

# Environmental, Social and Governance Report 2023



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## About Tencent

Tencent is a world-leading internet technology company that upholds the vision and mission of "Value for Users, Tech for Good". Founded in 1998, we have been developing innovative products and services that enhance the quality of life of people. Tencent has been listed on the Main Board of the Stock Exchange of Hong Kong since June 2004.

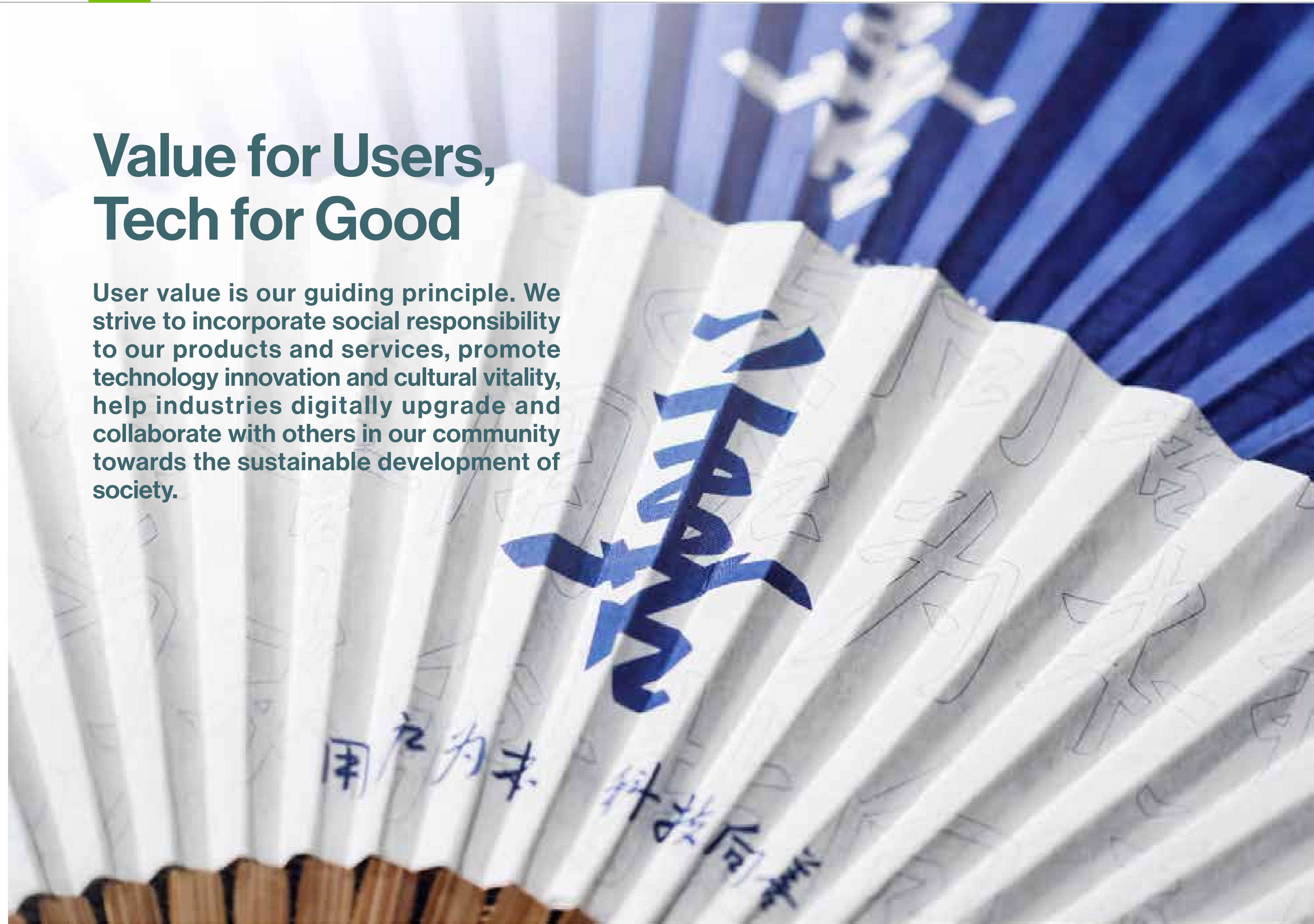
Our communication and social services connect more than one billion people around the world, enabling them to stay in touch with friends and family, enjoy digital entertainment and use life services, and complete transactions via our secure online payment platforms.

We publish some of the world's most popular video games and other high-quality digital content, providing rich interactive entertainment experiences for people around the globe.

Tencent also offers a cloud computing, advertising, FinTech, and other enterprise services to our business partners, supporting their digital transformation and business growth.

# Value for Users, Tech for Good

User value is our guiding principle. We strive to incorporate social responsibility to our products and services, promote technology innovation and cultural vitality, help industries digitally upgrade and collaborate with others in our community towards the sustainable development of society.



# Message from the Chairman

**Digital technology and artificial intelligence are core strengths powering the sustainable development of our company. Through these strengths, we create user value, commercial value for various industries we serve, and social value, fulfilling our mission of "Value for Users, Tech for Good".**

The 99 Giving Day event, held for the ninth consecutive year, is an excellent example of how we implement "Tech for Good". We support philanthropic organisations, through the deployment of our digital technologies and the access to our massive user base, to raise donations for their projects listed on the Tencent Philanthropy platform, and then share project updates to the donors. The number of donations in 99 Giving Day surged to 65 million in 2023, more than 30 times higher than in 2015, and total donations reached new highs of RMB3.8 billion.

The XPLOER PRIZE and the New Cornerstone Investigator Programme, which provide long-term funding to scientists in basic sciences research, have gained high recognition within the scientific community. To date, more than 300 outstanding scientists have received funding, and their research topics are diverse and differentiated. We also provide funding to social projects dedicated to finding innovative pathways to tackle societal challenges, including Tencent Technology Public Welfare Venture, CarbonX Programme and Vitality Programme, our incubator programmes supporting innovative endeavours in philanthropy, carbon-related technologies, and healthcare services in underserved regions. In addition, Tencent and the China Foundation for Rural Development have jointly launched the Rural Revitalisation Huoshui Programme to provide training on project design, operations, and financial management to grassroot philanthropic organisations in 151 underdeveloped counties in China. The programme was named among the "Global Best Poverty Reduction Practices" by the World Bank and the Food and Agriculture Organisation of the United Nations in 2023.

Within the company, our commitment to creating social value is engrained in our culture and reflected in our products. We encourage managers to thoughtfully integrate commercial value and social value in product use cases and have included this requirement in the balanced scorecard review of certain core businesses since 2023. We mobilised employees to join the "Act for Good" initiative and take part in such campaigns launched in Weixin Pay, games, Weixin Video Accounts and our other products. Tencent AIMIS Medical Imaging Platform of Digital Intelligence is a good example of how our business teams worked together to expand social value. AIMIS, which has won the 2023 World Internet Conference Award for Pioneering Science and Technology, operates high-speed screening of medical images assisted by artificial intelligence and enables physicians to diagnose more efficiently. By deploying AIMIS to the nationwide Pilot Project to Prevent and Control Two Cancers for Women funded by our sustainable social value business unit, this collaboration has made cancer screenings more accessible for women in underprivileged areas.

Artificial intelligence (AI) has permeated into many aspects of life and work. Traditional AI and generative AI provide substantial assistance in creating, optimising, or customising product experiences and enhancing commercialisation of the digital economy. In the real economy, AI helps humans reduce repetitive work, freeing up manpower and time, and provides operational support in unsafe, time-consuming, or low-efficiency work environments. AI thus enables humans to re-direct their time and energy towards more valuable, more safe, and more creative tasks. Tencent has invested significant manpower and resources in AI and our proprietary foundation model *Tencent HunYuan* has been deployed to over 600 product use cases. We are committed to developing and deploying AI safely, ethically and in compliance with emerging AI regulations. Our technical and business teams must adhere to "Tech for Good" and are required to make thoughtful decisions on "what we can and will do" and "what we can but will not do" before they allocate resources to related projects.

Tencent is committed to practising "Tech for Good" via our support for meaningful initiatives and our purposeful action, and build partnerships in the society to promote the well-being of humankind.

**Ma Huateng**  
Chairman of the Board

# Executive Summary

**We continued to execute our ESG strategies by proactively identifying and managing relevant risks, as well as integrating the creation of sustainable social value in our daily operations and product development. During 2023, we made significant progress in the following areas:**

- We made progress towards our carbon neutrality goal by reducing emissions through energy management. Our fourth-generation data centre technology T-Block enables us to use energy more efficiently in data centres and we are promoting the transition to renewable energy across our operations. In 2023, the proportion of renewable electricity used rose from 7.2% in 2022 to 12.4%. This was attributed to the augmented installed capacity of our self-built renewable energy facilities to 52.2MW, along with the uptake in the procurement of renewable electricity to 604.3 million kWh, representing an increase of 166.3% and 79.6% respectively, compared to 2022.
- Drawing on the LEAP approach in the Taskforce on Nature-related Financial Disclosures recommendations, we conducted our first nature-related risk assessment. We identified the impacts, dependencies, risks and opportunities of our business operations on nature and biodiversity, which would be useful for developing our action plans. We have upgraded our AI-Powered Snow Leopard Recognition and Data Management Platform and extended its use to protect other species, fulfilling our pledge in our Biodiversity Statement.

## Environmental

## Social

- Tencent is committed to assisting people with physiological limitations in bridging the digital divide and has adapted our core products to be fully accessible. We established the United Laboratory for Accessibility Research, in collaboration with the China Disabled Persons' Federation, to promote barrier-free environment in public spaces. We deployed our Ethereal Audio AI technology to hearing aids and have worked with industry partners to produce high quality and affordable products for the hearing impaired, helping them blend in digital life.
- We continue to invest in technologies and research to enhance our capabilities in user privacy and data protection to safeguard users' digital rights. Privacy Impact Assessments is now a compulsory step in product development and operations, and third-party data processing controls has been reinforced. We gave free access to a range of foundational security functionalities on Tencent Cloud to small and medium-sized enterprises, promoting their awareness and capabilities in cybersecurity. No significant security incidents or data breaches occurred during the reporting period.
- We are committed to promoting the United Nations Sustainable Development Goals. With Tencent AIMIS Medical Imaging Platform of Digital Intelligence, we helped medical professionals increase the efficiency of screening and diagnosis, and rolled out large-scale screening programmes for certain diseases in under-served areas. Our Smart and Healthy programme, which aims to set up 100 Future Classrooms and 100 Future Sports Fields in underdeveloped regions, provided local teachers and students an equitable opportunity to immerse in the fun, interactive learning experience brought by innovative technologies. By year-end, they made over 4 million visits to these facilities. We developed a collaboration platform for emergency services and humanitarian organisations to enhance operational efficiencies while they handled emergency rescue and disaster relief. The platform was proven to be useful in earthquake early warnings, natural disasters, and automated external defibrillator interventions.
- We signed up to the Women's Empowerment Principles, reinforcing our commitment to promote diversity, equity and inclusion in the Company. In 2023, the senior executive management team has set the direction for further promoting inclusion. A project team was appointed to conduct in-depth analysis and identify pathways for increasing female representation in the company and in decision-making roles. The project team will work with relevant departments to customise action plans.

## Governance

- Tencent joined the United Nations Global Compact in August 2023, pledging to integrate its Ten Principles into our business decisions and take proactive actions to support the United Nations Sustainable Development Goals.
- We developed our ESG Code of Conduct for suppliers and will work with them to ensure compliance of business practices. We promoted the green transformation of our supply chain by introducing environmental compliance appraisals in the selection process and annual reviews, and providing our intelligent solutions to operate and maintain low-carbon data-centres to our partners.

We were pleased that Tencent was included in two of the Dow Jones Sustainability Indices, namely DJSI World Index and the DJSI Emerging Markets Index, in December 2023, reflecting the wide recognition of our progress in ESG management by the capital market.

**James Mitchell   John Lo**  
Co-Chairs  
ESG Working Group

# Corporate Governance

## Board Independence and Diversity

Tencent has established a unitary board. As of 31 December 2023, the Company's board of directors (the "Board") comprised of eight directors, including an executive director, two non-executive directors ("NEDs") and five independent non-executive directors ("INEDs").

The NEDs are from the senior management of Naspers which is a substantial shareholder of Tencent. They bring business, financial and management experience from a global perspective and in reflection of the long-term interests of shareholders as they perform the supervisory duties of the Board. The INEDs are professionals from a wide range of industry backgrounds. They bring in expertise and management experience in different fields and provide checks and balances that safeguard the interests of the shareholders, the Company and the stakeholders. From 2021 to 2023, the proportion of NEDs and INEDs in the Board increased from 75% to 87.5%, and that of INEDs in the Board increased from 50% to 62.5%.

To better serve the long-term interests of our stakeholders, the Board delegates certain matters requiring particular time, attention and expertise to its committees. As such, the Board has established five committees to assist the Board: Audit Committee, Corporate Governance Committee, Investment Committee, Nomination Committee and Remuneration Committee.

	Audit Committee	Corporate Governance Committee	Investment Committee	Nomination Committee	Remuneration Committee
<b>Chairman</b>	Independent non-executive director	Non-executive director	Senior executive of Tencent <sup>1</sup>	Executive director	Independent non-executive director
<b>Executive director</b>	0	0	1	1	0
<b>Non-executive director</b>	1	1	1	1	1
<b>Independent non-executive director</b>	2	4	0	3	2
<b>Proportion of non-executive directors and independent non-executive directors</b>	100%	100%	33.3%	80%	100%
<b>Core responsibilities</b>	<ul style="list-style-type: none"> <li>review financial information and oversee the financial reporting system;</li> <li>manage relationships with external auditors;</li> <li>review management's work on risk management and internal control systems and oversee the risks undertaken by the Company;</li> <li>oversee anti-money laundering and sanctions compliance system.</li> </ul>	<ul style="list-style-type: none"> <li>review and monitor ESG-related matters, including the progress on strategies, targets and metrics and the disclosure in ESG report, and make recommendations to the Board;</li> <li>review matters related to corporate governance and the disclosure in corporate governance report, and make recommendations to the Board;</li> <li>review and monitor compliance with legal and regulatory requirements;</li> <li>review the shareholders communication policy and make recommendations to the Board as appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>identify, consider and make recommendations concerning mergers, acquisitions and disposals;</li> <li>ensure compliance with the Listing Rules and any other relevant laws and regulations with respect to any mergers, acquisitions or disposals.</li> </ul>	<ul style="list-style-type: none"> <li>review and monitor the structure, size, composition and diversity of the Board;</li> <li>identify suitable and qualified individuals and recommend new Board members to the Board;</li> <li>review and advise the Board on shareholders' nominations for directorships;</li> <li>assess the independence of INEDs and their perspectives, skills and experiences they bring to the Board;</li> <li>review and monitor the implementation of the Board Diversity Policy and the Board Nomination Policy.</li> </ul>	<ul style="list-style-type: none"> <li>review and approve the remuneration policy and structure of directors and senior executives, ensuring that such remuneration proposals are in line with corporate goals and objectives;</li> <li>ensure that neither the director nor any of his associates are involved in determining his own remuneration;</li> <li>review and approve share scheme-related matters.</li> </ul>

The Board values the diverse experience of its directors and recognises the oversight provided by the NEDs and INEDs. The Board makes continuous efforts on maintaining a good mix of director tenure lengths to embrace various viewpoints and perspectives from existing and new directors, while ensuring the effectiveness and efficiency in fulfilling their fiduciary duties. Two out of the five INEDs have served for more than nine years. The Nomination Committee and the Board, after careful assessment, are of the view that they have the character, integrity, independence and expertise to fulfil their roles as INEDs effectively and will continue to bring valuable experience, knowledge and professionalism to the Board.

The Board focuses on a diverse set of factors when selecting directors, including industry knowledge, professional background, experience and gender, having due regard to the benefits of board diversity. We have implemented the Board Diversity Policy and Board Nomination Policy, and we have fully considered the Company's current policies and the Listing Rules requirements when assessing whether the candidates are eligible to serve as directors. In 2023, the proportion of female directors on the Board increased to 25%, and the Board targets to increase the proportion of female directors to 30% by 2030. Board members of the Company have deep domain expertise covering a wide range of sectors, including computer and information technology, telecommunication, business administration, financial management, accounting, law, medicine, and social sciences.

The Board has delegated its responsibility to oversee the Company's ESG matters to the Corporate Governance Committee. The Corporate Governance Committee is chaired by a NED and comprises of four INEDs. For details of the Company's corporate governance efforts in 2023, please refer to the "Corporate Governance Report" section of Tencent's 2023 Annual Report.

<sup>1</sup> The Chairman of the Investment Committee is Mr. Lau Chi Ping Martin, President of Tencent.

## Risk Management

Adequate and effective risk management and internal control systems are key to safeguarding the achievement of the Company's strategic objectives. In respect of establishing the organisational structure for risk management, implementing risk management processes, and enhancing risk culture, the Company has been continuously improving its risk management and internal control system, as well as enhancing its risk management capabilities to ensure the healthy and sustainable development of the Company.

### Risk Governance Structure

The Board acknowledges that it is its responsibility to ensure that the Company has established and maintained adequate and effective risk management and internal control systems. The Board delegates its responsibility to the Audit Committee to review the management practices with respect to risk management and internal control on a quarterly basis, including the design, implementation and monitoring of risk management and internal control systems. The Audit Committee also reviews the effectiveness of risk management and internal control systems on an annual basis. The members of the Audit Committee have extensive experience and knowledge in financial management and risk management. They also receive updates on the latest risk management requirements and best practices from the internal teams and would discuss in the quarterly Audit Committee meetings if necessary.

Under the supervision and guidance of the Board, the Company has adopted a risk management and internal control structure, referred to as the "Three Lines Model", to ensure the effectiveness of its risk management and internal control systems.

### Risk Management Process

As an Internet and technology company with a wide variety of rapidly changing businesses, the Company has adopted the following dynamic risk management process in response to the ever-changing risk landscape:

Business and functional departments of each business group identify, assess and respond to risks in the course of operation in a bottom-up and systematic manner.

Through collecting, consolidating, and analysing the Company's businesses, the Internal Control Department builds a list of significant risks at both the corporate and business level, and ensures that appropriate risk response strategies and control measures have been taken for such risks. These significant risks as well as the corresponding risk responses and control measures will be reviewed by management and subsequently by the Audit Committee before reporting to the Board.

The Internal Control Department analyses and evaluates the responses to significant risks from time to time, and reports to the Audit Committee at least once a year.

The Audit Committee, on behalf of the Board, assesses and determines the nature and level of the risks that the Company is willing to take in order to achieve its business objectives and formulates appropriate response strategies which include designating responsible departments for handling each significant risk. The Audit Committee provides guidance to the Company's management to implement effective risk management system with support from the Internal Control Department.

On behalf of the Board, the Audit Committee supervises the overall risk management of the Company and assesses the acceptable level of risk, risk rating, and response strategies of the Company's risks. The Audit Committee considers that management has taken appropriate measures to address and manage the significant risks that they are responsible for at a level acceptable to the Board.

For details of the significant risks and corresponding response measures for 2023, please refer to the "Corporate Governance Report" section of Tencent's 2023 Annual Report.

### Integrating ESG into Risk Management

We have integrated ESG-related factors, including but not limited to climate change and human capital management, into the Company's risk assessment and internal control management processes. We also conduct regular risk identification and assessment, prioritise risks based on the results of the assessment, and formulate appropriate risk response measures accordingly.

### Risk Culture

The Company is committed to establishing and improving the internal control environment, to strengthening employees' risk management awareness, and to continuously enhancing its risk management capabilities.

The Company provides regular risk management and internal control training to all employees through various channels such as on-site and online courses, comic series, and online interactive columns. The training covers topics such as risk management system, key risk analysis and internal control activities. Risk management training is included in the mandatory courses for new employees to increase the overall employees' risk awareness.

In addition, the Company incorporates the evaluation results of the risk management and internal control practices of business groups and functional departments into the performance review process.

## Commercial Value, Social Value, and Shareholder Value

Since our strategy upgrade to promoting sustainable innovations for social value, alongside nurturing the consumer internet and embracing the industrial internet, we have positioned the Company with a clear strategic vision for future development and strengthened our foundation in sustainability.

Tencent continues to place user value at the core of our mission and culture, and at the forefront of commercial value design for our products and services. Our investment in social value innovations, which is funded by investment gains and may take time to produce scalable outcomes, is separate from the resources we allocated in R&D for our products, technologies and platforms that are crucial for creating user value and ultimately shareholder return.

We proactively manage the balance between commercial value, social value and shareholder value, ensuring the interests of shareholders and stakeholders are considered and the Company can steadfastly attain sustainable development in the long run.

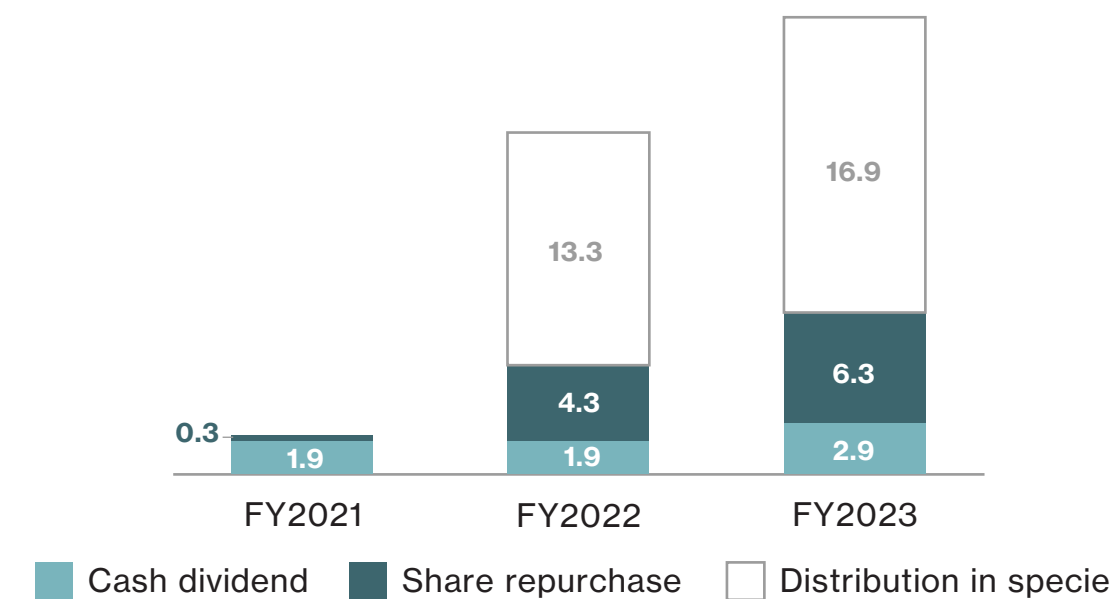
In the design of commercial value, user value is our foundation. We invest heavily in technologies and products, strengthening the protection of user privacy and data security to deliver superior product experience to our users. By supporting industries to upgrade digitally, we create social value together for the society, which in turn allow us to share the commercial benefits brought by the convergence of digital and real economies. In promoting digital industrialisation and industrial digitalisation, we position Tencent as a digital assistant that facilitate innovation and entrepreneurship and provide enabling technologies to support industries' digital transformation.

On social value innovation, we focus on deploying our products and technologies to find innovative pathways to solve social pain points. We encourage our business teams to enhance the social value of our products, for example, digital accessibility for communities with activity limitations and protection of endangered wildlife. Led by our Sustainable Social Value organisation, we provide funding support to scientists specialising in basic science research and, in nine other core areas, partnered with recognised philanthropic organisation to incubate projects that can bring scalable benefits to society.

Regarding shareholder value, we are committed to maintaining a high standard of corporate governance and integrating social and environmental factors in our corporate strategies and risk management. Our continuous focus on user value creation and the integration of social value and commercial value will strengthen the Company's foundation in sustainability, thus safeguarding shareholder value.

In the past years, Tencent has returned substantial capital to shareholders through payment of cash dividend, share repurchases, and settlement of distribution in specie. We completed the special distributions in specie of Class A ordinary shares of JD.com in 2022 and Class B ordinary shares of Meituan in 2023 to qualified shareholders respectively, which enhanced the return of capital to shareholders. During the year ended 31 December 2023, Tencent repurchased a total of approximately 152 million shares on the Stock Exchange of Hong Kong for an aggregate consideration of approximately HKD49.4 billion before expenses. The repurchased shares were subsequently cancelled. We intend to at least double the size of our share repurchases to over HKD100 billion in 2024. The repurchase is effected for the enhancement of shareholder value in the long term. Subject to the approval of the shareholders at the 2024 Annual General Meeting, the Board has recommended the payment of a final dividend of HKD3.40 per share (2022: HKD2.40 per share) for the year ended 31 December 2023.

For the year ended 31 December 2023, total return of capital to shareholders (In USD billion)



## Board Statement

The Board assumes full responsibility for the Company's ESG strategy and reporting, and has delegated its responsibility to oversee ESG related matters to the Corporate Governance Committee. Under the 3-tiered ESG governance structure (please refer to the "ESG Governance - ESG Governance Structure" section for more information) established by the Company, the ESG Working Group will provide support to the Corporate Governance Committee to oversee the implementation, progress and performance management of the Company's ESG-related matters.

During the reporting period, the Board has participated in the materiality assessment and prioritisation of key ESG issues. Through interviews, surveys, meetings, and other means, directors provided their views and suggestions regarding ESG topics that could potentially impact the Company's long-term sustainable development and evaluated the priorities of such topics (please refer to the "ESG Governance - ESG Materiality Assessment" section for more information). The senior executive management team and business leaders have also participated in the assessment of key ESG risks related to the business, and formulated risk response measures by considering the possibility, impact, and trends of key ESG risks. In addition, the Company has incorporated key ESG risks into its annual corporate risk assessment and comprehensive risk management system. The Board and the Corporate Governance Committee regularly supervise ESG tasks, review the key risks, and make recommendations for measures to be taken.

The Corporate Governance Committee kept track of ESG-related matters via regular updates, special reports and responses to ad-hoc inquiries prepared by the ESG Working Group. The Corporate Governance Committee and the Board closely followed material ESG topics that may significantly impact the Company's business development, and oversaw the formulation and implementation of relevant response strategies. The Company's annual ESG report, which obtained third-party limited assurance, is reviewed and approved by the Corporate Governance Committee and the Board.



# ESG Governance

## ESG Strategy

Based on our vision and mission, "Value for Users, Tech for Good", Tencent's ESG strategy is aligned with our business strategy, which takes into consideration consumers, industries, and society. Our ESG strategy has become a core element of our corporate culture and is recognised by the management and employees as the driving force behind the Company's sustainable development.

We implement ESG management systematically on three levels via: (i) establishment of an ESG governance structure covering the Board, the management, and staff; (ii) integration of ESG concepts into our corporate culture and ESG practices in day-to-day business operations; and (iii) publication of an ESG report annually in line with international standards to increase transparency, enabling stakeholders to witness our involvement and progress in the ESG realm.

With the rapid advancement of artificial intelligence alongside the convergence of digital, and real economies in a globally interconnected landscape, the Internet industry is faced with a spectrum of new market opportunities and risks. Tencent is committed to creating products that generate value for users and business partners, as well as identifying and managing related risks in advance. At the same time, Tencent upholds "Tech for Good", uses technologies to alleviate environmental and social pain points, and promotes the 17 sustainable development goals, taking our share of responsibility as a good corporate citizen. The implementation of Tencent's ESG strategy is summarised on the right.



### Business Operations

- Uphold business ethics. Operate in compliance with the laws, and establish and adhere to a code of ethical business conduct that encompasses anti-fraud, anti-unfair competition, and anti-money laundering practices;
- Improve corporate governance. Ensure the effectiveness, independence, and diversity of our governance system, and integrate ESG into risk management and control, to protect the rights of shareholders and related parties;
- Provide our employees with a diverse, equitable, inclusive, and safe work environment, empower their professional growth, and nurture technology talents.

### Users

- Protect the privacy of our users and the security of their data and digital properties. Implement a rigorous user privacy policy and cybersecurity strategy, and build a healthy digital content ecosystem to provide valuable products and protect the rights of users;
- Listen to feedback from users and actively respond to their needs, enquiries, and complaints, and continuously enhance the quality of products and services accordingly;
- Support users, especially the minors, the silver generation, and people with physical limitations, so that they have access to equal opportunities to become part of the development of the digital economy in a safe Internet environment.

### Business Partners

- Assist industries, especially small and medium-sized enterprises ("SMEs") in managing digital transformation;
- Ensure fair and equitable treatment when dealing with our business partners, and encourage them to give us feedback regarding our business practices;
- Eliminate and crack down on illegal or unwarranted behaviours that are harmful to long-term business partnerships by empowering our Risk Management and Internal Control Department and Anti-fraud Investigation Department.

### Community and Industry

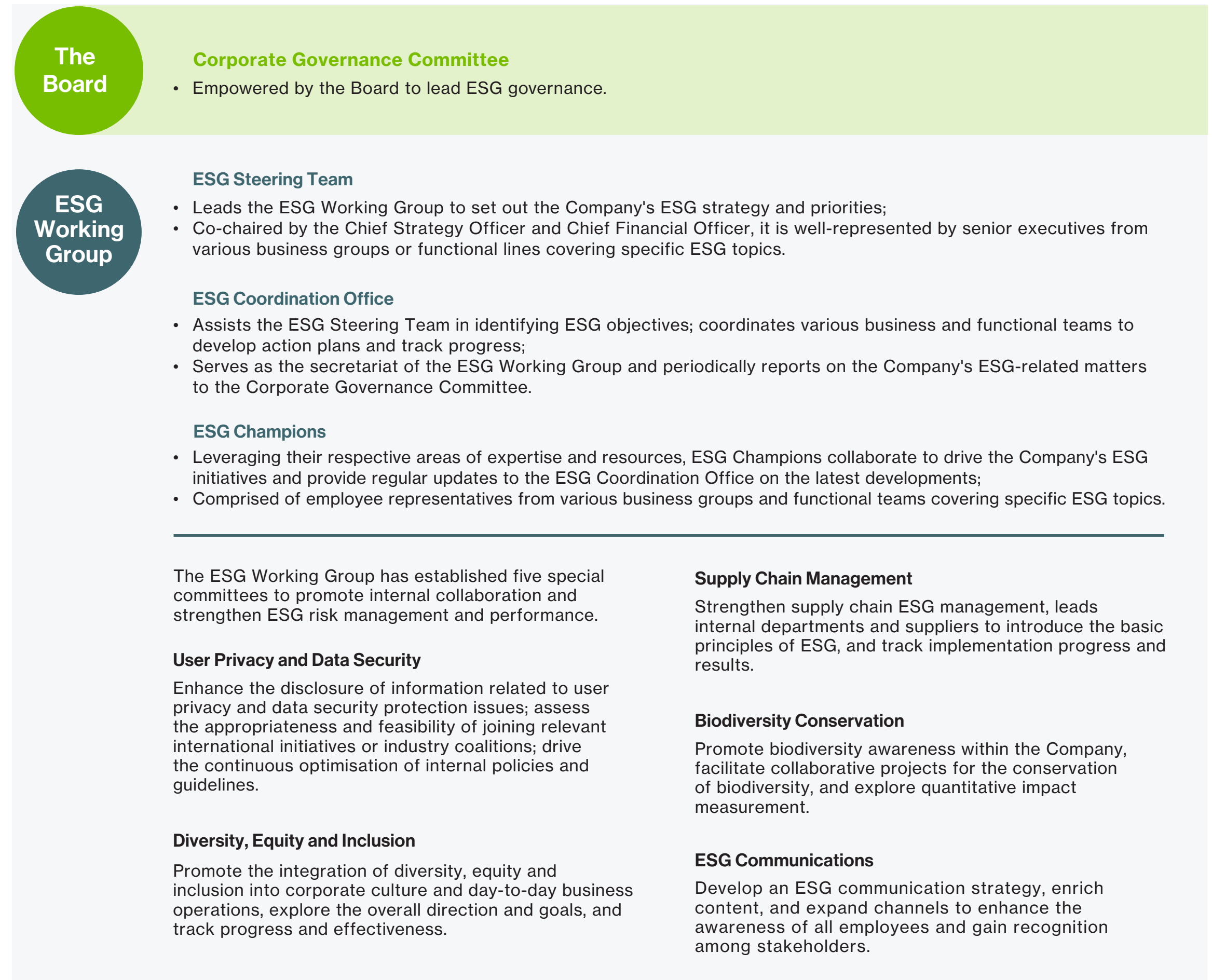
- Increase community investment, leverage our platforms and technologies to implement "Tech for Good", and alleviate social pain points through innovative applications;
- Support digital philanthropy by leveraging digital capabilities to reduce the barrier for the public to participate in philanthropic activities, improving the operational efficiency of philanthropic organisations to better serve its users, and continuously enhancing the transparency of philanthropic projects;
- Contribute to the advancement of the Internet industry via open-source partnerships and open platform collaboration.

### Environment

- Consider the environmental impact of our products during the development and operation stages;
- Reduce our carbon footprint and increase the use of renewable energy to achieve carbon neutrality in our operations and supply chains by 2030; assist industries in strengthening climate change management, contributing to the low-carbon transformation of society through technological solutions;
- Raise the environmental awareness among employees and users, and encourage the adoption of eco-friendly practices to reduce carbon emissions and waste while also minimising resource consumption.

## ESG Governance Structure

The Company has established a comprehensive and robust ESG governance structure, which advances ESG governance and performance enhancement at three levels: oversight by the Board, driven by the management, and implemented by ESG Champions. Since the establishment of the ESG Working Group (see the illustration chart below) in 2021, the Corporate Governance Committee has further strengthened its oversight through inquiries, written reports, face-to-face meetings, and review of the annual ESG report prepared by the ESG Working Group.



## Annual Review of ESG Working Group

Through the annual conference and various topical sessions, the ESG Working Group kept its members abreast of the latest developments in the evolving ESG landscape, conducted in-depth sharing on ESG performance management initiatives, and fostered a stronger integration of ESG concepts across our products and operations. In 2023, we launched an award programme to honour the best examples of ESG implementation, which aims to promote ESG awareness and enhance ESG performance. Participating cases were shortlisted based on ESG requirements relevant to the Company, with winning cases determined by popular votes from employees. Awardees were invited to present their cases at the ESG Working Group annual conference.

In August 2023, Tencent joined the United Nations Global Compact (UNGC), committing to integrating its Ten Principles into our business decisions and pledging to take concrete actions to advance the United Nations' Sustainable Development Goals (UNSDGs).

We remain focused on driving the execution of ESG-related policies at the Group level, including the Environmental Protection Management Policy, Biodiversity Statement, and a statement on Our Commitment to Diversity, Equity and Inclusion. In areas such as human resources, privacy and security, anti-fraud, anti-monopoly, and anti-money laundering, which all have ESG-related policies, we will continue to upgrade existing policies to strengthen implementation and ensure compliance. More information about Tencent's policies can be found on our official website, under "*ESG-Governance-Policy*" page.

As we continue to advance our ESG governance and management, our ESG efforts gained recognition from investors, research institutions, and ESG rating agencies:

- Institutional Investor, an internationally recognised magazine, has ranked Tencent as the No. 1 ESG performer in the Asia-Pacific region (excluding Japan) for two consecutive years, based on a survey of over 6,000 professional investment and financial services institutions globally.
- S&P Global raised the ESG score of Tencent Holdings (00700.HK), ranking it among the top five globally in the sector. In December 2023, S&P Global included Tencent in its Dow Jones Sustainability Indices (DJSI) World Index and the DJSI Emerging Markets Index.
- The Office of the Privacy Commissioner for Personal Data in Hong Kong presented Tencent the Gold Certificate of the "Privacy-Friendly Award", a testament to our industry-leading performance and commitment to the security of user privacy and data.
- AfterClimate, based on its analysis of the online game industry's progress towards carbon neutrality, rated Tencent as an industry leader for our carbon reduction efforts.
- Wind has upgraded Tencent's ESG rating to AA, which is the highest score among our peers. Wind is one of the leading China-based financial information services provider.

## Integrate ESG Concepts into Corporate Culture

"Integrity, Proactivity, Collaboration, Creativity" are Tencent's cultural values, and these are what guide the Company's long-term sustainable development. Tencent's cultural values are also recognised by its employees, consistently ranking among the top three attributes in the Company's employee engagement and satisfaction survey for five consecutive years.



Corporate culture is an important part of implementing our ESG strategy, and inspires employees to practise ESG concepts into their work. In 2023, we gradually integrated our ESG concepts into our corporate culture through the following initiatives and activities:

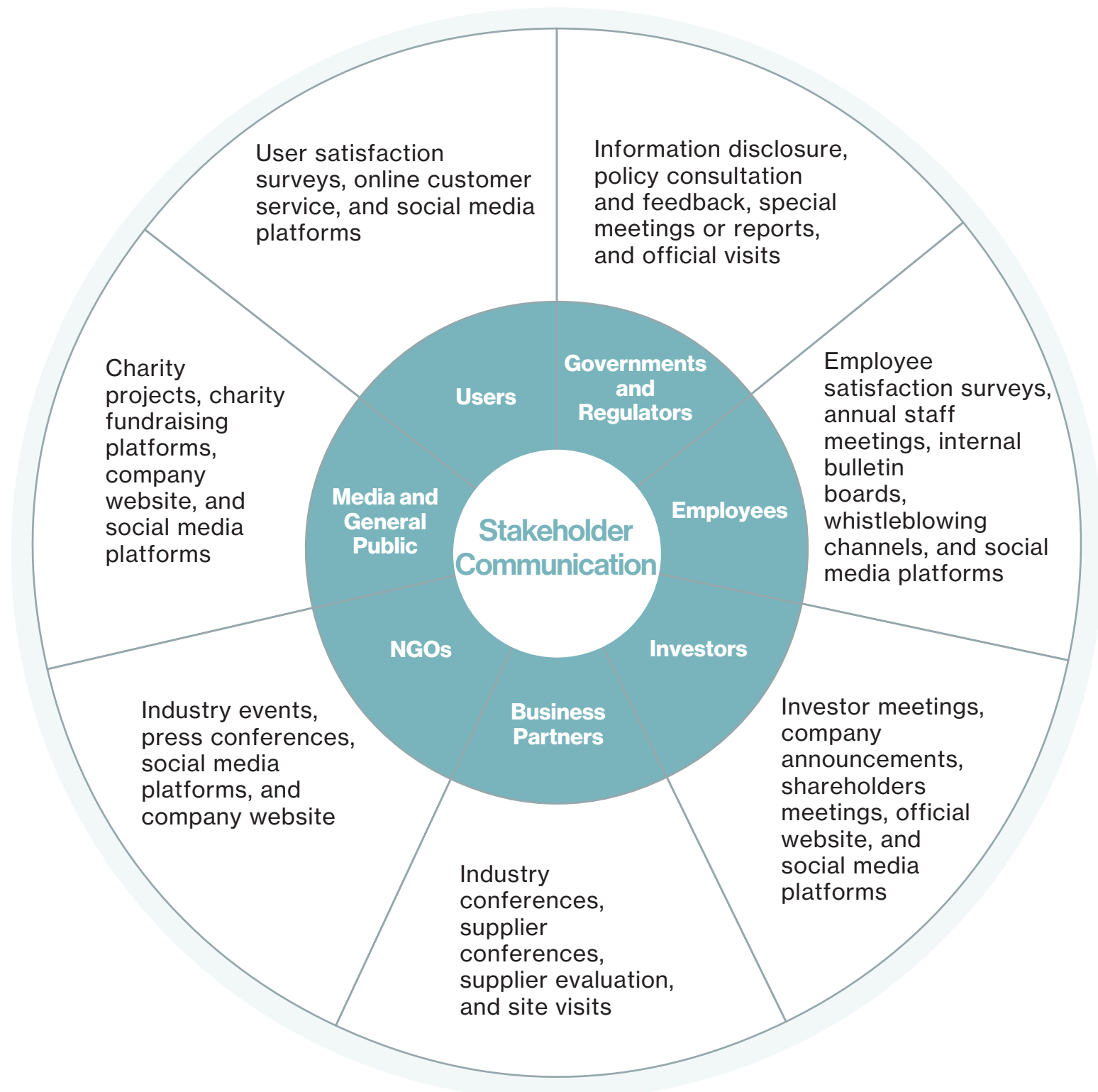
- We popularised ESG knowledge to all employees via our monthly quiz, helping them understand the meaning of ESG and its specific material issues as well as the latest trends. Material issues popularised in 2023 included biodiversity, Diversity, Equity and Inclusion ("DEI"), privacy protection, data security and cybersecurity, and business ethics.
- On World Earth Day, World Environmental Day, and other occasions, we provided our employees with online and offline environmental protection popularisation activities, such as AR games, to help them understand the importance of biodiversity.
- Tencent works with employees to create a diverse, equitable, and inclusive workplace culture, and launched virtual and in-person activities targeting gender equality and cross-cultural communication. For example, we launched Women in Tech, an event where women from different backgrounds share their multicultural upbringings as well as their experiences in their respective areas of expertise. For more information, please refer to the "Care for Our People – Implement Diversity, Equity and Inclusion" section of this report.

- We communicate the Company's standards, procedures, and requirements for the protection of personal data and privacy to all employees. For relevant personnel in positions that involve the handling of personal information, we conducted specific training and assessments on personal data protection. For more information on privacy and security, please refer to the "Protect Digital Rights – Protect User Data Privacy" section of this report.
- Training in data security is an essential part of our employees' onboarding process. We also provide further in-depth training for key positions, covering the basics of security awareness, as well as vulnerabilities and defences, R&D security standards, and data-security requirements. For more information, please refer to the "Protect Digital Rights – Safeguard Cyber and Data Security" section of this report.
- We initiated the "Act for Good" internal initiative. As of December 2023, more than 13,000 employees have participated over 650 campaigns for doing good. For more information, please refer to the "Create Sustainable Social Value – Popularise Philanthropy" section of this report.
- The Tencent Sunshine Code of Conduct (the "Sunshine Code") is a mandatory course that employees must take every year. They are also required to pass the corresponding quiz. All employees must also sign a commitment to abide by the Sunshine Code of Conduct. For more information, please refer to the "Business Ethics – Adhere to Practising Integrity" section of this report.

# ESG Materiality Assessment

## Stakeholder Communication

The opinions and suggestions from stakeholders are particularly important for the Company to effectively identify ESG risks and enhance ESG management. We regularly communicate with our stakeholders to understand their expectations and feedback on the Company's ESG performance. Our stakeholders include users, governments and regulatory bodies, employees, investors, business partners, non-governmental organisations ("NGOs"), the media and the public. Our communication channels include but are not limited to the Company's website, Official Accounts on social platforms, online and in-person meetings, investor and press conferences, and employee satisfaction surveys.



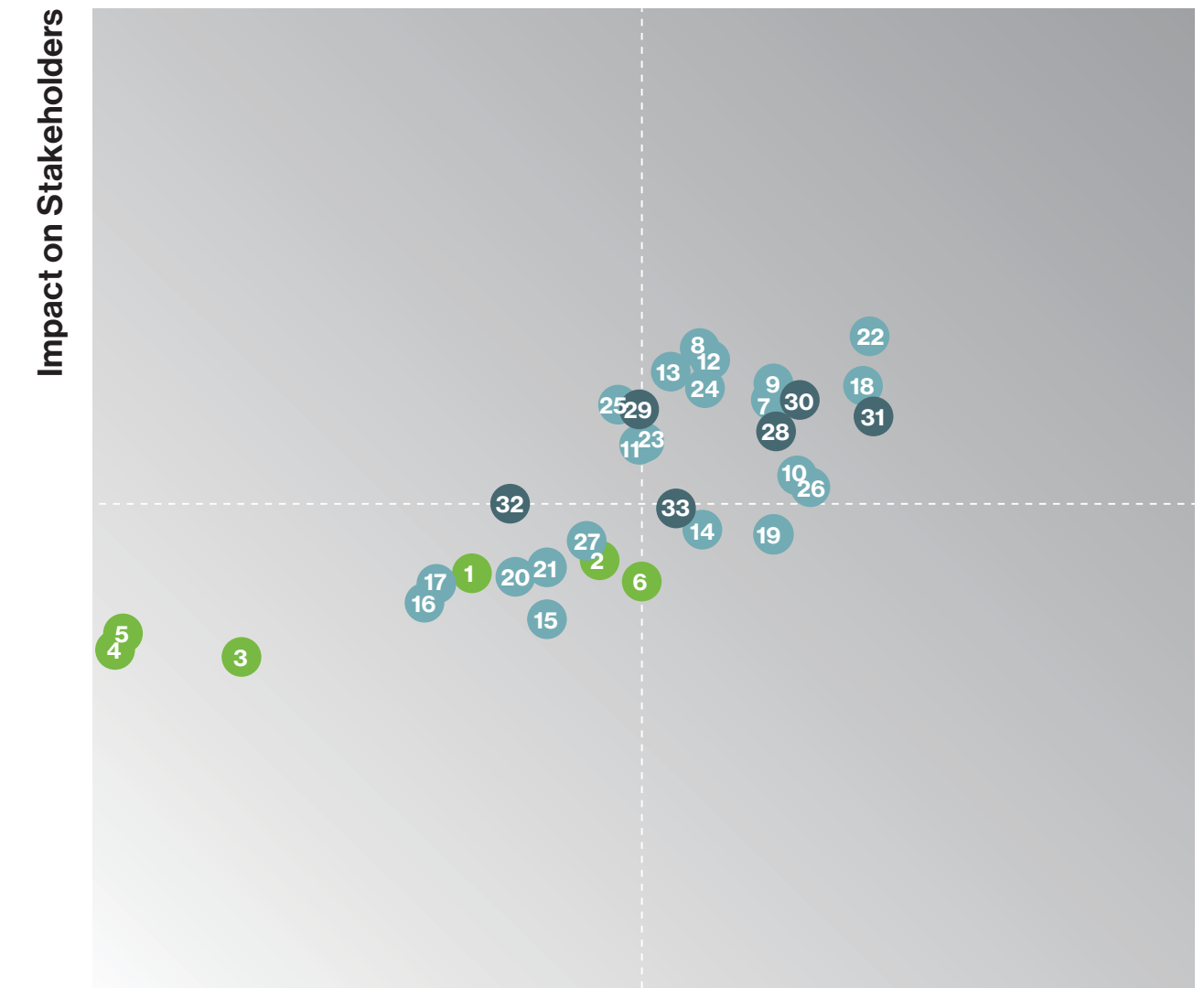
## Materiality Assessment

To identify and evaluate various ESG topics that are of priority to Tencent, we engaged a third-party consultancy to conduct a materiality assessment. The material assessment steps are as follows:

Identify a list of potential material ESG topics by taking into consideration of 1) common issues raised by internal and external stakeholders, 2) topics covered by major ESG reporting standards and frameworks, including The Stock Exchange of Hong Kong Limited's ESG Reporting Guide, International Financial Reporting Standards ("IFRS") S1 & S2, the Task Force on Climate-Related Financial Disclosures ("TCFD"), the Taskforce on Nature-related Financial Disclosures ("TNFD"), the Global Reporting Initiative ("GRI") Standards, and the Sustainability Accounting Standards Board ("SASB") Standards, UNSDGs and 3) global sustainable development trends.

Understand concerns and views on material ESG topics via in-depth interviews and online surveys across stakeholder groups. In order to solicit views from a wider range of stakeholders, we conducted online surveys for customers (users and business partners), employees, regulatory bodies, suppliers, academia, media and NGOs. We conducted interviews with directors, management and investors to gain an in-depth understanding of their prioritisation of ESG topics, as well as their perspectives and recommendations on our ESG strategy.

Determine the relative importance of ESG topics through mapping materiality matrix.



- |   |   |   |
|---|---|---|
| 1 Climate Change Response and Carbon Neutrality                                 | 12 Employee Health and Safety   | 23 Intellectual Property Protection     |
| 2 Energy Management   | 13 Ensure Legal and Compliant Labour Practices, Protect Employees' Rights and Interests | 24 Technological Ethics                 |
| 3 Protecting Ecosystems and Reducing Natural Resource Dependence                | 14 Product Innovation for Enhancing Quality and Efficiency of Digital Life              | 25 Digital Safety and Well-Being        |
| 4 Waste Management  | 15 FinTech  | 26 User Service and Satisfaction        |
| 5 Water Management  | 16 HealthTech   | 27 Community Investment                 |
| 6 Leveraging Digital Technologies to Develop Environmental Protection Solutions | 17 EdTech   | 28 Corporate Governance                 |
| 7 Talent Attraction   | 18 Protection of Minors   | 29 Anti-monopoly                        |
| 8 Employee Compensation and Benefits, and Well-Being                            | 19 Supporting the Digital Transformation of the Real Economy                            | 30 Anti-money Laundering                |
| 9 Talent Development and Retention  | 20 Promoting the Business Development of Individuals and SMEs                           | 31 Anti-corruption                      |
| 10 Diversity, Equity and Inclusion  | 21 Promoting Digital Inclusion and Bridging the Digital Divide                          | 32 Supply Chain Management              |
| 11 Corporate Culture Building to Achieve ESG Values                             | 22 User Privacy and Cyber Security  | 33 Stakeholder Dialogue and Cooperation |

# Chapter 1

# Environmental Protection

We believe digital technology is a key tool for tackling climate change and protecting ecosystems and biodiversity. We will deploy our capabilities to help users, industries, and society to transition to a more eco-friendly environment.

The World Economic Forum's "Global Risks Report 2024" lists the most serious global risks for the next decade, naming "extreme weather events", "critical changes to the Earth system", "biodiversity loss and ecosystem collapse" as the top three concerns. The significant impact of climate and biodiversity risks on the global future reinforces our environmental protection actions for carbon neutrality and biodiversity conservation.

