Condensed
2013/14
CSR Report and Update
FOR THE CONNECTION

Tencent 腾讯
ABOUT THIS REPORT

TENCENT HOLDINGS LIMITED PUBLISHED FOR THE CONNECTION – CORPORATE SOCIAL RESPONSIBILITY REPORT 2013/14 (THROUGHOUT THIS REPORT, REFERRED TO AS “DRIVING CONNECTIVITY”) TO SYSTEMATICALLY RECORD THE COMPANY’S EFFORTS TO FULFIL ITS CORPORATE SOCIAL RESPONSIBILITY (CSR).
In 2013/14, we implemented our “Connection” strategy, in which we organically link our large user base with appropriate content and services, and we built strategic relationships with numerous best-of-breed vertical partners, through investment and business cooperation. We believe this strategy will enable us to create superior experiences for our users, and to participate in the growth of vertical opportunities, as the mobile Internet increasingly penetrates consumers’ daily lives.

This is the fourth CSR report Tencent has published since 2008. In essence, Driving Connectivity detailed how Tencent promotes an innovative and open Internet ecosystem and leverages products and services in the ecosystem to support users, developers, entrepreneurs, researchers and employees, as well as the wider community.

CSR has been central to the Company’s values since Tencent was founded 18 years ago. Tencent believes that the primary function of the rapid innovation in the age of the Internet is to continuously enhance connectivity between people and places, business, research and every other facet of human activity. As the Internet evolves and grows, so does its power to form connections of every kind. Greater connectivity has improved the quality of life of people around the world and will continue to do so for generations to come.

Our philosophy and approach to managing the business evolves too. We are committed to involving our stakeholders in the development of Tencent. We understand that environment, social and governance factors increasingly concern investors when they make their investment decisions. As such, we are taking steps to enhance our reporting on the foregoing in order to engage the international investor community in the process of formulating our future CSR strategy.

Driving Connectivity was drafted with reference to the then current guidelines of the United Nations Global Compact (UNGC), the Global Reporting Initiative (GRI) and The Chinese Academy of Social Sciences. This condensed English version has been developed to engage a wider group of stakeholders. Some of the more recent initiatives that were launched after 2014 have also been included in this version.

Starting this year, as a Hong Kong listed company, we are complying with the statutory ESG reporting requirements and we believe that this version offers our stakeholders useful background and complementary information for our ESG reporting.

Driving Connectivity is more than a slogan: it is our commitment to building an innovative and open ecosystem to facilitate better connections between people and “things”. We are working with all our stakeholders to ensure the efficiency and sustainability of this ecosystem.
MESSAGES FROM THE MANAGEMENT TEAM

MA, HUATENG (PONY MA)
Co-Founder, Executive Director, Chairman of the Board and Chief Executive Officer of Tencent
Co-Founder and Honorary President of Tencent Charity Foundation

DRIVING CONNECTIVITY: TENCENT’S CSR FOCUS

Tencent celebrated its 16th anniversary in 2014. Using human life as a metaphor, Tencent is entering its prime years. We are fortunate to have experienced many developments in technology around this time and are proud of our role in enabling some of the breakthroughs that have transformed the Internet.

Throughout Tencent’s history, we have always sought to answer three crucial questions: What products should we offer? What services should we provide? What social values should we create? These questions involve complex decisions, and you – our users – are the ultimate driver in the process. We consistently make decisions with users’ needs in mind. We have decided to support products and services that can link our users with all parts of this wonderful world. This also mirrors closely the focus of Tencent’s CSR initiatives.

Tencent’s overall business strategy shifted significantly in 2013/14, with more emphasis on returning to the basics and not forgetting where we started. Our strongest expertise remains firmly in enabling communication and social interaction. Driving Connectivity has therefore become the foundation of Tencent’s corporate strategy.
We aim to achieve what was not achievable in the PC era. Socialising and communicating has always been a part of human life but the mobile Internet has created even more possibilities in these areas. Mobile phones have become effective communication devices and even more powerful when paired with social platforms, and consequently our connection will extend beyond people to cover services and platforms.

Within the concept of “Internet+”, we want to become an open platform to serve partners in different sectors by connecting our users’ networks with primary functions such as social media advertising and payment. What will happen and what can be achieved when the new model is established is beyond our imagination. But I have no doubt that something meaningful and transformative will be created.

“Internet+” has significant implications for Tencent’s CSR initiatives. Important changes can be achieved through connecting millions of Internet users as well as developing their ways of communication and living, creating more opportunities for society.

In addition, through the “smart living” system in QQ and Weixin, people and public services can be digitally connected, leapfrogging developments in transportation, healthcare, environmental protection, public safety and other aspects of life. This is important for optimising the distribution of social resources, driving innovation in public services, improving service quality, breaking down communication barriers and ultimately benefiting everyone in society.

Tencent is connecting more people, places and “things”, while at the same time streamlining its platforms to create an ecosystem comprising big data, cloud, open platforms and payment systems to enhance the efficiency of the existing and future connections. We hope to work with our partners to enrich this system to provide even better services.

To drive connectivity, Tencent will take on greater levels of CSR and continue to expand our platforms as we seek to reach the billion-user mark. The pace at which our world develops challenges both our courage and wisdom. With your support, we are confident that we will create a more exciting future.
MESSAGES FROM
THE MANAGEMENT
TEAM

CHEN, YIDAN (CHARLES CHEN)
Co-Founder of Tencent
Co-Founder and Honorary President of
Tencent Charity Foundation

INTERNET-BASED CHARITY
UNLEASHE MORE SOCIAL
VALUES

Preparing this report gives us an opportunity to review our social responsibility strategy every two years. It’s a time to reflect, appraise and gather new energy to continue on our journey.

Since the establishment of the Tencent Charity Foundation in 2007, we have been thinking about how we can better use the Internet platform for charitable causes. Charity took root in Tencent from a very early stage and our emphasis on it has grown over the years. We have created a donation platform, enabling hundreds of millions of users to contribute, bidding farewell to the time when they had to locate the donation boxes and put cash in directly. We have connected millions of people through the Internet and raised over RMB200 million so far to help tens of thousands of people in need.

How to apply technology more efficiently to help more people has always been a question at the heart of our work.

In June 2014, mobile Internet access in China surpassed access via PC for the first time, with it accounting for more than 80% of Internet usage. We are in no doubt that mobile Internet is shaping our future.

This has also led to more fragmentation of news and information, meaning that small incidents that previously large institutions could easily ignore can now attract
significant levels of attention across the globe when it is broadcast via social media.

Higher degrees of interaction and connection have therefore become key to successful charity campaigns. Through social platforms such as Weixin, donation campaigns are pushed to users’ individual screens and become very personal. Through mobile Internet, we have launched donation campaigns on social networks and Weixin Moments, creating greater impact on users by leveraging close social connections.

