Tencent 腾讯
Driving
Positive
Change
2019
Corporate Social Responsibility Report

Introduction

Tencent Holdings Limited ("Tencent") is pleased to publish a condensed version of its 2019 corporate social responsibility (CSR) report, entitled *Driving Positive Change*. The report, supplementing this year's environmental, social and governance report Tencent publishes as a Hong Kong-listed company, is part of an ongoing initiative to engage the Company's stakeholders through its CSR efforts.

In 2019, Tencent reflected on its corporate culture and put forward a new vision – "Value for Users, Tech for Good". This commits the Company to enhancing user value in every aspect of its operations, as well as leveraging technology towards creating an ethical and sustainable society.

Adhering to this new vision, CSR is to play a more pivotal part than ever in Tencent's business strategy. The company believes that integrating social and environmental concerns into its daily operations will contribute to the well-being of society. As a responsible Internet-based platform company, Tencent is committed to practicing CSR and setting an example for the wider community. The Company began publishing CSR reports in 2008 and in 2017 made it an annual publication to communicate its CSR initiatives to its stakeholders on a regular basis.

This year's report outlines Tencent's CSR strategy, approach and achievements in 2019, explaining the Company's pledge to build ample technological infrastructure to support the needs of the digital era through its products and solutions. It also presents the Company's various initiatives around rural vitalisation, industry digitalisation and cultural rejuvenation, among others, demonstrating Tencent's commitment to building a better company, a better ecosystem and a better world. Against the backdrop of the global COVID-19 outbreak, the report also includes a special section on the Company's response to the pandemic around the world. It illustrates how Tencent is embracing its responsibility as an Internet-based platform company, playing the role of connector and digital assistant for a wide range of industries and communities amid this trying time.

As a listed company in Hong Kong, Tencent complies with the statutory requirements on ESG reporting. This report supplements Tencent's 2019 ESG report and was developed with reference to the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR4.0), the Sustainable Reporting Guidelines of the Global Reporting Initiative (GRI) and the Environmental, Social and Government Reporting Guide of the Hong Kong Exchange and Clearing Limited at the time of writing.

Looking to the future, Tencent is committed to living out its new vision of "Value for Users, Tech for Good" by continuing to develop advanced technologies and innovative products and services that create shared value. In doing so, the Company will be connecting and empowering hundreds of millions of users, entrepreneurs, developers and business partners within the Tencent ecosystem as well as in communities around the world to create a better future together.

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Messages from the Management Team

Building a Solid Foundation for the Digital Era with a Human Touch

> As a new wave of information technology and industrial transformation emerges, digitalisation is accelerating at an unprecedented speed – like a skyscraper springing up from the ground. The vital mission and responsibility of technology companies is to build a solid foundation for this digital edifice.

Ma, Huateng (Pony Ma)

Co-founder, Chairman of the Board and Chief Executive Officer of Tencent

2020 has been an unforgettable year.

The COVID-19 pandemic has swept the world, leaving a multifaceted and profound impact on human civilisation that will be long-lasting. The current situation is reminiscent of the many pandemics of far-reaching consequence throughout history. However, what is different today is that we live in a digital era, whereby the world is like a village and everything is connected.

Last year, "Tech for Good" became an integral part of Tencent's new mission and vision. Navigating this pandemic in the digital era is a challenge for the entire world, as well as for Tencent.

In fighting the pandemic, we realised clearly that for nearly half a century, digitalisation has substantially improved the quality and efficiency of life and production. As a new wave of information technology and industrial transformation emerges, digitalisation is accelerating at an unprecedented speed – like a skyscraper springing up from the ground. "Tech for Good" is neither empty talk nor an unrealistic fantasy; in fact, it should be woven into every piece of code we write, every product we develop and every service we offer. The vital mission and responsibility of technology companies is to build a solid foundation for this digital edifice.

To build a foundation in this digital era, technological capabilities should be considered the reinforcing bars and concrete. Since last year, the notion of "new infrastructure", mainly represented by 5G, artificial intelligence (AI), big data and cloud computing, has captured widespread attention. Not only has such infrastructure shown great potential amid the global battle against the pandemic, but it is also expected to provide fresh momentum to the development of a digital economy and smart society, all in view of opening up new horizons.

To maintain our leading position amid this new wave of technological innovation, Tencent has continued to increase research and development (R&D) investment in fundamental and cutting-edge technologies, as well as actively promoted the establishment of a global open source technology community. We have also been working to upgrade existing technologies in areas such as cloud computing, AI, big data, payments and security, and support the digital transformation of industries.

The COVID-19 pandemic has highlighted the importance of and urgency around building "new infrastructure" in the digital era, at a time when cities and villages, corporates and public service organisations, including schools and hospitals, have all been confronted with unprecedented challenges. Embracing our responsibility amid these critical conditions, Tencent launched more than 100 anti-pandemic Mini Programs within two months, responding to various needs such as contact tracing, remote healthcare consultation, mask pre-orders and pandemic-related education. We have been rapidly upgrading Tencent Cloud, Tencent Meeting and WeCom among other products and services to support business continuity and the resumption of work and production in China.

The pivotal role of digital technology in tackling poverty and driving rural vitalisation has become increasingly clear.

Tencent's digital solution for rural areas, WeCounty, has served more than 15,000 villages and 2.5 million villagers. Apps like Weixin, WeiShi and Tencent News have played important roles in helping villagers connect with the outside world.

To lay the foundation for the digital era, we must also draw inspiration from the values we hold, just as proper calibration is required in construction. Today, technology has been deeply woven into the fabric of human activity. To ensure technological developments benefit human society, we need a clear standard of technical ethics and to apply the influence of humanism.

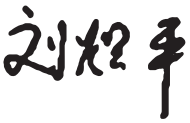
Over the past year, we continued to explore how to leverage technology to address social issues such as healthcare for an aging population, the protection of the underage on the Internet and the application of AI in the agricultural, energy and environmental sectors.

Promoting technological innovation while adhering to our "Tech for Good" principles is how we are laying a solid foundation for the digital era with a human touch. For Tencent, the focus of our work throughout 2019 and the spring of 2020 has been to reflect on and live out this responsibility and mission. We hope to share this focus with the entire technology community.

At a time when the pandemic is still affecting many parts of the world, it is more important than ever for all of us to join hands and look to the future together. Years later, when we look back at the spring of 2020, we will realise how technology has helped human society navigate this hardship. We believe that this unprecedented pandemic of the 21st century will not only leave us grieving, feeling anxious and unsettled, but also give us faith, wisdom and courage to move forward.

Creating Value Sustainably for a Better World

> Only by transcending time and geographic boundaries, having users at heart, working with partners and keeping an eye to the future can an enterprise create value sustainably and achieve both a better self and a better world.



Lau, Chi Ping (Martin Lau)
President of Tencent

What do you think of the future? What should humans do when the next environmental or health crisis occurs?

In the face of this COVID-19 crisis which is impacting all mankind, Tencent has taken a series of actions over the past months to support the global fight against the pandemic, reflecting our commitment to live up to our responsibilities:

- **These are actions beyond national boundaries:** Tencent set up a RMB1.5 billion domestic Anti-Pandemic Fund and then a USD100 million Global Anti-Pandemic Fund, as well as voluntarily made available the source code of its anti-pandemic tools, including the global pandemic information system and its AI pneumonia self-screening technology, to the global community;
- **These are actions beyond individual companies:** Tencent, together with major global technology and Internet platforms, launched a philanthropic initiative to combat the pandemic through the use of technology, actively collaborating with the World Health Organisation and Chinese Academy of Engineering among other domestic and international institutions;

- **These are actions beyond the present:** Apart from donating urgently needed medical protection materials to foundations and organisations in numerous markets in a timely manner, Tencent has also started to invest long-term in research initiatives related to healthcare and public hygiene.

To Tencent, shouldering responsibility is by no means a temporary commitment, but a thread that runs through the Company's corporate history and is deeply rooted in the DNA of its organisational culture.

In our Corporate Social Responsibility Report last year, I mentioned that natural phenomena – like the change of seasons, the flow of rivers and the water cycle – are reminiscent of Tencent's constant evolvement. Despite the changes we have experienced, the core idea behind it all is to create value for our users.

Currently, a new wave of technological innovation and industrial transformation is emerging; paired with a deepening integration between the Consumer Internet and the Industrial Internet, as well as the presence of a digital era in which everything is connected, Tencent's responsibility has evolved accordingly. In view of the increasing conflict between technological development and environmental, social and governance considerations, technology companies are obliged to create value in a sustainable manner.

- **Creating value sustainably and prioritising "Value for Users" in everything we do.**

Over the past year, Tencent further integrated its platform, content and technology to bring high-quality services to more Internet users. Leveraging its technological capabilities, Tencent continues to support the upgrading of municipal services and public initiatives.

- **Promoting inclusion and collaboration and achieving co-creation and shared values.**

Affirming the profound aspiration of users to realise their personal value, our social and content platforms, such as QQ, Weixin, Tencent News, Tencent Video and WeiShi, have joined hands in this era of co-creation, working with different parties such as community operators, content creators, technology developers and users to share in the excitement of the "We" Internet.

Regarding the Industrial Internet, Tencent has continued to upgrade its technology and tools and is collaborating with partners across various sectors to build the "We" digital economy.

- **Pursuing long-term projects and measuring value in the light of history.**

Last year, Tencent conducted a wide range of non-profit activities. For example, we continued to implement our digital solutions for heritage conservation, as well as to explore the value of games related to cultural inheritance, technology education and philanthropy. We also proposed the "AI for FEW" initiative, exploring the possibility of using AI as a means to mitigate the lack of resources in food, energy and water.

Tencent has officially incorporated "Tech for Good" into its mission and vision. This direction has received an increasing amount of positive feedback from the government, academia, industries and the general public. We believe that technology is by no means a cold tool; the value of taking our responsibility seriously is that it will unleash more effectively the potential of technology to move us towards the true and the good.

While the fight against the pandemic is far from over, nature continues to tread its own path. When the snow and ice melt, they transform into spring rain, merge into rivers and finally run into the sea, only to return again as snow and ice. An ongoing cycle that never ceases; such is how water nourishes and nurtures life – just as how Tencent carries its social responsibility.

Whether it is the experience from Tencent's practices over the past year or from fighting the pandemic, we have learned that only by transcending time and geographic boundaries, having users at heart, working with partners and keeping an eye to the future can an enterprise create value sustainably and achieve both a better self and a better world.

What do you think of the future world? The above, I think, is Tencent's answer.

Balancing Innovation and Pragmatism is the Future of Philanthropy

> I believe that we are all children of the Earth, born with a good human nature. The starry sky and the earth form a perfect harmony. Similarly, balancing innovation and pragmatism is crucial for the future of philanthropy.

Chen, Yidan (Charles Chen)

Co-founder of Tencent
Founder and Honorary President of
Tencent Charity Foundation

The 2020 pandemic has reinforced Tencent Charity Foundation's initial aspiration – to bring out the goodness of technology for a better society.

Amid the pandemic, Tencent Charity Foundation dedicated funds to provide urgent material assistance and personnel care to frontline workers, as well as invested in basic research related to medical and public health, as a precaution for human health.

Asking questions, searching for answers through technology and looking to the future – since its founding, this has been Tencent's approach to pursuing higher goals while keeping its feet on the ground. It is also one of Tencent Charity Foundation's most important experiences over its 13 years of operation.

I once put forward the idea that philanthropy only takes off when society encounters adversity. However, as human civilisation continues to develop and society becomes more complex, traditional mindsets and approaches to philanthropy have proven inefficient in coping with today's ever-evolving social issues. Fortunately, over the past decade, the Internet-based charity platforms pioneered by Tencent have driven innovation through technology, contributing to the world a "Chinese example" of how philanthropy can be conducted online.

2019 marked the fifth anniversary of the 9.9 Giving Day initiated by Tencent Charity Foundation. Within just three days, Tencent Charity Platform received over 48 million donations from Internet users, totalling RMB1,783 million and doubling the amount received in 2018. The number of participating charitable organisations and enterprises both exceeded 10,000.

Internet technology has given charity work and philanthropy infinite possibilities. At the same time, we continue to remind ourselves to be down-to-earth and remain connected to the social environment in which philanthropic activities are embedded and carried out.

Tencent's pragmatic approach to philanthropy is reflected in our commitment to rational charity and our adherence to ethics and the rule of law. For example, during last year's 9.9 Giving Day, Tencent Charity strictly imposed the transparency requirements of "financial disclosure, independent audits and random sampling checks". Currently, we are developing a project evaluation system specifically to promote the idea of rational charity.

Pragmatism is also reflected in our attempt to remain realistic and respond appropriately to the needs of our country, society and people. Last autumn, I participated in an Internet Conference held in a farming field in Qionglai of Sichuan province, experiencing first-hand the sparks that fly when Internet-based charity interacts with rustic village lifestyles.