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# 1.1 Our Approach

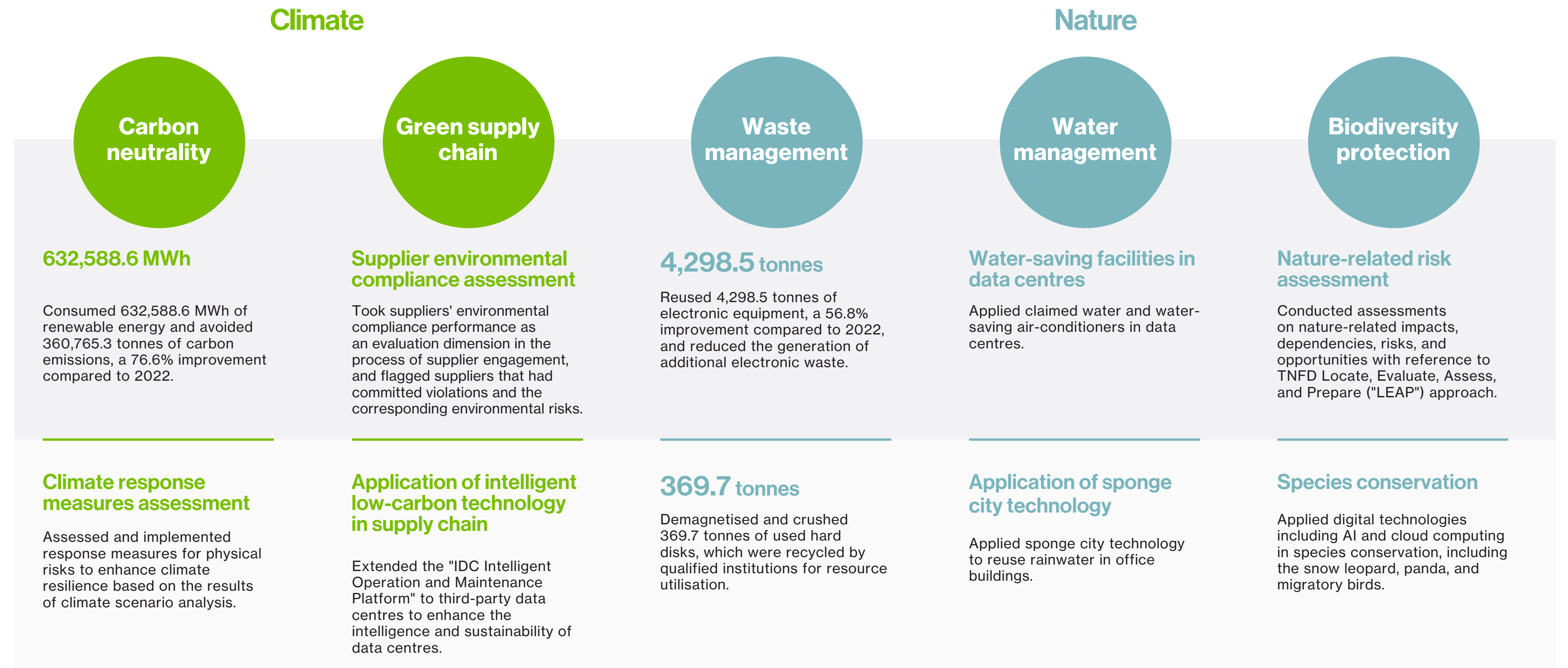
Tencent aims to continuously reduce our dependence and impact on the environment and create environmental benefits through our products and technologies. We actively identify, evaluate, and address climate- and nature-related risks while adhering to our environmental commitments, including achieving carbon neutrality by 2030.

To continuously improve our environmental management capability, we have defined the responsible department and reporting mechanism for environmental protection, which is managed by the ESG Working Group and reported to the Corporate Governance Committee on a regular basis.

Tencent formulated and implemented *Environmental Protection Management Policy*, incorporating green concepts into our product development process. Our environmental management takes into account both risk management and opportunities, managing climate- and nature-related risks to improve the resilience of our operations and supply chain, while leveraging the digital technology to empower users, industry and society to achieve a green transition.

In order to disclose our enhancement in environmental topics in a comprehensive and balanced manner, we refer to international environment-related disclosure frameworks, including TCFD, IFRS S2, and TNFD.

## Our Progress in 2023



# 1.2 Environmental Governance and Risk Management

## Governance

Tencent's environment governance is underpinned by our ESG governance framework, with a focus on climate- and nature-related issues, risk management and opportunities. Building upon our climate governance structure, we have further improved our nature and biodiversity governance structure in 2023. A dedicated Biodiversity Conservative Special Committee has been established under the ESG Working Group, which is responsible for the implementation of nature and biodiversity conservation.

### Board of Directors

The Board of Directors is supported by the Corporate Governance Committee to oversee the performance and implementation of Tencent's environment management progress, including:

- Review the results of the assessment of risks and opportunities, and oversee the implementation of response measures;
- Oversee strategies and specific actions;
- Review and monitor progress on climate- and nature-related targets.

## Management

The ESG Working Group is responsible for managing and coordinating Tencent's environmental efforts and reports to the Corporate Governance Committee twice a year.

Management and Coordination	Implementation
<p><b>The ESG Working Group</b>, detailed composition of which is set out in "ESG Governance - ESG Governance Structure" section:</p> <ul style="list-style-type: none"> <li>• Identify and assess climate- and nature-related risks and opportunities;</li> <li>• Conduct nature-related impact and dependency analysis;</li> <li>• Review strategy and monitor the measures of climate risk response and opportunity seizing;</li> <li>• Review targets' alignment with the Company's strategy, and international standards including SBTi;</li> <li>• Conduct annual audits of climate- and nature-related metrics;</li> <li>• Enhance employee awareness and capacity building on climate- and nature- matters.</li> </ul>	<p><b>The Carbon Neutrality Joint Project Group</b>, led by the Group's Senior Vice President, consists of related departments, including Strategy Development Department, Carbon Neutrality Lab, Data Centre Green Energy Team, Admin Department, ESG Coordination Office, and low-carbon related product teams:</p> <ul style="list-style-type: none"> <li>• Develop climate-related strategy, including response measures for climate-related risks and initiatives for seizing opportunities;</li> <li>• Implement climate response measures and explore business opportunities;</li> <li>• Develop climate-related targets and set up metrics to regularly monitor the progress.</li> </ul> <hr/> <p><b>The Biodiversity Conservation Special Committee</b>, affiliated with the ESG Working Group, detailed composition of which is set out in "ESG Governance - ESG Governance Structure" section:</p> <ul style="list-style-type: none"> <li>• Develop and implement measures, and reduce the nature-related impact and dependency of Tencent's operation and value chain;</li> <li>• Develop and implement response measures for nature-related risks and initiatives for seizing opportunities;</li> <li>• Initiate biodiversity preservation projects, and apply digital technology to ecosystems and species conservation;</li> <li>• Track nature- and biodiversity-related indicators to measure the effectiveness of efforts.</li> </ul>

# Risk Management

Tencent incorporated climate-related risks into the Company's risk assessment and management system in 2021. In 2023, we further established nature- and biodiversity-related risk management process.

## Climate- and Nature-Related Risk Management Process

Climate		Nature	
<b>Step 1:</b> <b>Risk Inventory and Identification</b>	<ul style="list-style-type: none"> <li>Preliminarily identify climate risks and opportunities aligned with the TCFD categories;</li> <li>Analyse sectoral and peer best practices;</li> <li>Generate a long list of climate-related risks and opportunities.</li> </ul>	<b>Step 1:</b> <b>Locate the interface with nature</b>	<ul style="list-style-type: none"> <li>Geolocate operation sites;</li> <li>Use various datasets to identify sensitive locations on asset level.</li> </ul>
<b>Step 2:</b> <b>Risk Assessment and Scenario Analysis</b>	<ul style="list-style-type: none"> <li>Select low and high carbon climate scenarios;</li> <li>Select short-, medium-, and long-term time horizons;</li> <li>Conduct scenario analysis on sector and asset level to identify material climate risks and opportunities on our business operation and value chain.</li> </ul>	<b>Step 2:</b> <b>Evaluate dependencies and impacts</b>	<ul style="list-style-type: none"> <li>Identify and evaluate the dependencies and impact drivers associated with our business operation and value chain on sector level.</li> </ul>
<b>Step 3:</b> <b>Impact Assessment of Risks and Opportunities</b>	<ul style="list-style-type: none"> <li>Conduct qualitative analysis of climate impacts on business strategy and financial planning;</li> <li>Conduct quantitative analysis of climate financial impact through developing financial quantification modelling.</li> </ul>	<b>Step 3:</b> <b>Assess risks and opportunities</b>	<ul style="list-style-type: none"> <li>Identify and assess our nature-related risks and opportunities.</li> </ul>
<b>Step 4:</b> <b>Risk Management and Response</b>	<ul style="list-style-type: none"> <li>Enhance climate risk response measures for material risks and opportunities;</li> <li>Regularly monitor the progress of risk management improvements.</li> </ul>	<b>Step 4:</b> <b>Prepare to respond</b>	<ul style="list-style-type: none"> <li>Respond to key risks through risk management and mitigation measures.</li> </ul>





# 1.3 Climate Strategy and Action

Tencent continuously reviews its climate strategy, identifies climate-related risks and opportunities under short-, medium-, and long-term time horizons through scenario analysis, implements response measures, and regularly evaluates the effectiveness of the measures.

## Climate-Related Scenarios Analysis

Since 2022, we have engaged professional consultants to conduct the climate scenario analysis, using the Intergovernmental Panel on Climate Change ("IPCC") and the International Energy Agency ("IEA") as the primary datasets, and selecting low- and high-carbon climate scenarios to assess the climate risks and opportunities associated with Tencent's business operations and value chain. The results of the analysis are applied to the development of our climate response strategy to enhance our climate resilience.



## Time Horizons and Climate Scenarios Selection

Risk and Opportunity Category		Time Horizons	Climate Scenarios Selection
Physical Risks <sup>1</sup>	<ul style="list-style-type: none"> <li>Acute</li> <li>Chronic</li> </ul>	Baseline <sup>2</sup>	IPCC Sixth Assessment Report IPCC Shared Socioeconomic Pathways ("SSP")
		2030 <sup>3</sup>	Low-carbon scenarios, aligned with Paris Agreement:
		2050 <sup>3</sup>	
			<ul style="list-style-type: none"> <li>SSP1-2.6</li> </ul>
			High-carbon scenarios:
			<ul style="list-style-type: none"> <li>SSP3-7.0</li> <li>SSP5-8.5</li> </ul>
Transition Risks	<ul style="list-style-type: none"> <li>Policy &amp; Legal</li> <li>Technology</li> <li>Market</li> <li>Reputation</li> </ul>	2030	IEA
		2040	Low-carbon scenarios, aligned with Paris Agreement:
		2050 <sup>4</sup>	
			<ul style="list-style-type: none"> <li>Net Zero Emission Scenario</li> </ul>
			High-carbon scenarios:
			<ul style="list-style-type: none"> <li>Stated Policies Scenario</li> </ul>
Transition Opportunities	<ul style="list-style-type: none"> <li>Energy Efficiency</li> <li>Energy source</li> <li>Products &amp; Services</li> <li>Market</li> <li>Resilience</li> </ul>		

<sup>1</sup> Physical climate risks are assessed by applying 30-year data based on the standard of the World Meteorological Organisation.

<sup>2</sup> Baseline covers the data for the period 1985-2014, which is used to assess the ability of climate models to simulate the historical records of climate hazards.

<sup>3</sup> 2030 and 2050 covers the data for the periods 2015-2044 and 2035-2064, respectively. These data are used to evaluate the potential impact of physical climate risks on operations in the short-term, medium-term, and long-term.

<sup>4</sup> Transition risks and opportunities are assessed at 10-year intervals for capturing the short-, medium- and, long-term impact of abrupt changes.

# Climate-related Risks and Opportunities Assessment and Response

The physical risk scenario analysis was conducted across nine climate hazards under three scenarios and three time horizons. We assessed 11 transition drivers including seven transition risks and four transition opportunities. Refer to "Appendix - Climate-related Risks and Opportunities" for detailed information. In 2023, we further sorted out and enhanced our response measures for climate risks, including assessed data centre's response measures for material physical risks. Our material climate risks and corresponding response measures are elaborated in the table on the right side.

## Summary of the Climate-Related Risks and Opportunities Associated Impacts and Responses

Key Climate Risk and Opportunity	Impact Description	Responses
<b>Extreme heat</b>	<ul style="list-style-type: none"> <li>Higher cooling demand of facilities due to temperature increase may lead to increased operating costs;</li> <li>The operation of power-consuming facilities is disrupted by shortage of power supply under extreme heat conditions, which may lead to revenue loss.</li> </ul>	<ul style="list-style-type: none"> <li>Factor climate in the site selection of data centres and use natural conditions to cool down equipment;</li> <li>Improve energy efficiency and reduce cooling energy consumption through technologies including T-Block and high-efficiency air conditioning;</li> <li>Strengthen the heat resistance and resilience of electrical facilities, for example, adopt dual power supply cooling systems.</li> </ul>
<b>Flooding</b>	<ul style="list-style-type: none"> <li>Infrastructure and equipment damaged by flooding and tropical cyclones leading to data loss and safety risks to employees;</li> <li>Temporary suspension of operation during flooding and tropical cyclones conditions may lead to revenue loss;</li> </ul>	<ul style="list-style-type: none"> <li>Factor flooding and water location in the site selection of data centres and office buildings;</li> <li>Build and maintain facilities to cope with extreme weather, for example, flood gates, secondary drainage, sealed power and fibre ducts;</li> </ul>
<b>Tropical cyclones</b>	<ul style="list-style-type: none"> <li>Flooding and tropical cyclones can pose safety and health risks to employees.</li> </ul>	<ul style="list-style-type: none"> <li>Install servers, air conditioners, and other critical equipment in locations that meet the requirements for flood protection and wind resistance grades.</li> </ul>
<b>Water stress and drought</b>	<ul style="list-style-type: none"> <li>The continuity of data centre operations is disrupted due to lack of cooling water during water stress conditions, which may lead to revenue loss;</li> <li>Alternative water procurement in the event of shortage of common water may lead to increased operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>Factor water resource impacts in the site selection of data centres and office buildings.</li> <li>Adopt water-saving equipment and retrofit existing equipment for water saving to enhance the efficiency of water use;</li> <li>Install water reuse facilities to increase water recycling;</li> <li>Consider the availability of alternative water resources in case of water shortage, and install backup water facilities, including backup water trucks.</li> </ul>
<b>Implementation of carbon emission reduction policies</b>	<ul style="list-style-type: none"> <li>Data centres may be included into the carbon trading market, and the procurement of carbon allowances for compliance may lead to an increase in operating costs;</li> <li>Increase of carbon sink price may lead to increased operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>Participate in the carbon trading market for compliance in accordance with the requirements where we operate;</li> <li>Strengthen internal carbon management, promote the development of internal energy-saving and emission reduction technologies and explore internal mechanisms;</li> <li>Establish carbon sink purchase pilot programme and pay due attention to the development of emerging carbon sink technologies.</li> </ul>
<b>Increased requirements on climate change action and disclosure</b>	<ul style="list-style-type: none"> <li>Increased investment in energy efficiency upgrades and emission reduction resulting from the tightening of carbon emission-related policies may lead to an increase in operating costs;</li> <li>Stricter climate disclosure requirements may lead to an increase in disclosure-related operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>Apply energy-saving technologies to improve data centre energy efficiency and reduce Power Usage Effectiveness ("PUE");</li> <li>Participate in green power trading, build our own renewable energy facilities, and increase the proportion of renewable energy;</li> <li>Disclose relevant information applying internationally recognised and established industry standards.</li> </ul>
<b>Shift in market preference towards low-carbon products</b>	<ul style="list-style-type: none"> <li>Increased market share by offering low-carbon products aligned with customer preferences and carbon neutrality targets;</li> <li>Increased revenue arising from providing solutions for a low-carbon digitalisation shift in the economy.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce the carbon footprint of our products and services, and provide low-carbon options to customers;</li> <li>Provide customers with digital low-carbon transformation solutions, including digital upgrades in the energy industry, to support the low-carbon digital transformation of different sectors.</li> </ul>

# 1.4 Carbon Neutrality

We actively respond to the global climate action and China's target of "peaking carbon emissions by 2030 and achieving carbon neutrality by 2060", and we are proactive in leveraging digital technology and the influence of our products to assist users, industries, and society in their low-carbon transformation.

## Decarbonisation Roadmap

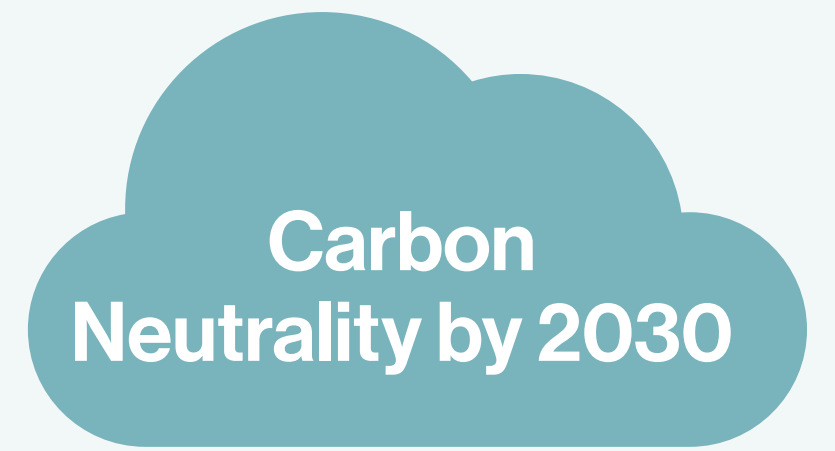
### Promote carbon neutrality in operation and supply chain

We follow the principle of "emissions reduction and green power first, followed by offset"



### Assist users, industries, and society in transforming to a low-carbon future

We explore and support the development of low-carbon technologies

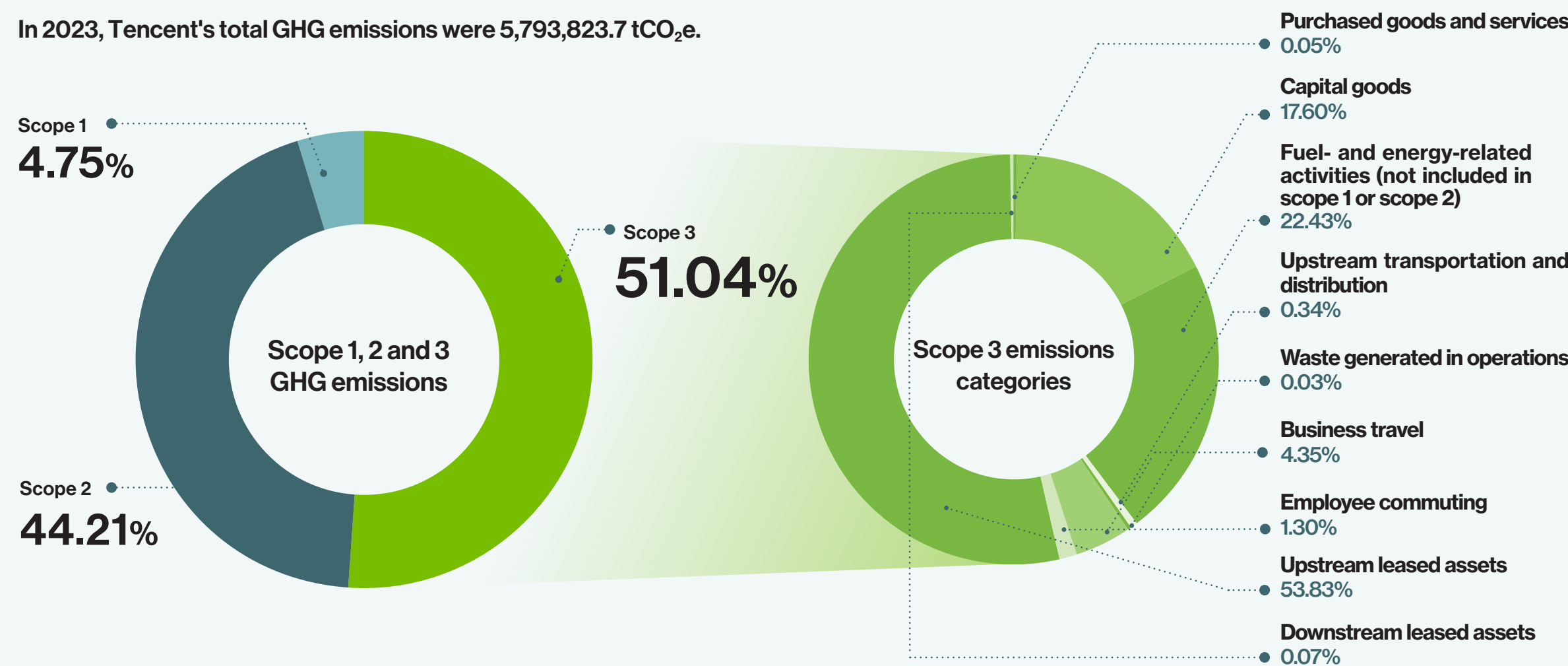


## Carbon Neutrality Commitment

Through its commitment to carbon neutrality, Tencent has clarified its ambitions for emissions reduction and has driven its own operations, as well as upstream and downstream industries, to take actions to reduce carbon.

- In January 2021, Tencent committed to achieving carbon neutrality and unveiled its carbon neutrality plan;
- In February 2022, Tencent released its 2030 carbon neutrality target which covers its supply chain, as well as its decarbonisation roadmap;
- In April 2023, Tencent refined its absolute emissions reduction targets to cover Scope 1, 2 and 3 emissions, which have been validated by the SBTi and are in line with the 1.5°C goal.

In 2023, Tencent's total GHG emissions were 5,793,823.7 tCO<sub>2</sub>e.



## Carbon Neutrality Targets

- Carbon Neutrality  
Achieve carbon neutrality across own operations and supply chain by 2030
- Green power  
Use green power for **100%** of all electricity consumed by 2030

## Absolute GHG Emissions Reduction Targets

- Scope 1 and Scope 2  
Reduce by **70%** (from the 2021 base year) by 2030
- Scope 3  
Reduce by **30%** (from the 2021 base year) by 2030



2021



2022



2023



2030



## Reduce Carbon Footprint

We continuously improve energy efficiency and integrate green and low-carbon considerations into our operations, to constantly reduce the carbon footprints of our products and services.

In compliance with the Environmental Protection Law of the People's Republic of China ("PRC"), the Energy Conservation Law of the PRC, and other applicable laws and regulations in regions where we operate, we continually reduce carbon emissions emitted during our operations and construct green office buildings and green data centres.

## Green Cloud Computing

We continue to work on energy saving and emission reduction in data centres, and are committed to helping the digital upgrading of real industries in an environmentally friendly way. With the explosive growth of AI technologies in 2023, we recognise the importance of accelerating our carbon reduction initiatives in order to provide greener cloud computing services to customers and society.

Adhering to the operation strategy of "greener facilities, lower energy consumption, and cleaner energy", Tencent's data centres incorporate green considerations throughout their lifecycle, which covers the design, construction, operation, and other stages.

### Construction of Green Data Centre Campus

We follow the green site selection criteria for our data centres. We take into full consideration of:

- Climate conditions, which could help reduce energy consumption resulting from cooling demands during operations;
- Supply of renewable energy, which is needed to meet the green energy demand across operations;
- Physical climate risks to improve the climate resilience of our facilities.



We conduct environmental impact assessments and energy-saving assessments to evaluate the potential impacts of our construction and operation processes on soil, water, atmosphere, ecosystem, and energy consumption. We proactively develop measures to minimise or avoid the severity of these impacts.



Tencent's fourth-generation data centre (T-Block) simplifies the construction process using modular technology. Through standardisation, productisation, and prefabrication, we can effectively shorten the construction period and reduce carbon emissions during construction. Meanwhile, T-Block data centres also adopt efficient cooling technology and power supply and distribution architecture to effectively reduce energy consumption during operations, saving approximately 30% of energy compared to traditional data centre construction.



We improve the performance of our servers to reduce energy consumption and carbon emissions while providing the same computing power. The overall performance of the new generation Star Lake servers is 120% higher than that of the previous generation, which grants our data centres the fundamental ability to provide cleaner computing power.



**Enhanced Energy Efficiency**

Tencent continues to optimise the energy efficiency of data centres to reduce the PUE by applying digital energy-saving technologies and energy-efficient cooling systems.

• **AI energy-saving technology**

We adopt AI technology to intelligently regulate data centre operations and effectively improve energy efficiency. We have developed multiple AI algorithm models capable of summarising changes in IT data, terminal environmental data, and outdoor weather data to optimise equipment operation. This enables us to optimise overall energy savings while satisfying the cooling demand. Using AI adjustment and optimisation technology can effectively reduce the PUE of data centre modules. In 2023, we further expanded the application scope of AI adjustment and optimisation technology. In 2023, the new modules applying such technology reduced electricity consumption by approximately 5,000 MWh, and avoided 2,851.5 tonnes of carbon emissions.

**In 2023, The new modules applying such technology reduced electricity consumption by approximately**

**5,000 MWh,**

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• **Cooling system with higher energy efficiency**

In the operation of data centres, the air conditioning system is the second largest energy-consuming system after the IT system. Therefore, we applied a cooling system with higher energy efficiency to reduce the energy consumption of air-conditioning systems. In 2023, our cooling system saved 20,000 MWh of electricity and avoided 11,406.0 tonnes of carbon emissions.

**In 2023, our cooling system saved 20,000 MWh of electricity and avoided 11,406.0 tonnes of carbon emissions**

The use of indirect evaporative cooling technology improves the energy efficiency of data centres. An energy saving rate of approximately 20% was achieved in a comparison experiment against typical operations.

We have effectively reduced the PUE of the data centre by optimising the parameters of the data centre's heating, ventilation, and air conditioning ("HVAC") system in the low-load server room, including adjusting the air-conditioning supply air temperature and chilled water temperature, implementing precision air-conditioning shutdowns and reducing the frequency of cooling water pumps.

We use magnetic heat pumps to recycle the residual heat generated during the operation of data centres' servers, which can transmit the heat to sites in need and avoid energy waste. Meanwhile, cooling water is used for cooling down server rooms to reduce the cooling load and water consumption of server rooms.

We have implemented a pilot programme to replace old air conditioners with low energy efficiency while ensuring the normal operation of the server rooms, which reduces the total power consumption of the server rooms.

• **Intelligent operation**

We establish and use the "IDC Intelligent Operation and Maintenance Platform" to automatically collect and monitor data, and by employing intelligent algorithms to make PUE-based energy-saving management and energy consumption analysis for data centres, to achieve intelligent management of data centres. Moreover, we have introduced carbon management functions on the platform, which can quantify the carbon emission data of each operation process in data centres, enhancing the refinement of carbon reduction management. To promote energy saving and carbon reduction along the value chain, we have shared the "IDC Intelligent Operation and Maintenance Platform" with our suppliers so that they can also operate their data centres more sustainably and intelligently.

By the end of 2023, the LEED certifications of Tencent's data centres

Tencent Huailai RuiBei Cloud Data Centre	LEED O+M: DC Platinum Operation Certification
Tencent Shanghai Qingpu Data Centre	LEED O+M: DC Platinum Operation Certification
Tencent Tianjin Binhai Data Centre	LEED O+M: DC Platinum Operation Certification



## Renewable Energy Transition

We continue to promote renewable energy transition. On one hand, we increase the procurement of renewable electricity, and on the other hand, we construct more renewable energy power generation facilities on the rooftop of our data centres.

- Renewable energy facilities**

The T-Block data centre has a flat and sizeable rooftop that can support a large capacity distributed rooftop photovoltaic ("PV") system. The PV modules absorb solar energy and converts it into electrical energy, which will be directly supplied to the interior of Tencent's data centre. Meanwhile, the PV panels reflect solar heat, reducing the cooling loads of data centres.

In 2023, five of Tencent's data centres, including the Tencent Tianjin High-Tech Cloud Data Centre and the Shanghai Tencent Qingpu Data Centre, have connected their PV systems to the power grid, adding 32.6MW of installed capacity to renewable energy facilities. By the end of 2023, the total installed capacity of Tencent's data centres' renewable energy facilities reached 52.2 MW, an increase of 166.3% compared to 2022.

Our first microgrid project was completed in 2023. The microgrid consists of distributed renewable energy facilities, energy storage facilities and other devices. It can address the issue of unstable power supply from PV facilities by storing energy when electricity demand is low and supplying stored energy when demand is high. In the Tencent Tianjin High-Tech Cloud Data Centre, the total installed capacity of the microgrid project is 10.54 MW, integrating PV, power storage, and power charging technologies. We also implemented AI energy management to predict power generation amounts and power demand, thus enabling intelligent adjustments to the systems.

**By the end of 2023, the total installed capacity of Tencent's data centres' renewable energy facilities reached 52.2 MW, an increase of 166.3% compared to 2022**

- Procurement of green power**

Since 2021, we have been adhering to the principles of "additionality, traceability and proximity" in conducting green power trading.

**"Additionality"** means that the green power is not subsidised. Additionality will enable our green power procurement efforts to better promote the generation of renewable power.

**"Traceability"** means that the green power can be clearly traced back to the source of the energy, ensuring compliance, transparency and sustainability of the source.

**"Proximity"** means that we prioritise renewable energy projects that are geographically close to data centres during the process of energy procurement. This can reduce energy transmission losses and improve the efficiency of energy utilisation.

In 2023, Tencent further expanded the usage scope and consumption of green power and three additional data centres have purchased green power. A total of 604,277.1 MWh of green power was purchased in 2023, a 79.6% increase compared to 2022, avoiding carbon emissions of 344,619.2 tonnes.

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Moreover, we regularly assess the green and low-carbon potential of rented data centres and share our experience in reducing carbon emissions to drive them to increase their use of renewable energy and gradually decarbonise their entire value chain.

The percentage of our renewable electricity increased from 7.2% in 2022 to 12.4% in 2023.



## Low-Carbon Office

To make our workplace more sustainable, we continue to take into consideration energy and resource efficiency throughout the design, construction and operation of our office buildings. Rooted in the pillars of "green management", "energy-saving procedures" and "energy-saving measures", we aim to create a low-carbon work environment.

### Enhance Green Management

During the design and construction phase of our office buildings, we adhere to the fundamental principles of "safety and durability, health and comfort, environmental livability, occupant convenience, and resource saving". We require all our new buildings to be designed to meet international and local green building standards. After completion and operation, we continue to adhere to international standards to regulate our routine operations and maintenance.

For the Tencent Shenzhen Headquarters Project currently under construction, we have implemented carbon reduction measures and established a comprehensive carbon monitoring system, with the completed plot certified as zero-carbon industrial park certification. Meanwhile, the Tencent Shenzhen Headquarters Project has set green building targets and carried out environmental impact assessments as well as energy-saving assessments.

- Management certification**  
 To reduce operational risks and standardise management, the management of our office buildings comply with international management systems standards, including ISO 9001 (quality management system), ISO 14001 (environmental management system), ISO 45001 (occupational health and safety management system) and ISO 50001 (energy management system) published by the International Organisation for Standardisation (ISO). The operators of our office buildings are all certified with ISO 9001, 14001, and 45001.
- Digital management**  
 We digitally manage buildings through the "Facility Management Platform" ("FM Platform") and "Building Automation System" ("BAS") to achieve intelligent monitoring and optimisation of energy consumption. Through features including monthly energy consumption summary and analysis, anomaly monitoring and rectification, prediction, early warning, and control of the "FM Platform", we have formed a closed-loop energy consumption management reporting system. The "BAS" provides real-time intelligent control of major energy consumption systems, including air conditioning, lighting, and ventilation, and regulates equipment based on demand, significantly improving energy efficiency.

### Refine Energy-Saving Procedures

To further refine the management of energy-consuming equipment, we continue to improve the management strategy on energy saving and consumption reduction, and continually optimise the Guidelines for the Operation of Energy-consuming Equipment based on actual operating condition of different offices. We constantly explore the carbon reduction potential of lighting systems and HVAC systems, optimise lighting usage in public areas, restaurants, basements, and offices, and adjust the operation strategy of air conditioning during transition seasons. We have established an energy-saving assessment policy, which conducts monthly assessments on building operators and offers incentives or imposes penalties. For buildings that fail to meet the assessment standards, the operators must formulate and implement corresponding optimisation plans.

In 2023, we saved a total of **7,175.6 MWh** of electricity and avoided **4,092.2 tonnes** of carbon emissions through energy-saving management measures

### Implement Energy-Saving Measures

We regularly assess the energy consumption levels of office buildings and conduct specialised energy-saving retrofits on lighting systems and HVAC systems of buildings that have potential for improvement.

In 2023, energy-saving retrofitting has reduced electricity consumption by 1,415.9 MWh and avoided 807.5 tonnes of carbon emissions.

By the end of 2023, the LEED certifications for Tencent's self-owned office buildings

Tencent Binhai Towers	LEED BD+C: NC Gold Design Certification
Chengdu Tencent Towers	LEED O+M: EB Gold Operation Certification
Beijing Tencent Towers	LEED BD+C: NC Gold Design Certification
	LEED O+M: EB Platinum Operation Certification

## Build a Low-Carbon Society

In addition to focusing on our own operations and supply chain carbon emission, we also leverages our digital technology and influence of our products to help users, industries, and society in transitioning to a low-carbon future.

### Explore Low-Carbon Technologies

Tencent's carbon neutral strategy is not only a commitment to reducing its own energy consumption and emissions, but also an opportunity to drive R&D and innovative applications. We focus on internal technological innovation and stay abreast of innovative iterations of low-carbon technologies to achieve environmental sustainability and promote the society's green development.

#### Building a Platform to Promote Low-Carbon Technology Innovation

- Tencent launched the "CarbonX Programme" to support the R&D and industrialisation of low-carbon technologies. The first phase of the Programme focuses on Carbon Capture, Utilisation and Storage ("CCUS") technologies and has publicly solicited project proposals, with the first batch of 30 projects selected in September 2023.

**Demonstration projects:** Support the first industrial use case of cutting-edge technologies;

**Start-up projects:** Accelerate the incubation of technology start-ups with financial potential;

**Capacity building projects:** Innovative solutions aimed at significantly improving the digitalisation and intelligence of the CCUS industry.

- To promote the exchange and development of low-carbon technologies, we have established "TanLIVE", an open community for global climate technology sharing and cooperation. Additionally, we collaborate with leading companies, incubators, investors, and associations to drive the application of global carbon neutrality and climate adaptation technologies.

#### Exploring Carbon Storage Capabilities

We actively explore Nature-based Solutions (NbS) and utilize our own technological capabilities to support the development of projects.

- We invested our digital capabilities in the development of forest carbon sink projects and used our AI to enhance the algorithm model to help reduce the cost and improve the accuracy of carbon sink verification, thereby supporting small and medium-sized forest carbon sink projects. The methodology has been approved by the Ministry of Ecology and Environment of the PRC.
- We actively support in the development and implementation of ocean carbon sink projects. In 2023, we participated in the development of Carbon Sink Measurement and Monitoring Method for Coastal Salt Marsh Ecosystem Restoration Project, which has been recognised by Guangzhou Emissions Exchange.
- We utilise digital technology to support the monitoring and measurement of GHG emission reductions from water-saving and drought-resistant rice ("WDR") and subsequently promoting it to farmers and industries. Compared with conventional rice, growing WDR can significantly reduce methane emissions, improve agricultural climate resilience, help rice farmers increase both production and income, and lower the difficulty of planting.

#### Exploring Cutting-Edge Carbon Reduction Technologies

- **Carbon dioxide storage in basalt:** We have partnered with CarbFix, an Icelandic company, to explore the application of new carbon sequestration technology in China. This technology captures and dissolves carbon dioxide in water, which is then injected into basaltic rocks and chemically converted into minerals — fixing the GHG in the "rock". In 2023, we completed the preliminary site selection and initiated the first phase of drilling and coring.
- **Zero-energy radiative cooling technology to protect glaciers:** We collaborated with Nanjing University to develop materials – radiative cooling with a nano-thin material developed from eco-friendly cellulose acetate – for glacier protection. The technology will deflect the heat from direct sunlight away from the glacier. At the same time, the glacier's energy can be radiated outward through the porous material to keep temperatures low and slow down the melting rate. In 2023, we conducted an experiment on the Dagu Glacier and we saw that the solution has slowed glacier surface ablation by approximately 1-1.5 metres in one year.





## Promote an Eco-Friendly Lifestyle

Public participation plays a pivotal role in driving society's low-carbon transformation. While serving a wide range of users, Tencent advocates for environmentally friendly behaviours and lifestyles through innovatively popularising environmental protection concepts.



### Promoting carbon inclusion with digital technology

We leverage digital technology to help individuals to make living an eco-friendly lifestyle more fun and convenient. In June 2023, we launched a personal low-carbon platform with our partners to quantify the action of taking eco-friendly commuting options, waste recycling, and other activities of Wuhan users. The reduced amount of carbon emissions can be exchanged for gifts and coupons, encouraging more users to reduce carbon emissions.



### Raising environmental awareness via games

Carbon Island, a simulation and education game focused on environmental issues, invites players to build a thriving island that seeks sustainable economic growth, helps popularise carbon neutrality knowledge, and advocates for the concept of low-carbon life. By the end of 2023, the game has attracted over 19.52 million people to participate.



### Empowering teenagers to make low-carbon choices

To increase the awareness of climate change and encourage primary school students to adopt a greener lifestyle, we collaborated with the Center for Environmental Education and Communications of the Ministry of Ecology and Environment to create six scenarios in the "Carbon Planet" Weixin Mini Program. These scenarios allow students to digitally record their low-carbon behaviours through photo and text.



### Popularising carbon neutrality knowledge

We launched a series of animation to popularise carbon neutrality knowledge in a concise and interesting way. At the same time, we invited experts from multiple authoritative organisations to provide in-depth analysis of carbon neutrality-related topics. The highest viewership of a single episode exceeded 10 million, with the total series surpassing 100 million views.

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## Empower Industries to Transition to a Low-Carbon Future

The application of digital technology plays a key role in improving industrial efficiency, saving energy, and reducing carbon. As a result, we apply our digital technology to assist the industry in its low-carbon transformation journey.

### Green Payment

As mobile payment popularises and the concept of green payment spreads, green payment has become an integral part of society's low-carbon transformation. We constantly expand the application scenarios of green mobile payment:

- Use electronic invoices and boarding passes instead of paper ones;
- Provide online services, including virtual medical consultations and digital utility bill payments, to reduce carbon emissions from commuting.

### Remote Work

Tencent's cloud products can provide solutions for enterprises that offer hybrid and remote work models, which can effectively reduce carbon emissions.

- **Online meetings:** Tencent Meeting offers online document collaboration, real-time screen sharing, instant messaging, and other functions, which help improve meeting efficiency, save on travel expenses, and reduce paper waste. In 2023, Tencent Meeting launched the carbon credits centre to quantify users' low-carbon behaviours and convert them into credits, encouraging low-carbon practices.
- **Online documents:** Tencent Docs supports cloud storage and multiple users to collaborate and edit on the same online document, which can effectively reduce carbon emissions while improving users' productivity. Emission reductions resulting from using online documents mainly come from: lower carbon emissions compared to local storage, reduced carbon emissions during file transmissions, and the facilitation of mobile editing, which consumes less energy.

### Digital Solution for Energy Management

Tencent is exploring digital solutions to assist enterprises in improving efficiency and intelligent decision-making for energy management. We have comprehensively upgraded our products and platforms that connect different business partners to further reduce carbon emissions.

- Through the big data module on energy, Tencent EnterLink, we help enterprises to monitor and manage environmental metrics, including energy consumption and carbon emissions, to achieve more effective energy management and reduce impacts on the environment.

In 2023, the "Smart Energy Ecological Platform" we jointly developed with our partners based on Tencent EnterLink was utilised by three zero-carbon industrial parks.

- By adopting Tencent EnerCarbon Studio's carbon engine and other enterprises energy consumption management solutions, we assist enterprises in monitoring their production, equipment, quality and energy consumption. This enables enterprises to identify key sources of emissions, develop and implement targeted emissions reduction measures, and achieve energy conservation and carbon reduction.

In 2023, Tencent EnerCarbon Studio attracted 56 enterprises and 49 products were launched.



# 1.5 Biodiversity and Nature Protection

**We believe that the application of digital technology can play a key role in biodiversity as well as ecological conservation. In 2022, Tencent issued our Biodiversity Statement according to the UNSDGs, the Convention on Biological Diversity's (CBD) Kunming-Montreal Global Biodiversity Framework, and China's Ecological Conservation Strategy. We are committed to reducing our dependency and impact on nature, developing digital products for species and ecological conservation, and generating positive nature impacts.**

## Assess Nature-Related Dependencies, Impacts, Risks and Opportunities

Tencent refers to the TNFD's LEAP framework and the guidance of the Science Based Targets Network ("SBTN") to identify and assess our nature-related dependencies, impacts, risks and opportunities. Through the assessment, we gain further understanding of how to reduce the natural dependencies and impacts of operations and supply chains and refine our strategies for biodiversity conservation.

### Locate Tencent's Interface with Nature

The purpose of an interface with nature assessment is to understand how Tencent interacts with the natural environment and screen for sensitive locations. We carried out a screening state of nature assessment for Tencent's major operating sites using geospatial analysis. The screening assessment is based on three criteria recommended by the TNFD: biodiversity importance, ecosystem integrity, and water physical risk.

- Biodiversity importance: We screened our assets against critical habitat<sup>1</sup>, biodiversity hotspots<sup>2</sup>, and mean species abundance<sup>3</sup> for areas known for their abundant biodiversity;
- Ecosystem integrity: We used ESRI Sentinel-2 Satellite Imagery<sup>4</sup>, Ecoregion and Nature Needs Half Ecoregions<sup>5</sup> for screening areas with high ecosystem integrity;
- Water physical risk: We mapped our sites against the data layers of 100 Priority Basins<sup>6</sup> and Baseline Water Stress<sup>7</sup> to screen for high water risk areas.

### Evaluate Impacts and Dependencies

We have assessed key impacts and dependencies on nature in our direct operations, upstream and downstream value chains using ENCORE<sup>8</sup> and SBTN Sectoral Materiality tool<sup>9</sup>.

The assessment covers five main nature impact drivers, including land, water, and sea use change, resource exploitation, climate change, pollution, and invasive species, as well as four main dependency categories, including direct physical input, production process enabler, direct impact mitigation and protection from disruption.

### Assess Nature-Related Risks and Opportunities

In the assessment phase, we analysed nature-related risks and opportunities covering our major assets. We leveraged the data and analysis from the WWF Risk Tool<sup>10</sup>, considering factors including location, industry, and asset data to assess nature-related physical and transitional risks and opportunities. The assessment involves analysis of various dimensions of nature-related risks and opportunities and takes into account the impacts of Tencent's operations on ecosystems, wildlife, and biodiversity, as well as dependencies on natural resources.

<sup>1</sup> Global Critical Habitat Screening is categorised as unclassified, potential, or likely based on critical habitat criteria. Likely sites have a higher chance of becoming essential habitat. Published by UNEP-WCMC.

<sup>2</sup> Biodiversity hotspots are areas with high species diversity threatened by habitat degradation. Identified by Conservation International, they guide focused conservation efforts. Published by Hoffman et al.

<sup>3</sup> Mean Species Abundance (MSA) measures biodiversity intactness on a scale from 0 to 1, with 0 indicating total loss and 1 indicating full intactness. Published by GloBio.

<sup>4</sup> Land Cover uses ESRI Sentinel-2 Satellite Imagery, this data quantifies blue-green space coverage. Published by ESRI Inc.

<sup>5</sup> Ecoregion and Nature Needs Half (NNH) Ecoregions, classified into Nature Needs Half categories, represent biodiversity assemblages. Categories include Half Protected, Nature Could Reach Half, Nature Could Recover, and Nature Imperiled. Published by Dinerstein et al.

<sup>6</sup> 100 Priority Basins is the identified basins with significant potential for collaborative initiatives, considering economic opportunities and shared water risk. Published by The UN Global Compact Office and Pacific Institute.

<sup>7</sup> Baseline Water Stress is categorised from low to extremely high, it reflects water availability and withdrawals. Published by World Resources Institute (WRI).

<sup>8</sup> Exploring Natural Capital Opportunities, Risks and Exposure ("ENCORE") enables analysis of nature-related impacts and dependencies by connecting economic activities with their interconnections with natural capital. Published by Natural Capital Finance Alliance.

<sup>9</sup> Science Based Targets Network ("SBTN") Sectoral Materiality Tool assists companies in identifying and prioritising the most significant environmental impacts and dependencies related to their sector's activities. Published by Science Based Targets Network.

<sup>10</sup> WWF Risk Tool with its Biodiversity Risk Filter is a corporate-level screening tool to identify biodiversity risks and prioritise corporate action on biodiversity.

## Biodiversity and Nature Action

Tencent's [Biodiversity Statement](#) identifies three areas in which we continue to act on biodiversity:

- Developing our business in an eco-friendly way;
- Utilising technology to promote sustainable use and protection of ecosystem;
- Utilising internet technologies to raise public awareness.

To align our practice of nature and biodiversity with global actions, Tencent has joined SBTN's Corporate Engagement Programme and signed up Business for Nature's Call to Action Statement.

## Develop Our Business in an Eco-Friendly Way

We develop our business in an eco-friendly way through proactively addressing and managing our impacts and dependencies. According to the impacts and dependencies assessment results, we have identified water and waste as material nature issues. Therefore, we have sorted out the current status of water and waste management and designated an enhancement plan.

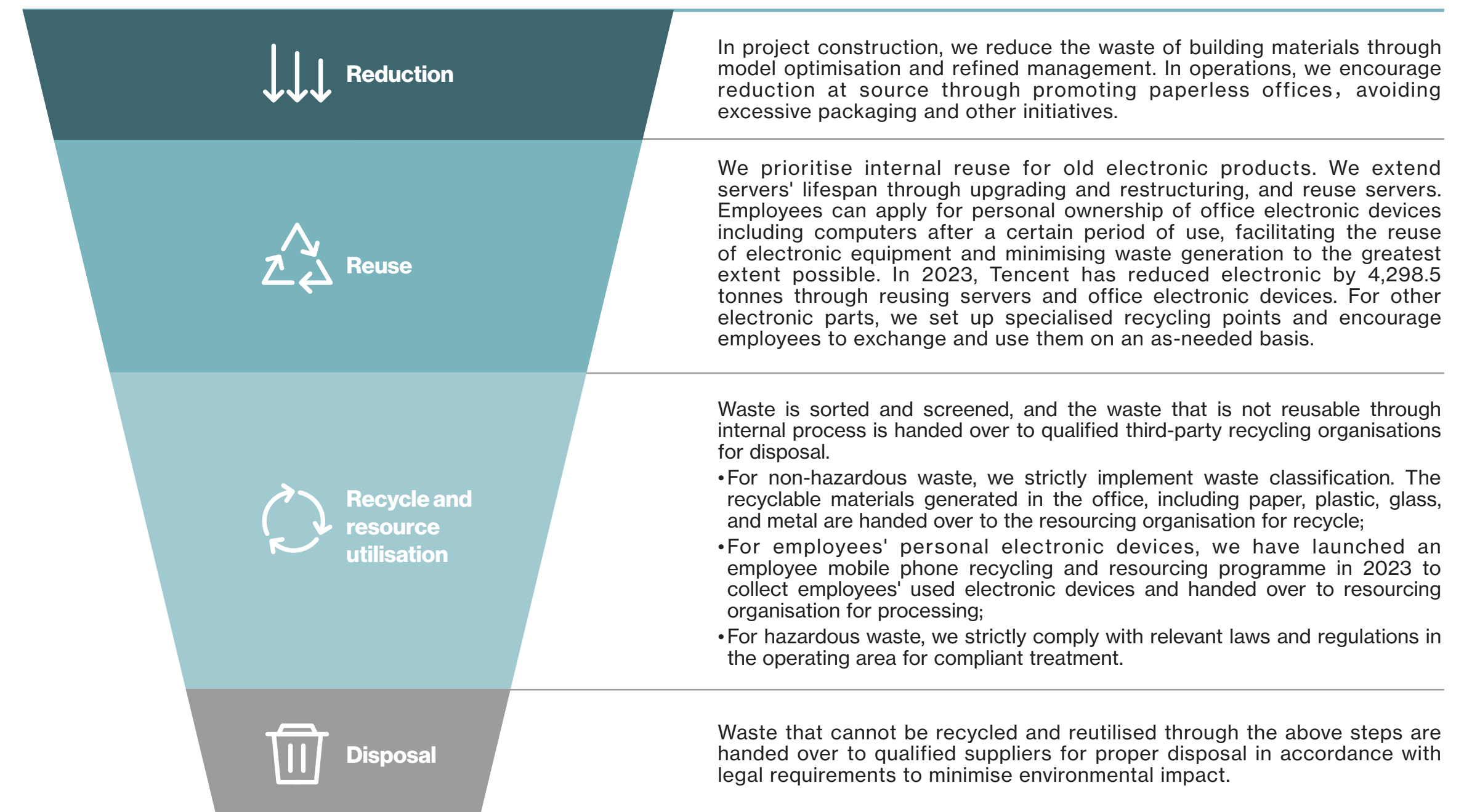
### Water Management

We are dedicated to applying water-saving and recycling technologies and equipment to enhance the efficiency of water resources utilisation.

- **Applying rainwater reuse techniques to office buildings.** We applied sponge city technology to relieve water stress. During the design phase of office buildings, porous ceramic materials, roof gardens and other measures were taken into consideration to collect and store rainwater for recycling. Sponge city technology has been applied to Tencent Binhai Towers, which reduces water stress while increasing resilience to the risk of heavy rainfall.
- **Water saving initiatives in data centres.** Tencent uses reclaimed water from wastewater treatment plants instead of municipal water supply in the cooling system of data centres where available, to reduce the amount of freshwater withdrawn and ease the pressure on water consumption. In addition, we have applied fluorine pump cooling systems to reduce water consumption while ensuring efficient cooling of the data centre.

