



腾讯音乐娱乐集团
TENCENT MUSIC ENTERTAINMENT

CREATE ENDLESS POSSIBILITIES
WITH MUSIC AND TECHNOLOGY

Environmental, Social and Governance Report 2023

TENCENT MUSIC ENTERTAINMENT GROUP

A graphic illustration of a musical staff with several notes. The word 'MUSIC' is written in large, glowing, blue-outlined letters across the staff. The background features a circular pattern of concentric lines, suggesting sound waves or a globe, with a blue and purple color gradient.

MUSIC

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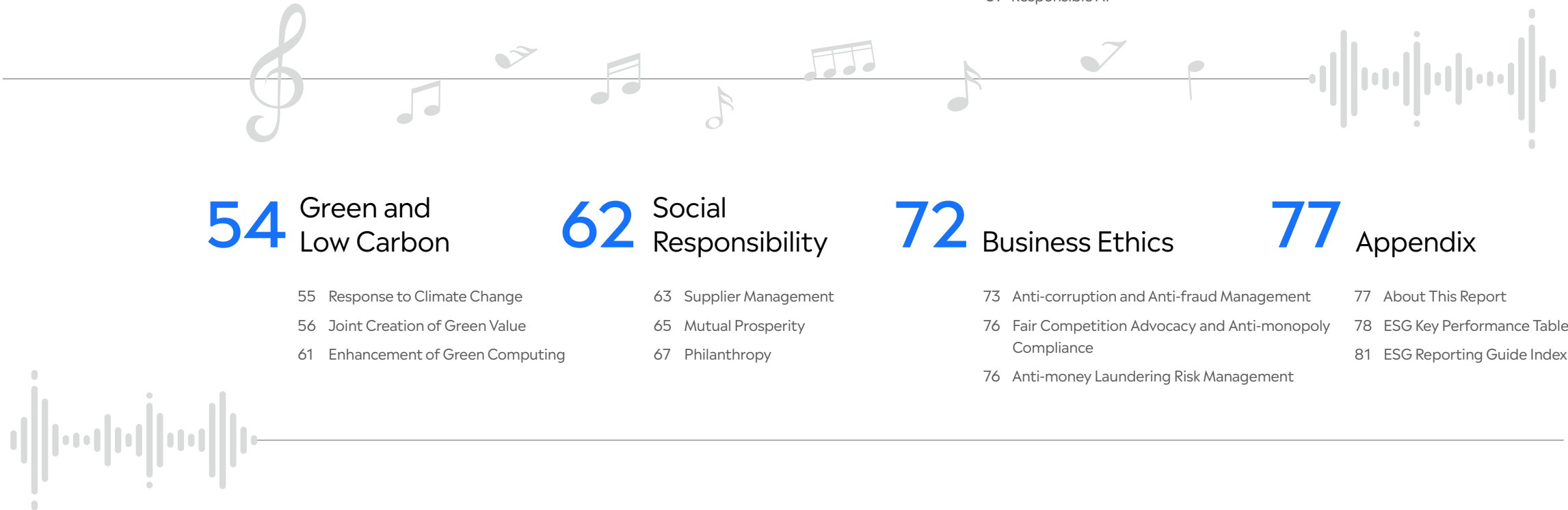
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Introduction

Letter from the Management

Since our founding in 2016, Tencent Music Entertainment Group (“TME,” or the “Company”) has aspired to create endless possibilities with music and technology. We are dedicated to delivering high-quality music experiences, driving sustainable industry growth, and creating long-lasting value for society. Our inaugural Environmental, Social and Governance (“ESG”) Report (“Report”) reviews our annual ESG practices, and demonstrates how we have integrated these principles into our business.

Our dual-engine content-and-platform strategy enables us to deliver premium, secure, and reliable music experiences. We consistently enrich our content ecosystem, refine our product portfolio, and enhance user privileges while exploring cutting-edge technologies like artificial intelligence (“AI”). This cements our position as a leading online music and audio entertainment platform in China. Additionally, we ensure user privacy and data security with stringent protection policies and engage with users through comprehensive feedback mechanisms to address concerns and strengthen content security management.

We champion dynamic industry growth and advocate for digital music copyright protection. According to the “Global Music Report 2023” by the International Federation of the Phonographic

Industry (“IFPI”), China became the fifth-largest market for recorded music in 2023. As a leading platform in this market, we are committed to empowering musicians and content creators to produce premium music by providing more opportunities for stage performances and career development. We ensure strong protection of both our and creators’ intellectual property (“IP”) rights by continuously enhancing internal protection mechanisms, deepening collaboration with copyright holders, and leveraging AI. Through these initiatives, mutually beneficial cross-industry collaborations and resource integration, we are revitalizing the music industry and driving its prosperity.

We believe that employee growth is integral to our development. Our talent philosophy—grounded in passion, exploration, and collaboration—guides our recruitment, motivation, and retention strategies. We foster a diverse, equitable, and inclusive workplace that fosters a culturally rich talent base and creativity and provides transparent career development paths supported by systematic training, enabling employees to achieve their full potential at TME.

Inspired by the philosophy of “letting love be heard in the name of music,” we contribute to social value through our philanthropic initiatives: Music Care, Music Education, and Cultural Heritage. We

host events such as “If Music Has a Shape” and “Music Garden Space” to raise awareness for causes like autism and rural children’s growth. Programs like Youth Music Tech X (“MTX”) also support music education and technology for youth, empowering communities through the universal language of music.

Guided by our core values of integrity, teamwork, motivation, and excellence, we remain dedicated to making a positive impact on the music industry. Leveraging technology, we will continue to create immersive music experiences and enrich the ecosystem, collaborating with our users, employees, and partners to build a sustainable future.

Cussion Kar Shun Pang
Executive Chairman



About TME

TME is China's leading online music and audio entertainment platform, operating a portfolio of highly popular and innovative music apps: QQ Music, Kugou Music, Kuwo Music and WeSing.



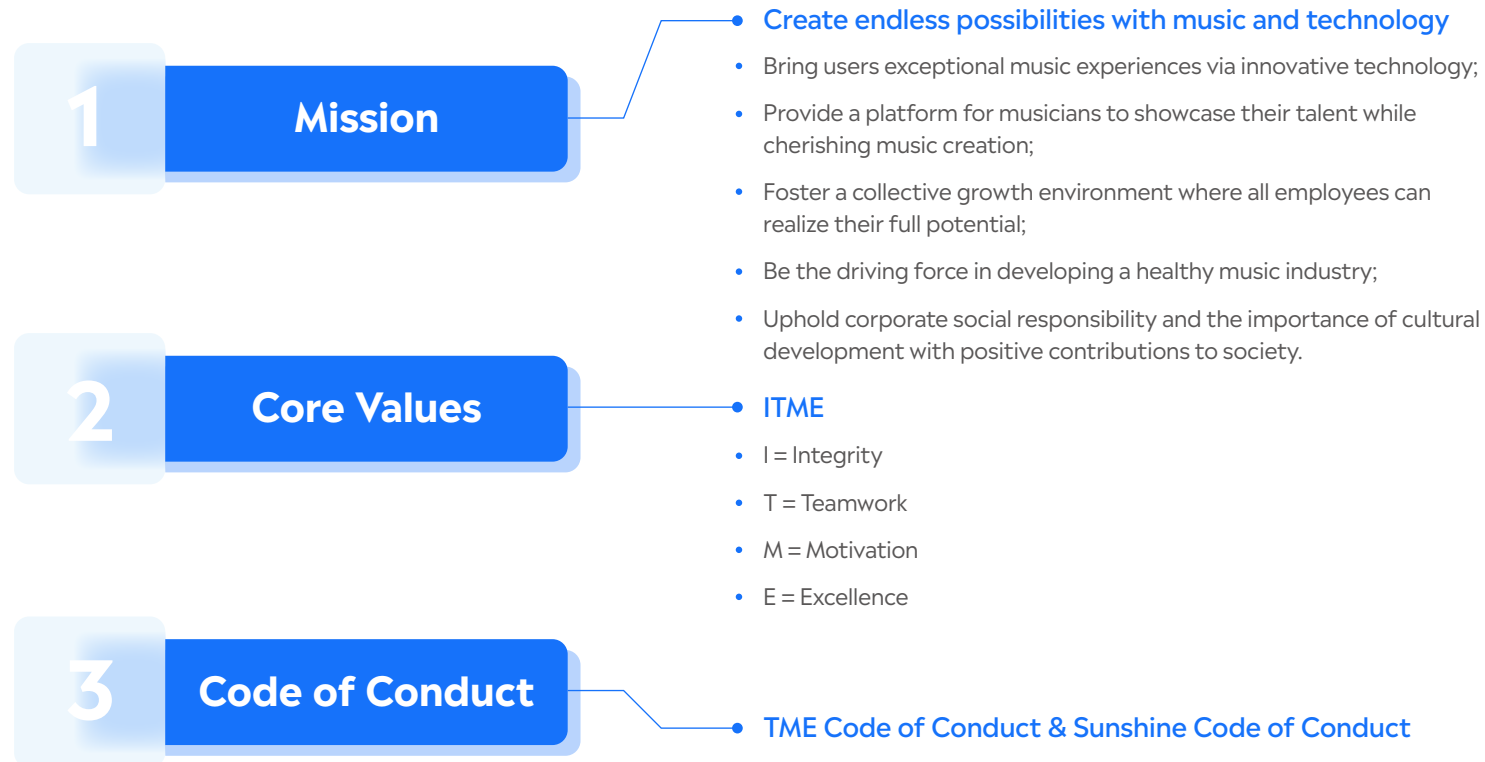
With a broad suite of services ranging from online music, audio and karaoke to music-centric live streaming and online concerts, we provide music fans with a dynamic fusion of channels to discover, listen to, sing, watch, perform and socialize around music.

We offer a comprehensive music library in a variety of captivating formats that includes licensed as well as self- and co-produced content. With our competitive edge and extensive experience in copyright protection, we are expanding our strategic partnerships with top-tier labels and artists home and abroad while nurturing talented musicians and supporting their career growth.

Our mission is to create endless possibilities with music and technology. Through technology-empowered product innovation, we remain committed to offering users more diverse and engaging music experiences and providing greater support to musicians and partners in the journey of music creation, production, and distribution.

Corporate Culture

TME has built a comprehensive corporate culture centered around our “mission,” “core values,” and “code of conduct.” By following these guidelines, our corporate culture has been deeply ingrained into every aspect of the Company’s operations. We adhere to the concept of sustainable development, integrating the ESG philosophy deeply with our corporate culture through a robust governance structure and ESG topic management.



Highlights from the Reporting Period

- Industry contributions**
 - 2020-2023 Special Contributor of Music (Music Industry Promotion Committee of the China Audio-video and Digital Publishing Association)
 - 2023 China Influential Copyright Enterprise (Copyright Society of China)
 - 24th China Patent Award: Excellence Award (China National Intellectual Property Administration [“CNIPA”])
- Employer branding**
 - MAX 2023 Employer Worth Working (Maimai)
 - NFuture Awards 2023: Most Desirable Employer for College Students (Nowcoder)
 - 2023 Top Employer in China’s Digital Technology Industry (Lagou)
- Social responsibility**
 - 2023 Ronghua Award for Corporate Social Responsibility (Beijing Business Today)



Executive Highlights

Environmental

Green and low-carbon development

We manage leased offices in strict accordance with international management system standards. Our office operations are ISO 14001 certified. Our offices currently under construction comply with national design standards for water and soil conservation and meet [Three-Star standards](#) for green buildings.

We collaborate closely with [the Ministry of Natural Resources, the World Wide Fund for Nature \(“WWF”\)](#), and other internationally renowned environmental organizations, and leverage AI and music to increase awareness for ecosystem protection.

Governance

Corporate governance

We continued to enhance the diversity of the Board of Directors (or the “Board”). As of March 31, 2024, the Board introduced a new female director, increasing the proportion from 22.2% to [33.3%](#).

Business ethics

[100%](#) of our suppliers under annual frameworks have signed the TME Anti-bribery Statement.

All new employees are required to take training courses on our Sunshine Code of Conduct (“Sunshine Training”), achieving [100%](#) coverage.

Social

Responsible platform

Our Tencent Musician Platform was home to [480,000](#) musicians. We also hosted over [500](#) music creation events.

[5,754](#) of our employee attendees completed information security training sessions, ensuring our staff stays well-informed with the latest security knowledge and skills.

Our products, including QQ Music, Kugou Music, WeSing and Lazy Audio, have each obtained the [National Cybersecurity Classified Protection Level 3 certification of China](#).

We partner with “[ZhiXin Chain](#)” to automatically secure copyrights for musicians’ works. After an artist finishes recording, rights holders can quickly obtain a copyright registration certificate, ensuring protection from the moment the work is finished.

We released the [TME AIGC Product Compliance Manual](#), effectively establishing a compliance framework for risk control and regulation of the development and use of artificial intelligence generated content (“AIGC”)-related products.

Employee care

We conducted the 2023 Organizational Capability Survey and Engagement Satisfaction Survey with a response rate of [88%](#).

TME Institute of Music empowers employees with over [1,000](#) online courses, covering training for new hires, professional development and leadership skills. These courses are designed to help employees improve their skillsets and advance their careers, with each employee averaging over [15](#) hours of online learning.

Social responsibility

We have developed the TME Supplier Code of Conduct which outlines guidelines that cover [seven](#) aspects: Integrity and compliance, human rights, labor standards, health and safety, environmental stewardship, conflict minerals and prohibited business practices.

We released the [Chinese Digital Music Year-End Report 2023](#) which offers insights into the trends and promotes the high-quality development of the music industry.

We established the [TME Volunteer Association](#) to encourage employees to engage in public welfare and charity, and to participate in public welfare programs such as Music Care, Music Education and Cultural Heritage. Music campaigns such as the “If Music Has a Shape” and the “Music Garden Space” are just a few of the ways we use the influence of music to improve society and support children’s development.



Corporate Governance

We have a strong corporate management system and governance framework. This enables us to enhance our operational efficiency and organizational resilience, increase transparency, and better align with the interests of our stakeholders. We comply with applicable laws and regulations both domestically and internationally, and strive to improve our management practices in line with international best practices, focusing on areas such as Board independence and diversity, as well as information transparency.

United Nations Sustainable Development Goals





Board of Directors Composition – Independence and Diversity

Independence of the Board of Directors

As of March 31, 2024, TME’s Board of Directors consisted of three executive directors, three non-executive directors and three independent non-executive directors. Our Board of Directors has established two board committees, an Audit Committee and a Compensation Committee, both of which consist of and are chaired by independent non-executive directors and/or non-executive directors.

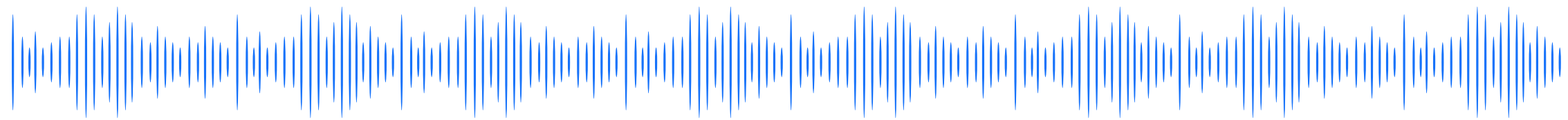
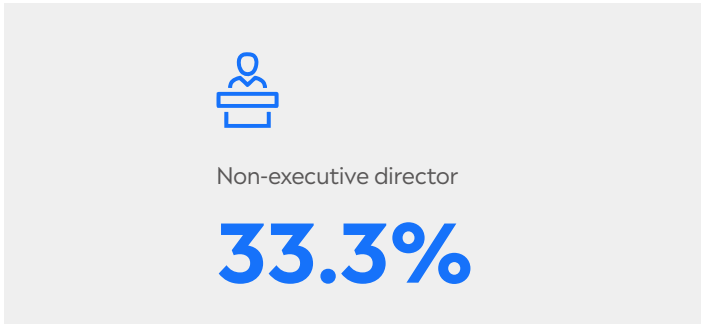
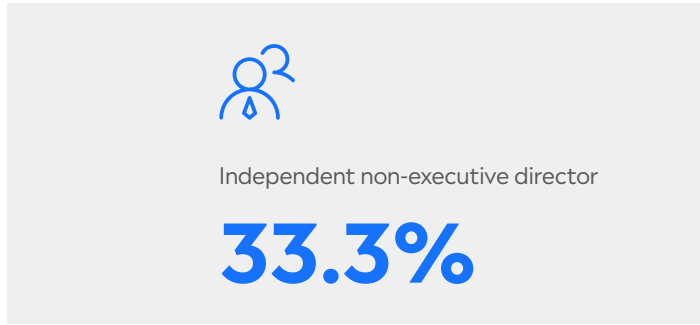
	Audit Committee	Compensation Committee
Chairman	Independent non-executive director	Non-executive director
Non-executive director	-	1
Independent non-executive director	2	1
Proportion of non-executive directors or independent non-executive directors	100%	100%
Core responsibilities	<ul style="list-style-type: none"> Responsible for the evaluation, appointment and dismissal of independent auditors. Evaluate the annual performance of independent auditors, review and recommend their appointment, renewal or dismissal, and approve their remuneration and terms of employment at the shareholder meeting; Review and approve internal audit and internal control plans. Evaluate the responsibilities, budget, staffing and work performance of the Company’s internal audit and internal control functions, and regularly review internal audit and internal control programs; Review the Company’s risk assessment and risk management policies and practices; Review and approve financial statements and review disclosure control measures and procedures for financial reporting; Review the Company’s compliance with laws and regulations and any major lawsuits or investigations that may impact the Company’s financial statements; Review and approve all proposed related-party transactions; Report regularly to the Board of Directors. 	<ul style="list-style-type: none"> Oversee the development and implementation of Management succession planning; At least once annually, review and approve, or recommend to the Board of Directors for approval, compensation for executive officers; At least once annually, review and approve the Company’s executive compensation and benefits policies, including incentive compensation or equity plans, programs or other similar arrangements; At least once annually, lead the Board of Directors in a self-evaluation to determine whether it and its committees are functioning effectively; At least once annually, review and reassess the effectiveness of committee charters; Take into consideration all factors related to the independence of the Management when selecting a compensation consultant, legal counsel or other advisors; Report regularly to the Board of Directors.



Diversity of the Board of Directors

We recognize that a diverse Board of Directors is essential to our decision-making process and offers a broader perspective and more effective insights to enhance systematic and forward-looking decision making, providing a solid organizational foundation for long-term sustainable growth. We fully consider various types of diversity in the selection of our Board members, including industry and cultural backgrounds, professional skills, work experiences, nationalities and gender. In evaluating director qualifications, we carefully consider all relevant laws, regulations, and listing rules, as well as our own company policies, to ensure that our Board is well-equipped to make strategic and forward-thinking decisions.

We are committed to enhancing the diversity of our Board through the appointment of directors with a wide range of professional backgrounds, including finance, accounting, law, and technology. Additionally, we are actively working to increase the representation of female directors. These measures are designed to achieve a more comprehensive and equitable decision-making process, which in turn supports the Company's development in key areas such as content creation, product innovation, compliance, and business expansion. As of March 31, 2024, the proportion of female directors on our Board had increased from 22.2% in 2023 to 33.3%. In the future, we plan to continuously optimize our Board committees under the Board of Directors, increase relevant training for Board members, and constantly improve the Board of Directors' abilities to manage ESG topics.





Risk Management

An effective risk management and internal control system is important for achieving our strategic goals. We strictly comply with the Sarbanes-Oxley Act (“SOX”), Foreign Corrupt Practices Act (“FCPA”), and other relevant laws and regulations. By refining our risk management structure, we clearly define the roles, responsibilities, and authority across all levels of management, strengthening our internal control system and operational efficiency. This enables us to continuously improve our management capabilities, mitigate risks, and drive sustainable growth, ultimately creating long-term value for our stakeholders.

Risk Management Structure

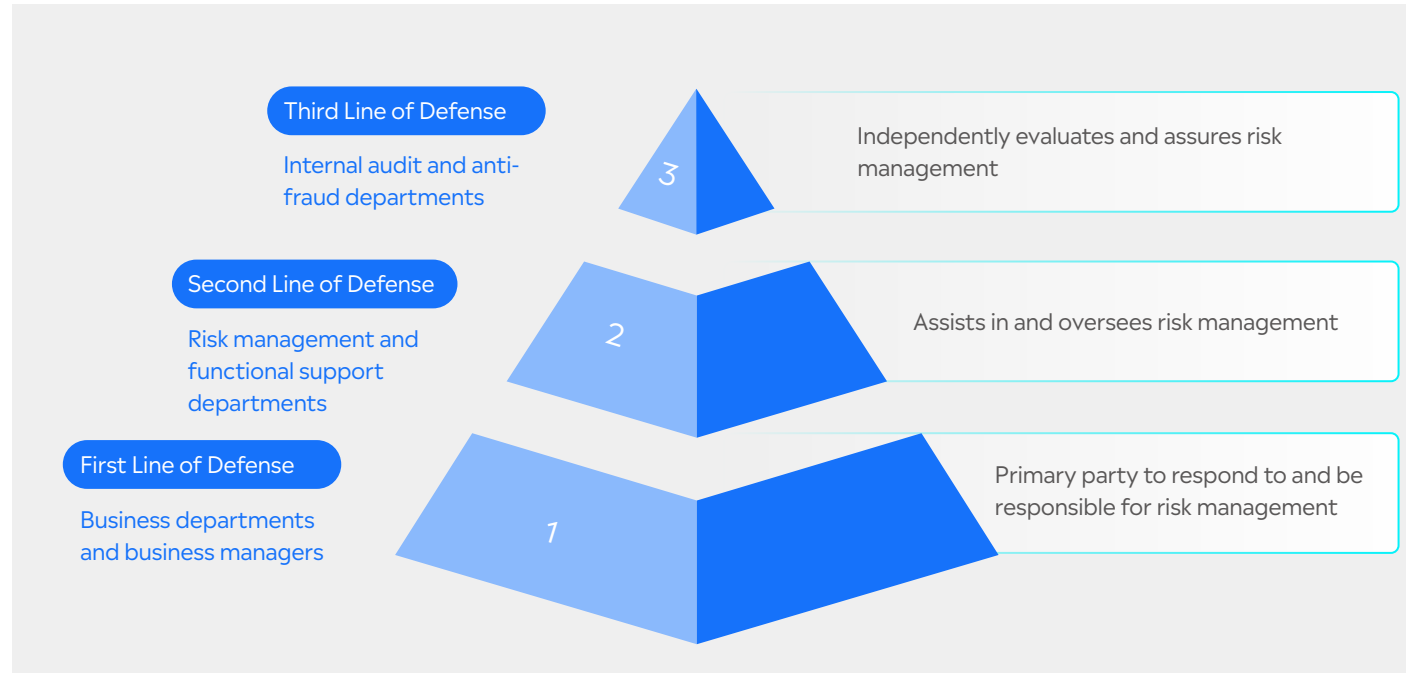
TME has implemented a healthy risk management and internal monitoring system, which is overseen by our Board. Every quarter, the Audit Committee reviews the Management’s strategy, implementation, and supervision of this risk management and internal monitoring system. Annually, the Committee evaluates its effectiveness on behalf of the Board of Directors.

Our risk management framework is built around the “Three Lines of Defense Model,” which provides a structured approach to managing risks.

The **First Line of Defense** consists of business departments and business managers, who are responsible for identifying, assessing, and controlling risks and ensuring that business procedures are effectively implemented.

The **Second Line of Defense** comprises risk management and functional support departments, which provide guidance, support, and supervision to business departments. Their responsibilities include designing risk management policies, procedures, and control mechanisms, as well as ensuring the effectiveness of risk management procedures.

The **Third Line of Defense** is composed of internal audit and anti-fraud departments, serving as an independent evaluator and an assurer of risk management. Their role is to provide objective evaluations and assurance of the effectiveness of our risk management and internal control system, ensuring that risk management measures are properly supervised and reviewed.





Risk Management Procedures

To ensure that risk management is more dynamic and effective, we have tailored our risk management procedures to our business characteristics. Additionally, our internal audit and internal control departments maintain regular communication with the Audit Committee, providing quarterly updates to ensure that risk information is effectively shared within the organization and with relevant stakeholders.

TME's Risk Management Procedures



Develop an annual risk map that outlines risks based on business importance, and inherent and residual risks, among other dimensions, to identify and assess important risks to the business.



Focusing on high-risk areas, we collaborate with business lines to develop targeted risk response strategies, which include avoidance, transfer, reduction, and acceptance. Based on these strategies, we implement specific control measures to manage risks effectively.

