

Environmental, Social and Governance Report

OVERVIEW

This report provides information on the Group's environmental, social and governance ("ESG") performance for the year of 2018. It should be read in conjunction with this annual report, in particular the Corporate Governance Report contained in this annual report, as well as the sections headed "Corporate Governance" and "Culture" on the Company Website.

SCOPE OF THIS REPORT

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

ESG STRATEGY, MANAGEMENT APPROACH, PRIORITIES AND OBJECTIVES

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

Five Dimensions of our ESG Strategy

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

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2. Users

- Consistently listen to the voices of our users, concurrently enhancing product and service quality
- Be honest to users and protect their interests
- Prioritise users' interests in business decision-making

3. Business partners (including suppliers and investee companies)

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

4. Community

- Establish a platform for charity donations
- Promote innovation and the establishment of a legal framework to protect IP rights
- Contribute to the industry and continue to provide an open platform

5. Environment

- Make protection of the environment one of our priorities
- Adopt a sustainable investment strategy
- Remain committed to environmental sustainability

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



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Stakeholder analysis

We understand the importance of the feedback from our stakeholders (including our users, investors, employees and business partners) on our ESG performance. Therefore, we have established effective communication channels with our stakeholders (in alphabetical order) as follows:

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

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COMMUNITY

Community Investment

We set up the Tencent Charity Foundation (the “Tencent Foundation”) on 26 June 2007. It is a non-public fundraising foundation incorporated in the PRC and a separate legal entity. We commit to donating certain portion of our profits to the Tencent Foundation every year for the purpose of supporting charitable works. As of 31 December 2018, our Group and our employees donated approximately RMB3.5 billion and RMB68 million in total to the Tencent Foundation respectively since its establishment. During the year 2018, our Group and our employees donated RMB730 million and RMB840,000 to the Tencent Foundation respectively.

The Tencent Foundation believes that everyone can participate in charity work anytime and anywhere through technology. In June 2007, the Tencent Foundation leveraged on our Internet technical capabilities and online platforms to build the first online public fundraising platform. It is designed, developed and operated by the Tencent Foundation while we provide server, broadband and other technical support for free. The platform is open for eligible charitable organisations free of charge. It allows charitable works to be performed more conveniently, smoothly and transparently. This is a good example of the application of the concept of “Internet+”. As of 31 December 2018, there had been over 6,000 active charitable organisations and close to 16,000 charity projects in different locations with different focuses.

The Tencent Foundation has also applied technology to various charitable initiatives such as WeCountry for rural development and Tencent Three-dimensional Disaster Relief Programme in response to recent natural disasters in China via the online platform. In 2018, the total number of donations made by the Internet users was approximately 69 million and the total amount of the funds raised was over RMB1.7 billion.

The highlight of the Tencent Foundation’s charity efforts is the annual “99 Charity Day” campaign where it matches the donations made by the Internet users between 7 September and 9 September via its online platform. In 2018, the Tencent Foundation donated RMB300 million for the campaign, of which 35.2% was for education initiatives, 34.5% for medical care, 26.1% for poverty relief and the remaining 4.2% was for environmental protection initiatives and others.

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

Disaster relief

In response to the recent natural disasters in the PRC as well as globally, the Tencent Foundation has created a multifaceted disaster relief model by combining our various products including online platforms, instant messengers, online payment and Internet search to help the public follow the latest news, participate in rescue efforts and make donations. In addition, the Tencent Foundation has made donations to support the rescue missions and post-disaster reconstructions. In 2018, it donated an aggregate of approximately RMB4.5 million to the China Foundation for Poverty Alleviation, the China Children and Teenagers’ Fund and other charitable organisations in response to the earthquake in Xinjiang and the landslides in Sichuan and for the post-disaster child care programme following the earthquake in Ya’an city.

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Rural development

In 2015, WeCountry, our open platform built on the “Internet + Village” model, was launched to offer villagers access to digital technology which would benefit their communities. As of 31 December 2018, 28 provincial administrative areas with approximately 10,000 villages (or communities) joined WeCountry platform. The number of verified villagers was approximately 2.34 million as of 31 December 2018.

Education

The Tencent Foundation has set up scholarships to promote education in the PRC and other countries throughout the years. There are also specific donations for different education initiatives. In 2018, the Tencent Foundation donated approximately RMB119 million in education related projects. For example, it had cooperations with the funds set up by universities (including Peking University, Shenzhen University and Nanjing University) on higher education and with UNICEF on cybersecurity education. It also sponsored the projects led by Beijing Hefeng Art Foundation in relation to online art education.