Another observation is the decentralisation of charitable initiatives. Large charity foundations have ceased to be the lead organiser of campaigns in the age of the mobile Internet. Instead, these foundations have become a service platform for Internet users who are keen to participate in charity initiatives.

The Tencent platform not only makes it easier to donate, but also to initiate charity campaigns. There were over 1,000 such campaigns launched on the Tencent platform during 2014, most of them by individuals. We have also seen an increase in the donations within social circles or from people sharing similar interests. The focus of donation have also become more diverse, expanding from illness relief to environmental and cultural projects.

Charitable activities are growing fast at a rate we have not seen before in China. In the five years between 2008 and 2013, funds raised on Tencent’s Internet platform exceeded RMB150 million. In 2014 alone, the total amount reached RMB100 million and more than five million people made donations, thanks to mobile Internet tools such as Weixin, mobile QQ and mobile payment systems that have made participation in charity campaigns more convenient. The level of participation made 2014 a milestone for donations to charity on mobile platforms. We thank you for your support!

The Tencent Charity Foundation also successfully explored new areas in which we can create more values for society. The WeCountry scheme uses the power of the Internet to help rural villages develop. In Guizhou province, we launched the First Mobile Internet Village scheme to drive the development of rural villages by building meaningful information connections to create wealth for the villagers. The Charity Journeys scheme encouraged young students to take part in outdoor charitable activities and led to the building of 122 playgrounds in Tibet amongst a range of other things. These activities have inspired new ways to contribute in modern society and raised people’s social responsibility awareness. The Tencent Charity Foundation and the Shenzhen Futian District Government have kick-started a collaboration to explore the possibilities of reforming public education through a pilot scheme in a local school.

We sincerely hope that these experiences and results can be replicated, enhanced and expanded. By gathering more energy in society, more people will benefit.

All this is only a beginning. We anticipate that with more diverse partnerships, more possibilities can emerge for charity in the mobile Internet age, allowing us to create greater impact through better and closer connections.
TENCENT’S CSR STRATEGY AND APPROACH
SOUND CSR STRATEGIES AND ROBUST MANAGEMENT SYSTEM

CSR is integral to Tencent’s vision. We have fully integrated social responsibility into our operations as part of our corporate development strategy.

For the year 2013/14, Tencent’s CSR strategy was woven into the overarching strategy, embodied in Driving Connectivity, with a 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 responsibility within society.

THE FOUR DIMENSIONS OF TENCENT’S CSR STRATEGY

**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 in business decision-making

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

**CORPORATE 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

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

TENCENT’S CSR MODEL

At the heart of Tencent’s CSR model is our vision to become the most respected Internet services company. In pursuit of this vision, Tencent takes a long-term view, upholding integrity and promoting shared growth and development within the industry. We adopted international CSR standards and put them into practice in our daily operations. Tencent carries out and reviews its CSR in four dimensions. Through this approach we are able to create a favourable internal and external environment that will enable us to provide quality services to Internet users and promote the positive development of our society.
CSR MANAGEMENT SYSTEM

Tencent established a dedicated department in 2010 to ensure the effective implementation of the CSR strategy across the business. Designated coordinators have been appointed in different departments and regions with responsibility for CSR initiatives.

In 2013/14, Tencent established a CSR management structure:

Engaging stakeholders in corporate development:
Tencent values the views of our stakeholders. We believe that through regular exchange with stakeholders, we can identify areas that are important to the sustainable and coordinated development of corporations and society.

In 2013/2014, we conducted an internal survey to more accurately identify our stakeholders and gauge their views on communication channels and the effectiveness of our communication initiatives. Our stakeholders are mapped out as below:

- Create value for users
- Listen to their needs and provide quality services in a timely manner
- Expand our service scope to fulfill our users’ changing requirements

Protect and ensure shareholders’ investment returns by
- Establishing a strong board of directors and reporting on financials quarterly
- Communicating regularly with shareholders at general meetings and extraordinary general meetings
- Establishing a designated investor relations department to communicate important information on financials, operations and strategy to global investors and shareholders in a timely, accurate, comprehensive, legal and fair manner
- Publishing important information on the company website in a timely manner to ensure transparency

- Ensure that government policies and relevant laws are adhered to
- Establish a designated Government Affairs department to oversee, plan and implement government related projects
- Maintain regular communication with government departments
Protect employee rights and ensure that employees receive promotion and long-term development opportunities in addition to income and benefits by
- Establishing a designated human resources department to oversee employment policy and employee benefits
- Forming an Occupational Health and Safety (OHS) Committee to promote work safety and hygiene
- Encouraging employees to participate in charitable activities
- Formulating a clear code of conduct for employees

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

Create a harmonious community by
- Holding charity activities and giving back to society
- Promoting the development of rural areas by establishing connections between our Internet platforms and rural villages

Provide the necessary funding and resources to support the development of charity organisations
- Help them increase their social impact and in turn create greater social value

Tencent’s CSR Direction

Tencent kick-started a CSR strategy in 2013/14 that requires the participation of all product lines and platforms, and from across the industry. The Driving Connectivity strategy will place more emphasis on CSR, allowing every individual, enterprise and organisation to understand and implement a CSR approach.

Through the implementation of its CSR strategy, Tencent will learn to better manage the process of value creation for society. Tencent will continue to embrace its responsibility to leverage the firm’s core capability to generate innovative approaches to resolving social issues, promoting social development and protecting the interests of the public.

Tencent also recognises its responsibility to drive CSR awareness in society, through collaborating with professional organisations and leveraging its core capability in Internet, technology and communication. We will sow the seeds of charity through a network of 800 million active users.

We will enhance our corporate management system and integrate CSR into our operations. We will ensure fair treatment and close cooperation with our stakeholders to create a better future.
PRODUCTS AND SERVICES: FOR A HIGHER QUALITY OF LIVING

The rapid development of the Internet has helped many companies realise their goals. Behind these achievements, we at Tencent have never forgotten where and why we started: to create value for users above all and build a one-stop online ecosystem for millions of users.

As lifestyles and societies change, our core belief is that delivering relevant, high-quality products and services that satisfy people’s needs are the key to making the world a better place.

As the Internet continues to develop, an open ecosystem is, without doubt, the way forward.

Openness is more than an approach, but an ability to connect an increasing number of separate parts to form an ecosystem that enables and sustains the growth of others.

Thus, openness to Tencent encompasses developing products, providing services for developers on its platform, incubating businesses and ultimately creating a bigger and stronger ecosystem.
WEIXIN: CONNECTING LIVES THROUGH THE MOBILE INTERNET

Weixin (including “WeChat”, the international version of Weixin) has brought about revolutionary changes to the world of communications enabled by the mobile Internet.

In 2013, Tencent’s co-founder Pony Ma announced the vision for our platform: to connect users to every aspect of life in the real world via their fingertips, creating value for users, businesses and society. Weixin is the medium through which to realise this vision.

From its launch in 2011, Weixin has undergone six major upgrades. By bringing Weixin closer to our lives, it has started to change lifestyles in surprising ways.