Villages are the spiritual hometown of the Chinese people. Poverty alleviation and rural vitalisation are the most urgent public welfare goals in China.

If we see WeCounty as the internal power capable of establishing connections between villages, then the Tencent Charity Platform is the energy from the broader society to support rural development through charitable activities. Both are evidence of Tencent Charity Foundation's commitment to our country.

Many people think that technology is associated with far-off imaginations, like the starry sky, beautiful yet distant. I have to say that this is a misconception. Today, in this digital era, technology has been woven into every aspect of our lives, similar to the air that surrounds us.

Last year, Tencent made an unprecedented move to incorporate "Tech for Good" into its mission and vision. Internet-based charity, as a reflection of this principle, is one of the most powerful examples of technology being put to the good of society. On the one hand, Tencent Charity Foundation will continue to look up to the starry sky and explore the possibilities of technological innovation; on the other, we will keep ourselves down to earth, monitoring the deep-rooted causes of social issues and responding to the pressing needs of the moment.

I believe that we are all children of the Earth, born with a good human nature. The starry sky and the earth form a perfect harmony. Similarly, balancing innovation and pragmatism is crucial for the future of philanthropy.

Tencent Upgrades CSR Management

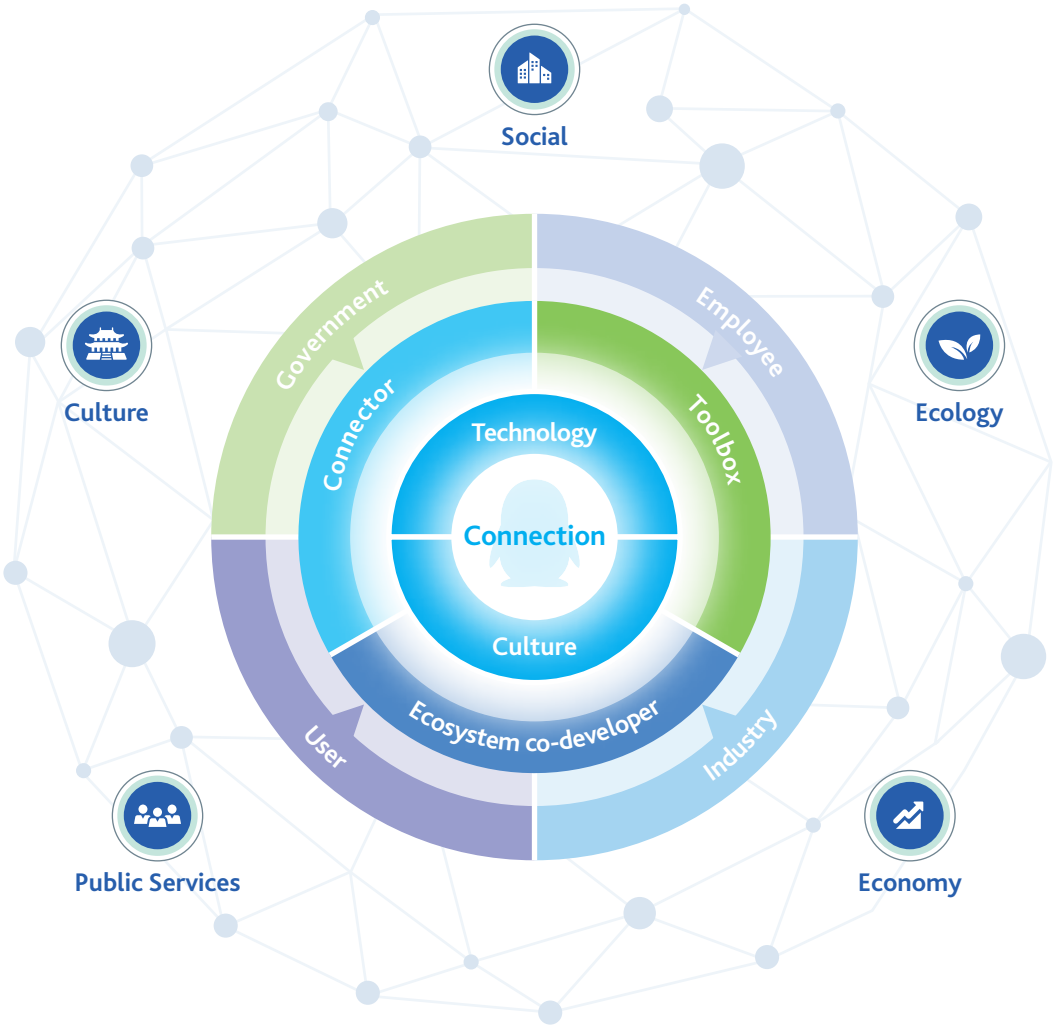
Tencent has made corporate social responsibility an integral part of the Company's development strategy and integrated CSR values into its business operations to promote sustainable growth.

Better Governance

Tencent has continued to formalise its CSR initiatives and structure through the establishment of a dedicated department to oversee the implementation of its CSR strategy. We also have designated CSR liaison officers in all departments and regions to drive our campaigns and strengthen our social responsibility governance.

In 2019, as a way of embedding our vision and mission, "Value for Users, Tech for Good", into our products and services, as well as encouraging our employees to voluntarily carry out their own social responsibilities through service to the community, Tencent launched the Charity and CSR Award, attracting applications from nearly 200 project teams. Seven projects, including WeCounty and 9.9 Giving Day, won awards.

Tencent's Views on Corporate Social Responsibility



1 A single initial aspiration:

To create value for all stakeholders through facilitating connection.

2 Two drivers:

Technology and culture are the two powerhouses that drive Tencent to fulfil its social responsibilities.

3 Three roles:

In the digital era, Tencent is carrying out its social responsibilities by playing the role of a Connector, Toolbox and Ecosystem co-developer.

4 Four target groups:

In conducting its social responsibilities, Tencent is improving the quality of life and services across four target groups: the government, industry, users and employees.

5 Five dimensions:

Tencent's CSR initiatives cover five dimensions – public services, the economy, society, culture and the environment.

Better Communication

Tencent believes that support from stakeholders is indispensable in the pursuit of sustainable development. We recognise the significance of effective communications with our stakeholders, and spare no effort in understanding and responding effectively to their feedback.

Tencent published its first CSR report in 2008. Since then, Tencent began publishing CSR briefing reports, special reports, monthly reports and other publications to strengthen the Company's stakeholder engagement. The Company has experimented with new forms of CSR communications, including organising CSR exhibitions and hosting open days for users and its employees' families.

In November 2019, Tencent held its annual social responsibility forum, during which Tencent ATOM Think Tank jointly published the *Research Report on the Responsible Power of Chinese Enterprises* with the Research Centre of CSR and China Academy of Social Sciences.

Recognitions

- Ranked No. 1 on the China CSR Index, published by The Chinese Brand Development Research Institute in May 2020
- Ranked No. 7 on the Top 500 Socially Responsible Chinese Enterprises in 2019, announced by the Chinese Enterprises Evaluation Association in January 2020

Stakeholder Mapping

Tencent's Stakeholders and Associated Responsibilities

Stakeholder	Primary responsibilities	Additional responsibilities	Communication and implementation
Users	Provide stable and reliable products and services related to technology and culture.	Respond promptly to evolving user needs and continuously enhance service quality. Create new lifestyle possibilities for users with innovative products.	Recognise users' needs and develop the Company's "Technology + Culture" strategy, with the aim to enhance user experience. Innovate designs, products and technology to create new value and lifestyle possibilities for users.
Shareholders	Create a sound business model and generate investment returns for shareholders.	Disclose financial and operational information in a timely and accurate manner, in compliance with all relevant rules and regulations. Communicate with investors through a variety of interactive channels, including face-to-face meetings.	Establish a board of directors and publish financial reports on a quarterly basis. Convene regular shareholder meetings and extraordinary general meetings. Set up an Investor Relations Department to communicate with shareholders and investors.
Employees	Develop a comprehensive employee benefits system.	Care for and nurture employees; provide them with training and career development opportunities. Foster a diverse and inclusive corporate culture.	Human Resources Department oversees employment policies and employee benefits. Form an Occupational Health and Safety (OHS) Committee to promote work safety and establish hygiene standards. Build and manage Tencent Academy to provide ongoing training opportunities for employees.
Government	Pay all relevant taxes in accordance with the law.	Comply with the laws and regulations of each region in which we operate. Assist in solving social and livelihood issues.	Establish a Public Affairs Department that will work closely with regulators to ensure compliance with relevant government policies. Maintain regular communication with government departments.

Tencent's Stakeholders and Associated Responsibilities

Stakeholder	Primary responsibilities	Additional responsibilities	Communication and implementation
Business partners	Conduct business responsibly and prevent bribery and corruption.	Regularly communicate with business partners. Help our business partners grow.	Hold regular meetings with suppliers and partners to explore growth opportunities and remove any barriers to successful collaboration. Provide strategic support for the growth of our business partners. Prevent behaviour that could compromise the interests of our partners by setting up an independent anti-bribery and corruption task force.
Charity organisations	Provide necessary financial support.	Innovate the way in which charity activities are conducted to increase impact. Help charity organisations grow.	Build an online donation platform. Open up technology, products and data capabilities to support public donations, project management, publicity and financial disclosure across all kinds of charitable organisations.
Communities in which we operate	Use Internet-based tools to support community development.	Allocate donations for specific causes. Implement charity projects in underserved areas.	Make direct donations in support of community development projects through the Tencent Charity Fund; provide necessary funding and resources. Leverage our Internet capabilities to advance community development.

Special Report:
Tencent's Fight Against the COVID-19 Pandemic

Unleashing the Potential of Digital Infrastructure to Safeguard Public Health

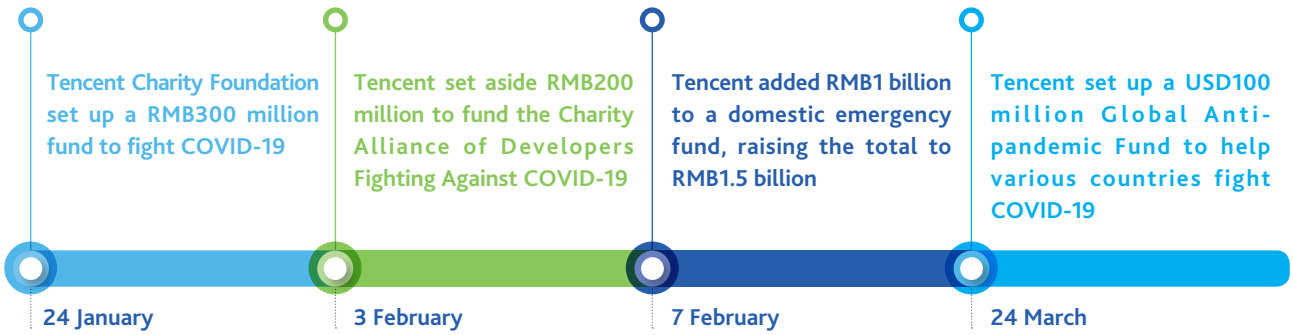
After 76 days of lockdown, Wuhan officially reopened at midnight on 8 April. As the pandemic began to subside in China, the number of confirmed cases and deaths continued to rise in other parts of the world. The COVID-19 pandemic has had far-reaching consequences for people everywhere.

Amid the pandemic, we have remained fully aware of our responsibilities as a technology platform company. From supporting frontline anti-pandemic workers in a timely manner to providing long-term health protection for society, we are committed to playing the role of Connector and Toolbox for different industries, unleashing the potential of digital infrastructure and acting as a force for good.

Pandemic Relief: Using Technology to Help China and the World Fight COVID-19

The COVID-19 pandemic has threatened lives and disrupted work on a global scale, leaving a devastating and long-lasting trail of impact. In response, we set up a RMB1.5 billion domestic emergency fund, followed by a USD100 million Global Anti-pandemic Fund, and have worked tirelessly to provide technological support in the fight against the pandemic.

Tencent Anti-pandemic Fund: Three Successive Contributions



The Four Dimensions of Tencent's Technology-driven Fight Against COVID-19

1 Medical research and frontline support

We helped hospitals develop online consultation platforms and tools, donated AI-powered CT screen cabins and provided free servers for research institutes to conduct drug screenings.

2 Public communications

We provided online services for the public to check real-time statistics about the pandemic and locate clinics. Additionally, we joined other Internet platforms to launch free online consultation services and worked with media experts to communicate accurate information about the pandemic and other healthcare tips.

3 Municipal services

We launched more than 100 Mini Programs to help provide municipal services related to the fight against COVID-19.

