



贝壳控股有限公司
KE Holdings Inc.

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

2021

Environmental, Social and
Governance Report

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Preface

Message from the Management

The destiny of business operators in our era is to do the hard, tiring work behind the “fireworks” that really improves the quality of basic services.

— ZUO Hui (1971-2021), the Founder and Permanent Chairman Emeritus

We must always be in awe of our customers. To be in awe is to see that greatness through the ordinary, to be driven by that greatness, and to create customer value through the ordinary little bits of service.

— PENG Yongdong, the Co-founder, Chairman of the Board and CEO

About Beike

Business Overview

KE Holdings Inc. (hereinafter referred to as “Beike”, “KE Holdings”, “the Company” or “We”) is the leading integrated online and offline platform for housing transactions and services. We are a pioneer in building the relevant industry infrastructure and standards in China to reinvent how service providers and housing customers efficiently navigate and complete housing transactions in China, ranging from existing and new home sales, home rentals, to home renovation and furnishing, and other services. We believe our proactive engagement with platform participants both online and offline enables us to know them better and serve them better.

We own and operate Lianjia, China’s leading real estate brokerage brand and an integral part of our Beike platform. We believe the success and proven track record of Lianjia pave the way for us to build the infrastructure and standards and drive the rapid and sustainable growth of Beike. We have more than 20 years of operating experience through Lianjia since our inception in 2001. Such extensive industry experience has provided us with distinct insights into markets, business conditions and customer needs, which we believe are critical for us to offer effective solutions, expand market footprint and capture adjacent opportunities.

Committing to Long-term Benefits, Doing the Right Thing Even If It’s Difficult

Beike acknowledges itself as a contributor to the society instead of solely an enterprise. While capturing commercial value, we commit to long-term benefits and do the right thing even if it’s difficult. We hope to leverage our strengths to create greater social value.

With the rapid development of the industry, Beike is dedicated to facilitating the transformation of the industry infrastructure, constantly improving the status of China’s housing related industry, helping its service providers gain dignity and bringing customers joyful living experiences.

Aligned with Beike’s cultural philosophy, we adhere to the values of “customer first, honest and reliable, win-win cooperation, striving beyond better”. We aspire to fulfill our vision of “providing comprehensive and trusted housing services to 300 million families”, striving for good and creating real value.

“One Body, Two Wings” Strategic Upgrade

In 2021, the internal and external environment changed successively, but Beike insists on improving service standards, maintaining resilience in business operations, embracing challenges, and constantly evolving. At the end of 2021, we announced the “One Body, Two Wings” strategic upgrade, with “One Body” being the existing and new home transaction services, which are the core of property transactions and play the foundational and stabilizing role of our businesses. “Two Wings” refer to home renovation and furnishing business and home rental business respectively. Beike has solidified the underlying capabilities for home renovation and furnishing business and is accelerating the development in key cities. Meanwhile, as the “enterprise of the era,” Beike shoulders social responsibilities and provides better living environment to the new urban residents, youths, and the low-income group through diversified rental solutions.

The “One Body, Two Wings” is the strategic framework for the Company’s future development and a key initiative for the long-term and sustainable transition of the housing related industry. Specifically, as of following:

- **One Body: Housing transaction services on solid footing for future development.** We constantly improve the Agent Cooperation Network (ACN), the Housing Dictionary and other infrastructure to solidify the foundation of main business and enhance the professional ability of brokerage agents. Meanwhile, we operate with a more digital and intelligent mode via the application of Big Data, Virtual Reality (VR) and Artificial Intelligence (AI) technologies to promote and ensure the high-quality development of the industry. In addition, we continuously focus on employee empowerment and improve the service quality of service providers (Please refer to Chapter 4 “Quality Assurance”, Chapter 5 “Business Ethics” and Chapter 6 “Talent Development” for details).
- **Two Wings: Home renovation and furnishing service business takes root.** On the basis of “One Body”, we integrate the concepts of standardization, digitalization and sustainability into our home renovation and furnishing services to promote the aggregation of market resources. We address and alleviate the difficulties of home rental as well as actively work on community development and governance to assist in achieving the goal of “joyful living” (Please refer to Chapter 4 “Quality Assurance”, Chapter 7 “Low-carbon Operations”, Chapter 8 “Better Home Rental Services” and Chapter 9 “Caring for Our Communities” for details).

About This Report

This report is prepared and issued by Beike. It aims to provide an objective, fair and balanced view of Beike’s environmental, social and governance (hereinafter referred to as “ESG”) performance in 2021.

Preparation Guidance

This report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* set out in Appendix 27 to the *Listing Rules* of the Hong Kong Stock Exchange and Clearing (HKEX) Ltd., and upholds the principle of materiality, quantitative, balance, and consistency. Meanwhile, this report is prepared with reference to National Association of Securities Dealers Automated Quotations (NASDAQ) *ESG Reporting Guideline 2.0*, *Sustainability Accounting Standards Board (SASB) Guidelines*, United Nations Sustainable Development Goals (UN SDGs) and integrated with Beike’s ESG practices, aiming to systematically reflect Beike’s performance in all relevant aspects and respond to the concerns of various stakeholders.

We identified key stakeholders and material ESG issues that are most relevant to them. These issues are prioritized, and we address them in the report according to their level of materiality to stakeholders, as described in the “Stakeholder Engagement” and “Materiality Analysis” sections of the report. We use quantitative information to present the environmental and social levels of KPIs so that they can be measured and verified. The quantitative criteria, methods, assumptions and/or calculation tools for the KPIs, as well as the sources of conversion factors used, are described in the respective sections.

The scope of disclosure in this report includes ESG performance of businesses directly operated and managed by Beike. This report covers the period from January 1, 2021 to December 31, 2021 (the “Current Year”). To enhance the comparability and completeness of the report, some of the disclosures also cover other time periods, as well as the Connected Stores as other facilities, which are explained in the respective sections.

Forms of Distribution

This Report is available and can be downloaded at our Investor Relations Site <https://investors.ke.com>. For any suggestions and comments on our ESG management, please contact us via email at ir@ke.com.



Corporate Governance

An efficient corporate governance structure with well-defined rights and responsibilities is the premise of the Company's development. In strict accordance with the *Company Law of People's Republic of China*, the *Securities Exchange Act of the United States* and other applicable laws and regulations, Beike consistently improves the corporate governance structure to safeguard the long-term interests of all shareholders and ensures the stable and healthy development of the Company.

Structure of the Board of Directors

As the highest decision-making body, our Board of Directors (the Board) has established the Audit Committee, the Compensation Committee, the Nominating Committee, and Corporate Governance Committee. The Board and its specialized committees are responsible for determining the strategic direction and overall strategies of the Company, overseeing the work and business performance of management, the operational and financial performance of the Company, and ensuring that effective risk management and internal controls operate consistently over time. The Corporate Governance Committee is authorized by the Board to oversee ESG matters of the Company. Our Board committees' scope of responsibilities and more detailed information is published on the official website¹.

We put a premium on a diverse board composition. Board diversity brings different perspectives for the development of the Company. It also provides independent views and judgments on corporate business strategies and risk control related matters to protect the interests of the Company and shareholders. We formulated the Board Diversity Policy and focus on many diversity factors in selecting director nominees, including but not limited to, gender, age, cultural and educational background, industry experience, technical competence, professional qualifications and skills to ensure that Board members have the balanced skills, experience and diverse perspectives that fit the needs of the business and thereby enhance Board effectiveness.

Our Board consists of eight directors, including four non-executive directors. Three of the non-executive directors are independent directors and one of them is a female director. In terms of qualification, the Board members have diverse professional backgrounds including computer science, finance and electrical engineering, as well as expertise in audit, risk control and extensive experience in the Internet and real estate industries.

Risk Management and Control

Following the framework of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) framework, we have built a risk management structure consisting of three lines of defense to identify, analyze, and address financial and non-financial risks during operations and established effective risk prevention and control mechanisms to achieve long-term operational stability.

The first line of defense consists of business departments, which is primarily responsible for business management and operations. These responsibilities include establishing business operation mechanisms and processes, executing daily management and implementation of business risk control, and making business risk-related decisions.

The second line of defense includes functional departments and the Internal Control Department, which is mainly responsible for the daily monitoring of business risks. These responsibilities include building risk management systems, establishing risk response measures, conducting daily business risk assessment and sending risk alerts, as well as implementing daily business risk control.

The third line of defense is comprised of the Audit Department and the Inspection Department. It is in place to examine the performance of business risk control implementation, identify problems and promote problem resolution. The Audit Department and the Inspection Department are highly independent and are accountable to the Board of Directors and Audit Committee. The responsibilities of the third line of defense include conducting off-office audits, special audits, key position audits, information system audits, fraud investigations, employee conflict of interest management and publicity, so that a better risk control environment is well safeguarded.

Meanwhile, the Internal Control Department works with relevant functional and business departments to periodically assess and optimize the existing control measures. The Company also put in place a set of measures to continuously monitor risk control performance, so as to ensure the effectiveness of our risk response measures and amend these measures timely in response to the evolving trends in risk management.

¹ <https://ir.ke.com/governance/corporate-governance>



ESG Strategy

ESG Concept and Governance

Beike's corporate mission is "admirable service, joyful living", and our corporate values are "customer first, honest and reliable, win-win cooperation, striving beyond better".

Led by our missions and the values, we integrate ESG criteria into our corporate strategy and operation management to promote high-quality development across the industry. We firmly believe that our conviction of "doing the right thing even if it's difficult" will lead us towards long-term prosperity, and eventually help us realize our vision and achieve our goals.

Board Statement

The Board takes full responsibility for the Company's ESG strategy and reporting. The Corporate Governance Committee is entrusted by the Board to oversee the management of ESG matters and guide the development of ESG practices.

The Company has developed its ESG philosophy and management strategies, which are integrated into various aspects of its business operation. The Board regularly reviews the ESG philosophy and management strategy to assess their potential impact on our overall strategy.

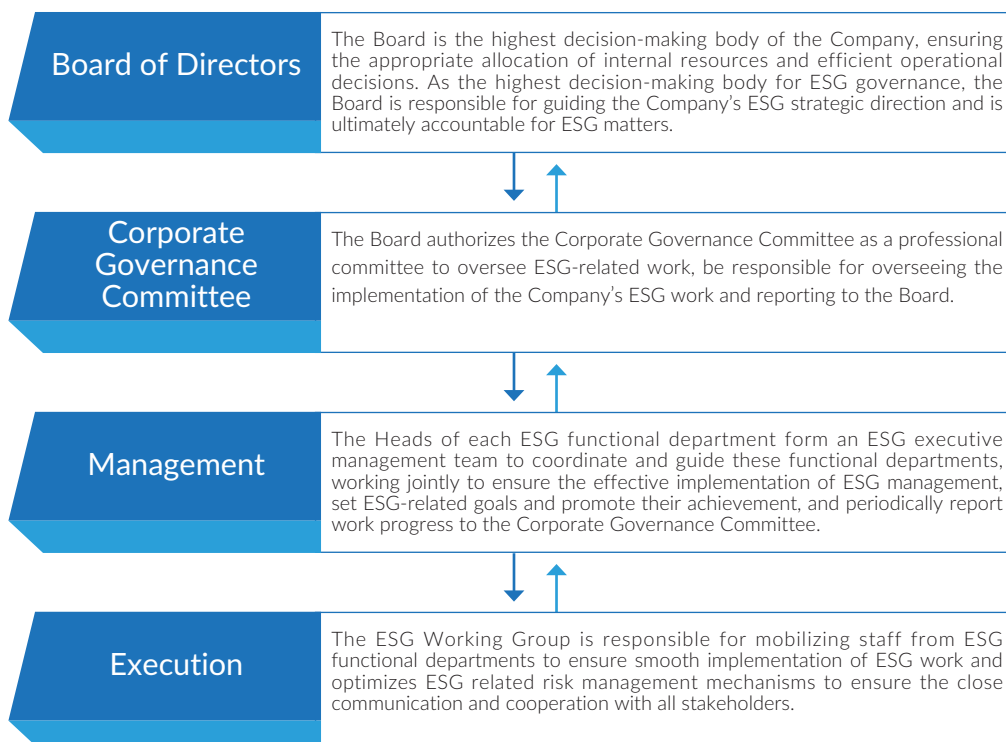
The Company conducted a materiality assessment of ESG issues stakeholders concerned. The Board is involved in the assessment, prioritization, and management of key ESG issues.

We value the significant impact that ESG-related risks and opportunities may have and incorporate ESG-related risks and opportunities into our risk management system. The Board oversees the assessment of ESG-related risks and opportunities and ensures that appropriate and effective ESG risk management and internal oversight systems are in place.

The Company has set environmental targets associated with the business. The Board conducts regular reviews of the progress of environmental targets.

ESG Governance Structure

To effectively implement ESG philosophy and strategies, improve the Company's competitiveness for sustainable development, formulate a long-term ESG working mechanism, promote harmonious and win-win development with stakeholders, and serve the achievement of the Company's medium – and long-term strategic goals, we have integrated ESG governance into our corporate governance structure, covering the Board, professional Board Committees, the management and executive levels. Our ESG governance structure is as follows:





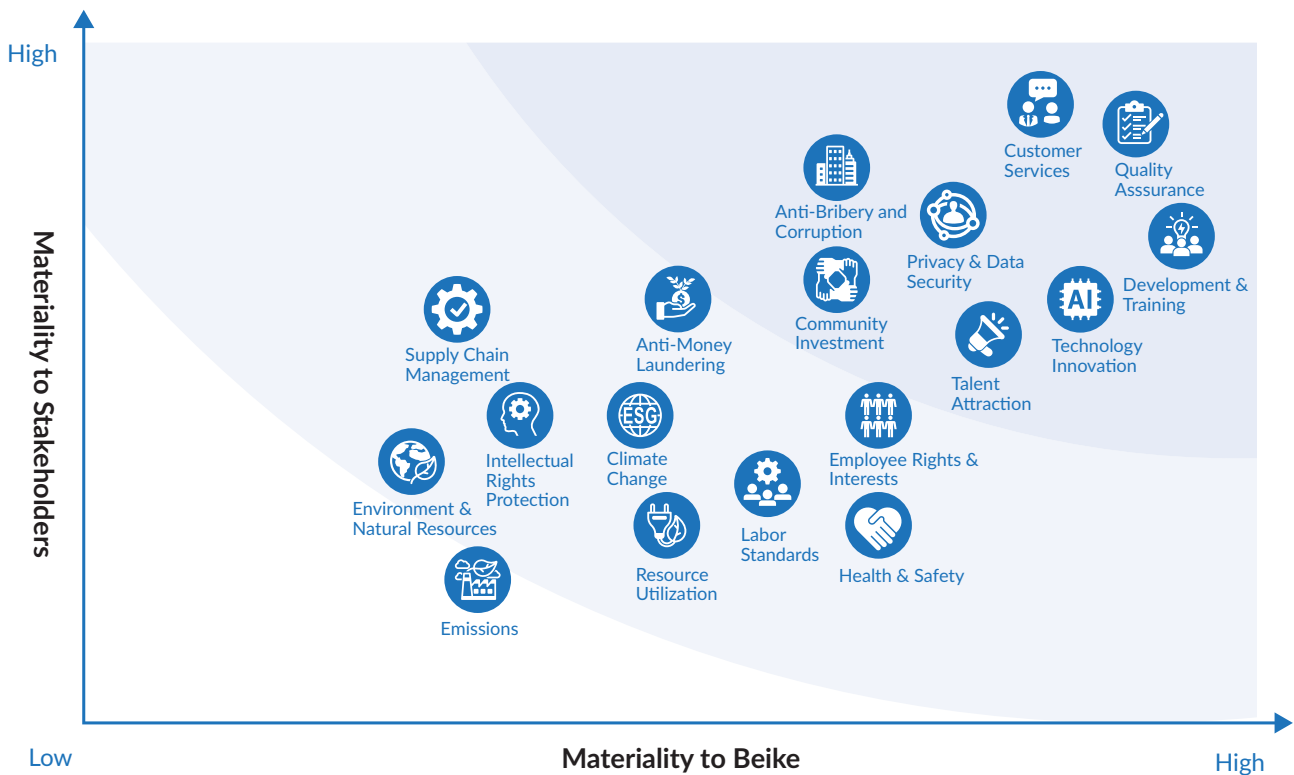
Stakeholder Engagement

We carefully listen to and timely respond to the feedbacks of our stakeholders. Based on our business characteristics, the main stakeholders we have identified include government and regulatory agencies, shareholders and investors, customers, brokerage brands, employees, communities, suppliers and partners, media and non-governmental organizations (NGOs). We have established effective communication mechanisms and channels, including shareholder meetings, regular exchanges with employees, official website, and so on, to ensure effective communication for stakeholder engagement.