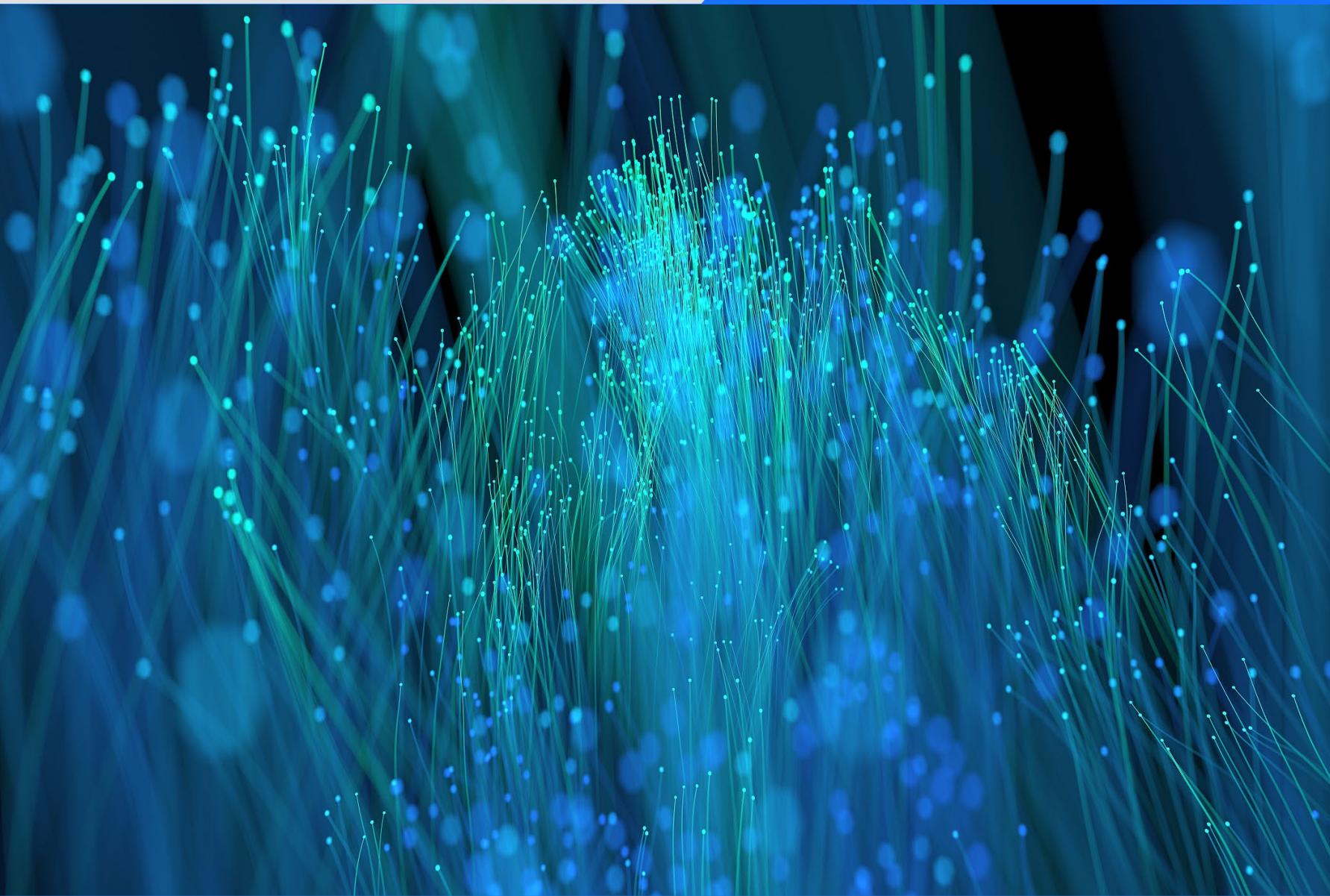


Prepare the Company's annual internal audit and control work plan based on the identification and assessment of the risk map, and submit it to the Audit Committee for review. We provide quarterly reports to the Audit Committee on the development, implementation, and monitoring of our risk management and internal control systems, to ensure that risk information is effectively communicated within the organization and to relevant stakeholders.

During the Reporting Period, we maintained a proactive approach to risk management by conducting special internal audit and control efforts, as well as reviews, in accordance with Section 404 of SOX regarding internal control over financial reporting. This enabled us to assess the effectiveness of our control measures and adapt our risk management strategies to emerging business developments and a changing environment. In the risk management process, TME also integrated ESG-related factors such as platform responsibility, human resource management, and data security into the Company's risk identification, assessment, and response, to ensure the Company's sustainable development and long-term value creation.

Development of Risk Culture

At TME, we foster a culture of risk awareness and proactive risk management, empowering our employees to understand the importance of risk management in their daily work. Our employees' risk awareness and risk management capabilities are incorporated into daily work, ensuring that they will be proactive in identifying and responding to risks. To further enhance employees' risk awareness and capabilities, we have made risk management training a mandatory component of our onboarding program for all new hires.



ESG Governance

TME is committed to corporate social responsibility and sustainability, integrating these values across our Company's operations. As a core part of our culture, we promote diversity and public interests, recognizing their critical role in creating long-term value for our stakeholders.

Our goal is to build a sustainable community by partnering with our employees, users, creators, artists, record labels, and partners to create effective and lasting benefits for the music community. Through the force of music, we aim to inspire individuals to engage with and contribute to society, promoting a deeper understanding and appreciation of the world around us.



ESG Governance

TME is dedicated to enhancing its corporate governance framework and standardizing business practices. We have established a professional and robust governance structure with clearly defined roles and responsibilities, including decision making, execution and oversight. We embrace sustainable development principles and have implemented comprehensive ESG management protocols to integrate these practices into our operations.

TME periodically identifies, evaluates, and addresses ESG-related risks. We deploy a range of measures through a comprehensive approach that integrates ESG considerations into strategic planning, conducts materiality assessments, identifies key concerns, and monitors performance against our established objectives.



To strengthen ESG governance, we are refining our top-down governance structure and clarifying management responsibilities for specific ESG topics, ensuring effective implementation and monitoring of our ESG strategies and goals.

Board Statement

The Board is responsible for overseeing the Company's ESG strategy and reporting, ensuring the establishment and implementation of a comprehensive management framework and relevant policies. The Company has established an ESG Working Group, comprising representatives from functional departments. The Investor Relations Department serves as the central coordinator for ESG work, reporting to the Management and providing regular updates on progress and key issues to the Board of Directors. This ensures that the Board can provide guidance and supervision as needed.

During the Reporting Period, directors participated in assessing and prioritizing ESG topics through questionnaires, meetings and other methods, offering views and suggestions on issues affecting the Company's long-term sustainable development. These recommendations included the evaluation and ranking of the ESG priorities and management dimensions (for details, please refer to the "ESG Governance - Assessment of the Materiality of ESG Topics" section of this Report). The Company integrates key ESG risks into its overall risk-management system. The Management and managers collaboratively evaluate business-related ESG risks, assessing their likelihood, impact, and trends to formulate appropriate countermeasures. The Board of Directors oversees ESG work, reviews key risks, and discusses mitigation strategies.



Assessment of the Materiality of ESG Topics

Stakeholder Communication

TME emphasizes the importance of establishing a transparent communication mechanism with all stakeholders. We use a wide range of channels and formats to disclose important ESG topics and progress to stakeholders, including employees, users, government and regulators, shareholders and investors, suppliers, industry associations, charitable organizations and media. We also collect and integrate stakeholders' voices and recommendations and earnestly respond to stakeholders' demands to ensure precise and effective ESG management and risk identification.

Stakeholder	Employee	User	Government and regulator	Shareholder and investor	Supplier	Industry association	Charitable organization	Media
Key topics	<ul style="list-style-type: none"> Talent attraction and retention Employee interests' protection Employee health and safety Diversity, equity and inclusion Talent development and training 	<ul style="list-style-type: none"> Employee interests' protection Energy and resource management Employee health and safety Waste management Biodiversity and ecological protection 	<ul style="list-style-type: none"> Employee interests' protection User privacy and cybersecurity Intellectual property rights protection Waste management Talent development and training 	<ul style="list-style-type: none"> User privacy and cybersecurity Product innovation and content responsibility Talent attraction and retention Intellectual property rights protection Compliance and risk management 	<ul style="list-style-type: none"> User privacy and cybersecurity Employee interests' protection Intellectual property rights protection Diversity, equity and inclusion Waste management 	<ul style="list-style-type: none"> User privacy and cybersecurity Employee interests' protection Employee health and safety 	<ul style="list-style-type: none"> Diversity, equity and inclusion Energy and resource management Employee health and safety User privacy and cybersecurity 	<ul style="list-style-type: none"> Employee interests' protection User privacy and cybersecurity Intellectual property rights protection Employee health and safety Diversity, equity and inclusion
Key channels and actions	<ul style="list-style-type: none"> "Lehu" Platform Daily employee communication Surveys on employee satisfaction 	<ul style="list-style-type: none"> Social media platform User platform feedback channel 	<ul style="list-style-type: none"> Regular reporting and communication Regulatory compliance report 	<ul style="list-style-type: none"> Conferences, road shows, quarterly earnings calls and shareholder meetings ESG reports, quarterly reports, annual reports, and other disclosures Timely and effective two-way communication 	<ul style="list-style-type: none"> Supply chain platform Supply chain assessment and certification procedures Regular meetings and seminars 	<ul style="list-style-type: none"> Industry meetings and seminars Regular reporting Participation in the formulation of industry standards 	<ul style="list-style-type: none"> Cooperation on public welfare programs 	<ul style="list-style-type: none"> Press conference Media communication



Assessment of the Materiality of ESG Topics

TME engaged a third-party professional consultant to conduct a comprehensive importance assessment to prioritize various ESG topics. The importance assessment involved the following steps:

Topic identification

We drew on insights from mainstream ESG rating indexes and peer benchmarks. Through internal and external interviews and feedback from the capital markets, we identified internal and external expectations for ESG topics relevant to TME.

This allowed us to establish TME's ESG topic library. It functions in tandem with our study of standards and initiatives such as the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange, the Global Reporting Initiative ("GRI") Standards, the Sustainability Accounting Standards Board ("SASB") Standards and the United Nations Sustainable Development Goals ("UNSDGs").

Stakeholder survey

We conducted extensive offline interviews and questionnaires with various stakeholders. In the questionnaire survey, stakeholders rated the importance of ESG topics. This allowed us to gather their suggestions on ESG risks and management through open-ended questions.

TME's Board of Directors and Management also discussed the survey results and summarized the corresponding impacts.

Topic materiality ranking

Based on the Company's development, the needs of stakeholders, and following the Principle of Materiality, we ranked the importance of each topic in two categories—"importance to TME" and "importance to stakeholders."

Material topics review

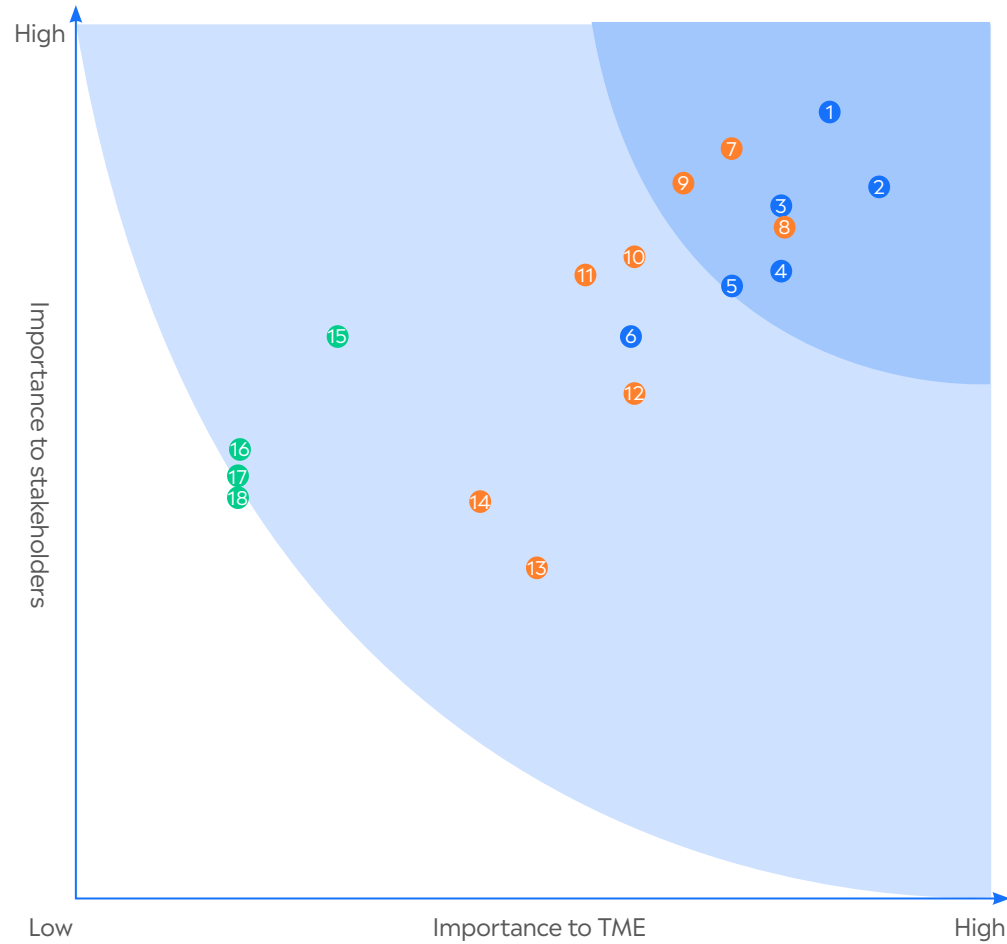
The Board of Directors and Management analyzed and discussed corporate sustainability and material ESG topics. Based on this review, the 2023 Materiality Matrix of ESG Topics was developed.



During the Reporting Period, we conducted a comprehensive one-month stakeholder survey covering various stakeholder categories, including Board members and the Management, employees, users, suppliers, government and regulators, shareholders and investors, industry associations, charitable organizations and media. More than

1,260

questionnaires were collected.



Materiality Matrix of ESG Topics

- | | |
|---|---|
| 1 User privacy and cybersecurity | 10 Diversity, equity and inclusion |
| 2 Intellectual property rights protection | 11 Talent development and training |
| 3 Product innovation and content responsibility | 12 Multi-party win-win cooperation |
| 4 Compliance and risk management | 13 Community contribution and investment |
| 5 User service | 14 Supply chain management |
| 6 Corporate governance | 15 Energy and resource management |
| 7 Employee interests' protection | 16 Waste management |
| 8 Employee health and safety | 17 Climate change response and GHG management |
| 9 Talent attraction and retention | 18 Biodiversity and ecological protection |

● Governance ● Social ● Environmental



Responsible Platform

As China's leading online music and audio entertainment platform, TME strives to promote the healthy and sustainable development of the online music industry. At the same time, we are committed to copyright protection and strictly follow industry laws and regulations. We continuously enhance our internal management policies and systems to protect the rights and interests of creators. Furthermore, we implement comprehensive and effective measures to protect user privacy and data security and impose strict control of our platform to ensure service quality. Each of these efforts aims to provide safe, healthy and high-quality music services and experiences to our users while simultaneously promoting technological innovation to advance the industry.

United Nations Sustainable Development Goals





Promoting the Healthy Development of the Online Music Industry

We have always been dedicated to advancing copyright protection for music and other forms of intellectual property. We firmly believe that protecting our intellectual property rights and those of other parties lays the foundation for the development of the online music industry. The multiple measures we take to protect artists' works actively contribute to developing an orderly dynamic platform while cultivating more indie musicians and works, and promoting the industry's prosperity.

Empower Indie Musicians

We strive to promote healthy industry growth and innovation by training talent and building a strong ecosystem. Leveraging our advanced technology, comprehensive content resources, and refined user experiences, we are satisfying the constantly evolving needs of users. These efforts have also positioned us as an industry bellwether, spearheading new development trends.

We launched the Tencent Musician Platform in 2017 to nurture high-potential musicians and content creators at each stage of their artistic development. We offer a suite of tools and service platforms, including publishing, promotion, data management, performance opportunities, financial incentives, copyright protection, and professional training. By the end of 2023, the platform had attracted 480,000 musicians and hosted over 500 music creation events, providing musicians with opportunities to submit and showcase their works.





▶ Tencent Musician Platform's Revamped "Emerging Force Program"

In March 2023, the Tencent Musician Platform launched a revamped version of its "Emerging Force Program," providing musicians with traffic support and financial incentives. The program also offers support such as dedicated interviews with new musicians, album release assistance, and recommendations on our app's homepage.

🎵 Creative training 🎵

Professional training and industry-leading resources for musicians to compose hit songs and empower their career growth.

🎵 Global sublicensing 🎵

Opportunities to publish music on global streaming platforms and overseas cooperation programs for musicians to increase their exposure and promote their works.

🎵 Performance opportunities 🎵

Performance opportunities on "BUFF LIVE," "CITY LIVE" and "Emerging Force Performance Stage."

🎵 Monetization channels 🎵

Customized songs and small-scale live performances to help musicians increase their income.

🎵 Customized plans 🎵

Diversified programs to nurture new musicians to enhance their influence and sense of identity.

The "Emerging Force Program" is a core hub for discovering new musicians with exceptional potential. Leveraging our studios, we support emerging artists in song production and promotion, resulting in multiple new releases achieving over one million streams per day and revitalizing existing works to regain popularity. With the help of this program, several songs have received increased traffic and topped popularity charts. Some have also been used in films and performed on variety shows.

High daily streams

"Zheng Hao Qing Chun" by Curley G & Kirsty: Peak daily streams exceeded two million.

Presence on music charts

"Rain And U Cantonese Version" by Mr. 16 & JunYi Lee: Topped various charts, such as the QQ Music's Chinese Ancient Style Chart, the Surging Chart, and the Popular Songs Chart.

Collaboration with variety shows and films

"Give" by Ma Tiao: Featured in the soundtrack for the film "One and Only."
"Jia He Wang Gang" by Liu Limin: Performed on the variety show "Busking."



Poster for the "Emerging Force Program" on the Tencent Musician Platform



Intellectual Property Rights Protection

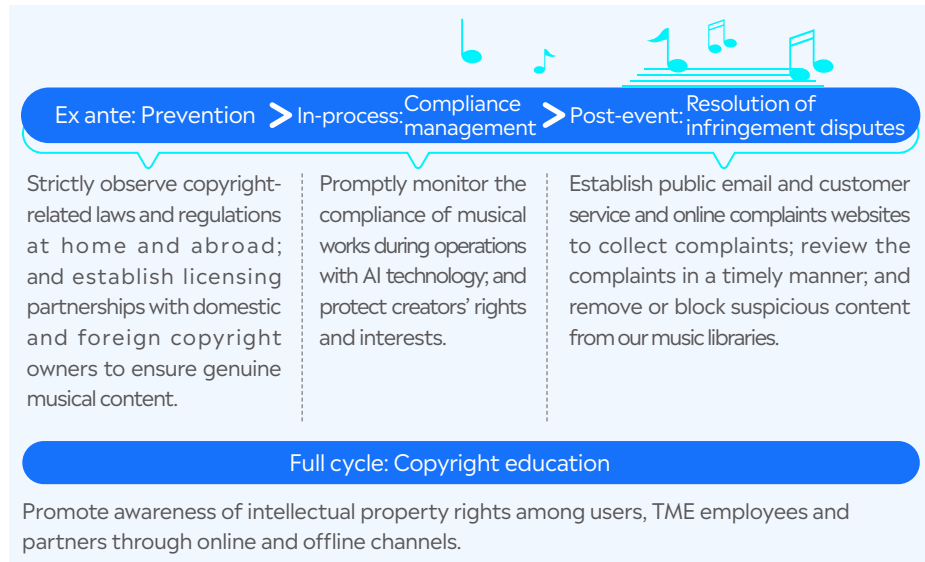
TME is committed to intellectual property rights protection and continues to take a leadership role in improving China's music and audio copyright environment. We have established a framework for the protection and management of intellectual property rights that is supported by a range of teams. The Copyright Compliance Team is responsible for copyright-related legal assessments, procurement, authorization, and compliance to ensure that content is used in a legal and compliant manner. The Intellectual Property Rights Team is responsible for the application, maintenance, and dispute resolution of patents, trademarks, and non-music copyrights. The Enforcement and Litigation Team is responsible for infringement identification, enforcement, litigation and mediation, and provides pre-emptive legal advice and strategies to the Company's operation.

TME adheres to the Copyright Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the World Intellectual Property Organization ("WIPO") Copyright Treaty, and other relevant laws and regulations. We have formulated the Patent Management Policy, the Guidelines on Trademark, the Regulations on Protection and Management of Trade Secrets, the Policy for Application of Genuine Software and other internal systems and guidelines. Additionally, we release on a regular basis internal reports, such as the TME Monthly Report on the Trends of Overseas-related Compliance, the Quarterly Report on Patents in the Online Music Industry, and the Weekly Newsletter of AIGC Industry Policy and Regulations, to protect our intellectual property rights and those of other parties while staying up-to-date on the latest developments in industry's intellectual property rights.

Protecting Creators' Rights and Interests

TME respects and reinforces creators' rights to their intellectual property. To support IP ownership, we have enhanced our internal protection mechanism for intellectual property rights and deepened our cooperation with copyright owners. Additionally, we have deployed authorized AI technology to identify infringement incidents more efficiently and effectively, and to ensure the protection of the intellectual property rights of both the creators and the Company.

TME also respects and upholds the intellectual property rights of other parties. We have adopted a comprehensive IP management mechanism that addresses copyright infringement and related disputes. We adhere to the principles of ex-ante prevention, in-process compliance, post-event consultation and settlement, and full-cycle copyright education. We have also formulated an "IP infringement blacklist." Any new content that is found on the blacklist is subject to a review to determine whether it infringes on any copyright. The content that infringes on intellectual property rights is permanently removed from our platform. These methods effectively minimize infringement upon other parties' copyrights at the source.



As AI technology rapidly advances, we have strengthened our IP rights protection standards to address the increasing use of AI-generated content. We believe AI should be a supportive tool rather than a substitute for musicians creating original works. We implement compliance assessments and continuous monitoring of AI products and operations to ensure that AI-generated musical content is properly licensed and musicians' creative works are fully protected. Additionally, we minimize copyright infringements by strategically deploying advanced AI tools to automatically identify and compare content suspected of infringement. In 2023, we further strengthened our IP-related AI strategy, identifying principles for using AI in music and defining criteria for the legitimate use of AI-generated musical content. We also collaborated with our partners to ensure copyright protection in the interest of the online music industry's harmonious development.

Automatic On-chain Evidence Preservation with "ZhiXin Chain"

Blockchain technology has proven to be highly beneficial in addressing issues related to digital music copyright ownership. TME embraces blockchain technology and its capabilities to protect creators' intellectual property rights in real-time. We collaborate with "ZhiXin Chain" for the automatic recording of copyrights on the blockchain, providing musicians with effective copyright protection using an automated and streamlined registration process. Upon completion of musical works, copyright owners can obtain evidence preservation certificates by applying for copyright registration.

Once the registration of on-chain works is complete, the blockchain will automatically generate two data points: A time stamp and the root value of the hash tree. Encrypted hash values will accompany relevant works in copyright trades, alongside digital signatures and time stamps, ensuring security and authenticity.

Certificate of On-chain Evidence Preservation with "ZhiXin Chain"



Protecting TME's Intellectual Property Rights

To manage and protect our own intellectual property portfolio, TME has established a comprehensive IP management system. TME continuously maintains and monitors its intellectual property rights, promptly identifies infringement, and takes measures to protect its legitimate rights and interests. We proactively prevent infringement and eliminate potential risks to intellectual property rights through our risk-prevention and control mechanism. Additionally, we conduct regular analyses of industry patents and brands to enhance TME's protection of intellectual property rights.

In 2023, TME participated in developing multiple technology standards and was granted multiple awards.

Technology standards

TME took the lead in developing the Standard for Haptic Interface Enhancement for Mobile Gaming (IEEE International Standard P2861.3) and the Standard for Game Voice Enhancement of Mobile Gaming (P2861.4). The two standards have been officially issued.

Awards

- China National Intellectual Property Administration: "24th China Patent Award: Excellence Award"
- Copyright Society of China: "2023 China Influential Copyright Enterprise"
- Music Industry Promotion Committee of the China Audio-video and Digital Publishing Association: "2020-2023 Special Contributor of Music"
- Guangdong IP Protection Association: "Exemplary Enterprise for Intellectual Property Rights in Guangdong Province 2023"
- Shenzhen Municipal Committee of Award for Science and Technology: "Shenzhen Science and Technology Award 2023: Patent Award"

As of December 31, 2023, TME had



Applied for

4,768

patents



2,564

of which were granted by the China National Intellectual Property Administration and overseas



Applied for

6,111

trademarks



4,295

of which were registered with the China National Intellectual Property Administration and overseas



Registered

694




software copyrights with the Copyright Protection Center of the People's Republic of China



Raising Awareness of Intellectual Property Rights

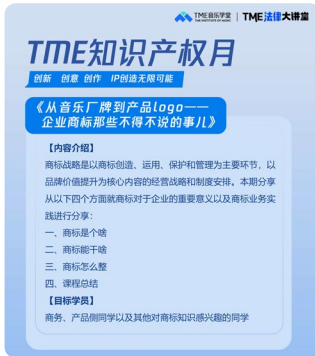
TME is committed to raising awareness of intellectual property rights protection among our employees and partners. We provide multidimensional training on intellectual property rights to each of our full-time employees, interns, contractors and partners. Training sessions are conducted online and offline and cover copyright, patent, trademark, open-source software and many other areas. Following training, employee awareness of intellectual property rights is assessed based on their daily work performance.