4 Resumption of work and productivity

We upgraded our solutions to support remote offices, online sales and digital marketing so that SMEs and merchants could quickly resume operations. We also opened up our educational platform and content to help schools, teachers and students continue teaching and learning.

Leveraging the Tencent Platform to Raise Donations and Other Support

Tencent responded quickly to the fight against COVID-19. On 24 January, Tencent Charity Foundation allocated an initial RMB300 million in funds to purchase medical and protective equipment for Wuhan and other hard-hit areas.

The fund was later increased to RMB1.5 billion to support pandemic relief and protection initiatives, including the provision of supplies and technology, care for people in need, funding for research and assistance in developing new healthcare industry infrastructure.

As the outbreak spread globally, Tencent set up a USD100 million Global Anti-pandemic Fund on 24 March to support the United Nations (UN), World Health Organisation (WHO) and other countries and regions in the fight against the virus.

The Tencent platform has been instrumental in pooling social resources. On 23 January, the Internet-based Tencent Charity Platform dedicated a special interface to facilitate anti-pandemic donations, supporting more than 160 fund-raising projects organised by over 100 charitable organisations, and raising a total of over RMB600 million by the end of April.

Assisting the Resumption of Work

As the pandemic developed, we quickly launched a new generation of Internet-based solutions and tools, such as remote healthcare services, online meetings, safe transportation options and online classrooms, all to facilitate the resumption of work and production. We did this by leveraging our technologies and capabilities across Tencent Health, Tencent Medipedia, WeCom, Tencent Meeting, Weixin and QQ.

Regarding support for technology development, on 3 February Tencent pooled together RMB200 million to form the Charitable Alliance of Developers Fighting Against COVID-19. The fund provided vendors and developers with capital, technology and other resources to help them develop pandemic-related Mini Programs for healthcare organisations and merchants. Over just the first half month, the Alliance received 1,769 applications from developers and launched 84 charitable projects.

Sharing Technology Resources

Weixin joined hands with Facebook and the WHO to crowd-source anti-pandemic solutions. We made available to the global community Tencent Health's international COVID-19 live update module, which at the time had already answered six billion enquiries in China, allowing governments, medical institutions, the media and pandemic-related service developers to use it free-of-charge to build their own pandemic information enquiry systems.

In addition, our AI-powered self-diagnosis tool was also made available to help people around the world assess their risk of infection and take timely measures to protect themselves.

Public Health Research Over the Long Run

Tencent and Tencent Charity Foundation will continue to reflect on their roles in the area of public health, especially regarding the prevention and treatment of infectious diseases. In the future, we will focus our efforts on assisting with R&D around vaccines, drug screening tools, the monitoring of infectious diseases, the enhancement of medical treatments and services and public health governance. We will also continue to find public health solutions, making full use of our advantages in big data, technology and products.

Assisting Professional Development for Frontline Medical Professionals

To further the professional development of medical practitioners, we entered into a partnership with the Chinese Academy of Engineering and donated RMB30 million to provide mentorship services to over 500 frontline anti-pandemic workers, drawing from the knowledge and experience of fellows from the Academy. The mentors provided assistance regarding medical research, clinical treatment and disease prevention.

Continuing Investment in Public Health Research

We will invest anti-pandemic funds into clinical treatment research and R&D for drugs and vaccines, as well as into basic research related to pathogen analysis and pandemic monitoring.

As of 18 March 2020, we had donated over RMB200 million to research projects related to public health, supporting different partners including the Chinese Academy of Engineering, Tsinghua University and top-tier research teams. Looking to the future, our role as a "digital assistant" to public health research projects is to continue contributing our capabilities in cloud computing and product technology, as well as leveraging our ecosystem to provide resource support.

Over recent years, Tencent has made progress in basic medical research and AI+ healthcare. In the future, we will adhere to our vision, "Tech for Good", and work closely with governments, medical and social organisations, the media and the general public to continue addressing issues in the public health domain.

For a Better Company

In 2019, we reflected on our corporate culture and put forward a new vision – "Value for Users, Tech for Good" – striving to incorporate these principles into our products and services. By building a transparent governance system, placing emphasis on employee care and encouraging employees to give back to society, we are committed to building a better company.

Refreshing Our Corporate Culture: Integrating "Tech for Good" into Our Vision and Mission

Over the past 21 years of our Company history, despite a complex business environment, we have maintained an unwavering dedication and commitment to creating "Value for Users" in everything we do.

In 2019, Tencent elevated its vision and mission, marking another important milestone on the path of the Company's development. Our new mission and vision, "Value for Users, Tech for Good", connects the various aspects of our business, including our internal governance, organisational structure and business model. It informs the values that are shared by our employees and guides their action. By striving to become a better Company, we are able to better meet the expectations of our external stakeholders.

"User" and "responsibility" are Tencent's lifeblood. Technology is powerful and evolving rapidly, making how we use it important for the well-being of mankind. "Tech for Good" is our choice and commitment. We strive to continuously improve our technological capabilities to offer better products and services and enhance users' productivity and quality of life.

We have also evolved our values. While inheriting the values of "Integrity" and "Proactivity", we upgraded those of "Cooperation" and "Innovation" to "Collaboration" and "Creativity". We also conducted a vote among all Tencenters, whereby the "bee" and the "dolphin" were selected to symbolise "Collaboration" and "Creativity" respectively.

> **Tencent's corporate culture is embedded in products and services that are creating great impact, in teams with an ambition to change the world and in the important decisions that determine the path of our development.**
>
> Pony, Martin and members of the General Office

Tencent Culture

Mission & Vision

Value for Users, Tech for Good

User value is our guiding principle, we strive to incorporate social responsibility into our products and services;

Promote technology innovation and cultural vitality;
help industries digitally upgrade;
collaborate for the sustainable development of society.

Values

Safeguarding Governance: Establishing a Transparent Governance System

Our governance framework complies with all laws and regulations in the jurisdictions where we operate, including the rules and requirements of The Stock Exchange of Hong Kong Limited. We are committed to maintaining the highest standards in corporate governance, keeping investors fully informed of the Company's management and development and generating sustainable value for our shareholders.

Optimising Our Governance Framework and Strengthening Internal Control

We have a single Board of Directors, with independent non-executive directors accounting for over one-third of our board members. This composition brings a wide range of experience and expertise to the Board, and enables effective checks-and-balances to protect shareholders' interests. There are five committees set up under the Board, namely, the audit committee, corporate governance committee, investment committee, nomination committee and remuneration committee.

We believe that gender diversity is key to effective governance. Reflecting this commitment, we appointed our first female independent non-executive director in 2019.

We have put in place an internal control system to help the Company's management and Board of Directors ensure that our financial and asset protections (including data assets) are in full compliance with the relevant regulations. Our internal and external auditors are responsible for overseeing the operation of the internal control system and offering related advice to the management and audit committee.

We are committed to enhancing our risk management system, covering our risk management framework, procedures and culture. By improving our risk management capabilities, we are protecting the Company's long-term growth and sustainable development.

Under the supervision and guidance of the Board, we have adopted a risk management and internal control structure, referred to as the "Three Lines of Defence" model, across our operations, management, risk management and independent assurance. We have put in place risk management and internal control policies to strengthen risk-awareness among our employees and ensure that our operations are efficient, as well as in compliance with the latest requirements on corporate governance by The Stock Exchange of Hong Kong Limited. Each business group regularly identifies and assesses risk factors that might keep it from achieving its targets. In response, business groups formulate risk mitigation measures and receive training on effective risk management and internal control.

Implementing Our Code of Conduct and Preventing Bribery and Corruption

To implement and promote our corporate culture, we put in place the Sunshine Code of Conduct to guide the behaviour of our employees and clearly stated the consequences of violations. Serious violations will lead to employees being dismissed and external parties being sanctioned from future cooperation. A breach of the Code may also lead to legal consequences.

We have an Anti-fraud and Whistleblowing Policy in place to investigate fraud and prevent bribery and corruption. In 2019, we investigated over 50 cases and dismissed more than 80 employees due to violations of the policy. More than 10 people were handed over to law enforcement for suspected criminal offences.

Compliance and Privacy Protection

Tencent places great emphasis on the protection of user privacy and data. To this end, we have set up designated privacy protection teams and put in place product-specific privacy policies and stringent procedures for collecting and processing user data, all to ensure we remain in compliance with the evolving regulatory environment. The Company also conducts privacy risk assessments before launching new products, as well as provides privacy protection training for employees. We published a white paper on privacy protection and set up a platform to help users understand our privacy protection initiatives.

Scan the QR code to read a summary of the white paper

At Tencent, we have always subscribed to the principle of "Data for Social Good". This principle ensures that users' data remains private and protected. Our "Person-Button-Data" approach is the methodology behind the privacy-by-design concept. We believe that users should be able to manage their own data, which is why our products and services include a wide range of user-controlled privacy options.

User data is protected by high-level security technologies that extend to all of our products and services across the entire data life cycle. This includes ensuring secure technical controls and policies are in place during the stages of data creation/collection, transmission, storage, usage, sharing/transfers, and destruction. In addition, where appropriate, we also leverage AI and other innovative technologies to enhance our protection against cybersecurity threats.

Moreover, Tencent has established a full-cycle data management system and adopted a five-dimension privacy protection mechanism, covering compliance management, product assessment, information security, internal audits and employee education.

We have also deployed various data security technologies, such as data encryption, data masking, de-identification and quantum cryptography, to safeguard users' data security. Our data protection measures span across prevention, usage and investigation.

For more information about our efforts in this area, please refer to the "Safeguarding Cyber Security" section on page 37.

Tencent Academy's talent nurturing program

Employee Care

We regard our employees as our primary asset. Among the nearly 65,000 Tencent employees (as of Q1 2020), some 20,000 are engineers, hailing from 18 countries and regions around the world. Additionally, 98% of our engineers have an undergraduate degree or above and 50.2% have a postgraduate degree or above. To support the individual development of our employees, we provide them with a range of resources to improve their living and working standards and enrich their cultural experiences.

Comprehensive Rewards and Protection

We offer every employee a competitive salary, as well as subsidies and allowances commensurate with his or her position. At the end of each year, we give out performance and service bonuses, along with special awards for "star employees" and "star teams", to recognise our people and encourage them to continue growing with the Company.

At Tencent, all employees enjoy comprehensive health protection, which covers an annual medical checkup, 24-hour health consultation services, healthy diet programs, workout facilities, personal coaching and psychological support. On top of the statutory insurance and pension benefits, we also offer bespoke commercial insurance policies to employees and their family members.

Our employee perks and benefits also include interest-free housing loans and wedding and child-birth gifts. We provide holiday perks to employees and their families and host the annual Open Day for our employee's families. We also offer flexible work schemes for employees who need them.

Tencent is committed to promoting equality, transparency and non-discrimination. We respect all employees, regardless of their gender, nationality or religion, and maintain a working environment characterised by equality, harmony and inclusiveness.

We have set up branch offices in various Chinese cities, as well as overseas in the United States, South Korea and other markets. All employees at these branches enjoy a pleasant and innovative working environment that embodies Tencent's culture.

Engaging All Employees

We encourage our employees to participate in the Company's growth by putting in place effective channels of communication for them to voice their views and protect their rights. At the annual employee townhall, Tencent's top executives present to all staff members the Company's strategy, business plans and management ideas, as well as recognise teams of employees who have delivered outstanding performance at work.

To facilitate internal communications and build employee trust in the Company, Tencent has created an internal platform called Lewen for employees to submit questions on a named or anonymous basis. They will receive responses on a

real-name basis. This has proven to be an effective communications platform for Tencent to address employees' needs in a timely manner. In 2019, an average of 400 new questions and around 2,000 responses were added to the forum each week.

Fostering Employees' Growth

Reflecting our commitment to employees' growth, we founded Tencent Academy in 2007, offering a comprehensive range of courses and training programs for our people, with the goal of nurturing talent for Tencent's current and future development needs.

As of the end of 2019, Tencent Academy had 1,495 lecturers within the Company, offered 448 courses and hosted an average of more than 9,600 classes totalling more than 24,000 hours. Physical classes were attended by 87% of all employees, while online courses reached 90% participation.

We have also put in place a "dual path" career development system to help promote employees' professional development. It is a system designed to assist our employees in developing career plans in accordance with their aspirations and improve their capabilities, while making sure their contributions to the Company are properly reflected in their job positions.

Charitable Initiatives by Our Employees

Our vision, "Value for Users, Tech for Good", forms the guiding principle at Tencent, driving our employees to do what they can to give back to society. Over the past year, Tencent volunteers not only participated in charitable activities in their communities, but also voluntarily applied ethical thinking about technology and the principle of "Tech for Good" in the development of our products and services. For Tencent employees, charity has become a part of their work and life.