Materiality Assessment

In 2021, we established various communication channels and maintained effective communication with our key stakeholders and have identified 18 key ESG issues. We carried out a materiality analysis to thoroughly and systematically learn about key stakeholders' views and expectations on our ESG management. In the hope of better responding to the concerns raised by stakeholders, the analysis results are critical references guiding us in information disclosure and taking actions in business.

We identified that customer service, quality assurance, development and training, privacy and data security, technological innovation, anti-bribery and corruption, talent attraction, and community investment as “highly material topics”. Other material topics include employee rights and interests, health and safety, anti-money laundering, labor standards, supply chain management, intellectual property protection, climate change, resource utilization, environment and natural resources, and emissions. The above-mentioned topics are discussed in detail in each chapter of this Report.



2021 ESG Performance Highlights

Quality Assurance



By the end of 2021, the number of authentic properties listed in the Housing Dictionary has **exceeded 257 million**, covering **more than 100 cities**.



By the end of 2021, our authentic property listings commitment has achieved **100% platform coverage** for **11 years** in a row, and the authenticity rate has been maintained at **over 95%** for a long time.



Authentic Property Listing Commitment: property listings released by agents through Beike are **truly existing, truly available for sale or for rent, verified address and property-related data** and with **authentic price**.



We have been conducting **Agents Professionalism Examination** since 2016, aiming to help agents acquire professional, accurate and comprehensive industry knowledge with their pass of the exam. 2021, the "Agents Professionalism Examination" covered **98 cities** and **more than 370,000 people** took the exam.



Approximately **76%** and **37%** of the existing home sales completed on Beike platform involved **cross-store and cross-brand** collaboration, respectively. By the end of 2021, around **86%** of the existing home listings on Beike platform were posted by agents affiliated with **Connected Stores**.



We use Beike Score to drive agents to constantly improve their professional knowledge and service quality. Beike Score evaluates agents' actual behavioral data through five dimensions (and 32 indicators): **basic qualifications, service quality, cooperation performance, platform participation**, and **industry influence**.



Talent Development



In 2021, Beike conducted online and offline, diversified training activities and courses for **more than 400,000** agents to enhance professional capabilities and improve service efficiency. The per person training hours of agents from the platform **exceed 40 hours**, and the training coverage rate **exceeds 98%**.



In 2021, we received recognition for our work in employment, winning **over 20** employer awards from a number of internet recruitment agencies and research institutes.



We organized employee activity clubs covering sports, entertainment, arts, etc. By the end of 2021, we had formed **13 clubs** and organized **over 200** club activities.

Low-Carbon Operations



In 2021, Beike users had amounted to approximately **1.6 billion** views of VR property showings, with an accumulated hour spent on VR property viewing **over 66 million hours**.



Annual savings of approximately **47.2 million** sheets of paper in 2021 through paperless online contract signing.



The office area of Beike Huaqiao Academy was designed, built and operated in accordance with green building standards and received the **Green Building Design Label** certificate.



Quality Assurance

KE Holdings is a professional quality housing information and service platform dedicated to providing 300 million families with a full range of housing services, including home sales, rental, home renovation and furnishing, and community services. We focus on all-round quality delivery and assurance, establish and improve multi-dimensional quality assurance mechanism to provide responsible and high-quality services. This helps to enhance customer experience, promote technological innovation, and empower service providers across the industry. Besides, we have released the *2021 Beike Zhaofang Quality Management Annual Report* to demonstrate our ability of and commitment to the quality assurance to the public.



Platform Quality

Management Principle

The underlying operating system of our platform is the **ACN (Agent Cooperation Network)**, which effectively breaks down information barriers in the industry by connecting all cooperative brokerage brands and agents to share the platform's housing and customer information. The cooperation network not only enhances transaction efficiency but also guarantees user experience. In 2021, approximately 76% and 37% of the existing home sales completed on Beike platform involved cross-store and cross-brand collaboration, respectively. By the end of 2021, around 86% of the existing home listings on Beike platform were posted by agents affiliated with Connected Stores.

Management System

We ensure the healthy operation of the ACN with the sound Bottom-Line Management System which consists of (1) big data risk warning management, developing risk maps and risk evaluation indicators; (2) platform rules governance mechanisms, applying Beike credit score (Beike Score) to build an agent credit system, handling mechanism of disputes and customer complaints, and platform crowdsourcing and self-governing mechanism; and (3) monitoring and control mechanism, using supervision and reporting and investigation mechanisms and big data modeling to identify risks.

Management Tools

Beike Score is a credibility evaluation system based on agents' behavioral data on the platform, which demonstrates their integrity, professionalism, and cooperation performances through big data model algorithms. By measuring the robust service quality of agents, this system provides a data-based solution to building trust between customers and service providers, as well as among service providers. In 2021, Beike Score established a standardized and rigorous processing and iteration mechanism consisting of expert panel discussion, preliminary review by the project team, and final review by an evaluation committee. In addition to improving and updating the Beike Score system for home transactions, we also included agents working on new home and rental positions into the evaluation system and updated it to Beike Score version 6.0. In this way, customers have evidence to rely on when selecting agents, and real estate brokerage services become more standard and guaranteed.

We also use Beike Score to drive agents to constantly improve their professional knowledge and service quality. Beike Score evaluates agents' actual behavioral data through five dimensions and 32 indicators: basic qualifications, service quality, cooperation performance, platform participation, and industry influence. Agents can "provide quality service for customers – become a preferred agent for customers – increase the probability of being selected by customers" in the process of "accumulating performance data – increasing Beike Score – achieving personal growth", which forms a positive cycle. At the same time, we provide more rights, benefits and resources to agents based on their performances in each dimension in order to motivate them to constantly increase their Beike scores and serve customers better.

Management Support

Beike Jury is a self-governing organization consisting of agent representatives who make collective decisions based on ACN rules, solving disputes due to unreasonable benefit distribution among agents. Beike Jury safeguards agents' rights and interests in through platform organization and autonomous decision-making by the Jury, guides agents to **compete positively** and ensures that the decisions are made **independently and impartially**. To ensure fair and reasonable decision-making of the jury, we follow a strict review process and conduct regular capacity building. Based on voluntary applications and comprehensive assessment, we select, evaluate, motivate and eliminate jury members on a regular basis to continuously promote the educational and supervisory roles of juries and assure the healthy operation of the Beike ACN agent cooperation mechanism.

Property Listing Quality

To assure the "**Authentic Property Listing**" quality commitment, we have established a property database to avoid "untransparent information" and "fake listings" from the source. We also implement multiple safeguards and services commitments to monitor the quality of listings. In addition, we proactively conduct property listing governance to also ensure the compliance and legality of these listed properties.

Housing Dictionary

Beike has established the Housing Dictionary as an open infrastructure and a standardized underlying database. We have formulated a diversified verification mechanism. In particular, the information uploaded will first go through a review process and will be displayed only after it gets approved. Following the review, we pay regular visits to the property addresses to further verify the information, which will be then assisted with AI smart review, brokerage agent correction, and strategic machine check. By performing these validation steps, we continue to enhance the accuracy of our property information. Besides, we have established a dedicated team of professional photographers to capture the images of spaces and room types of the properties with VR collection equipment, providing customers with a three-dimensional and complete visualization experience of viewing housing properties. By 2021, the number of authentic housing recorded in the Housing Dictionary has exceeded 257 million, covering more than 100 cities. The Housing Dictionary is the leading housing database in China.

By 2021, the number of authentic housing recorded in the Housing Dictionary has exceeded



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Commitment to Authentic Property Listings

Beike promotes multiple assurance initiatives to effectively implement "Authentic Property Listings". Based on the underlying data support of the Housing Dictionary, we intend to wage war against fake property listings in the market through support mechanisms, 7×24 hours cyclic strategic authentication system, the public supervision & guarantee policies. We make commitments to providing authentic property listings – all property listings released by agents through Beike are truly existing, truly available for sale or rent, verified address and property-related data and with authentic price. As of 2021, Beike has achieved 100% platform coverage for 11 consecutive years, and the authenticity rate has been maintained at over 95% over a long-term basis.

Beike has achieved **100%** platform coverage for **11** consecutive years, and the authenticity rate has been maintained at over **95%** over a long-term basis



Support Mechanisms

7×24 Hours Cyclic Strategic Authentication System

Public Supervision and Guarantee Policies

- **Support Mechanisms:** We uphold "Authentic Property Listings" as the bottom-line requirement for brokerage brands to join our platform and all listings must pass through the stringent review process before being posted on Beike. Driven by cooperation and trust, we work to lead brands and agents to make commitments on authenticity, while constantly promoting rules and values and supervising the implementation of authentic property listings. Once we identify any fake information of property listings, or receive valid reporting from customers, we will deduct stores business credits and disqualify them from posting property listings.

- **7×24 Hours Cyclic Strategic Authentication System:** We conduct life cycle management of the property listings, from the stage of information posting, content display to information removal. We compare the characteristics of 42 categories of the housing listings, and through the "lifecycle listing source verification" system and a professional offline verification team, we accurately score the full volume of listings, assisting brands improve their listing source management capabilities and significantly enhance transaction efficiency and transparency.

- **Public Supervision and Guarantee Policies:** Considering the complexity and variability of listing information, there is potential risks where agents could break rules and damage the rights and interests of our customers. To effectively handle such issues and protect the rights and interests of customers, we welcome public supervision and reporting, and we promise to compensate the users who encounter fake listings, sparing no effort to promote the authentic listings throughout the network.



Service Quality

Excellent quality is the guarantee of our long-term healthy development. It is our mission to bring customers experiences of “more joyful living” and make our agents become “dignified service providers”. By continuously improving the quality of our housing properties, guaranteeing and upgrading the quality of our services, and empowering the service providers in the housing related industry, we are leading and driving the entire real estate brokerage service industry into a new era of quality and contributing our strength to better and joyful living.

Service Commitments for Home Transaction

The housing transaction process is complex, involving more than ten steps including commissioning, maintenance, home showing, contracting, and so on. Meanwhile, multiple people with different roles involved in these steps can result in uncertainties in the transaction process. Based on the corporate value of “customer first”, Beike joins hands with service providers to improve customers’ housing transaction experience, analyze the difficulties in the housing transaction process, resolve the uncertainties observed to exist in the transaction process, and formulate corresponding service commitments and standards to provide service protection for customers.

In terms of key applications, we focus on formulating **8 service commitments and service standards (as shown below)**. By the end of 2021, a total of more than 200 brands have actively applied for service commitments other than the “Authentic Property Listing” commitment, which is a uniform mandatory requirement by the platform. The penetration rate of these commitments has reached 83.9% of stores, the awareness rate of customers has reached 82.4%, and the compliance rate of service commitments has reached 96.4%.

By the end of 2021, for service commitments except the “Authentic Property Listing” commitment

the penetration rate in stores has reached

83.9 %

the awareness rate of customers has reached

82.4 %

the compliance rate has reached

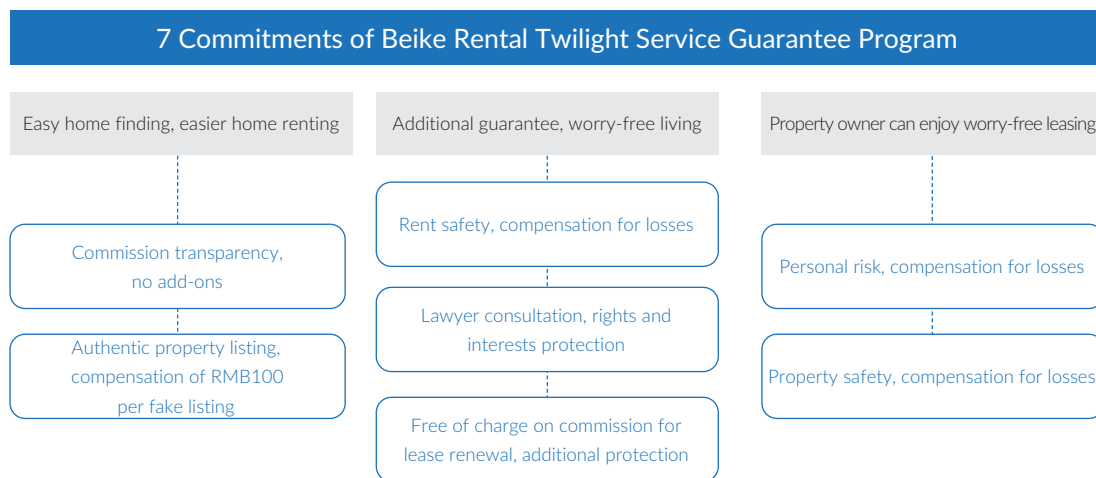
96.4 %

8 Service Commitments and Service Standards

Guarantee authentic property listing	Guarantee no price difference	Guarantee easy transfer of property ownership: customers will be properly compensated if it fails to be settled through one-time on-site transaction caused by agents	Guarantee no property management fee arrearage
Guarantee: no deal, commission refund	Guarantee: water leaks in house, compensate for the losses	Guarantee escrow security	Guarantee trusted service of house visits accompanied by agents

Service Commitment for Home Rental

Beike has launched the Twilight Service Guarantee program in the field of home rental. For all kinds of issues that landlords and tenants are concerned about, we have joined hands with our partners to launch seven major service commitments: commission transparency, no add-ons; rent safety, compensation for losses; lawyer consultation, rights and interests protection; authentic property listing, compensation of RMB100 per fake listing; free of charge on commission for lease renewal, additional protection; property safety, compensation for losses; personal risk, compensation for losses. Among them, the rent security guarantee mainly focuses on the rent issue which is the common concern of customers. Through this guarantee, all renters will be compensated according to the actual situation if there is a problem that the tenant cannot continue to live in the apartment and the loss of deposit or rent due to the refusal of the agreement compliance by landlord or the loss of contact during the lease period, with the maximum compensation of one month deposit and three months' rent.