TME optimizes internal supervision and management so that the rights and interests of creators and users are effectively protected. Each year, we set goals for intellectual property compliance and copyright protection to further improve the Company's capabilities in these areas.

<p>Regular training</p>  <p>Organized “TME IP Month” and regularly host training sessions on intellectual property rights protection. Industry experts, lawyers, and other professionals deliver training sessions, covering topics such as analysis of relevant laws, regulations and case studies.</p>	<p>Specialized training</p>  <p>Specialized training is offered to specific business lines, ensuring that employees of each business line understand and observe relevant regulations on intellectual property rights when handling business.</p>	<p>Pre-recorded training</p>  <p>Numerous online training sessions on intellectual property rights are available on our “Lehu” Academy and other internal learning platforms, allowing employees to acquire essential knowledge anytime and anywhere.</p>
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Goals	Progress on 2023 Goals
<p>Enhance the accuracy and efficiency of copyright detection tools to reduce the spread of infringing content</p>	<p>In terms of copyright detection tools, improved copyright identification tools by upgrading algorithms and expanding databases, improving the accuracy and efficiency of copyright infringement identification.</p>
<p>Strengthen communication and collaboration with partners to crack down on IP infringement</p>	<p>In terms of collaboration with our partners, held multiple collaborative training sessions, strengthening communication and cooperation with our partners.</p>
<p>Promote in-depth education on IP rights and improve awareness of copyrights among employees and users</p>	<p>In terms of intellectual property education, promoted the importance of copyright protection and relevant knowledge extensively through multiple online and offline channels, further educating employees on the awareness of IP.</p>

2023 Intellectual Property Rights Training Cases



“TME IP Month: From Music Record Label to Product Logo—Essential Topics for Trademarks of Enterprise”



“New Opportunities” for Music Copyrights: Self-produced Content, Joint Creation of IP and Monetization

In 2023, TME invited the Group's IP experts, lawyers, music industry scholars and others to our training sessions on intellectual property rights and other relevant content, and organized academic competitions. The training included nearly 50 sessions and the event was attended by over 2,000 people, covering topics on music copyright, trademark, patent and analysis of infringement cases and AI compliance.





Protecting User Rights on TME's Platform

TME is committed to consistently providing users with safe, high-quality and friendly experiences on our platform. We strictly comply with the relevant laws and regulations applicable to TME and have established comprehensive and rigorous measures to safeguard user privacy and platform data security. We prioritize product quality and content safety, make continuous efforts to improve content quality, strictly control the content on our platform, serve our users wholeheartedly and provide responsible and high-quality online music and audio services.

User Privacy Protection

Privacy Protection Principles

User information security and privacy protection is our "lifeline." Our "all for user value" philosophy commits us to transparent information processing, enhancing the convenience of information management for our users and ensuring the security of personal information and communication.

TME abides by relevant privacy laws and regulations and adheres to the following privacy protection principles to provide our users with secure and reliable services:



Privacy Protection Management Mechanism

TME has specified the privacy protection management responsibilities of all relevant departments, with the Security Management Department, the Legal Department, the Internal Audit Department and the business department data security officers working together to manage user privacy and data security. Accordingly, we have established the Personal Information Protection and Data Compliance Working Group, which is responsible for managing personal information protection and efforts related to data compliance.

TME complies with relevant legal provisions on cybersecurity, personal information protection and data security in the Cybersecurity Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and other laws and regulations. We faithfully protect the security of user data and private data. We have formulated internal policies such as the TME Code of Conduct for the Security Management of Users' Personal Information and the TME Code of Conduct for Data Security Management, which are applicable to each of our products and services and ensure full compliance in the management of user-information security.



Privacy Protection Management Framework



Privacy Protection System

We have established a privacy protection system for each of the Company's products and services. As the owners of data, users have rights to information access, correction, deletion, processing restrictions, data portability, and objection to data use. We have established a management system that covers the life cycle of data from data collection, use, storage, transmission and sharing to destruction. Furthermore, we employ a variety of technologies, such as data encryption, masking and de-identification, to ensure user privacy is well-protected.



Data collection

We obtain consent from users for the data we collect from them, clearly informing users of the types of data used, the purposes for which it will be used, the retention period, their user rights, etc. We minimize the collection of personal information, collecting only the information necessary to achieve our intended purposes. Additionally, authorized consent from the guardian of a minor under the age of 14 is required before any minor's personal information can be collected.

Data usage

Our privacy policy provides transparent and detailed information about the potential uses of the personal information and data we collect from our users. We ensure that any additional use of personal data beyond those disclosed in the policy is subject to explicit user consent. We strictly control who has access to personal information to prevent unwarranted authorization and ensure the segregation of duties, to further safeguard user data.

Data storage and retention

We employ a hierarchical data management approach, categorizing data by sensitivity level and storing it in separate security zones with corresponding access controls. Personal information and data collected in China are required by compliance to be stored and kept within China's borders. TME stores user data exclusively for implementing product features and providing services, and users can delete personal information generated from their use of our products and services, inclusive of their listening histories and playlists. Upon termination of our products and/or services, we promptly destroy or anonymize associated user data within a reasonable timeframe, in accordance with applicable laws and regulations.

Data transmission

We do not share any personal information and data collected from users without their express consent, except as outlined in our privacy policy.

Data access

Our hierarchical data classification system consists of five tiers: Public, internal, secret, confidential, and top secret. Access is granted to employees in different roles based on data sensitivity, with time-limited permissions set for all accounts. The scope and authority of data sharing are governed by the principle of minimization. The person in charge of data security for the business line is responsible for ensuring strict approval and control, with this responsibility remaining with the data owner at all times.

Data destruction

For data not specifically required by regulations, we will retain it for the necessary period unless the user requests a correction. We delete relevant data if the corresponding product is taken offline or if the user cancels their account.



When a privacy assessment indicates that a supplier is involved in processing data on our behalf, we enter into a Data Processing Agreement (“DPA”) with that supplier, requiring it to comply with our data protection obligations. The DPA outlines the technical and organizational measures that the supplier must take to ensure data protection. It generally stipulates that TME has the right to inspect and audit the supplier to ensure it is complying with data protection obligations under applicable data privacy laws.

TME strictly complies with relevant laws and regulations when cooperating with third parties. In managing user data, we adhere to the need-to-know and data minimization principles, imposing stringent restrictions on third parties involved in data processing. We only share user personal data with third parties when there is a clear legal basis, and we inform users about what data is shared, how it is shared, and with whom it is shared. When receiving a request from a third party, such as a regulator or law enforcement agency, we conduct a thorough assessment under the applicable laws and regulations of the jurisdiction where the product or service is operated, ensuring our response is fully compliant with the law.

We offer a variety of channels for users to ask questions about our privacy policy and practices. The following are just a few:

 E-mail: dataprivacy@tencent.com

 Online consultation website: <https://kf.qq.com/>

 More details about the privacy policy can be found at: <https://www.tencentmusic.com/en-us/privacypolicy.html>

Privacy Protection Training

As part of our comprehensive effort to protect data and ensure privacy, we have prioritized increasing employee awareness and understanding regarding the protection of personal information. We provide routine training and online courses for all employees, including full-time employees, interns and contractors, to provide a thorough introduction to the policies, procedures, and standards governing personal information and privacy protection.

We offer specialized training courses on personal information and privacy protection for employees involved in processing personal information. Our employees are required to take examinations and sign commitment letters to enhance their awareness and foster a culture of data protection and respect for users' privacy.

Privacy Compliance Testing

To ensure our products meet the highest standard of privacy compliance, TME has instituted the Regulations on the Implementation of the App Data Privacy Compliance Testing and Review Requirements, which requires our products to undergo rigorous front-end data compliance testing before launch. In addition to using Tencent's “Lingxi System” to perform compliance testing of personal information protection for our products, we have created TME's proprietary compliance testing tool, “Linglong System,” to conduct compliance testing on the Group's products to ensure that our apps are not released until they meet our stringent front-end compliance testing standards. The standards that pertain to our “Linglong System” are based on current laws and regulations, while the relevant technical tests are developed by our research and development (“R&D”) department and iterated in real-time according to technological progress.





Network and Data Security

Management Mechanism

TME adheres to the principles of legality, legitimacy, necessity, and good faith. We comply with applicable domestic and international laws and regulations that pertain to network and data security as part of a comprehensive policy framework. For example, we have instituted the TME Code of Conduct for Data Security Management, the TME Code of Conduct for Management of Account Permissions in Application Systems, and other policies that apply to all departments and employees. This approach ensures that all data processing activities are safe and comply with applicable laws and regulations.

Our Security Management Committee is responsible for making risk control decisions related to the Group's network and data security, resource investment, and cross-functional collaboration. This ensures the security of our product data by coordinating efforts across business lines. The Security Management Committee Leadership Group coordinates the planning and promotion of data-security management and personal information protection by all relevant departments and business lines. Accordingly, it has established the Data Security Executive Team to ensure that the relevant Company entities comply with national laws, regulations, and policies in conducting activities in all aspects of data application. For more information on the Security Management Committee, please refer to the “Responsible Platform - Protecting User Rights on TME's Platform” section.

TME's Enterprise IT Center has instituted internal policies such as the TME Enterprise IT Security Review Process, the Review Rules for TME Enterprise IT Application System Security Architecture and the Standards for Launch Security of TME Enterprise IT Application System to conduct strict security control on the design, development, testing, and launch of TME's enterprise IT system. Through this comprehensive approach, we proactively mitigate security incidents and maintain the integrity of our systems.

Management System

We continually refine our network and data security management system. TME tightly controls the R&D, testing, launch, and protection of our management and service systems, working from every angle to avoid network and data security incidents.



Application system development process

We adopt the principles of development, security and operations (“DevSecOps”), to enhance the integration of security in the R&D and the operation of the Company's application management systems, enabling timely discovery and reduction of security risks at each stage of the application development;



Data security management

We utilize a Key Management Service (“KMS”) to encrypt sensitive data. The endpoint security management system is adopted to grant access to user clients and control access of application systems. Moreover, bastion host and automated auditing are employed to detect high-risk operations on the database;



Cybersecurity defense

Cloud firewalls, cloud-based web application firewall (“WAF”), security policy groups and other defense mechanisms are constructed into a multichannel defense to promptly identify and intercept external attacks. At the internal host and container levels, we use a Host Intrusion Detection System (“HIDS”) to identify and interrupt abnormal internal attacks.



Network and Data Security Certification and Audit

Owing to our comprehensive data-security protection system and associated measures, TME is certified for privacy protection and data security. As of December 31, 2023, our products—including QQ Music, Kugou Music, WeSing and Lazy Audio—had received the National Cybersecurity Classified Protection Level 3 certification of China, encompassing the Group’s major apps. Additionally, we conduct internal and external audits to safeguard the continuous enhancement of our network and data-security measures and privacy policy.



>> Internal Audit

In 2023, TME conducted an internal audit of the Group’s security-policy management, personnel security management, IT room and access control management, the management of security-technology measures (i.e., network and system operation security, data security and backup, logs and user data records), business security, and personal information protection. The audit was conducted in accordance with the Cybersecurity Law of the People’s Republic of China and the Security Management Requirements for Internet Interactive Service to assess whether our internal control design was reasonable and effectively implemented. Through a series of audit initiatives, we have been gradually improving our risk management and internal controls to maintain and ensure full network and data security compliance.



>> External Audit

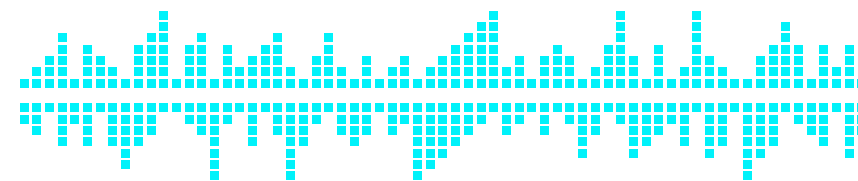
The Group undergoes annual audits by an external third-party auditing firm. The process covers wide-ranging aspects, such as network and data security, including network border-security defense for core business assets, the continuous monitoring of hardware and software services, incident response, and rights of access to core data.

Network and Data Security Training

TME considers “security” to be the cornerstone of our business. We provide a number of data-security training courses for employees in different positions, including R&D, operations and maintenance (“O&M”), and products, to ensure they understand the latest security orientation and process requirements.

We specify the security responsibilities and boundaries of our employees by administering tests to all employees. Moreover, we require all employees to acknowledge and sign security commitment letters. We provide ongoing education and training, offering regular information-security training sessions for new employees and management. To enhance engagement, we have transformed our new employee training into an interactive online course, utilizing animation to convey critical security concepts. Additionally, we provide required online classes for managers, enabling them to stay up-to-date on the latest security best practices and threats. In 2023, 5,754 of our employee attendees completed training sessions on information security, which brought them up-to-date with the latest security knowledge and skills.

Additionally, TME helps our employees stay abreast of the latest network and data security requirements. We elevate their security awareness and strengthen our overall defense capability in network and data security through various activities such as the annual “TME Information Security Week,” “TME Technology Lecture,” and “TechME Technology Week.”





Product Quality

TME adheres to a “user-centric” principle of product quality management, leveraging technological empowerment as a tool to deliver safe and high-quality products to users. To streamline our product quality-management standards, we faithfully observe the Cybersecurity Law of the People’s Republic of China, the Advertisement Law of the People’s Republic of China, the Administrative Measures on Internet Information Services, the Provisions on Ecological Governance of Network Information Content, the Administrative Regulations on Online Audio and Video Information Services, the Measures on the Administration of Internet Advertising and others. We have also introduced and revised internal policies such as the TME Performance Standards Overview and the Test Account and Resource Management Process of R&D Performance Center in 2023. Additionally, our Product Committee and Technical Committee conduct regular policy reviews to ensure that the policy system is consistent with the laws, regulations, and market conditions.

To create and refine competency models for product-related roles aligned with business needs, we have established Product Track Subcommittees to support product personnel in enhancing their expertise to drive business growth. Each manager is accountable for product quality issues, which are linked to their performance appraisal.

Product Quality Management System

TME upholds rigorous standards for its business quality and security. We have built a comprehensive product life cycle quality management system. By focusing on the entire production and research process, we establish precise quality requirements at each stage, offer comprehensive tools and platform services, and integrate AI technologies to improve business quality and performance. To maintain effective and consistent system operations, we have created a working platform for quality risk control through system and automated testing and appointed program managers and quality assurance (“QA”) personnel to monitor progress at each stage, ensuring continuous oversight and improvements.

Product Quality Control Platform

To improve our product operations quality and more efficiently manage quality issues, should they arise, we have developed "FireEye," an operations activity configuration system. This system enables real-time quality stability and performance monitoring, leveraging a static code scanning technology stack, which facilitates quantitative analysis of product quality data throughout a product's entire life cycle.

Product Quality Testing and Indicator Tracking

TME focuses on two primary stages of product quality testing: R&D and product operations.



We focus on optimizing time efficiency within the R&D process to maximize overall allocation. Our R&D process includes pre-release testing, resolving anomalies, and conducting follow-up tests to ensure stability in existing products. We also closely monitor quality issues in previous product generations to gather insights and drive quality improvement.

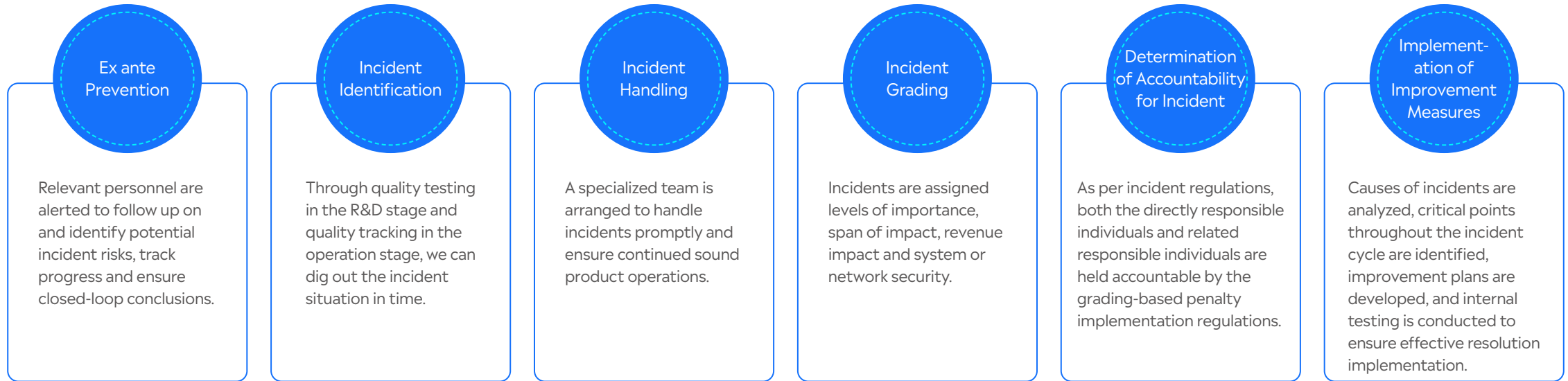


TME is closely monitoring anomalies and long-term trends, which are reported to the Management and enable us to optimize and improve product quality. We have developed a comprehensive system of core technical indicators. Internally, we monitor technical indicators promptly and perform comparative analyses to generate accurate data quality reports. Externally, we leverage user surveys and feedback to develop improvement plans, ensuring the quality of our products and operations continually improve.



Product Quality Incident Handling Mechanism

We preemptively avoid quality risks through our robust quality management systems and incident management processes, designed to minimize recurrence. Should quality incidents occur, our meticulous product quality incident handling mechanism ensures in-depth incident analysis and implements optimization measures to ensure closed-loop incident management.



Product Quality Culture Building

TME leverages training and related activities to foster our product-quality culture throughout the organization. All new employees engage in our “Overview of Product Operation Quality” course, which introduces them to our quality parameters, the measures used to resolve quality issues, and routine practices to ensure product quality. We encourage our employees to regularly review product

versions and proactively identify product quality issues. Outstanding cases identified during these reviews are compiled and recognized with rewards, motivating our staff to collaborate with the Group to promote overall industry advancements. For example, in 2023, we shared the course “The Path of TME’s Practices to Ensure Audio and Video Quality” at the Quality & Efficiency Conference (“QECon”)

in Shanghai, presenting a comprehensive framework for building a quality assurance system that incorporates objective indicators, subjective evaluation practices, and online monitoring platforms.



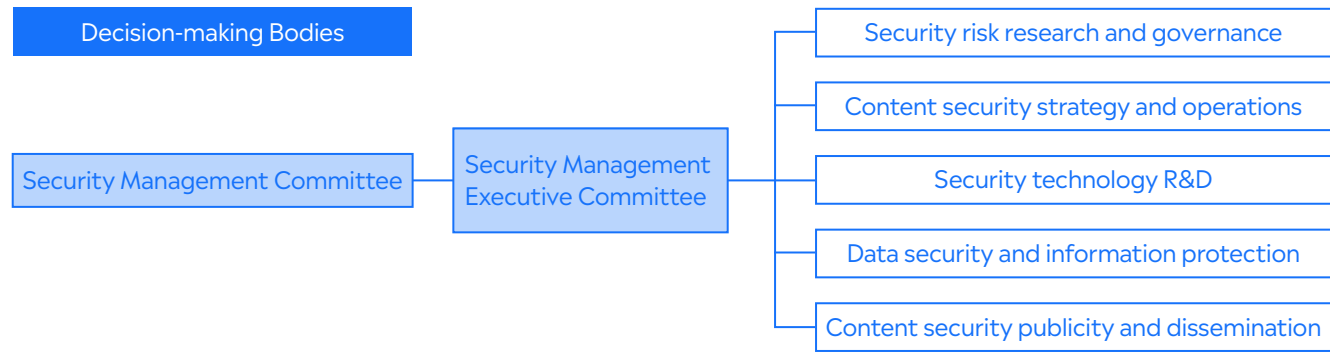
Content Governance

We strictly comply with applicable content security-related laws and regulations in the places where we operate and provide products or services, including the Cybersecurity Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and the Data Security Law of the People's Republic of China. We have established management policies, including the TME Code of Conduct for Content Security Management and the Operation, the TME Code of Conduct for Data Security Management, and the TME Code of Conduct for the Security Management of Users' Personal Information to standardize and systematize the content security governance work.

Content Security Governance

In 2020, TME established the Security Management Committee to strengthen the Group's security management planning and safeguard the long-term healthy development of our businesses. Chaired by our Executive Chairman and CEO, the Committee oversees the development and implementation of the Company's safety strategy, ensures regulatory compliance, and establishes a framework for emergency management and risk mitigation. Under the Security Management Committee, there is a Security Management Executive Committee and corresponding working groups, which are responsible for developing content security strategies and corresponding rules, expanding our safety-technology platform's capacity, policy and regulation research, data-security management and personal information protection, and disseminating corporate and user security guidelines. In addition, the Security Management Committee holds regular meetings to review major security matters of the Group and ensure the safe development of our products.

Security Management Committee Structure



Director of the Security Management Committee

The directors are Mr. Cussion Kar Shun Pang, the Executive Chairman, and Mr. Zhu Liang, the CEO. The Security Management Committee is responsible for guiding and organizing the Company's security management, and formulating and regularly reviewing the Company's safety strategy.

Security Management Executive Committee

- The Executive Committee is responsible for content security risk identification, strategy, operations, technology development and security publicity and training, including:
 - Organizing and conducting business security risk identification and research, promoting product compliance initiatives, and enforcing penalties and governance against illegal and criminal online activities that endanger product security, business development, and user safety;
 - Building content security strategies for the Company's major products and key business scenarios;
 - Operating content related to the business security of various products;
 - Implementing business security strategies, including research and development of safety systems, algorithms and other technical operations;
 - Conducting security-related publicity efforts aligned with business needs and security objectives.



Platform Content Responsibility

TME is committed to creating a trusted platform through technological innovation and enhancing our systems and services to deliver healthier and more secure digital music experiences for users. We prioritize strict control over content sources to safeguard the authenticity and reliability of our platform's content. We proactively work to prevent and mitigate the spread of harmful content such as violence, terrorism, extremism, hate speech, disinformation, discrimination, cyber harassment, self-harm, and pornography.

Multi-product, multi-scenario, and end-to-end content security management measures

Content production and distribution

Established a strong safety review strategy to ensure that product features pass a comprehensive safety assessment before being launched;

Product operation

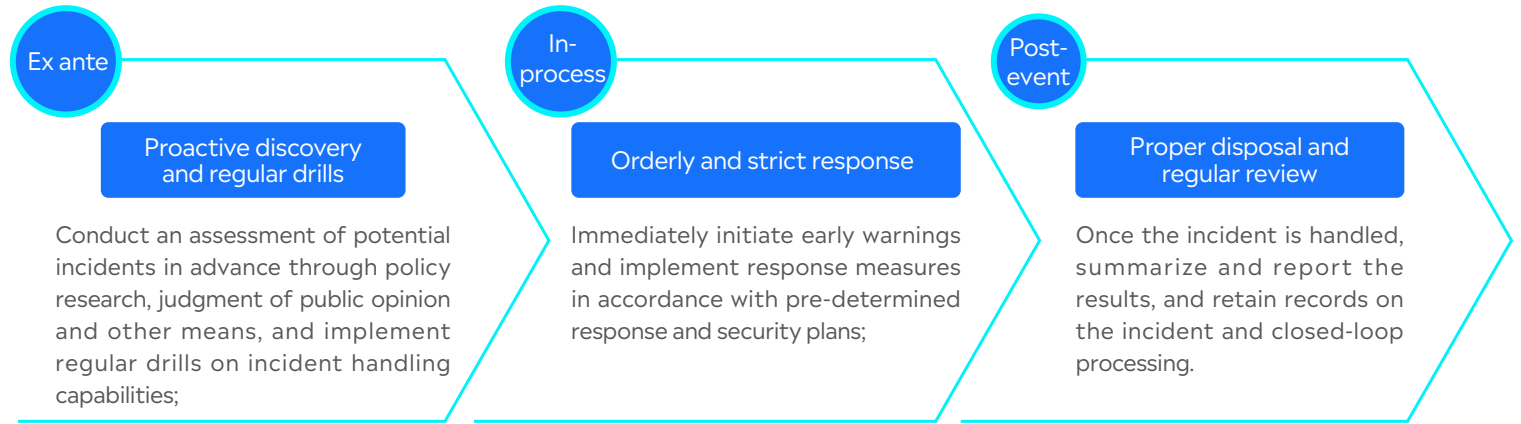
Enacted self-inspection and self-correction tools to promptly address undesirable information, and established corresponding management mechanisms for different types of sharing;

Emergency handling

Established various types of emergency disposal plans and an early warning platform, with 24/7 personnel monitoring to ensure the safety link's closed-loop process is managed expeditiously and effectively;

Security publicity

Set up professional security publicity channels and regularly conduct multifaceted security publicity on live streaming and short videos to guide users' correct use of product features.



