Environmental, Social and Governance Report

ABOUT US

We enrich people's lives through technology and the Internet. Our communication and social network platforms (Weixin and QQ) enhance interpersonal communication and enable timely access to media and lifestyle services. Our effective advertising platforms help brands and merchants reach hundreds of millions of consumers in China. Through FinTech and Business Services, we help support our business partners' growth into the digital age. We invest in talent and cultivate an environment for innovation. We also value environmental protection, and practice energy conservation and emission reduction in our business operations. Our goal is to continue to create new and effective ways to make the Internet more beneficial to the industry and society.

VISION & MISSION

In 2020, we continued to uphold Tencent's vision and mission, "Value for Users, Tech for Good", enhancing user experience in conjunction with social benefits. To make Tencent an even more socially responsible company, we strive to incorporate social responsibility in all aspects of business, including our products and services, technology innovation, cultural preservation, and business digitalisation. The goal is to build a sustainable collaboration with society.

OUR CULTURE

Our corporate culture values integrity, proactivity, collaboration, and creativity. Integrity means to uphold principles, ethics, honesty and fairness; proactivity means to pursue positive contributions, volunteer for responsibility and push for breakthroughs; collaboration means to be inclusive of our community and working together to strive to progress and evolve; creativity means to push for innovations and explore all possibilities for a better future.

COMPILATION ILLUSTRATION

This report is prepared in accordance with the ESG Reporting Guide. 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.

BOARD STATEMENT

The Board oversees environmental, social and governance ("ESG") issues with the support of the Corporate Governance Committee. Information on ESG issues is 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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It is important to formulate effective strategies to balance the economic, environmental, and social benefits of our business with our other business targets. We have developed our own ESG strategy. For details, please refer to the section captioned "ESG Strategy". The Board has regularly reviewed these strategies to ensure that they are consistent with the Group's development strategies.

The Board has participated in the assessment, prioritisation, and management of ESG issues (including risks to Tencent's business). Tencent has regularly assessed the materiality of ESG (including risks to the Group's business). Please refer to the following sections captioned "Stakeholder Analysis" and "Assessment on the Materiality of the ESG Topics" for details of the materiality assessment work. The key ESG risks have been incorporated into the Company's comprehensive risk management system. From the principal business leaders to the senior management, the Group has comprehensively considered the possibility, impact, and trends of key ESG risks, to formulate risk response measures. The Board has reviewed these key risks and was aware of the measures taken, and made recommendations.

During the reporting period, Tencent has set environmental targets related to business operations, namely targets for emissions and resources consumption of office buildings and data centre operations. The Board has reviewed and discussed the progress of the targets established.

This report also discloses in detail the above ESG related issues, which have been reviewed and approved by the Board on 24 March 2021.

APPLICATION OF REPORTING PRINCIPLES

The report was prepared based on the principles of "materiality", "quantitative" and "consistency".

Materiality: We have followed the ESG Reporting Guide to carry out materiality assessment work. Our work procedures include: i) identifying relevant ESG issues, ii) assessing the materiality of the issues, iii) reviewing and confirming the assessment process and results by the Board. We report on ESG issues based on the results of the materiality assessment. For details of the materiality assessment work, please refer to the sections captioned "Stakeholder Analysis" and "Assessment on the Materiality of the ESG Topics" below.

Quantitative: We have followed the ESG Reporting Guide, made reference to applicable quantitative standards and practices and used quantitative methods to measure and disclose applicable key performance indicators, and set environmental targets, including numerical figures and directional statements. The measurement standards, methodologies, assumptions and/or calculation tools of the key performance indicators in this report, as well as the source of the conversion factors used, have been explained in the corresponding context (where applicable). The relevant environmental targets are described in the section captioned "Energy Saving and Emission Reduction".

Consistency: This year's ESG report has been prepared with the same method used in previous years. Changes that may affect a meaningful comparison with previous reports have been explained in the corresponding section.

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REPORTING BOUNDARY OF THIS REPORT

This report aims to provide a balanced representation of the Group's ESG performance with respect to environment, workplace, supply chain management, product responsibility, community, etc. We will focus on each of these areas in this report, in particular, ESG issues that could have a material impact on the sustainability of our operations and that are of interest to stakeholders. Unless otherwise specified, this report covers the ESG performance of the businesses directly operated and managed by the Company.

ESG STRATEGY

We have integrated ESG into our business operations and management as part of our corporate development strategy, with a particular focus on fostering closer connections with our stakeholders, listening to 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, 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.

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 users, respond to users' inquiries and complaints, concurrently enhancing products and services quality
   - Be honest with users and protect their interests
   - Protect users' 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 anti-fraud investigation department
    - 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 strategy, we can create a favourable environment that will enable us to provide quality services to Internet users and promote positive development of the greater society.

Our ESG strategy requires and encourages the participation of all our product lines and platforms, as well as participation from across the Internet industry (including individuals, enterprises and organisations) 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 lifestyles to create more exciting opportunities for society. In addition, through the "smart living" system in QQ and Weixin/WeChat, users can be digitally connected to public services, which facilitates 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 benefitting the wider community. We will leverage our core capability in Internet, technology and communication to develop innovative approaches to resolve social issues, promote social development and protect public interest. We also aim to raise ESG awareness in society through collaborating with our stakeholders and other industry players.

We will closely collaborate with our stakeholders with the aim of creating a better future.

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Stakeholder Analysis

We understand the importance of feedbacks from our stakeholders (including the community and public, employees, government and regulatory bodies, non-government organisations and media, shareholders and investors, suppliers and users) on our ESG performance. Therefore, we have established effective communication channels with our stakeholders (in alphabetical order) as follows:
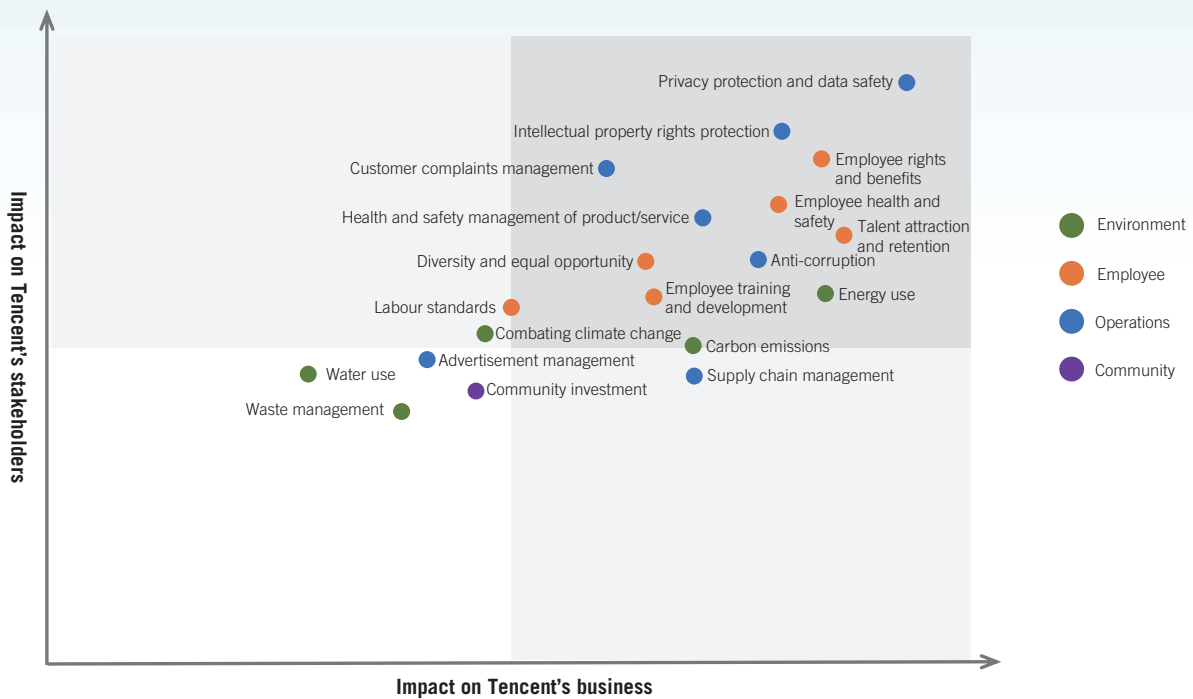
Stakeholders	Key topics	Key communication channels
Community and public	Charity Volunteering Environmental protection	Tencent Charity Foundation, fundraising platform
Employees	Employee benefits Career development Healthy work environment	Employee satisfaction survey, employee training, annual employee 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	Products and services 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	Products and services 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 the issue-identification stage, we identified material ESG issues related to Tencent based on the information obtained through the above communication channels and the ESG Reporting Guide. The following material ESG issues are identified through surveys to understand the level of concern of internal and external stakeholders on various material ESG issues, and combined together with the ESG risk assessment results:

ENVIRONMENT

Environmental protection is a basic national policy in China. *The Law on Energy Conservation of the People's Republic of China* requires every entity and individual to comply with the legal obligation to conserve energy. *The Environmental Protection Law of the People's Republic of China* requires that every entity and individual to protect the environment; more specifically, enterprises shall minimise waste production to reduce impact on the ecological environment. We recognise the importance of environmental protection and the conservation of natural resources. For example, our Tencent office buildings in Shenzhen have installed a multitude of energy saving technologies and our employees have been educated on energy saving practices. The technologies have been adopted in Tencent offices in other locations globally. We also build data centres with considerations for the environment. Throughout 2020, Tencent has complied with all applicable laws and regulations for conserving and protecting the environment.

Addressing Climate Change

The risks and impacts of climate change are becoming increasingly significant. We continue to pay close attention to the impact of climate change on our business, strategy, and financial performance, and fully support global climate-related actions.

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Governance

Climate-related risks and issues are considered and monitored by the Board with the assistance of the Corporate Governance Committee. Our management actively evaluates and promotes carbon neutrality.

Strategy

We acknowledge that climate change brings multiple risks and opportunities for our business. Our physical risks primarily result from acute climate events and chronic risks caused by climate change, while transitional risks mainly come from the market and policy changes to transition to a low-carbon economy. On the other hand, climate change would create opportunities for us to improve energy efficiency and develop low-carbon and climate-resilient products and services.

In terms of physical risks, acute climate events caused by climate change, such as frequent typhoon weather and rainstorms, may affect our operational continuity; while chronic risks, such as high temperatures and droughts etc., may lead to increased energy consumption for office and data centre operations thereby increasing operational costs, and the increase in sea level may lead to loss in assets in relevant regions. We consider the impact of regional climate when allocating assets and formulate emergency measures for acute climate events to avoid and reduce operational impacts or asset losses caused by acute climate events.

In terms of transitional risks, in the context of accelerating the transition to a low-carbon economy, if we fail to effectively control or reduce the carbon emissions generated by corporate operations and provide low-carbon services and products, it may result in brand image damage, loss of customers, or market share reduction etc. We are researching and promoting new and alternative technologies for energy saving and emission reduction, purchasing clean energy, and providing more low-carbon services and products to reduce our own and value chain carbon emissions. We have recently announced our commitment in moving towards carbon neutrality to help tackle climate change and will vigorously promote the application of technology in energy saving and emission reduction.

