



2020 **KE Holdings Inc.**
ESG Report

DIRECTORY

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INTRODUCTION

“There is still ample room for improvement of our industry. For better consumer residential service experience, there is still a long way to go. We discipline ourselves to achieve more and we never stop pursuing higher quality. We expect to change this industry for the better with our unremitting efforts.”

— ZUO Hui (1971-2021), the founder and permanent chairman emeritus of *Beike*

Behind consumers' choice of *Beike* lies their wishes for more joyful living. As the technology-driven service provider in new residential real estate industry, we are determined to be down-to-earth and perseverant for our work. We remain steadfast in our efforts to protect the rights and interests of our consumers, improve consumer experience and constantly meet their expectation towards joyful living.

--PENG Yongdong, the co-founder, chairman and CEO of *Beike*

The Birth of *Beike*

China is achieving the largest scale of urbanization in human history at a remarkable speed. However, China's housing transactions and services industry has always accompanied by problems such as fake housing information, poor overall service quality and low transaction efficiency. Residential service experience of consumers has been negatively impacted by these problems. Moreover, the service value has not been properly respected due to the generally low income of employees in this industry, which further hinders the popularization and implementation of the basic code of conduct of the industry.

In 2018, *Beike* evolved from *Lianjia*. By opening up core capabilities such as the *Housing Dictionary* and Agent Cooperation Network (ACN), *Beike* provides all-round empowerment of brokerage brands. *Beike* goes to great lengths to improve the service efficiency and quality of service providers, provide consumers with quality, efficient and impartial services, and eventually drive the overall improvement of the industry revenue and the code of conduct of the whole industry.

The birth and development of *Beike* constantly changes the status quo of the “stigmatization” of China's residential services industry, helps service providers in the industry gain dignity, and brings consumers joyful living.

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

Guiding by the government's principle that “Housing is for living in, not for speculation,” we convey neutral market view and promote

the virtuous cycle of an ecosystem that is built on authentic property listings and agent cooperation networks. We believe that committing to long-term benefits over shortcuts for quick success and “doing the right thing even if it's difficult” will lead us towards long-term prosperity, and eventually we will accomplish our vision and business development goals.

Believe in the Power of Belief

In 2020, the world encountered unprecedented diverse challenges. Climate change continues to bring severe challenges to human survival and development. COVID-19 ravages the world. However, there is determination in chaos, and there is an evolution in changes. *Beike* believes that its insistence on “doing the right thing” can contribute to the industry's response to current difficulties. And it is precisely this kind of “belief” that gives *Beike* the infinite power.

In this extraordinary year, *Beike* has fully released its innovative digital capabilities, improved the efficiency of service providers and consumer experience, and accelerated industry upgrade and the arrival of the era of quality living.

Agent Cooperation Network (ACN), building an ecosystem of win-win cooperation:

We employ the ACN rules to redefine agents' relationships and promote cross-brand cooperation on property listings, housing customers and agents, so that we could establish a win-win ecosystem. We empower our industry with ACN and initiate the new era of residential services equipped with high efficiency and quality. As of the end of 2020, more than 70% of the existing home transactions completed on *Beike* involve cross-store cooperation following ACN.

Housing Dictionary, building the data foundation for authentic property listings: As the data foundation of advancing the authentic property listings within the industry, *Housing Dictionary* has been continuously optimized and now it has been upgraded to *Housing Dictionary Live*. As a result, we could present the properties with dynamic real-time updates. As of December 31, 2020, our *Housing Dictionary* covered approximately 240 million properties.

Authentic Property Listings, driving the positive cycle of industry quality improvement: As an industry pioneer advocating for “authentic property listings”, we have been upholding such concept and have adopted it as our bottom-line. In doing so, we actively take actions in effectively promoting the authentic property listings to foster a positive business ecosystem and promote the virtuous cycle of our industry which is powered by high-quality services.

Technological Innovation, reshaping the residential consumption experience: By upholding the principle of empowering transaction services with technology and levelling up investment in technological innovation and product development, we make every effort to promote the intelligent development of the housing transactions and services industry and pursue a seamless online transition. We will continue to apply technologies such as VR and AI to improve customer experience and enhance service quality.

We deeply understand that incorporating the concept of sustainability at every stage of our business development is the cornerstone for our business success and the advancement of the industry. We believe solid environmental, social and governance (ESG) management is not only vital for becoming a corporate citizen receiving social respect but more importantly supports us to respond to the challenges and opportunities of our times. By deeply integrating ESG strategy into our corporate strategy and operations, we are committed to operating on an ethical and compliant basis and reinventing service experience with technological innovation for good. While promoting a diverse and inclusive environment for talent development and pursuing environment-friendly operations following the principle of low-carbon, we also keep practicing community public welfare to build a wonderful community together.

In the future, we will continue to uphold our corporate mission of “Admirable service, joyful living”, and work with all stakeholders to promote the sustainable development of our business, the environment and society. We aspire to fulfill our vision of “providing comprehensive and trusted housing services to 300 million families”.

ABOUT THIS REPORT

This Report is the first Environmental, Social, and Governance (ESG) report issued by KE Holdings Inc. (“Beike”, “Beike Zhaofang”, the “Company” or “we”). The Report sets out to present, on an objective and fair basis, the ESG performance of *Beike* and its subsidiaries in 2020.

Reporting Scope

The reporting period of this Report is from January 1, 2020 to December 31, 2020 (“this year”). To enhance the comparability and completeness of the Report, part of the disclosure in this Report also covers other time periods.

Report Preparation

In the preparation of this Report, we strove to ensure that the information disclosed herein follow the four principles: materiality, quantitative, balance and consistency. Unless otherwise specified, monetary units disclosed in the Report are all displayed in RMB.

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.



ESG STRATEGY

ESG Principle

Our 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 mission and the core values, we integrate ESG criteria into our corporate strategy and operation management. Guided by the ESG principle, we leverage our digitalized service capabilities and advocate the whole industry to bring good for our consumers and agents. We also advocate win-win cooperation and technology innovation in the sector, to bring appreciated value to our service providers and improve the overall residential service quality. We aspire to fulfill our vision of “providing comprehensive and trusted housing services to 300 million families” with unremitting efforts. We firmly believe that our conviction of “Do 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.

ESG Governance

In 2020, we have built a sound ESG governance structure covering governance, management and executive levels. The Board of Directors authorizes the Nominating and Corporate Governance Committee to oversee ESG related issues and perform relevant ESG governance responsibilities on behalf of the Board. The Head of each ESG functional department forms an ESG executive management team to coordinate and guide these functional departments, working jointly to ensure the effective implementation of ESG management,

and periodically report work progress to the Nominating and Corporate Governance Committee. Additionally, the ESG Working Group is responsible for mobilizing staff from ESG functional departments to ensure smooth implementation of ESG work, and continuously establishes and optimizes ESG related risk management mechanisms to ensure close communication and cooperation with all stakeholders. We are committed to improving our ESG management to enhance the value and competitiveness of our business.

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, consumers, agents, brokerage

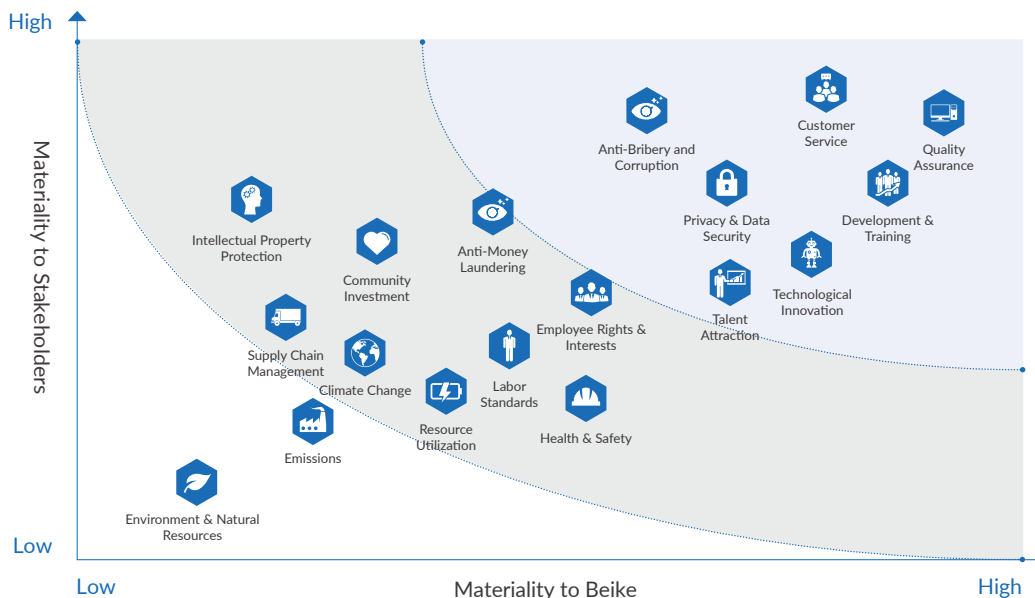
brands, employees, communities, suppliers and partners, media and non-governmental organizations (NGOs). We have established effective communication mechanisms and channels to ensure effective communication for stakeholder engagement.

Materiality Assessment

In 2020, 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 comprehensively 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.

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

The chart below outlines the most relevant material ESG issues to



2020 ESG Performance Highlights

Industry Development



As of the end of 2020, more than **70%** of the existing home transactions completed on our platform involve cross-store cooperation following ACN



As of the end of 2020, Xiaobei AI-assistant has provided a total of **180 million** pieces of suggestions to agents, of which more than **50%** suggestions were adopted in December



Since the launch of our "Online Signing Room" in May 2020, by the end of 2020, the online mortgage processing services has covered **52** key business cities nationwide, with more than **55,000** transactions completed

Quality Assurance



By the end of 2020, the *Housing Dictionary* has covered a total of **240 million** properties



Our promise of providing authentic property listings has achieved **100%** coverage on *Beike* for **10** consecutive years and the average authenticity rate of property listings on *Beike* has reached **95%**



As of the end of 2020, our commitment of "Unconditional Returns within 3 Days" for new homes has covered **100** cities nationwide

Business Ethics



As a service provider in new residential real estate industry in China, we took the lead in obtaining dual certifications of **ISO/IEC 27001** Information Security Management and **ISO/IEC 27701** Privacy Information Management



In 2020, we obtained **152** software copyrights, the number of which amounted to **407**. We received **310** domestic and foreign authorized patents, and the number amounted to a total of **611** granted patents



In 2020, we participated in the drafting and release of the **Application software user personal information collection and usage minimization and necessity evaluation specification- Real estate information** by the Telecommunication Terminal Industry Forum Association

Talent Development



40% female employees



By the end of 2020, we had **119,658** full-time employees



We introduced the 2020 Equity Incentive Plan on the basis of the 2018 Equity Incentive Plan, and confirmed **RMB 345 million, RMB 2,523 million** and **RMB 2,253 million** of option-related expenses in 2018, 2019 and 2020, respectively

Low-Carbon Operations



This year, *Lianjia* Stores operated in Beijing saved a total of **3 million kilowatt-hours** of electricity



In 2020, we had approximately **1.29 billion views** of VR property showings, and our housing customers have overall spent **59 million hours** on VR property showings



About **8.95 million** sheets of paper were saved through paperless online contract signing in 2020

Caring for Our Communities



By the end of 2020, the teaching elderly to use smart phone initiative has covered **578** communities in **34** cities nationwide, providing more than **140,000** times of services to the elderly



By the end of 2020, we have invested a total of **RMB 51.49 million** in poverty alleviation and assistance in rural areas



By the end of 2020, we have donated a total of **10** primary schools, **196** charity libraries and **596,862** books



CORPORATE GOVERNANCE

Independence of the Board of Directors

We strictly abide by relevant laws and regulations. Taking legal compliance as the basis of our corporate governance, we form a scientific and efficient corporate governance mechanism with well-defined responsibilities and authorities. As the Company's highest decision-making body, the Board of Directors consists of an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. These committees are in place to ensure the rationality of internal resource allocation and the efficiency of decision-making.

| | |
|--|---|
| <p>Independence and diversity</p> | <p>As of May 31, 2021, our Board of Directors consists of six Board members, including three non-executive directors and two of them are independent directors (both are female directors).</p> <p>The percentage of independent non-executive directors of each Committee is 66%.</p> <p>The chairperson of the Audit Committee and the Compensation Committee are both independent non-executive directors.</p> |
| <p>Professional background</p> | <p>Board members have rich experience in various industries including audit, risk control and real estate, with diverse professional backgrounds including computer science, finance and electrical engineering.</p> |

Risk Management

Following the COSO (The Committee of Sponsoring Organizations of the Treadway Commission) framework, we build a risk management structure consisting of three lines of defense to identify and analyze financial and non-financial risks during operations and form effective risk prevention and control mechanisms for achieving long-term stable operation.

