Environmental, Social and Governance Report

ABOUT US

We employ technology and the Internet to enrich people's lives. Our communication and social network platforms (Weixin and QQ) connect people to each other, to information media, and to services we use in our daily lives within the convenience of a button click. Our broad reaching platforms help branded goods and merchants communicate with people in China in the hundreds of millions. Through financial technology and services, we help support our business partners' growth into the digital age. We invest in talented people and cultivate an environment to innovate technology. Our goal is to continue to create new and effective ways to use the Internet for businesses and for people.

VISION & MISSION

In 2019, we redesigned Tencent's vision to make an even more socially responsible company. Our mission statement is now "Value for Users, Tech for Good". Part of the mission is enhancing the user experience with a social benefit. We strive to incorporate social responsibility in all areas of the company including our products, our services, in technology innovation, cultural preservation and business digitisation. The goal is to build a sustainable cooperation with society.

OUR CULTURE

Our corporate culture values "Integrity, Being Proactive, Cooperation and Creativity". "Integrity" means to uphold principles, ethics, honesty and fairness; "Being Proactive" means taking initiative or becoming an early adopter to contribute to social welfare, taking responsibility or pushing for a higher standard; "Cooperation" means to be inclusive of our community and working together to make progress and evolve; and "Creativity" means to strive for innovation and explore all the possibilities for a better future.

OVERVIEW

This report provides information on the Group's annual performance for environmental, social and governance ("ESG") for the year of 2019. The report is to be read together with this annual report, in particular the "Corporate Governance Report" within this annual report, as well as the sections headed "Corporate Governance" and "Our Culture" on the Company Website.

SCOPE OF THIS REPORT

This report aims to provide a balanced representation of the Group's ESG performance in terms of environment, workplace, community, supply chain management and product responsibility. We will focus on each of these areas in turn in this report, in particular those economic, environmental and social issues that could have a material impact on the sustainability of our operations and that are of interest to stakeholders.

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ESG STRATEGY, MANAGEMENT APPROACH, PRIORITIES AND OBJECTIVES

We believe that it is important to formulate effective strategies to balance the economic, environmental and social benefits of our activities with our other business targets. We have fully integrated ESG and managerial considerations into our company management and operations as part of our corporate development strategy, with a particular focus on fostering closer connections with our stakeholders, listening to the voices of our users, working openly with partners to overcome challenges, caring for and growing with employees, and taking on more responsibilities within society. The goal of our ESG strategy is to be recognised as a conscientious and responsible Internet company. In pursuit of this vision, we embrace the principle of sustainability, uphold integrity and promote shared growth and development within the industry, and put environmental protection, staff development and community welfare at the forefront. We conduct and review our ESG strategy in five dimensions as detailed below.

Five Dimensions of our ESG Strategy

1. Business operations
    *   Operate in compliance with applicable laws and regulations
    *   Operate with integrity and protect shareholders' interests
    *   Care for employees, provide them with a safe and comfortable work environment and training and development opportunities
    *   Establish a diverse corporate culture

2. Users
    *   Consistently listen to the voices of our users, respond to user inquiries and complaints, concurrently enhancing product and service quality
    *   Be honest to users and protect their interests
    *   Protect user privacy and data security, and provide users with a healthy environment
    *   Prioritise users' interests in business decision-making

3. Business partners (including suppliers and investee companies)
    *   Ensure our partners receive fair treatment and benefit from their collaboration with us
    *   Allow investee companies to maintain autonomy for their business development and meet them on a regular basis for exchange of industry knowledge and know-how
    *   Hold regular meetings with our partners to review their performance and explore possible collaboration opportunities
    *   Combat behaviours which are harmful to the interest of our partners by setting up an independent steering group on business ethics and anti-bribery practice
    *   Encourage our partners to reflect the ethics and values of our business practice

4.   Community

   •   Establish a platform for charity donations

   •   Promote innovation and the establishment of a legal framework and comprehensive and efficient monitoring and maintenance system to protect IP rights

   •   Contribute to the industry and continue to provide an open platform

5.   Environment

   •   Make protection of the environment one of our priorities

   •   Adopt a sustainable investment strategy

   •   Remain committed to environmental sustainability

Through this approach we are able to create a favourable environment that will enable us to provide quality services to Internet users and promote the positive development of the wider society.

The Board oversees ESG issues with the support of the Corporate Governance Committee. Information on ESG issues are reported to the Corporate Governance Committee by an internal working group comprising of members from various departments and business groups tasked with executing our ESG strategy and making recommendations to the Corporate Governance Committee.

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Stakeholder analysis

We understand the importance of the feedback from our stakeholders (including the community and public, employees, government and regulatory bodies, non-government organisations and media, shareholders and investors, suppliers and our users) on our ESG performance. Therefore, we have established effective communication channels with our stakeholders (in alphabetical order) as follows:

Stakeholders	Key topics	Key communication channels
Community and public	Charity Volunteering Environmental protection	Tencent Foundation, fundraising platform
Employees	Employee benefits Career development Healthy work environment	Employee satisfaction survey, employee training, annual employee rally, face-to-face discussion forum, featured magazines, social media platform
Government and regulatory bodies	Compliance Corporate governance	Meetings, policy consultation, incident reporting, official visit, information disclosure
Non-government organisations and media	Product and service quality Environmental protection Compliance Charity	Social media platform, industry events, press conference
Shareholders and investors	Investment return Business strategy Information transparency	Corporate announcements, investor conference, official website, regular meetings
Suppliers	Fair cooperation Integrity	Regular meetings, supplier assessment, site visit
Users	Product and service quality Privacy protection	User experience research, customer service hotline, online customer service, Weixin/WeChat and face-to-face customer support

Assessment on the materiality of the ESG topics

In 2019, we had not only discussed the materiality of the ESG topics with our stakeholders through the abovementioned communication channels but also conducted an online survey to understand the topics that our stakeholders believe to be material to the Group's business. Based on the survey results and our communication with stakeholders, the materiality of the ESG topics is evaluated as follows:

Response to climate change   Supply chain management

Energy management   Anti-corruption

Pollution reduction   Product innovation

Waste management   Customer satisfaction

Water resources   Healthy environment for users

Diversity   Data security

Talent attraction & retention   User privacy

Employee health & safety   Intellectual property rights

Employee benefits   Charitable donations

Employee training & development   Volunteering service

Materiality to stakeholders

Materiality to Tencent's ESG management

Our ESG Direction

Our ESG strategy requires the participation of all of our product lines and platforms, and participation from across the wider Internet industry. We will continue to place more emphasis on ESG issues, and encourage every individual, enterprise and organisation to take part in the implementation of our ESG strategy.

Our "Connection" strategy has significant implications for our ESG initiatives. Important changes can be achieved through connecting millions of Internet users as well as developing their modes of communication and living and creating more exciting opportunities for society. In addition, through the "smart living" system in QQ and Weixin/WeChat, people and public services can be digitally connected, which in effect facilitate developments in transport, healthcare, environmental protection, public safety and other social arenas. This is important for optimising the distribution of societal resources, driving innovation in public services, improving service quality, breaking down communication barriers and ultimately benefiting the wider community. We will leverage our core capability in the Internet, technology and communication spheres to develop innovative approaches to resolving social issues, promoting social development and protecting the interests of the public. We also aim to drive ESG awareness in society, through collaborating with our stakeholders and other industry players.