At the same time, we believe that climate change has also brought various opportunities for Tencent. By improving the energy and water efficiency of office operations and data centres, operational costs and sensitivity to changes in carbon trading prices can be reduced. We provide various products and services (such as Tencent Cloud, WeCom, Tencent Meeting, etc.) to help customers carry out digital transformation and realise energy saving and emission reduction mission. It enables us to gain a more competitive position in the transition to a low-carbon economy.

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Risk Management

We have integrated ESG risks into the Company's overall risk assessment and management system, which includes risks related to climate change. Each department and business group has also adopted operational management measures to manage and reduce greenhouse gas ("GHG") emissions in business operations. Taking Tencent Binhai Towers as an example, we have adopted energy-saving and environmental protection measures such as smart lighting systems, automatic energy monitoring systems, and water reclamation systems etc. Tencent Binhai Towers has obtained the LEED-NC Gold Standard for an international green building rating system in 2017. Please refer to the section captioned "Energy Saving and Emission Reduction" below for the energy-saving and environmental protection measures taken in office operations and data centres.

We are also actively empowering customers to help the entire society in carbon reduction actions. The various service products we provide, such as Tencent Meeting, Tencent Cloud, etc., offer our customers lower-carbon options for office, business trip, and operations, etc. We are also increasingly exploring the application of AI in energy saving and emission reduction. In April 2019, we proposed the "AI For FEW" (Food, Energy, and Water) initiative to the international community to explore the use of AI and other emerging technologies, and to provide solutions for global sustainable development goals. For example, we have effectively applied AI to various fields such as data centre energy saving and office building energy saving. We are also leveraging cloud computing, data analytics and AI to facilitate desert reclamation.

Metrics and Targets

We are actively responding to China's carbon neutrality plan. In 2020, we set targets for energy saving and emission reduction. Please see the relevant disclosure under the section captioned "Energy Saving and Emission Reduction" below. Please refer to the "Environmental Performance Summary" section below for data related to GHG emissions. We will formulate a corporate carbon neutrality strategy and roadmap by integrating China's carbon neutrality plan, international experience and our actual circumstances. We will reduce GHG emissions, offset or remove remaining GHG emissions, and achieve "net zero carbon emissions" through various practices, such as energy saving and emission reduction, tree planting and afforestation. We will disclose our clear progress and targets to the public in a timely manner. In 2020, we also responded to the Carbon Disclosure Project (CDP) questionnaire for the first time, providing customers, investors, and the market with relevant important information about the Company's response to climate change, including climate change risk assessment, GHG emissions, etc.

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Energy Saving and Emission Reduction

Energy Saving Measures taken in Office Buildings

We have taken environmental protection as one of our priorities when building the new headquarters, Tencent Binhai Towers, in Shenzhen, which has been certified as meeting the LEED-NC Gold Standard during the construction stage. The building obtained LEED-EBOM Gold certification and the certificate of Two-star Green Building Label in 2020. The property management company of the Shenzhen headquarters has obtained ISO 14001 (environmental management system) certification and ISO 9001 (quality management system) certification. We will uphold the concept of "green, energy-saving, and environmental protection" and continue to carry out energy-saving and consumption-reducing operations and optimisation. We have implemented various measures to enhance efficiency of energy use and reduce water consumption and emissions.

The air conditioning systems at Tencent Binhai Towers reduce energy consumption by using alternating power from hydro-powered pumps and electric motors. In 2020, we completed the optimisation and transformation of air conditioning terminal, air handling unit ("AHU"), and central air conditioning host group control system of Tencent Binhai Towers, through which we have improved the system's cooling capacity to match the terminal cooling supply and demand and achieve energy-saving and efficient operation. Tencent Binhai Towers alone saves more than 5.98 million kWh a year. 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 if weather permits. Smart lighting was adopted to allow remote and automatic control over lighting in all office working areas, and there was a transition to an LED lighting system for the public areas.

In 2020, we determined the energy management baseline in every office building in Shenzhen, formulated the energy consumption assessment benchmark and adopted energy-saving measures such as "management + technology + policy". We also controlled the cost by switching off various energy consumption systems (such as air conditioning, lighting and direct drinking water systems) from back-end or onsite, optimising energy-saving management for our operations usage, and conducting technological transformation to improve the air conditioning terminals and AHU control system of Tencent Binhai Towers. The cost saved in 2020 was approximately RMB13 million, which was more than 10 million kWh based on the average electricity price. As a result, our facility management team has won the Group's annual cost savings award. We will formulate the Group's energy management standards based on these measures, and implement and continuously optimise the energy management practices in various regions.

The office building of Tencent Binhai Towers 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, watering 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 carbon dioxide 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 by combining the routine 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 waste.

We monitor the levels of air pollutants (such as PM2.5, PM10, carbon monoxide) and carbon dioxide inside and outside Tencent Binhai Towers with an online monitoring system and a manual measuring system. 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 cooking odours by filtering the cooking ventilation with photolysis purification, activated carbon filtration and air ionisation. Our filtration of the cooking ventilation is in compliance with the PRC national standards GB18483-2001.

We reinforce the habit of garbage classification to achieve garbage source reduction and classification and we collect garbage in the public areas on each floor based on four categories: recyclable, kitchen waste, toxic and harmful, and other garbage.

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In 2020, we formulated environmental targets for office buildings, and the progress is shown in the table below.

Targets	Progress in 2020
For any given year, the property companies of all Tencent-owned office buildings in the Mainland of China obtain environmental management system certification.	The target for 2020 has been achieved
By the end of 2020, Tencent Binhai Towers would have obtained the certificate of Two-star Green Building Label.	The target for 2020 has been achieved
For any given year, all Tencent-owned office buildings in the Mainland of China will manage wastes by categories.	The target for 2020 has been achieved
Using per person electricity consumption in 2019 as a benchmark, the electricity consumption per person in all Tencent-owned office buildings in the Mainland of China will be reduced by 15% by the end of 2025.	The interim target for 2020 has been achieved
Using per person water consumption in 2019 as a benchmark, the water consumption per person in all Tencent-owned office buildings in the Mainland of China will be reduced by 15% by the end of 2025.	The interim target for 2020 has been achieved

Green Energy Saving Measures Taken in our Data Centres

Tencent data centres maximise energy efficiency through continuous technological innovation while exploring the application of low-carbon technologies in data centres at scale through pilot programs in distributed energy systems and solar photovoltaic power generation systems. In addition, we are also exploring the application of renewable energy trading, permitted carbon emissions trading, green power certificate trading and other carbon offset methods on the data centres.

In terms of site selection for our large-scale data centre campus, renewable energy of the regional power grid is an important criterion for us. We continue to expand new data centres in areas that are rich in renewable energy, such as Zhangjiakou Huailai, Guian New District and Chongqing Water and Soil High-tech Eco-City etc.

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In terms of green data centres, we have completed the environmental impact assessment for all self-built data centres and have obtained the relevant approvals or filings in accordance with the *Law of the People's Republic of China on Environmental Impact Appraisal*. In terms of green data centres, Tencent has been an industry leader. We have multiple data centres being selected in the 2020 National Green Data Centres List published by the Ministry of Industry and Information Technology: three of our self-owned data centres, Tencent Ebu Data Centre Building No.1, Tencent Tianjin Binhai Data Centre and Chongqing Tencent Cloud Computing Data Centre, as well as several leased data centres such as the Zhongjiu Huaqiao Data Systems Co., Ltd. and Kunshan Data Centre.

When it comes to technologies employed in the data centres, Tencent's fourth-generation T-block data centre energy saving technologies, including (i) High Voltage Direct Current (HVDC) technology for electrical systems; (ii) indirect evaporative cooling units; (iii) Tencent internet data centre ("IDC") smart maintenance and control system; and (iv) fully commercialised project delivery solution, have been widely deployed on Tencent's large-scale data centre in Qingyuan, Yizheng, Zhangjiakou etc.

In terms of self-generated renewable energy for self-use, we have started to build rooftop photovoltaic power generation system on data centre campuses that are suitable for the construction of distributed solar photovoltaic power systems, such as those in Qingyuan, Yizheng, Huailai, etc. The installed capacity of a single campus is about 13MWp, with an annual power output of about 12 million kWh, which could fully meet the power demand of the office and partial power demand of the data centres on the campus.

The annual average power usage effectiveness ("PUE") of the data centres located in low-temperature climate zone is less than 1.25. In the future, with the construction of our large data centre campus and the application of T-block products and other energy-saving technologies, the annual average PUE of our new large data centre campus will be controlled below 1.20; according to our test data in the fourth quarter of 2020, the PUE of Tencent's liquid-cooled technology pilot project on a campus in Guangdong reached 1.07.

In terms of the treatment of solid waste in the data centres (lead-acid battery, etc.), Tencent and its suppliers have entered into agreements which guarantee that 100% of such waste will be handled in strict compliance with relevant regulations. In terms of water conservation in data centres, we are preparing to initiate research on water-saving air conditioning, water recycling/sewage treatment in data centres.

For our proprietary T-block, Mini-TB, Tencent IDC smart maintenance and control system and other IDC products, we will export our expertise to support industry partners. At the same time, we have set up a R&D team to develop new data centre software and hardware solutions to address industry pain points hoping to provide targeted technical and product support and services in 2021.

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In 2020, we have formulated environmental targets for the data centres, and the progress is shown in the table below.

Targets	Progress in 2020
For any given year, the average annual PUE of self-built data centres will be no higher than 1.35.	The target for 2020 has been achieved
For any given year, at least one more data centre obtains ISO 50001 or GB/T23331 energy management system certification.	The target for 2020 has been achieved
For any given year, the waste hard disk drives are 100% collected by qualified vendors after destroyed for harmless disposal.	The target for 2020 has been achieved
For any given year, the waste lead-acid accumulators in self-built data centres are 100% collected by qualified vendors for harmless disposal.	The target for 2020 has been achieved

The Environment and Natural Resources

Our main impact on the environment and natural resources is the emissions and resources consumed in operations. Relevant conventional policies and measures have been detailed in the section captioned "Energy Saving and Emission Reduction".

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Environmental Performance Summary

Unless otherwise specified, the following data covers Tencent's major office buildings and the main data centres in the Mainland of China.