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.

At the same time, 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.

INDUSTRY DEVELOPMENT

Leveraging our open data resources and innovative technologies, we aim to unite and empower all service providers in the industry. With our innovative service models, advanced digitalization capabilities, and continuously training support, we look forward to promoting the high-quality development of the industry.



Creating the Industry Environment for Better Services - Joyful Living

We aspire to provide families with better living quality by taking actions below.

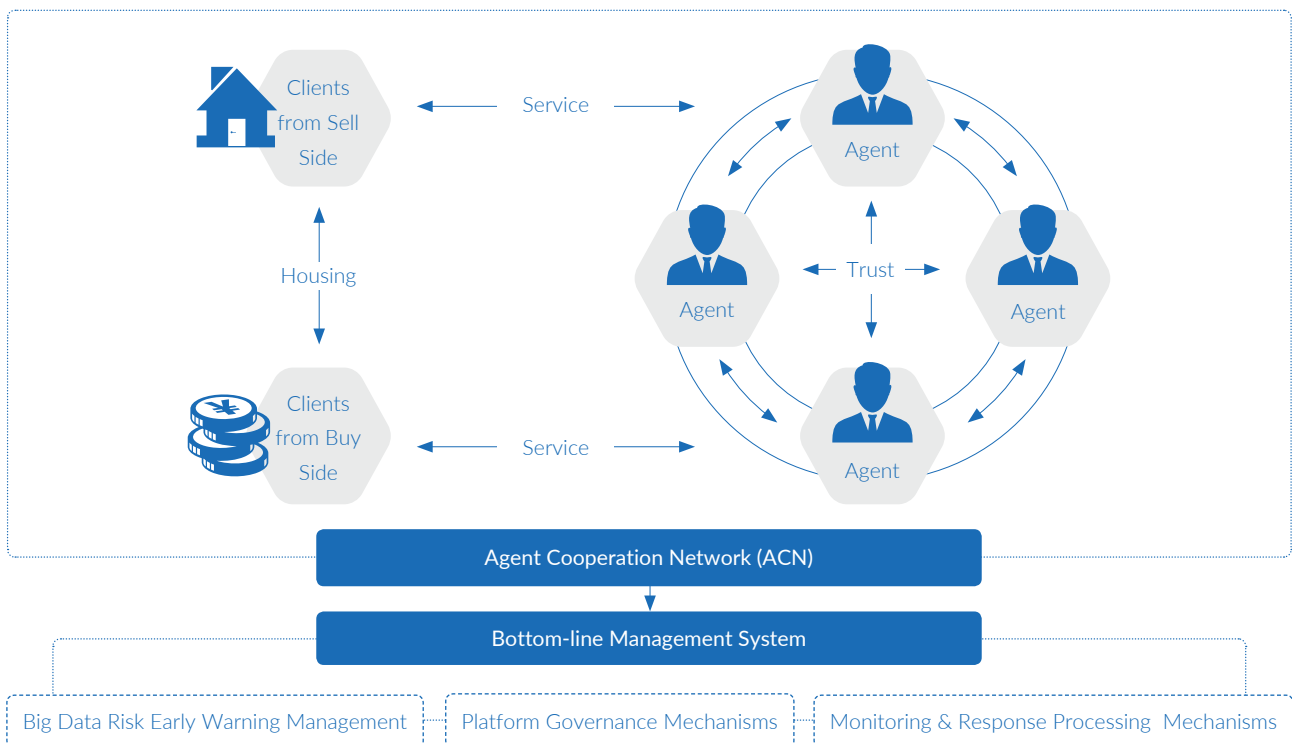
- Promoting industry sharing and benign competition via the ACN.
- Creating and optimizing the industry environment for authentic property listings with *Housing Dictionary* and guarantee mechanisms.
- Combining data and technological innovation to promote the development of the housing transactions and services industry on the path towards process standardization, business digitalization and application scene intelligentization.

ACN

Beike has innovatively introduced and constantly upgraded ACN, creating a close linkage among property listings, housing customers and agents, with our hope to break the information barrier and foster a healthy industry ecosystem through cooperative efforts. Under the premise that information and resources are fully shared, ACN gives cross-store or cross-brand agents the opportunity to participate in multiple transactions in their areas of expertise and commissions are distributed based on their contributions. In doing so, we help foster a healthy working environment instead of vicious competition and achieve better service quality. We have created the ACN 1.0 during the era of *Lianjia*, during which the ACN rules and commission allocation mechanisms had been constantly refined by more than 100,000 agents. Stepping to *Beike* era in 2018, it has been upgraded to

ACN 2.0, being operated and iterated more broadly.

The healthy operation of the ACN relies on a comprehensive bottom-line management system consisting of the big data risk management, rules governance mechanisms, and supervision mechanisms. Programs like *Real Name Authentication* and *Account Classification* have helped us to continuously prevent agents from potential violations of rules and standards. Furthermore, to ensure effective implementation of *Beike* rules and constant improvement of the governance mechanisms, we have established the Store Owners Committee, "Beike Jury" and other self-governing organizations. Facilitated with public supervision, violations investigation and other supervision measures, the implementation of ACN rules is further guaranteed.



“Beike Jury”

“Beike Jury” is a self-governing organization consisting of agent representatives who make collective decisions based on ACN rules, solving disputes arising from unreasonable benefit distribution among agents. “Beike Jury” safeguards agents’ rights and interests in a self-managed and self-supervised manner, guides agents to compete positively and ensures that the decisions are made independently and impartially. To ensure fair jury decision-making, we have also developed an elimination and incentive system, and we conduct training sessions and assessments on a regular basis.

By the end of 2020, “Beike Jury” had 4,870 jurors and an aggregate of 1,532 cases have been processed.



“Beike Jury”,

4,870

“jurors”,

1,532

cases processed

Store Owners Committee

Store Owners Committee - a self-governing organization initiated by Beike, representing the voices from different business operating regions to propose new insights and recommendations concerning industry development, consists of store owner representatives and brokerage brand representatives from each city. The committee also actively communicates with our consumers to improve our service quality. Committee members are elected democratically by local store owners and top performers will be selected to join the local committee after a comprehensive assessment, so that the impartiality of the committees is assured. The committees tightly connect our industry, the government regulatory bodies and our consumers to protect the rights and interests of our consumers, agents and brands.

By the end of 2020, Store Owners Committees have been set up in 28 key cities with 867 members in total.



Store Owners Committees have been set up in

28

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867

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For 2020, over 70% of the existing home transactions completed on Beike involve cross-store cooperation following our ACN. Through ACN, we specify roles in housing transactions, which promotes cooperation, information sharing and benign competition among agents. Our customer experience has been enhanced with such improvement of resource utilization and service efficiency.

Along with the expansion of ACN and the gradual formation of a positive ecosystem driven by information and resources sharing and healthy competition among agents, we also value agents’ business expertise and service performance. We expect to promote professionalism and service quality by creating a positive incentivizing and rewarding system considering the rights and interests of our agents. To that end, we successfully launched our Beike Score system.

Beike Score

Beike Score is calculated based on agents' recorded behavioral data via big data model algorithm, indicating agent's overall performance during daily operations. By assessing the capabilities of providing quality services and ranking our agents from multiple evaluation metrics, such as professional qualifications, cooperation performance, participation, industry influence and service quality, Beike Score serves as an objective tool for identifying trustworthy agents. We also offer various benefits and resources accordingly to inspire agents for continuous performance improvement.

driving our agents to constantly improve their professional knowledge and service quality. Our incentive strategy is to reinforce the positive cycle: agents start with accumulating performance data with high-quality services, which will lead to a higher Beike Score. With the increasing Beike Score, agents will be rewarded with more resources and thus being motivated to provide better services.

We believe that Beike Score will help us build a trust, sharing, and a cooperative environment, in which a win-win situation will also be achieved between our housing consumers and service providers, as well as among service providers.

We believe that Beike Score will also serve as a guideline

Professional Qualifications

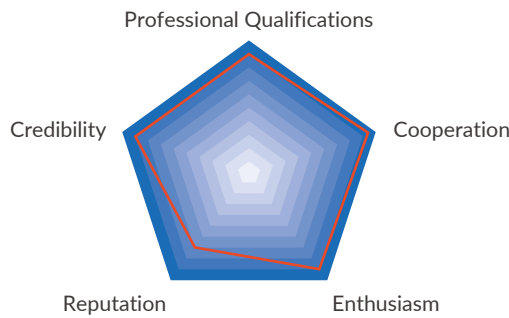
Motivate agents to pursue higher education degrees for extra Beike Score
Drive agents to study by conducting professional exams and qualification certification

Service Quality

Provide outstanding agents with more opportunities by introducing an agent service quality evaluation mechanism.

Industry Influence

Grow with our industry and get more people to learn about our industry methodology by inspiring agents with our Beike Score incentive program. Evaluation metrics of agents include the number of people they trained and empowered, and other indicators related to their impacts made on the industry.



Cooperation Performance

Assess agents' feedback of each other during collaborative work. Those who are willing to cooperate with others will likely perform with higher working efficiency.

Platform Participation

Quantify agent engagement by considering the frequency agents are involved in activities initiated by the platform. For example, how frequent they use platform tools. The higher engagement score suggests the more enthusiastic they are about their work.

Example of Agent being Assessed with Beike Score

Increasing the Probability to be Chosen by Customers

Continuing Self-development ↗

↘ Accumulating Performance Data

Becoming a Preferred Agent for Customers

Providing Quality Service for Customers

Increasing Beike Score

Housing Dictionary & Authentic Property Listings

Since 2008, we have started to build the industry's first real estate database called *Housing Dictionary* in the era of *Lianjia*, and we have successfully digitalized the information on more than 240 million properties through *Housing Dictionary* by the end of 2020. *Housing Dictionary* has served as the foundation of ensuring authentic property listings. As a matter of fact, assuring authentic property listings has been our bottom line for business since our inception. We insist on authentic property listings and uptake the responsibility of leading the implementation of the most rigorous authentic property listing standards within the industry. We aim to help other brands improve the authentic property listing

management, ensure the property listing quality and to establish industry norms on authentic property listings.

With the improvement of *Housing Dictionary* and guarantee mechanisms of authentic property listings, we proposed four authenticity standards to lead the housing transactions and services industry stepping into a new era driven by quality services. Four standards can be summarized as "Truly existing", "Truly available for sale or for rent", "Verified address and property related data" and "Authentic price", which are explained in the graph below.



Four standards for authentic property listings

LIANJIA.链家

LIANJIA.链家

LIANJIA. 省心选房 上链家网

LIANJIA. 省心选房 上链家网

Innovation and R&D– Promoting Online Transition and Intelligentization Application

Upholding the principle of empowering transaction services with technology, we invest in technological innovation to empower our customers and agents. We never stop our steps in driving the industry towards standardization and digitalization by launching new products innovatively. In 2020, we invested a total of RMB 2.478 billion in R&D.

Virtual Reality (VR)

In addition to placing verified property listings, *Beike* innovatively applies VR technology in real space, including *Beike's* VR property showing, live VR home tour and VR sales office. Through the intelligent scanning technology, VR mapping algorithms and 3D space reconstruction, *Beike* is able to integrate online and offline capabilities to restore real properties in full and precise details, creating a seamless experience for those looking for a home and improving property viewing efficiency.

