

ALIBABA GROUP HOLDING LIMITED (9988)

Retail - Consumer Discretionary | CN

VIE structure poses a drawback for minority shareholders

Score attribution by key issue

This chart highlights the company's positioning relative to the industry average for each Key Issue that contributed to its ESG Rating as of December 19, 2019.



Last ESG Rating action

Rating action date: October 02, 2019

Following the revision of the GICS structure in 2018, the Internet & Direct Marketing Retail Sub-Industry under the Consumer Discretionary Sector will be updated to include companies providing online marketplaces for consumer products and services. The Sub-Industry will include e-commerce companies regardless of whether they hold inventory. As a result, Alibaba, which was previously classified under Internet Software & Services sub-industry has now been re-classified into the Internet & Direct Marketing Retail Sub-Industry. Hence, we reinitiate the company.

We re-initiate coverage of Alibaba at 'BBB'.

Alibaba's rating is constrained by its weak ownership and board structure which could be unfavorable for minority shareholder interests. On the upside, the company has robust employee incentive programs and strong data protection measures.

- Alibaba faces a steep integration curve following its spate of acquisitions, although the company's rewards systems and ongoing training investments make it generally well-positioned to remain an attractive employer for top talent in China. Despite Alibaba's sector-leading employee incentive plans, it faces criticism for excessive working hours and overtime which could hamper staff productivity and impact its innovation capacity.
- Alibaba's rapid growth and diversification renders it susceptible to hackers. A breach at the company's logistics subsidiary, Cainiao, in June 2018 indicates that it remains vulnerable to heightened privacy risks despite implementing strong cybersecurity safeguards, such as obtaining ISO 27001 certification.
- Alibaba is effectively a controlled company due to its partnership structure and related voting agreement. The company's Variable Interest Entity (VIE) structure also tilts control towards the senior leadership, while its ownership risks are enhanced due to legal uncertainties.

Analyst: MSCI ESG Research

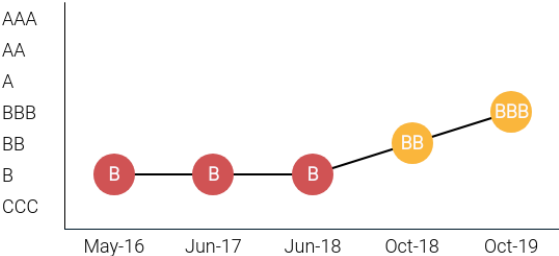
MSCI
ESG RATINGS

BBB

CCC B BB **BBB** A AA AAA

LAST UPDATE: December 19, 2019

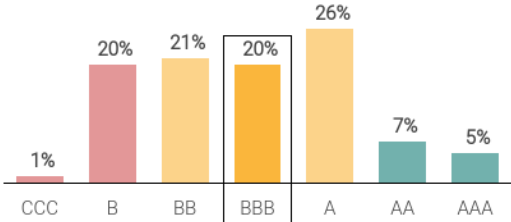
ESG Rating history



ESG Rating history shows five most recent rating actions

ESG Rating distribution

Universe: MSCI ACWI Index constituents, Retail - Consumer Discretionary, n=96



Key scores

	Weight	Score (0-10)
Industry-Adjusted Score		5.6
Weighted-Average Key Issue Score		4.8
Environmental Pillar Score	5%	7.8
Social Pillar Score	63%	6.5
Governance Pillar Score	32%	1.0

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What is an ESG Rating? MSCI ESG Ratings aim to measure a company's resilience to long-term ESG risks. Companies are scored on an industry-relative AAA-CCC scale across the most relevant Key Issues based on a company's business model.

ESG Rating scorecard

As of December 19, 2019

Table with 6 columns: Key issue, Weight, Industry average, Score (0-10), Change, Explanation. Rows include Weighted-Average Key Issue Score (4.8), Privacy & Data Security (5.7), Corporate Governance (1.0), Labor Management (7.9), and Carbon Emissions* (7.8, +1.0).

* denotes company-specific Key Issue
This table shows the Key Issue scores and weights contributing to the company's ESG Rating and any changes to those scores since the last ESG Rating action. The range of possible scores is 0-10, where 10 is best and 0 is worst.

Rating model details

Alibaba was rated based on a modified version of the Retail - Consumer Discretionary Industry ESG Rating model:

Carbon Emissions has been added as a company specific Key Issue instead of Product Carbon Footprint which has been zero weighted as the company does not have physical operations.

Company response

Response in last 12 months? Yes
Date of last interaction Dec 2019
Frequency of interactions* High

All companies are provided the opportunity to review their data. For details, see Appendix in full ESG Rating report.
*Frequency of interactions represents interactions over the past two years: High = Ten or more incoming communications; Medium = Between 3 and 9 incoming communications; Low = Between 1 and 2 incoming communications

Recent developments affecting ESG scores

This table shows the last 10 score changes* and rating actions that have occurred in the past 12 months. (*Score changes will be captured starting 06 November 2019)

Date ▲	Type	Score (0-10)	Change	Explanation
	Current Weighted-Average Key Issue Score	4.8		
Dec 20, 2019	Data Update: Governance		▲0.1	Governance Score changed based on the listed Key Metric(s): Expense Recognition, Revenue Recognition
Nov 29, 2019	Data Update: Governance		▼0.1	Flags Added: Restatements or Special Charges
Oct 02, 2019	ESG Rating action	4.8		We re-initiate coverage of Alibaba at 'BBB'.

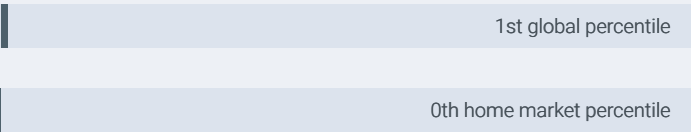
This table outlines the latest changes to specific data points that have occurred, the trigger for change (e.g. issuer feedback, data update or methodology enhancements) and the overall impact on the company's Weighted Average Key Issue Score. Companies are monitored on a continuous basis and significant score changes may trigger an ESG Rating action.

Most recent controversies

Last update	Headline	Assessment	Type
Jun-19	<u>China: Criticism by Tech Employees on Alleged Working Schedule of 72 Hours per Week</u>	Minor	Labor Management Relations
May-19	<u>AliExpress: European Consumer Groups Alleged Terms and Conditions Breached EU Laws</u>	Minor	Customer Relations
May-19	<u>South China Morning Post: Employees Raised Concerns over Potential Impact to Pay after Job Titles Changed</u>	Minor	Labor Management Relations

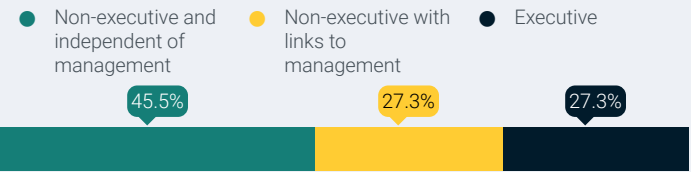
This table shows the most recently updated controversies facing the company. Controversies are considered alongside other factors when assessing a company and may or may not impact the company's ESG Rating. For further details, See [Controversies Detail section](#) in full ESG Rating report appendix.

Corporate governance summary

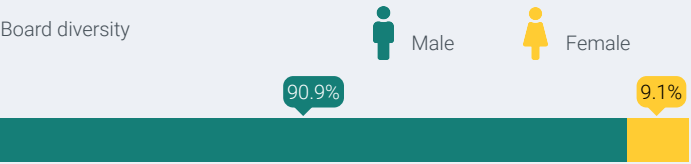


Board of directors

Board type: Unitary Board



Board diversity



Ownership summary

Table with 2 columns: Category, Value. Rows include Capital structure, Ownership classification, Key Owner Types, and Top shareholders.

CEO

Table with 2 columns: Category, Value. Rows include Name, Tenure, Total realized pay, and Total summary pay.

*CEO pay figures are sourced from listed company annual reports and proxy filings. When a new CEO is named the pay figures for the previous CEO will be displayed until this information has been updated for the new CEO

Peer benchmarking

Table with 6 columns: Company, Carbon Emissions, Labor Management, Privacy & Data Security, Corporate Governance, Rating & Trend. Rows include Industria de Diseno Textil, S.A., THE HOME DEPOT, INC., Prosus N.V., Lowe's Companies, Inc., ALIBABA GROUP HOLDING LIMITED, and AMAZON.COM, INC.

QUARTILE KEY : Bottom Quartile Top Quartile
RATING TREND KEY : Maintain Upgrade Upgrade by two or more notches Downgrade Downgrade by two or more notches
This table shows the company's positioning relative to the largest MSCI ACWI Index constituents in the Retail - Consumer Discretionary ESG Ratings Industry based on market capitalization, sorted by ESG Ratings (best to worst), as of December 19, 2019.

Analyst insights

Adoption of employee sharing schemes to fill surge in demand amid coronavirus outbreak

February 12, 2020
MSCI ESG Research

The outbreak of Coronavirus Disease 2019 in China may negatively impact physical store consumer discretionary retailers and restaurants as people stay indoors to cook their own food. Yet this increased the demand for grocery delivery services, such as Alibaba's Freshippo. Alibaba is well positioned to fill staff shortage and manage its grocery business by using employee sharing and sector leading employee programs. Grocery is a necessity during this period.

Employee sharing programs allowed Alibaba to recruit and train staff from restaurants, hotels, cinemas, department stores, and other businesses that have not been open during the outbreak. This move was welcomed by affected companies as Alibaba's move could help them to reduce labor costs when the companies generated no revenues.

As of Feb 10, Alibaba has hired 1,800 temporary workers (2% of its total number of employees in 2018) by collaborating with 32 companies. Other food retailers, such as Walmart and Yonghui Superstores, have followed similar programs to Alibaba. Alibaba disclosed that its employees' temperature gets checked and equipment sterilized every day. As of Feb 27, there has been no disease cases reported at Alibaba's Freshippo sites.

Leadership on AI technology may be constrained by privacy and data protection

February 12, 2020
MSCI ESG Research

The outbreak of Coronavirus Disease 2019 in China may offer opportunities for development and utilization of Artificial Intelligence (AI) and cloud computing. Like other tech giants in China, Alibaba has taken the lead to applying such technology to diagnosing virus, doing research and development on virus vaccines and so on. However, the gap remains for Alibaba in terms of adopting best in class privacy and data protection measures.

AI technology and cloud computing requires the handling of huge swaths of data exposing Alibaba to the possibility of a data breach. Alibaba has not disclosed information on what kind of personal information is being collected, how it is being used in Alibaba's AI systems, and how the data is being handled by third-parties. As a possible proxy, Google's recent collaboration with health care provider Ascension in Nov 2019 gives it historical and current patient health records and personal information. While Google disclosed that it will not involve consumer data in the collaboration with Ascension, we have not found evidence of such disclosure for Alibaba nor practices of consents requirements for handling data by third parties.

Despite adopting sector leading measures over data protection compared to retailers, the company's privacy policy only covers selected businesses, lagging global best practices.

Lags peers in setting targets to adopt sustainable packaging

January 20, 2020
MSCI ESG Research

As of January 2020, Chinese e-commerce giant Alibaba had not set a target for sustainable packaging, unlike its peers such as JD.com, which have set timebound goals to reduce plastic and paper packaging.

According to e-Marketer, total e-commerce sales are expected to grow by a 17% compound annual growth rate (CAGR) between 2018 and 2023 (versus 4% CAGR for total retail sales during the same period), and are seen accounting for 22% of the total retail market by 2023. This development may lead to increasing use of plastic wrappers and paper packaging.

According to the U.S. business publications Forbes and Fast Company, about 164 billion packages are shipped in the United States each year. By comparison, in China the number of packages delivered amounted to approximately 51 billion deliveries in 2018, up by 38% CAGR from 2014 to that year, according to China's State Post Bureau, the regulator for logistics. While packaging waste may not be heavily regulated currently and many internet retailers are only indirectly affected because they use third-party logistics firms for delivery, this issue will challenge the industry going forward, once more internet retailers take over their own delivery services. China's State Post Bureau also has called for green packaging as parcel deliveries in the country escalate.

As the top Chinese e-commerce company, in addition to owning stakes in third-party delivery companies, Alibaba also operates its own logistics arm, Cainiao Network. It has developed a packaging optimization algorithm, which on average reduces the use of packaging materials by approximately 15%. The algorithm was used with more than 250 million delivery boxes and postal bags in FY 2018. While the company has green

▶ VIE structure undermines minority shareholders' rights, yet exit of Ma sheds positive light

September 12, 2019
MSCI ESG Research

packaging initiatives involving biodegradable courier bags, Alibaba has not yet set a target year nor has it reported its progress toward a quantifiable target to reduce packaging.

Alibaba, together with other many other Chinese tech companies, makes use of the Variable Interest Entity (VIE) structure, which enables the company to gain access to foreign capital markets and domicile their companies internationally. Key assets, such as intellectual property or operating licenses, are required by Chinese law to be owned by Chinese nationals, so companies place these assets in a VIE for which the company's senior leaders are the beneficial owners. These owners then have contractual agreements with the international parent companies. The company has taken advantage of its registration status in the Cayman Islands as an "Exempt Company," which allows it to impose an extremely high threshold for minority shareholders to request an extraordinary general meeting (EGM) and thus limits the ability of shareholders to call meetings and propose amendments.

Alibaba moved in August 2018 to reduce the key-man risk issue by placing control of its VIEs with a broader set of company managers rather than the company founders. The Alibaba Partnership has placed a focus on leadership succession, according to Alibaba's ESG Report 2018 and this is demonstrated in the organized manner of the exit of Jack Ma on Sep 10, 2019. This move may be a positive development in comparison with its Chinese peers such as JD.com, where the personal legal issues of the founder have caused concern because a quorum at the company cannot be reached without his presence at shareholder meetings. At Alibaba, Ma handed over the role of CEO to Daniel Zhang in 2013, and the succession of CEO Daniel Zhang to the chairmanship in 2019 once again concentrates a substantial level of control in a key individual, which is considered to be a risk in our framework.

▶ Endorsement of excessive overtime culture shows lack of labor rights protection

April 23, 2019
MSCI ESG Research

Alibaba's founder, Jack Ma, has been criticized for endorsing a "996" working culture (short for working 9 a.m. to 9 p.m. six days, or 72 hours, a week) and tagging employees who in his view do not work hard enough as "slackers." Despite Alibaba's sector-leading employee incentive plans, encouraging excessive overtime may reduce productivity and lower the company's capacity for innovation.

"996" is common across China's technology, e-commerce and start-up companies. Baidu, Alibaba, and Tencent are among the "996.BlackList" proposed by GitHub, an online code-sharing community where programmers in China protested their labor conditions. Alibaba's e-commerce competitor JD.com is on the overtime black list.

Chinese labor law states that no more than 52 hours of work per week should be required, including overtime. In addition, overtime work needs to be compensated by mandatory payment at least 1.5 times the worker's contracted hourly wage.

While Alibaba claims to offer an internal grievance reporting mechanism, it is unclear whether it covers overtime violations, especially when Alibaba management, led by Executive Chairman Ma, supports "996." Despite being considered a sector leader in employee incentive plans, we have not found evidence that Alibaba is compliant with rules in China governing overtime payment. Similarly, JD.com does not provide evidence for overtime compensation. Excessive overtime without compensation may lead to mental and physical health problems for employees, reduce productivity and, in the end, damage innovation, which is vital for Alibaba.

▶ Third-party logistics stakes lower labor pressures; motivating talent remains key

March 20, 2019
MSCI ESG Research

Alibaba proposed to purchase a 14.65-percent stake in courier service STO Express on March 11, 2019, enlarging its investment in logistics services. This investment is likely to enable the company to pursue the goal of 24-hour delivery domestically, competing directly with JD.com's owned fulfillment services, and a goal of 72 hours globally. Alibaba already owns 10 percent of ZTO, 11 percent of YTO and 27.9 percent of Best Logistics.

As China's middle class builds purchasing power and e-commerce continues to grow there, the demand for logistics is on the rise. Although Alibaba does not operate delivery services of its own, as does its domestic rival, JD.com, Alibaba's foothold in third-party courier services is likely to allow the company to expand its logistics capabilities more quickly to meet surging demand for package delivery at a lower cost and on a larger scale than JD.com. With a workforce less than half the size of JD.com's, Alibaba's likely to experience less pressure to manage its workforce than will its competitor. Given an operating margin of 27 percent in 2018 versus JD.com's 0.57-percent, Alibaba is also less likely to face the pressure of providing salary increases for its staff. Rather, Alibaba's



🚩 Cybersecurity risks remain despite robust control, intense data collection raises doubts on privacy protection

September 27, 2018
MSCI ESG Research

sector-leading employee incentive plans may be the key to attracting talent to its highly tech-oriented business. As a minus for human capital management, the company does not have engagement surveys to monitor worker satisfaction, which could be a wise strategic move because the company is known for forcing employees to work long hours. Employees at an Alibaba-owned food delivery service in China protested increased penalties for late delivery and decreased payment per delivery in 2018. Alibaba also was accused of gender discrimination in its job ads in 2018.

Alibaba offers some of the most robust data security programs in the e-commerce industry. The company has delineated a “multi-layer security system,” where cybersecurity is considered at the infrastructure, platform, business operation and data levels. In implementing its cybersecurity programs, the company has initiated some innovative practices such as incentivizing developers to report vulnerabilities through a “bug bounty,” as well as dedicating several R&D labs specifically to security technologies. The company’s cloud business has achieved best-in-class physical and technical security standards, including the ISO 27001 certification, implying stringent third-party audits for this business unit.