Going forward, we will continue to enhance our corporate management system and integrate ESG considerations into our operations. We will closely cooperate with our stakeholders with the aim of creating a better future.

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ENVIRONMENT

Conservation and protection of the environment are at the highest policy level in China. The *Law of the People's Republic of China on Energy Conservation* requires any entity or individual to meet a mandatory obligation to conserve energy. According to *Environmental Protection Law of the People's Republic of China*, all entities and individuals have an obligation to protect the environment, more specifically enterprises shall minimise and reduce waste production and impact to the ecology. We recognise the importance of protecting the environment and the conservation of natural resources. For example, our Tencent office buildings in Shenzhen have installed a multitude of energy saving technologies and educated our employees on how to better save energy. The same is being adopted to offices in other locations worldwide. We also build data centres with considerations for the environment. Throughout 2019, Tencent has complied with applicable laws and regulations for conserving and protecting our environment.

Energy Saving Measures taken in our Office Building

We have taken environmental protection as one of our priorities when building the new headquarters, Tencent Binhai Tower, in Shenzhen. The construction has been certified as meeting the LEED-NC Gold Standard. In 2019, the building's operation was within the LEED-EB operational standard and has complied with LEED-EB standards since its grand opening. In March 2019, the building officially obtained LEED-EBOM Gold Certification. The property management company of the Shenzhen headquarters has obtained ISO 14001 (environmental management) certification, ISO 9001 (quality management) certification and GB/T 23331 (energy management system) certification. We have implemented various measures to enhance efficiency of energy use and reduce water consumption and emissions.

The air conditioning systems at Tencent Binhai Tower reduce energy consumption by alternating power from hydro-powered pumps and electric motors. In 2019, we invested to optimise air conditioning terminal control system and integrated building management system, and to improve the matching of system cooling supply and end cooling demand for the purpose of energy saving and operational efficiency optimisation. We have further optimised energy savings in the air conditioning and building management systems by installing automated energy monitoring devices. Energy consumption from air conditioning is further reduced by using natural ventilation during seasons of mild or comfortable weather. Smart lighting was adopted to allow remote and automatic control over lighting in all office working areas and transitioned from conventional to an LED lighting system for the public areas.

The office building of Tencent Binhai Tower uses a water reclamation system to reclaim water condensation from the air conditioning system, and drain water from the water filtration system, employee shower area and server cooling towers. The collected water, after being filtrated and purified, is reused for toilet flush water, irrigating office plants and cleaning the basement carpark. In addition, we promote a filtrated drinking water system in place of plastic bottled water. This measure reduces the waste from plastic packaging materials and indirectly reduces CO_2 emissions generated from the vehicles that deliver bottled water.

We have adopted energy saving measures throughout our daily operations. For example, we have applied stricter on-site management of each building property by combining the normal procedures with an energy consumption inspection. When people leave the work space, air conditioning, lights and office equipment in the corresponding office areas are required to be turned off. We have also set automatic shutoff for unused drinking water dispensing units in work areas to reduce energy consumption and eliminate waste.

We monitor the levels of air pollutants such as $PM_{2.5}$, PM_{10}, carbon dioxide, carbon monoxide, sulphur dioxide, nitro dioxide inside and outside Tencent Binhai Tower with an online monitoring system and display the data on a real-time basis. To monitor air quality in the building, we have installed a smart ventilation system (which regulates the ventilation automatically in response to carbon monoxide levels) in the underground parking garage and air ventilation system (which monitors the ventilation continuously for carbon dioxide levels) in the office area. We have upgraded the cooking ventilation units in the kitchens of our office cafeteria. The cooking ventilation is comprised of fire-resistant environmental exhaust hoods that remove oil droplets and filter the cooking ventilation with photolysis purification, activated carbon filtration and air ionisation to remove cooking odours. Our filtration of the cooking ventilation is in compliance with the PRC national standards GB18483-2001.

Green Energy Saving Measures taken in our Data Centres

We endeavour to fulfil our responsibility to protect the environment by applying innovative technology to our data centres and be the exemplar of green data centres within the PRC.

In terms of site selection for Tencent's large-scale data centre campus, we sought out geography with low temperature climates to help with energy conservation. We also evaluated local availability of renewable and clean energy. Ultimately, we selected the following three areas: the Guian New Area, rich in hydropower energy, Zhangjiakou Huailai, abundant in wind power resources, and Chongqing Water and Soil Hi-tech Eco-City where clean energy is widely used for power.

In terms of green data centres, we have organised environmental impact assessment documents for all self-build data centres, and have completed the relevant approvals or filings in accordance with the *Environmental Impact Assessment Law of the People's Republic of China*. Shanghai Qingpu Data Centre, self-built by Tencent, and Shenzhen Guangming Data Centre, custom-built by a contracted third-party, which started operations respectively in 2016 and 2019, have been certified as attaining 5A grade (highest environment rating) for the "Data Centre Green Rating" organised by domestic authorities such as the Open Data Center Committee (ODCC), indicating the data centres are domestic leaders in terms of energy conservation and environmental protection. In addition, in 2019, Tencent Tianjin Data Centre was a successful pilot programme for employing waste heat recovery by redirecting the heat to provide office work area heating in its office building during winter. This programme reduced standard coal consumption by approximately 1,600 tons each year.

When it comes to technologies employed by data centres, Tencent's fourth-generation T-block data centre energy saving technologies (comprising (i) photovoltaic + High Voltage Direct Current ("HVDC") technology for electrical systems; (ii) indirect evaporative cooling units; (iii) Tnebula smart control system; and (iv) fully commercialised project delivery solution) have been widely used in Tencent's large data centre campuses in Qingyuan, Yizheng, Chongqing, Guian, etc.

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We have adopted the T-base large-scale data centre campus construction model in the construction of data centre campus in Qingyuan, Yizheng, Huailai, etc. which has placed us at the leading position in terms of the efficient use of space and the standardisation of the construction process. It not only shortens the construction time but also minimises the impact on the environment and increases the power usage efficiency ("PUE") of our data centres.

The annual average PUE of our data centres which are located in low-temperature climate (including the one in Shenzhen) is below 1.25. The annual average PUE of data centres within the scope of "Environmental Performance Summary" is 1.35, a decrease of 0.02 compared with the previous year. We expect that large-scale data centre campus will achieve an annual average PUE of 1.20 after the T-base campus is completed and T-block technology is promoted and applied. These centres will not only serve as energy efficient data centre for Tencent and our business partners, but will also help to facilitate standardised application of the T-block technology in the industry.

In 5G application scenarios, we use intelligent IDC products such as Mini-TB for which we possess independent intellectual property rights to meet the needs of edge computing endpoints, improve energy efficiency and promote the development of related industries.

We have shared our experience and technology in building green data centres and relevant products with other industry businesses so that HVDC, micro module and indirect evaporative cooling technologies have been widely adopted in the PRC data centre business. We have also helped establish industry standards for HVDC and micro module technologies in order to enhance energy saving efforts among other companies in the industry. In the future, we will further promote T-block technology, Mini-TB and smart IDC series products such as the Tnebula smart control system. We will strive to enhance the PUE while improving the efficiency of the data centre construction process.

Environmental Performance Summary

Below are some key environmental indicators, and are compiled based on the "ESG Reporting Guide" in Appendix 27 to the Listing Rules. Unless otherwise specified, the following data covers Tencent's major office buildings and the main data centres in Mainland China.

