TOWARDS A BETTER SOCIETY FOR THE FUTURE
## Message from the Executive Chairman
Leveraging Technology and Responsibility to Build a Better Society for the Future

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In early 2020, the COVID-19 pandemic caught the world off-guard and forced a “stress test” on all of us.

But a global challenge like this is not uncommon. The United Nations’ 2030 Agenda for Sustainable Development sets out the common challenges facing all humanity, including climate change, poverty, inequity, lack of equal employment, and public health issues such as COVID-19. It’s a reminder of the urgent need for us to come together, to build a sustainable future for our world.

And as the world focused on seeking solutions through technology and the digital economy, the many stories that took place during the pandemic have emerged as powerful proof points of their effectiveness.

Amid China’s battles to overcome COVID-19 and revive its economy, Alipay and its partners worked together to launch a series of technology-driven lifestyle and financial services. These include a dedicated in-app section for people to quickly access virus-related information and services, outbreak prevention authorities’ health code service, contactless loan, and consumer vouchers issued by governments and merchants. The combination of these measures has helped individual consumers and small businesses mitigate the impact of the pandemic, allowing them to resume normal work and life as quickly as possible.

Globally, digital trade infrastructure such as the Electronic World Trade Platform (eWTP) became an important way to combat COVID-19 and drive the revival of global trade, including by enabling medical supplies from China to reach more than 150 countries and regions quickly. In Southeast Asia, digital wallets in different countries are learning from each other on how to help users deal with the outbreak. Everywhere around the world, digital technology has been playing a critical role in pandemic containment and economic recovery.

Now more than ever, we recognize the power of digital technology to transcend geographical and information gaps and help countries and institutions work together, be it during natural disasters or in daily life. The benefits of digital technology should also be shared equally by all countries, individuals, and small and micro businesses.

Over the past decades, societies have seen turning points in their development whenever there were major public crises. The SARS outbreak in 2003 marked the take-off of e-commerce in China; the Wenchuan earthquake in 2008 brought Internet-powered philanthropy to life. And in 2020, the outbreak of COVID-19 is now accelerating the advent of digital life.

The digital life era belongs to Mr. and Mrs. Guo Runhu of Qingshuihe county in Inner Mongolia. The couple produced beverages made from sea-buckthorn fruits, helping them earn RMB 30,000 to 40,000 more in one month with the support of the 550 million Alipay Ant Forest users who planted the 200 million trees.

The era belongs to pet store owner Tian Liang. The contactless loan initiative launched by MYbank helped him to secure a loan of RMB 460,000 in a short time, protecting his business from bankruptcy during the pandemic.

The era belongs to Rwandan coffee growers in Africa. Thanks to eWTP, their coffee sold for four dollars more per kilogram in the Chinese market. It also belongs to suburban grocery stores in the capital of Bangladesh. Just like the hundreds of millions of QR code merchants in China, QR codes are now the new bridge to their digital future.

The inclusive, green, and sustainable lifestyle supported by digital technology has no borders, and it is here to stay. It is not far away or an illusion.

Living in a global village today, no one can be an island, and there is no future in playing zero-sum games. We can only solve our common challenges by working together, and only through technology and innovation can we shape a future that is inclusive, green and sustainable.

We need to start acting now, to solve disputes through collaboration, to dissolve negative emotion with responsibility, and to build a future with technology. Only in this way can we secure a harmonious and beautiful world for the future generations.

Do well by doing right. Don’t lose the future in worry and hesitation. Together, we can leverage technology to build a better society for the future.
The reshaping of social landscapes by digital technologies started with the shift from offline to online. And the universal intelligence provides all people equal access to digital services. “Going online” has emerged as a cost-effective way for the operation of our society.

During the past 20 years, digital technology has been making its way into every part of our life. From offline to online, from the virtual world to the physical world and from everyday life to public services, digital lifestyle has penetrated into all kinds of scenarios. In short, digital technology has made possible a digital lifestyle which is extensive, intensive and sustainable. The COVID-19 outbreak in early 2020 has paved the way for a new beginning of digital lifestyle.

In the past decade, we evolved from early adopters of the digital lifestyle to getting used to it and enjoying it across different scenarios. Everyone has become an organic part of the digital lifestyle. From eliminating information silos to breaking the isolated life, the digital life community addresses what everyone needs and links them closely. The digital life community shared and shaped by all of us has demonstrated a kind of toughness and resilience in promoting the “contactless” lifestyle amid the COVID-19 outbreak.
A Digital Life Accessible to All

With the constant evolution of digital technology, the idea of digital life has been gaining traction over the past 20 years. From offline to online, digital technology has greatly reduced costs and improved efficiency. More importantly, it has made possible the building of a one-stop digital life platform centered on the needs of individuals. Technology has demonstrated unparalleled advantages in transcending geographic, age, physiological, and other types of limitations, making digital life fully accessible to all.

From online bill payment to life facilitation, Alipay has delivered greater convenience

On October 26, 2008, residents in Shanghai for the first time paid their electricity bills online, which was a novelty that seems so common today. Alipay partnered with Shanghai Electric Power to pioneer the first online electricity bill payment in the city, ushering in the era of online public services.

Since then, online bill payment has greatly reduced the time and transportation costs for users and the administration costs for government departments, enabling individuals to enjoy the convenience of digital life and society to function more efficiently.
Alipay has created many “firsts” in digital life

- **2008**
  - Department of Human Resources and Social Security of Shenzhen
    - First online electricity bill payment service

- **2014**
  - General Office of the People’s Government of Zhejiang Province
    - Pioneered the connection of city services to the provincial government database, allowing people to pay fines for expressway traffic violation online for the first time

- **2017**
  - Department of Human Resources and Social Security of Shenzhen
    - Face-recognition-powered online identity verification became a reality for the first time
  - Exit and Entry Administration Department of Wuhan Public Security Bureau
    - Exit/entry forms could be filled out online for the first time

- **2018**
  - People’s Government of Jiangsu Province
    - Over 800 municipal services could be accessed on Alipay through a mini program, allowing people of Jiangsu to handle personal affairs with just a few clicks and serving integration of Jiangsu Province
  - Hangzhou Housing Provident Fund Management Center for Units Directly Under the Administration of Zhejiang Provincial Government
    - Housing provident funds could be directly withdrawn on mobile phones for the first time

- **2019**
  - Ministry of Human Resources and Social Security
    - Electronic social security card could be accessed on Alipay for the first time
  - Registration Department of Ministry of Civil Affairs
    - Electronic marriage certificates could be accessed online for the first time in Chongqing, Jiangxi, Jiangsu, Fujian, and Zhejiang
Currently, Alipay offers 1,082 types of public services in seven categories such as social security and housing provident fund, and in six categories of municipal services such as utility bill payment and healthcare, serving a total of 600 million users. Alipay is stepping up its efforts to make digital life more convenient.

According to the 45th China Statistical Report on Internet Development by China Internet Network Information Center (CNNIC), digital life is fully penetrating into the day-to-day lives of Chinese people:

As of March 2020, the number of internet users in China had reached 904 million, among whom 897 million are mobile Internet users, accounting for 99.3% of the total. Among them, 694 million Internet users, or 76.8% of the total internet users, had access to online public services. The number of online payment users reached 768 million, accounting for 85.0% of the total internet users, and the number of mobile payment users reached 765 million, accounting for 85.3% of mobile Internet users. 398 million Internet users ordered takeout online, accounting for 44.0% of the total internet users. Additionally, 710 million Internet users, or 78.6% of the total internet users, shopped online.

Globally, mobile payments increased at an average rate of 24%, and 34% of consumers shopped online using mobile payment in-store. Data shows that mobile payment penetration in China was about three times the global average.

Global Consumer Insights Survey 2019 by PwC
Digital life centered on individual needs becomes commonplace

Since Alipay launched the first online payment service, digital life has transformed from a headline grabbing concept to an essential element of everyday life. The past 12 years has witnessed the growth of Alipay into a wholly digitalized life platform across different lifestyle scenarios, including payment and other financial services, life services and municipal and government services. This has laid a solid foundation for building a digital lifestyle ecosystem that serves individual needs.

Over half of users see Alipay not only as a mobile payment tool but also as a channel to get access to all kinds of services. Currently, nearly 60% of users’ searches on Alipay are related to city services. In the past year, this type of activities grew by nearly 300%. Digital life has become an important lifestyle that is characterized by a one-stop experience.

What do Alipay users do on the platform?

- Over 600 million users deposit money into Yu’E Bao
- Over 550 million users plant trees in Ant Forest
- Over 100 million users buy Xiang Hu Bao
- Over 100 million users pay for their municipal services with Alipay every day
- Over 1.7 million third party mini programs hosted by Alipay
- Over 1,000 life and government services
Bridging the digital gap and giving all people equal access to digital convenience

The fully accessible digital lifestyle platform developed by Alipay aims to meet individuals' needs across each life scenarios, and enables more people to enjoy high-quality services in the digital era. The era of inclusiveness should provide all the people with equal access by eliminating the information silos, removing barriers to use and bridging the digital gap.

As of January 1, 2020, the number of Alipay users using accessibility function compared to 2018 increased by 300%.

COVID-19 Accelerated the Upgrade of Digital Services

In early 2020, the COVID-19 pandemic brought a grinding halt to the flow of people and goods, yet accelerated the iterative refinement of digital lifestyle services on online platforms. As more people practice social distancing and self-isolating at home, how to best meet the basic needs of life and ensure the operation of society? If we went back ten years ago, this would have been a huge challenge.

Today, digital technology has been delivering lifestyle services, information, mental comfort, and emotional support to life in quarantine, at a faster pace than ever. The wholly digitalized lifestyle solution has provided possibilities for the society to function in special periods and for individuals to lead normal lives in spite of the pandemic.

Ensuring normalcy of everyday life amid COVID-19

On January 27, 2020, Alipay urgently launched “Anti-Pandemic Express Services”. As a platform integrating coronavirus information and anti-virus resources, it helps minimize the impact of social distancing on the daily lives of millions of people.