Emergency Response Handling

TME regularly conducts ongoing training related to content security governance to enhance reviewers' awareness of compliance and confidentiality, as well as safety risk governance norms. These initiatives improve review quality and efficiency. In 2023, we conducted a comprehensive training program on content security risks and safety and confidentiality awareness, comprising a total of 63 various types of training sessions with 6,720 participants, mainly involving the following training topics: Corporate compliance, basic professional knowledge, special protection work, and management courses.



A total of

63

training sessions of various types



6,720

participants



AIGC Security Assessment Test

At the forefront of technological innovation, AIGC is also introducing new challenges in content security. To effectively address these challenges, we have established a regular AIGC security assessment mechanism. Leveraging our proprietary system, we meticulously evaluate AI model-generated content covering 68 segmented dimensions, including malware, biochemical weapons, and discriminatory content. Our AI Security grading standards, developed based on our expert compliance experience, enable swift responses to content security risks through policy optimization and model fine-tuning. We have implemented real-time detection of user-generated content and take decisive measures such as removal, suspension, or deletion of illegal or undesirable information to ensure the content's safety and compliance on our platform.

For AIGC image content security, we employ an innovative approach that leverages visual Large Language Models (“LLMs”) to identify potential risks. This method has a higher accuracy rate compared to traditional deep learning methods. It effectively meets the governance need in AIGC scenarios and enhances the identification of harmful content.

Advertising Content Responsibility

TME strictly complies with laws and regulations related to commercial advertisements. We have built a complete file management and risk management mechanism which includes clear management standards, streamlined communication channels, and efficient complaint handling processes for all stakeholders, and we actively cooperate with all parties to round out our whole-process risk management system.



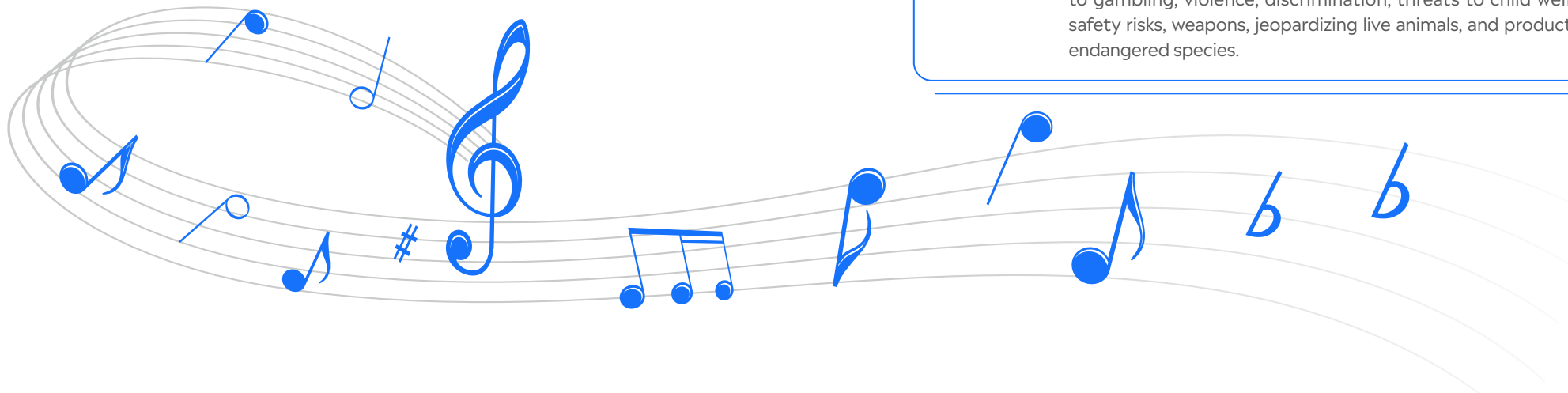
Advertising compliance

We have actively conducted a special examination of apps for advertising compliance based on the requirements of relevant laws and regulations issued by the Ministry of Industry and Information Technology.



Advertising content

Our internally operated placements and third-party advertisements (from Tencent Ads platform) follow the Tencent Ads Review General Rules. Advertisement content is strictly prohibited from including references to gambling, violence, discrimination, threats to child welfare, health and safety risks, weapons, jeopardizing live animals, and products from wild and endangered species.





Advertisement Content Process Control

Before advertising



We ensure the legal compliance and authenticity of ad content through continually updated advertisement review rules and multidimensional control measures. These measures include advertiser qualification verification, blacklist blocking and secure corporate payment mechanisms. These steps help safeguard the legitimacy and authenticity of the advertiser's access. Additionally, we have established industry access restrictions and a grading system for advertising, which manages access to different levels of advertising based on industry risk. High-risk industry customers' content is approved on a case-by-case basis to maximize control of advertiser risk. We have established a series of ex-ante measures to screen for violations, such as offline pre-review, promotional link review, automatic filtering of prohibited words and prohibited images, etc., in order to detect and manage non-compliant advertisements in advance. These measures minimize their impact and the loss on users and provide a solid line of defense against rule violations.

During advertising



We use an intelligent review system as the first line of defense during advertising to automatically detect potential violations. Advertisements flagged by our automated process are then manually reviewed to more effectively combat and prevent illegalities and irregular situations. By enhancing the sensitivity and skills of our reviewers, as well as enhancing our specific inspection and processing capabilities, we have made our advertisement review process more efficient and effective, ultimately enhancing user experience.


After advertising



We utilize both internal and external management systems to collect complaints and negative feedback on a daily basis from regulators, merchants, users and others. A platform-based mechanism has been established for handling feedback, which includes advertiser qualification assessments and the evaluation of advertising materials. This process allows us to handle user-related issues in a timely manner and adjust TME's ad-placement specifications to ensure all advertisements comply with our rules and regulations. To enhance the reliability and safety of our advertisement review governance, we employ high-frequency and multidimensional mechanisms. We have also implemented an automated inspection system that conducts thorough checks on all reviewed advertisements on an hourly basis. Public opinion regarding advertisers is monitored through manual inspection. Additionally, we have implemented a risk-assessment mechanism that prioritizes high-risk advertisements and accounts, ensuring that ad content continues to be in compliance and contributes to an enhanced user experience.

Protection of Minors

We are dedicated to preventing minors from being exposed to undesirable information and inappropriate content. Accordingly, TME considers the usage habits of minors and the characteristics of our products. We have introduced a "Minor Mode" for a number of products and established a specialized content pool for minor users. Under this mode, real-name verification and payment-blocking measures are set for different usage scenarios. For example, under QQ Music's "Minor Mode," minors are forbidden to:



- ▶ Watch live streaming
- ▶ Pay or top up on live streaming platforms
- ▶ Buy digital albums
- ▶ Buy QQ Music coins or participate in related transactions
- ▶ Use the audio program feature from 22:00 to 06:00 the following day

Minors' Protection Publicity

We actively promote the protection of minors in cyberspace, encouraging societal participation in safeguarding minors online. To publicize and implement the Regulation on the Protection of Minors in Cyberspace, and to advocate for and practice the protection of minors in the digital realm, the China Federation of Internet Societies, in cooperation with TME, ChinaSo and the Angel Choir, produced the theme song "Forever for You" to highlight that mission in 2023. This song emphasizes the physical and mental characteristics of minors and their need for protection, conveying love and compassionate care for minors with its emotive melody and lyrics.



Serving Users with Heart and Soul

In TME's relentless pursuit to provide users with exceptional experiences, we continue to refine our platform's functionality, optimize service processes, and listen to our users. Our mission is to provide better and safer services.

Enhanced User Experiences

TME is committed to providing more entertaining, enriching music entertainment experiences for everyone. Across different user groups and application scenarios, TME focuses on optimizing user experience.



- We use AI technology to innovate our interactive features and product functions. We have launched AI assistants to enable our users to enjoy more engaging, dynamic music content.
- We offer users personalized audio settings that provide individualized listening experiences. Our refined search engines and recommendation technology provide users with exceptional musical discovery experiences.
- We build large-scale online communities, expand product-application scenarios, optimize interactive product design, and forge meaningful connections with users' daily lives.



Response to User Requests

TME has built-in user-complaint channels in all of our products so that we can understand user needs through real-time feedback and proactive research. A comprehensive user-feedback processing mechanism ensures quick follow-up and improvement measures while also linking customer-complaint issues to the performance evaluations of department managers.

In 2023, we upgraded our user-complaint management platform, bringing previously outsourced management in-house, to enhance communication quality and efficiency. We have also established a robust customer-service hotline team enabling more effective communications between users and customer-service personnel. Additionally, during the year, we depicted more information graphically on our platform to cater to senior users' preferences.



In 2023, among TME's platforms:

100%

of complaints received through public channels on QQ Music and Kugou Music were resolved.

<p>Daily monitoring</p> <p>User feedback is collected through a variety of channels, including customer services on our platform, user hotline and public channels such as app market. By monitoring trends and analyzing user feedback, unexpected and repeated issues are promptly identified and forwarded to the responsible teams for tracking and resolution.</p>	<p>Proactive research</p> <p>We conduct research for all users, covering app performance smoothness, use frequency, interface preferences, and other key aspects. The data is classified according to user groups, after which we analyze each group's main product feedback and formulate hierarchical steps for optimization.</p>
<p>Feedback processing</p> <p>We process user feedback from the user hotline, online customer service and intelligent customer service through manual and technological means.</p>	<p>Improvement and implementation</p> <p>We internally report user experience issues bi-weekly and conduct user interviews to ensure a closed feedback loop.</p>



Innovating with Inclusive Science and Technology

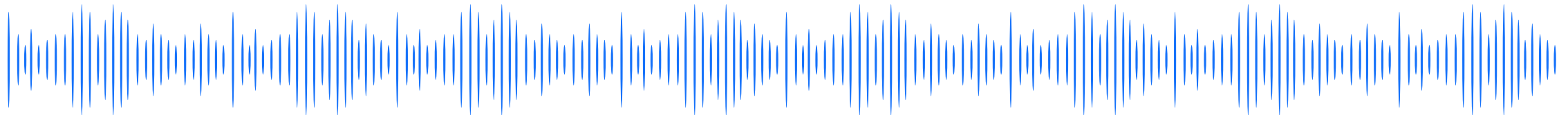
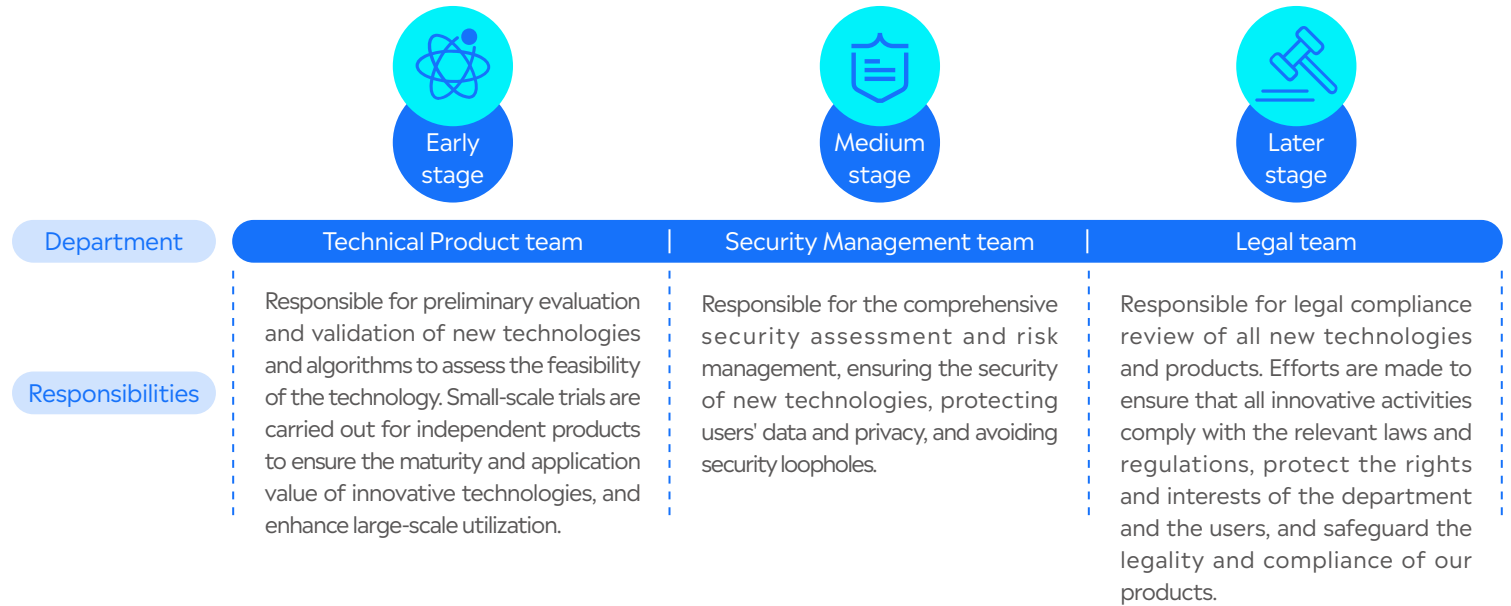
TME is committed to creating endless possibilities with music and technology. We actively promote the incubation and application of AI technology in the music field. We are committed to improving musicians' creation efficiency, enriching various user groups' music experience, promoting the online music industry's intelligent evolution, and helping build an inclusive and convenient digital society.

Product Innovation

In the process of product innovation and technological research and development, TME strictly adheres to laws and regulations such as the Cybersecurity Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Electronic Commerce Law of the People's Republic of China, the Civil Code of the People's Republic of China, the Advertisement Law of the People's Republic of China and the Law of the People's Republic of China on the Protection of Minors.

Product Innovation Management Structure

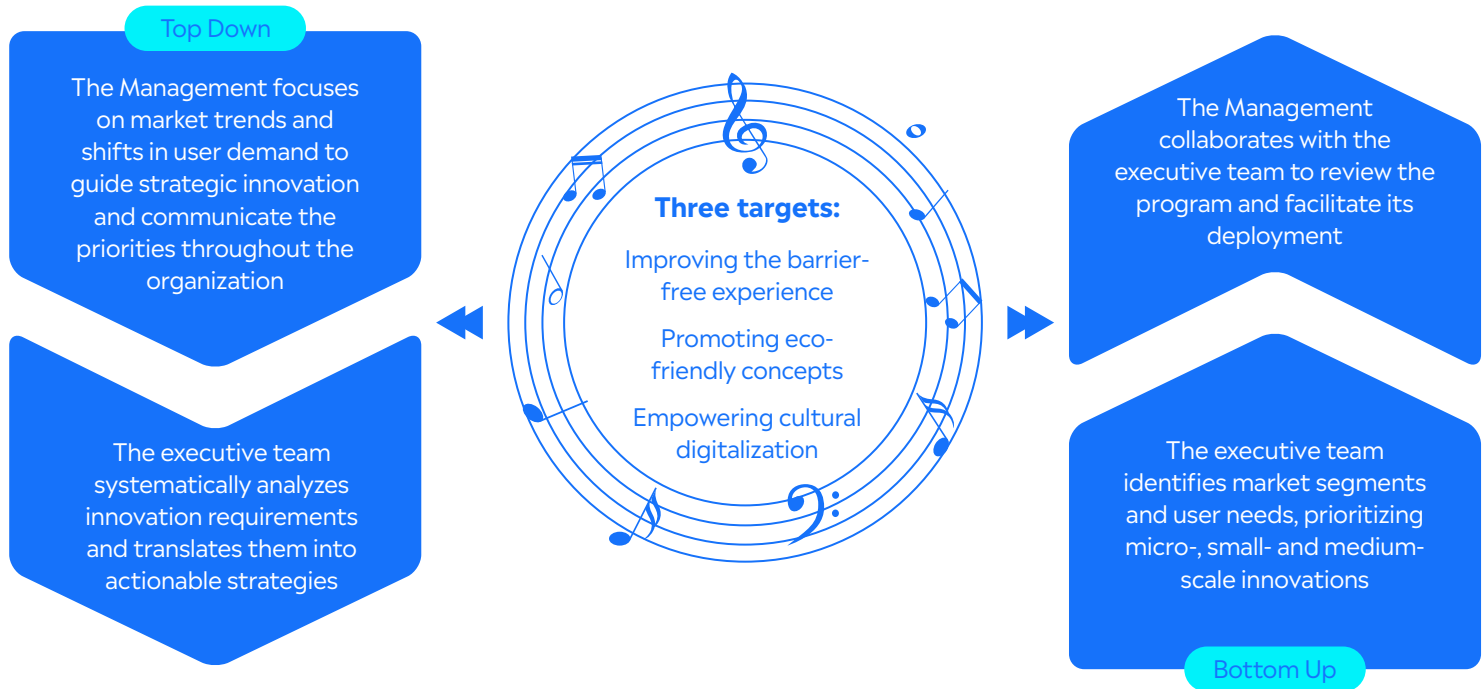
To ensure efficient and safe AI technology applications, TME has set up a product innovation management structure consisting of various functional teams. Through close cross-department collaboration throughout the product innovation process, we explore AI technology applications in fields such as AI accompaniment and intelligent arrangement. Our efforts support the intelligent evolution of the online music industry while ensuring copyright compliance and safeguarding user privacy and data security.





Product Innovation Management System

With top-down and bottom-up innovation systems, TME continues to create an innovative atmosphere and improve the efficiency of music creation across the entire operation process. Our systems also drive innovation and transformation in the music and entertainment industry, with a focus on improving barrier-free experience, promoting eco-friendly practices, and empowering cultural digitalization.



Product Innovation Incentive Mechanism

To improve our products' market adaptability and align with user preferences, TME has launched an employee innovation incentive mechanism. We encourage our employees to proactively acquire emerging knowledge and transform it into innovative outcomes, driving technological progress and product upgrades. The incentive mechanism is implemented quarterly and annually, with bonus incentives designed to recognize and reward teams and individuals across various departments for their innovative contributions.

Incentive System to Encourage Innovation

To cultivate awareness and encourage employees to make continuous innovations, the Group has set up and continuously improved a dedicated honor incentive system, supported by special funds. Awards are established at the company, business line, and departmental levels, including the TME Award of the Year, the Business Breakthrough Award, the Tech Breakthrough Award, and the Corporate Culture Award, fostering an atmosphere of motivation and encouragement for innovative breakthroughs. In 2023, TME awarded honors and incentives to more than 50 business teams and 500 employees.

Inclusive Science and Technology

Focusing on five innovative areas—facilitating technology accessibility, empowering musicians, educating children, digitalizing traditional culture, and meeting users' needs in diversified life scenarios—TME has been continuously exploring new ways to advance our approach to technological inclusion.

Areas of Inclusive Technology

Technology accessibility

Since 2021, TME's LYRA LAB has focused on hearing-impaired groups and the silver generation, launching China's first low-frequency public-welfare album, "Hearing the Inaudible Music." In 2023, we released the second season of "Hearing the Inaudible Music."

We have integrated AI hearing analysis, wide dynamic range compression, hearing loss simulation and other capabilities based on original audio low-frequency technology. We also upgraded and launched the first hearing-adapted low-frequency music technology in China, to enable people with different degrees of hearing loss to hear complete musical works.



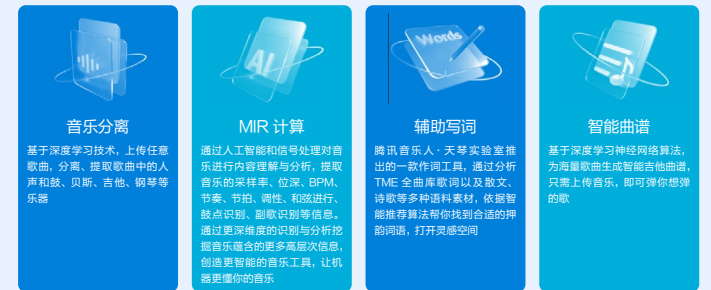
QQ Music App Audiometry



"Hearing the Inaudible Music"

Empowering musicians

TME leverages AIGC technology to enhance musicians' efficiency in creating and promoting high-quality music content.



AIGC Tool for Musicians

Creation stage

Our "lyric search" technology inspires musicians, recommending words that rhyme and helping with the creative process. Our track-separation technology separates vocals from instruments in uploaded music. Our deep-learning neural network algorithm generates intelligent scores after music is uploaded.

Promotion stage

Using AIGC technology, our platform generates personalized covers adapted to musical works. Once an artist's songs and lyrics text are uploaded, the system automatically generates scrolling lyrics, simplifying the release and promotion process for musicians.



Educating children

In September 2023, TME's LYRA LAB contributed its "Qin Yue" one-stop composing technology and "MUSE AI Painting" AI music vision generation technology to the public-welfare program launched by Tencent and China Soong Ching Ling Foundation, "AI Programming Lesson One." LYRA LAB's contributions enabled young people to engage in fun, interactive music creation experiences powered by AI.

Our "MUSE AI Painting" AI music vision generation technology empowers teenagers to create their own AI-generated artwork with just a few simple strokes. Our "Qin Yue" one-stop composing and arranging technology can generate a complete music piece based on a line drawn with one's fingertips, sparking interest in musical technology among teenagers and children.



"MUSE AI Painting" AI Music Vision Generation Technology

Digitalizing traditional culture

We use diverse AI technologies to seamlessly blend technology with traditional culture through sound, lyrics and melody.

As a part of the "Digital Protection of Traditional Chinese Instrumental Music" initiative, QQ Music used AI technology from "QQ Music Galaxy Sound Effect" and timbre-conversion techniques to faithfully reproduce the sound of the Guqin, an ancient instrument from the Ming dynasty. This effort resulted in the creation and release of 12 soothing Guqin music pieces as part of the "Healing Guqin Music Special Series." AI technology's ability has digitally revitalized Guqin music.

We developed the proprietary "Wenqu-lyric" large language model for lyric writing. We then connected it to "Tencent Musician Platform" and "Venus," our all-in-one music production and promotion destination, to help musicians create more efficiently.

Our generative "Qin Yue Large Language Model" can create music prototypes using AI and refine scores based on performers' feedback. Integrating human creation and technology, the musical work "Zero. One: Chinese Color," made its debut at the 39th Shanghai Spring International Music Festival.



Performance of "Zero. One: Chinese Color"

Meeting users' needs in diverse life scenarios

Combining AI technology with user creation, we introduced AIK—the industry's first innovative AI karaoke feature—via Kugou Music. Users can record a simple sound clip, and using intelligent learning, AI will then generate individualized tones and sound effects to produce different styles of songs in different languages such as Mandarin, Cantonese, English, Japanese and Korean, further lowering the barrier to creative expression.

We also focus on intelligent network development in the automotive field. For example, we cooperated with Qualcomm to create "Snapdragon Premium Sound Quality," expanding the applications of high-quality audio effects in automotive scenarios. Additionally, we partnered with Great Wall Motor to strategically explore AI audio technology in smart cockpits.



AIK Feature Interface



"AI Cockpit Pioneer Partnership" with Great Wall Motor



Responsible AI

TME's core values are integrity, teamwork, motivation, and excellence. Guided by these principles, we are developing and deploying AI technologies in a safe, ethical manner, adhering to relevant laws and regulations. In designing our AI technology, we provide music entertainment and application functions for users, protect our intellectual property rights and those of others, and contribute to a fair and orderly commercial environment for music. We diligently follow the philosophies of "Official Authorization, Compliant Use and Tech for Good."

We firmly believe that the principle of responsibility will be integrated into every stage of AI development, from research and development to application, fostering the healthy advancement of AI technology and related products. To ensure that TME's relevant AIGC products and technologies comply with the relevant laws and regulations, morals and ethics, and the protection of user privacy, we have developed the TME AIGC Product Compliance Manual. This manual outlines the compliance requirements for TME's AIGC products and defines the behavioral guidelines for developing and using AIGC-related products. It covers critical areas such as data collection and usage, algorithmic technology, product registration, copyright protection, trademark and patent protection, and measures against unfair competition and monopolization, effectively establishing a comprehensive compliance framework for risk control. By developing and implementing this manual, TME protects the legitimate rights and interests of its users, while ensuring that related AIGC products are compliant, secure, and reliable for our users.