Weixin has covered every aspect of our lives, strengthening the relationships and connections of people with services, as well as linking different service providers. People interact, share and even work on Weixin; this ubiquity has turned it into a way of living.

In the words of Weixin creator Zhang Xiaolong, “how you use Weixin will determine what Weixin is to you.”

WEIXIN MOMENTS: DEEPENING CONNECTIONS

Weixin Moments connects your private social circles and family, allowing you to directly interact as well as follow and share each other’s messages on the platform. In this way Weixin revolutionised the forms of connection between family and friends who are physically apart.

Statistics showed that 86.1% of the users have increased interactions with their friends because of Weixin, and 57.3% have met new friends or reconnected with old friends on this platform.

SELF-MEDIA: CREATE YOUR OWN BRAND

Weixin’s public platform was launched with Version 5.0. There are two types of Weixin Official Accounts – Subscription Accounts and Service Accounts. The content – and information-based accounts offer a new channel for content distribution, opening a gateway for the development of new media.

Through Weixin every individual can create a space to make his or her voice heard with impact. It makes it easier for the public to access information and discuss topics that interest them. Good content is often widely read, raising awareness and stimulating discussion on social issues.
SMART LIVING GENERATED BY SERVICE ACCOUNTS

Other than connecting people, Weixin also connects people with services. We enable companies to provide various services to users via our platform, thereby enhancing community, financial and commercial services.

With businesses now able to interact more freely with users, a smart lifestyle has emerged. Weixin enables services with real value to be created; the Service Account has become a platform for businesses and users to interact.

01 SMART TRANSPORTATION

Covers nearly 100 bus terminals in different provinces including Guangdong, Hainan, Jiangsu and Shaanxi.

- **BUS**
  - Public account enquiry
  - Weixin Pay ticket purchase
  - E-tickets
  - Boarding with mobile ticket

- **AIRPORT**
  - Public account enquiry and ticket purchase
  - Weixin check-in; code-scanning at security check
  - Weixin Pay for airport shopping
  - Weixin airport map

- **TRAIN**
  - Log-in without registration
  - Ticket search
  - Night-time ticket purchase

02 SMART RETAIL

Covers more than 20,000 shops across the country.

- Supermarkets in provinces such as Guangdong, Jiangsu, Zhejiang, Hunan and Jiangxi
- Over 2,000 convenience stores across the country such as 7-11, Circle K, C-Store and Hi-24

- **Weixin Pay**

- **SHOP**
  - Store promotions updates
  - No more queuing

03 SMART COMMUNITY

Covers more than 40 residential communities and 100,000 households in Guangzhou and Shenzhen.

- **PROPERTY MANAGEMENT NOTICE**
  - Real-time push through Official Accounts

- **SERVICE APPLICATION**
  - Appointments
  - Complaints

- **OTHER SERVICES**
  - Expanding community circle
  - Information sharing

- **FEE PAYMENT**
  - Weixin Pay

04 SMART SCHOOLING

Brings convenience for students and teachers at schools in Beijing, Shanghai and Guangzhou.

- **NOTIFICATIONS AND ALERTS**
  - Activity announcements
  - Notification alerts
  - Enquiries

- **PAYMENT AND TOP-UP**
  - Multiple top-ups on one card
  - Top-up for electricity
  - Top-up for Internet tariff
### SMART PARKING
Covers 13 cities across the country including Beijing, Shanghai, Shenzhen, Guangzhou and Xiamen.

- WEIXIN PAY PARKING
- REAL-TIME SEARCH FOR A PARKING SPACE
- SMART DIRECTION GUIDE INSIDE PARKING LOTS
- REAL-TIME MONITORING
- "FIND MY CAR" VIA WEIXIN

### SMART BOOKSTORE
More than 100,000 users now enjoy premium shopping for books.

- IN-STORE WEIXIN AND WIFI COVERAGE
- PAYMENT VIA WEIXIN PAY
- MOBILE WALLET PAYMENT
- VIRTUAL MEMBERSHIP CARD
- TRANSFERABLE OR CODE FOR PURCHASED BOOKS

### SMART TICKETING
Covers all major cinemas across the country.

- WEIXIN TICKETING
  Purchase tickets and choose seats anytime, anywhere
- E-TICKETS
  Automatically save tickets in Weixin cardholder
- DIRECT ENTRY THROUGH TICKET SCANNING
  E-ticket checking, smart indoor direction guide

### SMART DINING
Hundreds of restaurants and eateries now offer a comprehensive dining experience on Weixin.

- E-QUEUING TAG AND ENQUIRIES
- SELF-SERVICE FOOD ORDERING
- BILL SETTLING ON WEIXIN PAY
- PRE-PAY DINING CARD

### SMART DELIVERY
Nation-wide smart delivery.

- ORDER PLACING THROUGH OFFICIAL ACCOUNTS
- REAL-TIME NOTIFICATION OF LOGISTICS DETAILS
- OFFLINE PAYMENT VIA WEIXIN PAY

### SMART VENDING MACHINES
Covers more than 20,000 online shops through vending machines.

- WEIXIN SEARCH FOR VENDING MACHINES
- WEIXIN TOUCH AND PAY
- CASH-FREE PRODUCT PICKUP

### SMART MERCHANDISE
Covers department stores in provinces and cities including Beijing, Shanghai, Zhejiang, Jiangsu, Shandong and Sichuan.

- INSTANT PAYMENT VIA WEIXIN PAY
- SMART DIRECTION GUIDE INSIDE SHOPPING MALLS
- FOLLOW OFFICIAL ACCOUNTS FOR
  Promotion notifications
  Virtual shopping
  Virtual shopping cards

### SMART HOTELS
Covers more than 20,000 hotels across the country.

- RESERVATION AND CHECK-IN THROUGH OFFICIAL ACCOUNTS
- WEIXIN BOOKING FOR ROOM SERVICE
- WEIXIN ACCOUNT-CONTROL DOOR LOCKS
- MEMBER DISCOUNTS AND PREMIUM SERVICES
- WEIXIN CHECK-OUT

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### SMART HEALTHCARE
- COVERS NEARLY 100 HOSPITALS
- MORE THAN 1,200 HOSPITALS SUPPORT REGISTRATION THROUGH WEIXIN
- REGISTRATION AND CONSULTATION REMINDERS
- SETTLE CONSULTATION FEES VIA WEIXIN PAY
- REAL-TIME DELIVERY OF HEALTH REPORTS
- MEDICAL INSURANCE CLAIMS
- E-BILLS
INTERNATIONALISATION OF WEIXIN

As at the end of 2014, the number of WeChat users, the international version of Weixin, has exceeded 100 million in Southeast and Southern Asia, Europe and South America. To enable more people to use the platform, we launched WeChat in 18 languages including traditional Chinese, English and Portuguese and supported messages between registered phone numbers in over 100 regions overseas. Through regional cooperation and technology export, Weixin is establishing a platform that connects China and the rest of the world, promoting the sharing of wisdom over the Internet.