Within one week

- Anti-Pandemic Express Services on the homepage of Alipay has served 600 million users
- “Dining Indoors” has served 25 million users
- Frequency of leaving home decreased at least 90 million times
More people become online shoppers to experience digital lifestyle service

As the pandemic necessitated a “contactless” way of life, many elderly people who are not accustomed to “online life” also began to embrace digital lifestyles. To persuade their parents to leave home less frequently, many young people taught their parents how to shop for groceries online during the Spring Festival holiday. According to Alipay data, the number of online grocery orders placed by users born in the 1960s to 1970s quadrupled during the holiday period.
Effectively allocating medical resources to fight the coronavirus

In consideration of demand for medical treatment during the epidemic, Alipay teamed up with multiple partners to solve issues through digital solutions.

**Online free consultation platform in Hubei**

During the Spring Festival holiday, AliHealth launched an online free consultation service on the Alipay’s “Ask an Expert” platform. Hundreds of medical practitioners gathered to provide real-time, free online medical services for residents in Hubei.

**Registration of medicine shortages in Hubei**

After Alipay launched the “registration of medicine shortages in Hubei” service, tens of thousands of messages about medicine shortage were received, of which 87% queried for chronic illness medication, 30% of patients had already ran out, while 70% were left with a low drug supply.

**Free medical consultation service for overseas Chinese**

On March 8, 2020, AliHealth launched the free medical consultation service for overseas Chinese on Alipay. Overseas Chinese can search for medical help online with domestic Chinese doctors between 8:30 to 24:00, Beijing time. As of March 23, 2020, hundreds of thousands of overseas Chinese had logged in to the platform to seek medical consultations.

**Medical Insurance QR Code**

Since March 18, 2020, medical insurance participants in China can search for “National Medical Insurance Certificate” or “Medical Insurance QR Code” on Alipay’s homepage to activate and receive these certificates through face recognition. After that, they can access all kinds of medical insurance services online such as medical insurance inquiry, participation registration and search of designated hospitals and pharmacies, which greatly facilitate the medical demands of insurance participants.
Digital service platform helps society and life return to normal

Since March 2020, multiple regions across the country have started to issue consumer vouchers in a bid to spur economic recovery. On one hand, distributing vouchers to targeted groups via digital platforms can effectively stimulate consumption. Local governments of Nanjing, Hefei, Guangxi, Hangzhou, Wenzhou, Foshan, Zhengzhou, Jiaxing, Quzhou, Shaoxing and Fuzhou, among others, distributed vouchers worth over RMB4 billion in total to their citizens based on Alipay’s real-name authentication system and risk control capabilities. According to estimates by Zhongtai Securities Research Institute, based on leverage of 10–15 times, these vouchers could effectively boost year-on-year growth of total retail sales of consumer goods, lifting consumption growth by over 8%.

On the other hand, such a move can also help businesses achieve digital transformation in the wake of the pandemic. Statistics show that more than 10 million brick-and-mortar businesses across the country have benefited from such vouchers, of which over 90% are small, medium and micro businesses. Electronic vouchers not only stimulate consumption but will also push forward the digital transformation of the service sector, which will be conducive to the transformation of the economic structure in the future.

Since April 2020, an average of nearly 1 million merchants have “opened” their businesses online each week. Among them, 35% are those coming from tier-four cities or lower, and the top five sectors embraced digital transformation from traditional brick-and-mortar entities are catering, apparel, furniture, fresh produce and supermarket.

Accelerating the reopening of Wuhan with consumer vouchers

On April 14, 2020, Alipay announced the hotline (95188-1-2) for queries about consumer vouchers in Wuhan. Stores, supermarkets, and cultural and tourism businesses in the city are expected to see a rebound of retail sales with help from online platforms like Alipay.

“Our restaurants could be the first to benefit,” said Ms. Mao, executive of a Japanese cuisine brand with 17 chain stores in Wuhan, “We are looking forward to those vouchers. Nearly 100 of our employees have come back to disinfect and prepare for reopening in 14 of our stores. I think Wuhan will be reopening soon at a quickened pace.”

“Hubei crawfish” is another beacon for revitalizing the economy with the upcoming vouchers. According to Ele.me Takeout, nearly 80% of Hubei crawfish takeaway restaurants are based in Wuhan. As of mid-April, 73% of these restaurants have resumed business.

“The pandemic froze a chunk of consumption demand. Distributing vouchers will help stimulate the suppressed demand and the consumer market in a short period of time. As a ‘catalyst’, they can boost consumer confidence and fuel consumption, ultimately propelling the recovery of the entire economy,” said Chen Lifen, director and researcher of the Service Sector Division of the Circulation Industry Promotion Center of the Ministry of Commerce.
Providing comprehensive support for the daily lives of frontline medical teams

During the outbreak of COVID-19 pandemic, 346 medical teams and 42,600 medical professionals headed to Wuhan city and other places in Hubei province to fight the virus. As the government imposed a lockdown in the city, these medical teams quickly ran out of their daily supplies.

On February 11, 2020, Alipay set up the “Group to Ensure Material Support for All Medical Assistance Teams to Hubei Province”. Together with TMALL, Ele.me Takeout and Cainiao, it aimed at addressing the shortage of materials required by medical teams in daily life, and in particular, ensuring the supply of products to keep warm and daily necessities. Besides, Alipay opened the “Colored Gems Emergency Hotline” (95188-5) to collect supplies that meet the needs of medical teams.

15 Minutes, Launch of the “Colored Gems Emergency Hotline”

Back in 2016, employees at Alipay established the “Colored Gems Emergency Hotline”, with the goal of creating timely responses to national public crisis. In February 2020, the “Colored Gems Emergency Hotline” played an important role in fighting the COVID-19 pandemic. After 4 years, the “Colored Gems Emergency Hotline” was re-activated in 15 minutes and deliver daily supplies to medical teams in Wuhan.

So many people working on the frontline are struggling, and the “Colored Gems Emergency Hotline” of 95188-5 will enable Alipay to provide support for people in need on short notice, thus bringing positive energy to the people.
Creating a Better Society with Shared Values

2020 Anti-pandemic Calendar

January 24
- Charitable Fund Raising Project – Supporting Wuhan was launched both on Alipay and Taobao to raise a total of RMB 71.4 million
- Alipay and AliHealth jointly launched “Online Free Consultation Service”

January 26
- Alipay launched a channel for COVID-19 real-time updates

January 27
- Alipay launched the “Anti-Pandemic Express Services”
- Alipay established “Health Protection Fund” for medical professionals nationwide

January 30
- Xiang Hu Bao provided its members with a free “Special Protection against COVID-19”

January 31
- Alipay and AliHealth partnered with nationally renowned mental health experts to launch Online Mental Health Support Initiative

February 1
- Alipay’s “COVID-19 Relief Fund” became accessible to all

February 6
- Alipay started recruiting anti-virus mini-program developers

February 10
- Alipay launched a smart community anti-virus mini program, the first of its kind in the nation

February 11
- Hangzhou implemented the health code across the city through the Alipay app
- The first batch of daily essentials arrived in Wuhan for the frontline medical teams

February 12
- “Operation Suspension Insurance” and “Anti-virus Insurance” were given to small and micro businesses free of charge
- A special team was put together to ensure the supply of daily essentials for medical teams in Hubei

February 14
- The first “Medical Worker Health Protection Fund” helped 25 medical professionals

February 16
- Development for a national health code began

February 18
- Alipay launched “Tipping the Store”
- Clothing items such as jackets arrived in Wuhan for the frontline medical teams

February 23
- The second patch of daily essentials arrived in Wuhan for the frontline medical teams

March 3
- The second “Medical Worker Health Protection Fund” helped 65 medical professionals

March 5
- MYbank and 100 banks launched the “Contactless Credit Service for Small and Micro-sized Businesses”

March 8
- Alipay’s virtual credit card service Huabei launched three types of benefits in honor of female medical professionals in Hubei province
- Alipay partnered with AliHealth in launching online medical consultancy for Chinese nationals living overseas

March 9
- The third patch of daily essentials arrived in Wuhan for the frontline medical teams
Digital City Services Spurring Urban Transformation

The popularization of digital public services has bridged the gap among different provinces and cities in terms of access to digital life and convenience and efficiency of digital life. As a result, the classification of cities by tiers and the geographical division among eastern, central and western cities are now changing. For example, some central and western cities have now been classified as “digital tier-1 cities”. The era of digital life community is bridging the gap in digital service accessibility between eastern and western regions, and blurring the traditional Heihe-Tengchong line.

“National policies have injected driving forces into the development of mobile public services. For one thing, government departments at all levels take the initiative to try; for another thing, high-tech firms, typically Alipay, continue to innovate. Government and enterprises join hands through integrating resources and competitive advantages, creating a mobile public service development model with Chinese characteristics.”

Zheng Yueping, Researcher at the Center for Chinese Public Administration Research, Sun Yat-sen University

Since 2008, Alipay has provided online government services to over 600 million users from over 450 cities in China. Utilizing the platform and technical advantages, Alipay provides digitalized solutions for the multi-terminal strategy of digital government services of local governments, building a local citizen service area, so that more city users can enjoy convenient citizen services with one click.
Thanks to the technical innovations over the past 10 plus years, digital technologies have gradually built up a trust mechanism that covers extensive aspects of society, including trust in technology, and mutual trust between different persons, or between different business entities. In this context, different participants in society have seen their relations strengthen.

The technology-backed trust mechanism has effectively supported the stability of employment. On one hand, digital technologies enable individuals to pursue diverse paths of personal development, offering them abundant career choices and opportunities. On the other hand, technical innovation makes it possible for trust to be spread across different business scenarios where small and micro-sized businesses and merchants are motivated to innovate and create jobs.

At the same time, digital technologies are inextricably integrated into different parts of the society, advancing social development with systemic infrastructure support and transforming different sectors toward their digital operation. Leveraging the strategic synergy and experience sharing globally, digital technologies will benefit the world with their ability to invigorate business development and to enable more small and medium-sized enterprises to expand their businesses to overseas markets.