Currently, our VR data collection and processing technology have been evolved, becoming more mature with times. After property data being collected by professional devices, with our automatic modelling, intelligent hole filling and other 3-dimension (3D) reconstruction technology, all the property-related data and image texture will be mapped out on a 3D model swiftly, which ensures the 1:1 restoration of real room structure.

During the COVID-19 pandemic, benefiting from our VR property showing, live VR home tour and other VR technologies, customers could view properties online first. The VR technology has reduced the communication cost and increased property viewing efficiency, which better protected the health and safety of our customers. Driven by technology, customer experience has been improved with our VR application, which has effectively solved the potential health and safety issues arising from COVID-19.

We are also expanding the application scope of VR technology. Through combining VR with AI technology, we provide customers with “Future Home Renovation” plans including graphic design scenarios and 3D effects, allowing customers to view a range of interior decoration possibilities in real time.

Xiaobei AI-Assistant

The complexity of the housing transaction process is one of the primary challenges affecting agents' service efficiency. To that end, we officially launched the Xiaobei AI-assistant 1.0 application in 2019. The application combined AI with operational scenarios, and it was upgraded to Xiaobei-AI assistant 2.0 in April, 2020, with a wider range of real-time functions, including online consulting, VR property showing, property listing quality maintenance, customer relationship management, and scenario-based capability training. Going beyond those functions, to better improve working efficiency and service quality of agents, we fully leverage big

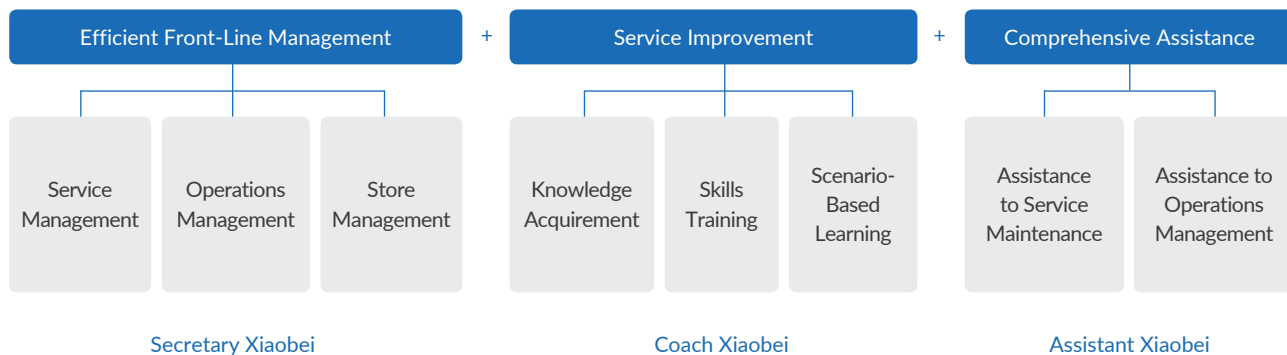
data and integrate the user feedback to keep iterating algorithms, making Xiaobei more applicable, so that agents could receive tailor-made training and conduct self-training based on their own ability and progress.

We have focused on innovating Xiaobei AI-assistant and improving its technical capabilities to perform various tasks. Xiaobei AI-assistant has taken up the “roles” as a secretary, a coach, and an assistant with broader service scope, from agents to front-line managers.





High-Quality and Efficient Service



- **Secretary Xiaobei** improves standards for VR property showing based on real scenarios and provides targeted suggestions for agents by comparing the actual operational scenarios with expected operational scenarios.
- **Coach Xiaobei** guides each agent on a daily basis by adopting AI teachers and offering tailor-made teaching plans in a highly simulated environment. Currently, Coach Xiaobei offers training courses including existing home sales, VR property showing practices, and talent recruitment training. Statistics shows that agents who received higher scores under the guidance of Coach Xiaobei had a 13.6% increase in cumulative receivable performance per capita in the second half of 2020 compared to agents with lower scores.
- **Assistant Xiaobei** serves as a side-kick to assist agents and facilitates operations by providing Q&A, customer demand mining, property showing invitation, property listing recommendations and other services.

By the end of 2020, Xiaobei AI-assistant had provided 180 million pieces of advice for our agents. In December, over 50% of suggestions were successfully adopted.

Online Mortgage Processing

We aim to reinvent the way for housing transactions by empowering the online transition of the transaction services. To that end, we take full advantages of digital technology, keep innovating and improve our online contract signing, online mortgage processing, online evaluation and other online services.

Applying for a mortgage during existing home transactions can be complex and it always requires customers to sign contracts in person. In 2020, we promoted online signing services for commercial loans with simplified transaction process. We launched “online signing room” to achieve the online transition and standardization of the entire transaction. Real-name authentication, electronic seal, OCR automatic recognition and other technologies have been adopted to secure the entire online process.

By the end of 2020, the online mortgage processing business has covered 52 major cities in 26 provinces. We have cooperated with more than 1,200 banks and over 55,000 online mortgage signings have been successfully completed since the launch of “online signing room” in May.

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Empowering Service Providers– Admirable Service

Housing transactions and services industry has undergone digital transformation in recent years along with rapid development of digital economy and applications of VR and AI technology. We acutely capture such changes and realize the necessity reshaping the way for talent development. We are committed to paving the way towards professionalism for each of our agent, ensuring them a stable and long-term career through our comprehensive empowering system created for service providers.

“1 + X” certificate for new residential real estate industry was successfully approved, a start for talent development in digitalized brokerage services

In 2020, the vocational skill level certificate of “new residential digitalized brokerage services”, developed by industry association and outstanding enterprises including *Beike*, was successfully approved. The certificate is designed based on different skill levels, such as basic business, operations and management. New technologies such as big data, IoT, and intelligent hardware are also considered in such certificate, which serves as professional standards for digitalization and intelligentization of our industry. Such broad coverage of the certificate empowers our service providers, who will further lead our industry to the new digital era.

In the future, we will continue to improve the training programs, teaching materials, learning systems, question banks, and make contributions in ensuring employment for people with the certificate.

Our Agents Training Program,

6,663 online

courses offered, approximately

46

million hours

for online learning, over

87,000

offline sessions held, around

6.52 million

attendance of agents, more than

21 million hours

for participation

Agents Development Program – Nurturing Elite Agents

We take the lead in launching the vocational education curriculum system for agents and are committed to providing more comprehensive and higher-quality training services for millions of agents across the country. Agents can study online through our App and attend offline learning activities. As of the end of 2020, we have had 6,663 courses available online, with approximately 46 million hours of online learning in a year. We also held over 87 thousand sessions with a total times of attendance of 6.52 million and a total of 21 million hours for participation on offline learning.

By holding our “*Agents Professionalism Examination*”, we promote self-directed learning and create a positive learning environment for agents. Furthermore, we guide agents towards professionalism and promote industry standardization by building the Agents Development Program. We believe that the professional training and examination will inspire agents striving beyond better, so that they could provide consumers with better services, and further drive the high-quality industry development. The “*Agents Professionalism Examination*” has been held twice a year for 10 consecutive years with a cumulative participation of 1.35 million times. In 2020, our “*Agents Professionalism Examination*” covered 254 brokerage brands from 103 cities nationwide, with nearly 360,000 agents registering and participating.

Huaqiao Academy – Aspiring Professional Store Owners

The operating mode of “Agents + Stores” is fundamental to our business, and 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*, offers educational opportunities to foster talents in becoming certified store owners. To achieve this, we

reached out to the store owner communities to explore their needs and difficulties, and we have successfully designed a set of professional training courses. In Huaqiao, trainees deep dive into essential business knowledge and are prepared to put in-class learnings into practical applications. We envision our Huaqiao Academy becoming the cradle for nurturing excellent store owners.



Huaqiao Academy

Since the establishment of Huaqiao Academy in November 2019, Huaqiao has offered 13 training sessions in total and 1,820 store owners have been successfully certified by Huaqiao by the end of 2020. We

received an average participant satisfaction score of 4.94 out of 5, ranging from 4.87 to 4.99.

Original Force Training Enabling Organization – Cultivating the Next Entrepreneur for Residential Real Estate Industry

Original Force Training Enabling Organization represents the best practices of *Lianjia* and *Beike*, serving as the information communication platform trusted by many industry professionals.

After 3 years of development, we have equipped ourselves with educational capabilities from imparting 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.

Beike Research Institute– Being an Industry Pioneer

Beike Research Institute, a part of *Beike*, is a professional research institution that focuses on the development of the new residential real estate industry. Leveraging the extensive aggregation of unique data and housing transaction experience, we provide professional analysis and research to support the government, public, real estate industry and the Company. Beike Research Institute primarily encompasses six departments, as listed in the graph below, for developing leading-

edge insight of residential industry, conducting in-depth analysis in new homes, existing homes transactions and agent’s development ecosystem. Furthermore, we continuously strengthen our cooperation with domestic and international research institutes, in addition with our years of industry experience, to promote industry development and empower industry partners with our research results and forward-thinking perspectives.



| | |
|--|--|
| <p>Government</p> <p>Providing regulatory bodies with objective and insightful research results to support governmental decision making</p> | <p>Industry</p> <p>Joining professional associations of the real estate industry and contributing to the industry through sharing research findings</p> |
| <p>Public</p> <p>Taking an unbiased approach to data analysis and publicizing research findings</p> | <p>Company</p> <p>Providing internal service support for the Company and helping departments achieve their goals through data analysis about the housing market</p> |

Departments and Services of Beike Research Institute

Digital Development of China's Residential Services Industry

Beike Research Institute cooperated with China Data Center of Tsinghua University and 21st Century Industrial Research Institute, jointly released a report on the Digital Development of China's Residential Service Industry in September 2020. The report marks the first publication that introduces the evolution of digitalization of China's residential service industry in the past 20 years. The report highlighted that elements like supply and demand, policies and technology are driving the residential services industry into a new digital era.

In 2020, we have received the *2020 Most Insightful Research Institute Award*, the *2020 Leading Think Tank of New Housing Trend Award*, the *Annual Influence Award* and many other awards for

our insightful and forward-thinking research vision and in-depth research analysis.



QUALITY ASSURANCE

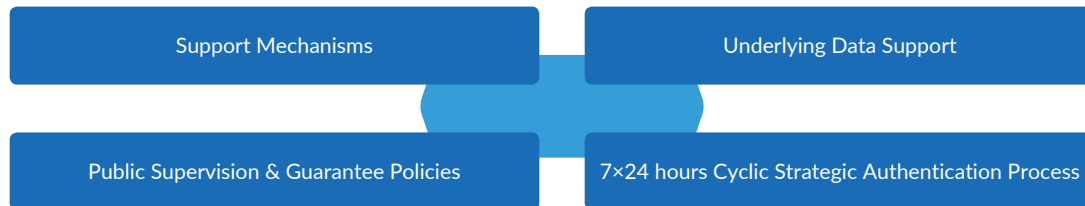
We founded our company with the belief that we could transform the housing transactions and services industry in China by improving the property listing quality and the service quality. We go all in providing better life for tens of million families in China with our unremitting efforts.

Property Listing Quality

Authentic Property Listing Assurance

To assure authentic property listings, four major mechanisms are in place, which are the support mechanisms, underlying data support, 7×24 hours cyclic strategic authentication system and the public supervision & guarantee policies. We have zero tolerance for fraudulent property information, actively make commitments on providing authentic property listings, and we

welcome public supervision and complaints. For any reported fake or misleading property information, we will reward the informant RMB 100. Currently, our promise of providing authentic property listings has achieved 100% coverage on *Beike* for 10 consecutive years, and the average authenticity rate of property listings on *Beike* has reached 95%.



Four mechanisms assuring authentic property listings



Our promise of providing authentic property listings has achieved **100%** coverage on *Beike* for **10** consecutive years and the average authenticity rate of property listings on *Beike* has reached **95%**

Support Mechanisms

We require all property listings provided by brands must be authentic and passed through the stringent review process before being posted on *Beike*. Being mindful of building 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.

