



# Sea Sustainability Report 2020

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# 01

## CEO Letter

# CEO Letter



Sea was established in 2009 with a mission to better the lives of businesses and people through technology.

In the years since, Sea has grown into a global business serving hundreds of millions of consumers and tens of millions of businesses around the world who rely on our platforms every day.

We have grown by focusing on serving the under-served – connecting communities, enabling consumers, and empowering small businesses, especially those who traditionally lack access to tech platforms and the opportunities they bring. 2020 has reinforced our conviction that technology can empower our communities and improve livelihoods. We are proud to serve these underserved communities, particularly in the wake of a global pandemic that has accelerated the shift to online lifestyles.

More people than ever are turning to online games for entertainment, and Garena has not only been a key source of enjoyment but has also been a vital enabler of social interaction as our users bond through the shared joy of online games. Every quarter, about 90% of our 600 million users play Free Fire without paying a cent for it. Far from being something we are unhappy about, this was deliberate: we choose to provide Free Fire at no cost, to all players, for life. We are glad to be able to provide hours of immersive and enjoyable entertainment to a huge number of people, regardless of what they can afford.

The same desire to serve defines our approach with Shopee. Shopee is an increasingly integral part of the commercial ecosystem in each of its markets. We noticed that once you drive an hour outside the city centers like Jakarta and Bangkok, you find communities cut off from e-commerce in a developing retail landscape in Southeast Asia. These were the communities we set out to serve. Getting everyone onto online retail platforms helps to close the gap between white- and blue-collar communities, providing value to both consumers and small businesses with more options to mutually benefit from. This is good for all of our customers, but it makes the biggest difference to those who were previously being left behind. This is one reason why we spend so much time traveling to rural areas in our communities, to show business owners and consumers how to harness the power of mobile e-commerce to improve their lives.

The same goes for SeaMoney. A large population of Southeast Asia remains unbanked or underbanked. So we asked: where can we make the biggest difference? The answer again lies in the under-served. As our economies go increasingly digital, cashless payment and other digital financial services that SeaMoney provides are becoming a vital driver of the digital economy in Southeast Asia.

How have we been able to achieve in such different markets? Because we are just as diverse in our team. Our Sailors span more than 50 nationalities, and this diversity is a source of our strength. Diverse teams bring the wisdom of different backgrounds and cultures into play, which produces better ideas. Our teams around the world are encouraged to challenge conventional thinking instead of relying on tried and tested methods from other markets. Our innovation comes from the deep understanding of the ground, doing incredible work customizing the experience each market has, making our global platforms feel hyper-local.

As we grow our business, we also feel a deep sense of responsibility to ensure that we do so sustainably, and in a way that creates meaningful, lasting value for all our stakeholders. We strive to create a legacy that outlasts all of us, by innovating with technology to do great things that can improve lives everywhere.

In our first sustainability report, we share our practices in delivering on our core mission. From how we provide value to consumers and businesses, protect our users' data, sharing our corporate governance, how we take care of our employees, to how we support our communities in coming online, staying online, and thriving in a digital ecosystem.

Going forward, we will regularly evaluate our sustainability progress and challenge ourselves to continually improve. I look forward to working closely with all of you to build on our work.

**Forrest Li**

Chairman and Group CEO



# 02

## Company Introduction

# Sea is a Leading Global Consumer Internet Company



Sea is a leading global consumer internet company founded in Singapore. Our mission is to better the lives of consumers and small businesses with technology.

We operate three core businesses across digital entertainment, e-commerce, as well as digital payments and financial services, known as Garena, Shopee, and SeaMoney, respectively.



Leading Global Online Games  
Developer and Publisher



Largest Pan-regional E-commerce  
Platform in Southeast Asia and Taiwan



Leading Digital Financial Services  
Provider in Southeast Asia

# Our Business Overview



## Leading Global Online Games Developer and Publisher

Established in 2009, Garena is a leading online games developer and publisher with a global footprint across more than 130 markets.

Garena is the developer and publisher of Free Fire, a popular mobile battle royale game. Free Fire was the most downloaded mobile game globally in 2019 and 2020. It was also the highest grossing mobile game in Latin America, Southeast Asia and India in 2020.

Garena also exclusively licenses and publishes games from global partners. In addition, Garena is a leading esports organizer, hosting esports events around the world that range from grassroots local tournaments to some of the most viewed professional esports competitions globally.



## Largest Pan-regional E-commerce Platform in Southeast Asia and Taiwan

Launched in 2015, Shopee is the leading e-commerce platform in Southeast Asia and Taiwan.

Shopee offers a wide product assortment, supported by integrated payments and seamless fulfillment. Shopee commits to helping brands and sellers succeed in e-commerce, and is highly tailored for each market in which it operates.

Shopee is consistently ranked the top app in the Shopping category in Southeast Asia in terms of monthly active users, total time in app on Android, and downloads. Shopee was also the third most downloaded app globally in the Shopping category in 2020.



## Leading Digital Financial Services Provider in Southeast Asia

Established in 2014, SeaMoney is a leading digital payments and financial services provider in Southeast Asia.

SeaMoney's offerings include mobile wallet services, payment processing, credit, and related digital financial services and products. These services and products are offered under ShopeePay, SPayLater, and other brands in the region.



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## Our Sustainability Priorities