Tencent Volunteers Association

In 2006, Tencent's employees founded the Tencent Volunteers Association, which serves as a platform for members to blend their own creativity with Tencent's technology and products to help the wider community.

As of the end of 2019, the association had organised a total of 142 events, covering everything from the tracing of missing persons and activities targeting children with special needs to poverty alleviation and education.

WeInnovate Awards – "Tech for Good" Category

The WeInnovate Awards, founded by Tencent's Technology and Engineering Group in 2011, is designed to recognise products and projects that demonstrate outstanding commercial value and technological innovation. Under the leadership of Tony Zhang, Co-founder of Tencent, a new category was added to the awards in 2018. The "Tech for Good" category is the Company's first award dedicated to promoting technology ethics. It encourages our people to consider the importance of preventing addictive behaviour, the impact of information overload, information safety and user-friendliness. The objective is to remedy the problems arising from technological advancement through product innovation.

Case Study

Starry Color

Since 2017, the tutors of Starry Color, Tencent's charity culture brand, have been hosting art therapy programs for autistic children. In 2019, a group of Tencent employees turned their artwork into a T-shirt design as part of a charity initiative launched within the Company. For every order placed by a member of our staff, RMB9.9 was donated to support autistic children.

For a Better
Ecosystem

New technology powers the progress of human society. At Tencent, we are committed to the mission "Tech for Good", and are eager to contribute to a better and more inclusive society supported by digitalisation, Internet connectivity and intelligentisation. We are also working hard to leverage cloud computing, big data, AI and other technologies to support the digital transformation of industries, including agriculture, manufacturing, commerce, education, healthcare and cultural tourism. Our goal is to improve the overall efficiency of society, facilitate a balanced allocation of resources, narrow the digital divide between regions and communities, and maximise the social value and benefits of technology.

A New Era on the Cloud

The recent focus on "New Infrastructure" has driven the development of 5G networks, data centres and AI technologies, giving momentum to the Industrial Internet. Tencent is consolidating its strengths in the Consumer Internet and embracing opportunities in the Industrial Internet. In 2019, we took one step further towards realising our vision. Leveraging technologies such as cloud computing and big data, an increasing number of lifestyle and business activities have migrated to the cloud. Together with our users and industry partners, we have ushered in a new era of the cloud.

Strengthening Core Technological Capabilities

Tencent offers world-class products and services, such as cloud computing, big data and AI, as well as industrial solutions based on our robust technological capabilities. Our aim is to create an open and inclusive cloud ecosystem, in support of all industries as they move along their digitalisation journeys.

In 2019, Tencent became the first company in China and the fifth in the world to exceed one million servers and 100 terabytes of bandwidth to handle traffic spikes. We have an extensive network infrastructure across the globe and our high-performance distributed graph computing platform is equipped with world-leading computing power, capable of shortening computing times from days to within minutes. By the end of 2019, Tencent had applied for 4,899 patents in cloud technology, of which 1,892 have been granted.

Applications and Tools Meeting the Needs of All

Over recent years, Tencent began offering a "Toolbox" comprised of various technologies, capabilities and products, including cloud computing, big data, AI, security, mobile payments, social advertising, WeCom, Official Accounts and Mini Programs. The "Toolbox" was developed to help industries share in the benefits of digitalisation. With these tools, companies in traditional industries, regardless of their size, are now equipped with the right capabilities to increase their digital competitiveness.

Building Infrastructure for All on the Cloud

Tencent has been supporting the digital upgrading of all industries with solutions covering FinTech, marketing and remote collaboration, with the goal of enhancing communication efficiency and driving the digitalisation of production activities. Through the development of fundamental technologies and establishment of our platform ecosystem, we have been able to provide strong support for our consumers, manufacturers and service providers to embrace "the era of the cloud".

Tencent is committed to driving innovation in digital payments and facilitating more payment scenarios that are secure and convenient for our users. We are also working to upgrade our financial service capabilities, such as helping to educate users who wish to learn more through our new smart investment advisory feature on our wealth management platform, LiCaiTong, and by making insurance services accessible through Weixin and QQ to enhance our customer experience.

Leveraging our smart marketing system Tencent In, we have been able to create valuable connections between brands and users and drive business growth.

Tencent has also introduced multiple online collaboration tools, such as the enterprise solution WeCom, video conferencing solution Tencent Meeting, online document collaboration tool Tencent Docs, cloud storage service Tencent Weiyun, corporate cloud application Tencent Lexiang, collaborative platform Tencent Agile Product Development (TAPD) and code development tool TGit. These tools cover a broad range of office scenarios. The number of daily active accounts on Tencent Meeting exceeded 10 million within two months of launch, making it the most used video conferencing app in China. As of May 2019, WeCom had seen more than 4.5 million applications and had more than 17,000 partners.

Broadening the Horizon

Every day, over one billion users exchange around 10 billion messages on Weixin and QQ. WeChat Pay, Official Accounts, Tencent News and Tencent Games have all played an important role in making daily life more convenient and enjoyable, as well as increasing access to information. Adhering to the principle of "creating user value in everything we do", Tencent strives to co-create and share our social and content platforms with our users.

Allowing All to Be Seen and Respected

In 2019, the number of monthly active users (MAU) on QQ exceeded 700 million and the combined MAU for Weixin and WeChat reached 1,165 million. With such a vast user base, our products have evolved from social networking tools to lifestyle applications. Tencent is committed to building connections between people and people, people and things and people and services, to offer a more enjoyable, smart and inclusive way of life for all through its products and services.

2019 marked the 20th anniversary of QQ. Throughout the years, QQ has grown with our users and is still progressing to becoming the platform-of-choice for young users. We have included features to enhance users' communication experience and their ability to express their personalities.

Apart from QQ, our users can share content with their friends through Weixin's Top Stories function; read news on Tencent News in their spare time; enjoy vivid online video and music on Tencent Video and QQ Music; capture precious moments and share them on WeiShi; and sing karaoke with their friends on WeSing.

Through its wide range of products and services, Tencent is offering a platform for users to communicate and interact, fulfilling their needs for high quality and diverse cultural products.

More Inclusive Information Access

Tencent is committed to promoting information inclusiveness by enabling barrier-free information access across all our products and services, allowing users to enjoy the benefits of technology.

Tencent strives to ensure everyone has barrier-free and equal access to information, under any circumstances and regardless of their physical condition or age. We published the *Anti-Deception for the Middle-aged and Elderly Users White Paper* to educate groups of vulnerable users against spam and cybercrimes. We introduced and continue to enhance QQ and Weixin's accessibility features. We also established a barrier-free social platform for disabled users and designed accessibility products for public services, transportation and games. Additionally, our "Tencent Cloud for Visually-impaired Developers" project provides technology and resources to help visually-impaired people integrate into the information age and realise their personal value.

The QQ 20th Anniversary "Space Penguin" limited edition figure

Case Study

Offering Inclusive Technology to the Visually-impaired

As Internet technology has developed, an increasing number of visually-impaired developers have created products to meet the demands of their peers. However, they are often faced with technology and resource constraints. On the International Day of Disabled Persons on 3 December 2019, we partnered with the Accessibility Research Association to launch the Tencent Cloud for Visually-impaired Developers program, providing technical support and resources, including our AI and cloud capabilities, to visually-impaired developers. We have also established a platform for technology and resource sharing to expand our product application scenarios in view of benefitting a larger group of visually-impaired users. By the end of 2019, many products had been developed with the support of Tencent Cloud.

Bringing Out the Positive Values of Games

The love of games is natural and can be a powerful source of empathy and creativity. In the digital era, e-sports has transformed into an industry, as well as become a meaningful social occasion and cultural medium. The flourishing of e-sports was driven by online games, which have facilitated emotional connections and interaction between people. Online games have also made cultural heritage accessible as a digital artistic experience, playing a role in the conservation of traditional culture. In addition, games have proven to be effective in youth education and for increasing environmental awareness. In the future, Tencent Games will continue towards its vision, "Spark More", which is to unleash the positive impact of games on its users and the world.

In March 2019, Tencent elevated its functional games strategy to what is now called the "Pursue Your Dreams" program. The purpose of the program is to reshape the values portrayed in games and explore the application of games for cultural conservation and exchange, technology education, charitable works and public welfare. By the end of 2019, more than 20 functional games had been launched under the program, reaching a total of over 20 million users.

Rewarding Good Content

QQ, Weixin, Tencent News, Tencent Video, WeiShi: These social and content platforms are more than one-way communication channels. They are co-creation spaces responding to the desire of users to express themselves. Content creation is an important part of online lifestyles and our mission is to ensure all content communicates good values and receives the recognition it deserves.

QQ Personalised Open Platform

Over the past 20 years, QQ has become more than a social application. It is a platform for users of all ages to express themselves. During the 2019 Tencent Global Digital Ecosystem Summit, QQ announced a new social strategy, making available its product, data and traffic capabilities, and joining hands with content creators, community operators and technology developers to enhance its content ecosystem and meet the evolving demands of its users.

Weixin Maker Program

Behind the volume of MAU on Weixin and WeChat, there is a group of individuals with immense creativity. They could be professional writers for Official Accounts, developers of Mini Programs or Mini Games and emoji creators; they could also be writers, illustrators and photographers who simply enjoy sharing their works with friends. Weixin is committed to inspiring and protecting its users' creativity and the lifeline of content that constitutes the Weixin lifestyle.

On the Weixin platform, users are both the audience for and creators of content, forming a thriving community that increases the visibility of valuable content and services for all to enjoy.

At the end of 2019, Weixin brought together its four products, namely Official Accounts, Mini Programs, Mini Games and Emoticon, into the Weixin Maker Program, creating an integrated platform for developers and creators to showcase original works and their creativity.

Weixin recognises the importance of intellectual property protection as much as it supports content creation. Throughout 2019, Weixin provided over 300,000 leads to brand rights holders as a way of reporting potential infringements. Our Official Accounts platform has also flagged more than 315,000 Official Accounts and Mini Programs and removed more than 100,000 articles that constituted intellectual property infringement. To handle copyright complaints, the platform pioneered a deliberation panel to protect the rights of the original content creators.

Case Study

Mini Programs Youth Camp

On 15 July 2019, the first Weixin Mini Programs National Youth Coding and Creativity Camp was held in partnership with the Affiliated Middle School of Guangzhou University. Just over 100 junior high school participants were selected from over 700 applicants to join the camp under the theme of "Generating Value through Creation". The students, aged 13 on average, enjoyed their first coding experiences by participating in group trainings, submitting proposals and developing and assessing products. The winning team received RMB180,000 in cash from Weixin, as well as a 48-hour coding and creativity tour to further explore the world of coding.

Tencent News ConTech Partners Program

In the digital era, the role of users has been evolving from content consumers to prosumers, those who are engaging with content and at the same time participating in the creation of new digital horizons.

The Tencent News ConTech Partners Program invites user participation across three areas: The Tencent News Knowledge Officer Program focuses on providing insights on news topics, clarifying rumours, sharing fun facts and teaching skills using short videos; the Stars Program supports in-depth and timely reporting and video production; and the TOP Program commissions content creators to develop works for certain verticals.

Tencent intends to invest RMB1.5 billion to boost user traffic, leveraging value-added services, incentive schemes and product commercialisation to support knowledge-based content creation, discover up-and-coming content creators and recognise those already established.

Creating Smart Living Together

As the integration between the digital and physical worlds deepens, industries are striving to digitalise quickly. Different from the Consumer Internet, the Industrial Internet covers every part of the supply chain, including design, R&D, manufacturing, assembly, distribution and services. Only when each component becomes fully digitalised and the entire value chain is connected, can we enhance efficiency and pursue industry upgrading. As the digital assistant of all industries, Tencent works closely with our partners to promote digital upgrading across sectors.

As the digital economy continues to transform from the Consumer Internet to the Industrial Internet, a growing number of our users have begun assuming additional roles, not only acting as consumers but also as manufacturers and service providers. Given this, we remain committed to our roles as a Connector, Toolbox and Ecosystem Co-developer to help industries, including healthcare, education, transportation, tourism, retail, energy management and public administration, fast-track their digitalisations.

Smart Healthcare

Promoting healthy living is a core objective of our "Tech for Good" mission. Leveraging digital technology, we are working to increase the vitality of the healthcare industry chain by helping health service departments and assisting hospitals and doctors, as well as serving patients and the general public.

Tencent Medipedia is a medical information platform we launched in 2017, containing entries on over 8,000 common diseases and in-depth knowledge of 50 types of illnesses. We are regularly improving it to achieve our aim of enhancing the degree of medical knowledge among the general public and mitigate the distribution of misleading health information. We are also working with the relevant authorities and media organisations to further educate the public.

