

ALIBABA

ESG Report

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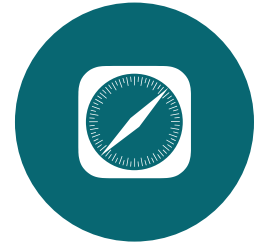
Overall Takeaway



Product Liability



Labor



Appendix

Overall Takeaway

01



Overall Takeaway

Through the data, we find that Alibaba has achieved equality in employee issues, gender proportion among its staff shows the gender equality. Alibaba teaches its staff in accordance with their aptitude in talent planning and training. In terms of company products, we have investigated the Express sale and found it is lack of logistics distribution capacity.

02

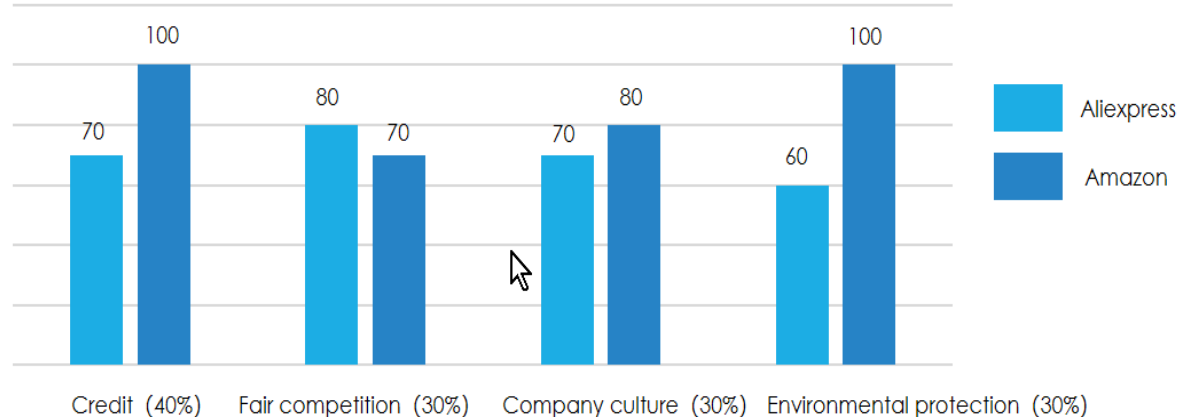
Product Liability



Product-AliExpress

Alibaba's AliExpress business has a B2B model and a B2C model. B2C model is the representative one which is a small cross-border e-commerce for Chinese suppliers to trade with foreign consumers.

65% of AliExpress's buyers are individual users, and 35% of buyers are engaged in small wholesale business. The platform was established in the second half of 2009. After rapid development in recent years, it has become the **largest** e-commerce platform in China and **the third largest** in the world.



The Risks of AliExpress

1. **The low level** of integrated service of the supply chain
2. **The high cost** of the platform operation and **the long return** on investment.
3. **Impaired credibility**
4. **Long logistics cycle**

Best Practice in Industry vs. AliExpress

Amazon's efficient delivery system ensures that each user gets the goods within a specified time, and the product arriving rates on Amazon's website are more accurate. Thus, it ensures that users can purchase the best products based on ratings.

In contrast, **AliExpress's** logistics and transportation capacity is weak, the network rating is not objective.

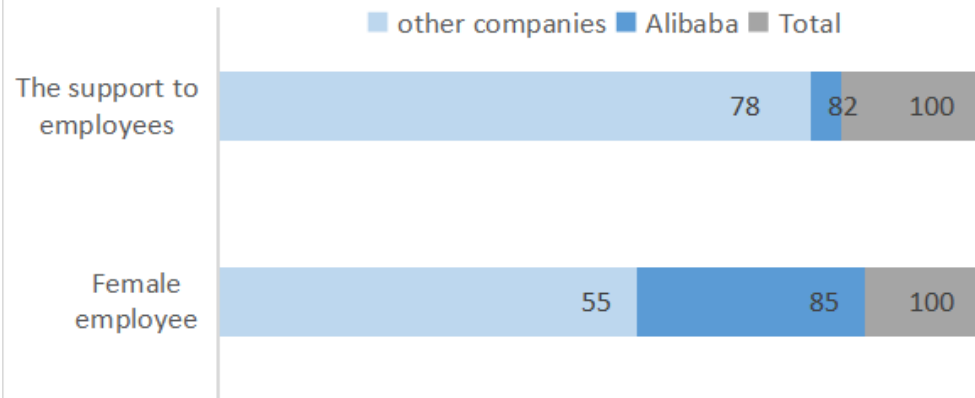
Moreover, there is shop owner fraud, which leads to a higher return rate than Amazon. Amazon monopolize the market in some ways. AliExpress also monopolize the Chinese market, but it is not as serious as Amazon.

