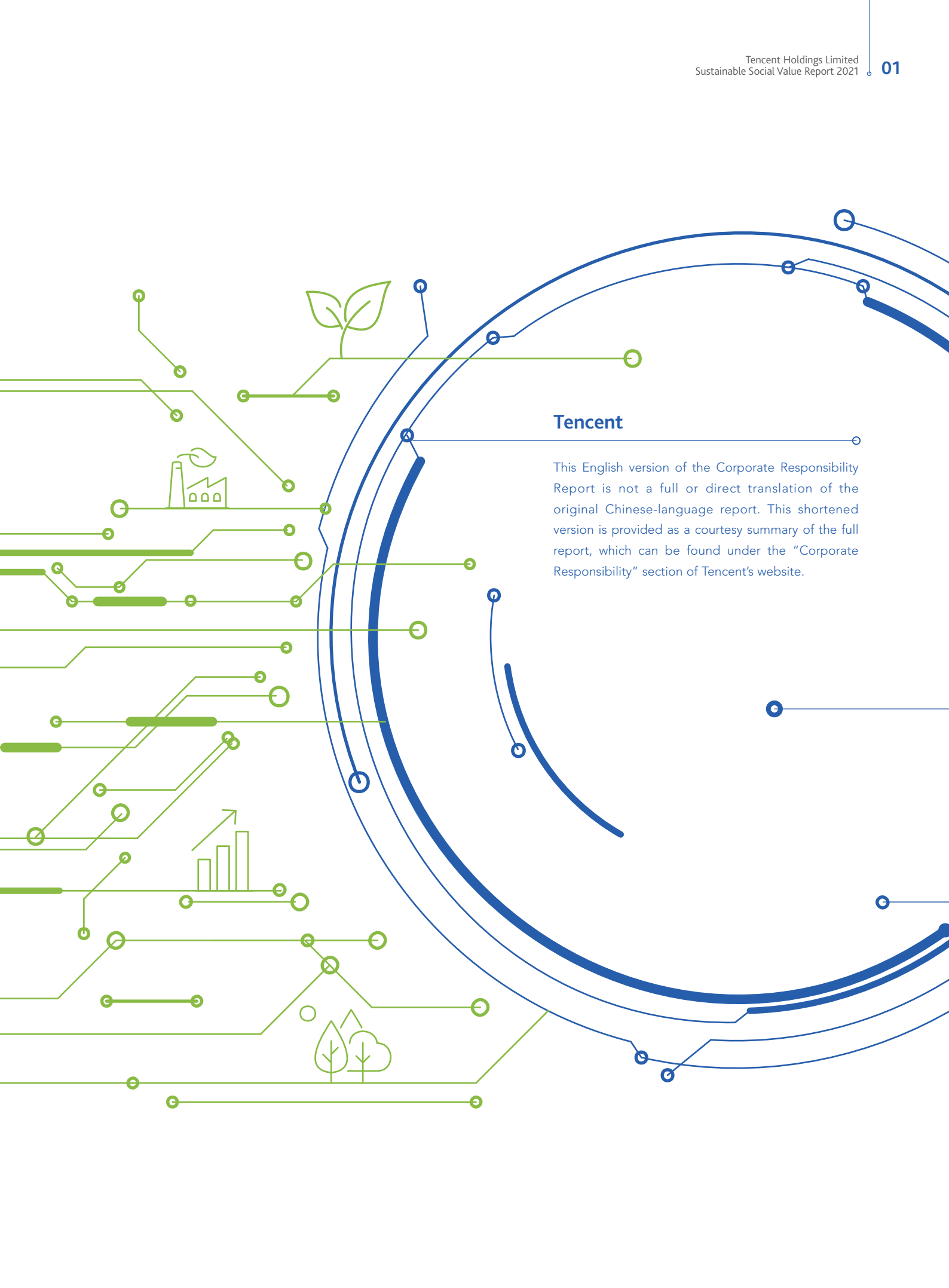




Co-Creation & Co-Benefits

Sustainable Social Value Report 2021

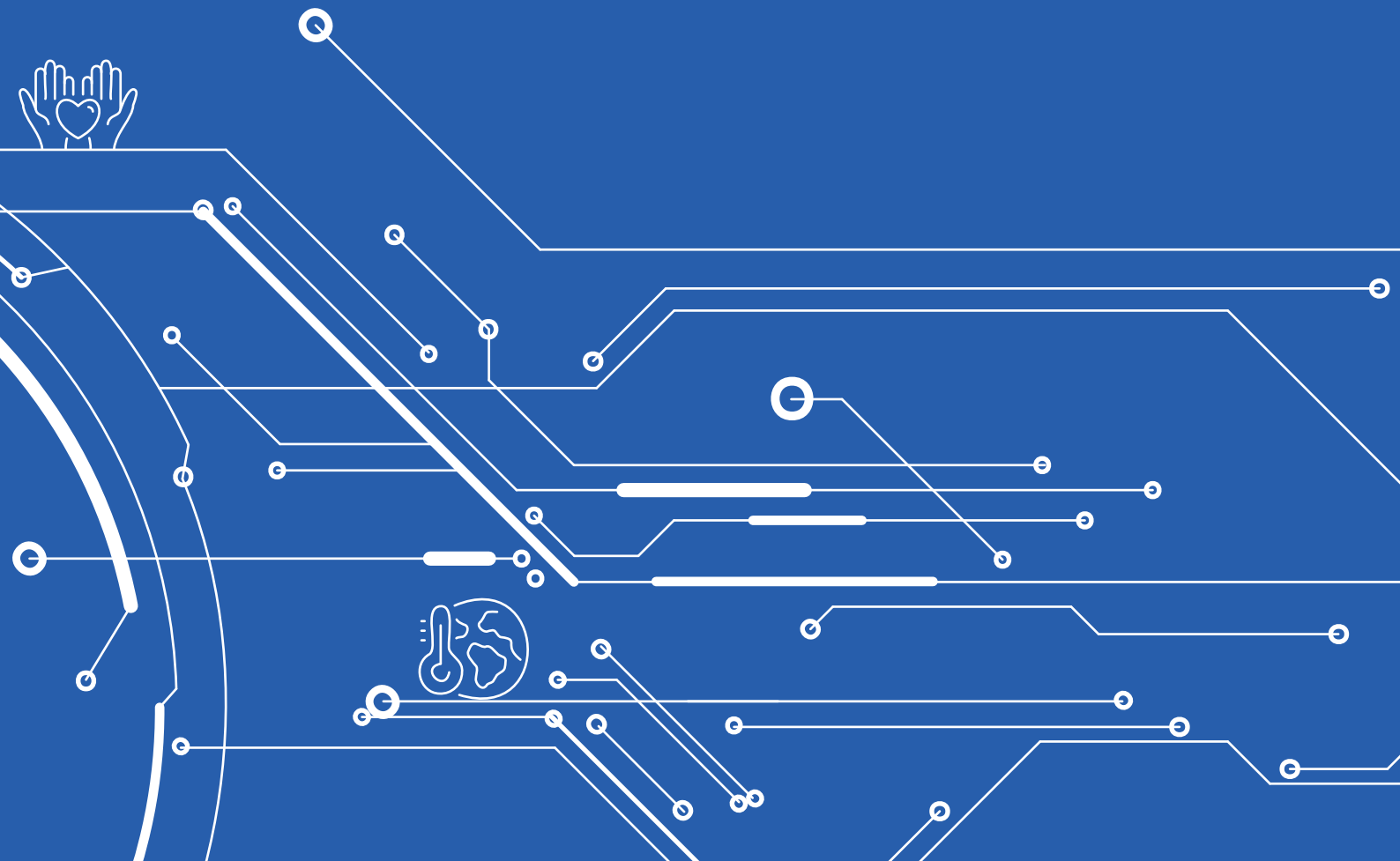
Tencent 腾讯



Tencent

This English version of the Corporate Responsibility Report is not a full or direct translation of the original Chinese-language report. This shortened version is provided as a courtesy summary of the full report, which can be found under the "Corporate Responsibility" section of Tencent's website.

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Doing Hard but Right Things by Co-Creation



As Tencent looks ahead, we see an opportunity to focus on high-quality growth. That is one that emphasizes value, technological innovation, and social responsibility, giving fuller meaning to our vision of “Tech for Good”. Only in this way can an enterprise continue to evolve over a longer time span while creating meaningful value for society.

Last April, as part of Tencent’s fourth strategic evolution, we placed “sustainable innovation for social value” at the core of our business. We established the Sustainable Social Value (SSV) organization to explore areas such as fundamental science; innovation in education; rural revitalization; carbon neutrality; supply of food, energy, and water; disaster relief; elderly assistance; digital culture; and digitalization to serve the public interest. We also launched a common prosperity initiative.

As I reflect on Tencent’s development in this regard, I find it useful to see it through the idea of “CBS”: Consumers, Business, and Society. Tencent’s initial rapid growth was due to QQ and, later, Weixin. As the technology evolved rapidly, more and more industries embraced digitization. In 2018, we proposed a strategic shift of nurturing the consumer internet while embracing the industrial internet to boost the real economy. The deeper we got into this concept, the more we learned about society, including the expectations of disadvantaged groups and their urgent need for digital technology. Therefore, we evolved our strategy again last year in recognition that our target customer has also evolved, from consumers (C), then to businesses (B), and now to broader society (S). Our ultimate goal is to create value for society.

This means that investing in sustainable social value is as important as investing in R&D. Despite the cost, it strengthens the foundation of our development. Like a century-old tree, the deeper the root (sustainable social value), the more luxuriant the leaves (consumer value and business value). With greater consumer value and business value, we in turn get more “sunlight” and “nutrients” that can be fed back to our social value at the root. The three values thus complement each other and grow together as a whole.

What is needed is an approach that integrates the three dimensions of CBS. The approach we have aligned on is co-creation.

First, within Tencent, we saw that the social value of co-creation could bring people together. Take last year’s disaster response in Henan Province as an example. Not only did we see SSV in action, but it also spurred active participation and co-creation among different product departments. One of the most impressive examples was the “Lifesaving Dossier” a co-creation between our Tencent Docs team and our users. This collaborative asset helped rescue workers connect with people in affected areas. This document had more than 2.5 million views in 24 hours and helped bring many people out of harm’s way. More than a dozen Tencent products were also involved in the relief efforts.

These internal co-creations were inspired by a common goal. They were open and non-profit, involving efficient collaboration across teams. These products were put into creative use cases based on their respective capabilities. And these co-creations were a natural integration of the three dimensions of CBS.



More importantly, we have learned that social issues cannot be solved singlehandedly by any one individual. Solutions are the results of co-creation, and social co-creation is the greatest productive force of social value.

This and other experiences have taught us much. Firstly, co-creation requires a consensus. In all social value-related fields, if we want to achieve social co-creation, we need to first reach consensus with all sides. At the beginning of this year, Tencent announced that it would achieve net-zero emissions by 2030. We also plan to promote carbon awareness throughout society and contribute to the low-carbon transition of industry. Co-creation not only requires the global consensus on climate change, but also buy-in from upstream and downstream supply chains, the general public, and various industries.