Acknowledging the pain points of the current outpatient care system, characterised by prolonged waiting times for consultations and medicine and difficulties in obtaining the right treatment, we have helped hospitals improve their operational efficiency and

the patient experience through various electronic solutions. For example, as of November 2019, direct consultations and medicine payment services, supported by Weixin Medicare Pay, had reached over 500 million of the users covered by the state medical insurance plan. As of September 2019, Digital Healthcare Cards had been launched in more than 300 hospitals across 10 provinces and cities and used more than 10 million times. Nearly 10,000 hospitals and pharmacies across some 200 cities have begun using Digital Social Security Cards and Digital Healthcare Cards, saving 300 million minutes of queuing time.

To promote the long-term development of the medical health industry, we have also collaborated with industry partners to establish the Digital Medical Innovation Alliance. The purpose of the Alliance is to drive innovation in technology, applications and cooperation models in the medical and healthcare field, in view of co-developing a new and mutually-beneficial digital healthcare ecosystem.

Smart Education

Emerging technology has opened up new possibilities for education, transforming classrooms from physical learning spaces to livestreaming studios. To drive the upgrading of the education sector, we have been focusing on building connections, improving content offerings and leveraging our technological capabilities to achieve an equal, personalised and intelligent educational experience.

By providing a range of intelligent services, covering data connections, teaching, research and management, Tencent Smart Campus has helped schools, educational institutions and administrative departments connect data and implement dynamic management techniques. Using a single Weixin Campus Card, students are able to enjoy various services, such as receiving and sending notifications, paying bills, making administrative inquiries and networking with other students.

As of September 2019, more than 18,000 schools, including over 400 higher education institutions, were using Tencent Smart Campus. We have also started partnerships with 300 government departments and over 70,000 organisations within the education industry.

Additionally, we have applied our digital content capabilities to different educational scenarios to facilitate teaching and learning, thereby promoting an effective allocation of education resources. For example, our high-resolution livestreaming capability improves the video quality of online classes, bridging students and teachers through a stable virtual classroom; our AI homework assessment tool evaluates students' learning outcomes by reviewing their homework; and with Tencent's image identification technology, parents can easily guide their children's studies.

Tencent has created innovative curricula, including coding for children, AI and big data. As of September 2019, Tencent Education had served a total of 400 million users. With more than 100,000 courses, we have enabled over one million people to study online every week. We believe that access to Internet learning opens the door to equality in education.

Case Study

Tencent Education MEET EdTech Innovation Summit

On 4 December 2019, Tencent initiated the first MEET EdTech Innovation Summit, inviting nearly 1,000 experts, academics and representatives from the education sector to explore how cutting-edge technologies such as cloud computing, AI, big data, the Internet of Things, 5G and blockchain will accelerate the modernisation of education.

Tencent's first MEET EdTech Innovation Summit

At the summit, we announced two major education strategies. One was the launch of the Tencent WeLearning smart education solution to service administrative departments, teachers, students, parents and educational institutions; the other was a plan to increase the digitalisation level of campuses, establish an open and student-centric educational ecosystem, provide educational resources for 100 poverty-stricken counties, create 1,000 model smart schools and cultivate 10,000 campus Chief Information Officers.

Smart Transportation

To create a convenient, safe and comfortable transportation experience, we are committed to promoting the digitalisation of the transport industry by establishing a people-oriented smart transport ecosystem powered by intelligent technologies and ecological service models.

In the field of self-driving technology and cooperative 5G vehicle-infrastructure systems, we have leveraged our technological advantages in cloud computing, simulation tools and high-definition maps to launch the Tencent Autonomous Driving Simulator. The simulator provides a high-fidelity virtual environment to test auto-driving systems, increasing R&D efficiency.

Regarding public transportation, as of May 2019, the Tencent Transit QR Code had been adopted in more than 110 cities, including Shenzhen, Shanghai and Kunming, serving the over 70 million users who take buses, subways and other forms of public transport.

Smart Cultural Tourism

To make travel easier and more enjoyable, we launched a smart tourism initiative to enhance tourists' travel experiences via their smartphones.

For example, we established the Go-Yunnan platform as part of the initiative. Leveraging the Internet of Things (IoT), cloud computing, big data, AI and other technologies, the platform is comprised of a tourism big data centre, a comprehensive service platform and an integrated management system, all to create a smart, healthy and convenient provincial tourism ecosystem in Yunnan. As of February 2020, the Go-Yunnan platform had been used 130 million times by the public. It had also attracted nearly five million users to its mobile application and over four million to its array of Mini Programs.

We also collaborated with the Yunnan provincial government to promote the integrated development of culture and tourism in the region. Tencent's multitude of business lines across games, animation and comics, videos and music joined forces to tap digital tools like QQ and Mini Programs to enrich the travel experience of visitors to Yunnan.

Yunnan Tourism Ambassador Yunnan Yun

We have also brought convenience to outbound tourism. For example, we joined hands with the government of Helsinki in Finland to create the My Helsinki Mini Program, delivering a localised travel experience for Chinese visitors to the city.

Smart Retail

The digital era has not only broken down the boundary between online and offline consumption, but also created more personalised and convenient shopping experiences for customers and eliminated the distance between brands and consumers. Our customer-centric smart retail solutions have enabled a diverse range of customer touch points and the development of digitalised services, making retail operations more intelligent and efficient.

Leveraging our competitive advantages in traffic volumes, data, technology and ecosystem resources, we have woven unmanned customer service, voice recognition, electronic price labels and facial-recognition payment systems into the retail industry chain, enhancing operational efficiency and improving the user experience.

Our socially-focused Mini Programs allow merchants to establish omni-channel business platforms. In 2019, Mini Programs accounted for more than 300 million daily active users and generated a total transaction volume of RMB800 billion, an increase of 160% compared to the previous year. The primary source of growth came from the e-commerce and retail sectors.

We launched the Weixin 8.8 Smart Life Day 2019 campaign between 1-8 August, which welcomed tens of millions of participating merchants and stores across the food, healthcare and pharmaceuticals,

fashion, retail and logistics industries. Weixin 8.8 Smart Life Day is an occasion for customers to experience new retail technologies, including electronic receipts, facial-recognition payment systems and QR code orders, sharing in the benefits of technology.

Smart Energy

Tencent Cloud has launched RayData, a big data-powered real-time visualisation and interaction system, enabling users to manage and use data in a more convenient and personalised manner.

We have deployed RayData in the electricity sector to help power grids and develop single digital platforms to manage geographic location information. It also helps businesses leverage data to enhance operations and monitoring.

RayData also launched a smart power supply security system for the 2019 China International Import Expo in Shanghai, providing comprehensive energy management and control support for the annual trade fair.

Smart Municipal Service

Over recent years, Tencent has been providing strong support for the development of a digital city strategy. Adhering to the principle of user-centricity, we have been working to integrate traditional public services with modern, service-oriented thinking, to save peoples' time and energy when using public services.

In 2017, we participated in the Digital Guangdong project and developed the Yue Sheng Shi platform to provide services to the general public, enterprises and civil servants. The aim of the platform was to streamline public administration services, enhance the business environment and increase administrative efficiency. According to an official evaluation report regarding online public services, Guangdong province had the highest index of digital capabilities in China in 2018. Digital Guangdong is one of the best examples of Tencent's commitment to promoting a digital government.

In 2019, our experience with Digital Guangdong was replicated in other regions. On 10 October, we launched a new Mini Program in collaboration with the Jiangsu provincial government, enabling over 100 public services, including certificate applications and pension fund inquiries, to be processed online.

In October 2019, Tencent's We Tax Refund joined hands with the United Arab Emirates tax refund service provider, PLANET, to facilitate electronic tax refunds for Chinese tourists in the country. That same month, We Tax Refund enabled real-time tax refunds in 88 airports and three international ports across 28 countries worldwide, as well as tax refund services on-arrival in 27 countries and regions.

Smart Residential Communities

Residential communities are the smallest urban administrative unit. To drive the digitalisation of urban residential communities, we launched a multifaceted solution for community affairs – Future Community. As of October 2019, the Future Community platform had 133 applications serving over 7,000 residential communities. More applications, such as IoT, garbage sorting and Tencent Medipedia, will be included in this platform in the future, to provide residents with a one-stop service for basic necessities.

On 14 October 2019, we held the Tencent Cloud Smart Community Ecosystem Conference in Shenzhen, where we jointly launched the 2019 *China Green Smart Property Development Whitepaper* with the National Standardisation Technical Committee for Digitalisation of Intelligent Buildings and Residential Areas. Through our subject matter research, our aim is to clarify the definition of a smart community across multiple dimensions, including green ecology, carbon emissions, energy efficiency, digitalisation and the degree of smart technology adoption.

Smart Villages

The efficiency of village governance is essential to effective poverty alleviation and the long-term development of the rural economy. In view of this, in 2015 we enhanced our WeCounty project to provide a platform, as well as various products and services, for the digitalisation of village administration.

WeCounty is a highly-regarded digital village platform, renowned for its coverage and ability to connect village stakeholders through its Village Council and Villager Circle functions, regardless of whether the members are physically present or far way.

Through the WeCounty platform, villagers can make their voices heard and local leaders can increase their village's working efficiency, thereby helping district governments make more informed decisions regarding village administration.

With Tencent's technology, WeCounty has been able to facilitate the participation of villagers in local administrative affairs, increase dynamism within village communities and lay the foundation for long-term poverty alleviation work and rural vitalisation.

For a Better World

As a responsible Internet-based technology enterprise, we are committed to promoting the sustainable development of society using our products and solutions. In 2019, we launched a variety of CSR initiatives to create a better technological environment, fight poverty, rejuvenate culture, advocate philanthropy and promote a greener future, demonstrating our pledge to build a better world.

Creating a Better Technological Environment

Creating a Healthy Internet Environment

Tencent has continued to reinforce the protection of minors on the Internet, an issue that now has widespread support across society. In April 2019, we launched our inaugural whitepaper about child protection on the Internet. At an Institute of Electrical and Electronics Engineers (IEEE) task force convention on 21 May 2019, we took the lead to launch China's first standards on protecting minors online. Over the past few years, we have remained committed to child protection, developing dedicated initiatives to safeguard minors while using the Internet; we have also created a protection system, covering research and education, product design, platform governance and social collaboration.

Educating children from rural areas on Internet security

Our solutions for a healthy Internet environment:

- **Parental Guardian Platform**

  Parental Guardian Platform helps parents manage the time and money their children spend on pan-entertainment platforms such as Tencent Games, Weixin Mini Games, Qzone games, Tencent Video and WeiShi. As of April 2020, the platform had served over 30 million users.

- **Healthy Gameplay System**

  We impose strict time limits on game accounts registered by minor users. The Healthy Gameplay System has been embedded in all the mobile games Tencent offers in China, as well as in major PC games, covering 98% of our active users and benefiting 5.6 million minor gamers every day. In 2019, 32 games which were unable to incorporate this system were immediately withdrawn from the games market.

- **Payment Notification and Online Consumption System**

  Our monitoring mechanism enables the protection system to inform parents if it suspects their children have purchased in-game products. The system has served a total of over 10 million subscribers and provided free counselling services to more than 1,720 families.

Encouraging adult players to impose limits on the length of their game sessions is an extension of our efforts to create healthy online gaming habits. We have embedded time limits in a number of games in the form of a pact with players, effectively lowering the level of fatigue and reducing gamer burnout (a situation where a person plays a game for three hours nonstop). As of September 2019, a total of 27.5 million players had joined this healthy pact, reducing the instances of gamer burnout from 300,000 to 130,000.

To curb unbecoming behaviour on the Internet, we are committed to fully leveraging our technology to create a healthy Internet environment through the creation of new functions and rules. In June 2019, we added the GVOICE function to our signature game, "Honour of Kings", which identifies and reports on inappropriate voice messages. Warnings or penalties are issued to players who violate the rules.

Cultivating Healthy Internet Habits Among Teenagers

Tencent places great emphasis on cultivating healthy Internet habits among teenagers, having launched the Digital Natives Actions (DN.A) initiative with a range of organisations to provide education, summer camps, open classes and parent-child reading opportunities to educate young people the appropriate usage of the Internet. By connecting parents and schools, the DN.A initiative has impacted 500,000 families, providing

education about healthy Internet habits, helping to assuage parental concerns about the Internet and improving communications between the older and younger generations in this digital era.

We are deeply concerned about Internet safety for teenagers from less-developed regions. On 10 July 2019, we helped launch a program dedicated to educating children from rural areas to avoid obscene and illegal content online, helping them to unleash their potential and explore the possibilities of the Internet.

We also worked with the United Nations Children's Fund to establish standards on Internet privacy and freedom of expression for children, as well as conduct research on digital marketing, online games and related risks concerning child Internet users. By doing so, we raised global awareness about the protection of minors on the Internet.