BUILDING AN OPEN ECOSYSTEM ON WEIXIN

Traditional business models have been transcended on Weixin, of which Official Accounts and Weixin Pay formed the core elements. Add-on services and functions such as e-commerce, user identification, data analytics, payment and settlement, client relations, after sales services, consumer rights protection and social promotion are now all connected to the platform, forming a self-sustaining ecosystem. This total mobile Internet solution brings convenience to people’s lives that they had never imagined before.

As of the end of 2014, there were 40,924 government Official Accounts opened on Weixin, of which 84.7% were provincial and municipal level services. Police and healthcare services had the biggest share of those accounts.

QQ: VALUE ENHANCEMENT THROUGH CONTINUED EVOLUTION

As one of the early and core products of Tencent, QQ was fundamentally set up for PCs. The transition of QQ to the mobile platform began in 2013. After repeated attempts and intense problem solving and upgrades, the QQ mobile app attracted more than 200 million users in less than a year.

The mobile QQ4.2 version launched a Lifestyle Services Platform which was much like the Weixin Official Accounts but with a stronger focus on local services including payment, membership, reading rooms, games, mobile tariff top-up, lottery and other promotions to offer a one-stop lifestyle platform.

COMMUNICATIONS WITHOUT BARRIERS

QQ’s aim is to let every user enjoy Tencent’s products and services without obstruction. Tencent believes that everyone should have equal access to information. In 2013, we established the Barrierless Information Alliance to integrate Tencent’s resources to innovate around the communication experience for the underprivileged and minority communities. Currently, Tencent is working to lower communication barriers for visually impaired people. Our software now allows blind people to enjoy Tencent’s Internet services.
QQ IOT

By assigning an account number to every single “thing”, QQ can create an Internet of Things (IoT) that connects people with devices, software and services, enabling communication and interaction between them. The transition of QQ to mobile gives rise to the possibility of endless connections.

QQ is the online lifestyle platform for 800 million people in China and is changing the habits of many and offering opportunities for all.

OPEN PLATFORM AND RESOURCES SHARING

Over the past few years, Tencent has gone through an exercise to streamline its business so it could focus resources on its core communication and social platform as well as its content business.

Tencent also provides the developers on its platform the necessary tools and services to enable them to thrive in the mobile Internet environment.

Tencent strives to create a level playing field for developers in the ecosystem. Regardless of their size and influence, they will have equal access to the tools and services on the Tencent open platform.

These are some of the Tencent tools and applications for developers on the open platform:

QZONE AND QQ CONNECT

Sharing is the key feature of Qzone and QQ Alumni. Tencent built a function to enable website owners to share their website content on Qzone and QQ Alumni. By embedding simple coding, website owners can reach millions of Tencent users, increasing exposure and driving traffic to their own portal.

QQ Connect, on the other hand, allows website owners and developers to build in the function for users to share messages, photo albums and calendars on QQ, Mobile QQ and Qzone with one single QQ log in.

As of 2014, 600,000 websites and 60,000 apps were linked to QQ Connect.
WEIXIN PAY AND WECHAT PAY

Weixin Pay and WeChat Pay are mobile payment tools co-developed and launched by Weixin and a third party payment platform.

According to statistics in January 2014, 400,000 taxis across 33 cities in China used the Didi Taxi app and five million hire orders were made on Weixin Pay. Dianping, one of China’s most popular restaurant-review and group-buying portals saw its transaction volume triple in 11 months after linking to Weixin Pay. The number of group-buying merchants on the platform increased by five times over the same period.

YINGYONGBAO

Mobile app developers are often faced with challenges in reaching, differentiating between and retaining users at different stages of development. YingYongBao consolidated the Tencent gateways and their combined hundreds of millions of users, including Weixin, QQ, Qzone, QQ Browser and Tencent Security, to form a cross-platform and personalised app store. Users can search, share and update quality apps and games offered by developers. During 2014, YingYongBao, our android-based app store, recorded over 100 million downloads.

TENCENT CLOUD

For start-ups, server storage capacity and bandwidth in their IT infrastructure could create pressure on operations and costs and thus become a bottleneck for further development. Tencent Cloud, which went live on August 28, 2013 has become a reliable means for cost-conscious enterprises.

Tencent Cloud’s services cover cloud, data and personal layers. It offers basic cloud services including server access, database management, CDN and object storage, as well as big data services such as MTA and cloud push to developers on the Internet using the public cloud. It also offers a range of industry-specific solutions that cover games, apps, video and Weixin.

TENCENT SOCIAL ADS (PREVIOUSLY CALLED TENCENT WIDE-POINT)

Mobile Internet, automation and big data have revolutionised advertising. Based on the enormous amount of data collected from social media platforms, Tencent Social Ads provides advertisers with a cross-platform and multi-terminal one-stop ad platform that is enabled by big data and allows smart targeting.

TENCENT CLASSROOM

Tencent Classroom is an interactive online education platform that connects educational institutions and learners, providing free tools and course information. Users can search, consult, enroll and take part in discussions on this platform.
Tencent Incubator
Tencent offers a one-stop incubator to support start-ups. As of the end of 2014, Tencent had established more than 20 start-up incubators across the country and more than 3,000 teams had applied to move into these spaces. On the Tencent open platform, there were over five million entrepreneurs, with a total market capitalisation between their firms of RMB200 billion. 22 of these teams had revenue exceeding RMB100 million. 10 of them had been successfully listed on the stock exchange, 10 others were in the process of applying to go public.

Tencent incubators support start-ups in six areas: traffic and exposure; start-up cost sharing; profitability; platform integration; in-kind subsidiaries and tax benefits; and training.

Weixin Open Platform
Openness is the most important feature of Weixin. It allows third parties to join this ecosystem, generating more jobs. In 2014, Weixin created job opportunities for 10.07 million people, among them 1.92 million were via direct employment and 8.15 million were indirect.

Conclusion
Tencent supports business partners and helps them use the technology to generate traffic and revenue. Its services have extended to cover both online and offline, providing entrepreneurs with one-stop incubation. It aims to create a sustainable environment for young entrepreneurs to realise their dreams.
CARE FOR EMPLOYEES
CARE FOR EMPLOYEES – OUR GREATEST ASSET

Tencent is proud to have been named as the Best Employer of the Year in China since 2011. The average age of employees across the firm was 27 years old in 2013/14 and was around 29 in 2016. Tencent strives to create an environment to help them develop their careers and work proactively, healthily and safely.

Tencent’s employee benefits focus on career growth, health, housing and recreation. The firm encourages employees to live the corporate values of integrity, proactivity, collaboration and innovation.

We provide a platform for employees to realise their dreams and potential. In this environment, one which also encourages gender equality, we provide employees with a supportive environment where they can grow as individuals. Employees are Tencent’s greatest asset - that is why we understand the importance of providing our employees across all ranks with career development opportunities, a positive corporate culture and competitive compensation.

