases, estimated in nature.
 [2] Scope 2 GHG emissions with location-based assertions are not included in the total GHG emissions, while the scope 2 GHG emissions with market-based assertions are included in the total GHG emissions.
 [3] Scope 3 categories include: Purchased Goods & Services (the shadowed value of electricity used in purchased services is market-based), Franchises and Investments (the shadowed value of electricity used in purchased assets is market-based), Leased Assets (the shadowed value of electricity used in leased assets is market-based), Franchises and Investments (the shadowed value of electricity used in leased assets is market-based).
 [4] Net GHG emissions are calculated by GHG emissions minus GHG offset.
 [5] The revenue data from Alibaba Hong Kong Hold (Annexure 1) is used as the baseline for the energy efficiency reduction, energy transition, and reducing and optimizing packaging. The efficiency improvement through optimization involves GHG emissions reduction scenario, including electricity consumption reduction, energy efficiency improvement, and reducing and optimizing packaging. The GHG emissions reduction scenario includes electricity consumption reduction, energy efficiency improvement, and reducing and optimizing packaging.
 [6] Scope 2+ GHG emission reductions are divided into three categories: energy efficiency development platforms to engage more stakeholders in developing more efficient energy efficiency products and services, and energy efficiency reduction measures.
 Please refer to the "Scope 3+ GHG Emissions Reduction Verification Statement" for details.
 Please refer to the "Scope 3+ GHG Emissions Reduction Verification Statement" for details.

Certification body address: Room 02, 9/F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang An Street, Dongcheng District, Beijing, China, 100723
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Page 2 of 4;



Verified Environmental Data List of Alibaba Group ESG Report (Energy consumption and packaging related data)			
Environmental data	Value	Unit	Verification criteria
Total energy consumption Where: Natural gas consumption 16,942	9,438,867	MWh	
Liquified petroleum gas consumption 1.7		Km ³	
Diesel consumption ^[1] 71,256		t	
Gasoline consumption 762			
Direct energy consumption intensity ^[2] 1.1		MWh/million RMB revenue	
Indirect energy consumption: Electricity 8,314,596		MWh	
Indirect energy consumption intensity ^[2] : Electricity 8.6		MWh/million RMB revenue	
Indirect energy consumption: Heat 74,502		MWh	
Indirect energy consumption intensity ^[2] : Heat 0.1		MWh/million RMB revenue	
Renewable energy consumption 2,025,377		MWh	
The proportion of clean electricity for Alibaba Group ^[3] 39.0	%		
The proportion of clean electricity use for data centers within operational control under Alibaba Cloud ^[4] 56.0	%		
The proportion of clean electricity within operational control under Alibaba Cloud ^[5] 54.1	%		
The proportion of clean electricity within operational control and in the value chain under Administrative Line (Cloud) ^[6] 31.6	%		
The proportion of clean electricity within operational control under Alibaba Cloud ^[7] 47.3	%		
Data centers' average power usage effectiveness under operational control under Sun Art Retail ^[8] 25.2	%		
Data centers' average power usage effectiveness leased by Alibaba Cloud (PUE) ^[9] 1,200		1	
Data centers' average power usage effectiveness leased by Alibaba Cloud (PUE) ^[10] 1,269		1	
Packaging weight 236,471		t/t	
Packaging intensity ^[11] 0.3		t/million RMB revenue	
Reducing, recycling and reusing packaging ^[12]			
Saved packaging materials by packing algorithms 4,059		t	
Number of packages by verified minimalist packaging solutions leased 129,814,135		packages	
Saved packaging materials by verified minimalist packaging solutions leased 7,093		t/t	
Number of packages by verified ships in own container (SOOC) 431,077,175		packages	
Saved packaging materials by verified ships in own container (SOOC) 80,628		t/t	
Saved packaging materials by electronic packaging bill designs 4,010		t	
Saved packaging materials by optimizing way bill designs 5,632		t	
Number of packages by verified reused old cardboard boxes in the warehouses 47,504,262		packages	

Certification body address: Room 02, 9/F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang An Street, Dongcheng District, Beijing, China, 100723
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Page 3 of 4;



Verified Environmental Data List of Alibaba Group ESG Report (Water and Waste related data)			
Environmental data	Value	Unit	Verification criteria
Total water consumption 36,280,169		t	
Water consumption intensity ^[1] 38.6		t/million RMB revenue	
Others			
Circulating water usage of Alibaba Cloud 5,219		t/t	
Data centers' average water usage effectiveness within operational control under Alibaba Cloud (WELE) ^[2] 1,205		Lt/kWh	
Data centers' average water usage effectiveness which mainly use air-cooled architecture within operational control under Alibaba Cloud (WELE) ^[3] 0,458		Lt/kWh	
Data centers' average water usage effectiveness which mainly use water-cooled architecture within operational control under Alibaba Cloud (WELE) ^[4] 1,784		Lt/kWh	
Progress in average water consumption per store for Sun Art Stores compared to fiscal year 2023 ^[5] -2.5		%	
Total non-hazardous waste quantity ^[6] 287,364		t	
Non-hazardous waste intensity ^[7] 0.305		t/million RMB revenue	
Total hazardous waste quantity ^[8] 2,008		t	
Hazardous waste intensity ^[9] 0.002		t/million RMB revenue	

Certification body address: Room 02, 9/F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang An Street, Dongcheng District, Beijing, China, 100723
Further clarifications regarding the verification statement or its validity may be obtained by consulting the organization.
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Page 4 of 4;



GHG EMISSIONS REDUCTION VERIFICATION

STATEMENT

is awarded to

Alibaba Group Holding Limited

Bureau Veritas Certification (Beijing) Co., Ltd (BVC China) was engaged to conduct an independent verification of the GHG reduction related data in ES0 report of Alibaba Group Holding Limited ("Alibaba Group") registered in Offices of Trident Trust Company (Cayman) Limited, Fourth Floor, One Capital Place, P.O. Box 847, George Town, Grand Cayman, Cayman Islands for the period stated below. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG reduction is responsibility of Alibaba Group. BVC China's responsibility was to provide independent verification on the accuracy of those data reported, and the underlying systems and processes used to collect, analyze, and review the information.

Period covered by this verification:

- April 1, 2023 to March 31, 2024

Level of Assurance:

- Reasonable

Verification Methodology:

- Interviews with relevant personnel of Alibaba Group
- Review of documentary evidence produced by Alibaba Group
- Review of Alibaba Group data and information systems and methodology for data collection, aggregation, and analysis;
- Audit of sample of data used by Alibaba Group to determine related data

Assurance Opinion:

Based on the process and procedures conducted, in our opinion, that Alibaba Group has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of related data for the stated period and boundaries. The data are reliable.

Statement of independence, impartiality, and competence:

The Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years history in providing independent assurance services.

No member of the verification team has a business relationship with Alibaba Group, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

The Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

Lead verifier: Dan DENG

Verification date: 21/05/2024 - 01/07/2024

No.: EM22761041

Issue date: 19/07/2024

Version No.: No.1

Signed on behalf of
Bureau Veritas Certification (Beijing) Co., Ltd.