 <p>AIGC data compliance</p>	 <p>AIGC algorithm compliance</p>	 <p>Filing and assessment of AIGC products</p>	 <p>AIGC intellectual property compliance</p>	 <p>AIGC competition compliance</p>
<p>Compliance requirements have been formulated for risk prevention and control in key fields such as data source, data annotation, data model, data quality, data security, data exit, personal information, and the user interface. These are in line with relevant laws and regulations such as the Interim Measures for the Administration of Generative Artificial Intelligence Services, the Practical Guidelines for Cybersecurity Standards: Marking Methods for Content Generated by Generative Artificial Intelligence, the Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services and the Guideline on the Review of Science and Technology Ethics (Trial), thus safeguarding user privacy and data security.</p>	<p>Compliance requirements have been formulated in terms of content identification compliance, algorithm optimization, anti-discrimination mechanism and review of scientific same accordance with relevant regulations, such as the Interim Measures for the Administration of Generative Artificial Intelligence Services, the Practical Guidelines for Cybersecurity Standards: Marking Methods for Content Generated by Generative Artificial Intelligence, the Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services and the Guideline on the Review of Science and Technology Ethics (Trial), thus guaranteeing the compliance of AIGC algorithm technique during each process of use.</p>	<p>Compliance requirements have been formulated for the algorithm filing, large model filing, and safety assessment in accordance with the relevant regulations, such as the Interim Measures for the Administration of Generative Artificial Intelligence Services and others, thus ensuring filing and assessment compliance of AIGC products.</p>	<p>Compliance risk alerts and recommendations have been provided for cutting-edge AIGC-related issues, such as the reasonable use of AIGC training data, the ownership and copyrightability of AIGC, and AIGC patent and trademark protection. They are in line with the Copyright Law of the People's Republic of China and other relevant regulations and based on typical cases, industry policy research, and expert opinions globally and in China.</p>	<p>Risk alerts related to anti-unfair competition and anti-monopoly practices involving data, algorithms, other technologies, and further specific compliance suggestions for data acquisition and use have been provided in strict accordance with relevant laws and regulations. These include the Anti-Unfair Competition Law of the People's Republic of China, the Interim Regulation Against Unfair Competition in the Cyberspace and the Anti-monopoly Law of the People's Republic of China.</p>

Requirements from the "TME AIGC Product Compliance Manual"



Employee Care

TME's talent philosophy centers on passion, exploration and collaboration. We have evolved into a brand that encompasses the entire talent development journey, from attraction and motivation to retention. We value individual differences and are devoted to fostering a diverse, equitable, and inclusive workplace. By offering employees clear, transparent, and diverse career paths, we empower career development and the pursuit of personal development goals to help our team grow alongside our business.

United Nations Sustainable Development Goals





Employee Interests Protection

Employment Compliance

TME places a strong emphasis on employees' human rights. We strictly abide by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Provisions on Prohibition of Child Labor, and labor laws and regulations in the regions where we operate. TME also complies with the International Labor Organization ("ILO") Declaration on Fundamental Principles and Rights at Work. We uphold employees' freedom of association and rights to collective bargaining and are committed to prohibiting child labor and forced labor. Our commitment to equal opportunity includes efforts to eliminate employment and occupational discrimination. We go beyond the established laws and regulations and have established additional internal policies to ensure fair, equal, transparent, and efficient employee management. These policies include the Guidelines

for Strategic Performance Management and the Management Policy for Employee Career Development, which cover employee recruitment, remuneration and performance-based pay, training, organizational development, and our professional code of conduct. The labor contracts we sign with employees are in accordance with the law and clearly outline employees' basic rights and interests, including remuneration, working hours, leave and holidays, data security and privacy protection.

During the recruitment process, we strictly verify job applicants' identities. The background checks we conduct safeguard personal information while ensuring that all potential employees meet the statutory minimum working age requirement and that no form of forced labor is involved. Our employment practices are routinely

reviewed, and our oversight mechanism encourages employees and stakeholders to report any violation of child labor or forced labor policies. We have also appointed designated personnel to follow up on and investigate reported leads.

Our contingency plans ensure that any violations involving child labor or forced labor are stopped immediately and that relevant government authorities are contacted simultaneously to provide any necessary support and safeguards. We are devoted to creating an equal, safe, and harmonious workplace that ensures each employee's rights are respected and protected.

As of the end of 2023, TME had **5,185** employees. Among them:



The proportion of female employees

42.8%



The proportion of employees aged 29 or younger

40.0%



The proportion of employees between the ages of 30 and 49

59.4%



Health and Safety

The health and safety of our employees is our top priority. We are committed to providing a healthy and safe workplace while operating in strict compliance with relevant laws and regulations, including the Labor Law of the People’s Republic of China, the Law of the People’s Republic of China on Work Safety, and the Fire Protection Law of the People’s Republic of China. We have also formulated internal policies to ensure all of our employee’s health and safety needs are covered, including workplace safety, emergency response, health promotion programs, and mental health support, such as the Fire Management Manual and the Rules for the Management of Emergency Reporting. Accessibility for physically disabled employees is also a priority, particularly when selecting offices. Our current offices are equipped with comprehensive accessibility infrastructure, such as wheelchair ramps, handrails, accessible bathrooms and accessible elevators.

TME’s Management System to Promote Employee Health



Accessibility Designs in Office Areas



First Aid Training on AEDs



AEDs in Office Areas



“Health Month” Activities under the “TME Life Happy and Health Program”

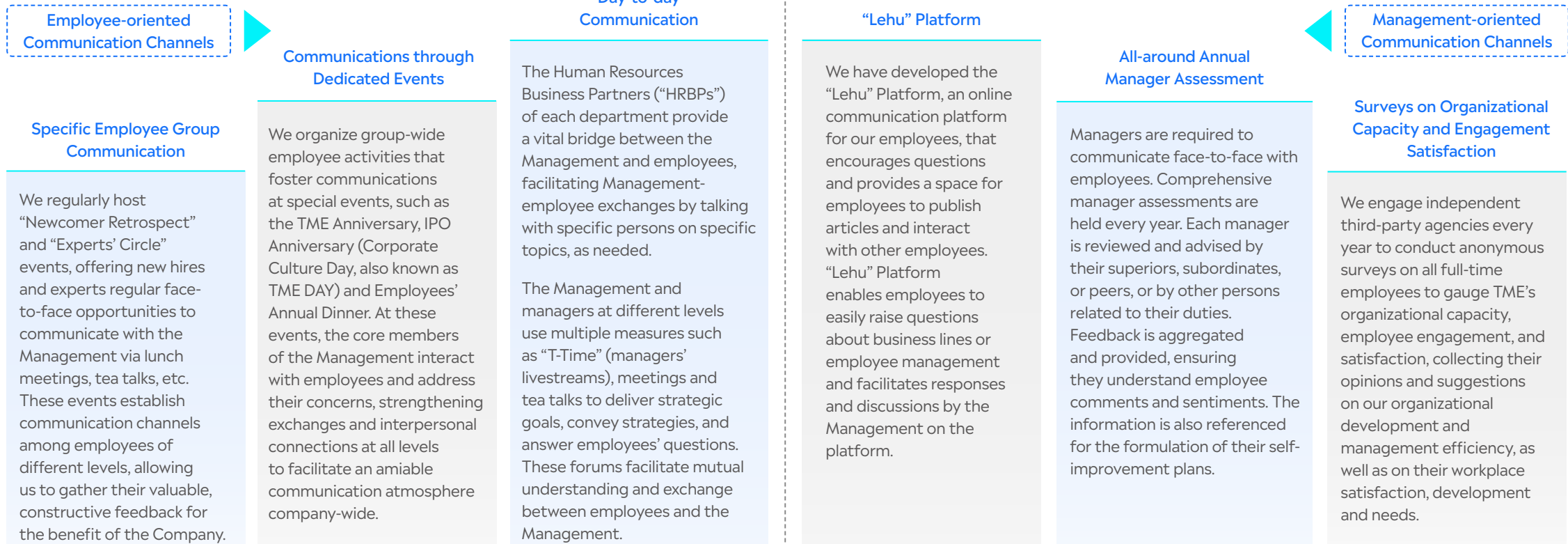


Employee Communication

At TME, we highly value employee communication. We are dedicated to enhancing employee involvement and recognition through multichannel communication strategies that promote an equitable, trusted, active, and open workplace. Our communication channels facilitate two-way communication, ensuring that employees and the Management can actively exchange ideas. By transparently and promptly sharing information, we ensure clear communication of our strategic goals. We encourage employees to participate in our decision-making processes and actively respond to their feedback and suggestions, fostering a greater sense of inclusion and satisfaction in the workplace.

▶ Surveys on Organizational Capacity and Engagement Satisfaction for 2023

In the surveys on organizational capacity and engagement satisfaction for 2023, the questionnaire response rate reached 88%. The survey results show that employee recognition, as well as their confidence in the Company, improved compared with the previous year in terms of strategy, organizational skills, employee mindset, competence, and governance. We actively improve internal management each year based on feedback from these surveys, by formulating improvement plans and ensuring their implementation.





DEI Management System

TME adheres to Tencent's [Our Commitment to Diversity, Equity and Inclusion](#), opposes any form of workplace discrimination, proactively identifies and eliminates barriers that are not conducive to fair treatment, and ensures that the principles of fairness and justice are adhered to in the allocation of opportunities and resources such as recruitment, promotion and salary. Regardless of age, race, gender, nationality, physical condition, or religion, every employee is given an equal opportunity at TME. Our goal is for each employee to feel respected, supported, and inspired.

The TME Sunshine Code of Conduct for Employees clearly defines discrimination and harassment, and strictly prohibits any discriminatory, harassing, or privacy-invading remarks or behavior. Violations are subject to appropriate penalties. Regular employee training in anti-discrimination and anti-harassment practices also supports our ability to create an equal, respectful, and non-discriminatory workplace, alongside our vigorously implemented policies, which we continue to build upon. We have also established corresponding monitoring and reporting mechanisms to encourage employees to actively report violations.

If an employee encounters any form of unfair treatment in the workplace, including discrimination or harassment, our employee management policies provide several mechanisms for reporting and feedback. Employees can quickly and easily file reports or complaints through internal systems, emails, or mail. We promptly reply to all employee complaints received through these channels, and conscientiously conduct investigations to provide effective solutions that protect employees' workplace security and well-being.

Diversity, Equity and Inclusion

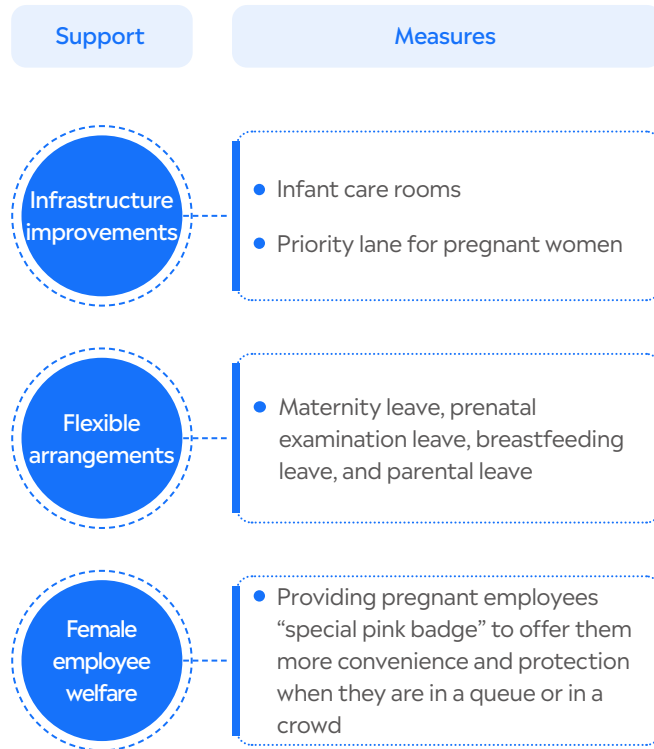
At TME, we celebrate the unique contributions of every team member and are committed to championing diversity while cultivating a workplace that embraces and respects individuality. We continuously enhance our diversity, equity, and inclusion ("DEI") management system by empowering employees to express their individuality, explore their career paths, and pursue their passions. This fosters a more diverse and creative working environment. DEI principles also guide the products and services we provide across our diverse user groups.



Creation of a DEI Atmosphere

Supporting Women in the Workplace

TME is dedicated to breaking barriers for women in the workplace and providing female employees with equal opportunities for occupational development. We offer dedicated support for female employees with recent improvements to our infrastructure, flexible hours, vacation arrangements, and female welfare programs to ensure our female employees have equal opportunities to grow their careers and succeed.



Infant Care Rooms in Office Areas

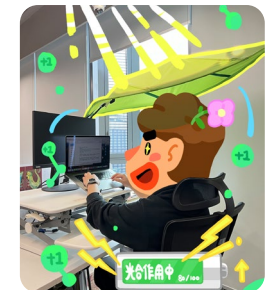
An Inclusive Corporate Culture

We believe that creating an environment that respects individual differences and encourages self-expression is essential to fostering employees’ creativity and driving our continuous innovation. We actively foster an inclusive corporate culture and regularly hold events that celebrate cultural diversity to ensure a non-discriminatory environment where every employee feels respected and recognized for their valuable contributions.

TME continuously improves the fairness and professionalism of our recruitment system, focusing on the job candidates’ feelings and building a diverse talent pipeline. We maintain strict standards for our recruiters and interviewers with regular training and appraisals to ensure professional and meticulous recruitment. Our interviewer training incorporates diversity training and requires corresponding evaluations. We also emphasize anti-discrimination

and anti-bias education while guiding interviewers in identifying and preventing unconscious bias and discrimination in the recruitment process, while improving techniques for conducting more inclusive interviews. We require interviewers to be mindful of cultural diversity and to appreciate the value and contributions of multicultural teams.

We provide employees with regular DEI training. We also promote the unique value of cultural diversity and encourage employees to understand and respect diverse backgrounds, identities, ideas, and cultures with a learning-oriented, open, and inclusive mindset. These measures are effective in preventing and mitigating conflicts and divergences and help us create a more harmonious and inclusive workplace together.



Celebrating TME’s Employees Diversity



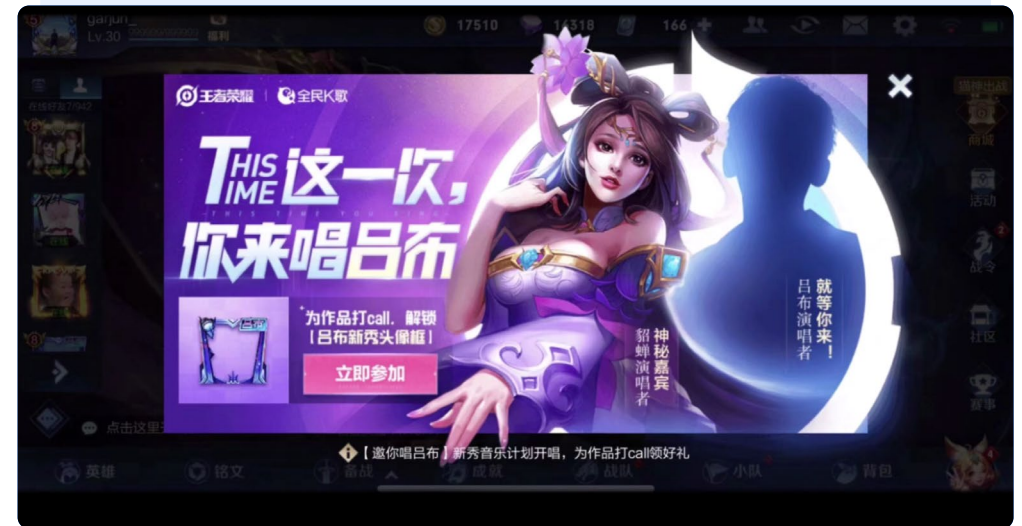
In our daily work, we encourage every employee to freely express their feelings and ideas and to make their unique contributions. We value the voices and stories of our employees, and strive to deeply understand everyone's personality, interests, and hobbies through regular interviews and internal topic-based discussions. To better support employees' self-expression, we provide a diverse platform and opportunities, creating a broad space for employees to showcase themselves, inspire their potential, and promote team innovation and development.

▶ At TME, Employees' Diverse Interests Create Infinite Value

Heiko is a newcomer to TME and a guitarist whose dream is to build stages for domestic virtual idols. He debuted his virtual idol and performed during Annual Dinner.



Jiajun, a fan of "Honour of Kings," facilitated the collaboration between "Honour of Kings" and WeSing and won the Tencent M Power Award for Technology.





More Inclusive Products and Services

TME has further integrated the ideas of DEI into our products and services and is committed to delivering these values to a broad range of user groups. Through our products, we provide an integrated music and technology experience and create a more inclusive environment for music so that a diverse range of users and musicians can enjoy and engage with music in unique ways.

Supporting Female Musicians

With their unique perspectives and talents, female musicians bring more color and inspiration to the world of music. We are continuously launching support programs for female musicians to make sure their voices are amplified across more users.

▶ “Her Voice,” a Special Program for Women’s Day

On International Women’s Day 2023, we launched “Her Voice,” a special program where 18 female music creators were invited to share their stories and understanding of feminism. In this program, female musicians used music to deliver their distinct voices and perspectives and demonstrate women’s strength and diversity.

The objectives of this program are to remove the stereotypes of women, encourage women to bravely express and speak for themselves, and infuse society with the concept of inclusion: Regardless of a woman’s selected career path, she should have equal opportunities and respect.



▶ “Gazelle,” an Audition Program for Female Musicians

“Gazelle” is an audition program for new-generation female musicians, jointly launched by Tencent Musician Platform, QQ Music and our partners.

We provided participants with resources and support, including professional training, promotion and publicity, and opportunities to interact with music industry professionals, as well as stages to showcase their musical talent.



Barrier-free Music

The TME platform is continuously making product improvements that cater to the senior. For example, we addressed the needs of senior and visually impaired users by launching the “large font mode” and the “easy mode” in our app.

We are also committed to making barrier-free product and service innovations, and we hope to deliver a richer and more complete music experience to users who suffer from varying degrees of hearing loss, making music even more barrier-free. In 2023, we launched the Barrier-free Music Life program, releasing over 100 low-frequency songs on our platform as well as the “National Barrier-free Cloud Exhibition Gallery” to enrich the lives of people suffering from hearing loss and provide them with more entertainment options. For more technology accessibility, see the chapter about “Responsible Platform – Product Innovation.”



Talent Attraction and Retention

Employer Branding

Talent Reserve Strategy

TME regularly conducts talent recruitment forecasting and planning to attract top talent. We continuously expand diversified recruitment channels such as campus recruitment, social recruitment, internal referrals, collaborative education programs with universities, and internship programs. Our ever-evolving talent selection model focuses on evaluating professional skills to ensure a more precise fit between jobs and candidates.

To attract outstanding talent from around the world in the music and technology industries, TME has implemented a comprehensive talent reserve strategy. The Group designs long-term career development plans for interns, graduates, and experienced professionals, ensuring that each individual receives a personalized growth path that is aligned with their interests and career aspirations.

Youth Music Tech X Program

Youth Music Tech X (“MTX”) is a joint initiative by the Innovative Education Lab of Tencent’s Sustainable Social Value (“SSV”) organization, TME Institute of Music, and LYRA LAB. This non-profit program is aimed at cultivating music technology talent among high school students, led by academic and industry mentors. MTX offers four cutting-edge technology topics through LYRA LAB, focusing on developing young participants’ professional skills and innovative thinking in the music technology field.

In 2023, the first MTX introduced over 40 music technology courses and enabled students to volunteer in algorithm development and low-frequency mixing for a public welfare program named “Hearing the Inaudible Music.” They collaborated on a public welfare single for the hearing-impaired, which was promoted and distributed via QQ Music during the “99 Giving Day.”

Through the integration of resources from top academics and industry mentors, MTX provides a platform for students to put theories into practice, aiming to shape future leaders in the music technology industry and nurture key innovative talent for the Company and the music technology sector.



MTX



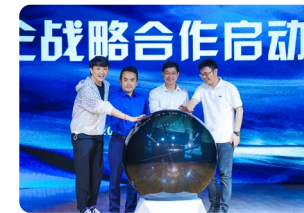
Mentorship and Education Courses



Topic Challenges and Tech Exploration

Strategic Partnership with Zhejiang Conservatory of Music

In May 2023, TME and Zhejiang Conservatory of Music (“ZJCM”) strategically partnered to explore new paths for the development of China’s online music industry and advanced education in the era of digital intelligence. They jointly initiated cooperation programs such as the ZJCM × TME “Digital Music Modern Industry College” and the “QQ Music: Digital ZJCM Zone.” TME Institute of Music also brought open classes into ZJCM and held multiple lectures.



Strategic Partnership with ZJCM



TME Institute of Music Open Courses



ZJCM × TME Concert



Attracting Technical Talent

TME continually leverages technology to elevate music, attracting technical talent to help drive innovation in the online music industry.

▶ Technical Expert Recruitment Program

The “Technical Expert Recruitment Program” is an independent campus recruitment initiative, targeting roles in areas such as audio quality optimization and voice synthesis. This program aims to find top-tier technical talent globally who are passionate and enthusiastic about cutting-edge technologies in the music field. These individuals are cultivated as visionary and innovative technology leaders for TME and the online music industry. Recruits have the opportunity to collaborate with TME’s distinguished scientists to explore the latest technological advancements in music and make new technological innovation breakthroughs.



Weixin Video Account for Tencent Music Entertainment Recruit



In 2023, TME received several employer brand awards, including:

- Award** 
-
- 
Maimai “MAX 2023 Employer Worth Working”
 - 
Nowcoder “NFuture Awards 2023: Most Desirable Employer for College Students”
 - 
Lagou “2023 Top Employer in China’s Digital Technology Industry”

Talent Retention

To better attract and retain talent, the Group has implemented a series of housing support measures to help employees establish themselves and integrate into the city.



To help new employees quickly settle in the city, the Company provides rental subsidies to eligible campus recruits to alleviate financial pressure.



For employees who grow with the Company, we offer interest-free loans of up to RMB900,000 for down payments on their first homes, helping them establish stable living conditions earlier in their careers.

In terms of talent retention, the Group monitors and analyzes personnel turnover and departure risks during periods of peak employee departures. Based on the previous year's turnover rate, reasons for departure and key trends, we set annual priorities and optimize and improve various aspects of human resource management to effectively enhance employees' experiences. These measures effectively control the Company's human resource risks and reduce the loss of talent.

Whenever the Group undergoes restructuring, changes or adjustments to strategies or business operations, we communicate thoroughly and extensively with affected employees through announcements, emails, meetings, team-building activities, and more. Simultaneously, we also consider individual employee preferences and provide flexible job reassignments to help employees smoothly transition, quickly clarify their new direction, and actively engage in new goals during these periods.



Anju Plan



Talent Incentives

Employee Compensation

TME offers employees a competitive compensation and welfare package, along with a broad platform for extensive career development opportunities. This enables talented individuals to realize their potential across the Company's diverse business lines. Together, we drive innovation and growth in the online music industry, aligning personal achievements with corporate objectives.

We provide our employees with a competitive and comprehensive compensation package, which includes fixed pay as well as short-term and long-term incentives. We also adhere to fairness principles, ensuring equal pay for equal work for both male and female employees and guaranteeing that everyone's efforts and contributions are rewarded fairly. Moreover, TME actively participates in annual market salary surveys administered by third parties to closely monitor industry trends and key data. In alignment with our business needs and the competitive landscape for talent, we continually review and optimize our compensation strategies, revisiting and updating target ranges and adjusting compensation levels as necessary to maintain market competitiveness.

Performance Management

At TME, our performance management system acts as a bridge between the Company's strategy and execution, ensuring that strategic goals are effectively communicated and connected across business lines, departments, and employees. This system ensures fair and equitable evaluations of individual and team contributions, facilitating shared success between employees and the Company.



TME's Performance Evaluation System

The Group conducts employee performance evaluations twice a year. The evaluation criteria include performance outcomes, management capabilities, and behavioral attributes. The Group employs an all-around feedback mechanism, ensuring that employees receive comprehensive and objective evaluations from multiple perspectives, including superiors, peers, and partners.

After being evaluated, employees have a designated feedback period during which they can openly discuss any disputed results with their direct supervisors. If disagreements persist, or if employees believe the evaluation process was unfair or contained procedural violations, they can file a formal appeal through the performance evaluation system. An indirect supervisor will then intervene to address the appeal and provide feedback on the outcome. Based on the result of the appeal, the human resources department will then determine the final performance rating.

Employee Share Incentive Plans

TME offers a variety of share incentive plans, including the share option plan and the restricted share scheme. In compliance with applicable laws and regulations, all employees, managers, directors, and consultants to the Group are eligible to participate in the Group's share incentive plans. We grant share incentives to core talent based on individual performance and development potential.



Employee Benefits

The Group is committed to building a comprehensive and extensive welfare system that covers employees' needs in key areas such as finance, health, and lifestyle. This support enables them to pursue career development while also enjoying a vibrant and fulfilling life.

Financial section	Health section	Lifestyle section
<ul style="list-style-type: none"> Basic old-age insurance, basic medical insurance, work injury insurance, unemployment insurance, and maternity insurance, as well as housing provident fund Anju Plan Yiju Plan 	<ul style="list-style-type: none"> Commercial insurance Psychological counseling hotline and one-on-one mental health consultations platform, "Stress Relief Cabin Online Platform" Annual health check-ups for employees Medical resource support for employees and their families Health consultation services Sports and fitness facilities and classes 	<ul style="list-style-type: none"> TME memberships and TME customized merchandise Flexible benefit platform Welcome gifts and birthday gifts Team-building activities, and cultural and sports association activities Volunteer leave, Chinese New Year holiday, and other special holidays Marriage leave, fully paid prenatal examination leave, maternity leave, breastfeeding leave, and other parental leaves Mother-baby rooms, and priority lanes for pregnant employees

TME Employee Benefit System



TME Life Music Festival: The Group sets up professional live performance stages in the office and the TME Life Association regularly hosts indoor concerts, allowing employees to unwind with live music after work.