We provide whole-process and comprehensive service guarantee, for customers to rent home easily and live worry-free

Service Commitment for Renovation and Furnishing

Beike's Beiwoo Furnishing service in home furnishings industry is implementing ten service commitments. With standardized construction as a guarantee, we create one-stop quality services ranging from design, construction, main and auxiliary materials, and after-sale, to provide users with the home decoration experience of "achieving tailored design with standard fine work". We focus on the quality of services in all aspects, including:

Home Furnishing Process	We make the commitment and assurance to provide customers with high-quality home furnishing services.
Price Transparency and Standardization	If the home furnishing companies add additional costs or private charges and kickbacks from customers, we will double back the expense involved.
Quality of Decoration	We guarantee the quality of building materials used and promise that if there are quality problems in the decoration, we assume after-sales responsibility and joint and several losses, and if there are problems identified in the Beiwoo. Quality Construction 20 Items, then we redo all the work for free.
Service Delivery Time	We promise on compensation to any losses due to failed or postponed delivery.
Three After-sales Commitments	We provides four door-to-door maintenance services within two years after completion and acceptance, and give ten-year warranty to furnishing work such as heat insulation and waterproofing; besides, for customers who decide not to sign contracts with us, we refund their advance payment in time.

The move to create a standardized home furnishing process and standardized home furnishing services from the dimensions of price, quality, duration and after-sales is beneficial to enhancing customer experience and trust and promoting the healthy and orderly development of the home furnishing industry.



Complaints Management

For the complaints arising from customers in the process of receiving agent services, we have a professional handling mechanism and a complete handling procedure. After the platform accepts user disputes, specialized staff in charge will contact the user within **24 hours** and communicate and verify with the relevant parties of mentioned in the user feedback within **5 working days** to restore the facts. Based on clear responsibility, we push brands or store owners to provide solutions using the platform's user dispute handling protection strategy to ensure that their questions and concerns are properly resolved within 15 working days. In 2021, we received a total of 320,929 customer complaints, collected the customer feedback to the maximum extent, and provided customers with clear solutions.

We cooperate with new brokerage brands, store owners and agents to provide customers with assured and satisfactory service. When customers complain and demand compensation, we adopt an online compensation process to achieve timely payment and enhance customer satisfaction. We implement the assured and quality service commitment, and the new brokerage brands that Beike cooperates with, in compliance with the commitment, refund approximately RMB1.13 billion in 2021.

We proactively and steadily promote complaint management and complaint disclosure capacity building. By the end of 2021, we have a total of 6 cities with complaint information of Lianjia publicized to the customer side, including Shanghai, Shenzhen, Hangzhou, Suzhou, Dalian and Chengdu, where these cities have a 24-hour customer complaint handling completion rate of more than 84%, and customer satisfaction is always no less than 80%. It is expected that in the future, we will extend the public disclosure of customer complaint information to more cities and even cover the entire country. Through complaint disclosure, we have achieved standardization of customer complaints and product, improved our complaint handling capability and standardized service quality.

Empowering Service Providers

Beike builds a comprehensive training system for service providers it cooperates with. It includes Agents Professionalism Examination and Beike Agents Academy. Huaqiao Academy and Hongyou Academy cultivate specialized store owners. Jinggong Academy serves for home renovation workers, and Original Force Business School for long-term development of brand owners, empowering various types of service providers.

Agents Professionalism Examination



We attach importance to the training of agents and adopt a hybrid learning mode of four ways: online learning, offline centralized training, practical tasks and passing assessment to promote good learning habits while enhancing the professionalism of agents.

Agents Professionalism Examination

We have been conducting Agents Professionalism Examination since 2016, aiming to promote the professionalization of agents and ensure that they acquire professional, accurate and comprehensive industry knowledge with the pass of this exam. Through professional textbook writing and building of team for question review, we assess agents through property leasing practice, new home sales business, brokerage service, real estate transaction service, basic real estate knowledge, real estate laws and regulations, and Company culture and values. As an important means to measure the professional level of agents, we set up a training module combining online learning and pass exams to facilitate learning by exams and motivate agents to continuously learn and improve their professional skills. In 2021, the Agents Professionalism Examination covered 98 cities and more than 370,000 people in the exam.

In 2021, the Agents Professionalism Examination covered

98 cities

370,000 people participated in the exam

Store Owners and Brands

Stores serve as the fundamental operation units and service units. Our store owners who oversee day-to-day operations are vital to our stable development. With that in mind, Huaqiao Academy, a training center owned by Beike, aims to help them build a complete knowledge empowerment education system through professionalization certification training, enhancing their management and professional abilities. Developing professional talents can promote the renewal and iteration of Beike service professionalism, provide customers with high-quality service experience, and thus boost the development of the entire residential housing service industry. By the end of 2021, Huaqiao Academy has offered 35 sessions of certification training for store owners, with a total of 6,471 store owners completing professional training, 4,911 certified store owners, and a total of approximately 509,591 hours of training.

By the end of 2021, Huaqiao Academy has offered store owners of a total of

6,471

certified store owners of

4,911

training hours of approximately

509,591



Huaqiao Academy



Meanwhile, we value the empowerment and management upgrade of brands. For example, Deyou Hongyou Academy is a specialized training organization for outstanding store owners of Deyou, our brokerage brand. The Academy is operated and taught by a professional class research team, which focuses on the urgent learning demands and emerging challenges of store owners in the Internet era and unites expert teams inside and outside the platform. The training includes perception management, business practice points, successful experience and best practices of store operation, and promotes the comprehensive improvement of store owners' ability. In 2021, Deyou Hongyou Academy has covered 36 cities nationwide, with more than 3,000 participants.

Home Furnishing Service Providers

In 2021, Beike actively improved the service quality of home renovation and furnishing industry practitioners and opened a professional learning base the Craftsman (Jinggong) Academy, united the business side with the service side, building a professional training system covering nine categories of service providers such as home furnishing designers, project managers, and workers, and devoting to the output of professional talents for the whole industry chain. In terms of teaching content, the Academy integrates engineering knowledge such as **38 construction procedures, 154 process acceptance standards, 4 quality inspection systems** into the construction process and **9 nodes** into the teaching and practical work. It also prepares textbooks to form instruction manuals. In addition, the Craftsman (Jinggong) Academy simulates real operation scenes for service providers and provides hands-on learning and certification assessment. By the end of 2021, the Academy has trained and certified **4,496** construction delivery service providers. In the future, Beike's home renovation and furnishing business will continue to support the constant upgrading of home furnishing service standards and contribute to the high-quality and healthy development of the industry.



Brand Entrepreneurs

We promote the **Original Force Training** to develop excellent brand owners. Representing the best practices of Beike, the training serves as the information communication platform trusted by many industry professionals. After 4 years of development, we have equipped ourselves with educational capabilities ranging from teaching industry knowledge, offering business solutions, to bridging high-quality business resources. We have introduced abundant educational products, including the New Housing Trend Entrepreneur Course program, Mini MBA program, the Compass Plan, Approaching Beike and DNA Decoding Plan. With our industry experience, we successfully made the stride from knowledge sharing to capability sharing within the industry.

Integration of Industry and Education

Beike is committed to enhancing the professionalism of service providers and has made the development of new digital residential service practitioners as one of its core objectives. We have discussed with many universities nationwide to set up a professional curriculum for professional education of agents, and jointly formulated the standard and developed the New Residential Digitalized Brokerage Service professional skills level certificate with industry associations, professional colleges and well-known enterprises in the industry. This certificate was successfully selected as the fourth batch of "1+X certificate" (where "1" is academic certificate and "X" is several vocational skill level certificates) system project of the Ministry of Education of China, becoming **the first 1+X vocational skill level certificate in the housing service industry**. While promoting the development of the certificate system, Beike has also taken the lead in preparing the supporting series of learning materials of New Residential Digitalized Brokerage Service to provide the most cutting-edge and professional training for real estate agent training. Meanwhile, the study materials supporting the "1+X" certificate have been successfully selected as one of the "14th Five-Year Plan Textbook" of the Ministry of Housing and Urban-Rural Development of China.

We co-hosted the 2021 New Housing Service Professional Education Forum with relevant educational institutions, aiming to drive the integration of industry and education in vocational education and explore new paths for residential service professional training. We held regular trainings for teachers and assessors, including one offline training session and four online training sessions. In 2021, a total of 30 institutions became pilot institutions and nearly 2,000 students participated in this certificate examination. By formulating the professional skills standard certificate, KE Holdings precisely matches the actual demand for technical skills of current residence service positions, cultivates multi-professional composite technical talents, and helps the whole industry progress to specialization.



Quality Innovation

Digital Innovation

Beike uses VR home viewing and online transaction to empower the service in housing transaction and rental industry. By 2021, Beike users have viewed properties with VR more than 1.6 billion times in total. We have also achieved the closed loop of online transactions through a series of processes such as online contracting, online loan signing, escrow, online appraisal, and online notarization. We drive efficient operations while accomplishing the combination of innovative technology and online transactions.

Beike extends the application of AI technology to various applications including smart home, smart decoration, and smart construction sites. In 2021, Beike Future Home has generated 18.3 million AI home decoration design plans, providing customers with their imagination of future living images. Big data and AI technology empower our “One Body, Two Wings” home furnishing and renovation business.

Beike Contract Service Center and Intelligent Contracting

We built Beike Contract Service Centers nationwide to address the complex contracting process. By the end of 2021, we had operated 298 Beike contract service centers, covering 30 core cities nationwide, and focused on completing more than 90% of the contracting process of housing properties. Since July 2021, we introduced an intelligent system that serves the contracting scenario, leaving traces of the entire contracting process online with six modules and dozens of links in the contracting process. In addition, we improve the efficiency of contracting and make the contracting process more efficient and transparent through intelligent technologies such as face recognition technology, intelligent voice machine assistant and human-computer interaction.



Smart Construction Site

Beike keeps up with the development of the digital era and is committed to optimizing our home renovation and furnishing services through the innovation of internet technology applications. In 2021, we launched the Smart Construction Site project, which will build and restore the real home in full scene of the site online by the panoramic camera developed by ourselves for construction site video data collection, using Web3D household technology, combined with fisheye video VR fusion algorithm. The traditional construction problems of personnel control and quality acceptance are resolved by pre-researching AI detection capabilities to analyze and calculate the people, products, and processes in the construction site. By providing digital solutions for the entire chain of renovation, the project helps service providers improve inspection efficiency and better serve customers. It also helps project managers centralize quality inspection online to guarantee construction quality and helps owners view the site conveniently and comprehensively to achieve a transparent site, which further enhance the renovation experience.





Technology Empowerment

Beike is devoted to achieving mutual empowerment between technology and service providers to ensure users enjoy the quality innovation. With AI technology, we have built a property knowledge system covering huge amount of knowledge, and through technical applications such as Beike Agents Academy and AI Training Field, we assist agents to quickly absorb the knowledge on real estate and transactions, doing online training of property presentations, thus further improve the professional skills of service providers. In addition, we actively empower our technical R&D staff to ensure our innovation capability (see Chapter 6 “Talent Development” for more details). At the same time, we use our intelligent online product, XiaoBei AI-Assistant, to empower our service providers to improve the efficiency and quality of their work, forming a virtuous circle.

Xiaobei AI-Assistant

Xiaobei AI-Assistant is a product of ability cultivation and business assistance built by Beike for our agents. Before the agents' assignment, Xiaobei AI-Assistant provides them with online simulation scenarios that restore the actual home showing conversations and massive business and opportunity information. During the assignment, it provides services such as property recommendation, conversation assistance and information tips based on the information. After the assignment, Xiaobei AI-Assistant evaluates and diagnoses the service process of agents and guide tailored training. In 2021, Xiaobei AI-Assistant 2.0 is upgraded to **Xiaobei AI-Assistant 3.0**, which continues to devote to improve the service quality of agents. Xiaobei AI-Assistant 3.0 systematically integrates various AI capabilities in Xiaobei AI-Assistant 2.0 in the new home, achieve the complete online operation of all steps in new home transaction. Also, Xiaobei AI-Assistant 3.0 supports agents to obtain business opportunities during night and significantly improves both service quality and operational efficiency. In 2021, Xiaobei AI-Assistant assisted agents with **more than 80 million** communication conversations and provided **more than 171 million times** of help, with an average suggestion adoption rate of about **40%**, helping more than **85%** of new home agents in total.





Business Ethics

Compliance operation is the basic requirement of the Company's sustainable development. Since its establishment, Beike has insisted on our development philosophy of "business to good". We operate businesses in accordance with applicable laws and regulations, and we have been working to improve the compliance system and carrying out compliance control, covering information security and privacy protection, business integrity, intellectual property rights, advertising compliance and supplier management, to drive positive industry development powered by digitalization.

We believe that good business values will lead to more business opportunities. We have established appropriate management systems and mechanisms and appointed dedicated personnel to establish proper values, ensure compliant operations and practice good business ethics. At the same time, we work together with various stakeholders up and down the value chain of Beike to create a "clean" and honest business atmosphere, create a fair and transparent business environment, and work together to maintain a healthy market competition order.

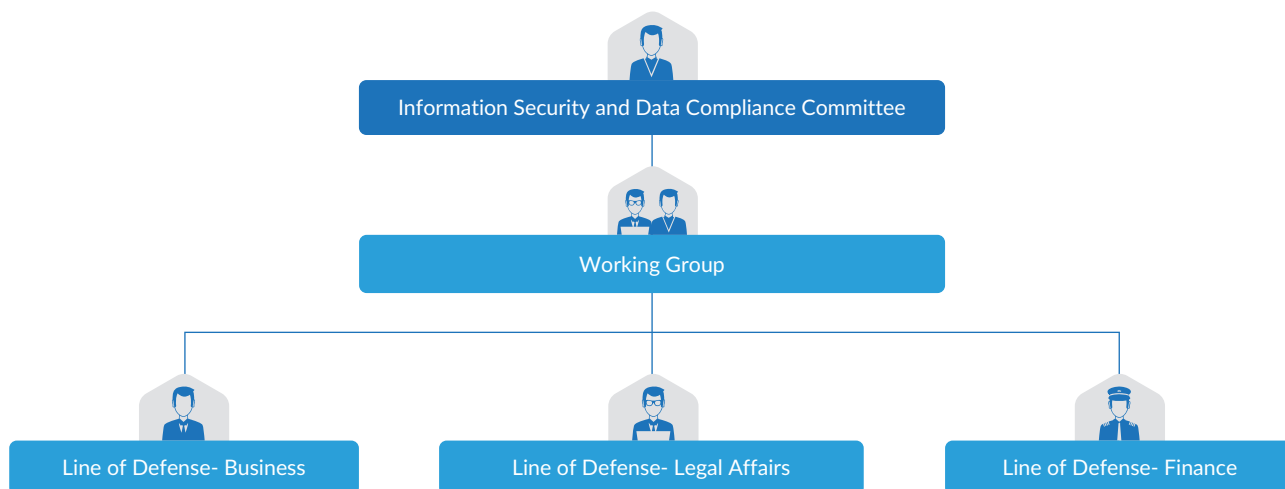


Data Security and Privacy Protection

The protection of data security and user privacy is crucial to our business. We strictly abide by relevant laws and regulations, including but not limited to *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Cryptography Law of the People's Republic of China*, the *Provisions on the Administration of Mobile Internet Applications Information Services*, and the *Provisions on the Necessary Personal Information Scope of Frequent Types of Mobile Internet Applications*. We continue to improve on our internal management system while implementing internal control procedures and supervision measures to prevent leakage of private user information.