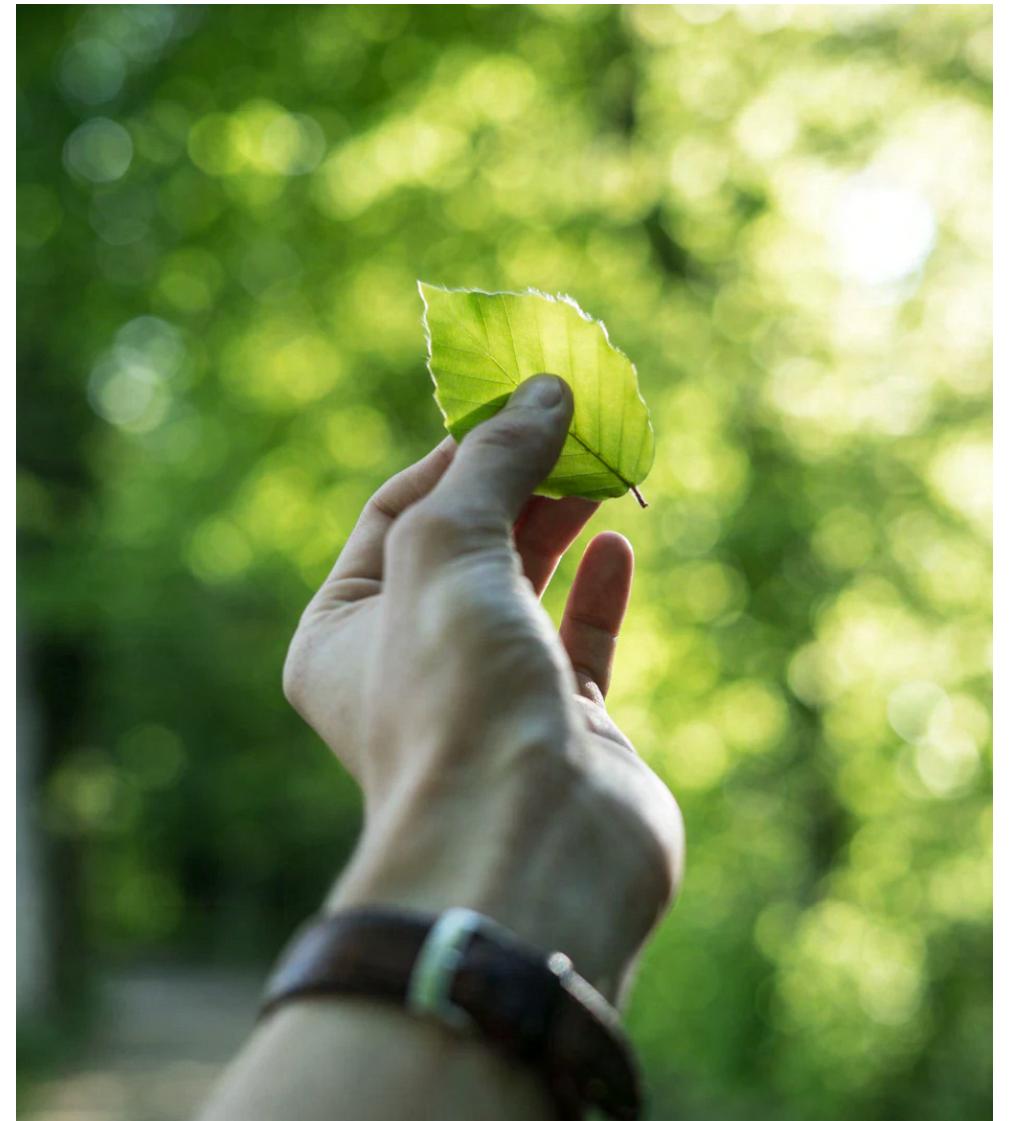
# Our Mission

**Our business is built on a commitment to better the lives of consumers and small businesses through technology.**

We believe in digital transformation, and we are passionate about the power of technology to make a meaningful difference to the lives of our users and the communities we serve.

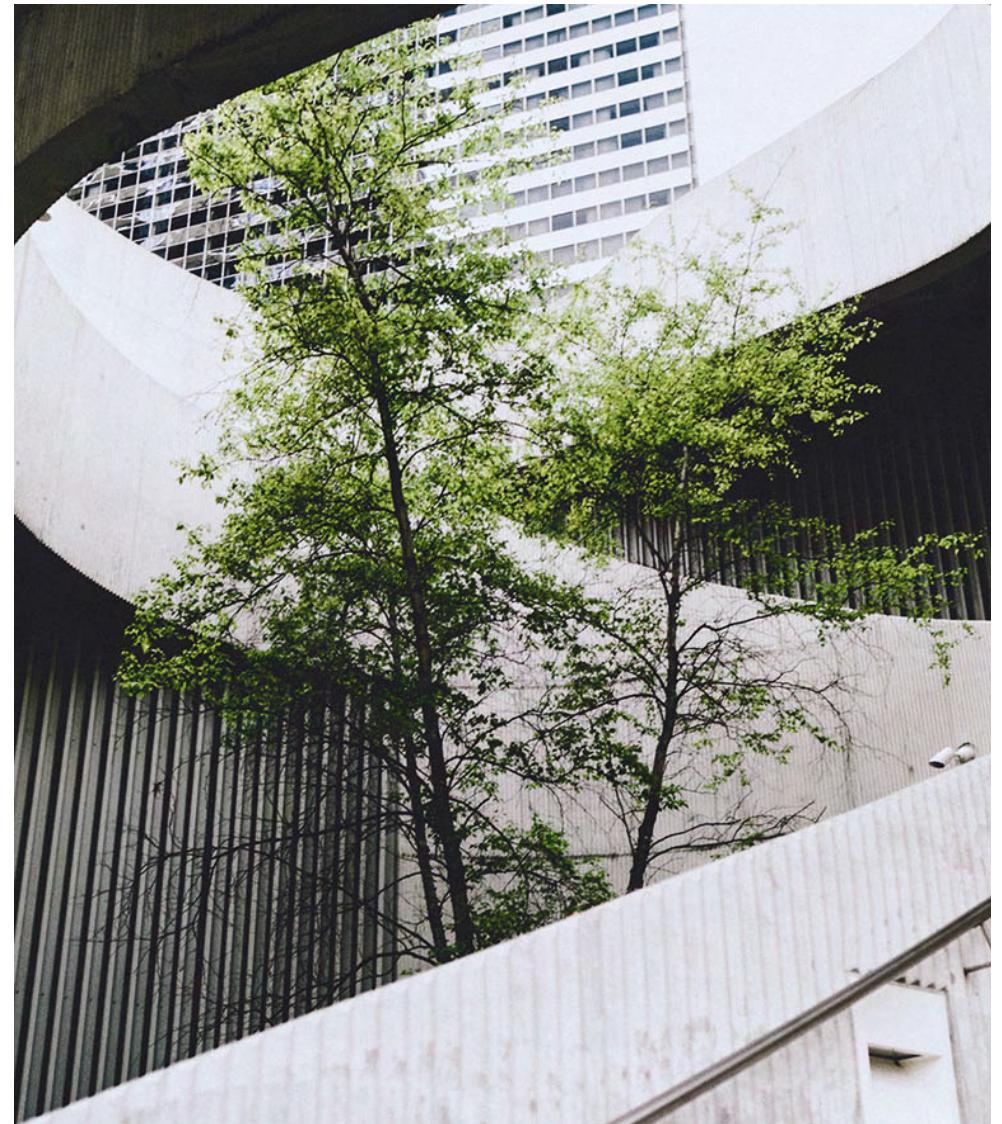
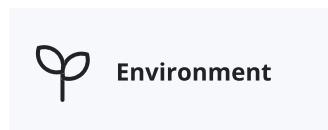
Our mission has never been more vital as more of our users move their daily activities online, and the acceleration of the transition to the digital economy intensifies.

We are committed to furthering our efforts and contributions to helping consumers and small businesses take full advantage of the opportunities in the digital economy, as the long-term health of our ecosystem is critical to the success of our business.



# Our Sustainability Priorities

Through an in-depth analysis of our global business, we have identified six key sustainability priorities. These priorities have informed how we identify, track, and manage matters related to sustainability across our operations, and how we have presented our findings in this, our inaugural sustainability report.



# SGDs Guide Our Social Impact Efforts

The UN Sustainable Development Goals (SDGs), adopted in 2015 as part of the 2030 Agenda for Sustainable Development, are a collection of 17 internationally accepted targets that are designed to be a "blueprint to achieve a better and more sustainable future for all".

We are committed to driving progress towards achieving the SDGs. Therefore, we have identified a subset of priority SDGs to serve as a guide for our social impact initiatives.

The selection was derived from an assessment of the needs of our key stakeholders, the urgency of issues in our markets, and where our capabilities have the potential to deliver the greatest impact.

Over time, we may expand the range of SDGs that we focus on based on the same principles.

## Sustainable Development Goals

<b>Education</b>	4. Quality Education	
<b>SMEs</b>	8. Decent Work and Economic Growth 11. Sustainable Cities and Communities	 
<b>Inequality</b>	8. Decent Work and Economic Growth 10. Reduced Inequalities	 
<b>Health</b>	3. Good Health and Well-being	
<b>Partnership</b>	17. Partnership for the Goals	

# Stakeholder Engagement

With our mission to better the lives of consumers and small businesses through technology, we work closely with all of our stakeholder groups to identify and understand their needs.