2023 TME DAY: On December 12, TME employees attended the Employee's Annual Meeting to gain a deeper understanding of the Company's business strategy and operations, followed by Annual Dinner featuring exciting artist performances.

Talent Development and Training

Talent Development

Talent Development Management Framework

At TME, we support our employees every step of the way on their development journeys. The Group provides transparent, clearly defined career pathways to support employees' abilities to achieve their personal development goals.

The Group has established internal management systems, such as the Management Policy for Employee Career Development and the Management Norms, to define clear promotion rules and processes. During the promotion process, the Group ensures fairness and transparency through methods such as publicizing evidence forms and allowing observers during presentations.

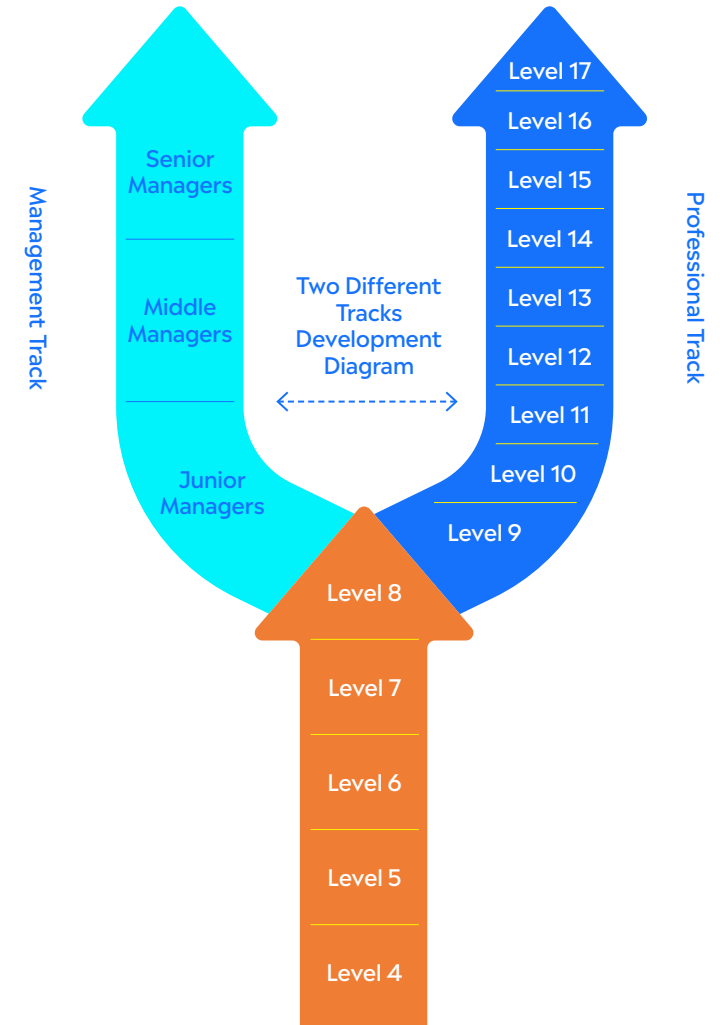
As part of our efforts to continuously improve career development management, the Group has a dedicated Career Development Committee. The Committee updates the competency models for various positions according to business needs, driving business growth and guiding employees in their professional capability enhancement endeavors. In 2023, in consideration of industry trends and business development, the TME Career Development Committee optimized position settings, upgraded competency models, clarified professional requirements, and improved the position system. The Committee also encouraged professional growth, promoted knowledge sharing, released thousands of professional articles internally and provided specialized training resources based on position needs to support employee development.

Talent Development System

The Group has built a “Two Different Tracks” development system that consists of professional and managerial development paths. Employees can choose the path that is best aligned with their career interests, skill sets, and personal career plans. This Two Different Tracks development offers employees more flexible career growth options while also helping the Group to build a more efficient and professional talent pipeline. To tap into the potential of our talent and maintain team vitality, the Group implements an internal “Huoshui Program” and other job rotation programs. These programs encourage employees to freely explore development opportunities within the Company, broadening their career horizons and skill sets while infusing the Company with fresh perspectives and energy, effectively retaining internal talent.



TME Career Development Training

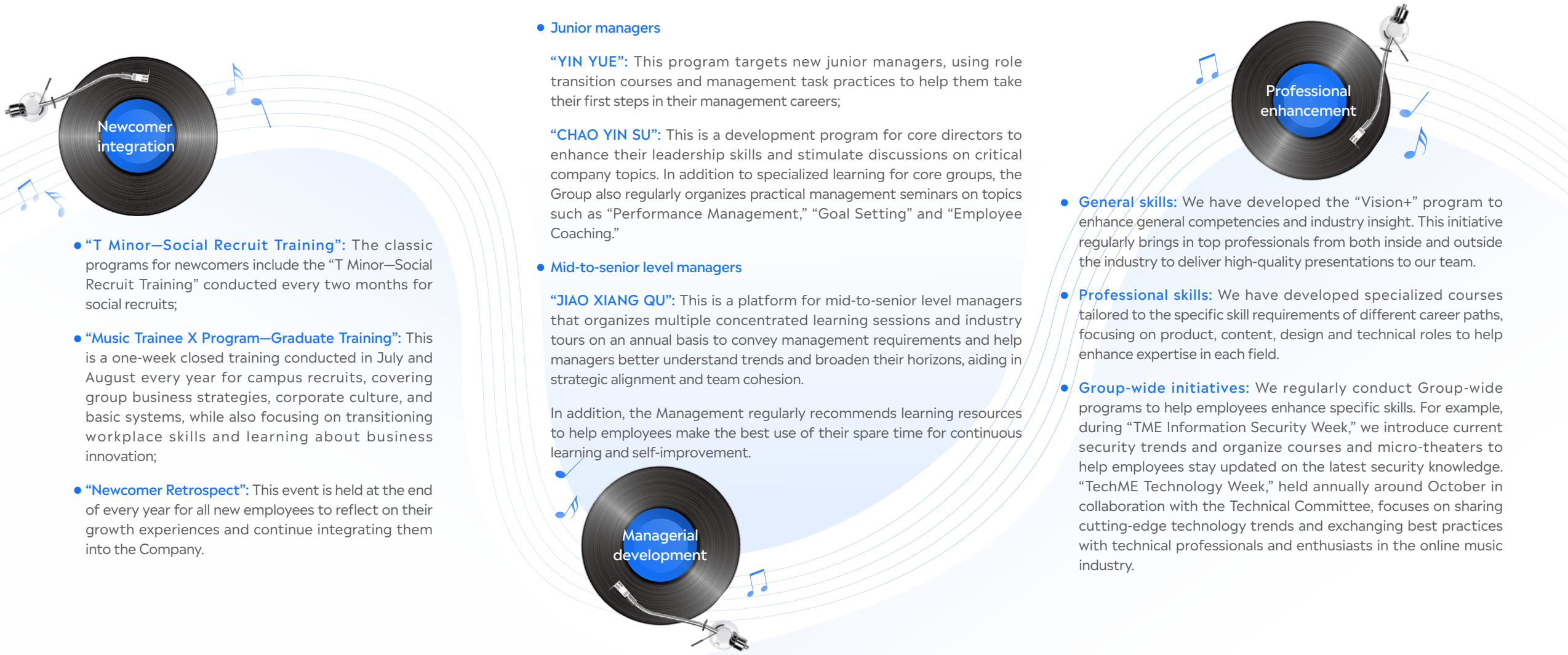


TME Employee Position System



Employee Training

TME is committed to providing diverse learning channels and resources for employee growth and development. To foster a more learning-oriented organization, we have created a comprehensive training system that includes the “TME Knowledge Festival,” “TechME Technology Week,” “TME Information Security Week,” and various other events. The Group has developed three systematic training programs tailored to different responsibilities and career stages: “Management+,” “Expertise+,” and “Vision+.” “Management+” focuses on cultivating leadership and management skills, while “Expertise+” integrates various courses on career development tracks to help employees enhance their professional skills. “Vision+” aims to broaden employees’ industry perspectives and improve their overall competencies, effectively supporting their growth needs at different stages.



- **“T Minor—Social Recruit Training”**: The classic programs for newcomers include the “T Minor—Social Recruit Training” conducted every two months for social recruits;
- **“Music Trainee X Program—Graduate Training”**: This is a one-week closed training conducted in July and August every year for campus recruits, covering group business strategies, corporate culture, and basic systems, while also focusing on transitioning workplace skills and learning about business innovation;
- **“Newcomer Retrospect”**: This event is held at the end of every year for all new employees to reflect on their growth experiences and continue integrating them into the Company.

● **Junior managers**

“YIN YUE”: This program targets new junior managers, using role transition courses and management task practices to help them take their first steps in their management careers;

“CHAO YIN SU”: This is a development program for core directors to enhance their leadership skills and stimulate discussions on critical company topics. In addition to specialized learning for core groups, the Group also regularly organizes practical management seminars on topics such as “Performance Management,” “Goal Setting” and “Employee Coaching.”

● **Mid-to-senior level managers**

“JIAO XIANG QU”: This is a platform for mid-to-senior level managers that organizes multiple concentrated learning sessions and industry tours on an annual basis to convey management requirements and help managers better understand trends and broaden their horizons, aiding in strategic alignment and team cohesion.

In addition, the Management regularly recommends learning resources to help employees make the best use of their spare time for continuous learning and self-improvement.



- **General skills**: We have developed the “Vision+” program to enhance general competencies and industry insight. This initiative regularly brings in top professionals from both inside and outside the industry to deliver high-quality presentations to our team.
- **Professional skills**: We have developed specialized courses tailored to the specific skill requirements of different career paths, focusing on product, content, design and technical roles to help enhance expertise in each field.
- **Group-wide initiatives**: We regularly conduct Group-wide programs to help employees enhance specific skills. For example, during “TME Information Security Week,” we introduce current security trends and organize courses and micro-theaters to help employees stay updated on the latest security knowledge. “TechME Technology Week,” held annually around October in collaboration with the Technical Committee, focuses on sharing cutting-edge technology trends and exchanging best practices with technical professionals and enthusiasts in the online music industry.



In 2023, we focused on building a learning network framework at both the business line and department levels, fostering knowledge sharing and an atmosphere conducive to learning. As of the end of 2023, the Group's internal learning platform had offered over 1,000 online courses to employees, covering new hire skills, professional skills, and management skills, with the average online learning hours per employee exceeding 15.

We also encourage and support employees in pursuing advanced degrees and external professional qualifications, such as finance-related certificates and artist agency licenses, by offering reimbursement for full-time employees. These initiatives are designed to enhance employees' professional and management skills, providing solid support for their career development and personal growth. Our people-oriented approach helps each employee progress in their career while contributing to the achievement of our corporate objectives.



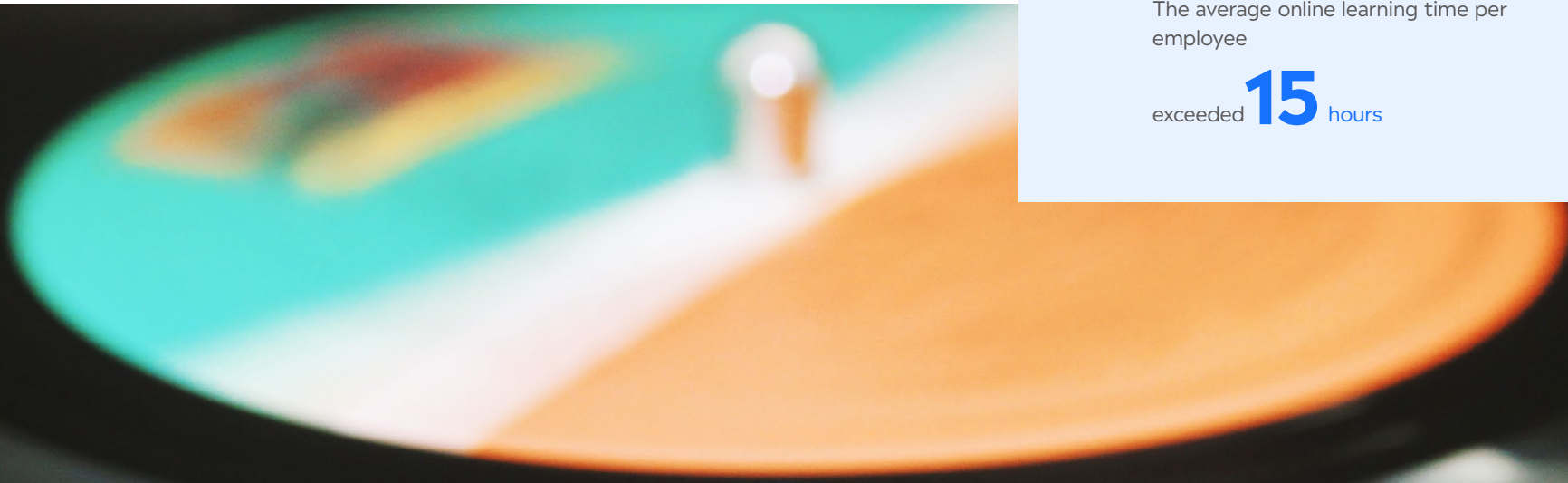
The Group's internal learning platform had offered

over **1,000**
online courses to employees



The average online learning time per employee

exceeded **15** hours





Green and Low Carbon

TME is committed to inspiring the public to adopt sustainable living practices and contribute to the development of ecological cities and a greener earth, using the influence of music to raise people's awareness of environmental protection.

United Nations Sustainable Development Goals





Response to Climate Change

The World Economic Forum’s Global Risks Report 2024 has identified “extreme climate events” as the most significant risk facing the world over the next decade. We closely monitor the risks associated with climate change and evaluate their potential impact on our business, wholeheartedly supporting and taking proactive countermeasures to tackle global climate events.

Management of Climate-Related Risks and Opportunities

TME places a strong emphasis on climate-related issues, prioritizing both risk management and the identification of opportunities.

Critical climate-related risks and opportunities	Impacts	Responses
Extreme climate events (e.g., frequent typhoons and rainstorms)	<ul style="list-style-type: none"> Frequent typhoons and rainstorms may affect the business continuity of enterprises. 	<ul style="list-style-type: none"> We prioritized disaster responses by formulating emergency response plans for extreme climate events, such as the Emergency Responses to Typhoons and Rainstorms. These plans aim to reduce operational disruptions and asset loss due to extreme weather and climate emergencies.
Chronic risks (e.g., high temperatures, droughts and rising sea levels)	<ul style="list-style-type: none"> Chronic risks may increase energy consumption requirements for the operation of office buildings and data centers, thereby increasing operating costs; Rising sea levels may lead to the depreciation and/or loss of assets. 	<ul style="list-style-type: none"> We considered the impact of water resources when selecting our office buildings’ locations; We enhanced the heat resistance and resilience of our power facilities through measures such as dual-power cooling systems; and We considered the feasibility of alternative water sources in the event of water shortages and configured water reserve facilities (e.g., water reservoir trucks).
Actions against climate change	<ul style="list-style-type: none"> Stricter policies on carbon emissions require greater investment in energy conservation and carbon emission reduction, which may lead to increases in operation costs. 	<ul style="list-style-type: none"> We improved the energy utilization efficiency and water resource efficiency of green office operations and data centers.

GHG Management

As a digital platform, TME primarily emits Scope 3¹ greenhouse gases (“GHG”) from processes within our value chain that are beyond our direct control. We are acutely aware of the need to identify and implement strategies to reduce carbon emissions both within our business operations and throughout our value chain to move toward achieving a low-carbon economy. We are working to track emissions data more accurately, introducing effective carbon emission reduction strategies, and promoting the sustainable development of our business.

¹ Scope 3 greenhouse gas emissions refer to all other indirect greenhouse gas emissions occurring outside the Company, including upstream and downstream emissions.



Joint Creation of Green Value

Green Building

TME adheres to the fundamental principles of “safe and durable, healthy and comfortable, livable and convenient, and resource-saving” in our office space selection and integrates green building philosophies in new building construction. For example, our leased office at Hexa International Plaza in Beijing has obtained WELL Gold Certification.

To reduce operational risks and standardize our management, we manage our leased offices following international management standard systems, including the ISO 9001 (quality management system), the ISO 14001 (environmental management system) and the ISO 45001 (occupational health and safety management system) introduced by the International Organization for Standardization. All operators of our leased offices in Shenzhen, Beijing, and other cities have obtained ISO 9001, ISO 14001, and ISO 45001 certifications.

Green Headquarters Design

As part of our commitment to enhancing urban sustainability, our Music Technology Building and Kugou Music Building (currently under construction), adhere to national soil and water conservation design standards, three-star green building criteria, and sponge city design requirements.

In our design and construction processes, TME prioritizes the use of eco-friendly materials and equipment that meet both local and national standards. The Music Technology Building is equipped with a rooftop solar renewable resource system, while the Kugou Music Building will feature a municipal centralized cooling system, both of which exemplify how we are reducing our environmental impact and improving power usage effectiveness.



Music Technology Building



Green Offices

TME promotes green office philosophies and consistently cultivates a green and low-carbon office culture. We undertake numerous measures to enhance employees' consciousness of energy and resource conservation.

Resource Management

We strictly abide by the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on Energy Conservation, making practical efforts to conserve energy and reduce carbon emissions. Our primary environmental impact comes from materials and energy consumption in our office operations, rather than from considerable water usage, wastewater discharge, or activities that might pollute water resources.

We have established specific rules for operating air conditioning and fresh air systems in our workplaces in Beijing, Guangzhou and Shenzhen. On working days, air conditioning and lighting systems are managed in the mornings and evenings. All air conditioning, fresh air, and lighting systems are turned off at night and on weekends and holidays. Reminders to conserve energy are also posted on control panels. Additionally, we have been exploring ways to reduce carbon emissions from our lighting and heating, ventilation, and air conditioning ("HVAC") systems, optimizing lighting management in office areas, and adjusting our air conditioning operation strategies for different seasons.



- ▶ We implemented unified management of air conditioning temperatures and illumination intensity during working hours and manual control of air conditioning and lighting operations during non-working hours;
- ▶ We carried out energy consumption inspections, i.e., water and power facility and equipment shutdown at night;
- ▶ We offered shuttle buses for employees traveling between different workplaces; and
- ▶ We implemented a toilet paper conservation program.

- ▶ We posted water and power conservation and lighting and air conditioner shutdown reminders in public and shared spaces to remind employees to minimize the use of water and power resources;
- ▶ We promoted eco-friendly commuting and provided employees with a flexible benefit platform, where employees can exchange their WeRun steps for extra flexible credits and featured welfare products;
- ▶ We implemented refrigerator management policies to minimize employees' storage of items in refrigerators that can be stored at room temperature;
- ▶ We promoted employees to use their own cups and minimize the use of disposable paper cups in the gym.



Waste Management

TME adheres to the principles of “reduction at source, efficient management, compliant disposal, and cyclic utilization” to achieve measurable reductions, resource-oriented utilization, and environmentally friendly disposal of waste. We have established a robust waste management system that encompasses waste classification, reduction at source, reuse, recycling, and resource utilization. In addition to managing waste internally, we collaborate with external partners to promote resource-oriented waste utilization and extend product life cycles. To enhance environmental awareness among employees, we provide regular employee training on waste classification and solid waste treatment to help our team become active practitioners and advocates for waste management.

We also comply with relevant laws and regulations for proper waste disposal, such as partnering with certified electronic disposal service providers to recycle obsolete IT assets.



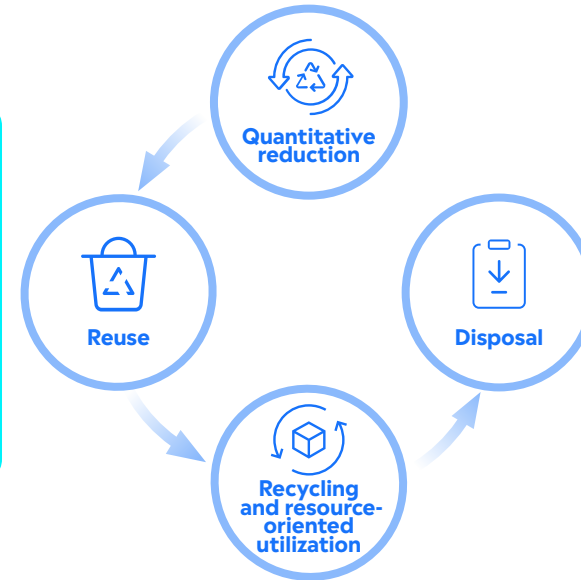
In 2023, we properly disposed of

100%

of our waste

- We promoted a paperless office by strictly controlling document printing and encouraging document alterations on electronic devices, or using black-and-white and double-sided printing if documents must be printed out;
- We offered stationery supplies in shared spaces and posted conservation reminders, requiring employees to self-serve on demand;
- We proactively conducted a “Zero Waste Initiative” in canteens to reduce food waste.

- We gathered unused or unneeded office furniture and other office assets and offered them on the recycle platform we built to improve resource utilization;
- We prioritized the internal reuse of electronic product waste.



- We sent unrecoverable and useless waste to competent disposers for proper disposal in accordance with laws and regulations to minimize their impact on the environment;
- In 2023, we properly disposed of 100% of our waste.

- We classified, screened and sent waste that could not be reused internally to competent third-party recycling agencies;
- For harmless waste, we required strict waste classification in workplaces, and sent recyclable substances, such as paper, plastic, glass and metal, to recycling agencies;
- For harmful waste, such as toner cartridges, ink cartridges, batteries and mercury-containing lamps, we properly stored and responsibly disposed of them in strict accordance with local laws and regulations for safe storage and compliant disposal.



▶ Environmental Gift Packages

To further reduce waste from packaging, TME avoided excessive packaging for our holiday gift boxes for employees by prioritizing reusable packaging. For example:

- We used composite, reusable woven bags made of craft paper for our Women's Day gift bags;
- We fashioned our Children's Day gift bags out of play mats by adding handles and zippers, reducing the use of excessive packages.



Women's Day Gift Bags Made of Craft Paper



Children's Day Gift Bags to Reduce Packaging Materials

▶ Kugou Music's Environmental Gift Bags

Since 2022, Kugou Music has made environmentally friendly festival gifts out of reusable materials to reduce the use of paper products, including bags, storage boxes and snack cans.

新年礼包

HELLO KUGOU

「粽」享端午
HELLO KUGOU

• Dragon Boat Festival

2023 (农历五月初五)

端午与美好接踵而来
胖汪祝你端午安康 带你一同揭晓端午礼盒~

Dragon Boat Festival's Puff Bag

HELLO KUGOU



Green Communication

TME firmly upholds environmental and low-carbon principles and is committed to communicating green lifestyles to the public through music. In close cooperation with the Ministry of Natural Resources, the WWF, and other internationally renowned environmental protection organizations, we carried out a series of engaging and impactful events aimed at raising public awareness

of biodiversity conservation through music. For instance, we launched the “My Wild Friends” Little Safflower Event to translate biodiversity conservation philosophies into practical and visible actions, highlighting the importance of biodiversity conservation and building a shared community of life on earth.

TME is also committed to integrating AI technology with music and art, applying music science to a diverse range of scenarios. Through science and music, we infuse new vitality into environmental causes through digital and other innovative approaches. We are also using a multifaceted music experience to inspire more users to actively participate in building an eco-friendly society and collectively safeguard our planet.

▶ QQ Music Shared the Concept of Ecosystem Protection through AI Technology

On August 15, 2023, to celebrate China’s first “National Ecology Day,” TME joined forces with the National Forestry and Grassland Administration to launch a series of activities promoting scientific knowledge about flagship species in national parks. Through music, memes, and various other innovative formats, we introduced our national parks’ flagship species to people’s digital lives and promoted “Protect Our Common Home on August 15, National Ecology Day” to the public.

▶ TME LYRA LAB used its self-developed MUSE AI image generation algorithm to draw artistic digital portraits of flagship species and created a set of featured animal portraits. It also encouraged users to set these images as their profile photos to enhance the public’s awareness of National Ecology Day.

▶ For the Cabot’s tragopan (Tragopan caboti), a flagship pheasant species in Wuyishan National Park, we created app icons and skins to enable users to observe it and other flagship species on their mobile devices, bringing them closer to nature.

▶ With QQMUSIC AUDIO, QQ Music integrated high-quality music with 4K videos to produce the innovative video clip “Speak for My Home,” providing an engaging, harmonious auditory, and visual experience for users.

▶ To highlight the ecological beauty of national parks through music, we initiated the “Music of Nature” playlist-sharing program and invited users to join.



AI-generated Digital Portraits of Flagship Species

▶ “Reconciliation with Nature” Music Concert

In August 2023, TME teamed up with the FILA and several renowned musicians for an innovative music concert that seamlessly combined live house music with nature experiences. This biodegradable audio experiment provided music enthusiasts with a top-tier musical experience while promoting sustainable lifestyles. During the experiment, we called on the public to protect the environment and explore new possibilities for low-carbon living through a unique musical piece that combined white noise from nature, micro acoustic waves from soil, and the sounds of FILA’s biodegradable, Tencel-containing products. This music camp showcased TME’s innovative ESG practices and our ongoing commitment to environmental protection.