System Infrastructure

We have established the **Information Security and Data Compliance Committee** ("the Committee") to be responsible for strategic planning on privacy protection and decision making on major data security issues. The Committee consists of Beike Group's CEO, CFO, CTO, general counsel and leaders from each business line. Under the oversight of the Committee, the Legal Center, the Security and Risk Center and the Compliance Center are in place to develop critical risk management schemes and improve risk governance in a cooperative effort with various parties. Incorporating the best practices, we have also set the business, legal affairs and auditing as our three lines of defence to prevent risks of data security and privacy continuously.



In 2021, we have revised the Policy on Beike Data Security Management, as well as the Organization and Management Measures of Beike Information Security and Data Compliance, to incorporate principles on data usage, examples of scenarios that prohibit the use of sensitive data and standardization of the data application process. We have formulated policies including Standards on Data Security Design of Beike's Products, Big Data Security Code of Practice, Compliance Guidelines for Face Recognition, Policy on Beike Algorithm Compliance, and Measures of Employee Information Security Violations and Penalties. As we continue to optimize our data security and privacy compliance system via formulation of policies and product privacy compliance processes, the refined rules in this field serve as the guidance for the implementation and supervision of our privacy protection management system.

Beike took the lead in obtaining multiple certifications in this field:



our data storage system was certified in the Ministry of Public Security of China information security protection level 3 assessment;

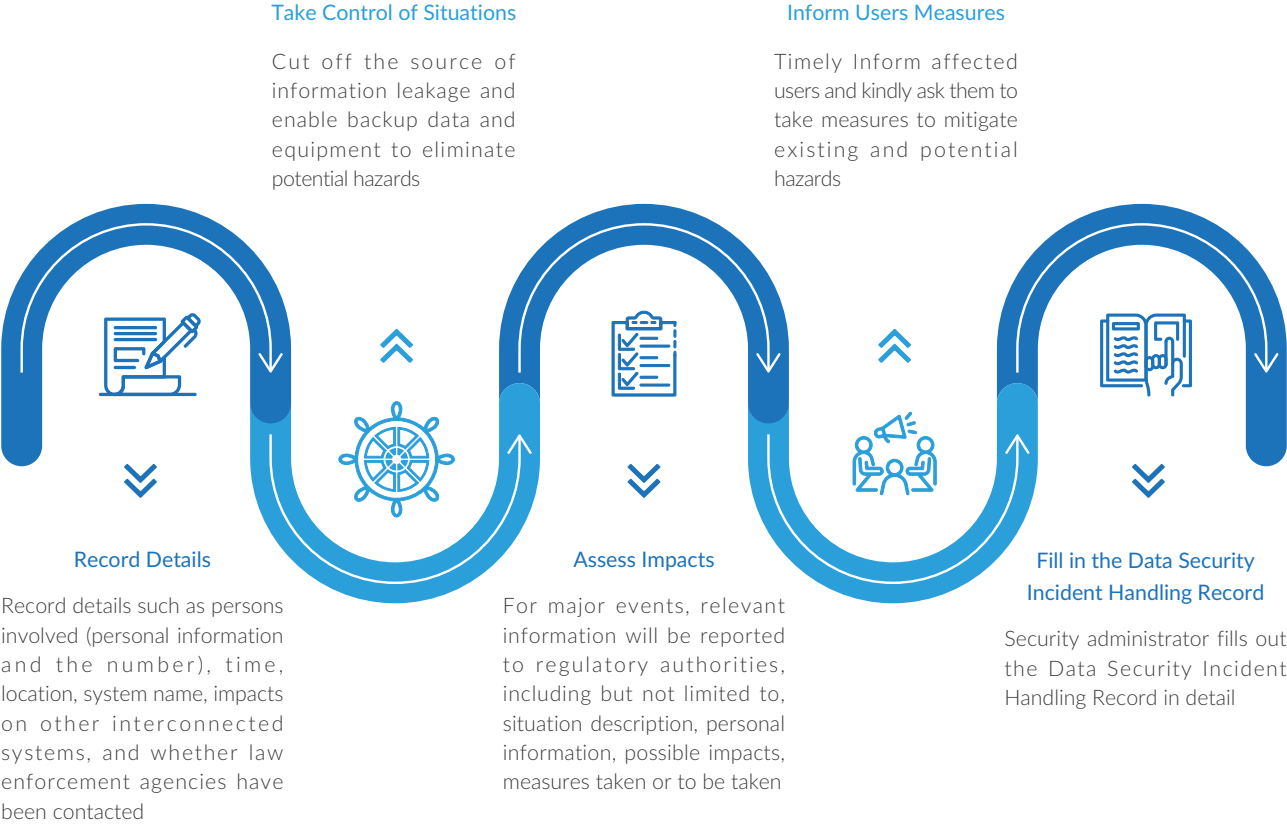
our underlying cloud computing technologies has obtained the level 3 certification from "Trusted Cloud", a system under the China Academy of Information and Communications Technology;

we obtained dual certifications of ISO/IEC 27001 Information Security Management and ISO/IEC 27701 Privacy Information Management.

Capability Development

We attach great importance to capability building of data security and privacy protection. To promote data security protection awareness and develop related capabilities amongst our staff, we planned our efforts from three aspects: publicity, training, and assessment. In 2021, we organized multiple rounds of online training sessions and set up compulsory learning hours and studying credits. The training incorporated contents including but not limited to data security policies and sensitive data protection. Over 60,000 people participated in the data security policies trainings while nearly 10,000 participated in the sensitive data protection related trainings. We also launch the Information Security Publicity Month activity annually. During the event, employees gain an in-depth understanding of data security through participating in fun activities, seminars, practice drills, games, questionnaires, and surveys.

In our continuous efforts to promote data security risk response capacity building, we have formulated the Data Security Emergency Response Plan and set up the emergency response team. We aim to maintain a full-process control of data security incidents through recording details of the incident, taking control of situations, assessing impacts, informing users while providing subsequent measures, and filling out the Data Security Incident Handling Record. In the beginning of 2021, the Committee published data security risk reporting standards and process flow, made available to all employees. This improved the transparency of data-related risk management and strengthened risk awareness and relative coping abilities of employees.



Data security incidents processing flow



Standardization

We cooperated with domestic and international organizations and research institutes to help standardize the implementation of data security and privacy protection in the housing transactions and services industry. We have successively joined important standardization organizations. In addition, we actively engaged in the drafting and release of *Application Software User Personal Information Collection and Usage Minimization and Necessity Evaluation Specification for Real Estate Information* published by the Telecommunication Terminal Industry Forum Association (TAF) to promote the construction of industry data ecology together with industry peers. We also contributed to the setting of *Application Software Automated Decision-Making User Rights and Interest Protection Requirements* published by the China Academy of Information and Communications Technology (CAICT) and voiced our suggestions to the development of industry standards. Meanwhile, the series of standards of the *Evaluation Standards for Application Software User Personal Information Collection and Usage Minimization and Necessity* developed by the CAICT, which we participated in drafting earlier, have been released successively.

Building a Clean Business Environment

Anti-Fraud & Anti-Corruption

We strictly abide by all relevant laws and regulations of all places Beike operates in, including where appropriate, including the *Anti-Unfair Competition Law of the People's Republic of China* and the *U.S. Foreign Corrupt Practices Act (FCPA)*. We have set up a set of policies and standards to prohibit any forms of business bribery and corruption, including the Anti-Corruption Compliance Policy, Regulations on Employee Interest Relationship Management, Code of Conduct for Work Ethics and Beike Employees Code of Conduct for New Homes Transactions. We require employees to declare conflicts of interest in a timely and genuine manner and make sure employees are aware of the penalties for violations of relevant regulations.

In 2021, we updated our Code of Conduct for Work Ethics and Regulations on Employee Interest Relationship Management to supplement details of violation scenarios and violation handling categories. Upon of our internal Anti-Corruption Compliance Policy, to regulate the employee behavior, we have further issued three specific guidelines, which respectively are the Anti-Corruption Compliance Policy, Guidelines Regarding the Third Parties, Guidelines on Gifts Hospitality and Travel, and the Guidelines on the Cooperation with Public Institutions and Officials. Our Chief Compliance Officer, strictly following our policies and guidelines, is responsible for approval of FCPA related items. Furthermore, we conducted trainings and assessment of the Anti-Corruption Compliance Policy for over 50,000 employees (including our Board) in 2021 to enhance their risk and prevention awareness. With a completion rate of 99%, our corporate compliance culture is fully penetrated and implemented among the employees.

Under the oversight of the Board, our Audit Committee takes responsibility to improve the internal management system on business ethics. Moreover, we strengthen our efforts by setting up an Ethics Committee, a platform Monitoring Department, and an Investigation Team to carry out daily supervision and investigation across the Company. We conduct several forms of daily management:

Investigation of management team: the Ethics Committee is responsible for the investigation of clues of illegal and non-compliance actions by those of director level, other equivalent levels or above;

Periodic audits of operations and functions: the Group's Compliance Center performs periodic audit to main business segments and functional departments in an effort to assist the Ethics Committee in its investigations;

Audits of city companies: the COO Line Platform Monitoring Center conducts investigations on clues of illegality or non-compliance involving smaller-scale cases with lighter consequence and employees of relatively lower level. If the relevant behavior is suspected of violating the law, we will transfer the relevant cases to the judicial authorities and pursue criminal responsibility.

In 2021, we received the outcome of one criminal case, and two people have been sentenced to three years in prison for fraud. We have terminated the employment relationship with the abovementioned employees and have conducted a retrospective investigation of the case to prevent the future occurrence. None of the above cases have had a significant impact on our business.

Beike Sunshine Action

In 2021, we commissioned a professional third-party company to assist the Ethics Committee in conducting the Beike Sunshine Index and Integrity Compliance Survey, which covered nearly 50,000 platform employees. We attained understanding of the awareness level of the Company's professional ethics construction and audit work after two rounds of research. According to results of the survey, we implemented targeted adjustment to our professional ethics construction and audit initiatives to improve the efficacy and influence of management in this realm. Meanwhile, the progress of our work is being actively updated with our employees.

Beike Sunshine Integrity Influence



We actively participate in anti-fraud and anti-corruption social organizations such as the Trust and Integrity Enterprise Alliance and the Enterprise Anti-Fraud Alliance (CEAFA) in 2017 and 2019, respectively. We aim to contribute to the industry integrity ecology by joining forces with industry peers via the information sharing mechanism between enterprises. **In 2021, we were named the Most Influential Anti-Fraud Team of the Year by CEAFA**, ranking 3rd among 120 participating enterprises. Two of our employees were chosen by the Trust and Integrity Enterprise Alliance as the Sunshine Integrity Lecturer of the Year.

Anti-Money Laundering

We have been managing the impact of potential financial risks on our business cautiously and take serious risk control measures on business exposed to money laundering. We strictly comply with anti-money laundering (AML) laws and regulations, including *the Law of the People's Republic of China on Anti-Money Laundering* and the *Provisions of Anti-Money Laundering through Financial Institutions*. The Anti-Money Laundering Compliance Policy and the AML compliance officer have been developed for effective AML management.

The AML compliance officer is responsible for establishing relevant AML procedures for conducting relationship screening of transaction parties and performing periodic internal review to ensure the effectiveness of our AML policies. We are also equipped with professionals to continuously monitor changes in AML-related laws and regulations, maintain our internal policies up-to-date, and conduct regular training on AML to strengthen the AML risk management and control.

We require all employees to report any suspicious activities identified during the KYC (Know Your Customer for customer background check) process, due diligence process, financial activities and day-to-day operations to the AML compliance officer. After consulting with the Group Legal Center and Group Funding Center, the AML compliance officer will determine whether to report these suspicious activities to the Law Enforcement Department.

Whistle-Blowing and Protection Mechanisms

Our Policy on **Reporting and Investigation of Discipline Violation** clearly defines the reporting channels, investigation process, review procedures and the protection mechanisms for whistle-blowers. Various reporting channels are in place to help grasp reporting information timely so as to carry out timely investigation. Whistle-blowers can report suspected corruption via various reporting channels such as WeChat, email, hotline, mailbox and letters.

For effective reports of suspected fraud, the Center will directly open a case for investigation or authorize the functional department and city to which the reported matter belongs to investigate and handle the case, according to the nature of the preliminary examination and screening. For the fraud cases identified, the issues will be publicized on Beike's internal website as warning. If the violation is defined as a criminal act, we will refer it to judicial authorities and pursue criminal responsibility. Personnel who disagree with the treatment plan can submit an appeal, which will be forwarded to the Construction Center and the Center will designate investigation personnel that are not previously involved in the investigation to review the appeal.

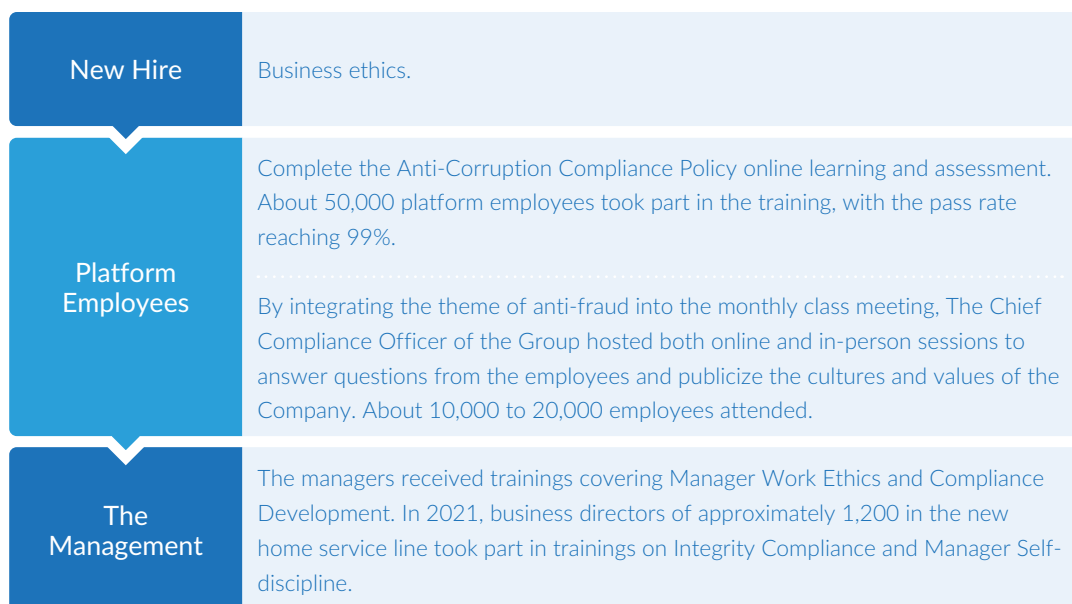
We also attach great importance to the **protection of whistle-blowers** and have **clearly indicated the protective measures** in the Policy on Reporting and Investigation of Discipline Violation. We ensure any detailed information about the reports and the whistle-blowers are kept strictly confidential and that whistle-blowers both within and outside of the Company are free from any form of retaliations. Whistle-blowing employees are ensured to be free from unfair treatment such as dismissal, demotion, suspension, intimidation, or harassment. In case whistle-blowers receive any form of retaliation, they can file a complaint to our Center via the public reporting channels. Once the complaint is substantiated, we will provide reporters with compensation and punish those who take unfavorable personal actions.