Underlying Data Support

Housing Dictionary assures the property listing authenticity via underlying data. By continuously building the underlying database, *Housing Dictionary* has now become a robust database

providing an extensive range of unique property listing data with high granularity.

7×24 Hours Cyclic Strategic Authentication System

Building on the underlying data of *Housing Dictionary*, combining the massive data generated during the interaction between owners, customers, agents and *Beike*, we successfully created a 7×24

cyclic strategic authentication system with deep neural network technology, so that we can conduct life cycle management of the property listings, from the stage of information posting, content display to information removal.

Public Supervision and Guarantee Policies

Considering the complexity and variability of listing information and potential risks where agents could break rules and damage the rights and interests of our customers, we welcome public

supervision and reporting, and we promise to compensate the informant RMB 100 within 48 hours after reporting.

Promise of providing authentic property listings

We promise our listings align with the four standards: "Truly existing", "Truly available for sale or for rent", "Verified address and property related data" and "Authentic price". We, including all agents and brands who use our services, welcome public supervision and reporting, and we will compensate RMB 100 to valid reporting.

Non-compliant Property Listing Management

We ensure property listing authenticity by leveraging our Housing Dictionary, data strategy and encouraging public supervision. Nevertheless, we also classify property listings that do not meet transaction qualifications as non-compliant property listings, since these property listings may cause hidden dangers when providing residential services. Listings for group rentals are common, however, these property listings potentially pose environmental and social concerns such as fire hazards, social security and increasing community management costs. For this reason, we have a special management scheme in place, which combines online strategic verification and

manual verification with big data-based intelligent identification technology, to screen out group renting listings from *Beike*.

In addition to our active screening, we consolidate the reported information. We will take down relevant listings immediately upon the verification of group rental reporting. Besides compensating our customers for their experience, depending on the severity of the situation, the store involved will also be punished, such as the security deposit deduction, posting restriction, account freeze, and even leading to partnership termination.

Big Data-based Recommendation & Matching

We believe that providing quality property listings are not only about how good the properties are, but also how well they match with customers' preferences. Based on big data, we build an industry-wide

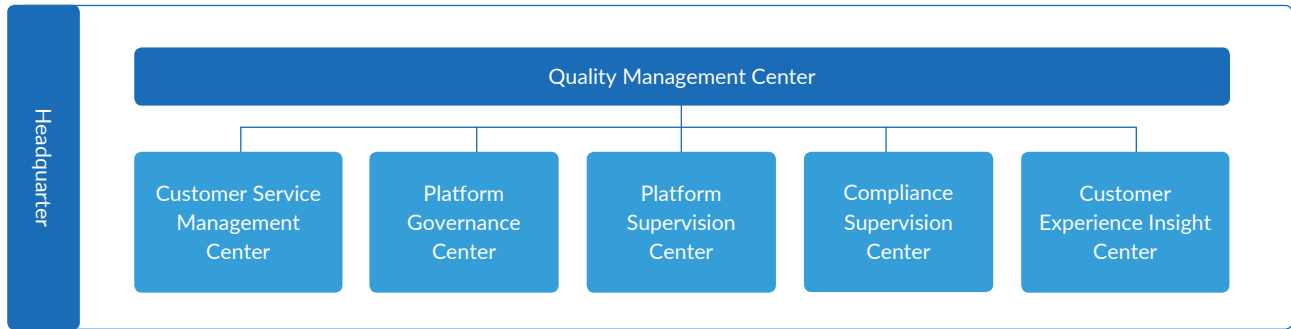
knowledge profile, which integrates our understanding of customers' preferences. Facilitated with AI technology, we help customers find the most satisfying property listing with high efficiency.



Service Quality

We aim to offer customers safe, reliable, and considerate services to the highest standards. Agents play an important role during the transactions as they are the ones who closely interact with customers, as well as a key player impacting customer experience. Through ACN, we continuously empower agents and subsequently upgrade our services.

We have established Beike Headquarter Quality Management Center overseeing the customer service, governance and supervision. In each city, there is an individual customer service center and a city quality management center to perform quality management-related work and constantly improve service quality.



To enhance our service quality and customer experience, we have been actively carrying out diverse commitments successively, such as to "Compensate for Fake Property Listing" and "Refund of Commission Fees for Failed Transactions".

In 2020, we have made such refunds for 41,535 transactions, with a total amount of RMB 609 million. In the future, we will continue making more commitments and doing our best to protect our customers' interests and rights.

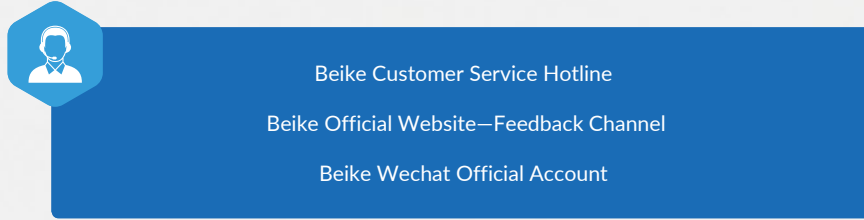


Shooting for Properties with Authenticity---Provide High-quality Services



Complaints Management Mechanism

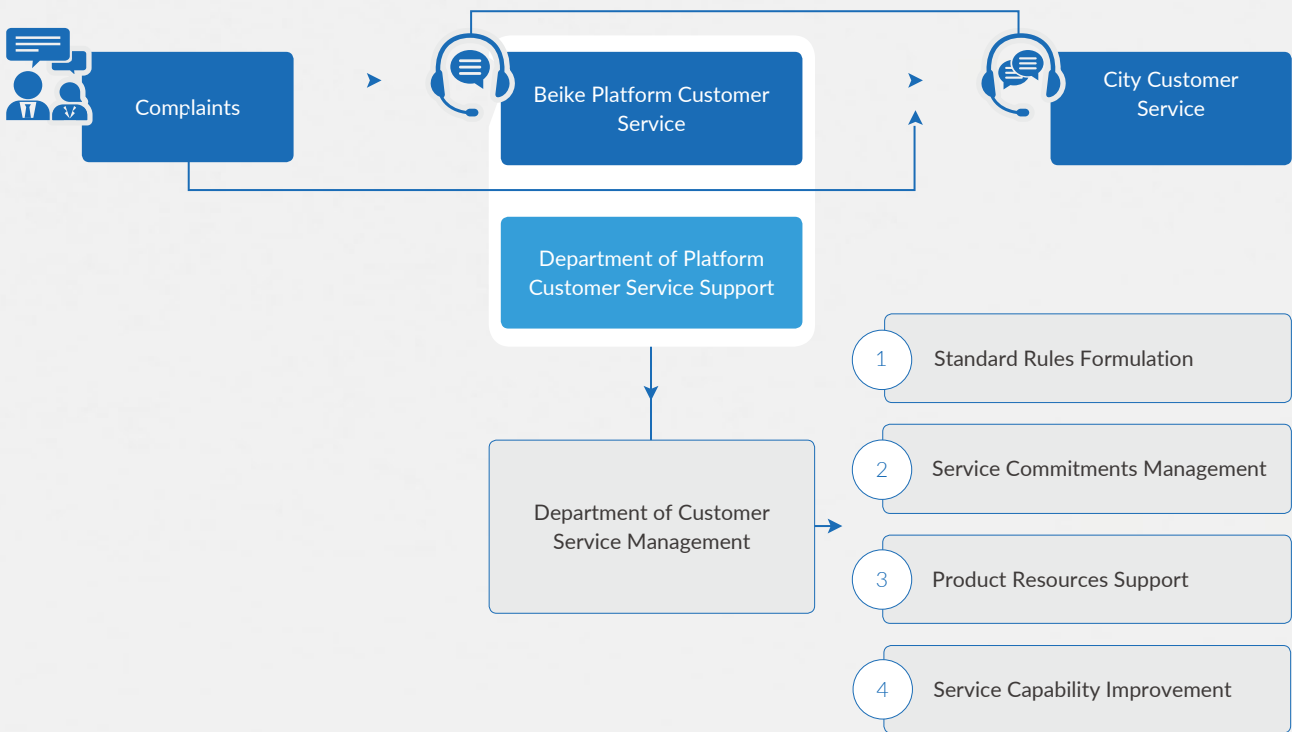
Customers are encouraged to provide feedback through a number of communication channels via our website or App. We listen to each customer voice and give timely response.



To better manage customer complaints, we have formulated policies of the *Standards of Handling Beike ACN Customers Complaints and Disputes* and the *Standards of Handling Beike New Home Customers Complaints and Disputes* to standardize and regulate the complaints handling procedures. After receiving a customer complaint, the Department of Beike Customer Service Support will forward the request to corresponding city customer service center, which is required to resolve the complaint within

24 hours and assign personnel to follow up until the issue is properly resolved.

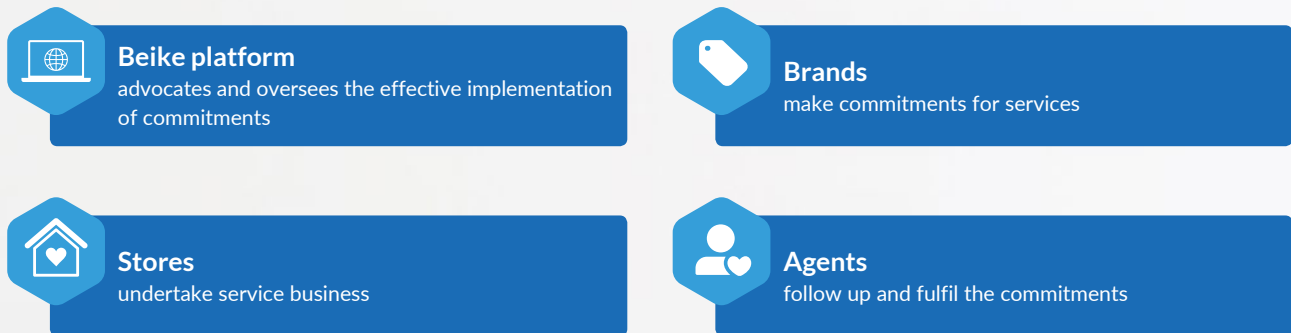
Beike Customer Service Support will afterwards obtain customer reviews, including the resolution status and overall satisfaction. The feedback will be shared with the Department of Customer Service Management to improve our customer service management system and enhance the overall service quality.



Service Experience Enhancement

Service Commitment for Existing Homes

To solve every pain point a customer may encounter when selecting, visiting and buying the existing homes and to enhance customer experience, we initiated the Assured Service Commitment for existing home transactions. This commitment system involves the brands, housing customers, the platform, stores, agents and other relevant parties, covering 13 categories of issues and 23 commitments.



We believe that through the cooperation among the brands, housing customers, *Beike* platform, stores and agents, the existing homes service commitment will be fulfilled in a wider range, and thus the customer experience will be greatly enhanced.

Service Commitment for New Homes

Putting ourselves in buyers' shoes, we deeply understand the problem faced by many home buyers - it can be easy to buy a home but difficult to return it. Inspired by the "Unconditional Return" policy in the retail sector, in April 2020, we worked with real estate developers to formally launch our "Unconditional Returns" service promise for new homes sales. Buyers can return the property unconditionally between 3 and 30 days (depending on the specific situation of the real estate project) after signing a subscription agreement and paying a deposit but before signing a formal purchase contract. This commitment helps home buyers make more rational purchase decisions and enhance the protection of home buyers' rights and interests.

Rapid Compensation Service

In the complex property transactions, it occurs from time to time that customers request refunds when they are not satisfied with the transactions. To improve customer satisfaction, in 2020, we offer online reconciliation services and rapid compensation service through advance payment out of *Beike's* cash fund. When receiving a refund request, an instant refund is made within 24 hours once the compensation plan is determined, shortening the refund process from 8 days to 1 day. Our "Rapid Compensation" service significantly improves customer satisfaction, and successfully "turns disputes into good reputation".