1. Emissions

1.1 Office buildings

Indicators	For the year ended 31 December		
	2020	**2019**	**2018**
Total GHG emissions (Scopes 1 and 2) (tonnes)	109,712.99	113,501.50	102,831.74
Direct GHG emissions (Scope 1) (tonnes)	3,756.48	3,785.86	2,554.31
Including: Gasoline (tonnes)	130.83	197.25	191.00
Diesel (tonnes)	7.41	10.87	11.07
Natural gas (tonnes)	3,618.24	3,577.74	2,352.24
Indirect GHG emissions (Scope 2) (tonnes)	105,956.51	109,715.64	100,277.43
Including: Purchased electricity (tonnes)	105,956.51	109,715.64	100,277.43
Total GHG emissions per person (tonnes / person)	1.65	1.90	2.01
Total GHG emissions per square meter of floor area (tonnes / square meter)	0.06	0.07	0.09
Hazardous waste (tonnes)	1.34	2.40	2.51
Hazardous waste per person (tonnes / person)	0.00002	0.00004	0.00005
Non-hazardous waste (tonnes)	5,805.93	5,227.11	4,566.52
Non-hazardous waste per person (tonnes / person)	0.09	0.09	0.09

1.2 Data centres

Indicators	For the year ended 31 December		
	2020	**2019**	**2018**
Total GHG emissions (Scopes 1 and 2) (tonnes)	821,052.60	743,287.01	612,521.16
Direct GHG emissions (Scope 1) (tonnes)	333.31	316.35	36.76
Including: Diesel (tonnes)	333.31	316.35	36.76
Indirect GHG emissions (Scope 2) (tonnes)	820,719.29	742,970.66	612,484.40
Including: Purchased electricity (tonnes)	820,719.29	742,970.66	612,484.40
Hazardous waste (tonnes)	71.89	8.00	–
Non-hazardous waste (tonnes)	3,271.70	1,811.27	1,350.76

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Note:

1. Due to the nature of the business, the material air emissions of the Group are GHG emissions, arising 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 2020 is presented in carbon dioxide equivalent and is calculated based on the "2019 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 the Mainland of China.

5. Non-hazardous waste produced by the Group's office buildings mainly includes domestic waste and non-hazardous office waste. As domestic waste is disposed of by the property management companies and kitchen waste recycling vendors and cannot be measured by us, domestic waste is estimated 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 the Mainland of 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.

8. The number of people used in the calculation of emission density, resource density and domestic waste estimation is the annual average number of people working in office buildings.

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2. Use of Resources

2.1 Office buildings

Indicators	For the year ended 31 December		
	2020	**2019**	**2018**
Total energy consumption (MWh)	208,386.38	205,092.26	167,488.48
Direct energy consumption (MWh)	19,066.80	19,144.17	12,852.04
Including: Gasoline (MWh)	534.45	805.77	780.24
Diesel (MWh)	28.18	41.33	42.10
Natural gas (MWh)	18,504.17	18,297.07	12,029.70
Indirect energy consumption (MWh)	189,319.58	185,948.09	154,636.44
Including: Purchased electricity (MWh)	189,319.58	185,948.09	154,636.44
Total energy consumption per person (MWh / person)	3.13	3.44	3.28
Total energy consumption per square meter of floor area (MWh / square meter)	0.12	0.12	0.14
Running water consumption (tonnes)	1,315,803.67	1,283,749.73	973,413.06
Running water consumption per person (tonnes / person)	19.74	21.52	19.07
Reclaimed water consumption (tonnes)	10,985	4,076	5,461

2.2 Data centres

Indicators	For the year ended 31 December		
	2020	**2019**	**2018**
Total energy consumption (MWh)	1,515,181.56	1,301,161.66	938,988.70
Direct energy consumption (MWh)	1,267.68	1,203.16	139.82
Including: Diesel (MWh)	1,267.68	1,203.16	139.82
Indirect energy consumption (MWh)	1,513,913.88	1,299,958.50	938,848.88
Including: Purchased electricity (MWh)	1,513,913.88	1,299,958.50	938,848.88
Average PUE	1.32	1.35	1.37
Running water consumption (tonnes)	2,193,528.43	1,466,760.63	933,813.00

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Note:

1. The scope of use of resources data is appended to include four additional office areas in 2020.

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 and there is no issue in sourcing water.

4. Reclaimed water consumption is the reclaimed domestic water treated by the wastewater treatment system equipped at Tencent Binhai Towers. The reclaimed water system of Tencent Tower A and Tower B in Chengdu has been suspended as of this reporting year.

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

6. Average PUE is the average of the annual PUE of the data centres. PUE, an indicator of the power efficiency of a data centre, is the ratio of total facility energy consumption over IT equipment energy consumption. Since 2020, we started reporting on the overall annual average PUE for data centres, and no longer report on the annual average PUE range for data centres (the range was 1.27 to 1.47 for 2018 and 1.26 to 1.52 for 2019), and we have restated the PUE data for 2018 and 2019 accordingly.

7. Data of running water consumption reported above is the water consumption data provided by operators. The scope of the running water consumption data that can be provided by operators expanded during the year, so the data of running water consumption in data centres for the current year increased compared to those from previous years, and there is no direct comparability with previous years' data.

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

WORKPLACE

Employment and Labour Guidelines

Employment, Equal Opportunities and Diversity

In accordance with the *Labour Law of the 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 the 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. 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, race, ethnicity, disability, age, religious belief, sexual orientation or family status. In 2020, we did not find any discrimination situation in our employment practice. Diversity is well supported in our corporate culture. We support employees who wants to start families by providing maternity/paternity/breastfeeding leave, flexible working hours and location arrangements, family insurance, etc. Through the "WomenInTech" program, we promote the stories of outstanding female employees in the Company and leverage the power of role models to motivate female employees.

We were awarded by Zhaopin.com as the China Best Employer in 2020. We have also been voted as the best employer in the PRC for 15 consecutive years since 2006 in a survey jointly conducted by Zhaopin.com and the Institute of Social Science Survey, Peking University.

Labour Standards

In accordance with the Labour Law, other than employers engaged in industry of art, sports 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, which is reviewed by the human resources department and verified by a due diligence agent. This allows us to hire qualified employees in accordance with job requirements and comply with prohibitions against underage.

Employee Departure

In accordance with the Labour Law and the 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 written or electronic employment contracts with all employees detailing duration of the employment and the grounds for termination of the employment.

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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.

Performance Evaluation and Promotion

We have a complete performance management system that adheres to the objective and impartial principles of performance evaluation. Every six months, employees self-evaluate their performances, and then the supervisor of each employee refers to the multi-dimensional feedback to evaluate the performance of the employee. At the end of the assessment, the employee will discuss, review, and update the performance goals with the supervisor. At the same time, we have formal channels for employees to request for re-assessment of performance. Supervisors are encouraged to give constructive feedback to employees from time to time to help employees' personal growth. We also organise performance management and promotion experience sharing as well as related courses to help employees achieve career advancement. 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 work scope, the promotion will be reviewed and considered by the relevant internal committee. The promotion review process is impartial and open, and there is also a formal channel for employees to request for re-assessment through the internal promotion management platform. Relevant internal committees will evaluate feedback, and we strictly respect and protect employee privacy. The promotion review is conducted in compliance with applicable laws and regulations on the fair treatment of employees.

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. We strictly comply with the Labour Law requirements and provide employees with competitive compensation and benefits.

Compensation

We are committed to providing competitive compensation and employee benefits to attract and retain talent. The remuneration and bonus systems are performance-based and designed to reward employees with outstanding performance and potential for growth. We have also set up several share-based compensation plans (including share option schemes and share award schemes).

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.

Environmental, Social and Governance Report

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. Employees have the flexibility to choose the most suitable insurance plans and benefits for themselves and their families.

Work-Life Balance

In accordance with the Labour Law and the 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 etc. 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 the Labour Contract Law.

We strive to create work-life balance and an inviting work environment for employees. 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-meter running track, indoor rock-climbing wall, table tennis tables, pool tables, a badminton court and a full-sized basketball court, etc.

Communication

We are committed to establishing various comprehensive communication channels for our employees. There are currently annual meetings of the Company and various departments, face-to-face discussion forums, special magazines, and internal social media platforms for employees and management. Through these communication channels, the Company conveys and strengthens corporate strategy and culture, and encourages employees to speak freely. We conduct a company-wide employee satisfaction survey through an independent third party every year, based on completely anonymous feedback, we collect employees' suggestions for the Company's development in an all-round way as a basis for performance improvement. In 2020, a total of 37,896 employees participated in responding to the survey, with an effective answer rate of 91%. The employee satisfaction score has improved as compared to 2019.

Environmental, Social and Governance Report

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 full allowance for social insurance for our employees. The social insurance includes endowment insurance, medical insurance, work injury insurance, unemployment insurance and maternity insurance. We provide various supplementary insurance benefits (including medical insurance, critical illness insurance, accident insurance and life insurance) for employees and their families. Throughout 2020, we have strictly complied with the relevant laws and regulations regarding occupational health and safety.

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 invite third parties to conduct security risk audits on our premises every year, discover hardware defects based on risks, and identify defects and deficiencies in the operation management system based on risks, so as to address hidden risks and prevent problems before they occur.

We formulate detailed emergency plans for fire safety, natural disasters, personal injury, safety order, etc., and conduct regular drills and simulation tests to ensure implementation and continuous optimisation.

We adhere to "Tech for good, mutual help and assistance". In case of any medical emergency within workplace, we have deployed the automated external defibrillator (AED) emergency system in the office in 2020, formulated emergency plans and continued to test and optimise the mechanism thereby ensuring employees' safety under emergency circumstances.

We have appointed a team to attend to 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.

In the face of the COVID-19 pandemic, we immediately implemented a work-from-home policy and deployed various technical and human resource support, such as technology assistance in setting up remote access to office phones and equipment, as well as version upgrades and bandwidth expansion for productivity and collaboration tools such as WeCom, Tencent Meeting and Tencent Docs. Our teams worked relentlessly to source and secure supply of urgent resources such as facemasks for employees. We strived to provide necessary medical support and/or support for quarantine arrangement for employees in need. We also helped employees cope with pandemic-related emotions and mental health issues via online consultation programs. Through Weixin Mini Programs, Official Accounts and WeCom, we enabled employees to report health related information, e.g., contact with confirmed/suspected COVID-19 cases, so as to minimise transmission risks and provide timely assistance. We also developed Anti-COVID handbooks and educational videos to enhance employees' awareness of prevention measures.

As businesses gradually resumed to normal in China, we applied strict procedures to ensure a safe working environment, including extra disinfection of air conditioning system, daily temperature checking and social distancing policies in public areas such as elevators, canteens and meeting rooms. For example, we closed the office canteens during pandemic period and arranged delivery of separately packaged breakfast and lunch boxes to the desks of each staff who worked in the office, to minimise transmission risks. We closely monitored the local pandemic situation and adjusted our work-from-home or split-team arrangement in order to ensure employees' safety and health.

Employee Development and Training

Employee talent is our most important asset. We are committed to helping our employees realise their potential. We make significant investments in employee development and training and we encourage employees to attend external and internal trainings.

We have adopted relevant policies to ensure that employee training is provided in a user-friendly format. For example, supervisors must assist in designing professional development plans for employees and evaluating employee training effects. To ensure the quality of training, we have formulated a policy that contains the instructors' qualifications and experience requirements and the goals of the plan and cooperated with educational institutions to develop training plans.

In 2007, we founded our own training university, Tencent Academy. It offers different training programmes at each stage of an employee's career, including an induction, on-the-job training and leadership training for different levels, and carries out educational qualification improvement support programs for all employees, such as supporting employees to obtain applicable professional certificates, etc. As our employees get more experienced and are promoted, we also provide them with relevant corresponding and consistent training, including general courses, professional courses, and subject lecture sharing targeted for different levels. Employees can choose suitable courses by themselves and develop their own learning plans. In addition, Tencent Academy has 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.