We have identified six groups of key stakeholders based on an internal assessment of our business. We have established a wide variety of channels that facilitate two-way engagement with our stakeholders, illustrated in the following table.

This allows us to better serve each of our stakeholders, and take them into account when making strategic business decisions.

Stakeholder Groups	Engagement
<b>Community</b>	<ul style="list-style-type: none"><li>CSR activities and community building</li><li>Social media communications</li></ul>
<b>Customers</b>	<ul style="list-style-type: none"><li>Access to essential consumption needs</li><li>24/7 help center access through chat, e-mail and phone</li></ul>
<b>Employees</b>	<ul style="list-style-type: none"><li>Regular town hall meetings</li><li>Regular reviews with managers and HR</li></ul>
<b>Governments</b>	<ul style="list-style-type: none"><li>Partnerships with government agencies for community service</li></ul>
<b>Shareholders</b>	<ul style="list-style-type: none"><li>Frequent shareholder engagement</li><li>Dedicated ESG communications</li></ul>
<b>Suppliers/Partners</b>	<ul style="list-style-type: none"><li>Regular syncs and updates</li><li>Pre-emptive collaboration ahead of peak seasons</li></ul>

# Partnerships

## Thought Leadership

We partner with prominent international organizations and provide quality data and research to inform and advance socio-economic development planning.



### ASEAN Youth Survey

In partnership with the World Economic Forum, our 2020 survey of almost 70,000 youths in the ASEAN region revealed strong resilience and growth mindset among the region's young people during the pandemic, and that they had significantly increased their digital footprint over the last year.



### COVID-19 Digital Merchant Survey

We partnered with the World Bank to survey 15,200 merchants on our platform to understand how access to e-commerce had enabled them to support their livelihoods during the pandemic.

## Partnership Programs

### Stakeholder Groups

International Organizations



Government-linked Bodies



Educational Institutions





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## Positive Impact on Our Communities

# Garena Serves Global Communities



Garena's business is built on a commitment to enabling gamers everywhere to access high-quality games and content, and to connect with communities of like-minded people.

We strive to make our titles accessible to the widest possible audience. All of our titles are free-to-play, and are designed to be playable on a wide range of devices. Today, Garena serves gamers in over 130 markets globally and has more than 610 million quarterly active users.

Key to this approach is our emphasis on creating locally-relevant content and activities that represent the tastes and preferences of local audiences. This can range from in-game content tailored to individual markets, to dedicated campaigns to showcase local culture and heritage.

Traditional Indonesian landmark and costumes in-game for Fantasy Town.



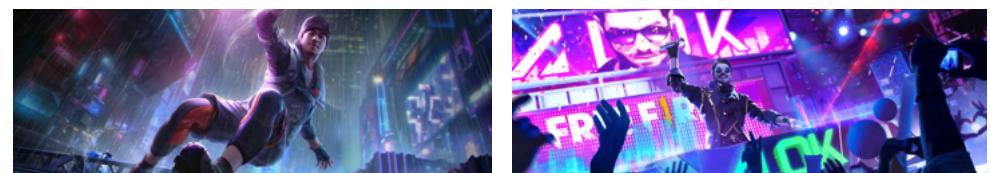
The Garuda Wisnu Kencana Cultural Park from Bali (left); the Borobudur Temple from Central Java (middle); the National Monument from Jakarta (right).

Indonesian Goddess of the sea, Nyai Roro Kidul, as a character in-game.

Vietnam national soccer team as playable characters in-game for FIFA Online 4.



Popular local celebrities as playable in-game characters for our self developed game, Free Fire.



Indonesian Actor Joe Taslim

Brazilian Music DJ Alok

# Garena Builds Connectivity Through Esports



We take pride in engaging and providing connections for the communities around our games, and we have developed a global community of esports players, fans, and content creators around our games.

Garena is a leading esports organizer in our markets and we host esports events around the world that range from grassroots local tournaments to some of the most viewed professional esports competitions globally. In 2020, Garena's game Free Fire was the most viewed mobile-only video game on YouTube, attracting over 72 billion views.

With recent research showing that video games have provided a vital platform for social engagement during the pandemic<sup>1</sup>, we have continued to emphasize our community building activities over the last year. For example, we have organized dozens of large-scale online-only esports events. Despite the challenge of holding live events last year, three of the five top esports tournaments by peak concurrent viewers in 2020 were Free Fire tournaments according to Esports Charts.



<sup>1</sup> Johannes, Vuorre, and Przybylski, 2021

## Case Study: Transcending Entertainment to Provide Connection



### Bridging the Generation Gap, Thailand

Charuwan Anu-an is a grandmother in Thailand who enjoys playing Free Fire as a means of staying active and engaging with online communities in her retirement. Although she is not an expert gamer, she enjoys improving her skills by watching Free Fire-related content online and practicing regularly with her granddaughter. Over time, she has found that the regular practice sessions bring her closer to her granddaughter, building stronger understanding between them and giving them a new opportunity to bond over a common interest.

### Delivering Esports Despite Pandemic Restrictions, Thailand

Garena World is our highly anticipated esports carnival event held annually in Bangkok, Thailand, bringing together game communities from around the region. In 2019, more than 269,500 game enthusiasts from all over Southeast Asia attended the event in person. In 2021, in response to the pandemic, we hosted our first fully virtual edition of Garena World, and welcomed more than 1.2 million online attendees. The government of Thailand is supportive of the positive community impact that Garena World brings to Bangkok, and ministers from the Ministry of Tourism and Sports have attended recent editions as guests-of-honor.

# Shopee Gives SMEs a Trusted Platform to Thrive Online



## Providing integrated e-commerce infrastructure and seller services through technology

We optimize for the online end-to-end retail journey of both buyers and sellers from listing, discovery, to checkout, integrated payments, integrated logistics and customer service. This is further reinforced by comprehensive seller tools and consumer services. With our infrastructure, sellers can solely focus on selling their products to grow their business online with technology.

## Innovative social and gamification features to create an engaging experience for sellers and buyers

We have introduced a number of features including Shopee Live, where sellers promote their products and engage with buyers in real-time for potential sales or brand-building, and Shopee Feed, where users can scroll through pictures and videos of items based on platform trends or sellers they follow. We have also introduced social chat to facilitate direct communication between sellers and buyers.

## Facilitating trust with Shopee Guarantee

This feature benefits both buyers and sellers on the platform. Sellers will only be notified to ship the products after the buyer had paid upfront in full amount for the products purchased. Buyers will be given a few days to check the product and request for a refund if the product received is not in a satisfactory condition.

## Shopee Export Program helps Southeast Asian SMEs expand beyond their home markets

This program enables SMEs from markets across Southeast Asia to quickly and easily expand their reach to other ASEAN markets where Shopee is present and explore new growth opportunities. Shopee provides training for SMEs to help them identify, attract, and retain buyers in new international markets through trend analysis, logistics, localization, etc.



Facilitating Trust with Shopee Guarantee, a payments escrow to withhold payment until transaction is complete and buyer confirms receipt



Innovative social features to create an engaging experience for sellers and buyers



A collaboration with the Indonesian Surakarta City Government in preparing the Solo Go Export Program

Click [here](#) for video

# Shopee Provides Digital Skills Training for Our SMEs



Adapting to the transition to the digital economy is challenging for many small businesses in our markets. We spend a lot of time and resources helping small businesses adapt to that transition, and take full advantage of the significant economic opportunities presented by going digital.