At a critical time when all Chinese are united to fight the COVID-19, digitalized service has grown into an important economic stabilizer for individuals and businesses to withstand the shocks brought by the pandemic, and become an accelerator for economic rejuvenation in the post pandemic era. The booming digital economy has further strengthened the resilience of the Chinese economy amid the ongoing crisis, and helped it build up competitive advantages in the progress of global economic recovery.
Digital Life Gives Rise to New Development Opportunities

The advancement of digital technologies has supported the stability of labor markets. This new trend has only become possible after the Third Industrial Revolution. According to the Ministry of Human Resources and Social Security, between the 11th Five-Year Plan and the 13th Five-Year Plan, new jobs created by each percentage point of GDP growth rose to an average of 2 million, up from 1 million, doubling the efficiency of employment stimulation.

In the past few years, in addition to the amount of employment, the year-on-year growth rate of new careers keeps an upsurging trend, which is contributed by internet platforms and digital technologies.

Zhong Chaoneng, a 25-year-old in Guangzhou, designs emojis that have been downloaded by 150 million people and shared by nearly 5 billion
In the 15 years since Alipay was founded:

**Digital economy creates new careers and new jobs**

The new business patterns and new models created by the digital economy have given rise to a myriad of new careers and jobs. According to the Alipay Report on New Careers, Alipay, a 15-year-old platform, has incubated over 40 types of brand-new careers, directly creating new jobs for nearly 7 million people.

**Mobile payment from online to offline**

- **Cultivating**
  - 1.10 million
    - "collect money" QR code-related system/software developers
  - 1.70 million
    - Freelancers who promoted QR codes among small merchants in third/fourth-tier cities of central and western China

**Vigorous digital economy development**

- **Producing**
  - 500,000
    - Internet of Things (IoT) technicians specialized in installing/debugging facial recognition appliances, QR code appliance technicians who produce QR code scanning equipment used for buses, bus route planners using big data, enlabelers for big data labeling, and engineers dedicated to intelligent garbage classification, among others

**Continuously open technical and platform capabilities**

- **Giving rise to**
  - 1 million
    - Mini program developers and hundreds of thousands of entrepreneurs in new leasing economy. The rise of mini programs leads to many new careers in niche market: waste sorting workers who provide door-to-door services through online booking, Excel lecturers (online), and product assessors, online violin practice partners, Nijigen game customer service staff, Nijigen ancient-style anchors, wish makers, inspirational article writers, playlist advisors, etc.

**Digital lifestyle creates new jobs**

- **Deriving**
  - 400,000
    - Persons to plant and preserve trees for Ant Forest, bike maintainers, as well as visitors and investigators of Xiang Hu Bao, the most familiar strangers for Alipay users

**Alipay set up a global remittance and payment network**

- Overseas tax refund guides come into reality to help consumers get their tax reimbursed more quickly.

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Liu Dong, from Shandong, is fond of making planes out of paper. He is called “King of Paper Planes”, as over the past five years he has sold 16 million of them online.
Young people from small towns are the key players in new careers

50% new career workers come from the third-, fourth- and fifth-tier cities

- Data labelers
  - 100% young people from small towns
- Babysitting instructors
  - 100% young people from small towns
- Cloud customer service staff
  - 89% young people from small towns
- Persons who plant and preserve trees for Ant Forest
  - 100% local farmers and herdsmen
- Freelancers in the digital era
  - 90% young people from small towns

New careers are not exclusive to young people

- 60% 30-40 years old
- 50% 40+ years old
- 50% 50-60 years old
- 10% 60+ years old

- Waste sorting workers who provide door-to-door services through online booking
- Persons who plant and preserve trees for Ant Forest
- Hellobike maintainers

New careers stimulating the development of gig economy and on-demand economy

- 66.7% part-time jobs
- 33.3% of part-time jobs can be done online

* As of the end of 2019
**Micro gigs in the digital era**

Sun Yunpeng, a junior college student, spent two years promoting QR codes across streets of Qingdao. The unique journey not only earned him RMB30,000 but also transformed the shy boy who used to be afraid to look straight at roommates’ eyes into a lecturer confidently speaking to 400 micro-gig part-timers just like himself.

**Bike maintainers**

After his military service, Xue Yutang returned to his hometown Baotou where he became a Hellobike maintainer. One day when he was organizing the bikes scattered at the roadside, some passers-by suddenly hailed him, “Well done!” Hearing the unexpected praise, he instinctively responded with a military salute. That very moment was captured and posted online, winning widespread acclaim. “Bike hunters” like Xue can be found in over 360 cities around China rearranging and reorganizing shared bikes. Most of them are in middle age.

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**Promoting employment and helping the Chinese economy to restore stable growth**

On April 17, China’s National Bureau of Statistics released GDP data for the first quarter of 2020. The value added of the service sector only shrank by 5.2%, much milder than consensus expectations. Cheng Shi, chief economist at ICBC International, believes that the resilience of the service sector stems from the positive contribution of software and IT services.

Data shows that IT services grew their worker base by 25% to 50%, with technology, operation and marketing positions in most demand. The global pandemic shut down countless restaurants but opened a window for the digital upgrade of the service sector.

The traditional catering industry started looking for Internet talents. Home Original Children, a food chain whose boss tore up the employees’ letter requesting for pay cuts during the pandemic, went online to provide group meals for organizations on Ele.com. It announced plans to hire 5,000 workers in 2020, including urgently needed big data architects, risk control engineers, private traffic operators and IT product managers.

China’s response to the COVID-19 pandemic has magnified the significance of Internet platforms such as Alipay. They not only enable the Chinese service sector to advance on comprehensive digitalized operations, but also create numerous jobs through new business models, becoming a new engine China relies on to achieve stable and flexible employment.

Lv Peng, researcher at the Institute of Sociology, Chinese Academy of Social Sciences (CASS)
In the two months since the outbreak of the pandemic, 1.64 million in China have landed flexible employment opportunities through Alipay. Of these jobs, 90% are in the service sector, a sector that also bore the brunt of job loss during the pandemic. Additionally, statistics show new job categories such as artificial intelligence (AI) trainers and delivery personnel for online orders as well as a variety of part-time jobs. Digital lifestyle service platforms, represented by Alipay, ascended to the pivotal strongholds to create job opportunities and stabilize labor markets.

As the pandemic comes under control effectively, it is imperative to help employees return to work and factories resume production. Digital technologies have offered many solutions. Alipay’s digital lifestyle service platform unveiled many mini programs which aim to offer different population groups with flexible job opportunities. Many college graduates and migrant workers, as two key groups of employment, have landed job opportunities through Alipay, which substantially eased the negative impact of the pandemic exerted on the recruitment of fresh graduates and the mobility of migrant workers.

Migrant workers stuck at home

During the pandemic, Alipay unveiled 250,000 new mini programs, which created 750,000 development and operation posts. In many Chinese places such as Shaanxi and Guizhou, thousands of migrant workers who were forced to stay at home started to work as AI trainers for Alipay. They were responsible for marking data, so as to make AI smarter. This job brought migrant workers a monthly income ranging between RMB3,000 and RMB6,000, and many of them decided to continue working there.

College students

Alipay has cooperated with the Ministry of Human Resources and Social Security, China Development Bank, the Central Committee of the Communist Youth League, and the China Higher Education Student Information and Career Center under the Ministry of Education, among others, to host online job fairs for over 8 million graduating seniors and public-interest special job fairs for Hubei. These job fairs bring together more than 100+ well-known large enterprises and 10,000 micro, small and medium enterprises that have passed Alipay credit evaluations.

Alipay started an online job fair through the end of June. The no-contact online job campaign has seen participation of 60,000 enterprises, attracting more than 1 million college students to look for jobs on Alipay.

630,000 college students found part-time jobs such as editors and online home tutors through Qtshe’s mini program.
Inclusive Finance Empowering Small and Micro-Sized Economy

Individually owned businesses, mom-and-pop stores and farmers in China comprise the bulk of small and micro-sized businesses. They function as the individual units of China’s economy, and can make the most immediate and convenient response to the daily needs of urban and rural residents. Every single small and micro-sized business may provide the means of livelihood and job opportunities for one or even several households. In this sense, empowering small and micro-sized enterprises financially can help stabilize economic development and improve people’s lives.

As one of the first Internet banks in China, MYbank is dedicated to becoming the bank that serves the largest number of small and micro-sized businesses, but with the least profit, compared with its global peers. With inclusiveness as part of its DNA, MYbank has always explored ways to empower small and micro-sized businesses and farmers and do whatever it takes to meet their needs for further economic development.

Many emerging internet banks such as MYbank extend microfinance in batch by leveraging their intelligent risk control system and data portraits. This move has made financial service much more widely available to small and micro-sized market players.

Zhu Shumin, Vice Chairman of the China Banking and Insurance Regulatory Commission (CBIRC)

MYbank has served small and micro enterprises and individually owned businesses

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<td>had never obtained a business loan from a bank before</td>
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the average outstanding loan size was about RMB31,000

Increased 70% year on year

Financing for small and micro-sized businesses is a short-term, small-amount, frequent and urgent process, often with a lack of necessary information and credit. Based on the decades of practice in microfinance by Alibaba, MYbank has launched the “310” microfinance loan model —— 3 minutes to apply for a loan, 1 second to approve the loan, and the whole process requires 0 human intervention. Behind the unique “310” model stands the risk control capabilities the bank has developed over time. All of these risk control technologies can, on the one hand, allow small and micro-sized enterprises to obtain loans by virtue of their credit, which exempts them from any guarantee or collateral. On the other hand, they have helped MYbank to control its non-performing loan (NPL) ratio to around 1%. Behind inclusive finance lies the powerful technological support.

Digital technologies provide support for financing decision making. Financial institutions can serve micro, small and medium enterprises that were easily excluded from the traditional financial system. It is a world-class innovation in inclusive finance. Therefore, the “310” non-contact lending model is particularly valuable during the pandemic. Compared with the traditional risk control model, it provides timely help for enterprises. Although a majority of micro, small and medium enterprises do not have financial data and are not connected to the central bank’s credit system, highly robust estimations can still be made based on big data. These are revolutionary changes.