Secondly, co-creation must embrace sharing as a key principle. Tencent is committed to the idea of technology sharing and provides digital tools and capabilities for users, institutions, and other participants. When it comes to Weixin, mobile payments, and our industrial internet business, we never sought to confine users to our platforms. Instead, we adopted a distributed design to share all of our capabilities and let users develop in their own way. We strive to position ourselves as connectors, enablers, and service providers.

You can see this come to life in the job market. More than 30 million job seekers in the Weixin ecosystem, including recent graduates and other groups who need help finding jobs, can use the sharing power of these digital technologies to showcase their creativity and co-create the social value of stable employment.

Thirdly, only through co-creation can we achieve sustainability. We promote sustainable innovation for social value with the hope that our projects have sustainable creativity and growth. Co-creation allows for participation and active creation from all facets of society, such as job seekers and small business owners in the Weixin ecosystem. That's why it has been able to produce talent, mechanisms, and products. Thus, sustainability is an inherent characteristic of co-creation.

During this past year, we launched similar co-creation activities in other fields related to sustainable social value and achieved some initial success. But it didn't come easy. We learned that working on social issues requires patience. They are complex and often unfamiliar to us. We need to address them through trial and error, starting from pilot projects and then moving to wider model-based applications and continual improvement.

It takes patience, pragmatism, hard work, initiative, trial and error, and the courage to start anew. In the coming year, we should continue to run pilot projects one by one, stage by stage, and step by step, to effectively integrate the three dimensions of CBS.

This is the hard but right thing to do. We are determined to promote social co-creation and create sustainable social value. This is the expectation society has of us, and it is also how we will improve our standing in the world.

Ma Huateng (Pony Ma)
CEO Chairman of the Board and
CEO of Tencent

Building a Concentric Circle of Kindness Together

The new round of global technological and industrial revolution is placing the opportunity and mission of creating sustainable social value on the shoulders of digital technology enterprises. This is not only because of their unprecedented scale and speed in creating consumer value and business value but also because of their great potential to create social value while assisting the digital evolution of society.

As global digitization continues, digital products and services are gradually being applied throughout various fields. If we think of the stakeholders of a business -- such as consumers, partners, and society -- as components of a concentric circle, digital tech enterprises must not be content to be in the innermost circle as just providers of products and services. We should think from the perspective of the outermost circle, namely, broader society (especially marginalized groups).

This means that digital tech enterprises should minimize negative externalities and maximize positive externalities in service of the idea of "Tech for Good". Our technologies, products, and services should have both commercial value and social value. We should act and think on behalf of the common benefits of consumers, businesses, and society to build a concentric circle of kindness.

For example, among the more than 200 million senior citizens in China, nearly three-quarters do not know how to use a smartphone. Do we need to redefine and design products and services from their perspectives? Tencent's answer is an emphatic yes. That's why we're promoting more and more age-friendly applications. We want to create the possibility of bridging the digital divide for the elderly on the margins of digital society.

In another example, last year, Tencent improved the teenage mode in Weixin and other products and upgraded the anti-addiction system for minors. The result is that in the fourth quarter of 2021, the duration of gaming time by minors in Tencent's games in China fell to 0.9% while total gaming time was down 88% from a year earlier. We also continued to explore the social value of digital content and how to use digital content, products, and services to boost cultural tourism in rural areas, spread traditional culture, and educate the public on environmental protection.

Consumers, businesses, and society are interconnected across values, technology, and products and services. This is why we have built SSV into our organizational structure. Tencent's promotion of sustainable innovation for social value isn't just about a new department or slogan. It is an upgrade of our core strategy. What we used to talk about as the public interest and social responsibility will be integrated into our pursuit of sustainable social value. Social value is an integral part of our businesses. Like the water and nutrients in the soil, it nourishes the growth and renewal of every branch and leaf of the company. That's why this year we rebranded our social responsibility report to a sustainable social value report.

In addition to fighting the pandemic and flood relief, Tencent's people have shown extraordinary empathy and creativity at every moment of social need. We thus firmly believe that, as a digital technology enterprise, Tencent will not stop at achieving long-lasting business success. Our aim is to inspire the goodwill of consumers, businesses, and society to build that concentric circle of kindness and create a healthier and more sustainable future for everyone. In this sense, "Tech for Good" is not only our mission and vision but also our source of strength.

Martin Lau
President of Tencent

Our Sustainable Innovation for Social Value Strategy

Development Process

2021 is Tencent's 23rd year of existence. Thanks to social development and the opportunities of our time, Tencent has grown into an internet technology enterprise serving more than one billion users.

During its development, Tencent has constantly thought about how to use its technology and digital capabilities to fulfill our social responsibilities, support social development, create social value, and give back to society.



In the words of Ma Huateng (Pony Ma), Co-Founder, Chairman of the Board, and CEO of Tencent, "The more an enterprise grows, the more it needs to lay a deeper and more stable foundation for creating social value".

2002

Tencent, a start-up of just over 100 people, donates a dozen computers to a primary school in a mountainous area in Qingyuan, Guangdong Province, marking the start of Tencent's charitable donations.

2007

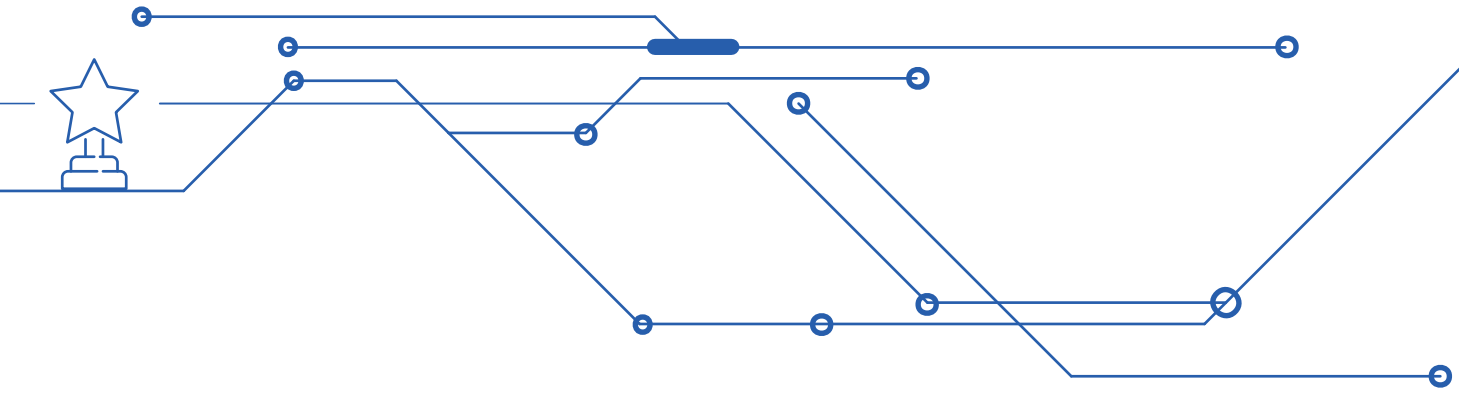
The Tencent Charitable Foundation is registered and established, becoming the first private foundation registered by a Chinese internet company with the Ministry of Civil Affairs.

2010

Tencent sets up its Social Responsibility Division responsible for formulating and implementing corporate social responsibility (CSR) strategies at the group level. Within business groups, Tencent appoints social responsibility liaison officers and special teams responsible for taking on business-related social responsibility efforts.

Since 2015

Tencent Charity platform sponsors the annual 99 Giving Day event each year, China's largest non-governmental charity event, to raise money for tens of thousands of projects.



Tencent launches the “930 Revolution” and proposes the strategy of “nurturing the consumer internet and embracing the industrial internet”. A more open-minded Tencent helps promote industrial upgrades and ecosystem prosperity, creating more pluralistic and multi-scenario high-quality services for users.

Tencent announces the concept of “sustainable innovation for social value”. Tencent invests RMB50 billion to explore areas including fundamental science, innovation in education, rural revitalization, carbon neutrality, food, energy, and water security, public emergency response, age-friendly technology, and digitalization to serve the public interest, with Sustainable Social Value (SSV) organization as the key facilitator.

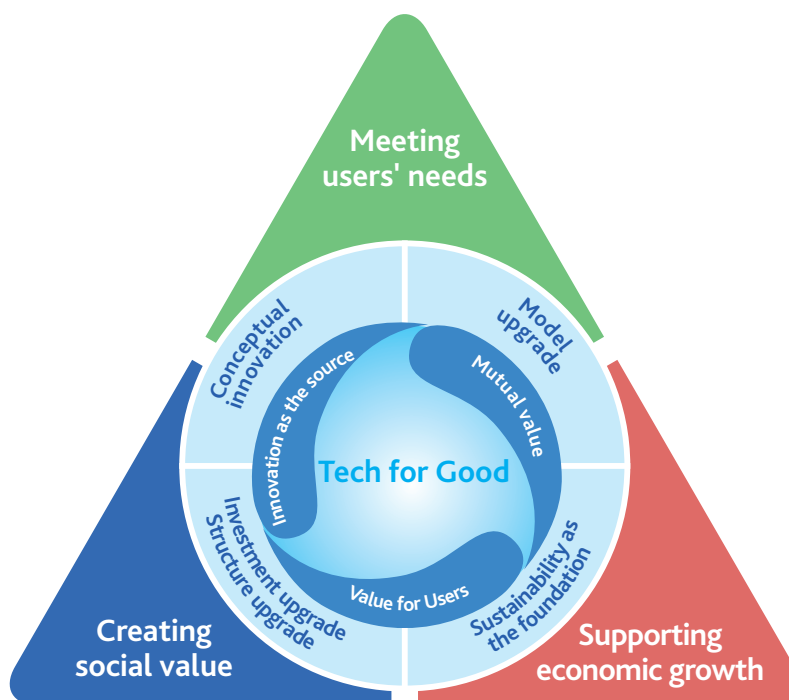
2018**November 11, 2019****April 2021****August 2021**

On the 21st anniversary of Tencent, Chairman of the Board, Ma Huateng (Pony Ma), President Lau Chi Ping (Martin Lau), and all members of Tencent’s executive suite officially declare Tencent’s new mission and vision as “Value for Users, Tech for Good”.

Tencent announces the Common Prosperity Plan, investing another RMB50 billion in areas such as rural revitalization, helping low-income groups, providing basic health services, and educational parity.

Strategic Model

Based on the United Nations' Sustainable Development Goals (SDGs), Tencent's sustainable social value strategy became the foundation of the company's development, guiding all core businesses and the "Tech for Good" mission. As Tencent continues to grow in this direction, its understanding of C (consumer), B (business), and S (society) continues to deepen.

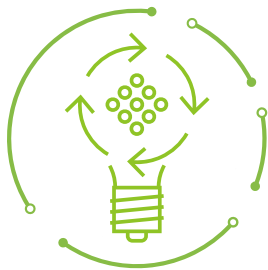


“All efforts are aimed at rooting sustainable innovation for social value in the soil of society. Tencent will continue to respond to the needs of society and our time, and we will thrive together”.