## Shopee University

We help sellers of all skill levels continuously improve through both offline and online courses. These range from basic to advanced e-commerce skills, and offer practical courses and webinars on topics such as marketing, financial management, advertising, livestreaming, logistics, and many more.



We offer wide range of classes for our sellers through Shopee University



Indonesian sellers learning about overseas markets



Learning about marketing and advertisements on our platform

## Shopee Philippines partnership with Go Negosyo

Shopee Philippines partnered with Go Negosyo on an initiative to equip farmers with skills and knowledge to sell their homegrown agricultural products online.

## Shopee Masterclass

Social commerce tutorials held by popular livestreamers help sellers get acquainted with Shopee Live, the platform's livestream feature that empowers sellers to engage with their buyers and build their brand.

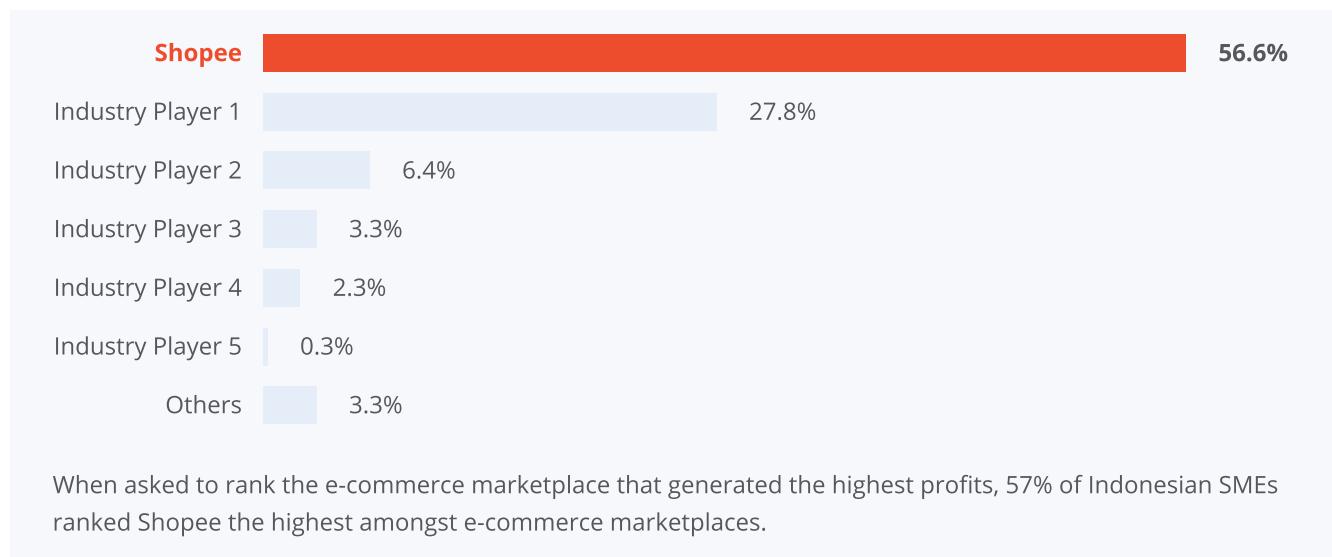
# Shopee Empowers SMEs to Scale Up Through Digitalization



## Increase in Revenue and Raised Household Income

Based on our research of over 40,000 ASEAN Business owners, they observed an over 160% increase in total revenue (both offline and online) across ASEAN.<sup>1</sup> 72% of entrepreneurs in Thailand reported higher household income due to e-commerce. This was especially true among sellers with existing offline businesses before coming online.<sup>2</sup>

**57% of Indonesian MSMEs stated that they generated higher profits on Shopee than on other marketplaces.<sup>3</sup>**



## Expand to Markets Beyond Their Region

Instead of being limited to selling within their vicinity, merchants are now able to leverage e-commerce and sell to customers from other parts of the country. Before adopting e-commerce, only 36% of sellers sold outside their immediate areas. However, after going online, we find that 67% of entrepreneurs now sell outside their own region, a sharp 30 percentage point jump.

1. Based on our research of >40,000 ASEAN business owners conducted in 2019.

2. Based on academic study in collaboration with Chulalongkorn University. See Sathirathai and Voraprapa (2019): [Connecting Locals to Locals - Market Discovery through E-commerce](#)

3. Based on Kadata Insight Center's MSME Survey on Indonesian Digital Marketplaces, 2021

# Shopee Lowers Barriers to Entrepreneurship



## Students

Students have to balance their full-time studies with their entrepreneurial ambitions, and also tend to be more sensitive to costs given their limited savings. E-commerce provides an easier way to set-up their business while keeping costs low.



**59%**

Use e-commerce as their primary source of income



**37%**

Most likely to use e-commerce profits to pay for college education

Our research has found that e-commerce provides an easier, more flexible and lower cost way to try new business ideas, and enables a new breed of entrepreneurs.

## Homemakers

Homemakers have to balance their household responsibilities with their entrepreneurial ambitions; thus, the flexibility of working hours is vital for them. E-commerce gives them the ability to have more household time while earning an additional income.



**80%**

Most motivated to adopt e-commerce to have **more time for their households**



**60%**

Most likely to use e-commerce profits to **care for their family**

# Case Study: Empowering Small Businesses and Farmers



## Shopee Supports Local SMEs

"Shopee Support Local" is an in-app campaign in our markets for local SMEs and sellers to boost seller traffic and performance by providing Shopee-sponsored marketing campaigns.

In Indonesia, we supported the national #BanggaBuatanIndonesia movement by launching a campaign for the sale of local products from SMEs.

In Malaysia, we partnered with the Domestic Trade and Consumer Affairs Ministry to launch a campaign called Buatan Malaysia which gives local sellers added exposure. 4,000 sellers joined the campaign to offer over 11,500 products.

## Shopee Export Program for Southeast Asian SMEs

In Indonesia, we launched a Shopee Export Program to help local SMEs reach a wider market abroad. Through this program, we helped local MSMEs to export up to 1.5 million products to Malaysia, Singapore and the Philippines in February 2021. We are looking at expanding this program to other markets to serve SMEs more.

In Malaysia, we launched a Shopee International Platform (SIP) initiative to help local SMEs set up their online store in other markets. In collaboration with Malaysia's Digital Economy Corporation (MDEC), we managed to promote this initiative to more SMEs, and provide support in the form of free training across a set of modules from store setup to sales analysis.

# Shopee Supports SMEs Through the Pandemic



## Shopee Seller Support Package

Shopee Seller Support Package covered a range of support initiatives to help SMEs in our markets overcome unprecedented economic challenges from the coronavirus situation. This included:

### 1. Financial Support and Relief: To help both new and existing SMEs improve their resilience to COVID-19 lockdowns by easing operational costs and attracting new customers online:

- Temporarily lowering administrative fees and commissions.
- Helping SMEs reach new customers with marketing support, including in-app advertising and exclusive access to in-app shopping campaigns.
- Partnering with local governments to offer SMEs direct access to additional funding to grow their online business.

### 2. SMEs could also access a wide range of training and support on Shopee University to scale and succeed in the long-term, including:

- Localized online courses on Shopee University to help sellers better understand the benefits of e-commerce and refine their operational and marketing strategies over time.
- Interactive webinars and live streams for them to learn directly from e-commerce experts and Shopee trainers during the pandemic.