Certification body address: Room 02, 9/F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China, 100738
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Verified GHG Emissions Reduction List

Boundary of Scene ⁽¹⁾	GHG Emissions Reduction Scenarios	Value	Unit	Verification criteria
Subtotal GHG emissions reduction from scope 1 and 2		2,320,150.69		
Emissions Reduction Strategy				
Efficiency improvement through digitalization	Intelligent management on the campuses ⁽²⁾ Intelligent path optimization	3,028.07		
Energy transition	Clean electricity use Transportation electrification	2,317,122.62		
Alibaba Group Business Units				
Alibaba Cloud	Clean electricity use	1,476,071.12		
Cainiao	Intelligent path optimization Clean electricity use Transportation electrification	96,977.21		
AdministrationLine (Qincheng Intelligent Space ⁽³⁾)	Intelligent management on the campuses ⁽²⁾ Clean electricity use	52,278.51	ton CO ₂ e	
Freshhipo	Clean electricity use	871.81		
Intime Department Store	Clean electricity use	303,987.32		
Sun Art Retail	Clean electricity use	389,994.72		
Subtotal GHG emissions reduction from scope 3		923,734.89		
Emissions Reduction Strategy				
Efficiency improvement through digitalization	Low-carbon business travel solutions for employees ⁽⁴⁾ Intelligent path optimization	7,112.97		
Energy transition	Clean electricity use Transportation electrification	760,218.92		
Reducing and optimizing packaging	Cainiao's initiatives in reducing and optimizing packaging	156,403.00		
Alibaba Group Business Units				

Certification body address: Room 02, 9/F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China, 100738
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Alibaba Cloud	Clean electricity use	550,822.91	
Cainiao	Intelligent path optimization Clean electricity use Transportation electrification Reducing and optimizing the use of packaging materials	360,794.08	
AdministrationLine (Qincheng Intelligent Space ⁽³⁾)	Low-carbon business travel solutions for employees ⁽⁴⁾ Clean electricity use	12,117.90	
Total GHG Emissions Reduction from scope 1, 2 and 3		3,243,885.58	
list included in a package			
Optimized packaging solutions: Reducing the use of packaging materials by optimizing packaging designs			
Developing packing algorithms: A packing algorithm is a computational method that supports optimal types, sizes, and designs of packaging boxes for specific items and shipping conditions, with the goal of minimizing the use of packaging materials			

Note:
⁽¹⁾ The above scenarios⁽¹⁾ boundaries are only in the Chinese Mainland under the control of Alibaba Group except Alibaba Cloud.
⁽²⁾ The digital intelligent management of the campuses in the GHG emissions reduction data statistics here includes air conditioning system, lighting system and furniture equipment system of Alibaba Hangzhou Xixi Campus (Park A and Park B), Yuntao Campus, Chongming Campus and Qincheng Intelligent Space Campus.
⁽³⁾ "Qincheng Intelligent Space" is a brand that provides smart campus services for various business groups/companies/units of Alibaba Group.
⁽⁴⁾ Low-carbon business travel solutions for employees are referred to as "Huzheng" and the GHG emissions reduction scenarios including⁽¹⁾ ton as a substrate for airplanes, (2) carpooling, (3) company shuttles, and (4) subways.

Certification body address: Room 02, 9/F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China, 100738
Further clarifications regarding the verification scope of this statement may be obtained by consulting the organization.
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SCOPE 3+ GHG EMISSIONS REDUCTION

VERIFICATION STATEMENT

is awarded to

Alibaba Group Holding Limited

Bureau Veritas Certification (Beijing) Co., Ltd (BVC China) was engaged to conduct an independent verification of the Scope 3+ GHG emissions reduction related data in ESG report of Alibaba Group Holding Limited ("Alibaba Group") registered in Offices of Trident Trust Company (Cayman) Limited, Fourth Floor, One Capital Place, P.O. Box 847, George Town, Grand Cayman, Cayman Islands for the period stated below. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG reduction data is responsibility of Alibaba Group. BVC China's responsibility was to provide independent verification on the accuracy of those data reported, and the underlying systems and processes used to collect, analyze, and review the information.

Period covered by this verification:

- April 1, 2023 to March 31, 2024

Level of Assurance:

- Limited

Verification Methodology:

- Interviews with relevant personnel of Alibaba Group
- Review of documentary evidence provided by Alibaba Group
- Review of Alibaba Group data and information systems and methodology for data collection, aggregation, analysis, and
- Audit of sample of data used by Alibaba Group to determine related data

Assurance Opinion:

- Alibaba Group has established effective systems for the collection, aggregation, and analysis of quantitative data;
- This verification activity is on the base of the limited, rather than absolute assurance, and nothing has come to our attention to indicate that the methodology and GHG reduction data are systematically or materially wrong.

Statement of independence, impartiality, and competence:

The Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years history in providing independent assurance services.

No member of the verification team has a business relationship with Alibaba Group, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

The Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

Lead verifier: Dan DENG

No.: EM22761358

Version No.: No.1

Verification date: 06/05/2024 - 27/06/2024

Issue date: 19/07/2024

Signed on behalf of
Bureau Veritas Certification (Beijing) Co., Ltd.

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China, 100738.
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Verified Scope 3+ GHG Emissions Reduction List

GHG Emissions Reduction Scenarios [1]	Value	Unit	Verification criteria
Total Scope 3+ GHG Emissions Reduction	33,337,734.15	tonCO ₂ e	<ul style="list-style-type: none"> ISO 14064-2:2019 Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements The GHG Protocol for Project Accounting ISO 14064-3:2019 Specification with guidance for the calculation and validation of greenhouse gas statements Scope 3+ Emission Reduction Corporate Climate Action Methodology Beyond the Value Chain TCAS 804-2024 General rules for enterprise scope 3+ greenhouse gas emission reduction accounting and reporting Guidance on Avoided Emissions Research report on quantitative methodology of emission reduction on Xianyu Research report on the emission reduction effect of reusable delivery bins adopted by post stations Methodology for assessing carbon efficiency of Alibaba Cloud services. 2nd Ed Research report on the calculation methodology and model of carbon reduction account for Ding Talk Methodology of emission reduction for low-carbon travel in Beijing General technical requirements for evaluating emission reduction of energy-efficient end-use products Technical requirements for evaluating emission reductions of energy-efficient end-use products - Room air conditioners Research report on the calculation model of emission reduction by cutlery-free option on Ele.me Technical specification at the project level for greenhouse gas emission reduction: The projects for upgrading and enhancing waste-to-energy incineration boiler for Municipal solid waste incinerator Technical specification at the project level for greenhouse gas emission reduction: Cement rotary kiln renovation production Technical specification at the project level for assessment of greenhouse gas emission reductions: Photovoltaic panels etc.
By decarbonization strategies			
Enablement [2]	14,825,225.69	tonCO ₂ e	
Low-carbon cloud services	9,884,080.11	tonCO ₂ e	
Low-carbon office	4,637,367.67	tonCO ₂ e	
Low-carbon production	303,777.91	tonCO ₂ e	
Engagement [3]	18,512,508.46	tonCO ₂ e	
Low-carbon products	9,901,943.95	tonCO ₂ e	
Low-carbon mobility	1,245,788.18	tonCO ₂ e	
Low-carbon catering	29,631.82	tonCO ₂ e	
Reuse and recycle of idle goods	7,335,144.51	tonCO ₂ e	
By Alibaba Group businesses			
Taobao and Tmall Group	10,100,493.76	tonCO ₂ e	
Cloud Intelligence Group	10,188,540.02	tonCO ₂ e	
Alibaba International Digital Commerce Group	7,114,265.27	tonCO ₂ e	
Cainiao Smart Logistics Network Limited	21,647.43	tonCO ₂ e	
Ding Talk	4,637,367.67	tonCO ₂ e	
Ele.me	29,631.82	tonCO ₂ e	
Amap	1,245,788.18	tonCO ₂ e	

[1] The above scenarios' boundaries are within the Chinese Mainland under operational control of Alibaba Group, except those of Cloud Intelligence Group and Alibaba International Digital Commerce Group.

[2] Businesses with enablement include Cloud Intelligence Group (low-carbon cloud services and low-carbon production), and Ding Talk (low-carbon office).

[3] Engagement-related scenarios include: low-carbon products sales and auction service by Taobao and Tmall Group; idle goods trade and recycling programs by Xianyu; carbon packaging recycling by Cainiao Smart Logistics Network Limited; low-carbon mobility by Amap; cutlery-free and small dishes program by Ele.me; new energy products sales service by Alibaba International Digital Commerce Group etc.

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China, 100738.
Further clarifications regarding the verification scope of this statement may be obtained by consulting the organization.
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EY 安永

Ernst & Young Huaming (2024) Zhusan Zi No. 70035578_B01
Alibaba Group Holding Limited

Independent Practitioner's Assurance Report

Ernst & Young Huaming (2024) Zhusan Zi No. 70035578_B01
Alibaba Group Holding Limited

To the Board of Directors of Alibaba Group Holding Limited:

Scope

We have been engaged by Alibaba Group Holding Limited (the "Company") to perform a "limited assurance engagement," as defined by International Standards on Assurance Engagements, hereafter referred to as the engagement, to report on ESG Key Performance of the Company as listed below (the "Subject Matter") and included in the Alibaba's FY2024 Environmental, Social and Governance Report (the "ESG Report") as of 31 March 2024 and for the period from 1 April 2023 to 31 March 2024 (the "Period").