- Ma Huateng (Pony Ma), Co-Founder, Chairman of the Board, and CEO of Tencent

Organizational Structure

To provide a solid support for this strategic evolution, Tencent has established the Sustainable Social Value (SSV) organization. The SSV team will explore the realization of high-quality and sustainable social value responses to major social issues.



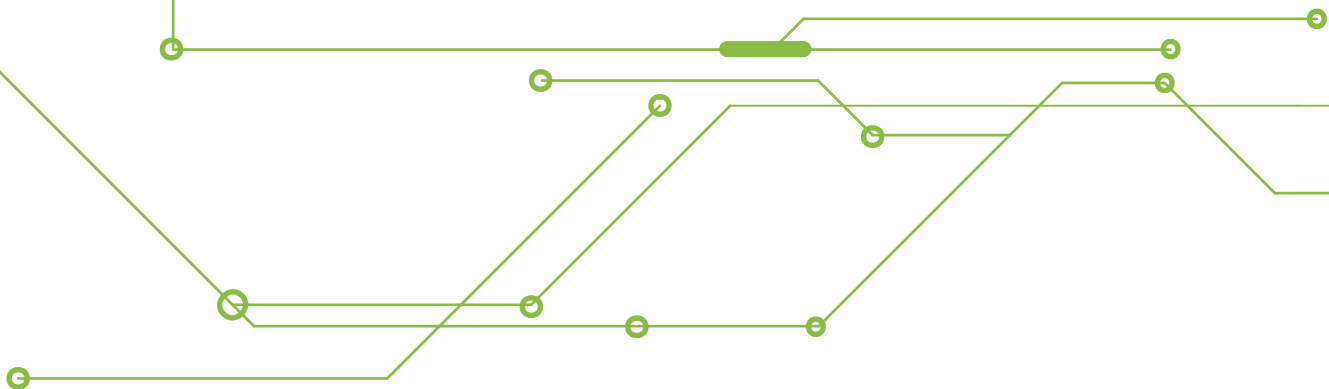
"Tech for Good" Lab

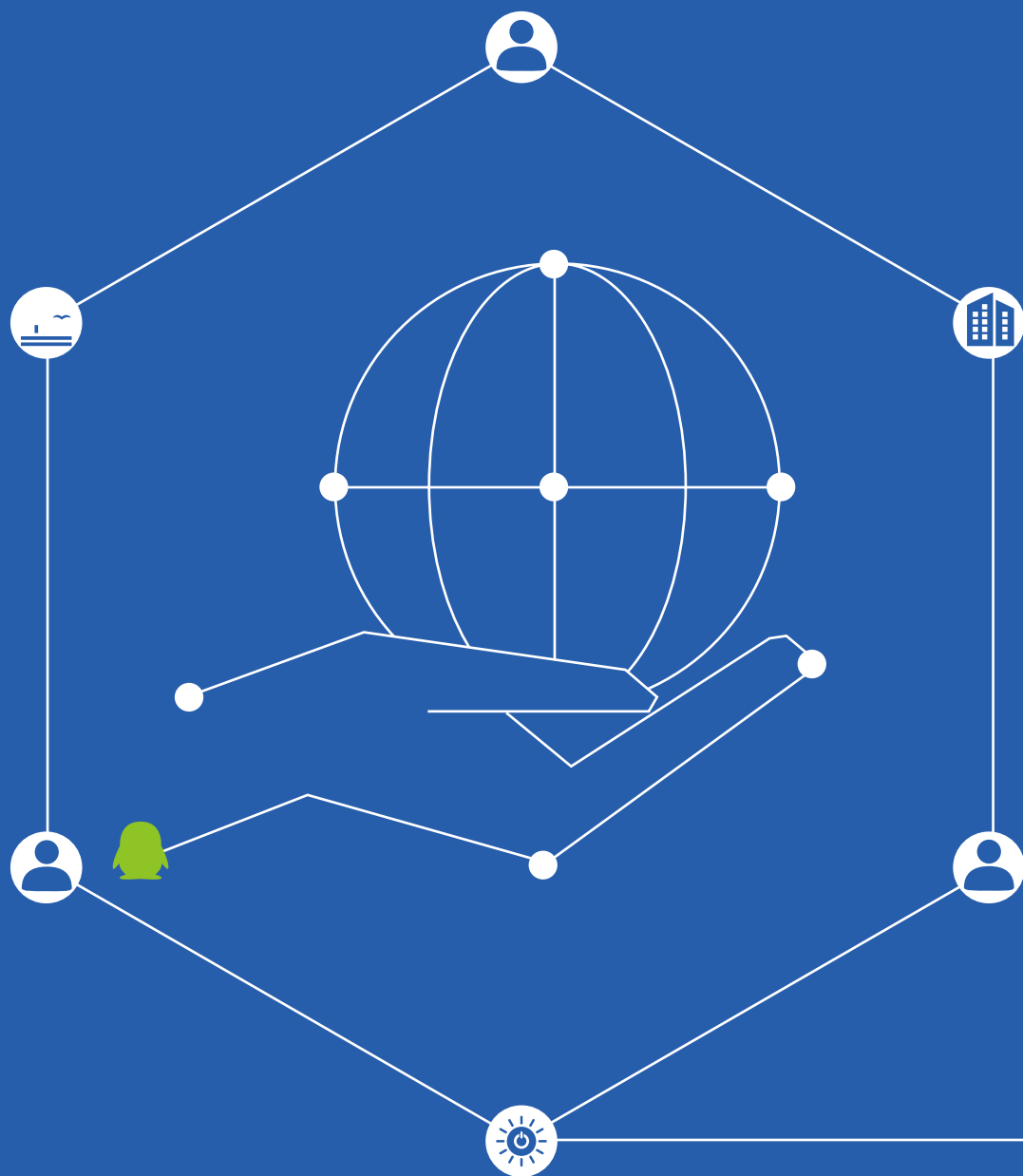
Tencent has established the "Tech for Good" Lab to explore areas including basic science, innovation in education, rural revitalization, carbon neutrality, access to food, energy, and water, public emergency response, age-friendly technology, digital culture, and digital ecology. Tencent intends to explore solutions to social needs in these areas through innovation across products, models, and technologies.



"Tencent Charity Platform"

The Tencent Charity Platform is responsible for the architecture, product design, development, operation, and services that connect internal users, external users, and charitable organizations. It is also responsible for the daily operation and management of the Tencent Foundation and promotes synergy and coordination between the Foundation and internal and external partners.





1

Serving Users by Building Universal Connections

"Connections" are the core capability of Tencent as an internet platform business. In society, every individual deserves to be seen, and every individual has value.

Connections make life more convenient and accelerate the arrival of the "digitized life". By following the concept of "Value for Users", Tencent creates innovative products and services to improve everyone's quality of life. Weixin and QQ continue to eliminate the barriers of time and space to close the emotional distance between people. And people's lifestyles are seeing rapid benefits due to Weixin Pay, Weixin Search, and other services.

Today, Tencent is not only a company but also an enabler of connections serving users and society at large. We connect the lives and work, ideals and futures of hundreds of millions of people. We also connect our own actions with those of various industries in the creation of social value. The power of connections allows for the co-creation of even greater social value.

1.1 Connecting People, Content, and Services

1.1.1 Building a Social Networking Ecosystem

Redefining Social Networking

2021 is the 10th anniversary of Weixin. Tencent Senior Executive Vice President and Weixin Business Group President Zhang Xiaolong used the word "connection" to describe the underlying design concept of Weixin. He said, "Many other social products also make connections, but they draw the line at people. Weixin has a larger vision for connection. We have developed public accounts and Mini Programs as ways to connect people to content as well as services. Weixin Pay can be seen as a way of connecting to money. Weixin video accounts also aim for connection". To build on this idea of "connections", Weixin developed diverse socializing functions and created diverse forms of interaction between people, content, and services to build a new social ecology.

Building a Vibrant Social Platform

As Tencent's first product, QQ is committed to facilitating social networking and has witnessed decades of development of Tencent's consumer internet business. Since 1999, QQ has been devoted to enabling users to show off their personalities, interact with others, and express their emotions.



1.1.2 Impact on Lifestyle

In evolving from a communication tool to an indispensable part of people's digital life, Weixin has built an ecosystem consisting of four elements: communication and socializing, digital content, fintech services, and tools. Weixin has become an important platform in work and personal life, serving ever more people and addressing a wider range of daily scenarios.

Facilitating an Open Payment Ecosystem

Every month, some 23,000 service providers assist millions of merchants with payments, and more than 1,800 banks and payment institutions are jointly promoting the development of mobile payments. Weixin Pay and UnionPay are interconnected to make payment services more open and convenient.



Our goal is to make Weixin Pay a natural and seamless part of users' lives.

1.1.3 Creating a World of Equality

In 2021, more than 25 million airline passengers used Weixin to check in online and use electronic boarding passes, thus offering more convenience while reducing waste. If each paper boarding pass measures 0.1 mm thick, these saved boarding passes stacked together would reach 2,500 meters high.

With the ultimate goal of creating a more equal and inclusive online environment, internet-based products are facilitating progress in information accessibility. Tencent addresses the needs of disabled groups and continues to promote information accessibility by improving their online experience. Tencent helps visually impaired users as well as the elderly and children better use the internet, thus creating a more equal online environment through technologies for information accessibility.

Removing barriers to accessing information for visually impaired people has also been an important focus. Tencent's QQ messaging service and online destination has been serving the needs of these users since 2009 and has been promoting accessibility since the PC era. So far, QQ has included more than 3,000 accessibility features, such as facial expression recognition, optical character recognition (OCR) for image-to-text conversion, and real-time voice description of images. This has helped remove communication barriers for visually impaired people and helped them integrate into society.

1.2 Connecting Services and Building Community-Based Ecosystems Together

Building Smart Cities and Communities

With advances in technologies such as the Internet of Things, cloud computing, and artificial intelligence, urban ecosystems are moving towards making "smart cities" a reality. Within this, the idea of "smart communities", is also gaining importance. Tencent is actively involved in the process of building smart cities and smart communities.

Construction of Smart Cities

Based on cloud security and other core technologies, Tencent is developing a city management platform that boasts several functional modules, including, gap analysis, AI analysis, index management, task management, and a reporting center.

Construction of Smart Communities

Tencent actively participates in building smart communities with the aim of using our strengths in technology and resources to improve community life. Tencent Cloud's Future Community solution adheres to the principles of flexible services and implicit governance to create a sustainable community governance model for the future. For example, Tencent Cloud has developed a community governance Mini Program that integrates community discussion, visitor management, vehicle management, and other capabilities so that all members of a community can truly participate to improve the efficiency of community governance. Tencent Cloud's Future Community solution also includes a community service platform that makes it easier for residents to access a range of services from public services to elderly care.

1.3 Enriching Lives Through Content and by Connecting Information

1.3.1 "Sowing" Good Content and "Growing" Virtues

Tencent has always focused on bringing the power of technology and its platforms to help create high-quality content.

Making the Voice of Charity Louder

Tencent supports charitable activities. Tencent Video, Tencent News, Tencent QQ, and Tencent Docs all play an active role in bringing people together to support charity in their own unique ways.