Ecological conservation and cultural preservation

The Tencent Foundation is keen on environmental protection and cultural preservation. In 2018, the Tencent Foundation donated approximately RMB5.8 million to the China Foundation For Cultural Heritage Conservation, the Paradise International Foundation and other ecological conservation organisations to continue to preserve and repair the Great Wall and for the ecological conservation project in the PRC.

Community development

In 2018, the Tencent Foundation raised approximately RMB120 million on the “99 Charity Day” to promote philanthropy and innovation in charity work.

Poverty relief

In 2018, the Tencent Foundation donated approximately RMB125 million to support poverty relief initiatives through various charitable organisations, in addition to the matching donation made by the Tencent Foundation on the “99 Charity Day” on the same area.



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Volunteering

In 2006, some of our employees founded the Tencent Volunteers' Association on their own initiative in response to our corporate vision of being "the most respected Internet company". Since then, the Tencent Volunteers' Association has contributed more than 120,000 hours of voluntary services and the total number of participants is more than 60,000. There are more than 20 sub-divisions at the city level (such as Beijing, Shanghai, Chengdu, Shenzhen, Wuhan, Guangzhou and Hefei) and at the regional level (such as Hebei, Guangdong, Guizhou, Gansu and Yunnan).

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

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

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

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

Anti-Corruption

Tencent embraces the value of integrity, proactivity, collaboration and innovation. To promote integrity, we have developed robust systems and measures to prevent, detect and deter corruption or any other fraudulent activities. Internal audit is conducted and risk management and risk control have been further strengthened to ensure the Group's compliance with ethical standards which we promote and strive to uphold.

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Risk Management and Internal Control Policy

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

Tencent Sunshine Code of Conduct

All employees of the entire Group are required to follow and to strictly comply with the Tencent Sunshine Code of Conduct (the “Sunshine Code”). It expressly prohibits all kinds of fraudulent activities, bribery, embezzlement, misappropriation, extortion, falsification of information and any other activities which are not in compliance with applicable laws and regulations. The Sunshine Code shall be reviewed annually against the changing needs of the Group and revised when appropriate, in order to ensure that it caters for our business development, reflects the positions under applicable laws and regulations and captures all kinds of fraudulent activities. In 2018, we have revised the Sunshine Code to include more specific stipulations in relation to each category of fraudulent activities so that our employees can understand better our expectations under the Sunshine Code. The revised Sunshine Code emphasises the responsibilities of the management. The immediate supervisor will be demoted if an employee under his management has committed a fraudulent act as a result of deficiency in the management process, unclear delineation of responsibilities or loopholes in the business operation. The immediate supervisor will also be required to come up with a remedial plan with the risk management and internal control departments and implement such plan within three months. The Internal Audit Committee has the discretion to make the final decision on whether such immediate supervisor can be resumed to his original role after the implementation of the remedial plan.

In 2018, in order to ensure our employees comply with the requirements and ethical standards stipulated in the Sunshine Code, we have requested all employees to complete the e-learning programme with a view to understanding the updated rules and standards of the Sunshine Code. For positions with high risk of fraud, they are required to attend face-to-face training course at least once a year. We also promote job rotation for these employees on a regular basis in order to minimise the risk of fraud.



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Anti-fraud and Whistleblowing Policy

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

Fraud Detection and Corruption Prevention

When a report of suspected fraudulent activities is received, the anti-fraud investigation department, which consists of professionals who used to be part of the anti-corruption function at a governmental authority or private enterprise and have profound knowledge in fraud risk management and solid fraud investigation experiences, is assigned to handle the investigation independently. After an investigation has been completed, the employee found and proven to have committed such fraud shall be subject to immediate dismissal. At the same time, the department in question must, with the assistance of the risk management and internal control departments, take corrective actions in response to the business risk or loophole identified during the investigation. If we find any supplier or business partner engaging in corruption or any other fraudulent activities, we will terminate the contracts with them immediately and never work with them again. In the event that any fraudulent activity violates any relevant laws or regulations, such cases shall be reported to government authorities in accordance with applicable laws and regulations. In order to convey a message regarding our determination to fight against fraud and to introduce our whistleblowing system externally, we send a letter to our suppliers and business partners and request them to complete a questionnaire annually. The questionnaire sets out our corporate values, the Whistleblowing Policy and the various reporting channels. We will understand from each of our suppliers and our business partners whether our employees have requested for any gift, cash or benefit during the course of business and whether it has been treated unfairly. Upon receipt of the feedback, we will ensure that the questions or concerns raised by our suppliers and our business partners will be addressed promptly. If necessary, the anti-fraud investigation department will commence an investigation formally.