### Waste Management

Tencent adheres to the 3Rs principle, practices the concept of circular economy, and strives to reduce the impact of waste on the environment. We have established a standardised waste management system, implemented waste classification, promoted reduction at the source, and established reuse and recycle processes, thereby reducing the waste that ends up in landfills. At the same time, we actively strengthen employee awareness and carry out employee popularisation of knowledge related to solid waste treatment.



## Utilise Technology to Promote Sustainable Use and Protection of Ecosystem

### Staff Action for Biodiversity Conservation

We work with our employees to promote biodiversity conservation by encouraging them to take actions that protect nature.

- **Protection of birds in the urban landscape.** In 2023, Tencent Volunteers conducted an investigation into the number of bird-window collisions in our office buildings. In order to reduce bird strikes, we retrofitted the glass panes at Tencent Binhai Towers. At the same time, we made our bird collision prevention solution available to organisations that need them.
- **Afforestation in the Tengger Desert.** 2023 marks the 10th anniversary of the Tengger Desert Tree Planting project by Tencent Volunteers. Over the past decade, with the dedicated efforts of over 300 volunteers, more than 600 acres of land have been planted with drought-resistant saxaul trees, with 85% survival rate of the saplings. This initiative helps to safeguard arable land from desertification.

Tencent employs advanced digital technologies, including AI and cloud computing, to help industries to increase their efficiency and reduce their dependency on natural resources.

### Use of Technology for Species Conservation

- With the purpose of raising awareness of various bird species, the Tencent Charity Foundation, Chinese National Geographic Magazine, and SEE Foundation collaborated to develop "WeBirder", a Weixin Mini Program which contains a database of 1,500 bird species. Users can search and learn more about these birds by filtering them based on their characteristics or by taking a photo. In 2023, we further upgraded "WeBirder" to enable users to track the location and flyways of birds with the help of GPS and AI image recognition technology. We also encourage the public to take and upload pictures of migratory birds when they are spotted, thus helping research institutions to study bird migration.

- The Chengdu Panda Breeding Research Base employs various technologies to manage its facilities and aid in panda conservation. Cameras and sensors are installed to monitor and maintain the optimal physical environment for pandas. Tencent's Location-based Services (LBS), AI and 3D visualisation technologies are utilised to detect any line crossing and to avoid disturbance of the giant panda's protected area. Additionally, we consolidate data from Internet of Things ("IoT") devices, facilitating efficient management, analysis, and decision-making to protect pandas.
- We have developed "AI-Powered Snow Leopard Recognition and Data Management Platform", applying AI technology to rare species conservation. Through features including AI species identification, cloud-based data storage, model building and computation, we assist scientists and conservation professionals in species monitoring and research. Currently, it can identify 31 types of species, with the snow leopard recognition accuracy exceeding 85% and a detection rate of 95.5%.

### Smart Agriculture

- Although Kashgar in Xinjiang enjoys abundant sunshine, it faces challenges of water scarcity and severe soil salinity, making it unsuitable for conventional farming. To solve the issue, we utilise cloud computing and IoT technology, along with soilless culture to enable smart greenhouse farming. We have built 20 greenhouses using this digital solution to grow crops in saline areas. Meanwhile, thanks to digital technology, greenhouses can also intelligently control the planting environment and automatically irrigate and fertilise at regular intervals, thus increasing yields.

- Tencent is collaborating with the Chinese Academy of Agricultural Sciences to create a Digital Seed Bank, which will be able to store and analyse genetic information once completed. This genetic information is of great value for scientific research, biodiversity conservation, agricultural production, and biotechnology development.

### Digital Solutions for Biodiversity Conservation

- Through the "Tencent Tech for Good Venture Capital Programme" and the "Tencent Light innovation Camp", we hope to inspire more participants to develop digital solutions for biodiversity conservation. Tencent has supported a variety of projects targeting biodiversity conservation, spanning from the protection of dolphins and sea turtles to beavers and even ancient trees. Meanwhile, we have helped to recruit volunteers with technical expertise from within and outside Tencent to implement these projects. In addition, we also provide philanthropic organisations with a free digital toolkit that includes access to dozens of our products, so that they can use them to improve their productivity and the effectiveness of biodiversity conservation.



## Integrate Biodiversity Concepts into Our Products to Raise Public Awareness

We integrated biodiversity concepts into our products by appointing animals as "ambassadors". This approach aims to raise public awareness and understanding of the value of biodiversity and to promote broader public engagement.

### Tencent News

Read about national parks, special species, and access educational content on biodiversity in Tencent News' "National Park" section.

### Tencent Music

Listen to the "Sounds of Nature" playlist and enjoy nature sounds generated by the electromagnetic waves of rare plants on QQ Music.

### Tencent Browser

Learn about the encyclopaedia of various rare species in national parks through QQ Browser.

### Tencent Docs

Enable "Nature Mode" on Tencent Docs to learn about biodiversity conservation while working remotely, and are encouraged to support biodiversity projects.

### Tencent Meeting

Start an online meeting "in nature" by using virtual backgrounds from Tencent Meeting.

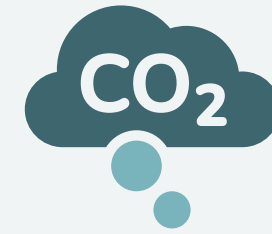
### Games

In Peacekeeper Elite, we have created a realistic virtual scene in collaboration with the China Conservation and Research Centre for Giant Pandas. Players take on the role of "Guardians of the National Treasure" to patrol, observe, and rescue wild giant pandas in their habitats, learning about species conservation in the game. Players can also learn more about the protection of the Yangtze River in Honor of Kings, participate in daily snow leopard knowledge quizzes in Moonlight Blade, and learn to identify rare bird species in Back to Arcadia.



## 1.6 Metrics and Targets

Tencent has set up environmental metrics and targets to track our progress in managing our risks and opportunities. The targets and metrics are set with reference to international frameworks. Particularly, our carbon emission targets were approved by SBTi and our nature-related KPIs are set with reference to the SBTN Engagement.



### Greenhouse Gases

#### Metrics:

- Total GHG emissions (Scope 1, 2, 3) (tCO<sub>2</sub>e)
- Total GHG emissions per unit of revenue (tCO<sub>2</sub>e/RMB million)
- Scope 1 emissions (tCO<sub>2</sub>e)
- Scope 2 emissions (tCO<sub>2</sub>e)
- Scope 3 emissions (tCO<sub>2</sub>e)

#### Targets:

- Carbon Neutrality target: achieve carbon neutrality in our operations and supply chain by 2030
- Absolute reduction pathway: achieve a 70% reduction in absolute Scope 1 and 2 emissions, and a 30% reduction in absolute Scope 3 emissions from the 2021 base year by 2030



### Energy

#### Metrics:

- Total energy consumption (MWh)
- Total energy consumption per unit of revenue (MWh/RMB million)
- Direct energy consumption (MWh)
- Indirect energy consumption (MWh)
- Renewable energy purchased (MWh)
- On-site renewable energy (MWh)
- Percentage of renewable electricity (%)
- Installed capacity of on-site renewable energy facilities (MW)
- Average PUE in data centre

#### Targets:

- By 2030, achieve 100% renewable electricity
- By 2025, reduce the electricity consumption per capita in our owned office buildings in the Mainland of China by 15% from the 2019 base year
- Average PUE of self-built data centres will not exceed 1.35



### Water Resources

#### Metrics:

- Water withdrawal (tonnes)
- Water withdrawal per unit of revenue (tonnes/RMB million)

#### Targets:

- By 2025, reduce water withdrawal per capita in our owned office buildings in the Mainland of China by 15% from the 2019 base year



### Waste

#### Metrics:

- Reusing amount of electronic equipment (tonnes)
- Resource utilisation amount of electronic waste (tonnes)
- Non-hazardous waste (tonnes)
- Non-hazardous waste per unit of revenue (kg/RMB million)
- Hazardous waste (tonnes)
- Hazardous waste per unit of revenue (kg/RMB million)

#### Targets:

- All Tencent-owned office buildings in the Mainland of China will implement waste sorting
- 100% of the destroyed hard disk components and discarded lead-acid batteries are properly disposed by qualified suppliers

# Chapter 2

# Care for Our People

Tencent regards employees as its most valuable asset. We care about the well-being and professional development of our workforce and are committed to creating a diverse, equitable, and inclusive workplace for them. By creating a work environment that stimulates employees' creativity and unlocks their full potential, we work together to achieve their professional aspirations and the Company's development goals.



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## 2.1 Our Approach

**Tencent upholds the corporate cultural values of "integrity, proactivity, collaboration, and creativity". In a rapidly changing market environment, we maintain a strong talent philosophy that prioritises attracting new talent while investing in the development of our existing workforce, fostering synchronised growth for both employees and Tencent.**

To achieve solid and high-quality revenue growth and margin expansion, we will continue to optimise our business portfolio, shifting our resources from less-scalable business to those with higher growth potential. At our core businesses, we increased the talent density. On one hand, we will regularly review business performance and organisation structure, ensuring the allocated resources effect expected business results. On the other hand, we flattened organisational hierarchies, promoted effective communication and efficient decision making. We will continue to search for high-quality talents through campus recruitment and job fairs and enable young people to unleash their potential, thereby increasing the vitality of our organisation and the long-term competitiveness of the Company.

To cultivate an open and dynamic workplace, we actively advocate for DEI practices to ensure that all employees with different backgrounds and experiences can find a suitable space to develop within the organisation and have equal opportunities for career advancement. We offer a variety of career development paths and tailored training programmes to assist employees in achieving their professional goals and improving their skillsets. Simultaneously, we provide a comprehensive benefits package to maintain employees' physical and mental health and positive personal growth. Moreover, we have established multiple channels to collect employees' feedback, further enhancing their job satisfaction.



## 2.2 Talent Acquisition and Retention

**At Tencent, we understand that our strength lies in our people. Thus, we actively seek to attract talented individuals from a variety of backgrounds and expertise. We are committed to respecting and protecting our employees' rights and interests, maintaining a fair and transparent recruitment process, supporting their career development, offering compensation that matches their contributions, caring for their well-being, and valuing their ideas. We endeavour to create an environment where employees can fully utilise their talent and help achieve the Company's mission and vision together.**

Tencent is committed to respecting and protecting the legitimate rights and interests of employees throughout the recruitment and employment process. We strictly comply with the Labour Law of the PRC and the labour laws and regulations in the regions where we operate. Legally binding labour contracts are executed with our employees, and we condemn all forms of child and forced labour. We ensure that our workforce are equally entitled to remuneration for labour, to rest and vacations, to the protection of occupational safety and health, to social insurance and welfare, to join trade unions and participate in trade union activities, and to other labour rights. Tencent also abides by the fundamental conventions of the International Labour Organisation, the Ten Principles of the UNGC, the Convention on the Elimination of All Forms of Discrimination against Women, and the Convention on the Rights of Persons with Disabilities. We actively work towards raising standards for the protection of human rights and labour interests.

In the year 2023, Tencent received several brand awards as an employer, which underscores our industry-leading human capital management practices and innovative approaches. These awards mainly include:



- LinkedIn: 2023 Best Employer Brand Award
- LinkedIn: Big Data Insight Pioneer Award
- Zhaopin: 2023 China's Best Employer Award – TOP One
- Zhaopin: Most Popular Employers Among University Students Award

### Talent Recruitment

Tencent adheres to the principle of fairness and strives to offer excellent employment opportunities to candidates. Through recruitment channel diversification and rigorous procedural planning for job interviews, we ensure that suitable candidates are accurately selected for job vacancies, thereby enhancing the efficiency of talent acquisition. In order to attract outstanding talents, we have established multiple recruitment channels, including campus recruitment, experienced hiring, internal referrals, university co-op programmes and internships. In 2023, to further attract exceptional scientific and technological talents worldwide, we introduced the "Qingyun Plan" to engage technology leaders and eminent scientists to serve as mentors and consultants, and provide comprehensive, customised training programmes and competitive compensation to incentivise outstanding technology professionals to contribute to the Company's cutting-edge technology research projects and core business operations.

During the recruitment process, we attach great importance to examining candidates' professional expertise, skills, overall qualifications, and potential. To ensure the fairness and professionalism of job interviews, interviewers are subject to rigorous screening, training, and assessment, as well as regular follow-up performance appraisal. After an interview is completed, we invite the candidate to fill out a feedback questionnaire to continuously enhance the interview experience. After a candidate passes the interview, we verify the authenticity of the candidate's qualifications with the candidate's consent and in accordance with personal privacy and information security policies and ensure that the Company only hires people who meet the minimum legal working age requirement.

### Incentives and Performance Evaluation

Tencent recognises the dedication and contribution of our employees and shares the success with them. To maintain an attractive and equitable compensation and incentive system, we conduct regular market salary surveys<sup>1</sup> to review our compensation and incentive pay.

Our performance evaluation system is designed to fairly and objectively measure employees' performance, whilst promoting personal development and teamwork. All employees are subject to a bi-annual performance review, with the setting and monitoring of Objectives and Key Results ("OKRs") forming the crux of our performance management framework. At the outset of each evaluation period, team OKRs are established and converted to individual OKRs that are jointly implemented by each team member. Throughout the evaluation period, teams operate in an agile manner, regularly review the implementation progress, maintain adequate communication, and make adjustments to the strategies where necessary to meet their objectives. Apart from OKRs, we have also implemented a comprehensive feedback mechanism, inviting employees' supervisors, peers and subordinates to provide feedback on their performance from multiple dimensions. If employees raise objections to the outcome of the performance evaluation, they can submit a formal appeal through internal system or via email.

To attract and retain core talents, we have put in place a performance-based incentive mechanism, awarding year-end and special bonuses to employees according to their appraisal results. Through our employee share award schemes, we reward employees who have made outstanding contributions to the Company's core products or technologies, as well as those who exhibit high potential or achieved exceptional performance. In addition, we have set up the Tencent Honour award programme to reward teams that have made outstanding contributions to the Company.

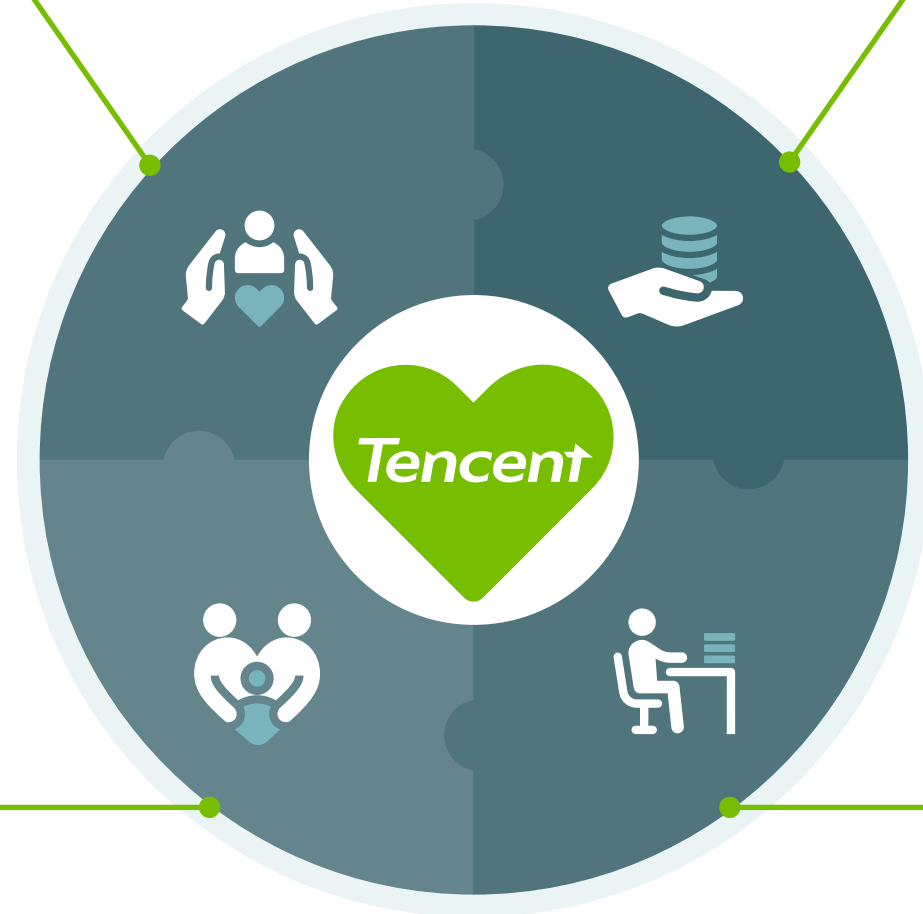
<sup>1</sup> The salary survey includes an analysis of the living wage for employees, and during the reporting period, the salary levels for full-time employees at each operating location exceeded the local living wage benchmarks set by the Global Living Wage Coalition ("GLWC"). According to the GLWC, a living wage is the pay a worker receives for a typical workweek in a certain area, which is enough to maintain a decent lifestyle for themselves and their families. This covers basic needs like food, water, shelter, education, health care, transport, and clothing, as well as a buffer for unexpected situations. The GLWC, following the Anker Methodology, has released and continuously updates research on living wage benchmarks for different countries and regions globally.

## Provide Employee Benefits

Tencent offers its employees comprehensive benefits packages to help them achieve a better work-life balance, thereby enhancing their sense of belonging.

### Physical and Mental Health Benefits

- Statutory benefits**
  - Basic medical insurance
  - Statutory annual leave
  - Medical leave
- Distinct benefits**
  - Supplementary commercial insurance
  - Critical illness insurance
  - Accident insurance and life insurance
  - Company welfare leave
  - 30-day fully-paid sick leave
  - Health consultation service
  - Mental health counselling service and annual check-ups
  - Annual health check-ups and interpretation services
  - 24-hour online family doctor health consultation services
  - Physiotherapy services
  - Sports and fitness facilities and classes
  - Cultural clubs and sports associations



### Financial Support Benefits

- Statutory benefits**
  - Endowment insurance
  - Unemployment insurance
  - Work-related injury insurance
  - Maternity insurance
  - Housing provident fund
- Distinct benefits**
  - Emergency loan
  - Anju Plan (interest-free loans to assist with first house purchase)
  - Yiju Plan (rental subsidy)
  - Employees' spouses, children, and parents: a variety of insurance plans
  - Retiring employees: long-service gratuity, ex-gratia payment

### Family Benefits

- Statutory benefits**
  - Marriage leave
  - Fully-paid prenatal check leave
  - Maternity leave
  - Paternity leave
  - Breastfeeding leave
  - Bereavement leave
- Distinct benefits**
  - Newly-wed employees: cash wedding gift, special wedding figurines
  - Parental employees: maternity gifts, parental leave
  - Employees' families: gift for children and the senior citizens on special occasions, mental health counselling services

### Workplace Benefits

- Distinct benefits**
  - Free shuttle bus services
  - Complimentary breakfast and dinner
  - Ergonomic office equipment
  - Holiday gifts
  - Working anniversary gifts
  - Healthy lifestyle coupons
  - Public charity gifts aimed at supporting farmers and rural communities
  - Tencent-branded merchandise
  - Chinese New Year special leave
  - Public charity leave
  - Long service leave

## Alleviate the Pressure of the High Cost of Living

Tencent has launched Anju Plan to provide permanent employees in the Mainland of China with interest-free loans to first-time home buyers through the Anju Plan and has periodically adjusted the plan to help employees alleviate the pressure of property price inflation.

By the end of 2023, the plan has granted interest-free loans to nearly

**15,000** employees

We have also launched Yiju Plan to provide rental subsidies for permanent employees in the Mainland of China with no more than three years of work experience, helping them to better settle in cities.

## Communicate with Transparency

Tencent attaches great importance to creating an open and transparent communication environment and actively listens to employees' voices. At the same time, we encourage employees to take ownership and share ideas for the improvement of Tencent.

### Management Communications Meetings to Convey Corporate Strategy

To keep employees fully informed about the Company's strategy and management, the senior management regularly shares their thoughts and engages with employees through large-scale internal meetings, including but not limited to Link Time, all-hands meetings, and internal strategy conferences. Among these, Link Time is an important venue for celebrating Company anniversaries, where all senior management team members attend and engage with employees via live broadcasts and offline interactions to answer questions raised by employees.

### Internal Communication Platform Designed to Encourage Free Exchange of Ideas

We have created multiple internal communication platforms to allow employees to express their thoughts and suggestions at any time. Among them, "Lewen" is the largest Q&A social platform within Tencent, where employees can pose questions anonymously and respond with their real names. The platform is widely praised for its informal setting and flat communication hierarchy. A diverse array of topics is discussed on the platform, spanning from product suggestions to employees' professional and private lives. In 2023, our employees asked more than 20,000 questions on "Lewen", receiving nearly 100,000 responses from their peers, with total views exceeding 60 million. We also regularly communicate with our employees through small-scale discussions, corporate culture newsletters, and other forms to understand employees' perspectives on issues related to the Company's strategy, business development, work experience, career planning, and KPI management.

### Comprehensive Collection of Opinions through the Satisfaction and Engagement Survey

Each year, we engage an independent third-party agency to carry out an employee satisfaction and engagement survey. The survey is conducted anonymously and collects employees' feedback on their experience at Tencent encompassing aspects including their sense of purpose, achievement, and challenges they may be facing in their roles at the Company. It also seeks employees' opinions and suggestions on compensation and benefits, health and stress, the Company's strategic direction, and long-term development. In 2023, the survey response rate reached 91.7%, maintaining above 90% for five consecutive years. Employees' engagement in work has increased by 2.7 percentage points compared to 2022. Employees' satisfaction with the Company has significantly increased by 3.7 percentage points compared to 2022. According to the survey, more than 80% of employees expressed satisfaction

## Input from Employees Drives the Company's Progress

Based on feedback collected during the satisfaction and engagement survey, the Company is keen to address employees' aspirations to create a more friendly, equitable, respectful and healthy workplace atmosphere. To this end, we have updated and enriched the code of conduct in the workplace with Ruixue+, an upgraded version of Ruixue, which is integrated as a mandatory module for new hires. We call on all staff to recognise, understand and practise good workplace etiquette. In response to behaviours, including smoking in non-smoking areas, the Company has incorporated them in the Sunshine Code of Conduct and set down clear disciplinary measures. Additionally, the Company has paid more attention to our employees' physical and mental health, and has introduced services including but not limited to mindfulness and mental health check-ups.

with the current state of workplace equity, Ruixue+, and the Company's cultural values, indicating that our employees resonate with Tencent's commitment to fostering a respectful, equitable, and values-driven work environment.

### Multiple Feedback Channels for Timely Response to Appeals

We have set up multiple online and offline channels for employees to provide feedback and lodge appeals. Feedback from employees is processed strictly following the established procedures and by designated personnel or departments.

Tencenters' code of ethics and etiquette, Ruixue+, not only sets the standard for etiquette among Tencenters but also reflects our culture of mutual support and good intentions in the workplace. We encourage every employee to use the "Ruixue Guardian" Weixin platform to report any breaches of Ruixue+ or any action that causes discomfort in the workplace. Should these reports be substantiated, we will take action against the offender and, depending on the circumstances, escalate the case to another channel for further processing.

We have established a procedure for employees to appeal. If employees have objections to the process pertaining to issues including but not limited to probation, performance appraisal, resignation or management procedures, they can submit an appeal through our platform. According to the established dispute resolution process, the matter will be addressed systematically, following the escalation path from indirect superiors to HR to a special investigation team.

The Sunshine Code of Conduct sets out the code of conduct and business ethics standards that Tencenters and other relevant parties should comply with. If employees suspect any violations, they can send an email to jubao@tencent.com to file a complaint in their real name or anonymously, and an independent investigation will be conducted by the Company's Anti-Fraud Investigation Department. For more information, please refer to the "Business Ethics – Adhere to Practising Integrity" section of this report.



## 2.3 Implement Diversity, Equity and Inclusion

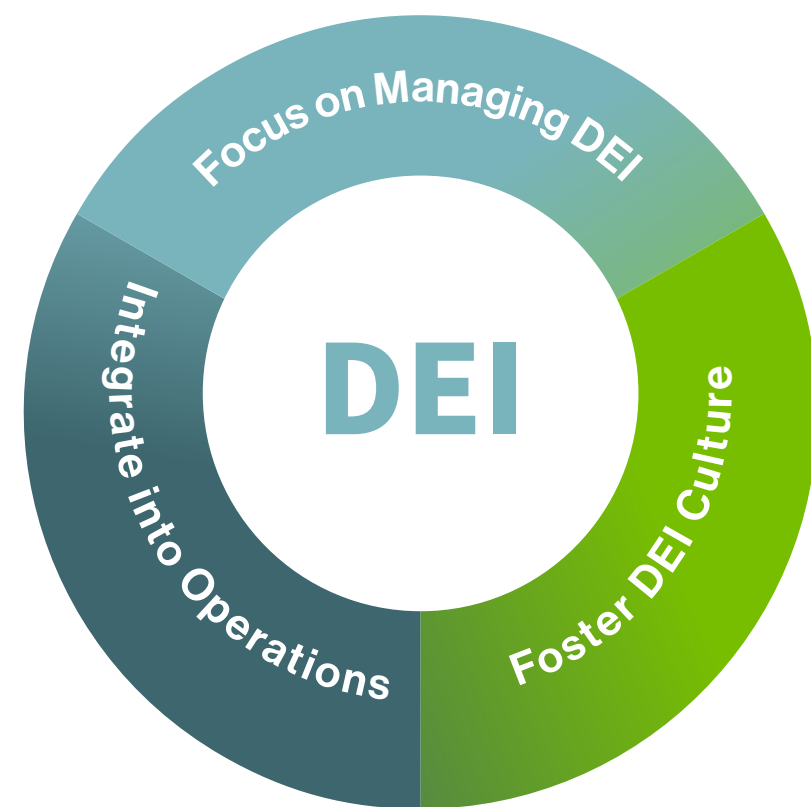
Tencent is dedicated to ensuring that all employees, regardless of age, race, gender, nationality, physical abilities, or religion, receive equal opportunities and fair treatment in recruitment, compensation, training, and promotion. Besides integrating DEI concepts into our day-to-day operations and corporate culture, we also extend this commitment to our products and services. This approach allows us to cater to a diverse user base while enhancing the positive societal impact of our technology.

### Focus on Managing DEI

In early 2023, Tencent released [Our Commitment to Diversity, Equity and Inclusion](#), which firmly articulated our determination to integrate DEI principles into our corporate culture and daily practices. In November 2023, we expanded this commitment to bring it into alignment with international initiatives by signing the Women's Empowerment Principles. It is an initiative jointly launched by UN Women and the UNGC, and signatory companies have pledged to actively promote gender equity and women's empowerment in the workplace, marketplace, and communities<sup>1</sup>. This move further demonstrates our ongoing commitment to and support for global gender equity issues.

The Corporate Governance Committee of the Board oversees the progress of DEI within the Company. The DEI Special Committee under the ESG Working Group follows up on the DEI plan formulation, implementation, and cultural development. The DEI Special Committee comprises six female and three male senior managers who come from different professional and cultural backgrounds. In 2023, the senior executive management team set the direction and principles for advancing DEI within the Company and assigned a joint project team to carry out in-depth analysis, comprehensive planning, and implementation.

In 2023, at the Board level, Tencent has announced its goal to increase the proportion of female directors to 30% by 2030. At the employee level, we conducted an internal review on gender diversity. In 2023, females accounted for 28.7% of all employees<sup>2</sup> (2022: 28.8%) and 24.8% (2022: 24.5%) across management levels. Females at the senior management level were 7.9% (2022: 7.3%) and at the junior management level were 24.9% (2022: 24.5%). The DEI Joint Project Team will conduct in-depth analysis to identify pathways to increase female representation and work with relevant departments to customise action plans. The project team will also develop a dashboard to assist managers in monitoring progress and evaluating performance to ensure consistent improvement.



<sup>1</sup> The Women's Empowerment Principles are as follows,  
 Principle 1: Establish high-level corporate leadership for gender equality.  
 Principle 2: Treat all women and men fairly at work – respect and support human rights and nondiscrimination.  
 Principle 3: Ensure the health, safety and well-being of all women and men workers.  
 Principle 4: Promote education, training and professional development for women.  
 Principle 5: Implement enterprise development, supply chain and marketing practices that empower women.  
 Principle 6: Promote equality through community initiatives and advocacy.  
 Principle 7: Measure and publicly report on progress to achieve gender equality.

<sup>2</sup> The total number of employees in this report covers the Company's permanent employees, as well as consultants and interns who are directly employed by the Company, excluding employees of subsidiaries and consolidated investment companies, as a reference for the disclosure of employee breakdown by employment type, age and gender. The total number of employees in the Group's results announcement and annual report was 105,417, including employees of the Company, subsidiaries and consolidated investment companies.

## Foster the Culture of DEI

Tencent attaches great importance to integrating DEI considerations into its corporate culture. Through training, campaigns, and other activities, we enhance employees' awareness in aspects including workplace sexual harassment prevention, gender equality and cross-cultural communication. These efforts aim to foster an environment that values diversity, equity, and inclusion across the organisation.

### Prevent Sexual Harassment in the Workplace

To foster a safe work environment, we formulated the Anti-Sexual Harassment Policy. We have accordingly set up dedicated reporting channels and procedures for tackling related incidents, and are committed to protecting the victims and whistleblowers. These efforts ensure all cases of workplace sexual harassment are promptly and properly handled. Throughout the reporting period, every employee received training on our Anti-Sexual Harassment Policy, with a 100% participation rate.



### Advance Gender Equity

On International Women's Day 2023, we invited outstanding female employees from diverse backgrounds to participate in seminars including "Women's Multifaceted Roles" and "Women in Tech: Perspectives, Visions, and Tips". They shared their achievements and experiences in their professional areas, as well as their growth journeys in diverse cultural contexts. Additionally, employees from numerous offices worldwide actively took part in Women's Day-related celebrations to collectively acknowledge and support the contributions of female colleagues in their respective locations. These actions advance gender equity and empower women. In 2023, Tencent Americas Office launched its Women's Employee Resource Group, an employee-led community that focuses on providing mutual support and sharing experience, and supports professional development among female employees.

### Foster Cross-Cultural Communication

We provide a suite of internally developed training resources, including the Cross-Cultural Competence Model, the Cross-Cultural Competence Evaluation, and the National Cultural Database. These tools are designed to help teams recognise and comprehend the cultural differences between countries, thereby promoting increased understanding and respect for multiculturalism. Complemented by training courses, workshops, Cross-Cultural Weeks and other activities, these resources aim to strengthen employees' cross-cultural communication skills and encourage collaborative efforts across our multicultural teams.



## Support and Encourage Employees Innovation and Creativity across the Organisation

Tencent supports and encourages innovation among all employees, aiming to inspire more individuals to unlock their creative potential and push forward the advancement of the Company and society as a whole through concerted efforts. On World Intellectual Property Day 2023, we launched the initiative "She Innovates: I Have an Idea at Tencent", centred around the theme "Women and Intellectual Property: Accelerating Innovation and Creation". During this event, three distinguished female patent holders from different business departments shared their stories of innovation. These narratives not only sparked enthusiasm for innovation among our staff, but also offered other employees and the public a glimpse into the achievements of Tencent's female employees in the realm of patent invention.

On World Intellectual Property Day, we celebrated the contributions of our female inventors. Between 2020 to 2022, the number of female patent inventors at Tencent increased annually by over 20%, making a total of over 100 patent applications filed worldwide. These patents have made a positive impact on society. For example, patented technologies related to voice recognition and vibration feedback have aided visually impaired users in locating vehicle pick-up points, making travel and day-to-day lives easier for them. The series of technological innovations created by our female patent inventors not only propelled societal progress but also demonstrated the strength and contributions of women in the field of science and technology.

## Integrate DEI into Operations

We proactively cultivate a diverse workforce and embed DEI considerations into all aspects of our Company's operations, encompassing recruitment, training, promotion, compensation and benefits, work environment, and cultural activities, among others.

### Integrate DEI into Human Capital Management Processes

At Tencent, the diversity of our employees is fully respected, encompassing factors including but not limited to age, race, gender, nationality, and physical condition. The Company establishes mechanisms and clarifies management policies to ensure fairness and impartiality throughout the recruitment, compensation, training, and promotion processes, thereby further enhancing the diversity of the workforce. For example, we have integrated DEI considerations into our interviewer training programmes to promote awareness of subconscious biases and eliminate biases in the recruitment process at our best, which allows us to focus on candidates' professional competencies and experiences, ensuring a more holistic evaluation of their suitability for the position. Going forward, we will further upgrade and improve our training on the DEI considerations of our interviewers and the implementation of relevant methods. In terms of benefit, the Company has implemented a series of policies, including prenatal leave, maternity leave, paternity leave, and parental leave, to support employees' families and help them attain work-life balance.

### Support the Development of Female Tech Talent

Tencent is deeply committed to providing equal career opportunities for women in tech and actively seeks out and nurtures female talent, with the goal of dismantling gender

biases and promoting diversity and inclusion within the industry. Through our video series and external conferences, we showcase the power of female role models and will also launch the Tencent Women in Technology Development Salon Tech for Her in 2024, encouraging more women to pursue career development opportunities in the tech industry<sup>1</sup>. In March 2023, Ms. Michelle Liu, CEO of Tencent Interactive and Entertainment Group Global, attended the Women Impact Tech Conference. She spoke about how Games as a Service has transformed the sector, allowing developers and gamers to break through technological, geographical, and social barriers, all the while digitally connecting with others. In December 2023, Ms. Chen Shoushuang, the Executive Secretary of the Tencent Sustainable Development Foundation, delivered a keynote speech at the Women Science and Technology Innovation Pioneer Forum, where she called to pay greater attention to and value the contributions of women in science and technology.

### Create the Workplace with Inclusive Design

In terms of creating an inclusive workplace, Tencent has fully considered the diverse needs of employees in the design of office space and facilities. The Company has set up exclusive nursing rooms for breastfeeding mothers, and in its self-built office buildings, it has equipped people with physical impairments with barrier-free facilities in accordance with the requirements of the "Code for Accessibility Design in China" to facilitate person with disabilities.

To further advocate for creating a more accessible workplace, in June 2023, Tencent entered into a strategic partnership with the China Disabled Persons' Federation ("CDPF") and jointly committed to building the Tencent Shenzhen Headquarters Project into a global model of

accessible design. Tencent has worked in conjunction with design institutions to prepare the Accessibility Guidelines for Tencent Shenzhen Headquarters and the Special Plan for Accessibility of Tencent Shenzhen Headquarters, aiming to reach the highest level of national certification for accessible environment – three-star<sup>2</sup>. Tencent Shenzhen Headquarters Project created ample turning spaces and ramps to ensure ease of movement for wheelchairs and prams. Additionally, the design pays particular attention to details including but not limited to knee clearance and the height of foot-activated pedals, thereby enhancing the accessibility experience in a comprehensive manner. In December 2023, the accessibility design of Buildings on completed plots of Tencent Shenzhen Headquarters Project was honoured as an "Excellent Case in Facility Design" in the first batch of "National Excellent Cases of Accessible Environment Construction" selected by the Office for Promoting Accessible Environment Construction of CDPF and the China Association of Volunteers for Persons with Disabilities.

### Integrate DEI into Product Design and Services

To advance diversity and inclusion in society, technological innovation serves as a powerful catalyst. We integrate DEI considerations into our product design and services, harnessing technological innovation to improve accessibility and generate significant social impact. For instance, Weixin Pay initiated an accessibility optimization project to address challenges encountered by visually impaired users, and established a dedicated service hotline to promptly resolve issues they may face. Additionally, Tencent Video plans to introduce an accessible theater section in early 2024, offering accessible versions of over 600 popular classic movies and TV series, enabling visually impaired viewers to enjoy online entertainment. For more information, please refer to the "Create Sustainable Social Value – Create the Social Value of Digital Technology" section of this report.



<sup>1</sup> Campus recruitment: According to the sample survey in 13 targeted higher education institutions, the proportion of women in IT-related faculty is approximately 17.8%. Experience hires: Among the mainstream external recruitment websites, the proportion of women applying for technical positions is about 15.7%.

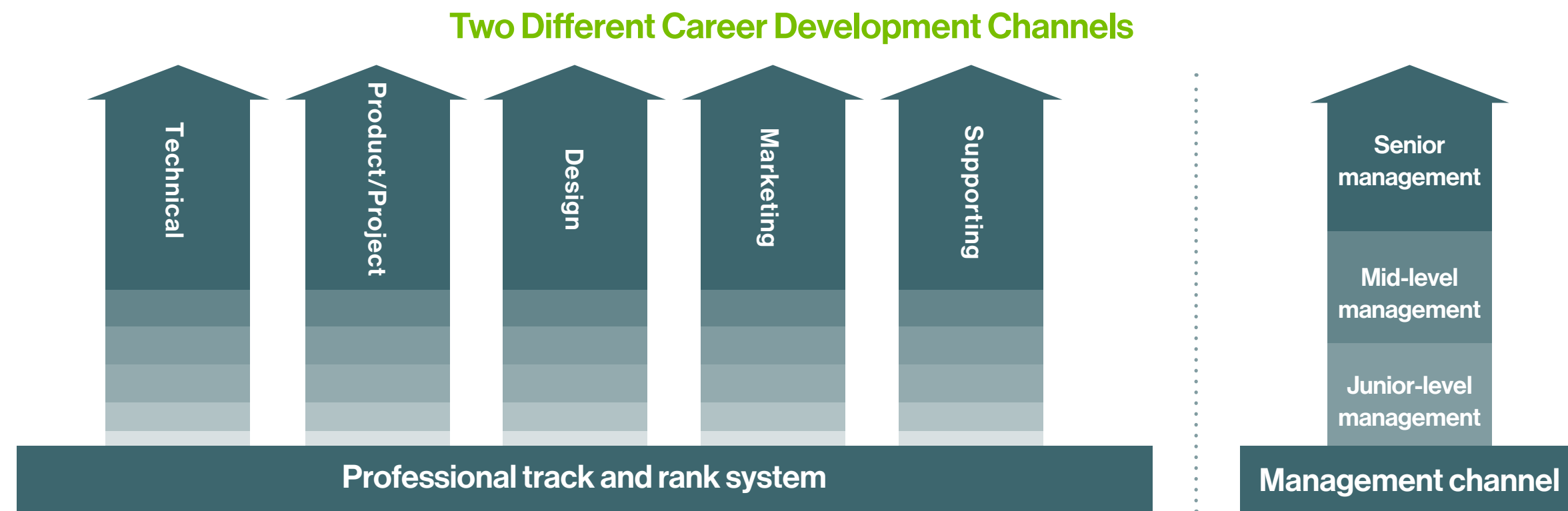
<sup>2</sup> The Evaluation Standards for Accessibility Facilities in Civil Buildings, formulated by the China National Association of Engineering Consultants, categorises projects that have been completed and accepted within the last year into three tiers, with the highest being the three-star rating. To achieve this prestigious standard, the project must excel in several key areas: accessibility of movement, public accessibility services, accessible accommodation, accessibility of information exchange and smart services, and the operation and maintenance of the facilities.

# 2.4 Support Career Development

Tencent provides a variety of career development paths, enabling employees to develop their strengths and maximise their potential. Additionally, we provide a wealth of learning resources to foster continuous improvement among employees. We continuously refine our training courses based on the needs and feedback of our employees.

## Provide Opportunities for Career Advancement

To support our employees in achieving their own career development goals, we have designed a comprehensive career development system. This system clearly specifies career advancement paths, which are divided into professional and managerial channels, enabling employees to choose the one that better fits their interests and expertise. The "dual-channel" strategy not only helps employees to reach their full potential but also greatly benefits the Company.



### Professional Channel

Suitable for employees who are deeply engaged in specific fields or wish to deepen their professional skills. This includes diverse career path options covering five verticals – Technical, Product/Project, Design, Marketing, and Supporting Functions, and expanding to more than 20 career tracks.

### Management Channel

Suitable for employees who are interested in taking on management roles. This consists of three levels – junior-level, mid-level, and senior management.

As for nurturing outstanding young talents, we encourage frontline managers to proactively identify high-potential talents, provide them with opportunities and coaching, and perform talent reviews following a stepwise approach so as to continuously lead their development.

To sustain the vitality of our talents, we have implemented a variety of talent rotation mechanisms including but not limited to the "Huoshui Programme" and the job rotation programme. This not only enriches employees' career experience and competency spectrum, supporting them in seizing opportunities at different stages of development, but also brings new perspectives and innovations to the Company. We launched the "Huoshui Programme" as early as 2012, supporting employees to seek internal transfer opportunities freely. Not only has this assisted Tencent in identifying internal talent, but it has also attracted employees to support our fast-growing new businesses. In 2023, we upgraded the "Huoshui Programme" to provide employees with broader internal mobility and career progression opportunities. The upgraded plan has expanded the range of positions available to employees when applying for job transfers and has introduced an anonymous application mechanism to ensure that employees can be more at ease when seeking a new position. Concurrently, we issued the "New Edition for the Huoshui Programme", enabling employees to tailor their subscriptions according to their interests and developmental objectives, thereby meeting their personalised career development needs. In 2023, the "Huoshui Programme" helped nearly 2,400 employees transfer to new roles.

To ensure the fairness and efficiency of employee promotions, we have established a review management mechanism featuring tiered delegation. For employees at certain job levels and below, we delegate metric management and reviews to the Business Group/business line/department to ensure adequate flexibility at the front line. Employees at higher ranks are reviewed by the Channel Committee at the Company level<sup>1</sup> to maintain the overall quality of core talent. Meanwhile, for particularly outstanding talent, fast track and special applications can be adopted to realise accelerated development.

<sup>1</sup> The Channel Committee is responsible for driving the establishment and optimisation of professional positions and competency standards, as well as employee ranks evaluation and hiring classifications.



## Emphasise Talent Development

Since its establishment in 2007, Tencent Academy has continuously supported new hires, professionals, and management to sharpen their personal and professional skills by providing diversified learning channels and resources. Tencent collaborates with external academic institutions and other third party organisations to further enhance employees' professional knowledge and broaden their horizons. We also provide learning platforms and resources to business partners and our investee companies, sharing our industry insights, best practices, and know-how to help cultivate industry talent.

In 2023, Tencent Academy enhanced its existing training system with the following updates:

### Curated Curriculum

To keep pace with new technologies and industry development trends, for example, AI and large models, Tencent Academy has updated its curriculum to include four key modules: onboarding for new hires, career advancement, general competency improvement, and leadership training. It encourages employees to transform their individual experiences and expertise into educational courses, blending this with an internal knowledge-sharing mechanism. This integration with Tencent's human resources systems, including rank advancement and expert selection, aims to develop unique training courses reflective of Tencent's identity.

### Technology-Enabled Learning Experience

We leverage technological advantages to upgrade the internal learning platform so that employees can access learning resources more flexibly via mobile devices. We also use AI to develop customisable courses to make course development more appropriate for its audience. To make learning more engaging, interactive management scenarios in our online simulation courses were introduced for members of the management.

### Deepened Industry Collaboration

Tencent Academy brought in reputable high-level training resources in the industry to further diversify Tencent's employee development courses through partnerships.



Overview of Tencent Academy's Training System

<sup>1</sup> External training resources are provided to subsidiaries, investee companies and business partners.

## New Employee Training and Coaching

To facilitate new employees' adaptation of the work environment, we offer targeted onboarding orientations. Fresh graduates from campus recruitment are provided with closed-door training focusing on professional literacy and practical skills. For experienced hires, the orientation gears towards helping them understand and adapt themselves to corporate culture quickly. Moreover, each business group conducts specialised training based on their respective operational characteristics. In 2023, we enhanced our training programmes by implementing pre-learning and small-group teaching options, resulting in improved efficiency of learning.

Tencent Academy actively creates coaching and sharing opportunities for new and existing employees to exchange ideas, continuously supporting the growth of employees at all career stages. When new hires join Tencent, we assign them mentors, who will guide their new colleagues following the Mentoring System for Tencent New Hires. The system clarifies mentors' responsibilities, selection criteria, and mentoring process to ensure that the mentorship is conducted in an orderly manner.

### • Pre-Onboarding communication

Before joining Tencent, mentors conduct preliminary communications with new hires, answer their questions, and recommend learning resources to help them with onboarding preparation.

### • Mentoring upon onboarding

Upon joining Tencent, mentors work with new hires to set their goals, help new hires develop good work processes, and provide guidance for their career growth through daily guidance, regular communications, and a mentee-to-mentor feedback mechanism.

### • Interview with Tencent Talents

New hires are given opportunities to interview Tencent Talents on topics including cultural integration, work efficiency, career development, and more. These interviews facilitate a quicker integration of new hires into the Company's culture and enhance their work effectiveness.

## Professional Skills Development

In terms of professional skill development, Tencent Academy offers tailored learning resources for employees according to their professional stream, grade, and position. Additionally, employees can select suitable courses and learning styles based on their own interests, needs, and development stages.

In addition to regular training, we also provide employees with a variety of opportunities for learning and exchanging ideas.

### • Better Me

The general competency enhancement system for all employees has been established to provide them with courses and sharing sessions covering topics including communication, self-awareness, and career planning and more.

### • Expert platform

Tencenters can access the internal platform to consult with experienced employees from various professional streams on a one-on-one basis. Topics for consultation may include professional knowledge, experience sharing, and career development.

### • Folk Veterans

Employees possessing expertise in their specific field are invited to share their approach, and thought process and innovative ideas.



### • Partnerships with academic institutions in educational programmes

Tencent Interactive Entertainment Group ("IEG") has partnered with the University of Southern California ("USC")'s Interactive Media & Games Design division and Ritsumeikan University, to tailor the Spectrum programme, specifically designed for game producers. Tencent Platforms and Content Group cooperated with the USC School of Cinematic Arts to launch a programme to cultivate storytelling abilities for film and variety show producers.

## The Spectrum Producer Development Programme

The Spectrum Producer Development Programme, a collaboration between Tencent IEG and USC, was officially launched in 2017. The project aims at bolstering the design and production skills of game producers and inject diverse perspectives and creative ideas into Tencent's games for global audiences. By the end of the reporting period, the Programme had completed four editions, benefiting almost a hundred producers. In 2023, the Programme expanded its global reach by forging a partnership with Ritsumeikan University in Japan. Focused on three fundamental themes: game design, IP creation/content production, and R&D management, this Programme hosted 24 producers who participated in extensive learning experiences encompassing theoretical lectures, case studies, and practical exercises conducted in four on-site training sessions. Moreover, the Programme invited renowned professors and game industry experts from Japan and the United States to share their expertise and exchange ideas with participants on topics including content production, IP development, and game design.

We support and encourage our employees to continually refine their professional abilities by engaging in part-time education at educational institutions, pursuing advanced degrees, and obtaining external qualification certificates, with rewards and reimbursement offered.

In addition, we organise various professional events and invite experts to share their insights, innovation, or industry experiences, while encouraging knowledge sharing among employees.

### • The 6<sup>th</sup> Tencent Technology Week

At the grand technology event held on Programmer's Day, which was open to the public, 68 internal and external technical experts were invited to present insights on 58 innovative topics. The event featured seventy showcase booths, a technical operation competition, and included the participation of numerous teenage students. In total, the event garnered 210,000 individual visits.

### • The 8<sup>th</sup> Tencent Design Week

The three-day summit invited 21 top-tier design experts worldwide to share their specialist know-how under the theme of "Return to Creativity", with topics covering AIGC, IP brand, film and television, and new media.

### • AI Large Models Sharing Month

Nine internal and external technical experts were invited to share their views on the deconstruction of cutting-edge technologies, application practice cases, and development trend insights of large models, attracting a total of over 30,000 participants. The event enhanced employee engagement in AI technology and exchanges of insights, inspiring them to explore future trends.

## Leadership Development

In a dynamic and changing market environment, strong leadership plays a vital role in improving teamwork, creating a positive workplace atmosphere, and ensuring the Company's long-term success. We are deeply aware of this and strive to enhance the leadership of our management team through a series of measures.

### Leadership Model

Tencent's "All in Leadership" model is rooted in the Company's cultural values of integrity, proactivity, collaboration, and creativity. It outlines three core capabilities that managers must possess: Insight, Inspire, and Win. This model provides a structured framework for leadership development, guiding our strategies for training future leaders and laying a solid foundation for the Company's sustained success and talent succession.

### Leadership Development System

Tencent Academy has tailored its leadership development system based on the needs of managers at different levels. Our training model has been upgraded to offer a combination of both online and offline components, with online training focusing on knowledge acquisition, and offline promoting in-depth discussions, exchanges, and practical evaluation. In addition, we have crafted specialised training initiatives for managers at varying levels and stages in their careers, including the Yulong Programme, the Qianlong Programme, new directors' training, and the Feilong Programme. In 2023, we selected 750 managers to participate in these programmes to bolster their leadership prowess required for their next stage of career advancement and to cultivate a talent pool for future management positions.

### Leadership Development Programmes

We focus on the comprehensive development and advancement of managers. For example, the Zhiyuan leadership development programme is designed in alignment with the "All in Leadership" model, encompassing topics including but not limited to strategy management, operational management, team management, and transformation management. We offer customised learning resources and training programmes for managers at various levels to help them enhance their management competencies and leadership abilities, empowering them to lead their teams effectively and ensuring the Company's sustained competitive edge.

### Individualised Competency Assessment and Guidance

We provide tailored competency assessments and guidance for our core talents. For example, the Feilong Programme, designed for potential mid-level management within the Company, includes an assessment centre to perform a holistic assessment of each participant. This assists candidates in gaining a profound understanding of the Company's expectations and standards, as well as identifying their own strengths and areas for improvement. Based on the assessment results, we work closely in partnership with the participants' managers and the Human Resources Department to develop bespoke development plans, thus helping each core talent advance rapidly along a path that suits them and become the backbone that supports the team's sustained growth.

