

# Letter from the Chairman

Alibaba Group's mission is to "make it easy to do business anywhere." Having positive social impact has always been embedded in our organizational DNA. We believe that a profitable and prosperous business can only be achieved and sustained by solving large-scale societal problems.

Today, the Alibaba Digital Economy not only supports the infrastructure of commerce but also serves hundreds of millions of consumers and tens of millions of enterprises, most of them small businesses. This economy extends far beyond our immediate customers to impact the lives and businesses of all stakeholders in our ecosystem. Alibaba has become an institution of public trust.

In this ESG report, our first such report for the investment community, we will share with you how we hold ourselves accountable to the highest standards of public trust. This report complements what we already report domestically to stakeholders on a regular basis and summarizes key information in one place for easy reference. You will learn that we are firmly of the view that the key to good governance and sustainability starts with a strong company culture and tone at the top from responsible leaders. That is why, in this report, we provide insights into an

understanding of Alibaba's mission and vision and the role played by the Alibaba Partnership, a unique organization of the most senior members of management with the purpose of safeguarding our culture, talent development and sound governance framework.

In 2010 we formed the Alibaba Partnership because we recognized that, in order for us to develop a sustainable business, we needed a system that could outlast the Alibaba founders. Our system of governance transcends mere policies, rules, processes and procedures. The Alibaba Partnership ensures that the company is driven by a clear mission, supported by a strong culture, and inspired by the right leaders. At Alibaba, we expect our leaders to walk the talk, honor their commitments, own their mistakes, and approach problems with open-mindedness, respect and humility.

One of the most difficult yet most important governance issues challenging public institutions is managing leadership transition. Succession planning is not only about the selection of the right people but also continuity of mission, vision and values. Recently I announced that, on September 10, 2019, I will hand over the role of chairman of

Alibaba Group to our chief executive officer Daniel Zhang. This report sheds light on how we manage leadership transition – by focusing on human capital development and asking whether our mission, vision and values are still intact – a process in which the Alibaba Partnership plays a critical role.

I hope you will take away something meaningful from engaging in a conversation with us through this report. We also welcome further comments and views you may have and look forward to hearing from you.

Thank you for all of your support.

Sincerely yours,



**JACK MA**  
Executive Chairman  
September 17, 2018