### 3. Additional Support for SMEs who were new to e-commerce: Traditional and offline SMEs could also accelerate their digital transformation in light of COVID-19 through exclusive support from Shopee, including:

- Lower advertising and shipping fees that offered a head start to SMEs who were new to e-commerce.
- Hands-on onboarding support by local Shopee teams to provide SMEs with a seamless transition to e-commerce.



## Case Study: Helping SMEs Adapt to the Challenges of the Pandemic 1/3



### Muslim Fashion SME, Indonesia

Eka Wahyu Ningsih, a seller from Bandung, joined Shopee in 2018 with her family, later employing more tailors for the business. Sales started to do well after she began taking advantage of advertising features on Shopee.

When the pandemic hit, she had to fight to keep her business and employees. Eka decided to join the 12.12 Shopee Birthday Sale and Shopee export program to Malaysia and Singapore. Business rose again, with an 80% increase in sales.

Her store has been actively exporting on Shopee since 2020. She has gained confidence that her products are competitive in the market and now no longer worries about getting orders.

To learn more about Eka's story, click [here](#)

### Durian Farmers, Malaysia

Durian farmers in Malaysia were struggling as offline and B2B sales were badly hit during the country's Movement Control Order (MCO).

They recognized the need to move online to sustain their businesses and support their staff.

Durian farmers teamed up with Shopee to bring their durians sales online, boosting online sales and providing a new way for the farmers to ensure their fresh produce could reach consumers on time.

## Case Study: Helping SMEs Adapt to the Challenges of the Pandemic 2/3



### Shoe Apparel SME, Thailand

Supakan Charoenprakob from Ordinaryshoe decided to sign up for the Shopee Seller Support Package program due to difficulties in maintaining her store's sales after the COVID-19 pandemic.

She used to view the absence of a physical storefront as a disadvantage, but with the Shopee platform, she managed to double her sales using Shopee's built-in marketing tools such as Shopee Live.

She has now fully transitioned to an online business as more people are turning to online shopping.



### Social Enterprise, Philippines

Bengie Antido's shop, Kayamanan ni Juan, is a social enterprise offering a wide variety of high-quality bags and wooden bracelets, with 90% of the products crafted by tribespeople in General Santos City.

During the COVID-19 lockdown, Bengie found it harder to market the items due to the lack of tourist footfall in the city.

Bengie decided to transition online to Shopee to reach a wider audience.

This move helped his social enterprise stay afloat amid the ongoing pandemic and led to a 60% increase in his overall sales.

## Case Study: Helping SMEs Adapt to the Challenges of the Pandemic 3/3



### Board Games SME, Singapore

Alvin Tan, is the owner of The Mind Cafe which is a lifestyle cafe for customers to enjoy and play board games.

During the pandemic, he pivoted the business model and set up a shop on Shopee to sell board games online. He has seen strong response as a result, raising his sales by more than 20x since the pandemic.

He even hired extra hands to manage product listings and coordinate their marketing and promotional strategy.

### Baby Products SME, Vietnam

Vu Minh Tra is the founder of Babyhop, a baby products SME that sells baby chairs, car seats, prams and accessories.

Vu Minh was able to adapt during the pandemic by leveraging the Shopee Seller Support Package and managed to improve sales and optimize efficiency.

During the difficult period, Vu Minh increased Babyhop's user outreach and improved sales by taking advantage of the Shopee Seller Support Package and learned how to use free keyword advertising on our platform.

# SeaMoney Promotes Financial Inclusion Through Technology



We strive to meet the rising demand for financial services in our communities, particularly among the mobile-first generation that is coming online for the first time.

As a result of the accelerating expansion of the digital economy, we continue to rapidly expand our suite of self-owned and third-party use cases and partnerships, both online and offline.

## Growing List of Use Cases

Top Ups	Travel	E-commerce
Mobile Reloads	Data Package	Bus and Shuttle
		Train Tickets
		Online Shopping
Entertainment		
Deals Near Me	Food and Services Vouchers	Events Tickets
		Online Streaming
		Game Credits
Donation, Finance and Bills		
Donation	Postpaid	Cable TV
		Internet
		Electricity
		Water and Sewage

# SeaMoney Broadens Access to the Digital Economy Through Technology



**Insufficient access to financial services is a major barrier for many consumers and small business in Southeast Asia.**



**74%**

Underbanked or unbanked



**20%**

Card Penetration of Gross Transaction Value in 2020

As more activity moves online in tandem with the growth of the digital economy, SeaMoney is playing an increasingly important role in facilitating financial inclusion for users and small businesses by providing access to online payment services and financial services. Our mobile wallet total payment volume exceeded US\$7.8 billion for the full year of 2020, with quarterly paying users for our mobile wallet services surpassing 23.2 million in the fourth quarter.

During the pandemic, this became more important than ever, as contactless payments became the safest payment option for many. The World Economic Forum's Youth Survey 2020<sup>1</sup> reported:

- An increased usage of e-banking (34%) and e-wallet (27%) services among Youths in ASEAN after the COVID-19 pandemic.
- More than 64% of youths believe their increased usage of online education, e-banking and food delivery will be permanent.

Making financial inclusion more accessible to MSMEs:

- ShopeePay has been supporting the digitalization of Indonesian MSMEs both online and offline through the pandemic. We have integrated more than 3 million merchants on the Indonesia QR standard (QRIS), and we also support small and micro enterprises through promotions to encourage them to increase adoption of cashless payments
- In Malaysia, we help traditional offline businesses adopt digital payments through ShopeePay during COVID-19, providing them with daily cashback of RM8 when users transact through our e-wallet

1. We collaborated with the World Economic Forum on this research of >70,000 ASEAN youths conducted in 2020 ([Link](#))

# Case Study: SeaMoney Supports SMEs by Enabling Digital Payments



## Local F&B Family Business, Indonesia

Mdm. Mariyah is the founder and owner of Kupat Tahu Gempol, a local popular culinary destination at Bandung since 1965.

For decades, Kupat Tahu Gempol has been a favorite food destination not only for locals, but also tourists. During the pandemic, Kupat Tahu Gempol experienced a dip in their sales and wanted to transit to cashless payments for hygiene.

Kupat Tahu Gempol decided to digitize to keep up with their volume during peak hours via cashless payments with ShopeePay. With the increased productivity, they have witnessed an increase in sales. Mdm. Mariyah is happy with the increased visibility on their sales accounting and flexibility to provide cashback promos to her regular customers.

## Local F&B Fast Food Chain, Indonesia

Chicken Holic is a growing food chain in Medan selling fried chicken paired with coffee in local flavors since 2014.

Chicken Holic faced extremely low offline sales in 2020 when the pandemic hit Indonesia. They decided to pivot and increase their digital presence by enabling orders and payments through ShopeePay for their outlets.

With 30 branches today, Chicken Holic is one of the top ShopeePay merchants in Medan with the ambition to expand throughout the country.



# 05

## Data Protection and Security

# Data Protection Policy and Guidelines

Here at Sea, we place great emphasis on the protection of privacy and data across all of our businesses. As a global consumer technology company, we recognize that securing and protecting user data is fundamental to maintaining trust and serving our users.

## Data for Social Good



Sea endeavors to use data for social good, meaning we use data to improve the products we offer in order to better serve and enable our users and customers to do more, all while taking steps to maintain the privacy and security of their data.