To help employees in different positions cope with professional needs, Tencent Academy offers courses on product (providing in-depth product research for different product teams), operational skills, technology, data analysis, marketing, design, risk management, customer service etc. As of 31 December 2020, Tencent Academy offered over 500 live courses and over 10,000 in-person courses and employed over 1,500 in-house part-time instructors. The average in-house training hours per employee was 32 hours and around 98% of employees received training.

Besides, we also provide employees with an internal expert platform, so that senior employees or employees with professional knowledge in a certain field can freely share their experiences with everyone, and employees can also establish contacts with internal experts through this platform. We also intend to make available our training resources to business partners and other companies in the industry in order to promote industry training resources sharing and capacity building.

Environmental, Social and Governance Report

Workplace Performance Summary

The statistical scope of employee data listed in the following table includes the number of regular employees employed in the businesses directly operated and managed by the Company:

1. Employment

Indicators		As of 31 December 2020
Total number of employees		51,350
Number of employees by gender	Male	36,633
	Female	14,717
Number of employees by age group	Under age 30	20,548
	Age 30 to 50	30,714
	Above age 50	88
Number of employees by geographical region	The Mainland of China	50,634
	Hong Kong, Macao and Taiwan	216
	Other countries and regions	500
Number of employees by management level	Management	5,077
	Non-management	46,273
Total turnover rate		12.0%
Employee turnover rate by gender	Male	12.0%
	Female	11.9%
Employee turnover rate by age group	Under age 30	12.2%
	Age 30 to 50	11.9%
	Above age 50	9.0%
Employee turnover rate by geographical region	The Mainland of China	12.0%
	Hong Kong, Macao and Taiwan	10.3%
	Other countries and regions	9.7%

Note:

Employee turnover rate = number of employees who leave employment in the reporting year * 2 / (number of employees at the beginning of the reporting year + number of employees at the end of the reporting year). Employee turnover reflects the number of employees who leave employment voluntarily or due to dismissal, retirement or death in service.

2. Health and Safety

Indicators	2020	2019	2018
Number of work-related fatalities	0	0	0
Work-related fatality rate (%)	0	0	0
Working days lost due to work-related injury (days)	281	1,058	957

Note:

1. The work-related fatalities data and injuries data both refer to the work-related death and injuries accidents identified by the Human Resources and Social Security Bureau.

2. Work-related fatality rate = total number of work-related fatalities / total number of employees.

3. Training

Indicators		As of 31 December 2020
Percentage of employees trained by gender	Male	98.3%
	Female	98.0%
Percentage of employees trained by management level	Management	97.0%
	Non-management	98.3%
Average training hours of employees by gender	Male	32
	Female	33
Average training hours of employees by management level	Management	26
	Non-management	33

Note: Training refers to face-to-face and online courses offered by the Company to employees.

Environmental, Social and Governance Report

OPERATING PRACTICES

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.

We have formulated a code of conduct to standardise the behaviour of employees engaged in procurement activities. To minimise the ethics risks, such employees are also required to declare any relationship they may have with our suppliers in writing.

Suppliers which are formally engaged by the Group's procurement department are required to agree to the terms of a declaration and undertaking in relation to anti-commercial bribery in conducting business with the Group (the "Anti-commercial Bribery Declaration"), as well as the terms of a declaration in relation to labour rights, health and safety and environmental protection. Such declaration and undertaking also explicitly require the suppliers to comply with all the requirements of local laws and regulations. During the year ended 31 December 2020, all domestic suppliers which were formally engaged by the Group's procurement department had completed the self-assessment and signed the Anti-commercial Bribery Declaration.

We have maintained a database of qualified suppliers which are ready to take orders from us. The Group has also launched a new supplier collaboration system for the online management of the whole procurement life cycle, covering the aspects of finding and selecting suppliers, and evaluating performance and terminating engagement of suppliers.

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

We normally ask for price quotations from at least three vendors. Other factors including delivery time and technical capabilities of the vendors etc. 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 particular procurement arrangement with such vendor will require special approval with a sufficient and reasonable justification provided by the technical 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. In 2020, we completed performance evaluation on about 400 suppliers. 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.

When engaging gaming-related suppliers, in order to minimise the risk of IP infringement in the procurement process, we have developed a set of process specifications for potential suppliers to conduct self-assessment on their commitment to IP protection and other aspects. All suppliers involved in content output must complete the video learning courses related to IP protection and sign an "Undertaking Related to Risk Management and Control of Game Content". We also pay attention to selecting environmentally friendly products and services when selecting suppliers related to office buildings. For example, we have required all self-built office buildings to obtain the ISO 14001 environmental management system certification, and its system certification is checked by the administrative department every year. When we employ computer room suppliers, we conduct site visit, pay special attention to the supplier's PUE. In addition, we also have our own monitoring system and measure the PUE of suppliers every month to ensure that suppliers can meet the standards we set.

Number of Suppliers

Number of suppliers by geographical region	As of 31 December 2020
The Mainland of China	36,991
Hong Kong, Macao and Taiwan	1,517
Other countries and regions	3,726

Note: "Number of suppliers" refers to the number of active suppliers in the supplier database, and "geographical region" refers to the place where the suppliers are registered.

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PRODUCT RESPONSIBILITY

We strive to provide the best user experience and pay high attention to the quality of our products and services.

In accordance with the *Anti-monopoly Law of the People's Republic of China* which took effect on 1 August 2008 and the *Anti-monopoly Guidelines of the Anti-monopoly Commission of the State Council on Platform Economy* promulgated on 7 February 2021, we are obliged to promote the orderly, innovative and sound development of platform-based economy through fair competition and to safeguard the welfare of consumers and the public interests of the society. We proactively comply with such regulatory requirements.

In accordance with the *Decision of the State Council on Implementation of Access Management of Financial Holding Companies* and the *Provisional Administrative Measures of Financial Holding Companies*, under certain circumstances, a non-financial enterprise, natural person or recognised legal person which holds controlling shares in or actually controls two or more types of financial institutions, shall submit an application to the People's Bank of China for approval to establish a financial holding company, and the People's Bank of China will be responsible for regulating financial holding companies in accordance with the law, examining and approving the establishment, change, termination and business scope of a financial holding company. We proactively comply with such regulatory requirements.

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 data security and user privacy, product health and safety, customer complaints, advertising content and IP rights as described below.

User Privacy and Data Security

We closely monitor the relevant new domestic and international laws and regulations, and timely update our compliance and legal know-how, in order to implement the applicable legal requirements into the Company's products and business processes as soon as possible, to ensure compliance with the latest legal requirements.

The domestic and overseas laws and regulations we follow include *Civil Code of the People's Republic of China, Criminal Law of the People's Republic of China, Cybersecurity Law of the People's Republic of China, E-commerce Law of the People's Republic of China, Law of the People's Republic of China on the Protection of Consumer Rights and Interests, Personal Information Protection Law (Draft), Data Security Law (Draft), General Data Protection Regulation, California Consumer Privacy Act;* administrative regulations such as *Telecommunications Regulations, Administrative Measures on Internet Information Services;* departmental rules such as *Provisions on Protection of Personal Information of Telecommunication and Internet Users, Methods for Identifying Unlawful Acts of Applications (App) to Collect and Use Personal Information,* and national standards such as *Information Security Technology – Personal Information Security Specifications, Information Security Technology – Guide to the Personal Information Security Impact Assessment, Circular on Issuing the Practical Guide to*

Cyber Security Standards: Guide to Frequently Asked Questions and Protection of Personal Information by Mobile Internet Applications (App), Circular on Issuing the Practical Guide to Cyber Security Standards: Guide to Self-evaluation of Collection and Use of Personal Information by Mobile Internet Applications (App).

In accordance with applicable data protection laws, as an Internet information service provider, we obtain users' consent before collecting and using users' personal information. We stipulate rules on the collection and use of users' personal information and publicise the same in the places and websites where we operate or serve.

We regard user information security and privacy protection as our lifeline. We take security, autonomy, compliance and transparency as the goal of Tencent's privacy protection. Security means that we have an adequate security mechanism and security technology system to protect users' data security in an all-round way; autonomy means that we integrate the concept of privacy protection into product design so that users can manage their privacy settings independently with convenient privacy settings design; compliance means that we comply with the requirements of laws and regulations to protect users' personal information rights; transparency means that through privacy policies and privacy protection guidelines, we improve the transparency of privacy protection and protect users' right to know.

As for privacy protection, we adhere to the following principles:

1. Safe and reliable: we try our best to prevent user data leakage, damage and loss through reasonable and effective data security technology and management process.

2. Independent choice: we provide convenient data management options for users to make appropriate choices and manage personal data.

3. Protect communication secrets: we strictly abide by laws and regulations, protect users' communication secrets, and provide secure communication services.

4. Reasonable and necessary: we only collect necessary data so as to provide better services to users.

5. Clarity and transparency: we strive to introduce the privacy policy to users in simple language for easy understanding of our data processing methods.

6. Integrate privacy protection into product design.

Environmental, Social and Governance Report

We believe that user data security and privacy protection are the primary premises for creating secure, high-quality products and user experience. We insist on protecting the privacy and security of users' data and always insist on using data in order to benefit users, striving to improve products and services, and strictly complying with applicable laws and regulations. We incorporate the applicable laws and regulatory requirements on privacy protection into our internal policies, taking into account our products and services' specific characteristics and the relevant social responsibilities. We have also developed specific systems and processes to collect and process user data to ensure that our products and services comply with applicable laws.

We have considered and deployed user privacy protection in the early stage of designing products and services. This concept inspired us to formulate and implement Tencent PBD privacy protection – P stands for Person, that is, to protect user privacy as the core value. B stands for Button, which provides users with reasonable and efficient privacy protection through "privacy button" (product design), symbolising user control. We try our best to make users easily manage their personal data through simple key steps. D stands for Data, which ensures data security in all aspects. We have advanced and complete data security technologies and management measures. These technologies and measures ensure that we have effective security risk monitoring, defence and response mechanisms to protect user data in an all-round way. PBD outlines our thinking and practice on user data security and privacy protection.

We use Tencent Privacy Protection Platform (https://privacy.qq.com/) to provide users with unified access to query privacy protection guidelines for multiple Tencent products, to facilitate users to better manage information authorisation, to modify privacy settings, etc. At the same time, the platform also works with Tencent customer service to create a personal information protection zone to provide users with various channels to reflect privacy issues that they have encountered. Our privacy protection policy is also published on the product's official website and app which is also available for access on the Tencent Privacy Protection Platform. Users can also use the feedback button in the website and app and our unified privacy feedback email (Dataprivacy@tencent.com) at any time to submit complaints or make inquiries.

We and our employees keep strict confidential the personal information of users collected and used during the provision of service, and do not leak, distort, damage, sell or provide the same to others illegally. We establish and perfect the user information protection system by hierarchically managing the access rights of internal staff to ensure the security of the personal information collected by us and to prevent any leakage, damage or loss of the information. We provide a quick and convenient channel for employees to look up the Company's data security policy through internal communication tools so that employees can timely confirm whether their behaviour meets the Company's security policy requirements. If employees come across potential data security violations, they can also report internally using the internal communication tools or unified reporting system; in case of violations, the Company will take strict disciplinary measures, including but not limited to criticism notice, punishment, etc.

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 or ad-hoc 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.