Despite such measures, in June 2018, Alibaba’s affiliate company Cainiao Network (a logistics arm of the Taobao platform) experienced a data breach after hackers installed malware on the company’s parcel scanning devices. The identities and telephone numbers of a large number of platform users were breached. The company’s swift resolution of the issues demonstrated the company’s ability to identify and react to security incidents. However, the case also demonstrates the wide range of cybersecurity risks inherent in the company’s existing business models, as well as the broad range of risks faced by the group as it expands vertically and horizontally.

In terms of personal data privacy, it remains somewhat unclear the extent to which user personal data is exploited by the company across its many platforms and services. The company appears to be developing a data ecosystem that uses the data collected through a range of its services. Users appear, at least in some instances, to have a limited ability to opt out of the company’s data collection practices. The group’s privacy policy includes reference to usage of personal data for purposes outside of the scope of the privacy policy (but permitted by applicable laws).

ESG Rating drill down

Description	As of last rating action date: Oct 02, 2019		As of last update date: Dec 19, 2019		Difference	
	Score	Weight	Score	Weight	Score	Weight
ESG Rating Letter Grade	BBB		BBB		-	-
Industry Adjusted Score	5.6		5.6		-	-
Industry Minimum Score	2.6		2.6		-	-
Industry Maximum Score	6.5		6.5		-	-
Weighted Average Key Issue Score	4.8		4.8		-	-
Environmental Pillar Score	6.8	5.0%	7.8	5.0%	1.0	-
Carbon Emissions Key Issue Score	6.8	5.0%	7.8	5.0%	1.0	-
Exposure Score	2.2		2.2		-	-
Business Segment Exposure Score	2.0		2.0		-	-
Geographic Exposure Score	5.9		5.9		-	-
Management Score	2.0		3.0		1.0	-
Management Score - Excluding Controversies	2.0		3.0		1.0	-
Practices Score	1.5		3.0		1.5	-
Performance Score	3.0		3.0		-	-
Social Pillar Score	6.5	63.0%	6.5	63.0%	-	-
Labor Management Key Issue Score	7.9	24.0%	7.9	24.0%	-	-
Exposure Score	8.1		8.1		-	-
Business Segment Exposure Score	6.4		6.4		-	-
Geographic Exposure Score	6.2		6.2		-	-
Company-Specific Exposure Score	8.0		8.0		-	-
Management Score	9.0		9.0		-	-
Management Score - Excluding Controversies	9.0		9.0		-	-
Practices Score	9.0		9.0		-	-
Controversy Deduction	0.0		0.0		-	-
Privacy & Data Security Key Issue Score	5.7	39.0%	5.7	39.0%	-	-
Exposure Score	7.2		7.2		-	-
Business Segment Exposure Score	6.7		6.7		-	-
Geographic Exposure Score	5.8		5.8		-	-
Management Score	5.9		5.9		-	-
Management Score - Excluding Controversies	6.7		6.7		-	-
Practices Score	6.7		6.7		-	-
Controversy Deduction	-0.8		-0.8		-	-
Governance Pillar Score	1.0	32.0%	1.0	32.0%	-	-
Corporate Governance Key Issue Score	1.0	32.0%	1.0	32.0%	-	-
Board	3.6		3.9		0.3	-
Pay	1.4		1.4		-	-
Ownership & Control	0.7		0.7		-	-
Accounting	5.8		4.8		-1.0	-



Corporate Governance

Score	Change (since rating)	Quartile	Weight	As of
1.0	0.0	•	32.0%	Dec 19, 2019

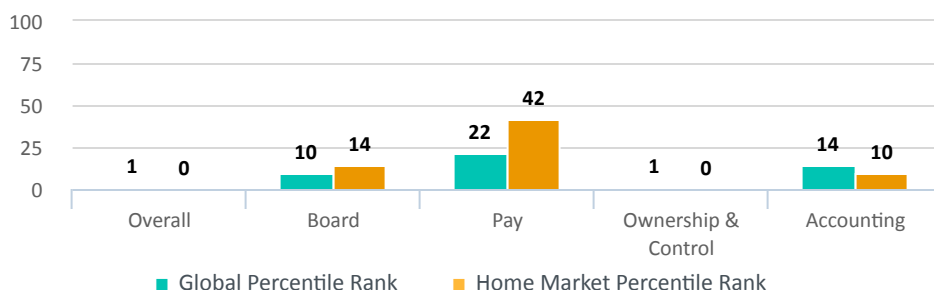
Market Cap: 569,049,420,099 USD

Home Market: China

Last Data Update:

Dec 19, 2019

GOVERNANCE THEMES AND RANKINGS



SUMMARY

Alibaba Group falls into the lowest possible scoring range for all the companies we assess relative to global peers, indicating the presence of significant governance risk in the following areas: a board that does not include a majority of independent directors, the board leadership structure, the presence of certain related party transactions, some non-executives may have too many other public board commitments, executives who serve on too many other boards of public companies and notable dissent on director election votes, poor disclosure in relation to executive pay, the relationship with the controlling shareholder, share classes with unequal voting rights, the ability of shareholders to nominate candidates for election and inclusion of these candidates on the company proxy card and the calling of a special shareholder meeting, expense recognition ratios (based on our quantitative assessment) and restatements and/or one-off charges (impairments, write-offs, non-recurring charges).

KEY DATES

Financial Year End	March 31
Annual Filing Date	Jun 05, 2019
AGM Date	Jul 15, 2019

WEBSITE

<http://www.alibabagroup.com>

**Key areas of concern include flagged key metrics within the three sub-issues that represent the largest scoring deductions. Please review the full report to see the complete set of flagged key metrics.*

CORPORATE GOVERNANCE SCORE HISTORY





CHANGES TO FLAGGED KEY METRICS (SINCE OCTOBER 2018)

Key Metric	Key Metric Change	Date	Score Change*	Change Notes
Restatements or Special Charges	Flag Added	Nov 28, 2019	-0.30	Events update
Executives on Board	Flag Removed	Oct 14, 2019	0.20	
Combined CEO/Chair	Flag Added	Sep 13, 2019	-0.20	
Proxy Access	Flag Added	Aug 27, 2019	-0.20	
Asset-Liability Valuation	Flag Removed	Jul 09, 2019	0.29	Updates to data for accounting peer group member(s)

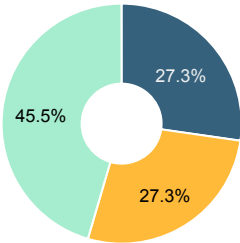
Note: A full list of score changes (including where there is no Key Metric Change) is included in the Appendix.
*Score change available in respect of changes dated on or after 13 December 2017.

BOARD OVERVIEW

Board Type: Unitary Board

Board of Directors

Chair	Daniel Yong Zhang	Since: Sep 10, 2019
CEO	Daniel Yong Zhang	Since: May 10, 2015
Deputy Chair	Joseph Chung Tsai	Since: May 01, 2013



Executive Leadership

CFO	Maggie Wei Wu	Since: May 01, 2013
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■Executive ■Links to Management ■Independent of Management

BOARD

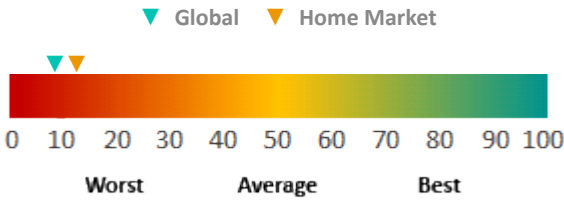
Certain aspects of the Alibaba Group board may not be well aligned with sustainable shareholder interests. We have flagged this board for potential concerns regarding a board that does not include a majority of independent directors, the board leadership structure, the presence of certain related party transactions, some non-executives may have too many other public board commitments, executives who serve on too many other boards of public companies and notable dissent on director election votes.

0-10 Score	Global Percentile Rank	Home Market Percentile Rank
3.9	10th (Below Average)	14th (Below Average)

KEY METRICS SCORING

	Deduction
AUDIT OVERSIGHT	
🚩 Audit Committee Industry Expert	-0.10
🚩 Auditor Tenure	-0.10
BOARD EFFECTIVENESS	
🚩 Overboarded Non-Exec Directors	-0.50
🚩 Overboarded Exec Directors	-0.50
🚩 Significant Votes Against Directors	-0.30
BOARD INDEPENDENCE	
🚩 Independent Board Majority	-0.20
🚩 Related Party Transactions	-0.62
BOARD LEADERSHIP	
🚩 Combined CEO/Chair	-0.20
🚩 Leadership Concerns	-0.30
🚩 Independent Chair	-0.10
🚩 Chair not Independent & No Independent Lead Director	-0.10
BOARD SKILLS & DIVERSITY	
🚩 Risk Management Expertise	-0.20
🚩 Not 30% Female Directors	-0.10
PAY OVERSIGHT	
🚩 Pay Committee Independence	-0.10
🚩 Executives on Pay Committee	-0.10

BOARD PERFORMANCE VS.





LEADERSHIP

CHIEF EXECUTIVE OFFICER

History	CEO Since	Until	Name	Gender	Age
Current	May 2015		Daniel Yong Zhang	M	47
Former	May 2013	May 2015	Jonathan Zhaoxi Lu	M	49

CHIEF FINANCIAL OFFICER

History	CFO Since	Until	Name	Gender	Age
Current	May 2013		Maggie Wei Wu	F	51

CHAIR

History	Chair Since	Until	Name	Gender	Age
Current	Sep 2019		Daniel Yong Zhang	M	47
Former	May 2013	Sep 2019	Jack Yun Ma	M	54

LEADERSHIP CONCERNS

- Daniel Yong Zhang - Executive Chair and CEO roles co-exist.



BOARD OF DIRECTORS

The Alibaba Group board lacks an independent majority. It has also failed to split the roles of CEO and chairman, which may compromise the board's independence from current management interests. Split CEO and chairman roles are characteristic of 74% of companies in the home market. We also note concerns with the board leadership structure which creates the potential for overly powerful management interests and board level conflicts of interest.

Number of Board Meetings:

Non-executives meet in absence of Executives: No

Name	M/F	Age	Tenure (Years)	Boards	Independent of Mgmt	Independent of Other Interests	Management Link/ Designation Reason	Nationality
Börje Ekholm \$	M	57	4	3	Yes	Yes		Sweden
Chee Hwa Tung	M	82	5	1	Yes	Yes		China
Chih-Yuan (Jerry) Yang I	M	51	5	3	Yes	Yes		China
Daniel Yong Zhang COB CEO I \$	M	47	5	3	No	Yes	Executive	China
Eric Xian Dong Jing \$	M	47	3	1	No	No	Material related party transaction; Non-Executive Employee; Special Shareholder Representative	China
J. Michael Evans \$	M	61	5	1	No	Yes	Executive	United States of America
Jack Yun Ma I	M	54	21	2	No	Yes	Company founder; Former executive	China
Joseph Chung Tsai DC I \$	M	55	21	1	No	Yes	Executive	China
Masayoshi Son	M	62	15	5	No	No	Executive of controlling shareholder; Special Shareholder Representative	Japan
Walter Teh Ming Kwauk \$	M	64	5	1	Yes	Yes		China
Wan Ling Martello \$	F	61	4	2	Yes	Yes		United States of America
	F	# >= 70	# >= 15 yrs	# >= 4				
Total (of 11)	1	1	3	1	5	9		
Percentage	9.1%	9.1%	27.3%	9.1%	45.5%	81.8%		

Note: Board count includes the membership of this board.

\$ - Financial Expert (7) I - Industry Expert (4) CEO - Chief Executive Officer COB - Chair of the Board DC - Deputy Chair

RELATED PARTY TRANSACTIONS

The risk to minority shareholders arising from related party transactions is a function of the nature of the related party, the relative size of the transaction and the pricing of the transaction. The board, and in particular the independent directors or audit committee, should play a key role in the protection of minority shareholders, monitoring and managing potential conflicts of interest of management, board members and shareholders. We note that the following circumstances which suggest elevated risk for independent shareholders:

The company has been flagged for Controlling Shareholder Concerns and that there are related party transactions with the controlling shareholder. The company is a founder firm and that there are related party transactions with the founder.

Reported Transactions

RPT reported with companies controlled by founder Jack Ma.
For the two most recently reported fiscal years, these value of these transactions can be summarised as follows :

Table with 5 columns: Fiscal Year, Related Party Types, Aggregate Transaction Value (Value (CUR), % of Total), Type. Rows show data for Mar 31, 2019 and Mar 31, 2018.

Sources : 2019 20- F p.186, 2018 20F F-84

BOARD EFFECTIVENESS

Director overboarding appears to be a serious problem for this board, with both executive and non-executive directors sitting on too many boards. MSCI ESG Research considers a non-executive director to be overboarded when they sit on three or more additional boards (i.e. four total boards, including the rated company) in MSCI ESG Research's corporate governance research universe. For CEOs and other executive directors the limit is two additional boards (i.e. three boards including the rated company).
Notably, one or more of the company's directors have received a negative or withheld shareholder vote in excess of 10% in the company's most recently reported election, indicating a higher than usual degree of shareholder dissatisfaction with that individual's performance as a director. Under such circumstances we recommend further research into that individual's role on the board, their personal background and experience, involvement in potentially conflicted related party transactions, or service on committees involved in problematic practices.

Nomination Committee

Table with 7 columns: Name, M/F, Age, Board Tenure (Years), Independent of Mgmt, of Other Interests, Committee Status. Rows list Chee Hwa Tung, Chih-Yuan (Jerry) Yang, and Jack Yun Ma.

1 - Industry Expert (2)




BOARD SKILLS & DIVERSITY

We have flagged the Alibaba Group board for gender diversity concerns. Several recent studies have shown that companies with too few female directors tend to be less effective and even underperform those whose boards are more diverse.
Combined with the board's lack of an independent majority as well as an independent chair, these features suggest a board composition that may impair the board's ability to act as a counterbalance to management. A board with one or more active CEOs and overboarded directors may not be able to provide effective oversight of management. External distractions can limit the time and attention required to fulfill their fiduciary duties. The company's 'Below Average' rating for pay may be an indication of a management-friendly board because of the presence of one or more active CEO's on the board .

AUDIT OVERSIGHT

Audit Committee

The Alibaba Group board of directors includes a fully independent audit committee and at least one member of that committee meets our standards for financial expertise.





Name	M/F	Age	Board Tenure (Years)	Boards	Independent of Mgmt	Independent of Other Interests	Committee Status
Börje Ekholm 	M	57	4	3	Yes	Yes	Member
Walter Teh Ming Kwauk 	M	64	5	1	Yes	Yes	Chair
Wan Ling Martello 	F	61	4	2	Yes	Yes	Member

 - Financial Expert (3)

PAY OVERSIGHT

Pay Committee

The Alibaba Group board does not include a fully independent pay committee, raising concerns about the board's effectiveness in overseeing the company's CEO and other managers, a key board function, as well as its ability to design sufficiently rigorous incentives for executives. Moreover, insiders/executives sit on the company's pay committee, magnifying the severity of these concerns. Some 44% of companies in this market are flagged for insiders on the pay committee.

Name	M/F	Age	Board Tenure (Years)	Independent of Mgmt	Independent of Other Interests	CEO Role?	Committee Status
Chih-Yuan (Jerry) Yang 	M	51	5	Yes	Yes		Chair
Joseph Chung Tsai  	M	55	21	No	Yes		Member
Walter Teh Ming Kwauk 	M	64	5	Yes	Yes		Member

 - Financial Expert (2)  - Industry Expert (2)

CONTROVERSY CASES

No major relevant controversies have been uncovered.

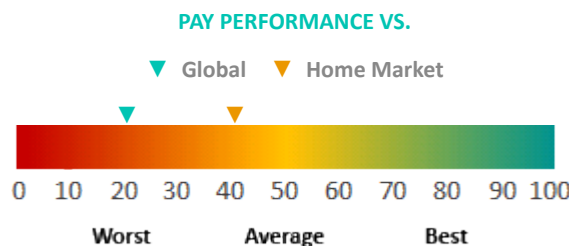
PAY

Executive pay practices at Alibaba Group include one or more areas of concern regarding the alignment of management interests with those of the company's shareholders. Areas of particular concern include poor disclosure in relation to executive pay.