As for our agents, we are committed to **protecting the whistleblowing actions of stores and employees on our platform** in their daily operations. By setting up the business violation whistleblowing process, we guarantee response time, processing efficacy, progress updates, and results updates for the whistle-blowing incidents. In order to protect the privacy and security of these whistle-blowers, our system supports anonymous feedback. The information remains anonymous throughout the incident handling process, and no one would be allowed to obtain the anonymous information to protect the privacy of the whistle-blowers involved.

Anti-Fraud Training

We provide anti-fraud training for employees at different levels and functions to raise their awareness of business ethics. We hope, through training, to deepen the anti-fraud awareness for our employees, standardize daily operational behavior, and radically reduce the occurrence of potential violations.



We require all employees of the platform to undergo anti-corruption, anti-fraud, and integrity compliance trainings and assessments covering policies on interest relationship regulations, codes for work ethics, guidelines on giving and receiving gifts, whistleblowing and investigation, data safety protocols, Beike security trading, and Beike public channel speech management. For key rules and regulations, we require all staff to master relevant knowledge and pass the assessment.

Moreover, we provide work ethics and compliance development trainings for the Board, with topics covering Beike's integrity and compliance management strategy, work ethics and compliance development status, and related law, regulations, and corporate policies.

Intellectual Property Rights

We stress on the importance of respecting and protecting intellectual property rights and strictly comply with applicable laws and regulations of where we operate, including the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *United States Code Title 35 – Patents*, and the *Convention on the Grant of European Patents*. We have set up a comprehensive property management mechanism and have appointed specialists to follow regulatory updates to prevent potential intellectual property risks.

We have set up a professional team for the protection of intellectual property rights and a highly efficient set of mechanism to manage our intellectual properties. By making the entire process of intellectual property management online, digitalized and electronic, we optimized the quality and efficiency of our intellectual property management, protection and maintenances.

We further strengthen our intellectual property management through the formulation of internal policies, including the Beike Policy on Intellectual Property and the Specifications on Trademark Process Management. These internal policies define the responsibilities of intellectual property management, scope of intellectual property rights, intellectual property attribution, as well as standardizing the transfer process of trademark and other intellectual property related matters. In 2021, we publicly released the Beike Rules on Platform Intellectual Property Protection which requires operators and managers on the platform to strictly adhere to laws and regulations and refrain from violating the legal rights of third parties. If any right holder discovers infringement content on the platform, he or she may file a complaint. The complaint would then be verified and handled by Beike. Additionally, our Beike Policy on Group Patent Rewarding outlines the material and spiritual rewards to reward the R&D colleagues for their contributions to technological innovation and inventions.

We protect our intellectual properties as well as those of others. When working with our partners, we required suppliers to sign a confidentiality agreement to safeguard proprietary technology. We also supplement a warranty agreement for intellectual property defects to ensure that relevant products and services provided by the suppliers will not infringe upon the legal rights of third parties. When it comes to R&D of hardware products, we carry out patent risk checks of hardware products in advance to ensure, to the maximum extent possible, that hardware products do not infringe others' intellectual property rights. While we improve on our own efforts, we actively share relevant work experience with others. For example, colleagues from our Department of Intellectual Property Rights were selected into the first batch of intellectual property expert database of the Tianjin Binhai New Area, who acted as leading expert that heavily involved in the high-value intellectual property incubation project of the Binhai New Area.

Trademarks and Copyrights

We place great value on the protection of brand reputation customers' rights and interests. We have set up the Department of Trademark and Copyright and formulated the Beike Group Guidelines on Trademark Application and Circulation as well as other trademark and copyright-related rules and regulations. Adhering to the principles of "stringent protection, broad protection and rapid protection", and considering from five dimensions, the mark, product line, application scene, market and competition defence, we have designed an integrated framework encompassing four core components: verification, safeguarding, protection, and compliance to assure trademark and copyrights protection.

- **Trademark rights verification.** We prompt forward-looking trademark layouts around the globe. In 2021, we have completed 1,779 trademark applications and obtained 2,248 trademark authorizations (including the trademark rights applied in previous years and were granted in the current year). By the end of 2021, we have carried out overseas layout and protection of our core trademarks across 30 countries and regions, with 7,058 trademark applications completed and 5,538 trademark authorizations granted.
- **Trademark rights safeguarding.** We have an integrated mechanism for rights protection in place featuring the "Monitor-Combat-Defend" strategy. Inspired by the "ACN Rules", we started a new safeguard mode featuring synchronic linkage between multiple regions, multi-role division of labor, and the parallel operation of multiple processes. Hundreds of counterfeit stores were discovered through the investigation. 61 stores have changed its signboard/names and stopped their infringement actions upon rights-protective actions.
- **Trademark rights protection.** We require our employees to timely report potential trademark infringement to the Department of Trademark and Copyright. For suspected trademark infringement, we verify and take measures proactively, and we also assist administrative law enforcement agencies and judicial bodies to tackle any forms of trademark infringement and counterfeiting.
- **Trademark rights compliance.** We conduct trademark compliance training and enhance trademark compliance audits to prevent complaints from trademark infringement.



In 2021, we were granted Chinese domestic and international patents of

374

By far we have been granted patents accumulatively of

985

Patents and Software Copyrights

As part of our intellectual property management, we set up the Department of Patent and Software Copyright, which is responsible for the application, authorization, rights protection, litigation and licensing of patents and software copyrights. The Department also makes global patent strategy and builds patent portfolio for our business, and also identifies R&D projects and reviews the intellectual property clauses in contracts to minimize the intellectual property risks of R&D projects and ensure the business well run.



In June 2021, we won the 22nd China Patent Excellence Award issued by the China National Intellectual Property Administration (CNIPA); In August 2021, we were honored as the CNIPA Practice Base.

We were granted 374 patents in 2021 both domestically and internationally. Up to date we have received a total of 985 granted patents cumulatively. We obtained 176 issued software copyrights in 2021, and a total number of 612 issued software copyrights to date.

Advertising Compliance

We strictly comply with relevant laws and regulations, including the *Advertising Law of the People's Republic of China*, the *Regulations on the Release of Real Estate Advertisements*, *Interim Administrative Measures on Internet Advertising*. We have also set forth internal policies such as the Criteria of Content Release Compliance on Beike, the Criteria of Speech Compliance on Public Channel of Beike and the List of Prohibited Advertising Words and Phrases, which define the advertising content for employees to publish while promoting the housing information.

The Legal Affairs Center is responsible for reviewing the advertising content. Regarding instances where the advertising content is designed by an agency, we ensure the agency understands our requirements listed in the Criteria of Content Release Compliance on Beike and the List of Prohibited Advertising Words and Phrases, and the releasing of the advertisement is only allowed upon the approval of the Company. For self-designed advertising materials and texts, the Marketing Department will review them in accordance with laws, regulations and internal policies; in cases where potential disputes exist, the materials will be passed along to the Legal Department for final verification. In terms of entering into an advertising contract, our stringent reviewing process requires all advertising contracts to be approved by the Finance Department, Legal Department and Taxation Department. We also have formulated procedures for handling complaints about advertising and provide feedback for each case in a timely manner, so as to improve our capabilities in advertising management.

We work to promote compliance awareness across the Company while improving our brand reputation. We regularly conduct compliance training, covering various topics such as advertising law, special requirements for real estate advertising, compliance for promotion and marketing activities. During the training, we have a Q&A session to answer any common advertising compliance questions, so as to timely check and prevent advertising related risks, improve employees' compliance awareness and their ability to solve corresponding problems.

Supplier Management

We work closely with our suppliers to promote sustainable development and create stable, long-term business relationships with our partners. We set up policies such as the Beike Procurement Management Policy and Beike Supplier Management Policy to standardize the selection, entry, assessment, and withdrawal process of supplier management. We also assess and monitor the environmental and social risks of our suppliers.

Selection	Adhering to our principle of sustainable business development, we evaluate and compare suppliers from multiple dimensions, including reputation, service, quality, commitments to social responsibility and business ethics. From there, we then select suppliers that fulfil our business needs and the sustainability criteria. In terms of procurement of goods, we focus our selection on low-carbon and environmentally friendly products, including energy-efficient electrical equipment and degradable green packaging bags. As for personnel outsourcing service, we require service providers to respect the rights and interests of employees and avoid child labor, so as to ensure the compliance and legality of our choice of labor.
Entry	Suppliers are required to provide proofs of industry authorization, safety qualifications, business scope and other relevant documents for audits. We assure suppliers are not involved with major litigations and disputes, and suppliers should have not been subject to administrative punishments due to integrity issues.
Assessment	We conduct periodic assessments based on product quality, service, business compliance and other indicators, and we grade and classify suppliers with their assessment results for scientific and efficient supplier management.
Withdrawal	We have formulated blacklisting management for suppliers who involve with, including but not limited to, any violations of regulatory compliance and business ethics, severe dishonesty and major product quality concerns. Suppliers that violate our bottom-line standard will result in the termination of partnership.

Sunshine Procurement

We require all suppliers (5,869 of them) to sign the Anti-Bribery Agreement and pledge to act against bribery upon becoming our suppliers. We have set up email and hotline for whistle-blowing. According to the agreement, if the supplier was to conduct any breaching behavior during partnership, Beike has the right to terminate the partnership. The supplier needs to pay liquidated damages or a certain portion of contract fee as penalty to Beike, payment is to be made depending on whichever is higher. In the meantime, the supplier along with the companies it controls, represents or assists will be listed on our list of dishonesty, which means we will never consider future cooperation with these suppliers. Being a member of Trust and Integrity Enterprise Alliance and Enterprise Anti-Fraud Alliance, we work with other members and build an anti-corruption business environment by updating the list of dishonest suppliers with corrupt practices in the system.

Number of suppliers by region ²	2021
The Mainland of China	5,869
Hong Kong, Macau, and Taiwan	0
Other Countries and Regions	0

² "Number of Suppliers" refers to the number of suppliers maintained in the supplier management system as of December 31, 2021. "Region" refers to the place where the suppliers are registered.



Talent Development

Beike values talent development. Adhering to the Five Forces Talent Development Concept, we continually work on discovering and fostering talents across our industry network who are customer-oriented, industry-focused, perseverant, team players, as well as value contributors. We advocate diverse and inclusive corporate culture, safeguard employee rights while continuously improving the compensation and benefits system, cultivate healthy and safe working environment. Besides we seek to provide professional development opportunities and abundant resources for employee career development, committed to becoming the best partner in their career growth.

Employee Rights and Interests

Legal Employment

We strictly abide by the *Labor Law of the People's Republic of China*, *Law of the People's Republic of China on Employment Contracts*, *Provisions on the Prohibition of Using Child Labor*, *Law of the People's Republic of China on the Protection of Minors*, and other applicable laws and regulations in the area where we operate as well as the requirement of international practices. At the same time, we strictly abide by the *Law of the People's Republic of China on the Protection of Rights and Interests of Woman and the Special Rules on the Labor Protection of Female Employees*, aiming to protect the legal rights and interests of female employees and support their physical and mental health. We formulated our Code of Conduct, and the Anti-Harassment Policy to regulate recruitment and employment management, especially to standardize the management of employee employment, handling of violations of discipline, providing equal opportunities, anti-discrimination and anti-harassment and focusing on employee diversity.

We verify employee identity information, such as age and proof of termination from their previous job to avoid child labor and other non-compliant employment. We fully consider the wishes of employees at all stages of employment, ensuring that employees participate in work voluntarily, in order to avoid forced labor. We strictly comply with the labor regulations of the place where we operate and continuously improve our employment management, and identified remedial measures in the event of child labor or forced labor, striving to eliminate such violations.

Recruitment and Turnover Management

Upholding our equal and transparent employment policy, we have formulated the Beike Policy on Recruitment Management Policy and conduct standardized management to ensure that there is no differential or discriminatory treatment in hiring based on race, age, gender, marital status, or religion. We strictly abide by the laws and regulations to handle the issue of resignation of employees and have set up the Measures on Employee Turnover Management to standardize the employee turnover management process and protect the rights and interests of employees at every stage of job termination.

In 2021, as our business diversifies, the types of talent that we need also show a trend of diversification. Adhering to the recruitment concept of "excellent people are attracted to each other," we continue to strengthen our recruitment management and improve the interview process, while improving the experience of recruiting candidates. We have developed internal guidance such as the Recruiter Onboarding Handbook and the Interviewer Handbook to standardize the recruitment process and to establish red lines for interview decision-making including divergence of opinions, discrimination, harassment, etc. to restrain the behavior of recruiters. We also launched a series of professional interview training courses, through online learning and offline simulation exercises, to educate about the key knowledge of the entire interview process, helping recruiters to accumulate and precipitate professional ability, and to make an impression on interviewees of good corporate image and culture.

We continue to broaden our campus recruitment channels to attract more talented fresh graduates through online and offline campus talks, programming competitions, video introduction, and live streaming. To cultivate and reserve talents, we have specially designed diverse programs, such as the ADC program for all graduates globally, featured summer internship programs for current students graduating in the following year, and collaborative internship programs with universities, covering integrated experiences from the industry, university, and research institutions.

In 2021, our work for talent development has been widely recognized by the society, and we have won a number of employer awards issued by many internet companies in recruitment such as Lagou, Maimai, Liepin, 51job, as well as research institutions such as the Employer Branding Institute, Employee Experience Institute, All-China Federation of Industry & Commerce Talent Exchange and Service and so forth.

In 2021, we have won



over **20**

employer awards



Compensation and Benefits

Beike offers fair and competitive compensation, incentives, and benefits for our employees. Adhering to our guiding principle of “creating internal consistency, incentives motivation and operations sustainability,” we have formulated the Beike Employee Compensation Management Policy to regulate and manage employee compensation and benefits. We participate in industry salary survey and make salary review every year to ensure our salary stay competitive in the market.

We provide various social insurances for employees in accordance with applicable laws and regulations and protect employees’ rights on holiday and vacation. In 2021, we revised our Platform Employee Attendance and Leave Regulation and Urban Employee Attendance and Leave Regulation, and paid attention to the update and revision of the relevant leave policies in the places where the operation is located, ensuring employees to deserve their vacations. We provide employees with a variety of welfare holidays including **parent-child leave**, **“Girl’s Leave”**, **“Mother’s Leave”**, **family visit leave**. In addition, we provide employees with additional benefits such as transportation allowance, overtime meals subsidy and housing support to promote a satisfying work environment.

We actively motivate employees through our attractive equity incentive mechanism. Following our 2018 Share Incentive Plan and 2020 Share Incentive Plan, we recorded RMB345 million, RMB2,523 million, RMB2,253 million and RMB1,538 million of option-related expenses in 2018, 2019, 2020, and 2021 respectively. The 2020 Share Incentive Plan has been updated upon the listing of KE Holdings on the Main Board of HKEX in May 2022³.

Employee Activities

We advocate work-life balance and are committed to creating an open, inclusive, and warm work atmosphere, so as to relieve work-related stress. In 2021, we organized a variety of corporate culture activities such as Beike Anniversary, Girl’s Day, and holiday activities, and employee activity clubs covering sports, entertainment, and art. By the end of 2021, we have formed 13 clubs and organized more than 200 club activities. Besides, we have also carried out a number of cultural seminars to enrich the life of employees and continuously enhance their sense of corporate culture identity and team cohesion.