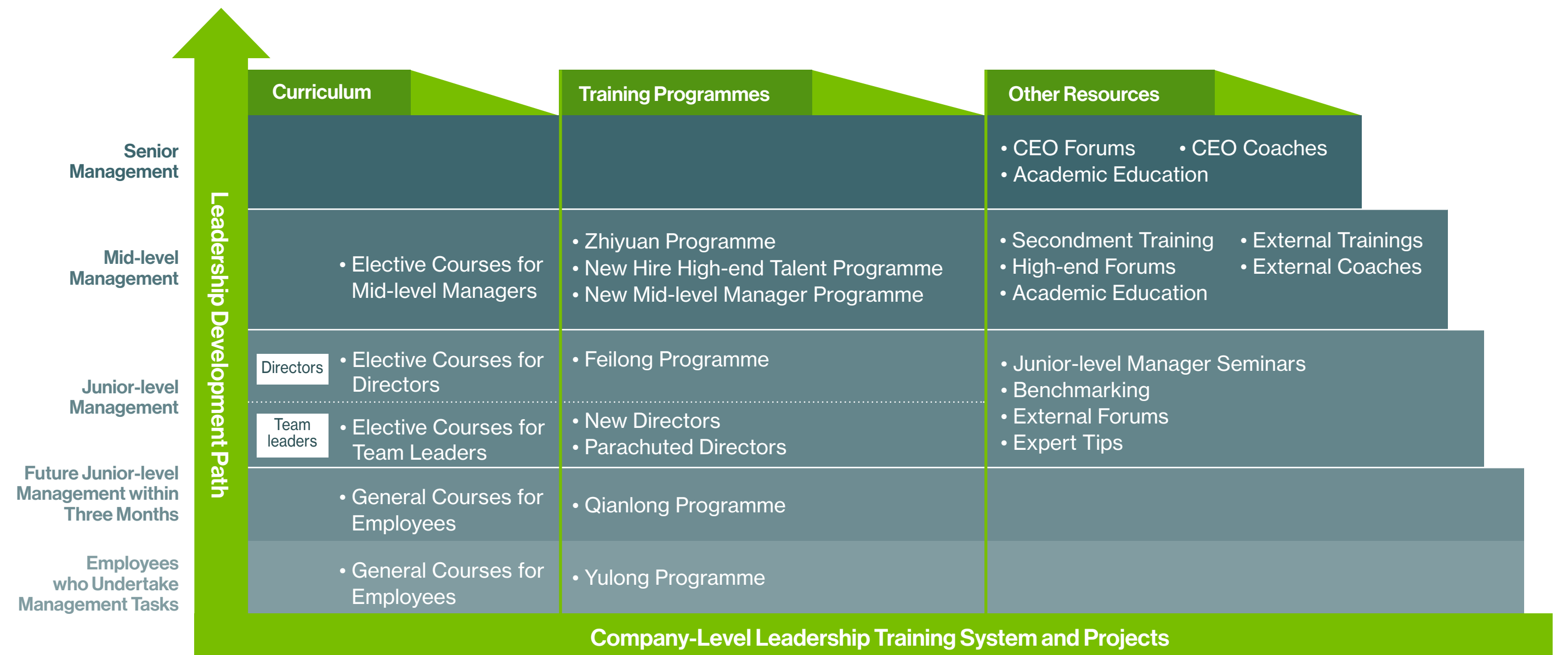
## Cultivate Talent for the Industry

To nurture and support the development of talent in the industry, we have made a series of internal courses available to the public. These courses have been developed based on Tencent's corporate practices, industry insights, and internal training experiences over the past two decades, covering organisational management, products and users, industries, digital transformation, and cutting-edge technology. For more information, please refer to the "Create Sustainable Social Value – Create the Social Value of Digital Technology" section of this report.

In addition, we strive to support the industry ecosystem by offering diversified, high-quality training programs and networking opportunities to business partners, senior management teams, and key personnel of investee companies, thereby effectively promoting knowledge and business collaboration.



"All in Leadership" Model



Company-Level Leadership Training System and Projects

## 2.5 Promote Health and Vitality

**Tencent adheres to a people-centred approach and is committed to providing employees with a safe, healthy, comfortable, convenient, and caring work environment through comprehensive measures. We fully understand the critical importance of supporting both the physical and mental health of our employees. A healthy environment not only contributes to employees' well-being, but also profoundly impacts the stability of our business and the efficiency of team collaborations. Our aspiration is to establish a work environment that promotes the well-being of our employees, thereby providing a robust foundation for Tencent's sustained growth and the vitality of our teams.**

### Protect Occupational Health and Safety for Employees

Tencent has established an Occupational Health and Safety Committee to ensure that all workplace facilities and their management comply with the requirements of the Law of the PRC on Work Safety, the Law of the PRC on Prevention and Control of Occupational Diseases, as well as the relevant laws and regulations in all the regions we operate in. We have formulated the Workplace Health and Safety Policy, established occupational health and safety guidelines, and implemented management measures revolving around four critical issues: occupational safety, environmental management, health management, and emergency response. This policy is applicable to all Tencent's operational sites and associated personnel, including both our employees and partners.

The property management service providers of all Tencent office buildings are certified with ISO 45001 for occupational health and safety, ISO 9001 for quality management, and ISO 14001 for environmental management. We continuously elevate our occupational health and safety performance through annual internal reviews and the introduction of annual action plans supplemented by quantitative targets. The dedicated management team adheres to the cycle of "plan-do-check-act" to perpetuate improvements in occupational safety, environment, health, and emergency response.

#### Occupational Safety

In accordance with the requirements of the Company's comprehensive management system, we carry out comprehensive safety management practices in all workplaces, including but not limited to office areas, cafeterias, shuttle buses, and data centres. Through regular safety assessment and systematic management measures, we maintain the effective operation of the safety management system.

#### Environmental Management

We have implemented a set of high-standard work environment management specifications, which specify the various standards of a healthy work environment including but not limited to sound, light, air quality, temperature,

and ergonomics. These specifications set out detailed requirements and inspection cycles for workplaces, office equipment, office furniture, and materials. Through continuous monitoring and timely maintenance measures, we seek to eliminate adverse environmental factors in our offices to safeguard the health of our employees and ensure comfortable working conditions.

#### Health Management

The design and facilities of our offices fully consider ergonomics to ensure that all employees enjoy a comfortable work environment daily. The main offices are furnished with various health support amenities, including but not limited to gyms, health consultation rooms, physiotherapy services, and first aid supplies. Additionally, we utilise multiple communication channels to promote health education and encourage employees to actively participate in various health-promoting events, including workplace exercises, fitness classes, sports competitions, healthcare information sessions, and other similar activities.

#### Emergency Response

We have established an emergency response mechanism to deal with potential risks including natural disasters and workplace accidents. Regular safety training sessions and emergency drills are conducted to enhance safety awareness among employees and build on the Company's emergency management capabilities. Since 2012, Tencent has formed an internal volunteer first aid team. In 2020, we initiated the "Tech for Good, Protect the Heart" campaign, which led to the establishment of an emergency response system, covering all Tencent's major office buildings and data centres in the Mainland of China, spanning an area of over a million square metres. Supported by advanced hardware and software systems, professional teams, and meticulous management, we can rapidly coordinate resources including on-site support personnel, volunteer first aiders, automated external defibrillators ("AEDs"), and emergency medical services so that patients can receive timely reuse in case of an emergency.

Additionally, first aid training has become compulsory for new Tencent hires, and employees who completed the initial training are required to participate in annual refresher training. Since 2012, we have offered training courses to more than 18,000 employees and developed more than 40 internal trainers. In 2023, we conducted on-site first aid drills at multiple locations, with participants including Tencent's first aid team members, third-party staff from property management, and catering services, among others. During the drill, all participants beat the international standard of four-minute life-saving run.

In 2023, Tencent's emergency response system played a crucial role in the successful rescue of our people. An employee at the Shenzhen office experienced airway obstruction due to a choking incident and first aiders promptly performed the Heimlich manoeuvre, which relieved the blockage and helped the employee resume breathing.



## Support Employees to Better Manage Physical and Mental Well-Being

We provide employees with resources for managing their physical health, encouraging them to proactively focus on and maintain their own wellbeing:

### Day-to-Day Health Resources

We provide a wealth of resources to our employees and their families with easy access to health assistance, including health consultation rooms, physiotherapy facilities, online medical consultations, and many more.

### Annual Health Check-Up

As an important part of health management, we provide a complimentary annual health check-up. Medical specialists are commissioned to analyse the check-up results to enable employees to obtain a deeper understanding of their health status, facilitating improved disease prevention and treatment strategies.

Non-Alcoholic Fatty Liver Disease ("NAFLD") emerged as the most prevalent abnormality during our employees' 2023 annual health check-ups. By the end of the reporting period, we had implemented two long-term intervention programmes. We also introduced a professional team including hepatologists, nutritionists, psychologists, and fitness coaches to provide employees with a range of resources including educational courses, real-time consultations, diet and exercise monitoring, and complimentary health checks. The aim is to facilitate weight loss through behavioural modifications, thereby alleviating or even reversing the symptoms of NAFLD.

### Sports and Cultural Activities

We also encourage employees to actively participate in sports and cultural activities. The Company has well-equipped gyms and provides fitness courses guided by professional coaches. In addition, over 100 sports clubs and social groups regularly organise various activities, including dance, music, basketball, board games, drama, and others, which enrich our employees' leisure time and promote their physical and mental health.



Mental health is also very important for the well-being of employees. Therefore, we provide a range of mental health management resources for employees in need:

### Mental Health Support Platform

Employees have access to mental health counselling, mental health assessment, an emergency hotline, and other support services through our "Stress Relief Cabin Online Platform".

### Annual Mental Health Check-Up

We provide annual mental health check-up to all employees on a voluntary and confidential basis to help them gain a deeper understanding of their mental health condition and encourage them to seek professional help when necessary.

### Mindfulness Practice Resources

To assist our employees in improving their self-awareness, concentration, and maintaining a positive mindset, we established a mindfulness club in 2022. This club offers mini-courses, reading clubs, and mindfulness meditation sessions taught by professional instructors.

### Mental Health Awareness

We incorporate mental health education as a mandatory component of the curriculum for new junior-level managers, aiming to enhance their ability to recognise and support the mental well-being of employees effectively. Furthermore, during mental health-related observances, including Mental Health Day on May 25th, we organise various knowledge-sharing events. During these events, external experts and internal lecturers were invited to share insights on this topic. Additionally, we launched a study on sleep improvement to raise awareness of mental health and sleep quality.



# Chapter 3

# Protect Digital Rights

Tencent aims to create a safe, healthy, inclusive, and friendly digital experience for users. We continuously upgrade our capabilities in user data and privacy protection and cybersecurity, as well as strengthen the protection of intellectual property rights and users' digital rights. We are committed to the responsible development and deployment of AI technologies, which should serve and benefit humankind.

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# 3.1 Protect User Data Privacy

Tencent believes that the protection of user data privacy, as well as the valuation of user's rights, precedes the superior and secure product experience we provide to our users. We take effective measures to protect user privacy and data, including continuously improving privacy protection, establishing reasonable, effective internal data governance, and implementing due procedures throughout the information lifecycle.

## Privacy Protection

Guided by the Company's mission and vision - "Value for Users, Tech for Good", Tencent protects user data and privacy as the highest priority. We continuously invest in our systems to ensure the Company's products and businesses are aligned with global best practices for user privacy, data security, and transparency.

We abide by all applicable laws and regulations on user privacy and data security protection in jurisdictions where we operate, including but not limited to the world's leading privacy legislations, or data privacy and personal information protection standards:

- The Personal Information Protection Law of the PRC;
- The EU General Data Protection Regulation and the United Kingdom Data Protection Act;
- The California Consumer Privacy Act, as amended by the California Privacy Rights Act.

## Guiding Principles

At Tencent, we adhere to the "Data for Social Good" vision, utilising data to enhance user experience by improving our products and services while strictly following relevant laws and regulations. This principle ensures the privacy and protection of users' data. We believe that safeguarding user data privacy is crucial in creating a secure and world-class product and user experience.

Tencent applies stringent confidentiality to all collected personal information, preventing it from being leaked, tampered with, destroyed, sold or otherwise provided to third parties thereby preserving users' control over their data.

## Our Principles for User Privacy Protection:

- **Information Security**  
We work to prevent user data leakage, damage, and loss through effective data security technologies and management.
- **Independent Choice**  
We provide convenient data management options for users to make appropriate choices and manage personal data.
- **Confidentiality of Communications**  
We uphold the confidentiality of users' communications in compliance with the applicable laws and regulations and provide secured communication services.
- **Reasonability and Necessity**  
We only collect reasonably necessary data to provide better services to users.
- **Openness and Transparency**  
We strive to present the privacy policy in easy-to-understand language to help users clearly understand our data processing practices.
- **Privacy by Design**  
We integrate privacy protection into the development and operation of all products and services.

## "Privacy by Design" Methodology

Tencent follows the "Privacy by Design" principle, which dictates that our products and services are designed with privacy protection from the outset and that we continuously think about privacy protection throughout the product lifecycle. Our approach to "Privacy by Design" is encapsulated in three words: "Person-Button-Data".

**P** "Person" refers to how the needs of our users are always central to everything we do. Core to this is the notion of transparency and our commitment to letting users know how their data is used. Privacy remains our highest priority in all that we do. We strive to ensure that users can manage their personal data in accordance with applicable laws and regulations for our products and services. We only collect the minimum data required to power our products and services. We do not provide users' data to third parties without a clear legal basis, and users are informed as to what data is shared, how it is shared, and with whom it is shared.

**B** "Button" reminds us to try our best to meet the user's need for easy management of personal data, which can be done simply by pressing a button or filling out a form. Our products and services usually contain convenient privacy features and feedback channels for users to manage their personal data and privacy.

**D** "Data" refers to user data we safeguard with our cutting-edge cybersecurity technology and management protocols. Our round-the-clock Security Department gathers some of the world's leading data security experts who collaborate with external security researchers and partners worldwide through our online "Tencent Security Response Centre Platform" to create a more robust and secure digital environment. These technologies and measures ensure that we have world-class security risk monitoring, defence, and response mechanisms to safeguard user data, and enable prompt detection and remediation of security incidents.

## Management and Policy

### Management Oversight

Tencent is privacy-focused on every level. The Board and the management have always attached great importance to protecting our users' personal data and privacy. Tencent's privacy programme is part of a wider risk management framework of the Group. Tencent's Management is committed to a privacy-first governance approach. It has institutionalised a robust internal evaluation process to ensure that all products are fully assessed to comply with all applicable data privacy laws and that all data collected, as needed, are securely transmitted and stored. From top-down to bottom-up, data privacy is an organisational effort.

To ensure the compliance of the Company's products and businesses throughout the lifecycle of users' personal information data, including its collection, transmission, use, and sharing, we have established a "Personal Information Protection and Data Compliance Management Taskforce" (the "Taskforce") composed of the Management Committee, decision-making group, public affairs group, overall coordination group, and product compliance teams from various business groups. The highest decision-making body of the Taskforce is the Management Committee, which comprises the top management, including the CEO, the President, and the heads of all six business groups. The Management Committee upholds the responsibilities for enhancing the Company's data and privacy compliance and protection system, as well as formulating management strategies, procedures, and process control on data compliance, personal information protection, user privacy protection, and other fields. It works closely with relevant teams to improve compliance implementation for different business groups and functional departments (including those from overseas regions), investigate and assess

business compliance risks, respond to risk incidents, and ensure implementation of compliance requirements. Under the Management Committee, business groups and functional departments collaborate and communicate with a variety of stakeholders to develop technical solutions and fulfil personal information protection requirements for each product, thereby establishing a technology and management system that protects personal information and privacy in a secure, accountable, compliant, and transparent manner.

Our Data Protection Officer ("DPO"), supported by a team of qualified privacy protection professionals, takes responsibility for ensuring Tencent's compliance with relevant legal requirements, including liaising with regulators and advising management on compliance requirements across different jurisdictions. Tencent also ensures that consumers' and end users' legal rights to access, correct, or delete their personal information are upheld and that they are informed of Tencent's data processing activities, including what data is being collected, how it is being used, how long it will be kept and whether it will be shared with any third parties through the privacy policies conspicuously presented to them.

Our dedicated data protection and privacy teams collaborate closely with our product teams to embed privacy considerations into the foundation of our products and services, ensuring adherence to all applicable laws and regulations, including privacy by design and privacy by default. Our product teams also work together with our engineering teams to ensure that our data collection and usage procedures are transparent and that consumers have control over their data.

### Management Policy

Security, accountability, compliance, and transparency are the cornerstones of our privacy protection policy. Tencent has formulated multiple policies and standards on data protection and privacy. These policies and standards would be implemented for all applicable businesses and products, providing guidance for relevant tasks of various themes, including data governance, classified and graded data protection, data security, user information compliance, product data, and privacy compliance. Our policies and standards include but are not limited to:

**Data Governance of Tencent – Data Security Management Requirements**

**Code of Conduct for the Compliance Management of Personal Information of Tencent Users**

**Tencent Management Guideline for Security Operation and Maintenance**

**Security Specifications for Data Operation and Management**

**Tencent Group Data Privacy Compliance Detection and Assessment Management Policy**

**Data Governance of Tencent – Data Sharing Management Requirements**

On this basis, to protect minors in the digital world, we have tailored our measures, including but not limited to: We have built a personal information protection system for minors, strengthened protection measures, and configured personal information protection guidelines for our products. We are deeply aware that the protection of their personal information and privacy is essential. Meanwhile, we have issued the Children's Privacy Protection Statement on the "Tencent privacy protection platform" and set up a special channel to receive and respond to requests regarding children's personal information.





## Protect Users' Rights

Providing value to users sits at the heart of Tencent's products and services. To this end, we especially stress that we should clearly inform users of the type of data to be collected and their purposes.

Every product or service provided by Tencent makes clear the purpose, manner, and scope of data collection for that product or service. Privacy policies outline users' rights to personal data access, rectification, and deletion.

### Data Collection

Tencent adheres to data protection principles and only collects user data necessary to deliver specific products or services. Our products' privacy policies clearly describe the kinds of user information that are gathered and provide information on how that data is used.

### Right to Access, Rectification and Deletion of Individuals' Data

Tencent's products offer users a straightforward process to make changes to their personal information and delete their accounts.

## Communication and Complaint Channels

Tencent addresses user rights issues, including comments, inquiries, and complaints through multiple channels, including the "Tencent Privacy Protection Platform", email, customer service, and postal mail. This can include facilitating users' requests to access, copy, modify, supplement, or delete their personal information. We have protocols in place to ensure that their requests are processed in a timely manner and a response is issued for all Tencent products. In addition, we continue to enhance the front-end functionality that allows users to conveniently interact with our products and exercise their personal information rights directly within our products.

We have also taken control measures regarding the business procedures for communication and complaint, so as to respond to user complaints in a legal and efficient manner. We assign data access permissions to those employees who require such access based on their job nature and provide them with quick and easy ways to access our data security policies via company internal communication tools, allowing them to confirm whether their actions comply with company policies quickly. They can report potential data security breaches through our internal communication tools or whistleblowing system; once verified, Tencent will handle the cases in strict compliance with applicable regulations and internal policies.

## Information Requests from Third Parties

Tencent complies with applicable laws and regulations when cooperating with third parties. The company handles user data in a prudent manner in accordance with the principles of necessity and data minimisation, restricting third-party involvement in processing user data.

When responding to requests from third parties, including regulators and law enforcement agencies, Tencent will, as per all applicable laws and regulations of the jurisdictions in which the products or services are offered, conduct assessments and make compliant responses.

Tencent acts in accordance with applicable laws and follows the following general principles whenever we receive requests to disclose data from government agencies and regulators:

- We respond to valid, legal requests consistently and fairly across all jurisdictions where we offer our products and services, subject to applicable laws and regulations and our interpretation of potential differences between jurisdictions;
- Whenever possible and subject to applicable laws, we are transparent with our users in the actions that we take in response to valid legal requests, to provide affected users with an opportunity to respond to the request; and
- We carefully review all requests to ensure that we comply with all applicable laws and regulations in our response while respecting our users' rights. That may include taking sufficient internal and third-party professional advice.



## Risk Prevention and Incident Response

Risk prevention and incident response are important operational practices that protect user data and privacy. Tencent develops strict and robust security management processes and implements professional proactive and reactive measures to avoid and respond to security incidents, providing customers with secure and compliant privacy protection.

- **Key sensitive business network isolation**  
For key sensitive businesses, we have established a strict network isolation programme to meet the requirements of limiting the use and flow of sensitive data to a specific range of machines, and instantly block the remaining risky nodes.

ensures visibility, controllability, and governance over the storage, circulation, and usage of sensitive data. In addition, the Data Security Governance Centre uses AI technology to improve the efficiency of data security governance and ensure all-rounded security protection of data assets.

- **Privacy Compliance Software-as-a-service ("SaaS") Service of Tencent Cloud**  
Cloud Infinite, a Tencent Cloud's product available in the Mainland of China, offers text privacy screening services designed to detect and prevent the leakage of sensitive data. This includes screening various types of private data including ID numbers, taxpayer identification numbers, business registration numbers, email addresses, licence plate numbers, and phone numbers within text files.

## Strengthen Capabilities

- **Privacy Impact Assessment**  
Tencent regularly undertakes Privacy Impact Assessments ("PIAs") for our products and services. These PIAs identify and manage the data privacy-related risks of our products and services in the relevant jurisdictions where we operate, minimise potential impacts on individual rights, and address other adverse impacts of privacy issues. To enhance the standardisation and efficacy of PIAs, Tencent has devised the Tencent Group Personal Information Protection Impact Assessment Implementation Guidelines. These guidelines apply to the execution of PIAs for products within the Mainland of China. Additionally, overseas products adhere to equivalent standards developed and implemented in accordance with the laws and regulations of their respective regions.

For overseas products, one PIA project case is Tencent's global privacy compliance system, which provides scanning tools for mobile applications during the development phase. This facilitates the integration of privacy by design and by default principles, ensuring their implementation within the product design. Additionally, the system equips product teams with the requisite information and knowledge to complete compliance documents online, including PIAs and Records of Processing Activities, thereby ensuring compliance with applicable data privacy laws.

- **Data Security Governance Centre of Tencent Cloud**  
Tencent Cloud's Data Security Governance Centre has established proactive data security risk management capabilities, incorporating sensitive data classification and grading, risk assessment, monitoring, protection, and operational governance. This approach enables effective management of various data types, including databases, big data, cloud storage, and API flow data. Moreover, it

## Management Measures

- **Data leakage prevention on key platforms**  
Utilising intelligence monitoring of high-risk components and automatic vulnerability repair technology, Tencent effectively mitigates vulnerability risks across key platforms including big data platforms, databases, and storage facilities. This proactive approach helps to prevent data leakage risks stemming from vulnerability exploitation.
- **Secure and controllable data lifecycle**  
We implement a versatile data classification and grading system with customisable features across our big data platform. This includes the option to implement download quota limits, desensitisation, encryption, and flagging of sensitive data. These measures ensure a secure and controllable flow of important data throughout its lifecycle.
- **All-nodes control of data authority**  
We use sophisticated data access authority management in both our core businesses and off-site operation and maintenance activities. Additionally, we conduct real-name audits and maintenance operations across all nodes to ensure the integrity of data assets and the reliability of our business services.
- **Real-time detection of abnormal behaviours**  
We are implementing a comprehensive monitoring and blocking mechanism for both outgoing and incoming data traffic between host and network layers. We focus on real-time monitoring of abnormal outgoing sensitive data from key service hosts and abnormal data-pulling behaviours on the application programming interface ("API").

## Industry Certification

Tencent's key products and services have consistently maintained multiple widely recognised privacy protection and data security certifications, which are a testament to Tencent's practices meeting international benchmarks and best practices for data breach incident response management.

## Response Measures

Our security departments operate 24/7, assembling some of the world's top data security experts. They collaborate with external security researchers and partners worldwide via our "Tencent Security Response Centre Platform", fortifying our digital environment. These cutting-edge technologies and measures provide world-class security risk monitoring, defence, and response mechanisms. This proactive approach ensures the protection of user data and facilitates swift detection and remediation of security incidents.

For more reactive measures and data breach responses, please refer to "*Protect Digital Rights – Safeguard Cyber and Data Security*".

As of 31 December 2023,

- Weixin/WeChat and QQ have earned TrustArc certification, while Weixin and QQ have obtained the national Cybersecurity Classified Protection Level 3 certification of China. Additionally, Weixin has received the certification of ISO/IEC 27001 Information Security Management (ISO/IEC 27001), further ensuring users' privacy.
- WeCom has passed certifications including ISO/IEC 20000 IT Service Management System (ISO/IEC 20000), ISO/IEC 27001, ISO/IEC 27018 Code of Practice for Protecting Personal Data in the Cloud (ISO/IEC 27018), and the national Cybersecurity Classified Protection Level 3 of China.
- Tencent Cloud earned six security and compliance certifications in the field of privacy protection. For related details, please refer to "*Appendix – List of Tencent Cloud Security Compliance Certifications*".
- Proxima Beta, a platform of Tencent Games' overseas publishing, received certifications, including ISO/IEC 27001 and 27701.
- Tencent Docs received certification of ISO/IEC 27001.
- Other core international products and services also obtained ISO/IEC 27001 and 27701 certifications.
- Tencent was recognised with a Gold Certificate from the Office of the Privacy Commissioner for Personal Data, Hong Kong at the "Privacy-Friendly Award 2023" for its achievements in personal data privacy protection.

## Privacy Culture and Industry Collaboration



### Privacy-Related Training Covering All Employees

Tencent believes that ensuring privacy is the responsibility of every employee, regardless of their role or rank. We regularly provide comprehensive and company-wide privacy education and awareness training programmes to all our employees.

These programmes are designed to provide employees with an understanding of general privacy and data protection, including "Privacy by Design" and "Privacy Protection by Default", how to build privacy-centric user interfaces, how to identify privacy issues in mergers and acquisitions, how to respect the rights of data subjects and how to handle related requests. We systematically communicate our privacy protection and cybersecurity guidelines and procedures to all employees and strictly enforce safeguards across our products and services at all levels.

As part of our efforts to protect data and privacy, Tencent has prioritised increasing employee awareness and literacy in protecting personal information and privacy. We provide regular training to all employees (including permanent employees, consultants, and interns) and contractors to communicate privacy policies, procedures, and practices systematically.

In addition, we provide special training and assessments regarding the protection of personal information to employees who handle such information, and we conduct activities, including prize quizzes to increase the general staff's awareness of personal information and privacy protection.

Types	Targets	Courses
 <b>Basic Training</b>	All company-wide employees, including permanent employees, consultants, interns, and contractors	<ul style="list-style-type: none"> <li>"Personal Information Compliance Mandatory Training"</li> <li>"New Hire Orientation Mandatory Training"</li> <li>"General Staff Compliance Course"</li> </ul>
 <b>Specific Training</b>	Employees in relevant departments	<ul style="list-style-type: none"> <li>"Recruitment Legal Compliance Training Programme for IEG New Hires"</li> <li>"Learn Chinese Data Privacy Compliance Risk Prevention and Control in 20 Minutes"</li> <li>"Compliance Training Series for Social Platform Business Line: Personal Information Compliance Topics"</li> <li>"PCG Product Compliance Guideline Training"</li> </ul>



## Managing and Supporting Business Partners for Privacy Protection

Tencent is committed to ensuring that all third parties engaged for the purposes of data processing meet Tencent's privacy standards. It is imperative that all third parties comply with these standards to protect Tencent's users and provide them with the appropriate level of security and protection with respect to their personal data.

- **Privacy Due Diligence Process**

Tencent has a robust vendor due diligence process for the procurement of third-party services. Our legal, data security, and compliance teams work together to manage the Vendor's Security and Privacy Assessments, which include completing a Security CAIQ (Consensus Assessments Initiative Questionnaire) Checklist and a Vendor Privacy Questionnaire.

- **Data Processing Agreement ("DPA")**

Tencent enters into a DPA with the vendor to comply with Tencent's data protection obligations and set out the contractually agreed technical and organisational measures to be adopted by the vendor in the DPA where Tencent's Vendor Privacy Assessment reveals that there is data processing activity by the vendor on Tencent's behalf. Also, the DPA generally provides for inspection and audit rights for Tencent to ensure that the vendor is able to demonstrate compliance with the data protection obligations under the applicable data privacy laws.

- **Supplier's Privacy Management**

[Tencent's Supplier Privacy Policy](#), updated in November 2023, focuses on regulating the collection and processing of personal information using the finance IT platform and supplier management systems.

## Collaborate with the Industry to Promote Privacy Protection

In addition to continuous self-improvement in our capacity building in privacy protection, Tencent actively contributes to developing an ecosystem to protect personal information in the sector. In accordance with relevant laws and regulations, national standards, and industrial standards, Tencent has launched the "Applications Compliance Platform" which is an online tool assisting small- and medium-sized enterprises to detect data privacy compliance issues within their Weixin Mini Programs and mobile applications. Our Android-based app store, Yingyongbao, conducts pre-launch compliance audits for mobile applications, with the aim of offering users a safer, healthier, and easy-to-use environment.



## 3.2 Safeguard Cyber and Data Security

Cyber and data security serves as critical pillars for establishing digital trust and is an important prerequisite for safeguarding user data and privacy rights. Tencent has established dedicated security departments and teams, consistently investing in the development of cyber and data security capabilities. We are committed to offering users safer, more stable, and more reliable products and services, ensuring business continuity, and adhering to regulatory requirements. By doing so, we effectively shield user data from unauthorised access and malicious attacks.

We have developed an adaptive, closed-loop security system to comprehensively protect its network infrastructure and data assets. Additionally, we incorporate the security concept of "DevSecOps" into our business processes, ensuring security throughout the product lifecycle. We not only focus on technological development but also prioritise the human factor in security. Regular education and technical training related to information security are provided for employees, fostering a robust information security culture. In 2023, Tencent experienced no significant incidents related to cybersecurity and data leaks.

### Security Management Structure

In 2008, Tencent formed the Information Security Council (the "Council"), led by the Company's CEO and senior executive management. The Council aims to drive the advancement of the Company's overall information security system and continuously improve its information security work mechanism, thereby strengthening the operational security of our businesses. Under the Council, the Information Security Operations Committee and Business Group Information Security Sub-Committee to coordinate and implement the Company's information security requirements. To enhance technical collaboration and innovation, Tencent has established the Security Technology Committee, which strengthens research and application of security technology to address information security threats.

Our security teams are distributed across various business groups. Technology Engineering Group has Security Platform Department responsible for protecting critical technological infrastructure and key business security. Cloud & Smart Industries Group has established security joint labs including the Yunding Lab, focusing on fundamental security and cutting-edge security technology research and practice for Tencent Cloud services. Weixin Group, Interactive Entertainment Group, Platform & Content Business Group, and Corporate Development Group also establish their own security departments to ensure the secure operations of their business and products.



## Data Security

Tencent is committed to ensuring the security and compliance of various data processing activities, so as to protect personal information, safeguard data security, and avoid data security risks. Adhering to domestic and international laws and regulations concerning data security, we have formulated management policies and standards that cover all business workflows.

**Tencent Group Data Security Compliance Management Measures**

**Tencent AI Data Security Management Policy**

**Tencent's Specifications for Data Classification and Grading Protection and Management**

**Data Governance of Tencent – Security Requirements for Data Classification and Grading**

### Data Security Governance Mechanism

Tencent has established a data security governance mechanism that covers data collection, transmission, storage, use, processing, provision, disclosure, deletion, and destruction throughout the entire data lifecycle. This mechanism regulates each procedure associated with data security and builds a comprehensive governance management model for data security. This management model conducts classification, grading, and risk assessment of data to ensure the protection of user interests and compliance with laws and ethics. It also involves performing regular security self-assessments and audits, as well as establishing backup, disaster recovery, and emergency response systems to ensure secure operations.

Tencent has put in place a performance evaluation system for data providers, which includes supplier screening, performance assessments, and delivery capability evaluations. The management and control procedures for data providers include but are not limited to, qualification review, track record, security and privacy protection capabilities, as well as control measures on data access and usage permissions.

### Data Security Defence Capability

In 2023, Tencent's multiple departments jointly launched a special data security campaign aimed at enhancing the security level of critical infrastructure and reducing data security risks. The initiative encompassed activities including enhancing the automated remediation of high-risk vulnerabilities, safeguarding sensitive data within APIs, monitoring and analysing access and operations involving core data, defending against and isolating ransomware attacks, and bolstering threat intelligence capabilities. These measures were designed to accomplish comprehensive, real-time protection of data security, protect user and corporate data assets, and actively deter potential cybersecurity risks.



# Cybersecurity

Tencent's products and services are operated on a public cloud, providing users with uninterrupted, high-quality products and services 24/7. Therefore, cloud security has become essential for the continuity of our business operations and the protection of users' rights and interests. Tencent is dedicated to preventing cyberattacks, intrusion, interference, destruction, illegal use, and accidents, ensuring a stable and reliable operating environment that safeguards information system security and business continuity.

## Cloud Security System and Prevention

Under the cloud computing architecture, the cloud platform hosts an increasing volume of mission-critical information and critical business for users. Tencent establishes a cloud-based security system with three lines of defence and one centre, continuously developing and innovating the functions of the Cloud Security Centre. We leverage our three lines of defence – cloud firewall, web application firewall ("WAF"), and host security – to protect the security of cloud servers and containers, ensuring the security of all information assets associated with our products and services.

Tencent Cloud has built a cloud-native SaaS firewall, enhancing it with zero-trust access and protection capabilities and upgrading Honeypot services<sup>1</sup> and threat intelligence capabilities to enable instant disposal and rapid traceability, turning passive defence into active defence and protecting the first line of defence.

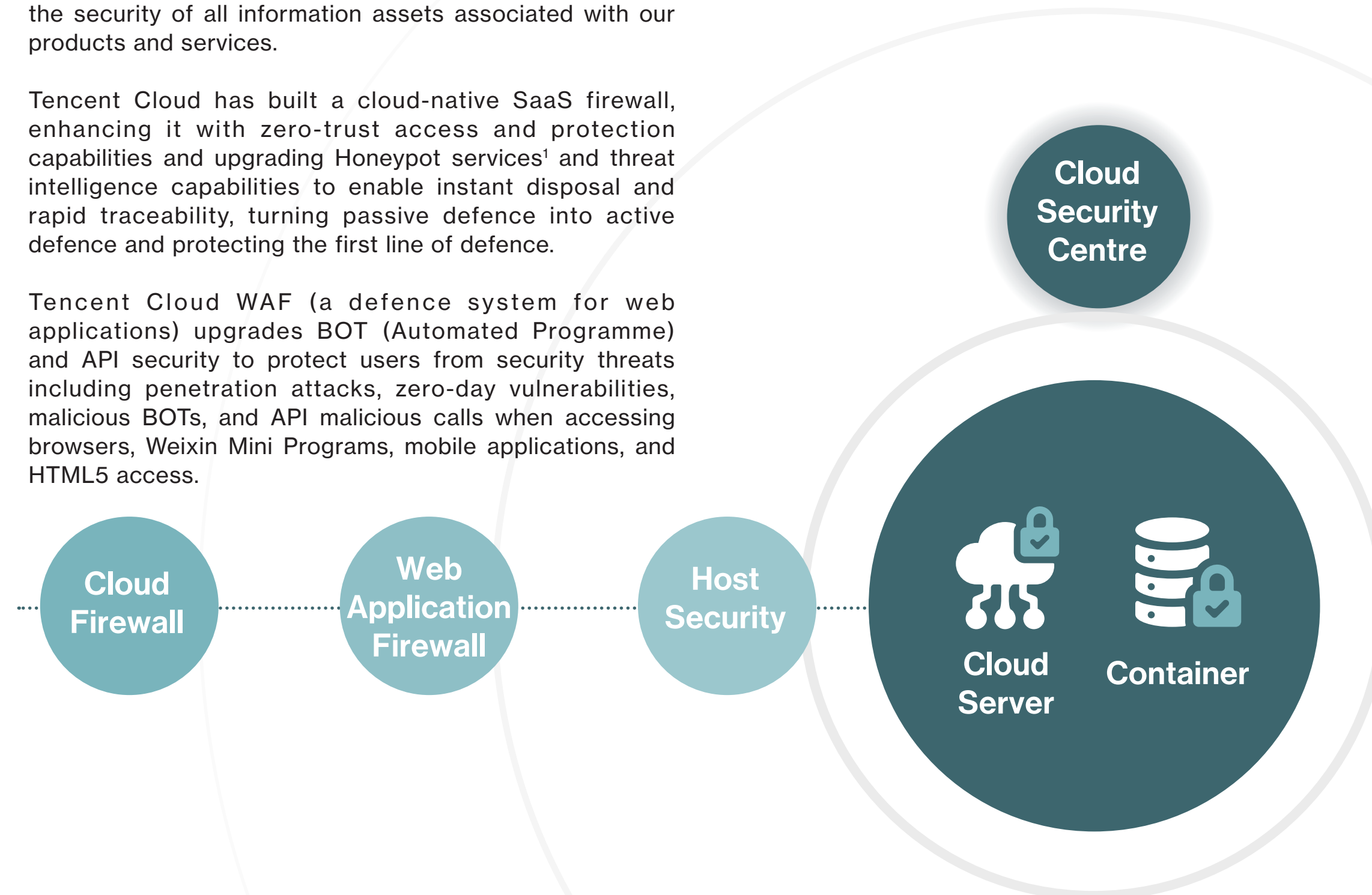
Tencent Cloud WAF (a defence system for web applications) upgrades BOT (Automated Programme) and API security to protect users from security threats including penetration attacks, zero-day vulnerabilities, malicious BOTs, and API malicious calls when accessing browsers, Weixin Mini Programs, mobile applications, and HTML5 access.

Tencent Cloud has enhanced host security, and introduced a memory Trojan detection function to counter evolving intrusion technologies, achieving accurate detection, response within seconds, and automatic alerting capabilities. In terms of container security, it provides protection for container assets throughout the entire lifecycle from building and deployment to runtime, by improving image security, configuration security and operation security capabilities.

## Safeguard Business Continuity

Tencent consistently places business continuity at the core of its cybersecurity strategy. This commitment is evidenced by our ongoing investments in security technology, as well as the establishment of robust frameworks for business continuity planning. Tencent Cloud obtained the ISO 22301:2019 certification for Business Continuity Management Systems, which is a testament to Tencent's capabilities in business continuity management. Moreover, we have established internal management systems and protocols, and assembled a team of R&D and operations experts to ensure product usability and business continuity.

Every quarter, we conduct drills and actively run tests to examine the system's resilience and disaster recovery capabilities. These drills simulate real-life scenarios and intentionally create challenges to test the system's responsiveness and recovery capabilities. With these efforts, Tencent ensures the swift and effective recovery of normal operations in the face of unexpected challenges and, in turn, firmly safeguarding the security and stability of our products and services.



A Cloud-based Security System with Three Lines of Defence and One Centre

<sup>1</sup> A honeypot is a security technology set up as a decoy to lure cyber attackers. It lures cyber attackers to attack by simulating potentially vulnerable systems or services. When a cyber attacker attempts to hack such fake systems, the honeypot will record the cyber attacker's activities to help security experts study the attack methods and intentions.

## Secure Operations

### Third-Party Audit and Security Qualifications

Tencent Cloud engages professional third-party accounting firms every six months to audit the security control of the cloud service system, in accordance with the relevant standards specified by the American Institute of Certified Public Accountants. The purpose of these audits is to evaluate whether the internal control design of Tencent Cloud's service organisation is appropriate and whether the implementation of these controls is effective. Through these third-party audits, Tencent Cloud provides assurance-based SOC reports (System and Organisation Controls Reports) to demonstrate the latest internal control situation of Tencent Cloud's service organisation to cloud customers, independent auditors, regulatory agencies, shareholders, and other relevant stakeholders, proving our professionalism and commitment to information security.

Tencent Cloud is committed to compliance with internationally recognised information security and IT management standards serves as the benchmark for the information security development. We have obtained various industry-leading certifications, including ISO/IEC 27001:2022 on Information Security Management Systems. For the comprehensive security compliance certifications of Tencent Cloud, please refer to "Appendix - List of Tencent Cloud Security Compliance Certifications" in the Appendix.

### Proactive Defence

Tencent has prioritised threat intelligence and attack surface management, through the development of a robust security system focused on active defence. The Tencent Security Response Centre and Tencent Threat Intelligence collect and analyse security intelligence from various sources, including White-Hat hackers, regarding threats, vulnerabilities, and APT attacks. This enables Tencent to take action before attackers can exploit these vulnerabilities, thereby reducing security risks. Additionally, Tencent's Red Team and Attack Surface Management System adopt an "attacker's" perspective to conduct proactive defensive actions including third-party penetration testing, aiming to identify and eliminate potential security risks.

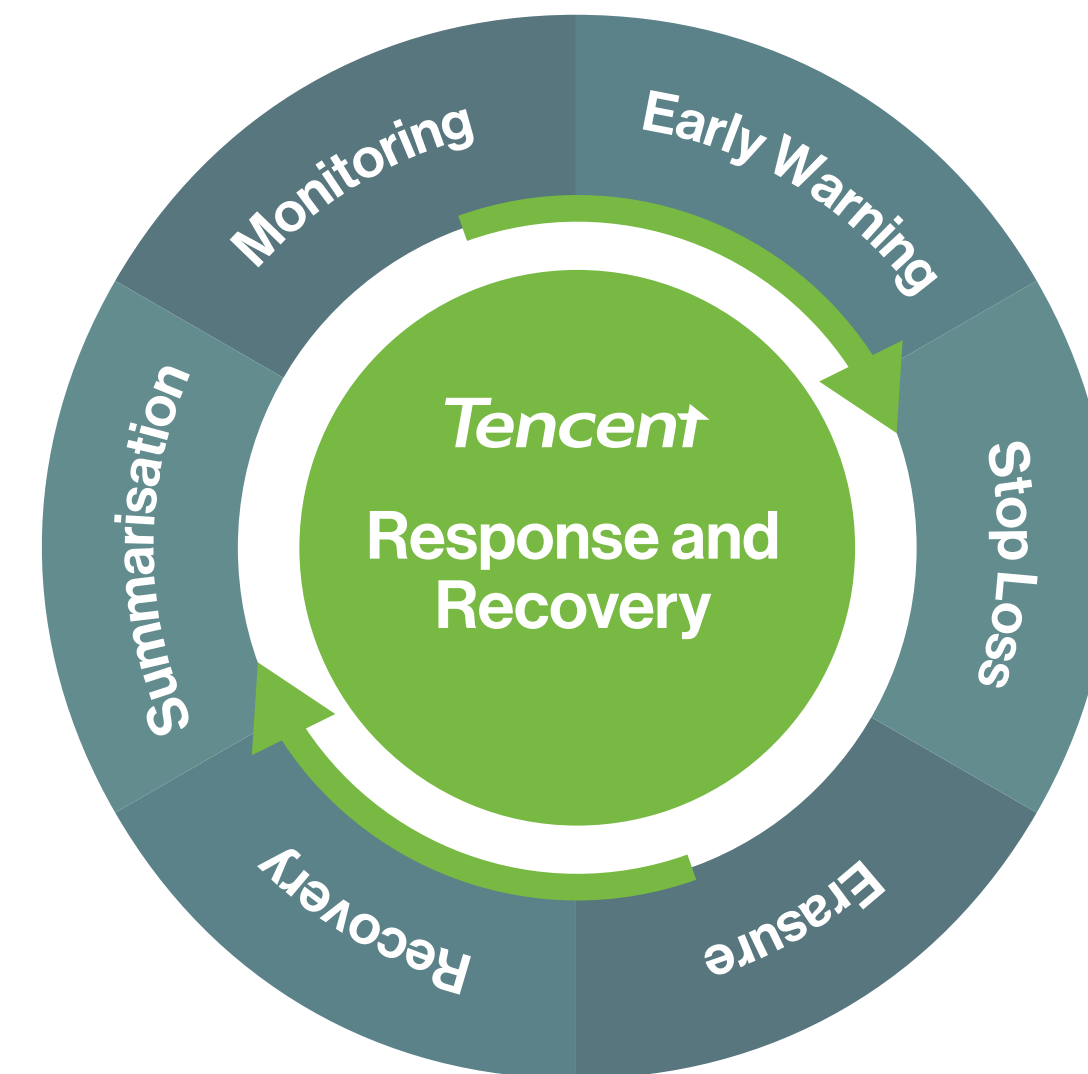
In March 2023, Forrester, a renowned international research firm, ranked Tencent Security as one of the representative vendors in the global "Large" category in its Report on "External Threat Intelligence Services Provider, 2023".

In December 2023, Tencent's T-Sec Threat Intelligence Attack Surface Management received the CSA 2023 Security Golden Shield Award.

### Response and Recovery

To enhance the management of various security incidents, Tencent has developed the Tencent Security Incident Management Policy. This policy delineates detection, reporting, and emergency response procedures for multiple security incidents, ensuring a prompt, effective, and orderly response to security incidents as well as the smooth and healthy development of our business.

In July 2023, Tencent organised training on ISO/IEC 27001:2022 standards. This training was accessible to all employees, aiming to promote awareness of new standards and familiarise employees with best practices related to information security.



## Training and Promotion

Employee training is one of the crucial methods for Tencent to strengthen cyber and data security. All employees must complete information security-related training courses upon joining the Company. The information security requirements in the Sunshine Code of Conduct are mandatory for Tencent employees' performance evaluations, and failure to comply may affect their performance appraisal results. Tencent also offers more than ten specialised information security training courses for employees in different positions, covering R&D, operation and maintenance, products, and marketing. In 2023, 11,138 Tencent employees participated in specialised information security training, with a total training duration of over 23,611 hours. Furthermore, we update all employees' skills in personal information and privacy protection through annual events including the Tencent Security Technology Summit and Tencent Technology Week.

In 2023,  
**11,138** Tencent employees  
 participated in specialised information security  
 training, with a total training duration of over  
**23,611** hours





## Collaboration and Recognition

### Participation in Formulating Standards

In 2023, Tencent's security team continuously participated in and promoted the development of industry standards, leveraging their technical experience in data security, cloud service security, cybersecurity, and other areas to build security capacity and enhance security assurance within the industry.

- **Privacy and data security:** Leading the development of IEEE P3117 Standard for Interworking Framework of Privacy-Preserving Computation, ITU-T Y.4810 Requirements for Data Security of Heterogeneous Internet of Things Devices, and other international standards, and participating in China's national standards including GB/T 42015-2022 Information Security Technology – Data Security Requirements for Internet Payment Services.
- **Cloud security:** Leading the development of China's industry standards, such as YD/T 3796-2020 Technical Requirements of the Business Security Risk Solutions for Cloud Computing, and co-authoring multiple China's national standards, such as the Information Security Technology-Methodology for Assessing Security Capabilities of Cloud Computing Services (Under Amendment).
- **Cybersecurity:** Co-authoring multiple Chinese national standards including GB/T 42453-2023 Information Security Technology – General Technical Requirements for Network Security Situation Awareness and 20210994-T-469 Information Security Technology – Framework of Critical Information Infrastructure Cybersecurity Emergency.

- **Zero Trust:** Spearheading the proposal of China's Zero Trust industry standard YD/T 4574-2023 Zero Trust Security Technology Reference Framework, which was approved and issued by the Ministry of Industry and Information Technology of the PRC.
- **Blockchain security:** Leading in developing the ITU-T<sup>1</sup> X.1412 Security Requirements for Smart Contract Management Based on the Distributed Ledger Technology, which was formally released in ITU-T and is the first international standard on security management of blockchain smart contracts, and co-authoring China's industry standard, YD/T 3747-2020 Security requirements for blockchain technical architecture.

### Patents

- As of December 2023, Tencent had received over 3,600 China-granted patents in information security-related fields, including patents belonging to all wholly owned subsidiaries of Tencent Group. The invention patent titled "Mobile Device Security Information Acquisition and Distribution Method and Device Based on Cloud Service" won the 10th Guangdong Province Patent Gold Award.

### Professional Reviews and Certifications

- Tencent Cloud passed the Data Protection Trustmark Certification by the Infocomm Media Development Authority of Singapore, based on the Personal Data Protection Act of Singapore.
- Cloud Object Storage obtained compliance certification from a third-party evaluation agency in the United States for Rule 17a-4 (f) issued by the U.S. Securities and Exchange Commission.
- Tencent Cloud Data Security has achieved a prestigious triple certification in the "Trustworthy Data Security" evaluation during the second half of 2023. The certifications cover product functionality, performance, and solutions for data classification and grading. Notably, the data classification and grading solution has received an Outstanding evaluation rating.
- Tencent Cloud Access Security Broker obtained the Cloud Security Alliance 2022 Security Golden Shield Award.



### Supporting SMEs in Security Improvement

Given the limited security capabilities and resources of SMEs, Tencent has been offering them complimentary access to essential security features since April 2023. These include the free version of Cloud Security Center and the basic edition of Host Security, designed to assist them in enhancing their defensive measures.

<sup>1</sup> The ITU (International Telecommunication Union) is one of the three international organisations for standardisation. ITU-T for ITU Telecommunication Standardization Sector ("ITU-T") is the branch responsible for formulating telecommunication standards under the management of ITU.

## 3.3 Protect Intellectual Property

Tencent regards intellectual property protection as the key foundation for supporting our innovative content ecosystem. We are committed to respecting and protecting each and every innovative achievement through a comprehensive knowledge protection strategy, so as to unleash the unlimited potential of technology, and enrich and enhance our digital content experience.

### Protect Content Creators' Original Content

Tencent firmly upholds the rights and interests of content creators. By supporting their creative endeavours and protecting original works, we encourage them to continue to produce high-quality content. Additionally, we manage complaints from content creators in a fair and efficient manner, dedicating to protecting their legitimate rights and interests.