BUSINESS ETHICS

Compliance operation is the basic requirement of the company's sustainable development, and standardized construction serves as the key element for a healthy industry development. Since our inception, we have insisted on our development philosophy of Business to Good. We operate business 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, privacy protection, business integrity, intellectual property rights, advertising compliance and supplier management, to drive positive industry development powered by technology.

We firmly believe that good business values bring more opportunities. We have appointed the Chief Compliance Officer to be responsible for the approval, inspection and training of compliance matters, including, but not limited to the approval and release of the Company's policy, the compliance and evaluation of the Sarbanes-Oxley Act, and the implementation of other domestic and international laws and regulations, to ensure that we comply with the requirements of relevant laws and regulations. We, therefore, dedicate to creating a fair and transparent business environment with our stakeholders and maintain a fair market order with benign competition through building a compliance management system that covers the entire upstream and downstream value chain.

Data Security and Privacy Protection

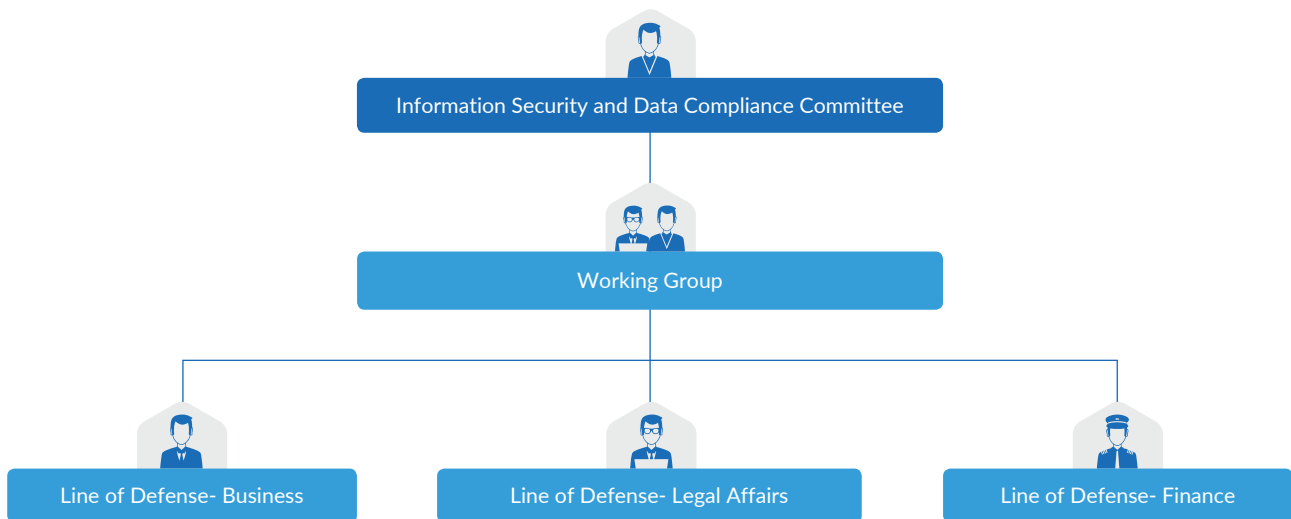
We strictly abide by relevant domestic and international laws and regulations of data security and privacy protection in our operation destinations. We attach great importance to the build-up of infrastructure for data security and privacy protection and continue to improve data security and privacy protection management system. We facilitate such management system with strict supervision measures, to constantly deepen the implementation of the system.

System Infrastructure

We believe that effective data security and privacy protection depend on a comprehensive management structure and sound management measures.

To build a solid management structure, we have established the Information Security and Data Compliance 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 defense to prevent risks of data security and privacy continuously.



To reduce the risk of data security, we have formulated corresponding policy, namely *Policy on Beike Data Security Management*, which standardizes the security management in all aspects throughout the data life cycle, including data generation, storage, usage, transmission and destruction. For better user privacy

protection, we have formulated policies including *Beike Guidelines for the Protection of Personal Information* and *Assessment Procedures on Privacy Impact for Beike Group*, serving as the guidance for the organization, coordination, supervision and effective implementation of our privacy protection management system.



Beike Privacy Policy (<https://www.ke.com/zhuanti/protocol>)

As a service provider in new residential real estate industry in China, *Beike* **took the lead** in obtaining dual certifications of **ISO/IEC 27001** Information Security Management and **ISO/IEC 27701** Privacy Information Management.

Capability Development

Building Protection Capability

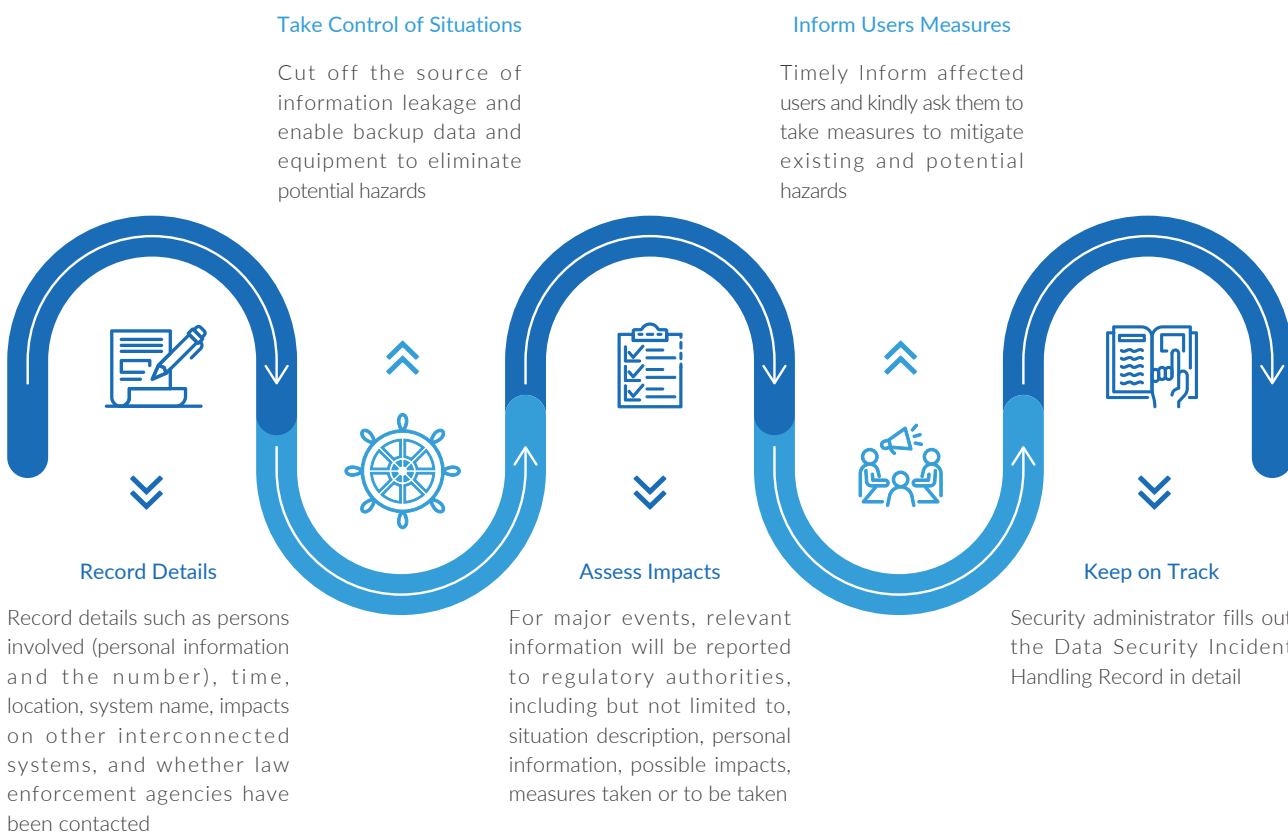
We continue to enhance our capability building of data security and privacy protection. For better data security management, we compile maps that indicate data sensitivity, and we analyze sensitive data distribution across departments by manual auditing supplemented by applicable technologies. After the data sensitivity analysis, we are

able to take well-directed measures to enhance data security for each department. Moreover, we actively cooperate with third parties for privacy protection. This year, we commissioned China Telecommunication Technology Lab (CTTL) to conduct privacy and security tests on our major APPs and take precautions for issues identified.

Advancing Emergency Response Capability

We promote capacity building of emergency response and have formulated the *Data Security Emergency Response Plan*. In particular, the emergency response team has been set up with regular training and drills to effectively prevent, mitigate and minimize the negative impact caused by data security incidents.

For data security incidents, we will activate emergency plans based on the severity level in accordance with the data security incident processing procedures, so that the negative impact on users and the society are minimized to the greatest extent.



Data security incidents processing flow

Nurturing Culture

We have put great effort in enhancing employees' awareness and improving skills on data security protection. We keep intensifying nurturing a culture that emphasizes data security from three main aspects: publicity, training and assessment.

In November 2020, we held the data security online training

sessions for all employees, the contents of which covered the *Policy on Data Security Management*, *Standards for Employee Information Security Practices*, *Measures of Employee Information Security Violations and Penalties* and other internal security rules and regulations. A total of 34,230 employees participated in the online training and passed the training assessment.

We also launch the *Information Security Publicity Month* campaign 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. Our employees' data security awareness has been much improved, which further accelerates the effective implementation of data security rules and regulations.



External data security experts giving lectures

Q&A centers data security



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 actively engage in the drafting and release of the *Methods for Data Security Governance Capability Assessment*

published by the Internet Society of China and the *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).

Building a Clean Business Environment

We have zero tolerance for fraud and uphold the highest standards of business integrity. We strictly abide by all relevant laws and regulations of all places *Beike* operates in, including where appropriate the *U.S. Foreign Corrupt Practices Act (FCPA)*, and have set up a set of policies and standards to prohibit any forms of business bribery and corruption, including the *Anti-Corruption Compliance Policy*, *Employee Interest Relationship Management Regulations*, *Code of Conduct for Work Ethics and Beike Employees* and *Code of Conduct for New Homes Transactions*. We require employees to declare conflict of interest in a timely and genuine manner and make sure employees are aware of the penalties for violations of relevant regulations. 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, an Inspection Department and an Investigation Team to carry out daily supervision and investigation across the Company.

approval of FCPA related items. Furthermore, we conduct general FCPA policy training and well-directed professional training for our employees to enhance their risk and prevention awareness, so that our corporate compliance culture is fully penetrated and implemented among the employees.

In 2020, we carried out *Beike Sunshine Action*, during which employees could declare the interest via WeChat Enterprise platform. To understand and improve our integrity compliance management, we commission the professional third-party company to conduct group-wide integrity compliance survey, which provides us with objective evaluation and advice.

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 Regarding Gifts Hospitality and Travel*, and the *Guidelines Regarding the Cooperation with Public Institutions and Officials*. Our Chief Compliance Officer, strictly following our policies and guidelines, is responsible for



Beike Sunshine Action and Integrity Compliance Survey

Whistle-blowing Mechanisms

Our *Reporting and Investigation of Discipline Violation Policy* 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 the report determined to be legitimate, the Business Ethics Construction Center will authorize or coordinate with the Compliance Center for investigation. 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 disagrees with the treatment plan can submit an appeal for re-reviewing, which will be

forwarded to the Business Ethics Construction Center and handled by investigation personnel that are not previously involved in the investigation.

We protect the safety of whistle-blowers. Our *Reporting and Investigation of Discipline Violation Policy* includes measures to ensure that whistle-blowers are free from unfair treatment such as dismissal, demotion, suspension, intimidation, harassment, or any form of retaliation. We ensure any detailed information about the reports and the whistle-blowers are kept strictly confidential. In case whistle-blowers suffer from any form of retaliation, they can file a complaint to our Business Ethics Center via the public reporting channels. Once the complaint is substantiated, we will provide reporters compensation and punish those who take unfavorable personal actions.