Huang Yiping, Director of the National School of Development and Institute of Digital Finance, Peking University
Serving more rural small-sized stores and households

To give more rural small-sized stores and households equal access to financial services, in 2019, MYbank conducted strategic cooperation with 497 counties, including 146 poverty-stricken counties, to address the “last mile” dilemma in the accessibility of financial services with the county government.

Lu Lizhuang, a watermelon grower in Shanghe County, Shandong Province, is the first “no-contact” loan customer in the county. MYbank saved us from “begging for loans.”

In addition to small-sized stores, rural households also make up a large part of MYbank’s user base. As of the end of 2019, MYbank had granted agriculture-related loans to 3.44 million users in cooperating counties, saving us from “begging for loans.”

MYbank announced the preliminary moves in response to the pandemic on February 1, 2020. It promised not to call in loans in advance or cut off loans for the 1.5 million Hubei-based restaurants, mini-markets, and other small-sized stores offering goods and services necessary for the local population’s daily life, as well as 300,000 small pharmacies. The bank did its best to protect these stores from shutdown, due to the sudden capital chain rupture. In addition, it reduced the loan interest rate by 10% to reduce the burden for small stores. Any coronavirus-positive store owner could contact MYbank via its customer service hotline to get the loan interest exempted completely.

On February 10, Alibaba and Alipay jointly launched 20 special measures in six areas to support the development of small and micro enterprises.

### Actions MYbank took to help small and micro-sized businesses

<table>
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<tr>
<th>Measures</th>
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<tr>
<td><strong>Offering store owners with low-interest, interest-free loans</strong></td>
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<tr>
<td>RMB10 billion low-interest or interest-free loans channeled to Hubei: Credit lines granted to small store owners won’t be called in advance or cut off. Special loans that amount to RMB10 billion with a term of 12 months are offered to Taobao and TMALL sellers who are registered in Hubei. These loans are interest-free in the first three months and eligible for a 20% off in interest rate for the remaining nine months.</td>
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<tr>
<td>RMB10 billion special loans to finance store owners in other places of China: Taobao, TMALL and other platform-based sellers from other parts of China are provided with special loans which total RMB10 billion with a term of 12 months. These loans are eligible for the 20% interest rate off.</td>
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<tr>
<td><strong>Free “zero-payment-day” service:</strong> In order to shorten the transit time of merchants’ funds, MYbank made advance payments to the eligible Taobao, TMALL and other platform-based sellers, before buyers received the parcels and confirmed the receipt of goods.</td>
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</table>

In addition to small-sized stores, we rural households also make up a large part of MYbank’s user base. As of the end of 2019, MYbank had granted agriculture-related loans to 3.44 million users in cooperating counties, saving us from “begging for loans.”

## Credit lines granted to small store owners won’t be called in advance or cut off. Special loans that amount to RMB10 billion with a term of 12 months are offered to Taobao and TMALL sellers who are registered in Hubei. These loans are interest-free in the first three months and eligible for a 20% off in interest rate for the remaining nine months.
Confirming receipts: supporting small and micro-sized stores along with 266 million users

MYbank released the “zero-payment-day” service on February 10, 2020. The number of Taobao sellers eligible for the above service reached 6.5 million by February 29. For the agricultural, catering and electronic information industries severely affected by the pandemic, the service comes as the most accessible measure to ease the current cash flow shortage.

On March 2, MYbank and Taobao jointly launched an initiative to call on society to shorten the account period of small and medium-sized enterprises, not to intercept the flow and not to default, and to protect their capital chain. On March 11, Taobao and MYbank announced together that the “zero-payment-day” service would be extended to June 30.

As of the end of March, 2020, 266 million buyers confirmed the receipt of orders, which has helped tens of thousands of sellers to pull through the ongoing cash flow crisis.

Free “zero-payment-day” service

Date of announcement: March 11
Predicted period of service: By June 30
Estimated advance payments made by MYbank: Over RMB 200 billion

Blockchain Empowering High Quality Development of New Infrastructure

At the routine press conferences by the National Development and Reform Commission on April 20, 2020, blockchain was officially listed as an information infrastructure in the new infrastructure development. As some scholars have pointed out, blockchain should be an infrastructure built upon both digital attributes and trust. Connectivity and trust are two major issues to be addressed when it comes to new infrastructure development and urbanization, intelligence and the digital economy.

The vision of Ant Blockchain is to construct the creditable value transfer infrastructure, thus providing support for quality development of national new infrastructure. In particular, to help resolve trust issues, promote the establishment of business mutual trust, and provide effective support for the financing of small and micro enterprises, thereby stimulating the operational vitality of small and micro enterprises. The financing support will help these businesses to better address the cash flow challenges in the post-pandemic period, and also provide a strong impetus to the recovery of Chinese society and economy.

Number of Ant Blockchain patent applications ranked No. 1 globally for three consecutive years

- Ranked first globally for 3 consecutive years
- Support the operation of 1 billion accounts and 1 billion daily transactions per day
- Solve the trust issues existing in more than 40 scenarios such as cross-border remittance, supply chain finance, judicial evidence and electronic bills
- 43 patents in 2017, 90 in 2018, 1,005 in 2019 (Year)
Invigorating Social Economic Development

Alipay has stepped up in opening for the past few years
1.0 Era of tool openness
Alipay opened over 3,000 capability interfaces.

2.0 Era of platform openness
Alipay made its capability accessible for all sellers through mini programs and public life accounts.

3.0 Era of universal domain openness (for the present and the future)
Alipay hopes to open the universal operating system to its sellers, so that stores and service providers can have access to more public domain capability, public domain flow, and business scenarios.

From March 10, 2020, Alipay upgraded itself from a financial payment platform to an open platform for digital life. In the three years to come, Alipay will team up with 50,000 service providers, to help 40 million sellers realize their digital upgrade.

The universal, whole-chain digital operation which starts from payment has become a development trend. Alipay hopes to help service providers upgrade their capabilities in product, operation and other aspects, with a view to reaping the dividends brought by the digital economy and delivering services to consumers in a more effective manner.

Ant Duo-Chain: Building a new business credit model

In July 2019, Ant Duo-Chain, a supply chain cooperation network based on blockchain technology, was put into operation after an overall upgrade. It is intended to completely eliminate the existence of fake seals or contracts in the field of supply chain finance, so that small and micro-sized businesses could have access to the efficient, convenient financial services. Ant Duo-Chain will unleash the potential of supply chain finance as a financing mode, greatly enhancing credit availability and financing coverage. There are 275 guarantee institutions across China, which are predicted to cover 10 million small and micro-sized businesses.

In January 2020, Ant Duo-Chain underwent another upgrade where enterprises are allowed to set off their accounts receivables and accounts payables on the premise of weak right confirmation, thus giving rise to a new credit mode. This means small and medium-sized businesses on a supply chain can vitalize their receivables, and that supply chain finance is expected to further expand its market size.

Ant Blockchain OpenChain: entering the phase of public beta

Ant Blockchain OpenChain is a low-cost, easy-access inclusive blockchain service network designed for global developers, especially for medium, small and micro-sized businesses. Upholding the principle of building the ecosystem together and cooperating to achieve a win-win outcome, the OpenChain opens its service network to all developers in the industry, enabling them to thrive in the ecosystem.

It made its debut at the Apsara Conference 2019 on September 26, 2019. Since the start of public beta testing on November 8, 2019, over 1,000 people have applied to participate. The purpose of the OpenChain was set to apply blockchain to many domains such as confirmation of artwork copyrights, prescription records, game asset management, product traceability and intelligent contract development, to name a few. This represented a powerful reminder of the infinite imagination market players hold for blockchain application. The OpenChain was opened for a full-on public beta testing on December 27, 2019.
Invigorating Social Economic Development

With the rapid evolving of digital transformation, the consumption model and financial service model of inclusive finance are undergoing profound changes. China has achieved good results and accumulated rich experience in the development of inclusive finance, especially in how to leverage the power of FinTech to transform traditional financial services and management and operating models into digital inclusive finance. The country is also endeavoring to advance global inclusive finance through “technology empowerment” and improve the accessibility and capacity of inclusive finance services to benefit more countries and users, thus contributing to global sustainable development.

“Only a little smidgeon of international cooperation will promote this inclusive development pattern of China all across the world, dotting the entire chain together. The participation of small and micro-sized businesses in various countries in the global market will become the next growth engine, and this is the most exciting development.”

Michael Spence, 2001 Nobel Prize Laureate in Economics

Inclusive Finance Contributing to Global Sustainable Development

Empowered by technology, serving 1.2 billion users worldwide

Through Alipay’s technology empowerment, Alipay and its local e-wallet partners have served for over 1.2 billion users worldwide, as of June 2019.

On January 10, 2020, Alipay announced the establishment of an international security service platform with a view to helping more enterprises shore up their security capabilities. The “Full Compensation” scheme that Alipay rolled out 15 years ago has gone global. So far, TnGD in Malaysia, DANA in Indonesia and GCash in the Philippines, the three local e-wallet partners of Alipay, have undertaken the promise. This achievement signals that China has been able to share experience with other countries on how to develop security technologies and protect users, when it comes to electronic payment.

Supporting technological innovation and talent cultivation in emerging markets

Leveraging digital technology to help accelerate the development of emerging markets such as Southeast Asia, especially in the fields of technological innovation and the cultivation of scientific and technological talents, is an important way for the digital economy to advance technology for inclusion. On April 17, 2019, Alipay and NUS Enterprise, the entrepreneurial arm of the National University of Singapore, jointly announced the results of the Alipay-NUS Enterprise Social Innovation Challenge. Indonesian start-up Aruna won the grand final for its use of digital technology to help fishermen in Indonesia improve their livelihoods through better market access and fairer trading opportunities.