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

Anti-Money Laundering

The Group is subject to and strictly abides by applicable laws and regulations in relation to cross-border and domestic money transmission, anti-money laundering (“AML”) as well as counter-terrorist financing (“CFT”) in the PRC and other countries where we provide payment processing services. We have fulfilled not only our legal obligations but also our social responsibilities.

As a result of the complexity of legal and regulatory compliance in multiple jurisdictions, we have dedicated more resources (including but not limited to human resources and system capabilities) to the compliance work in the following areas: (i) recruiting more AML/CFT professionals for the know-your-customer process, suspicious transaction review and analysis, and system infrastructure enhancement in order to enhance the effectiveness and professionalism of AML/CFT measures; (ii) strengthening the implementation of internal control measures in relation to sanctions compliance in order to minimise the relevant risks; (iii) enhancing the cooperation with regulators and law enforcement bodies on AML investigations; (iv) actively participating in the combats against money laundering, terrorism, tax evasion and corruption activities internationally, in order to prevent money laundering and upstream criminal activities; and (v) carrying out various forms of training, education, and public relation activities on AML for our executives, employees and users.

In 2018, Tencent has established an Anti-Money Laundering Programme (the “AML Programme”) to ensure that money laundering risks identified by Tencent are appropriately mitigated and to protect Tencent, its employees, shareholders and users from money laundering risks. The AML Programme provides guidance to all Tencent employees, requiring them to conduct business in accordance with applicable AML laws, rules and regulations.

The key aspects of the AML Programme include but are not limited to the following:

- Appointing AML specialists at global and country levels;
- Establishing a comprehensive Customer Due Diligence Programme;
- Establishing processes and systems which are designed to monitor customer transactions for the purpose of identifying suspicious activities;
- Investigating and subsequently reporting suspicious activities to the applicable regulatory bodies;
- Conducting regular independent testing on our AML system and providing regular AML trainings to our employees and counterparties; and
- Prohibiting the onboarding of any anonymous users or users using an obviously fictitious name for our services.



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SUPPLY CHAIN MANAGEMENT

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

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

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

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

During the year ended 31 December 2018, all suppliers which were formally engaged had completed the Self-Assessment and signed the Anti-commercial Bribery Declaration. We were not aware of any material commercial bribery engaged by our suppliers.

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

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

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

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

PRODUCT RESPONSIBILITY

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

User Privacy

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

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

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

To ensure that our users understand how we protect their personal information and enhance the transparency of how we collect and process the data, we promote the concept of “Data for Social Good”. We have published the Tencent Privacy Protection Whitepaper and launched the Tencent Privacy Platform (<https://www.qq.com/privacy.htm>) to give our users a comprehensive understanding of the privacy protection measures taken by Tencent. We also make our privacy protection policies available on our product websites and in-app products, and provide communication channels for our users to file complaints and raise enquiries whenever they are in doubt.

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



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Customer Service

The Tencent Customer Service Centre consists of more than 2,500 staff members and is responsible for handling complaints and responding to enquiries from customers for our businesses. We commit to providing solutions to our customers in a timely manner through different means including customer service hotline, online customer support, intelligent customer service, Weixin/WeChat and face-to-face meeting.

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

1. There is a designated team within the customer service department to handle complaints and deal with compensation requests. The team is responsible for conducting investigation based on the information provided by the complainant, explaining the relevant procedures to the complainant and notifying the complainant of the investigation results with the aim of providing him with a satisfactory solution.
2. For better user experience, we have established a set of complaint handling procedures which set out clearly the responsibilities within the customer service department and the timeframe within which a complaint needs to be resolved.
3. We have strengthened our system infrastructure which allows classification of complaints by urgency and risk level so that the customer service staff can better prioritise the cases and deal with the complaints in a timely manner.
4. We have a designated team of staff who is responsible for handling complaints from customers who visit our offices and for better risk control, we have designed a set of protocols for different types of incidents.

Healthy Environment for our Users

One of our important businesses is our online gaming business. We need to comply with the laws, regulations and policy requirements in relation to online gaming in the PRC.