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 boost employee morale at workplace and radically reduce the occurrence of potential violations.

| | |
|--|--|
| Group Management at Director Level and Above | <ul style="list-style-type: none"> • Two training sessions conducted nationwide for leadership roles such as directors and above within the Group. • Training covers anti-fraud compliances, Company's fraud investigation system and case studies. • About 500 participants attended |
| Regional Management Team | <ul style="list-style-type: none"> • Training provided for regional management teams across different cities • Training covers anti-fraud compliances, Company's fraud investigation system and case studies. • About 100 participants attended |
| On-Board Officer | <ul style="list-style-type: none"> • Online training provided for leadership roles within the Group and regional teams • Training covers Sarbanes-Oxley and FCPA policy management requirements, as well as compliance requirements for leadership roles • About 2000 to 3000 participants attended |
| New Hire | <ul style="list-style-type: none"> • Business ethics • Code of Conduct for New Homes business |

We joined a number of alliances and associations, such as the Enterprise Anti-Fraud Alliance and the Trust and Integrity Enterprise Alliance to promote the building of ethical business practices by information sharing among the industry.

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 to protect our business from money laundering with stringent risk management. The *Anti-Money Laundering Compliance Policy* and the AML compliance officer have been set up 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 management.

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, Group Funding Center or the Beike Financial Service Legal Compliance Center, the AML compliance officer will determine whether to report these suspicious activities to the Law Enforcement Department.

Intellectual Property Rights

Intellectual property is one of the most vital assets of our business, it represents our business's core competitiveness and is therefore critical to our growth and success. We value technological innovation and inventions and we are committed to maintaining an ethical business environment by protecting and respecting our intellectual property and those of others.

We have set up the Intellectual Property Rights Departments and established a comprehensive 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 strictly comply with applicable laws and regulations of where we operate and appoint specialists to follow regulatory updates to prevent potential intellectual property risks. We also implement a series of internal policies to strengthen intellectual property management, including our *Beike Intellectual Property*

Policy and the *Trademark Process Management Specifications*. 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. Additionally, our *Beike Group Patent Rewarding Policy* 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 and 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.

Our intellectual property protection mechanisms, with a key focus on risk management, include:

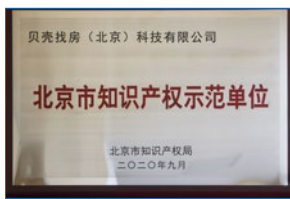
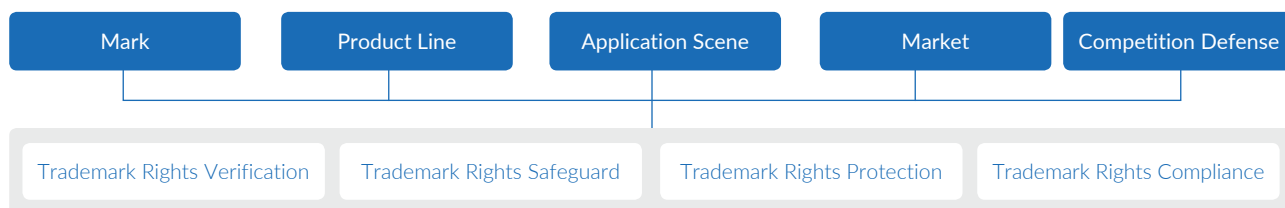
- Developing intellectual property-related training and conducting compliance audit to raise risk awareness.
- Establishing special emergency response teams for risks occurrence and making contingency plans accordingly.
- Digging into the roots of problems when facing infringement cases to diagnose our business defects, carrying out systematic risk management whilst solving specific cases.
- Conducting in-depth research on local laws and regulations to implement differential protection of intellectual property rights, targeting to fulfill the needs of different countries and regions.
- Providing multiple reporting channels for public and employees, working to receive information timely and make response plans accordingly.

Trademarks and Copyrights

Our Department of Trademark and Copyright follows the *Beike Group Trademark Application and Circulation Guidelines*, as well as other trademark and copyright-related rules and regulations, to effectively maintain and protect our brand reputation and consumers' rights and interests. 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 defense, 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. By the end of 2020, we have carried out overseas layout and protection of our core trademarks across 26 countries and regions, with 978 trademark applications completed and 792 trademark authorizations granted (including the trademark rights applied in previous years and were granted in the current year). In total, we have completed 5,279 trademark applications and obtained 3,290 trademark authorizations.
- **Trademark rights safeguarding.** We have an integrated mechanism for rights protection in place featuring the "Monitor-Combat-Defend" strategy. We draw up city and brand rights protection maps and deploy rights safeguarding programs to accurately combat offline counterfeit stores with no blind areas left.
- **Trademark rights protection.** We require our employees to timely report potential trademark infringement to the Department of Trademark and Copyrights. 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 September 2020, we were awarded and recognized as the *Beijing Intellectual Property Model Company*.

Patents and Software Copyrights

As part of our intellectual property management, we set up a Patents and Software Copyrights Department, 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 2020, we obtained 152 issued software copyrights, which amounted to a total number of 407 issued software copyrights to date. We were granted 310 patents domestically and internationally this year, with a total of 611 granted patents cumulatively.

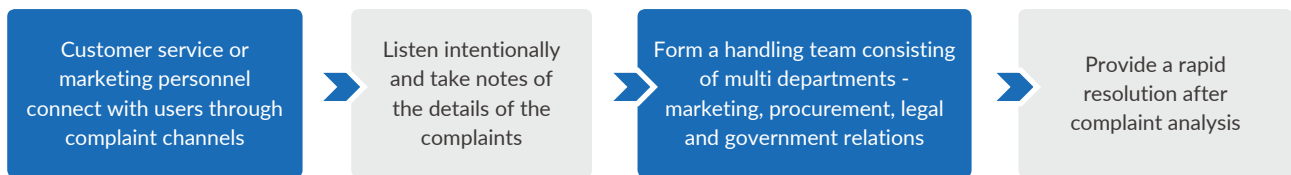
Advertising Compliance

Going beyond our compliance with relevant laws and regulations, we have issued internal marketing compliance standards 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 Word and Phrase*, which clearly define what employees are permitted to include in postings.

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 *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 advance according to laws, regulations and internal rules, and submit them to legal affairs for final confirmation in terms of potential disputes. Our stringent reviewing process requires all advertising contracts to be approved by the Finance Department, Legal Department and Taxation Department.

We have built the procedures for advertising complaints to provide feedback for each case in a timely manner, so as to improve our advertising management capabilities.



We work to promote compliance awareness across the Company whilst improving our 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 also have a Q&A session to prevent risks occurrence and enhance compliance awareness timely.

Supplier Management

We work closely with our suppliers to minimize risks and create stable, long-term business relationships with our partners. We ensure our sustainable suppliers practice with our sound supplier management system, including the selection of new suppliers,

supplier entry, supplier assessment and withdrawal. This system is underpinned by comprehensive supply chain management policies such as the *Beike Procurement Management Policy* and *Beike Supplier Management Policy*.

- **Selection.** Adhering to our principle of sustainable business development, we evaluate and compare suppliers in terms of their reputation, services, quality, commitments to social responsibility and business ethics. From there, we then select suppliers that fulfill the ESG criteria and our business needs.
- **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 continuously monitor and assess our supplier's performance to ensure they comply with applicable regulations and standards. We conduct periodic assessments based on indicators like product quality, services, business compliance and other assessment indicators, and we manage the suppliers according to their assessment results.
- **Withdrawal.** We have made our bottom-line clear for suppliers from the beginning. We forbid, including but not limited to, any violations of regulatory compliance and business ethics, dishonesty and major product quality concerns. Suppliers that violate the standards will result in the termination of partnership.

We emphasize responsible business practices and we require suppliers must sign the *Anti-Bribery Agreement* when becoming our suppliers. We welcome suppliers to report any unethical or illegal behaviors they found from our employees during the supply chain cycle, and a rewarding mechanism is set up for the reporting

suppliers. We continuously improve our supply chain management system, while ensuring the effective implementation of the *Code of Conduct for Procurement Personnel* and providing our procurement personnel with relevant training.



TALENT DEVELOPMENT

We value talent development and have been working to build a strong talent pipeline. Adhering to our talent acquisition strategy, we acquire and foster industrial talent who are customer-oriented, industry-focused, perseverant, team players, as well as value contributors. Cultivating a healthy and safe working environment that celebrates diversity, inclusive is our top priority, and we seek to continuously optimize the compensation and benefits system for our employees. By creating a workplace where our employees have abundant resources for career development, we are committed to being their best career partner.

Employees Rights and Interests

We fully protect our employees' rights and interests and provide them with fair and competitive compensation and benefits packages.

Recruitment and Employment

We strictly abide by applicable laws, regulations and practices in the operating regions and have formulated the *Beike Recruitment Management System*, the *Code of Conduct*, and the *Anti-Harassment Policy*, to regulate recruitment and employment management. These policies specify rules related to recruitment and promotion, compensation and dismissal, working hours, holidays, handling of disciplinary violations, fair opportunity, anti-discrimination and anti-harassment, and employee diversity.

Upholding our equal and transparent employment principle, we make every effort to ensure that there is no discrimination in hiring based on race, age, gender, marital status or religion. We strictly abide by the *Special Rules on the Labor Protection of Female Employees*, protect the legal rights and interests of female employees and support their physical and mental health.

We continue to broaden our campus recruitment channels to attract more talented fresh graduates through online and offline campus talks, programming competitions, and video introduction. To cultivate and reserve talents, we have specially designed diverse programs, such as the ADC program for all graduates in the globe, featured summer internship program for current students graduating in the following year, and *KE-New Star Management Trainee Program*.

We believe that employees' personal growth closely aligns with the sustainability of an enterprise. Having a long tenure with an employer symbolizes employees' career journey and such stability exactly demonstrates how we are well recognized by our employees. By the end of 2020, the average tenure reached 7.7 years for *Beike* employees in middle management and above, in which 39.8% of personnel have been working for *Beike* for over 10 years.

In 2020, our work in the employment field has been widely recognized by society.

| Award | Date | Host |
|--|----------------|--|
| Top Employers 2020 – Outstanding Employer | December, 2020 | Lagou- a top online recruitment platform in China |
| Extraordinary Employers 2020 – TOP 100 | December, 2020 | LiePin- a professional recruitment platform in China |
| Employers of the Year –Breaking Boundaries | December, 2020 | Maimai- a well-known professional networking platform in China |

Human Resources Key Performance Indicators

| Classification | Number | |
|----------------|---|---------|
| Total Employee | 119,658 | |
| By Gender | Male | 71,823 |
| | Female | 47,835 |
| By Age | 30 years old and under | 78,526 |
| | 30-50 years old | 41,027 |
| | 50 years old and above | 105 |
| By Location | Chinese Mainland | 119,656 |
| | Hong Kong, Macao, Taiwan Regions of China | 2 |

Data as of December 31, 2020

Employee 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 industry salary survey and make salary review every year to ensure our salary stay competitive in the market.

We pay various social insurances for employees in accordance with applicable laws and regulations and protect employees' rights on holiday and vacation. In strict accordance with the regulatory compliance, our compensation packages include social insurances, housing fund and holiday leaves. Female employees are entitled to maternity leave, breastfeeding leave and other welfare policies, while male employees are also entitled to paternity 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. Besides, in 2020, Beike Zhongyi Huzhu Plan was optimized into Gelin Huzhu Plan with more financial support, and the cumulative assistance amounts of which was raised from RMB 0.2 million to RMB 2 million, supporting our service providers and their families (including the parents, children, spouse and the spouse's parents) to overcome the difficulties caused by illness.

To motivate employees through our attractive equity incentive mechanism, the 2020 Share Incentive Plan has been launched on top of the 2018 Share Option Plan. Following our 2020 *Share Incentive Plan*, during the ten-year term of the plan, the maximum aggregate number of shares will be annually increased by an amount equal to 1% of the total number of shares issued and outstanding, which may be issued to our employees who have outstanding performance. We recorded RMB345 million, RMB2,523 million, and RMB2,253 million of option-related expenses in 2018, 2019 and 2020, respectively.