At the same time, our Technology and Engineering Group, or TEG, is responsible for managing the data security of our products and platforms. By benefitting from the technical support of Tencent United Security Laboratory (covering seven professional laboratories, focusing on security technology research and construction of security attack and defence system, and covering key Internet fields such as connection, system, application, information, equipment, cloud, etc.), TEG has information security department and other specialised teams and provides a full range of security protection for the Group's products and services.

We have developed a comprehensive proactive and reactive defence programme. We take the initiative to enhance the detection capability of basic security and in-depth defence and implement strict monitoring, timely alarm and blocking, regular monitoring and auditing, and tracing abnormal behaviours on the security system and database. We also take the initiative to conduct blue army offensive and defensive tests to identify potential risks to current systems and security capabilities. Our safety emergency response team also makes timely passive defence and deployment through 7 x 24 emergency response mechanism. In addition, through Tencent Security Response Center (TSRC), we invite global "white-hat hackers" and security experts to provide us feedback on security loopholes and jointly defend user security. Our in-house expert team also exports security solutions to the global security community through TSRC. We provide data privacy and information security training to all employees (including full-time, part-time and interns), to improve employee awareness and establish an enterprise culture that attaches importance to privacy protection and information security.

We also actively communicate with various national ministries and commissions such as the Cyberspace Administration of China, the Ministry of Industry and Information Technology of the People's Republic of China, the Ministry of Public Security of the People's Republic of China and the Standardization Administration of China to seek guidance and strive to do a better job in data privacy protection. In 2020, various national ministries and commissions updated the law enforcement frequently, and we kept in touch with the Ministry of Industry and Information Technology, the State Internet Information Office and other ministries and commissions to follow up the latest developments and ensure the compliance of our business.

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. We have obtained certification from the International Organization for Standardization (ISO) and other domestic and international certifications for our network and data security management system.

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For example, our Tencent Cloud business has been committed to improving the cloud security system, building security compliance capabilities, and setting cloud security and big data security standards. With the continuous evolution of cloud computing and security technology, Tencent Cloud has established an efficient security internal control system, and improved its compliance foundation from the aspects of system process and control activities etc. Our security management system has also received accreditation such as China Network Security Level Protection Assessment, Netcom Cloud Service Security Assessment, ISO 27001 Information Security Management System Certification, CSA STAR Cloud Security Management System Certification, ISO 27701 Certification for Personal Information Security Management System, ISO 27018 Public Cloud Personal Information Protection Certification, ISO 27017 Cloud Service Information Security Control Implementation Guidelines, ISO 20000 IT Service Management System Certification, ISO 9001 Quality Control System Certification, ISO 22301 Business Continuity Management System Certification, KISMS Korean Information Security Management System Certification, Singapore Multi-Tier Cloud Security (MTCS) T3 Certification, PCI DSS Payment Card Industry Data Security Standard Certification, CISPE European Cloud Computing Service Provider Alliance Accreditation, German Cloud Computing Compliance Standards Directory (C5) Audit, Service Organisation Control Report (SOC Report), Singapore Banking Association OSPAR Audit, etc.

In 2020, the Company's Technical Committee led the establishment of the data operation and maintenance management security project, continuously strengthening and improving the defence in-depth system, further consolidating a number of industry-leading security solutions, and providing more reliable, safe and systematic security guarantee for enterprises and users. We will integrate our excellent internal security practice experience and technology through Tencent Cloud's security products and services (such as the intelligent gateway, cloud firewall, DDoS protection, network intrusion protection, anti-fraud, etc.) to serve and empower many Tencent Cloud users. In addition, we have also made productive progress in the research of advanced security attack and defence technology, network security practice, and security ecology construction. We have established close cooperation with many security teams in the industry, and are committed to improving the security of Tencent products and creating a more secure Internet ecology.

At the same time, we also actively explore and develop technology to help improve the data privacy protection level of the Company's business in 2020. For example, we have developed a data privacy compliance assessment system, enabling the Company's data privacy protection with the help of the Company's major security technology laboratories' superior technical capabilities.

We are also actively integrating the Company's technical force to develop cutting-edge technologies and application platforms such as privacy computing and federated learning etc. After more than a year of technological breakthrough, Tencent Angel PowerFL platform has made breakthroughs in security, performance and ease of use etc. It has reached the industry-leading level in the federated learning field. It has also been implemented in multiple application scenarios of risk control, marketing recommendation and federated advertising etc. It provides scientific and cutting-edge technical solutions for business development and privacy protection and enables multi-party cooperation on the premise of protecting user privacy and data security.

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Product Safety and Quality[1]

Games

One of our important businesses is our online games business. We need to comply with the relevant laws, regulations and policy requirements in relation to online games in the PRC, mainly including the *Law of the Protection of Minors*, *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 the above 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 games, we must obtain 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 games and anti-addiction through various channels. In February 2017, we were the first to launch a series of services on "Tencent Parental Guardian Platform" which assist parents to monitor the gaming habits of their underage children. This is the technical platform aiming to provide assistance to guardians 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 the Mainland of China. In 2020, the coverage of "Tencent Parental Guardian Platform" was expanded to QQ Mini Programs and Weixin Mini Programs and provided users with statistical usage time, duration management, one-click disable and other management functions to provide more comprehensive management tools for parents. Meanwhile, the "family communication" module is opened up to provide effective information for parents through parents' classroom and other ways to help them bridge the "digital divide". In June of the same year, based on "restricting play, charging and curfew" for real name minors, we improved the user identification technology to solve the problem of "children using their parents' identity information to bypass the supervision", and screened the suspected minors. Users who refused or failed to pass the

[1]   "Percentage of the total number of products sold or shipped subject to recalls for health and safety reasons" and "recall procedures" are not closely relevant to the Company's main businesses.

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verification were restricted by the Healthy Gameplay System in the game or could not continue to recharge. To prevent parents from performing verification without knowledge, Tencent continues to optimise face recognition measures and has launched multiple functions such as voice and picture double prompt. At present, the aforementioned functions have been applied to more than 100 mobile game products of Tencent games, including Honour of Kings and Peacekeeper Elite. In December 2020, under the guidance of the National Press and Publication Administration, China Audio-video and Digital Publishing Association officially released the group standard of "Age-appropriate Tips for Online Games" (Trial) (hereinafter referred to as "Group Standard"). We participated in the preparation as one of the leading units. The Group Standard divided the scope of the age of minors' games into three stages, namely 8+, 12+, 16+, and made explicit provisions on the style, embodiment, content and other specific matters of the age prompt diagram. Tencent actively cooperated to promote the pilot implementation of the Group Standard and has completed the adaptation of 10 games, including "Honour of Kings", "Peacekeeper Elite" and other popular games.

We continue to pay attention to the operation stability, technical reliability, data privacy compliance and content legitimacy of online game products. We establish a complete closed-loop process of full-dimensional audit in advance, real-time monitoring in the event and timely disposal afterwards, and establish a multi-department joint work team to ensure the implementation of relevant requirements and processes.

In addition, the 22nd session of the Standing Committee of the 13th National People's Congress of the PRC revised and passed the *Law of the People's Republic of China on the Protection of Minors* on 17 October 2020, which will come into force on 1 June 2021. The newly-revised *Law of the People's Republic of China on the Protection of Minors* stipulates Internet service providers' responsibilities and obligations. We are taking forward the implementation of the relevant provisions in a comprehensive manner.

Social Network

According to the provisions of the *Cybersecurity Law of the People's Republic of China*, any individual or organisation using the Internet shall abide by the Constitution of the PRC and other relevant laws, and shall not use the Internet to fabricate or disseminate false information, disrupt economic and social order, and shall not carry out activities that infringe on the reputation, privacy, IP rights and other legitimate rights and interests of others. Suppose a network operator discovers information that is prohibited by laws or administrative regulations from being released or transmitted, it shall immediately stop transmitting the information, take measures such as eliminating and preventing the spread of information, keeping relevant records, and reporting to the relevant competent authorities. To provide users with healthy and safe platform services, Tencent has been actively implementing various measures to fulfil its platform responsibilities and govern users' violations of laws and regulations or infringement through social platforms (such as Weixin, QQ, etc.) to ensure compliance with relevant laws, regulations and policies. According to relevant national laws and regulations, and agreements such as WeChat Software License and Service Agreement, WeChat Official Accounts Platform Service Agreement and QQ Software License and Service Agreement, if users spread unlawful information through WeChat personal account, WeChat Official Accounts, QQ and Qzone, once found and proven, the platform will timely block the unlawful content and deal with the relevant accounts and

relevant chat groups (such as warning, limiting some functions of the account, blocking the account, etc.). Illegal information related to the public welfare and the livelihood of people, including but not limited to the sale of counterfeit medical devices, illicit sales of illegal goods and rumours etc., has been repeatedly countered by the platform after the outbreak of COVID-19 pandemic. At the same time, we attach great importance to the publicity and education of users and prompt users to improve their awareness of risk prevention through "Weixin Safety Centre", "QQ Security Centre" Official Accounts and other official channels, jointly resist Internet pornography, fraud and other risks, provide users with smooth channels for infringement complaints and reports, and guide users to make complaints and reports on violations of laws, regulations or violations of their legitimate rights and interests through the platform entrance. In 2020, the Group was not aware of any serious violation of the above laws and regulations.

With the development of Mini Programs and Mini Games platform, Tencent continues to optimise the audit standards and inspection mechanism of Mini Programs and Mini Games access. The Company conducts reviews on the developers and application contents of the Mini Programs and Mini Games submitted by developers to access the platform strictly in accordance to legal and regulatory requirements. If developers' services involve special categories such as medical, financial, and gaming, they shall provide the corresponding qualification and approval documents etc. For developers who fail to provide the corresponding certificates as required, access of their Mini Programs and Mini Games to the platform will be denied. According to users' complaints and reports on Mini Programs, we will also inspect Mini Programs' operation from time to time and take corresponding measures for developers who fail to operate legally.

In order to allow minors to grow in a healthy environment, Tencent has launched "underage mode" in a number of products or developed independent versions suitable for minors. For example, when the underage mode has been activated for Tencent Video, Weishi and other products, users' screen time will be limited and users will be reminded to take rests. When the underage mode has been activated for QQ, the application interface will be more simplistic, and will not show any advertisement, live broadcast, games and other entertainment functions, as well as services that are not suitable for minors such as networking with strangers etc.

A total of 7,293 rumour refuting articles were published on WeChat Official Accounts Platform in 2020, and the rumour refuting pages were viewed 760 million times. At the same time, the rumour refuting assistant Mini Program of WeChat Official Accounts Platform has introduced several third-party scientific research, academic and other authoritative institutions to conduct scientific rumour refutation on various rumours (including official account articles and some widely spread rumour samples) on WeChat platform. In 2020, 54.58 million Weixin users used it. With the mission of "Value for Users, Tech for Good", the Tencent News Verification Platform aims to create a network-wide rumour refuting content output think tank for verification and confirmation of facts to combat the spread of untrue information on the Internet. At present, the information in the think tank covers food safety, nutrition, health care and other fields.