TENCENT ACADEMY

Our HR department has designed comprehensive career development and training programmes. This is complemented by on-job coaching for our employees to help them to acquire technical know-how, as well as personal and leadership skills essential to their development.

In 2007, Tencent established a corporate learning institute - the Tencent Academy. In the past seven years, it has provided valuable learning and teaching resources to enhance employee learning and development.

The Tencent Academy comprises multiple learning platforms from offline lecturing, desktop online learning, mobile learning through the Weixin Official Account and the Tencent Club. These platforms provide users with quality learning resources.

By the end of 2014, we had met the learning needs of our employees at all levels by offering 376 face-to-face lectures within the company, and over 90% of these were self-developed training programmes. There were 877 designated lecturers within the company. In addition, we have offered 3,226 online programs, 326 of these through mobile devices. In total, 16,102 staff attended the online training. There were 102,732 sessions received throughout the firm. 92% of our workforce can access online training.

ACTIVE TRANSFER PROGRAMME

In 2013, Tencent launched an active transfer programmes to provide diverse career development opportunities and promote employee mobility within the company. By allowing employees to transfer to new departments or positions, we minimise the loss of talent while helping our employees meet new challenges and reigniting their passion for learning.

Internal transfer generated support for our core business while minimising the net growth in headcount. Our headcount grew by less than 10% in 2013; the Weixin team, however, alone added almost 200 employees, half of these through the active transfer programmes.
Between January and October 2013, there were 856 voluntary cross department transfers, an increase of 49.7% year on year. 30% of the talent hired in core product units was through internal transfer. In addition to offering growth opportunities for staff, the internal transfer of knowledge has proven useful in speeding up the pace of product development.

HEALTH CONSULTANTS
Tencent set up the OHS Committee to formulate and implement policies to ensure all employees work in a healthy and safe environment.

We have equipped a healthcare room and hired medical professionals who are available for consultation. Employees can also consult experts of Chinese medicine during their visits.

Tencent also hired experienced health consultants to provide advice and illness support to staff. We had a team of 20 health consultants to provide our employees with health-related information such as advice on common ailments and medication in 2014.

HOUSING SCHEME
Tencent has launched a housing scheme to offer RMB1 billion of interest-free loans for first-time homebuyers within the company. An individual can apply for a maximum of RMB300,000 in first-tier cities, and RMB200,000 in other locations. By the end of June 2014, 1,937 employees have benefited from this scheme.

RECREATION
Tencent provides many entertainment and cultural activities to help employees live a healthy and happy life. Music, dancing, badminton, running, basketball, soccer and other exercise classes are provided to employees. On the 25th floor of the Tencent headquarters in Shenzhen is a fully equipped gymnasium for employees to use. These facilities and activities help employees maintain a healthy work-life balance.

COMMUNITY SERVICE
“WE-LOVE” CAMPAIGN
In January 2013, the Tencent Charity Foundation launched the We-love campaign. Through an all-in-one community service platform (km.oa.com/love), employees were able to create their own charity projects.

Employees spending time on We-love campaigns will earn RMB10 per hour for their own We-love fund. The department they work for also receives RMB10 for the department fund. The fund can be used to support other We-love campaigns in the form of crowd-funding. Once a campaign successfully raises more than one quarter of the funds needed to run it, the Tencent Charity Foundation will fund the remaining balance for the project.

We-love makes everyone a starter, organiser and participant of charity campaigns. The campaigns can also be run more professionally, with better monitoring and a higher degree of transparency.

1 billion
interest-free loans for first-time homebuyers within the company

1,937
employees have benefited from the housing scheme

24,026
the number of participants in We-love campaigns

5.28 million
Tencent Charity Foundation’s donation to We-love campaigns
Since the launch of We-love, the number of participants had reached 24,026 by the end of 2014. 376 employees had launched 107 projects around poverty alleviation, community maintenance and care for minorities. The Tencent Charity Foundation has made matching donation of RMB5.28 million to We-love campaigns during the period.

We truly believe that these community service opportunities can enhance employees’ sense of social responsibility. By directly participating in CSR, our employees will care more for the people and environment around them.

**VOLUNTEERING**

Tencent encourages employees to take part in volunteering work and supports their efforts. During 2013 and 2014, Tencent volunteers participated in activities including providing technical training and counselling to visually-impaired engineers, as well as cancer patient support services.

**ETHICS AND VALUES**

Tencent embraces the values of integrity, proactive, collaboration and innovation. Integrity is Tencent’s core value. It is also the most important principle when we consider whether someone will fit into the Tencent community.

The firm has a code of conduct for employees and states clearly that there is zero tolerance for the following behaviours:

- Activities that involve fake data, information and fees
- Bribery and corruption
- Activities that involve leaking the Company’s confidential information or divulging sensitive information including compensation
- Participation in activities that are in competition with the Company’s businesses
- Participation in activities or transactions that conflict with the Company’s interests
- Illegal activities

We ask everyone in the Tencent community to live by our values and alert supervisors and the management in case they notice any violation. In this way, we are creating a positive and ethical work environment for everyone.
CONNECTING WITH THE COMMUNITY

INTRODUCTION

As one of the leading Internet services providers in China, Tencent connects the majority of Internet users in China. Given this position it takes corporate responsibility seriously and strives to leverage its capabilities and assets to care for society, contribute to charitable causes and protect the environment. The many initiatives are driven by the Tencent Charity Foundation and every individual product team within Tencent.

Tencent’s contribution to the community is focused on four areas: (1) donation and charity campaigns; (2) education and research support; (3) village development; and (4) disaster relief. With the belief that everybody can participate if provided with the right tools, the Tencent Charity Foundation advanced the integration between the Internet and charity work. Through products such as the Tencent online donation platform and the Tencent Charity Network, hundreds of millions of users now see participation in charity activities as part of their daily life. Initiatives such as the open village platform and Tencent emergency relief have raised public awareness of particular issues and harnessed new sources of support for village development, education, poverty and emergency relief.

ONLINE DONATION PLATFORM AND CHARITY CAMPAIGNS

The Tencent Charity Foundation was set up in June 2007 and was China’s first charity foundation initiated by an Internet company. Over the years, the Tencent Charity Foundation has been working on leveraging the power of connectivity between the Internet and Tencent’s products to promote charity activities in a more efficient manner, and all the while encouraging public participation in charitable activities.

In the past nine years, the Foundation has received donations from more than 100 public funds, initiated 10,901 charity projects and raised RMB960 million from more than 64 million Internet users. In recent times, more than 95% of the donations were made through mobile devices, showing the take up by consumers of new ways to participate. In 2015 alone, more than 23 million people donated more than RMB540 million in total to support 7,241 projects. The total amount of funds raised was 5.4 times that of 2014’s figure, with an average of RMB23 per donation. Internet+ charity initiatives have proven to be a success as a new means for the general public to understand and take part in charitable activities.
ONLINE DONATION PLATFORM & CAMPAIGNS

Tencent’s online donation platform, which is enabled by the universal connectivity of the Internet, has noticeably changed donation behaviour. Individuals now have a simple and convenient way to participate in charity work, which more closely reflects their current lifestyle.