The Subject Matter

Employment and Labor Practices
As of 31 March 2024, the following policies adopted by the Company:
• Alibaba Group Code of Business Conduct;
• Alibaba Group Anti-Harassment Policy;
• Alibaba Group Code of Conduct Against Sexual Harassment; and
• Alibaba Group Recruitment Convention.
As of 31 March 2024 and for the Period:
• Total workforce by gender, employment type (i.e. full-time or part-time), age group and geographical region; and
• Employee turnover rate by gender, age group and geographical region.
Health and Safety
As of 31 March 2024, the following policies adopted by the Company:
• Alibaba Group Administrative Manual for Emergency Response;
• The Control and Management Procedure for Responding to EHS Risks and Opportunities;
• The Control Procedure for Emergency Preparation and Response (EPRAH);
• The QHSE Management Handbook;
• The Policy for Conducting and Reviewing Risk Response of Crisis;
• The Safety Management Rules for Special Operations in IDC Operation and Maintenance; and
• The Specification on EHS Incident Management in IDC Operation and Maintenance.

EY 安永

Ernst & Young Huaming (2024) Zhusan Zi No. 70035578_B01
Alibaba Group Holding Limited

Independent Accountant's Assurance Report (continued)

Ernst & Young Huaming (2024) Zhusan Zi No. 70035578_B01
Alibaba Group Holding Limited

Scope (continued)

The Subject Matter (continued)

Health and Safety (continued)
For the Period, the following practices and programs implemented by the Company:
• QHSE (Quality, Environment, Health and Safety) management structure;
• QHSE (Quality, Environment, Health and Safety) system;
• Complex comprehensive risk map;
• Fire and training;
• Emergency drill;
• 12345 Taobao Aid Volunteer System;
• Psychological empowerment;
• Psychological assessment; and
• Education on mental health.
For the Period:
• Number and rate of work-related fatalities occurred; and
• Number of lost days due to work injury.
Development and Training
For the Period, the following activities conducted by the Company:
• "Newcomer Classroom";
• "What Managers Should Know";
• "Singularity Academy" -- AI Beginner Camp, AI Growth Camp, and AI Application Corp; and
• Cloud Intelligence Group "New Employee Training Model".
For the Period:
• The percentage of employees trained by gender and employee category; and
• The average training hours completed per employee by gender and employee category.

EY 安永

Ernst & Young Huaming (2024) Zhusan Zi No. 70035578_B01
Alibaba Group Holding Limited

Independent Accountant's Assurance Report (continued)

Ernst & Young Huaming (2024) Zhusan Zi No. 70035578_B01
Alibaba Group Holding Limited

Scope (continued)

The Subject Matter (continued)

Supply Chain Management
As of 31 March 2024, the following policies adopted by the Company:
• Alibaba Group ESG Code of Conduct;
• Alibaba Group Supplier Code of Supplier Compliance Management Specifications;
• Honesty and Integrity Agreement;
• Alibaba Group Policy on the Management of Outsourced Labor; and
• Alibaba Group Specifications on Safety Management or Personnel Behavior for Outsourced Labor.
For the Period, the following practices and programs implemented by the Company:
• The "Central mechanism" that encompasses ex ante prevention, in-process monitoring, and ex post investigation;
• The "Risk Identification and review throughout the procurement process";
• The "Declaration of ESG actions and due diligence for suppliers";
• The "Audits on suppliers of outsourced labor"; and
• Reward mechanism linked with PUE for the Company's leased data centers.
As of 31 March 2024:
• Number of suppliers of the Company by geographical region.

EY 安永

Ernst & Young Huaming (2024) Zhusan Zi No. 70035578_B01
Alibaba Group Holding Limited

Independent Accountant's Assurance Report (continued)

Ernst & Young Huaming (2024) Zhusan Zi No. 70035578_B01
Alibaba Group Holding Limited

Scope (continued)

The Subject Matter (continued)

Product Responsibility
As of 31 March 2024, the following policies adopted by the Company:
• the "Production sets of rules"; and
• the "Food Safety rules".
For the Period, the following practices and programs implemented by the Company:
• The Alibaba Anti-counterfeiting Alliance;
• Taobao & Tmall Group's Intellectual Property Protection Platform;
• Alibaba Original Design Protection Platform;
• A mechanism for intellectual property protection capabilities and compliance awareness among merchants;
• A comprehensive mechanism to vet merchants and products of Taobao & Tmall;
• Taobao and Tmall Product Quality Center;
• Taobao and Tmall Product Quality Center sampling inspections;
• The Little Red Heart certification;
• Tmall Supermarket recall procedure; and
• Privacy management function.
For the Period:
• Number of complaints received on Taobao and Tmall platforms and how they were dealt with.

EY 安永

Independent Accountant's Assurance Report (continued)

Ernst & Young Huaming (2024) Zhan Zi No. 70035576_B01
Alibaba Group Holding Limited

Scope (continued)

The Subject Matter (continued)

Anti-corruption

As of 31 March 2024, the following policies adopted by the Company:

- Alibaba Group Code of Business Conduct; and
- Alibaba Group Anti-Bribery and Anti-Corruption Policy

For the Period, the following measures adopted and implemented by the Company:

- Reporting channels for integrity issues.

For the Period, the following training conducted by the Company:

- Employee integrity trainings.

For the Period:

- Number of concluded legal cases regarding corrupt practices brought against the Company or its employees and outcomes of such cases.

Community Investment

For the Period, the following program implemented by the Company:

- "Three Hours for a Better World"; and
- "The Cloud for Youth Project".

For the Period:

- Total employee volunteer service hours; and
- Amounts of donation made by Alibaba Foundation.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

EY 安永

Independent Accountant's Assurance Report (continued)

Ernst & Young Huaming (2024) Zhan Zi No. 70035576_B01
Alibaba Group Holding Limited

Scope (continued)

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by the Company:

In preparing the Subject Matter, the Company applied "B. Social of Subject Areas, Aspects, General Disclosures and KPIs" in C2 - Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong Limited and criteria as defined and disclosed in the ESG Report (the "Criteria").

The Company's responsibilities

The Company's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. The responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)), and the terms of reference for this engagement as agreed with the Company on 7 May 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether there is a reasonable possibility that material modifications need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

EY 安永

Independent Accountant's Assurance Report (continued)

Ernst & Young Huaming (2024) Zhan Zi No. 70035576_B01
Alibaba Group Holding Limited

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed (continued)

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the period from 1 April 2023 to 31 March 2024, in order for it to be in accordance with the Criteria.

Restricted use

Our responsibility in performing our procedures and reported thereon is to the Company only and in accordance with terms of reference for this engagement as agreed with them. The report may not be suitable for another purpose. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance of any such third party may place on the report is entirely at its own risk.

Ernest & Young Huaming LLP
Ernest & Young Huaming LLP
Beijing, China
10 May 2024

EY 安永

Independent Accountant's Assurance Report (continued)

Ernst & Young Huaming (2024) Zhan Zi No. 70035576_B01
Alibaba Group Holding Limited

Description of procedures performed (continued)

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the period from 1 April 2023 to 31 March 2024, in order for it to be in accordance with the Criteria.

Restricted use

Our responsibility in performing our procedures and reported thereon is to the Company only and in accordance with terms of reference for this engagement as agreed with them. The report may not be suitable for another purpose. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance of any such third party may place on the report is entirely at its own risk.

Ernest & Young Huaming LLP
Ernest & Young Huaming LLP
Beijing, China
10 May 2024

Appendix 3 Greenhouse Gas Inventory and Carbon Methodology

This inventory covers Scopes 1, 2, and partial Scope 3 GHG emissions of Alibaba Group in FY2024 within the organizational and reporting boundaries. The types of GHGs involved in this inventory include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), nitrogen trifluoride (NF₃) and sulfur hexafluoride (SF₆). Through the inventory, five types of GHG emissions including CO₂, N₂O, CH₄, HFCs, and SF₆ are involved during the reporting period.