Bringing People Together for Charitable Activities

Tencent Video launched an innovative charitable event called "Do Good Deeds Together and Donate Your Points to Help the Elderly and the Young", with more than 340,000 participants.

Tencent News, in partnership with several NGOs, launched a charity campaign to fight trafficking in children called "We are Home ", which received 130 million views on Weibo.

For National Science Popularization Day, Fire Prevention Day, and Traffic Safety Day, Tencent Docs partnered with the Ministry of Emergency Management and others on a public awareness event called "You Too Can Save People ", providing practical suggestions for emergency preparedness and avoiding life-threatening situations.

1.3.2 Supporting Healthy Content

Tencent works hard to create a healthy online environment, protect the mental health of children and teenagers, and enable the elderly to enjoy the benefits of the internet. Tencent is committed to the healthy development of children and teenagers and has rolled out robust parental controls in several products. Moreover, as society ages more rapidly, the elderly face many difficulties in using the internet. They may struggle to understand certain functions and their challenges may be ignored. Tencent Video, QQ, and Tencent Hotspot have taken practical actions, including specific features and tailored content, to help the elderly and raise awareness of these issues throughout society.

1.4 Connecting Jobs to Build a New Professional Model

1.4.1 Enabling the Creation of New Kinds of Jobs

In 2021, the total number of daily active users of Weixin Mini Programs exceeded **450** million. The frequency of daily use increased by **32%** compared with 2020. The number of active Mini Programs increased by **41%** while the number of Mini Program developers hit **3** million. Mini Programs helped developers earn a steady income.

1.4.2 Reaching Diverse Groups of People

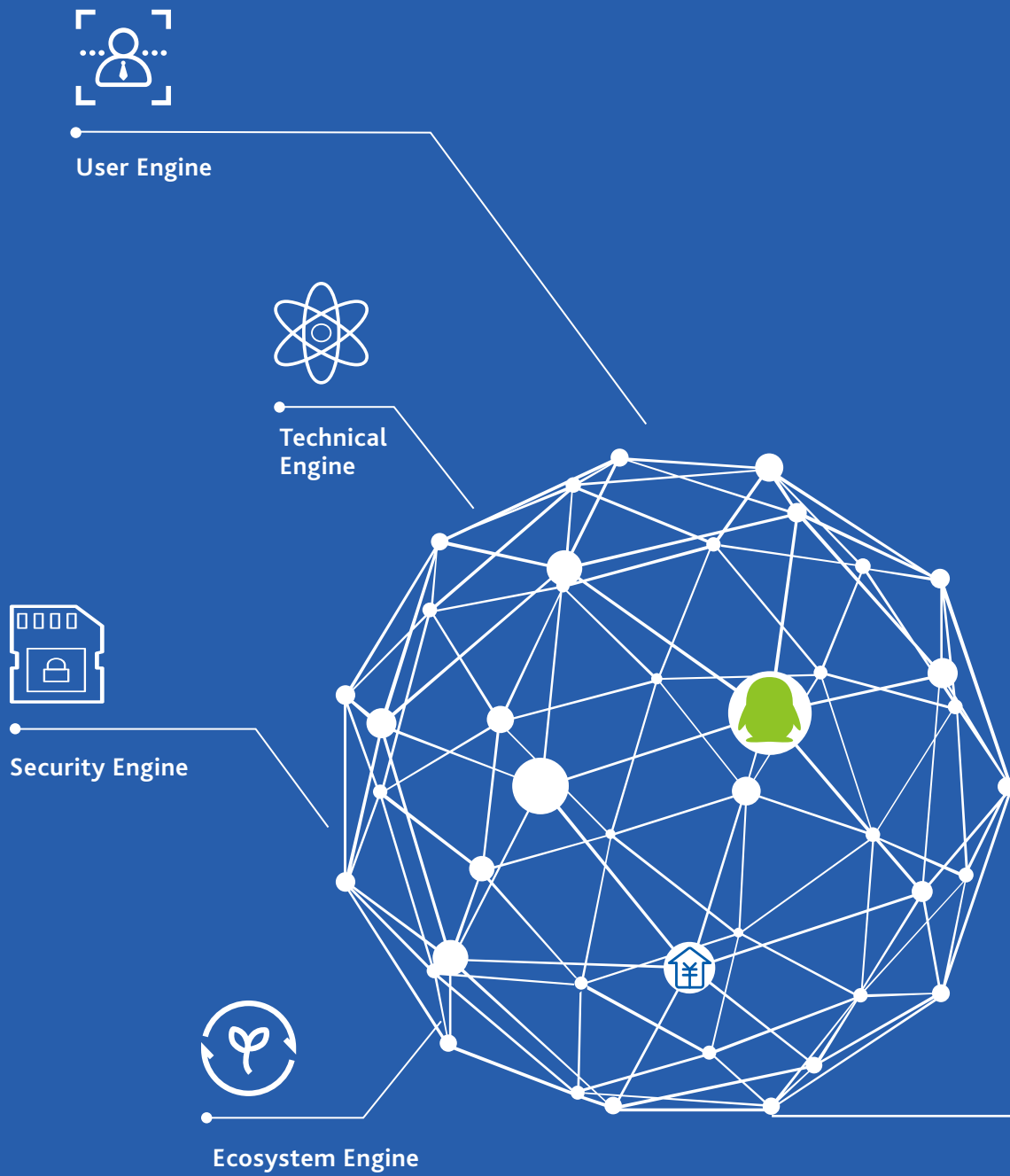
The growth and improvement of digital ecosystems contribute to job growth and stable employment. By integrating digital technologies such as online payments, Mini Programs, smart retail tools, and logistics with the real economy, Tencent has helped open up new job opportunities for diverse groups, from disabled people to home-makers to veterans, and more.

Example

How Weixin Pay Helps Small and Medium-Sized Businesses

In 2021, Tencent launched the National Small Shop Prosperity Plan 2.0 and announced more than RMB10 billion worth of additional investments and resources provided in the next three years.





2

Using Digitalization to Boost the Economy

The Tencent Industrial Internet, in cooperation with more than 9,000 partners across more than 30 industries, has accelerated the development of those industries through the creation of more than 400 industry solutions. This underscores how Tencent is boosting the real economy and serves as a record of Tencent's efforts to build four engines focused on users, technology, cybersecurity, and the ecosystem.

In building the user engine, we have introduced user understanding into the whole industrial process to facilitate people-oriented service and activate growth. For example, we helped Linglong Tire build a smart marketing cloud platform to connect 300 dealers and 15,000 franchised stores via the enterprise version of Weixin/WeChat and Mini Programs, among other means. Through the platform, Linglong can better understand customer behavior and accurately meet demand while optimizing scheduling plans based on inventory and sales data from channels and stores, thus enhancing business effectiveness.

In building our security engine, we have taken cloud-native and zero-trust as the core principles shaping the foundation of the industrial internet era. Over the past 20 years, Tencent Security has protected countless social, content, and other businesses. Tencent's network-security patent applications number more than 3,900, including more than 1,500 in cloud security, ranking first in the industry.

In building our ecosystem engine, we continue to pursue the open strategy of the industrial internet. Regarding the product ecosystem, we have built a product library, introduced nearly 500 high-quality apps, and continued to incubate 200 high-quality apps. Regarding the ecosystem of service, we share delivery services of our own products with our partners and provide relevant training and certification. We share knowledge, experience, and technical capabilities with our partners through the Tencent Start Innovation Ecosystem Platform. We have launched six accelerators in the fields of AI, Software as a Service, blockchain, cloud, virtual reality, and carbon neutrality to promote cooperation and encourage growth.

2.1 Technology Innovation: Activating Digital Dynamics



2.1.1 Fortifying the Foundation of R&D

A solid foundation is essential for technological innovation. Tencent is not only committed to improving its own fundamental R&D and innovation capabilities but also focuses on cultivating expert technical talent as a means of driving industrial transformation and progress. With regard to R&D capabilities, Tencent has taken the lead in building a laboratory matrix to conduct in-depth technical research in multiple fields. With regard to talent cultivation, Tencent has strengthened cooperation between industry, academia, and research institutes to cultivate talent and research in pursuit of innovative solutions.

Enhancing R&D Capabilities

Tencent has developed a mature R&D system, with two lab matrices focused on AI and cutting-edge technologies. The AI lab matrix consists of the Tencent AI Lab, Tencent VisionSeed, and Weixin AI and is focused on tapping the potential of AI and enhancing its capabilities. The lab matrix based on cutting-edge technologies includes our Tencent Robotics X lab, the Quantum Lab, the Tencent Cloud Internet of Things, and the Tencent Multimedia Lab. With these labs as the foundation, Tencent translates its R&D into technologies and products to improve customers' experience and quality of life.

Innovation is the primary driving force for development. Tencent engages in both fundamental scientific research and cutting-edge innovation and promotes open-source collaboration and an open-source ecosystem. In 2021, Tencent's R&D investment reached 51.88 billion yuan, double that of 2018. Meanwhile, the number of R&D personnel grew 41% year-on-year, and more than 6,000 new R&D projects were launched, representing a growth of 51% from 2020. Over the past three years, Tencent's cumulative R&D investment has exceeded 120 billion yuan, with an average annual growth rate of more than 30%, delivering value to industries through technological innovation.

Nurturing Research Talent

Scientific and technological innovation and development cannot be achieved without people. Tencent actively promotes cooperation between industry, universities, and research institutes to provide platforms and opportunities for cutting-edge research and training, identify promising R&D talent and network specialists, and bring together the perspectives of multiple parties to drive progress.

2.1.2 Driving Open-Source Collaboration

Tencent's open-source endeavors are focused on three areas: collaborating on internal and external open-source projects, building a more open community, and supporting more developers and enterprises in open-source innovation.

Open-Source Collaboration Projects

Open-source projects. Tencent is one of the only two Chinese companies in GitHub's Top 10 Global Contributors to Open Source, with over 140 open-source projects gaining the attention and stars from over 400,000 developers.

By the end of 2021, more than **80%** of the code in Tencent's products is open source for three consecutive years, with over **72,000** new internal open-source code libraries, an increase of **26%** compared to 2020. More than **20,000** Tencent developers contributed to internal open-source projects.

Open-Source Community Governance

Open-source community engagement. Tencent has continuously contributed to more than 30 mainstream open-source communities and has been deeply engaged in over a dozen international open-source foundations, including the Linux Foundation and the Apache Foundation, as well as being one of the earliest initiators of the OpenAtom Open Source Foundation.

Co-building an Open-Source Ecosystem

Global collaboration and sharing experiences

Tencent actively collaborates with advanced open-source foundations around the world to share learnings and experiences in cutting-edge areas of the industry. Tencent Cloud has donated two core technologies -- TencentOS tiny, an IoT operating system, and TKEStack, an enterprise-class container orchestration engine -- to the OpenAtom Open Source Foundation, and will donate a third cloud-native operating system project. In addition, Tencent has also donated Angel, a full-stack machine learning platform, Apache Inlong, messaging middleware for 10 trillion-level data streams, TARS, a high-performance microservice governance framework, and SuperEdge, a cloud-native edge container open-source project, to top international foundations for incubation and graduation.