0-10 Score	Global Percentile Rank	Home Market Percentile Rank
1.4	22nd (Below Average)	42nd (Average)

KEY METRICS SCORING

	Deduction
NON-EXECUTIVE DIRECTOR PAY	
Director Equity Policy	-0.10
PAY FIGURES	
Executive Pay Disclosure	-1.20
PAY PERFORMANCE ALIGNMENT	
CEO Equity Policy	-0.20
Clawbacks & Malus	-0.20
Pay Linked to Sustainability	-0.20



PAY FIGURES

DISCLOSURE

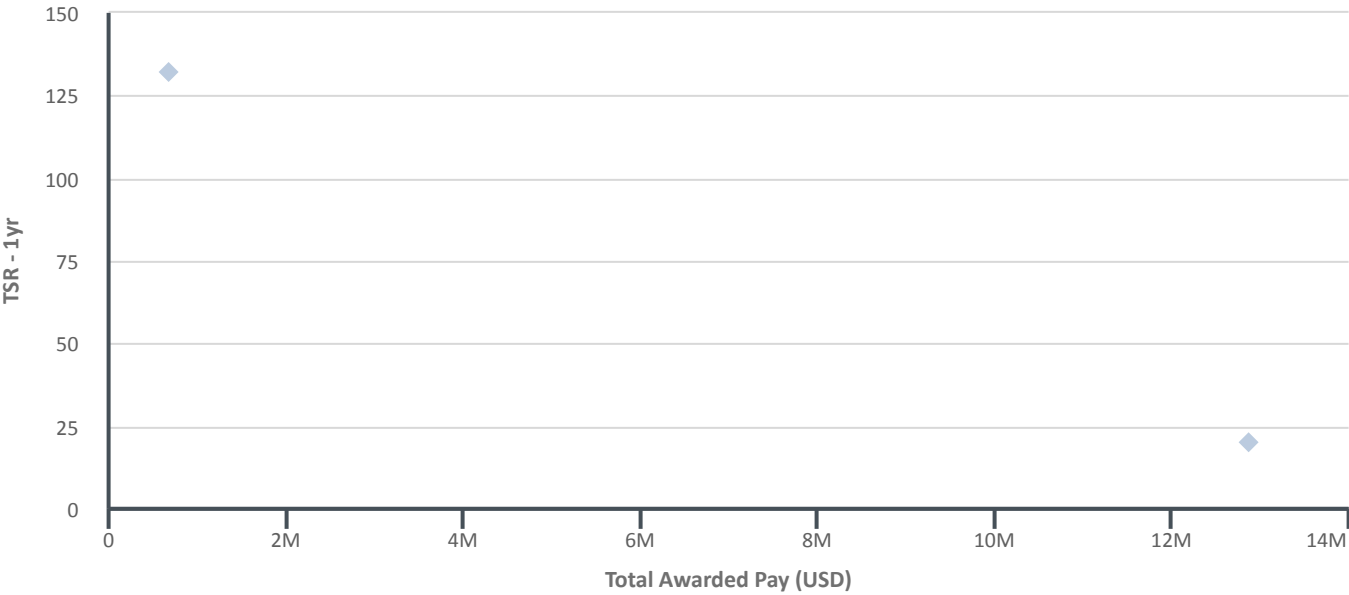
Disclosure should include, at minimum, pay for each executive member of the Board of Directors (or Management Board for companies with a two-tier board structure) on an individualized basis or in cases where there are no executive members, the CEO. The individualized disclosure should include separate information on the amount of each of the following (where such a component is provided): salary, short-term Incentives, long-term Incentives, pensions, benefits, and any one-off payments (such as recruitment or retention awards).

PAY PEER GROUP

LARGCAP - EMERGING - INTERNET & CATALOG RETAIL (7 COMPANIES)

Company	Home Market	Market Cap (USD m)	Pay Year	1 Yr TSR	Total CEO Annual Pay (USD)	CEO Name	CEO Since
Prosus N.V.	South Africa	124,372	2019		2,518,000	Van Dijk	Apr 2014
NASPERS LIMITED	South Africa	76,060	2019	20.14%	2,518,000	van Dijk	Apr 2014
Meituan Dianping	China	81,012	2018	132.12%	683,543	Wang	Mar 2010
PINDUODUO INC.	China	41,845	2018	68.54%		Zheng	Sep 2015
Trip.com Group Limited	China	19,388	2018	23.95%		Sun	Nov 2016
ALIBABA GROUP HOLDING LIMITED	China	591,002	2019	54.74%		Zhang	May 2015
JD.COM, INC.	China	57,409	2018	68.32%		Liu	Nov 2006

CEO TOTAL AWARDED PAY VERSUS PAY PEER GROUP



Pay Peers (*) are used in the calculation of the Key Metric CEO Pay Total Summary and selected as set out in the MSCI Governance Metrics Methodology Document.

CEO TOTAL REALIZED PAY VERSUS PAY PEER GROUP



Pay Peers (*) are used in the calculation of the Key Metric CEO Pay Total Summary and selected as set out in the MSCI Governance Metrics Methodology Document.

PAY PERFORMANCE ALIGNMENT

CEO & EXECUTIVE EQUITY

No effective stock ownership guidelines have been identified.

Executive	Tenure (Years)	Shares Held	YoY % Change	Shareholding As % of Salary
Joseph Chung Tsai I \$	21	56,202,810		

\$ - Financial Expert I - Industry Expert

PAY LINKED TO SUSTAINABILITY

The company has failed to incorporate links to sustainability performance in its current incentive pay policies.

CLAWBACK & MALUS

No clawback or malus provisions have been identified.

EQUITY PLAN DILUTION

	2019	2018	2017
Shares Outstanding	2,571,929,843	2,571,929,843	2,529,364,189
Equity Reserved	2.8%	3%	3.2%
Shares granted/awarded (in year)	1%	1.2%	1%

NON-EXECUTIVE DIRECTOR PAY

NON-EXECUTIVE EQUITY

Director	Tenure (Years)	Shares Held
Jack Yun Ma I	21	161,861,406

I - Industry Expert

NON-EXECUTIVE PAY TABLES

There are insufficient disclosures available to present non-executive pay data.

CONTROVERSY CASES

No major relevant controversies have been uncovered.



CCC	B	BB	BBB	A	AA	AAA
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LAST UPDATE: December 19, 2019

OWNERSHIP & CONTROL

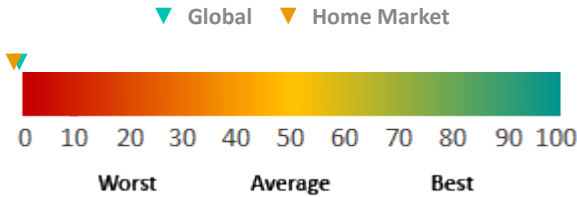
The ownership structure and shareholder rights at Alibaba Group raises potentially significant concerns for shareholders, including the relationship with the controlling shareholder, share classes with unequal voting rights, the ability of shareholders to nominate candidates for election and inclusion of these candidates on the company proxy card and the calling of a special shareholder meeting.

0-10 Score	Global Percentile Rank	Home Market Percentile Rank
0.7	1 st (Worst In Class)	0 th (Worst In Class)

KEY METRICS SCORING

	Deduction
DIRECTOR ELECTIONS	
Annual Director Elections	-0.10
Proxy Access	-0.20
ONE SHARE ONE VOTE	
Multiple Equity Classes with Different Voting Rights	-0.50
OWNERSHIP STRUCTURE	
Controlling Shareholder	0.00
Controlling Shareholder Concerns	-1.00
Variable Interest Entity	-0.50
SHAREHOLDER RIGHTS	
Shareholder Rights to Convene Meeting	-0.20
Say on Pay Policy	-0.10
TAKEOVER PROVISIONS	
Business Combination Provision	-0.10

OWNERSHIP & CONTROL PERFORMANCE VS.



CORPORATE STRUCTURE

Public Company

CAPITAL STRUCTURE

Capital Type	Votes Per Share	Shares Outstanding
Ordinary	1.0	2,571,929,843

The Company has one class of ordinary shares, and each holder of the ordinary shares is entitled to one vote per share. However, pursuant to the articles of association, the Alibaba Partnership has the exclusive right to nominate or, in limited situations, appoint up to a simple majority of the members of our board of directors. The shares held by the Alibaba Partnership effectively carry different rights to those held by minority investors.

OWNERSHIP STRUCTURE

OWNERSHIP CATEGORIES

- Controlling Shareholder
- Founder Firm

NOTABLE SHAREHOLDERS

Jack Ma (voting agreement with shares controlled by Jack Ma - 6.2%, Joe Tsai - 2.2%, SoftBank - 25.9% and Alibaba - 9.4%) - 43.7%	43.7%
5%+ shareholders - Aggregate Voting Power	0%
Insider Voting Power	43.7%

Alibaba Group is a controlled company, where a single shareholder or shareholder block holds 30% or more of the voting shares or has effective control of the board. The controlling shareholder controls 43.7% of the voting power. The company's multiple share classes also have disparate voting rights, which in concert with the presence of a controlling shareholder may have an additional negative impact on minority shareholder rights. We have identified this company as a 'founder firm', where the company's founder is still an active member of either the board or company management. At Alibaba Group, there are major concerns regarding related party transactions among the controlling founders/family that would raise major concerns for public shareholders. Combined with the lack of an independent board majority, this situation presents concerns that the interests of minority shareholders may be subordinated to those of the dominant shareholder. As a result of its controlled status, we have also adjusted our evaluation of the company's board and corporate governance practices. Especially considering the presence of a controlling shareholder, differential voting rights mean that the economic exposure of certain shareholders is higher than their voting power, and may reduce the rights of minority shareholders.

Controlling Shareholder Concerns Criteria

No Independent Directors	No	Controlling Shareholder Percentage of Voting Rights	43.7%
Leadership Concerns	Yes	Controlled via Stock Pyramid	No
Undersized Board	No	Cross Shareholdings	No
Structured as a Limited Partnership	No	Golden Shares	No
Poison Pill	No		

FOUNDER FIRM

Jack Ma is founder and executive chairman.

TAKEOVER PROVISIONS

Fair Price Provision	Mandatory Bid Provision	Mandatory Bid Ownership Threshold
Yes	Yes	30.0

% of Votes to Approve a Merger

95%

GOVERNING DOCUMENTS

So long as the Alibaba Partnership is in place, shareholders do not have the right to remove directors for any reason. Additionally, a majority of director nominations are reserved for the Alibaba Partnership.

MAJORITY REQUIREMENTS

	Bylaws	Charter
Default percentage of votes required to amend a provision		95%

SHAREHOLDER RIGHTS

Investors should be aware of governance risks in relation to shareholder rights and management-controlled takeover defence mechanisms currently applicable in the governing documents or applicable regulation at Alibaba Group including:

- business combination provisions that fail to include protections of shareholder interests
- Limits on the right of shareholders to convene a special or emergency general meeting
- Limits on the right of shareholders to take action by written consent

SHAREHOLDER MEETINGS & RESOLUTIONS

	Call Special Meeting	Requisition a Resolution at AGM	Act by Written Consent
Percentage of shares required	33%		

RESTRICTIONS ON LEGAL ACTION BY SHAREHOLDERS

No exclusive forum provision has been identified.

SAY ON PAY

Despite a significant global trend towards providing shareholders with the ability to review and approve executive pay practices, the company does not operate in a market which requires regular 'say on pay' votes nor has it extended this right to shareholders.

DIRECTOR ELECTIONS

BOARD RE-ELECTION PROVISIONS

All board members are not subject to annual re-election. While often touted as a means of ensuring board continuity, a classified board structure severely limits the ability of shareholders to hold directors accountable and serves as a takeover defense.

Board Re-election Provisions	
Board Re-election Frequency (Years)	3
% of Board subject to re-election	100%

DIRECTOR ELECTION STANDARD

The company has a majority standard for director elections (with immediate resignation if the director does not receive a majority of the votes cast), which enables shareholders to better hold directors accountable in uncontested elections.

Director Election Rules	
Vote Standard	Majority
Immediate Binding Resignation	Yes



Director nominees will be elected by the simple majority vote of shareholders at the annual general meeting. The Articles of Association allow the Alibaba Partnership to nominate or, in limited situations, appoint a simple majority of the board of directors.

ACCOUNTING

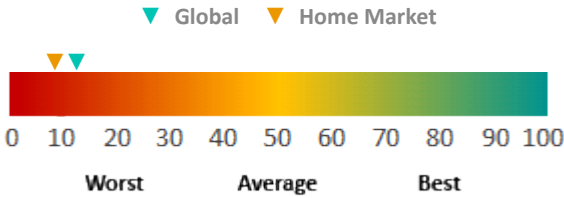
Based on the company's disclosures and other public information, accounting and financial reporting practices at Alibaba Group may warrant close attention from shareholders. We have flagged this company for potential concerns regarding expense recognition ratios (based on our quantitative assessment) and restatements and/or one-off charges (impairments, write-offs, non-recurring charges).

0-10 Score	Global Percentile Rank	Home Market Percentile Rank
4.8	14th (Below Average)	10th (Below Average)

KEY METRICS SCORING

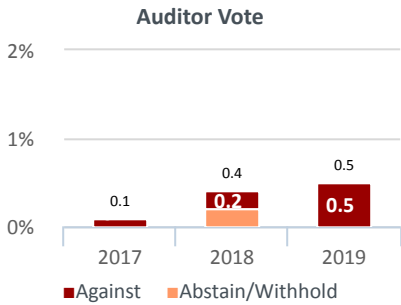
	Deduction
ACCOUNTING EVENTS	
Restatements or Special Charges	-0.30
ACCOUNTING RISK	
Revenue Recognition	-0.04
Expense Recognition	-0.54

ACCOUNTING PERFORMANCE VS.



EXTERNAL AUDITORS

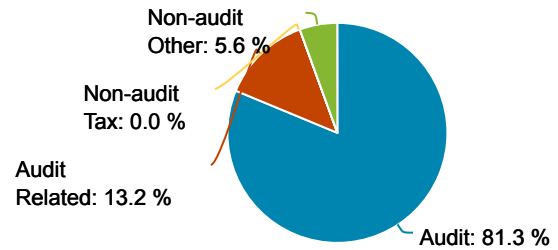
Type	Since	Firm	Most Recent Fiscal Year End Signed Off
Primary		PricewaterhouseCoopers	2019



AUDITOR FEES

Fees paid to: PricewaterhouseCoopers (Primary)

Fee	Mar 31, 2019 (CNY)	Mar 31, 2018 (CNY)	Mar 31, 2017 (CNY)
Audit	87,545,000	66,606,000	52,315,000
Audit Related	14,212,000	7,753,000	3,936,000
Total Audit + Audit Related	101,757,000	74,359,000	56,251,000
Tax Compliance/Advice		753,000	730,000
Other Non-audit Services	5,982,000	5,442,000	1,023,000
Total Non-audit Fees	5,982,000	6,195,000	1,753,000
Total Fees	107,739,000	80,554,000	58,004,000



AUDITOR REPORT

	Mar 31, 2019	Mar 31, 2018	Mar 31, 2017
Report Disclosed	Yes	Yes	Yes
Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion
Emphasis of Matter	No	No	No

CONTROVERSY CASES

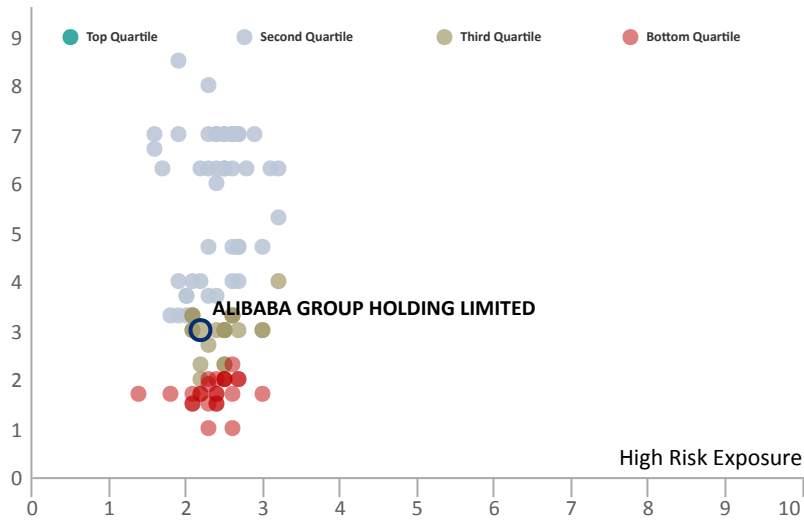
Category:	Restatements or Special Charges	Impairment Charge of USD 3 Billion Recorded for the Quarter Ended September 30, 2019
Last Reviewed:		In November 2019, Alibaba Group Holding Limited announced an impairment charge of USD 3 billion for the three months ended September 30, 2019 related to investments and goodwill.
Date Initiated:	November 2019	
Assessment:	Moderate	
Status:	Ongoing	



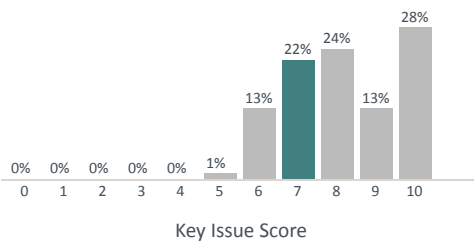
Carbon Emissions

Score	Change (since rating)	Quartile	Weight	As of
7.8	n/a	••	5.0%	May 24, 2017

Strong Risk Management



KEY ISSUE SCORE DISTRIBUTION*



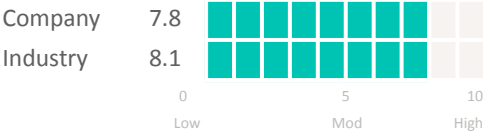
TOP 5 INDUSTRY LEADERS

B2W - COMPANHIA DIGITAL	10
BEST BUY CO., INC.	10
CANADIAN TIRE CORPORATION, LIMITED	10
EBAY INC.	10
FAST RETAILING CO., LTD.	10

BOTTOM 5 INDUSTRY LAGGARDS

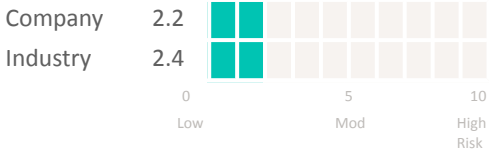
China International Travel Service Corporation Limited	6.1
EXPEDIA GROUP, INC.	6.1
DOLLARAMA INC.	5.7
Trip.com Group Limited	5.7
BOOKING HOLDINGS INC.	5.4

KEY ISSUE ASSESSMENT

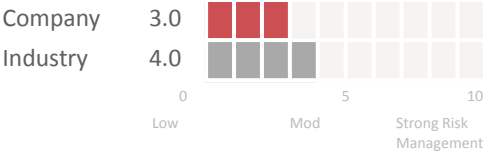


May face increased costs linked to carbon pricing or regulatory caps.