In 2014, the increased popularity of mobile social networking tools such as Weixin, mobile QQ and Weixin Pay helped to remove obstacles to participation in charity.

ONE-STOP ONLINE DONATION PLATFORM: FROM INITIATING A CAMPAIGN TO EXECUTION AND MONITORING
MONTHLY DONATIONS, EMERGENCY DONATIONS AND COLLECTIVE DONATIONS

Monthly donations and emergency donations are two types of donations that users can make. The former is a continuous option for causes such as poverty and hunger alleviation, and does not have an upper limit on the amount donated. Users can choose to have a set amount deducted automatically from their designated account every month. The latter is a more immediate scheme in response to particular emergencies, and does have an upper limit. Once the target amount of funds has been raised, the fundraising activity will end. With these options, users can help those in need according to their preference of projects and donation amount.

Collective donations are a new type of social charitable action launched in August 2014 that allow users to share information on charity initiatives within their online social circle, thus creating a bigger impact for the cause.

EXISTENCE: RECORDING WITH A MISSION

Tencent launched the first charity video program in China called Existence. These touching videos recorded the real life of ordinary people who were linked to different charity initiatives. In the latter half of 2014, 19 of the 40 Existence stories were connected to fundraising activities and raised RMB2 million from Internet users.

QZONE CLOTHES FOR THE ELDERLY

Qzone, another component of Tencent’s online charity platform, on December 26, 2013 collaborated with the Tencent Charity Network to jointly launch the Clothes for the Elderly campaign.

According to national statistics, China’s elderly population (over 60 years old) exceeded 200 million at end of 2013. As more and more young people move to the cities to find work, the number of empty-nest elderly is increasing.

The campaign encouraged Tencent users to offer care to elderly individuals living in villages by donating winter clothing and warm packs. Within 100 hours of the launch, the campaign had raised more than RMB1 million. The Tencent Charity Foundation matched the donation, doubling the level of support.
READ FOR THE BLIND

There are over 12 million people in China who are blind. In addition to the challenges in their daily lives, there is a higher barrier for them to obtain knowledge and information. Every day, China sees more than 700 new books published, but for the blind it is almost impossible for them to access these new sources of knowledge.

On August 25, 2014, Weixin launched the Voice Donor charity product to provide blind people with a new reading solution. Weixin users can enter the Voice Donor account and themselves record a system-generated passage or a section of a book of their choice. The Weixin team would then collect these recordings to produce audio books to be made available to the blind.

More than 500,000 people followed the Voice Donor account. The number of followers almost doubled in 10 days and more than 13 million recordings were received. Tencent subsequently upgraded the platform to build in functions to streamline the recording and improve content sorting and selection. Off the line, the Tencent Charity Foundation worked with professional organisations to ensure that the voice recordings can be distributed and used by the people who need them the most.

STEP FOR CHARITY

In addition to donation, Tencent has introduced innovative ways for people to take part in charity. Through the everyday activity of walking, people can turn their steps into real value. Step for Charity allows users to donate the number of steps accumulated on Weixin or QQ to support charity projects. One year after the campaign was launched in June 2015, nearly 95 million users had donated a total of 1,387.6 billion steps. More than RMB202 million was raised by these individuals and 55 corporations. The fund was used to support 68 different projects.

9.9 CHARITY DAY

The annual 9.9 Charity Day was launched through the joint efforts of Tencent, and hundreds of charities, corporations, celebrities and leading creative communication firms. Through the use of innovative Internet and social networking technologies, hundreds of millions of Internet users in China donated small amounts of cash, steps they walked for the day or their voice recording to support charitable causes. The event opened new possibilities for participation in charity in an easy and fun way. More than two million people participated in the 9.9 Charity Day in 2015, donating a total of RMB127.9 million, making it the signature Internet+ charity event.

OFFICIAL ACCOUNTS

In addition to the Tencent Charity Foundation, more and more not-for-profit organisations including UNICEF and Orbis have opened Official Accounts on Weixin to engage their stakeholders.
EDUCATION AND RESEARCH SUPPORT

Tencent values innovation in all areas. To promote innovative thinking and realise the potential of innovation within education and research, Tencent launched a series of initiatives.

RHINO BIRD FUND: TRANSFORMING CREATIVITY INTO REALITY

To capture the potential of young people’s creativity, the China Computer Federation (CCF) and Tencent established the Rhino Bird Fund on July 25, 2013. The Rhino Bird Fund represents Tencent’s entrepreneurial and collaborative spirit and the fund aims to connect the firm’s teams with young scholars to put innovation into practice.

The fund supports research projects that aim to improve quality of life by innovating in fields including artificial intelligence, credit system design and social recommender system. Researchers can leverage Tencent’s open platform and have access to a pool of experts to further their studies.

In 2014, the fund received 152 research proposals from five overseas tertiary institutions including New York University, the National University of Singapore and The Chinese University of Hong Kong, as well as more than 80 domestic tertiary and research institutions. Tencent and CCF invited experts to evaluate the applications based on vision, originality, feasibility and other factors. In the end, 17 applicants received that year’s technology research funds and 16 applicants received innovation funds.

UNIVERSITY AND ENTERPRISE COLLABORATION

In 2011, Tencent and Tsinghua University jointly established the Innovative Internet Technology Laboratory. By the end of 2014, research results had been applied to Tencent’s search engine, instant messaging platform, street map, map search function, Weixin and other products. The laboratory took part in establishing China’s audio and video standards, one of the areas in the 12 Five Year Plan - a blueprint for China’s development.

In addition, the joint laboratory injected RMB1 million into innovative research projects in tertiary institutions across the country.

INTERNET AND SOCIETY RESEARCH INSTITUTE

In July 2014, Tencent established the Internet and Society Research Institute to foster closer relations between the Internet industry and those involved in academic research in related fields. The aim is to promote a system that is beneficial to the long-term development of the industry.

In addition to conducting research in the fields of Internet law, economy, cybercrime and social effects, the Institute organised seminars with TechWeb to discuss issues including user privacy, intellectual property, choice of listing locations for Internet companies, hacktivism, mobile payment and Internet wealth management.
VILLAGE DEVELOPMENT

Internet connection is improving the life of many in urban areas, while widening the digital technology divide between cities and the countryside. For people in poorer mountainous villages, ethnic minorities and other underprivileged groups, the Internet can remain an inaccessible luxury. Tencent’s WeCountry is a mobile Internet open platform designed to uncover the value of the villages and help them build information and economic connection with the rest of the world.

WECOUNTRY: INTERNET+ VILLAGE

WeCountry is an open platform built on the Internet+ Village model. On this platform, village leaders are offered mobile Internet tools, free resources and training workshops that help them access digital technology which will benefit their communities.