Enhancement of Green Computing

In the digital era, data centers are crucial to the infrastructure of the digital economy and have also become primary sources of carbon emissions. Reducing computing energy consumption and advancing green data center development is becoming increasingly critical.

TME data centers currently operate on our leased premises. We strategically operate under the “greener facilities, lower energy consumption, and cleaner energy” guiding principles for these data centers. We always consider “greenness” in the entire life cycle management of our data centers.

Green Certifications

Our leased data centers have obtained GB/T24001 (environmental management systems) and ISO 14001 (environmental management system) certifications. The leased Tencent Shanghai Qingpu Data Center and the Tencent Tianjin Binhai Data Center have both obtained a LEED O+M DC Platinum Operation Certification. In the future, we will also consider improving energy efficiency, GHG emissions management, and other environmental indicators as important factors for determining our data center partners, as well as including environmental management system certifications as a mandatory assessment indicator.

Reduction of Energy Consumption and Water Conservation

TME prioritizes energy efficiency and water conservation when selecting data centers for lease. Our leased data centers leverage intelligent management tools, such as automated monitoring and algorithms, to minimize energy consumption. We also prioritize the deployment of servers with green computing capabilities and optimize server utilization to reduce equipment usage, and lower energy consumption. Furthermore, we incorporate renewable energy into our core assessment criteria. To conserve water, we have implemented a range of measures, including water recycling and water-efficient air conditioning systems. These initiatives reduce freshwater usage and decrease the data center’s cooling load, promoting a more sustainable operation.



Tencent Shanghai Qingpu Data Center



Social Responsibility

A company's sustainable development relies on the trust and support of the community. In managing suppliers, we adhere to principles of fairness and sustainability, having established an ESG code of conduct to guide our practices and create sustainable value. We actively utilize our streaming platform to engage in in-depth collaboration with multiple parties, jointly promoting the thriving development of the online music industry. We also believe that philanthropy is a crucial way for corporations to give back to society. Based on the three strategic pillars of "Music Care, Cultural Heritage, and Music Education," we harness the motivational force of music to share love and care, building a harmonious community. We are committed to fulfilling our social responsibilities, embodying ESG principles through concrete actions, and creating greater societal value.

United Nations Sustainable Development Goals

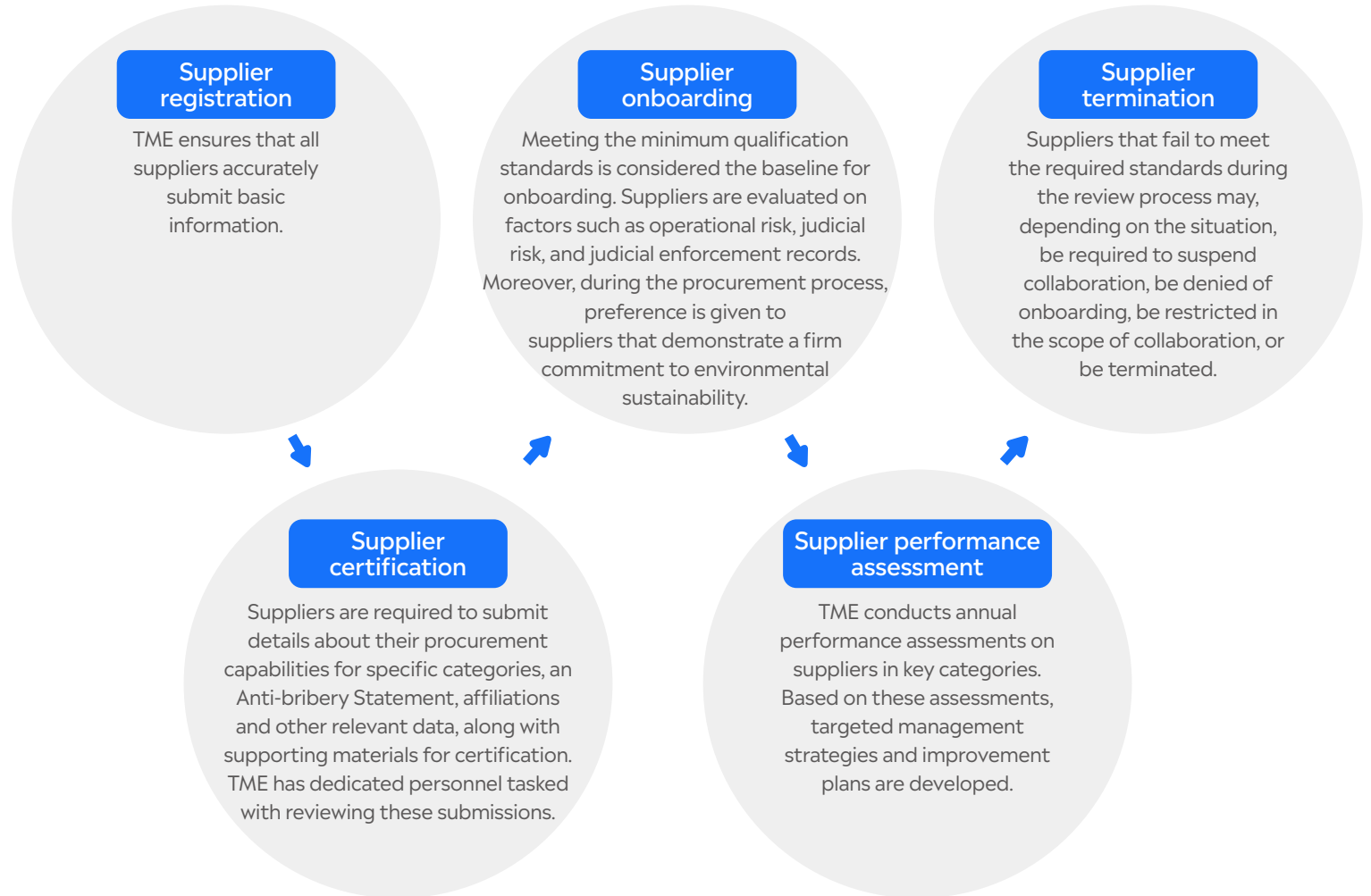




Supplier Management

Responsible Supply Chain

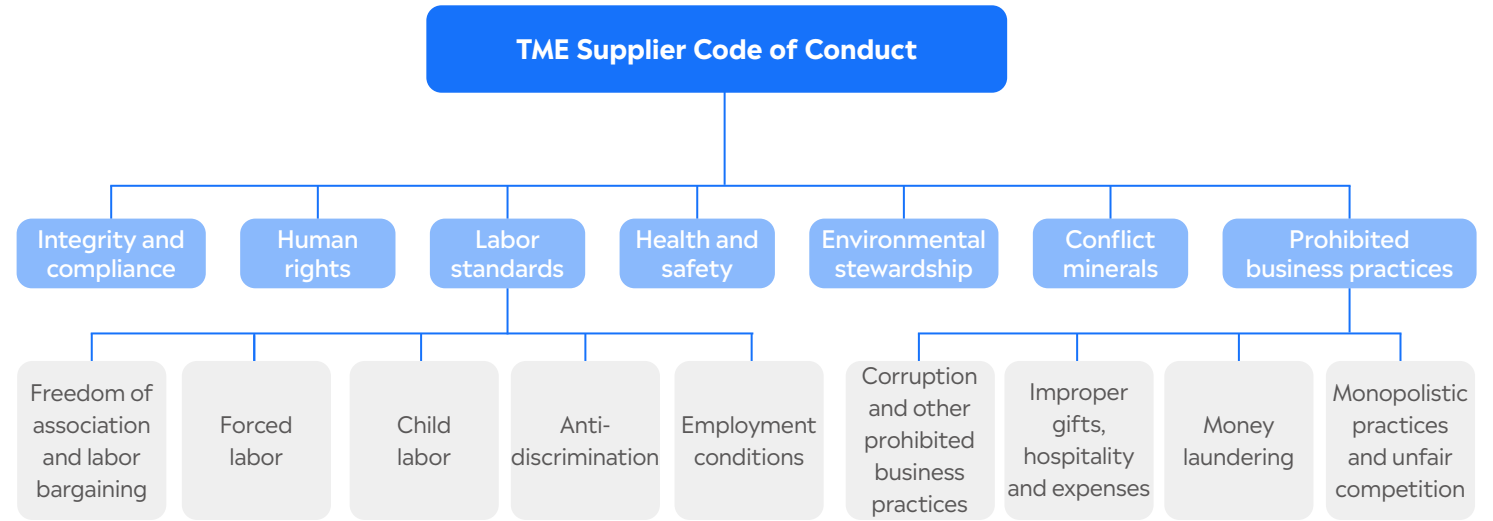
TME has implemented management policies, such as the Supplier Registration and Certification Management Process, to standardize supplier registration, certification, and onboarding requirements. We have also strengthened the auditing, selection, usage, and performance assessment of suppliers to ensure consistent management practices. To enhance supply chain stability and promote high-quality development, we have established minimum qualification standards for suppliers. Every year, we conduct performance evaluations and assessments of suppliers in major categories, terminating suppliers that do not meet our standards to maintain the efficiency and sustainability of our supply chain operations.





Supplier ESG Code of Conduct

TME is committed to continuously improving ESG performance in collaboration with our supply chain. Based on the Responsible Business Alliance Code of Conduct, we have integrated ESG principles into our supply chain management. We have also established the TME Supplier Code of Conduct, which outlines specific guidelines for supplier integrity and compliance, human rights, labor standards, health and safety, environmental stewardship, conflict minerals, prohibited business practices, and management systems. Our goal is to promote a fairer, healthier, and greener environment, contributing to a more positive and harmonious society.



In overseeing our suppliers' ESG management, we strictly adhere to the TME Supplier Code of Conduct, which prohibits practices such as forced labor, child labor, discrimination, unfair treatment, and the use of conflict minerals. Where necessary, we require suppliers to establish environmental and occupational health and safety management systems and encourage them to obtain the OHSAS 18001 Occupational Health and Safety Management Systems certification and the ISO 14001 for environmental management.

Additionally, we actively pursue green procurement to support low-carbon operations. In our contracts with partners, we advocate for the use of electronic signatures and paperless operations as part of our efforts in reducing paper consumption.



Mutual Prosperity

Building a vibrant online music industry requires the collective effort of all stakeholders, and TME is dedicated to leveraging our music platform to strengthen collaborative relationships within the industry. We are committed to using the influence of music to connect people and enrich the creative atmosphere that music evokes. Embracing the philosophy of mutual prosperity, we will continue to collaborate with more partners, fostering a platform where musical inspiration converges and users and creators can connect.

▶ Tencent Music Research Institute Released the Chinese Digital Music Year-End Report

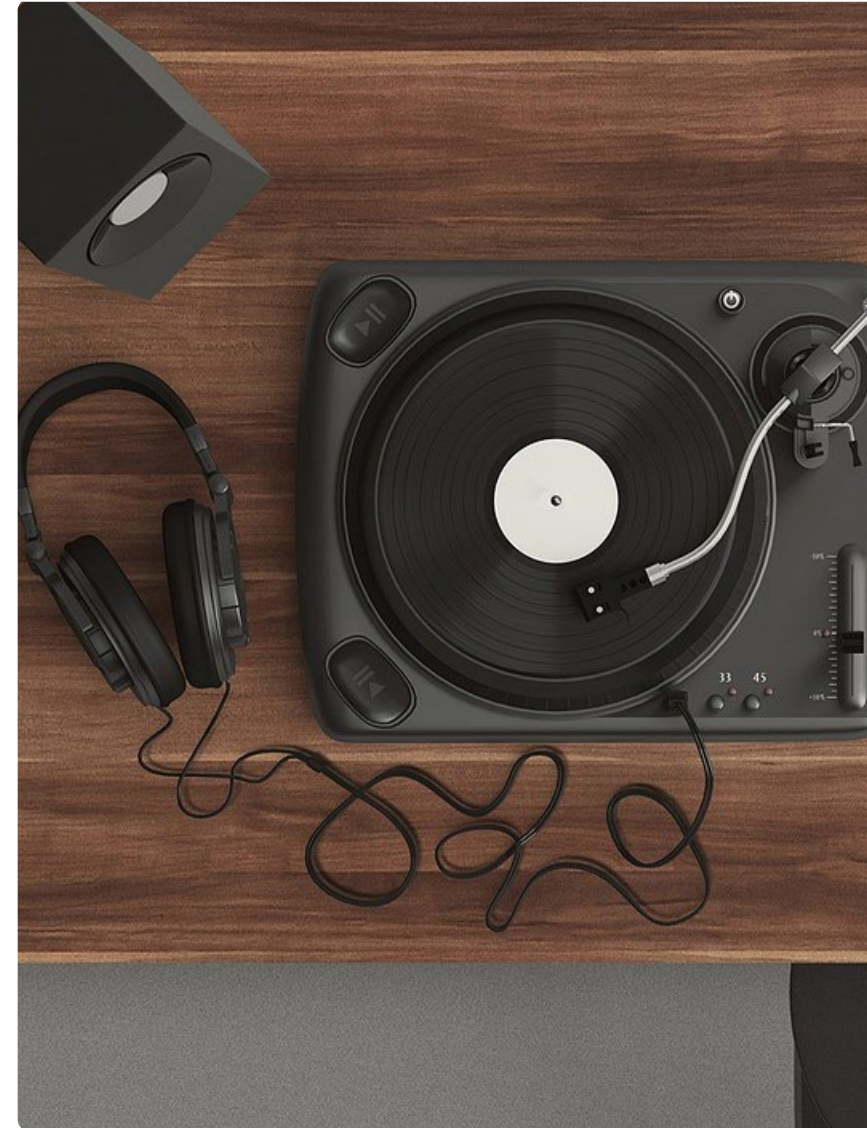
In May 2024, Tencent Music Research Institute released the Chinese Digital Music Year-End Report. Drawing on vast amounts of data and extensive case studies from our platform and industry partners, this report summarizes and analyzes the online music industry's development trends in 2023.

The report analyzed hot topics and current industry developments, including data analytics of new and old songs, market overviews of monetization models, and growth trends across various sectors such as mainstream artists, indie music, and film and television original soundtracks. The two hot topics of the year, "Live Performance" and "AI Music Generation," were also discussed. This report also revealed valuable insights into the online music industry gleaned from our discussions with various industry professionals.

Tencent Music Research Institute used our content IPs, such as this report, to delve into critical topics shaping the online music industry. By connecting industry stakeholders with the broader society, the report also fosters multi-party dialogue and collaboration, ultimately promoting healthier growth of the digital music industry.



Cover of the Chinese Digital Music Year-End Report 2023





We embrace a philosophy of open collaboration, creating impactful partnerships by working hand in hand with both industry peers and external stakeholders. Through cross-industry collaboration and resource integration, we infuse new vitality into the online music industry's thriving development, delivering high-quality musical experiences to global music enthusiasts together with our partners.

We aim to enrich the online music industry's library of content and offer a more diverse range of choices for music enthusiasts. Our goal is to engage and interact with a variety of musical styles and provide both listeners and musicians with more options and inspiration.

TME Partnered with Qualcomm to Launch the Industry's First "Snapdragon Premium Sound Quality"

In September 2023, TME and Qualcomm launched "Snapdragon Premium Sound Quality" at a co-hosted event. Our deep collaboration enabled the complete migration of TME's premium sound quality AI model algorithms to Qualcomm AI Engine, enhancing the speed and energy efficiency of audio codec processing and audio detail restoration. This allows for faster and more energy-efficient AI model computations while improving the speed and efficiency of various AI models.



Snapdragon Premium Sound Quality Now Available on QQ Music

TME Established a Strategic Partnership with the China Philharmonic Orchestra to Expand the Development Space for Traditional Music

In September 2023, the China Philharmonic Orchestra and TME forged a new partnership. Our partnership with the China Philharmonic Orchestra promotes classical music and refined arts in China, shining a light on the preservation and innovation of artistic masterpieces from both China and abroad.



Philanthropy

TME remains committed to our founding principle of “Letting Love Be Heard in the Name of Music,” embedding philanthropy into the core of our corporate development. We firmly believe that music is more than a bridge for entertainment and emotional connection; it is a transformative force that generates significant value and energy. Through our three philanthropic strategies—Music Care, Cultural Heritage, and Music Education—we remain dedicated to enhancing the societal value of music.

Volunteer Involvement

We strive to achieve a greater social impact alongside our employees, embodying generosity and kindness. In March 2023, TME established the TME Volunteer Association (“Volunteer Association”). Since its inception, we have been gradually enhancing our volunteer service system.

In 2023, the Volunteer Association actively engaged various business departments within TME, leveraging their operational strengths to develop public welfare programs and encourage broad employee participation. The Volunteer Association also collaborated closely with the Tencent Charity Foundation and the Tencent Volunteer Association, involving 124 volunteers from TME

in eight public welfare programs, including medical emergency response, ecological conservation, music care, and music education. Volunteers documented their experiences through ten diaries and two documentary videos, inspiring even more employees to participate in philanthropic efforts.



Organized

124

volunteers from TME



Held

8

public welfare programs, including medical emergency response, ecological conservation, music care, and music education



Volunteers documented their experiences through

10

journals



Made

2

documentary videos



TME Volunteer Association Launched Its Inaugural First-aid Training Session to Help Employees Acquire Professional Knowledge for Protecting Themselves and Others

In March 2023, the Volunteer Association successfully held a first aid training session titled Everyone Is a First Responder, eliciting enthusiastic responses from many employees. The training session addressed topics such as first aid basics, operational procedures, important precautions, and the distribution of AEDs in buildings, providing employees with a comprehensive yet accessible understanding of the importance of first aid and the skills needed for cardiopulmonary resuscitation. All employees who participated in the training received certifications and joined the First Aid Branch of TME Volunteer Association.



“Everyone Is a First Responder” First Aid Training Event

TME Volunteer Association Organized Employees to Record the Song “For You,” which was Later Released on the TME Platform

We also initiated an internal volunteer recruitment campaign, inviting employees from various business lines and regions to participate in the recording of the song “For You” as part of a philanthropic campaign. Using advanced AI mixing technology, we blended the voices of all participating employees to perform the song. Through this initiative, we provided specialized music care to the autistic community, helping them experience the transformative force of music.

我们常说，音乐是一种慰藉人心的无形力量。这次，我们希望通过音乐进一步拉近大众与“星星们”的距离，结合数字化技术，持续探索多感官的互动体验。身临其境，感受「音乐」的形状。



TME 志愿者们，聚在一起，爱心演绎“给你”一起听见音乐的形状

我们在内部发起志愿者征集，收集了多条业务线不同地域的同事们的歌声，通过 AI 混声的方式，一起演唱《给你》，尽自己的可能，为“星星们”送上一份独特的“音乐”关怀。一起听见音乐的形状，呼吁社会对于“星星们”的关注。

扫码聆听
TME 志愿者暖心献唱的《给你》特别版



Poster for “For You”



Music Care

In the realm of music care, TME leverages innovative musical formats to transcend the boundaries of time and space, making it possible to reach a broader audience. We create a source of warmth and love for those in urgent need, allowing the healing effects of music to deeply resonate and spread far and wide, bringing hope and strength to everyone.

▶ “If Music Has a Shape” Themed Program to Raise Autism Awareness

In April 2023, the Tencent Music Nonprofit Program creatively combined philanthropy, music, and art by inviting 54 renowned singers and musicians from around the world to participate. We partnered with these artists to share their song lyrics that inspired children with autism to express their unique interpretations and feelings about these lyrics through drawings and paintings, showcasing their personalities and emotions.

Their artworks were displayed both online and offline to allow more people to become aware of and support the autistic community through special music and art forms.



Autistic Children’s Artwork Exhibition

▶ TME Launched Little Safflower Concert Series in 2023

The Tencent Music Nonprofit Program, in collaboration with the Tencent Charity Foundation, organized a series of high-quality music events designed to support and care for individuals and groups in need.

- March 12: The “Protect Her Health, Fulfill Her Dreams” concert focused on women’s health issues to raise social awareness;
- June 1: The “Children Singing for a Better Future” concert centered on the artistic education of rural children and the use of music as a catalyst for their growth;
- September 7: We hosted the special “Night at Yunwan: Little Safflower Concert,” and invited the Music Garden Children’s Choir from northern Sichuan to participate, supporting their musical dreams and growth.

By holding these concerts and live streaming across multiple platforms, we aim to engage a wider social audience in philanthropy.



Little Safflower Concert

Music Education

Music is an art form filled with love and hope, transcending age and cultural boundaries to touch the depths of souls. We aim to use music as a medium to provide children with greater growth momentum. Music education goes beyond the inheritance of history; it spreads culture. This is why we are dedicated to raising awareness about the crucial role of music in children’s development.

TME Collaborated with the Chen Yidan Foundation to Host “Music Garden Space” 2023

As a part of a music education program jointly supported by TME’s charity initiatives and the Chen Yidan Foundation, the Music Garden Space operates continuously in northern Sichuan, offering children in mountainous areas systematic learning opportunities in instrumental and vocal music.

In August 2023, TME’s charity arm organized a summer camp event in Beichuan, inviting several renowned artists and TME employee volunteers. This summer camp enhanced the musical sensitivity of children from ethnic minorities and remote areas, creating a deep emotional resonance with the wider public through music. It conveyed love and positive energy, using music as a bridge to connect hearts.



“Music Garden Space” Event

Merging Music with Technology to Revolutionize Philanthropy

In April 2023, TME launched our first-ever virtual idol, LUCY, and introduced her charitable debut single, “Secrets Hidden in the Stars.” By focusing on music and charity, this initiative captured the attention of numerous users and attracted a broader audience to become involved in philanthropy.



Poster for “Secrets Hidden in the Stars”



Cultural Heritage

TME actively harnesses digital technology to drive innovation in the online music industry and expand the horizons of musical art through cross-industry collaborations, contributing to the digital preservation and transmission of cultural heritage.



China Native Folk Songs Festival, Preserving and Promoting Intangible Musical Heritage

In November 2023, the “2023 China Native Folk Songs Festival” was co-sponsored by the Ministry of Culture and Tourism and the People’s Government of Jiangxi Province. QQ Music actively participated, sharing the festival’s reach and extending its influence through live streaming and special reports. The festival deepened the public’s understanding and appreciation of ethnic folk songs, showcasing their unique charm and cultural significance.



Poster for the China Native Folk Songs Festival



Business Ethics

TME remains committed to the values of honesty, integrity, equity, and incorruptibility. We uphold the highest anti-bribery standards and strictly comply with relevant laws and regulations in jurisdictions where the Company operates, is listed, or intends to operate, such as the Criminal Law of the People's Republic of China, the Oversight Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and the FCPA of the United States.

United Nations Sustainable Development Goals





Anti-corruption and Anti-fraud Management

TME strictly abides by the Oversight Law of the People’s Republic of China, the FCPA and other relevant laws and regulations. To ensure compliance, TME has implemented comprehensive policies, including the TME Anti-Bribery Compliance Management Regulations on Gifts and Hospitality, the TME Anti-Fraud Policy, and various other group-wide governance measures. The policies clearly define and prohibit “corrupt practices,” “conflict of interest,” and “facilitation payments” to avoid conflicts between public and private interests.


To monitor and prevent corruption, bribery, or any other form of misconduct, we have also formulated the [Code of Business Conduct and Ethics](#) which defines acceptable practices and proactively addresses ethical risks faced by the Group. Additionally, we have established the TME Sunshine Code of Conduct for Employees, which applies to all the Company’s employees and provides guidance on professional conduct.

TME’s Board of Directors delegates anti-bribery compliance oversight to the Audit Committee, ensuring alignment with FCPA requirements. We strengthened our commitment by joining the Enterprise Anti-fraud Alliance, exercising our duties as a member of the community for effective management of business ethics. Our risk management approach follows the Three Lines of Defense Model, with clearly defined roles and responsibilities across departments for managing and monitoring business ethics. In the event of any fraudulent activity, all relevant departments immediately coordinate to address the issue to prevent recurrence.

To manage corruption and fraud risks, TME implements a multi-tiered approach throughout business operations. From the Audit Committee to all business departments, we also carry out full-process risk prevention and control in supply chain business ethics management.

Governance structure	Responsibilities
Audit Committee	<ul style="list-style-type: none"> Review and approve TME’s basic principles, procedures, and systems against fraud; Determine management of corruption and fraud practices; and Oversee and guide the work of the Group’s Internal Audit Department.
Internal Audit Department	<ul style="list-style-type: none"> Maintain dedicated whistleblowing channels and acknowledge, follow up on and promptly investigate all fraud tips received; Report to and be overseen by the Audit Committee; Conduct investigations and ensure that the investigation process is independent, objective, impartial and confidential; and Establish, maintain and promote relevant anti-fraud systems.
Human Resources Department	<ul style="list-style-type: none"> According to the results of the internal audit investigation, issue personnel dismissal recommendations in the event of fraudulent practices, and follow up on the executions of the Audit Committee’s decisions.
Various Departments	<ul style="list-style-type: none"> Monitor fraudulent practice risks and establish departmental control and prevention measures to reduce the occurrence of such practices; In the event that fraud is discovered or if any fraud whistleblowing tip is received, all departments involved should ensure that all relevant information is immediately given to the Group’s Internal Audit Department, and actively provide relevant evidence and materials in coordination with the Internal Audit Department; and In the event that the Internal Audit Department initiates a collaborative investigation, relevant departments should ensure that the employees involved have enough time to assist in the investigation to avoid negatively impacting the investigation progress.