RISK EXPOSURE ASSESSMENT



RISK MANAGEMENT ASSESSMENT



Drivers of Risk Exposure



Drivers of Risk Management



Business Locations



Performance Score



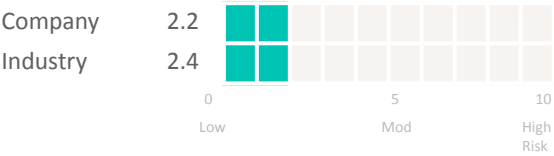
METHODOLOGY NOTE

This issue evaluates the extent to which companies may face increased costs linked to carbon pricing or regulatory caps. Scores are based on exposure to GHG intensive businesses and emerging regulations; carbon reduction targets and mitigation programs; and carbon intensity over time and vs. peers.

* [For symbols and terms used in this report, refer to the Glossary section at the end of the report]

EXPOSURE

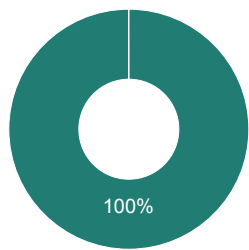
RISK EXPOSURE
ASSESSMENT



Key Drivers of Risk Exposure

Exposure to: Risks of having to pay increased compliance costs tied to carbon emissions regulations

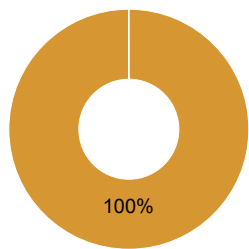
Business Types : Percentage of operations in business segments with high/moderate/low carbon intensity



- No exposure to high risk segments
- No exposure to medium risk segments
- Internet Retailers, Data processing, IT related services, Information retrieval

Source: IERS' Comprehensive Environmental Data Archive (CEDA) data - direct GHG emissions intensity; Eurostat – Air Emissions Accounts by Activity; Thomson; GHG emissions intensities compiled by MSCI ESG Research; company disclosure

Business Locations : Percentage of operations in countries with strengthening or pending carbon emissions regulation

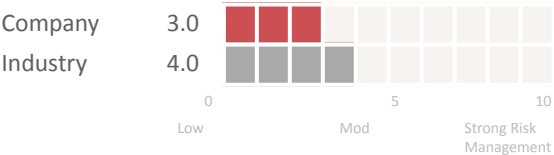


- No operations in markets with high risks
- China
- No operations in markets with low risks

Source: MSCI ESG Research; Thomson; company disclosure

MANAGEMENT

RISK MANAGEMENT
ASSESSMENT



Description	Company Practice	Best Practice	Practices Score ²
-------------	------------------	---------------	------------------------------

Targets

Aggressiveness of the company's reduction target in the context of its current performance	No target	Aggressive target with a low base	- LOW MID TOP
Demonstrated track record of achieving its carbon reduction targets	No previous targets	Previously set & met targets	- LOW MID TOP

Mitigation

Strength of Greenhouse Gas Mitigation Strategy (0-10 Score, 0=worst, 10=best) 6.00

Programs or actions to reduce the emissions intensity of core operations

Use of cleaner sources of energy	Limited efforts / information	Aggressive efforts	- LOW MID TOP
Energy consumption management and operational efficiency enhancements	Some efforts	Aggressive efforts	- LOW MID TOP
CDP disclosure	No	Yes	- LOW TOP
Other initiatives (e.g. carbon offsets)	No evidence	Aggressive efforts	- LOW MID TOP

Performance

Carbon Emissions Performance Relative to Peers (0-10 Score, 0=worst, 10=best) 3.00

GHG Emissions - metric tons CO2e

Year	Scope 1 Disclosed	Scope 1 Estimate Key	Scope 2 Disclosed	Scope 2 Estimate Key	Scope 1+2 Disclosed	Scope 3 (upstream)	Scope 3 (downstream)	Scope 3 (undefined)	Scope 1 Estimated	Scope 2 Estimated	Scope 1+2 Estimated	Scope 1+2 Estimate Key	GHG Emissions Details
2018		E.Segmt-Low		E.Segmt-Moderately High					119,006.0	317,557.0	436,563.0	E.Segmt-Low	Jan-2020 Emissions Estimation Update
2017		E.Segmt-Moderate		E.Segmt-Moderately Low					34,365.0	367,683.0	402,048.0	E.Segmt-Moderately Low	Feb-2019 Emissions Estimation Update
2016		E.Segmt-Moderate		E.Segmt-Moderate					28,545.0	481,129.0	509,674.0	E.Segmt-Moderate	Jan-2018 Emission Estimation Update
2015		E.Segmt-Moderate		E.Segmt-Moderately Low					23,047.0	382,654.0	405,701.0	E.Segmt-Moderately Low	Jan-2017 Estimation Update (Segment)
2014		E.GICSSI - MODERATELY LOW		E.GICSSI - MODERATELY LOW					9,855.0	360,187.0	370,042.0	E.GICSSI - MODERATELY LOW	January 2016 Estimation Update
2013		E.GICSSI - MODERATELY LOW		E.GICSSI - MODERATELY LOW					6,287.0	247,432.0	253,719.0	E.GICSSI - MODERATELY LOW	January 2016 Estimation Update
2012		E.GICSSI - MODERATELY LOW		E.GICSSI - MODERATELY LOW					3,797.0	162,763.0	166,560.0	E.GICSSI - MODERATELY LOW	January 2016 Estimation Update
2011		E.GICSSI - MODERATELY LOW		E.GICSSI - MODERATELY LOW					2,173.0	93,172.0	95,345.0	E.GICSSI - MODERATELY LOW	January 2016 Estimation Update
2010		E.GICSSI - MODERATELY LOW		E.GICSSI - MODERATELY LOW					1,242.0	53,263.0	54,505.0	E.GICSSI - MODERATELY LOW	January 2016 Estimation Update
2009		E.GICSSI - MODERATELY LOW		E.GICSSI - MODERATELY LOW					668.0	28,634.0	29,302.0	E.GICSSI - MODERATELY LOW	January 2016 Estimation Update

GHG Emissions Intensity - metric tons CO2e / USD million sales

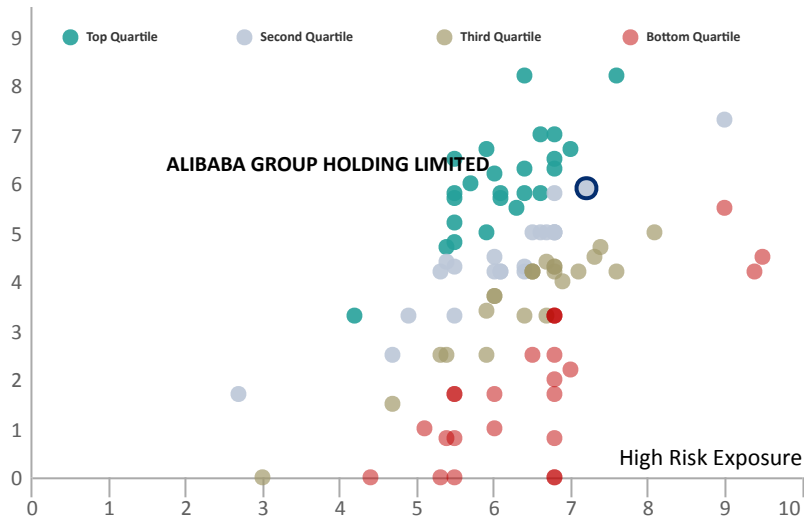
Year	GHG Intensity	GHG Intensity Details	GHG Intensity - Reported	GHG Intensity - Reported Details
2018	7.80			
2017	10.10			
2016	21.70			
2015	25.90			
2014	30.10			
2013	30.00			
2012	30.00			
2011	30.00			
2010	30.00			
2009	30.00			



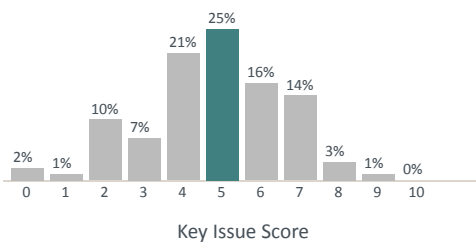
Privacy & Data Security

Score	Change (since rating)	Quartile	Weight	As of
5.7	0.0	●●●	39.0%	Dec 18, 2019

Strong Risk Management



KEY ISSUE SCORE DISTRIBUTION*



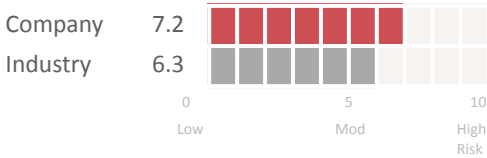
TOP 5 INDUSTRY LEADERS

Meituan Dianping	8.8
Dufry AG	8
Isetan Mitsukoshi Holdings Ltd.	7.8
Trip.com Group Limited	7.6
Industria de Diseno Textil, S.A.	7.4

KEY ISSUE ASSESSMENT

Better positioned to manage regulatory risks, and avoid cost increases or reputational damage from a data breach or controversial use of personal data.

RISK EXPOSURE ASSESSMENT



Drivers of Risk Exposure

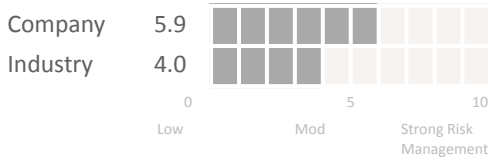
Business Types



Business Locations



RISK MANAGEMENT ASSESSMENT

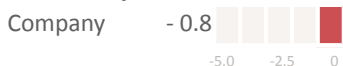


Drivers of Risk Management

Practices Score



Controversy Deduction



BOTTOM 5 INDUSTRY LAGGARDS

LOJAS AMERICANAS S.A.	1.7
China Grand Automotive Services Group Co., Ltd.	1.5
KOHL'S CORPORATION	1
DOLLAR TREE, INC.	0.2
ROSS STORES, INC.	0.2

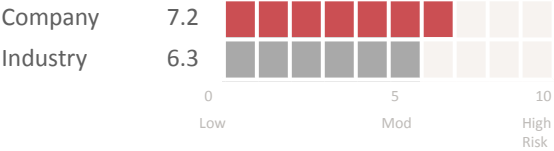
METHODOLOGY NOTE

This issue evaluates the extent to which companies may face regulatory risks or reputational damage from a data breach or controversial use of personal data. Scores are based on involvement in handling sensitive personal data and exposure to evolving regulations; strength of privacy policy and data security management systems; and data breaches and controversies.

* [For symbols and terms used in this report, refer to the Glossary section at the end of the report]

EXPOSURE

RISK EXPOSURE
ASSESSMENT



Key Drivers of Risk Exposure

Exposure to: Risk of compliance cost increase or reputational damage from data breaches or controversial use of personal data

Business Types : Percentage of revenue derived from business segments that · require collection and/or handling of sensitive personal data · have witnessed high cost and frequency of data breaches



Source: Thomson; MSCI ESG Research; company disclosure

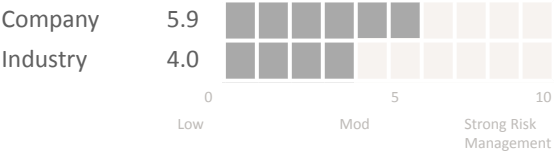
Business Locations : Percentage of operations in countries with strengthening or evolving data and privacy regulations, with high cost of data breaches



Source: Thomson; MSCI ESG Research; company disclosure; Ponemon Institute

MANAGEMENT

RISK MANAGEMENT
ASSESSMENT



Description	Company Practice	Best Practice	Practices Score ²			
Practices - Operations						
Scope of company's publicly available data protection policy	Policy governs selected business lines/subsidiaries	Policy governs all relevant business lines/subsidiaries	-	LOW	MID	TOP
Rights provided to individuals regarding the control of their data	Right of access and rectification of individuals' data	Right of access, rectification and deletion of individuals' data	-	LOW	MID	TOP
Information Security Policies and Systems audit frequency	Internal audits are conducted at least once every two years	External independent audits are conducted at least once every two years	-	LOW	MID	TOP
Company's executive body responsible for: Privacy and Data security	C-suite or Executive committee	Board-level committee	-	LOW	MID	TOP
Practices - Employees						
Scope of employee training on data security and/or privacy-related risks & procedures	Training is provided to selected employees or scope unclear	Training is provided to all employees, including contractors	-	LOW	MID	TOP

CONTROVERSIES

All controversies are assessed as part of the annual review of a company's ESG rating. MSCI ESG Research tracks controversies for all companies on a regular basis. The Alibaba has been flagged for involvement in controversial events or alleged misconduct.

Controversy Cases

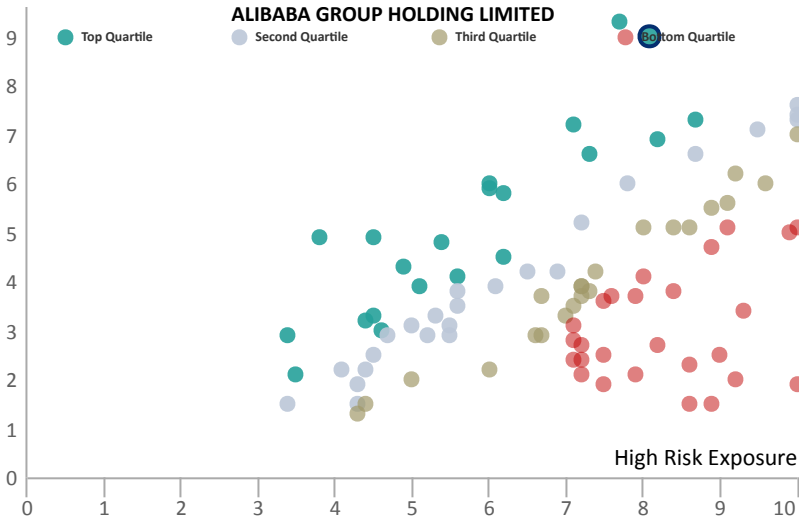
Assessment	Headline	Status	Last Updated
Moderate	Cainiao Network: More than 10 Million Customer Information Allegedly Stolen After Malware Infection	Ongoing	September 2018



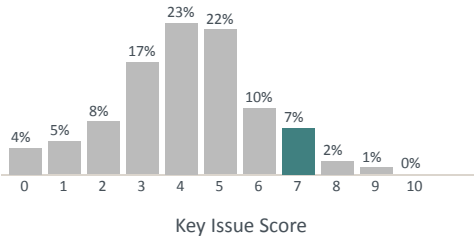
Labor Management

Score	Change (since rating)	Quartile	Weight	As of
7.9	0.0	●●●●	24.0%	Dec 18, 2019

Strong Risk Management



KEY ISSUE SCORE DISTRIBUTION*



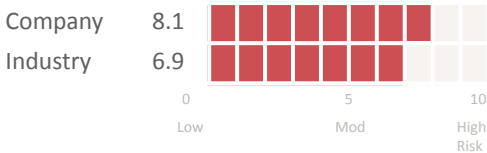
TOP 5 INDUSTRY LEADERS

BEST BUY CO., INC.	8.6
Home Product Center Public Company Limited	8.1
ALIBABA GROUP HOLDING LIMITED	7.9
HARVEY NORMAN HOLDINGS LTD	7.4
SUNING.COM CO., LTD.	7.1

KEY ISSUE ASSESSMENT

Amidst stiff competition from tech giants, talent development and retention is critical for companies like Alibaba. It appears to offer competitive employee packages and benefits that compare favorably to practices of both Chinese and global internet peers. The company's evolving profile, into new markets and technology spaces through investment and substantial M&A deals may entail restructuring or integration risks for employees.

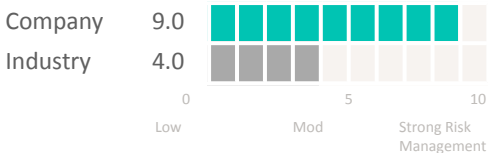
RISK EXPOSURE ASSESSMENT



Drivers of Risk Exposure



RISK MANAGEMENT ASSESSMENT



Drivers of Risk Management



BOTTOM 5 INDUSTRY LAGGARDS

DOLLAR TREE, INC.	0.5
DOLLARAMA INC.	0
El Puerto de Liverpool, Sociedad Anonima Bursatil de Capital Variable	0
JD.COM, INC.	0
WESFARMERS LIMITED	0

METHODOLOGY NOTE

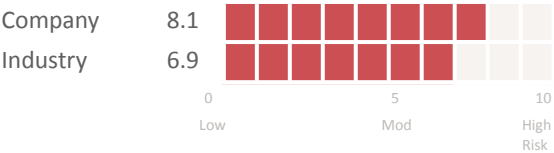
This issue evaluates the extent to which companies may face workflow disruptions due to labor unrest or reduced productivity due to poor job satisfaction. Scores are based on exposure to regions facing labor unrest, size of workforce, and corporate restructuring / layoffs; workforce policies, benefits, training, and employee engagement; and labor-related controversies.