In 2009, the Tencent Charity Foundation launched the New Village project to assist the development of rural villages in western China. The project set up education, cultural and economic pilot programs in counties in Guizhou and Yunnan provinces.

The project was upgraded to the WeCountry open platform in September 2014 and was officially launched nation-wide on August 19, 2015. Tencent hopes that by pooling village resources and providing development and communication support, more young people will start businesses locally. As of December 2, 2015, 788 villages had applied to join the WeCountry platform.

CONNECTING EMOTIONS: GAM MUSIC AND ECOLOGY MUSEUM

The Gam Ethnic Music and Ecology Museum was opened on November 22, 2014. The museum, located in Tongguan County in Guizhou Province, was funded by the Tencent Charity Foundation with a gift of RMB15 million.

The museum focuses not on exhibits but rather the cultural and ecological heritage in the area. Local members of the community run it, allowing them to decide on how they want to represent their own culture.
CONNECTING INFORMATION: THE EMERGENCE OF A MOBILE INTERNET VILLAGE

An ancient Gam village in Guizhou experienced the magic of the Internet when the first verified village-level Official Account was opened for this village to disseminate information notices and voting results, promote events and seek feedback on public affairs, amongst other things. We have been part of many other stories showing how connectivity improves lives:

- A Weixin group was opened among people in the community to exchange information on farming, recruitment and marketing the farm produce.
- An online market was opened in order to sell local produce. Between October 2013 and the end of 2014, the market generated more than RMB500,000 in revenue, all of which went to the farmers.
- A 65-year-old woman learnt how to video-call her son who worked far away in Guangdong. She also used the mobile phone given to her to enjoy Gam music and opera.
- Through training workshops and other activities, people in the community became more closely connected, resulting in them organising their own Gam music concert.
- An individual in charge of a performance opened a Weixin group for their performers that made communication easy. The Weixin Pay and Red Packets function were used as payment channels for performers.

CONNECTING WEALTH: INTERNET + FAIR TRADE

Thanks to the unrivalled natural environmental conditions, glutinous rice produced in Liping County in Guizhou Province is famous for its quality and the province was one of the first named as an important agricultural heritage area by the UN Food Program.

However, in the modern commodity value chain, the farmers have not been able to generate fair profit due to their lack of business knowledge and poor sales channels.

The Tencent Charity Foundation helped the farmers package, promote and sell their products. By linking the real story of the farmers to the product and thanks to the enhanced connections enabled by the Internet, the farmers were able to play a more important role in the value chain. The Tencent Charity Foundation launched a pre-sale of the rice products from Liping County during the third charity exhibition in Shenzhen on the Village Market platform. Tencent also procured tea from the region to use as a corporate gift.

Tencent established a fair trade platform for villages and promoted sustainable economic development in the form of trading instead of pure donation. We believe this is a more sustainable model as it creates a level playing field and respects local culture.

The connection we brought to villages was more than e-commerce. It links people back to and within the villages. Tencent will continue to harness support for the WeCountry program and inject more services into the platform.
DISASTER RELIEF

The Tencent Charity Foundation provides systematic and efficient emergency relief through the connectivity provided across the Company’s platforms. We cannot stop disasters from happening, but we can connect with the people who are affected by disasters and provide them with all the help we can offer.

Tencent launched the disaster and emergency relief mechanism in 2008 when a snow storm affected a large area in Southern China. By 2014, Tencent had raised more than RMB69 million through its online donation platform, and set off the relief mechanism 11 times. On top of this, Tencent itself had donated RMB75 million for disaster relief.
Tencent’s Multi-dimensional Disaster Relief Missions

2008
- Guangdong Red Cross, Guangdong Youth Volunteer Association, China Guanghua Technology Foundation, China Children and Teenagers’ Fund, China Environmental Protection Foundation
- RMB 9,109,100

2009
- Mianyang Corporate Social Responsibility Association, Red Cross Society of China Jet Li One Foundation Project, Nanfang Daily
- RMB 2,169,550

2010
- Red Cross Society of China Jet Li One Foundation Project, the Amity Foundation, the Ministry of Civil Affairs of the People’s Republic of China, China Children and Teenagers’ Fund, Beijing Ren Ai Charity Foundation and more
- RMB 28,265,909.6

2011
- The Amity Foundation, Shenzhen 1st Fund Commonweal Foundation, China Foundation for Poverty Alleviation, China Population Welfare Foundation, China Children and Teenagers’ Fund, Beijing Ren Ai Charity Foundation and more
- RMB 4,124,500

2012
- Guizhou Pensioners for Rural Development Foundation, China Social Entrepreneur Foundation, the Amity Foundation, Shenzhen 1st Fund Commonweal Foundation, Hunan Youth Development Foundation and more
- RMB 2,407,001.11

2013
- Shenzhen 1st Fund Commonweal Foundation, the Amity Foundation, Beijing Xicheng District Horizon Education Center of China
- RMB 5,200,000

2014
- China Foundation for Poverty Alleviation, Shenzhen 1st Fund Commonweal Foundation, the Amity Foundation, China Women’s Foundation, China NGO Center for Disaster Risk Reduction
- RMB 5,000,000
THE POWER OF A CHARITY OMNI-PLATFORM

At 8:02am on April 20, 2013, Lushan County in Sichuan Province suffered from a magnitude-7 earthquake, causing nearly 100 casualties. The Tencent Charity Foundation immediately announced an emergency donation of RMB5 million.

Tencent opened an emergency donation channel on its online donation platform and within six hours, more than RMB300,000 was raised.

On April 22, the Tencent Charity Foundation donated an additional RMB15 million to support post-disaster reconstruction. These funds all came from Tencent and its employees.

Tencent also launched related news features on QQ.com to push live reports from the affected area while deploying its e-commerce arms to deliver aid to the affected region.

HAINAN TYPHOON DISASTER: EMPLOYEE-LED DISASTER RELIEF

On July 18, 2014, grade-18 super typhoon Kalmaegi struck Hainan and affected a million people within the province. A Tencent employee’s home village was in the region and she immediately reported the situation to the Tencent Charity Foundation.

The Tencent Charity Foundation reacted immediately with the Hainan typhoon relief campaign, initiated and managed by its employees. Within two hours, RMB300,000 was allocated to help 50 families rebuild their houses.

Many Tencent employees sent messages of support to colleagues from Hainan. Tencent set up a coordination office with six other charities to provide guidance for the employees who ran the campaign.

Charity campaigns initiated and managed by employees not only raised awareness and increased the sense of belonging due to the personal connection, but also ensured that campaigns were run in a more transparent way.

LUDIAN EARTHQUAKE: MULTI-CHANNEL DISASTER RELIEF

At 16:30 on August 3, 2014, Ludian County in Yunnan experienced a 6.5-magnitude earthquake. The Tencent Charity Foundation immediately sprung to action, donating RMB5 million through various charities and establishing an emergency online donation channel. A total of 401,046 online users donated RMB16.34 million for the cause.