1. Emissions

1.1 Office Buildings

Indicators	For the year ended 31 December	
	2019	**2018**
Total GHG emissions (Scopes 1 and 2) (tonnes)	113,501.50	102,831.74
Direct GHG emissions (Scope 1) (tonnes)	3,785.86	2,554.31
Including: Gasoline (tonnes)	197.25	191.00
Diesel (tonnes)	10.87	11.07
Natural gas (tonnes)	3,577.74	2,352.24
Indirect GHG emissions (Scope 2) (tonnes)	109,715.64	100,277.43
Including: Purchased electricity (tonnes)	109,715.64	100,277.43
Total GHG emissions per employee (tonnes per employee)	1.90	2.01
Total GHG emissions per floor area (tonnes per square metre)	0.07	0.09
Hazardous waste (tonnes)	2.40	2.51
Hazardous waste per employee (tonnes per employee)	0.00004	0.00005
Non-hazardous waste (tonnes)	5,227.11	4,566.52
Non-hazardous waste per employee (tonnes per employee)	0.09	0.09

1.2 Data Centres

Indicators	For the year ended 31 December	
	2019	**2018**
Total GHG emissions (Scopes 1 and 2) (tonnes)	743,287.01	612,521.16
Direct GHG emissions (Scope 1) (tonnes)	316.35	36.76
Including: Diesel (tonnes)	316.35	36.76
Indirect GHG emissions (Scope 2) (tonnes)	742,970.66	612,484.40
Including: Purchased electricity (tonnes)	742,970.66	612,484.40
Hazardous waste (tonnes)	8.00	–
Non-hazardous waste (tonnes)	1,811.27	1,350.76

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Note:

1. Due to its business nature, the significant air emissions of the Group are GHG emissions, arising mainly from fuels and purchased electricity produced from fossil fuels.

2. The Group's GHG inventory includes carbon dioxide, methane and nitrous oxide. GHG emissions data for the year ended 31 December 2019 is presented in carbon dioxide equivalent and is calculated based on the "2017 Baseline Emission Factors for Regional Power Grids in China for CDM and CCER Projects" issued by the Ministry of Ecology and Environment of China, and the "2006 IPCC Guidelines for National Greenhouse Gas Inventories" issued by the Intergovernmental Panel on Climate Change (IPCC).

3. Diesel is consumed by backup power generators.

4. Hazardous waste produced by the Group's office buildings mainly includes waste toner cartridge and waste ink cartridge from printing equipment. Waste toner cartridge and waste ink cartridge are centralised and disposed of by printing suppliers. Such data covers all office buildings of the Group in Mainland China.

5. Non-hazardous waste produced by the Group's office buildings mainly includes domestic waste and non-hazardous office waste. Domestic waste is disposed of by the property management companies and kitchen waste recycling vendors, and its data is not available, therefore estimation of domestic waste is made with reference to "Handbook on Domestic Discharge Coefficients for Towns in the First Nationwide Census on Contaminant Discharge" published by the State Council. Non-hazardous office waste is centralised for disposal by vendors; hence such data covers all office buildings of the Group in Mainland China.

6. Hazardous waste produced by the Group's data centres mainly includes waste lead-acid accumulators. Waste lead-acid accumulators are disposed of by qualified waste recycling vendors.

7. Non-hazardous waste produced by the Group's data centres mainly includes waste servers and waste hard drives. Waste servers and destroyed waste hard drives are centralised and recycled by waste recycling vendors. Such data covers all the Group's data centres.

2. Use of resources

2.1 Office Buildings

Indicators	For the year ended 31 December	
	2019	**2018**
Total energy consumption (MWh)	205,092.26	167,488.48
Direct energy consumption (MWh)	19,144.17	12,852.04
Including: Gasoline (MWh)	805.77	780.24
Diesel (MWh)	41.33	42.10
Natural gas (MWh)	18,297.07	12,029.70
Indirect energy consumption (MWh)	185,948.09	154,636.44
Including: Purchased electricity (MWh)	185,948.09	154,636.44
Total energy consumption per employee (MWh per employee)	3.44	3.28
Total energy consumption per floor area (MWh per square metre)	0.12	0.14
Running water consumption (tonnes)	1,283,749.73	973,413.06
Running water consumption per employee (tonnes per employee)	21.52	19.07
Recycled water consumption (tonnes)	4,076	5,461

2.2 Data Centres

Indicators	For the year ended 31 December	
	2019	**2018**
Total energy consumption (MWh)	1,301,161.66	938,988.70
Direct energy consumption (MWh)	1,203.16	139.82
Including: Diesel (MWh)	1,203.16	139.82
Indirect energy consumption (MWh)	1,299,958.50	938,848.88
Including: Purchased electricity (MWh)	1,299,958.50	938,848.88
Average PUE	1.26~1.52	1.27~1.47
Running water consumption (tonnes)	1,466,760.63	933,813.00

Note:

1. The scope of use of resources data is appended to include 12 new office buildings which were put into operation in 2019.

2. Total energy consumption is calculated based on the data of purchased electricity and fuel with reference to the coefficients in the National Standards of the PRC "General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2008)".

3. The Group's water supply resources are from the municipal water supply.

4. Recycled water consumption is the reclaimed domestic water treated by the wastewater treatment system equipped at Tencent Tower A and Tower B in Chengdu.

5. Data of diesel consumption reported above only covers the data centres whose diesel fees are directly borne by the Group.

6. Average PUE (Power Usage Efficiency) is the annual average data of PUE of the Group's data centres. PUE, an indicator of the power efficiency of a data centre, is the ratio of total facility energy over IT equipment energy.

7. Data of running water consumption reported above only covers those data centres wholly used by the Group where operators could provide such data.

8. Data of packaging materials is not applicable to the Group.

WORKPLACE

Employee Development and Training

We have a well-established performance management system. A performance assessment for each employee is conducted by that employee's supervisor every six months and employees are required to report to their supervisors a performance target after each assessment. Supervisors are encouraged to provide constructive feedback from time to time to assist the personal growth of each employee.

Employee talent is our most important asset. We make significant investments in employee development and training. We encourage employees to attend external and internal trainings. We have adopted relevant policies to ensure that employee trainings are available in a user-friendly system. For example, supervisors are required to assist in designing the professional development plans for the employees and evaluate the effectiveness of the trainings received by the employees. To ensure the quality of the trainings, we have developed policies which set out requirements for the qualifications and experience of the instructors and the objectives of the programmes and work with educational institutions to jointly develop training programmes.

In 2007, we founded our own training university, Tencent Academy. It offers different training programmes for each stage of an employee's career, including an induction, on-the-job training and leadership training. It has also set up an online learning platform and a mobile learning system in order to allow employees to learn anytime and anywhere. In 2017, one of our training programmes won the Excellence in Practice Award by the Association for Talent Development.

As of 31 December 2019, Tencent Academy currently offers over 500 live courses that can be attended in person, 8,800 online courses and employs over 1,500 in-house part-time instructors. In 2019, we hosted live courses nearly 10,000 times and gave over 400 courses over livestream. The average in-house training hours per employee was 33 hours and 98% of employees were trained.

We also intend to make available our training resources to business partners and other companies in the industry in order to improve employee training standards.