* [For symbols and terms used in this report, refer to the Glossary section at the end of the report]

EXPOSURE

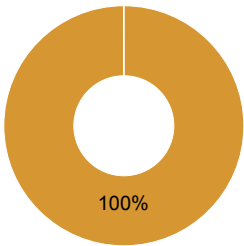
RISK EXPOSURE
ASSESSMENT



Key Drivers of Risk Exposure

Exposure to: Risk of workflow disruptions due to labor unrest, or reduced productivity due to poor job satisfaction

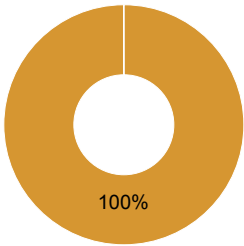
Business Types : Percentage of operations in business segments with high/moderate/low labor intensities, as measured by average sales per employee of industries



- No exposure to high risk segments
- Internet Retailers, Data processing, IT related services, Information retrieval
- No exposure to low risk segments

Source: Thomson; MSCI ESG Research; company disclosure

Business Locations : Percentage of operations in countries with high/moderate/low likelihood of labor unrest (based on historic precedent)



- No operations in markets with high risks
- China
- No operations in markets with low risks

Source: International Labour Organization; Thomson; MSCI ESG Research; company disclosure

Layoffs Events

Major Layoffs: No

Size and Composition of Workforce

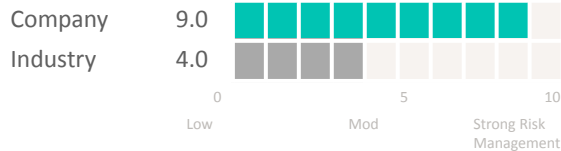
Number of employees: 101,958

Number of Employees

Year	Number of employees	Part time workers (%)	Contract or temporary workers (%)	Estimated Part time/contract %
2011	21,930			
2012	20,674			
2013	22,072			
2014	34,985			
2015	36,446			
2016	50,097			
2017	66,421			
2018	101,958			

MANAGEMENT

RISK MANAGEMENT ASSESSMENT



Description	Company Practice	Best Practice	Practices Score ²
Strategy			
Evidence of collective agreements	No	Yes	- LOW TOP
Employee stock ownership plan (ESOP) or employee stock purchase plan (ESPP)	Sector-leading number of employees eligible for ESOP and/or ESPP	Sector-leading number of employees eligible for ESOP and/or ESPP	- LOW MID TOP
Variable performance-based component to pay	Strong performance-based incentive pay structure covers all employees	Strong performance-based incentive pay structure covers all employees	- LOW MID TOP
Non-compensation benefits including pension and retirement	Benefits cover all employees	Benefits cover all employees	- LOW MID TOP

External recognition - details

Year	Awarding authority name	Title of the Award
2018	Forbes	World's Best Employers 2018

Employee turnover

Year	Annual employee turnover (%)	Details
2016		



Employee Productivity

Year	Profit per employee (USD '000)
2017	146
2018	127

CONTROVERSIES

All controversies are assessed as part of the annual review of a company's ESG rating. MSCI ESG Research tracks controversies for all companies on a regular basis. The Alibaba has been flagged for involvement in controversial events or alleged misconduct.

Controversy Cases

Assessment	Headline	Status	Last Updated
Minor	China: Criticism by Tech Employees on Alleged Working Schedule of 72 Hours per Week	Ongoing	June 2019
Minor	South China Morning Post: Employees Raised Concerns over Potential Impact to Pay after Job Titles Changed	Ongoing	May 2019



OTHER RISKS & OPPORTUNITIES

Alibaba's heavy reliance on Alipay poses indirect political and regulatory risks

Alibaba's heavy reliance on Alipay exposes it to the political and regulatory risks faced by Alipay. More broadly, the interdependence between Alibaba and Alipay's parent Ant Financial Services Group (formally named SMFSC) under the 2014 profit sharing agreement indirectly exposes Alibaba to broader financial product safety risks faced by Ant Financial.

With 75% of gross merchants' value on its China retail marketplaces settled through Alipay, Alipay's payment processing and escrow services are critical to Alibaba's business success. Alipay's significance to Alibaba is far beyond its surface role as the primary payment processor. According to the share and asset purchase agreement reached in August 2014 between Alibaba and Ant Financial, Alibaba transferred its small and medium enterprise loan business to Ant Financial and receives 37.5% of Ant Financial's consolidated pretax profit plus 2.5% of the value of its outstanding small and medium loans. The long term economic value for Alibaba is either a perpetual 37.5% profit share stream or a possible future direct equity interest in the event of a qualified IPO of Ant Financial or Alipay. In fiscal year 2016, Alibaba recognized USD 174 million in royalty and software technology services fee income from Alipay, accounting for 55% of its total other net income, and service fees paid by Alibaba to Alipay account for about 14% of Alibaba's cost of revenue. We have estimated that Alipay receives a commission of around 0.21% on every dollar it processes on Alibaba's Tmall and Taobao marketplaces based on its financial statements for FY2016. Therefore, while Alibaba does not currently have direct equity interests in Alipay or Ant Financial, the two companies are closely related through fee and royalty arrangements.

Ant Financial was set up in October 2014, but has become the manager of China's biggest money market fund in little over a year. Its businesses include Alipay, China's dominant online payment processor with a user base of 450 million as of end of 2016 and also offers personal banking services; Ant Micro Loan, having provided loans with a total amount of nearly RMB 1 trillion in last six years; Yu'e Bao, China's largest money market fund with over RMB 1 trillion assets under management as of Q1 2017; and Sesame Credit, an innovative personal credit rating and insurance service. It has also started the first internet-based bank in China. Despite such significant involvement in the financial market, which has generally been restricted in China and dominated by state-owned enterprises, the depth of Ant Financial's involvement in the market and its risk management approach remain untransparent to public and to the public shareholders of Alibaba, a hidden risk for Alibaba's shareholders.

The online and mobile payment industry specifically is subject to increasing scrutiny from regulators and major third party financial institutions in China, due to increasing concerns over the safety of financial products and the competitive threat to traditional banks. In March 2014, instances arose in which Alipay's services were blocked by some major financial institutions and several commercial banks reduced their existing limits on the amounts that may be transferred by automatic payment from customers' bank accounts to their linked Alipay service. It is likely that future regulatory developments could reduce the convenience or utility of Alipay services, which may in turn adversely affect Alibaba's business.

Third party sale of counterfeit goods present reputational and regulatory challenges

Some of Alibaba's marketplaces have been known to provide forums for selling counterfeit goods, which has deterred some foreign retailers from opening stores on its online marketplaces. The company was listed on the U.S. Trade list of "notorious markets" for intellectual property (IP) infringement in December 2016 and has been under continuous scrutiny due to this problem. Although Alibaba has taken tougher measures to fight online sale of counterfeit goods in recent years, Taobao's reputation as a marketplace with huge amounts of counterfeit goods can not easily be altered and Alibaba is likely to continue to face challenges in gaining trust from foreign customers and retailers. It could even face lawsuits over facilitating counterfeit goods sales that eBay and Amazon have faced for years.

The company has a task force of over 2,000 staff spearheading the anti-counterfeit effort, and it invested millions in fighting counterfeit and enhancing consumer protection in recent years. It has been collaborating with Chinese government agencies to crack down on IP infringement. A system to track, identify, delete, and penalize listings of counterfeit goods on its platform has been established and big data technology is used to facilitate identification and tracking of counterfeit goods and trades. To attract international luxury brands to open stores on Tmall, the company has been working aggressively to crack down on unauthorized sellers of luxury goods on Tmall. These efforts have resulted in reduced customer complaints. According to the company, 3.5 transactions in every 10,000 transactions received customer complaints in 2014, a 22% decline from the previous year. However, Alibaba still faces a great challenge to fully eliminate this issue and improve its reputation, given China's general reputation for churning out fake goods and the several million of sellers that Alibaba needs to monitor. As a listed company traded in the US, the company is facing increasing pressure from foreign investors and regulators to put in place more vigilant anti-counterfeit risk investigation and due diligence processes.

APPENDIX

CONTENTS

ADDITIONAL ESG ISSUES

CONTROVERSIES DETAIL

ADDITIONAL CORPORATE GOVERNANCE CONTENT

KEY METRIC & SCORE CHANGES

CEO PAY CHARTS

DIRECTOR VOTES

SHAREHOLDER/MANAGEMENT PROPOSALS

GOVERNANCE STANDARDS

DIRECTOR PROFILES



Tax Transparency

Score	Change (since rating)	Quartile	Weight	As of
6.0	0.0	<div></div>	0.0%	Oct 02, 2019

ANALYSIS

Indicators

Tax Gap	
Estimated Effective Tax Rate	14.1%
Estimated Corporate Income Tax Rate	25.0%
Estimated Tax Gap	10.9%

Revenue	
Foreign Revenue	100.0%

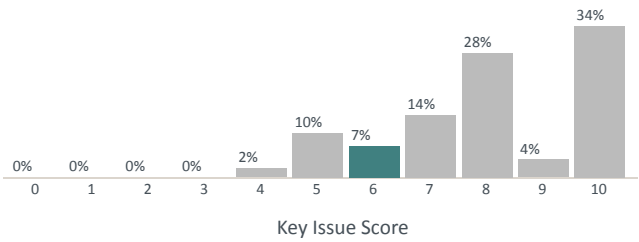
Confidence	
Confidence Level of Estimation	High

METHODOLOGY NOTE

This issue evaluates the extent to which companies’ estimated effective income tax rate may be misaligned with revenue-weighted corporate income tax rates in countries of operation. The score is an absolute assessment of a company’s tax transparency and payments on a universally applied 0-10 scale. Each company starts with a "perfect 10" and points are deducted based on the size of the tax gap and any involvement in tax-related controversies. Confidence Level refers to the degree of granularity of reported data and frequency of loss-making. Low confidence level indicates disclosure of revenue primarily by regions rather than countries or that the company experienced losses in at least two of the last five years. A negative tax gap indicates that the company’s estimated effective rate is greater than its estimated corporate income tax rate. A negative estimated effective tax rate may indicate that the company is receiving or claiming tax credits while reporting net profit. A negative tax gap does not necessarily indicate that the company is paying excess taxes. There is no score deduction for a negative tax gap.

*[For symbols and terms used in this report, refer to the Glossary section at the end of the report]

KEY ISSUE SCORE DISTRIBUTION*



TOP 5 INDUSTRY LEADERS

SHINSEGAE Inc.	10.0
ZOZO, Inc.	10.0
HIKARI TSUSHIN, INC.	10.0
ROSS STORES, INC.	10.0
China International Travel Service Corporation Limited	10.0

BOTTOM 5 INDUSTRY LAGGARDS

BAOZUN INC.	5.0
Delivery Hero SE	5.0
VIPSHOP HOLDINGS LIMITED	5.0
WAYFAIR INC.	4.0
LOTTE SHOPPING CO.,LTD.	4.0

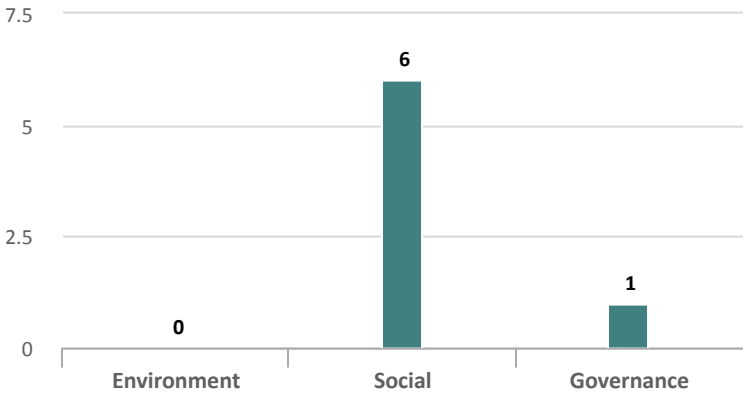
CONTROVERSIES DETAIL

Here you will find the narratives for all controversies relevant to the ESG Ratings issues covered for the company in addition to those controversies that do not map to the ESG Ratings issues.

CONTROVERSY CARD

Table with 3 columns: Category, Most Severe Controversy, Controversy Count. Rows include Environment (Carbon Emissions: None, 0), Social (Labor Management: Minor, 2; Privacy & Data Security: Moderate, 1), and Governance (Corporate Governance: Moderate, 1; Tax Transparency: None, 0).

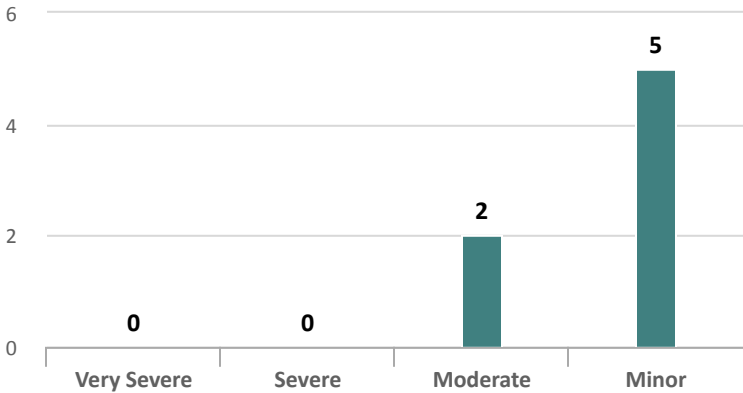
NUMBER OF CONTROVERSIES BY PILLAR



CONTROVERSIES

- Very Severe: Indicates an action by a company that results in a very large impact on society and/or the environment.
Severe: Indicates an action by a company that results in a large impact on society and/or the environment.
Moderate: Indicates an action by a company that results in a moderate impact on society and/or the environment.
Minor: Indicates an action by a company that results in a low impact on society and/or the environment.
None: There is no evidence that a company is involved in any controversy.

NUMBER OF CONTROVERSIES BY ASSESSMENT



SOCIAL CONTROVERSIES

Moderate Controversies

Date: September 2018
Assessment: Moderate
Status: Ongoing
Cainiao Network: More than 10 Million Customer Information Allegedly Stolen After Malware Infection
In June 2018, Cainiao Network, a subsidiary and logistics affiliate of Alibaba Group Holding Limited, reported to the police that more than 10 million customer information were allegedly stolen by hackers after malware infected the barcode scanners in their distribution centers. In September 2018, the police arrested 21 suspects related to this theft. Cainiao said that the breach has already been fixed.
UPDATES: 21 Sep 2018: Chinese police arrest 21 over data theft at Alibaba's delivery arm: Xinhua. (Reuters)
Source: 21 Sep 2018_Ruters

Minor Controversies

Date: June 2019
Assessment: Minor
Status: Ongoing

China: Criticism by Tech Employees on Alleged Working Schedule of 72 Hours per Week

UPDATES: 04 Jun 2019: China: Technology workers protest online against overtime work culture, access to the webpage reportedly blocked by some domestic browsers. (Business & Human Rights Resource Centre (Main))

15 Apr 2019: Working 9 to 9: Chinese tech workers push back against long hours. (The Guardian)

Source: 04 Jun 2019_Business & Human Rights Resource Centre (Main)

Date: May 2019
Assessment: Minor
Status: Ongoing

AliExpress: European Consumer Groups Alleged Terms and Conditions Breached EU Laws

UPDATES: 16 May 2019: Consumer bodies seek to force Alibaba portal to honor EU shoppers' rights. (Reuters)

Source: 16 May 2019_Reuters

Date: May 2019
Assessment: Minor
Status: Ongoing

South China Morning Post: Employees Raised Concerns over Potential Impact to Pay after Job Titles Changed

UPDATES: 04 May 2019: Alibaba gives new titles to many SCMP staff. (EXECUTIVE APPOINTMENTS MONITOR WORLDWIDE)

Source: 04 May 2019_EXECUTIVE APPOINTMENTS MONITOR WORLDWIDE

Date: June 2018
Assessment: Minor
Status: Concluded

Alibaba Health Information Technology: Alleged Unfair Advantage of Online Drug Monitoring System in China

In February 2016, the China Food and Drug Administration (CFDA) suspended the online drug monitoring platform developed by Alibaba Group's subsidiary Alibaba Health Information Technology while it drafts amendments monitoring pharmaceutical sales. A Hunan-based pharmacy sued CFDA over the arrangement because it allegedly gives unfair advantage to Alibaba for having its own online drug sales business. Alibaba has made modifications to the traceability platform to address these allegations. This new platform, which allows companies to track products from production to end user, was made accessible to pharma companies on a voluntary basis in June 2016. In April 2018, AliHealth appointed YPB to be the Independent Software Vendor (ISV) of the supply chain traceability software platform.