Weixin/WeChat and QQ each provides a mechanism for users to report any false or improper content transmitted on their platforms. In order to protect users' original content, Weixin/WeChat has released a new function for Weixin/WeChat official account holders in December 2017, stating the originality of the content generated by Weixin/WeChat, to help effectively identify and prevent copyright infringement.

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In addition, Weixin and QQ have constantly improved their functions to provide a barrier-free experience for the elderly and vulnerable groups, including bigger font, Weixin relatives card, and text extraction function of pictures and expressions for the visually impaired, in order to help the elderly and vulnerable groups integrate into the digital society and bridge the digital divide.

Digital Content

We have always attached importance to the health and safety of the digital content industry, complied with the laws and regulations in China's Internet news, audio-visual and other related business areas, and actively implemented various measures to ensure the development of its business in a compliant manner. At the same time, in the process of business operation, we should take the lead in juvenile protection, and actively explore the practical experience of the industry.

It is worth mentioning that in 2020, Tencent Video's "Little Penguin Paradise" content platform products for minors were upgraded. Through the functions of realisation of innovative interaction ability, high-quality mass video series, five-dimensional knowledge system, green guard mechanism etc, Tencent Video created a one-stop growth space for children from multiple dimensions such as content innovation, intelligence cultivation, health education, etc., to help children and parents learn and progress together. At the same time, we are also well aware of the importance of "health education". In the "Little Penguin Paradise" app, eye protection mode is built-in. It also provides time setting, volume reminder and other functions, creating a healthy viewing environment for parents to rest assured and let children enjoy the process of learning and entertainment more freely. We hope to bring a positive and upbeat guide to the growth of minors through high-quality content experience.

Tencent News continues to invest in original, in-depth content and precipitate user value. In the "White Book on the Social Value of China's Internet Media in 2019", "Research Report on Public Cognition and Information Communication of COVID-19" published by the State Information Center, and the "Survey Report on Credibility of China's Internet Media" released by the Ministry of Industry and Information Technology, Tencent News ranked first in terms of social value, satisfaction and credibility among all commercial media. In terms of the healthy development of content, Tencent News adheres to the profound cultivation of original content, creates high-quality IP, continues to create beautiful content with the brand, and uses the content to achieve a useful link between business and users, to realise the promotion of cognitive value and business value.

FinTech

We have long been committed to providing safe, convenient and professional payment services for Internet users and various enterprises and we continue to comply with relevant laws and regulations. The types of payment businesses include online payment, mobile phone payment and bank card acquisition, and the types of customers include individuals and merchants.

We provide a variety of security products to enhance account security. Our risk control system provides real-time monitoring 24 hours a day to ensure the safety of account funds. Users will be informed of any change in the amount of funds in the account immediately by mobile phone, e-mail and other means. We strictly comply with relevant laws and regulations to provide users with effective privacy protection strategies.

In addition to payment services, we are also committed to providing customers with safe and stable financial products. In early 2020, we optimised the platform display for financial wealth management products and categorised the financial wealth management products as stable financial wealth management, advanced financial wealth management etc. in order to provide our customers with better quality and more stable financial services. We will continue to conduct self-examination, optimisation and standardisation of our products in accordance with laws and regulations related to financial products, including the *Measures for the Supervision and Administration of Publicly-offered Securities Investment Fund Distributors*, the *Circular on Standardising the Retrospective Administration of Online Insurance Sales Practices*, and the *Measures for the Regulation of Internet Insurance Business*.

Tencent Cloud

Tencent Cloud provides services in accordance to the requirements of the relevant laws and regulations of the jurisdictions where it provides services and adopts technical and other necessary measures to ensure safe and stable operation of the network. Security is the cornerstone of Tencent Cloud. Based on the overall framework of comprehensive planning, through diversified products and security attributes, Tencent Cloud has realised all-rounded protection and deployed security protection at all levels, including physical security, virtualisation security, network security, host security, data security, application security, business security, security audit and security management, forming the whole process of protection before, during and after the event. At the same time, Tencent Cloud also implements corresponding security functions in products at all levels, including authentication, data reliability etc., and continuously optimises its own products.

Since its establishment, Tencent Cloud has been committed to improve the cloud security system, to build security compliance capabilities, and to participate in the formulation of the cloud security standards and big data security standards. With the continuous evolution of cloud computing technology and security technology, Tencent Cloud has established an efficient security internal control system, and improved its compliance foundation from the aspects of system process and control activities. Tencent Cloud has formulated corresponding compliance standards from the aspects of infrastructure security management and interoperability, virtualisation platform management and identity authentication management, and refined specific security compliance control requirements to ensure the effective operation of the entire Tencent Cloud security internal control system. Please refer to the section captioned "User Privacy and Data Security" for more information about cloud service security.

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Customer Service

Internet 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 Internet company, 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. All product departments of the Company conduct regular product research, including online questionnaire, social media, telephone calls, etc. to collect users' feedback on products to understand users' satisfaction and popular opinions, and pay attention accordingly during product designs and updates.

Tencent customer service relies on advanced Internet technology to build an Internet service model that adapts to the development of the Company's business and solves the massive user service needs. Tencent customer service department is supported by professional teams, which are responsible for handling and answering customers' complaints and inquiries about our business.

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. We are committed to providing customers with timely solutions and establishing diversified service channels in different ways to cater for different habits of users in different scenarios. At present, Tencent's service channels cover customer service hotline, online customer service, intelligent customer service, Weixin/WeChat and face-to-face talks etc.

3. To provide a better user experience, we have set up a complaint handling programme, which clearly sets out the responsibilities of customer service department and the time required to resolve complaints. In addition, we also help visualise the service entrance scene, so that users can have quick access to customer service in the first instance where problem occurs, and achieve the delivery of service with the shortest service path.

4. We have strengthened the infrastructure construction of the system. Complaints can be classified according to the degree of urgency and risk, so that the customer service staff can better give priority to relevant cases and handle complaints in a timely manner.

5. Build a strong closed-loop self-help tool, which can respond in seconds throughout the day, providing better efficiency than manual service. At present, the one-time solution rate of Tencent customer service self-service tools has reached 85%.

6. 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 handling of 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.

With the continuous expansion of the Group's business, the scale of customer service undertaken by Tencent customer service has increased year by year. In 2020, Tencent customer service provided assistance to users of hundreds of products, with approximately 420 million users and approximately 1.39 billion times of service. In connection with users' complaints received during our provision of services, Tencent customer service has set up a dedicated handling team and a comprehensive process to provide satisfactory solutions to better protect the rights of its users. In 2020, a total of 1,009,890 user complaints were received, with an escalation rate of 0.07%. 96% of the complaints were handled within three working days. In terms of business types, there were 591,307 complaints about games, accounting for 58.6%, 203,962 complaints about payment, accounting for 20.2%, and 214,621 complaints about social network and other businesses, accounting for 21.2%.

Cloud Services

Tencent Cloud is the cloud computing brand that the Group strives to build. According to the internationally recognised information security and IT management and control standards plan, and in compliance with various standards of the Mainland of China's regulatory requirements, we provide global leading cloud computing, big data, AI and other technology products and services to government agencies, corporations and individual developers in various countries and regions of the world.

Tencent Cloud customer service relies on the new Internet technology and creates a cloud service model suitable for the development of Tencent Cloud business. It solves the user's cloud technology service needs under various government agencies, enterprise organisations and individual developers. The cloud technology operation service department is supported by a professional team responsible for the customer's pre-sales, after-sales, technical delivery consultation and complaint handling.

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We have established the following systems to handle customer inquiries and complaints effectively:

1. In terms of organisation, we have set up a special global technical operation service team, comprising of service engineer, technical specialist, complaint handling engineer, quality operation engineer and other roles. All teams work together to provide professional and efficient service support for customers, actively negotiate with customers to offer satisfactory solutions to customer complaints, and properly handle customer complaints.

2. In terms of process, we refer to ITIL (Information Technology Infrastructure Library) / ITSM (IT Service Management), PMBOK (Project Management Body of Knowledge) and other best practices; develop and continuously improve the complaint handling process, report handling process and other process guidelines, to ensure the timeliness and standardisation of problem handling.

3. In terms of IT informatisation, we build Andon service and operation platform to implement ITSM (IT Service Management) and ITOM (IT Operation Management), covering public cloud, private cloud and self-research business, providing customers with various service desks (service hotline, online customer service, instant messaging exclusive group, work order service, etc.), for the implementation of event management, problem management, change management, fault management and other processes. In the process, the service engineer, expert engineer and research and development engineer should build a problem-solving channel to serve customers.

4. We have built project management platform, operation management platform and BI (Business Intelligence) data platform to support project operation and management, refine customers' expectations for product value and service value and identify the steps of value stream, and use data analysis platform to quantify each node index to drive continuous improvement.

5. To solve customer problems more quickly and accurately, we have built intelligent platforms such as intelligent customer service, intelligent risk control and intelligent operation platform to help us quickly receive complaints and early warning and deal with customer problems.

6. Adhering to the principle of "Tech for Good", Tencent Cloud actively creates a clear Internet space, builds a Tencent Cloud reporting platform, accepts reports from users, timely disposes of illegal behaviours of Tencent Cloud platform tenants, and coordinates the disposal of IP disputes.

7. In terms of partner and supplier management, we have established a global partner ecological network to provide more comprehensive, timely, efficient, professional and warm services for customers based on serving Tencent Cloud customers and win-win cooperation.

With the expansion of Tencent Cloud business, the scale of services undertaken by Tencent Cloud services has increased year by year, with 3.72 million times of services in 2020. In connection with users' complaints received during our provision of service, Tencent Cloud has set up a dedicated handling team and a comprehensive process to provide satisfactory solutions to better protect the rights of its users. In 2020, 418 complaints were received from users, with an escalation rate of 0.018%. 88% of the complaints were handled within 7 days.

Advertising Content

According to the *Advertising Law of the People's Republic of China* 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 advertising contents. We continue to adhere to the advertising review guidelines and require clients who intend to use Tencent Marketing Solution to publish advertisements to ensure the legality of contents for their advertisements, and to provide documents to prove that they possess the legal qualifications to publish relevant advertisements, and that the advertising contents are true and valid, and we review the customers' advertisement contents strictly in accordance with the above laws and regulations. If customers violate laws and regulations or relevant rules of Tencent Marketing Solution, then we will take measures such as refusing to release illegal advertising materials, removing illegal advertisements from shelves, requiring the said customers to bear liability for breach of contract, etc. Throughout the year of 2020, the Group has strictly complied with the aforementioned laws and regulations.

IP

China has launched a series of laws and regulations regarding protection of IP rights. For example, 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 17 October 2020, the *Copyright Law of the People's Republic of China* last amended on 11 November 2020 and the *Administrative Measures for Internet Domain Names* implemented on 24 August 2017 specify rules on the ownership, protection period, registration method and legal responsibility etc. 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 our dedicated IP team that is mainly 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 2020, we have obtained over 30,000 officially registered trademarks and over 17,000 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 enforcement measures to protect our IP rights. Please see further details on the Company's website (https://www.tencent.com/legal/html/en-us/property.html).

We actively participate in public affairs and the consultations on legislations, as well as 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 and trademarks and have made recommendations in the development of industry standards. We have actively participated in the development of the standard patent issues in recent years. In particular, we standardised the video coding technology by using our accumulated experience in audio and video technology.