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Equal Opportunities and Diversity

In accordance with the *Labour Law of People's Republic of China* (the "Labour Law") promulgated on 5 July 1994 and amended on 29 December 2018, and the *Labour Contract Law of People's Republic of China* (the "Labour Contract Law") promulgated on 29 June 2007 and amended on 28 December 2012, while hiring employees, we shall not discriminate against any applicants due to their nationality, race, gender and religion, we shall enter into written employment contracts with each employee. As at 31 December 2019, we had 62,885 employees. We have entered into employment contracts with all employees. Our employment practice complies with applicable laws and regulations (including those which prohibit underage and forced labour) and does not discriminate on the grounds of gender, ethnicity, race, disability, age, religious belief, sexual orientation or family status. Diversity is well supported in our corporate culture.

In accordance with the Labour Law, other than employers engaged in industry of art, sport and special skill, no employer shall recruit juveniles under the age of 16; employers shall respect the willingness of an employee to enter into an employment contract and shall not force or threaten employees into work by means of violence, threat of violence or deprival of personal freedom. Our recruitment process strictly abides by the guidelines of the Tencent Human Resources Policy. Every job applicant is asked to provide his/her education background, qualification and job experience in a recruitment questionnaire, which is reviewed by the Human Resources Department and verified by a background check agency. This allows us to hire qualified employees in accordance with job requirements and comply with prohibitions against underage and forced labour.

Compensation and Benefits

In accordance with the Labour Law and the Labour Contract Law, the wage paid to employees shall not be lower than the local standards on minimum wage. Wages shall be paid to employees on a monthly basis with valid local currency. The wages payable to employees shall not be withheld or delayed without good reason. The Labour Law requirements on compensation have been complied with where employees receive competitive pay and employee benefits.

Compensation

Competitive pay and employee benefits are offered to attract and retain talent. The remuneration and bonus systems are performance-based and designed to reward employees for high performance and growth potential.

Benefits

The basic benefits system was built and is maintained in accordance with relevant laws, regulations and market practice. In addition, certain special benefits are created to motivate employees and implement our strategy.

We were awarded by zhaopin.com as the best employer in the PRC in 2019. We have also been voted as one of the best employers in the PRC for 14 consecutive years since 2006 in a survey jointly conducted by zhaopin.com and the Institute of Social Science Survey, Peking University.

We care for the growth of our employees and provide benefits with a Tencent cultural theme. For example, special occasions for an employee (e.g. work anniversaries, wedding and holiday festivities) are celebrated with co-workers in the office. We strive to create work-life balance and an inviting work environment for employees. Employees have the flexibility to choose the most suitable insurance plans and benefits for themselves and their families.

Promotion

Employees may apply for promotion during their interim and year-end performance reviews, provided that they satisfy the requirements with regard to the length of service and performance. Depending on the practice area, the promotion will be reviewed and considered by the relevant internal committee. The promotion review process is impartial and open – there is a formal channel for our employees to provide and receive feedback. The promotion review is conducted in compliance with applicable laws and regulations on the fair treatment of employees.

Employee Departure

In accordance with the Labour Law and Labour Contract Law, the employment contracts we enter into with our employees include the term of employment and the conditions for termination of employment. We have strictly complied with the aforesaid requirements and have entered into employment contracts with all employees detailing duration of the employment and the grounds for termination of the employment.

We value our relationship with our employees and handle employee departure (whether by resignation or dismissal) strictly in accordance with applicable laws and regulations. We arrange an exit interview with each of the departing employees to understand the reasons for his/her departure and welcome any suggestions for improvement.

Work-Life Balance

In accordance with the Labour Law and Labour Contract Law, the Group shall comply with the regulations on working hours, work breaks and vacation days and include such terms in the employment contract. We have implemented vacation day schedules and initiatives such as flexi-time arrangements and volunteer service days off to help employees strike a good work-life balance. The leave scheme allows employees to enjoy annual leave, fully-paid sick leave, half-paid leave of absence and fully-paid special Chinese New Year leave which are above the statutory standard. Also, female employees are entitled to take fully-paid maternity leave, while male employees are also entitled to take fully-paid paternity leave. Employees can also apply for one day of fully-paid volunteer service leave per year. These labour policies all comply with the requirements under the Labour Law and Labour Contract Law.

We also organise a wide variety of recreational and leisure activities (e.g. running, photography, music, dance, language classes) for employees. We have provided various recreational and leisure facilities in our Shenzhen headquarters, such as a 300-metre running track, indoor rock-climbing wall, table tennis tables, pool tables, a badminton court, a full-sized basketball court, etc.

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Occupational Health and Safety

In accordance with the Labour Law, we employ a labour safety and hygiene policy. The policy aims to prevent accidents in the workplace and reduce occupational hazards. In accordance with the *Social Insurance Law of the People's Republic of China* promulgated on 28 October 2010 and amended on 29 December 2018, we pay the full allowance for social insurance to its employees. The social insurance includes endowment insurance, medical insurance, work injury insurance, unemployment insurance and maternity leave insurance.

We strive to provide a safe and comfortable work environment for our employees. There are established security and fire safety systems as well as food safety monitoring systems.

We have appointed a team to monitor the physical and mental health of employees. We arrange annual medical check-ups for employees and organise health seminars, fitness sessions, on-site medical consultations as well as face-to-face and telephone counselling from time to time.

Our contribution to social insurance in the PRC is in compliance with applicable laws and regulations and we offer various supplemental insurance benefits to employees and their families (including medical insurance, critical illness insurance, accident insurance and life insurance).

In the face of the recent outbreak of the novel coronavirus (COVID-19), we implemented measures to protect the health and safety of our employees, and provided employees with protective masks and issued guidelines on how to protect themselves against the novel coronavirus.

Throughout 2019, we have complied with the relevant laws and regulations regarding occupational health and safety.

Communication

We strive to create a casual yet sophisticated communication system with customised content for our employees. There are annual rallies for employees and management, face-to-face discussion forums, featured magazines and social media platforms. The corporate strategy and culture are communicated and reinforced through these products and communication channels.

COMMUNITY

Community Investment

We set up the Tencent Charity Foundation (the "Tencent Foundation") on 26 June 2007. It is a non-public fundraising foundation incorporated in the PRC and a separate legal entity. We commit to donating certain portion of our profits to the Tencent Foundation every year for the purpose of supporting charitable works. As of 31 December 2019, our Group and our employees donated approximately RMB4.3 billion and RMB69 million in total to the Tencent Foundation respectively since its establishment. During the year 2019, our Group and our employees donated RMB850 million and RMB1.5 million to the Tencent Foundation respectively.

The Tencent Foundation believes that everyone can participate in charity work anytime and anywhere through technology. In June 2007, the Tencent Foundation leveraged on our Internet technical capabilities and online platforms to build the first online public fundraising platform. It is designed, developed and operated by the Tencent Foundation while we provide server, broadband and other technical support for free. The platform is open for eligible charitable organisations free of charge. It allows charitable works to be performed more conveniently, smoothly and transparently. As of 31 December 2019, there had been over 10,000 active charitable organisations and over 75,000 charity projects in different locations with different focuses.

The Tencent Foundation has also applied technology to various charitable initiatives such as WeCounty for rural development and Tencent Three-dimensional Disaster Relief Programme in response to recent natural disasters in China via the online platform. In 2019, the total number of donations made by the Internet users was approximately 98.2 million and the total amount of the funds raised was about RMB2.787 billion.

The highlight of the Tencent Foundation's charity efforts is the annual "99 Giving Day" campaign where it matches the donations made by the Internet users between 7 September and 9 September via its online platform. In 2019, the Tencent Foundation donated RMB400 million for the campaign, of which 34.6% was for education initiatives, 33.1% for medical care, 29.1% for poverty relief, and the remaining 3.2% was for environmental protection initiatives and others.