## Data Responsibility



We are committed to fulfilling our responsibilities in relation to the collection, use, processing, and retention of personal data and to ensuring that the processing of the personal data of our consumers, employees, and other stakeholders is carried out lawfully and for legitimate purposes.

## Access Control



We strive to control access to and disclosure of personal information and acknowledge the principle of data minimization, which means that data should only be collected and used for the purposes specified and reasonably necessary to the company's legitimate legal and business needs.

## User Awareness



It is our policy to ensure data subjects are well informed about how our businesses collect and use data, as well as about their own rights. To that end, we have adopted publicly available privacy policies as well as other policies and operating procedures governing the collection, use, disclosure, retention, transfer, and protection of users' data.

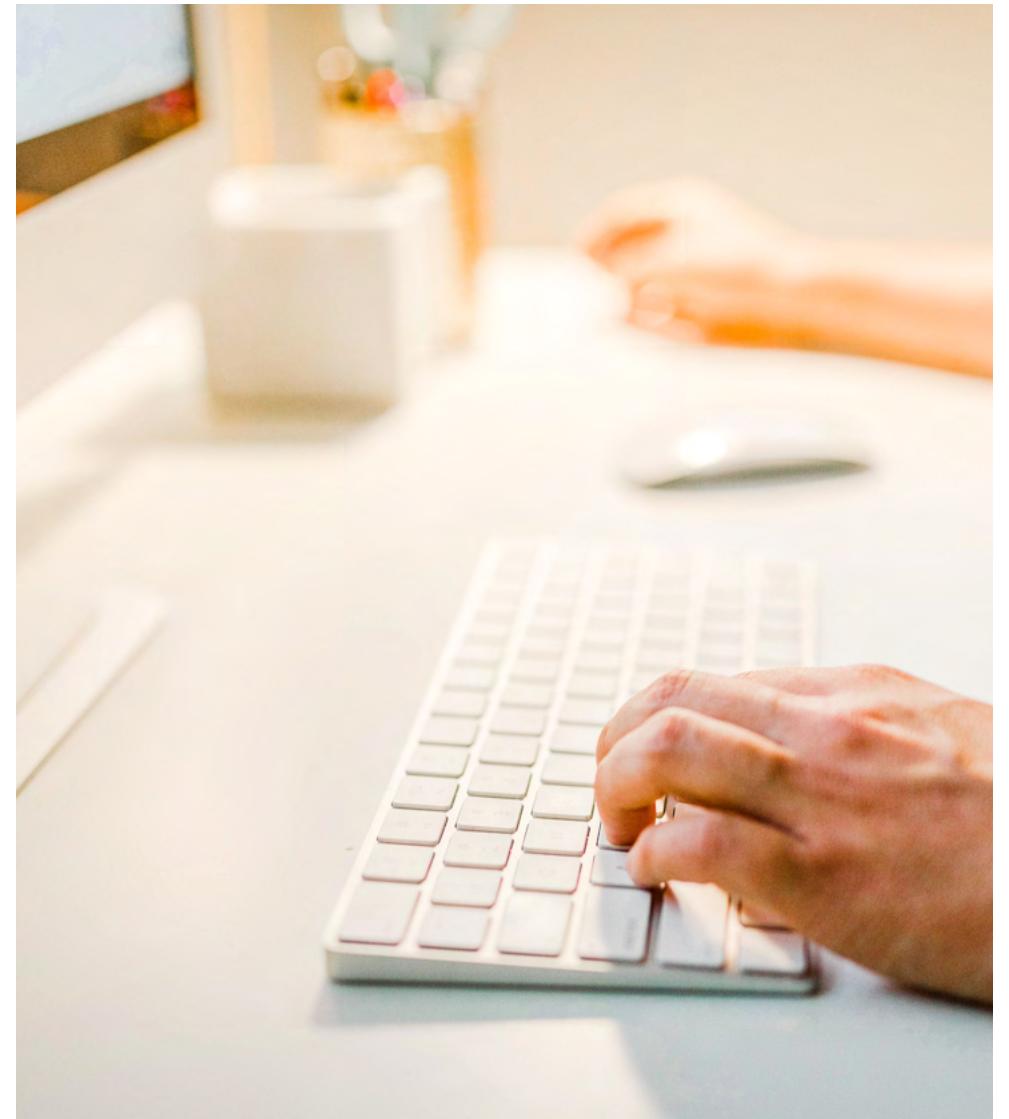
## Data Security

At Sea, we are committed to ensuring the security of the data under our control. We employ significant resources to develop and implement security measures based on industry best-practices and work to ensure that personal data is securely stored and protected from loss, misuse, unauthorized access or disclosure.

We employ security measures including, where appropriate and without limitation, by encrypting sensitive and personal data, monitoring of our systems for unauthorized access, the regular conducting of security testing, adopting code review practices between our engineers and the security teams, and regular monitoring and review of our security measures to prevent unauthorized access to our systems.

Each of our businesses, in coordination with the relevant Data Protection Officers, will regularly review our systems and processes for compliance with our guidelines and applicable law and to check that adequate controls and resources are in place for the proper use and protection of personal data.

For more details, please refer to our full policy [here](#)





# 06

## Our People

# Sea Manifesto and Core Values

Our biggest asset is our people. We focus on hiring and developing talent under the guidance of our core values. Our ability to attract talent, and provide them with opportunities to grow with our business is an important component to our long-term success.

## We Believe

### Our people define us

Sea shall be a place where talented people thrive at scale, enjoy freedom of ideas, and achieve the unimaginable. It shall be a magnet for the smartest, the most creative, and the most driven.

### Our products and services differentiate us

We aspire to better every life we touch and make the world an even more connected community through innovative products and services.

### Our institution will outlast us

We strive to build an institution that will last for generations and evolve with time and that is founded upon our core values.

**Serve**  
**Run**  
**Adapt**  
**Stay**  
**Commit**  
**Humble**

## Our Core Values are the Foundation of It All

### We Serve

Our customers are the sole arbiter of the value of our products and services. We strive to meet unmet needs and serve the underserved.

### We Adapt

Rapid change is the only constant in the digital age of ours. We embrace change, celebrate it, and always strive to be a thought leader that influences it.

### We Run

We are in a constant race to success while grappling with rapidly shifting forces. We move faster, better, and with more urgency each day.

### We Commit

Our work is our commitment. We commit to our values, institution, customers, and partners. We commit to each other. Above all, we commit to doing the best we can and being the best we are.