2.2 Cutting-edge Industries: Promoting Cloud Services



2.2.1 Cloud System

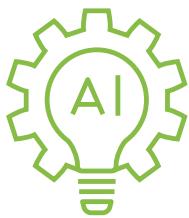
In the digital transformation of industries, cloud computing technology keeps evolving and maturing, and is being applied at a rapidly growing scale. By providing technology products and services such as cloud computing for enterprises, organizations, and individuals, Tencent Cloud builds a sustainable cloud ecosystem to facilitate digital upgrading in various industries. Based on more than 20 years of technical development, Tencent's cloud infrastructure now covers 27 regions across five continents with 70 available zones under operation.

Tencent actively develops and uses cloud-based operating systems to empower enterprise users. In 2021, Tencent proposed a distributed cloud strategy and released the Orca Cloud Native OS. This system is capable of managing 100 million CPU cores, satisfying the diverse needs of various industries for cloud computing in the process of digital transformation.

2.2.2 Internet of Things (IoT)

Tencent is committed to R&D and innovation in IoT. We are constantly trying multi-domain applications and multi-path development to help industry partners build new application scenarios, promote efficient connections between the physical and digital worlds, and create new value.

Based on its accumulated experience in the field of interactive intelligence technology, Tencent Cloud Xiaowei Digital Humans (TCXDH), Tencent's virtual assistant, provides optimal solutions for enterprises and IoT scenarios to reduce costs and increase efficiency. In the financial sector, TCXDH has aided Ping An Puhui, a unit of Ping An Insurance Group, in implementing the industry's first financial AI digital employee. This tool has served 5 million users through intelligent interaction, reduced audit costs by 60%, and ensured 7/24 online service for two years. In the cultural tourism sector, TCXDH provides AI guide services such as personalized recommendations for tour routes and explanations of cultural relics in scenic sites including the Forbidden City and the Longmen Grottoes. This includes a variety of services. In the education sector, TCXDH acts as a teaching assistant to help guide self-learning and interact with students in a vivid and friendly way.



2.2.3 Artificial Intelligence

"AI in all", Tencent's concept of AI construction, means to bring into play the value of AI technology and integrate AI technology across various fields for application.

In 2021, Tencent brought the power of AI to help explore the heavens. Tencent's YouTu Lab and the National Astronomical Observatories launched the "Star Exploration Plan", combining YouTu's AI technology with China's FAST radio telescope to accelerate the pace of exploring the wonders of the universe. The AI can quickly screen tens of millions of images captured by FAST in lieu of manual processes, shortening the workload from a year to just three days, thus dramatically improving the efficiency of scientific research.

Tencent's AI efforts have also made progress in the visual arts, such as film restoration. The Tencent YouTu Lab has developed Generative Adversarial Network (GAN) and 3D technologies to help with removing scratches and noise in classic movies and TV shows and can also improve image quality to 4K quality. Tencent YouTu's AI technologies have been widely used in gaming and film production and will cover more scenarios in the future.

2.3 Leading Digitalization for Smart Industry

The landscape is shifting from talking about the internet to talking about intelligence. Smart industries have tremendous prospects for growth and development. Through dedication to digital-driven innovation and development, Tencent continues to make breakthroughs in smart tools for fields including healthcare, education, cultural tourism, transport, retail, energy, and finance, injecting new momentum into the ecosystem of smart technologies.

2.3.1 Smart Industry Tools

Tencent actively invests in the R&D of smart industry tools, continuously develops new industry tools and functions, stimulates industry activity through the application of fundamental tools, and explores deep industrial value with industry partners. Tencent's three key products, namely WeCom, Tencent Docs, and Tencent Meeting, are typical examples.

With online communication and virtual offices now commonplace, enterprises are increasingly demanding new application scenarios from Software as a Service (SaaS) products. Responding to these needs, Tencent has integrated internal and external tool resources and optimized the functions of industry tools. With the official release of WeCom 4.0 in January 2022, Tencent's three major SaaS products -- WeCom, Tencent Docs, and Tencent Meeting -- were officially integrated and connected.



One meeting ID is able to connect **200** million Tencent Meeting users and **10** million enterprises and organizations on WeCom, empowering industry partners to jointly boost the real economy.

A new suite of efficiency and collaboration functions was launched on WeCom to better tap the power of its connectivity. This means that with a single meeting ID, WeCom can connect 200 million Tencent Meeting users and 10 million enterprises and organizations, empowering industry partners to boost the economy.

One meeting ID is able to connect 200 million Tencent Meeting users and 10 million enterprises and organizations on WeCom, empowering industry partners to jointly boost the real economy.

2.3.2 Smart Healthcare

Growing healthcare needs and new developments such as an aging society and the Covid-19 pandemic have presented new challenges in healthcare.

With the Tencent Health Mini Program, Tencent provides an integrated online and offline service platform for individual users that connects to public health services such as hospitals and vaccinations and offers authoritative education on medical issues.

Within various industries, Tencent continues to boost the digitalization of medical institutions and medical associations, the construction of municipal health platforms, public health management, and early warning, and smart medical insurance management and decision-making.

Tencent has also improved the efficiency of medical treatment with diverse tools.

For example, using AI to improve appointments helps doctors improve the utilization rate of their valuable time. In another example, cloud tools enable patients to manage their own imaging files or authorize doctors to access them to facilitate referrals.

In addition, Tencent serves as a bridge between doctors and patients, supplying authoritative medical information, helping people self-manage their health, and contributing to the transformation of the healthcare system from being treatment-centered to health management-centered.

Tencent Medpedia cooperates with more than 5,000 academic experts and clinicians to provide the public with authoritative information on over 10,000 diseases and treatments.

Example

Tencent Miying Received Its License

In 2017, Tencent released an AI-based medical imaging product, Tencent Miying, which can help doctors with the early detection of signs of disease. Tencent Miying also played an active role during the pandemic. In early 2021, when the pandemic broke out in Hebei Province, Tencent Miying joined hands with the Zhongnan Hospital of Wuhan University to support the fight against the pandemic with a mobile scanning clinic equipped with an AI-aided Covid-19 diagnostic system. The system takes just a few seconds to complete a scan, and within a few minutes provides doctors with a diagnostic reference. The system could perform imaging for up to 300 suspected infections per day, relieving pressure on local screening resources. Tencent's imaging AI-assisted diagnosis and treatment team won national recognition for its role in combatting the pandemic. In addition, in August 2021, Tencent's "Pneumonia CT Imaging-Assisted Triage and Evaluation Software" was approved for registration by the National Medical Products Administration, enabling it to help more doctors and patients in clinical practice.



2.3.3 Smart Education

Tencent Education upholds the idea of people-oriented education powered by technology. Currently, Tencent Classroom, the online lifelong education platform under Tencent Education, has attracted more than 130,000 learning and training institutions, offering more than 400,000 courses, and has served hundreds of millions of students.

Based on AI, audio, and video technology capabilities, Tencent Education has launched digital “education toolboxes” covering teaching, learning, management, evaluation, and testing for education authorities, school administrators, teachers, and students to improve education efficiency and effectiveness. To date, Tencent Education has provided services for more than 1,000 provincial, municipal, and district/county-level education departments, covering a total of over 100,000 schools.

2.3.4 Smart Cultural Tourism

Tencent has actively developed ways to boost cultural tourism. In 2021, Tencent Cloud built a number of innovative, multimedia platforms and apps in the field of digital culture. For example, visitors can log on to the Grand Canal National Culture Park Digital Cloud Platform to experience the rich culture and scenery of the canal.

2.3.5 Smart Transport

As the construction of new infrastructure accelerates, Tencent has joined hands with industry partners to improve digital and intelligent management and operation of transportation.

Tencent has built a digital smart expressway solution with full sensing, strong computing, accurate decision-making, and wide reach. The solution uses technologies such as 5G and Big Data to reduce costs and increase the efficiency of expressway operation and management. By the end of 2021, Tencent had transformed the Nanjing Airport Expressway and the Shenzhen Outer Ring Expressway into safe and efficient digital highways.

In the field of urban transport, Tencent developed the TEMC edge cloud platform that deeply integrates cloud computing technology with digital mapping resources to support smart transport applications, provide layered analysis of regional traffic, and improve the efficiency of traffic management.

In addition, Tencent has also been exploring the field of smart civil aviation and has completed smart upgrades at several domestic airports.

2.3.6 Smart Travel

Tencent Intelligent Mobility promotes the digitalization of the automotive industry in four core scenarios: manufacturing, sales, vehicle operation, and enterprise management to co-create new value in mobility.

Tencent Eco Telematics TAI has connected more than 7 million vehicles and has been deployed in more than 150 vehicle models. The Tencent Travel Service Mini Program has more than 400 million total users, with more than 70 million monthly active users. Auto cloud services have powered the digital transformation of more than 40 vehicle companies. In terms of the ecosystem, Tencent has worked with more than 500 industry partners, jointly creating a cooperative output value of more than 1 billion yuan.

Meanwhile, Tencent has worked with several partners across the industry value chain on several benchmark cases of digitalization. Tencent supported BMW's efforts to build an in-vehicle light application framework based on Linux. In the area of autonomous driving, Tencent facilitated the establishment of a high-performance data-driven development platform for BMW Group China. Tencent joined forces with Great Wall Motors in the areas of the intelligent cockpit, intelligent marketing, and cloud services, providing full-link cloud services for Great Wall Motors' Tula plant in Russia.

2.3.7 Smart Energy

Tencent aims to use the power of digitalization to cultivate innovative energy technology products and solutions, injecting new momentum into the low-carbon transformation of the energy sector.

Relying on technical capabilities including cloud computing, Big Data, AI algorithms, 3D modeling, and blockchain, Tencent has established EnerLink, an energy connector, and EnerTwin, an energy digital twin tool, to boost the quality and efficiency of energy enterprises from production to operation and low-carbon development. In addition, the Carbon Engine tool, based on EnerLink's powerful connectivity of data, users, and applications, and EnerTwin's modeling and analysis capabilities, can efficiently perform carbon calculations and carbon data analysis, providing a new way for enterprises to optimize their digital management of energy.

2.3.8 Smart Retail

As the retail industry faces an even more challenging environment in the post-pandemic era, the sector has increasingly turned to digital capabilities to address operational risks. Tencent Smart Retail links Tencent's internal and external resources and uses Weixin Mini Program stores to work with ecosystem partners to build online and offline formats for vendors.

This approach has helped nearly 1,000 vendors of footwear, beauty products, fresh food, and more to build a region-wide digital retail business, enabling them to address risks and drive new growth.

2.3.9 Smart Finance

By leveraging advanced technologies such as Big Data, AI, and cloud computing, Tencent facilitates the smart upgrade of financial products and services.

In order to solve the time and space restrictions of bank outlets, Tencent Cloud has deeply integrated network infrastructure resources with real-time audio and video technologies to provide 24/7 financial services, online face-to-face reviews and signatures, and other scenarios. This not only brings business processing online and expands the scope of financial services, but also improves customer service experience and the accessibility of financial services in general.