In addition to promoting philanthropy through the online charity platform, the Tencent Foundation makes direct donation in the following areas: (i) supporting technological development in impoverished areas; (ii) rural development; (iii) education; (iv) ecological conservation and cultural preservation; (v) community development; and (vi) poverty relief.

After the outbreak of COVID-19, Tencent established a RMB1.5 billion emergency fund to offer resources, technology and relief support for combatting the disease. Our charity platform helped raise nearly RMB600 million in donations from over 10 million concerned Internet users in an effort to support philanthropy institutions nationwide who are helping the fight against COVID-19. We gathered factual COVID-19 news information and posted to our high-traffic platforms, such as Weixin and Tencent News, to quickly guide people to official news about the virus which resulted in over 600 million page views. Guests that sign-in to any of the platforms can check the number of confirmed cases of the virus, locate the nearest clinics for testing or seek designated hospitals for urgent medical care.

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In helping the battle against COVID-19, we help a concerned public stay up to date with the latest news information by working closely with the World Health Organization to distribute their official data across the Tencent social and news platforms. We also made efforts to dispel misleading COVID-19 rumours using our news fact-checking platform Jiaozhen (translated "to correct" in Chinese).

We also launched free online consultation to allow access to over 10,000 doctors from our medical care partners, such as WeDoctor and DoctorWork. Tencent Medipedia provides verified medical information for over 10,000 diseases. Tencent Health, our one-stop portal for online medical services on the Weixin platform has delivered real-time COVID-19 data and information to over 300 million Weixin users, while also offering additional online consultation. During the outbreak, we launched AI-powered tools to enable users to self-diagnose their symptoms using an AI automated response system supplemented with medical AI imaging. These tools were also part of a smart solution package offered to assist 40 medical institutions with providing medical care to persons possibly exposed to COVID-19. We also designed the Tencent Health Code, which helps organise the collection of health information from population groups. Tracking population health information helps reduce infection spread and allow healthy persons to make necessary travel to buy necessities. Tencent Cloud provided development assistance to create healthcare Mini Programs such as Guangzhou's "Sui Kang" mini program. This mini program provides Guangzhou citizens with official information about COVID-19 and healthcare services that are available. The program also allowed Guangzhou residents to make reservations to purchase protective face masks. Tencent Cloud is also providing medical researchers with access to its supercomputer facility to help the world more quickly find a cure for COVID-19.

We upgraded Tencent Meeting to allow employees and students to work and study more efficiently while staying at home. Tencent Meeting now handles up to 300 simultaneous participants in a video conference. This service is offered to the public free of charge to manage the challenges brought on by COVID-19. We also created education tools in cooperation with education partners to offer distance learning services. Distance learning enables students to continue studies while at home while minimising the spread of infection to an at-risk age group. The distance learning system includes live streaming virtual classrooms, online tutoring and a virtual classroom manager for teachers. This virtual classroom ecosystem is being offered from Tencent smart education solutions and currently hosted on the Tencent social platforms, Weixin and QQ.

Supporting technological development

In order to encourage younger generations to apply themselves to scientific exploration, the Tencent Foundation initiated the Xplorer Prize. The prize targets basic science and cutting-edge technology areas. Eligible candidates for the prize are younger scientific and technological workers below the age of 45 who work full-time in Mainland China. In 2019, a total of RMB37.5 million was granted to the first batch of 50 Chinese young scientific and technological talents. By setting this prize, our aim is to help the most gifted young scientific and technological talents to climb the scientific peak.

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Rural development

In 2015, WeCounty, our open platform built on the "Internet + Village" model, was launched to offer villagers access to digital technology which would benefit their communities. As of 31 December 2019, 29 provincial administrative areas with approximately 15,000 villages (or communities) joined WeCounty platform. The number of verified villagers was over 2.5 million as of 31 December 2019. In 2019, WeCounty provided free platform services to 116,000 revolutionary old districts and frontier ethnic regions, 124,000 filed poverty-stricken villages, and 16,455 administrative villages under the jurisdiction of 14 cities in northeast and northwest of Guangdong.

Education

The Tencent Foundation has set up scholarships to promote education in the PRC and other countries throughout the years. There are also specific donations for different education initiatives. In 2019, the Tencent Foundation donated approximately RMB86.13 million in education-related projects. For example, it cooperated with the funds set up by universities (including Peking University, Zhongnan University of Economics and Law and Shenzhen University) on higher education and with Enshi Prefecture Charity Federation and other institutions on left-behind children's education. It also sponsored projects led by Beijing Hefeng Art Foundation in relation to online art education.

Ecological conservation and cultural preservation

The Tencent Foundation is keen on environmental protection and cultural preservation. In 2019, the Tencent Foundation donated approximately RMB6.05 million to the China Foundation for Cultural Heritage Conservation, the Paradise International Foundation and other ecological conservation organisations to continue to preserve and repair the Great Wall and for the ecological conservation project in the PRC.

Community development

In 2019, the Tencent Foundation donated RMB9.67 million for the development of social organisations to promote philanthropy and innovation in charity work, and donated RMB100 million through "99 Giving Day" to support the development of various public welfare institutions.

Poverty relief

In 2019, the Tencent Foundation donated approximately RMB116 million to support poverty relief initiatives through various charitable organisations, in addition to the matching donation made by the Tencent Foundation on the "99 Giving Day" for the same initiatives.

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Volunteering

In 2006, some of our employees founded the Tencent Volunteers' Association at their own initiative. Since then, the Tencent Volunteers' Association has contributed more than 130,000 hours of voluntary services and the total number of participants is more than 63,000. There are more than 20 sub-divisions at the city level (such as Beijing, Shanghai, Chengdu, Shenzhen, Wuhan, Guangzhou and Hefei) and at the business group level (such as Cloud & Smart Industries Group, Technology Engineering Group and Interactive Entertainment Group).

Over the last decade, the Tencent Volunteer's Association has been involved and contributed in the areas of online charity, promotion of unhindered Internet access, information technology popularisation, cybersecurity, emergency support, poverty relief, scholarship, environmental protection, care for elderly and children with special needs and animal protection. It has launched more than 200 volunteering activities. In 2016, it was awarded a spot in the list of Top 10 Best Volunteer Organisations in Guangdong Province.

The Tencent Volunteers' Association combines its expertise in technology to help the community. For example, it has been broadcasting information on missing persons via Weixin/WeChat and QQ and with the latest facial recognition and blockchain technologies, the number of successful cases increased year by year.

The Tencent Volunteers' Association also established the China IT-Philanthropy Union which promotes the "Internet + Charity" model by holding summits and publishing white papers on the successful examples of how the information technology has changed the landscape of charity work.

In order to encourage employees to participate in volunteer service, employees, since April 2012, have been granted one day of fully-paid volunteer service leave per year.

Anti-Corruption

According to the *Law Against Unfair Competition in the People's Republic of China*, business operators shall not use monies, assets or other means to bribe an entity or individuals to promote transaction opportunities or competitive advantage. According to the *Criminal Law of the People's Republic of China*, corruption and bribery may constitute a serious criminal offence. We strictly comply with applicable laws and regulations for anti-corruption and embrace the value of integrity, being proactive, cooperation and creativity. To promote integrity, we have developed robust systems and measures to detect and deter corruption, bribery or any other fraudulent activities. Internal audit is conducted with risk management and risk control to ensure the Group's compliance with ethical standards which we strive to uphold.