Finally, Amazon is the first company to achieve zero inventory in its environmental strategy, and its warehouse is the leader in emissions management, so it does its best in environmental protect strategy.

Labor

03





The proportion of female employee

The risk from the female employees

- The proportion of female employees
- The attitude towards female employees

| FACOTRS | ALIBABA | Other enterprises of the same type (Tencent) |
|--|---------|--|
| The proportion of female employees (50%) | 40 | 25 (undisclosed) |
| Attitude (50%) | 45 | 30 |
| Total | 85 | 55 |

The support to employees

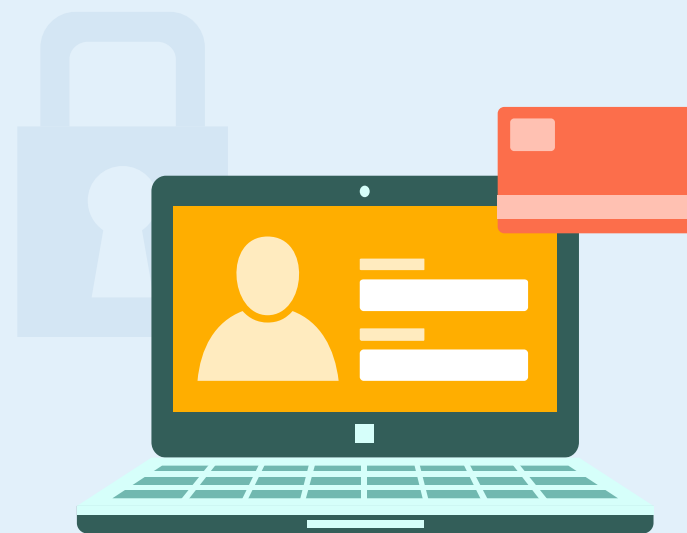
The risk from the support to employees

- Living support
- Professional training
- Inclusiveness and sense of belonging
- Hierarchy breaking

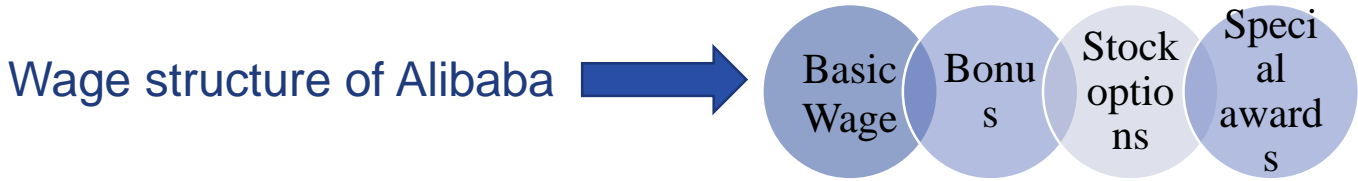
| FACTORS | ALIBABA | Other enterprises of the same type (Tencent) |
|--|---------|--|
| Living support(25%) | 20 | 20 |
| Professional training(25%) | 20 | 20 |
| Inclusiveness and sense of belonging (25%) | 19 | 19 |
| Hierarchy breaking(25%) | 23 | 19 |
| TOTAL | 82 | 78 |

Appendix

04



Salary and Welfare Of Alibaba



SUMMARY

- The income gap within the company is large. Huge divergence exists among the internal staff's salary.
- It's common for staff in Alibaba to work over 12 hours per day or even longer due to the pressure they are facing.