On 28 November 2019, we were the only enterprise invited to participate in a United Nations seminar on establishing healthy Internet habits for children and combatting cyberbullying. We shared our experience in research, education, platform governance and social collaboration. We intended our sharing to help China and the international community cope with the threats of cyberbullying to minors.

Safeguarding Cyber Security

Over the past 21 years, Tencent Security has been committed to providing a safe and secure Internet experience for over one billion users. Entering the Industrial Internet era, the ongoing digitalisation of companies has brought new challenges to the field of cyber security. Against this backdrop, we are continuously upgrading our security solutions. We have also set up seven laboratories and formed a team of more than 3,000 professionals to develop strategies that promote Internet security, leveraging our experience and strengths in technology and ecosystem resources.

Tencent's Security Service System: Providing Multifaceted Protection for Businesses

The 2019 launch ceremony for Tencent's Guardian Program

Tencent's Security Capability

In recent years, we have integrated an industrial security strategy into our corporate operations, shifting from a defensive approach to proactive planning and security management. In 2019, we unveiled four security products covering threat detection, data security, access authorisation and cross-platform end-to-end security. Our open technology, risk and anti-fraud platforms help finance, Internet, government and other organisations solve security challenges across the range of new business scenarios facing companies today.

Our work in the field of security technology research has been referenced at top-level international conferences and gained Tencent wide recognition at home and abroad. As of May 2019, the Company had applied for over 4,000 patents related to cyber security, 1,000 of them having been granted.

In the face of emerging security challenges, setting standards is an effective approach to promoting the development of the security industry and enhancing security levels. Tencent is a keen advocate in this regard. To date, we have led the development of the first zero-trust international security standards, which then became a registered project with the ITU Telecommunication Standardization Sector and China Communications Standards Association. We have also pioneered the first international IEEE business security risk assessment standards. Tencent's threat detection product is compatible with the four major operation systems and three major central processing units (CPUs) produced in China.

Building a Cyber Security Ecosystem

In this digital era where everything is connected, security risks can become highly complex and difficult to address. Tencent believes in a collaborative approach to tackling the challenge. We have worked to establish a security ecosystem that connects industry partners across the security chain, sharing information, technology and expertise to safeguard the Consumer and Industrial Internets.

Creating a Safe Internet Environment

We are committed to leveraging our data analysis and AI capabilities across various scenarios to increase Internet security levels.

In 2019, Tencent's Guardian Program contributed to cracking down on cyber-based, black-market transactions and fraud, drawing from our store of big data on underground market operations paired with our AI capabilities. We launched a dedicated solution to curb fraud caused by data and personal information leakages. We protected users through fraud detection and prevention mechanisms. The Guardian Program also initiated a range of campaigns to educate people about cyber security and raise public awareness against cyber scams.

Making Available Our Expertise

To make our expertise available to more partners, we launched an expert service platform comprised of specialists from our seven security laboratories, offering security management advice and solutions. Supported by security products, the platform helps enterprises identify their security needs, as well as plan, design, develop, implement and maintain their security infrastructure.

Nurturing Security Talent

Noticing the demand for talent in the cyber security industry, we began working with schools and companies to develop future talent through competitions, trainings and certifications.

We organised Tencent Capture The Flag (TCTF) for the third year in a row, providing a platform for cyber security practitioners to compete with top-level talent around the world. The TCTF Club is a technology community for students from over 40 higher education institutions. In addition, we have actively participated in large-scale competitions on cyber security and collaborated with various parties to grow more Internet security talents.

Sharing Security Technologies

Tencent has actively explored how to work together with our clients to build security laboratories and create synergies along the industrial security chain. We organised the Tencent Security Exploration Conference (TSec) for three consecutive years to share insights on critical information security issues and highlight important technical achievements, in line with our commitment to promote the development of security technology in this era of the Industrial Internet.

Building a Global Open Source Technology Community

Tencent's Internet engineering technology forms the foundation for our ongoing work of innovating highly popular products. To ensure we are also contributing to the global technology community, we have prioritised open source as one of the most important strategies on our technology agenda.

Establishing an Open Source Management Office

In January 2019, we established the Tencent Technology Committee, with open source and proprietary cloud technology as two of the major focus areas. In June 2019, we set up the Open Source Management Office to develop an open source ecosystem, reviewing, incubating and nurturing high-quality, self-initiated open source projects.

To implement our open source strategy, we created a coder community and built an official website detailing the technology that powers our open source projects. We also hosted a series of activities for participants to exchange technological know-how. Within the Company, we have also hosted open source trainings and instituted company-wide open source awards to encourage a new coding culture.

Advancing Open Source Projects

We require all developer teams within Tencent to make their coding available to other teams to encourage a culture of openness and sharing, as well as standardise our code internally. Enhancing collaboration and communications across teams also reduces the amount of repetitive work in R&D and focuses internal attention towards recognising and enhancing high-quality code. By establishing an open source community, we have successfully promoted the adoption of cloud native technology.

As of the end of 2019, 70% of our source code was open within the company. We have also formed 53 technical teams of over 1,000 core R&D engineers. Our open source community includes nearly 5,000 people in total. The outcomes of this community of collaboration have been incorporated into a number of critical businesses, such as Weixin, QQ and Tencent Video.

Tencent has continued to advance its external open source projects, focusing on IaaS (Infrastructure as a Service), container and cloud native database, big data, AI and our Mini Programs ecosystem among other areas. On 20 December 2019, after launching version 3.0, our inaugural open source AI project ANGEL became the first from China to graduate from the Linux Foundation AI (LF AI), ranking among the world's top AI open source projects. As of the end of 2019, we had initiated over 92 external open source projects across domains such as Weixin, Tencent Cloud, big data, games, AI and security.

Leading Technological Innovation

As a technology-driven company, we are committed to maintaining a clear focus on investing in frontier technologies and emerging sectors to generate greater value for human society. We have built a laboratory matrix in the field of fundamental and cutting-edge technology, covering a number of critical areas including AI, robotics, quantum computing, 5G, edge computing, IoT and multi-media technology.

Talent is key to driving technological innovation. In view of this, since 2016 we have sped up our global recruitment process and have since welcomed nine top-level scientists and engineers. Our technology R&D team has more than 20,000 members. Among them are three fellows from IEEE and a host of academic tenures.

Supported by ongoing investment in research and a strong talent team, our R&D capabilities are continuously improving. As of September 2019, we had applied for over 30,000 patents globally, over 10,000 of them have since been granted. In terms of the amount of patent applications, we ranked second among global Internet companies; regarding the number of authorised patents, we ranked number one among our domestic peers.

In addition to our research efforts, we are placing emphasis on facilitating dialogue between researchers and the general public, business community and government departments. On 21 October 2019, we held the seventh annual WE Conference.

Tencent's inaugural ME Conference

The conference invited seven world-leading scientists to discuss the latest developments in areas such as cell therapy and string theory, inviting the audience to reflect on human beings and the universe through microscopic perspectives. Through the exploration of the life sciences at the WE Conference, Tencent sought to find solutions to heal the sick and improve lives.

In conjunction with the seventh WE Conference, Tencent co-organised the medical-themed ME Conference with the authorised Chinese publication of The New England Journal of Medicine. The first ME Conference was themed Decoding Life, and gathered medical scientists and clinical physicians to share breakthroughs in the treatment of cancer, depression, AIDS and senile diseases.

Fostering Technology Talent

With RMB one billion in funding from the Tencent Charity Foundation, as well as support from Pony Ma and 14 well-known scientists, we set up the Xplorer Prize in 2018 to award young technology specialists. The prize is given to those who have devoted exceptional time and energy to the fields of basic science and fundamental technology, and whose achievements have had a positive impact on China's future development.

The first Tencent Youth Science Festival in 2019

In 2019, the first Xplorer Prize was given to 50 science professionals from mainland China under the age of 45, awarding them with a five-year grant of RMB three million to support their scientific research.

Furthering our intention to develop technology talent, we launched the Tencent Youth Science Program and organised the Tencent Youth Science Festival as one of the program's series of events.

The first Tencent Youth Science Festival took place on 20 January 2019 in Shenzhen. We collaborated with *Science* magazine to jointly release the world's first Youth Science Focus list and launch a series of short science videos. We also invited world-leading scientists and popular science experts, including Lucy Hawking, David Eagleman, Li Miao, Charles Czeisler and Tim Urban, for face-to-face discussions with young people on the development of frontier science. The Tencent Youth Popular Science Creation Project was launched to encourage young people to create science-related works on the Tencent content platform and promote scientific knowledge to benefit more people.

Winners of the 2019 Xplorer Prize

Poverty Alleviation and Rural Vitalisation

Rural villages are the root of Chinese agriculture. Since its inception 21 years ago, Tencent has been working hard to preserve rural heritage, promote its development and use the power of technology and culture to help villages grow and prosper.

Milestones – Tencent's Poverty Alleviation and Rural Vitalisation Efforts

1998-2008

1 Explore

Poverty alleviation and rural development has been our focus since Tencent's inception. Over this period, our work evolved from employee initiatives that contributed monetary and in-kind donations to poverty-stricken mountainous areas to the establishment of Tencent Charity Foundation, marking the emergence of a more organised and diverse poverty alleviation effort.

2008-2015

2 Experiment

The Sichuan earthquake in 2008 lead to the emergence of Internet-based charity. Tencent also started to promote the development of new villages through initiatives covering cultural conservation, education and e-commerce. Tencent Charity Foundation started the village vitalisation project in 2009, now known as WeCounty.

2015-2019

3 Mature

"Connection" has become the theme of Tencent's poverty alleviation efforts and we have taken up the role of digital assistant. On the one hand, we connected the Internet-based charity ecosystem using signature campaigns such as the 9.9 Giving Day. On the other, we brought digital products into rural areas through WeCounty and Wexin Payment to drive productivity.

2019 - present

4 Restart

Tencent continues to contribute its digital capabilities to rural vitalisation. Tencent is applying its expertise with the Consumer and Industrial Internets to help villages enhance education, healthcare, cultural tourism, agricultural e-commerce and other sectors. We're also seeking to deploy big data and blockchain technology in village governance to establish a new model of village vitalisation.

Alleviating Poverty with a People-centric Approach

Back in 2002, when Tencent was still a startup with only about 100 employees, we donated more than 10 computers to a primary school located in the impoverished county of Qingyuan in Guangdong Province. This marked the start of our approach to poverty alleviation and rural vitalisation.

In 2007, Tencent Charity Foundation, China's first philanthropic foundation established by an Internet company, was founded to carry forward an agenda to support education, fight poverty and foster other charitable organisations.

Over the past 12 years, Tencent Charity Foundation has been committed to poverty alleviation with a focus on six major areas, namely rural vitalisation, disaster relief, targeted poverty reduction, education, healthcare and ecological restoration. As of 31 December 2019, Tencent Charity Foundation had donated RMB2,957 million, 95% of which went to poverty alleviation.

In the context of poverty alleviation, we have been committed to using a people-centric approach, placing emphasis on the wellbeing of people from rural areas. Tencent Charity Foundation has been donating money to poverty-stricken villages for many years to help disadvantaged children and improve the quality of education.

This people-centric poverty alleviation philosophy is also well reflected in our rural vitalisation program launched in 2009. From 2009 to 2014, Tencent Charity Foundation contributed more than RMB50 million to impoverished areas in Yunnan and Guizhou provinces, promoting education, as well as cultural and economic development of counties located in western China.

The Digital Assistant Who Fights Poverty

We realised a long time ago that poverty alleviation is an arduous task that requires community participation and collaboration. After the 2008 Wenchuan Earthquake in Sichuan province, we launched an online fundraising channel and received over RMB20 million in donations within a short period of time. This also marked the establishment of the Tencent Charity Platform.

Considering disasters such as earthquakes and snowstorms, Tencent Charity Foundation developed a "multifaceted disaster relief" mechanism to call for emergency help from the wider society. The mechanism has been utilised 11 times from 2008 to 2014, receiving donations totalling over RMB75 million and RMB69 million from Tencent and Internet users, respectively.

Given the spread of the mobile Internet and rapid growth of social media, the development of Internet-based philanthropy has also started to speed up, making it an important force for poverty alleviation. In 2014, Tencent Charity Foundation worked with Weixin and QQ to launch a new fundraising channel, allowing users of these platforms and their friends to make donations together.

Starting from 2015, Tencent Charity Foundation has been organising the annual 9.9 Giving Day, connecting charitable organisations, corporates and netizens to build an efficient, transparent and precise Internet-based donation ecosystem. 9.9 Giving Day has played an important role in mobilising the wider society and pooling together funds for poverty alleviation.

9.9 Giving Day has attracted increasing public participation since its inauguration in 2015. In 2019, 30 provinces and municipalities across China joined hands with charity associations to fight poverty, receiving 46 million donations within just three days.