Risk Management and Internal Control Policy

In 2016, we updated the Risk Management and Internal Control Policy (the "Policy") with a system comprising three lines of defence. The first line is business and functional departments. The risk management and internal control departments serve as the second line while the internal audit department and anti-fraud investigation department act as the third line of defence. The Policy sets out the roles and responsibilities of different stakeholders in risk management and control (including those in relation to frauds). It is emphasised in the Policy that the management of each business group is primarily responsible for the risk management and internal controls of its department. If any fraudulent activity is detected, the management of the relevant department shall improve the control procedures promptly to prevent recurrence of similar incidents. The risk management and internal control departments have dedicated a team to each business group to provide internal control and risk management support. We also apply continuous auditing to key businesses in order to detect irregularities and identify risks in a timely and systematic manner and to improve the effectiveness of fraud risk management and control.

Tencent Sunshine Code of Conduct

All employees of the entire Group are required to follow and to strictly comply with the Tencent Sunshine Code of Conduct (the "Sunshine Code"). It expressly prohibits all kinds of fraudulent activities, bribery, embezzlement, misappropriation, extortion, falsification of information and any other activities which are not in compliance with applicable laws and regulations. The Sunshine Code shall be reviewed annually against the changing needs of the Group and revised when appropriate, in order to ensure that it caters for our business development, reflects the positions under applicable laws and regulations and captures all kinds of fraudulent activities. In 2019, we have revised the Sunshine Code to include more specific stipulations in relation to each category of fraudulent activities so that our employees can understand better our expectations under the Sunshine Code. The revised Sunshine Code strengthens the management of bidding behaviours and the tender process and information security. In terms of bidding behaviours, the Sunshine Code clarifies the definition and punishments of illegal behaviours including colluding bidding, circumventive bidding, defrauding bidding, etc., and further standardises the company's bidding and tendering projects in accordance with laws and regulations governing the bidding procedure. The goal is to protect the legitimate rights and interests of partners and suppliers who fairly participate in the Company's bidding and tendering projects.

In 2019, we published for the first time on our WeChat official account "Sunshine Tencent" information regarding the Company's investigation and handling of illegal and criminal cases, including serious duty-related violations such as bribery and misappropriation occurring in the first three quarters of 2019. According to the report, all violations discovered have been effectively controlled and reported to the government authorities according to the law. These actions demonstrate clearly our determination to combat corruption and fraudulent acts. By increasing deterrence to committing white collar crimes, our method is not only beneficial to the long-term development of Tencent, but also conducive to building an upright and honest environment within the Company and the industry.

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Anti-fraud and Whistleblowing Policy

We have published an anti-fraud and whistleblowing policy (the "Whistleblowing Policy"), which clearly conveys the message of zero tolerance in relation to fraudulent activity to all the employees and suppliers/business partners. All employees and suppliers/business partners are encouraged to report genuine concerns about any existing or potentially fraudulent activities and non-compliance. The Whistleblowing Policy expressly outlines the multiple whistleblowing channels, how the Group should deal with such concerns and the whistle-blower protection system, so that employees and suppliers/business partners can report their good faith concerns without fear of reprisal or potential retaliation. Since 2016, we have maintained an Official Account under the name of "Sunshine Tencent" on WeChat to promote our anti-fraud policy and whistleblowing channels with a function to allow our business partners to report directly to us.

Fraud Detection and Corruption Prevention

When a report of suspected fraudulent activities is received, the anti-fraud investigation department, which consists of professionals who used to be part of the anti-corruption function at a governmental authority or private enterprise and have profound knowledge in fraud risk management and solid fraud investigation experiences, is assigned to handle the investigation independently. After an investigation has been completed, the employee found and proven to have committed such fraud shall be subject to immediate dismissal. At the same time, the department in question must, with the assistance of the risk management and internal control departments, take corrective actions in response to the business risk or loophole identified during the investigation. If we find any supplier or business partner engaging in corruption or any other fraudulent activities, we will terminate the contracts with them immediately. In the event that any fraudulent activity violates any relevant laws or regulations, such cases shall be reported to government authorities in accordance with applicable laws and regulations. In order to convey a message regarding our determination to fight against fraud and to introduce our whistleblowing system externally, we send a letter to our suppliers and business partners and request them to complete a questionnaire annually. The questionnaire sets out our corporate values, the Whistleblowing Policy and the various reporting channels. We will understand from each of our suppliers and our business partners whether our employees have requested for any gift, cash or benefit during the course of business and whether it has been treated unfairly. Upon receipt of the feedback, we will ensure that the questions or concerns raised by our suppliers and our business partners will be addressed promptly. If necessary, the anti-fraud investigation department will commence an investigation formally.

Our risk management and internal control departments have established a procurement management control unit to optimise the Group's supplier management system. A new supplier synergy system has been launched for the online management of the entire procurement life cycle, from sourcing, selection and onboarding of suppliers, performance assessment to retiring suppliers. The system serves as an open platform where the suppliers can provide its corporate information to us and we can manage the entire bidding process online. Through a centralised system, the bidding process can be standardised and become more transparent. The supplier management system also provides the suppliers with a communication channel so that we can collect their feedback or complaints. Complaints in relation to fraudulent activities will be passed to the anti-fraud investigation department directly for follow-up and those non-fraud related complaints (such as unfair treatment) will be handled by the procurement risk management unit. The goal is to ensure that the complaints and concerns of our suppliers can be addressed promptly, and the risk of fraud can be minimised.

Anti-Money Laundering and Sanctions

The Group strictly abides by applicable laws and regulations in relation to cross-border and domestic money transmission, anti-money laundering ("AML"), counter-terrorist financing ("CTF"), as well as anti-tax evasion in the PRC and other countries where we provide payment processing services. Specifically, according to the *Anti-Money Laundering Law of the People's Republic of China* implemented on 1 January 2007 and the *Administrative Measures for Non-financial Institutions Providing Payment Services* implemented on 1 September 2010, we must formulate AML measures, fulfil AML obligations, and comply with relevant AML regulations if we intend to provide users with third-party payment services. The Group is compliant with not only its legal obligations but also the expected social responsibilities.

As a result of the complexity of legal and regulatory compliance in multiple jurisdictions, we have established an independent AML and sanctions compliance department. The duty of the department is to coordinate the management of money laundering and sanctions risk at the Group level for all businesses, to fulfil AML and sanctions requirements under relevant laws and regulations, and to manage and promote the implementation of various AML and sanctions initiatives.

In 2019, we have launched a Group-wide Anti-Money Laundering and Sanctions Programme (the "AML Programme") which focuses on putting in place the most effective standards to combat financial crime. The aim of the AML Programme is to significantly increase our compliance capabilities and to have in place a set of consistent high standards across our Group businesses.

Key aspects of the AML Programme include but are not limited to the followings:

- Formulating specialised AML and Sanctions units at Group level;

- Establishing a set of Group minimum standards in AML and Sanctions compliance;

- Conducting regular independent testing on our AML and Sanctions systems and operational effectiveness; and

- Developing new methodologies in assessing customer risks to help us better detect and deter financial crime risks.