Formed employee-activity clubs of



13

Organized club activities of over



200

Corporate Culture Seminar

Beike continues to enhance employer brand, practicing the concept of “mission-driven, attracting talents with values.” We launched a series of cultural activities. In April 2021, nearly 40,000 Beike employees across the country in 90 cities held a seminar on cultural values online. Through the sharing of Beike cultural values, the launching of core micro-movie called Three Points of Credit, which characterizes Beike employees’ real work scenes and daily activities, we demonstrate our corporate values of “customer first, honesty and trustworthiness, win-win cooperation, hard work and enterprise”. It also highlights “Beikers” adherence to the regulation of the platform, the defense of real management, the protection of the trust of service providers, and the pursuit of technological iteration.



³ The 2020 Share Incentive Plan uses the U.S. dollar to RMB exchange rate at the point of grant.

Employee Communication

At Beike, we value employee feedback and every piece of feedback is treated seriously. Focusing on corporate values, we have established a full-coverage, all-scenario cultural communication field with online learning and offline activities, and strive to achieve multi-dimensional and high-frequency corporate culture values communication, linking our mission of “building a new housing-related industry” with the goals of each employee, while completing a closed loop of talent cohesion with the theme of “attracting, resonating and calling”.

Monthly Class Meetings

We provide a series of communication channels for employees to help them to solve practical problems and improve their satisfaction. We organize the Monthly Class Meetings as an important scene for the communication and cohesion of Beike culture. The Meetings adopt the form of offline small gathering and online live broadcasts, in which the management staff share the content on operation and management, and the employees will participate live extensively and interactively, aiming to put Beike's cultures into practice.

Besides we seek to learn about the feedbacks of our employees about their own growth, as well as to identify potential challenges faced by the Company development through employee surveys on work atmosphere. For new hires through ADC campus recruitment program, we conducted research on their work experiences, training resources they received, and the satisfaction with their performances and campus recruitment, through random interviews combined with key employee interviews. In doing so, we can further improve our ADC Program and provide better development resources for our employees' professional development at Beike.

Agent care

Agents, as the closest connection to our customers, are an important part of our service system. We carry out a number of activities and projects to convey care to the agent community.

Since 2019, we have organized the event called Hero Conference for our agents to share experiences and success stories of their brokerage brands demonstrating corporate values, in order to promote communication among agents and their business. At the same time, we set up an agent cultural activity group, building a cultural activity platform with the participation and self-management of agents, and enhanced the sense of belonging among the agents team and promoted the personal development of them by carrying out cultural activities such as business, humanistic care, cultural and sports activities, and social responsibility. By the end of 2021, we have organized more than **6,000 Beike Culture Group (CG) events** covering more than **270,000 agents in 88 cities**.

Agent Care Project



Beike's female agents between 22 and 55 years old, who already had children when joining Beike and the youngest child was under 7 years old, accounted for nearly one-third of our female agents in total. We encourage store owners to provide them with special work care such as flexible working hours and daily customized work plans according to the store situation, as well as a variety of exclusive benefits such as children's learning space and children's birthday parties, aiming to solve the problems of the group in terms of uncertain working hours, work and family balance, etc., and encourage women with children to regain professional confidence.



Employment KPIs

Indicators	2021 Data	
Total number of employees	110,082	
Number of employees by gender	Male	65,183
	Female	44,899
Number of employees by age group	Under age 30	71,834
	Age 31 to 50	38,119
	Above age 50	129
Number of employees by geographical region	The Mainland of China	110,082
	Hong Kong, Macao and Taiwan	0
	Other countries and regions	0
Number of employees by management level	Management	84
	Non-management	109,998
Number of employees by employment type	Formal	107,749
	Others	2,333
Total turnover rate	32.62%	
Employee turnover rate by gender	Male	31.47%
	Female	34.23%
Employee turnover rate by age group	Under age 30	38.67%
	Age 31 to 50	17.28%
	Above age 50	21.34%
Employee turnover rate by geographical region	The Mainland of China	32.62%
	Hong Kong, Macao and Taiwan	0.00%
	Other countries and regions	0.00%

The number of total turnover this year refers to the number of employees who terminated their employment with us due to voluntary resignation. The brokerage industry is characterized by high mobility. Beike's retention rate remains at a decent level in the industry and the turnover rate is comparatively low as we have always been focusing on the career development and welfare of our agents.

Employee turnover rate = the number of employee departure this year / (the number of employee departure this year + the number of employees at the end of the reporting year).

Employee Health and Safety

We are committed to providing a healthy and safe working environment for employees. We strictly abide by relevant laws and regulations such as the *Law of the People's Republic of China on Work Safety* and *Provisions on the Administration of Occupational Health at Workplaces*. We have formulated the Safety Management Policy in Office Areas to regulate the safety management of our offices. We conduct regular safety inspections to identify safety hazards and take measures to prevent safety incidents. At the same time, we regularly conduct safety education for our employees and organize fire drills to enhance their awareness of self-protection.

We pay great attention to the health of employees in our workplaces and take a series of precautions to safeguard their health, including



24-hour environmental monitoring of the workplace, focusing on PM2.5 concentration, VOC concentration and other indicators harmful to the human body;



installation of a fresh air system to purify the air to ensure that the air in the workplace is fresh;



provision of free physical examination for employees every year;



increased number of AED (external defibrillator) equipment in the workplace to meet the demand for emergency equipment;



selecting employees to learn CPR (cardiopulmonary resuscitation after cardiopulmonary arrest) first aid method, who can receive a first aid trainer certificate issued by the American Heart Association.

Besides, we have built the relaxing room, gym, billiard courts and other functional areas to help employees relax both physically and mentally. In 2021, we added safety risk alerts and emergency plans to gyms in each office area, providing emergency medical supplies to our employees in case of physical discomfort and other situations.

In 2021, the prevention and control of COVID-19 epidemic (hereinafter referred to as the "epidemic") entered the normalized phase, and we implemented a number of epidemic prevention and control measures in accordance with the Regulation on Beike COVID-19 Epidemic Prevention and Control Management, including:

- adjusting and issuing company-wide epidemic prevention requirements at any time in response to the epidemic situation, using questionnaires to obtain employee isolation status, and following up with their nucleic acid results and the time when their lockdown can be lifted;
- setting up a self-inspection section of the epidemic prevention and control policy maintained by a dedicated person to ensure that Company policies and official government notices are updated and employees have one-stop access to all COVID-related information;
- inviting the Chinese Center for Disease Control and Prevention (CDC) to visit the Company onsite for vaccination;
- conducting environmental nucleic acid sampling tests in each office area twice a month, with no fewer than 30 spots per round to control the risk of virus transmission in our workplace.



Health and Safety related KPIs

Indicators	2021	2020	2019
Number of work-related fatalities	0	2	1
Rate of work-related fatality (%)	0.000%	0.002%	0.001%

Rate of work-related fatalities = Number of work-related fatalities/Number of employees at the end of the reporting period.

The number of working days lost due to work injuries in 2021 is 7,601 days.

The source of occupational health and safety-related fatalities and injuries is the work-related fatalities and injuries recognized by the local Human Resources and Social Security Bureau. 2020 and 2019 work-related fatalities are accidental deaths of employees due to traffic accidents.

Employee Development and Training

Beike attaches great importance to employee development. We have established a career development system for employees, consisting of “professional development channel” and “management development channel,” along with Promotion Management Policy to regulate its grade management system. We have set up a committee of 7 career paths to clarify the standards and grade requirements for employees of each category to conduct evaluation. At the same time, we focus on building a growth-oriented evaluation mechanism, so that employees can get objective and fair evaluation results to recognize their efforts, on the other hand, we provide coaching and performance improvement opportunities for employees to promote the progress of employees.

We have formed a talent development department covering all employees to tailor our talent development system to the needs of the industry and according to the Company’s characteristics. In 2021, we organized a total of 3 Learning Month activities covering all employees to continuously inspire them to learn. By the end of 2021, we provided a total of **1.13 million hours** of various training to our employees.

New Employee Onboarding

Beike provides targeted training programs for different types of new employees.

Experienced Recruitment

We offer the New Employees Orientation Training program to new joiners with working experience, which is divided into three modules, namely “integration module”, “professional module”, and “leadership module”. Specifically, the integration module is designed to let each new employee quickly fit into their positions and accelerate their career growth; the professional module focuses on core professional abilities for personnel working in product, technology, and operation; the leadership module, supporting the needs of Company business and talent development, develops and shapes outstanding leadership at all levels. Through the New Employees Orientation Training program, we quickly familiarize our new employees with the Company’s culture and business, and build a communication platform which enables them to identify with our corporate culture and find a sense of belonging in Beike. The program had trained more than 1,700 people in total and the training hours reached approximately 72,000 in 2021.

Campus Recruitment

We organize an exclusive “Lu Shi Camp” for integration training of new employees recruited from campus hire. Through a 9-day paid off-the-job training, the camp helps these new employees familiarize with basic business, understand the Company culture, integrate into their teams, and transition from fresh graduates to Beike staff. The “Lu Shi Camp” program has covered 537 new hires in the headquarters and urban ADC projects in 2021.



Internal job mobility

Beike encourages employees to find a career development path that suits them through internal job mobility and help them reach their own career expectations. We carry out the **Mobility Program**, which is combined with our “One Body, Two Wings” strategy to encourage the flow of talented professionals from mature business lines such as existing and new home transaction services to new business lines such as home renovation and furnishing services, to enhance the maturity of our new business while providing our employees with diverse development paths internally.

Technical R&D Talent Development

To form our learning culture and accumulate experience and assets generated within our platform, we have established an internal technical R&D talent platform to continuously strengthen technical R&D talent development and release their potential and value. Through the learning map of professional lines and several professional skills training, Beike continues to explore talent development modes that equip the industry with innovative technical R&D talents and promote high-quality development of the industry.

In 2021, Beike set up an instructor team composed of business experts, training center members and others to develop the Professional Line Learning Map Project, based on the requirements of talents in those professional areas. It also covers professional learning paths consisting of “job analysis, job competency analysis, job competency break-down, curriculum matching and development, teaching activity development, and online visualization presentation”, so that the professional competency of key technical positions is improved. The learning map project helps each position clarify their competency requirements, defines development paths, and matches employees with the career development paths that suit them. By the end of 2021, the Professional Line Learning Map Project covers 18 key positions and trainings involving over 11,000 staff.

Skill Tree – 1024 Lab Training Program

Developed by Beike Training and Product Technology Professional Committee and joint by technical departments, the Skill Tree – 1024 Lab Training Program serves as our talent growth system. By learning and understanding the system’s respective Technology Stack, we manage to establish grading criteria of staff competency as well as curriculum systems, that meet the requirements of technical R&D and of employees at different levels, by learning and understanding the system’s. Through this program, we continuously improve the professional capabilities of our R&D team, forming a virtuous cycle of production and research from “internal learning culture” to “external technological branding.”





Management Talent Development

Beike attaches great importance to the development and improvement of management personnel abilities, providing targeted training programs for the **Company managers, general-managers in cities, and line managers**, in order to promote their leadership capabilities. Meanwhile, we provide the Beike Leadership Reserve Training Program for outstanding employees who are willing to be promoted and share our common values. Through training modules such as employee management and leadership development, strategy and financial management, along with on-the-job practice, thematic tasks and other special courses, we will discover and develop potential managers who are open to challenge, responsibility-taking, and mission-oriented. The program serves as our strategic talent pool.

Beike Trident Management Training Program

Beike Trident Management Training Program creates a real, open training course for our managers in the form of a practical workshop, by helping them sort out business and management shortcomings exposed in real business environment, correct management perceptual and behavioral problems, and finally achieve the effect of solving business problems, correcting management actions, and strengthen cohesiveness of teams. In 2021, we conducted a total of 11 training sessions, covering 400 participants, through the program.

Training KPIs

Beike is dedicated to growing together with agents from Beike platform. To provide customers with high quality service experience, Beike conducts online and offline, diversified training activities and courses for more than 400,000 agents⁴ in 2021 to enhance professional capabilities and improve service efficiency. The per person training hours of agents from the platform exceed 40 hours, and the training coverage rate exceeds 98%. The training KPIs of Beike platform are detailed in the following table.

Indicator	2021 Data	
Percentage trained by gender	Male	98.62%
	Female	98.08%
Percentage trained by management level	Management	96.68%
	Non-management	98.51%
Average training hours by gender	Male	40.98
	Female	39.56
Average training hours by management level	Management	34.63
	Non-management	40.89

⁴ By December 31, 2021, Beike active agents totaled 406,794.



Low-Carbon Operations

We strictly comply with relevant environmental laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*. We consider environmental protection in every aspect during our daily operations. To that end, we continuously improve the efficiency of resource utilization and reduce both waste and greenhouse gas emissions through systematic management and normalized supervision.

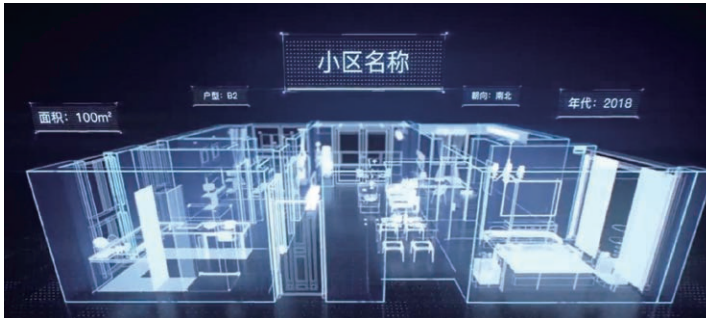


Green Services

We strive to integrate digitalization and decarbonization as we provide green and low-carbon services to our customers and create green working conditions for our agents. For instance, our VR property viewing and paperless online signing services do not only help reduce carbon footprint and waste of resources, they also improve operation efficiency. At the same time, we hired professional third-party agencies to regularly measure the air quality in our stores and offices to prevent harmful emissions, such as formaldehyde, from harming health.

“VR” Aids in Low-Carbon and Environmental Protection

We independently developed VR hardware and software. Combining with AI technology, we launched VR property viewing, VR property showing and other products. Both VR property viewing and showing could reconstruct the house in a 1:1 ratio, while exhibiting details include the size, the orientation of the house, distance and surrounding facilities for education and medical care. The applications of VR property viewing and VR property showing effectively improve the overall efficiency for house viewing, save commute costs, and reduce the environmental footprint for agents and customers. In 2021, Beike customers have used VR viewings for over 1.6 billion times, with an accumulated hour spent on VR property viewing over 66 million hours.



VR viewings for over

1.6 billion times



VR property viewing over

66 million hours

Paperless Online Contract Signing

Contract signing during traditional housing transactions requires a substantial volume of papers to be printed, and the delivery of paper contracts also results in carbon emissions. In 2021, we further promoted paperless online signing in the housing transactions to broaden the scope of such service. Statistics shows that, in 2021, we saved more than 47.2 million sheets of paper in total via online signing.

In 2021, we saved more than

47.2 million sheets

In addition, we focus on low-carbon management throughout the life cycle of our daily services. Taking clothing procurement as an example, more than half of the appropriate and purchasable clothing, that we provide our agents and employees with in their work are from environmentally friendly suppliers. We are extending our environmental and product sustainability requirements to more suppliers and service providers, striving to achieve low-carbon and environment conserving management throughout the value chain.