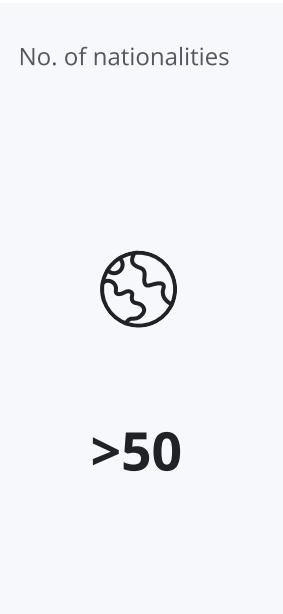
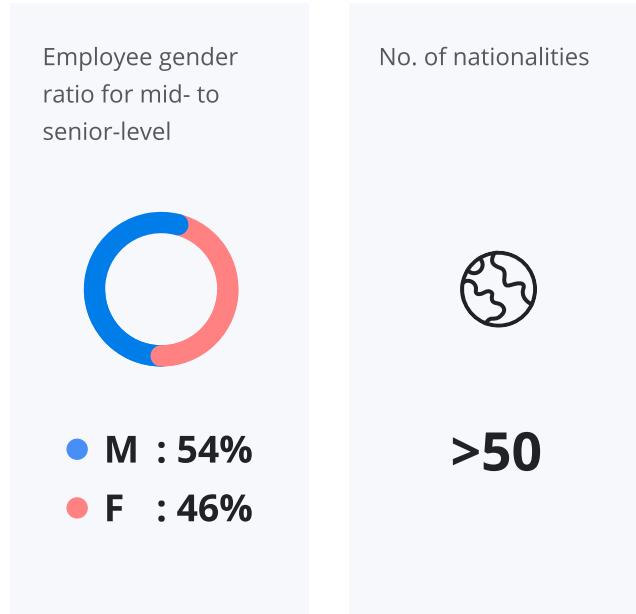
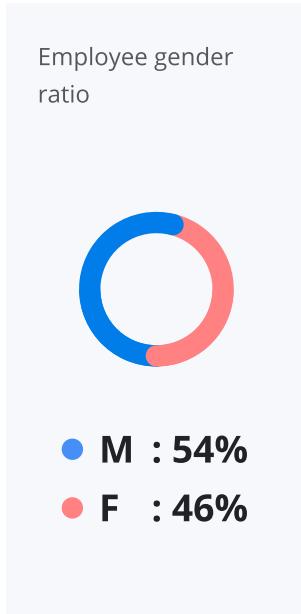
### We Stay Humble

We have traveled a long way from our humble beginning and yet, we never lose our humility in our continual quest for greater heights.

## Our Diversity

We are focused on building highly diverse teams with local knowledge and a deep respect for different cultures. We are proud to have a diverse workforce of over 30,000 globally that is representative of the vibrant markets in which we operate globally.

We value our diversity as a competitive advantage. We are an equal opportunity employer committed to the fair treatment of our prospective and current employees on the basis of merit, without discrimination.



Figures as of 1st Jan, 2021

## Fostering the Local Talent Ecosystem

We strongly believe in hiring and grooming local talent. As one of the largest employers of fresh graduates in Southeast Asia and Taiwan, we work closely with governments and universities to nurture a pipeline of talent and provide them with high quality jobs in the Information Technology (IT) industry.

We regularly hold nationwide coding challenges for undergraduates in our local markets, and internal hackathons for our developers in our offices. We strive to be active participants in fostering the local talent ecosystem, equipping undergraduates and young talents with essential digital skills and expertise to prepare them for the new digital economy.



Sea x Infocomm Media Development Authority Company-Led Training (CLT) Programme, Singapore



Our internal Hackathons for our developers to innovate on our products and services



Shopee x Ministry of Communications and Information "I'm the Best Coder!" Challenge, Singapore



# Our Recruitment

The Sea Management Associate Program and Shopee's Global Leaders Program are our flagship two-year programs that consist of four rotations that are each six months long. This provides participants of the programs with an in-depth and diverse exposure across the departments in our business, aiding their development to be a future industry leader.

Under these development programs, participants will get to choose a track where they want to become a leader: Finance, Garena, or Shopee.



Jeremy Pek, Finance Management Associate Program, Singapore



Palita Varojpiputh, Garena Management Associate Program, Thailand



Nadia Pangestika, Shopee Global Leaders Program, Indonesia



Hardono Japonika, Shopee Global Leaders Program, Indonesia

# Training and Development

Developing our people and giving them opportunities to expand their skills and knowledge is an important priority for us.

Our learning and development department conducts employee training sessions for all business teams and levels. In 2020 alone, we conducted more than 5,000 training sessions for our Sailors

## Hard Skills

We also provide a range of training programs focused on hard skills to enable our team members to enhance and develop their professional competency. This includes technical training and sharing, industry reviews and learnings, tech stack straining, and subsidised external courses.

## General Training

These include general training such as induction programs for fresh graduates, fundamental functional training, workshops focused on enhancing soft skills, and best practice sharing sessions across teams and functions.

## Leadership skills

We provide training in a range of leadership skills for staff at all levels to enable career growth of our team members. This covers everything from specialized coaching for first-time managers to programs designed to foster high potential leaders at a local and regional level.



Technical sharing on infrastructure for developers



Fundamental functional training for fresh graduates



Marketing team offsite workshop for sharing



Continuing our Learning and Development online with webinars in the pandemic

# Employee Engagement

## Regular Business Updates

We regularly hold business updates and alignment meetings with management in the form of all-hands meetings or Town Halls to facilitate dialogue between management and their teams.



Sea Town Hall for business updates, conducted by management across offices

## Frequent Employee Events

In 2020, we coordinated 477 employee engagement events globally throughout our offices.

We have a robust calendar of employee engagement events from monthly team bonding sessions, to festival celebrations, sports matches, volunteering excursions, outdoor hikes, interest workshops, yoga sessions, and many more!

## Feedback, Communication and Development

We work hard to create a culture and environment that allows our employees to thrive and do their best work. We conduct mid-year and year-end dialogues, HRBP initiatives, 360 peer feedback sessions, and mentoring sessions to create platforms for listening and sharing feedback.



Garena's soccer league for team building, Vietnam



Sea's "Big Day Out" at the beach, for our year end employee party, Singapore



Shopee's Open House for employee family members to visit our office, Singapore



# 07

## Corporate Governance

# Corporate Governance Committee

The role of our Board of Directors is to oversee the conduct of Sea's business, to evaluate whether the business is being properly managed.

Its responsibilities include reviewing and, where appropriate, approving Sea's major financial objectives, plans and actions; the appropriate auditing and accounting principles and practices to be used in the preparation of our financial statements; determinations under the guidelines, our Code of Business Conduct and Ethics and other internal policies; actions that would result in a material change in the financial structure or control of the company; the acquisition or disposition of any businesses or assets material to Sea or the entry into any major new line of business; evaluating the performance and approving the compensation of the Chief Executive Officer, with the input from the Compensation Committee, regularly evaluating the performance of principal senior executives, and others.

## Audit Committee

The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company.

The audit committee is responsible for, among other things: selecting our independent registered public accounting firm and pre-approving all auditing and non-auditing services permitted to be performed by our independent registered public accounting firm; reviewing with our independent registered public accounting firm any audit problems or difficulties and management's response; reviewing and approving related party transactions; discussing the annual audited financial statements with management and our independent registered public accounting firm; meeting periodically with the management and our internal auditor and our independent registered public accounting firm; and reviewing and discussing our accounting and control policies and procedures and any steps taken to monitor and control major financial risk exposure.

## Compensation Committee

Our compensation committee assists the board in reviewing and evaluating the compensation structure, including compensation plans relating to our directors and executive officers.

The compensation committee is responsible for, among other things: reviewing and approving the compensation package for our chief executive officer; reviewing the annual bonus, long-term incentive compensation, stock option, employee pension and welfare benefit plans of our company; reviewing annually and administering all long-term incentive compensation or equity plans; and selecting and receiving advice from compensation consultants, legal counsel or other advisors after taking into consideration all factors relevant to that person's independence from management.

## Corporate Governance and Nominating Committee

The corporate governance and nominating committee assists the board in selecting individuals qualified to become our directors and in determining the composition of the board of directors.