Among the over 350 start-up contestants, nine teams from Malaysia, Singapore and Indonesia reached the final. The winner and other finalists would also benefit from the 10×1000 Tech for Inclusion program. Jointly announced by Alipay and IFC, a member of the World Bank Group, on October 13, 2018, the program is expected to support the cultivation of 1,000 technology experts in emerging markets annually over the next 10 years.

Utari Octavianty, co-founder of Aruna
With the development of digital technology, people have been living their lives from the real world to the digital realm, which brings about new ways of interaction. People and society are more connected than ever.

Digital technology supports the development of comprehensive platforms for user interaction, and provides a new type of infrastructure for digital interaction. On the one hand, online platforms supported by digital technology accessible to everyone enables the public to also contribute to the growth of the platforms. On the other hand, enabled by digital technology, the public’s individual willingness to do good is effectively pooled together to improve societal collaboration and thus facilitate the resolution of real-world problems.

Digital technology, by extending engagements and supporting platforms, has increased the social collaboration capability, promoted mutual assistance for shared benefits and cross-regional cooperation, and contributed to sustainable coexistence between human and nature. This has generated a more efficient collaborative approach for the era of digital life, and enriched the values for people to pursue. And all these factors are outlining a blueprint for a better society in the future in which everyone can play their part.
Fighting the COVID-19 Pandemic with Digital Collaboration

The COVID-19 pandemic led to an urban management rethinking for many provincial and municipal administrators in making use of digital technology, shifting from the traditional isolated “local area network” model to an “Internet” collaborative model. In the past, digital urban management were conducted within the “local area network”. For example, digital public services were provided for people within that particular city or province. Since 2019, with the help of digital technology, the “local area networks” have started to connect with each other. For example, the Yangtze River Delta region connected the metro services provided in different cities in the region by launching a unified QR code-based ticketing system.

If “quick and dirty” solutions were the hallmark when different cities initially launched their own health code services which could only be used locally, the interoperability of these services in the later phase of the pandemic has been a refined method to fight the outbreak that won public recognition.

The building of a digital society is a transformational practice for public services and societal governance. Traditional organizations perform two major functions in society, namely, providing public services and implementing societal governance. Urbanization in the new era must also address these two functions. The building of a digital society is a historical transformation in which digital technology plays a core role.

June 18, 2019, Zhejiang Daily, Focal Points in Building of a Digital Society

The pandemic is a test of the level of digitization of public services and people’s everyday life. The health code service is an example showcasing how the Internet infrastructure can help fight the pandemic, and provide support for both pandemic control and for restarting work and production in a precise manner.

Pan Helin, Executive Dean of the Digital Economy Institute, Zhejiang University of Economics and Law

Health code services enables the digital fight against COVID-19

After the Spring Festival holiday in 2020, as people made their trips back home, to where they work and attend schools, challenges arose to the control the pandemic. Taking a precise prevention and control approach provided a strong support for the resumption of work and production in an orderly manner.

On February 9, 2020, the government of Yuhang District, Hangzhou City, Zhejiang Province, took the lead in launching the health code service on Alipay’s platform, and then promoted the service citywide on February 11. This health code service, assigns three-colors, namely “green, red and yellow” to users who had opted-in to the service and planned to return to Hangzhou. The launch of the health code service represents a breakthrough in the isolated and static information management constraints of the old “Paper Pass” traditional model, and allowed dynamic risk management and established a cross-city trust mechanism.

On February 15, 2020, the E-government Office of the General Office of the State Council made a request to Alipay and Alibaba Cloud to help accelerate the development of health code service for the national integrated government service platform to support pandemic prevention and control.

Behind the rapid adaption of health codes services are the concerted efforts and dedication from the public sector, the private sector and urban residents to fight the pandemic. This also helps enhance the country’s governance competence for responding to future public health emergencies.
"If it weren't for the health code service, we might not even be able to leave the village".

At 10:07 p.m. on February 16, 2020, China’s first chartered high-speed train with about 300 workers returning to work arrived at Hangzhou East Railway Station from Guiyang North Station. They are employees of nearly 60 enterprises in Hangzhou. To help employees of local businesses go back to work, Hangzhou government applied to the railway authorities for a chartered high-speed train for migrant workers so as to reduce the risk of infection. Before onboarding, the health codes of all workers were verified, and those meeting the health requirements could proceed to board the train, wearing masks.

Wang Zhenbo, an employee from Hangzhou Dongteng Industrial Co., Ltd., said that he encountered difficulties when he attempted to leave Ertaipo Village, his hometown in Guizhou, because he was required to provide a health certificate issued by a hospital according to local requirements. After communicating with the local government, they were offered an expedited way out. Wang Zhenbo and 13 villagers were allowed to leave the village and took a high-speed train back to Hangzhou by presenting their Hangzhou health codes. "If it weren’t for the health code service, we might not even be able to leave the village," said Wang Zhenbo.

Digital cooperation to fight the pandemic

-cap Nationwide support and assistance for frontline pandemic containment

As of February 17, on Alipay and Taobao, charitable organizations from all walks of life launched 51 donation programs related to medical supplies and supporting medical workers, and attracted over 5 million netizens participating in the donation initiative.

-cap Alipay called for developers to come together and fight the pandemic

After receiving a surge in pandemic control related Alipay mini-program development applications, on February 6, 2020, Alipay and Alibaba Cloud jointly launched an initiative calling for all developers to join the battle against the pandemic, using their expertise to develop mini-programs to support pandemic containment. Alipay provided participants of the initiative with technical, funding and traffic support.

-cap Ant Blockchain assisting the tracing and circulation of materials with technology

In February 2020, led by Zhejiang Health Commission and the Department of Economy and Information Technology, a public information service platform for pandemic prevention supplies, jointly developed by Ant Blockchain and CityGO Group went online on Alipay, putting the information of donated materials on the blockchain. No matter how many intermediate processes the donated materials have gone through, Ant Blockchain’s technology ensures the entire process is recorded and tamper proof, allowing for efficient distribution and tracing of donated materials in a complicated, multi-party coordination model.
Multi-party Collaboration to Safeguard Digital Security

Through continuous innovation and development, digital technology has made our life easier. However, many new types of fraud based on digital services are posing threats to users’ interests. Alipay has been taking rigorous anti-fraud measures by leveraging the power of technology. It has, at the same time, made continuous efforts to raise users’ security awareness, so as to better protect their interests.

Safeguarding internet security with technological innovation

With the support of AlphaRisk, a proprietary intelligent risk engine, the fraud loss rate of Alipay transaction is lower than one in 10 million or 200 times lower than the industry average globally.

The “Full Compensation” scheme, with the commitment “As long as you use Alipay, we will compensate you in the case of account theft”, was launched to safeguard user accounts in 2005. In the event of account theft, whether it is caused by the Trojan virus or by the loss of the mobile phone, the user can enjoy full compensation. In 2019, the scheme was upgraded to its 2.0 version: “Instant Compensation for Confirmed Cases and Compensation Payout First for Suspected Cases”.

Alipay’s security system has been upgraded to the fifth generation, and the intelligent risk control function can identify risks in real time through artificial intelligence, machine learning and other technologies.

The fraud loss rate of Alipay transaction is lower than one in 10 million or 200 times lower than the industry average globally.

Enabling everyone to protect themselves against fraud

The “last mile” that anti-fraud technology cannot reach is the awareness of the user. Alipay continuously focuses on improving financial literacy and risk control awareness of the general public, and leverages multiple means to address the issue, with the aim of enabling everyone to protect themselves against fraud. So far, Alipay’s anti-fraud and other safety education initiatives have reached 400 million people.

Cybersecurity Promotion Week 2019

The Cybersecurity Promotion Week was launched in September 2019 in Tianjin, where the local Cyberspace Administration and Alipay jointly launched a cybersecurity knowledge contest. While testing their cybersecurity knowledge, the netizens could also improve their awareness against online fraud. The campaign was launched on Alipay’s online quiz platform “Dada Planet” on September 9, and attracted nearly 2 million people within three days.

Xinghai Campaign: Public education against financial fraud

In 2019, through carrying out diversified financial inclusive education for the public, Alipay launched original education videos and comics. In cooperation with the People’s Bank of China, the Consumer Protection Committee, the Internet Finance Association, the Public Security authorities, the media and other parties, Alipay leveraged its platform and carried out the campaign. It reached over 350 million people, which helped to gradually enhance people’s ability to identify financial fraud and their ability to protect themselves.

Alipay customer service staff perform anti-fraud dance to reach more users
Mutual Aid Connects Hundreds of Millions in Need

As individuals, we only have limited ability to resist critical illnesses, accidents and disasters. But when we come together, we will be much tougher. This is why mutual aid has been in existence long before online mutual aid emerged. Today, thanks to the development of digital technologies, the model of mutual aid can reach more people in need than ever before.

In 2019, a total of 102,426,424 people nationwide joined Alipay’s online mutual aid platform Xiang Hu Bao. Characterized by mutual assistance and inclusiveness, Xiang Hu Bao provides a platform for users to support each other in times of need and offers a basic health plan against critical illnesses. While more than 100 million people joined the online mutual aid platform, a total of 15,325 participants received payouts after applying.

With over 100 million participants, Xiang Hu Bao becomes the world’s largest online mutual aid platform

On May 8, 2019, Alipay launched the mutual aid plan for senior citizens on Xiang Hu Bao’s platform, which is distinct from the original health plan on the platform. With this new plan, an independent community of mutual aid was set up to cover medical expenses of illness due to cancer for seniors aged between 60 and 70.

If a participant is diagnosed with certain types of cancer, he or she can apply for a one-time payout of RMB 50,000 (mild malignancy) or RMB 100,000 (severe malignancy). The cost will be borne by all participants. In an individual payout, the averaged shared cost of each participant would not exceed RMB 1 yuan.

“As a group with relatively high risk of major disease, senior citizens face more restrictions and difficulties in accessing commercial health insurance, due to reasons such as high threshold and high cost. As a result, seniors are inadequately insured against major disease risks. The senior citizen’s Xiang Hu Bao reduces the threshold for protection, and enhances resilience by way of mutual aid within a group. It is a beneficial supplement and exploration to better protect seniors from major disease risks”.