Creating Social Value through Public Welfare

In 2021 Tencent's special report "Choice", Chief Executive Ma Huateng (Pony Ma) remarked: "We are keenly aware that social values are the soil in which the entire business grows. The deeper the root, the more value is produced for users and the industry. With greater the consumer and business value, in turn provides more sunlight and nutrients that can be fed back to the social values at our root".

Tencent has explored how to meet social needs. Since the establishment of our Sustainable Social Value (SSV) Organization, we have continuously unearthed social needs in the areas of rural revitalization, carbon neutrality, elder care, education, disaster relief, healthcare, and information accessibility. This has directly led to programs such as our Cultivator rural revitalization project, our Roadmap to Carbon Neutrality, the Invisible Caregivers smart monitoring system for seniors, and the First Aid Interconnection emergency Mini Program.

Tencent has explored the development of fundamental research. Launched in 2018, the Scientific Exploration Award has now been successfully held for three consecutive years and has provided funding for 150 outstanding scientists.

Tencent has explored how to upgrade platforms for charitable giving. In 2021, Tencent Charity upgraded its giving platform, drawing positive feedback from users and charities. Due to the importance of the platform for Tencent's annual 99 Giving Day, we increased investment from RMB400 million to RMB1 billion. This investment achieved a number of results. About 40% of the investment was used following 99 Giving Day to provide financial and technical support for well-managed projects to enhance their long-term operating capabilities. We also upgraded the Little Red Flower to empower donors to participate via more social-based approaches. We launched our Technical Venture Philanthropy Program to focus on five types of social enterprises and charity organizations in need of financial and technical support, operating guidance, and communication and volunteer capabilities. We released a Funding Plan to help charitable organizations improve their capabilities in fundraising and project and talent development on an internet-based charity platform. All this reflects our commitment to delivering long-term value when supporting sustainable public welfare efforts.

3.1 Digitizing the Public Interest: Connecting People in Need

3.1.1 Platform Upgrades in Support of the Public Interest

In 2021, Tencent Charity upgraded its giving platform which was actively used by donors and charities with positive feedback. The 99 Giving Day set up a fund with tens of millions of dollars to drive project transparency where projects could apply for grants to be used for third-party evaluations, thereby increasing project effectiveness. As a result of the upgrades, Tencent's 99 Giving Day made unprecedented achievements in user donations and interactions.

99 Giving Day

From September 1-9, participants in Tencent's 99 Giving Day campaign donated a total of nearly RMB3.6 billion. In all, 68.7 million people and more than 12,000 enterprises made donations. On September 5, dubbed Common Prosperity Charity Day, a total of 4.73 million people donated RMB270 million. Together with the RMB160 million contributed by the Tencent Foundation, a total of RMB430 million was raised for post-disaster reconstruction, rural revitalization, assistance to vulnerable groups, and other projects mainly in underdeveloped and rural parts of China.

Some 68.7 million people and more than 12,000 enterprises donated nearly RMB3.6 billion through participation in Tencent's 99 Giving Day campaign.

Focusing on the long-term operation of public-interest projects

Of the fund invested in 99 Giving Day campaigns, RMB1 billion was used for project support, of which about 60% was used to support fundraising during the 99 Giving Day campaign and the rest was used to provide financial and technical support for well-managed projects after the campaign concluded to enhance their long-term operating capabilities.

Establishing incentives to improve transparency and compliance



Charity event with the theme of "Doing Good Together"

Innovative Model Integrates Entire Process of Public Welfare Projects

Tencent is also committed to providing other technology-based solutions that can be applied to the entire process of public welfare projects.

For example, Tencent Charity and Weixin Pay launched a program called the Weixin Pay Love Meal Plan that explores a new approach to achieve Tech for Good in the public interest by helping sanitation workers.

The Love Meal Plan has been widely accepted nationwide since it was launched in 2021. Under this program, merchants and stores offer meals for 10 yuan, representing a discount of one-half to two-thirds. Working through the Tencent Foundation, Weixin Pay then subsidizes the meals with a further 9.99 yuan. With Love Meal coupons, sanitation workers can thus buy a meal for just 0.01 yuan. Currently, more than 200,000 meals have been sold under the program and it is estimated that more than 500,000 Love Meals will be sold throughout the year.

A sanitation worker enjoys a meal purchased through the Weixin Pay Love Meal program



3.1.2 Sharing and Building a Modern Digital Public Welfare Ecosystem

In May 2021, Tencent Charity released a new strategy to promote the sustainable development of a public welfare ecosystem based on digital technology. The aim is to promote the prosperous, sound, and diversified development of the public welfare ecosystem, including charity organizations, public welfare projects, and user donations.

Boosting Social Organizations with Funding Plans

On May 20, 2021, Tencent announced that it would allocate RMB200 million from its pandemic campaign fund to help charitable organizations improve their capabilities in fundraising and project and personnel development through the Tencent Charity platform. The program aims to offer subsidies to help hire 1,000 digital specialists within qualifying charities, and also to fund 100 public-interest digitalization projects.

Subsidizing 1,000 digital specialists in charity organizations

Under this program, Tencent provides RMB60,000 per person for two consecutive years. Charity organizations interested in applying should join the Tencent Charity platform and make sure they meet certain qualifying standards. The subsidies are mainly available for personnel working in internet-based fundraising. The program has so far supported 867 qualifying organizations and institutions.

Subsidizing 100 digitalization projects in the public interest

This subsidy program is intended for national and regional organizations contributing to the sustainable development of public welfare. Each organization can apply for one project each year, with a maximum subsidy amount of RMB300,000. In 2021, 713 letters of intent were received from across the country in the first phase, and 53 projects were eventually funded after review and discussion.

Establishing 1 virtual learning center for public welfare digital innovation

This subsidy program is intended for national and regional organizations contributing to the sustainable development of public welfare. Each organization can apply for one project each year, with a maximum subsidy amount of RMB300,000. In 2021, 713 letters of intent were received from across the country in the first phase, and 53 projects were eventually funded after review and discussion.

3.6 Public Health: Building a New Kind of Health Network

Assisting Groups in Difficulty and Launching the Warm Spring Action

In February 2021, the Tencent Foundation donated nearly RMB100 million to launch Operation Warm Spring in collaboration with over 10 charity organizations, including the China Social Assistance Foundation, the China Foundation for Poverty Alleviation, the China Women's Development Foundation, and the China Children and Teenagers' Fund. Through donations and supplies, the project offered various forms of assistance to needy groups in rural areas affected by the pandemic.

3.7

Age-Friendly Products

In May 2021, the “Carefree Line for Seniors” was launched on the Weixin Pay customer service line 95017 to provide one-on-one assistance for seniors.

Furthermore, we are implementing a multi-team collaboration project on the age-friendliness and accessibility of internet products, and creating company-level standards for design, R&D, and testing. In the future, we will open up internal standards in the form of self-help, self-check, and automation tools to provide references and examples for the age-friendly transformation of internet products.

Senior Assistance Education

In September 2021, Tencent partnered with the China National Committee to launch the “Silver Age Project”, aiming to help 10 million seniors master digital skills within three years.

The “Silver Hair Assistant” Mini Program shows a collection of services commonly used by seniors.



3.7.3 Making Our Products More Accessible

As new technologies emerge at an accelerated pace, it becomes even more necessary to focus on accessibility so that everyone can enjoy their benefits.

One segment Tencent is focused on is helping those with hearing impairments through our Ethereal Audio AI technology. In 2021, Ethereal Audio unveiled three new developments, a solution that pairs a cochlear implant with a mobile phone to enhance sound quality; the launch of a service that integrates a hearing test, AI-assisted listening, and remote hearing-related services capabilities; and the launch of a series of charity activities help the hearing-impaired community.

Enabling Clearer Hearing through Hardware Collaboration

The solution of pairing a cochlear implant with a mobile phone companion, launched by Tencent Ethereal Audio Lab in partnership with Nurotron, improves the clarity and intelligibility of cochlear implant speech by 40%. The solution enables cochlear implant users to better identify environmental sounds. It also reduces latency between the cochlear implant and the mobile phone partner to less than 150 milliseconds, thus minimizing the hearing delay and greatly enhancing the hearing experience.

Integrating Ethereal Audio through Software

Tencent’s Ethereal Audio Lab and Medel Music partnered to develop the world’s first app that integrates a hearing test, assistive listening, and remote hearing-related services. The hearing test feature enables people with hearing impairments to learn their hearing status at any time without leaving home and to remotely connect with hearing and rehabilitation experts for consultation, adjustment, and rehabilitation guidance services. Meanwhile, the AI assistive listening feature enables clearer hearing even in noisy environments.

Linking Social Institutions with Public Welfare Organizations to Help the Hearing Impaired

Tencent Meeting, the China Association of the Deaf and Hard of Hearing, the Tencent Charitable Foundation and the Zhejiang Future Smile Charitable Foundation launched a campaign to provide cochlear implant surgery assistance, rehabilitation training support, and vocational training services for the hearing impaired.

There are over 20 million people with hearing impairments in China, not including age-related hearing loss. Many of these people have faced challenges in accessing emergency services like the 120 hotline.

In December 2021, Tencent's Open Platform for Emergency Response partnered with the Beijing YiZhong Charity Foundation to launch an "Accessible Emergency Aid" function on related Mini Programs, empowering people with hearing impairments to more easily communicate with 120 staff, allowing them to independently and efficiently access emergency services.

3.8 Education Innovation: Helping Young People Grow and Develop

3.8.1 Advocating for Collaboration in Education

Tencent is committed to improving primary and secondary education. To this end, Tencent expanded the depth and breadth of cooperation with various partners in teaching and research, academic research, science and technology, and social responsibility.

The Tencent Sci-Tech Center for Youth is committed to cultivating future-oriented information-literate talent. With Tencent's pioneering technology experts and extensive experience in cultivating talent as the cornerstone, Tencent's technological advantages, resources, and research engineering practices are fed back into scientific and technological education for youth.

Case

Science Festival

On May 29, 2021, Tencent, together with Science, an authoritative science journal, and Tsinghua University, held the third Tencent Youth Science Festival in Beijing. Eight top scientists and scholars attended the event to help explain developments in cutting-edge scientific fields such as protein structure, Mars exploration, quantum computing, and robotics.

Case

InnoGirls

"InnoGirls" is a project initiated by Tencent and the China Children and Teenagers' Fund that aims to boost girls' technological literacy and professional growth through quality online learning and help them explore new possibilities. By linking hundreds of volunteers and multiple business teams within Tencent, InnoGirls provided a series of training courses including internet science popularization, general literacy, and career development courses, as well support for volunteers and technology camps. The project reached nearly 3,500 girls in Gansu, Hebei, Yunnan, and Jiangxi provinces.



3.8.2 Educational Charity, with Multiple Achievements

Education is the fundamental driving force of social development, as well as the underlying power that helps people improve their lives. In recent years, Tencent has evolved its innovative educational projects and created links between different educational resources to create more opportunities for young people.

September 2020

The “Knowledge Starlight” project, launched in September 2020, drew more than 15 million followers and four million donations through its Mini Program. So far more than 650,000 books have been donated to disadvantaged children in remote mountainous areas.