A SCIENTIFIC APPROACH TO DISASTER RELIEF

Tencent’s effective response to disaster relief missions contributed to the development of a comprehensive disaster relief mechanism that covers disaster evaluation to frontline aid and backend support.

CONCLUSION

Through its charity efforts, education and research sponsorships, assistance to disadvantaged individuals and those in rural areas, as well as disaster relief services, the Tencent Charity Foundation continues to change lives by improving connectivity and elevating the positive impact of technology.
A sustainable environment is essential for human existence and is therefore a fundamental aspect of CSR. Although Internet businesses generally produce a low level of pollution, Tencent, as the Internet services provider that serves the largest number of users in China, strives to fulfil its environmental responsibility across all of its operations and set a high industry standard.

Through energy-saving services and business practices, as well as product design, Tencent has reduced its energy consumption. Tencent has also provided support to other environmental organisations and worked with them to further protect the environment.

**LOW-CARBON HARDWARE: ENVIRONMENTALLY FRIENDLY DEVICES AND OFFICES**

High energy consumption by data centers and servers has always been an environmental concern. We endeavour to protect the environment by applying innovative technology to our data centres. The initiatives include the self-developed low-power consumption server, free cooling and free convection to reduce electricity consumption and carbon emission. With these technologies, Tencent’s data centres save nearly 200 million kWh of electricity every year compared to a market standard data centre.

**CLEANING+ AND WARM LIGHT INITIATIVES: CONNECTING THE INTERNET TO THE ENVIRONMENT**

In early 2016, Tencent Security and the Tencent Charity Foundation launched a “Cleaning+” campaign. Every time users took action to clean up storage space on their mobile phone and computer, the storage would be quantified into charity dollars to support environmental projects in the Sanjiangyuan Region. The month-long campaign attracted participation from 2.2 million users, successfully increasing environmental action in the community with quantifiable results.

A similar Warm Light campaign was held in April 2014 to encourage QQ email users to delete old emails. With the Tencent Charity Foundation’s donation, the energy saved from releasing server space was used to improve lighting in schools in poverty-stricken mountainous areas.

By October 20, 2014, as a direct result, 10,856 energy-saving LED lights and 1,765 light stands had been installed in 19 boarding schools, benefiting 15,764 village students. The initiative also saved the 19 schools RMB57,503.70 per year on the cost of electricity.

**CASE STUDY OF ENERGY-SAVING MEASURES FOR DATA CENTRES**

At our new data centre in Qingpu, Shanghai, we have adopted a CCHP (Combined Cooling Heating and Power) system by building a distributed power station that uses a natural gas generator and flue gas hot water type lithium bromide unit as the core component for electricity and cooling capability required by the data center. The natural gas-fired distributed power system enables energy cascading. Natural gas generates electricity with high efficiency. Steam and condensation produced from power generation are re-used for cooling. The system is scheduled for official launched in mid 2017 and the overall energy utilisation is expected to be increased by up to approximately 80%.
SUPPORTING ENVIRONMENTAL ORGANISATIONS

Tencent understands the power of collaboration in resolving global environmental issues. The Tencent Charity Foundation supports the work of environmental organisations by enabling them to collect online donations via its platform.

Some of the environmental groups that Tencent supports include: the China Green Foundation, the Shenzhen Mangrove Wetlands Conservation Foundation, the China Environmental Protection Foundation, the Yunnan Green Environmental Development Foundation, the Beijing Loving Animal Foundation, the China Social Assistance Foundation, the China Youth Development Foundation, the Nature Conservancy (TNC) and World Wide Fund for Nature.

In 2015, Tencent entered into strategic partnership agreements with TNC, the International Fund for Animal Welfare and wildlife trade monitoring network TRAFFIC China to initiate the Penguins Love Earth Official Account. It has since been operating as a direct channel for reporting illegal commercial activities involving wild animals.

Through this channel, as of the first quarter of 2016, there were 959 accounts reported and 150,000 messages handled. 58 leads on major violations were provided to the State Forestry Administration, and four cases of illegal wild animal trading were investigated. One of these involved a trading value of over RMB24 million and was the biggest among all solved ivory trading cases since 1949.

In December 2015, Tencent, China Southern Airlines and TNC co-launched the Love for Elephant Month campaign to raise public awareness of the online trade in illegal ivory products.

Tencent believes that protecting the environment is essential to the sustainable growth of human race. Damage to the environment has reached an alarming level. Tencent will take every step, big and small that will connect us all on planet Earth to work towards safeguarding our beautiful home.
It’s hard to imagine the future when everything is so interconnected that the emergence of a new development often leads to changes in the whole network.

Driving Connectivity means that Tencent needs to establish a meaningful connection to the future amid these changes. Collaboration between social organisations has become easier by leveraging the Internet and that has given rise to a successful ecosystem and new communication channels. The cost of obtaining information and knowledge has become lower, and collaboration between different industries has become closer.

In the next 10 to 20 years, we will experience exciting changes when Internet connections grow beyond human to human and instead link human to devices and services.
NOTHING BUT THE FUTURE

Tencent hopes to improve the lives of millions of people around the world. There are still 4.3 billion people without Internet access and 90% of them live in developing countries. Improving their lives will be an immense challenge.

Tencent’s management has cleared obstacles for employees who have good ideas to express themselves and has provided them with the opportunity to implement their ideas that might drive these future aspirations.

We are not only creating an open ecosystem for our users and business partners, but will also turn Tencent itself into an open ecosystem in which every team and department shares equal values and has access to channels to share innovative ideas.

In the face of the Internet future, we are prepared for rough patches with our unwavering goal to create value for users and society as a whole.
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ABOUT TENCENT CHARITY FOUNDATION

Established in 2007, the Tencent Charity Foundation (the “Foundation”) is the first charity foundation set up by a Chinese Internet company. The charity platform operating under the Foundation is one of the largest public donation platforms in China. As of August 24, 2016, Chinese Internet users had made more than 76 million donations via this charity platform, with a total amount of charitable giving of around RMB1.1 billion. As of March 2016, Tencent and its employees had donated over RMB1.7 billion to the Foundation, supporting various charitable causes.

One of the Foundation’s major initiatives is 9.9 Charity Day, which brings together hundreds of charitable organisations, well-known enterprises and celebrities to encourage hundreds of millions of Internet users to make donations. Using the mobile Internet and social networking platforms in innovative and interactive ways, users are also able to donate their voice recordings to create audio books for the blind people; or donate their daily steps to raise funds for people in need. Through the 9.9 Charity Day campaign in 2015, a total of RMB127.9 million was raised to support 2,178 charitable projects, ranging from poverty relief to healthcare and wildlife conservation.

Working towards our vision of becoming the most respected Internet services company, Tencent employees founded the Tencent Volunteers’ Association. Currently, Tencent has more than 4,500 volunteers who are actively participating in various charitable activities including education, poverty relief, disability aid and environmental protection.