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Within the past decade, we have been awarded the "WIPO-SIPO Award for Chinese Outstanding Patented Invention" jointly by World Intellectual Property Organisation and the State Intellectual Property Office of the PRC, the "Trademark Innovation Award" jointly by World Intellectual Property Organisation and the State Administration for Industry and Commerce 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.

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 obtain 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 the idea of integrity, we have developed various systems and measures to detect and deter corruption, bribery or any other fraudulent activities. High-risk business and management are regularly under audit to assess the effectiveness of the internal control system and raise red flags as soon as possible to ensure the Group complies with ethical standards which we strive to uphold. In 2020, the anti-fraud investigation department has found more than 50 cases of violations of various Tencent rules and policies, more than 90 people have been dismissed, amongst which more than 40 people suspected of crimes have been transferred to the police.

Risk Management and Internal Control Policy

In 2016, we updated the Risk Management and Internal Control Policy (the "Policy") with a system comprising three risk management lines of defence. The first line is business and functional departments. We provide targeted training and guidance for relevant employees to help them identify potential risks in their daily work and report to the superior. The risk management and internal control department acts as the second line of defence, establishes a list of major risks at the business level through the collection, summary, analysis and other steps, and ensures that appropriate risk response strategies and monitoring measures have been taken for review by the management, and submits them to the Audit Committee for review before reporting to the Board. The risk management and internal control department analyses and evaluates the response to major risks from time to time, and reports the results to the Audit Committee once every quarter. The Board entrusts the Audit Committee to assess and determine the nature and extent of the risks the Company is willing to accept to achieve the corporate objectives, determine the major risk response strategies and responsible departments, and promote the implementation of the management through the risk management and internal control department from top to bottom. The IA and the anti-fraud investigation department act as the third line of defence. The IA is responsible for providing independent evaluation and assurance for the effectiveness of the Company's risk management and internal control system. It also supervises the management team and helps them improve their risk management and internal monitoring skills. The IA is highly independent. The anti-fraud investigation department is responsible for receiving reports through multiple channels and timely following up and investigating suspected fraud cases. At the same time, it also assists the management in advocating integrity values and Sunshine Code to all of the Company's employees to ensure a 100% acknowledgment of the Sunshine Code. Both the IA and the anti-fraud investigation department report directly to the Audit Committee. Through the three lines of defence mechanism, we regularly provide targeted risk control training for employees at all levels and businesses of the Company, to enhance the overall staff's awareness of risk management.

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 control 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.

Sunshine Code and Anti-Corruption Trainings

All employees of the entire Group are required to follow and to strictly comply with the Sunshine Code. It expressly prohibits all kinds of fraudulent activities, bribery, embezzlement, misappropriation of company's assets, 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 effectively. To ensure that our employees comply with the requirements and ethics stipulated in the Sunshine Code, we have made a learning video as a compulsory course for new employees according to the Sunshine Code's specific provisions and the real cases in the past. If there are significant changes in the Sunshine Code's content, we will also ask all employees of the Group to retake the course in time. We ensure that all employees understand Sunshine Code's provisions and that 100% of our employees receive anti-corruption training. At the same time, we also require 100% of our suppliers to abide by the Company's business ethics and anti-corruption etc. requirements in the Sunshine Code and jointly safeguard the cooperation foundation of legal, fair and equitable trade. Employees at high-risk positions participate in face-to-face Sunshine Code training courses. They learn real cases to acquire a deeper understanding of the requirements of national laws and regulations and the Sunshine Code to avoid the risk of corruption. In 2020, six directors participated in the Audit Committee meeting, internal audit committee meeting and other internal meetings to learn Tencent's risk management and internal control policies, anti-fraud policies and measures, anti-corruption related laws and regulations and Sunshine Code, as well as the internal corruption cases. In addition, we will regularly push pictures and short videos to ensure that our staff can keep up with the requirements of anti-fraud laws and regulations.

Anti-fraud and Whistleblowing Policy

We have published an Anti-fraud and Whistleblowing Policy (the "Whistleblowing Policy"), which clearly conveys the message of our zero tolerance in relation to fraudulent activity to all the employees and suppliers/business partners. All employees and suppliers/business partners are encouraged by the Group 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 Weixin to promote our anti-fraud policy and whistleblowing channels with a function to allow our business partners to report directly to us.

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Employees and suppliers/business partners can also report other violations through this open channel, including but not limited to employees' misconduct, deception, disclosure of trade secrets or other violations of business ethics. We encourage the informants to leave their contact information for the follow-up investigation and inform the informants of the investigation's progress and handling promptly. At the same time, we also guarantee that anonymous reports that provide adequate reporting information will also be dealt with seriously. We guarantee to protect the informant's identity or information from disclosure and take measures to protect the informant from retaliation.

Fraud Detection and Corruption Prevention

When suspected fraudulent activities are discovered or 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 serious 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 serious corruption or any other fraudulent activities, we will terminate the contracts with them immediately and will never conduct business with them. In the event that any fraudulent activity violates any relevant laws or regulations, such cases shall be reported to relevant government authorities in accordance with applicable laws and regulations. In 2020, we received the results of the five corruption cases that we transferred to the authorities. Five former employees involved (timely dismissed according to the Sunshine Code) were found to be in violation of Article 163 of the *Criminal Law of the People's Republic of China* on "bribery of non-state workers" and Article 271 on "duty embezzlement", with the criminal punishment ranging from four months' detention to thirteen years' imprisonment. Because these cases were discovered and handled in time, they did not significantly impact the Company's business. After the occurrence of these cases, the direct and indirect managers of the employees involved bore the consequences, including demotion, cancellation of merit rating, and reprimand according to the Sunshine Code. Meanwhile, the relevant departments have also taken effective internal control measures to prevent similar cases from happening again.

In 2020, we issued the Management Policy for Sensitive Positions (the "Management Policy") to better implement the corporate governance standards and supervision requirements of risk management and internal control, and strengthen the construction of the Company's integrity system. The Management Policy provides that positions which participate in supplies/services/resources procurement, marketing, channel sales and resource management involving external cooperation, evaluation and selection of potential partners, pricing, resource allocation, key decision making and other high-risk duties should be regarded as sensitive positions. Corresponding management measures are taken for these positions, including requiring regular job rotation, stripping sensitive responsibilities, participating in various risk management training for sensitive positions etc. The Management Policy also clearly stipulates that the IA reserves the right to audit all personnel in sensitive positions and may conduct audit on current or former personnel in sensitive positions from time to time.

In order to convey a message regarding our determination to fight against fraud and to introduce our Whistleblowing Policy externally, we send a letter to our suppliers and business partners and request them to complete a questionnaire annually since 2015. 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 any gift, cash or benefit during the course of business and whether they have 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. Through the centralised system, the bidding process can be standardised and more transparent. The supplier management system also provides communication channels for suppliers to collect their feedback or complaints. Fraud complaints will be directly referred to the anti-fraud investigation department for follow-up. The Group aims to ensure that suppliers' complaints and concerns can be resolved in a timely manner and to minimise the risk of fraud.

Anti-money Laundering

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 and revised on 29 April 2020, 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. According to the *Administrative Measures for Anti-money Laundering and Anti-terrorism Financing of Payment Institutions* promulgated and implemented on 5 March 2012, payment institutions should establish and improve a unified internal control system for AML, and report it to the branch of the People's Bank of China where the headquarters are located and should set up a special institution or designate an internal institution to be responsible for AML and CTF.

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 2020, we strictly enforced the AML provisions of the regulatory authorities, further strengthened our compliance capacity, and orderly promoted all works under the framework of the Group's minimum standards for AML and sanctions compliance. Key aspects of the AML programme include but are not limited to the followings:

- To sort out and clarify the six major systems of AML management, including risk governance, risk assessment, control, system, identification and transaction monitoring;

- Strictly implement the Group's minimum standards for AML and sanctions compliance;

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- Regularly hold money laundering risk management committee meetings to continuously promote senior executives to perform their duties;

- To carry out institution money laundering risk assessment projects, optimise and improve assessment indicators and methodologies, and comprehensively evaluate institution's money laundering risk, in order to optimise the allocation of AML resources and enhance management standards.

In addition, the Group continues to improve the AML programme and dedicate increasing resources to the following key areas: (i) increase staffing and provide regular on-the-job and professional training for employees to improve the strength of AML professional team continuously; (ii) consolidate the system to achieve comprehensive coverage of regulatory requirements; (iii) regularly carry out special assessments to strengthen the implementation of AML and sanctions compliance system and rules, including customer and product money laundering risk assessment, transaction monitoring and suspicious transaction report compliance assessment and list system inspection; (iv) deepen cooperation with authorities and practise the idea of technology for the good; (v) active participation in international AML/CTF events to exchange industry best practices.

COMMUNITY

Community Investment

Tencent Charity Foundation was established in 2007 and receives donations from the Group every year. In 2020, Tencent Charity Foundation received a donation of RMB2.074 billion from the Group. As of 31 December 2020, Tencent Charity Foundation has received a total of RMB6.375 billion from the Group, with a total donation expenditure of RMB4.623 billion.

Since its establishment, Tencent Charity Foundation has been active in many public welfare fields with the mission of "exploring public welfare of technology, advocating digital responsibility, and promoting sustainable development of society", including (i) Internet charity fund-raising information platform; (ii) public hygiene and health; (iii) basic scientific research; (iv) poverty alleviation and rural development; (v) education; (vi) ecological conservation and cultural protection, and (vii) others.

In December 2020, Tencent Charity Foundation launched the "Tencent Tech for Good Programme", which aims to provide a platform for professional volunteers, technology enterprises and social innovation institutions to connect, collaborate and co-create, to jointly promote the use of technology capabilities, to solve social pain points and enhance social welfare.

Internet Charity Donation

Tencent Charity Platform is an Internet public donation information platform initiated and operated by Tencent Charity Foundation, which is open to qualified public charity organisations for free. The platform uses Internet technology and social media to connect public charity organisations, Internet users, media and enterprises to build a socialised, mobile and transparent charity donation ecology and boost public welfare. The charity industry's ability is improved, and the culture of public welfare and rational public welfare is advocated.

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Since 2015, Tencent Charity Foundation has continuously launched "99 Giving Day" every year to donate funds, brand communication, voluntary services and other charity resources for public welfare charity organisations with many Internet users, foundations and enterprises. In terms of accumulated fund-raising, the Tencent Charity Platform has so far become the largest Internet public fund-raising information platform in China.

As of 31 December 2020, Tencent Charity Platform has supported more than 95,000 public welfare projects in the Mainland of China, raising a total of RMB11.55 billion from the public and mobilising more than 100 million Internet users to participate in public welfare. In addition, Tencent Charity Foundation has made matching donations to charity organisations participating in "99 Giving Day" every year, with a total donation of about RMB1.8 billion. In 2020, "99 Giving Day" attracted more than 18 million users to participate in more than 10,000 charitable fund-raising projects, and more than RMB3 billion was raised during the three-day event.