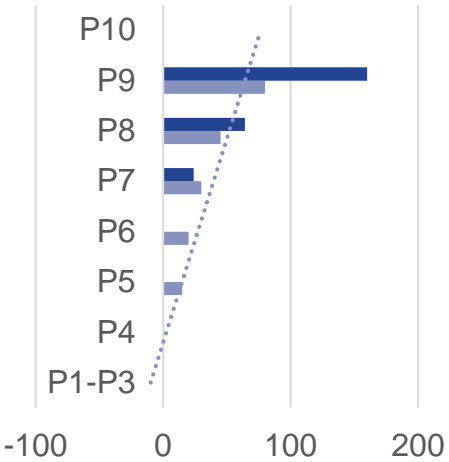
Standard for evaluation

- Compare with the maximum and the minimum wage of industry.
- Internal salary comparison

First of all, in terms of the overall salary level of the industry, employees of Alibaba are in the upper middle range. Compared with Amazon, they are neck and neck in some posts. In some cutting-edge technology and engineering fields, Amazon is slightly higher than Alibaba. The reason, on the one hand, is because of its own assets and Amazon is a global e-commerce platform. In this respect, Alibaba still cannot match with Amazon. On the other hand, because the pay structure is different. Besides the salary and bonus, stock awards and option incentives also occupy a very big part in Alibaba's staff compensation.

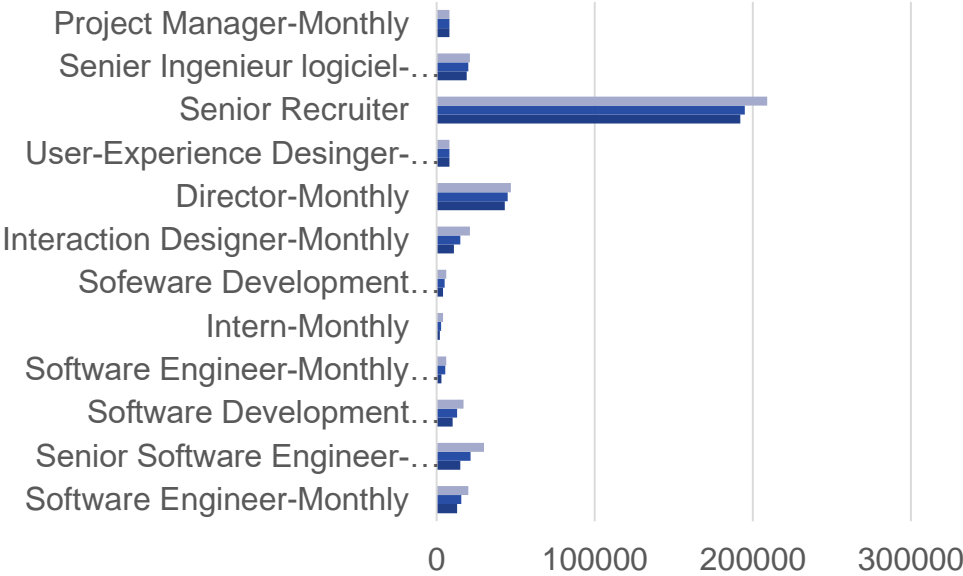
Secondly, within Alibaba, the salary system is closely related to the level of employees. Employees of different levels have different basic salary and the number of shares. In addition, low-level employees do not own shares of the company.