May 2021

The Tencent Youth Science Festival is an annual event to promote and popularize science hosted by Tencent, in collaboration with Tsinghua University and Science, a leading science journal, under the guidance of the China Association for Science and Technology (CAST). Top scientists from China and around the world are invited to speak in order to inspire interest in science among young people. The science festival was part of the first Tencent Youth Week, put on in partnership with the China Soong Ching Ling Foundation. The weeklong event had the theme of “Follow the Light!”, calling on young people to follow scientists, artists and other role models.



May 2021

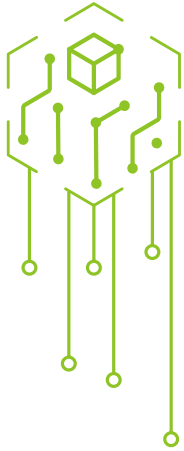
The Tencent Hefeng Art Initiative, launched by Tencent and the Beijing Hefeng Art Foundation, promotes the popularization of art education through the power of internet technology. The initiative set up 100 online music classrooms to provide intelligent jukebox teaching equipment and teacher training, involving more than 1,000 teachers and nearly 100,000 rural children. The initiative’s annual concert featured nearly 180 rural children from 11 different provinces, and cities performing together with various artists on a national stage.



July 2021

The Tencent Games Roblox Product Center and Social Value Research Center of Tencent Interactive Entertainment joined hands to customize a tech summer camp for the Youth Science and Technology Activity Center in Shanghai’s Huangpu District. In facilitating programming education for youth in remote areas, Tencent Coding has opened up its tools and courses for free, providing teacher training and courseware in cooperation with universities so that more teachers can offer their first programming classes to their students. As of December 2021, Tencent Coding had been used by more than 80,000 students in more than 1,000 schools across China.

3.9 Cultural Heritage: Boosting Traditions through Technology



3.9.1 Communicating the Appeal of Traditional Culture

In March 2021, Tencent and the Dunhuang Research Academy in Gansu Province signed a new three-year strategic cooperation agreement and set up a joint working group to introduce Tencent's AI defect-identification technology and immersive remote consultation technology to inspect Dunhuang's historic murals and facilitate their digital protection and restoration. Tencent is also strengthening cultural exchanges with overseas Dunhuang-related institutions, promoting the digital presentation and dissemination of relics, and driving research on the Dunhuang culture.

Tencent and the Dunhuang Research Academy also launched an initiative to bring in more top industry partners to explore ways to cooperate on new creative cultural products to popularize knowledge about Dunhuang's cultural heritage.

3.9.2 Preserving Cultural Heritage through Digital Technology

Digital preservation is a practice that ensures the vitality of cultural heritage based on computer, multimedia, and information communication technologies. Tencent has long been committed to the digitization of museums and other cultural institutions, exploring the construction of a fully connected digital cultural heritage system, and innovating new resources geared towards the protection of cultural heritage.

Advocating for the Recognition of Important Cultural Heritage Sites

In December 2021, the Beijing Municipal Cultural Heritage Bureau and Tencent staged an event to promote the inclusion of the Central Axis of Beijing – the best-preserved core area of the city -- on UNESCO's World Heritage List.

Enhancing How People Experience Traditional Culture

Tencent has assisted the digital collection of cultural relics with new technologies and has created Weixin Mini Programs, such as the "Digital Forbidden City", to make cultural relics accessible to more people online.

In December 2021, the Forbidden City and Tencent co-hosted an immersive digital exhibition of the Forbidden City, allowing users to enjoy high-quality digital recreations of national treasures.





Social Responsibility Performance Report

4.1 Governance

Corporate Responsibility

Tencent follows laws, regulations, and institutional requirements, such as the Company Law of the People's Republic of China and the listing rules of the Hong Kong Stock Exchange, to build a modern corporate governance structure. Tencent is committed to maintaining the highest level of corporate governance, keeping investors fully informed of the company's management and development, and creating sustainable value for shareholders.

Adhering to Sunshine Code and Creating an Atmosphere of Honesty

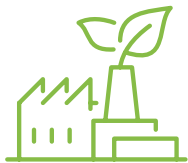
In order to implement Tencent's corporate culture and ensure a high degree of consistency between "knowledge, words and deeds", Tencent has issued the Sunshine Code of Conduct to clarify management measures for handling various internal violations and to prevent, detect and combat all fraudulent acts such as bribery and embezzlement.

Anti-fraud and Whistleblowing Policy

Tencent has established an Anti-fraud and Whistleblower Policy to encourage all employees, suppliers, and business partners to report concerns about any existing or potential fraud or irregularities. The Policy clearly outlines the various reporting channels and how the company will handle and protect whistleblowers so that employees, suppliers, and business partners can report violations without fear of retaliation.

4.2 Building a Low-Carbon Enterprise

Sustainable Operations



We recognize that climate change will create physical risks as well as transition risks and opportunities for our business. Physical risks are mainly acute and chronic risks caused by climate change. Transition risks are those that arise mainly from market and policy changes resulting from the transition to a low-carbon economy. Reputational risk is primarily related to our ability to deliver on our low-carbon development commitments. On the other hand, climate change also presents opportunities for us to improve energy efficiency, develop low-carbon technologies, create products and services that address climate change, etc.

We are convinced that climate change also presents a variety of opportunities for Tencent. By improving the way we use energy and water in our offices and data centers, and by using them more efficiently, we can optimize and reduce our operating costs, while reducing our sensitivity to the price of carbon trading. We provide a series of products and services (such as Tencent Cloud, WeCom, and Tencent Meeting) to help users reduce their carbon footprint and accelerate digital transformation.

Tencent continues to explore how to broaden and deepen the sustainability of its operations, saving energy and reducing consumption through more sustainable data centers and smart buildings, with a view to achieving corporate-wide carbon neutrality as soon as possible.

Low-Carbon Operations: Building Green Data Centers

The electricity consumed by our data centers is the main source of carbon emissions for Tencent's operations. How to reduce carbon emissions while meeting electricity demand is the key challenge for data centers to achieve carbon neutrality. To increase the proportion of renewables in the energy we use, Tencent has explored the use of distributed new energy sources and energy storage technologies and actively participates in green electricity trading.

Tencent and the State Grid Chongqing Integrated Energy Service carried out strategic cooperation to build the first large-scale green energy low-carbon data center in the region. The center obtained the first Green Electricity Certificate issued by Chongqing Electronic Power Co. The result is that the Tencent Cloud Computing Data Center in Chongqing has achieved a 100% renewable power supply, reducing CO₂ emissions by 34,300 tons and sulfur dioxide emissions by 6.81 tons per year.

The Tencent Cloud Computing Data Center in Chongqing has achieved a **100%** renewable power supply, reducing CO₂ emissions by **34,300** tons and sulfur dioxide emissions by **6.81** tons per year.

To achieve the goal of company-wide carbon neutrality, Tencent adheres to the principles of protecting the environment, accelerating the exploration of renewable energy solutions, and improving energy efficiency. Tencent also seeks to reduce its natural resource consumption and waste emissions. In addition, Tencent is committed to building green data centers, intelligent building management systems, and intelligent office systems to contribute to the speedy realization of carbon peaking and carbon neutrality goals.



Tencent's Qingyuan Qingxin Data Center activated a **6.6** MW distributed solar installation in September 2021. By the end of 2021, the project has generated over **2** million kWh of electricity.

In 2020, Tencent began the development and construction of distributed new energy projects for its data centers. Distributed solar installations in data centers can directly supply renewable energy to the facility, thus reducing power transmission losses and associated carbon emissions. Tencent's Qingyuan Qingxin Data Center switched on a 6.6 MW distributed solar installation in September 2021. By the end of 2021, the project has generated over 2 million kWh of electricity. Tencent's Yangzhou Yizheng Data Center also installed a 13 MW distributed solar project in February 2022. Similar distributed energy installations are either planned for or already under construction at data centers in places such as Qingyuan's Qingcheng District, the Tianjin Binhai Hi-tech Industrial Development Area, and Hebei's Huailai.

To enhance the load elasticity of data centers, Tencent plans to connect the energy storage stations at our Qingyuan Qingxin Data Center and Shanghai Qingpu Data Center, thus enabling more flexible and adjustable power utilization. Tencent has also actively participated in green electricity trading since 2021. After some initial achievements, we made improvements to the overall green power trading system, which laid a foundation for green power procurement in 2022.

The use of waste heat can reduce carbon emissions by **52,400** tons per year.

The annual power consumption of Building No. 4 of Tencent's Tianjin Binhai Data Center is **23%** more energy-efficient than the benchmark standards, equivalent to a reduction of nearly **27,215** tons of CO₂.

LEED (Leadership in Energy and Environmental Design) is a green building evaluation system recognized around the world as the most comprehensive and influential evaluation standard for green buildings.

LEED-certified data centers worldwide: **339**

Data centers with LEED O+M Platinum certification worldwide: **3**

Those in China: **1**
(Tencent)

Tencent's Shanghai Qingpu Data Center uses an approach known as combined cooling, heating, and power (CCHP). We built a gas-fired power plant next to the data center to supply electricity. The hot water and gasses produced during electricity generation are then directed to equipment that can produce chilled water to cool the data center and also heat office buildings and residential areas in the winter. This can reduce the data center's CO₂ emissions by up to 2,470 tons per year.

Tencent's Tianjin Binhai Data Center also uses waste heat recovery. The heat generated by the servers in the center is recycled through heat pumps to heat water in the municipal network for residential heating in the winter. The use of waste heat can reduce carbon emissions by 52,400 tons per year. Tencent plans to use the technology in our Huailai data center to provide clean heating for local offices.

In April 2021, Building No. 4 of our Tianjin Binhai Data Center received the LEED V4 O+M platinum certification, making it the first data center in China to receive this level of certification and the largest data center in the world with Platinum certification. In addition, the annual power consumption of Building No. 4 is 23% more energy-efficient than the benchmark standard, equivalent to a reduction of nearly 27,215 tons of CO₂ per year.

Tencent's fourth-generation data center technology, T-Block, can achieve rapid delivery of data centers in a standardized, productized, and prefabricated manner. The construction period is shortened by 50%, and the electromechanical delivery period is shortened by 40%. This allows an entire data center to be built in only one year. T-Block also uses various energy-saving technologies to integrate office modules, power supplies, IT modules, cooling technologies, and solar power generation modules to achieve ultra-low energy consumption, with a Power Usage Effectiveness (PUE) not higher than 1.3. A T-Block data center with 300,000 servers, for example, can save about 250 million kWh of electricity a year compared to a traditional one.

By using cutting-edge technology to integrate a rich set of data center operations and management scenarios, Tencent created the Tnebul platform for managing its data centers. The Tnebul platform manages more than 100 Tencent data centers around the world and accesses data from more than 15 million infrastructure measurement points. Through the application of automated management methods, the platform can carry out monitoring and analysis and provide intelligent recommendations to make data centers more efficient and sustainable. In 2021, Tencent began to build a carbon management platform into Tnebul that covers carbon inspection, load forecasting, AI-driven cooling optimization, and equipment health forecasting, renewable energy utilization analysis, microgrid monitoring, and other functions. The platform can automatically and accurately acquire energy data in real time and perform refined analysis and scientific modeling. With the help of big data and AI techniques, it can provide the most economical energy-saving and emissions-reduction plan to help decision-making.