#### Protect against Infringement

Tencent strives to provide content creators with a safe creative space, protecting their original works from infringement. To achieve this, we have developed a WeMedia "e-authorisation-monitoring-rights protection" platform to provide network-wide piracy monitoring and a "one-click support" service to defend the rights of original content creators. Further, we promote the "Copyright Partner" programme and implement and introduce an infringement compensation policy to return the proceeds involved to the copyright owner based on our existing efforts to prevent infringement promptly. In addition, we resolutely cracked down on illegal activities, including plagiarism, content scraping, impersonation, and incentivising fake likes, to effectively protect the work and legitimate rights and interests of original content creators.

Tencent has developed a technical inspection system to scout for and collect evidence of copyright infringement and handle such infringement. We also work with law firms to establish evidence-collection hubs in key cities in order to act timely and efficiently to combat infringement.

We have built a copyright protection system for Tencent Video, currently based on video fingerprinting and digital watermarking technologies, and will continue to upgrade our technology solutions to strengthen our capabilities. By the end of 2023, Tencent Video had been granted over 140 patents related to AI-powered copyright protection technologies.

- **Video Fingerprinting:** For each video content, Tencent Video will use AI technology to extract a video fingerprint as a unique identifier of the video, encompassing various dimensions including visuals, audio, and dialogues. Through this technology, Tencent Video has established an efficient copyright protection system capable of identifying and comparing vast numbers of videos within seconds, ensuring the protection of content creators' rights and interests.
- **Digital Watermarking:** This technology embeds copyright information into the video without affecting its video quality, ensuring clear and traceable copyright ownership throughout the entire distribution process to effectively solve the problem of copyright leakage.

### Expand Distribution and Income

We are committed to providing content creators with a robust creation platform and content ecosystem. Through a series of creative support measures, including but not limited to the following, content creators are encouraged to continue to produce high-quality content and receive fair incentives consistently.

- **Short-form videos**  
Weixin Video Accounts assists content creators at different stages of their growth, and ensures they receive corresponding rights and interests through a multi-faceted support system. In 2023, Weixin Video Accounts launched a brand-new revenue-sharing scheme that allows content creators to earn a share of the revenue from ads generated by their Weixin Video Accounts and leverages the automatic matching mechanism to provide a stable source of ad revenue for content creators who continue to create.
- **Music**  
Tencent Music selects musicians with potential through a comprehensive assessment system and provides them with support, including creative training, overseas broadcasting authorisation, performance opportunities, and monetisation channels. Our goal is to expand the reach of high-quality music and increase the popularity of talented artists. By the end of 2023, we had assisted over 480,000 independent musicians in releasing over 3 million songs of various genres on our platform.
- **Online literature**  
China Literature has created an avenue for serving and connecting writers, established a comprehensive training system, and supported the individual needs of writers. For instance, we launched the "China Literature Qidian Elite Camp", inviting experts and scholars to serve as mentors to cultivate writers. In addition, we proposed the "Young Writer Support Plan" to assist young writers in expanding their opportunities for growth, and to support the "Star Project of Professional Writers" to increase writers' income.

## Protect Enterprises Intellectual Property Rights and Brands

### Respect Others' Intellectual Property Rights

Tencent respects the intellectual property of others and business teams should take effective measures to proactively deal with content that infringes upon the intellectual rights of others according to applicable laws, regulations and internal management policies. These measures include implementing publicity, education, and warning, handling infringement complaints, optimising technology means, raising awareness of intellectual property protection among employees and users, and handling the infringing content in accordance with laws and regulations.

Tencent actively undertakes the responsibility for combating counterfeit and sub-standard products on our platforms. For instance, Weixin further upgraded the brand protection campaign by adding new governance strategies, including optimising and iterating system functions, to intensify the governance of brand infringement. It also developed a targeted brand protection mechanism, worked with brand owners and assisted law enforcement agencies in initiating "online + offline" joint crackdowns, combatting the sales of unauthorised and fake products in all directions.

- In 2023, Weixin verified and cracked down on more than 52,500 personal accounts selling counterfeit products. The downward trend which has been maintained for four consecutive years, effectively deterring the sale of counterfeits on Weixin.
- In 2023, Weixin Video Accounts dealt with more than 76,000 live streams selling counterfeit products, and over 25,000 associated accounts have been penalised.
- In 2023, the "Weixin Brand Programme" initiated by Weixin's Brand Protection Team revealed 24 new criminal cases relating to intellectual property. In collaboration with brand owners, the team assisted law enforcement authorities in many places to arrest 161 suspects, involving RMB1.86 billion.
- In 2023, Weixin upgraded the Weixin brand protection platform to a "one-stop rights protection platform" covering Moments, group chat, live streaming and other application scenarios, and added and strengthened a number of functions to enhance the efficiency of brand protection.

### Protect Our Own Intellectual Property Rights

Tencent also attaches great importance to protecting its own intellectual property rights, and our global intellectual property product portfolio has expanded to over 100 countries and regions. We also created a large amount of copyright content and have accumulated intellectual property assets of considerable value. We have created a comprehensive database for the Company's patents, trademarks, and copyrights, which allows for precise and efficient management and monitoring of intellectual property through data analysis. In order to combat IP infringement, we have set up a comprehensive and efficient monitoring and maintenance system, and have formulated various policies and measures to protect our Intellectual Properties.

By the end of December 2023, Tencent had accumulated over 75,000 patent applications published in major countries and regions worldwide. Additionally, granted patents exceeded 37,000 both of which placed Tencent first among Internet companies in China and second globally.

## Cooperation and Recognition

We actively participate in consultation exercises conducted by professional bodies and legislative authorities with the aim of closely monitoring the latest trends in intellectual property protection and providing timely feedback from the field. As a key member of the National Information Technology Standardisation Technical Committee, the National Information Security Standardisation Technical Committee, the China Communications Standards Association, the China Intellectual Property Society, the Patent Protection Association of China, the International Trademark Association, and the China Trademark Association, Tencent has shared our views and recommendations pertaining to the legislative amendments to China's patent and trademark laws and regulations. In recent years, we expanded our work to support the development of technical standards, especially in the field of audio-visual technology where our deep expertise helped advance the standardisation of the next-generation audio-visual encoding and decoding technology.

During the past decade, we won several times the China Patent Gold Award, which was jointly awarded by the World Intellectual Property Organisation ("WIPO") and the China National Intellectual Property Administration; the Trademark Innovation Award by the WIPO and the State Administration for Industry and Commerce; and the China Copyright Gold Award by the WIPO and the National Copyright Administration of China, demonstrating our contribution to the development of independent innovation in China, marking our contribution to the independent innovation and development in China. In addition, we have been honoured as the "National Intellectual Property Template Enterprise" and "National Copyright Model Unit", in recognition of our outstanding performance in IP management and protection.

## Public Awareness

We help users enhance their knowledge and capabilities around IP protection by launching a platform for disseminating relevant policies and information. Through various channels, including user agreements, product pages, and announcements, Tencent reminds users not to engage in any behaviour that infringes on the rights of others.

## Grievance Channel

Tencent upholds the principles of fairness and efficiency in handling content creators' complaints, ensuring that every content creator's legitimate rights and interests are protected in a timely and effective manner. Weixin has opened special platforms and channels for submitting grievances, including the Weixin Online Infringement Complaint System and the "Weixin Brand Rights Protection Platform", and launched special crackdowns to handle illegal, violating, and infringing accounts in a timely manner.

## 3.4 Promote Responsible AI

**AI is emerging as a fundamental catalyst for technological advancement. Through research in both fundamental and applied domains, we invested significant resources to enhance our capabilities in AI and deployed these technologies to our products and services. AI is applied across our key businesses, including content, social networking, cloud, and games, where it enriches user experience and facilitates the business development of our enterprise partners.**

**Amidst the industrial surge of generative AI, the security of foundation models has garnered global regulatory attention. We are vigilant of concerns relating to bias, discrimination, privacy, misuse, ethics, and values in AI, and have taken our responsibility to users seriously during product design and development stages. Internally, we have defined principles to guide the use of AI. We have also put in place the governance structure and security technologies to manage potential risks, which we believe will help users understand and trust the application of AI. We are committed to responsible AI practices by upholding a high ethical standard and strictly adhering to related laws.**

### AI Principles and Governance

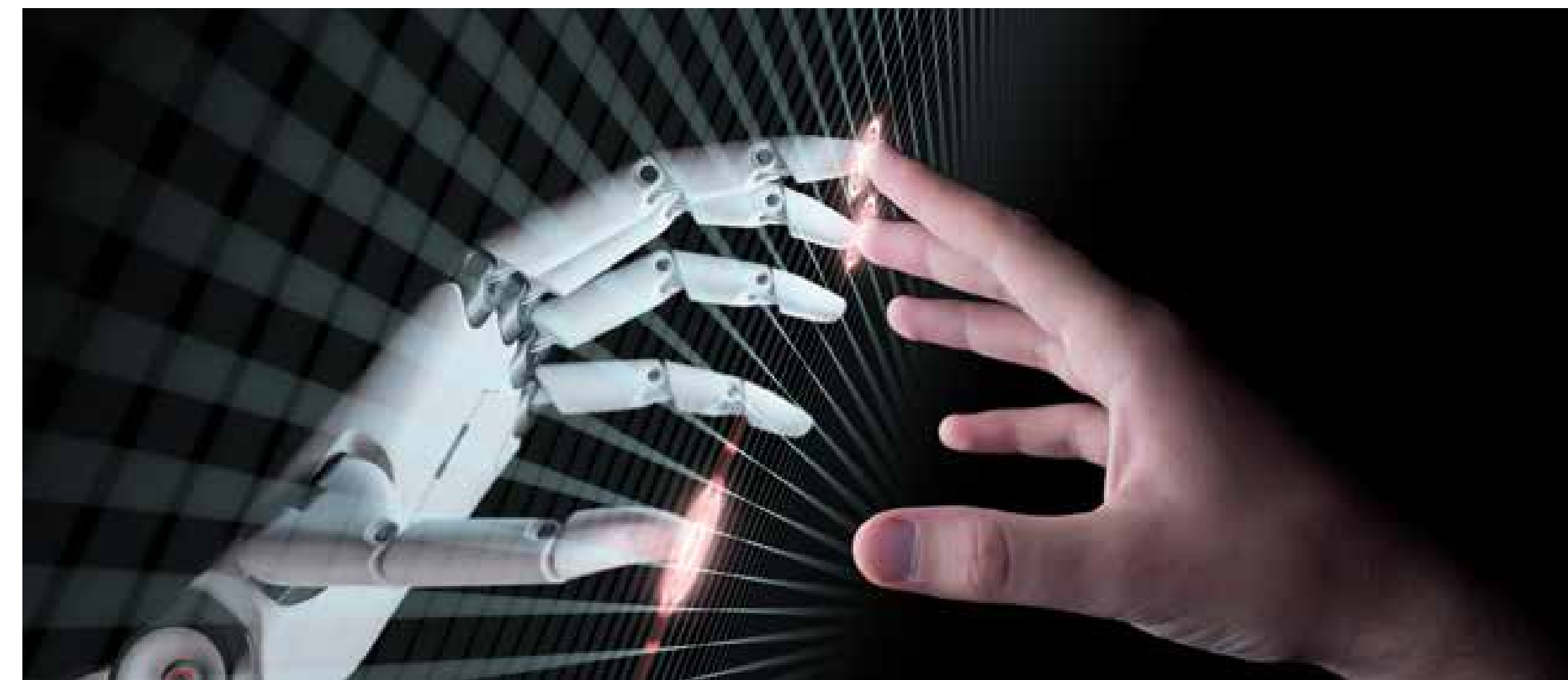
Guided by the mission and vision of "Tech for Good", Tencent is committed to developing and deploying AI safely, ethically and in compliance with emerging AI regulations. We have formed the AI Technology Committee to centralise the coordination of AI-related initiatives. The committee facilitates cross-team collaboration, reviews and sets directions for AI projects, and ensures the equity, transparency, privacy, and security of AI systems. We aim to establish an R&D and governance framework prioritising responsible AI practices.

The AI Technology Committee has established multiple collaborative working groups dedicated to key areas, including but not limited to natural language processing (NLP), optical character recognition (OCR), image recognition, recommendation algorithms, deep learning training and inference, and large language models ("LLMs"). Task performance within these working groups must follow Tencent's AI governance principles and practices, ensuring technical research is conducted within our guiding framework.

### Responsible Governance throughout the Whole Process

At Tencent, we believe that responsibility should be at the core of AI development and application, fostering the healthy advancement of technology. In our engineering practices, we have implemented a comprehensive approach to responsible governance through various strategies. We have established AI management guidelines, including the Tencent AI Data Security Management System and the AIGC New Product and Feature Evaluation and Approval Management System. We have also updated certain data security standards to incorporate new requirements for handling AI-related data. These requirements ensure our ability to maintain strict data control, uphold safety and compliance principles, and create trustworthy AI systems, thereby safeguarding the healthy progress of technology and protecting user privacy.

To tackle emerging challenges in AI, including data security, model security, and ethical risks, we have delved into research across multiple domains, including security category frameworks, adversarial defence mechanisms, detection of subtle toxic content, extraction of private training data, and embedding of societal ethics and morality. We have initiated the development and application of relevant security solutions. Furthermore, the Tencent AI Lab is dedicated to pioneering research on the dependability of fundamental models and intelligent risk management, with the goal of constructing more dependable and secure AI systems.



## Continuous Inputs into R&D and Applications

Tencent believes that AI possesses enormous potential to improve productivity, increase business agility, encourage customer engagement, and promote product innovation. In 2017, we introduced our "ALL IN AI" strategy. Building upon our AI governance principles, we remain committed to investing in engineering R&D, technological innovation, and product applications.

Tencent prioritises research into fundamental AI technologies, focusing on areas including AI foundation models, computer vision, speech technology, natural language processing, machine learning, and AI security. Our proven AI capabilities have been applied across various sectors, including games, social networking, healthcare, education, finance, security, and smart retail, enhancing product capabilities and user experience. We have won many international computer vision competitions, offering sophisticated image recognition and video analytics services to clients across various sectors. Furthermore, our highly accurate speech-to-text technology is now widely used across Tencent's extensive range of products and services. In the realm of natural language processing, Tencent has achieved outstanding results in the Stanford Question Answering Dataset evaluation competition. Our AI-powered dialogue systems and advanced natural language understanding and generation capabilities are now prevalent in many applications and settings. Additionally, we leverage machine learning algorithms to deliver intelligent decision-making support for an array of use cases. This includes implementing AI recommendation algorithms in the game industry and introducing AI assistants and virtual hosts to significantly improve the overall game experience for users.

### Generative AI

In 2023, Tencent embraced the development of large-scale models, introducing the fully self-developed trillion-parameter large-scale model, HunYuan, to enhance our text and multimodal generation capabilities. We have applied our foundation model capabilities to over 600 business scenarios and services. These include Tencent Ads, Tencent Meeting, Tencent Docs, Tencent Cloud, Weixin Search, WeCom, Financial Risk Control, Tencent Video, Tencent News, Weixin Pay, and Tencent Foundation, thereby elevating algorithmic recommendations and operational efficiency. With HunYuan large-scale model, Tencent Meeting can offer real-time meeting minute generation, streamlining communication among attendees, and Tencent Docs can offer intelligent content suggestions and generation, improving document editing efficiency. For Tencent Ads, our AI technology has noticeably enhanced ads targeting, allowing advertisers to pinpoint their desired audience more precisely, which boosts ads performance and conversion rates. In the cybersecurity business, we apply AI technology to reinforce cybersecurity measures, including but not limited to using big data and AI technology to analyse and identify malware, phishing, and other cyberattacks, thus providing security protection for users.

Tencent HunYuan emerged as one of the first large language models to successfully pass China's official "Large-Scale Model Standards Compliance Test" on 22 December 2023, demonstrating exceptional performance in terms of generality, intelligence, and security. Additionally, Tencent took the lead in proposing and initiating discussions for the development of China's Functional Requirements for AI Model as a Service ("MaaS") to promote the standardisation of MaaS.

### Extending AI Capabilities to Industries

Tencent extends its AI capabilities to corporate partners, offering various AI services, including but not limited to image recognition, speech technology, NLP, AI platform services, intelligent robots, and industry large language models. In addition, we extend access to our large-scale model capabilities across industries by providing MaaS services for customers, aiming to foster the application and innovation of large-scale models in sectors including finance, healthcare, transportation, security, corporate services, education, industry, media, and culture and tourism. For more information on AI business applications, please refer to the "Create Sustainable Social Value – Create the Social Value of Digital Technology" section of the report.



## Responsible Technical Practices

### Strengthening of AI Systems and Data Security

The advancement of AI relies on vast amounts of data, making the security of AI systems and their data more complex and diverse compared to traditional cybersecurity. Tencent meticulously monitors and manages a range of security risks, including data non-compliance handling, data leaks, impersonation, forgery, fraud, tampering, and challenges in verifying authenticity, to continuously strengthen both AI systems and data security.

Tencent incorporates compliance into the R&D process, conducting security and compliance assessments for AI products and services to ensure they adhere to the latest laws, regulations, and AI trends. Starting from the entire lifecycle of data, Tencent consolidates general security capabilities and constructs a data security process system to ensure the secure and reasonable use of training data including voice, images, videos, and text, with output content complying with ethical standards and laws. At the same time, we carefully assess potential risks, including discriminatory biases, and ensure compliance with relevant laws and regulations. In addition, we improve the quality of output content by incorporating built-in filtering mechanisms.

### Deployment of Security Capabilities in the Generative AI Domain

Given the widespread application of large-scale models across various domains, we are vigilant regarding potential new security risks. As such, we conduct research into and implement AI security technologies, closely track emerging security risks in the industry and advanced attack techniques in academia, and promptly conduct replication and attack attempts on HunYuan. By promoting defence through offence, we proactively identify and mitigate risks in advance, ensuring the security of HunYuan when it is released.

- On 1 September 2023, Tencent HunYuan obtained a "Trustworthy AI Assessment Certificate" in the standard compliance assessment of important modules including "Basic Service Platform", "Model Development", and "Model Capability" in the evaluation of large language models by China Academy of Information and Communications Technology.
- On 24 November 2023, Tencent HunYuan and Tencent Zhuque Lab launched a security testing benchmark for LLMs in collaboration with Tsinghua University and OWASP China. This initiative offers advice and guidance for assessing the capabilities of LLMs in prompt and content security.
- On 22 December 2023, at the plenary meeting of the AI Sub-Committee of the China National Information Technology Standardization Technical Committee, Tencent HunYuan passed China's large language model standard compliance assessment.
- On 24 January 2024, Tencent released the Large-Scale Model Security and Ethics Research Report 2024: Responsible AI Leading Large-Scale Model Innovation during the "Large-Scale Model Security and Ethics Forum" at the 2024 T-Week, sharing our latest insights and practices on responsible AI governance with the industry.



## 3.5 Digital Safety and Well-Being

As technology becomes increasingly integrated into our daily lives, it can impact the digital well-being of its users, specifically their mental, physical, social, and emotional health. Therefore, we believe it is crucial to assist both digital natives and digital immigrants in navigating the digital world, enabling them to steer clear of sources of stress, anxiety, or harmful content. At the same time, we believe in harnessing the positive potential of digital technologies as a means of accessing valuable information, enhancing social connections, and improving productivity.

In adhering to the principles and conventions, including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the Convention on the Rights of the Child, and the Children's Rights and Business Principles, Tencent is committed to providing users with a safe, healthy, and positive digital environment; enhancing their online experience; and safeguarding the security and well-being of users in the digital space.

Tencent is dedicated to providing users with a trustworthy platform and products through regular improvements and technological innovation. We strive to ensure users have a healthy and safe experience when using digital services, support the healthy development of minors and empower the silver generation to embrace digital life.

Tencent has developed a content security management mechanism that ensures the security of product content. We have combined the content characteristics and management requirements of different products and services to formulate standards for content security management, including the Code of Conduct for the Management of Information Security Personnel, the Management Code on Information Content Security, and the Code of Conduct for Emergency Response of Information Content Security Incidents. We have implemented the requirements for information security and established holistic protection measures to ensure content security. The Decision Committee is responsible for the unified and coordinated management of product content security. In 2023, the Decision Committee enhanced protection for content security related to AI, important new products and functions. We have established an algorithm security and compliance team to conduct regular self-assessments of product algorithms. This ensures that recommendation algorithms associated with products are effective in protecting user rights, governing content ecosystems, and implementing other risk prevention and control measures.

Based on the characteristics of different platforms, we continuously promote credible and reliable information from trustworthy sources. We have also strengthened our abilities to control and prevent harmful information, including but not limited to violence, terrorism, extremism, hate, falsity, discrimination, online harassment, self-harm and pornography.



## Support the Development of Minors

### Protection of Minors

The Internet is an excellent tool for learning, connecting, and entertainment, but not all material is suitable for children and minors. In the real world, minors need the guidance of their parents and the protection of society to grow up in a healthy way. This also applies to the digital world, where we've created safety mechanisms that enable minors to use our products and services in a safer, healthier, and more effective way.

#### Minor Mode

The vast amount and types of information on the Internet may very likely pose challenges for minors. We have launched the "Minor Mode" in our products to help keep them safe and reduce the risk that they are exposed to inappropriate content. We also developed alternative versions of these products suitable for minors and continuously explored better solutions for safe Internet access for them so that guardians can have better oversight and guidance over their online activities.

#### In 2023, Weixin continued to upgrade and iterate its "Minor Mode":

- Guardians can quickly access the activation page by entering "Minor Mode" or "Weixin Minor Mode" while in the dialogue with minors;
- When activating the "Minor Mode", minors who receive Video Accounts live streaming links shared by teachers or classmates can request temporary access permission from their guardians. Guardians can view the details of the access request and decide whether to approve it. Then, minors can watch the approved live streams on that day.

- We have launched the "Video Accounts Minor Content Rating" function to cater to the various content needs of minors across different age groups. The exclusive content pool for minors recommends more age-appropriate content on Video Accounts.

Tencent continues to uphold our commitment to safeguarding the healthy development of minors in the digital world. We continue to develop tools for both players and parents to ensure that minors who play our games have a safe, fun and educational experience. We are also committed to compliance with relevant laws and regulations in regions where we operate.

In the Mainland of China, our protection measures include real-name verification, an age-rating system, parental control features, and setting different game time and spending limits for minor players of varying age groups.

- Players under the age of 12 are prohibited from spending in any Tencent games;
- Implementation of "limited play and limited purchase" for minor user accounts: minor players are allowed to log in between 20:00 and 21:00 on Fridays, weekends and statutory holidays, and access to games is prohibited on other days;
- Use of both the screening system and anti-transfer measures to prevent minor players from using or even buying accounts that are verified as adult players.

We will continue to explore integrating platform features and technology applications, incorporating protection measures for minors into various products, and working with different stakeholders to build an overall protection system for minors to support the healthy development of minors.

Since 2021, we have implemented an industry-leading programme for the protection of minors, resulting in a significant reduction in minors' game time in the Mainland of China. We have worked together with regulatory authorities and the industry to achieve tangible results in minor gameplay protection measures. According to the Progress Report on the Protection of Minors in the Chinese Game Industry 2023, game enterprises have made remarkable progress in areas including real-name authentication, anti-addiction systems, health reminders, and parental guardianship. The focus of minor protection has expanded from game addiction prevention to encompass aspects including protecting minors' personal information and promoting their awareness and proficiency in safely using the Internet. The protection of minors has unveiled a new chapter. Research findings indicate that:

- In terms of preferred activities during the rest time of minors, the proportion of online games ranks sixth, following watching online videos, reading extracurricular books, and studying;
- There has been a decline in the willingness of minors to spend on games. Compared to 2022, 28.86% of minor game users reported a decrease in their game expenses, which is higher than the proportion of users who reported an increase in expenses;
- Over 70% of refund requests from parents of minors were processed;
- 77.75% of parents stated that they understand the measures for protecting minors, with higher awareness of parental guardianship platforms and game time limits;
- Compared to 2022, there has been a 70% decrease in social attention towards "minors' game time".

### Protection Campaigns

Tencent Guard is a comprehensive online safety service platform that integrates account security, combats harmful behaviours, and promotes user education. Its scope include accepting reports related to Internet fraud, online pornography, gambling, narcotics, harmful content affecting the physical and mental health of minors, and illegal financial services. When these reports are verified, the platform will promptly suspend accounts in violation. We also conduct cybersecurity awareness education. In 2023, Tencent Guard launched a series of educational content on cybersecurity for young people. We released themed comics on safe internet usage for minors, which aims to increase minors' awareness and ability to deal with issues such as Internet addiction, online fraud, and indecency. Additionally, in partnership with community partners, Tencent Guard conducted lectures in over ten cities, offering minors lively and engaging lessons on cybersecurity to improve their understanding and safety online.

The "Tencent Youth Care Workstation" conducts campaigns to combat harmful content and cultivate good online behaviours of minors. In 2023, the Tencent Youth Care Workstation conducted school visits and community outreach programmes to deliver cybersecurity knowledge to rural left-behind children, urban migrant children, and community-residing children. The course content covers themes including personal information protection, cyberbullying and Internet fraud, obscenity and violence, and mental health, assisting them to grow in a healthier and safer manner.



## Support Growth with High-Quality Content

We provide various online courses and educational content to support minors in improving their awareness and proficiency in safely using the Internet, inspire creativity among minors, and allow them to experience the enchantment of the digital world.

The "Green Seedling Plan" is dedicated to helping minors improve their awareness and proficiency in safely using the Internet through multiple measures, including jointly building a content pool for minors, professional seminars, philanthropic activities, and innovative competitions. In 2023, the "Weixin Green Sprout Programme 2.0" saw further enhancements in protecting minors and expanding its content offerings. This included but was not limited to the "Weixin Green Sprout Public Class: The Prosecutor is Here" series of legal education programmes aimed at guardians and minors and "100 Cyber Literacy Lessons for Youth" designed to boost minors' awareness and proficiency in safely using the Internet. Additionally, the programme offered the "Caring for Youth: This Young Summer" series of online summer courses covering themes such as safety, astronomy, and marine science, providing engaging and educational content for young learners.

Tencent is also collaborating with stakeholders to launch a variety of technology courses to expand children's opportunities in the digital era:

- "Tencent Coding" platform has created an AI programming curriculum system with the goal of popularising AI. It has also jointly released "AI & Programming Lesson 1" course with the China Soong Ching Ling Foundation. For more information about the "Tencent Coding" programming course, please refer to the "Create Sustainable Social Value - Create the Social Value of Digital Technology" section of the report.
- The "Master Classes for Youth" video course with the China Soong Ching Ling Foundation invites over 80 experts to design introductory courses across various domains for children. 139 episodes of premium digital content have been released to date. In 2023, the "Master Classes for Youth" invited scientists to have face-to-face interactions with minors in schools.

- The "Smart and Healthy" programme developed Mini Programs, Future Classrooms and Future Sports Fields, providing a wealth of content for teachers and minors. It offers a technology-themed content online learning platform and online sports assistance platform. For more information about the "Smart and Healthy" programme, please refer to the "Create Sustainable Social Value - Create the Social Value of Digital Technology" section of the report.

The mental health of minors is crucial for their growth. Therefore, we offer a knowledge hub for parents and minors to better learn about mental health.

- "Tencent Service Platform for Parents of Minors" Mini Program features a section on mental health, providing video tutorials that cover topics including recognising and accepting children's emotions, and managing minors' emotions. The aim is to help parents to work together in safeguarding the mental health of minors.
- "Be Happy and Be Shining", a mental health awareness programme for minors within Weixin Video Accounts, expands on discussions on various topics, including emotional support and resilience, social-emotional learning, and parental self-caring, with the aim to enhance minors' well-being awareness.



## Industry Standards for Minor Protection

Tencent, drawing from its practical experience in protecting minors, has participated in or taken the lead in formulating multiple industrial standards for furthering minor protection.

In 2023, we participated in and led the development of multiple industry standards, which include:

- Implementation Guidelines for the Protection of the Minor Rights and Interests in Online Games**  
The guidelines for online game operators include processing procedures, service systems, and division of responsibilities for personal information protection, content security safeguarding, prevention and treatment of Internet addiction, and complaint and refund processing. It is designed to guide online game operators in safeguarding the rights and interests of minors;
- Requirements for Network and Data Protection for Minors in Telecommunication Networks and the Internet**  
Standards and requirements have been formulated on literacy cultivation, personal information protection, prevention of Internet addiction, and other aspects to protect minors in cyberspace. It also standardises online protection measures for minors starting with typical scenarios including live streaming, online games, and online audio and visual content;
- Management system on minors online protection for Internet companies**  
It provides Internet enterprises with clear guidelines for the management system for protecting minors in cyberspace.

## Support the Silver Generation in Accessing Digital Technology

Tencent is committed to helping senior citizens enjoy a digital lifestyle and its benefits by enhancing their overall digital literacy.

To enable silver generation to better experience digital products and access digital content, we have offered an "Easy Mode" in our products and platforms, including Weixin, QQ, Tencent News, and Tencent Maps. Font adjusted size, button configurations, and settings are for them to use features and functions easily.

### Weixin "Easy Mode":

- "Listen to Text Messages" is available for the silver generation who have difficulty reading the on-screen text to listen to the content directly;
- "Friends Assistance" allows relatives and friends to send "#easy mode" in the dialogue box to help the silver generation switch to the activation screen of the "Easy Mode";
- "Simple Verification Code" allows the silver generation to switch to countdown verification mode without input by tapping the "I don't know" button when encountering complex verification codes.

### Tencent News "Easy Mode":

- It features a large-front user interface and, a simplified login process that does not require the insertion of verification code, and content hubs tailored for senior citizens.

To allow the silver generation to enjoy safer and high-quality Internet content and a more user-friendly experience, we have also developed online knowledge platforms and courses to help them enjoy digital life.

- The Mini Program, "Silver Guardian Assistant", focuses on internet safety for the silver generation, helping them improve their ability to detect and prevent fraud, as well as their cybersecurity literacy. The model of "online services + security reminders + knowledge learning" assists the silver generation in understanding security knowledge.
- The "Academy for the Senior" Mini Program offers short-form videos guidance on challenges commonly encountered by senior citizens in their daily lives, including using ride-hailing services, making medical appointments, scanning QR codes to pay for groceries, shooting short-form videos, and avoiding fraud.
- The "Silver Guardian" is conducted through a combination of online video lessons and in-person community safety classes. The courses focus on aspects including impersonation scams, false investments, financial management pitfalls, and rumour prevention.

The offline community class, "Silver Guardian" has been promoted in over

**400** communities nationwide



## Collaborate with Creators to Develop a Healthy Content Ecosystem

The number of content creators and demand for creative content has surged in recent years. At the same time, we have enhanced platform content security management to offer creators more support and guidance to foster a high-quality content creation environment.

We have prepared corresponding content specifications and guidelines to provide clear guidance for content creators, including the Weixin Official Accounts Content and the Code of Conduct for Weixin Video Accounts Live Streaming Behaviours. The Weixin Official Account, "Weixin Coral Security", provides content creation guidelines through various forms to raise content creators' awareness of content safety. These guidelines include online fraud, cyber rumours, cyber violence, personal information protection, and safeguarding minors. Additionally, Weixin Video Accounts offers Live Streaming Guidelines for Beginners, assisting live streamers in understanding streaming rules. Moreover, we have also launched the "Video Accounts Security View" column to clarify the specifications for information dissemination for Video Accounts' live streamers.

We have developed a Mini Program "Coral Content Security Assistant". It assists the developers of Mini Programs to identify content and product safety risks with one click. This tool not only offers more assistance to operators and developers in enhancing content security but also contributes to the robust growth of the Weixin content ecosystem. Its core features include:

- **Function Risk Self-assessment:** Systematic risk ratings and security solutions are listed based on the functional conditions of Mini Programs, including targeted risk alerts and associated risk prevention and control suggestions;
- **Content Risk Identification:** Content creators can tap the text or image identification on the homepage to check whether the content contains any illegal or harmful information.

Generative AI spurs industry transformation while also posing challenges to content authenticity, reliability, and security. On our own platforms or platforms we operate, we strive to allow users to clearly discern AI-generated content. Weixin has formulated requirements, including the Code of Conduct for Weixin Video Accounts Operation, to offer guidance to content creators utilising AI-generated content or deep synthesis and other techniques to create content, including distinguishing and labelling non-authentic content generated or synthesized by AI, as well as prohibiting accounts from inappropriate marketing using such content, otherwise the platform will impose strict penalties. For more information on generative AI, please refer to "Protect Digital Rights – Promote Responsible AI" of this report.



## Fight Online Illegal Behaviours

As the internet is constantly growing and evolving, so too does cybercrime. It continues to be a growing risk to people and businesses at all levels of society. Tencent is actively engaged in safeguarding the online ecosystem through process management, technological remedies, and advocacy for user education.

Cyber disinformation will lead to adverse effects, including misinformation and erosion of trust among recipients. "FACT CHECK", a rumour-debunking platform of Tencent News, has established a standardised rumour-debunking database and procedures. It debunks rumours and enhances awareness through channels including Tencent News, Weixin Official Accounts, and Mini Programs. It also partners with multiple well-known universities to conduct research on rumours and fosters talent, driving the continuous advancement of the fact-checking industry. The "FACT CHECK" platform publishes an average of five to seven debunking and educational articles on Tencent News and Weixin Official Accounts per week, mainly covering topics, including health and medicine, food safety, science and technology. Also, we also developed a Mini Program "Weixin Rumour Debunking Assistant". Users can report rumours with one click in the Mini Program.

Internet fraud is a prevalent form of online illegal behaviours. Combating these illegal behaviours is highly important in ensuring the security of users' personal information and property. To effectively combat Internet fraud, Tencent has unified multiple internal teams to form an anti-fraud project group. We have devised a set of efficient cross-team collaborative mechanisms while strictly upholding the protection of personal privacy. Additionally, we have introduced "Tencent Tech-Based Anti-fraud" Mini Program, which empowers users to enhance their awareness and proficiency in identifying fraudulent activities, thereby mitigating the risk of falling victim to fraud. Early warning and publicity regarding suspected fraud and illegal content are crucial measures to safeguard users from frauds. Tencent's diverse array of products employs various strategies including pop-up reminders and manual customer service notifications to dissuade users from potential frauds in a timely manner, thereby preventing fraud-induced losses. Furthermore, the apps of our products, our websites, and the Tencent Guard's Mini Programs have established channels for reporting and lodging complaints about suspected frauds, suspicious payment transactions, and other illicit behaviours. Tencent Guard has curated a database of anti-fraud cases and utilises online anti-fraud videos and posts, as well as offline publicity campaigns tailored for the silver generation, minors, and other vulnerable communities. These initiatives aim to familiarise users with common fraud types and characteristics, thereby bolstering their awareness and self defence against fraud.

Our platforms also conduct anti-fraud management based on their characteristics to minimise the risk of platform users being deceived:

- Weixin, QQ, and other social platforms have implemented a comprehensive mechanism for fraud prevention, monitoring, and response. This includes proactive identification of suspected fraud accounts, alerts and risk control measures during potential fraud in action, and crackdowns based on fraud data analysis.

- Tencent has built a security system against online game black and grey products, using upgraded technologies and strategies for countermeasures to combat it. In 2023, we assisted in cracking down on 18 security cases related to the game industry;
- Tenpay continues to improve its identification and restriction strategies for large transactions and untrusted transactions, and strengthens the identification, interception, and stopping of payment of suspicious funds associated with fraud. For more information about financial fraud prevention, please refer to the "Create Sustainable Social Value – Digital Inclusive Finance" section of the this report.

Based on our experience and technical advantages in combating illegal online advertising, we also help combat illegal offline advertisements.

Business cards carrying illegal content like pornography, fraud, and gambling exist but often evade detection due to their covert nature. In response, Tencent Guard has developed a dedicated channel "Report Illegal Cards". People can take photos of the Cards and upload the images through the Mini Program. Tencent Guard analyses the reported image, identifies and handles violations, and submits criminal risk-related clues to law enforcement authorities.

In 2023, "Report Illegal Cards" assisted the police in combating 45 major prostitution gangs, resulting in the seizure of over RMB10 million in funds and the confiscation of more than 1.66 million cards. Additionally, the investigation revealed the production and distribution of over 40 million cards.

## User Engagement and Security Advocacy

Users play a crucial role in promptly detecting illegal information that violates laws and regulations. Tencent provides convenient complaint and reporting channels for users so that they can provide timely feedback when they encounter problems, thereby safeguarding the legitimate rights and interests of users. Users can lodge complaints and submit evidence on the apps. Users can also report illegal or non-compliant behaviour on Weixin and QQ via Tencent Guard. Tencent Guard platform will perform cluster analysis on the reported data and update the combating strategies in real-time. The platform served a total of over 180 million users, received over 60 million valid reports, and has taken action on nearly 15 million illegal and non-compliant accounts.

To help users enhance their cybersecurity awareness, Tencent has disseminated related knowledge through and in various channels and formats. Minors and the silver generation are the key focus groups of our outreach efforts, and we promote cybersecurity knowledge through a combination of online and offline approaches to enhance their ability to use the Internet in a practical, safe, and reasonable manner.

# Advertising Responsibilities

## Management Principles

The Tencent Ads platform strictly adheres to relevant laws and regulations. It establishes robust case management and risk assessment mechanisms, defines clear management standards, and enhances communication and appeal channels with all stakeholders for optimal transparency and efficiency. Through our risk prevention and control mechanism that covers the full cycle of "before, during, and after" advertising, we aim to establish a whole-process risk management system in partnership with other stakeholders.

We have formulated the [Tencent Ads Review General Rules](#), which stipulate that advertising content must not affect the well-being of children, endanger public health and safety, or contain gambling, violence, discrimination, weapons, live wild animals, and parts of wild or endangered animals. In accordance with laws and regulations including the Measures for the Administration of Internet Advertising, we have developed the Code of Conduct for Tencent Advertising Platform Advertiser Management, the Code of Conduct for Tencent Ads Physical Goods Inspection Management, and other rules. With consumer experience and rights protection as our core focus, we improved our reviewing mechanism and continued to enhance the quality of our reviews. We have implemented measures including adjusting review rules, upgrading the review and associated advertising systems, and enhancing risk control mechanisms to ensure that our advertising operations fully comply with the latest regulatory requirements.

## Procedure Control

We strictly adhere to relevant laws and regulations, clarify relevant management standards, and build a comprehensive risk management mechanism that covers before, during, and after the advertisement has been placed.



We ensure the legality, compliance, and authenticity of advertising content through ongoing updates to our advertising review rules and multi-dimensional control measures. These measures include verifying advertiser qualifications, intercepting blacklisted advertisers, and ensuring secure corporate payment mechanisms. Simultaneously, we mitigate risks to safeguard the legitimacy and authenticity of advertiser access. We have set a series of preliminary measures to screen for illegal and non-compliant behaviours, including offline pre-screening, promotional link review, and automatic filtering of prohibited words and images. By identifying and addressing non-compliant advertisements in advance, we minimize their impact and losses on users, while strengthening our defence against violations.

Adhering to the goal of intelligent review, we utilise an intelligent review system to automatically detect advertising violations and conduct manual reviews on suspicious or risky advertisements, which enhances the review quality and enables us to effectively combat and intercept illegal and non-compliant cases. By improving the sensitivity, skills, and literacy of reviewers, while bolstering our capabilities for special inspections and handling, we have improved the advertising review efficiency and user experience.

By continuously monitoring internal and external complaints and negative feedback, we gather and address input from regulators, merchants, and users. We establish mechanisms for platform-based responses to complaints and negative feedback. Through a high-frequency and multi-dimensional mechanism, we further improve the reliability and security of advertising review governance. Additionally, we operate an automatic inspection system, which conducts a comprehensive review of all approved advertisements every hour. We also utilise a manual inspection mechanism to monitor external public opinions on advertisers and a risk assessment mechanism to calculate and prioritise the handling of high-risk advertisements and accounts, ensuring the continuous compliance of advertising content and user experience.

We also continuously publicise advertising compliance knowledge among advertisers, service vendors, and other partners.

- Training activities:**  
 We use mediums including live-stream classes and recorded video courses to popularise regulations and review rules, introduce typical non-compliant cases, and offer compliance advice. Additionally, we assign dedicated personnel to address inquiries;
- Popularisation of laws and regulations:**  
 We use various communication channels including the official website, QQ customer service, Weixin customer service, and email to help partners learn more about audit-related information, improve advertisers' legal compliance awareness, and reduce the occurrence of violations.

## User Communication and Services

With customers' needs as the driving force and relying on cutting-edge technology, Tencent continues to enhance its products and services' functional design and customer service capabilities, delivering customer-focused, timely, and high-quality services via multiple channels to meet users' expectations.

### Consumer Internet

Tencent uses intelligent self-service, manual assistance, and other diversified featured channels to solve problems encountered by users when using consumer Internet services. The Company conducts regular product research and establishes connections with users to optimise the product experience.

We have a dedicated team to handle user complaints and provide users with diverse channels for filing complaints. Through technical approaches including AI, we help front-line customer service personnel in responding promptly, ensuring timely and proper handling of customer complaints and effectively enhancing associated quality and efficiency. We are also equipped with a multilingual customer service team that can provide manual assistance in English, Japanese, Spanish, and other languages. We have served nearly 51,000 foreign users, with a user satisfaction rating as high as 98%. We also introduced a dedicated video service channel in 2023. Customer service personnel can engage in real-time interactions through multimedia channels, gaining a comprehensive understanding of users' needs and efficiently addressing their issues.

Since 2021, Tencent Customer Service has launched an anti-fraud customer service reminder feature that assists users in identifying and alerting them to transaction risks

through its online customer service. As of December 2023, we had provided self-service to approximately 25 million users, with the alerted risk-entailing sum of approximately RMB80 billion. We have also served 1.29 million users through manual assistance, preventing fraudulent transactions of approximately RMB75 million.

Besides providing diversified service handling channels, we also identified several groups with special needs and provided caring services for them. For users aged 60 and above, we have introduced the "Senior-centric Service Hotline" on Weixin Pay, which provides services including priority access and dialect support services. By the end of 2023, the "Senior-centric Service Hotline" had solved 2.7 million problems for the silver generation, with a user satisfaction rate reaching 95%. For our users with physical limitations, we have created a channel that allows them to connect with dedicated customer service personnel effortlessly, eliminating the need for using buttons and improving accessibility.

In 2023, Tencent's customer service system for its consumer Internet business included customer services for Internet services and e-merchants on Video Accounts. Our consumer Internet customer service system (including self-services) managed approximately 3.1 billion queries and received a total of 43,652,897 user complaints<sup>1</sup>. Among them, the closed-loop processing rate of complaints received by Internet service customer services within three business days is approximately 99%.

## Industrial Internet

Under the industrial Internet strategy framework, Tencent offers enterprises, organisations and individual developers world-leading cloud computing, big data, AI, SaaS, and other technical products and services. The Cloud Technology Operations Services Department is responsible for the overall after-sales service, software service, and operation and maintenance assurance. Tencent Cloud provides customers with professional technical support to protect their rights and interests by establishing the following systems.

- Established highly technical support teams around the globe to provide users with targeted and efficient service support;
- Continuously optimised client service process system based on industry best practices and improved intelligent service capabilities based on an LLM to ensure issues are handled in a timely and standardised manner;
- Provided users with multiple access channels, continuously optimised products, and proactively managed product trends while establishing a complaint pre-warning and handling platform to solve clients' problems promptly;
- Promoted the implementation of services exceeding customer expectations and implemented a quick refund, compensation, and rewards policy based on customer demands to gain word-of-mouth;
- Refined platforms including "Tencent Cloud's Voice of Users Platform" and "Tencent Cloud's Reporting Platform" to listen to the demands of different users and continuously optimise our products.

- In 2023, Tencent's industrial Internet customer service system (including self-services) processed 6.66 million queries. We received a total of 20,059 complaints from users, of which 85% of the complaints received by the cloud service were resolved within seven days. The customer five-star satisfaction rate reached 96.3%.
- "Tencent Cloud's Voice of Usersx platform" received 3,939 pieces of feedback on product optimisation suggestions, which led to 1,119 Tencent Cloud product enhancements.
- In 2023, WeCom's customer service satisfaction rate for large clients was 98%. We have collected feedback from 85,000 cases through our customer service and have provided services to a total of 480,000 clients.

<sup>1</sup> As the number of video account users surged and e-commerce grew rapidly, we expanded our customer service team and improved complaint channels to enhance the overall user experience. Consequently, there was a significant increase in consumer internet complaints during this period.

# Chapter 4

# Create Sustainable Social Value

Technology is a capability, doing good is a choice.

Tencent is poised to use our core strengths in digital technologies and building connections, to drive technological innovation, support digital upgrade for industries, and collaborate with our partners to identify innovative pathways to tackle society challenges, thus creating sustainable value for society.

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# 4.1 Advance Technology Innovation

## Explore the Application of Cutting-edge Technologies

Technologies should be people-oriented.

We continuously drive innovation in digital technology and enhance social well-being by finding innovative pathways to solve social pain points.

### Game Technology + Marine Science

Tencent and the Southern Marine Science and Engineering Guangdong Laboratory (Zhuhai) jointly built the Digital Twin Ocean Engine ("DTO Engine"), which can be used to predict and respond to marine hazards including typhoons, storm surges and coastal erosion. The DTO Engine offers a real, high-resolution, multi-dimensional, and interactive virtual environment for marine researchers, empowering them with enhanced observation and prediction capabilities. By facilitating more precise scientific decision-making, the DTO Engine plays a crucial role in marine disaster prevention and mitigation, environmental protection, marine spatial planning, marine ranching, and various other domains within marine science.



### AI + Astronomy

In 2023, Tencent collaborated with the China's five-hundred-meter Aperture Spherical Radio Telescope ("FAST"), the world's largest radio telescope, to identify two fast radio bursts using AI vision technology. The study of fast radio bursts contribute to a deeper understanding of the origin of the universe, but their extremely low scintillation frequency and brief duration make it difficult to detect them. Tencent's AI vision technology has significantly enhanced the efficiency of identifying valid astronomical signals amidst vast datasets, resulting in the joint discovery of two fast radio bursts.



### Robotics

In 2023, Tencent released X-Tender, a dexterous robot comprising a three-fingered dexterous hand TRX-Hand and a flexible anthropomorphic mechanical arm TRX-Arm. Achieving breakthroughs in body structure, perception capacity, and control system, X-Tender has the capability to autonomously perform a wide range of tasks, including grasping and releasing objects, pouring water, as well as throwing and catching items. Additionally, we developed and introduced an autonomous decision-making system for Max, a quadrupedal mobile robot, enabling Max to act with agility in complex environments and implement intelligent strategies for overcoming obstacles.





## Support Research in Basic Sciences

Tencent has long committed to supporting research in basic sciences, encouraging scientists to think freely, rigorously test hypotheses, and explore unknown scientific realms.

### New Cornerstone Investigator

Launched in 2022, the programme provides long-term funding to outstanding scientists to support them in making explorative and venturesome research in basic sciences, stretching academic boundaries, and driving scientific breakthroughs.

In October 2023, the list of recipients was announced, with a total of 46 scientists selected in the fields of mathematics and physics, as well as biology and medical sciences. Over two phases, a total of 104 scientists have been selected for funding.

### XPLORER PRIZE

In 2018, the XPLORER PRIZE was established to support young scientists in exploring the uncharted territories of basic sciences and frontier technologies, covering 10 scientific disciplines including mathematics and physics, advanced chemistry, astronomy and geosciences, and life sciences.

In the past five years, the "XPLORER PRIZE" has supported a total of 248 young scientists. As of June 2023, research achievements of seven of the award-winning scholars were selected as the Top 10 Scientific Achievements in China, and 29 research papers were published in the esteemed academic journals of Cell, Nature and Science.