In accordance with ISO 14064-1: 2018 Specification With Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals, Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard, Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard, ISO 14064-3: 2019 Specification with Guidance for the Inventory and Validation of Greenhouse Gas Statements, and other applicable laws, regulations, and standards, we conducted an inventory of Alibaba's GHG emissions and removals during the inventory period (FY2024). GHG emission activity data strictly meet the quality requirements of relevant primary and secondary activity data. The emission factors come from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories published by the Intergovernmental Panel on Climate Change (IPCC) in 2006 and the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories published in 2019, the 2019 China Energy Statistical Yearbook, and other authoritative references. All processes follow CEC's internal GHG emission inventory quality control procedures, and strictly meet the requirements of the ISO14064-3 standard.

The inventory is based on ISO14064, IPCC guidelines, and other applicable laws and regulations. The details are shown below:

- ISO 14064-1: 2018 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals
- ISO 14064-3: 2019 Specification with Guidance for the Inventory and Validation of Greenhouse Gas Statements
- Guidelines for Accounting and Reporting Greenhouse Gas Emissions - China Public Building Operation Units (Enterprises) (Trial)
- Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (Revised Edition)
- Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- Other applicable laws, regulations and related standards

Scope	Emission Category	Emission Source
Scope 1: direct emissions from company-owned and controlled resources	Stationary Emissions	Emissions from the use of natural gas in boilers and cookware and the use of diesel in diesel generators
	Mobile Emissions	Emissions from the use of fuels such as diesel in self-owned vehicles
	Fugitive Emissions	Emissions from leaking fire extinguishers
		Refrigerant leakage
		SF6 leakage
Scope 2: indirect emissions from the consumption of purchased electricity, heat, and steam	Purchased Electricity	Indirect emissions from electricity used by production equipment, auxiliary facilities, and daily use equipment
	Purchased Heat	Indirect emissions from heat used by production equipment, auxiliary facilities, and daily use equipment
	Purchased Cooling	Indirect emissions from cooling for production equipment, auxiliary facilities, and daily use equipment
Scope 3: Indirect emissions from other activities	Purchased Goods and Services	Packaging materials, logistics services (warehousing & distribution and ticket delivery), data center operations and maintenance services, paper-based receipts, posters, etc.
	Upstream Transportation and Distribution	Purchased transportation services
	Business Travel	Emissions from employees' business travel via airplanes, railways, coaches, taxis, etc.
	Employee Commuting	Emissions from employee commuting
	Upstream Leased Assets	Leased warehouses
	Downstream Leased Assets	Leased-out self-built campuses, malls, stadiums, and ticket machines
	Franchises	Cainiao Posts and Tmall campus stores
	Investments	Investments in TV plays and shows

Appendix 4 Climate-related Disclosures

Tackling climate change and achieving carbon neutrality is among Alibaba's priority ESG topics. We refer to relevant standards and rules, including the Task Force on Climate-related Financial Disclosures (TCFD), International Financial Reporting Standards' Standard S2 Climate-Related Disclosures (IFRS S2), and the Hong Kong Stock Exchange ESG Code's Part D Climate-related Disclosures. We continue to strengthen climate governance, updates climate strategy in response to internal and external dynamics, manages climate-related risks and opportunities comprehensively, and embraces transparent disclosures of climate-related metrics and targets.

We conduct climate risk and opportunities identification and assessment continuously. According to our assessment in FY2024, we have demonstrated a degree of capabilities in climate mitigation and adaptation, and our short-term climate risk is rather limited. Over the medium to long term, our climate risks are generally expected to increase. With our digital technology and extensive platform ecosystem, we are committed to reducing GHG emissions, strengthening our climate governance and management capabilities, and enhancing our climate resilience. Meanwhile, we will continue to explore innovative technologies and business models, and further engage with the wider business ecosystem to collectively reduce emissions and contribute to build societal climate resilience.

Climate governance

We strengthen Alibaba's climate governance capabilities by integrating climate-related responsibilities into the three-tier sustainability governance structure. The tiers coordinate in accordance with its respective roles and responsibilities.

The Sustainability Committee of the Board of Directors is responsible for approving and overseeing climate-related matters, including approval of climate-related strategies and targets, and overseeing the identification, assessment, management, and disclosure related to climate risks and opportunities. The management-level Sustainability Steering Committee is responsible for planning and supervising the overall climate-related work. Under the guidance of the Sustainability Steering Committee, the Climate Change Working Group, led by the Holding Company's ESG Strategy and Operations Department and joined with the Internal Control Department and the Investor Relations Department, implements climate initiatives together with business groups and companies ("the businesses"). In FY2024, the Sustainability Committee reviewed climate-related progress reports from the Sustainability Steering Committee and approved the annual GHG emissions and decarbonization targets, as well as related disclosures.

For details, see the section "Building an effective, professional corporate governance structure" in Chapter 7, P148



Strategy

We integrate climate change issues into our strategic analysis and decision-making process by conducting climate scenario analysis, business and financial impacts assessments, and establishing climate risk and opportunity management system. While we try to mitigate the impacts of climate change, we also actively explore business opportunities arising from the changing climate.

In FY2024, the Climate Change Working Group conducted an update of the analysis and assessment of climate risks and opportunities in response to internal and external dynamics. Taking into consideration the characteristics of our core businesses, including the specific operational and value chain features and geographical distribution, we selected climate scenarios from the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), to identify and analyze our significant climate-related risks and opportunities over the short, medium, and long term, and assess their potential impacts.

Climate Scenario Analysis

To gain a more comprehensive understanding of the potential climate physical risks to Alibaba's assets and businesses under different climate scenarios, we selected two high-emission scenarios (SSP3-7.0 and SSP5-8.5) and one low-emission scenario (SSP1-2.6) from the IPCC. These scenarios effectively depict the possible future climate conditions we may face. Ensuring the technical rigor and factual basis of the scenarios, we aim to understand the potential impacts on our own and value chain assets and businesses under different climate development pathways, to help make more informed decisions on comprehensive response measures.

For transition risks and opportunities, we selected high-emission and low-emission scenarios from the IEA. The contrast between these two scenarios helps us understand the pressures under extreme transition scenarios and identify potential climate transition opportunities.

Time Horizons

Short term

Present-2026, consistent with the short-term planning horizon of our core businesses.

Medium term

2027-2030, aligning with our greenhouse gas reduction targets.

Long term

2031-2050, aligning with the Paris Agreement's vision of achieving net zero by 2050 for limiting global warming.

Risk/Opportunity category		Scope	Time horizons	Climate scenarios
Physical risks	<ul style="list-style-type: none"> • Acute • Chronic 	Operational	Baseline ¹ 2030 2050 ²	IPCC Sixth Assessment Report Shared Socioeconomic Pathways (AR6 SSP) ³ Low-emission scenario • SSP1-2.6 High-emission scenarios • SSP3-7.0 • SSP5-8.5
Transition risks	<ul style="list-style-type: none"> • Policy and Regulation • Technology • Market • Reputation 	and upstream & downstream value chain	2025-2050 in five-year intervals	International Energy Agency (IEA) Low-emission scenario • Net Zero Emission Scenario (NZE) High-emission scenario • Stated Policies Scenario (STEPS)
Transition opportunities	<ul style="list-style-type: none"> • Resource Efficiency • Energy Source • Products and Services • Market 			

1. Physical risks are assessed in accordance to the World Meteorological Organization standards with the 30-year datasets. The baseline covers data from 1985-2014 with climate model simulations and historical climate-related hazards.

2. The cases of year 2030 and 2050 cover data from 2015-2044 and 2035-2064 respectively. These cases are established to assess the potential impacts of physical climate risks on short-, medium-, and long-term operations.