As of 31 December 2019, Tencent Charity Platform had supported more than 10,000 charitable organisations and raised funds for over 70,000 projects. Over 300 million netizens had donated more than RMB7.6 billion via the platform, 92% of which went to poverty relief, supporting industry development, healthcare, education, ecology and culture.

Tencent 9.9 Giving Day has played an important role in mobilising society to fight poverty.

Tencent Charity Platform not only supports philanthropic organisations to raise funds via the Internet, but also provides various resources, such as content and traffic data, to help raise public awareness about charitable programs that help to fight poverty.

While fighting poverty, Tencent Charity Platform also strives to enhance public understanding about the causes and conditions of rural poverty, to build a closer connection between cities and villages.

Unleashing the Inner Strength of Rural Areas

Through years of poverty alleviation work, we have realised that for rural villages to eliminate poverty and prosper, their inner strength has to be brought out.

Based on this insight, we launched WeCounty, a digital platform providing various Internet technologies and products to address the pain points in village management, such as village administration and culture vitalisation.

As of 29 February 2020, 15,176 villages (communities) across 2,395 townships, 215 cities and 29 provinces had joined WeCounty, representing a total of more than 2.15 million villagers.

The Positive Effect of WeCounty

Young workers who left their hometown villages can now express their thoughts and feelings via WeCounty and stay in touch with their families and communities. The platform also enables villagers to be more involved in rural affairs.

Through the WeCounty Official Account, Weixin users can explore and understand the stories of rural villages and learn more about the people living there. It also highlights the regional features and symbolic value of relevant agricultural products and attracts more customers.

In addition, WeCounty Manager epitomises the program's ability to attract talent to return to rural areas. For example, when Dapo Village of Fenghuang County, Hunan province, was connected to WeCounty, Yang Ting helped familiarise her father with the Internet. Yang Ting then became a WeCounty Manager. In March 2019, she became a civil servant and was given a post within the village administration.

Empowering Rural Villages Through "Connection"

The exploration of WeCounty has always been in line with the development of the digital era. Over the past few years, given the increasing Internet penetration rate in China, different Internet products and services, such as social media, content creation and payments, have reached rural areas, sparking various innovative poverty alleviation initiatives centreing on "connection".

One of these innovative initiatives aims to increase the consumption of rural products. In 2019, the widespread adoption of WeChat Pay prompted the development of China's rural e-commerce industry, enabling villagers to reach consumers from cities in a more efficient, convenient and precise way. Our social and content platforms, including Tencent News, Weixin, WeiShi, and Tencent Live Broadcasting, worked with technology developers and content creators to help villagers sell their agricultural products. We also leveraged the power of content and our platform capabilities to enhance public awareness and understanding about rural areas. By connecting villages with the broader world, we aim to achieve sustainable progress in poverty alleviation.

Our approach to supporting education in rural areas has also evolved from donating money to leveraging our technological strengths to fight poverty. For example, we launched Digital Natives Action (DN.A) to cultivate healthy Internet habits among young people. We also promoted smart education products and services for schools located in impoverished areas. In Cangyuan County of Yunnan province, over 5,000 children have attended programming courses provided by Tencent Coding.

Over recent years, Tencent has been exploring the possibility of using AI to tackle the development issues facing rural areas. Our award-winning proprietary agricultural AI system helps farmers increase productivity and make better use of natural resources. We have also strengthened our cooperation with China National Cereals, Oils and Foodstuffs Corporation and New Hope Group, in view of identifying new models to promote the sustainable development of rural areas.

Over the two decades of Tencent's history, we have always been committed to a "people-centric" approach to fighting poverty, fully leveraging our resources and capabilities in the field of technology and culture to connect villages with the outside world, all in view of unleashing the inner power of rural areas. This is the key strategy of Tencent's poverty alleviation work.

Rejuvenating Traditional Culture with Digital Technology

Through Tencent's "Technology + Culture" model, we are making creative use of digital technology to rejuvenate traditional culture in the modern context and help foster the development of a digital culture in China.

Rejuvenating Traditional Culture in Modern Society

Meaningful dialogue between traditional culture and modern society requires a popular connection point. Popular Intellectual Property (IP) is just that. A portion of our e-sports-related intellectual property, such as *Honour of Kings*, *QQ Dance*, *Moonlight Blade* and *Dungeon and Fighter*, have cooperated with museums and cultural institutions in China to introduce traditional cultural elements to in-game activities and design, thereby promoting China's intangible cultural heritage to the public.

In 2019, Tencent launched the Mr. Bowu open platform and stepped up efforts to promote the digitalisation of museums. Mr. Bowu collaborated with 280 museums across the country, providing audio guide services to more than two million viewers and digitalising more than 30,000 exhibits. In addition, we launched the Global Digital Museums for National Treasures program, which digitalises China's national treasures located in overseas museums for people to appreciate using a variety of channels, including the Mr. Bowu Mini Program.

Regarding cultural conservation, Tencent's Digital Culture Conservation Platform has formed strategic partnerships with numerous cultural institutions, including the Palace Museum, Dunhuang Research Academy, China Foundation for Cultural Heritage Conservation and Emperor Qinshihuang's Mausoleum Site Museum. We are helping these institutions create unique cultural preservation solutions, using innovative and interactive methods to engage the public in the work of cultural conservation.

Case Study

A Digital Palace Museum

In July 2016, Tencent and the Palace Museum formed a partnership. Within three years, they had successfully achieved the integration of traditional culture with digital creativity, encompassing online games, animation and music. More than 10 cultural projects with considerable impact have been launched. In September 2019, Tencent and the Palace Museum deepened their partnership, through which some 100,000 cultural items will be digitalised using cloud computing and AI technologies, as part of the effort to establish a Digital Palace Museum.

The Great Wall Conservation Project

Tencent and the China Foundation for Cultural Heritage Conservation co-launched The Great Wall Conservation Project. To date, the project has donated a total of RMB35 million for the purpose of renovating the Great Wall of China. We have also launched related Mini Games, picture books, HTML5 content and documentaries to refresh the attractiveness of this great heritage site.

Promoting Urban Heritage with Digital Content

Tencent has collaborated with various Chinese cities in different regions to identify their most impressive features. The idea is to introduce high-quality digital content and proven business models to urban spaces while offering interesting cultural experiences to the urban dwellers living therein. In January 2019, the Tencent Digital Creative Festival was launched in Chengdu, attracting more than 100,000 offline visitors.

Sharing Chinese Culture Abroad

Through the Internet, Tencent has exported digitalised Chinese cultural content to the rest of the world, helping to promote cultural exchange. A wide range of digital content has been distributed, including Chinese music, animation, literature, movies, games and e-sports. For example, The Wild Goose Lake – co-produced by Tencent Pictures – was the only Chinese-language movie that competed at the 2019 Cannes International Film Festival; and Arena of Valor has been included in the Asian Games competition.

Building an Innovative Philanthropy Ecosystem on the Tencent Platform

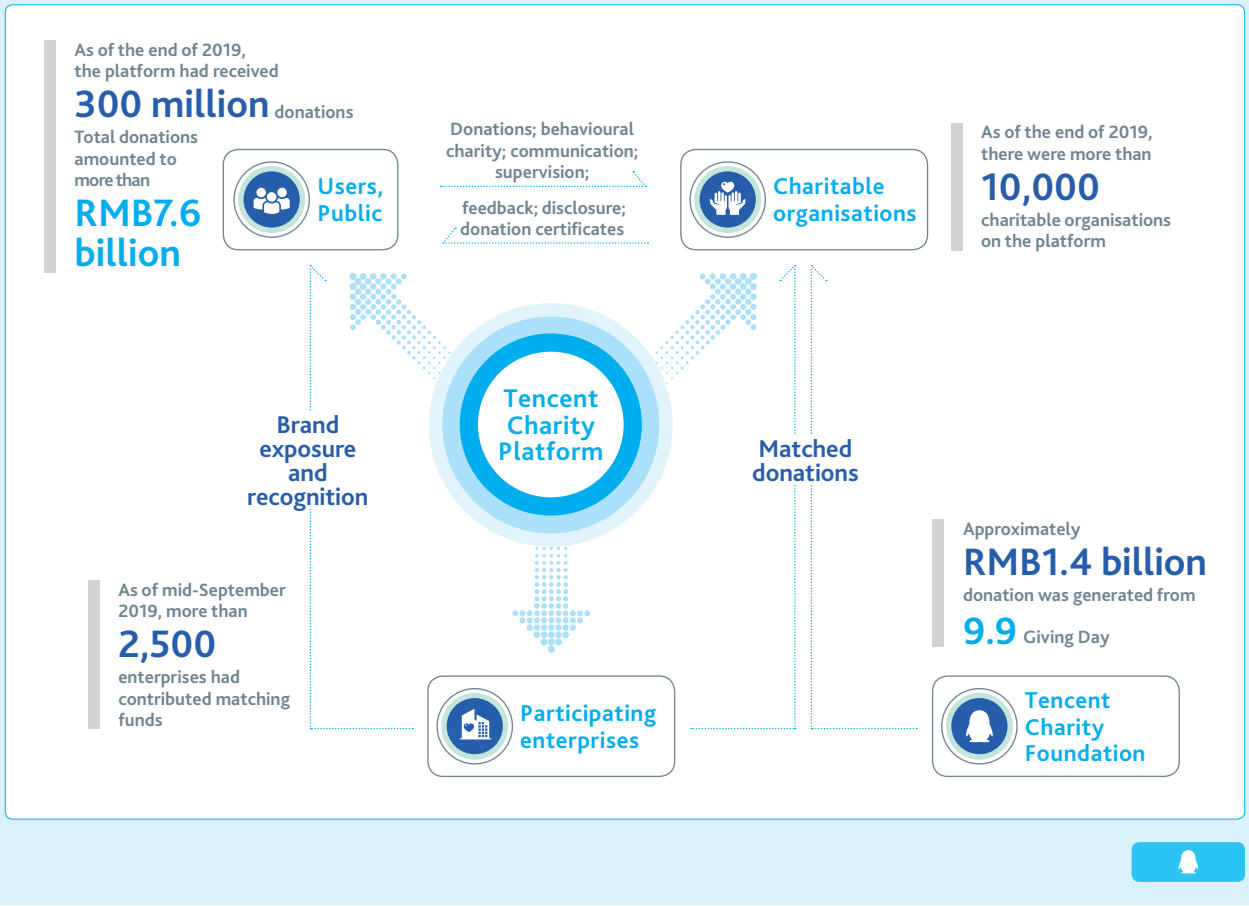
Tencent is committed to exploring the possibilities of technology to tackle problems through philanthropy. This has become an important part of our CSR research and practice.

Mobilising the Public to Participate in Philanthropic Activities

Tencent believes philanthropy transcends donations and charity projects. Behind each charitable cause is a drive to unlock peoples' compassion through a rational approach that delivers a positive impact to society. Using our strengths and capacity for innovation, we can take the lead to drive innovation in Internet-based philanthropy and establish a new ecosystem.

Tencent Charity Foundation has positioned itself as a digital assistant to philanthropic activities, and is committed to its roles as Toolbox, Connector and Ecosystem Co-developer. After the 2008 Wenchuan Earthquake in Sichuan

The Tencent Charity Platform ecosystem



9.9 Giving Day 2019 encouraged Internet users to participate in philanthropic activities

province, Tencent Charity Foundation established the Tencent Charity Platform, receiving the most monetary donations of any Internet-based fundraising platform at the time.

The mission of the Tencent Charity Platform is to build trust through technology, promoting the development of the philanthropic sector. Supported by our mobile Internet technology and social media capabilities, Tencent Charity Platform is a social, mobile and transparent terminal connecting public service departments, charitable organisations, the public and enterprises. It strives to create an inclusive philanthropic ecosystem by using a more rational approach.

Tencent Charity Platform allows for different forms of donations, such as single-time donations, monthly donations, offering one-on-one help, sending well wishes, and family donations, all in view of encouraging the public to make small donations as part of their support for philanthropic activities over the long-term. We welcomed enterprises to provide "matching donations" to supplement netizen's contributions, and embedded new functions on social media platforms that allow family members, friends and colleagues to donate together. Tencent Charity also launched innovative donation initiatives, such as donating steps walked and points earned in games to charitable causes.

In 2015, Tencent Charity Platform launched the inaugural 9.9 Giving Day, joining hands with experts from different industries and hundreds of millions of Internet users to participate in online and offline philanthropic activities and raise funds for tens of thousands of charitable programs. In 2019, the fifth 9.9 Giving Day attracted 48 million monetary donations within three days, totalling RMB1.783 billion. With RMB307 million and RMB399 million in matching funds donated by more than 2,500 enterprises collectively and Tencent Charity Foundation, respectively, the total amount of monetary donations reached RMB2.49 billion. The influence of 9.9 Giving Day has also expanded to communities. In 2019, more than 3,000 philanthropic organisations held over 10,000 offline activities during 9.9 Giving Day, covering communities and business districts in over 200 cities.