Guo Jinlong, Director of the Research Center for Insurance & Economic Development, Chinese Academy of Social Sciences

On March 2, 2020, through the launch of a new donation function, more than 80,000 Xiang Hu Bao participants joined a donation initiative for Lili (not his real name), a one year old boy with a rare disease. Within only one day, the goal of RMB100,000 was reached. The donated funds would be used for special drug injection for Lili, whose father is an ICU doctor. With the support from the Xiang Hu Bao community, the father, who had been saving lives in the hospital, can also receive help from others online.

Xiang Hu Bao has been studying how to support participants to help each other in the unfortunate event of rare diseases. After the new donation function was launched, Xiang Hu Bao participants can make a voluntary donation, with a single donation starting from RMB 2 yuan and maximum total amount of RMB 100,000.
Digital Technology Unlocks New Philanthropic Model

The advancement of digital technology has unlocked more opportunities for the public to play a part for good. Digital technology also enables China’s philanthropic sector to develop new models, leading to a new ecosystem. With the empowerment of digital technology, the experience of the philanthropy sector in China in terms of creativity, user experience, influence and reach can have profound implications for philanthropy sectors in other markets.

Bringing more inclusive opportunities of and development opportunities to the world

On May 20, 2019, Alipay announced the establishment of the Alipay Foundation with a focus on green and sustainable development, as well as women’s empowerment, thus providing more initiatives around internet-based philanthropy.

A-Idol initiative: a new model of “artificial intelligence + poverty alleviation through industrial development”

In view of the current situation of women living in poverty in China, Alipay Foundation and Alibaba AI Labs, in cooperation with China Women’s Development Foundation, jointly announced the “A-Idol Initiative” to bring jobs-related to the development of artificial intelligence to underdeveloped areas in China, with a focus on prioritizing these opportunities for women. As of the end of 2019, an experienced AI trainer on average makes about RMB3,000, with the highest salary reaching over RMB10,000.

The charity platform pooling supportive resources together

Alipay’s Charity Platform was established in 2008 as a fund-raising channel for disaster relief in post-earthquake Wenchuan; and in August, 2016, it became a designated online fund-raising platform for charitable organizations by the Ministry of Civil Affairs, with the goal of connecting seamlessly charitable organizations with individual and corporate donors. It has launched charitable products such as donation through walkathons, donation though income and monthly donation, etc. In terms of technological innovation, we utilize blockchain technology to document the lifecycle of every donation made, thus increasing the transparency of charitable donations; and we were the first in the nation to release an electronic individual donation receipt in online fund-raising platforms.

Amount of fund raised (RMB100 million)

No. of contributors (100 million participations)

No. of charitable organizations provided with payment access

*As of the end of March, 2020
In March 2020, Zhejiang Province moved the first batch of electronic bills for donations of five philanthropic foundations onto Ant Blockchain, which records information of each donation via blockchain. This means that each donation received by the charitable organization and each bill issued will be matched, upgrading the charity supervision mechanism.

Since launching charity programs on the blockchain, sources and destinations of every donation are meticulously recorded and tracked, and it leaves no room for tampering. This has indeed increased people’s trust in public welfare, and the fundraising speed of charity programs on the blockchain was twice as fast as usual.

“Time Bank” is a new mode of mutual support for elderly care. Volunteers can “save” by inputting their hours spent on community work into the “Bank”. They can then redeem elderly care support equivalent to the amount of time “saved” into the “Bank” for either themselves or for their parents in the future. However, the long period of time storage and redemption, as well as the large number of agencies involved, leaves room for errors including loss of data during the recording process. In 2019, Jianye District of Nanjing took the lead in migrating the “Time Bank” onto the Ant Blockchain to permanently keep record of the volunteer hours. In the future, if this model is promoted nationwide, volunteer hours can also be redeemed across the country.

Engineers at Alipay developed a mini-program called Yi Shu (“One Book”), which uses blockchain and Internet of Things technology to track the borrowing history of the book. Every time the book is borrowed or returned, the donor can receive a real-time message. The mini-program can also make personalized reading recommendations based on the user’s borrowing history. It also lists similar books that are popular with children.

In September 2019, the United Nations Environment Programme (UNEP) awarded Alipay Ant Forest initiative the 2019 “Champions of the Earth” title under the “Inspiration and Action” category, for inspiring over half a billion people to adopt a low carbon lifestyle and for using the power of its digital technology to convert virtual green energy to 122 million real trees planted in areas facing desertification.

Soon after this award, the United Nations Framework Convention on Climate Change (UNFCCC) announced that Alipay received the 2019 UN Global Climate Action Award, in recognition of Alipay Ant Forest’s innovation and exemplary role in responding to global climate change.

“Ant Forest is very innovative. It has managed to mobilize millions of people to get an understanding of the environment and what they can do by contributing a small amount of resources. People can even check the trees planted by themselves at any time on their cellphone. What we like is to have people connected with the environment. Having people engaged in a personal way is very powerful”.

Inger Andersen, Executive Director of the United Nations Environment Programme
An innovative philanthropy model of "ecological protection + poverty alleviation through industrial development"

Leveraging the Ant Forest initiative, Philanthropic Preserved Areas with abundant biodiversity have been delineated in poverty-stricken regions. Through Alipay Ant Forest, netizens can “claim” preserved areas and support ecological protection activities such as regular patrol. Moreover, they can buy local products via the online platform to help generate more income for local farmers.

Pingwu, Sichuan Province
On May 15, 2018, the first pilot project of ecological poverty alleviation - Philanthropic Preserved Area was implemented in Pingwu County, Sichuan Province.

Deqin, Yunnan Province
On May 20, 2019, Deqin Philanthropic Preserved Area officially went online.

Yangxian, Shaanxi Province
On September 19, 2019, Yangxian Philanthropic Preserved Area officially went online.

Heshun, Shanxi Province
On December 17, 2018, the second Heshun Philanthropic Preserved Area Pilot went online.

Wangqing, Jilin Province
On June 23, 2019, Wangqing Philanthropic Preserved Area officially went online.

Fully leverage local resources

In addition to the Philanthropic Preserved Area, Ant Forest has planted species that have both ecological and economic values in poverty-stricken areas across the central and western regions of China to improve the local environment, and promote economic and sustainable development.

On December 19, 2019, the first ecological product “Ma Sea-buckthorn”, a kind of beverage developed from Alipay Ant Forest tree species, was officially launched online. Within 100 minutes, 100,000 bottles of juices were sold out. The fruit juice brought hundreds of millions of Ant Forest users together to the battle against poverty, and helped lift local people out of poverty via ecological protection.

300 million pieces of paper saved weekly: United Nations advocated Alipay’s paper saving technology

On Earth Day, April 22, 2020, United Nations Central African Forest Initiative was calling for the promotion of China’s digitalized approach to reducing paper use and preserving forest resources.

Just in 2019, over 500 million users of Ant Forest contributed to cutting carbon emission of 245,000 tons via more than 10 paperless scenarios – offline payment, electronic receipt, scan to order, etc. These amounted to total savings of 16.3 billion pieces of A4 paper and 13.7 million trees.

As the inventors of papermaking, the Chinese people are currently advancing paper saving via digital technology. This means a weekly average saving of 300 million pieces of A4 paper from the Chinese Alipay users, about the same height of 3.5 Mountain Everest with a total saving of 260,000 trees.

In addition, via Ant Forest, consumers practice green consumption by bringing their own cups instead of plastic cups, or saying no to plastic bags and disposable cutlery, reducing carbon emission of 31,000 tons as of May 2020. In September 2019, Starbucks partnered with Ant Forest to launch the initiative where consumers bringing their own cups are eligible for 30g green energy. Statistics shows that during the first month of the initiative, a total of 650,000 people participated in the initiative, reducing carbon emission of 51 tons as of May, 2020.

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In addition, via Ant Forest, consumers practice green consumption by bringing their own cups instead of plastic cups, or saying no to plastic bags and disposable cutlery, reducing carbon emission of 31,000 tons as of May 2020. In September 2019, Starbucks partnered with Ant Forest to launch the initiative where consumers bringing their own cups are eligible for 30g green energy. Statistics shows that during the first month of the initiative, a total of 650,000 people participated in the initiative, reducing carbon emission of 51 tons as of May, 2020.
Love story found in sea-buckthorn plantation - couple, made RMB 30,000 monthly by picking fruits

Guo Runhu (aged 64) and Chen Simei (aged 57) are local residents in the Laoniupo village of Qingshuihe province. Winter is usually pretty quiet in this small village. But this particular winter, the couple were still busy with the “Ma Sea-buckthorn”, where they earned over RMB30,000 in a month by picking sea-buckthorn fruits. Guo Runhu said he had never in his entire life made that much money, which amounted to 8 times the total annual income of the couple.

Boost the development of green consumption

In August 2019, General Office of the State Council of People’s Republic of China issued documents to support innovation of credit products and services, aiming to advance development of professional consumer financial institutions. Alipay is actively responding to the call of the State Council and has initiated the special plan of Green Huabei to advance the industrial development of green smart products.

Statistics reveal that more people are using Huabei in green consumption. Compared to last year, total sales of green smart products in TMALL using Huabei witnessed a steady growth in 2019. Of all products, water-saving devices displayed the highest growth rate of 260%. Moreover, sales of smart furniture increased by 90%, while green construction materials up by 56%, new energy vehicles up by 42%, and green smart home appliances up by 30%.

Solving garbage sorting problems with AI technology

Shanghai is the first city in China to carry out a pilot program for the collection and classification of domestic wastes. Starting from July 1, 2019, individuals who fail to sort out their garbage properly will be fined up to RMB200. Later, more and more cities participated in the movement. To help the people sort out domestic waste, Alipay launched two Garbage Sorting Guide mini-programs that lets users identify the type and classification of a piece of garbage with just a few taps on their mobile phone. Over 4,000 kinds of garbage are listed. In addition, Alipay launched AR waste detecting, which aims to utilize the power of artificial intelligence to identify and sort different kinds of pictures, making recycling much easier.