UPDATES: 29 Jun 2018: Company Communication. (Alibaba Group Holding Limited)

05 Apr 2018: AliHealth names YPB a partner on meds traceability platform. (Securing Industry)

24 Feb 2016: China pharmacies urge abolition of Alibaba Health drug tracking platform. (Reuters)

21 Feb 2016: China suspends Ali Health-run online drug monitoring platform. (Reuters)

Source: 24 Feb 2016_Reuters; 21 Feb 2016_Reuters

Date: June 2018
Assessment: Minor
Status: Concluded

US: Allegation of Selling Hoverboards with Potential Battery Pack Overheating Risks, Several Accidents Reported

In July 2016, manufacturers in China recalled at least 501,000 hoverboards sold in US via AliExpress.com and Alibaba.com due to potential battery pack overheating risks. According to the Consumer Product Safety Commission, there were several overheating incidents reported. In some cases, the hoverboards caught fire leading to injuries as well as property damage. The commission said that Alibaba promised it would require sellers to present safety check certificates for the hoverboards they sell on its platform. In June 2018, as part of the drive to protect consumer's safety from online purchases, AliExpress and four other companies signed an agreement with the European Commission.

UPDATES: 29 Jun 2018: Company Communication. (Alibaba Group Holding Limited)

25 Jun 2018: EU in agreement with Amazon eBay to tackle dangerous product listings. (Reuters)

06 Jul 2016: Half a million hoverboards recalled in US. (BBC News)

Source: 06 Jul 2016_BBC News

GOVERNANCE CONTROVERSIES

Moderate Controversies

Date: June 2018
Assessment: Moderate
Status: Ongoing

US: Regulatory Investigation Over Alleged Accounting Inconsistencies

In May 2016, it was announced that the United States Securities and Exchange Commission (SEC) launched an investigation into Alibaba Group Holding, Ltd. over alleged accounting discrepancies. The SEC requested information specifically related to Alibaba's logistics affiliate, Cainiao Network as well as data from its Singles Day shopping festival, which occurred on November 11, 2015.

In November 2016, according to media, SEC was working with at least one whistleblower over the investigation into the company's controversial accounting practices.

UPDATES: 29 Jun 2018: Company Communication. (Alibaba Group Holding Limited)

01 Nov 2016: SEC Is Working with Whistleblowers over Investigation into Controversial Accounting Practices (stheadline.com)

25 May 2016: SEC investigating Alibaba's accounting practices (Reuters)

Source: 1 Nov 2016_stheadline.com

KEY METRIC & SCORE CHANGES

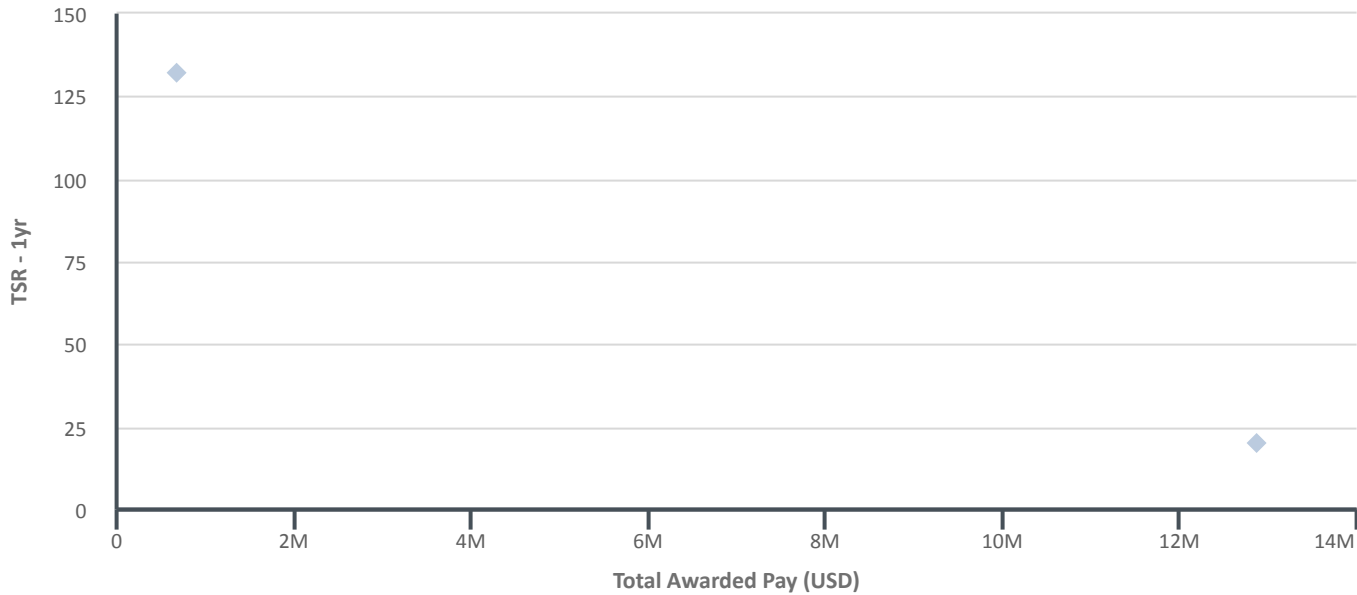
ALL KEY METRIC & SCORE CHANGES (SINCE OCTOBER 2018)

Key Metric	Key Metric Change	Date	Score Change*	Change Notes
Revenue Recognition	Score Change	Dec 19, 2019		Updates to data for accounting peer group member(s)
Expense Recognition	Score Change	Dec 19, 2019	0.30	Updates to data for accounting peer group member(s)
Restatements or Special Charges	Flag Added	Nov 28, 2019	-0.30	Events update
Expense Recognition	Score Change	Oct 25, 2019	-0.33	Updates to data for accounting peer group member(s)
Revenue Recognition	Score Change	Oct 25, 2019	-0.04	Updates to data for accounting peer group member(s)
Asset-Liability Valuation	Score Change	Oct 25, 2019	0.20	Updates to data for accounting peer group member(s)
Executives on Board	Flag Removed	Oct 14, 2019	0.20	
Combined CEO/Chair	Flag Added	Sep 13, 2019	-0.20	
Proxy Access	Flag Added	Aug 27, 2019	-0.20	
Significant Votes Against Directors	Score Change	Jul 30, 2019	0.30	
Related Party Transactions	Score Change	Jul 09, 2019	0.22	
Revenue Recognition	Score Change	Jul 09, 2019	0.04	Updates to data for accounting peer group member(s)
Multiple Equity Classes with Different Voting Rights	Score Change	Jul 09, 2019	0.05	
Expense Recognition	Score Change	Jul 09, 2019	0.05	Updates to data for accounting peer group member(s)
Asset-Liability Valuation	Flag Removed	Jul 09, 2019	0.29	Updates to data for accounting peer group member(s)
Expense Recognition	Score Change	Apr 25, 2019	-0.26	Updates to data for accounting peer group member(s)
Revenue Recognition	Score Change	Apr 25, 2019		Updates to data for accounting peer group member(s)
Asset-Liability Valuation	Score Change	Apr 25, 2019	-0.04	Updates to data for accounting peer group member(s)
Majority Voting	Score Change	Mar 27, 2019	0.00	
Significant Votes Against Directors	Score Change	Mar 06, 2019	-0.30	
Auditor Tenure	Score Change	Dec 14, 2018		
Expense Recognition	Score Change	Dec 06, 2018	-0.05	Updates to data for accounting peer group member(s)
Asset-Liability Valuation	Score Change	Dec 06, 2018	-0.03	Updates to data for accounting peer group member(s)

*Score change available in respect of changes dated on or after 13 December 2017.

CEO PAY CHARTS

CEO TOTAL AWARDED PAY VERSUS PAY PEER GROUP



Pay Peers (♦) are used in the calculation of the Key Metric CEO Pay Total Summary and selected as set out in the MSCI Governance Metrics Methodology Document.

CEO TOTAL REALIZED PAY VERSUS PAY PEER GROUP



Pay Peers (♦) are used in the calculation of the Key Metric CEO Pay Total Summary and selected as set out in the MSCI Governance Metrics Methodology Document.

DIRECTOR VOTES

Proxy Year	Name	Age	Tenure	Votes For	Votes Against
2019	Chee Hwa Tung	82	5	99.1%	0.9%
2019	Chih-Yuan (Jerry) Yang	51	5	99%	1%
2019	Daniel Yong Zhang	47	5	89.6%	10.4%
2019	Wan Ling Martello	61	4	99.7%	0.3%

SHAREHOLDER/MANAGEMENT PROPOSALS

MANAGEMENT PROPOSALS

Proxy Year	Proposal	Proposal Summary	Outcome	Votes For	Votes Against	Abstain/Withhold%
2019	Auditor Ratification	Ratification of appointment of Pricewaterhouse Coopers as Independent Registered Public Accounting Firm for Fiscal Year 2020	Approved	99.5%	0.5%	0%
2019	Other	Approval of the Share Subdivision	Approved	99.9%	0.1%	0.1%
2018	Auditor Ratification	Ratification of appointment of PricewaterhouseCoopers as Independent Registered Public Accounting Firm for Fiscal Year 2019	Approved	99.7%	0.2%	0.2%
2017	Auditor Ratification	Ratification of appointment of Pricewaterhouse Coopers as Independent Registered Public Accounting Firm for Fiscal Year 2018	Approved	99.8%	0.1%	0%

**For Management Proposals at AGM's held more than three years ago, please refer to the Screener tool on ESG Manager.*

CAYMAN ISLANDS



CURRENCY: CAYMAN ISLANDS DOLLAR (KYD)

Companies are incorporated in Cayman Islands as a jurisdiction of convenience and are subject to Cayman Islands company law, as well as applicable listing rules in the market in which they are listed. Cayman Islands has not adopted a corporate governance code, but companies are subject to the listing rules where they are listed and may be subject to a corporate governance code in that place of listing. These listing requirements may cover many of the issues of corporate governance commonly found in other jurisdictions.

Cayman Islands companies have a default standard of majority voting and one tier boards. Directors serve three year rotating terms. They can be removed without cause by two-thirds majority shareholder vote and shareholders may also fill the subsequent vacancy by majority vote. However, all of these issues are subject to any alternatives provided in the articles of association of the company. Cumulative voting is not provided for. There are no Cayman Islands board diversity requirements and no requirement for any specific level of board independence, although this may be covered by requirements in the listing jurisdiction.

Provisions relating to financial issues are minimal in Cayman Islands. Companies must keep books of account sufficient to allow for a true and fair view of the company's financial state. The articles provide for audit issues and the default provision is for the accounts to be audited. There are no default provisions regarding the auditor or other related issues, which are left to the listing rules in the jurisdiction of listing. Holders of three members (regardless of shareholding) can requisition an extraordinary general meeting of shareholders. The articles and memorandum of association can only be amended by shareholders through a two-thirds majority vote and mergers require two-thirds majority shareholder approval. Dissenting shareholders are entitled to require payment of a fair price for their shares and, unless they agree with the company, can petition the Court to make a determination of the fair price. The one share, one vote system is the default standard, although it is possible to have differential rights. Takeovers are not generally regulated by Cayman Islands law, but are subject to the regulations applicable in the place of listing.

There are no particular requirements under Cayman Islands Laws regarding executive remuneration.

DIRECTOR PROFILES

BÖRJE EKHOLM

Age: 57
Gender: M
Nationality: Sweden
Financial: Yes
Risk: No
Industry: Technology Hardware & Equipment - Communications Equipment, Diversified Financials - Diversified Financial Services

BIOGRAPHICAL INFORMATION

ALIBABA GROUP HOLDING LIMITED - Board Member Source Date: 06/05/2019
E. Börje EKHOLM has been our director since June 2015. Mr. Ekholm is since January 2017 the president and Chief Executive Officer of Ericsson. Prior to his current position, Mr. Ekholm was head of Patricia Industries, a newly created division of Investor AB, a Swedish investment company, where he has held a variety of management positions since joining the firm in 1992. Mr. Ekholm served as president and Chief Executive Officer and a member of the board of directors of Investor AB from September 2005 to May 2015. Prior to becoming president and Chief Executive Officer, Mr. Ekholm was a member of the management group of Investor AB. Previously, Mr. Ekholm worked at McKinsey & Co. Inc. Mr. Ekholm currently serves as a member of the board of Ericsson,
Telefonaktiebolaget LM Ericsson - Executive, Board Member, CEO Source Date: 03/01/2019
Master of Science in Electrical Engineering, KTH Royal Institute of Technology, Stockholm, Sweden. Master of Business Administration, INSEAD, France. Board Member: Alibaba, Inc. Principal work experience and other information: President and CEO of Telefonaktiebolaget LM Ericsson since 2017. CEO of Patricia Industries, a division within Investor AB (2015–January 15, 2017). President and CEO of Investor AB (2005–2015). Formerly Head of Investor Growth Capital Inc. and New Investments. Previous positions at Novare Kapital AB and McKinsey & Co Inc. Member of the Board of Trustees of Choate Rosemary Hall. Holds honorary Doctorate at KTH Royal Institute of Technology, Sweden. Since 2017, member of the Steering Committee of the World Economic Forum Digital Communication Governors and a member of the Broadband Commission for Sustainable Development.
NASDAQ, INC. - Board Member Source Date: 03/12/2019
Mr. Ekholm has been CEO of Patricia Industries, a division of Investor AB, since May 2015. From 2005 to May 2015, he was President and CEO of Investor AB. Prior to becoming CEO, Mr. Ekholm was a member of the management group at Investor AB, where he had oversight of the investment business. He previously served as President of Novare Kapital AB and at various positions at McKinsey & Company. He is a member of the remuneration committees of Ericsson and Trimble. He is a member of the audit committee of Alibaba.

TRIMBLE INC. - Board Member Source Date: 03/26/2019

Ronald S. Nersesian was appointed to the Board of Directors in 2011. Mr. Nersesian has been president and chief executive officer of Keysight Technologies, an electronic measurement company, since 2013, when Agilent Technologies announced the separation of its electronic measurement business and launched Keysight Technologies. From November 2012 to September 2013, he served as president and chief operating officer of Agilent Technologies. From November 2011 to November 2012, he served as Agilent Technologies' executive vice president and chief operating officer. From March 2009 to November 2011, Mr. Nersesian served as president of Agilent's Electronic Measurement group (EMG), and from February 2005 to March 2009, he served as the vice president and general manager of the Wireless Business Unit of EMG. Mr. Nersesian joined Agilent in 2002 as vice president and general manager of the company's Design Validation Division. Mr. Nersesian began his career in 1982 with Computer Sciences Corporation as a systems engineer for satellite communications systems. In 1984, he joined Hewlett-Packard, and served in a range of management roles during his tenure. In 1996, Mr. Nersesian joined LeCroy Corporation as vice president of worldwide marketing and subsequently assumed other senior management roles, including senior vice president and general manager of the company's digital storage oscilloscope business. Mr. Nersesian is a member of Georgia Tech's Advisory Board. Mr. Nersesian holds a bachelor's degree in electrical engineering from Lehigh University and an MBA from New York University, Stern School of Business.

CORPORATE BOARDS

Table with 8 columns: Company, Role, Tenure, Appointed, Resigned, Independent of Management, Independent of Other Interests, Attendance. Rows include TRIMBLE INC., ALIBABA GROUP HOLDING LIMITED, and Telefonaktiebolaget LM Ericsson.

BOARD COMMITTEES

Table with 3 columns: Company, Committee Type, Position. Row for ALIBABA GROUP HOLDING LIMITED, Audit, Member.



EXECUTIVE PAY (all values USD)

Company	Role	Tenure	Pay Year	Total Annual Pay	Total Awarded Pay	Total Realized Pay	Shares Held
Telefonaktiebolaget LM Ericsson	CEO	14	2018	2,622,756	6,229,992	2,622,756	21,760



CHEE HWA TUNG

Age: 82
Gender: M
Nationality: China

Financial: No
Risk: No
Industry: Transportation - Marine

BIOGRAPHICAL INFORMATION

Alibaba Group Holding Limited, Source Date:

Chee Hwa TUNG will serve as our independent director upon completion of this offering. Mr. Tung is the Vice Chairman of the Twelfth National Committee of the Chinese Peoples Political Consultative Conference of the PRC, which is an important institution of multiparty cooperation and political consultation in the PRC. Mr. Tung is the Founding Chairman of the China-United States Exchange Foundation, which is a non-profit organization registered in Hong Kong to promote understanding and strengthening relationships between China and the United States. Mr. Tung also serves in various public sector and advisory positions, including as a member of the J.P. Morgan International Council, the China Development Bank International Advisory Committee and the Advisory Board of the Schwarzman Scholars Program at Tsinghua University. Prior to these appointments, Mr. Tung served as the First Chief Executive of the Hong Kong Special Administrative Region from July 1997 to March 2005. Mr. Tung had a successful and distinguished career in business, including serving as the Chairman and Chief Executive Officer of Orient Overseas (International) Limited, a Hong Kong Stock Exchange listed company with its principal business activities in container transport and logistics services on a global scale. Mr. Tung received a bachelors degree in science from the University of Liverpool. Mr. Tung has been asked to serve as an independent director because of his strategic vision, his deep experience and perspective as a business and government leader, and his long history and proven track record of building and strengthening relationships between China and the United States.

Orient Overseas (International) Ltd., Source Date:

85225318147

Cathay Pacific Airways Ltd., Source Date:

Director of the Company since September 2002. He is Chairman and Chief Executive Officer of Orient Overseas (International) Limited. He is also an Independent Non-Executive Director of U-Ming Marine Transport Corp. He was formerly an Independent Non-Executive Director of BOC Hong Kong (Holdings) Limited, PetroChina Company Limited, Sing Tao News Corporation Limited, Wing Hang Bank, Limited and Zhejiang Expressway Co., Ltd., all being companies listed in Hong Kong.