3. We selected the climate scenario from the IPCC's 6th Assessment Report (AR6) in 2021, i.e., the Shared Socioeconomic Pathways (SSPs), for the scenario analysis. The SSPs scenarios incorporate climate change trends and related data from climate models constructed by more than 30 different academic agencies and research institutes, as well as socioeconomic factors such as population, education, energy use, etc. The five SSPs provide a comprehensive set of selections for climate scenario analysis.

Climate-related Physical Risk Assessment Results

Climate change may lead to an increase in Alibaba's overall climate physical risk, with the potential impacts of flooding, tropical cyclones, and extreme heat being material and more pronounced in the high-emission scenarios. The following is the major physical risks identified, along with their potential business and financial impacts, and some of our response measures.

Category	Physical risks	Potential business impacts	Potential financial impacts	Time horizons	Selected response measures
Acute	Extreme heat	<ul style="list-style-type: none"> High temperature increases the demand for cooling, potentially leading to longer operating hours of cooling equipment, or the addition of new cooling equipment. High temperatures may lead to higher health risks for outdoor workers, resulting in increased high-temperature subsidies or medical expenses. 	Operating expenses ↑ Capital expenses ↑	Medium and long term	<p>A series of measures have been taken for various types of assets, including office buildings, data centers, warehouses and logistics centers.</p> <ul style="list-style-type: none"> Assess the impact of climate disasters during site selection, design, and construction phases; incorporate the concept of sponge cities into landscape planning and design process; regularly maintain the specific facilities and equipment build for coping with extreme weather conditions, such as drainage systems, sunken gardens, and permeable pavements. Establish early-warning mechanisms and emergency plans for extreme weather events, provide resources such as flood sandbags, conduct extreme weather emergency drills for employees, and purchased insurance. In response to extreme heat, we improved the heat dissipation capacity of buildings and the efficiency of cooling equipment; developed and implemented guidelines for outdoor work in high temperatures. To cope and adapt with increasing flooding and tropical cyclones risks, small-scale meteorological stations were set up in data centers for real-time weather conditions monitoring and early response measures.
	Floods and tropical cyclones	<ul style="list-style-type: none"> Floods or tropical cyclones may cause damage to buildings and equipment, leading to additional maintenance costs, and potential impairment of assets. Flooding may damage critical equipment and primary roads connecting the assets, disrupting normal operations, leading to reduced operational efficiency and revenue. 	Operating expenses ↑ Revenue ↓ Asset value ↓	Short, medium and long term	<p>For details, see the section "Greening our own operations and the value chain" in Chapter 1, P30</p>
Chronic	Water stress and drought	<ul style="list-style-type: none"> Severe water scarcity can impact the efficiency of cooling and production equipment. Droughts can reduce the availability of water, potentially leading to an increase in water prices and increased operational expenses. 	Operating expenses ↑ Revenue ↓	Short, medium and long term	<ul style="list-style-type: none"> Improve facility management by implementing measures such as greywater recycling to enhance water use efficiency. Optimize IDC water uses by adopting advanced air-cooling alternative to replace water-cooling technology.
					<p>For details, see the section "Conserving and purifying water" in Chapter 1, P45</p>

Climate-related Transition Risk Assessment Results

The following table provides a detailed description of the assessment results of the major transition risks and opportunities as well as some response measures. At this stage, our overall transition risks faced by our businesses are relatively low, while opportunities are expected to gradually increase in the medium to long term.

Category	Transition risks	Potential business impacts	Potential financial impacts	Time horizons	Selected response measures
Policy and regulation	Tightening climate-related policy	<ul style="list-style-type: none"> In the low-emission scenario with enhanced climate-related policies, industries such as cloud computing and logistics may be subject to more regulations scrutiny and restrictions, such as inclusion in China's Carbon Emissions Trading System (ETS). Additionally, international policies such as the EU Circular Economy Action Plan (CEAP) and the EU Energy Efficiency Directive may indirectly impact our overseas operations through the value chain. Potential for incurring costs related to carbon reduction and compliance to meet the rising climate mandates in jurisdictions where we are listed or operate. 	Operating expenses ↑ Capital expenses ↑	Medium and long term	<ul style="list-style-type: none"> Holding company and the business, as well as other relevant ESG and functional departments, regularly track climate-related policies and regulations, jointly assess the potential impacts and make preparation in advance. Proactively respond to the requirements of the national "Dual Control" policy to reduce energy intensity and to limit total energy consumption through digital and intelligent energy-saving measures and energy transition, and reduce GHG emissions. <p>For details, see the section "Greening our own operations and the value chain" in Chapter 1, P30 </p>
Market	Energy price fluctuations	<ul style="list-style-type: none"> Along with the path to the target of "3060 Carbon Peak and Carbon Neutrality", the increasing demand and restrained supply of renewable energy in the short term will lead to energy price fluctuations. Given that electricity is the primary energy source sustaining our businesses, energy expenses potentially will surge. 	Dependent upon the changes in the price of renewable energy and energy efficiency	Short and medium term	<ul style="list-style-type: none"> Holding company and the business will closely monitor the energy price fluctuations, and adopt a flexible green electricity procurement strategy. Further, we equip photovoltaic facilities in the compatible sites. <p>For details, see the section "Greening our own operations and the value chain" in Chapter 1, P30 </p>

Category	Transition risks	Potential business impacts	Potential financial impacts	Time horizons	Selected response measures
Technology	Research and development of low-carbon technologies	<ul style="list-style-type: none"> In the context of low-carbon transition, businesses such as cloud computing and logistics will require substantial development and investment in low-carbon technologies, as well as expenses on equipment and asset replacement. 	Operating expenses ↑ Capital expenses ↑	Medium and long term	<ul style="list-style-type: none"> Cloud computing: Reduce energy and water consumption by enhancing efficiency through digital and intelligent means, applying advanced cooling and energy management technologies, and continuously optimizing data center architecture. Logistics and retail: Implement initiatives such as packaging reduction and packaging substitution to reduce the carbon footprint of packaging materials. <p>For details, see the section "Greening our own operations and the value chain" in Chapter 1, P30 </p>
Reputation	Stakeholder interest in corporate climate actions	<ul style="list-style-type: none"> In the face of increasing external scrutiny concerning the emission reduction progress and effectiveness, more efforts towards emission reduction, as well as higher disclosure and communication costs, are required to enhance stakeholder confidence and maintain consumer loyalty. 	Operating expenses ↑ Capital expenses ↑	Short, medium and long term	<ul style="list-style-type: none"> Based on widely used international climate disclosure frameworks, we disclose climate change's impact on Alibaba's business and our climate response measures, actively respond to stakeholder inquiries. <p>For details, see the section "Greening our own operations and the value chain" in Chapter 1, P30 </p>