## 4.2 Create the Social Value of Digital Technology

**Tencent supports digital transformation and improves the operational efficiency as well as competitiveness of enterprises. In collaboration with our partners within the ecosystem, we promote the widespread application of digital technologies, enabling more people to enjoy and benefit the value of technological advancement.**

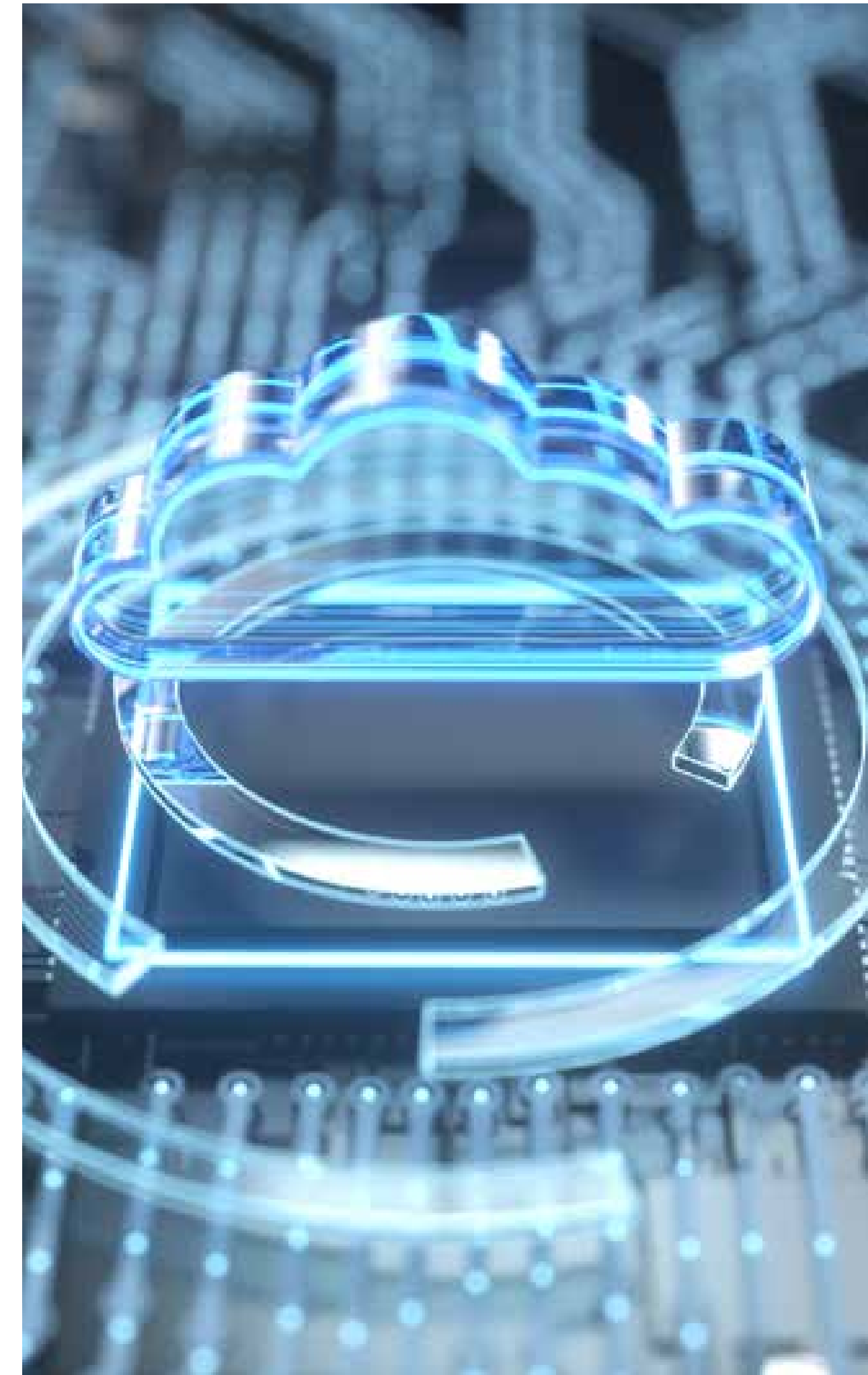
### Support Digital Transformation of Industries

Digital technology plays an important role in driving industrial transformation and in advancing the development of the society. Tencent provides technical solutions, including cloud computing, big data, and large models, to facilitate various industries in their digital transformation.

- In 2023, Tencent unveiled a self-developed large model, Tencent HunYuan, and used the "Mixture of Experts" architecture to scale it to a model of trillions parameters. The model excels in mathematical derivation, logical reasoning, and multi-round dialogues. AI functions based on HunYuan have been deployed in Tencent's products including Tencent Cloud, Tencent Meeting and Tencent Docs. Moreover, Tencent Cloud has delivered large-scale model solutions for over 50 industries, benefiting more than ten sectors, including finance, social media, e-commerce, transportation, and games. For more information, please refer to the "*Protect Digital Rights – Promote Responsible AI*" section of this report.
- Tencent Distributed SQL ("TDSQL"), a self-developed enterprise-level distributed database, has served seven of the top ten banks in the Mainland of China, and helped more than 30 financial institutions to build new core systems. It was one of the first databases to receive the highest level of certification by GB18030-2022 Information Technology - Chinese Coded Character Set.

Tencent provides various SaaS applications, including WeCom, Tencent Meeting, Tencent Docs and Tencent Qidian to help enterprises optimise their production, operation and management processes, enhancing operational efficiency.

- Tencent Meeting has cumulatively provided over 2.5 billion online meeting services, collaborating with WeCom and Tencent Docs to provide a wide array of demands for remote work, online teaching, online consultation, online roadshows, and online marketing. These services effectively helps both businesses and individual users in reducing travelling and enhancing collaboration efficiency.
- Tencent Qidian offers comprehensive solutions spanning marketing, sales, transaction coordination, and customer service, assisting in boosting businesses' customer acquisition and retention capabilities. It enhances collaborative efficiency across the business value chain, having serviced over 1 million enterprises and connected 350 million users. Tencent Qidian supplies marketing service solutions to more than 80 sectors, including finance, retail, and travel.



## Incubate Sustainable Social Value Innovation

In April 2021, Tencent incorporated "promoting sustainable innovations for social value" into the Company's core development strategy. We established the Sustainable Social Value ("SSV") Organisation and announced an investment of RMB100 billion to focus on ten major areas. Through ongoing exploration and small-scale pilots, SSV Organisation identified ten major areas for continuous resource investment, fostering the development and scalability of social value.

Together with our ecosystem partners, Tencent's SSV Organisation and various business groups promote the widespread digital application in various social sectors, to enable more people to benefit from technological development. As of 31 December 2023, the cumulative expenditures of SSV & Common Prosperity Programme have reached RMB10.38 billion, and significant progress had been achieved across these major areas.



## Healthcare Services

We have developed digital solutions for healthcare services, widely promoting the application of our research findings across society to help safeguard the health and lives of more people.

### Explore Digital Medical Technology

Based on our experience in medical image AI recognition and processing technology, we have developed "Tencent AIMIS Medical Imaging Platform of Digital Intelligence" and a number of auxiliary diagnostic systems, supporting the inclusive large-scale screening and timely treatment of some diseases.

- "AI-assisted Diagnosis" system for electronic colposcopy helps doctors in diagnosing cervical cancer**

Utilising AI algorithms, the system assists doctors in accurately identifying cervical lesions and conducting precise biopsies. This system provides a series of capabilities, from auxiliary diagnosis to refining their diagnostic skills, thus leading to improved screening accuracy and a reduction in unnecessary biopsies. We have reached cooperation with the Chinese Academy of Medical Sciences and Peking Union Medical College Hospital to deploy the system to 40 primary hospitals in areas with limited medical resources.
- "Glaucoma AI-aided Diagnosis" software enhances the efficiency of clinical diagnosis of glaucoma**

This software integrates Tencent AIMIS's AI capabilities with a fundus camera, analyzing tens of thousands of fundus photographs to identify risks indicative of potential glaucoma-like manifestations. In clinical trials, the software has significantly reduced the average detection time cost and effectively lowered the glaucoma misdiagnosis rate by 20% and the false positive rate by 2%, offering an effective and expedited approach to glaucoma screening and diagnosis.

In addition to medical diagnosis, Tencent integrates big data, AI technology, and other methods to assist in drug design, accelerating the drug development process.

- Mutation-induced drug resistance DataBase ("MdrDB") facilitates drug development**

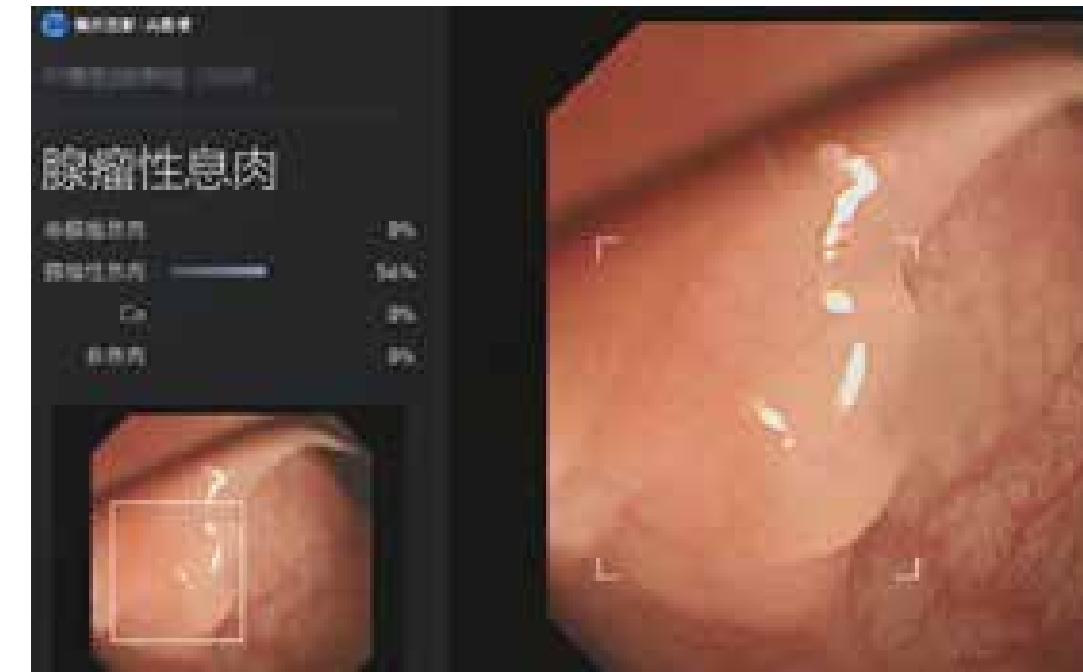
To address the challenge of insufficient sample sizes in drug resistance databases, we developed MdrDB, the world's largest database for antimicrobial resistance, collecting nearly 100,000 samples for training drug resistance testing models. Compared with other publicly available drug resistance databases, MdrDB is able to increase the predictions of drug resistance accuracy by 30%. This advancement aids in forecasting mutation-induced drug resistance, developing combinatory treatment strategies, and researching innovative pharmaceuticals.

In 2023, we unveiled a large medical model based on HunYuan model. The medical model encompasses Intelligent Q&A, Family Doctor Assistant, "Medical Imaging Platform of Digital Intelligence" and other products for multiple scenarios. These solutions seamlessly integrate into various stages of medical treatment, enhancing the level and quality of medical services in areas including department guidance, doctor recommendation, pre-consultation, doctor-patient dialogue, automatic generation of medical records, and intelligent customer service.



## Promote Inclusive Healthcare

Through the applications of auxiliary diagnostic technologies, we assist to reduce the cost of large-scale screening and treatment for certain diseases. In conjunction with the promotion of medical knowledge and training of primary care doctors, we extend the applications of medical technology to benefit a broader and more extensive population, which achieve the goals of healthcare service inclusiveness and accessibility. With the vision to fund more innovative health solutions and help more regions and groups in need, Tencent launched the "Vitality Programme" in 2023 to collect and fund innovative health solutions for areas with scarce medical resources.



- The Pilot Project to Prevent and Control Two Types of Cancers for Women in Underprivileged Areas**

Breast cancer and cervical cancer are cancers with high morbidity and mortality among women. In 2023, we cooperated with medical science research institutions and experts to launch a health project focusing on female breast cancer and cervical cancers. By the end of December 2023, we had initiated 13 pilot areas, providing free screening and disease management of the two cancers for approximately 100,000 eligible women. Our goal is to extend coverage to approximately one million women by the end of 2025.

We provide a digital toolbox for primary care, including screening management systems, follow-up Weixin Mini Programs, and AI-assisted colposcopes, enhancing the efficiency and quality of disease screening and diagnosis. Through the smart colposcope training system for doctors, we create tailored learning plans for primary care doctors, incorporating expert guidelines and case interpretations to effectively enhance the accuracy of diagnoses at the primary care level. By adopting diverse approaches including dialect dubbing and awareness promotions, we advocate for the vaccination against the Human Papillomavirus and participation in universal screening, thus raising awareness of women's health. Through the above measures, the project has gradually developed a comprehensive control model for the prevention, screening, and treatment of breast and cervical cancer in women.

- Assist Congenital Heart Disease Screening for Newborns in Underprivileged Areas**

Early screening, early diagnosis and early treatment are the three most critical factors to save newborns with congenital heart disease ("CHD"). In 2023, we launched the "Red Umbrella Programme" with our partners to build a full-process digital management system covering screening, diagnosis, treatment, and rehabilitation. Through this system under the "Red Umbrella Programme", newborns in pilot cities can undergo free congenital heart disease screening, and both medical institutions and parents can view screening results and inspection reports through the system. Furthermore, we have introduced AI-powered auscultation technology, utilising audio waveform recognition to provide technical references for doctors during cardiac auscultation screening, effectively reducing the false negative rate.

As of July 2023, the project covered more than **16,000** newborns in Wuzhong and Guyuan, Ningxia, and screened out hundreds of children with suspected CHD

- The Pilot Project to Prevent and Control Upper Gastrointestinal Cancers ("UGIC")**

To enable groups with high risk of gastrointestinal cancers to become aware of their risk at an earlier stage, we launched the "The Pilot Project to Prevent and Control UGIC" in Ningxia, China. Based on the risk prediction model co-developed with Peking University Cancer Hospital & Institute, we introduced a screening Weixin Mini Program. This tool enables people to self-assess their risk of cancer. If the assessment result indicates a high risk, people can schedule endoscopy appointments at local medical institutions through the Weixin Mini Program. Additionally, they can receive continuous guidance and support from a professional team of medical professionals.

The system has been piloted in Yinchuan, Litong District of Wuzhong, Haiyuan County of Zhongwei, Yanchi County of Wuzhong and other places in Ningxia. A total of 150 villages and communities were engaged in the questionnaire survey. Analysis of patient survey data obtained from the pilot hospitals revealed promising outcomes: The esophageal cancer recognition accuracy based on this model achieved 86%, resulting in a three to eight times higher detection rate, while the stomach cancer recognition accuracy reached 79%, leading to a two to four times higher detection rate.

## Rural Revitalisation

Tencent believes that local talent is key to rural revitalisation. Tencent is leveraging the digital capabilities to foster the development of specialised and professional rural entrepreneurs by providing them with resources and digital tools. This support aims to facilitate the digital upgrade of rural industries and contribute to the development of rural areas.

- **The "Cultivator Programme" for rural management and agricultural business entities**

In 2021, Tencent signed a strategic cooperation agreement with the Ministry of Agriculture and Rural Affairs of the People's Republic of China to establish the "Cultivator Programme", providing free training for key rural management personnel and new agricultural business entities on digital tools and knowledge related to agricultural management and operation. The goal of the training programme is to reach 100,000 people offline and one million people online within three years. As of December 2023, the "Cultivator Programme" had been rolled out in 31 provinces and autonomous regions, with a total of 46,516 people having attended training sessions. Moreover, the knowledge-sharing platform had delivered online training sessions to more than 850,000 people.

- **The "Rural Prosperity Based Innovation Programme" taps the potential of rural talents in multiple dimensions**


The programme initiated by Tencent in 2021, "Rural Prosperity Based Innovation Programme" aims to harness digital technology to play a significant role in rural construction and management, allowing farmers to benefit from societal and economic development in rural communities.

To help cultivate entrepreneurship among rural communities and bolster the expertise of rural professionals in various domains including industrial planning, market integration, financial management, and product marketing, we initiated the "Rural CEO Programme" in collaboration with China Agricultural University in 2021. This programme, now in its second consecutive year, has trained 165 participants across 125 counties.

We provided digital tools for rural business to enhance the management efficiency of rural industrial operations. On the front end, Weixin Official Accounts, Weixin Video Accounts, Weixin Mini Programs and WeCom are used to help rural business managers attract traffic and establish communication channels with consumers. On the back end, digital operation and management tools enable instant generation of accounting reports, which aid rural professional managers in analysing accounting data and enhancing operational and management efficiency.

Tencent's "Rural Prosperity Based Innovation Programme" has been commenced in areas including Youyang in Chongqing, Longsheng in Guangxi, and Kunming in Yunnan, yielding significant results. For example, the annual gross income of Hejiayan Village in Youyang of Chongqing increased to over RMB6.9 million in 2023 from approximately RMB1 million in 2021.

- **The "Rural Revitalisation Huoshui Programme" provides training on project design, operation, and financial management capabilities for rural philanthropic organisations. By the end of 2023, the programme has provided support to grassroots philanthropic organisations in 151 underdeveloped counties to develop their professional capabilities. This support led to the implementation of over 200 philanthropic projects.**



The "Rural Revitalisation Huoshui Programme" was recognised as one of the 2023 "Global Best Poverty Reduction Practices" by the World Bank and the Food and Agriculture Organization of the United Nations.



## Train Talent in Science and Technology

Tencent attaches great importance to the discovery and cultivation of talents in science and technology. We combine theoretical research with industrial practices to provide students with professional and cutting-edge scientific research training programmes.

- The "Rhino-bird Elite Training Programme" enables university students to verify academic theories in practice under the dual-tutor (academic tutor and company tutor) teaching mode. By the end of December 2023, we have trained more than 400 students, with a majority being doctoral and post-graduate students. Many scientific research achievements have been verified and translated into real-life scenarios and data, and more than 450 papers have been published in top and authoritative international journals.
- The "Tencent Rhino-bird Open-source Training Programme" offers an open-source technology programme for university students. The programme includes three stages, namely basic courses, advanced research and practices in projects, to support the development of open-source talents. In 2023, we focused on five core technical fields including basic platform, front end, AI, big data, and database.

- In the "Rhino-bird Middle School Science Talent Training Programme", we have established a platform for middle and high school students in grades 8-12 that is dedicated to scientific inquiry and practical innovation. This platform provides courses covering fundamental research methodologies, basic information technologies, and the foundational principles of AI, mathematics, and algorithms. Additionally, it offers guidance to students on conducting scientific research. Our goal is to ignite the interest and enthusiasm of middle school students in exploring the unknown realms of science.
- Tencent, among the first batch of participants, joined the "University-Industry Collaborative Education Programme" of the Ministry of Education of the People's Republic of China. The programme intends to carry out education cooperation with universities in key fields including digital economy, cultural innovation by digital means, health, and financial technology. At the end of 2023, we have supported more than 360 talent training projects of over 150 universities and co-developed more than 400 courses, helping over 400,000 university students.
- The "Tencent Spark Programme" trains talents among high school and university students. In this programme, students with keen interest and talent in computer science carry out technological pre-studies and tackle challenging industrial problems under the guidance of experts. As of 31 December 2023, the programme has cultivated 200 students majoring in computer science from top universities, including a number of international Olympiad champions in informatics and mathematics.

Tencent also actively carries out the inclusive technology education for teenagers, sparking their interest and enhancing their digital literacy and skills.

- "Tencent Coding" is an AI education platform for primary and secondary school students aged 6 to 18. At present, it has developed more than 10 programming products and 500 gamified programming courses, covering students from over 19,000 primary and secondary schools, with course views exceeding five million. In 2023, "Tencent Coding" organised a number of programming competitions for teenagers, attracting more than 100,000 participants.

To spark Chinese teenagers' interest in AI and programming, in 2023, Tencent partnered with the China Soong Ching Ling Foundation and introduced the "AI & Programming Lesson 1". Based on "Tencent Coding", the course provides highly realistic learning scenarios and rich interactive learning functions. It also uses the one-stop music composition and arrangement technology and AI visual music generation technology of Tencent Music Entertainment Lyra Lab to provide teenagers with the creating experience with AI, including the music single "The Most Beautiful Sound in the World", expressing care and support for seniors with hearing impairments.

- Tencent's "MiniE Creation Camp" sparks teenagers' interest in computer science and the Internet industry by providing them with opportunities to gain experience and practical skills in Internet companies. Since its inception in 2017, the Camp has welcomed more than 100,000 young participants to engage in both online and in-person classes as well as practical projects. In 2023, the "MiniE Creation Camp" launched themed projects including digital cultural travel, smart city, and care for special groups.



- Tencent's "AI Arena" is an AI learning platform for teenagers. It provides teachers and students with AI education and learning tools and is a solution for the AI software session of the National Primary and Secondary School Information Technology Innovation and Practice Contest. By the end of December 2023, over 200,000 teenagers have taken AI courses and participated in AI contests on "AI Arena".



Tencent focuses not only on developing outstanding technological talent but also on expanding the reach of technology education. Leveraging our technological capabilities and product expertise, Tencent offers innovative courses, activities, training, and competitions in regions with limited educational resources. These effort provides more children with access to technology education, contribute to the development of the next generation.

- Tencent supports rural education with its technological capabilities, allowing more children in remote areas to access high-quality educational resources. The "Q Volunteer Teaching" digital volunteer teaching system aids rural schools to realise a collaborative teaching approach by connecting local teachers in the classrooms with online volunteering teachers. Featuring remote online classrooms and volunteer management, the system helps to streamline the course education management processes, including courses scheduling, preparation, and delivery. In doing so, the system provides support for the digital operation of rural aid education initiatives and facilitates inclusive education in rural areas. As of December 2023, the "Q Volunteer Teaching" platform has been utilised by over 2,000 primary schools in rural areas in 132 districts and counties for online-to-offline teaching.

### "Smart and Healthy" Programme Promotes Well-Rounded Education Using Game Technology

Tencent's "Smart and Healthy" programme aims to provide 100 "Tencent Future Classrooms" and 100 "Tencent Future Sports Fields" for children in regions with limited educational resources. This initiative not only supplies required hardware facilities but also offers associated courses and events, allowing more children to experience the charm of technologies and guiding them to strengthen their physical fitness and health through exercise.

- **Tencent Future Classrooms:** By integrating hardware, courses, trainer workshops and online platforms, Future Classrooms provides formative education on open-source hardware programming, 3D printing, laser cutting, VR technology, AI and other frontier technologies to ignite children's curiosity and engagement with technology.
- **Tencent Future Sports Fields:** We build multi-purpose sports fields and facilities for schools in both urban and rural areas, complemented by the introduction of game-based sports courses, trainer workshops, and events. This integrated online and offline approach ensures that sports become not only safer but also more engaging for children.

As of December 2023, Tencent's "Smart and Healthy" programme has built 85 Tencent Future Classrooms and Tencent Future Sports Fields, offered more than 90,000 courses, and attracted over four million teacher and student participants.



Future Classrooms



Future Sports Fields



## Assist with Emergency Rescue

Leveraging capabilities in digital technologies, we created a collaboration platform for emergency services and humanitarian organisations to enhance operational efficiencies. The platform functions are as follows:

- **Provide an platform for disaster-affected victims to seek help:** Disaster-affected victims can quickly post distress messages and requests by recording audio or taking pictures. We have also designed convenient features tailored for senior citizens and other special groups, enabling them to rely on others for assistance or independently instant phone calls to seek help.
- **Support response centres in handling distress messages:** Handlers can grasp the situation of disaster-stricken people in real time, promptly contact and verify distress messages, approve rescue requests, match tasks for rescue operations, and coordinate rescue teams to participate in rescue efforts.
- **Support orderly dispatch of rescue teams:** Featuring intelligent matching for rescue tasks, the platform guides rescue teams to engage in relief efforts in an orderly manner. As of August 2023, the platform has attracted 2,987 social voluntary rescue teams, 429 professional rescue teams, and 20 engineering rescue teams from large enterprises.

In July 2023, in response to devastating floods in Beijing, Tianjin, and Hebei, Tencent extended technical and personnel support, including assistance in maintaining the normal operation of the local emergency rescue platform during disasters. Additionally, we disseminated relief information in Zhuozhou, the hardest-hit area, through ads on Weixin Moments and pop-ups on Tencent News. During the emergency period, 27,505 individuals received immediate rescue and aid through the platform.

### Earthquake Early Warning Platform for the Sichuan Province

To boost the broadcast efficiency of earthquake early warning information, together with Sichuan Earthquake Administration, Tencent has launched the earthquake early warning function in Weixin. This facilitates prompt dissemination of accurate earthquake early warning information to the local population, enabling them to swiftly take shelter and effectively respond to natural disasters.

Tencent has helped establish efficient connections among aid recipients, rescuers, and aid resources through Weixin Mini Programs, enabling social forces to offer more effective assistance in emergencies.



### "Penguin Emergency" Weixin Mini Program

The Weixin Mini Program "Penguin Emergency" connects volunteers with emergency equipment resources, enabling users to swiftly access rescue services during emergencies. With this Weixin Mini Program, rescuers can assist in locating the person in need through video or voice calls and provide online guidance. The users can also search for information including nearby automated external defibrillators, emergency treatment facilities, and pharmacies. This ensures that they are equipped to either rescue themselves or assist others effectively during emergencies.

### The "Five-Minute First-Aid Circle" in Shenzhen's Bao'an District

In 2023, Tencent teamed up with the Red Cross Society to build a digital first-aid system for Bao'an District in Shenzhen and co-developed a closed-loop social first-aid system integrating "scenes of incident – community volunteer forces – community health hospitals – regional hospitals/120".



## Digitizing Cultural Heritage

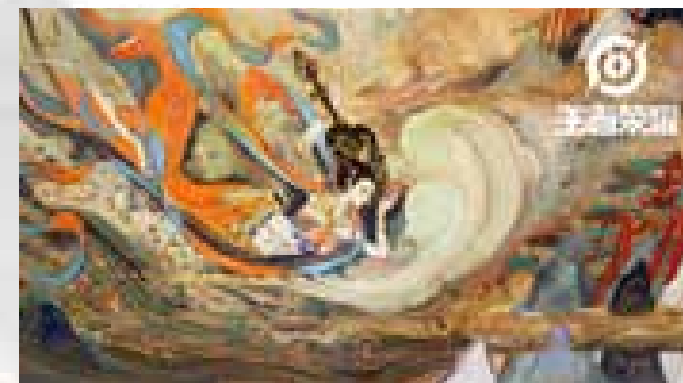
Tencent continues to explore innovative applications of digital technologies in the cultural sector to enrich the various ways cultural heritage is represented, while also promoting its digital protection and inheritance.

### Appreciate Traditional Cultural Heritage Online

Tencent continuously integrates culture and technology to enable traditional relics to be displayed online. This makes it more convenient for the public to understand the history and background of these artifacts.

2017

- The "Flying Apsaras" element in the frescoes of the Dunhuang Grotto was added to a game for the first time.



"Flying Apsaras"



"Flying Apsaras"

2018 - 2022

- The Weixin Mini Programs, "Cloud Museum of Dunhuang Caves", "Digital Beijing Central Axis", and "Great Wall e-Tour", were released, showcasing Dunhuang, Beijing Central Axis and the Great Wall to the public in digital forms. These offer users an immersive experience, allowing more people to appreciate the charm of traditional cultural heritages.



Cloud Museum of Dunhuang Caves



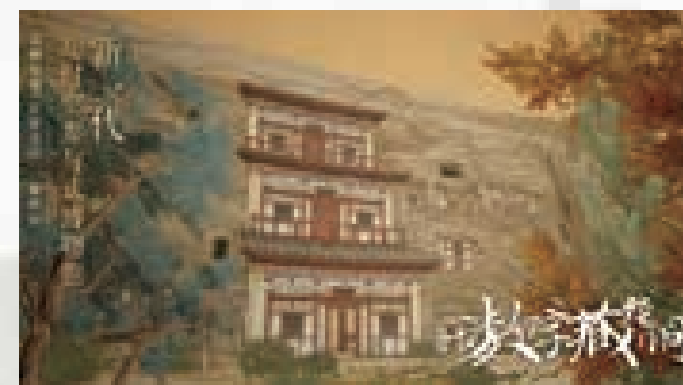
Digital Beijing Central Axis



Great Wall e-Tour

2023

- The online platform "Digital Library Cave" and its English and French versions were launched, which are a digital duplication of the Library Cave in Mogao Grottoes and more than 60,000 volumes of precious, centennial cultural relics in it.



Digital Library Cave

- The site map and exploration function of the Weixin Mini Program "Digital Beijing Central Axis" were upgraded to show the history and culture of Beijing Central Axis both online and offline.

- The Cloud Tour of the Weixin Mini Program "Great Wall e-Tour" was upgraded to reflect the season, time and weather with the real meteorological conditions of the Great Wall and allow users to see the movement of the shadow of the Great Wall with the change of visual angle.

## Preserving Traditional Culture Using Various Digital Mediums

Through digital technologies, Tencent has preserved the tangible representations of traditional culture in digital forms. This makes traditional culture more accessible, researchable and disseminable, creating new possibilities for the sustainable.

### • Build the World's Largest Oracle Bone Script Library

To overcome the challenges of deciphering, preserving, and revitalising oracle bone scripts, Tencent developed a comprehensive micro-trace-enhanced model using oracle bone script data resources. This model integrates cultural relics photography, image processing, multimedia, AI, blockchain, and other technologies, transforming oracle bone scripts from being unclear to being clear. Additionally, by leveraging the glyph matching algorithm that enhances ancient character searching, it extracted 1.43 million glyph specimens, forming the world's largest single-character library for oracle bone scripts. Furthermore, Tencent launched the "Extraordinary Oracle Bone Scripts" Weixin Mini Program, allowing the public to learn more about oracle bone scripts and the evolution of Chinese characters.

### • Support the Input and Usage of Rare Chinese Characters

In daily life, a large number of rarely-used characters cannot be input into digital platforms, which makes the public's life inconvenient and hinders cultural inheritance. To address this challenge, Tencent initiated the "Chinese Character Guardian Project" in collaboration with partners. This project includes the introduction of a "keyboard for rare Chinese characters", supporting the input of over 90,000 encoded Chinese characters. Additionally, the design concept of "character separation" allows users to input rare characters by radicals, pinyin, character strokes, or a combination thereof, thus overcoming the difficulty of recognising or writing rare characters. Moreover, the Weixin Mini Program "Rare Character Collection" enables users to submit rare characters through images, which are then standardised as national characters after approval. This accelerates the digitisation process of rare characters.

### • Digital Restoration and Database Building of Traditional Chinese Opera

Tencent, along with our partners, initiated the "Reviving Digital Chinese Opera Action". This project utilises AI image restoration technology to repair and restore valuable Chinese opera image data. Additionally, 360-degree photography recording technology is employed to capture the movements of professional opera actors. The goal is to establish a digital library for Chinese opera.



## AI Simulated Restoration of Sanxingdui Cultural Relics to Assist Archaeology

Most unearthed cultural relics are fragile and difficult to repair. Even minor mistakes can result in irreversible damage. Using AI, computer vision, and other technologies, Tencent collaborated with the Sichuan Provincial Institute of Cultural Relics and Archaeology to successfully reconstruct the fragments of a copper statue of a beast carrying a kneeling person on its back.



We assist archaeologists and cultural researchers in conducting their work more efficiently, offering digital support for the recognition, preservation, restoration, study, and display of cultural artefacts.

To further address the technical challenges in the digitalisation of culture, Tencent has initiated the "Tanyuan Project", publicly soliciting, selecting and incubating innovative technology applications in digital culture. The "Tanyuan Project 2023", centred on cutting-edge technical fields including AI, digital twins, and immersive perception and interaction, has been implemented for cultural sites, including Yungang Grottoes, Sanxingdui Museum, Xi'an City Wall, Zhangye Giant Buddha Temple, and Poly Art Museum.

## Expand Employment Opportunities

Leveraging the business opportunities created by the integration of digital and real economies, we facilitate the development of professional categories, thereby bringing more employment opportunities.

- Leveraging Tencent's digital ecosystem and tools, including Weixin Official Accounts, Weixin Video Accounts, Weixin Mini Programs, and other products and features, more people can have employment opportunities in new areas in a more flexible way. According to the 2023 Report on Young Employees and Entrepreneurs Engaging in the Digital Ecosystem, Weixin facilitates an average of 8.44 jobs per startup programme.
- To address the challenging employment and business development environment for skilled craftsmen and meet the demand for repair and maintenance services for daily essential items, Tencent introduced the "Small Repair Shops Guide" in Weixin platform. Users can easily locate small shop owners and craftsmen through Tencent Maps and Weixin Mini Programs. By the end of December 2023, the "Small Repair Shops Guide" had located more than 500,000 small shops in over 200 cities, including cobblers, locksmiths, tailors, bicycle and electric vehicle mechanics, and watchmakers.



## 4.3 Digital Inclusive Finance

**Leveraging our digital payment services, Tencent delivers cutting-edge Fintech experience through extensive products and services. This enhances the convenience of digital life and creates more opportunities for the public, MSMEs, self-employed individuals, and underprivileged groups. Meanwhile, we continuously strengthen risk management and improve our payment ecosystem to provide them with more convenient, diverse, safe, and reliable digital inclusive financial services.**

### Payment Tool Used by More than 800 Million MAUs<sup>1</sup>

Through Weixin Pay, we provide users with a selection of easier and quicker life services to meet their needs for digital services in diversified life scenarios.

- **Daily services**  
Users can conveniently access and settle their utilities payments, including for electricity, water, and gas, while enjoying a range of features including auto-payment and payment reminders.
- **Smart transportation**  
Users can access public transportation in different cities by scanning Transit QR Code, eliminating the need to queue up to buy tickets or top-up. Additionally, they can also check real-time public transport information and plan travel routes seamlessly.

- **Medical services**  
Users can access integrated medical and healthcare services through the medical channel portal we offer, including booking hospital visits, vaccine appointments, and payment using the QR code on medical insurance electronic voucher.
- **Public services**  
Users can conveniently check their social insurance contributions and apply for provident fund withdrawal through our platform. The processing of these requests is synchronised with corresponding government systems, ensuring efficiency and accuracy.

In 2023, Tencent has enhanced the development of its payment ecosystem by improving user security, upgrading Weixin Mini Programs based payment transactions and launching an SME toolkit (box).

Tencent cooperated with a number of international credit card payment networks to allow their cardholders to use Weixin Pay in the Mainland of China. Foreign users can use Weixin Pay conveniently in most merchants including restaurants, hotels and supermarkets in the Mainland of China after binding their international credit cards to Weixin Pay, facilitating their cashless experience.

In 2023, Weixin Pay has supported over 10 million merchants in the Mainland of China to provide quick payment service to overseas users with international credit cards. In order to meet users' demand for micro and high-frequency purchases, we will bear relevant handling fees for a single transaction in the amount of RMB200 or less, so as to lower barriers for user transactions.

We further promote the popularisation of China's digital currency, namely e-CNY. In 2023, we also supported e-CNY transactions by Weixin users within in-app use cases including Weixin Mini Programs and Weixin Video Accounts to expand coverage of e-CNY while achieving full coverage in the pilot areas.

Local governments leveraged on our technology to issue e-CNY red envelopes to local citizens. In 2023, Shenzhen municipal government issued e-CNY dining red envelopes amounting to RMB100 million for "Happy New Year Shenzhen Shopping Carnival" as powered by Tencent to boost local consumption.



<sup>1</sup> As of 30 June 2018, Weixin Pay's MAU (Monthly Active Users) was over 800 million.

## Broaden Access to Products and Services

In our commitment to offering underprivileged communities access to compliant, secure, convenient, and stable online financial services, we have developed a range of online financial service channels. Through innovative financial products and services and close partnerships with third-party financial institutions, we have broadened our range of wealth management and consumer loan services.

### • Wealth management services

Users can access various types of wealth management products that have been strictly screened by Tencent on the LiCaiTong platform to cater to different wealth management needs. Particularly, through Mini Fund, users can buy money markets funds with zero sales charge. Users can transfer excess cash balance in Weixin Pay wallet or funds from debit cards to invest in low-risk money markets funds. The invested funds can be withdrawn at any time to Weixin Pay wallet for red envelope gifting, transfer and consumption purposes. In 2023, LiCaiTong saw solid annual growth in total customer assets.

### • Internet loan technology services

Tencent collaborates with third-party financial institutions to facilitate the launch of internet micro-loan services targeting customers in third-tier cities and below. Through the WeChat or QQ client portal, users can easily apply online for small credit loans from third-party financial institutions. These institutions provide users with fast account crediting, flexible repayment, and unsecured small loan services in compliance with the law. In 2023, we maintained close cooperation with third-party financial institutions, using technology to assist them in achieving a scalable increase in the number of loan service customers while keeping default rates at a relatively low level within the industry.

### • Consumer credit services

Users can use Fenfu, a consumer credit product launched by financial institutional partners including Tenpay Micro-credit, for payment when using Weixin Pay in scenarios including dining, shopping, and watching movies. It focuses on providing users with high-quality services and a convenient user experience, with features including flexible repayment and daily interest accrual.

### • Insurance services

Tencent launched the "Senior Accident Insurance" for senior citizens without children or spouse in rural region and the "Children's Care Comprehensive Medical Insurance" for rural children to protect vulnerable communities from serious diseases and personal accidents. In addition, we have integrated medical payment and insurance claims into our services and launched "Weixin Quick Claim". Users can immediately click "Claim" button on the payment page to initiate a claim instantly after paying for medical expenses by Weixin Pay.

### • Credit card services

In collaboration with several banks, Tencent introduced an integrated service platform for co-branded credit cards. By leveraging Tencent's technology, this platform allows users to swiftly apply for a credit card, customise the card's design, select desired benefits, and manage bills.

### • Remote banking services

Tencent Cloud integrates audio-visual technology, AI recognition, electronic signature and seal, and more to support the development of "remote banking" services of Fujian Rural Credit Cooperatives in Longyan City. This innovation facilitates the transformation of some offline services of traditional banks into online video-based services, enabling users to remotely conduct account opening interviews, acquiring inspections, loan applications, and other services through smartphones and other mobile devices, thereby expanding the service scope of traditional banks and enhancing accessibility for a broader user base.

"Weixin Quick Claims" facilitates direct e-billing with over 10,000 medical institutions in the Mainland of China through collaboration with third-party organisations. It supports the one-click import of invoices for claims, eliminating the need to sort and upload bills. This streamlined process increases the success rate of data submission to over 90%.



## Smart Business Solution Chosen by More than 50 Million Micro, Small and Medium-Sized Merchants<sup>1</sup>

Tencent leverages its technical capabilities to provide digital transformation solutions and services for MSMEs. By sharing best practices, providing payment tools, and offering fee reductions, we assist MSMEs and self-employed individuals in enhancing efficiency, reducing costs, and expanding their businesses.

### Assist Digital Transformation

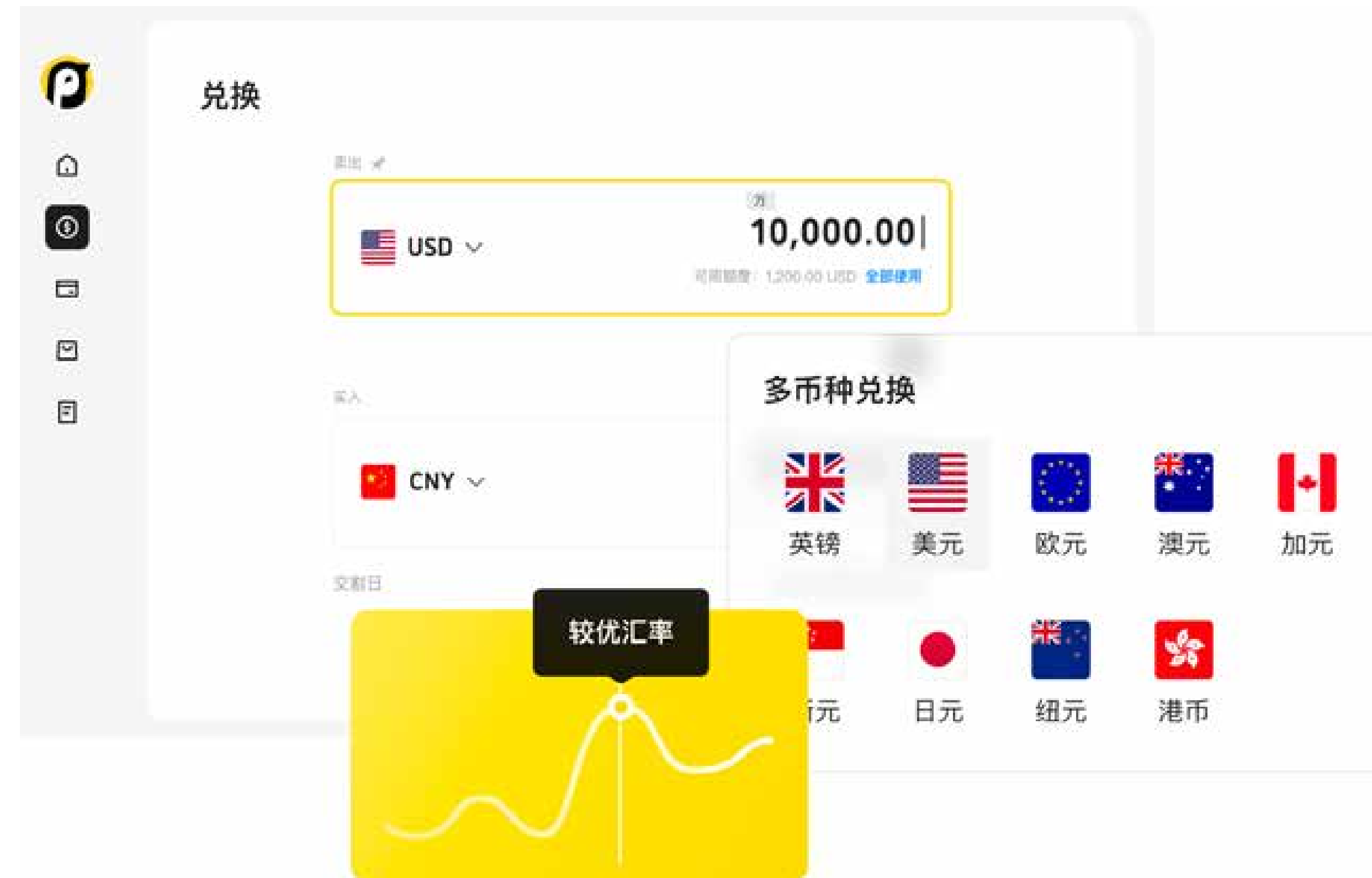
Weixin Pay empowers MSMEs to conduct safe and convenient digital business by offering "Digital Business Toolkits" comprising order assistants, receipts, and other efficient and practical digital business tools with easy access. Additionally, Weixin Pay has initiated campaigns including the "Yanhua Programme for Small Businesses", providing businesses with digitalisation tools including reward points system and merchant guarantees.

### Reduce Operating Costs

We unwaveringly advanced the integrated development of the digital economy and real economy, aiming to alleviate the operating costs and burdens of small and micro merchants and self-employed individuals. In August 2021, Tencent unveiled a range of initiatives for MSMEs, including Weixin Pay commission exemptions and discounts, withdrawal fee waivers, and free guarantees for QR code fund collections, all geared towards reducing their operational expenses. As of December 2023, Weixin Pay had exempted various service fees of more than RMB14 billion accumulatively, accomplishing the goal of RMB10 billion in service fee cutting and concessions for MSMEs within three years ahead of schedule. This initiative benefitted more than 42 million MSMEs, self-employed merchants and individuals.

### Facilitate Cross-Border Transactions

Tenpay Global, a cross-border payment platform of Tencent, provides merchants in import and export e-commerce, aviation and travel, advertising, and other sectors with a comprehensive cross-border payment solution. We empower entrepreneurs and MSMEs with digital capabilities to expand their overseas operations, thereby speeding up their digital transformation in cross-border trading. Utilising cross-border receipt, payment, and foreign exchange settlement capabilities across various use cases, Tenpay Global offers MSMEs in foreign trading secure, compliant, and professional payment services. We provide transparent fee structures and ensure the safety of funds for merchants.



<sup>1</sup> As of 31 July 2019, Weixin Pay had over 50 million merchant users.

## Convenient Fintech Services for Underprivileged Groups

We prioritise underprivileged regions, including remote and rural areas, individuals with physical limitations, gig workers, and those facing economic disadvantages, by providing them with Fintech digital tools to enhance their service experience.

### Improve Accessibility of Credit Financing to Farmers

Leveraging innovative Fintech applications to remove physical restraints on traditional financial outlets' service boundaries, we have enhanced the digital capabilities of small village banks, helping financial institutions to build digital credit systems in rural region.

To enhance the accessibility of financial services in rural areas and transform the conventional service model of village and township banks, which has predominantly been dependent on physical interactions, Tencent has introduced the Weixin Mini Program "Rongxin". This Weixin Mini Program facilitates the digital submission of 15 traditionally offline forms, thereby simplifying the process for village and township financial institutions to offer online credit issuance and fixed quota approval services for rural households.



#### Rural Revitalisation by Digital Finance – Julu Innovation Demonstration

Over 60,000 farmers in Julu County, Hebei Province, have seen income growth through the cultivation of honeysuckle. To address the financing challenges faced by local farmers, Tencent, in collaboration with local government, financial institutions, and corporate entities, have established a localised "Digital Farmer" system. This system, underpinned by data derived from honeysuckle planting, provides safe and accessible financial services to working-age farmers throughout the county. With the help of the "Digital Farmer" system, Julu Rongxin Rural Bank has successfully evaluated the creditworthiness of approximately 280,000 borrowing farmers, subsequently extending credit facilities to around 80,000 farmers within the county for their inaugural borrowing. This initiative has amplified the batch credit pre-authorization capacity to a magnitude nearly 100 times greater than the original throughput of village and township banking entities.

### Support Groups with Physical Limitations

We have focused on serving underprivileged groups, including merchants with physical limitations, by giving them customised support and barrier-free business toolkits to thereby increase their economic independence.



#### Helping Merchants with Physical Limitations by "Self- Reliant Small Store Campaign"

In December 2022, Weixin Pay launched the "Self-Reliant Small Store Campaign", to help small merchants with physical limitations launch and operate their stores by providing barrier-free business toolkits, assistance for business owners, digital business training and other caring measures. Moreover, accessibility designs including voice announcement function and sign language-dubbed video help them to navigate the campaign webpages and participate in more of such campaigns to support themselves reach self-reliance. As of December 2023, we have connected approximately 53,000 self-employed merchants with physical limitations in Guangdong Province through "Self-Reliant Small Store Campaign".

## Enhance Senior-Oriented Services and Barrier-Free Technologies

Tencent is dedicated to enhancing payment solutions and accessibility technologies tailored for the silver generation and vulnerable communities, and empowering these groups to proficiently navigate smart devices and utilise digital tools, effectively narrowing the digital divide.

Weixin Pay has launched "Senior-centric Service Hotline", a hotline with multiple dialects supported, namely via which senior users will be given personalised assistance from professionally trained customer service representatives. Concurrently, we actively explore applications with online voice and video capabilities and a dedicated video service channel for disadvantaged groups, ensuring timely communication and efficient solutions for issues.

As of December 2023, the "Senior-centric Service Hotline" had been used approximately 3 million times to assist senior citizens, with more than 1,000 senior users expressing their appreciation for our patience, attentiveness and professional responses every month.

The "Silver Assisted Hoist" launched by Tencent provides silver generation merchants with a multi-functional cash register speaker that encompasses audio-visual announcements, integrated account checking and cash collection functions. Through the "Accessibility Optimisation Campaign", specifically designed for the silver generation and communities with physical limitations, we have refined nearly 300 Weixin Pay product features based on feedback from visually impaired users so as to better cater for their needs. For more details, please refer to the "Create Sustainable Social Value - Promote Barrier-Free Technology" section of this report.

## Provide Security for Gig Workers

We offer a digital solution tailored for gig workers comprising the "virtual staff card + gig worker insurance" package, complete with an extensive array of digital tools for contracting, time tracking, flexible payment settlements, and daily insurance settlements. This solution mitigates risks for both employers and employees. By December 2023, our solution had benefitted over 10 million gig workers, resulting in an income increase exceeding RMB20 billion. Furthermore, over 1.7 million individuals were covered by our daily settlement insurance. In an effort to improve the digital gig economy through traffic generation, insurance protection, and provision of fee waivers, Weixin Pay committed an additional investment of RMB10 million in November 2023. This investment aims to expand its digital toolkits designed to secure gig workers opportunities, thereby increasing the number of job opportunities available to individuals.

## Explore Digital Payment Philanthropy

We launched the "Love Meals with Weixin Pay Philanthropic Programme" in conjunction with the Beautiful Shenzhen Foundation, and joined forces with tens of thousands of catering and retailing outlets to provide meals and bottles of water in appreciation for sanitation workers at over 20,000 stores across China. By the end of 2023, "Love Meals with Weixin Pay Philanthropic Programme" had engaged approximately 2.87 million contributors across 15 cities, including Shenzhen, Guangzhou and Dongguan, distributing 1.77 million meals and 1.7 million bottles of water, and benefiting nearly 200,000 sanitation workers.



## Weixin Pay "Donation by Cent": Connecting Public Goodwill through Payment Scenarios

We hope to lower the financial barrier for engaging in charitable acts, making it possible for everyone to demonstrate their generosity. Our "Donation by Cent" initiative, launched during the "99 Giving Day" in 2023, invites users to contribute small sums to chosen charity projects as a follow-up to their transactions. In 2023, the "Donation by Cent" campaign facilitated a range of charitable endeavours, including providing rehabilitation treatment to hearing-impaired children, supporting girls in need for high school education, supplying water purifiers to rural schools, delivering literacy courses and eggs to rural children, building book corners in rural schools, and refurbishing living spaces for children from an underprivileged background.



## Responsible Payment and Financial Services Platform

### Protect Payment Stability and Security

Tencent is committed to maintaining the reliability and security of its digital payment platform. Leveraging its holistic Fintech management framework, the development of proprietary technologies, and the establishment of an extensive fraud prevention system, Tencent actively wards off payment and financial fraud.

#### Secure Stable Payment

Tencent safeguards the stability of payments with a Fintech-based integrated management framework, supported by robust hardware infrastructure, including large-scale server clusters and backup off-site disaster recovery centres. Additionally, it employs technologies including financial-grade distributed software architecture, proprietary cryptographic algorithms, and secure data storage and transmission for added security and reliability. Along with continuously strengthened emergency preparedness plans, security training, and disaster recovery drills, among other comprehensive measures, we ensure that the payment system can operate stably under various abnormal conditions.

Tencent leads the world in the development of underlying technologies. The domestic commercial cryptography research and adaptation programme achieved the top ranking in terms of the "number of transactions processed by signature algorithms per second" among publicly available products globally. Additionally, the "High Availability Solution for a Financial-Grade Distributed Database" represents the world's largest MySQL cluster, ensuring robust data consistency and system availability.

Utilising cutting-edge technologies, we can facilitate up to 200,000 mobile payment transactions per second in a secure and stable manner, ensuring a payment service availability of 99.999%. While reducing the average transaction time for users to the millisecond level, we also support the system in achieving "self-healing" within seconds in the event of a malfunction.