While working to promote an inclusive philanthropic ecosystem, we have also put emphasis on building "a rational approach to charity". Tencent Charity Platform has set stringent examination standards and information disclosure requirements for charitable organisations, introducing independent audits, random sampling inspections and external supervision, to increase the transparency of fundraising activities. We also launched a cool-off mechanism to remind donors to use a rational approach to participating in philanthropy.

By the end of 2019, Tencent Charity Platform had received 304 million donations from Internet users, totalling RMB7.6 billion and benefitting more than 60,000 charity projects initiated by nearly 10,000 charitable organisations. The projects covered poverty alleviation, disaster relief, medical aid, education support, ecology protection and cultural conservation. Among them, projects related to poverty reduction accounted for 90%.

9.9 Giving Day 2019 Highlights

48 million participants

RMB1.783 billion
donated via Tencent Charity Platform

RMB399.99 million
in matching funds from Tencent

RMB307 million
in matching funds from enterprises

Total funds raised:
RMB2.49 billion

While supporting charitable organisations to raise funds via the Internet, Tencent Charity Foundation also launched an initiative in 2018 to support philanthropic partners by offering various products, platform data, funds, resources and training.

First, RMB100 million was set aside to support the development of charitable organisations, in addition to efforts to help each organisation gain exposure, receive training on Internet-based charity and obtain communication resources

from media organisations. Second, efforts were made to help charity groups boost their efficiency by leveraging various Tencent capabilities, such as WeCom, cloud computing, advertising, big data and blockchain. Lastly, third-party auditing institutions were developed to help build a rational and transparent charity ecosystem among philanthropic partners. Measures such as an entry threshold, information disclosure, supervision and evaluation standards were introduced.

The Create for Good charity advertisement competition co-organised by Tencent Charity Foundation and Tencent Ads is an example of how we are committed to building a philanthropic ecosystem. In 2019, using an operating mechanism that brings together the power of innovation, philanthropy and technology, the third Create for Good charity advertisement competition continued to improve the creativity of the philanthropic sector in China and increased public awareness about charitable projects.

Using Technology to Push the Boundaries of Charity

Tencent Charity owes much of its rapid growth over the past decade to the development of the Internet and social media. Bringing into view our role as a "Connector", we are committed to pushing the boundaries of philanthropy by integrating charity with games, AI, blockchain and Tencent Cloud.

Games + Charity

Tencent has been exploring the practical value of online games in the realm of charity, in view of making online games a medium that promotes positive values.

We launched the WeCare Program to support the developers of charitable Mini Games, with the aim of exploring and highlighting the values of online games in the context of promoting traditional culture, the spirit of philanthropy and Tencent's culture. As of December 2019, more than 200 teams had submitted a total of 392 proposals as part of the scheme, 49 of which were shortlisted. In December, the first batch of 17 charitable Mini Games were launched online.

In 2019, we launched two mobile games, designed to promote care for the visually impaired. Using an entertaining and interactive approach, the games raised awareness about barrier-free information, as well as helped visually impaired people integrate better into society.

AI + Charity

AI is opening a wide range of new possibilities for our future. In the fields of healthcare and elderly care. Underprivileged groups, such as the disabled, left-behind children and empty-nest elderly, can benefit from the development of AI technologies, including voice and visual identification and smart analytics.

Tencent Medical AI Lab launched an AI-assisted technology to shorten the diagnosis time for Parkinson's Disease to just three minutes, while increasing the accuracy. The system can also help provide better assistance for mid- and late-stage Parkinson's patients to manage their illnesses and enhance their quality of life.

Tencent's AI-powered medical solution, Tencent Miying, has launched an AI-supported auxiliary diagnostic system that enables gynaecologists to quickly identify cervical transformation zones, diagnose cervical intraepithelial neoplasia (CIN) and locate lesions.

Tencent YouTu Lab has unveiled an AI sign language translator designed for people with hearing disabilities. The device enables the real-time translation of sign language into written text.

Blockchain + Charity

To help homeless and missing children reunite with their families, Tencent's TrustSQL blockchain solution launched the Charity Chain for Searching Missing Persons in 2019. The solution connected with a number of Tencent's platforms to maximise the chances of finding missing children within the first 72 hours.

With the help of the Internet and other forms of advanced technology, QQ Help is a charity platform that leverages a network of QQ users to look for missing children, missing elderly and donors of rare blood types. As of 12 April 2020, QQ Help had posted 807 cases involving missing children, 660 of which have been closed; 449 cases involving missing elderly people, 168 of which have been closed; and 171 cases involving donors of rare blood types, 164 of which have been closed. The platform has also helped settle five cases that involved the use of facial recognition technology.

Community of Philanthropy for the Technology Sector

The integration of technology and philanthropy requires cross-disciplinary collaboration. On 16 May 2019, Tencent joined hands with various partners in organising the Third China Internet Philanthropy Summit in Guangzhou, held under the theme of "Rational Charity; Tech for good". The summit presented 60 case studies, highlighting issues related to technology and charity, as well as offered ways to address them. Through hosting the summit, Tencent formed a new exchange platform between its businesses and various social organisations to drive the development of a diverse and sustainable Internet-based charity ecosystem.

On 9.9 Giving Day in 2019, Tencent charity representatives and fellow technology companies, including Alibaba and Sina, joined delegates of the Bill & Melinda Gates Foundation and Stiftung Mercator, as well as specialists from Beijing Normal University and China Agricultural University, on a panel to share their insights about how to form a philanthropic community among Internet companies, as well as how to contribute Chinese experience to the global development of Internet-based philanthropy.

For a Greener Future

Tencent is committed to green operations. Using big data, cloud computing and AI, we have developed a variety of green solutions to promote sustainable living, build ecological cities and protect the environment.

Setting the Bar for Low Carbon Operations

Carbon emission levels are the most direct way to gauge the effectiveness of an enterprise's ecological measures. On an annual basis, we submit a third-party reviewed report on our carbon footprint over the previous year to The Stock Exchange of Hong Kong Limited. In 2019, Tencent's subsidiary Shenzhen Tencent Computer System Co., Ltd emitted 3,510.87 tons of carbon, compared to 3,758.08 tons from a year ago. Tencent Technology (Shenzhen) Co., Ltd, another subsidiary of Tencent's emitted 109,452.99 tons of carbon, maintaining a relatively stable level of emission despite an expansion in operations.

Smart Green Buildings

Tencent Binhai Building, our new headquarters in Shenzhen, is a smart, green building characterised by a high level of security and energy efficiency, thanks to Tencent's smart building operating system. This IoT-enabled next-generation system is designed to support a variety of scenarios, and provide a wide range of services, including the interconnection of facilities, building management and digital services to connect hardware and applications. Users can visualise on a single screen all relevant operational information, such as lighting, air-conditioning, ventilation and monitoring systems. Property management work can be carried out anytime and from anywhere via computer and mobile terminals. Based on the number of people in a certain area of the building at a given time, the system is also able to adjust indoor temperatures, lighting intensity and even the concentration level of carbon dioxide automatically, thereby minimising unnecessary emissions.

The building's ceramsite pavement helps manage rainwater storage, purification and discharge to ease flooding. Sensors have been installed to collect data to enable scientific assessments and optimise the effectiveness of our sponge facilities.

Saving Energy and Reducing Costs with Our Green Data Centre

In September 2019, Tencent's biggest data centre, located in Guangming District, Shenzhen, received the 5A rating, the highest possible according to the Data Centre Green Rating system. It was the second Tencent building to have attained this rating, the other being our Shanghai Qingpu Data Centre.

Tencent's third-generation Tencent Modular Data Center (TMDC) technology is the green core of the Guangming data centre. It powers the smart energy saving and precision cooling systems that maximise the centre's energy efficiency.

Creating Green Communities Through Technology

Pollution control and environmental protection is an urgent task that calls for everyone's attention. As an Internet-based technology company, we leveraged our strengths in communications and took it upon ourselves to increase people's awareness about environmental protection, mobilising the public to create green communities.

Garbage Sorting

While major cities in China have been piloting garbage sorting, Tencent initiated a campaign with China Central Television (CCTV) using augmented reality (AR) technology, allowing participants to scan their garbage and learn about its classification. The campaign was connected to an associated QQ Mini Program to help users sort domestic waste effectively and accurately. Tencent has also joined hands with Meituan's 113 food delivery merchants across China in a garbage sorting initiative whereby more than 10 million tablemats with waste separation tips were distributed over 30 days, reaching more than 50 million people.

Protecting Natural Parks

At China's "Two Sessions" in 2019, Pony Ma, Tencent's Chairman and CEO, submitted the Proposal on Promoting the In-depth Development of the National Park System in his capacity as a delegate of the National People's Congress. Mr. Ma believes that reforming the national park system is not only important for eco-conservation, but also concerns the ownership of natural resources and is crucial to the sustainable development of human society. In his proposal, Mr. Ma made three suggestions: first, step up efforts to formulate laws that protect natural reserves and properly manage

their land rights; second, invest more in maritime national park research and implement pilot maritime national park projects; third, government departments responsible for managing natural reserves should take the lead in establishing a national park big data platform.

Exploring a Greener Future

Entering the 21st century, the whole world is facing an increasingly severe environmental and ecological crisis. As a technology company with a global perspective, we are actively leveraging our capabilities and strengths to find innovative solutions to address these problems.

Innovative Initiatives to Save the Ocean

In April 2019, Tencent launched the Ocean Plastic Reduction program, whereby we teamed up with marine waste collection charity groups and offered to remove one piece of waste from the ocean in the name of each Tencent user taking part in the initiative. As of the end of 2019, the program had attracted five million participants and 1.5 tons of marine waste had been collected.

We also joined hands with The Nature Conservancy and launched two interactive online games to raise users' awareness about the importance of afforestation and the provision of proper shelters for the reproduction of pandas. Both projects attracted nearly 10 million participants. We also gained support from well-known scientists who promoted our projects on social media, effectively raising public awareness about eco-conservation.

Wildlife Protection

Given the persistent problem of illegal wildlife trade, Tencent has committed itself to protecting wild animals. Our strategy is divided into three parts. First, we are using Weixin and QQ to raise public awareness about the need for wildlife protection. Second, we have established a reporting and feedback platform, Tencent For The Planet, to encourage the public to report cases of illegal wildlife trade. As of the end of 2019, more than 6,000 reports had been filed. Among them, around 2,000 were followed up on and investigated. Third, using our capabilities in FinTech, a system for monitoring suspicious transactions has been put in place to prevent money laundering.

AI for FEW

Food, energy and water shortages are the greatest challenges facing the world today. We believe AI can provide strong support for the sustainable development of human society. Given this, Tencent proposed the AI for FEW (food, energy and water) initiative in 2019. On 3 April 2019, the United Nations Human Settlements Program and Tencent co-hosted a seminar at the United Nations' headquarters in New York, looking at the fundamental challenges confronting the world and how AI may be used in solutions that move us closer to achieving the Sustainable Development Goals.

We believe that under the guidance of good values, the innovation and development of technology will lead to breakthrough solutions that have the potential to address our increasingly severe environmental and ecological problems. As a technology company committed to sustainable development as a core responsibility, we will continue to look for solutions for a greener future.

We launched the "Wildlife Guardian" campaign to raise awareness about wildlife protection.

Appendix

About This Report

This report marks the eighth corporate social responsibility report published by Tencent Holdings Limited since 2008, covering in detail how Tencent understood and approached its social responsibilities in 2019. Also included is a presentation of the Company's notable achievements in 2019.

Period:

From 1 January to 31 December 2019. Select initiatives which were launched before or after 2019 have also been included in this version.

Report scope:

This report is based on Tencent Holdings Limited as an entity, including its subsidiaries and affiliates.

Reporting guidelines:

This report was drafted with reference to the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR4.0), the Sustainable Reporting Guidelines of the Global Reporting Initiative (GRI) and the Environmental, Social and Government Reporting Guide of the Hong Kong Exchanges and Clearing Limited.

Data sources:

The data sources used in this report include those made public by Tencent or external organisations.

Reliability assurance:

Tencent guarantees that there are no false records, misleading statements, or major omissions in the content of this report.

Note on terminology:

To facilitate a clean presentation and smooth reading, "Tencent Holdings Limited" is also expressed as "Tencent", "We" or "the Company".

Access to report:

You may download the electronic edition of this report from Tencent's website at www.tencent.com, or via the Tencent CSR Official Weixin Account. For any questions or suggestions concerning the report, please send an email to: CSR_report@tencent.com.

Scan the QR code to check the Tencent CSR Official Weixin Account (Chinese only)

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