Climate-related Transition Opportunity Assessment Results

Category	Transition Opportunities	Potential business impacts	Potential financial impacts	Time horizons	Selected response measures
Resource efficiency	Enhance resource efficiency	<ul style="list-style-type: none"> Scaling up the use of technologies that enhance resource efficiency can significantly reduce carbon emissions and lower operational expenses. Embracing these technologies early in the transition to a low-carbon economy can unlock additional opportunities and benefits. 	Operating expenses ↓	Short and medium term	<ul style="list-style-type: none"> Cloud Computing: Enhance resource efficiency in data centers, such as energy and water resources. Retail: Develop high-tech greenhouse agriculture through intelligent farming innovations - use natural gas to produce carbon-based fertilizers that precisely control the photosynthesis efficiency of vegetable growth, and during this process, collect thermal energy for nighttime insulation that can help improve energy efficiency and strengthen climate resilience of the facilities. <p>For details, see the section "Greening our own operations and the value chain" in Chapter 1, P30 ➔</p>
Energy source	Low-carbon and renewable energy use	<ul style="list-style-type: none"> With the ongoing societal energy transition, our operations are shifting towards the use of more low- and zero-carbon energy sources, especially the renewables, reducing reliance on fossil fuels, and lowering carbon emissions. 	Dependent on costs of energy and energy usage efficiency	Short, medium and long term	<ul style="list-style-type: none"> Holding company and the business: closely monitor the development of renewable energy technologies, actively deploy renewable energy such as solar power, and explore the development of other potential low-carbon energy sources such as hydrogen. <p>For details, see the section "Greening our own operations and the value chain" in Chapter 1, P30 ➔</p>
Products and services	Low-carbon products, green technologies, and low-carbon digital solutions	<ul style="list-style-type: none"> In the low-emission scenario, as consumers, clients and partners become more environmentally concerned, and as the market for low-carbon products and services matures, there are opportunities to increase market share by offering low-carbon products and services, and facilitate a broader societal transition to low-carbon practices. 	Revenue ↑	Short, medium and long term	<ul style="list-style-type: none"> Cloud computing: To meet the growing demand for green cloud computing, we will combine digital and intelligent capabilities based on green cloud computing to assist businesses of all sizes and various industries in their digital and green transition. Holding company and the business: Utilize digital technology in logistics, e-commerce, and other business areas to provide customers with low-carbon solutions. <p>For details, see the section "Greening our own operations and the value chain" in Chapter 1, P30 ➔</p>
Market	Low-carbon economic development	<ul style="list-style-type: none"> In the low-emission scenario, demand for green projects and services is expected to grow. Therefore, we focus on and invest in low-carbon industries and technologies, and increase capital investment to enhance our business resilience. 	Revenue ↑ Capital expenditure ↑	Medium and long term	<ul style="list-style-type: none"> Holding company and the business: invest in the green economy in areas such as energy efficiency improvement, green buildings, renewable energy, circular economy. <p>For details, see the section "Greening our own operations and the value chain" in Chapter 1, P30 ➔</p>

Risk management

Alibaba regularly identifies, evaluates and continuously manages potential climate risks and integrates them into the Group's risk management system. In FY2024, we further refined and applied the climate risk management process. Climate-related risk, as one of Alibaba Group's comprehensive risk management areas, follows the principles and requirements of the Alibaba Group Comprehensive Risk Management Framework and other Group's risk management principles. In FY2024, the Climate Change Working Group further deepened the integration of climate risks with the Group's comprehensive risk management, improving the mechanism by which climate risk identification, assessment, response, and evaluation are incorporated into the comprehensive risk management.

The overall climate risk and opportunity management process is as follows:



Targets and Metrics

To tackle climate challenges, Alibaba pledged to achieve operational carbon neutrality, half the carbon intensity of the value chain, and facilitate ecosystem carbon reductions of 1.5 billion tons in 2021. Meanwhile, we are engaging various business groups and companies to develop and disclose climate-related targets, including carbon emissions, energy and water resources usage and solid waste.

For details, see Appendix 1 "ESG Key Performance Metrics Table", P169

Building Climate Resilience in Logistics Systems

In FY2024, we conducted a comprehensive assessment of the climate risks and opportunities faced by Cainiao, identifying risks such as floods and opportunities of products and services. By applying low-carbon technologies and deploying emergency logistics systems, Cainiao's overall residual climate risks are relatively low in the short term, but may increase in the medium to long term. Cainiao proactively tracks industry trends, participates in and promotes the establishment of industry climate-related standards. At the same time, Cainiao also closely follows the latest climate technologies and relevant business trends, participates in climate solution development and becomes a provider of climate solutions. Cainiao is engaging in building a more climate-resilient logistics system and contribute to the climate resilience of the whole society.

	Risk assessment (inherent risk)	Risk assessment (residual risk) ⁴	Response to risks
Reducing physical risks	<ul style="list-style-type: none"> We selected representative physical assets for climate scenario analysis. The results showed that Cainiao may face flooding and tropical cyclones in the short to medium term, and extreme heat, flooding and tropical cyclones in the long term. 	<ul style="list-style-type: none"> Cainiao has adopted climate risk adaptation measures, and effectively reduced the overall risk faced in the short term. However, due to inevitable proximity to rivers and coasts, some warehouses and logistics network are exposed to flood risk. In FY2024, flooding did not cause significant business or financial impacts on Cainiao. 	<ul style="list-style-type: none"> Focusing on enhancing our emergency management capabilities, Cainiao has taken defensive measures in various aspects of the logistics system such as construction, operation, and staff training. An emergency management system has been established, which is tailored to the severity of various natural disasters (such as earthquakes, typhoons, and heavy rain). <p>For details, see the section "Building solutions and systems" in Chapter 5, P119</p>
Reducing transition risk	<ul style="list-style-type: none"> We assessed climate transition risks of Cainiao, including policy and regulation, technology, market, and reputation risks. In the short term there is no significant risks, while in the medium to long term, risks related to policy and regulation, technology, and reputation may increase. 	<ul style="list-style-type: none"> The implementation of the climate risk mitigation measures has led to a decrease in risk levels. Considering the increasing regulation requirements for low-carbon transition in the transportation and logistics industry, it is crucial for Cainiao to put emphasis on low-carbon technologies identification, application and investment. 	<ul style="list-style-type: none"> Cainiao established a systematic mechanism for screening and testing low-carbon technologies, and started to pilot technologies with larger application potentials and higher cost-effectiveness. For example, Cainiao is the first commercial cargo flight company in the Chinese Mainland to test sustainable aviation fuel (SAF) in international flight. Due to the limited potential of electric vehicles for long-distance transportation, Cainiao is also actively exploring the potential applications of hydrogen freight vehicles. Cainiao proactively apply mature low-carbon technologies and gradually expand their scale. New energy vehicles now account for 99% of intra-city delivery trips made by Cainiao's self-operated fleet. <p>For details, see the section "Greening our own operations and the value chain" in Chapter 1, P30</p>

⁴. Inherent risk refers to the level of risk that exists before any mitigation or management measures are taken into account; Residual risk refers to the level of risk that remains after any mitigation or other controls have been applied, representing the remaining risk to the business.

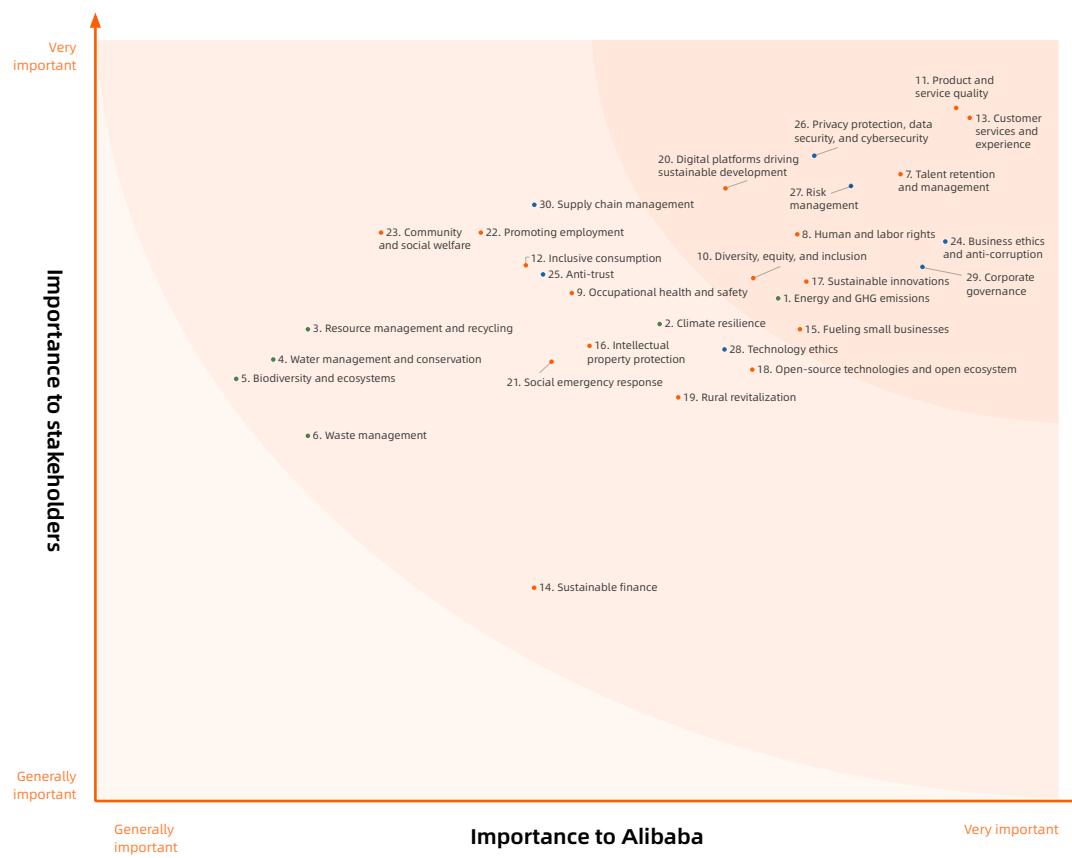
	Opportunity assessment	Response to opportunities
Exploring climate opportunities	<ul style="list-style-type: none">We conducted scenario analysis and assessed the climate-related opportunities for Cainiao in areas of resource efficiency, energy source, products and services, and market. We found some opportunities in short term, and main opportunities for products and services in the medium and long term. To cater the growing needs of green products, Cainiao has equipped with the ability to provide various green products and services, and has deployed a dedicated team for related technology research and development.	<ul style="list-style-type: none">Cainiao has developed a variety of green products and services. For example, Carbon Asset Management System can provide services of carbon emission calculation, carbon emission forecasting, and emission target planning with our clients. <p>For details, see the section "Greening our own operations and the value chain" in Chapter 1, P30 </p>
Enhancing resilience	<ul style="list-style-type: none">Cainiao established prompt communication mechanisms with emergency departments at all levels of government. Participate in dispatching emergency supplies in the event of natural disasters. Take proper measures in accordance with the severity of the disaster and the needs of the government.	<ul style="list-style-type: none">To enhance social emergency support capabilities, Cainiao leverages its strengths and resources to build a comprehensive emergency logistics system. Main actions contain establishing specialized teams, and providing emergency relief such as disaster preparedness management, emergency dispatching, and supplies transfer.In July 2023, Cainiao, Alibaba Foundation, and other business groups collectively activated emergency logistics system to dispatch and distribute relief supplies to flood-stricken areas in the Beijing-Tianjin-Hebei region and the Northeast region. By transporting urgently needed items including inflatable boats and tents, Cainiao supported local flood relief efforts and helped restore daily life and production activities in the affected areas. <p>For details, see the section "Building solutions and systems" in Chapter 5, P119 </p>