Public Health

In the face of the continuous impact of the new pandemic on the global economy, we have established a RMB1.5 billion China Anti-Pandemic Fund and a USD100 million Global Anti-Pandemic Fund to support efforts against the pandemic. The anti-pandemic work includes donating medical protective materials to areas with the serious pandemic situation, providing technical support for clinical diagnosis, drug screening and vaccine research and development, donating health insurance funds for infected health care workers, community workers and non-governmental volunteers etc., providing donation support for research institutes to carry out public health and medical health-related research. In addition, during the pandemic period, Tencent promoted the launch of more than 100 anti-pandemic Mini Programs through its Internet technology capabilities and continued to provide digital services. In terms of medical assistance, Tencent launched tools such as pandemic surveillance, remote consultation and medical self-diagnosis, and provided cloud computing resources to scientific research institutions free of charge; in terms of information dissemination, Tencent News, Tencent Health, Tencent Medipedia, Tencent Map and other teams cooperated to develop products such as fever clinics map and rumour refuting platform; in terms of social services, Tencent quickly upgraded Tencent Meeting, WeCom, and other products and services to help promote the safe and orderly resumption of work and production.

Basic Scientific Research

At the end of 2018, Tencent Charity Foundation funded and supported a number of well-known scientists to jointly launch the Xplorer Prize, which aims to support young scientific and technological workers in basic science and cutting-edge technology fields. The Xplorer Prize annually supports 50 winners, each of whom can receive a cumulative cash grant of RMB3 million. In 2020, 50 young scientific and technological workers won the 2nd Xplorer Prize. Among them, there are 6 winners under 35 years old and 5 female winners.

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Poverty Reduction and Rural Development

Since its establishment, Tencent Charity Foundation has continued to carry out poverty alleviation and assistance to agriculture, covering six major areas: three-dimensional disaster relief, targeted poverty alleviation, education and culture poverty alleviation, health poverty alleviation, ecological poverty alleviation, and rural governance. Among them, Tencent Charity Foundation's "WeCounty" leverages on diversified platforms, such as mobile app, social media and Weixin Mini Program to help rural areas improve the digitalisation of the basic governance, and lay the foundation for the development of industries, the creation of wealth and the improvement of culture and living environment. As of 31 December 2020, 16,214 villages or communities in 30 provinces/autonomous regions/municipalities have joined the project, with approximately 2.52 million villagers certified.

Education

Over the years, Tencent Charity Foundation has set up various scholarships to promote education. In addition, there are also specific donations for different education programmes. In 2020, Tencent Charity Foundation donated approximately RMB88.11 million to education and advocacy related projects. For example, it set up "Wuhan College Software Engineering (Tencent class)" in Hubei Yidan University Education Development Foundation. The special fund is used to award outstanding students of software engineering major (Tencent class) of Wuhan College, and to fund a series of characteristic education and teaching activities for them. It also contributes to the "Outstanding Engineering Research Scholarship" set up in the China Foundation for International Scientific Exchange, which recognises a large number of engineering and technical personnel who are dedicated in China's economic restructuring and heavily contributed to promoting national technological innovation, industrial restructuring, and the technical level of the industry.

Ecological Conservation and Cultural Preservation

The Tencent Charity Foundation is keen on ecological conservation and cultural preservation. In 2020, Tencent Charity Foundation donated approximately RMB11.9 million to Shenzhen Taohuayuan Ecological Protection Foundation and Sichuan Taohuayuan Ecological Protection Foundation to carry out terrestrial ecology protection and nature education projects. In addition, we launched snow leopard protection activities, used technology to monitor snow leopard protection actions, and launched innovative publicity initiatives for animal protection. With regard to cultural preservation, Tencent Charity Foundation donated RMB15 million to the Palace Museum in 2020 for digital construction (cultural relic data acquisition and image processing as well as digital innovation laboratory construction), and donated approximately RMB5 million to establish a special fund for digital protection and promotion of cultural heritage under the Cultural Heritage Conservation Foundation to support digital protection projects related to Chinese traditional cultural heritage.

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Others

Through the "Tencent Tech for Good Programme", Tencent Charity Foundation actively participates in and contributes to various social public welfare issues. For example, in terms of smart pension, Tencent helped the elderly in Shenzhen nursing home with technology enabled by AI technology, big data, cloud computing, and Internet of Things. In the field of digital accessibility, Tencent Charity Foundation, together with the Group, uses Tencent Tianlai AI audio noise reduction technology to upgrade cochlear implant and improve the hearing experience of hearing-impaired people.

Volunteering

Tencent Volunteers' Association was founded in 2007. As of 31 December 2020, the Tencent Volunteers' Association has contributed more than 170,000 hours of voluntary services and the total number of participants is more than 16,000. There were more than 25 sub-divisions established at the city level (such as Beijing, Shanghai, Chengdu, Shenzhen, Wuhan, Guangzhou and Hefei) and at the business group level (such as enterprise development business group, cloud and smart industry business group, interactive entertainment business group, platform and content business group, Weixin business group, technology engineering business group, finance function and human resource function and management line).

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.

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, we have succeeded in locating the missing persons many times.

The Tencent Volunteers' Association, as one of the co-founders, 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.

Environmental, Social and Governance Report

Independent Practitioner's Limited Assurance Report
To the board of directors of Tencent Holdings Limited

We have undertaken a limited assurance engagement in respect of the selected Environmental, Social and Governance ("ESG") information of Tencent Holdings Limited (the "Company") listed below in the Company's ESG report for the year ended 31 December 2020 ("the 2020 ESG report") (the "Selected ESG Information").

SELECTED ESG INFORMATION

The Selected ESG Information for the year ended 31 December 2020 is summarised below:

Environmental

1. Emissions

1.1 Office buildings
- Total GHG emissions (Scopes 1 and 2) (tonnes)
- Direct GHG emissions (Scope 1) (tonnes)
  - Gasoline (tonnes)
  - Diesel (tonnes)
  - Natural gas (tonnes)
- Indirect GHG emissions (Scope 2) (tonnes)
  - Purchased electricity (tonnes)
- Total GHG emissions per person (tonnes / person)
- Total GHG emissions per square meter of floor area (tonnes / square meter)
- Hazardous waste (tonnes)
- Hazardous waste per person (tonnes / person)
- Non-hazardous waste (tonnes)
- Non-hazardous waste per person (tonnes / person)

1.2 Data centres
- Total GHG emissions (Scopes 1 and 2) (tonnes)
- Direct GHG emissions (Scope 1) (tonnes)
  - Diesel (tonnes)
- Indirect GHG emissions (Scope 2) (tonnes)
  - Purchased electricity (tonnes)
- Hazardous waste (tonnes)
- Non-hazardous waste (tonnes)

Workplace

Workforce
- Total number of employees
- Number of employees by gender
  - Male
  - Female
- Number of employees by age group
  - Under age 30
  - Age 30 to 50
  - Above age 50
- Number of employees by geographical region
  - The Mainland of China
  - Hong Kong, Macao and Taiwan
  - Other countries and regions
- Number of employees by management level
  - Management
  - Non-management
- Total turnover rate
- Employee turnover rate by gender
  - Male
  - Female
- Employee turnover rate by age group
  - Under age 30
  - Age 30 to 50
  - Above age 50

2. **_Use of Resources_**

2.1 _Office buildings_

- Total energy consumption (MWh)
- Direct energy consumption (MWh)
  - Gasoline (MWh)
  - Diesel (MWh)
  - Natural gas (MWh)
- Indirect energy consumption (MWh)
  - Purchased electricity (MWh)
- Total energy consumption per person (MWh / person)
- Total energy consumption per square meter of floor area (MWh / square meter)
- Running water consumption (tonnes)
- Running water consumption per person (tonnes / person)
- Reclaimed water consumption (tonnes)

2.2 _Data centres_

- Total energy consumption (MWh)
- Direct energy consumption (MWh)
  - Diesel (MWh)
- Indirect energy consumption (MWh)
  - Purchased electricity (MWh)
- Average PUE
- Running water consumption (tonnes)

- Employee turnover rate by geographical region
  - The Mainland of China
  - Hong Kong, Macao and Taiwan
  - Other countries and regions

Health and Safety

- Total number of work-related fatalities
- Work-related fatality rate
- Working days lost due to work-related injury

Training

- Percentage of employees trained by gender
  - Male
  - Female
- Percentage of employees trained by management level
  - Management
  - Non-management
- Average training hours of employees by gender
  - Male
  - Female
- Average training hours of employees by management level
  - Management
  - Non-management

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Operating practices	Community

Supply Chain Management
• Number of suppliers by geographical region
  – The Mainland of China
  – Hong Kong, Macao and Taiwan
  – Other countries and regions
 	
Product Responsibility
• Number of Internet service user complaints received, covering the following categories:
  – Games
  – Payment
  – Social network and others
• Number of Tencent Cloud service user complaints received
 	
Anti-corruption
• Number of concluded legal cases regarding corrupt practices
	• Donations to Tencent Charity Foundation by Tencent Group (RMB billion)
	• Donations from Tencent Charity Foundation to
	  – Education and advocacy related projects (RMB million)
	  – Shenzhen Taohuayuan Ecological Protection Foundation and Sichuan Taohuayuan Ecological Protection Foundation (RMB million)
	  – The Palace Museum (RMB million)
	  – The China Heritage Conservation Foundation (RMB million)

Our assurance was with respect to the year ended 31 December 2020 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2020 ESG report and, therefore, do not express any conclusion thereon.

CRITERIA

The criteria used by the Company to prepare the Selected ESG Information is set out in the sections headed "Application of Reporting Principles" and "Reporting Boundary of this Report" in the 2020 ESG report (the "Criteria").

THE COMPANY'S RESPONSIBILITY FOR THE SELECTED ESG INFORMATION

The Company is responsible for the preparation of the Selected ESG Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected ESG Information that is free from material misstatement, whether due to fraud or error.

INHERENT LIMITATIONS

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

OUR RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the Selected ESG Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Selected ESG Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Selected ESG Information, assessing the risks of material misstatement of the Selected ESG Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Selected ESG Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

• obtained an understanding of the ESG governance structure, ESG strategy and stakeholder engagement process;

• made inquiries of the personnel involved in the preparation of the ESG report regarding the preparation process and the internal control system relating to this process;

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- understood the process for collecting and reporting the Selected ESG Information. This included visiting the Company's corporate head office in Shenzhen, 2 office buildings and 2 data centres (which were selected on the basis of their inherent risk and materiality to the Company, "Selected Sites"), understanding the key data collection processes and controls at the Selected Sites and analysing the relevant data collected;

- performed limited substantive testing on a selective basis and analytical procedures of the Selected ESG Information at the Selected Sites to substantiate the data is appropriately measured, recorded, collated and reported; and

- considered the disclosure and presentation of the ESG report prepared in accordance with underlying records and the ESG Reporting Guide, Appendix 27 to the Main Board Listing Rules by The Stock Exchange of Hong Kong Limited.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Selected ESG Information has been prepared, in all material respects, in accordance with the Criteria.

LIMITED ASSURANCE CONCLUSION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Selected ESG Information for the year ended 31 December 2020 is not prepared, in all material respects, in accordance with the Criteria.

Our report has been prepared for and only for the board of directors of the Company and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 March 2021