The corporate governance and nominating committee is responsible for, among other things: identifying and recommending nominees for election or re-election to our board of directors or for appointment to fill any vacancy; reviewing annually with our board of directors its current composition in light of the characteristics of independence, qualification, experience and availability of service to us; review the performance of our board of directors and management and will make appropriate recommendations for improving performance; and monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

For more details on our Corporate Governance please refer to our website [here](#)

# Code of Business Conduct and Ethics

Our code of Business Conduct and Ethics applies to all of the directors, officers and employees of the company, and promotes integrity and fairness in our day to day business operations.

The code describes the set of standards, values, and expectations we have for each of our employees regarding:

- Compliance with law and regulations
- Identifying and disclosing conflicts of interests
- Duties to respect, safeguard and protect the confidentiality of information and property
- Fair and honest dealings with our customers, suppliers and competitors
- Protection and use of company assets
- Maintaining appropriate and honest gifts and entertainment practices
- Maintaining accurate and reliable company records
- The accuracy of financial reports and public communications
- Compliance with insider trading laws
- Prevention of corruption in accordance to the Foreign Corrupt Practices Act FCPA
- Commitment to a safe and healthy working environment
- Maintaining fair employment practices
- Commitment to equal opportunity and fair treatment on the basis of merit, without discrimination
- Prohibition of harassment of any form
- And more

For more details about our Code of business Conduct and Ethics click [here](#)





08

## Social Impact

## Our Social Impact at a Glance<sup>1</sup>

### Our Youths



**~US\$ 2 million**

Worth of support / scholarships for youths

**62,000+**

Coders trained

**24,400+**

Participants in our digital education workshops

### COVID-19



**>US\$ 35 million**

Committed to COVID-19 Seller Support Packages across all our markets

**120,000+**

Products donated

**>US\$ 510,000**

Monetary donations

### Our Community



**60+**

Charitable initiatives

**180+**

Partnerships with Non-Governmental Organizations and Charities

**>US\$ 1 million**

Raised on Shopee platform for charities

1. Cumulative figures from 2020

# Educating and Preparing Youth for the Future

## Coding Challenges



### Shopee Code League

June 2020, March 2021



36,000+

Participants



62,000+

Coders trained

To encourage interest in coding and competency in key-related skills amongst the youth, we organized a regional coding competition, the Shopee Code League, which is one of the biggest competitions of its kind in Southeast Asia.



## S\$ 50 Million Gift To The National University Of Singapore

Largest ever gift by a corporate to advance research and education in areas such as artificial intelligence (AI) and data science, provide scholarships for students, research fellowships, and professional development, and support seed grants for enterprising projects and outreach programs.



### Gift Agreement Signing Ceremony

Guest-of-Honour  
Mr Lawrence Wong  
Minister for Education & Second Minister for Finance  
29 March 2021



## Developing Local Talent In Partnership With The Government

We play our part to build the talent ecosystem by working closely with local governments and universities to develop interdisciplinary talent for the sector



### TechSkills Accelerator

Training opportunities to support current information and communications technology (ICT) professionals and non-ICT professionals to upgrade and acquire new skills and domain knowledge



### Work-Study Degree Program

Providing students with industry experience while allowing them to potentially progress to become full-time analysts with us.



### SGUnited Mid-Career Pathways Program

Traineeships and training opportunities for mid-career job seekers to gain meaningful industry-relevant experience

# Efforts to Combat COVID-19

## Our Impact

 **25+**

Initiatives to support frontliners and communities impacted by COVID-19

 **~40**

Hospitals received our aid

## #GamersForDoctors

In Thailand, we launched a social campaign to encourage medical staff and raise funds for the Ramathibodi foundation to respond to the COVID-19 outbreak.

## Keeping Our Communities Safe

During COVID-19, we launched the '**Shopee From Home Campaign**' in all markets to encourage our customers to stay home by buying online. Our logistics partners also offered daily vouchers to reduce shipping costs for consumers.

**We supported students in rural areas to continue learning remotely** through donating ~700 transistor radios to the Philippines Department of Education (DepEd).

We partnered with the Indonesian Ministry of Health, the West Java Provincial Government, as well as the Bandung City Government to **set up a vaccination center** in Bandung, West Java. Our local team and medical partners administered 20,000 doses of COVID-19 vaccines over 12 days, mainly to elderlies and frontline workers.

Click [here](#) to find out more.



## Sustaining The Livelihoods Of Our Sellers

**>US\$ 35 million**

Committed to COVID-19 Seller Support Packages across Southeast Asia and Taiwan which reduced operational costs and provided various vouchers, paid advertising credit, free shipping programs to sellers.



## Promoting Sports and Culture in Our Communities

### LCS Academy Supports Talented Young Footballers In Singapore



In 2020, we established the Lion City Sailors (LCS) Football Academy as a hub for fostering promising talent in Singapore. The LCS Academy strives to provide a structured and conducive environment that will develop boys and girls across all age groups and competitive levels to the best of their abilities. The LCS Academy has also launched a S\$1 million scholarship for its four-year development program aimed at nurturing the professional careers of Singapore's most talented young players and providing them with a pathway to a professional career.

### Garena Academy Helps Young People Build Careers In Games And Esports

In 2020, we launched an online knowledge hub in Thailand to build a better understanding of the different profiles and skills needed to enter a career in the games and esports industry, as well as raise general public awareness of the trends, growth opportunities, and diversity of professions in the industry.

 **1.4 million+**  
Garena Academy Viewers

In addition to the online platform, Garena Academy ran its first workshop in Nov 2020 with over 250 youth participants to learn about the range of career opportunities in the games and esports field.



# Creating an Inclusive Community for All

## Our Impact



**533,300+**

People benefiting from our programs



**2.3 million+**

Views on our awareness-building campaigns

## "Lend a Hand, If You Can"

We launched a campaign called "Lend A Hand, If You Can" from Apr - May 2020 to support vulnerable groups in Singapore who have been impacted by COVID-19.

Customers were able to purchase essential items including food bundles, resistance bands and vitamins for vulnerable groups, in particular, low-income families and the elderly under Food from the Heart (Singapore) and Filos Community Services. They were also able to donate Shopee Coins to the two charities. With every coin donated, Shopee matched the amount, doubling the donation to the charity.

## "Coins for a Cause" "Shopee Gives Back"

To make Shopee's 12.12 birthday more meaningful, each year we launch charitable initiatives which allow users to donate Shopee coins to causes they believe in. Shopee will convert these coins into cash and match donations by its users. Previous beneficiaries include Children's Wishing Well, Food from the Heart, and Habitat for Humanity.

## DJ Alok Partnership

We partnered with Brazilian superstar DJ Alok to create in-game content of Alok. Part of the proceeds were donated to charitable organizations globally.

In Indonesia, we supported YCAB Foundation to train 1,000 teachers on digital skills. These teachers will upskill ~100 kids each, reaching 100,000 students. The top 10 students were offered scholarships for a bootcamp to provide them with practical experience.

## Indonesia Water Pump Project

In remote rural areas of Indonesia, we worked to help overcome the challenge of access to clean, running water.

In 2021, we worked with local organizations and donated IDR 300 million to build a series of water pumps across five villages in East Nusa Tenggara, one of the developing regions in the country. These pumps will provide clean water for the residents of these villages, and we intend to work with local communities to provide ongoing support to this initiative.

Click [here](#) for video.



# Contact Us

Please visit our website for more information.

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- [!\[\]\(807a160abd4ac4e21cc8e80e379d5daf\_img.jpg\) ir@sea.com](mailto:ir@sea.com)





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