Green Office

To put our principle of "green office" into practice, we have implemented several environmental protection measures across all offices such as energy saving, water conservation and wastage management. We also encourage Beike stores to install furniture made of green and environment-friendly materials such as eco-door. Currently, all newly furnished Lianjia stores in Beijing have installed eco-doors. We encourage employees to purchase and use products made of environment-friendly material, and provide school bags made of such green materials as holiday gifts for employees. Meanwhile, the office area of Huaqiao Academy was designed, built, and operated in accordance with green building standards and certified under the Green Building Design Label (GBDL). In addition, we actively conduct trainings on resource conservation, promote electricity and water saving initiatives, and enhance employees' awareness of resource conservation.

Resource Conservation

Beike implements refined energy management practices in office areas. Practices include (1) assigning dedicated personnel to perform daily switching of major electricity-using devices, such as office lighting, stairway room light boxes, TVs of conference room, etc.; (2) analyzing the feasibility of installing intelligent lighting in office areas and dynamically adjust it according to the natural illumination and staff stay; (3) promoting awareness around energy-saving, low-carbon and green living concepts for all employees through both text and pictures.

Beike fully understand the importance of energy conservation and carbon emissions reduction. Our local branches or subsidiaries actively pursue energy saving practices based on their business operation statuses. For example, Shanghai Lianjia has set the targets of managing the increase of the total energy consumption to be within 5% and reducing energy consumption per unit of business revenue by 2.4% in 2021, under the guidance of related government authorities of Shanghai Jing'an District. To ensure that the energy efficiency targets are implemented and monitored, we signed the Target Responsibility Letter with the relevant government authorities of energy saving and emissions reduction and housing of Jing'an District. In 2021, it was selected as the Excellent Key Energy Consumption Unit of Jing'an District of Year 2020.

In May 2021, Shanghai Lianjia was selected as the Excellent Key Energy Consumption Unit of Jing'an District of Year 2020



Excellent
Key Energy
Consumption Unit





Office Facility Electricity-Consuming Management

Use electric equipment properly and turn it off in a timely manner. Avoid the use of long-time standby mode for computers, printers, air conditioners. Post "Turn off the lights" reminders in conspicuous places around office areas.

Water Resource Conservation

Strengthen daily inspection and maintenance of water facilities to timely reduce potential water waste. Post water-saving reminders near water facilities.

Paperless Green Office Promotion

Adopt online office system for office work and encourage paperless office practices, and encourage double-sided printing.

Water conservation is a regular measure in Beike's daily operation. We strengthen the daily inspection and maintenance of water facilities in the office area, promptly deal with the problems that cause the water waste such as leaking and dripping. At the same time, we post water-saving signs and actively guide our employees to develop the habit of saving water while washing hands, starting small and from ourselves, to cultivate a green lifestyle of resource sustainability.

Emissions Reduction

The hazardous waste such as used batteries, toner cartridges and ink cartridges generated from Beike's daily operation are processed and recycled via qualified suppliers. Waste batteries are sorted in hazardous waste bins and transported by waste collection companies for disposal. Toner cartridges, ink cartridges and other printer consumables waste are picked up regularly and disposed by the printer maintenance services providers after the placement by the Company's IT operation and maintenance department. As for non-hazardous waste, the garbage bins in our office area allow employees to sort recyclable and other types of waste. The cleaning team sorts the garbage during the collection process and separates the garbage by category in the closed garbage room, which is transported out of the office park by the waste collection companies at night. For recycling of waste electronic equipment, it is disposed after regular door-to-door collection by our suppliers identified in the procurement process.

We are concerned about the greenhouse gases (GHGs) we generate and seek opportunities to reduce GHGs associated with our operations. In the listing ceremony of Beike on the Stock Exchange of Hong Kong Ltd., we practiced low-carbon concept, collected and accounted for carbon emission data related to the ceremony in accordance with the requirements of the *Green Meeting Guide and Action* by the United Nations Environment Programme (UNEP) and the *Implementation Guidelines for Carbon Neutrality of Large-scale Event* of the Ministry of Ecology and Environment of China. We managed to offset the emissions generated from the ceremony and achieve the carbon neutrality of the listing ceremony through the purchase of national Certified Voluntary Emission Reductions (CCERs).



Addressing Climate Change

We recognize that climate change is an important issue of concern to all stakeholders, and it will have a significant impact on the environment and society, as well as on our normal course of operations. In this regard, we have identified and analyzed the impacts of climate change.

In terms of physical risks, extreme weather and natural disasters such as floods, typhoons, and torrential rains brought on by climate change may affect the operations of our workplaces, the safety of our employees and the normal provision of products and services. To avoid and reduce property damage and casualties caused by the occurrence of extreme weather events, we encourage stores to establish emergency response mechanism for extreme weather that fits the local climate conditions. This includes the development of measures and standardized procedures for before, during, and after the extreme weather event.

In terms of transitional risks, considering the long-term trends of China's development towards green economy and low-carbon transition, we manage the carbon emissions generated by our own operations and actively comply with national regulations and policies related to carbon emission reduction. We place close attention to the paper consumption level of Beike stores and promote paperless office as well as paperless online contract signing. In the meantime, we deploy green services by enhancing noticeability of properties with green features and provide customers with environmentally friendly service options. For more information on our efforts in energy efficiency improvement, resource conservation and environmental goals, please refer to the "Green Services", "Green Office" and "Environmental Goals" sections of this report.

Environmental Goals

Based on our past environmental performance along with the characteristics of our operations, we have set the following environmental goals:



By the end of 2022, phase out low-energy-efficient light boxes and replace them with LED light boxes in Beijing Lianjia stores.



By the end of 2022, strive to achieve paperless online contract signing for housing transactions with customers and agreement signing with store owners.



By the end of 2024, reduce the total water consumption of Beijing's main offices, Beijing Lianjia stores, and Huaqiao Academy, by 5% compared to the level of 2021.

Our greenhouse gas emissions are mainly due to the energy consumption of our operations. Based on the energy use efficiency target already set, we will not set a separate greenhouse gas emission reduction target this year.





Environmental KPIs

Energy and Resources Consumption^{5 6}

Indicators	Year 2021
Total comprehensive energy consumption (MWh) ⁷	41,635.41
Direct energy consumption (MWh)	2,269.14
Indirect energy consumption (MWh)	39,366.27
Energy consumption in office areas per floor area (MWh per square meter)	0.15
Energy consumption per capita (MWh per person)	1.27
Water consumption (tonnes) ⁸	369,284.39
Water consumption per floor area (tonnes per square meter)	1.29
Running water consumption per capita (tonnes per person)	11.25

Emissions⁹

Indicators	Year 2021
Total GHG emissions (Scope 1 and 2) (tonnes) ¹⁰	28,424.44
Direct GHG emissions (Scope 1) (tonnes)	426.45
Indirect GHG emissions (Scope 2) (tonnes)	27,997.99
GHG emissions in offices per floor area (tonnes per square meter)	0.10
GHG emissions per capita (tonnes per person)	0.87
Total hazardous waste produced (tonnes)	1.01
Hazardous waste produced per floor area (kilograms per square meter)	0.012
Hazardous waste produced per capita (kilograms per person)	0.17
Total non-hazardous waste produced (tonnes)	300.32
Non-hazardous waste produced per capita (kilograms per person)	49.88
Non-hazardous waste produced per floor area (kilograms per square meter)	3.70

⁵ Environmental data calculated for 2021 covers main offices in Beijing, Beijing Lianjia stores, and Huaqiao Academy.

⁶ Beike's operations do not involve the production of physical products. KPI A2.5- Total packaging material used for finished products does not apply.

⁷ The total amount of comprehensive energy consumption is calculated according to the consumption of power, natural gas and gasoline, and the conversion factors set out in the *National Standards of the People's Republic of China the General Rules for Calculation of Comprehensive Energy Consumption*. Direct energy consumption arises from the consumption of natural gas during Beike's operation and gasoline from self-owned vehicles. In particular, the natural gas consumption approximately 1966.14 MWh and gasoline approximately 303.00 MWh. Indirect energy consumption arises from the consumption of purchased electricity during Beike's operation.

⁸ Beike's water resources consumed come from the municipal water supply. In use of water resources, in 2021, the Company had no issues in sourcing water.

⁹ Beijing Lianjia stores are gradually establishing the data collection process for waste disposal since 2021, thus waste-related data will be disclosed in the future.

¹⁰ Due to its operational features, the significant air emissions of Beike are GHG emissions arising mainly from natural gas and electricity generated from fossil fuels. According to *Measures for Administration of Carbon Emissions Trading (For Trial Implementation)* issued by the Ministry of Ecological and Environment of the People's Republic of China, the inventory of GHG includes carbon dioxide, methane, nitrous oxide, sulfur hexafluoride, hydrofluorocarbons, perfluorocarbons and nitrogen trifluoride. Beike's GHG inventory includes carbon dioxide, methane and nitrous oxide. GHG emissions data is presented in carbon dioxide equivalent and the calculation is based on the *2019 Baseline Emission Factors for Regional Power Grids in China* issued by the Ministry of Ecology and Environment of the People's Republic of China, and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Edition)* issued by the Intergovernmental Panel on Climate Change (IPCC). GHG emissions (Scope 1) arise mainly from the consumption of "direct energy" (natural gas and gasoline) by Beike's operation. GHG emissions (Scope 2) arise mainly from the consumption of "indirect energy" (purchased or acquired electricity) by Beike's operation. The data covers main offices in Beijing, Beijing Lianjia stores, and Huaqiao Academy.

Better Home Rental Services

For new urban residents, young people, people who work for public service and other groups, who are in unfavorable living conditions, Beike leverages long-term capabilities in technology, systems, and product operations, in order to provide diversified and offendable rental solutions for different people.





As a **new housing service provider**, we have met the housing needs of nearly **10 million tenants** in more than **100 cities** across the country.

We actively respond to a series of requirements in the *Opinions on Accelerating the Development of Affordable Rental Housing* issued by the general Office of the State Council which highlights the livelihood attributes of housing, promoting the cooperative development of housing rental and purchase, expanding the supply of affordable rental housing, solving the housing difficulties of new urban residents, young people and other groups. We adhere to the principles of equal opportunity and sustainable development of the company, promoting the healthy development of the housing rental market, committing to provide appropriate and affordable housing services for all people and groups in the society. For new urban residents, young people, people who work for public service and other groups, who are in unfavorable living conditions, Beike leverages long-term capabilities in technology, systems, and product operations, in order to provide diversified and offensible rental solutions for different people.

Housing supply side

On the housing supply side, we have established a multi-level home rental supply system by means of leasing brokerage services, apartment operation services, professional agency custody services, and investment and co-building of housing resources to provide new citizens and young people with more rental options, helping to alleviate the problem of living difficulties.

Customer side

On the user side, we continue to improve service guarantees for leasing groups, regulate market behavior, and promote the stable development of leasing relationships. In response to problems such as untransparent charges, delayed delivery, and early termination in the rental market, we have launched the Twilight service guarantee program covering 7 major service commitments, as well as after-rental services such as cleaning and laundry. In the future, we will continue to iterate the service system, prolong the service chain, and comprehensively improve the rental life experience of users.

By expanding the supply of high-quality housing and providing higher-standard quality services, Beike not only promote the sustainable, stable, and healthy development of the industry, but also demonstrate corporate social responsibility and help tenants of different groups achieve their consistent vision of a better rental life.

Decentralized Home Rental Services

We launched the decentralized rental management service Beike Carefree Rent, in response to the national policy call to “accelerate the development of the long-term rental market” and implemented the guidance of the Central Economic Work Conference on the real estate market-related work. Without changing the housing structure, we integrate the scattered rental homes on the market and transform them into high-quality and reliable long-term rental properties. At the same time, we promise to provide full-process and all-round service guarantees such as transparent commissions, authentic listings, rent security, lawyer consultation, personal and property safety, etc. In addition, Beike Carefree Rent also provides housekeeping services, hosting cleaning, maintenance, moving and other rental family services, which truly assure property owners and renters.

Centralized Solutions for Home Rental

While providing decentralized housing rental escrow services, we also launched a centralized rental solution, aiming to explore more diversified rental housing solutions. Our first youth apartment project Beike New Youth Apartment, that we jointly invested and built with Shanghai’s Xuhui District, is located on an area of nearly 40,000 square meters, converted from an old factory building, with a total volume of 2,978 units. 65% of the rooms are extremely compact units. In addition, the apartments are managed in a centralized and serviced manner, and will provide new youth and citizens with affordable, work-live-integrated, safe and clean independent living spaces.

Shenzhen V-Town New Youth Community

In May 2021, we invested RMB700 million in V-Town Community in Yuanfen New Village, Shenzhen, to strengthen community operation and service capabilities by large-scale leasing, aiming to provide a livable and affordable high-quality rental environment for the youth living in large and medium-sized cities. Relying on its relatively low rental cost, V-Town New Youth Community plays an important role in enhancing the sense of belonging of the new urban youth population and increasing the vitality of the city.





Caring for Our Communities

We believe by integrating the advantages obtained from the housing industry with community welfare, we are on the right path to promote efficient and sustainable community development. For building a harmonious community, we spare no efforts to adopt diversified communication mechanisms and a wide range of charity activities to resonate with communities in where we operate.

In addition to delivering convenient services and charitable activities to urban communities, we actively carry out assistance initiatives in underdeveloped regions for improving the living conditions of families in these areas. Having donated and built our first Lianjia Primary School in underdeveloped areas back in 2006, ever since, we have donated 12 primary schools and 201 libraries, with a total donation amounted to over RMB70 million.



Rural Revitalization

Following the wide-ranging victory in poverty alleviation in 2021, China announced the initiation of the rural revitalization strategy. As a service provider in new residential real estate industry, we actively respond to the call of rural revitalization and strive to consolidate and expand on existing achievement of poverty alleviation and to promote **the advancement of the underdeveloped regions** from the **aspects of education, health care, and employment**.

“One Enterprise for One County” Support Project

Jingyuan County in Gansu Province was once deeply stricken by poverty. It used to be one of the 160 national key counties for rural revitalization. Since 2016, Lianjia promptly addressed the national strategy and carried out targeted poverty alleviation projects in the field of education, healthcare and industrialization in furtherance of revitalization of the Jingyuan County.

In 2021, we officially signed the rural strategic cooperation agreement on the Consolidating Poverty Alleviation Achievements and Assisting Rural Revitalization Strategy with the Jingyuan County People’s Government. According to the overall project plan, in the early phase, the strategic cooperation mainly focuses on compulsory education and healthcare. Lianjia Charity Foundation will implement pilot projects, such as education facilities renovation, quality education development, rural teacher and doctors upskilling training sessions, according to the educational and medical needs of Jingyuan County. Future cooperation will be expanded and incorporate industrialization and employment. As we leverage our resource network, we aim to seek cooperative opportunities for Jingyuan County’s agricultural products among the industry chain and supply chain, in turn assisting the long-term economic development of the County.



The Starlight Hometown Action

We can never leave alone rural revitalization without considering the healthy growth of our children in the rural areas. In 2021, we commenced the Starlight Hometown Action as one of our key projects to support rural community development and resolve issues around the left-behind children in the rural areas. The action encourages agents to team up and earn Starlight Points upon completing tasks such as guided property viewing, and we will consequently donate to build a children’s service station in the name of the team that earned the most Starlight Points. The station provides local children with a variety of services, including accompanying care, disease prevention and treatment, and diversified education programs, so as to promote the manifold and healthy development of the rural children. In a span of 35 days, the Starlight Hometown Initiative has attracted participation with over 76,000 agents from 138 cities and has built 17 children’s service stations in 10 provinces/municipalities, including Liaoning, Sichuan, Anhui, Jiangxi, Jiangsu, and Beijing. The initiative is projected to accompany the growth and development of over 600 rural children.