#### Create Secure Payment Capabilities

The defence infrastructure of Tencent, combining the strengths of "Weixin Pay, corporate clients, and third-party partners", enhances the security for mobile payment users through a comprehensive and systematic approach. The key measures include:

- The creation of the "Trojan Virus Sample Database" aims to facilitate the sharing and analysis of three major facets of prevalent Trojan viruses found on the internet: password theft, remote control, and production and distribution. Also, the database serves to devise preventive measures and countermeasures against these threats.
- A shared security intelligence system was established with different internal business groups (BGs) to identify and fix security system vulnerabilities through regular internal "red vs blue confrontation" simulations. Additionally, a mechanism for assisted service management and risk prevention was devised in collaboration with mobile phone manufacturers.



#### Strengthen Technical Anti-Fraud Capability

Tencent has established an intelligent anti-fraud system in its payment business which enables recognition at millisecond level through "multifaceted monitoring and ecosystem-based joint defence". The system takes risk quantification, identification, and decision-making functions as core, realising full-process control before, during, and after the event.

- Pre-transaction identification: Denying services to high-risk accounts
- In-transaction analysis: Intelligently identifying and intercepting illegal and suspicious transactions
- Post-transaction risk control: Promptly reporting to relevant departments and coordinating efforts to create a window of opportunity for anti-fraud persuasion

Tencent introduces a manual voice-over-IP online countermeasure alongside the existing real-time static risk reminder page to bolster early warning capabilities and deter fraudulent activities, thus safeguarding customers from potential risks. After starting a voice-over-IP call to respond to the manual warning, users receive a trading risk alert and choose whether to trade further. Manual real-time voice verification and dissuasion can raise users' alertness, make them truly aware of the risks, and thus avoid property losses.

In 2023, Tencent actively cooperated with relevant law enforcement departments in cracking down on cyber fraud, supporting anti-fraud and protecting potential victims. Our customer service prevented more than 100,000 fraud-related transactions, with a cumulative amount of over RMB10 million.

## Risk Management System

Tencent has established a Fintech risk management system focused on compliance risk, IT risk and operational risk to manage all kinds of risks in an all-round and multi-level way.

- **Compliance risk management**

We persist in refining our business risk prevention and compliance control systems, institutions, and mechanisms. We conduct comprehensive risk control across various domains including business operation compliance, competition compliance, and data privacy protection. These efforts ensure thorough adherence to payment and financial laws, regulations, and regulatory requirements throughout all aspects of our payment and financial products and services.

- **IT risk management**

We have set up a full-progress IT risk management strategy, a risk identification & evaluation mechanism, a risk measurement & monitoring mechanism, an information classification & protection system, and full-coverage IT security technical requirements and security management requirements.

- **Operational risk management**

We have established a management structure and segregation of duties for operational risk, and we continue to strengthen internal controls to promote the implementation of systems and policies and safeguard their effectiveness.

In 2023, Tenpay completed a self-inspection and corresponding remediation, which enhanced the compliant operation capabilities of the payment business and strengthened comprehensive risk management.

For more information on anti-money laundering management, please refer to the "*Business Ethics – Anti-Money Laundering Risk Management*" section of this report.

## Protect Rights of Financial Consumers

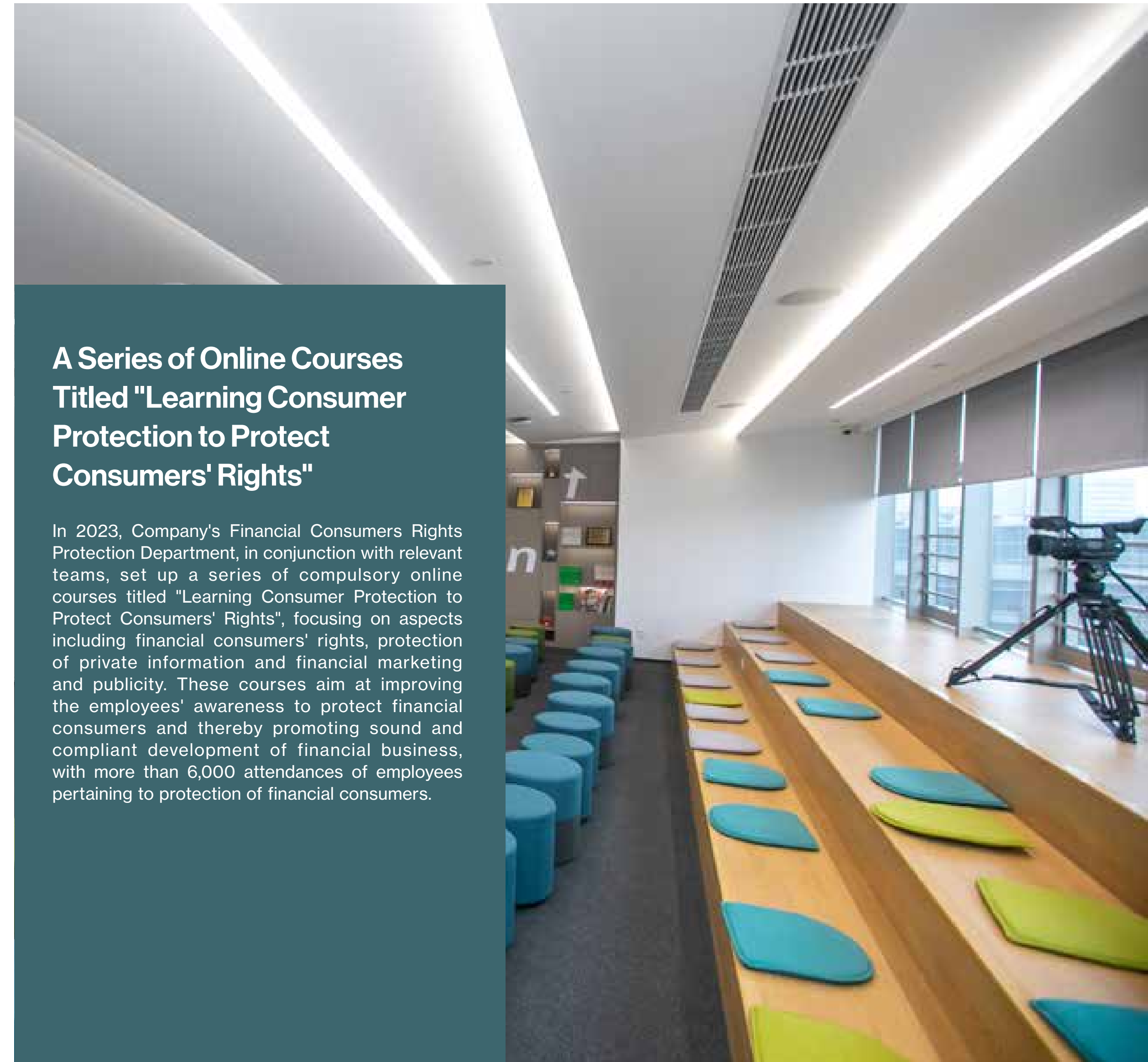
Tencent's Financial Consumers Rights Protection Committee is responsible for formulating policies for financial consumer protection and related objectives and reviewing significant matters pertaining to financial consumer rights protection. Tencent's Financial Consumers Rights Protection Department is committed to safeguarding financial consumers' rights across the Group. It oversees and coordinates financial consumer protection initiatives, ensuring the cohesive implementation of diverse work requirements across various business sectors.

For consumer protection, we have established a two-tier system both at the Group and business levels. Based on the working guidelines in key concerned areas formulated by the Group, each business unit lays down applicable working guidelines considering its business practices and implements and refines full-process control for protecting financial consumers' rights during business.

We have established an internal training system dedicated to protecting the rights of financial consumers, both at the Group and business levels. This system includes mandatory online courses, specialised offline training sessions, an internal public exchange platform, and media displays in office areas. These efforts aim to enhance employee awareness and commitment to safeguarding the rights of financial consumers.

### A Series of Online Courses Titled "Learning Consumer Protection to Protect Consumers' Rights"

In 2023, Company's Financial Consumers Rights Protection Department, in conjunction with relevant teams, set up a series of compulsory online courses titled "Learning Consumer Protection to Protect Consumers' Rights", focusing on aspects including financial consumers' rights, protection of private information and financial marketing and publicity. These courses aim at improving the employees' awareness to protect financial consumers and thereby promoting sound and compliant development of financial business, with more than 6,000 attendances of employees pertaining to protection of financial consumers.



## Promote Basic Financial Knowledge and Enhance Anti-Fraud Awareness

Tencent seeks to increase the users' understanding of financial risks and raise anti-fraud awareness among the public through online and offline financial education and anti-fraud publicity targeting different groups.

We enhance and broaden the public's understanding of financial knowledge through our online financial education platform. This platform consolidates insights on financial consumer protection from financial authorities and institutions. Additionally, our offline public welfare base, the "Tencent Financial Education Experience Centre", combines financial and investor education. It employs a two-way education approach, involving visits to the base as well as outreach to communities and schools.

We carried out a number of anti-fraud activities for teenagers, college students and the silver generation to enhance their anti-fraud awareness and ability to prevent financial risks, including:

- Publicity campaigns held with social organisations for teenagers and college students including "Anti-Fraud and Gambling Campus Tour" and "Back-to-School Season—Anti-Fraud among Teenagers", to improve their anti-fraud awareness via teaching courses and immersive interactive experience;
- A campaign publicising anti-fraud knowledge specifically held with the Tencent Volunteer's Association for the silver generation, to share the current situation and common cases of telecom and online fraud which has helped them to learn about the basics of payment security and common telecom and online fraud types.

## Advocate Rational Consumption and Provide Reasonable Protection

In order to assist users in embracing healthy consumption and investment concepts, improve their sense of financial security and accessibility, and consolidate social and financial stability and health, we provide reasonable payment and financial safeguards, including:

- The Teenager Transaction Limit Management Service offers youth users a way to manage their spending limits. Parents can utilise the Parental Control Mode to set daily and single transaction limits for their children's Weixin Pay accounts. This empowers parents to guide their children towards developing healthy consumption habits;
- Care funds for people with physical limitations and families in need, providing compensation to these disadvantaged users of Weixin Pay who suffer losses due to cyber frauds and providing counselling and help to users in need.

Investors can learn how to manage money and build the scientific and rational concept of investment and wealth management through our high-quality learning resources. These include courses curated by reputable regulators, securities firms, and fund companies. The content emphasises investments in wealth management products, securities, funds, and insurance, fostering a scientifically informed and rational approach to investment.



### "One Million Insurance" of Weixin Pay, Protecting Users' Funds

"One Million Insurance" of Weixin Pay, insured by PICC, is a free service provided by us to protect the funds of users. Any user who suffers from loss of funds when using Weixin Pay as their Weixin Pay account is stolen can apply for compensation up to RMB1 million per year.

微信支付百万保障 保障中  
由 **PICC** 承保，免费保障你的账户资金安全。

微信支付百万保障服务不收取任何费用，也无需续保。请谨防任何以“续保”或“缴费”为由的诈骗。

我知道了

了解骗局

## 4.4 Promote Barrier-Free Technology

**Tencent develops products and services with special adjustments for individuals with physical limitations, actively responding to the principles of the Convention on the Rights of Persons with Disabilities by helping them overcome challenges in daily life. Simultaneously, it assists in safeguarding the health and safety of the silver generation.**

**In 2023, Tencent and the China Disabled Persons' Federation co-established the Joint Accessibility Innovation Lab. The lab facilitates the construction of a barrier-free environment to reduce various obstacles and supports people with physical limitations and the silver generation, enabling them to participate in social and economic activities independently and equally.**

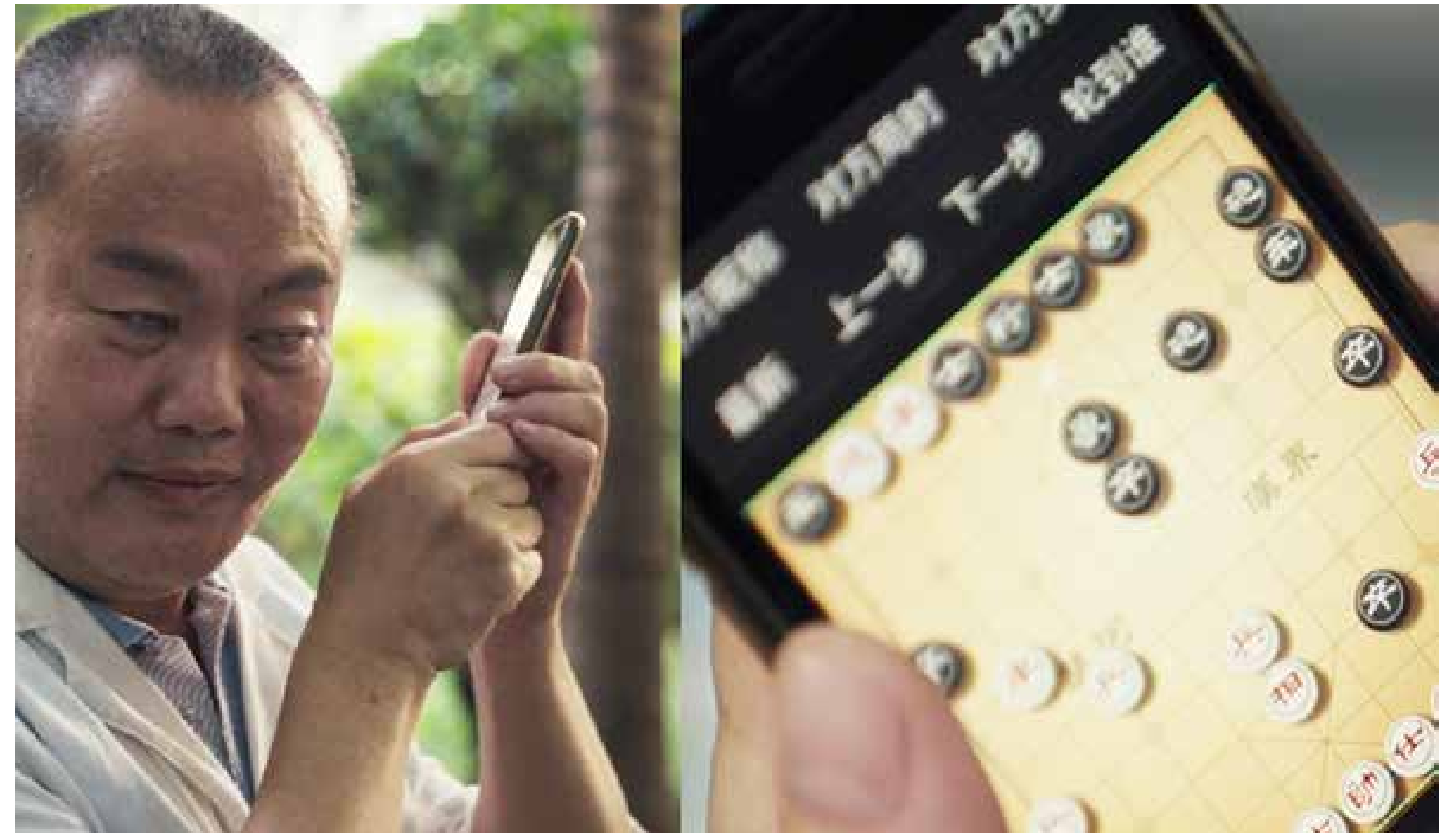
### Bridge the Digital Divide

Tencent strives to help bridge the digital divide primarily through its product and technology capabilities. As one of the earliest tech companies to embark on the journey of information accessibility, Tencent has applied for over 80 accessibility-related patents, involving more than 40 products and features. Our main products have all been optimised for accessibility. Additionally, we open-sourced four accessibility-related patents, aiming to propel industrial advancements in the field of information accessibility.

### Visual Impairment

Building upon the game vibration tactile system developed for Peacekeeper Elite, Tencent collaborated with experts and scholars in the field of information accessibility to develop a braille keyboard solution. This solution boasts a braille input recognition rate of over 90% and has been progressively integrated into products including Tencent Maps, Sogou Input, and QQ Chess.

- Tencent Maps: The system includes features of "off-route correction function for pedestrian navigation" and "vibrating stops reminder for public transportation navigation". These functions alert users with voice broadcasts and vibration reminders if they deviate from the intended route. Additionally, when enabling the "narrator mode" or "accessibility mode", Tencent Maps will verbally announce the current location and direction in real time, aiding users in promptly identifying their whereabouts.
- Sogou Input provides visually impaired users with vibration feedback by adding special vibration effects to anchor characters on the keyboard, so that the users can quickly identify the characters being touched and achieve smoother input interactions.
- QQ Chess has been provided with accessibility functions, featuring "Screen Reader" and "Voice Command" functionalities. The screen reader offers audio feedback on chess piece placement, and users can use voice commands to execute moves without having to touch the screen.



## Hearing Impairment

Leveraging its expertise in audio technology, Tencent has developed solutions to aid individuals with hearing impairments, enhancing their ability to perceive sounds and thereby enriching their perception and experience of the world.

### "Ethereal Audio Action" Helps the Hearing Impaired to Better Integrate into Society

In 2020, Tencent launched the "Ethereal Audio Action" programme. We apply Ethereal Audio AI technology to hearing aid products, collaborating with industry partners to create clearer and more user-friendly hearing aids. Our focus is on reducing the economic burden for individuals with hearing impairments, helping them better integrate into the digital society.

- The Ethereal Audio AI algorithm has proven instrumental in enhancing speech intelligibility in complex scenarios by 85%, not only addressing the "feedback" issue of hearing aids, but also providing a high-quality auditory experience for the hearing impaired.
- Individuals with hearing impairments in underprivileged areas often struggle to access professional cochlear implant fitting services, resulting in lower than satisfactory performance of their hearing aids or higher costs to receive fitting services in urban areas. Partnering with professional audiologists and leading hearing aid manufacturers, in 2023, the "Ethereal Audio Action" programme introduced the "Tencent Ethereal Remote Hearing Service Platform". Individuals with hearing impairments can access convenient and inclusive remote hearing aid fitting services with the assistance of AI voiceprint enhancement technology on Tencent Meeting.

### Bringing a Complete Music Experience to the Hearing Impaired

QQ Music created a series of songs by applying technologies including vocal and accompaniment separation, AI generation, and accompaniment adaptation, allowing people with medium- and high-frequency hearing loss to enjoy the integrity and beauty of music while retaining the original melody of songs.



## Physical Impairments

Based on technical solutions, such as voice-to-text conversion, OCR image reading, and eye-tracking input, Tencent assists individuals with physical limitations in expressing themselves freely in the digital world.



Sogou Input released the eye-tracking input solution, where users can input text with eyeball movements tracked by a built-in eye-tracking device in the computer.

For individual merchants with physical limitations, we launched the "Self-Reliant Small Store Campaign" with a series of free supporting measures, including training on digital business management and tools, exclusive insurance, and exclusive customer services. For more information, please refer to the "Create Sustainable Social Value – Digital Inclusive Finance" section of this report.

## Safeguard the Silver Generation

Helping the silver generation enjoy their later years is a rightful aim of digital technology development. Tencent identifies the daily needs of senior citizens, offering technological applications to safeguard their safety and health, and bringing safer and more convenient living environment.

- According to a report by the World Health Organisation, falls and delayed assistance are significant contributors to senior citizens' injuries. The "Invisible Caregiver" employs AI technology to assist in recognising falls among senior citizens. It proactively alerts caregivers when a fall occurs or assistance is needed, thereby preventing life-threatening accidents. The recognition rate of the AI detection algorithm embedded into the "Invisible Caregiver" is tested to be over 90%.
- The "Silver Age Guardian Card" intelligent communication device utilises triple positioning via WiFi, mobile Internet, and location-based service, enabling family members or elderly care institutions to track the whereabouts of senior citizens at all times, thus preventing them from wandering off. The "Silver Age Guardian Card" features electronic fences, one-touch emergency calls, and reminders for senior citizens to take medication on time, thus providing comprehensive care for their safety and health.

Provided with the above two intelligent guardian devices and the non-profit accident insurance for senior citizens, we have initiated the "Silver Common Guardian Programme" with our partners. When an accident occurs, the four-level response mechanism will sequentially send alerts to the family members or caregivers, the community or street where the senior citizen lives, the civil affairs department, and the ambulance. These alerts persist until responses are received, thereby ensuring comprehensive protection for the silver generation across all fronts. By the end of December 2023, the "Silver Common Guardian Programme" had been used in 15 elderly care institutions, 250 communities, and 46 villages, benefiting more than 50,000 senior citizens.

By the end of December 2023,  
we had distributed  
**13,348**  
Silver Age Guardian Cards to senior citizens  
for free

In addition, to address mobility issues and hearing loss for the silver generation, we have also developed and rolled out the following:

- The "Silver Assisted Hoist" aids family members, caregivers and elderly care institutions to move seniors with physical limitations more safely between wheelchairs, bathrooms, beds, and other routine scenarios.

- The "Silver Hearing Health" Weixin Mini Program provides inclusive and convenient diagnostic hearing tests for senior citizens. It integrates functions including diagnostic hearing tests, knowledge sharing on hearing health, hearing impairment simulation tools, and auditory training to assist hearing-impaired senior citizens in identifying and solving hearing issues as early as possible. In 2023, more than 80,000 senior citizens had their hearing tested through the Weixin Mini Program.



# 4.5 Popularise Philanthropy

The "Tencent Philanthropy Platform" has established a robust monitoring mechanism to facilitate transparent and reliable philanthropic activities. The platform offers diverse participation methods, helping philanthropic organisations and programmes reach hundreds of millions of users in China, promoting users to participate in philanthropy in their daily life. We also provide digital capabilities and tools to enhance operational efficiency of philanthropic organisations. At the same time, we encourage our employees to engage in philanthropic activities to address social issues through tangible efforts.

## Transparent and Reliable Philanthropy Platform

The Tencent Philanthropy Platform, established in 2007, is one of the first online fundraising platforms in the Mainland of China. The platform cultivates awareness and encourages transparent practices among philanthropic organisations by establishing relevant regulations. It offers digital tools to simplify information sharing and enhance disclosure efficiency. This enables philanthropic organisations to provide the public with more convenient, tangible, and transparent feedback. Moreover, we have established an open and direct communication platform and mechanism, inviting industry partners to collaborate in constructing a transparent philanthropic ecosystem, thereby promoting the healthy and sustainable development of the philanthropic sector.

As of 31 December 2023, over 30,000 philanthropic organisations have joined the "Tencent Philanthropy Platform", with over 130,000 fundraising projects launched, total donor counts of over 900 million, and total public donations of over RMB29.5 billion.

Project Information



Users can obtain project information, including goals, budget and implementation progress before they make a decision.

Invite Friends to Donate Together



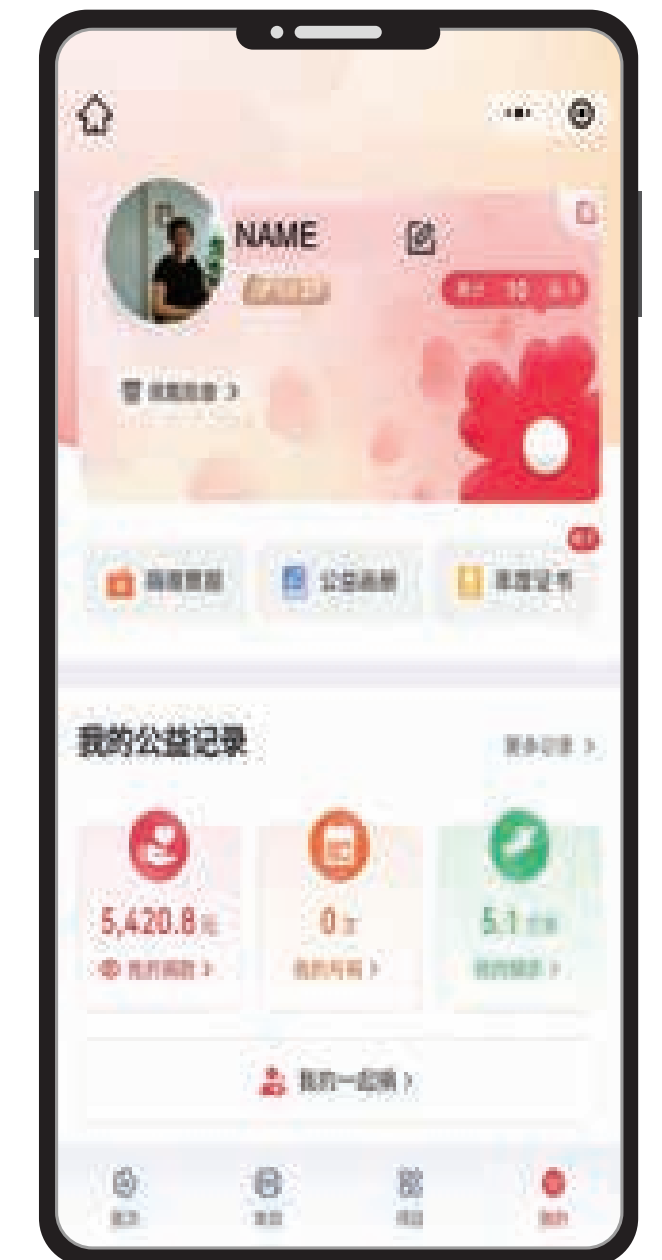
Users can invite their social network to back the same cause by making a donation. Users will receive a cautionary reminder to make thoughtful donations.

Track Progress



Philanthropic organisations will send donors regular project updates, including fund-raising status, fund allocation, and financial statements. More transparent, accountable and credible projects can attract more donors.

Personal Hub



Users can access the full list of projects they were involved with and the amount donated to each project, process donation receipts and certifications, as well as check their "Little Safflower" status.

## Universal Engagement in Philanthropy

"99 Giving Day" is a philanthropic event organised by the "Tencent Philanthropy Platform". It has become one of China's most highly participated and influential charitable events, featuring a diverse range of charity scenarios. Over the past nine years of development, "99 Giving Day" has achieved:

The number of donations increased from 2.05 million

in 2015 to **65** million in 2023.

Public donation amount increased from RMB127 million

in 2015 to RMB **3.8** billion in 2023.

Over **600** enterprises participated in the campaign in 2023, with matched donations

exceeding RMB **400** million.

As "99 Giving Day" becomes increasingly influential, Tencent has seamlessly integrated philanthropic activities into various aspects of daily life, enabling users to participate in philanthropy easily and conveniently, even becoming part of everyday life. This effort led to the creation of the philanthropic product, "Little Safflower."

The "Little Safflower" serves as a symbol of love for each philanthropic action taken by users. Users can earn it by participating in various philanthropic initiatives facilitated by Tencent or other enterprises. As of 2023 December, more than 300 million users have received these little flowers. When users give the "Little Safflower" to the supported projects on the "Tencent Philanthropic Platform", the projects will receive corresponding matching donations. The continuous development of the "Little Safflower" system has provided practical solutions to numerous modest but genuine philanthropic needs and aspirations. This has also imbued the concept of "universal engagement in philanthropy" with a new expression and realisation path.

Furthermore, we leverage the aggregating effects of Internet platforms and technology to expand the temporal and spatial boundaries of philanthropy. We explore the creation of online and offline philanthropic scenarios that span cities, counties, and rural areas, making philanthropy more visible, accessible, and trustworthy.

### Earn and give the "Little Safflower" online



Earn the "Little Safflower" by participating in philanthropic activities

"Little Safflower" account

Give the "Little Safflower" to the chosen philanthropic projects

### Participate in the "Little Safflower" campaign in person



charity art exhibition



charity sale



## Support the Digital Transformation of the Philanthropic Ecosystem

With digital technology as its core competence, Tencent supports the digital transformation of the philanthropic sector. This effort aims to enhance the capabilities of philanthropic organisations in serving donors and fulfilling the vision of philanthropy.

- We launched the "Digital Talent Opening Programme" in cooperation with renowned universities, which offers courses and resources to facilitate the digital, professional, and systematic training of philanthropic practitioners. In 2023, the second phase of the "Digital Talent Opening Programme" focused on fundraising and improving the quality of information disclosure by philanthropic organisations.
- The "Tencent Philanthropic Learning Together Platform" serves as an online knowledge learning platform tailored for philanthropic practitioners. It offers a range of courses covering topics including fundraising knowledge and campaign planning and implementation. In 2023, the platform initiated the "Credibility Online Marathon" courses, encompassing theoretical frameworks, real-life case studies, and practical tools, offering valuable insights and guidance for enhancing credibility in online interactions.
- Tencent provides a digital toolkit for philanthropic organisations to help them in achieving digital transformation. It includes cloud resources and a variety of digital products to equip philanthropic organisations with the digital knowledge they need and boost their digitalisation process. As of December 2023, more than 580 philanthropic organisations gained access to over 1,400 Tencent's digital toolkits.

- The "Light Technology Philanthropic Innovation Camp" focuses on philanthropic issues with high public interest and engages the public in philanthropic innovation. Since 2021, the event has attracted more than 3,600 teams and over 18,000 developers. The 2023 Camp saw a remarkable turnout of 1,429 teams engaging in philanthropic proposals. Among them, the winning submission titled "Internet Safety for the Elderly" was able to intelligently identify fraud risks through an advanced analysis model and issue warnings against risky behaviours, thus significantly bolstering senior citizens' ability to avoid fraud.
- The "Tencent Technology Public Welfare Venture Capital" Programme offers support for outstanding solutions developed by philanthropic organisations. It incentivises professional philanthropists to tackle societal challenges and pain points through innovative approaches. As of December 2023, the Programme has supported nearly 80 projects, including 8 applications, 5 hardware products, 26 Weixin Mini Programs, 10 websites, 13 algorithm models, and 4 invention patents.

## Encourage Employees to Do Good and Cultivate a Corporate Culture of Acting for Good

Since April 2012, our employees have been offered one full day of paid leave per year to participate in volunteering activities. Additionally, a new matching donation programme took effect on 1 January 2022, where for every donation made by an employee, Tencent will match the amount. For every hour of volunteer work served by an employee, correspondingly Tencent will donate RMB100 to the same cause.

Tencent launched the internal "Micro Love Competition", the Act for Good - Volunteer Action Guide, and the Weixin Mini Program - "Act for Good". These efforts help employees participate in "Act for Good" initiative by integrating their technical and product expertise. They are part of an effort to increase employee engagement in philanthropic endeavours and support them in addressing important issues including the environment, balanced development, and emergency response, and helping the silver generation, people with physical limitations, and children.

As of December 2023, Tencent employees have planned and implemented 658 Act for Good projects, with over 13,000 participants, contributing a total of 74,131 philanthropic hours. The concept of "Acting for Good" is being integrated into Tencent employees' daily work and lives.

The "Mobile First Aid Kit" is a project proactively initiated by Tencent employees. This project invites employees with first aid skills to become emergency volunteers, equipping them with mobile first aid kits to swiftly aid those in need during emergencies. About 4,000 employees have joined as first aid volunteers. By December 2023, Tencent's first aid volunteers have successfully assisted 31 individuals in need.

By the end of 2023, an earthquake struck Gansu and Qinghai. Tencent's internal volunteer team quickly launched a donation project for the affected areas through the "Act for Good" Weixin Mini Program, attracting the participation of thousands of employees. The donated funds were sufficient to aid in the post-disaster reconstruction of 13 villages.



## Chapter 5

# Business Ethics

At Tencent, we uphold the values of "Integrity, Proactivity, Collaboration, and Creativity", with "Integrity" forming the foundation of our business ethics management. We require every Tencenter to adhere to and be committed to collaborating with business partners to build a high integrity commercial environment that is a fair, impartial, transparent and based on mutual trust.

In 2023, we became a signatory of the UNGC, and are committed to integrating the Ten Principles into our business operations and value-chain management.

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## 5.1 Adhere to Practising Integrity

Tencent advocates practising integrity and upholding the value of integrity, which is considered the bottom line that must be adhered to in our operations. We strictly abide by the requirements of laws and regulations including the Criminal Law of the PRC and the Anti-unfair Competition Law of the PRC. We regard anti-fraud management as a pivotal aspect of Tencent's culture and values. Tencent has set up an Anti-fraud Investigation Department and formulated the Tencent Sunshine Code of Conduct and other systems to monitor, prevent, and take action on fraud and corruption. The Anti-fraud Investigation Department reports directly to the Audit Committee and the Internal Audit Committee on a quarterly basis and functions with a high degree of autonomy.

### Sunshine Code of Conduct

*The Sunshine Code of Conduct* applies to all employees of Tencent, which has specified the following:

Definitions of violations;

Classification of different types of violations, along with their corresponding handling methods (including linking such methods to performance assessment), and the responsibilities of managers (including demotion, dismissal, or termination of labour contract);

Investigations and handling procedures.

Tencent reviews its anti-fraud policies annually and makes revisions in response to changes in laws, regulations, and business practices. In 2023, we revised the Sunshine Code, further emphasising the responsibilities of managers and behaviours under "Tencent's Red Lines".

We created a brochure based on the latest revisions to the Sunshine Code and prepared an English version for our overseas employees. These brochures serve to clarify Tencent's management practices regarding "Red Line" behaviours, detailing the definitions of violations, and offering case studies and practical tips.

We have also proposed a set of ESG Code of Conduct for suppliers to strengthen the management of suppliers' business ethics by clearly defining management guidelines, improving management processes, and conducting relevant training. For more information, please refer to the "*Business Ethics – Sustainable Supply Chain*" section of this report.

### Integrity Culture

We advocate integrity and have zero tolerance for corruption and other fraudulent behaviours. We integrate anti-fraud education into every step of our employees' career path. Training on the Sunshine Code is mandatory for employees each year. In addition, we also host online and in-person activities, as well as utilise other multimedia channels to foster our integrity culture.

In 2023, **100%** employees have signed the commitment to comply with the Sunshine Code

#### Management Training

- Executive director and all members of the Audit Committee learn about the Tencent's anti-fraud policies at different occasions, including Audit Committee meetings, Internal Audit Committee meetings, other internal meetings or training sessions on the Sunshine Code.
- We developed an on-site anti-fraud course for management personnel. The course includes real-world case sharing, a summarisation of the management deficiencies and common risks managers face, and provides management suggestions and management tools for various types of risks. The completion rate for this course stands at 100%.

#### Mandatory Training

- All employees are required to take the Sunshine Code training and exam annually, with a participation rate and exam pass rate both at 100%.
- Concept of conflict of interests and the "declaration of conflict of interests" has been incorporated into the compulsory courses, where employees are required to learn and understand the declaration rules.

- "Sexual Harassment Prevention in the Workplace" informed all employees with an understanding of the definition, scope, punishment measures, and recommended course of actions in response to sexual harassment in the workplace, as well as whistleblowing channels and the independence of whistleblowing management.

#### Fostering Integrity Culture in Multiple Forms

- Created and released over ten promotional videos and crafted 20 articles addressing the topic of anti-fraud.
- Organised annual anti-fraud promotional activities including online Q&A games and in-person activities in different cities, with a cumulative participation of over 7,000 individuals.
- Conducted more than 70 anti-fraud training sessions for personnel in sensitive positions and new employees across various business groups, with more than 7,000 employees participating.
- Received over 187,000 views in 2023 in content related to the integrity culture promotion, including integrity partnership, the Sunshine Code, and anti-fraud cases released on our Weixin Official Account Tencent Sunshine.
- Distributed pamphlets of the Sunshine Code through both the online supplier management platform and in-person activities to enhance integrity training for suppliers.
- Developed the Code of Conduct Introduction Brochure for Overseas Employees and accompanying promotional videos. Strengthened integrity training for overseas employees and suppliers and formulated the Anti-Bribery & Corruption Statement for Tencent Business Partners to bolster integrity management among overseas suppliers, requiring that suppliers sign the Anti-Bribery Statement when entering into contracts.

## Anti-Fraud Investigation and Whistleblowing Management

We identify clues on fraud via internal and external whistleblowing, and through inspections by Internal Audit and Internal Control Department. Independent investigations are also conducted by the Anti-fraud Investigation Department.

Tencent has established the Anti-fraud Whistleblowing Policy and set up reporting channels, including an independent email, mailbox, hotline, and the Weixin Official Account Tencent Sunshine. We encourage all employees, suppliers, business partners, and other stakeholders to report any instances of corruption, fraud or other regulatory violations that Tencent employees are or may be potentially involved.

Tencent accepts anonymous reports and encourages informants to provide their names and contact information so that we can follow up on investigations and provide them with updates if necessary. We carry out follow-up investigations in a confidential manner, protect the information of all informants, and standardise the reporting procedures, which are managed by dedicated personnel. We are committed to preventing any retaliation against whistle-blowers and safeguarding their rights and interests.

The Anti-fraud Whistleblowing Policy and the “Anti-fraud Management Platform” details the procedural guidance on anti-fraud investigations and handling, while also clarifying requirements for record-keeping, review, approval procedures, and investigations. Tencent manages the reported clues and records the entire process of case handling through an independent system. The Anti-fraud Investigation Department reports to the Internal Audit Committee, and the handling of violations and decisions on all cases must be approved by the Internal Audit Committee. The Anti-fraud Investigation Department also reports to the Audit Committee on a quarterly basis on anti-fraud related progress. At the same time, the Anti-fraud Investigation Department has established and utilised an independent “Anti-fraud Management Platform” for the processing of information on reports, case approvals, and record-keeping related to investigations.

Moreover, we have established an internal consultation channel for anti-fraud related matters, including a service account on WeCom, an internal telephone line, and an email for all employees to comprehensively address their inquiries concerning our anti-fraud policies and compliance regarding personal conduct. In 2023, we received over 2,000 inquiries.

In 2023, Tencent strengthened its fraud detection capabilities by leveraging big data to analyse common types of cases and identify fraud clues. We publish the Tencent Anti-fraud Announcement every year to disclose the outcome of our anti-fraud efforts, thereby enhancing information transparency.

- In 2023, the Anti-fraud Investigation Department investigated more than 70 cases in violation of "Red Line", resulting in the dismissal of nearly 120 individuals. In accordance with the Guidelines for Supplier Blacklist Management, over 40 entities have been added to Tencent's blacklist and we will never be engaged in any sorts of cooperation again.
- In 2023, among the corruption-related employee cases that were referred by Tencent to relevant government authorities in accordance with the law, we received the litigation results of two such cases during the reporting period (including cases referred in previous years).

Tencent has updated the Management Policy for Sensitive Positions and further refined the requirements on the desensitisation of sensitive positions, audit of sensitive positions and performance assessment based on the existing definitions of sensitive positions and requirements on the grading and management of such positions. Our Internal Audit Department reserves the right to audit all positions deemed sensitive and may conduct audits on current or former personnel occupying such positions at any time.



Handling procedures for reports

## 5.2 Promote Fair Competition

**Tencent is committed to operating in accordance with relevant legal and compliance policies in all its operations. We respect local laws regarding anti-monopoly and fair competition in regions where we operate. We continuously enhance our compliance management and collaborate with other market players to maintain a fair and competitive market environment.**

**We have established an Anti-Monopoly Compliance Department ("ACD") that reports directly to the senior management on a regular basis. The ACD's primary responsibilities include providing advice on anti-monopoly regulatory compliance in daily business operations, improving the anti-monopoly compliance management system, strengthening scenario-based anti-monopoly compliance guidance, establishing a comprehensive anti-monopoly compliance mechanism that covers all domestic and overseas business scenarios, reviewing business processes and management issues, and conducting anti-monopoly compliance-related training.**

### Strengthen Policies and Guidelines

Tencent attaches great importance to enhancing compliance management related to anti-monopoly regulatory requirements. We have formulated and issued a number of internal policies related to anti-monopoly law compliance. With regular updates in policies, coupled with adequate training and awareness promotion activities, Tencent actively engages with all employees to help them understand and comply with the principles of fair competition while running day-to-day operations and provides guidelines for the licit and compliant conduct of business activities.

In accordance with the Anti-Monopoly Law of the PRC and other domestic and overseas anti-monopoly laws and regulations, we have formulated the Tencent Group Anti-Monopoly Compliance Process Management Policy. This policy establishes the Group's anti-monopoly compliance management mechanism and process, including but not limited to clarifying the responsibilities of different departments in the compliance management process, enhancing the compliance risk assessment process, and bolstering internal audit capabilities. We constantly optimise the anti-monopoly compliance guidelines and have established an anti-monopoly compliance system that covers all domestic and overseas business scenarios and the lifecycle of businesses. This initiative aims to promote compliant, steady, and healthy development of both domestic and overseas businesses.

- In the Tencent Group Anti-Monopoly Compliance Guidelines, we introduce, interpret, and promote the requirements of the newly revised Anti-Monopoly Law of the PRC from the perspective of substantive law and outline compliance and behavioural guidelines for business practices. We have issued training and provided policy interpretation for all employees regarding the new version of the Guidelines.
- The Tencent Group Overseas Anti-trust Compliance Guidelines address anti-monopoly compliance matters relevant to Tencent Holdings Limited and its subsidiary operations overseas. These guidelines enhance the level of anti-monopoly compliance management for overseas operations and mitigate overseas legal risks associated with anti-monopoly regulations.
- We have developed the Guidelines on the Merger Filing Assessment Process for Tencent Investment and M&A Transactions to enhance the compliance management of investment and M&A transactions. These guidelines focus on substantially assessing filing obligations, providing guidance on the filing process, and considering other relevant perspectives to ensure compliance with the Anti-Monopoly Law of the PRC.
- We have developed the Guidelines on Legally Implementing the Concentration of Undertakings, which, with a focus on preventing and managing the risk of illegally implementing the concentration of undertakings, clarify the compliance obligations that must be fulfilled and adhered to in investment and M&A transactions requiring pre-approval for anti-monopoly purposes before such approval is obtained.
- We have customised scenario-based anti-monopoly compliance manuals with specific scenarios tailored to key business lines and product groups. This approach provides more practical and targeted guidance by considering the characteristics of different business scenarios.

Tencent Music Entertainment Group has developed and continuously upgraded competition compliance systems, and established non-exclusive collaboration with upstream copyright owners to ensure that its commercial practices comply with anti-monopoly laws and relevant regulations.

In addition, we enhance our capacity for anti-monopoly compliance management by regularly assessing the effectiveness of the anti-monopoly compliance management mechanism and providing anti-monopoly compliance training to employees.

## Enhance Anti-Monopoly Compliance Mechanism

In addition to improving our anti-monopoly compliance system and guidelines, we also continue to optimise our anti-monopoly compliance management mechanism by improving our process management and clarifying the responsibilities of various departments and business groups. Our anti-monopoly compliance processes and management mechanisms cover the entire business process and product lifecycle. In 2023, we updated the "Appraise-Control-Do" compliance management mechanism and established an "ex ante-interim-ex post" comprehensive compliance management approach to ensure the overall operation of our anti-monopoly compliance system.



### Ex-ante prevention

We have defined eight risk scenarios that could trigger an ex-ante anti-monopoly assessment, allowing for advance evaluation. Our ex-ante assessment covers the lifecycle of business, including project approval, R&D, grey-box testing, launching, operation, and exit. If necessary ex-ante compliance assessment measures are not taken, the relevant commercial arrangement shall not proceed.



### Interim control

Following the ex-ante assessment of the agreement and business model, we oversee compliance management and implement the plan to prevent deviation from compliance recommendations during implementation. This ensures the thorough implementation of the anti-monopoly compliance management from documentation to action.



### Ex-post review

We review every project subject to anti-monopoly compliance management and conduct specialised compliance audits for major business lines. Through real-time and dynamic internal supervision and inspection, we took the initiative in management and achieved a closed loop for compliance management.

In 2023, we also conducted an ex-ante assessment of anti-monopoly compliance risks related to data procurement and established an anti-monopoly database to further improve our capacity for anti-monopoly compliance management using digital technologies.

## Foster Anti-Monopoly Compliance Culture

We carry out internal awareness campaigns and regular anti-monopoly compliance training to raise awareness of fair competition and establish an anti-monopoly culture.

During the reporting period, we undertook various initiatives to foster an anti-monopoly culture and integrate it into our corporate ethos. We actively promoted and implemented anti-monopoly compliance measures externally, while also enhancing compliance training internally. Our efforts focused on establishing a comprehensive compliance training programme covering new hires, business personnel, legal professionals, and the management.



- We conducted 17 anti-monopoly compliance training programmes, which comprised eight sessions of offline face-to-face training for key business teams. These sessions cover topics including prohibitions under the Anti-monopoly Laws of the PRC, compliance guidelines for business operations, anti-monopoly notification and review process for M&A transactions, anti-monopoly issues in fund initiation and investment, and anti-monopoly case studies. The number of trainees exceeded 1,000.
- We published 19 articles promoting compliance on the intranet, which garnered nearly 100,000 visits.
- Our online anti-monopoly law awareness course offered comprehensive training to all employees, covering horizontal and vertical monopoly agreements, abuse of market dominance, and other specialised issues.

## 5.3 Anti-Money Laundering Risk Management

Tencent adopts a risk-based approach to enhancing Anti-Money Laundering ("AML") management and continually adapts to the evolving regulatory landscape. Tencent strictly complies with all applicable AML and counter-terrorist financing ("CTF") laws in regions where we operate, fulfilling both domestic and foreign financing obligations, including compliance with the AML Law of the PRC and the Guidelines for Managing AML and CTF by Financial Institutions.

Concurrently, Tencent closely monitors the latest developments and interpretations of laws and regulations, conducts gap analyses and provides staff training on global AML developments. Additionally, we engage external consultants to ensure the effective implementation of AML and CTF measures in compliance with applicable regulatory requirements.

### Risk Governance Structure

We have developed a comprehensive money laundering and sanctions risk governance model, which comprises a group-level AML and Sanctions Management Committee, licenced financial institutions AML committees, as well as designated compliance officers for business lines.

We have established an AML and Sanctions Compliance Department which is primarily responsible for coordinating and overseeing AML and sanctions risks across various business groups in different regions. Its main responsibilities include ensuring regulatory compliance with AML and sanctions requirements, as well as managing and monitoring the implementation of AML and sanctions measures within the Group.

### Responsibilities of Tencent's AML and Sanctions Management Committee

- Guide and supervise the Group's AML, CTF, and sanctions compliance efforts and promote a culture of AML and sanctions compliance excellence;
- Authorise the formulation of the Group's AML, CTF, and sanctions compliance strategies, policies and processes, and empower relevant departments and personnel to perform necessary duties;
- Review and approve significant AML, CTF, and sanctions compliance-related decisions;
- Guide and supervise the work of AML, CTF, and sanctions compliance of Tencent's subsidiaries;
- Provide strategic direction to the AML and Sanctions Compliance Department.

### Risk Management Policies

Tencent actively collects and promptly responds to the latest updates and developments in AML regulations, dynamically benchmarking itself against Chinese and international regulatory requirements, and regularly refining internal processes to ensure compliance with applicable AML requirements. We have published the Tencent Anti-Money Laundering Policy Statement and the Tencent Sanctions Policy Statement on our official website. We uphold Tencent Group's Minimum Standards for Anti-Money Laundering and Sanctions Compliance and have constantly revised our systems based on how our business has evolved. We comply with all applicable regulations and have also issued the Guidance on Building the AML System, in order to further enhance the compliance and effectiveness of our AML infrastructure.

### Risk Compliance in Practice

Tencent has promoted the regular and ongoing management of AML in a structured manner, ensuring compliance with regulatory requirements. This approach facilitates effective compliance measures, facilitates prompt identification of risks, and rational allocation of resources by using data and technology in key areas. Additionally, it fosters continuous enhancement of our AML management practices. We have developed an AML and sanctions compliance system to identify compliance requirements for AML and sanctions in each region, and have fortified our capabilities in building AML and sanctions compliance capabilities.

In 2023, we strengthened our AML management capabilities, as follows:

- Established a multi-dimensional risk assessment management system: A multi-dimensional risk assessment management system covering institutions, customers, and products was established to enhance the depth and breadth of money laundering risk awareness of Tencent as a whole and consolidate the foundation for subsequent money laundering risk management.
- Improved AML management capabilities through technology and data analysis: Anti-money laundering data monitoring tools and inspection systems have been established to enhance compliance efforts through data and technology. These tools enable quick detection of money laundering and terrorist financing risks, more accurate identification of customer risks and integration and analysis of transaction behaviours. This allows for the allocation of more resources to higher-risk areas, thereby improving the overall quality and effectiveness of anti-money laundering management.
- Enhanced internal training: A total of 32 training sessions were conducted, covering a range of topics including the interpretation of internal and external AML-related regulations, an introduction to the Financial Action Task Force ("FATF") mutual evaluations, AML data governance, analysis of AML case studies, and key points in compliance and risk control.

During the reporting period, we conducted specialised studies focusing on the changes in regulatory policies and mutual assessment mechanisms issued by international AML organisations including FATF. We assessed their impact promptly in order to enhance our capabilities for standardised AML management. Additionally, we placed significant importance on and actively supported the regulation of AML-related information preservation and management. We provided essential materials for AML oversight and management in a timely manner and actively participated in various regulatory surveys and discussions.





# 5.4 Sustainable Supply Chain

We integrate ESG into supply chain management, and based on the Responsible Business Alliance Code of Conduct, we work with our suppliers to promote the integration of ESG principles into commercial contracts and practices, covering the prohibition of child labour and forced labour, protection of workers' rights and interests, ensuring occupational health and safety, environmental protection, protection of information security and privacy, business ethics and sanctions management. We develop the Tencent Group Supplier Management Policy to clarify the management standards for supplier access and review, selection and engagement, and performance evaluation.

## ESG Code of Conduct for Suppliers

Tencent mandates all suppliers to strictly comply with all applicable laws and regulations. Building upon this foundation, we encourage suppliers to adopt internationally and industry-recognised best practices to enhance ESG management and disclosure of information.