Wage schedule

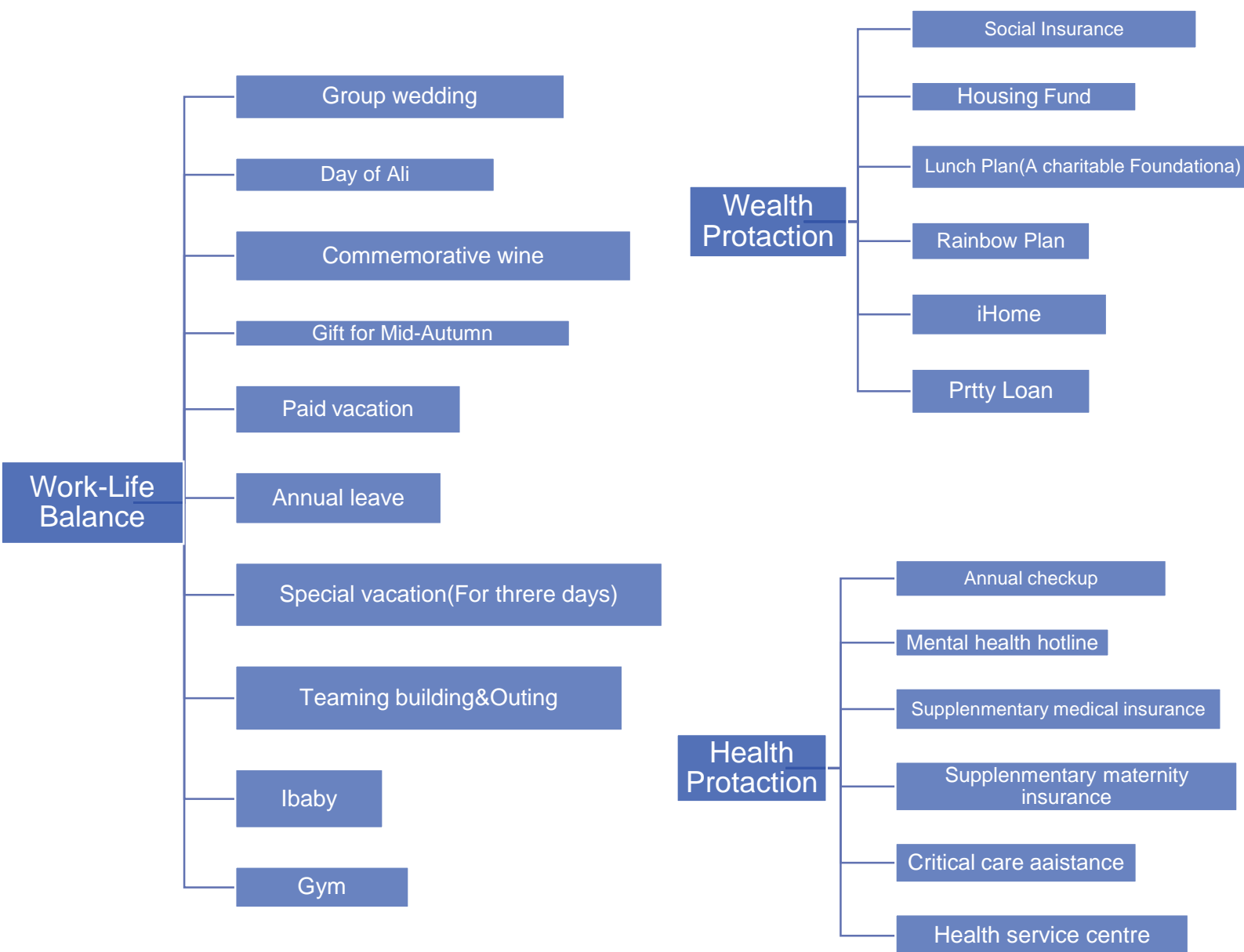


stock(*100 shares)
wage(w)

Salary Comparison



Industry maximum wage
Average Base Salaries of Alibaba in (CNY)
Industry minimum wage



- **SUMMARY:** According to the welfare policy of alibaba, it can be seen that employees' welfare of Alibaba covers a wide range, involving many aspects of employees' work and life, which takes care of employees' property and health.
- **Work-Life BALANCE:** In terms of employees' work-life balance, Ali has also paid much attention and has implemented many supportive plans. But implementation is another story, there are still many problems in it. According to feedback, 66% of employees reflects that they work overtime without subsidies on the weekends and holidays. And according to the statistics, Ali employees' overtime is beyond the average overtime of the whole industry. At the same time of Ali's scale expanding on and on, working pressure and time of Ali's staff are increasing. Therefore, on the existing welfare policy, Ali should consider how to further reduce the working pressure of employees.
- **Wealth Protection:** Alibaba has basic guarantee for employees' property protection as well as the company's characteristic guarantee, such as Rainbow Plan and Dandelion Plan. In these policies, firstly, free riding behavior should be avoided. And they also need to verify the actual situation of employees in time. As a large enterprise, considering its economy, Alibaba should have some incentive policies of financial security. On the one hand, motivating employees, on the other hand, it can also enhance the ability of enterprise sustainable development.
- **Health Protection:** Talking about employees' health care, there is still a certain gap between Alibaba's welfare policy and Amazon's, such as dental insurance, etc.. On the other hand, the type of health care is less than Amazon. Moreover, because the competitive pressure of Internet industry is increasing in recent years, employees' pressure and psychological problems also can't be ignored. Ali has the welfare policy in this regard, but the proportion is still very little. It should pay more attention to employee's mental health care and protection.

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