As of July 2019, the platform has provided its service to 155 cities. The waste recycling service covered over 8,000 housing estates in 11 cities. More than 2 million people have placed orders for professional garbage collection through the platform, 70% of them being born after the 80s.

In addition to garbage sorting, Alipay continues to break new ground in promoting recycling, such as collection of second-hand home appliances, second-hand clothes, and second-hand books. Technology enables people to put the concept of low carbon living into practice.

Five Facts of Recycling on Alipay

Alipay’s classified recycling platform has served over 2 million users since its launch six months ago

- 70% of users born in the 80s, and the youngest user is 17 years old
- On average, each user recycles once every 7 days
- Take action to protect the environment
- Most recycled item is second-hand clothes, over 200,000 kg in weight
- Recycling to generate up to 9.7kg in Ant Forest energy
- Planting up to 10 Scots pines with one user’s energy

Boost the development of green consumption

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CREATING A BETTER SOCIETY WITH SHARED VALUES
Towards Realizing the Global Sustainable Development Agenda

Our mission, vision and values determine that we are a company with social responsibility. Our concept of sustainable development originates from our core business. We closely focus on the public good and take a business approach to integrate corporate value and social value. We aim to promote financial inclusion, sustainable development originates from our core business. We closely focus on the public good and take a business approach to integrate corporate value and social value. We aim to promote financial inclusion, sustainable development and build a community of shared digital lifestyle for all.

Contributing to United Nations Sustainable Development Goals (SDGs)

In 2015, 193 UN member states approved the 2030 Agenda for Sustainable Development underpinned by the 17 Sustainable Development Goals (SDGs). Alipay in 2019 reviewed its alignment to the SDGs, and identified its focus in 11 goals.

Moving forward, Alipay will work to map out a blueprint to connect its core capability with SDGs, thus contributing to the realization of the global sustainable development agenda.

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<th>SDGs</th>
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<td><strong>Goal 1</strong> (no poverty)</td>
<td>Alipay public welfare foundation was established to make public welfare a part of everyone's digital life, with the help of scientific and technological innovation, it is able to find and help needy groups, including the poor.</td>
<td>Digital Technology Unlocks New Philanthropic Model</td>
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<tr>
<td><strong>Goal 3</strong> (good health and wellbeing)</td>
<td>Protecting the public health with the help of technology and digital construction.</td>
<td>COVID-19 accelerated the upgrade of Digital Services; Mutual Aid Connects Hundreds of Millions in Need; Fighting the COVID-19 Pandemic with Digital Collaboration</td>
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<td><strong>Goal 4</strong> (quality education)</td>
<td>Donating public welfare bookcases for children in poor areas.</td>
<td>Digital Technology Unlocks New Philanthropic Model</td>
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<td><strong>Goal 5</strong> (gender equality)</td>
<td>The A-I idol initiative aims to help women in poor areas who lack the resources for the technology industry, especially those with lower education and single mothers.</td>
<td>Digital Technology Unlocks New Philanthropic Model</td>
</tr>
<tr>
<td><strong>Goal 8</strong> (decent work and economic growth)</td>
<td>Alipay works to foster an inclusive, diverse, agile and interesting work environment, and leverages digital economy to create new jobs.</td>
<td>Live Seriously Work Happily; Digital economy creates new careers and new jobs</td>
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<td><strong>Goal 9</strong> (industry, innovation and infrastructure)</td>
<td>All pay expands financing services for small, medium and micro enterprises with the help of “Technology + Finance.”</td>
<td>Inclusive Finance Empowering Small and Micro-sized Economy; Blockchain Empowering High Quality Development of New Infrastructure; Opening the Digital Platform to Advance the Development of the Service Sector</td>
</tr>
<tr>
<td><strong>Goal 10</strong> (reduced inequalities)</td>
<td>Alipay supports the digitalization of the service sector so that more people can enjoy the convenience of digital life. By 2030, we aim to serve 2 billion consumers, create 100 million jobs, and help 10 million SMEs to make profits.</td>
<td>A digital life Accessible to All; COVID-19 accelerated the upgrade of Digital Services</td>
</tr>
<tr>
<td><strong>Goal 11</strong> (sustainable cities and communities)</td>
<td>The application of the unified QR code-based ticketing system helped the metro of 7 Yangtze River Delta cities to achieve one-code interconnection.</td>
<td>Fighting the COVID-19 Pandemic with Digital Collaboration</td>
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<td><strong>Goal 13</strong> (climate action)</td>
<td>The launch of AI-enabled waste sorting tool helps urban garbage treatment.</td>
<td>Volunteer work, Indispensable Part in the Life of Alipay Employees</td>
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<td><strong>Goal 15</strong> (life on land)</td>
<td>Alipay sets up public welfare protection sites in poor areas with rich biodiversity and launches it on the Ant Forest platform, which enables internet users claim protected sites in Ant Forest and support ecological protection activities such as patrolling.</td>
<td>Digital Technology Unlocks New Philanthropic Model</td>
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<tr>
<td><strong>Goal 17</strong> (partnerships for the goals)</td>
<td>Alipay cooperates with local governments and NGOs to promote wildlife protection and poverty alleviation projects for women in poor areas.</td>
<td>Digital Technology Unlocks New Philanthropic Model</td>
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Customer First by Listening to Their Needs

Improve consumer rights protection and user experience

The “Customers First” value is enshrined in each action of Alipay employees. All employees make efforts to listen to consumers’ demand. This has led to the launch of a series of initiatives such as “All Employees Are Customer Service Agents”, “Three Hours Listening to customers’ needs” and “Ant Experiencers”, as a way of conducting in-depth communication with users.

Over the past five years, the “All Employees Are Customer Service Agents” project has established a closed loop for receiving customer requests through intelligent audio products and multi-scene offline listening. This ensures that consumers’ opinions can quickly reach the operation teams thereby enabling product units to pay attention to consumer rights, and constantly improving user experience.

At the beginning of 2019, Alipay initiated the “Three Hours Listening to customers’ needs” campaign, calling on all product managers of Alipay to listen to users for three hours per month. The “Three Hours Listening” campaign is an updated version of the listening system of “All Employees Are Customer Service Agents”, and it is also a brand-new measure with which Alipay strives to improve consumer rights protection and user experience.

As of the end of 2019, a total of 2,486 Alipay employees, including more than 850 product managers, have interacted spent 30,000 hours with over 8,000 users, through a variety of channels including engaging with users directly through the app, service hotline, user surveys, face-to-face meetings and customer visits.

Fight Against COVID-19: If Not Now, When? If Not Me, Who?

During the COVID-19 pandemic, all teams at Alipay responded quickly and worked actively to fight the battle. Employees have made hard endeavors on the frontline to offer strong support to restore people’s life and recover economy.

Their dedications and efforts have clearly reflected Alipay’s value “if not now, when?” “If not me, who?” . This has also led to tangible outcomes, helping businesses, medical workers and all Alipay users live through the difficult times.

Rescuing Wuhan, we are on the way

A race against time

On the first day of the Lunar New Year, over 100 Alibaba staff teamed up to give a helping hand to Wuhan. Thanks to their coordination and fast action, a large quantity of medical supplies were shipped to Wuhan and surrounding areas, helping close to 2,000 doctors and nurses with their daily needs.

Yi Lan from the Intelligent Fund Business Unit headed the emergency group in Shiyan, Hubei Province. During the Lunar New Year holiday, she, at the risk of being infected, volunteered to work with her father at the logistics center to deliver daily supplies to those in need.

Yu Rui who was in charge of administration and security at Alipay did not leave the company for more than 40 consecutive days. Even during the most dangerous time, he led the property management and safety team to ensure workplace safety, making sure that all employees could return to a safe and healthy workplace. He and his team conducted various inspections required by government departments and submitted information on work resumption.

As of the end of 2019, a total of 4,686 Alibaba employees, including more than 1,486 product managers, have interacted spent 30,000 hours with over 8,000 users, through a variety of channels including engaging with users directly through the app, service hotline, user surveys, face-to-face meetings and customer visits.

The emergency meeting on how to distribute anti-virus supplies Diversion walkways in place at workplaces
In 2015, Jack Ma, Chairman of Alibaba Group then, initiated the “three hours of volunteer work per person per year” scheme. Since then, “volunteer” culture has enriched the inner world and become a common language of Alipay employees.

Employees of Alipay in Wuhan provided effective aid to the city. The Company provided and contacted Yi Fan, head of the volunteer group, to deliver anti-virus supplies to colleagues in areas affected by the virus. “Once Wuhan returns to normality, welcome to the beautiful city.” Life at Wuhan is recovering. Our unremitting efforts will help us win the battle against the virus.

Volunteer Work, Indispensable Part in the Life of Alipay Employees

In 2015, Jack Ma, Chairman of Alibaba Group then, initiated the “three hours of volunteer work per person per year” scheme. Since then, “volunteer” culture has enriched the inner world and become a common language of Alipay employees.

Yi Fan, head of the volunteer group in Wuhan was on her way to deliver supplies.

Health insurance applicants working on the frontline.

Practicing low-carbon travels

The mega travel team of Alipay co-taps the third space of subway with Hangzhou Metro Group in a bid to advocate low-carbon travels in society. Employees of Alipay help passengers buy tickets, answer their inquiries and guide passenger flows at crowded stations. They intend to discover problems from frontline volunteer service, carry out effective communications and discussions and resolve the problems with technological solutions.

Showing care to the elderly

Designers of Alipay (Elderly Version) made friends with the elderly in communities before teaching them how to use smart phones so that the senior citizens could adapt themselves to the changes of the times.
Soliciting ideas on green and sustainable development of the United Nations

In September 2019, three employees were invited to attend the 74th General Assembly of the United Nations, showing solve the sustainable development problems through the innovation, creation and cooperation of Alipay employees. In September 2019, three employees were invited to attend the 74th General Assembly of the United Nations, showing employees of 17 business units. These programs, based on different perspectives and different technologies, help solve the sustainable development problems through the innovation, creation and cooperation of Alipay employees.