The authorities in the PRC which regulate online gaming mainly include: (i) the State Administration of Press and Publication; (ii) the Ministry of Culture and Tourism; (iii) the Ministry of Industry and Information Technology; and (iv) the State Administration for Market Regulation.

The laws, regulations and policies relating to online gaming mainly include: (i) “The Regulation on Internet Information Service of the People’s Republic of China” promulgated by the State Council; (ii) “The Provisions on the Administration of Online Publishing Services” promulgated by the former State Administration of Press, Publication, Radio, Film and Television and the Ministry of Industry and Information Technology; and (iii) “The Interim Provisions on the Administration of Internet Culture”, “The Interim Measures for the Administration of Online Games” and “The Notice on Regulating Online Game Operation and Strengthening Concurrent and Ex-Post Supervisions” promulgated by the former Ministry of Culture. The aims of such laws include the regulation of the qualifications of operating entities of online games, the regulation of the operation of online games, the protection for the physical and mental health of online game users and adolescents and the privacy protection of the personal data of users.

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We have been actively implementing various measures to ensure compliance with the relevant laws, regulations and policies. For instance, we have already obtained the relevant credentials for operating online games, such as the Telecommunication Business Operation Permit, the Online Publishing Service Licence and the Internet Culture Business Permit.

To safeguard the physical and mental health of online game users and adolescents, we have implemented the real name system and anti-addiction system in accordance with the regulatory requirements of the PRC and strengthened the promotion of healthy gaming and anti-addiction through various channels. In February 2017, we launched a series of services on “Tencent Game Guardian Platform” (<http://jjazhang.qq.com>) which assists parents to monitor the gaming habits of their underage children. This is the platform dedicated to healthy gaming of underage children in the online game industry. In July 2017, we implemented the Healthy Gameplay System on Honour of Kings, which sends reminders to players or forces logout from the game if players spend too much time on the game in one day. In 2018, we have upgraded the Healthy Gameplay System, tightened the requirements for identity verification and made the system available for more games. We have also launched a customer service which sends reminders when a game player may have engaged in overspending and provides subsequent counselling.

In addition, we have worked with School of Brain and Cognitive Science of Beijing Normal University and Data Centre of the China Internet (DCCI) to publish “Guide on Healthy Use of the Internet for Teenagers” and “Research on Online Gaming Behaviours of and Online Protections for Teenagers”. Parents, education institutions and industry players can download these documents free of charge for their reference.

Monitoring of and Protection for Original User-generated Content

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

Intellectual Property Rights

We are a technology-oriented company and we stress the importance of the observation and protection of intellectual property (“IP”) rights. We have established a dedicated IP team with approximately 80 employees as of 31 December 2018 that is responsible for the day-to-day management of legal matters involving trademark, patent, copyright, domain names and other IP rights.



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We began a comprehensive programme for the management of IP at an early stage. We have consistently applied for the registration of IP rights since the early stages of its establishment. With the successful development of our business, we have expanded our global IP portfolio to cover more than 100 countries and regions. As of 31 December 2018, we had obtained over 19,000 officially registered trademarks and over 9,000 issued patents. Coupled with our creation of a vast amount of copyrighted content, we have accumulated IP assets of considerable value. Our IP team has developed a comprehensive database for our patents, trademarks and copyrights and our strong data analytical skills enable us to manage and monitor our IP rights in a meticulous and efficient manner. To combat infringement of IP rights, our IP team has also established a comprehensive and efficient monitoring and maintenance system, and has devised various civil, criminal and administrative enforcement measures to protect our IP rights. Please see further details on the Company Website (<https://www.tencent.com/legal/html/en-us/property.html>).

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

Within the past decade, we had several times been awarded “China Patent Gold Awards” by the State Intellectual Property Office of the PRC, “China Trademark Gold Awards” jointly by World Intellectual Property Organisation and the State Administration for Industry & Commerce of the PRC and “China Copyright Gold Awards” by the National Copyright Administration of the PRC and the World Intellectual Property Organisation, signifying our contribution to the development of independent innovation of the PRC. We have also several times been awarded “National Copyright Demonstration Unit”, recognising our outstanding performance in management and protection of copyright. In December 2018, two of our patents were awarded “China Patent Silver Award” by the State Intellectual Property Office of the PRC and this is the first time where an Internet security service provider in China won such title in the category of “file scanning method and system, client and server”. In 2018, we have also entered into a patent cross licence agreement with Google.

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