CORPORATE BOARDS

Company	Role	Tenure	Appointed	Resigned	Independent of Management	Independent of Other Interests	Attendance
ALIBABA GROUP HOLDING LIMITED	Board Member	5	Sep 01, 2014		Yes	Yes	

BOARD COMMITTEES

Company	Committee Type	Position
ALIBABA GROUP HOLDING LIMITED	Corporate Governance	Member
ALIBABA GROUP HOLDING LIMITED	Nomination	Member

VOTING RESULTS

Company	Year	For %	Against %
ALIBABA GROUP HOLDING LIMITED	2019	99.1%	0.9%

CHIH-YUAN (JERRY) YANG

Age: 51
Gender: M
Nationality: China

Financial: No
Risk: No
Industry: Technology Hardware & Equipment -
Communications Equipment, Media - Media

BIOGRAPHICAL INFORMATION

ALIBABA GROUP HOLDING LIMITED - Board Member Source Date: 06/05/2019

Jerry YANG () has been our director since September 2014. Mr. Yang previously served as our director from October 2005 to January 2012. Since March 2012, Mr. Yang has served as the founding partner of AME Cloud Ventures, a venture capital firm. Mr. Yang is a co-founder of Yahoo! Inc., and served as Chief Yahoo! and as a member of its board of directors from March 1995 to January 2012. In addition, he served as Yahoo!'s Chief Executive Officer from June 2007 to January 2009. From January 1996 to January 2012, Mr. Yang served as a director of Yahoo! Japan. Mr. Yang also served as an independent director of Cisco Systems, Inc. from July 2000 to November 2012. He is currently an independent director of Workday Inc., a company listed on the New York Stock Exchange, and Lenovo Group Ltd., a company listed on the SEHK. He also serves as a director of various private companies and foundations. Mr. Yang received a bachelor's degree and a master's degree in electrical engineering from Stanford University, where he is serving on the University's Board of Trustees beginning in October 2017. He was previously on Stanford's Board of Trustees from 2005 to 2015, including being a vice chair.

WORKDAY, INC. - Board Member Source Date: 04/26/2019

Jerry Yang has served as a Director since November 2013. Since March 2012, Mr. Yang has worked with and invests in technology entrepreneurs as the founding partner of AME Cloud Ventures, his innovation investment firm. Mr. Yang is a co-founder of Yahoo! Inc., where he served as a director from March 1995 to January 2012, and as Chief Executive Officer from June 2007 to January 2009. Mr. Yang also led Yahoo!'s investments in Yahoo! Japan and Alibaba Group Holding Limited, and he is currently a director of Alibaba Group, where he has served on the board from October 2005 to January 2012 and from September 2014 to the present. Mr. Yang is also a director of Lenovo, Inc. where he has served on the board since November 2014. From July 2000 to November 2012, Mr. Yang was a member of Cisco Systems, Inc.'s board of directors, and he was a director of Yahoo! Japan from January 1996 to January 2012. Mr. Yang also is a director of various private companies and foundations. Mr. Yang received a bachelor's degree and a master's degree in electrical engineering from Stanford University, where he served on the Board of Trustees from June 2005 until September 2016 and from October 2017 to the present. Mr. Yang brings to our Board of Directors extensive global leadership and deep experience in consumer internet technology.

LENOVO GROUP LIMITED - Board Member Source Date: 05/06/2019

Mr. Yang Chih-Yuan Jerry, has been an independent non-executive director of the Company since November 6, 2014. Prior to that, he was the board observer of the Company since February 20, 2013. He holds a master's degree and a bachelor's degree of science in electrical engineering from Stanford University, where he served on the Board of Trustees from June 2005 until September 2016 and from October 2017 to the present. Mr. Yang co-founded Yahoo! Inc. (NASDAQ listed) and served as its chief executive officer from June 2007 to January 2009. He also served as a member of the board of directors of Yahoo! Inc. until January 17, 2012. During such appointment, Mr. Yang focused on corporate strategy and technology vision. Mr. Yang was also instrumental in building strategic business partnerships, international joint ventures and recruiting key talent. Mr. Yang also served as a director of Yahoo! Japan Corporation from January 1996 to January 2012, an independent director of Cisco Systems, Inc. from July 2000 to November 2012. Mr. Yang is currently an independent director of Workday Inc. (Nasdaq listed) and Alibaba Group Holding Limited (NYSE listed).

CORPORATE BOARDS

Company	Role	Tenure	Appointed	Resigned	Independent of Management	Independent of Other Interests	Attendance
LENOVO GROUP LIMITED	Board Member	5	Nov 06, 2014		Yes	Yes	
ALIBABA GROUP HOLDING LIMITED	Board Member	5	Sep 01, 2014		Yes	Yes	
WORKDAY, INC.	Board Member	6	Nov 01, 2013		Yes	Yes	

BOARD COMMITTEES

Company	Committee Type	Position
ALIBABA GROUP HOLDING LIMITED	Pay	Chair
ALIBABA GROUP HOLDING LIMITED	Nomination	Member
ALIBABA GROUP HOLDING LIMITED	Corporate Governance	Member
WORKDAY, INC.	Pay	Member

VOTING RESULTS

Company	Year	For %	Against %
ALIBABA GROUP HOLDING LIMITED	2019	99%	1%
LENOVO GROUP LIMITED	2019	100%	0%
WORKDAY, INC.	2019	99.9%	0.1%

DIRECTOR PAY (all values USD)

Company	Role	Tenure	Pay Year	Cash Fees	Total Awarded Pay	Shares Held
LENOVO GROUP LIMITED	Non-Executive	5	2019	93,000	93,000	402,930
WORKDAY, INC.	Non-Executive	6	2019	0	374,670	84,208

DANIEL YONG ZHANG

Age: 47
Gender: M
Nationality: China

Financial: Yes
Risk: No
Industry: Retailing - Internet & Catalog Retail

BIOGRAPHICAL INFORMATION

ALIBABA GROUP HOLDING LIMITED - Executive, Board Member, Chairman, CEO Source Date: 06/05/2019

Daniel Yong ZHANG () has been our Chief Executive Officer since May 2015 and our director since September 2014. Mr. Zhang is also currently a member of Ant Financial's investment committee. Prior to his current role, he served as our Chief Operating Officer from September 2013 to May 2015. He joined our company in August 2007 as Chief Financial Officer of Taobao Marketplace and served in this position until June 2011. He took on the additional role of general manager for Tmall.com in August 2008, which he performed concurrently until his appointment as president of Tmall.com in June 2011 when Tmall.com became an independent platform. Prior to joining Alibaba, Mr. Zhang served as Chief Financial Officer of Shanda Interactive Entertainment Limited, an online game developer and operator then listed on Nasdaq, from September 2005 to August 2007. From 2002 to 2005, he was a senior manager of PricewaterhouseCoopers' Audit and Business Advisory Division in Shanghai. Mr. Zhang is the chairman of Sun Art, a company listed on the Hong Kong Stock Exchange. He also serves on the board of Weibo, a company listed on the Nasdaq. Mr. Zhang received a bachelor's degree in finance from Shanghai University of Finance and Economics.

Sun Art Retail Group Ltd. - Board Member, Chairman Source Date: 03/22/2019

Chairman and a Non-executive Director of the Company since 30 January 2018. Mr. Zhang has been appointed as the chief executive officer of Alibaba Group, a company incorporated in the Cayman Islands with its American depositary shares listed on the New York Stock Exchange (stock code: BABA), since May 2015, and he currently also serves on the board of directors of Alibaba Group. Prior to his current position, Mr. Zhang has held several other senior positions within Alibaba Group, including the chief financial officer of Taobao marketplace after joining in August 2007. He was appointed as the chief operating officer of Taobao marketplace and general manager of Tmall.com (then the Taobao Mall) in April 2008, and then as the president of Tmall.com in June 2011 before his appointment as the chief operating officer of Alibaba Group in September 2013. Before joining Alibaba Group, Mr. Zhang served as a senior manager at PricewaterhouseCoopers' audit and business advisory division in Shanghai from 2002 to 2005, and later the chief financial officer of Shanda Interactive Entertainment Limited (an online game developer and operator then listed on NASDAQ) from August 2005 to August 2007. Mr. Zhang has served as a director of Weibo Corporation (a company listed on NASDAQ, stock code: WB) since May 2014. He was also a non-executive director of Haier Electronics Group Co., Ltd. (a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), stock code: 1169) from 25 March 2014 to 21 June 2017; a non-executive director of Alibaba Health Information Technology Limited (formerly known as CITIC 21CN COMPANY LIMITED, a company listed on the Stock Exchange, stock code: 241) from 30 April 2014 to 7 September 2015; and a non-executive director of Intime Retail (Group) Company Limited (a company then listed on the Stock Exchange and delisted on 19 May 2017) from 7 July 2014 to 19 May 2017. Mr. Zhang received a bachelor's degree in finance from Shanghai University of Finance and Economics. Mr. Zhang is also a member of the Chinese Institute of Certified Public Accountants.

WEIBO CORPORATION - Board Member Source Date: 04/29/2019

Daniel Yong Zhang has served as our director since May 2014. Mr. Zhang has been Chief Executive Officer of Alibaba Group Holding Limited, a leading online and mobile commerce company listed on the NYSE, since May 2015, and has served as Alibaba's director since September 2014. After joining Alibaba group in August 2007, Mr. Zhang served multiple senior management roles within the group. He served as Chief Operating Officer from September 2013 to May 2015, as President of Tmall.com from June 2011 to September 2013, and as Chief Financial Officer of Taobao Marketplace from August 2007 to June 2011 while concurrently served as General Manager of Tmall.com starting in April 2008 to June 2011. Prior to joining Alibaba, Mr. Zhang served as Chief Financial Officer of Shanda Interactive Entertainment Limited, an online game developer and operator then listed on NASDAQ, from August 2005 to August 2007. From 2002 to 2005, he was a senior manager of PricewaterhouseCoopers' Audit and Business Advisory Division in Shanghai. He is a member of the WEF International Business Council and serves on the board of directors of the Consumer Goods Forum. Mr. Zhang received a bachelor's degree in finance from Shanghai University of Finance and Economics.

HAIER ELECTRONICS GROUP CO., LTD. - Board Member Source Date: 04/25/2019

Mr. ZHANG Yong, aged 45, has served as a Nonexecutive Director of the Company since 25 March 2014. He is also a member of the strategic committee of the Company. Mr. Zhang received a bachelor's degree in finance from Shanghai University of Finance and Economics. Mr. Zhang is currently a director and chief executive officer of Alibaba Group Holding Limited, a company listed on the New York Stock Exchange. He has held top management positions across Alibaba Group since joining in August 2007. Before joining Alibaba Group, Mr. Zhang served as Chief Financial Officer of Shanda Interactive Entertainment Ltd., an online game developer and operator then listed on NASDAQ, from August 2005 to August 2007. From 2002 to 2005, Mr. Zhang was a senior executive of PricewaterhouseCoopers' Audit and Business Advisory Division in Shanghai. Mr. Zhang is a non-executive director and chairman of Intime Retail (Group) Company Limited, a company listed on the Hong Kong Stock Exchange. He also serves on the board of directors of Weibo Corporation, a company listed on the NASDAQ.

CORPORATE BOARDS

Company	Role	Tenure	Appointed	Resigned	Independent of Management	Independent of Other Interests	Attendance
Sun Art Retail Group Ltd.	Board Member, Chairman	2	Jan 30, 2018		Yes	No	
ALIBABA GROUP HOLDING LIMITED	Executive, Board Member, Chairman, CEO	5	Sep 01, 2014		No	Yes	
WEIBO CORPORATION	Board Member	5	May 01, 2014		Yes	No	

VOTING RESULTS

Company	Year	For %	Against %
ALIBABA GROUP HOLDING LIMITED	2019	89.6%	10.4%

ERIC XIAN DONG JING

Age: 47
Gender: M
Nationality: China

Financial: Yes
Risk: No
Industry: Retailing - Internet & Catalog Retail

BIOGRAPHICAL INFORMATION

ALIBABA GROUP HOLDING LIMITED - Board Member Source Date: 06/05/2019

Eric Xiandong JING () has been our director since September 2016. He is currently the chief executive officer of Ant Financial, and has also served as chairman of Ant Financial starting in April 2018. Prior to his current position, Mr. Jing served as president of Ant Financial from June 2015 to October 2016, and chief operating officer of Ant Financial from October 2014 to June 2015. Prior to that, he served as Alipay's chief financial officer. Before joining Alipay in September 2009, he was senior corporate finance director and corporate finance vice president of Alibaba.com from 2007 to 2009. Previously, Mr. Jing was the chief financial officer of Guangzhou Pepsi Cola Beverage Co. from 2004 to 2006. He also held management positions in several Coca-Cola bottling companies across China. Currently, Mr. Jing also serves as a director of Hundsun Technologies, a company listed on the Shanghai Stock Exchange. Mr. Jing received an MBA degree from the Carlson School of Management at the University of Minnesota and a bachelor's degree in economics from Shanghai Jiao Tong University.

CORPORATE BOARDS

Company	Role	Tenure	Appointed	Resigned	Independent of Management	Independent of Other Interests	Attendance
ALIBABA GROUP HOLDING LIMITED	Board Member	3	Sep 01, 2016		No	No	

J. MICHAEL EVANS

Age:

61

Gender:

M

Nationality:

United States of America

Financial:

Yes

Risk:

No

Industry:

Retailing - Internet & Catalog Retail

BIOGRAPHICAL INFORMATION

ALIBABA GROUP HOLDING LIMITED - Executive, Board Member Source Date: 06/05/2019

J. Michael EVANS has been our president since August 2015 and our director since September 2014. Mr. Evans served as Vice Chairman of The Goldman Sachs Group, Inc. from February 2008 until his retirement in December 2013. Mr. Evans served as chairman of Asia operations at Goldman Sachs from 2004 to 2013 and was the global head of Growth Markets at Goldman Sachs from January 2011 to December 2013. He also co-chaired the Business Standards Committee of Goldman Sachs from 2010 to 2013. Mr. Evans joined Goldman Sachs in 1993, became a partner of the firm in 1994 and held various leadership positions within the firm's securities business while based in New York and London, including global head of equity capital markets and global co-head of the equities division, and global co-head of the securities business. Mr. Evans is a board member of City Harvest. He is also a trustee of the Asia Society and a member of the Advisory Council for the Bendheim Center for Finance at Princeton University. In August 2014, Mr. Evans joined the board of Barrick Gold Corporation. Mr. Evans received his bachelor's degree in politics from Princeton University in 1981.

CORPORATE BOARDS

Company	Role	Tenure	Appointed	Resigned	Independent of Management	Independent of Other Interests	Attendance
ALIBABA GROUP HOLDING LIMITED	Executive, Board Member	5	Sep 19, 2014		No	Yes	

JACK YUN MA

Age:

54

Gender:

M

Nationality:

China

Financial:

No

Risk:

No

Industry:

Retailing - Internet & Catalog Retail

BIOGRAPHICAL INFORMATION

ALIBABA GROUP HOLDING LIMITED - Executive, Board Member, Chairman Source Date: 06/05/2019

Jack Yun MA is our lead founder and, since May 2013, has served as our executive chairman. From our founding in 1999 through May 2013, Jack served as our chairman and chief executive officer. He is also the founder of the Zhejiang-based Jack Ma Foundation. Jack currently serves on the board of SoftBank Group Corp., one of our major shareholders and a Japanese corporation listed on the Tokyo Stock Exchange. He is also a member of the Board of Trustees of the World Economic Forum, chairman of the Zhejiang Chamber of Commerce, as well as chairman of the China Entrepreneur Club. In May 2019, he was renamed as a Sustainable

SoftBank Group Corp. - Board Member Source Date: 06/19/2019

Feb. 1995 Founded China Pages, President

Jan. 1998 President, MOFTEC EDI Centre

July 1999 Director, Alibaba.com Corporation (currently Alibaba Group Holding Limited)

Nov. 1999 Director, Chairman of the Board and CEO, Alibaba Group Holding Limited

June 2007 Director, SBG (to present)

Oct. 2007 Non-Executive Director, Chairman, Alibaba.com Limited

May 2013 Executive Chairman, Alibaba Group Holding Limited (to present)

CORPORATE BOARDS

Company	Role	Tenure	Appointed	Resigned	Independent of Management	Independent of Other Interests	Attendance
SoftBank Group Corp.	Board Member	12	Jun 01, 2007		No	Yes	
ALIBABA GROUP HOLDING LIMITED	Board Member	21	Jan 01, 1999		No	Yes	

BOARD COMMITTEES

Company	Committee Type	Position
ALIBABA GROUP HOLDING LIMITED	Corporate Governance	Chair
ALIBABA GROUP HOLDING LIMITED	Nomination	Chair

VOTING RESULTS

Company	Year	For %	Against %
SoftBank Group Corp.	2019	98.1%	1.9%

JOSEPH CHUNG TSAI

Age:	55	Financial:	Yes
Gender:	M	Risk:	No
Nationality:	China	Industry:	Retailing - Internet & Catalog Retail, Diversified Financials - Capital Markets

BIOGRAPHICAL INFORMATION

ALIBABA GROUP HOLDING LIMITED - Executive, Board Member, Deputy Chairman Source Date: 06/05/2019

Joseph C. TSAI () joined our company in 1999 as a member of the Alibaba founding team and has served on our board of directors since our inception. He was chief financial officer until 2013 and is currently our executive vice chairman. He serves on our investment committee and Ant Financial's investment committee, and is a founding member of Alibaba Partnership. From 1995 to 1999, he was a private equity investor based in Hong Kong with Investor AB, the main investment vehicle of Sweden's Wallenberg family. Prior to that, he was general counsel of Rosecliff, Inc., a management buyout firm based in New York. From 1990 to 1993, Joe was an associate attorney in the tax group of Sullivan & Cromwell LLP, a New York-based international law firm. Joe is qualified to practice law in the State of New York. He received his bachelor's degree in Economics and East Asian Studies from Yale College and a juris doctor degree from Yale Law School.