In addition, the Group continues to dedicate resources to the AML Programme in the following key areas: (i) carrying out on-the-job and professional training for our staff periodically; (ii) ongoing monitoring of and further enhancements to our system infrastructure to improve the effectiveness and efficiency of our KYC, transaction monitoring, and suspicious transaction reporting processes; (iii) regular review and further strengthening the implementation of our AML and Sanctions systems and policies; and (iv) active participation in international AML/CTF events to exchange industry best practices.

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SUPPLY CHAIN MANAGEMENT

Our supply chain management programme attaches supreme importance to managing the ethics risk associated with the relationship between our procurement employees and our business partners. It also focuses on teaching those employees who are involved in procurement to recognise and mitigate the inherent risks.

To enhance the social responsibility awareness of our employees, we have formulated a code of conduct which those employees engaging in procurement activities must adhere to. To minimise the ethics risks, such employees are also required to declare any relationship they may have with our suppliers in writing.

In the course of supplier engagement, potential suppliers are required to conduct self-assessment on their commitment, amongst other things, to environmental protection, social responsibility, and health and safety at work (the "Self-Assessment").

Suppliers which are formally engaged by us are also required to agree to the terms of a declaration and undertaking in relation to anti-commercial bribery in doing business with our Group (the "Anti-commercial Bribery Declaration").

During the year ended 31 December 2019, all suppliers which were formally engaged had completed the Self-Assessment and signed the Anti-commercial Bribery Declaration. We were not aware of any commercial bribery engaged by our suppliers.

The procurement department looks for qualified suppliers in the market and conducts standard or simplified verification on the suppliers depending on the duration of the cooperation, the order volume and the nature of the request. We have maintained a database of qualified suppliers which are ready to take orders from us.

We have an internal policy which sets out the procedures for supplier onboarding. Before engaging a supplier, we will conduct the background check (including site visit) on the supplier. Staff participating in the check include members from the procurement department, the requesting department, the technology department (if applicable) and the risk management department. The assessment results will be reported to the procurement department for a final determination.

We normally ask for price quotations from at least three vendors. Other factors including delivery time and technical capabilities of the vendors will be taken into consideration when selecting vendors. If there is only one vendor available for selection as it dominates the relevant market or it is the only vendor with access to the required goods/services, the exclusive procurement arrangement with such vendor will require special approval with a satisfactory justification provided by the technology department or the requesting department.

We evaluate the performance of our suppliers from time to time and take appropriate steps to address any issues with the quality of the suppliers as part of our supply chain management. For suppliers with unsatisfactory performance, subject to applicable contractual arrangements, we may (i) discuss with them on the remedial steps to be taken by them; (ii) suspend the cooperation; (iii) reduce the order volume; (iv) impose penalties; or (v) suspend payment. The procurement department may disqualify a supplier for the following events: (i) we suffer from material economic losses as a result of the delayed delivery, quality issue or breach of contract by the supplier; (ii) the supplier has received the lowest rating in the rating scale for two consecutive quarters; and (iii) the supplier is in serious breach of business ethics.

PRODUCT RESPONSIBILITY

We strive to provide the best user experience and pay high attention to the quality of our products and services. We conduct strict reviews of our product and service offerings and related sales, marketing and advertising strategies and materials to ensure their compliance with applicable laws and regulations. We also build in safeguards on advertising content, user privacy, product safety and IP rights as described below.

Advertising Content

According to the *Advertising Law of the People's Republic of China* (the "Advertising Law") and the Interim Measures for Administration of Internet Advertising, advertising operators and advertising publishers shall verify all relevant business documents pursuant to laws and administrative regulations, and verify the compliance of its advertising contents. Advertisement clients who publish on the Tencent advertisement platforms are required to certify the legality of the advertising content. We will verify the clients' advertisement content against guidance from relevant laws and regulations, such as the Advertising Law. Throughout the year of 2019, the Group has complied with the Advertising Law and relevant laws and regulations regarding advertisement.

Data Safety and User Privacy

In accordance with the *Cybersecurity Law of the People's Republic of China* promulgated on 1 June 2017 and *Provisions on Protecting the Personal Information of Telecommunications and Internet Users* promulgated on 16 July 2013 and implemented on 1 September 2013, as an Internet Information Service Provider, we obtain user's consent before collecting and using user's personal information. We stipulate rules on the collection and use of user's personal information and publicise the same in the places and websites where we operate or serve. We and our employees keep strictly confidential the personal information of users collected and used during the provision of service, and do not disclose, distort, damage, sell or provide the same to others in violation of the law. We keep strictly confidential the user information collected by us and establish and perfect the user information protection system to ensure that the personal information collected by us is safe and to prevent any disclosure, damage or loss of the information.

To uphold our dedication to value creation for our users, amongst other user specific aims, one of our important missions is to protect the privacy of user data and other sensitive information. The Group complies with all applicable laws on privacy protection and incorporate applicable legal and regulatory requirements on privacy protection into our internal compliance policies taking into account the specific features of our products and services. We have also devised specific procedures to collect and process user data to ensure that our products and services are in compliance with applicable legal requirements.

We have a dedicated privacy team within the Legal Department which is responsible for handling data protection matters. We evaluate specific products from the perspective of privacy protection on a regular basis and perform privacy risk assessments before the launch of new products to ensure that our products are not exposed to the risk of privacy infringement or leakage of user data.

We provide training to our employees to enhance their privacy protection awareness and build up the cultural awareness of the importance of privacy protection.

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To ensure that our users understand how we protect their personal information and enhance the transparency of how we collect and process the data, we promote the concept of "Technology is deployed for social good and data is put in manageable use". We have published the Tencent Privacy Protection Whitepaper and launched the Tencent Privacy Protection Platform (https://privacy.qq.com) to give our users a comprehensive understanding of the privacy protection measures taken by the Group. We also make our privacy protection policies available on our product websites and in-app products and provide communication channels for our users to file complaints and raise enquiries whenever they are in doubt.

The privacy policies of our various applications have been considered top-ranked in the joint review by the Cyberspace Administration of China, the Ministry of Industry and Information Technology of the PRC, the Ministry of Public Security of the PRC and the Standardisation Administration of the PRC and in the review by China Consumers Association among 100 selected applications. Furthermore, we actively participate in shaping the development of the industry framework on privacy protection. For example, our privacy experts are members of the International Association of Privacy Professionals. Many of our products have been accredited with privacy certifications from TrustArc. Our network and data security managements have been certified by the International Organization for Standardization (ISO).

In 2019, we protected millions of devices by monitoring nearly 100 billion lines of code daily and diverting away nearly 10 billion malicious attack requests in a year. We put together a 400G anti-DDoS protection platform with a maximum protection peak of 1.23 Tbps, a top tier system ranking first in the industry. In addition, we add protection by employing thousands of top security experts all over the world, publishing threat intelligence, and continually looking for ways to improve its network security ecosystem. Tencent sets a new network security precedent with establishing its open source security emergency response centre, where open source security features are made available to the entire industry. Open source security features have current downloads in the thousands and counting.

In 2019, Weixin platforms produced a total of 17,881 articles to dispel hurtful rumours on the Internet. These articles were read over 114 million times. With the mission of "Value for Users, Tech for Good", the Tencent news fact-checking platform created a database for verifying and confirming facts to combat the spread of misinformation on the Internet. Information presently stored in the database cover knowledge in fields such as food safety, nutrition and medical care.