We have established the TME Anti-bribery Statement for anti-corruption management of suppliers, which covers all suppliers and clearly prohibits partners from bribing TME employees in any form. For partners who are permitted to engage other subcontractors (or other suppliers), they should ensure that such subcontractors (or suppliers) also comply with the TME Anti-bribery Statement. TME strictly cracks down on all forms of commercial bribery and will penalize partners who violate the relevant provisions of the TME Anti-bribery Statement once such a violation has been verified.



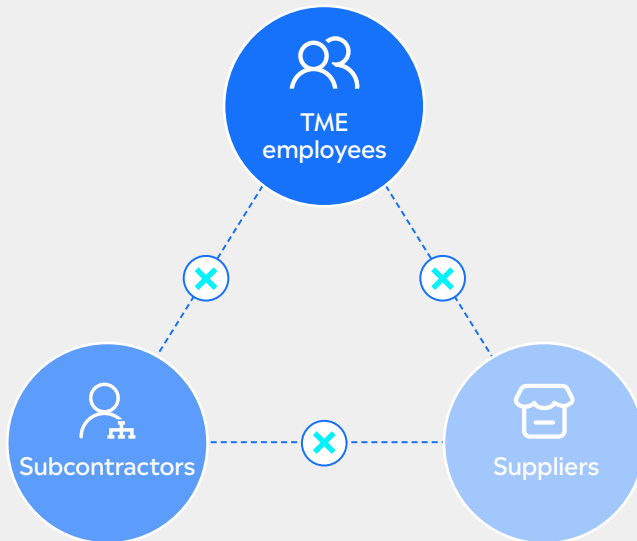
100%

of our suppliers under annual frameworks have signed the TME Anti-bribery Statement.



Conflicts of Interest

Before we engage in collaborations, we require partners to truthfully and proactively declare any relationships between their relevant personnel and TME’s employees. We also require suppliers to clearly inform and explain all relevant relationships to subcontractors. We strictly prohibit any conflicts of interest or corrupt practices between TME and suppliers, suppliers and subcontractors, or TME and subcontractors. If any conflicts of interest or instances of corrupt practices are identified, severe penalties will be applied.



TME’s management of conflicts of interest covers its entire network of suppliers and subcontractors

Anti-fraud Risk Identification and Assessment

We conduct ongoing audits of all major businesses to identify violations and identify risks in a timely and systematic manner, all while improving the effectiveness of fraud risk management and monitoring. We have established relevant systems to set compliance requirements for transactions with government officials (including hospitality and gifts) and charitable donations. We also organize targeted training for both the Group and each business line.

During the Reporting Period, there were no legal cases that were filed or concluded regarding corrupt practices brought against TME or our employees, nor were there any cases involving bribery of government officials.

Anti-fraud Investigation and Whistleblowing Management

We identify signs of fraud through the collection of external whistleblowing reports and proactive screening by our internal audit and internal control departments. All signs of fraud that are discovered are independently investigated by full-time investigators from the Company’s audit and inspection team. In 2023, we updated the TME Sunshine Code of Conduct for Employees to encourage the whistleblowing of fraudulent practices using real names and to enhance the confidentiality of whistleblower and witness information.

TME accepts anonymous whistleblowing. We also encourage whistleblowers to leave their names and contact information so that we can follow up on any investigation and provide updates on the

progress as necessary. We manage whistleblowing confidentially, protect the personal information of all whistleblowers, standardize whistleblowing methods and procedures, and designate specific employees to manage them. Moreover, to effectively protect the interests of whistleblowers, we prohibit retaliation against them in any manner.

In 2023, TME strengthened our anti-fraud capabilities in identifying signs of fraud through business data record logs, financial systems, and other digital methods. TME’s anti-fraud team reserves the right to audit all employees in sensitive positions.


Whistleblowing channels	Language	Scope
<ul style="list-style-type: none"> Email: TME_jubao@tencentmusic.com Hotline: 0755-8654 2596 Mailing address: Tencent Music Entertainment Group Whistleblower Mailbox, 38/F, Unit Three, Building D, Kexing Science Park, Kejizhongsan Avenue, Hi-Tech Park, Nanshan District, Shenzhen, Guangdong, P.R. China, Postcode: 518057 	Chinese and English	Applicable to the entire Group, TME suppliers and customers, and to other groups

We have also set up internal fraud consultation channels for all employees, including WeCom attendants, internal telephone numbers, and email addresses to answer questions and respond to inquiries about anti-fraud policy and personal conduct compliance.



Anti-corruption Training

The Group is committed to preventing bribery and corruption by taking proactive preventive measures and by providing clear communication and guidance. All employees of the Group are required to strictly abide by the Sunshine Code of Conduct, which expressly prohibits all forms of fraudulent activities and bribery as well as any other activities that are not compliant with applicable laws and regulations. In line with the Group's growing needs, we review the Sunshine Code of Conduct annually and revise it promptly to ensure that it aligns with our business development, complies with applicable laws and regulations, and can prevent all fraudulent practices.



All new employees are required to take Sunshine Training courses, achieving

100%

 coverage

It is TME's responsibility and obligation to grow hand in hand with our suppliers. We hope to continuously improve the level of supply chain sustainability and compliance through regular training of suppliers.



▶ Integrity Training for Suppliers

We provided multi-level, diversified training content for suppliers to ensure that they can effectively fulfill their anti-corruption obligations and create a clean and honest supply chain atmosphere.

- Special training**: In June 2023, TME sent emails to 377 suppliers promoting integrity and anti-corruption; and
- Online training**: In December 2023, TME organized two online integrity training sessions for suppliers under annual frameworks, covering topics such as Sunshine procurement, the joint creation of an honest and clean cooperation environment, and a channel for filing anti-corruption complaints. This training enhanced core suppliers' integrity and anti-corruption awareness and incentivized their strict compliance with the code of conduct for suppliers.



Fair Competition Advocacy and Anti-monopoly Compliance

TME adheres to legal and compliant operations, respects local anti-monopoly and competition laws and regulations in the process of business development, continuously promotes and improves the competition compliance system, and works with market participants to maintain a fair and competitive business environment.

TME has set up an anti-monopoly compliance department, which is responsible for overall anti-monopoly compliance advice in day-to-day business operations, formulating internal anti-monopoly compliance manuals, conducting anti-monopoly compliance training, and reporting regularly to the Competition Compliance Risk Management Committee.



In 2023, based on the revised Anti-monopoly Law of the People's Republic of China and taking into consideration the common practices of the digital music industry, we updated and implemented the TME Competition Compliance Manual. This Manual clarified the scope and process of TME's competition compliance management, and established a mechanism to assess, identify, and manage potential monopoly risks in our day-to-day business activities.



In May 2023, TME released the Administrative Measures for Anti-Monopoly Compliance of Companies Invested by Tencent Music Entertainment Group, providing clear guidance for the relevant invested companies to prevent anti-monopoly legal risk in their day-to-day operations.



TME attaches great importance to the internal promotion of anti-monopoly compliance culture, and carries out regular anti-monopoly compliance training. In 2024, in order to facilitate employees' understanding of anti-monopoly compliance requirements, we summarized key points in a scenario-based manner and issued the Series of Guidance on Competition Compliance. Through a combination of online and offline training, we enabled all staff members to understand the basic requirements and importance of anti-monopoly compliance.

Anti-money Laundering Risk Management

TME strictly abides by applicable laws and regulations on anti-money laundering ("AML") and counter-terrorist financing ("CTF") in countries and regions where we operate. These include but are not limited to the Anti-Money Laundering Law of the People's Republic of China. TME also strictly follows the requirements of the Minimum Standards for Anti-Money Laundering and Sanctions Compliance established by Tencent Group, and fulfills our legal obligations both at home and abroad as required by AML and CTF.

TME carries out AML risk assessments regularly. During the Reporting Period, there were no money laundering-related legal proceedings or potential litigation risk involving the Group or our employees.



Appendix

About This Report

Report Overview

This Report is the first annual Environmental, Social and Governance (“ESG”) Report issued by TME. Following the principles of balance, comparability, accuracy, timeliness, clarity and reliability, this Report focuses on the disclosure of TME’s sustainability management measures and achievements.

Report Scope

This Report covers the ESG practices of TME and its affiliates from January 1 to December 31, 2023. To enhance the Report’s comparability and completeness, we have included relevant historical data where appropriate. All financial figures are presented in RMB and align with our annual report, unless otherwise specified.

Preparation Basis

This Report is prepared in accordance with Appendix C2 Environmental, Social and Governance Reporting Guide to the Main Board Listing Rules of the Stock Exchange of Hong Kong, with reference to global standards such as the GRI Standards prepared by the Global Sustainability Standards Board.

The content of this Report is determined following a set of systematic processes. The process includes identifying key stakeholders, identifying and sorting key ESG-related topics, determining the scope of the ESG report, collecting relevant materials and data, organizing and reviewing the data, preparing the Report’s content, etc.

Appellation

For better presentation and readability, “TME,” the “Group,” the “Company” or “we,” “us” or “our” in this Report refer to Tencent Music Entertainment Group and its affiliates, and unless otherwise indicated, the terms used in this Report shall have the same meaning as those defined in the annual report.

Approval

Upon confirmation by the Management of TME, this Report was approved by the Board of Directors of TME.

Availability

You may acquire an electronic copy of this Report at <https://ir.tencentmusic.com/ESG-Reports>.

If you have further inquiries or have any opinions or suggestions on this Report, please contact us at ir@tencentmusic.com.





ESG Key Performance Table

Indicators	Year ended December 31	
	Unit	2023
Environmental indicators		
Greenhouse gas (“GHG”) ¹		
Total GHG emissions	tCO ₂ e	3,401.88
Total GHG emissions per unit of revenue	tCO ₂ e/RMB million	0.12
Scope 1 emissions ²	tCO ₂ e	20.94
Scope 2 emissions ³	tCO ₂ e	3,380.94
Energy⁴		
Total energy consumption	MWh	6,010.74
Total energy consumption per unit of revenue	MWh/RMB million	0.22
Direct energy consumption	MWh	82.40
Gasoline	L	9,213.15
Indirect energy consumption	MWh	5,928.35
Purchased electricity consumption	MWh	5,928.35
Hazardous waste⁵		
Total hazardous waste	kg	764.07
Disposal of hazardous waste per unit of revenue	kg/RMB million	0.03

Indicators	Year ended December 31	
	Unit	2023
Non-hazardous waste⁶		
Total non-hazardous waste	kg	54,774.32
Disposal of non-hazardous waste per unit of revenue	kg/RMB million	1.97
Water usage⁷		
Water withdrawal	Tonne	35,108.00
Water withdrawal per unit of revenue	Tonne/RMB million	1.27

¹The Group’s material emissions are GHG emissions, caused by the combustion of fuels and the purchased electricity produced from fossil fuels. The electricity emission factors are calculated in accordance with the Notice on Key Initiatives for Managing Corporate Greenhouse Gas Emissions Reporting for 2023-2025 released by the Ministry of Ecology and Environment of the People’s Republic of China.

²Scope 1 GHG emissions are from operations that are owned or controlled by the reporting company. TME’s Scope 1 emissions are mainly from fuel combustion.

³Scope 2 GHG emissions are from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company. TME’s Scope 2 emissions are mainly from purchased electricity.

⁴The total energy consumption is calculated with reference to the coefficients in the National Standards of the People’s Republic of China General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020).

⁵Hazardous waste mainly includes waste electronic equipment, toner and ink cartridges from our printers, fluorescent tubes and batteries. 100% of our hazardous waste has been handed over to qualified third parties for proper disposal.

⁶Non-hazardous waste mainly includes office paper and domestic waste generated from daily operations.

⁷Water usage mainly comes from the municipal water supply and there are no issues in sourcing water.



Indicators	Year ended December 31	
	Unit	2023
Social indicators		
Employment¹		
Total number of employees	/	5,185
Number of employees by gender		
Male	/	2,964
Female	/	2,221
Proportion of female employees	%	42.8
Number of employees by age group		
29 and below	/	2,074
30 to 49	/	3,082
50 and above	/	29
Number of employees by geographic region		
The Mainland of China	/	5,163
Hong Kong, Macao and Taiwan regions of China, as well as overseas regions and countries	/	22
Health and safety²		
Number of work-related fatalities occurred in each of the past three years including the reporting year	/	0
Rate of work-related fatalities occurred in each of the past three years including the reporting year	%	0

Indicators	Year ended December 31	
	Unit	2023
Employee training		
Number of employees who received training	/	3,525
Proportion of employees who received training	%	68.0
Proportion of employees who received training (by gender)		
Male	%	73.9
Female	%	60.1
Average hours of training received by employees (by gender)		
Male	Hour/person	14.90
Female	Hour/person	15.10

¹The employment data in this Report pertains to full-time employees who have a labor relationship with the Group.

²The number of work-related fatalities refers to incidents verified by the Human Resources and Social Security Bureau in the Mainland of China.



Indicators	Year ended December 31	
	Unit	2023
Intellectual property rights protection		
Cumulative number of patents applied for	/	4,768
Cumulative number of patents granted	/	2,564
Cybersecurity, data security and privacy protection		
Number of employee attendees in cybersecurity training	/	5,754
Number of internal audits on information security	/	2
Number of major user privacy leaks	/	0
Anti-corruption		
Number of concluded legal cases regarding corrupt practices brought against the Group or its employees	/	0
Total duration of special anti-corruption training ¹	Hour	150.71
Number of employee attendees in special anti-corruption training	/	230
Number of reports or whistleblowing complaints received	/	125
Processing rate of report or whistleblowing complaints received	%	100

Indicators	Year ended December 31	
	Unit	2023
Community investment		
Number of participants in voluntary activities	/	124
Total duration of voluntary activities	Hour	425.50

¹Special anti-corruption training: An anti-corruption training offered by TME for specific employees, separate from Sunshine Training.



ESG Reporting Guide Index

Appendix C2 to “HKEX” Main Board Listing Rules

Subject areas, aspects, general disclosures and KPIs		Report sections
A. Environmental		
Aspect A1: Emissions	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green and Low Carbon
	KPI A1.1 The types of emissions and respective emissions data.	ESG Key Performance Table
	KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Key Performance Table
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Key Performance Table
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Key Performance Table
	KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.	Undisclosed
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green and Low Carbon
Aspect A2: Use of resources	General disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Green and Low Carbon
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	ESG Key Performance Table
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ESG Key Performance Table
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Undisclosed
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Undisclosed
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Uninvolved



Subject areas, aspects, general disclosures and KPIs			Report sections
Aspect A3: The environment and natural resources	General disclosure Policies on minimizing the issuer’s significant impacts on the environment and natural resources.		Response to Climate Change, Joint Creation of Green Value, and Enhancement of Green Computing
	KPI A3.1	Description of the significant impact of activities on the environment and natural resources and the actions taken to manage them.	Response to Climate Change, Joint Creation of Green Value, and Enhancement of Green Computing
Aspect A4: Climate change	General disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		Response to Climate Change
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Response to Climate Change
B. Social			
Employment and labor practices			
Aspect B1: Employment	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Employee Care
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	ESG Key Performance Table
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Undisclosed
Aspect B2: Health and safety	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Employee Interests Protection



Subject areas, aspects, general disclosures and KPIs			Report sections
Aspect B2: Health and safety	KPI B2.1	Number and rate of work-related fatalities that occurred in each of the past three years including the reporting year.	ESG Key Performance Table
	KPI B2.2	Lost days due to work injury.	Undisclosed
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Interests Protection
Aspect B3: Development and training	General disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Talent Development and Training
	KPI B3.1	Percentage of employees trained by gender and employee category (e.g. senior management, middle-level management).	ESG Key Performance Table
	KPI B3.2	Average training hours completed per employee by gender and employee category.	ESG Key Performance Table
Aspect B4: Labor standards	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.		Employee Interests Protection
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employee Interests Protection
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Interests Protection
Operating practices			
Aspect B5: Supply chain management	General disclosure Policies on managing environmental and social risks of the supply chain.		Supplier Management
	KPI B5.1	Number of suppliers by geographical region.	Undisclosed
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supplier Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supplier Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supplier Management



Subject areas, aspects, general disclosures and KPIs		Report sections	
Aspect B6: Product responsibility	General disclosure information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Responsible Platform	
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Uninvolved
	KPI B6.2	Number of product and service complaints received and how they are dealt with.	Protecting User Rights on TME's Platform
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Promoting the Healthy Development of the Online Music Industry
	KPI B6.4	Description of quality assurance process and recall procedures.	Protecting User Rights on TME's Platform
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protecting User Rights on TME's Platform
Aspect B7: Anti-corruption	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption and Anti-fraud Management	
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	ESG Key Performance Table
	KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Anti-corruption and Anti-fraud Management
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	ESG Key Performance Table
Community			
Aspect B8: Community investment	General disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Responsibility	
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Philanthropy
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	ESG Key Performance Table



GRI Content Index

General standard disclosures		Report sections	
GRI 2: General disclosures 2021	2-1	Organizational details	About TME
	2-2	Entities included in the organization's sustainability reporting	About This Report
	2-3	Reporting period, frequency and contact person	About This Report
	2-4	Restatements of information	Uninvolved
	2-5	External assurance	Undisclosed
	2-6	Activities, value chain and other business relationships	Supplier Management and Mutual Prosperity
	2-7	Employee	Employee Interests Protection
	2-8	Workers who are not employees	Undisclosed
	2-9	Governance structure and composition	Board of Directors Composition – Independence and Diversity
	2-10	Nomination and selection of the highest governance body	Board of Directors Composition – Independence and Diversity
	2-11	Chair of the highest governance body	Board of Directors Composition – Independence and Diversity
	2-12	Role of the highest governance body in overseeing the management of impacts	ESG Governance
	2-13	Delegation of responsibility for managing impacts	Board Statement
	2-14	Role of the highest governance body in sustainability reporting	Board Statement
	2-15	Conflicts of interest	Anti-corruption and Anti-fraud Management
	2-16	Communication of critical concerns	Assessment of the Materiality of ESG Topics
	2-17	Collective knowledge of the highest governance body	Board Statement
	2-18	Evaluation of the performance of the highest governance body	Undisclosed



General standard disclosures			Report sections
GRI 2: General disclosures 2021	2-19	Remuneration policies	Undisclosed
	2-20	Process to determine remuneration	Board of Directors Composition – Independence and Diversity
	2-21	Annual total compensation ratio	Undisclosed
	2-22	Statement on sustainable development strategy	ESG Governance
	2-23	Policy commitments	See the Code of Business Conduct and Ethics
	2-24	Embedding policy commitments	See the Code of Business Conduct and Ethics
	2-25	Processes to remedy negative impacts	Protecting User Rights on TME’s Platform
	2-26	Mechanisms for seeking advice and raising concerns	See the Shareholder’s Communication Policy
	2-27	Compliance with laws and regulations	Corporate Governance
	2-28	Membership associations	Undisclosed
GRI 3: Material topics 2021	2-29	Approach to stakeholder engagement	Assessment of the Materiality of ESG Topics
	2-30	Collective bargaining agreements	Undisclosed
	3-1	Process to determine material topics	Assessment of the Materiality of ESG Topics
GRI 201: Economic performance 2016	3-2	List of material topics	Assessment of the Materiality of ESG Topics
	3-3	Management of material topics	Assessment of the Materiality of ESG Topics
	201-1	Direct economic value generated and distributed	See the 2023 Annual Report
	201-2	Financial implications and other risks and opportunities due to climate change	Undisclosed
GRI 202: Market presence 2016	201-3	Defined welfare plan obligations and other retirement plans	Talent Attraction and Retention
	201-4	Financial subsidies received from government	Undisclosed
GRI 202: Market presence 2016	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	Undisclosed
	202-2	Proportion of senior management hired from the local community	Undisclosed



General standard disclosures			Report sections
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	Innovating with Inclusive Science and Technology
	203-2	Significant indirect economic impact	Innovating with Inclusive Science and Technology
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	Undisclosed
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Anti-corruption and Anti-fraud Management
	205-2	Communication and training for anti-corruption policies and procedures	Anti-corruption and Anti-fraud Management
	205-3	Confirmed incidents of corruption and actions taken	Anti-corruption and Anti-fraud Management
GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Fair Competition Advocacy and Anti-monopoly Compliance
GRI 207: Tax 2019	207-1	Approach to tax	Undisclosed
	207-2	Tax governance, control, and risk management	Undisclosed
	207-3	Stakeholder engagement and management of concerns related to tax	Undisclosed
	207-4	Country-by-country reporting	Undisclosed
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Uninvolved
	301-2	Recycled input materials used	Uninvolved
	301-3	Reclaimed products and their packaging materials	Uninvolved
GRI 302: Energy 2016	302-1	Energy consumption within the organization	ESG Key Performance Table
	302-2	Energy consumption outside of the organization	Undisclosed
	302-3	Energy intensity	ESG Key Performance Table
	302-4	Reduction of energy consumption	Enhancement of Green Computing
	302-5	Reductions in energy requirements of products and services	Enhancement of Green Computing
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	Enhancement of Green Computing
	303-2	Management of water discharge-related impacts	Uninvolved



General standard disclosures			Report sections
GRI 303: Water and effluents 2018	303-3	Water withdrawal	ESG Key Performance Table
	303-4	Water discharge	Uninvolved
	303-5	Water consumption	ESG Key Performance Table
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Joint Creation of Green Value
	304-2	Significant impacts of activities, products and services on biodiversity	Joint Creation of Green Value
	304-3	Habitats protected or restored	Undisclosed
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Uninvolved
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	ESG Key Performance Table
	305-2	Energy indirect (Scope 2) GHG emissions	ESG Key Performance Table
	305-3	Other indirect (Scope 3) GHG emissions	Undisclosed
	305-4	GHG emissions intensity	ESG Key Performance Table
	305-5	Reduction of GHG emissions	Undisclosed
	305-6	Emissions of ozone-depleting substances (ODS)	Uninvolved
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Uninvolved
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Joint Creation of Green Value
	306-2	Management of significant waste-related impacts	Joint Creation of Green Value
	306-3	Waste generated	ESG Key Performance Table
	306-4	Waste diverted from disposal	Undisclosed
	306-5	Waste directed to disposal	ESG Key Performance Table



General standard disclosures			Report sections
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	Supplier Management
	308-2	Negative environmental impacts in the supply chain and actions taken	Supplier Management
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Undisclosed
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Attraction and Retention
	401-3	Parental leave	Talent Attraction and Retention
GRI 402: Labor/management relations 2016	402-1	Minimum notice periods regarding operational changes	Uninvolved
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	Employee Interests Protection
	403-2	Hazard identification, risk assessment, and incident investigation	Employee Interests Protection
	403-3	Occupational health services	Employee Interests Protection
	403-4	Worker participation, consultation, and communication on occupational health and safety	Employee Interests Protection
	403-5	Worker training on occupational health and safety	Employee Interests Protection
	403-6	Promotion of worker health	Employee Interests Protection
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Interests Protection
	403-8	Workers covered by an occupational health and safety management system	Employee Interests Protection
	403-9	Work-related injuries	Undisclosed
	403-10	Work-related ill health	Employee Interests Protection
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	ESG Key Performance Table
	404-2	Programs for upgrading employee skills and transition assistance programs	Talent Development and Training
	404-3	Percentage of employees receiving regular performance and career development reviews	Undisclosed
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Board of Directors Composition – Independence and Diversity
	405-2	Ratio of basic wage and remuneration of women to men	Undisclosed



General standard disclosures			Report sections
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Employee Interests Protection
GRI 407: Freedom of association and collective bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Uninvolved
GRI 408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Uninvolved
GRI 409: Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Uninvolved
GRI 410: Security practices 2016	410-1	Security personnel trained in human rights policies or procedures	Uninvolved
GRI 411: Rights of indigenous peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Uninvolved
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Philanthropy
	413-2	Operations with significant actual and potential negative impacts on local communities	Uninvolved
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	Supplier Management
	414-2	Negative social impacts in the supply chain and actions taken	Supplier Management
GRI 415: Public policy 2016	415-1	Political contributions	Uninvolved
GRI 416: Customer health and safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Protecting User Rights on TME's Platform
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Undisclosed
GRI 417: Marketing and labeling 2016	417-1	Requirements for product and service information and labeling	Protecting User Rights on TME's Platform
	417-2	Incidents of non-compliance concerning product and service information and labeling	Undisclosed
	417-3	Incidents of non-compliance concerning marketing communications	Undisclosed
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG Key Performance Table



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