Employee Engagement Activities

We advocate work-life balance and we are committed to creating an open, inclusive and warm working environment, so as to ease workplace stress. This year, we organized a variety of corporate culture activities such as Beike Anniversary, Family Day, holiday activities, Chinese New Year "Red Pocket Rain" and appreciation activities in our Cultural Center.

"KE Family Day"

In September 2020, we held "KE Family Day", during which employees could bring their children to have fun with us together. Celebrating our parent-child day with various activities and interaction, we expect to strengthen the bond between *Beike* and each of our employee's family and convey our corporate culture in a relaxing atmosphere.



Financial aid of Gelin Huzhu Plan Aggregate maximums increased from RMB

200,000

to RMB

2,000,000

We recorded option-related expenses for 2018, 2019 and 2020, respectively: RMB

345

million in 2018

RMB

2,523

million in 2019

RMB

2,253

million in 2020

“Beike Great Walker” Fund-Raising Trekking Event



In September 2020, we participated in Beijing Great Walker trekking challenge to contribute to children development in poverty-stricken areas. We went to great length to raise funds by stepping on a 35-kilometer-trekking journey. We hope that every step counts to make a better world.

We hope that these diversified employee engagement activities will boost employee welling being and enhance cohesion.

Employee Communication

At Beike, we value employee feedback and every piece of feedback is treated seriously. We provide multiple employee communication channels and we are always there to help our employees to solve their problems, so as to constantly improve employee satisfaction.



Employee Internal Platform

Hotline

Official Email

We actively seek to learn about the genuine needs of our employees through various research projects. For instance, we conducted questionnaires and one-on-one interviews on young graduates who joined us through the ADC campus recruitment program to help us gain an in-depth understanding of their employment experience and whether they are satisfied with the training resources and the recruitment process. In doing so, we are looking for ways to improve our campus recruitment program and to provide better training resources for our employees' professional development.

In 2020, we also cooperated with a third-party survey provider and undertook two organizational surveys. The survey contained a list of questions regarding employee care, talent development and employee empowerment. After collecting and analyzing the survey results, our Survey Working Group drafted plans to make targeted improvement on employees' concerns, so as to provide employees with a more comfortable working environment.

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 and have formulated the *Safety Management Policy in Office Areas* to regulate the safety management of the office area. We conduct regular safety inspections to identify safety hazards and take measures to prevent safety incidents. Moreover, we regularly carry out safety education for employees, organize fire drills, to enhance employees' awareness of self-protection.

We pay great attention to the health of employees working in the office and take a series of precautions, including 24-hour environmental monitoring of office areas, testing PM2.5 concentration, VOC concentration and other indicators that are harmful to human health. We also install the Dedicated Outdoor Air System (DOAS) to ensure fresh air in the office area. A free medical examination is also provided to all employees every year. We design the relaxing room, gym, billiards and other functional areas to help employees relax both physically and mentally.



Office Areas Environmental Monitoring Display

In response to the COVID-19 outbreak in 2020, we quickly mobilized our resources and set up a COVID-19 Working Group, overseen by the COVID-19 pandemic Emergency Decision-Making Committee. The COVID-19 Working Group is responsible for planning and carrying out preventive measures to ensure the health and well-being of our employees. During the Spring Festival, we swiftly prepared

preventive materials for our employees who returned to work early and disinfected the entire office area twice a day. As life is gradually returning to normal, we did not let our guard down, instead, we consistently checked on the health status of our people and take their temperature daily. We also provide mental health services and stress relief activities for employees coping with stress during COVID-19.

Development Support and Training

What we offer is a long-term career path instead of a job only.

We care for employee development and seek to grow together with our employees. To that end, we provide personalized career development planning for our employees and incorporate their progress into our long-term plans, so that their value is fully demonstrated throughout their career journey. Beike has two paths for employees' career development, namely the Expert

Development Path and the Management Development Path. The Promotion Management Policy was set up to guide the promotion paths and talent promotion management. Moreover, we offer our employees a variety of training courses and diverse channels for self-improvement to achieve their value.

New Employees Onboarding

With our required onboarding program specially designed for new employees- *New Employees Orientation Training*, we help them quickly get familiar with our company as well as to build a

communication platform for the new-comers. we provide integral training that boosts brain health, mental wellbeing and physical wellness, taught by our *Beike* instructors.



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New Employees Orientation Training

ADC Campus Recruitment Program

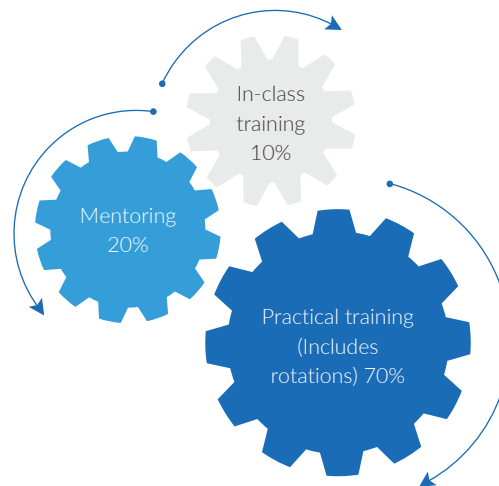
Our talents are recruited from top universities both nationwide and worldwide, and many of them are graduated from “National Double First-Class” universities. A development system has been particularly designed for ADC graduates, including *Lu Shi Camp*, mentorship, skills training for different business lines, sharing and discussion, online courses and many other programs, to help with smooth transition for

fresh graduates to become the *Beike* employee, with an ultimate goal being professional in what they devote themselves to. Among of all these programs, *Lu Shi Camp* serves as an offline special training camp guiding fresh graduates to know about the new team, have a sense of our corporate culture and business, so that they are able to better adapt to their new career life.

Cross-Functional Assignments and Rotations

We expect that outstanding people have the opportunity standing out, and thus we have launched the Apprenticeship Program, which concentrates on training our people through rotating positions in different functional areas. Together with targeted training and ongoing mentorship, we aim to provide employees with in-depth and all-round development

opportunities. Furthermore, we stepped up our efforts further to promote an agile and flexible workforce by implementing the Mobility Program, which provides diverse career development opportunities. We hope to guide our employees to determine where they are the best fit for the job, to define their career expectations and to achieve career growth.



Apprenticeship Program – the 7-2-1 Talent Development Concept

Fostering Technology R&D Experts

To create a long-lasting learning culture and take full advantages of our platform resources, we build an internal platform to cultivate talents in technology research and development (R&D), unleashing their potential to the max.

- The Skill Tree Lighting Program provides well-directed and systematic skills development for employees. Currently, we have finalized nine technical sequences which have been divided into three levels to provide corresponding courses for employees. The first batch of projects was mainly open to ADC new hires and other junior-level employees with 63 courses, and an average course evaluation of 4.88 out of 5 points was received.
- HII MASTER was initiated to broaden the horizons of talent. We constantly invite external professors from universities and experts in related fields to give lectures on cutting-edge technology and deliver the latest ideas and opinions.
- Tech-Up-skill Open Courses are designed to create a *Beike* technology sharing platform, on which employees have the opportunity communicating with technical experts both online and offline. Besides, we invite experts to impart the most updated technology trend to our employees. In 2020, we had held 77 times of the Tech-Up-skill courses with an average satisfaction rating of 4.6 out of 5 points.
- Middle-platform Ability BoostCamp, serving as one of our diverse programs, aims to enhance the professional ability in technical middle platform, so that employees could better solve database issues. We received an average course evaluation score of 4.85 out of 5.

Through learning these programs and courses, employees continue to broaden the visions and improve their abilities. In the future, we will constantly explore talents training mode, foster innovative technology R&D experts and promote our industry development with high quality.



LOW-CARBON OPERATIONS

As a responsible corporate citizen, we actively assume environmental protection responsibilities, practice low-carbon business operations, and put forward a *Green, Intelligent, Community+* development strategy. We hope to promote the digitalized economic development with a low-carbon strategy through technological innovation, bravely cope with the challenges of climate change, and make contributions to global carbon neutrality.

Based on our current operations, our major consumptions of resources come from *Beike's* office areas and brand stores in various cities, and we have adopted well-directed measures to improve resources utilization efficiency and reduce emissions. We also actively advocate for green office practices to reduce our carbon footprint and constantly enhance the environmental protection awareness of our employees.

Green Office

We strictly comply with relevant environmental laws and regulations and keep environmental protection in mind 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.

Office Area

We follow the philosophy of green office during operations, adopting energy-saving, water-saving measures in all office areas and actively promoting paperless office. Besides, we actively carry out resource conservation training sessions, disseminate practices

and ideas on water and energy conservation, promote waste-sorting in company-wide, and constantly enhance employees' awareness of resource conservation.



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. Substitute incandescent bulbs with energy-saving bulbs. 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.

Huaqiao Academy was designed, constructed and operated following the green building standards and has received the certificate of green building design label. The energy-saving rate of the building was designed at 50%, the ratio of green space at 30%, and the utilization rate of reusable and recyclable materials was designed at 5.81%.

Our non-hazardous waste mainly consists of office waste and kitchen waste that is generated from the daily operations of *Beike* office buildings, which are collected and processed by the property. Non-hazardous waste such as the alkaline batteries will

be processed by waste-sorting. The hazardous waste generated by our office operations consists of toner cartridges and ink cartridges, which are all processed and recycled by printing suppliers.

Green Operations

We take a series of energy-saving measures and put efforts into improving energy efficiency during daily operations in stores. In addition to the daily resource conservation initiatives mentioned above, stores operated under Beijing *Lianjia* have also formulated

Safe Use of Electricity Management System for Stores under Beijing Lianjia Company based on their energy consumption situations, which further regulates the electricity management to improve electricity utilization efficiency and reduce waste of resources.



Back-office monitoring of store electricity consumption at night

Using remote smart meters to monitor the store's current at night, a current greater than 3A considered the store has not turned off appliances. Confirm the electricity data with the store and punish the store for large electricity consumption caused by human negligence.



Heating equipment and maintenance

During heating season, stores with heating systems, including centralized heating and natural gas heating, are prohibited from using air-conditioning heating. We conduct periodic equipment inspection and maintenance to prevent the use of air conditioning heating due to damages to the heating equipment, so as to save electricity.



Air conditioner use cycle

Air conditioners should be only used in summer from June to September, and from November to March in winter. Stores are not allowed to use air conditioners outside of this periods.



Appliance turn-off

All computers, air conditioners, TVs, projectors and charging devices must be turned off before store closing. Computers should be turned off or adjusted to sleep mode when are not in use.



**3
million
Kwh**

of electricity
was saved by
Beijing *Lianjia*
stores in 2020

The hazardous waste generated by Beijing *Lianjia* stores mainly consists of toner cartridges and ink cartridges, which are all processed and recycled by printing suppliers. The non-hazardous waste mainly consists of office waste and domestic waste that is generated from the daily operations.

In accordance with the requirements of the *Regulations on the Management of Domestic Waste in Beijing*, we implement waste sorting in Beijing *Lianjia* stores and work with property or waste removal companies to dispose the sorted waste. Besides, we conduct random inspection so that stores will effectively put waste sorting into practices.



Beike waste-sorting activities



Efficient cooperation across cities has been enhanced through our ACN, and thus the environmental cost arising from agents' frequent traveling has been reduced effectively. Additionally, during daily work, we highly act on our principles of green operations by encouraging agents to show properties to customers by walking or shared bikes, which could further reduce the agents' environmental footprint.