Customer Service

In accordance with *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* promulgated on 31 October 1993 and amended on 25 October 2013, when we provide our customers with goods or service, we adhere to social morality, operate business in good faith, and protect the legitimate rights and interests of consumers. We also seek consumers' opinions on commodities or services provided to them and accept consumers' supervision. In accordance with the *E-commerce Law of the People's Republic of China*, effective on 1 January 2019, we, as an e-commerce business operator, have established an accessible and effective mechanism for receiving complaints and abuse reports, publishing of information on complaints and abuse reporting methods, prompt handling and resolution for complaints and abuse reports. The Company puts great importance on customer service, thus it proactively complies with all relevant laws and regulations regarding customer service.

The Tencent Customer Service Centre consists of more than 3,000 staff members and is responsible for handling complaints and responding to enquiries from customers for our businesses. We commit to providing solutions to our customers in a timely manner through different means including customer service hotline, online customer support, intelligent customer service, Weixin/WeChat and face-to-face meeting.

We have established the following management system to handle complaints from our customers effectively:

1. There is a designated team within the customer service department to handle complaints and deal with compensation requests. The team is responsible for conducting investigation based on the information provided by the complainant, explaining the relevant procedures to the complainant and notifying the complainant of the investigation results with the aim of providing him with a satisfactory solution.

2. For better user experience, we have established a set of complaint handling procedures which set out clearly the responsibilities within the customer service department and the timeframe within which a complaint needs to be resolved.

3. We have strengthened our system infrastructure which allows classification of complaints by urgency and risk level so that the customer service staff can better prioritise the cases and deal with the complaints in a timely manner.

4. We have a designated team of staff who is responsible for handling complaints from customers who visit our offices and for better risk control, we have designed a set of protocols for different types of incidents.

5. Tencent customer service also performs social responsibilities and promotes the aim of "Tech for Good" by establishing Tencent110 (110.qq.com), a platform for reporting illegal issues and accepting reports from Internet users and timely handle illegal accounts on Tencent Platform. It helps with the crackdown of illegal industry chain on the Internet and provides analyses of fraud prevention methods so as to protect more users from fraud.

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Healthy Environment for our Users

One of our important businesses is our online gaming business. We need to comply with the relevant laws, regulations and policy requirements in relation to online gaming in the PRC, including the *Telecommunication Regulation of the People's Republic of China*, the *Administrative Regulations on Publishing*, the *Administrative Measures on Internet Information Services* and the *Provisions on the Administration of Online Publishing Services*. In accordance with such regulations, when we operate value-added telecommunications business, we are required to apply to administrative authorities of information industries to obtain a Value-Added Telecommunication Business Operation Permit. When we operate online publishing service for online gaming, we must comply by obtaining an Online Publishing Service License.

We have been actively implementing various measures to ensure compliance with the relevant laws, regulations and policies. For instance, we have already obtained the relevant credentials for publishing and operating online games, such as the Value-Added Telecommunication Business Operation Permit and the Online Publishing Service License. Meanwhile, in our business operation, we are among the first beginners to actively explore into the field of juveniles' protection.

To safeguard the physical and mental health of online game users and juveniles, we have implemented the real name system and anti-addiction system in accordance with the regulatory requirements of the PRC and strengthened the promotion of healthy gaming and anti-addiction through various channels. In February 2017, we launched a series of services on "Tencent Guardian Platform" which assist parents to monitor the gaming habits of their underage children. This is the technical platform aiming to provide assistance to guardian who wish to help their underage children to develop healthy gaming practice in the online game industry. In July 2017, we implemented the Healthy Gameplay System on Honour of Kings, which sends reminders to players or forces them to suspend the game if players spend too much time on the game in one day. In 2018, we upgraded the Healthy Gameplay System, tightened the requirements for identity verification and made the system available for more games. We also launched a customer service which sends reminders when a game player may have engaged in overspending and provides subsequent counselling. In 2019, the Healthy Gameplay System covered all mobile games operated by us in Mainland China.

In addition, the General Administration of Press and Publication of the People's Republic of China has promulgated the *Circular on Prevention of Underage Children's Addiction to Online Gaming* on 25 October 2019 (the "Anti-Addiction Circular"), which has regulated underage children's use of online gaming in many aspects, such as game duration, playing period and paymanet service. It also requires that parents, schools and other society members to undertake the responsibility to protect underage children. We have been fully implementing the requirements in accordance with the Anti-Addiction Circular after we had conducted pilot work on four online games in January 2020.

Monitoring of and Protection for Original User-generated Content

Each of Weixin/WeChat and QQ provides a mechanism for users to report any fake or inappropriate content circulated on its platform. To protect the original user-generated content, Weixin/WeChat has launched a new feature in December 2017 for the Weixin/WeChat official account holders to declare the originality of the content generated by them on Weixin/WeChat so as to help identify and deter copyright infringement more effectively.

Intellectual Property Rights

China has launched a series of laws and regulations regarding protection of intellectual property ("IP") rights. The *Trademark Law of the People's Republic of China* last amended on 23 April 2019, the *Patent Law of the People's Republic of China* last amended on 27 December 2008, the *Copyright Law of the People's Republic of China* last amended on 26 February 2010 and the *Implementation Rules for Domain Name Registration with China Internet Network Information Centre* last amended on 29 May 2012 specify rules on the ownership, protection period, registration method and legal responsibility of trademark, patent, copyright and domain names. We are a technology-oriented company and we stress the importance of the observation and protection of IP rights. We have established a dedicated IP team with approximately 80 employees as of 31 December 2019 that is responsible for day-to-day management of legal matters involving trademark, patent, copyright, domain names and other IP rights.

We began a comprehensive programme for the management of IP at an early stage. We have consistently applied for the registration of IP rights since the early stages of its establishment. With the successful development of our business, we have expanded our global IP portfolio to cover more than 100 countries and regions. As of 31 December 2019, we had obtained over 25,000 officially registered trademarks and over 12,000 issued patents. Coupled with our creation of a vast amount of copyrighted content, we have accumulated IP assets of considerable value. Our IP team has developed a comprehensive database for our patents, trademarks and copyrights and our strong data analytical skills enable us to manage and monitor our IP rights in a meticulous and efficient manner. To combat infringement of IP rights, our IP team has also established a comprehensive and efficient monitoring and maintenance system, and has devised various civil, criminal and administrative enforcement measures to protect our IP rights. Please see further details on the Company Website (https://www.tencent.com/legal/html/en-us/property.html).

We actively participate in public affairs and strive to promote the awareness of IP protection in the Internet industry. As members of the China National Information Technology Standardisation Committee, the China Intellectual Property Society, the Patent Protection Association of China, the World Wide Web Consortium, the International Trademark Association and the China Trademark Association, we have participated in the consultations on legislative amendments to the PRC laws and regulations relating to patents, trademarks and anti-competition and have made recommendations in the development of industry standards.

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Within the past decade, we had been awarded the "China Patent Gold Awards" by the State Intellectual Property Office of the PRC, the "China Trademark Gold Awards" jointly by World Intellectual Property Organisation and the State Administration for Market Regulation and the "China Copyright Gold Awards" by the National Copyright Administration of the PRC and the World Intellectual Property Organisation multiple times, signifying our contribution to the development of independent innovation of the PRC. We have also been recognised as a "National Copyright Demonstration Unit" several times, demonstrating our outstanding performance in management and protection of copyright. The Company has actively participated in the development of the standard patent issues in recent years. Particularly, we made certain contributions in the aspect of standardisation of blockchain electronic invoice.

Looking forward, we will continue to devote great efforts and resources to observe and protect IP rights.