A data center built using T-Block, Tencent's fourth-generation data center technology, with **300,000** servers can save about **250** million kWh of electricity a year compared to a traditional one.

Intelligent Management: Building Green and Smart Buildings

Following the principles of protecting the environment and "going green", Tencent continues to optimize its operations to save energy and reduce consumption across our operations. We have also taken measures to improve energy efficiency, cut emissions and reduce water consumption.

4.3.2 Employee Rights and Benefits

Tencent appreciates the dedication and hard work of our employees. We have established a remuneration incentive and benefits system that is internally fair and externally competitive, covering all aspects of employees' work and life. Tencent aims to attract, motivate and retain outstanding talent, support the long-term healthy development of the company, and share the business achievements with employees.

Diversity, Equality, and Inclusion

In addition to regulatory requirements, we also safeguard the fundamental rights and freedoms of our employees through the development and implementation of internal policies. We oppose discrimination against employees or job applicants on the grounds of nationality, race, religion, gender (sexual orientation and gender identity), age, or disability.

Our corporate culture supports diversity and inclusion. We provide cross-cultural training and workshops for management as well as other employees. To create a community where women can support and inspire each other, we launched the Women's Leadership Empowerment Initiative, calling on outstanding female employees to share their stories in the workplace. Tencent is committed to increasing the proportion of women in management and leadership positions.

We offer benefit support programs for employees with children, including maternity, paternity, and breastfeeding leave, parental leave, flexible working hours, and family insurance.

4.3.3 Employee Development

Employee development is an important issue of long-term concern for Tencent. Tencent continues to improve its training and upskilling system to create opportunities for employee growth. Tencent also provides employees with standardized and transparent paths to promotion.

Career Development System

Tencent has created an internal dual-channel career development system composed of a professional channel and a management channel. Each professional channel corresponds to the development and requirements of a different field, providing employees with diversified career development paths and helping them plan their careers effectively. Tencent also provides employees with a smooth and efficient management channel promotion path. The dual-channel system allows employees to choose a suitable development path and also allows the contributions of each employee to be recognized by the company.

Training Programs

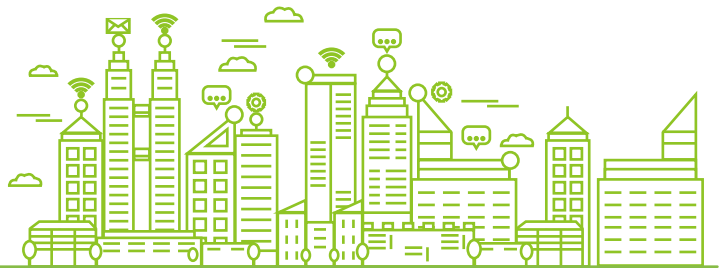
The Tencent Academy was established in 2007 to provide appropriate training programs at each stage of employee development, including onboarding, on-the-job training, and leadership training. Tencent Academy also offers professional qualification training and rewards for employees who earn professional qualifications.

4.3.4 Employees and Charity

Tencent encourages all employees to engage in charitable activities, making kindness a conscious choice of every employee. We not only encourage employees to do volunteer work and give them opportunities to design and participate in charitable projects, but we also provide platforms and technical support that helps them increase their impact and efficiency. 2021 marks the 15th anniversary of the establishment of the Tencent Volunteers Association. Tencent is a firm believer that tiny actions taken together can have a massive cumulative effect.

Encouraging Employees to Join in Charity Work

To encourage employees to do charity work and give back to society, Tencent launched an employee matching donation program on January 1, 2022. Under the program, Tencent will make donations based on employees' volunteer time (RMB100/hour) or fully match monetary donations made on the Tencent Charity platform, thus amplifying our employees' impact.



4.4 Protecting Users' Rights

4.4.1 Protecting Intellectual Property

Intellectual property (IP) rights has only become more vitally important to a well-functioning internet due to the nature of our increasingly digital lives. Tencent is committed to respecting and protecting the IP rights of rights holders, encouraging original quality content.

Tencent's online IP platform provides rights holders with one-stop services, including IP policies and complaint mechanisms, so as to crack down on IP and provide a full range of IP protection.

Specifically, Tencent has established an IP protection framework to support the legitimate interests of rights holders through a variety of user agreements, terms of service and operational regulations. A joint management platform has also been set up to solve challenging internet IP problems and crack down on infringement by working with all stakeholders in society. Technological innovations such as AI and big data have been applied to help rights holders confirm and protect their rights more efficiently. In addition, a multi-scenario, electronic infringement complaint handling process has been developed to provide rights holders with a convenient, efficient, and user-friendly way to handle infringement complaints.

From July 2020 to June 2021, Weixin delivered more than **360,000** infringement leads to brand owners for verification and penalized over **65,000** infringing accounts. Weixin adopted **96.7%** of verification opinions provided by brand owners and less than **0.1%** of penalties were overturned upon user appeals.

Tencent releases an annual brand protection report to improve the transparency of our IP protection platform. As indicated in our 2021 report, Tencent comprehensively upgraded our Weixin brand protection system and introduced a number of new features to optimize brand owners' experience. Brand owners can now review and track each step of the 'notice and take down' process on the platform. They can also remove irrelevant user-generated leads in bulk, and generate customized statistics reports to track and document their efforts for internal or other reporting practices. Meanwhile, Tencent has further expanded the closed beta testing on expedited infringement verification of reported Weixin Channel accounts, allowing more brand owners to utilize the tested feature. Moreover, Tencent has also upgraded the Weixin enforcement structure against infringing accounts with broader and escalated punitive measures. From July 2020 to June 2021, Weixin delivered more than 360,000 infringement leads to brand owners for verification and penalized over 65,000 infringing accounts. Weixin adopted 96.7% of verification opinions provided by brand owners and less than 0.1% of penalties were overturned upon user appeals.



CPSP Copyright Protection Plan

4.4.2 Protecting Minors

It is the shared responsibility of society to protect the healthy growth of minors. Tencent has undertaken a number of actions to protect minors and constantly optimized its processes. We have launched the Growth Guardian Platform, parental controls, and other systems to establish a long-term mechanism for the protection of minors.

Time Management

Weixin offers parents flexible time management features with the ability to authorize and adjust children's usage of Weixin video accounts, Mini Programs, and other scenarios. In principle, the daily usage of Weixin video accounts when Parental Control Mode is enabled should not exceed 40 minutes. In addition, by default, Weixin video accounts are inaccessible from 10:00 p.m. to 6:00 a.m. the next day. Meanwhile, parents can set the usage scope and duration limit of mini-programs through the Tencent Growth Guardian Platform, and customize the daily usage duration and time of use of their children's accounts.

Managing Payments

Under Weixin's Parental Control Mode, minors are strictly prohibited from tipping live streams and recharging their game account balances. This was done by disabling live streaming and game interfaces so that minors cannot access Weixin games, gaming Mini Programs, live streaming, and other features.

Minors Protection System

Tencent began developing its minors protection system in 2017 and has explored various ways to effectively prevent minors from over-indulging in online games.

In 2021, Tencent comprehensively upgraded our minors protection system in response to the relevant provisions of the Notice on Preventing Minors from Becoming Addicted to Online Games issued by China's National Press and Publication Administration. Tencent fulfilled all requirements of the new provisions within 26 hours after their release and continued to take the initiative to impose stricter measures to prevent minors from spending too much on games and prohibiting those under the age of 12 from making any in-game purchases. Tencent also cooperated with more than 200 organizations to jointly launch the Convention to Fight Addiction and Promote Self-Discipline in the Online Game Industry, thus reaching an industry consensus on the development of a system to prevent gaming addiction among minors.

In the fourth quarter of 2021, the gaming duration of minors in Tencent's games domestically fell to **0.9%**. Total gaming time decreased by **88%** year on year.

Due to these and other measures, time spent by minors in Tencent Games has dropped to an extremely low level. In the fourth quarter of 2021, the total time spent by minors in our games domestically fell by 88% year on year.



4.4.3 Data Security and Privacy Protection

Privacy protection and data security are our top priorities at Tencent. We believe that protecting the privacy of user data is the prerequisite for creating a secure and quality user experience. Users have control over their personal data and can learn about how we process personal data through our policies and guidelines. We integrate fundamental privacy principles such as “privacy by design” and “privacy by default” into our product development and operations process. Therefore, all of our products and services are designed from the outset to incorporate user privacy protections, which are constantly reviewed throughout the product life cycle.

Tencent abides by the six principles of user privacy protection and data security, that is: Being secure and reliable, valuing autonomous choice, protecting communication secrecy, proportionality and necessity, being clear and transparent, and integrating privacy protection into product design.

Tencent’s senior management is committed to a management approach that places a priority on privacy and has formulated a series of privacy policy documents, such as the Tencent Privacy Policy, Guidelines for Product Privacy Protection, and the Children’s Privacy Protection Statement, to establish a robust internal evaluation process to make sure that all products are fully evaluated to comply with all applicable data privacy laws and that all data collected are securely transmitted and stored.

Tencent values privacy at all levels and we have built our privacy programme on the four cornerstones of security, autonomous choice, compliance and transparency. We have dedicated privacy terms and legal teams that join forces with our product and development teams to make sure that our products and services prioritize privacy and comply with all applicable laws and regulations. Our product teams also work with our development teams to make sure that the collection and usage of product and service data are transparent, and that users have control over how their data are used where appropriate.

At Tencent, we believe that effective data privacy protection requires an approach that closely intertwines both top-down and bottom-up management. The board and senior management have always prioritized the protection of our users’ personal data. Our senior management has developed a robust internal evaluation process to make sure that all products are fully evaluated continuously during the product lifecycle to comply with all applicable data privacy laws.

We believe that users should be able to manage their own data. Therefore, our products and services are designed to restrict the collection of and access to users’ data by Tencent or anyone else. When using our products and services, users can control the scope and extent to which their data are collected, used and shared. Over the years, we have built out the features required to protect user privacy and enable users to directly manage their data through research, development and user feedback.



Appendix 1 About This Report

This report marks the first Sustainable Social Value Report (previously known as “Social Responsibility Report”) released by Tencent Holdings Ltd., covering management approaches and the company’s performance in the areas of social responsibility and key social value issues in 2021.

Period

This report covers the period from January 1, 2021 to December 31, 2021. However, some content released before or after 2021 has also been included in this report.

Preparation Basis

(CASS-CSR4.0)

(GRI Standards) This report was prepared with reference to the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS – CSR 4.0) by the Chinese Academy of Social Sciences, and the GRI Sustainability Reporting Guidelines of (GRI Standards).

Data Sources

Data from official documents and statistical reports of Tencent or relevant public information are included in this report.

Title Description

To facilitate the presentation and reading, “Tencent Holdings Ltd.” is also expressed as “Tencent”, “We” or “the Company”.

Access to Report

You may download the electronic edition of this report from Tencent’s official website at www.tencent.com. For any questions or suggestions concerning the report, please email us at CSR_report@tencent.com.

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