Appendix 5 Stakeholder Engagement and Materiality Assessment

Alibaba actively communicates and works with our various stakeholders, responds to their expectations, and continuously strives to create sustainable value for all. This is the cornerstone of Alibaba's long-term business and ESG agenda. We fully consider the wide range of interrelationships and influence of our businesses and platforms on stakeholders, including consumers, employees, shareholders and investors, and government regulators, as well as business partners, communities, and other stakeholders. We communicate with them in diverse ways, respond to their concerns and expectations timely, and continuously improve our business and ESG strategies and actions. We maintain open communication channels and healthy relationships with our stakeholders, who provide an invaluable reference for Alibaba to identify the most relevant and important sustainable development opportunities, strengthen our capacities and actions, and improve the quality of information disclosure.

Stakeholder groups	Communication channels	Stakeholder groups	Communication channels
Consumers	Media and social media communications	Shareholders and investors	Phone calls, face-to-face meetings, and company visits
	24/7 customer service hotline		Corporate annual reports, quarterly reports, and announcements
	Online and offline surveys, questionnaires, and interviews		Daily reporting and communication on ESG-related issues
	Media and social media communications		Investor research
Merchants	24/7 customer service hotline	Value chain and platform partners	Supplier training, ESG capability assessment, and communications
	Online and offline surveys, questionnaires, and interviews		Industry-specific forums and communication channels
	Emails to all staff		Supplier conferences
	Communication meetings		Long-term public welfare projects
Employees	Posts on the intranet	Communities	Daily media communications
	Communication mechanisms of ESG-related teams within business units		Media and social media communications
	Training activities and grievance mechanisms		Non-profit sector forums and events
	Regular communications		Volunteer activities
Governments and regulators	Thematic workshops		

Materiality Assessment



Environmental	Social	Governance
<p>1. Energy and GHG emissions</p> <p>2. Climate resilience</p> <p>3. Resource management and recycling</p> <p>4. Water management and conservation</p> <p>5. Biodiversity and ecosystems</p> <p>6. Waste management</p>	<p>7. Talent retention and management</p> <p>8. Human and labor rights</p> <p>9. Occupational health and safety</p> <p>10. Diversity, equity, and inclusion</p> <p>11. Product and service quality</p> <p>12. Inclusive consumption</p> <p>13. Customer services and experience</p> <p>14. Sustainable finance</p> <p>15. Fueling small businesses</p> <p>16. Intellectual property protection</p> <p>17. Sustainable innovations</p> <p>18. Open-source technologies and open ecosystem</p> <p>19. Rural revitalization</p> <p>20. Digital platforms driving sustainable development</p> <p>21. Social emergency response</p> <p>22. Promoting employment</p> <p>23. Community and social welfare</p>	<p>24. Business ethics and anti-corruption</p> <p>25. Anti-trust</p> <p>26. Privacy protection, data security, and cybersecurity</p> <p>27. Risk management</p> <p>28. Technology ethics</p> <p>29. Corporate governance</p> <p>30. Supply chain management</p>

Appendix 6 Progress of the United Nations Global Compact

Alibaba became a signatory to the United Nations Global Compact (UNGC) in February 2021. The CEO, Eddie Wu, hereby reiterates our support for the UNGC and its ten principles. We take a responsible, principles-based, and integrated approach as we strive to achieve the UN's development goals, conduct business in a responsible manner, become a strong, long-term partner of the UN, and fulfill our commitments to society.

Field	Principles	Corresponding chapters
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Supporting Our People - Promoting diversity, equity, and inclusion
	Principle 2: Make sure that they are not complicit in human rights abuses.	
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Supporting Our People - Promoting diversity, equity, and inclusion
	Principle 4: Eliminate all forms of forced and compulsory labour.	
	Principle 5: The effective abolition of child labour.	
	Principle 6: Eliminate discrimination in respect of employment and occupation.	
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Restoring Our Green Planet
	Principle 8: Undertake initiatives to promote greater environmental responsibility.	
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Building Trust - Building corporate trust

Appendix 7 Report Indicator Index

Chapter	HKEX ESG Indexing	SASB	GRI	TCFD	SDGs
Chapter 1 - Restoring Our Green Planet					
Solidly promoting carbon neutrality	A1, A1.2, A1.5; A2.3; A4, A4.1; B5.3, B5.4	CG-EC-130a.1 CG-EC-130a.3; CG-EC-410a.2;	302-4; 305-1, 305-2, 305-3, 305-5; 308-1	Strategy -(a), (b) and (c)	  
Conserving and restoring nature	A1, A1.6; A2, A2.4, A2.5; A3, A3.1; A4, A4.1	CG-EC-130a.2	301-1, 301-2; 303-1; 304-1, 304-3; 306-2, 306-4	Strategy -(a), (b) and (c)	  
Enabling and engaging the platform ecosystem to reduce emissions	A1.5	CG-EC-000.A		Metrics and Targets -(b) and (c)	
Chapter 2 - Supporting Our People					
Promoting diversity, equity, and inclusion	B1, B1.1; B4, B4.1, B4.2		405-1;		  
Attracting and retaining talents	B1, B3		401-1, 401-2, 401-3; 404-2; 408-1; 409-1		 
Enhancing employee health and vitality	B2, B2.3		403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 404-2		

Chapter	HKEX ESG Indexing	SASB	GRI	TCFD	SDGs
Chapter 3 - Enabling a Sustainable Digital Life					
Diverse consumption					
Trustworthy consumption	B6; B6.2; B6.4		416-1, 417-1		  
Inclusive consumption					
Responsible consumption		CG-EC-410a.2	203-2		
Chapter 4 - Fueling Small Businesses					
Developing responsible technologies	B6, B6.2, B6.3	CG-EC-130a.3 CG-EC-000.B			   
Providing markets, business capabilities, and ecosystems for MSMEs		CG-EC-000.A;			
Chapter 5 - Enhancing Community Inclusion and Resilience					
Rural revitalization	B8, B8.1		203-1, 203-2; 413-1		   
Social emergency response	A4.1, B8.1, B8.2		203-1		   
Leveraging technologies to tackle social problems	B8.1		203-1		
Enabling inclusive employment	B8.1, B8.2		203-1		