ALIBABA HEALTH INFORMATION TECHNOLOGY LIMITED - Board Member Source Date: 06/09/2019

Mr. TSAI Chung, Joseph, aged 52, joined Alibaba Group in 1999 as a member of the Alibaba founding team and has served as the executive vice chairman of Alibaba Holding since May 2013. Mr. Tsai previously served as Alibaba Holding's chief financial officer and has been a member of Alibaba Holding's board of directors since its formation. From 1995 to 1999, Mr. Tsai worked in Hong Kong with Investor AB, the main investment vehicle of Sweden's Wallenberg family, where he was responsible for Asian private equity investments. Prior to that, he was vice president and general counsel of Rosecliff, Inc., a management buyout firm based in New York. From 1990 to 1993, Mr. Tsai was an associate attorney in the tax group of Sullivan & Cromwell LLP, a New York-based international law firm. Mr. Tsai serves on the boards of directors of several of Alibaba Group's investee companies and is currently also a director of Momo, Inc., the shares of which are listed on NASDAQ (stock code: MOMO). Mr. Tsai is qualified to practice law in the State of New York. He received his bachelor's degree in Economics and East Asian Studies from Yale College and a juris doctor degree from Yale Law School.

MOMO INC. - Board Member Source Date: 04/26/2019

Mr. Joseph C. Tsai has been our director since February 2016. Mr. Tsai joined Alibaba Group in 1999 as a member of its founding team and has served as Alibaba Group's executive vice chairman since May 2013. He has been a non-executive director of Alibaba Health Information Technology Limited (SEHK: 0241) since September 2015. Mr. Tsai previously served as Alibaba Group's chief financial officer and has been a member of Alibaba Group's board of directors since its formation. From 1995 to 1999, Mr. Tsai worked in Hong Kong with Investor AB, the main investment vehicle of Sweden's Wallenberg family, where he was responsible for Asian private equity investments. Prior to that, Mr. Tsai was vice president and general counsel of Rosecliff, Inc., a management buyout firm based in New York. From 1990 to 1993, Mr. Tsai was an associate attorney in the tax group of Sullivan & Cromwell LLP, a New York-based international law firm. Mr. Tsai serves on the boards of directors of several of Alibaba Group's investee companies. Mr. Tsai is qualified to practice law in the State of New York. He received his bachelor's degree in economics and East Asian studies from Yale College and a juris doctor degree from Yale Law School.

CORPORATE BOARDS

Company	Role	Tenure	Appointed	Resigned	Independent of Management	Independent of Other Interests	Attendance
ALIBABA GROUP HOLDING LIMITED	Executive, Board Member, Deputy Chairman	21	Jan 01, 1999		No	Yes	

BOARD COMMITTEES

Company	Committee Type	Position
ALIBABA GROUP HOLDING LIMITED	Pay	Member

MASAYOSHI SON

Age:	62	Financial:	No
Gender:	M	Risk:	No
Nationality:	Japan	Industry:	Retailing - Internet & Catalog Retail

BIOGRAPHICAL INFORMATION

ALIBABA GROUP HOLDING LIMITED - Board Member Source Date: 06/05/2019

Masayoshi SON has been our director since 2005. Mr. Son is the founder, Chairman and CEO of SoftBank Group Corp. (SBG), a global technology company that aspires to drive the Information Revolution. Founded in 1981, SBG and its portfolio companies cover a range of technologies, including advanced telecommunications, Internetservices, AI, smart robotics, IoT and clean energy. Mr Son is also the chairman of SoftBank Corp., the domestic telecommunications subsidiary of SBG, director of Yahoo Japan Corporation and Director of Sprint Corporation. He also serves as Chairman and Director of Arm Limited. Mr. Son received a bachelor's degree in Economics from the University of California, Berkeley.

SoftBank Group Corp. - Executive, Board Member, Chairman, CEO Source Date: 06/19/2019

Sept. 1981 Founded SBG, Chairman & CEO

Jan. 1996 President & CEO, Yahoo Japan Corporation

Oct. 2005 Director, Alibaba.com Corporation (currently Alibaba Group Holding Limited; to present)

Apr. 2006 Chairman of the Board, President & CEO, Vodafone K.K. (currently SoftBank Corp.)

July 2013 Chairman of the Board, Sprint Corporation (to present)

June 2015 Director, Yahoo Japan Corporation (to present)

Sept. 2016 Chairman and Executive Director, ARM Holdings plc

June 2017 Chairman & CEO, SBG (to present)

Mar. 2018 Chairman and Director, Arm Limited (to present)

Apr. 2018 Chairman, SoftBank Corp. (to present)

SPRINT CORPORATION - Board Member Source Date: 06/26/2018

Mr. Son founded SoftBank Corp. (n/k/a SoftBank Group Corp.) in September 1981 and has been its Chairman and Chief Executive Officer since February 1986. Mr. Son also served as President of SoftBank Corp. from February 1986 until June 2015. Mr. Son serves in various capacities within SoftBank's portfolio of companies, including Vodafone K.K. (currently SoftBank Corp.) as its Chairman since 2015 and served as its Chairman and Chief Executive Officer from 2006 until 2015. In addition, Mr. Son sits on the board of directors of Yahoo! Japan Corporation, which was established as a joint venture between SoftBank and Yahoo! Inc., and served as its Chairman from 1996 until 2015. Mr. Son has also served as Honorary Chairman of the Broadband Association in Japan. Mr. Son's vast experience in the telecommunications industry, including his successes in Japan disrupting telecom duopolies, is valuable to Sprint. Mr. Son provides expertise, leadership, and strategic direction to the Sprint board.

Yahoo Japan Corporation - Board Member Source Date: 06/17/2019

September 1981: Chairman & CEO, SoftBank Corp. Japan (currently SoftBank Group Corp.)

April 1983: Chairman, SoftBank Corp. Japan (currently SoftBank Group Corp.)

February 1986: Chairman & CEO, SoftBank Corp. Japan (currently SoftBank Group Corp.)

January 1996: President and Representative Director, Yahoo Japan Corporation

July 1996: Chairman of the Board of Directors, Yahoo Japan Corporation

October 2005: Director, Alibaba.com Corporation (currently Alibaba Group Holding Limited; to present)

April 2006: Chairman of the Board, President & CEO, Vodafone K.K. (currently SoftBank Corp.)

June 2007: Chairman & CEO, SoftBank Mobile Corp. (currently SoftBank Corp.)

July 2013: Chairman of the Board, Sprint Corporation

April 2015: Chairman, SoftBank Mobile Corp. (currently SoftBank Corp.)

June 2015: Director, Yahoo Japan Corporation (to present)

March 2016: Chairman, SoftBank Group International GK (currently SoftBank Group Japan Corporation)

ALIBABA GROUP HOLDING LIMITED (9988)

MSCI
ESG RATINGS

BBB

CCC B BB BBB A AA AAA

LAST UPDATE: December 19, 2019

September 2016: Chairman and Executive Director, ARM Holdings plc (currently SVF HOLDCO (UK) LIMITED)

June 2017: Chairman & CEO, SoftBank Group Corp. (to present) 15

March 2018: Chairman and Director, Arm Limited (to present)

April 2018: Chairman, SoftBank Corp. (to present)

May 2018: Director of the Board, Sprint Corporation (to present)

June 2018: Representative Director, SoftBank Group Japan Corporation (to present)

CORPORATE BOARDS

Company	Role	Tenure	Appointed	Resigned	Independent of Management	Independent of Other Interests	Attendance
SoftBank Corp.	Board Member, Chairman	1	Dec 19, 2018		No	Yes	
SPRINT CORPORATION	Board Member	6	Jul 10, 2013		No	No	
ALIBABA GROUP HOLDING LIMITED	Board Member	15	Jan 01, 2005		No	No	
Z Holdings Corporation	Board Member	24	Jan 01, 1996		No	No	
SoftBank Group Corp.	Executive, Board Member, Chairman, CEO	38	Sep 01, 1981		No	No	

VOTING RESULTS

Company	Year	For %	Against %
SPRINT CORPORATION	2018	96.7%	3.3%
SoftBank Corp.	2019	99.7%	0.3%
SoftBank Group Corp.	2019	93.3%	6.7%
Z Holdings Corporation	2019	97.4%	2.6%

EXECUTIVE PAY (all values USD)

Company	Role	Tenure	Pay Year	Total Annual Pay	Total Awarded Pay	Total Realized Pay	Shares Held
SoftBank Group Corp.	CEO,Chair	38	2019	1,288,245	2,107,200	1,288,245	231,204,632

WALTER TEH MING KWAIK

Age:	64	Financial:	Yes
Gender:	M	Risk:	No
Nationality:	China	Industry:	Commercial & Professional Services - Professional Services,Technology Hardware & Equipment - Communications Equipment

BIOGRAPHICAL INFORMATION

ALIBABA GROUP HOLDING LIMITED - Board Member Source Date: 06/05/2019

Walter Teh Ming KWAIK () has been our director since September 2014. He previously served as an independent non-executive director and chairman of the audit committee of Alibaba.com Limited, one of our subsidiaries, which was listed on the SEHK, from October 2007 to July 2012. Mr. Kwauk is currently a senior adviser of Motorola Solutions (China) Co., Ltd. and serves as an independent non-executive director and chairman of the audit committee of each of Sinosoft Technology Group Limited, a company listed on the SEHK, and WuXi Biologics (Cayman) Inc., a company listed on the SEHK and Hua Medicine (Shanghai) Ltd., a company listed on the SEHK, and as a director of several private companies. Mr. Kwauk was a vice president of Motorola Solutions, Inc. and its director of corporate strategic finance and tax, Asia Pacific from 2003 to 2012. Mr. Kwauk served with KPMG from 1977 to 2002 and held a number of senior positions, including the general manager of KPMG's joint venture accounting firm in Beijing, the managing partner in KPMG's Shanghai office and a partner in KPMG's Hong Kong Office. He is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Kwauk received a bachelor's degree in science and a licentiate's degree in accounting from the University of British Columbia.

CORPORATE BOARDS

Company	Role	Tenure	Appointed	Resigned	Independent of Management	Independent of Other Interests	Attendance
ALIBABA GROUP HOLDING LIMITED	Board Member	5	Sep 01, 2014		Yes	Yes	

BOARD COMMITTEES

Company	Committee Type	Position
ALIBABA GROUP HOLDING LIMITED	Audit	Chair
ALIBABA GROUP HOLDING LIMITED	Pay	Member

WAN LING MARTELLO

Age: 61
Gender: F
Nationality: United States of America

Financial: Yes
Risk: No
Industry: Food & Staples Retailing - Food & Staples
Retailing, Food, Beverage & Tobacco - Food
Products

BIOGRAPHICAL INFORMATION

ALIBABA GROUP HOLDING LIMITED - Board Member Source Date: 06/05/2019

Wan Ling MARTELLO has been our director since September 2015. She served as the executive vice president and chief executive officer of the Asia, Oceania, and Sub-Saharan Africa region for Nestlé SA from May 2015 to December 2018. She was Nestlé's global chief financial officer from April 2012 to May 2015, and executive vice president from November 2011 to March 2012. Prior to Nestlé, Ms. Martello was a senior executive at Walmart Stores Inc. from 2005 to 2011. Her roles included executive vice president and chief operating officer for Global eCommerce, and senior vice president, chief financial officer and strategy for Walmart International. Before Walmart, she was president, U.S.A. at NCH Marketing Services Inc. She was with the firm from 1998 to 2005. She also worked at Borden Foods Corporation and Kraft Inc. where she held various senior management positions. Ms. Martello received a master's degree in business administration (management information systems) from the University of Minnesota and a bachelor's degree in business administration and accountancy from the University of the Philippines.

UBER TECHNOLOGIES, INC. - Board Member Source Date: 04/11/2019

Ms. Martello has served on our board of directors since June 2017. Ms. Martello served as Executive Vice President and Chief Executive Officer of the Asia, Oceania, and sub-Saharan Africa regions at Nestlé S.A., a Swiss multinational food and beverage company, from May 2015 to December 2018. From April 2012 to May 2015, Ms. Martello served as Nestlé's global Chief Financial Officer, and from November 2011 to April 2012 she served as Nestlé's Executive Vice President of Finance and Control. From November 2005 to November 2011, Ms. Martello was a senior executive at Walmart Stores, Inc., a retail corporation, where she served as Executive Vice President, Chief Operating Officer for Global eCommerce, and Senior Vice President, Chief Financial Officer & Strategy for Walmart International. Prior to Walmart, Ms. Martello was a President, U.S.A., at NCH Marketing Services, Inc., a marketing services company, from 1998 to 2005. Prior to NCH Marketing, Ms. Martello held various positions at Borden Foods and at Kraft Inc. (now known as the Kraft Heinz Company). Ms. Martello has served on the board of directors of Alibaba Group since September 2015.

Ms. Martello was selected to serve on our board of directors because of her experience as a senior executive of Nestlé, a global company, her consumer experience as a director of Alibaba, her financial expertise as the Chief Financial Officer at Nestlé, and her global experience.

CORPORATE BOARDS

Company	Role	Tenure	Appointed	Resigned	Independent of Management	Independent of Other Interests	Attendance
UBER TECHNOLOGIES, INC.	Board Member	2	Jul 01, 2017		Yes	Yes	
ALIBABA GROUP HOLDING LIMITED	Board Member	4	Sep 01, 2015		Yes	Yes	

BOARD COMMITTEES

Company	Committee Type	Position
ALIBABA GROUP HOLDING LIMITED	Audit	Member
UBER TECHNOLOGIES, INC.	Corporate Governance	Member
UBER TECHNOLOGIES, INC.	Audit	Member
UBER TECHNOLOGIES, INC.	Nomination	Member

VOTING RESULTS

Company	Year	For %	Against %
ALIBABA GROUP HOLDING LIMITED	2019	99.7%	0.3%

DIRECTOR PAY (all values USD)

Company	Role	Tenure	Pay Year	Cash Fees	Total Awarded Pay	Shares Held
UBER TECHNOLOGIES, INC.	Non-Executive	2	2018		360,000	43,000

GLOSSARY

MSCI ESG RATINGS AND SCORES

FINAL ESG RATING

- Letter ratings are relative within each MSCI ESG Ratings industry. Each Final Industry-Adjusted Company Score is converted to an equivalent rating on the AAA-CCC scale.

ESG PILLARS

- the **Environment Score** represents the weighted average of all Key Issues that fall under the Environment Pillar
- the **Social Score** represents the weighted average of all Key Issues that fall under the Social Pillar
- the **Governance Score** represents the weighted average of all Key Issues that fall under the Governance Pillar
- the **Environment Weight** represents the sum of the weights of all Key Issues that fall under the Environment Pillar
- the **Social Weight** represents the sum of the weights of all Key Issues that fall under the Social Pillar
- the **Governance Weight** represents the sum of the weights of all Key Issues that fall under the Governance Pillar

KEY ISSUES

For each industry and Company-Specific Key Issue that contributes to the final rating:

- Weight** contribution to the final rating
- Exposure Score** (available for companies published since June 2011; excluding Raw Material Sourcing – Environmental)
- Management Score** (available for companies published since June 2011; excluding Raw Material Sourcing – Environmental)
- Overall **Key Issue Score**

WEIGHTED-AVERAGE KEY ISSUE SCORE VS. INDUSTRY RELATIVE SCORE

- the **Weighted-Average Key Issue Score** is dynamic, reflecting changes in any underlying scores as of the Last Update date, while the **Industry Relative Score** is more static and corresponds to the Rating Date. Issues that we determine do not present material risks or opportunities to companies in a given industry receive 0% weight and do not impact the overall ESG rating.

SCORES AND CALCULATION OF AVERAGE, PERCENTILE AND RATING DISTRIBUTION

All averages, percentiles, and rating distributions found in the report are based on companies in the relevant MSCI ESG Ratings Industry that are constituents of the MSCI All Country World Index (ACWI) and are calculated based on industry scores as of the date of publication of this report.

ESTIMATED CARBON EMISSIONS

Carbon estimates are based on carbon intensity (carbon emissions/sales). The Estimate Key represents the source of the estimated carbon emissions data. E.CSI represents Company-Specific Intensity estimates based on previously disclosed data. E.GICSSI represents estimates based on the GICS Sub-Industry average. For E.GICSSI we set five levels of confidence (High, Moderately High, Moderate, Moderately Low, and Low). The Carbon Estimation Methodology document, available on ESG Manager, describes the estimation model in greater detail.

GOVERNMENT SUPPORT RATING

We calculate the 'government support rating' for Supranationals and Development Banks based on the weighted average of member countries' Governance scores using the MSCI ESG Government Ratings methodology. These scores are based on measures of political governance (strength of institutions, corruption control, civil liberties, and human rights) and financial accountability.

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