In July 2019, Alipay launched “Taking Your Solutions to the UN” activity within Alibaba to solicit for ideas on green and sustainable development, and got a positive response from employees, receiving 43 proposals from 121 employees of 17 business units. These programs, based on different perspectives and different technologies, help solve the sustainable development problems through the innovation, creation and cooperation of Alipay employees.

The birth of “Environmental Housekeeper” under teamwork

“How heavy a burden the planet has to bear if every family waste so much electricity!” Alipay employee Daqian began to worry about the earth when receiving the electricity bill. By reviewing his own electricity use behavior, he unexpectedly found that the habit of “leaving home without cutting off the power” had caused a lot of electricity waste. Daqian began to focus on technology to help every “lazy person” like him manage the electricity bill and reduce emissions, and generate electricity saving benefits in every “power cut out”. To achieve this goal, Daqian often stayed late till small hours before starting discussions with his colleagues from technical department who live on the other side of the earth. As a result, more people joined in his initiative of saving electricity, including a Vice President of Alibaba Group who offered his support with the help of “TMALL Genie”.

As a saying goes, if you want to go fast, walk alone; and if you want to go far, walk together. The “Environmental Housekeeper” project, which was born from a small idea, was launched thanks to teamwork. It is estimated that once the project is fully operated, it will contribute to an annual reduction of carbon emissions equaling to planting two billion trees.

“Being addicted to wastes” can also change the world

Cheng Yuan is an AI image algorithm expert at Alipay and PhD degree holder who specializes in medical image processing. He and his partners have thrown themselves into waste treatment - leveraging AI technology to help people achieve automatic “waste sorting”. About 100 hours of work per person and dozens of kilometers of waste testing, the team members worked hard for two months from generating waste to teaching AI how to differentiate one from another. Finally, the AI-enabled waste sorting tool, namely “Waste Sorting Guidelines”, was launched online, attracting about 100 hours of work per person and dozens of kilometers of waste testing, the team members worked hard for two months from generating waste to teaching AI how to differentiate one from another. Finally, the AI-enabled waste sorting tool, namely “Waste Sorting Guidelines”, was launched online, attracting more than four million users. Meanwhile, “smart recycling bin”, “home smart garbage can” and “smart environmental protection open platform” also took initial shape.

Adding value to green lifestyle for the future

Xiao Wei believes that consumer platforms such as Taobao, Alipay and Ant Forest can act together to encourage global users to adopt a green and low-carbon lifestyle, which will enable meaningful progress in tackling climate change. That is why when the company initiated the project, he had been the first person to volunteer.

With joint efforts made by people from Alipay, Alibaba Cloud, AutoNavi, New Retail, Cainiao, and Tianjin Climate Exchange, this project has managed to add value to individual green lifestyle, and enabled cross-national flows of capital and assets via blockchain technology, thus encouraging global Alipay users to participate into the green initiative.

Live Seriously, Work Happily

Human capital is the most important strategic asset of an enterprise. Alipay puts people at the center of everything it does by safeguarding employees’ legal rights and providing them with equal opportunities as well as competitive remuneration and benefits. In addition, it provides employees with development opportunities and a safe and healthy work environment, where all individuals will thrive and achieve their career goals.

Employees are the creators of Alipay’s products, and they are the most valuable “product” of Alipay. Alipay works to foster an inclusive, diverse, agile, interesting and people-oriented work environment where “live earnestly and work happily” is possible.

You protect the world, and I protect you

During the national fight against COVID-19, Alipay employees have been working overtime to meet the demand for online “anti-virus” services by building an efficient and rapid response mechanism with their consistent solidarity and collaboration. In order to support the frontline employees, the administrative team of Alipay mobilized all resources to ensure the safety of the Alipay campus, and provided cozy and well-equipped offices with daily supplies, including snacks, fruits and face masks, for the employees working overtime at the Company, so that the employees could stay focused on their work.
Corporate governance

Alipay is committed to building a working atmosphere of transparency, integrity and compliance. We have continued to improve our accountability mechanism and fully implement compliance work such as anti-corruption, anti-monopoly and anti-unfair competition to safeguard the rights and interests of the company, shareholders and stakeholders. We unswervingly pursue the concept of integrity and compliance, abide by business ethics and relevant rules of the industry and regulators, and strictly comply with applicable laws and regulations in different countries and regions where we operate to ensure a steady development of our global business.

We strive to create a high-standard internal compliance culture by requiring all employees to comply with the Ant Group Code of Business Conduct and relevant policies. The Company established a dedicated compliance and integrity department and a complete integrity system. While improving internal governance, we take active steps to build a business environment and working atmosphere with honesty and integrity. We abide by our high-standard code of business conduct when working with stakeholders including clients, business partners, and shareholders. We also send investigation reports to suppliers and require them to study and sign an agreement of business integrity. We advocate fair competition and prohibit corruption and commercial bribery of any kind.

Responsible procurement

Suppliers play an important part in the Alipay partner ecosystem. We perform transparent and efficient procurement, stick to basic procurement principles of being fair and open, follow strict procurement policies and guidelines, and purchase from our open supplier portal. By doing so, we provide all potential suppliers with equal opportunities and foster a sound business ecosystem with all suppliers.

Industry support

Alipay always shares its technologies by encouraging opening up technology to partners, and working closely with partners of all kinds through dialogues, seminars, standards-setting, project cooperation and supply chain management, so as to jointly create an ecosystem of technology ecosystem. As a practitioner in the Fintech industry, Alipay believes in the proverb that "if you want to go fast, go alone; and if you want to go far, go together" and actively promotes industry dialogue and multi-party strategic cooperation. Moreover, Alipay attaches great importance to the standardized outputs of Fintech achievements and lays the foundation for value-creation and coordinated development of the Fintech ecosystem in the future. We have participated in the establishment of many industry associations and initiated relevant industry alliances to transform our own practices into partnerships. Internally, we vigorously promote the development of industry standards and strive to build a healthy and sustainable fintech ecosystem. Externally, we provide application demonstrations for the international fintech community and facilitate the establishment and improvement of inclusive finance system internationally.
Creating a Better Society with Shared Values

In 2019, built upon its sustainability development philosophy and strategy, Alipay surveyed domestic and global industry policies and guidelines, combined with peer benchmarking, stakeholder concerns, and expert consultation, and identified material topics relevant to its operation.

### Materiality Analysis

#### Aspects

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#### Materiality Analysis Results

- **Business assessment**
  - Analyze Alipay sustainability philosophy and strategy
  - Analyze past sustainability reports
  - Built upon industry analysis, benchmark against industry peers

- **Macro-policy,industry guidelines, research papers**
  - Survey domestic and international macro-policy and industry guidelines
  - Analyze industry research reports

- **Expert consultancy**
  - Built upon results from previous two steps, select material topics based on representativeness, relativity, and materiality

### Stakeholder engagement

Addressing stakeholders’ concern and creating value for our stakeholders are at the core of what we do. Ant Group keeps innovating ways to communicate with stakeholders, actively learn about their expectation and needs and build a good relationship with them via actively addressing their concerns.

#### Stakeholder Groups and Communication Channels

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<th>Communication Channels</th>
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<td>Customer satisfaction survey, customer service hotline, customer complaint mechanism, etc.</td>
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<td>Workers and staff representative congress, training system, corporate cultural activity, communication platforms such as open mailbox, etc.</td>
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<td>Shareholders/Investors</td>
<td>Annual general meeting, shareholder visits, annual reports and sustainability reports, etc.</td>
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<td>Government projects, theme-based research, panel communication, government visits, reports of day-to-day work, etc.</td>
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<td>Supplier meeting, bidding meeting, training and audit, etc.</td>
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### Materiality analysis

To better address stakeholders’ concerns, Alipay identifies prior material topics through its three-step materiality exercise – topic identification, assessment, and final selection. Our performance against material topics of high materiality are highlighted throughout this report.

- **Materiality Analysis**
  - Analyze Alipay sustainability philosophy and strategy
  - Analyze past sustainability reports
  - Built upon industry analysis, benchmark against industry peers

- **Macro-policy,industry guidelines, research papers**
  - Survey domestic and international macro-policy and industry guidelines
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- **Expert consultancy**
  - Built upon results from previous two steps, select material topics based on representativeness, relativity, and materiality

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**About Us**

Ant Financial Services Group (herein after referred to as “Alipay”, “Ant Group”, “the Company” or “we”), started from Alipay founded in 2004 and officially established in October 2014, is an innovative technology provider that aims to bring inclusive financial services to the world.

As a member of the Alibaba digital economy, Ant Group is working hand in hand with Alibaba Group to make it easy to do business anywhere across the world. Through our innovative technologies, Ant Group is committed to helping global consumers and small-and-micro enterprises gain access to inclusive financial services that are secure, green, and sustainable, creating greater value for society and bringing equal opportunities to the world.

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**Stakeholders Communication Channels**

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Overview

This is the third sustainability report issued by Ant Financial Services Group Co., Ltd. The annual reporting exercise allows us to take stock of our progress and broader dialogue with our stakeholders that leads to further cooperation and mutually beneficial opportunities in areas of sustainability.

Reporting period and release

The report discloses the information of the Company from January 1, 2019 to December 31, 2019. Some information included performance prior to such period or extend to May 1, 2019. We will release sustainability reports on a regular basis.

Report scope and boundary

In order to ensure the reliability and rationality of the report, the Company identified its core issues and evaluated them through peer benchmarking, expert consultation, and other means as a reference to the report. The Company also identified material topics and their boundaries through materiality analysis.

Basis of preparation

The report is prepared using the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016 (GRI Standards), and the United Nations Sustainable Development Goals (SDGs) as reference.

Report access and feedback

To protect the environment, we recommend that you read the electronic version of the report in PDF format. You may download the report at our website (https://www.antfin.com/responsibility.htm)

If you require a paper report or have any question, comment or feedback concerning this report, please contact us by calling (+86) 571-2688-8888.