### ESG Code of Conduct for Tencent's Suppliers

 <p>Labour rights protection</p>	<ol style="list-style-type: none"> <li>1) Provide employees with a workplace free from discrimination, harassment, violence, coercion, or other inhumane behaviours. Forced labour and child labour of any kind is prohibited.</li> <li>2) Protect the rights and interests of employees (including permanent employees, consultants, contractors, and part-time and temporary workers), including statutory wages, benefits, and working hours. Respect employees' participation in labour union activities in accordance with local laws and regulations.</li> <li>3) Promote to build a diverse, equitable, and inclusive work environment for employees and eliminate workplace discrimination and harassment.</li> </ol>
 <p>Occupational health and safety</p>	<ol style="list-style-type: none"> <li>1) Create a safe and healthy work environment for employees, and continuously identify, assess, and control risks that may harm their health and safety.</li> <li>2) Develop procedures for the prevention, management, tracking, and reporting of work-related injuries and illnesses.</li> <li>3) Identify and evaluate potential emergencies and develop contingency plans for such emergencies including but not limited to fire and natural disasters.</li> </ol>
 <p>Environmental protection</p>	<ol style="list-style-type: none"> <li>1) Obtain necessary environmental permits or other licences, take corresponding environmental protection measures, and follow disclosure requirements.</li> <li>2) Improve the utilisation efficiency of energy and natural resources, save electricity, reduce water consumption, and encourage the use of green or clean energy.</li> <li>3) Practise the 3Rs (Reducing, Reusing, and Recycling), reduce the impact of wastewater, exhaust gases, and solid waste on the environment, and strictly follow relevant regulations on pollution treatment and emissions.</li> <li>4) Take measures to reduce GHG emissions, encourage GHG accounting, and set carbon emission reduction targets.</li> <li>5) Use natural resources in a responsible and efficient manner and encourage biodiversity conservation.</li> </ol>
 <p>Business ethics</p>	<ol style="list-style-type: none"> <li>1) Adhere to integrity standards, and prohibit any form of bribery, corruption, extortion, and embezzlement.</li> <li>2) Prohibit unfair competition and comply with all applicable laws and regulations on anti-money laundering, counter-terrorism financing, and sanctions.</li> <li>3) Respect intellectual property rights, and transfer technology, experience, knowledge, or information in a manner that protects intellectual property rights.</li> <li>4) Legally protect the privacy of all personnel involved in business, including the information of consumers, customers, employees, and suppliers.</li> <li>5) Adhere to the principles of integrity, non-discrimination, and protection of the physical and mental health of children and vulnerable groups when providing text, images, audio and video (including advertisements), so as to protect consumers' rights and interests. Prevent contents that violate laws and regulations or contain violence, abuse, and exploitation.</li> <li>6) Complete the declaration of conflicts of interest in a timely and truthful manner in accordance with Tencent's requirements before engaging collaborations. Suppliers involved in behaviours including concealment, false reporting, and affiliation will be blacklisted and never be engaged in collaborations.</li> </ol>



## Supplier Management Workflow

### Qualification and Review

During the supplier selection process, we assess whether suppliers possess valid qualifications or required service capabilities. We also consider suppliers' track record and their performance in terms of business ethics, environmental and social responsibility, and other ESG performance. In addition, we strengthen supplier management through regular upkeep of the supplier information database.

- We require suppliers to sign the Anti-Commercial Bribery Declaration which clarifies Tencent's requirements.
- Formulated the Guidelines for Supplier Blacklist Management, which clearly states that suppliers will be terminated and blacklisted, in the event of violation related to commercial bribery and conflicts of interest. In 2023, over 40 entities were added to Tencent's blacklist and will never be engaged in collaborations.

In 2023, the number of suppliers by geographic region

China: **32,973** Other countries and regions: **6,851**

### Selection and Engagement

During the supplier selection and engagement stage, we promote adequate and fair competition among suppliers and adhere to proper risk control procedures and compliance requirements. Moreover, we clarified the definition and management requirements of suppliers with employee-related interests.

- During supplier selection, we evaluate for potential conflicts of interest. For suppliers who have related interests with Tencent's current or former employees, including both formal and outsourced employees, the scope of cooperation will be determined based on the relevant provisions outlined in the Sunshine Code. Suppliers with related interests to current or former employees of Tencent must disclose these accordingly, and failure to truthfully disclose related interests will result in immediate termination and blacklisting.
- We include the Corporate Social Responsibility Commitment in our contracts, with clear provisions for suppliers regarding environmental protection, labour rights protection, and workplace health and safety, among others.

### Performance Evaluation

According to the Tencent Supplier Management Policy, the supplier management departments must perform evaluations once every six months to strengthen the regular oversight of suppliers. We request desktop evaluations or on-site evaluations of suppliers based on product quality, service capabilities, and delivery capabilities to ensure an objective and truthful reflection of the comprehensive performance of suppliers.

Tencent conducts regular reviews of supplier performance and maintains and shares assessment results through the supplier management system. Supplier performance ratings are adjusted based on assessment results. In cases where suppliers deliver poor performance, subject to compliance with applicable contracts, we have provided guidance and established an exit mechanism for consistently underperforming suppliers in evaluation.

#### ESG Management Practices for Supply Chains

##### Green supply chains

In alignment with the requirements outlined in the Environmental Protection Management Policy for green procurement, we consider the environmental compliance performance of suppliers as a key criterion in our qualification assessments, and flag suppliers with violations and corresponding environmental risks. We extend the intelligent and low-carbon operations and maintenance technologies used by our data centres to our partners to help them operate more intelligently and sustainably, thereby reducing our Scope 3 emissions. For more information, please refer to the "Environmental Protection - Carbon Neutrality" section of this report.

##### Responsibility for content

We explicitly state that suppliers, when providing various types of content including text, images, audio, and video (including advertisements), must avoid including material containing gambling, violence, discrimination, or anything that may impact a child's well-being and jeopardise health and safety. For more information, please refer to the "Protect Digital Rights - Digital Safety and Well-Being" section of this report.

##### Data privacy

We conduct due diligence on data service providers, including completing the Vendor Privacy Questionnaire and a Security Consensus Assessments Initiative Questionnaire Checklist. When Tencent's Vendor Privacy Assessment indicates that third-party vendors are engaged in data processing activities on behalf of Tencent, Tencent will enter into a Data Processing Agreement with the respective vendor. This agreement ensures that the vendor complies with Tencent's data protection obligations and outlines the contractually agreed-upon technical and organisational measures that the vendor must adopt. Meanwhile, we updated Tencent's Supplier Privacy Policy in 2023. For more information, please refer to the "Protect Digital Rights - Protect User Data Privacy" section of this report.

##### Business ethics

We require suppliers to adhere to ethical standards including anti-commercial bribery, and we communicate the requirements of the Sunshine Code to suppliers via both online supplier management platforms and in-person events. For more information, please refer to the "Business Ethics - Adhere to Practising Integrity" section of this report.

# Appendix

## About This Report

This report is prepared in accordance with The Stock Exchange of Hong Kong Limited's ESG Reporting Guide ("ESG Reporting Guide"), while referencing the GRI Standards and the SASB Standards. It also refers to the Exchange's Guidance on Climate Disclosures with regards to climate-related disclosure in accordance with the TCFD recommendation.

PricewaterhouseCoopers has been commissioned by the Company to conduct a limited assurance on the selected ESG KPIs in accordance with the International Standard on Assurance Engagements – Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE) 3000 (Revised). For more details regarding the level, scope, assurance process and the complete assurance report, please refer to the "Appendix – Assurance Report".

For better presentation and readability, "the Company" refers to "Tencent Holdings Limited", and "the Group" refers to "the Company and its subsidiaries".

This report is prepared in alignment with the reporting principles of "materiality", "quantitative", "balance" and "consistency" with further details set out below.

- **Materiality**

We have conducted a detailed materiality assessment to identify and evaluate key ESG issues that are most important to our business as well as our internal and external stakeholders. The information gathered from the materiality assessment was then used to determine the disclosure content of this report. For details of the materiality assessment, please refer to the "ESG Governance – ESG Materiality Assessment" section of this report.

- **Quantitative**

We disclose measurable environmental and social KPIs and set quantitative performance targets where applicable. The measurement standards, methodologies, assumptions and/or calculation tools of the KPIs in this report, as well as the source of the conversion factors used, have been explained in the corresponding context (where applicable).

- **Balance**

This report aims to provide a balanced representation of the Group's ESG efforts around the environment, our people, operating principles and practices, product responsibility and community.

- **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 sections.

During the process of identifying the scope of the ESG report, we performed assessment and analysis based on factors including operational control, local regulations, and financial materiality, to ensure that it reflects the Company's ESG impact and performance. Unless otherwise specified, the report covers the ESG performance of the business activities directly operated and managed by the Company during the reporting period from 1 January 2023 to 31 December 2023, and we have expanded our reporting scope to include two listed subsidiaries, Tencent Music Entertainment Group and China Literature Limited.

This report should be read together with Tencent's 2023 Annual Report, the "Corporate Governance Report" of the 2023 Annual Report, and the "ESG" page of the Company's official website.

Should you have any questions, please contact us at ESG@tencent.com.

# ESG Key Performance Tables

## Environmental Performance

Indicators	Year ended 31 December			
	2023	2022	2021	
<b>Greenhouse Gases</b>	Total GHG emissions (Scopes 1, 2, 3) (tCO <sub>2</sub> e) <sup>1, 2, 3</sup>	5,793,823.7	5,739,723.7	5,871,780.7
	Total GHG emissions per unit of revenue (tCO <sub>2</sub> e/RMB million) <sup>1, 2, 3</sup>	9.5	10.4	10.5
	Scope 1 emissions (tCO <sub>2</sub> e) <sup>4, 5</sup>	275,373.5	172,137.9	18,797.8
	Scope 2 emissions (tCO <sub>2</sub> e) <sup>6</sup>	2,561,328.3	2,650,073.3	2,471,041.1
	Scope 3 emissions (tCO <sub>2</sub> e) <sup>7</sup>	2,957,122.0	2,917,512.5	3,381,941.8
<b>Energy</b>	Total energy consumption (MWh) <sup>8</sup>	5,165,168.2	5,046,045.1	4,452,650.1
	Total energy consumption per unit of revenue (MWh/RMB million) <sup>8</sup>	8.5	9.1	7.9
	Direct energy consumption (MWh)	37,373.3	35,054.9	66,293.4
	Gasoline (L) <sup>9</sup>	91,118.9	44,623.7	34,160.0
	Diesel (L)	1,208,688.0	1,458,596.4	3,261,447.6
	Natural gas (m <sup>3</sup> )	2,272,886.4	1,867,442.0	3,111,654.3
	Indirect energy consumption (MWh)	5,127,794.9	5,010,990.2	4,386,356.7
	Total electricity consumption (MWh)	5,114,669.0	4,997,129.6	4,374,294.7
	Other indirect energy consumption (MWh) <sup>10</sup>	13,125.9	13,860.6	12,062.0
	Renewable energy purchased (MWh)	604,277.1	336,419.5	63,000.0
	On-site renewable energy (MWh)	28,311.5	21,870.0	2,334.5
	Percentage of renewable electricity (%)	12.4	7.2	1.5
	Installed capacity of on-site renewable energy facility (MW)	52.2	19.6	-
Average PUE in data centre <sup>11</sup>	1.279	1.289	1.317	

Indicators	Year ended 31 December			
	2023	2022	2021	
<b>Water Resources</b>	Water withdrawal (tonnes) <sup>12</sup>	8,191,328.4	8,152,481.9	6,201,651.6
	Water withdrawal per unit of revenue (tonnes/RMB million) <sup>12</sup>	13.5	14.7	11.1
<b>Waste</b>	Reusing amount of electronic equipment (tonnes) <sup>13</sup>	4,298.5	2,740.6	-
	Resource utilisation amount of electronic waste (tonnes) <sup>14</sup>	369.7	166.0	-
	Non-hazardous waste (tonnes) <sup>15</sup>	46,536.4	33,062.4	29,849.9
	Non-hazardous waste per unit of revenue (kg/RMB million) <sup>15</sup>	76.4	59.6	53.3
	Hazardous waste (tonnes) <sup>14, 16</sup>	1,321.7	1,051.0	323.7
	Hazardous waste per unit of revenue (kg/RMB million) <sup>14, 16</sup>	2.2	1.9	0.6

Notes:

- The material emissions of Tencent are GHG emissions caused by the combustion of fuels and the purchased electricity produced from fossil fuels.
- Since 2022, Tencent's GHG emissions have been calculated in accordance with GHG Protocol Corporate Standard, SBTi guidance for ICT companies and ISO 14064-1:2018. The GHG emissions (Scope 1, 2, 3) have been verified by a third party.
- Total GHG emissions are calculated using the market-based method. Due to rounding, the sum of Scope 1, Scope 2 (market-based), and Scope 3 for 2023 is 5,793,823.8 tCO<sub>2</sub>e, which marginally exceeds the presented data by 0.1. In 2023, we have added the calculation of Scope 2 (location-based) emissions, amounting to 2,922,093.6 tCO<sub>2</sub>e.
- Since 2022, fugitive emissions (including fire extinguishers and methane emissions) are included in the calculation of Scope 1. This adjustment is in line with the SBTi guidelines and improves the completeness of the emission calculation. 2021 data is not restated due to lack of historical data.
- The increase in Scope 1 emissions in 2023 is a normal fluctuation caused by the refilling cycle of fire extinguishers. The refilling cycle of fire extinguishers is typically five years, and the refilled amount is calculated in the carbon emissions for that year.
- Electricity emissions in China are calculated using the National Grid Emission Factors published by the Chinese Ministry of Ecology and Environment.
- Since 2022, we have added two more scope 3 categories: "fuel and energy related activities (not included in Scope 1 and Scope 2)" and "downstream leased assets". These new categories are in line with the SBTi guidance for ICT companies.
- The total energy consumption is calculated with reference to the coefficients in the National Standards of the PRC General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020).
- The increase in gasoline consumption mainly comes from the increase in demand for administrative vehicles in 2023. Due to the impact of the pandemic, business travel in 2022 remained relatively low.
- Other indirect energy consumption includes purchased heat.
- The scope of PUE calculation include all data centres within our operations that have been operating for more than 12 months. In 2023, with reference to The Green Grid (TGG) and relevant industry standards, the average PUE of the data centres was calculated by the actual energy consumption to better reflect the overall energy efficiency level of Tencent's data centres. We retrospectively calculated the data for 2022 using the same method and 2021 data is not restated due to lack of historical data.
- Water usage mainly comes from the municipal water supply and there are no issues in sourcing water. In 2022, we strengthened our water resource management and improved the completeness of our data. 2021 data is not restated due to lack of historical data.
- Reused electronic equipment mainly include old servers, computers, monitors. Since 2022, we have upgraded and refurbished old servers and other electronic equipment so that their lifespans can be extended and be put back into operation. In 2023, we expanded our efforts to cover more electronic equipment.
- We practice the 3Rs in the disposal of e-waste. We demagnetise and crush waste hard disks to ensure information security and produce recyclable hard disk particles for recycling by qualified recycling institutions.
- Since 2022, "food waste" has been included under "non-hazardous waste" to make our disclosure more complete. 2021 data is not restated due to lack of historical data. The increase in non-hazardous waste in 2023 was mainly due to the increase in general domestic waste as the workplace was not fully up and running during the pandemic in 2022.
- Hazardous waste generated in office buildings mainly includes waste toner cartridges and waste ink cartridges from our printers. Hazardous waste produced by data centres mainly includes discarded lead-acid batteries and destroyed hard disk components. 100% of our hazardous waste have been handed over to qualified third parties for proper disposal. The increase in hazardous wastes was due to increased utilization of electronic resources, including the processing of hard disk fragments, reflecting typical fluctuations associated with end-of-life disposal of electronic equipment.
- Data regarding packaging materials are not applicable to Tencent.

## Employment Performance

Indicators	Year ended 31 December		
	2023	2022	2021
<b>Employment</b>			
Total number of employees <sup>1</sup>	56,780 <sup>2</sup>	61,328	68,226
Number of employees by employment type <sup>3</sup>			
Permanent employees	54,821	60,135	65,109
Other categories	1,959	1,193	3,117
Number of employees by age group			
Under 30	17,820	22,675	28,608
30 to 50	38,622	38,400	39,420
Over 50	338	253	198
Number of employees by gender			
Male	40,469	43,693	48,406
Female	16,311	17,635	19,820
Number of employees by management level			
Management	5,926	6,535	6,119
Non-management	50,854	54,793	62,107
Number of employees by geographic region			
The Mainland of China	54,861	59,644	66,906
Others	1,919	1,684	1,320
<b>Employee turnover</b>			
Total turnover rate <sup>4</sup>	17.0%	21.7%	12.4%
Employee turnover rate by age group			
Under 30	20.5%	23.6%	14.6%
30 to 50	15.3%	20.5%	10.9%
Over 50	19.7%	20.5%	19.4%
Employee turnover rate by gender			
Male	16.8%	21.7%	11.9%
Female	17.4%	21.8%	13.5%
Employee turnover rate by geographic region			
The Mainland of China	16.9%	21.6%	12.3%
Others	21.4%	28.2%	15.1%
<b>Health and Safety<sup>5</sup></b>			
Number of work-related fatalities	0	1	0
Work-related fatality rate (number of fatalities/ millions of hours worked) <sup>6</sup>	0.00	0.01	0.00
Number of work-related injuries	14	11	32
Work-related injury rate (number of injuries/ millions of hours worked) <sup>7</sup>	0.13	0.09	0.25
Working days lost due to work-related injuries	576	322	480

Indicators	Year ended 31 December		
	2023	2022	2021
<b>Training and development<sup>8</sup></b>			
Percentage of employees who received training (by gender)			
Male	98.6%	99.4%	99.6%
Female	98.7%	99.6%	99.6%
Percentage of employees who received training (by management level)			
Management	99.4%	99.7%	99.8%
Non-management	98.6%	99.4%	99.6%
Average hours of training received by employees (by gender)			
Male	25.2 <sup>9</sup>	35.4	39.7
Female	27.3 <sup>9</sup>	38.5	44.1
Average hours of training received by employees (by management level)			
Management	33.8 <sup>9</sup>	50.5	55.5
Non-management	24.9 <sup>9</sup>	34.6	39.5

## Note:

- The total number of employees in this report covers the Company's permanent employees, as well as consultants and interns who are directly employed by the Company, excluding employees of subsidiaries and consolidated investment companies, as a reference for the disclosure of employee breakdown by employment type, age, and gender. The total number of employees in the Group's results announcement and annual report was 105,417, including employees of the Company, subsidiaries, and consolidated investment companies.
- To achieve solid and high-quality revenue growth and margin expansion, we will continue to optimise our business portfolio, shifting our resources from less-scalable business to those with higher growth potential. At our core businesses, we increased the talent density. On one hand, we will regularly review business performance and organisation structure, ensuring the allocated resources effect expected business results. On the other hand, we flattened organisational hierarchies, promoted effective communication and efficient decision making. We will continue to search for high-quality talents through campus recruitment and job fairs and enable young people to unleash their potentials, thereby increasing the vitality of our organisation and the long-term competitiveness of the Company.
- Employment type: other categories refer to consultants and interns directly employed by the Company.
- Employee turnover rate = (Number of permanent employees who left the Company during the reporting year/Average number of permanent employees during the reporting year) × 100%. Employee turnover includes the number of permanent employees who have left due to voluntary resignations, dismissals, or retirement.
- The data refers to the work-related deaths and injuries from accidents reported by Tencent's Human Resources team and verified by relevant local government authorities. In the Mainland of China, such cases, if any, are reported to the Human Resources Department and verified by the Human Resources and Social Security Bureau.
- Work-related fatality rate = (Number of work-related fatalities/Number of hours worked) × 1,000,000.
- Work-related injury rate = (Number of recorded work-related injuries/Number of hours worked) × 1,000,000.
- Training refers to in-person and online courses we provided to employees.
- Diversification of training methods to improve efficiency, as well as flexible arrangement based on environment and management orientation will bring fluctuation to the average hours of training received by employees. Particularly, during the reporting period, the length of closed-door training for employees recruited from campus was shortened by one day, and the number of employees from campus recruitment decreased in 2023 as a result of our efforts in reducing costs and increasing efficiency in 2022. The length of training of updated courses for the management were reduced by one day compared to the previous year, and the number of new promotions decreased in 2023 as a result of the more stringent requirements for managers.

# Climate-Related Risks and Opportunities<sup>1</sup>

Physical Risk	Category	Potential Impact on Tencent	Risk Level		
			Baseline	2030	2050
Extreme heat	Acute	<ul style="list-style-type: none"> <li>Shortage of power supply due to extreme heat may affect the continuous operation of power-using facilities, resulting in potential loss of revenue</li> <li>Extreme heat increases the cooling demand of facilities, and the corresponding increase in cooling energy consumption which may lead to increased operating costs</li> <li>Extreme heat poses potential safety and health risks to employees</li> </ul>	Low	Moderate	High
		<ul style="list-style-type: none"> <li>Increased energy demand for heating during extreme cold conditions may bring additional operating cost and pose safety and health risks to employees</li> <li>Icing and blizzard affect the continuity of facility operations and may impact operating revenues</li> </ul>	Low	Low	Limited
Flooding-including river, coastal, extreme rainfall	Acute	<ul style="list-style-type: none"> <li>Flooding may damage data centres potentially resulting in data loss and safety risks to employees</li> <li>Flooding may affect the continuous operation of the facility and may impact business revenue</li> </ul>	Moderate	Moderate	High
		<ul style="list-style-type: none"> <li>Extreme wind and flooding caused by tropical cyclones may damage the infrastructure and pose safety risks to employees</li> <li>Temporary closure of assets due to tropical cyclones may lead to business interruption, potentially impacting revenue</li> </ul>	Moderate	High	High
Rainfall-induced landslides	Chronic	<ul style="list-style-type: none"> <li>Landslides may damage the infrastructure and facilities, resulting business interruption, potentially impacting revenue, and may pose safety risks to employees</li> </ul>	Low	Low	Low
Wildfires		<ul style="list-style-type: none"> <li>Wildfires may damage facilities and affect the continuous operation of facilities, resulting in potential operating revenue and pose safety risk to employees</li> </ul>	Moderate	Moderate	High
Water stress & drought	Chronic	<ul style="list-style-type: none"> <li>Lack of cooling water for data centres due to water shortages may affect the continuity of operations and impact operating revenue</li> <li>In the event of shortage of common water, this may result in increased operating costs for alternative water procurement</li> </ul>	Moderate	High	High

Transition Risk	Category	Potential Impact on Tencent	Risk Level		
			2030	2040	2050
Enhanced regulatory requirements of energy efficiency standards	Policy & Legal	<ul style="list-style-type: none"> <li>Increased capital and operating costs for improving energy efficiency in compliance with regulatory requirements</li> </ul>	Low	Low	Low
Enhanced climate change regulations		<ul style="list-style-type: none"> <li>Increased operating costs associated with climate response measures, management and information disclosure enhancement due to climate-related policies</li> </ul>	Low	Moderate	Moderate
Implementation of carbon pricing schemes		<ul style="list-style-type: none"> <li>Increased capital and operating costs due to the potential purchase of carbon emission allowance and emission reduction activities</li> <li>Increased operating costs due to higher prices of carbon emission allowance or carbon credits</li> </ul>	High	High	High
Uncertainty around the procurement of renewable energy	Market	<ul style="list-style-type: none"> <li>Increased operating costs due to fluctuation of renewable energy supply market</li> <li>Increased operating costs due to the increase of green electricity price</li> </ul>	Low	Low	Low
Electricity price fluctuations		<ul style="list-style-type: none"> <li>Increased operating costs due to increased electricity prices resulting from power supply issues</li> </ul>	Low	Limited	Limited
Shifting market preferences in low-carbon products		<ul style="list-style-type: none"> <li>Potential loss of market share as customers shift to low carbon products and services to meet their own carbon reduction targets</li> </ul>	Low	Moderate	Moderate
Potential greenwashing risk	Reputation	<ul style="list-style-type: none"> <li>Inconsistency between climate response communication and standards/guidelines, leading to questions about exaggerated performance and greenwashing</li> </ul>	Low	Low	Low

Transition Opportunity	Category	Potential Impact on Tencent	Opportunity Level		
			2030	2040	2050
Onsite renewable energy generation	Energy	<ul style="list-style-type: none"> <li>Adoption of renewable energy facilities may reduce operating costs</li> </ul>	Low	Low	Moderate
Adoption of energy-efficiency measures		<ul style="list-style-type: none"> <li>Reduced operating costs due to application of energy efficiency measures to reduce energy consumption</li> </ul>	Low	Low	Low
Climate investment and financing in renewable energy and low carbon solutions	Market	<ul style="list-style-type: none"> <li>Increased revenue from the external sale of renewable energy generated</li> </ul>	Low	Low	Low
Opportunity to sell low-carbon products	Products and Services	<ul style="list-style-type: none"> <li>Increased market share by offering low carbon products aligned with customer preferences and carbon neutrality targets</li> <li>Increased revenue arising from providing solutions for a low carbon digitalisation shift in the economy</li> </ul>	Low	Moderate	High


<sup>1</sup> The identified climate-related risks and opportunities and associated risk level in this table are based on the results from the 2022 Tencent Climate Risk Assessment

## List of Tencent Cloud Security Compliance Certifications

### List of Tencent Cloud Security Compliance Certifications

Cybersecurity	Cybersecurity Multi-Level Protection Scheme (China)	Privacy Protection	ISO 27701:2019 Privacy Information Management Systems (International)
	Cloud Computing Service Security Assessment (Augmented) (China)		ISO 29151:2017 Code of Practice for Personally Identifiable Information Protection (International)
	Trusted Cloud Service Certification (China)		BS10012:2017 Personal Information Management Systems (International)
	ITTS Certification (China)		ISO 27018:2019 Code of Practice for Protecting Personal Data in the Cloud (International)
	CCRC Certification for Qualifications of Information Security Service Provider (China)		ISO 27799:2016 Information Security Management in Health (International)
	ITSEC Cloud Computing Security Certification (China)		Data Protection Trustmark (DPTM) Certification (Singapore)
	IT Product Information Security EAL4 Certification (Augmented) (China)	Business Continuity and Others	ISO 22301:2019 Business Continuity Management Systems (International)
	Special Certification for Cybersecurity Products (China)		ISO 9001:2015 Quality Management System (International)
	SOC 1, SOC 2 and SOC 3 Compliance Audits (International)		ISO 20000:2018 IT Service Management System (International)
	ISO 27001:2022 Information Security Management Systems (International)		ISO 14001:2015 Environmental Management Systems (International)
	ISO 27017:2015 Code of Practice for Information Security Controls for Cloud Services (International)		ISO 50001:2018 Energy Management Systems (International)
	CSA STAR Certification (Gold Medal) (International)		PCI DSS Certification (International)
	NIST CSF Certification (United States)	Financial Compliance	Outsourced Service Provider Audit Report (OSPAR) (Singapore)
	Multi-Tier Cloud Security (MTCS) Certification (Singapore)		SEC 17-a-4 (f) Compliance Audits (United States)
	Korea Information Security Management System (Republic of Korea)		Self-Assessment on IT Security Compliance of Financial Industry (HKMA/HKIA/SFC, Hong Kong, China)
	Cloud Computing Compliance Criteria Catalogue (Germany)		Self-Assessment on IT Security Compliance of Financial Industry (FISC, Japan)
	Trusted Information Security Assessment Exchange (TISAX) in the Automotive Industry (Germany)		IT Compliance Audit in Financial Industry (Malaysia)
			IT Compliance Audit in Financial Industry (Indonesia)
	IT Compliance Audit in Financial Industry (Philippines)		
	IT Compliance Audit in Financial Industry (Thailand)		

# Assurance Report



羅兵咸永道

**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 2023 ("the 2023 ESG report") (the "Selected ESG Information").

*Selected ESG Information*

The Selected ESG Information for the year ended 31 December 2023 is summarised below:

Environmental	Employment
<ul style="list-style-type: none"> <li>• Total energy consumption (MWh)</li> <li>• Total energy consumption per unit of revenue (MWh/RMB million)</li> <li>• Direct energy consumption (MWh)</li> <li>• Gasoline (L)</li> <li>• Diesel (L)</li> <li>• Natural gas (m³)</li> <li>• Indirect energy consumption (MWh)</li> <li>• Total electricity consumption (MWh)</li> <li>• Other indirect energy consumption (MWh)</li> <li>• Renewable energy purchased (MWh)</li> <li>• On-site renewable energy (MWh)</li> <li>• Percentage of renewable electricity (%)</li> <li>• Installed capacity of on-site renewable energy facility (MW)</li> <li>• Average PUE in data centre</li> <li>• Water withdrawal (tonnes)</li> <li>• Water withdrawal per unit of revenue (tonnes/RMB million)</li> <li>• Hazardous waste (tonnes)</li> <li>• Hazardous waste per unit of revenue (kg/RMB million)</li> <li>• Non-hazardous waste (tonnes)</li> <li>• Non-hazardous waste per unit of revenue (kg/RMB million)</li> <li>• Reusing amount of electronic equipment (tonnes)</li> <li>• Resource utilisation amount of electronic waste (tonnes)</li> </ul>	<ul style="list-style-type: none"> <li>• Total number of employees</li> <li>• Number of employees by employment type                             <ul style="list-style-type: none"> <li>- Permanent employees</li> <li>- Other categories</li> </ul> </li> <li>• Number of employees by age group                             <ul style="list-style-type: none"> <li>- Under 30</li> <li>- 30 to 50</li> <li>- Over 50</li> </ul> </li> <li>• Number of employees by gender                             <ul style="list-style-type: none"> <li>- Male</li> <li>- Female</li> </ul> </li> <li>• Number of employees by management level                             <ul style="list-style-type: none"> <li>- Management</li> <li>- Non-management</li> </ul> </li> <li>• Number of employees by geographic region                             <ul style="list-style-type: none"> <li>- The Mainland of China</li> <li>- Others</li> </ul> </li> <li>• Total turnover rate</li> <li>• Employee turnover rate by age group                             <ul style="list-style-type: none"> <li>- Under 30</li> <li>- 30 to 50</li> <li>- Over 50</li> </ul> </li> <li>• Employee turnover rate by gender                             <ul style="list-style-type: none"> <li>- Male</li> <li>- Female</li> </ul> </li> <li>• Employee turnover rate by geographic region                             <ul style="list-style-type: none"> <li>- The Mainland of China</li> <li>- Others</li> </ul> </li> </ul>

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<p><b>Sustainable Supply Chain</b></p> <ul style="list-style-type: none"> <li>• Number of suppliers by geographic region                             <ul style="list-style-type: none"> <li>- China</li> <li>- Other countries and regions</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Number of work-related fatalities</li> <li>• Work-related fatality rate (number of fatalities/millions of hours worked)</li> <li>• Number of work-related injuries</li> <li>• Work-related injury rate (number of injuries/millions of hours worked)</li> <li>• Working days lost due to work-related injuries</li> <li>• Percentage of employees who received training (by gender)                             <ul style="list-style-type: none"> <li>- Male</li> <li>- Female</li> </ul> </li> <li>• Percentage of employees who received training (by management level)                             <ul style="list-style-type: none"> <li>- Management</li> <li>- Non-management</li> </ul> </li> <li>• Average hours of training received by employees (by gender)                             <ul style="list-style-type: none"> <li>- Male</li> <li>- Female</li> </ul> </li> <li>• Average hours of training received by employees (by management level)                             <ul style="list-style-type: none"> <li>- Management</li> <li>- Non-management</li> </ul> </li> </ul>
<p><b>Digital Safety and Well-being</b></p> <ul style="list-style-type: none"> <li>• Number of consumer Internet customer service complaints received</li> <li>• Number of industrial Internet customer service complaints received</li> </ul>	
<p><b>Adhere to Practising Integrity</b></p> <ul style="list-style-type: none"> <li>• Number of results of corruption-related cases received</li> </ul>	
<p><b>Create the Social Value of Digital Technology</b></p> <ul style="list-style-type: none"> <li>• Cumulative expenditures of Sustainable Social Value and Common Prosperity Programme (RMB billion)</li> </ul>	

Our assurance was with respect to the year ended 31 December 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2023 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 section "About This Report" in the 2023 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.

2

# Assurance Report



羅兵咸永道

*Our Independence and Quality Management*

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 Management 1, which requires the firm to design, implement and operate a system of quality management including policies or 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;
- understood the process for collecting and reporting the Selected ESG Information. This included visiting the Company's corporate head office in Shenzhen, two office buildings and two data centres, 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 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 C2 to the Main Board Listing Rules by the Stock Exchange of Hong Kong Limited.



羅兵咸永道

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 December 31, 2023 is not prepared, in all material respects, in accordance with the Criteria.

*Restriction on Use*

Our report has been prepared solely for the board of directors of the Company and is not to be used for any other purpose. We do not assume responsibility towards or accept liability to any other parties for the content of this report.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 3 April, 2024



# Greenhouse Gas Verification Statement

Statement of Conformity CN24/00001656

**Greenhouse Gas Verification Statement**

The inventory of Greenhouse Gas emissions in  
1 Jan. 2023 to 31 Dec. 2023 of

**Tencent Holdings Limited**

Business address: Head office: Tencent Binhai Towers No. 33 Haitian 2<sup>nd</sup> Road, Nanshan District Shenzhen, Guangdong Province, China  
Organization boundary: Detail organization boundary information has been listed in Annex, for multi-site statement

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

**ISO 14064-1:2018**

Direct Emissions [Category 1]	275,373.45 tonnes of CO <sub>2</sub> e
Indirect Emissions from Imported Energy [Category 2]	2,561,328.25 tonnes of CO <sub>2</sub> e
Indirect Emissions from Transportation [Category 3]	177,010.56 tonnes of CO <sub>2</sub> e
Indirect Emissions from Products Used by An Organization [Category 4]	2,778,113.91 tonnes of CO <sub>2</sub> e
Indirect Emissions Associated with The Use of Products from The Organization [Category 5]	1,997.48 tonnes of CO <sub>2</sub> e
Indirect Emissions from Other Sources [Category 6]	[be determined as non-significant indirect emissions and not quantified]
<b>Total Emissions Quantified</b>	<b>5,793,823.65 tonnes of CO<sub>2</sub>e</b>

Authorized by  
David Xin  
Sr. Director - Business Assurance  
DATE: 23 Feb. 2024  
SGS-CSTC Standards Technical Services Co., Ltd.  
19F Century Yuan Mansion, No.73, Fucheng Road, Beijing, P.R. CHINA 100142  
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SGS

SGS has been contracted by Tencent Holdings Limited (hereinafter referred to as "CLIENT"), for the verification of direct and indirect Greenhouse Gas emissions in accordance with

**ISO 14064-3:2019**

as provided by Tencent Holdings Limited (hereinafter referred to as "RESPONSIBLE PARTY"), in the Greenhouse Gas (GHG) Assertion in the form of GHG Report covering GHG emissions of the period 1 Jan. 2023 to 31 Dec. 2023 (hereinafter referred to as "REPORT PERIOD").

**Roles and responsibilities**  
The management of the RESPONSIBLE PARTY is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information and the reported GHG emissions.  
It is SGS's responsibility to express an independent GHG verification opinion on the GHG statement as provided by the RESPONSIBLE PARTY for the REPORT PERIOD.

According to ISO 14064-3:2019, SGS has conducted a third-party verification of the provided GHG statement by RESPONSIBLE PARTY against the requirements of ISO 14064-1:2018 in the period 1-2 Feb. 2024, 21-23 Feb. 2024. The verification is based on the verification scope, objectives and criteria as agreed between the CLIENT and SGS on 1 Feb. 2024.

**Level of Assurance**  
The level of assurance agreed is that of Reasonable assurance.

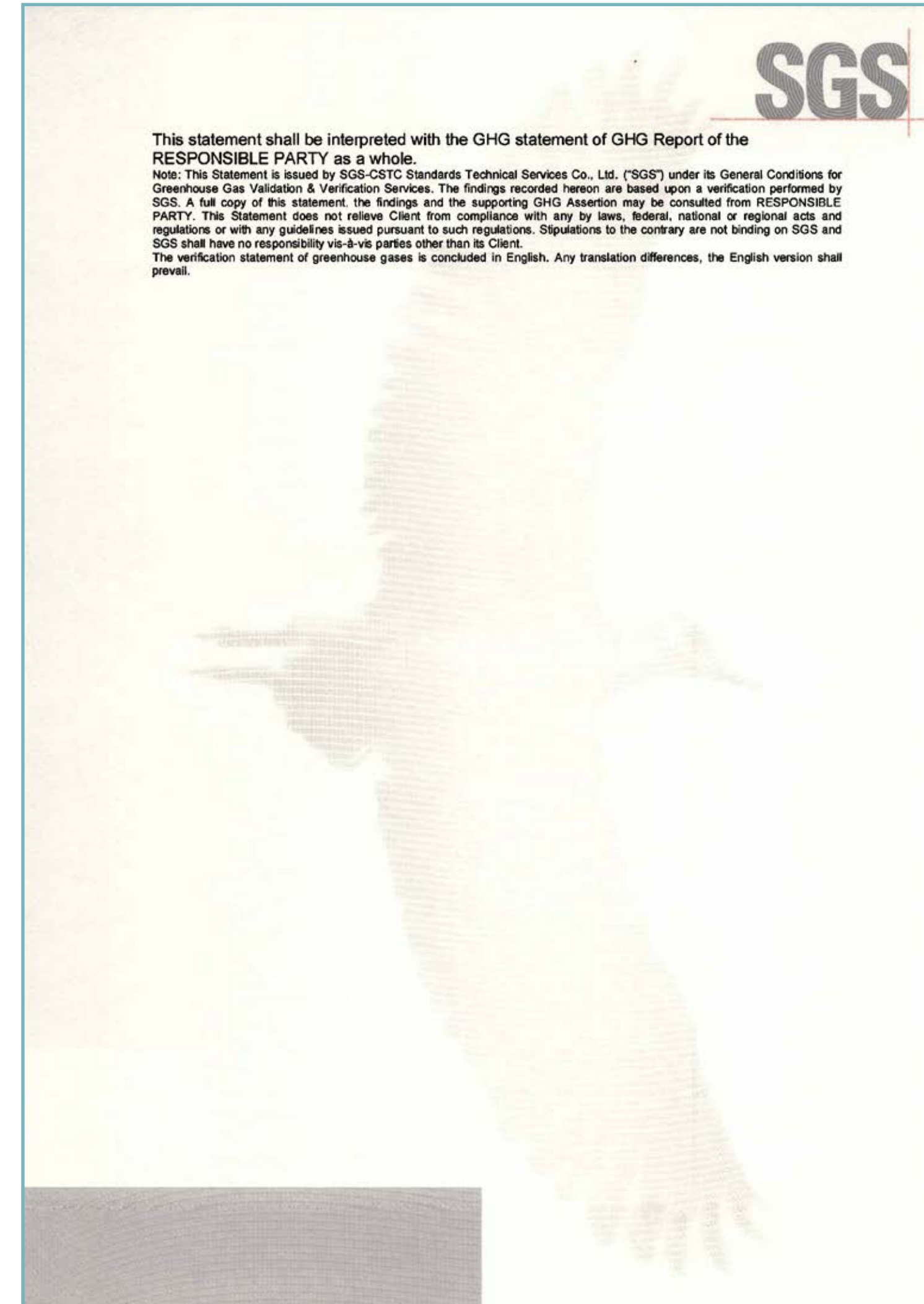
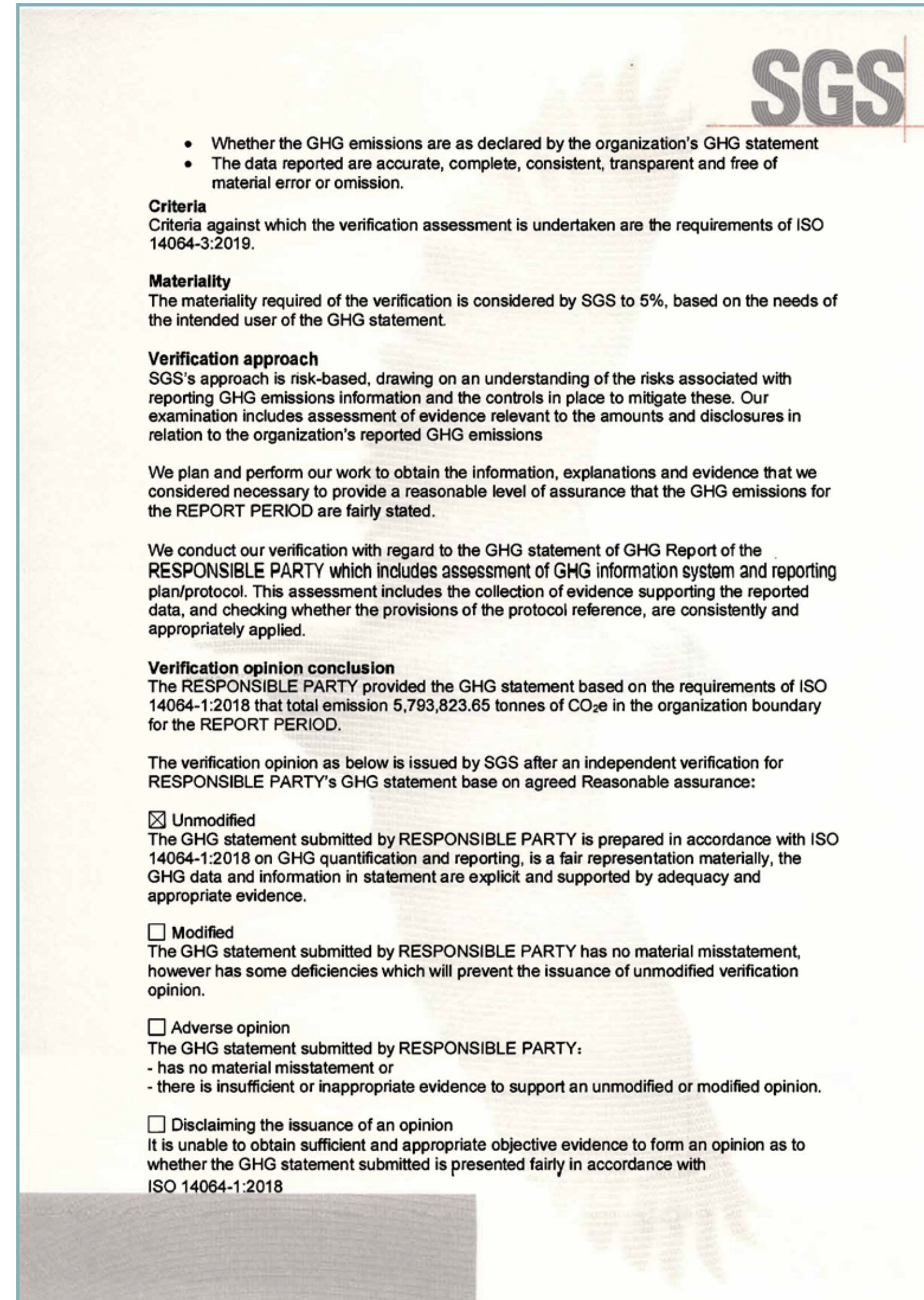
**Scope**  
The CLIENT has commissioned an independent verification by SGS in according to ISO 14064-3:2019 to assure the reported GHG emissions of RESPONSIBLE PARTY, in conformance with ISO 14064-1:2018 requirements within the scope of the verification as outlined below. The data and information supporting the GHG statement is historical in nature.

This engagement covers verification of emission from anthropogenic sources of greenhouse gases included within the organization's boundary:



- The organizational boundary is established following Operational control approach
- Location/boundary of the activities: detail boundary information has been listed in Annex
- Physical infrastructure, activities, technologies and processes: Communication and Social, Digital Content, Games, Online Advertising, FinTech, Cloud and Other Business Services.
- GHG sources, sinks and/or reservoirs included: GHG sources as presented in the GHG inventory and report of the RESPONSIBLE PARTY
- Types of GHGs included: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>
- GHG information for the following period was verified: 1 Jan. 2023 to 31 Dec. 2023
- GWP adopted: IPCC 6 Assessment Report.
- Intended user of the verification statement: Stakeholders information request

**Objective**  
The purposes of this verification exercise are, by review of objective evidence, to independently review:




## Greenhouse Gas Verification Statement



# Reporting Frameworks Index

Reporting Framework	ESG Reporting Guide	TCFD	SASB	GRI Standard	UNGC	SDGs
Overview				2-1		
Corporate Governance						
Board Independence and Diversity	Appendix C1 J. <sup>1</sup>					
Risk Management		Risk Management – (b)				
Commercial Value, Social Value, and Shareholder Value						
Board Statement	para.10; para.13			3-3		
ESG Governance						
ESG Strategy						
ESG Governance Structure	para.13	Governance – (b)		2-9; 2-13; 2-14		
Annual Review of ESG Working Group						
Integrate ESG Concepts into Corporate Culture	Appendix C1 A.1 <sup>2</sup>					
ESG Materiality Assessment	para.11; para.14			2-29; 3-1; 3-2; 3-3		
<b>Chapter 1 Environmental Protection</b>						
1.1 Our Approach	A1; A2; A3; A4			302-1; 306-3; 308-1; 308-2		
1.2 Environmental Governance and Risk Management	A3.1; A4; A4.1; para.13	Governance – (a) and (b); Risk Management – (a), (b) and (c)				
1.3 Climate Strategy and Action	A1; A1.1; A1.2; A1.5; A2.3; A2.4; A4; A4.1; para.14	Strategy – (a), (b) and (c); Risk Management – (a), (b) and (c)	TC-IM-130a.3	201-2	Principle 7, 8, 9	
1.4 Carbon Neutrality	A1; A1.1; A1.2; A1.5; A1.6; A2; A2.3; A3.1; A4.1		TC-IM-130a.3	302-1; 302-2; 302-3; 302-4; 302-5; 305-1; 305-2; 305-3; 305-4; 305-5		
1.5 Biodiversity and Nature Protection	A2.4; A3; A3.1			303-2; 304-2; 304-3; 304-4; 306-2		
1.6 Metrics and Targets	A1.5; A1.6; A2.3; A2.4	Metrics and Targets – (a), (b) and (c)		302-4; 303-2; 305-5; 306-1		
<b>Chapter 2 Care for Our People</b>						
2.1 Our Approach	B1; B2; B3; B4					
2.2 Talent Acquisition and Retention	B1; B4; B4.1		TC-IM-330a.2	401-1; 401-2; 401-3; 405-1; 407-1; 408-1; 409-1	Principle 1, 2, 3, 4, 5, 6	
2.3 Implement Diversity, Equity, and Inclusion	B1		TC-IM-330a.3	405-1; 406-1		
2.4 Support Career Development	B3			404-2		
2.5 Promote Health and Vitality	B2; B2.3			403-1; 403-3; 403-4; 403-5; 403-6; 403-7; 403-8; 403-10		

1. Refer to paragraph (b) under J. Diversity, Part 1 of Appendix C1, Main Board Listing Rules of The Stock Exchange of Hong Kong Limited  
 2. Refer to A.1 Corporate strategy, business model and culture, Part 2 of Appendix C1, Main Board Listing Rules of The Stock Exchange of Hong Kong Limited

Reporting Framework	ESG Reporting Guide	TCFD	SASB	GRI Standard	UNGC	SDGs
<b>Chapter 3 Protect Digital Rights</b>						
3.1 Protect User Data Privacy	B6; B6.5		TC-IM-220a.1	416-1; 416-2; 418-1; 424-1	Principle 1, 2	
3.2 Safeguard Cyber and Data Security	B6		TC-IM-220a.3; TC-IM-230a.1; TC-IM-230a.2	416-1; 418-1		
3.3 Protect Intellectual Property	B6; B6.3		TC-IM-520a.1	203-1; 203-2; 418-1		
3.4 Promote Responsible AI	B6		TC-IM-220a.1; TC-IM-230a.2	203-1; 203-2		
3.5 Digital Safety and Well-Being	B6; B6.2		TC-IM-220a.1; TC-IM-220a.5	416-1; 418-1		
<b>Chapter 4 Create Sustainable Social Value</b>						
4.1 Advance Technology Innovation	B8; B8.1; B8.2			203-1; 203-2; 413-1	Principle 10	
4.2 Create the Social Value of Digital Technology	B8; B8.1; B8.2			203-1; 203-2; 413-1		
4.3 Digital Inclusive Finance	B8; B8.1; B8.2			203-1; 203-2; 413-1		
4.4 Promote Barrier-Free Technology	B8; B8.1; B8.2			203-1; 203-2; 413-1		
4.5 Popularise Philanthropy	B8; B8.1; B8.2			203-1; 203-2; 413-1		
<b>Chapter 5 Business Ethics</b>						
5.1 Adhere to Practising Integrity	B7; B7.1; B7.2; B7.3			205-1; 205-2; 205-3	Principle 10	
5.2 Promote Fair Competition				206-1		
5.3 Anti-Money Laundering Risk Management	B7					
5.4 Sustainable Supply Chain	B5; B5.1; B5.2; B5.3; B5.4			308-1; 414-1		
<b>Appendix</b>						
About This Report	para.11; para.14; para.15			2-2; 2-3		
ESG Key Performance Tables	A1.1; A1.2; A1.3; A1.4; A2.1; A2.2; B1.1; B1.2; B2.1; B2.2; B3.1; B3.2	Metrics and Targets - (b)	TC-IM-130a.1; TC-IM-130a.2; TC-IM-330a.1; TC-IM-330a.3	302-1; 302-2; 302-3; 303-3; 303-5; 305-1; 305-2; 305-3; 305-4; 306-3; 401-1; 403-9		
Climate-Related Risks and Opportunities	A4; A4.1	Strategy - (a), (b) and (c)		201-2		
List of Tencent Cloud Security Compliance Certifications						
Assurance Report	para.9			2-5		
Greenhouse Gas Verification Statement	para.9					

"KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced", "KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons" and "KPI B6.4 Recall procedures", are not closely relevant to the Company's main businesses and are therefore classified as insignificant. Regarding "KPI B4.2 Description of steps taken to eliminate such practices when discovered", there were no instances of non-compliance during the reporting period.