Elder Care Service

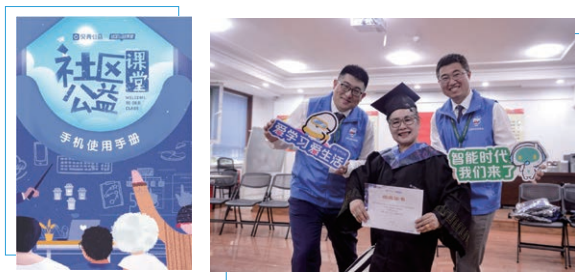
The rapid increase of the aging population in China has led to an enormous demand for elder care services. Community, as the basic spatial unit of a city, it directly impacts the living quality of the elderly depending on the living conditions and the variety of elder care services provided by the community.

Beike Charity Foundation and Beike Research jointly published the *Research on Elderly – Friendly Community Evaluation Metric System* in March 2022, which compiles and analyzes relevant technical concepts, policy objectives and research findings in China and internationally. The research has comprehensively examined the realistic and forward-looking issues in the process of building elderly-friendly communities in China. Stemming from three dimensions: space-friendly, service-friendly and humanistic friendly, this metric system branches out to nine refined dimensions, including housing construction, transportation, public facilities, care services, health services, smart services for the elderly, social participation, re-promotion of employment and caring respect along with another 37 metric indicators. The research supplies explorative notions for the construction of an elderly-friendly living environment going forward.

Elderly Smartphone Training Sessions

While the youngsters enjoy delicacy and communicate face to face without leaving their homes, the majority of elderlies are locked out of the digital world. The elderly who also should have been experiencing the benefits brought by the internet are now facing the digital divide that stops them from connecting with the world. Therefore, it is our vital social responsibility to knock down these barriers and assist the elderlies to use the internet freely.

As smartphones are becoming necessities in life, not being able to use part of the functions have created much inconvenience for the elderly. They are often a lack of the knowledge of how to request rides from digital platforms, make doctor's appointments or open the smart locks on doors. This problem has been heightened by the pandemic as some elderlies are unable to provide their health code on the phone, hindering their mobility. This plight that the elderly is facing in the era of intelligent technology is gaining widespread concerns within our society.



In response to the challenges faced by the elderly, we have initiated an ongoing elder care program that teaches elderly to the use of smart phones since 2018. The program entails regular training workshops and free Q&A. The training sessions are prepared for the elderly to use smartphone functions that are helpful to everyday life, including using WeChat, making doctor's appointment digitally, paying fees, using maps, and ordering food delivery. By the end of 2021, the program has been replicated in 2,017 communities in 48 cities nationwide with a total of over 9,000 smartphone training sessions held, providing over 300,000 elderly people. With such successful implementation of the program, we were nominated in the Social Impact Award at Reuters Responsible Business Awards 2021, an award sought to recognize leaders in the field of sustainable business.

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Care Mode of the Beike Zhaofang App

In 2021, Beike has become one of the first batch of life and shopping applications as part of the Special Action on Ageing and Barrier-free Transformation of Internet Applications launched by the Ministry of Industry and Information Technology of the People's Republic of China.

Through observation and communications with experienced agents, we discovered four main obstacles for the elderly when using smart products: gestural operation difficulties, information reception obstruction, interface comprehension difficulties, and diminished enthusiasm for use. We have developed multiple features tailored for each of the obstacle to better assist the elderly in using our products, including (1) simplify operation gesture, avoid multi-finger operations, long press and other complex operations to improve the success rate of operation; (2) optimize visual performance, set appropriate size for text and icons, and adjust contrast to improve interface reading experience; (3) adopt multi-channel perception and deploy haptics upon clicking to enhance perception to strengthen the transmission of information; (4) flatten App interface by removing visual effects, so as to simplify process flow and highlight practical functions to improve information perception; (5) clarify the use of personal information, reinforce notices of potential threats, avoid seductive advertisements or notifications, and reduce interference to lessen the psychological burden for the elderly when using the App.

Community Services

Convenient Service

We worked closely with our partner brokerage brands and leverage our massive off-line presence to offer a wide range of services for our community residents. Since 2020, to ensure students undergoing the National College Examination in areas affected by COVID-19 can participate in the exam smoothly and peacefully, while strictly following the guidelines of pandemic control, we collaborated with brokerage brands and stores to set up a number of National College Entrance Examination Service Stations. The students and parents received free services such as resting in shades, printing and copying, direction guide, paper and pencil borrowing, and drinking water. In 2021, **14,000 stores** in **70 cities** were transformed into such stations, supplemented with masks, disinfectant wipes and heatstroke medicines to help out the students and parents in preparing for the exam.

Urban Study Rooms

In 2021, Shanghai Lianjia's Urban Study Rooms project was carried out in collaboration with Xinhua Bookstore. This project drew upon the mature book retail operation system of Xinhua Bookstore and the extensive store presence of us to provide public and comfortable reading spaces for community residents. The stores were designed to segregate reading zones, set up open-designed bookshelves near large windows and equipped with tables and chairs to create a pleasant reading environment. As of the end of 2021, we have set up more than 200 study rooms.



Volunteer Service

We have launched the Shanbei Partners Program since 2020. We call on brokerage brands, organizations, and store owners to become the philanthropic partners of Beike and draw upon our business empowerment, human capital, capital, and other resources to collectively aid public welfare.

In 2021, we launched the Shanbei Go charity program for our philanthropic partners. Volunteers made donations in the form of walking miles to build a Sunshine Playground for the Beike Shaliang Primary School. In 35 days, the volunteers had successfully completed **80 million steps** which exchanged **RMB200,000** worth of donation funds for the construction of the **2,000 square meter** playground.



Common Good Community Project

Since 2020, Beike worked with China Children and Teenagers' Fund to launch the Beike Common Good Community Plan. The Plan subsidizes community charity organizations and projects and is committed to enabling innovative community welfare practices as well as creating community impacts. At the same time, we arrange agents and stores to participate in community development. Not only does this tighten the bond between our agents and stores with community welfare organizations, but also deepens the connection between Beike and the local residents as we work together to prosper community welfare.

Beike Caring Homes for Medical Care-Seeking Travelers

In 2021, the Beike Common Good Community Plan collaborated with Shenzhen Deyi Love Promotion Association to launch the International Rare Disease Day campaign and initiate the Caring Homes for Medical Care-Seeking Travelers project to call on the public to consider the needs of people with rare diseases and help families in need find housing when travelling to first-tier cities to seek medical care. By supplying the patients and their families with short-term and low-rent housing, the project solves the accommodation issue often faced by the patients with rare diseases.





Internal Charity Bazaar

In December 2021, Beike Charity Foundation, jointly with charity organizations in the Beike Common Good Community Plan, co-hosted an internal charity bazaar and sold derived creative art works by autistic children, including canvas bags, picture albums, calendars, and postcards. The sale raised over RMB10,000 of charity funds dedicated to help teenagers with mental and intellectual disabilities to discover their self-worth and better integrate into the society.



Flood Control and Disaster Relief

In July 2021, Henan Province of China was continuously hit by extreme heavy rainfall, causing severe waterlogging in several cities, vastly damaged infrastructures, flooded farmlands and destroyed buildings, which resulted in major economic losses and endangered the lives of local residents. Immediately after the disaster broke out, we donated RMB1 million to the China Foundation for Poverty Alleviation to help those in the affected areas to purchase food and other living necessities. The Beijing branch of Beike Charity Foundation supported the purchase and distribution of 5,673 food packages. We also donated an additional RMB10 million to the Henan Red Cross Society for emergency response and recovery.

COVID-19 Response

The COVID-19 pandemic has impacted every one of us and has brought the world unprecedented challenges. In 2021, the pandemic repeatedly raged across the nation. As a basic unit of the city, communities are at the frontlines for the control and prevention of the pandemic. Serving as a primary guardian force of the community, our agents volunteered in no time and participated in different works of pandemic prevention within neighborhoods.

Fully leveraging our widespread stores at communities, we have provided community convenient services during the pandemic to the greatest extent. These services include contactless delivery collection on behalf, free printing and copying, and other convenient services. We sincerely hope that all the work we do will fulfill the genuine needs of community residents. We are always around to meet the needs of our residents.

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The Beijing branch of Beike
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We also donated an additional

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In Shanghai, Beike contributed

1,615
volunteers

providing volunteer services
of over

35,000
hours

covering over

350
communities

Helping Local Communities Combatting the Pandemic

Given the implementation of regular pandemic prevention and control measures, protective supplies have become necessities for community residents. In response to the calling of community measures, we have launched Beike Pandemic Prevention Service Stations in multiple regions. Taking the example of Wuxi, 160 Beike stores have set up Pandemic Prevention Service Stations to deliver a number of free convenient services such as providing emergency charging, printing QR record code for nucleic acid testing, and providing free masks and disinfectant. we aspire to contribute our part to the prevention of the pandemic while providing convenience services for the residents.

In the meantime, we actively assist community pandemic prevention and control by participating in community volunteer activities. In Dalian, 1,240 agents volunteered to fight the pandemic in the frontline and provided community services at nucleic testing sites near the stores, supplying 3,000 home sports equipment to residents and providing free printing services to children studying at home. In Shanghai, Beike contributed 1,615 volunteers, supplying over 35,000 hours of volunteer service, covering over 350 communities in the city.







Outlook

Beike commit to long-term benefits, doing the right thing even if it is difficult. We never forget our belief when founding Beike, aiming to promote the industry development, provide consumers with quality services, insist on business for good, value the talent development, practice low carbon operations, and care for our communities. We advocate the whole industry to bring good for our consumers and agents, promote appreciated value for our service providers and work to accelerate the overall residential services quality.

In 2021, Beike launched the “One Body, Two Wings” strategy, and in the year of 2022 Beike will actively take the responsibility of helping improve people’s livelihood and grasp the opportunities of trends in the housing related industry. Beike will achieve three goals based on the strategic upgrade of One Body Two Wings to ensure high-quality sustainable growth:

- (1) improving the professional ethics and capacities of agents and other service providers;
- (2) under the premise of quality assurance, promoting the efficiency of real estate transaction operation and improving the flexibility of organizations at all levels;
- (3) consolidating the new business of “Two Wings” with the “One Body” integrated core capability, to build an efficient business model for customer referral and to develop a diversified and compatible leasing scheme.

As a responsible enterprise of the time, we will continue to shoulder responsibility and bring our service and technology advantage to the industry. We will continuously stimulate innovation and vitality, join hands with partners to promote the development of the industry, be responsible to all stakeholders, and lead and drive the sustainable development of the industry. In this era of challenges and opportunities, we will move forward steadily and make unremitting efforts to realize our vision of “a quality housing platform serving 300 million families” and contribute to the development of a better society.



ESG Appendix

Subject Areas	Aspects	Contents of Disclosure	Section in the report
	Board Statement	a disclosure of the board's oversight of ESG issues.	III. ESG Strategy – 1. Board Statement
		the board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses).	
		how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	
	Reporting Principles	<p>A description of, or an explanation on, the application of the Reporting Principles (Materiality, Quantitative and Consistency) in the preparation of the ESG report.</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used (if any), or any other relevant factors affecting a meaningful comparison.</p>	I. Preface – 2. About this report
Reporting Boundaries	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	I. Preface – 2. About this Report	
Environmental	A1 Emissions	<p>General Disclosure: Information on:</p> <p>(1) the policies; and</p> <p>(2) 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.</p>	VII. Low-Carbon Operations 1. Green Services 2. Green Office
		KPI A1.1 The types of emissions and respective emissions data.	VII. Low-Carbon Operations Environmental KPIs
		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).	VII. Low-Carbon Operations Environmental KPIs
		KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	VII. Low-Carbon Operations Environmental KPIs
		KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	VII. Low-Carbon Operations Environmental KPIs
		KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.	VII. Low-Carbon Operations 1. Green Services 2. Green Office 4. Environmental Goals

Subject Areas	Aspects	Contents of Disclosure	Section in the report
		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.	VII. Low-Carbon Operations 1. Green Services 2. Green Office 4. Environmental Goals
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	VII. Low-Carbon Operations 1. Green Services 2. Green Office
		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).	VII. Low-Carbon Operations Environmental KPIs
		KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	VII. Low-Carbon Operations Environmental KPIs
		KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	VII. Low-Carbon Operations 1. Green Services 2. Green Office 4. Environmental Goals
		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.	VII. Low-Carbon Operations 1. Green Services 2. Green Office 4. Environmental Goals
		KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable due to the fact that we do not produce physical products
	A3 The Environment and Natural Resources	General Disclosure: Policies on minimizing the issuer's significant impacts on the environment and natural resources.	VII. Low-Carbon Operations 1. Green Services 2. Green Office
		KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
	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.	VII. Low-Carbon Operations 3. Addressing 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.	



Subject Areas	Aspects	Contents of Disclosure	Section in the report
Social	B1 Employment	General Disclosure: Information on: (1) the policies; and (2) 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.	VI. Talent Development 1. Employee Rights and Interests
		KPI B1.1 Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	VI. Talent Development Employment KPIs
		KPI B1.2 Employee turnover rate by gender, age group and geographical region.	VI. Talent Development Employment KPIs
	B2 Health and Safety	General Disclosure: Information on: (1) the policies; and (2) 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.	VI. Talent Development 2. Employee Health and Safety
		KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	VI. Talent Development Health and Safety related KPIs
		KPI B2.2 Lost days due to work injury.	
		KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	VI. Talent Development 2. Employee Health and Safety
	B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	VI. Talent Development 3. Employee Development and Training
		KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	VI. Talent Development KPIs of training
		KPI B3.2 The average training hours completed per employee by gender and employee category.	VI. Talent Development KPIs of training
	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.	VI. Talent Development 1. Employee Rights and Interests
		KPI B4.1 Description of measures to review employment practices to avoid child and forced labor.	
		KPI B4.2 Description of steps taken to eliminate such practices when discovered.	
	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	V. Business Ethics 5. Supplier Management
		KPI B5.1 Number of suppliers by geographical region.	
		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.	
		KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.			

Subject Areas	Aspects	Contents of Disclosure	Section in the report
	B6 Product Responsibility	General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	IV. Quality Assurance 1. Platform Quality 2. Property Listing Quality 3. Service Quality 4. Quality Innovation V. Business Ethics 1. Data Security and Privacy Protection 4. Advertising Compliance
		KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable due to the fact that we do not produce physical products
		KPI B6.2 Number of products and service related complaints received and how they are dealt with.	IV. Quality Assurance 3. Service Quality
		KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	V. Business Ethics 3. Intellectual Property Rights
		KPI B6.4 Description of quality assurance process and recall procedures.	IV. Quality Assurance 1. Platform Quality 2. Property Listing Quality 3. Service Quality
		KPI B6.5 Description of customer data protection and privacy policies, and how they are implemented and monitored.	V. Business Ethics 1. Data Security and Privacy Protection
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.	V. Business Ethics 2. Building a Clean Business Environment
		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.	
		KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	
		KPI B7.3 Description of anti-corruption training provided to directors and staff.	
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.	VIII. Better Home Rental Services IX. Caring for Our Communities
		KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	IX. Caring for Our Communities
		KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	IX. Caring for Our Communities

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