Eco-friendly walking tour with customers

Advance Environmental Protection within Industry

Fully leveraging our technological innovations and innovation potentials in industrial development modes, we aim to advance green digitalized economic development. Our innovative products such as VR property viewing, VR property showing, paperless online signing and other service tools for online housing transactions save commuting costs arising from visiting houses

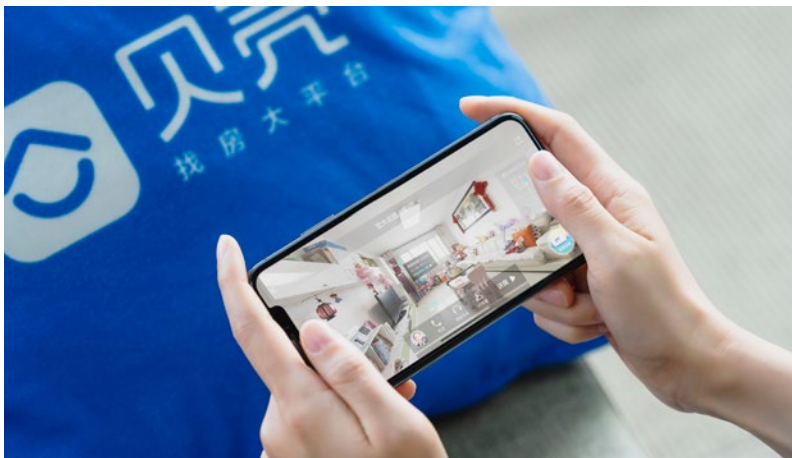
in person, so that environmental footprint has been potentially reduced. In addition to simplifying the contract signing process offline, the online signing effectively saves paper use. We expect to disseminate our philosophy of environmental protection with our technological innovation, promoting low-carbon economic development.

“VR+” Paves Way to Practice Environmental Protection

Traditionally, the property listing information is presented in pictures and videos, and there is always a gap between what customers see from pictures and their real feeling when standing in the house. Therefore, visiting the house in person becomes the common choice. Under such circumstances, the environmental costs increase with people frequently going outside to visit property listings.

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 including details, such as the size, the orientation of the house, distance and surrounding facilities. The application of VR property viewing and VR property showing effectively improve the overall efficiency for house viewing, and thus reducing the environmental footprint for agents and customers by saving commuting costs.

Considering such situations, we independently developed



In 2020, we had approximately **1.29 billion** views of VR property showings, and our housing customers have aggregately spent **59 million hours** on VR property showings.

We also encourage customers to utilize VR property showing VR home tour technologies in public welfare projects, providing customers with more opportunities to engage in environmental protection activities.

Blue Ocean Campaign empowers mangrove restoration in Fujian

In 2020, we jointly initiated the Blue Ocean Campaign, a low-carbon public welfare project, to empower the mangrove protection and restoration in coastal wetland in Fujian. The completion of VR property viewing and

VR property showing via *Beike* would award customers with carbon energy, which could be collected to a certain amount for applying to plant trees by individual or in a group. The first phase of the project would contribute 32,000 mangrove saplings in the coastal wetlands in Fujian province by collecting carbon energy by customers. We look forward to working with our customers and agents to make our contributions to the green and low-carbon development in China.



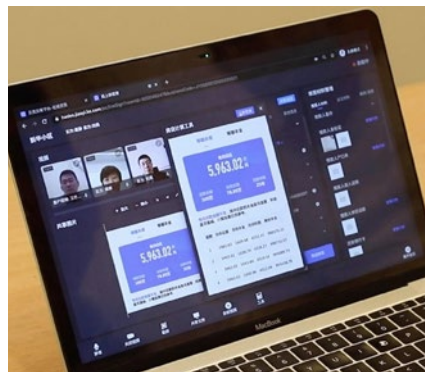
32,000

mangrove saplings contributed to the coastal wetlands in Fujian province from Blue Ocean Campaign

Paperless Online Signing

Contract signing during traditional housing transactions exerts pressure on paper consumption. The delivery of paper contracts also results in carbon emissions.

We have aggressively promoted paperless online signing in homes rentals since 2019 to minimize the use of paper during the transaction process. In 2020, we initiated paperless online signing in existing homes transaction services to further broaden such services. According to statistics, in 2020, we saved around 8.95 million sheets of paper in total via online signing.



Environment Key Performance Indicators

Energy and Resources Consumption

| Indicators | Year 2020 |
|--|------------|
| Total comprehensive energy consumption (MWh) | 31,705.18 |
| Direct energy consumption (MWh) | 974.67 |
| Indirect energy consumption (MWh) | 30,730.51 |
| Total energy consumption in office areas per floor area (MWh per square meter) | 0.07 |
| Total energy consumption in stores per floor area (MWh per square meter) | 0.13 |
| Running water consumption (tons) | 199,674.33 |
| Running water consumption per employee (tons per employee) | 6.11 |

Emissions

| Indicators | Year 2020 |
|--|-----------|
| Total GHG emissions (Scope 1 and 2) (tons) | 22,042.18 |
| Direct GHG emissions (Scope 1) (tons) | 201.55 |
| Indirect GHG emissions (Scope 2) (tons) | 21,840.63 |
| Total GHG emissions in office areas per floor area (tons per square meter) | 0.04 |
| Total GHG emissions in stores per floor area (tons per square meter) | 0.09 |

Notes:

¹ Environmental data calculated for 2020 covers offices in Beijing, Huaqiao Academy and Beijing *Lianjia* stores.

² 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, the national standard of the People's Republic of China. Direct energy consumption arises from the consumption of natural gas during *Beike's* operation and gasoline from self-owned vehicles. Indirect energy consumption arises from the consumption of purchased electricity during *Beike's* operation.

³ 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.

⁴ *Beike's* water resources consumed come from the municipal water supply. In use of water resources, in 2020, the Company had no issues in sourcing water.



CARING FOR OUR COMMUNITIES

We believe by integrating industrial advantages with community welfare, we are on the right path to promote efficient and sustainable community development. As the technology-driven service provider in new residential real estate industry, we support our communities by adopting diversified communication mechanisms and holding a wide range of charity activities to fulfill community needs.

Consolidate the Achievements in Poverty Alleviation

We go to great length in consolidating our achievements in poverty alleviation in underserved areas by fully leveraging our business and Internet advantages. By the end of 2020, we have invested a total of RMB 51.49 million in poverty alleviation and assistance in rural areas.

By the end of 2020, we have donated

10 primary schools,

196 libraries and

596,862

books in total

Primary Schools and Libraries Donations



In terms of poverty alleviation through education, we keep bringing diversified educational resources to help children access to more knowledge and education in rural areas. We have donated 10 primary schools, 196 libraries and 596,862 books in total by the end of 2020.

As of the end of 2020, we have invested more than RMB 30 million in health care to support the Aiyou Foundation on the projects of Aiyou Young Heart, Aiyou Angel and Aiyou Morning Star. The projects are created to support the medical treatment of orphans and children living in poverty who suffer from congenital heart disease, blood disease, tumor and other major diseases.

Aiyou Foundation

As one of the participating enterprises of the annual philanthropic companion "99 Giving Day", in 2020, we have set up an RMB 3 million Love Doubling Fund. To draw participation from more netizens, we announced a fixed ratio of 1:5 to match donations, which means for every RMB 1 donated by netizens, Beike will match RMB 5 for donation. All donations were made to Aiyou Foundation to support the Aiyou Angel - Medical Relief Project for Orphans and poor children with blood disorders and tumors.

Community Services

We have developed an innovative community service model characterized by our merits by empowering communities and enriching residents' cultural life through online and offline community activities. In 2020, we joined hands with more than 40,000 stores from various brokerage brands to launch a variety of community care initiatives, such as the convenient services, elder care services and sustainable community.

Convenient Service

We worked closely with our partner brokerage brands to offer the best off-line service for our community residents, including free printing and copying, phone charging, umbrella and raincoat rental, phone calls, free drinking water, collection station set-up for book donation and delivery collection on behalf of the recipients. In particular, with our reception service, we help collect delivery on behalf of the recipients while ensuring all personal information is strictly kept confidential. We also deliver parcels to the door upon requests and compensation is promised for any lost and damaged parcels.

National College Entrance Examination Service Station Project

The 2020 National College Entrance Examination was postponed by one month due to COVID-19. To provide students a peaceful and supportive environment, we worked with brokerage brands and stores to set up a number of National College Entrance Examination Service Stations. Students and parents received free services such as resting in shades, printing and copying, direction guide, paper and pencil borrowing, and drinking water. So far, this is our largest volunteering project, which involved over 70 participating brokerage brands, covering 63 cities with nearly 16,000 store volunteers participating.



Beike National College Entrance Examination Service Station Project Over

70

participating brokerage brands, Covering

63

cities nationwide

Volunteer Service

Through funding charity organizations, forming community volunteer teams, and developing community projects, we call on residents to participate in community building to resolve community concerns. We launched the *Beike Partners* program, connecting new brokerage brands and creating professional networking within, so brands can get involved in the designing and participation of influential community projects. For individual agents, we have initiated the Spark program that unites all the *Beike* volunteers, in a united effort, to improve our volunteer management system.

Elder Care Service

We initiated an ongoing elder care program teaching elderly to use of smart phones. The program mobilizes our agents as the volunteers who offer training workshops regularly and free Q&A for elderly. By the end of December 2020, the program has been replicated in 578 communities in 34 cities nationwide with a total of over 4,000 smartphone training sessions held, providing over 140,000 times of services to the elderly.

Joint Community Project

In 2020, we worked with China Children and Teenagers' Fund to jointly launch the *Beike Joint Community Project*, aiming to fund children service organizations that are dedicated to empowering children for a bright future. Depending on the size, content, form and the duration, we offer different amounts of funding for different projects to encourage local communities and organizations to fully take advantages of available resources. We have donated over RMB 2.3 million funding support since 2020.

RMB **10** million

donated to Hubei through the Red Cross China

30,000 masks

purchased and donated to Xiaochang County in Hubei Province

RMB

300,000

contributed from Beike branches in different cities

Over RMB

260,000

of allowances raised and donated to the front-line logistics staff

COVID-19 Response

The COVID-19 pandemic has brought the world unprecedented challenges. Shortly after the outbreak of the pandemic, we mobilized our resources to help fight against the outbreak across the country.

Active Donations and Assistance in Frontline Pandemic Prevention

- At the early stage of the COVID-19 outbreak, we donated RMB 10 million to Hubei through the Red Cross China for purchasing urgent medical supplies such as masks, protective clothing, disinfectants, goggles, negative pressure ambulances and other medical equipment. Besides providing monetary support, we purchased and donated 30,000 masks to one of the hardest-hit areas- Xiaochang County in Hubei Province.
- Our branches in different cities have also worked simultaneously to contribute to the fight against COVID-19. *Beike* (Nantong), *Beike* (Mianyang), *Beike* (Ningbo) and *Beike* (Xiangyang) donated RMB 100,000, RMB 100,000, RMB 50,000 and RMB 50,000 to local agencies respectively.
- Beike Charity Foundation launched the Angel Gas Station program to raise allowances for caring the front-line logistics staff in the hardest-hit areas, raising more than RMB 260,000.

To protect our communities, the very frontline of pandemic control and prevention, we proactively participated in the COVID-19 prevention work by supplying disinfectants, ensuring daily facility disinfection, and providing volunteer service. Our volunteer teams also helped take temperature and promote the knowledge of COVID-19. Additionally, our agents actively contacted tenants through *Beike* and mobilized them to cooperate with the prevention and control measures in the community.

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.

Being an industry leader, we felt strong to take up our responsibility to help business cope with the pandemic and assist business reopening. In 2020, during the National Commendation Conference for Outstanding Enterprises in the Fight against COVID-19, we were awarded the *Best Enterprises in the Fight Against COVID-19* in recognition of our contributions made to the industry and society throughout the crisis.



2021 OUTLOOK

We 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.

Looking ahead, we will continue to uphold our corporate mission of “Admirable service, joyful living”, being down-to-earth and perseverant for our work as always. We are committed to improving our ESG management. By fully leveraging our technology and products advantages and inspiring innovation, we strive to promote the industry development with our business partners and take responsibility for all stakeholders involved. Thriving in this era full of challenges and opportunities, we aspire to fulfill our vision of “providing comprehensive and trusted housing services to 300 million families” and make contributions for a better society with our unremitting efforts.



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