Chapter	HKEX ESG Indexing	SASB	GRI	TCFD	SDGs
Chapter 6 - Facilitating Participatory Philanthropy					
Encouraging employees to participate in philanthropy	B8, B8.1, B8.2		203-2 413-1		  
Platforms driving philanthropy	B8, B8.1		203-2 413-1		
Collaborations making an impact	B8, B8.1		203-2 413-1		 
Chapter 7 - Building Trust					
Building corporate trust	B5, B5.2, B5.3, B5.4; B7,B7.1, B7.2, B7.3;		205-1, 205-2, 205-3; 308-1; 405-1;414-1	Governance -(b); Risk Management -(b)	 
Building social trust	B6.5	CG-EC-220a.2; CG-EC-230a.1 CG-EC-230a.2	418-1		
Appendix					
Appendix 1 ESG Key Performance Metrics Table	A1.2; A2.1; A2.4; B1.1, B1.2; B2.1; B2.2; , B3.1, B3.2; B5.1	CG-EC-130a.1; CG-EC-130a.2; CG-EC-330a.3	204-1; 302-1, 302-3; 305-1, 305-2, 305-3, 305-4; 403-9; 403-10; 404-1;	Metrics and Targets -(b)	
Appendix 4 Climate-related Disclosures				Governance -(a) and (b); Strategy -(a), (b) and (c); Risk Management -(a), (b) and (c); Metrics and Targets -(a) and (c)	

Appendix 8 Definitions

Definitions that apply to the FY2024 ESG Report

Unless otherwise indicated by the context, these terms have the following meanings when they are used in this report:

Holding group: Alibaba Group Holding Limited.

The businesses: the six major business groups and various business companies owned by Alibaba Group.

In the fiscal year: FY2024.

Cainiao Express: a low-cost, high-quality courier service provided by Cainiao Smart Logistics Network Limited for e-commerce.

Blue Knight: the new employment group that provides on-demand delivery services through Fengniao platform (Ele.me's on-demand delivery platform).

Net emissions: A company's net emissions refer to its natural GHG emissions minus the amount of GHG emissions avoided via various decarbonization measures taken by the company, including reduction, removals, and offsets.

Net emissions intensity in the value chain: The net emissions intensity in the value chain refers to emissions per unit of revenue after the natural GHG emissions of our upstream and downstream partners in the value chain are lowered via various decarbonization measures, including reduction, removals, and offsets.

Xiaomanlv: an L4 autonomous driving product developed by Cainiao to meet the demand for intelligent last-mile delivery in its courier service.

PUE: the ratio of a data center's total energy consumption to the energy consumption of its IT equipment.

WUE: the ratio of a data center's water consumption to its energy consumption.

EHS: environment, health, and safety management system.

Green malls: malls selected by the commerce departments of provinces in China based on the evaluation criteria formulated by the Ministry of Commerce in accordance with the national standard for green malls (GB/T 38849-2020).

Self-used campuses: campuses that we have built or leased for workplace operations.

Packing algorithm: a computational method that suggests the optimal types, sizes, and designs of packaging boxes for specific items and shipping conditions, with the goal of minimizing the use of packaging materials and other consumables.

SIOC: a practice where a shipping label is affixed directly onto the product's original box and eliminates the need for an extra outer box.

Electronic packing list: a digital document that replaces the paper packing list included in a package; it carries information such as the details and quantities of items inside.

13520 First Aid Volunteer System: a first aid volunteer system where emergency response is initiated within 1 minute, the first batch of first-aid responders and equipment arrive on scene within 3 minutes, the second batch of first-aid responders and equipment arrive on scene within 5 minutes, and the injured are sent to the nearest hospital within 20 minutes.

First-aid Responder: Individuals who complete our training and obtain first aid certificates from a professional organization such as the Red Cross Society of China or the American Heart Association (AHA) are certified as first-aid responders.

Double-blind sampling inspections: We commission third-party testing agencies to conduct double-blind sampling

inspections. In such an inspection, there is no prior communication between the third-party testing agency and the inspected supplier. The word "double-blind" means: (1) Inspectors sample random products from a random supplier; and (2) The inspected supplier is unaware of the inspection and receives no advance notice.

Emergency logistics: Emergency logistics refers to logistics services needed during natural disasters or public health emergencies such as pandemics.

Rural revitalization areas: Rural revitalization areas refer to areas covered by the work scope of the National Rural Revitalization Monitoring Center of China.

Love-empowered Communities: Love-empowered Communities are online philanthropic communities.

Terminal DLP: The terminal data loss prevention (DLP) capability refers to the capability of using DLP technologies on terminal devices to identify and prevent data leakage. This capability involves spotting, monitoring, and stopping unauthorized access to and unauthorized transfers of data. It protects sensitive information from leakage or loss.

12321 Unsolicited Electronic Messages Complaining and Reporting Center: an agency that processes public complaints. It assists China's Ministry of Industry and Information Technology in handling complaints about illegal and junk information on communication networks such as the Internet and telephone networks, which involves receiving complaints, forwarding them to corresponding authorities, and collecting statistics.

Remote attestation technologies: Remote attestation technologies rely on integrity measurement and identity key

attestation on the platform. Integrity measurement involves recording the full execution state of the platform's software and hardware. Identity key attestation on the platform is for the purpose of verifying the trustworthiness of the identity.

Robustness: the ability of a model to withstand disturbances, adversarial samples, or malicious attacks in the input.

AIGC, generative AI: a category of technologies that leverage AI technologies such as generative adversarial networks (GANs) and pre-trained large models to uncover patterns in existing data and achieve appropriate generalization capabilities.

Emergency Service Unit (ESU): ESU incidents include: (1) incidents where the company suffers harm or threats because of factors in the external environment; (2) incidents where internal operations and management cause substantial harm to the company or lead to an external negative impact; and (3) other incidents that should be reported according to the reporting and disclosure requirements of the holding company.

IEEE Open Science Award: an award that recognizes projects that make exceptional contributions to scientific advancements through the utilization of open-source software technologies.

ICML: one of the top international conferences about machine learning. It typically publishes papers with significant technological advancements in the fields of information science and AI.

ACL: an association whose annual meeting is the most influential international academic conference in the field of natural language processing (NLP).

ECAL: one of the most influential academic conferences in the field of AI.

Appendix 9 Important Legal Information

This report contains forward-looking statements. These statements are made under the "safe harbor" provision under Section 21E of the U.S. Exchange Act, and as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words or phrases such as "may," "will," "expect," "anticipate," "future," "aim," "estimate," "intend," "seek," "plan," "believe," "potential," "continue," "ongoing," "target," "goal," "is/are likely to" or other similar expressions. These statements include, among other things, those about our ESG strategies and the effectiveness of our ESG strategies and initiatives.

Forward-looking statements involve inherent risks and uncertainties. A number of factors, including those described in Alibaba's annual reports and other filings with the U.S. Securities and Exchange Commission and announcements on the website of the Hong Kong Stock Exchange, could cause actual results to differ materially from those contained in any forward-looking statement.

The forward-looking statements made in this report relate only to events or information as of the date on which the statements are made in this report and are based on current expectations, assumptions, estimates and projections. Alibaba undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events, except as required under applicable law.

Information referenced in this report, including other Internet sites and third-party reports and publications, is not incorporated into this report. For the reader's convenience only, this document may provide the addresses of, or contain hyperlinks to, third-party websites. Alibaba has not reviewed such hyperlinks and takes no responsibility for the content therein.

The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact (or potential impact) of that information. For more comprehensive information about our results and operations, including risks that could adversely affect our results of operations and financial condition, please refer to our annual reports and other filings with the U.S. Securities and Exchange Commission and announcements on the website of the Hong Kong Stock Exchange.



Alibaba Group Holding Limited