



# 2023

貝殼控股有限公司  
KE Holdings Inc.

Environmental, Social and Governance (ESG) Report

NYSE: BEKE / HKEX: 2423

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



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## Message from the Management

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

ZUO Hui (1971-2021)

Founder and Permanent Chairman Emeritus

We strive to build Beike a technology-driven one-stop platform for new residential services. We are committed to our historical mission and social responsibility, which include providing a joyful living for consumers, facilitating fulfilling careers for service providers, fostering a harmonious ecosystem, driving industry advancement, as well as building a better organization. We believe that society yearns for corporate citizens shouldering social responsibilities, and we regard business achievements as reflections of our corporate values and responsibilities.

”

PENG Yongdong

Co-founder, Chairman of the Board, and CEO

## About Beike

### // Business Overview

KE Holdings Inc. (hereinafter referred to as “Beike”, “KE Holdings”, “the Company” or “We”) is the leading integrated online and offline platform for housing transactions and services. As a digital service platform for the housing-related industry, Beike is committed to promoting the industry digitization and intelligence process of housing-related services. Through our existing and new home sales, home rentals, home renovation and furnishing services, and other services, we provide one-stop, high-quality, and efficient services for Chinese households. We pioneer the creation of relevant industry infrastructure and standards in China and are committed to redefining the way service providers operate to deliver housing-related services to consumers more efficiently.

We own and operate Lianjia, China’s leading real estate brokerage brand and an integral part of our Beike platform. We believe the success and proven track record of Lianjia pave the way for us to build the infrastructure and standards and drive the rapid and sustainable growth of Beike. We have over 22 years of operating experience through Lianjia since our inception in 2001. Such extensive industry experience has provided us with distinct insights into markets, business conditions and customer needs, which we believe are critical for us to offer effective solutions, expand market footprint and capture adjacent opportunities.

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

Adhering to the corporate mission of “admirable service, joyful living”, and led by the concept of “being virtuous while seeking growth”, we are committed to long-term value creation, choosing to do the right thing even if it’s difficult. We have long been dedicated to facilitating the transformation of the industry infrastructure, enhancing service efficiency through technological innovation, empowering the professional growth of service providers, and offering a better living experience to consumers.

In terms of facilitating the transformation of the industry infrastructure, we consistently enhance our platform capabilities, leading industry advancements in various aspects, such as industry ecology governance and industry standards formulation. Meanwhile, we are committed to improving the industry operation efficiency and service quality by collaborating with stakeholders along the value chain to jointly create an honest and ethical business environment.

In terms of enhancing service efficiency through technological innovation, we continuously explore and apply cutting-edge technologies. By leveraging intelligent and digitized methods, we aim to provide a more convenient and efficient experience for both consumers and service providers. Simultaneously, we place particular emphasis on the potential of technological applications for environmentally friendly and low-carbon advancements, exploring opportunities for offering green services across various business scenarios and processes.

In terms of empowering the professional growth of service providers, we keep focusing on their growth and enhancement. By offering tailored vocational training programs and structured career paths, we aim to assist them in enhancing their professional expertise and service capabilities, ultimately helping service providers maximize their personal career value.

In terms of offering a better living experience to consumers, we have always been guided by consumer needs, actively responding to consumers' expectations for high-quality living products and services by refining our service commitment system, implementing targeted service assurance measures, and advancing the supply-side upgrading of living services.

## About This Report

This report is prepared and issued by Beike. It aims to provide an objective, fair and balanced view of Beike's environmental, social and governance (hereinafter referred to as "ESG") performance in 2023.

### // Preparation Guidance

This report is prepared in accordance with *Appendix C2 Environmental, Social and Governance Reporting Guide* in *Listing Rules* of the Stock Exchange of Hong Kong Limited, and upholds the principle of materiality, quantitative, balance, and consistency. Meanwhile, this report is prepared with reference to National Association of Securities Dealers Automated Quotations (NASDAQ) *ESG Reporting Guideline 2.0*, *Sustainability Accounting Standards Board (SASB) Guidelines*, United Nations Sustainable Development Goals (UN SDGs) and integrated with Beike's ESG practices, aiming to systematically reflect Beike's performance in all relevant aspects and respond to the concerns of various stakeholders.

We identified key stakeholders and material ESG issues that are most relevant to them. These ESG issues were prioritized and responded in the report according to their materiality, as discussed in "Stakeholder Engagement" and "Materiality Assessment" chapters of this report. We use quantitative information to present the environmental and social key performance indicators ("KPIs") in a manner consistent with previous years, allowing the KPIs to be measured and verified. The changes, quantitative criteria, methods, assumptions and/or calculation tools for the KPIs, and sources of conversion factors used, are described in the respective sections.

The scope of this report includes ESG performance of businesses directly operated and managed by Beike. This report covers the period from 1 January 2023 to 31 December 2023 (this year). To enhance the comparability and completeness of the report, certain disclosure also covers other time periods, and the Connected Stores as other facilities, which are explained in the respective sections. Unless otherwise specified, the amounts mentioned in this report are all in Renminbi ("RMB").

### // Access to This Report

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



# Corporate Governance

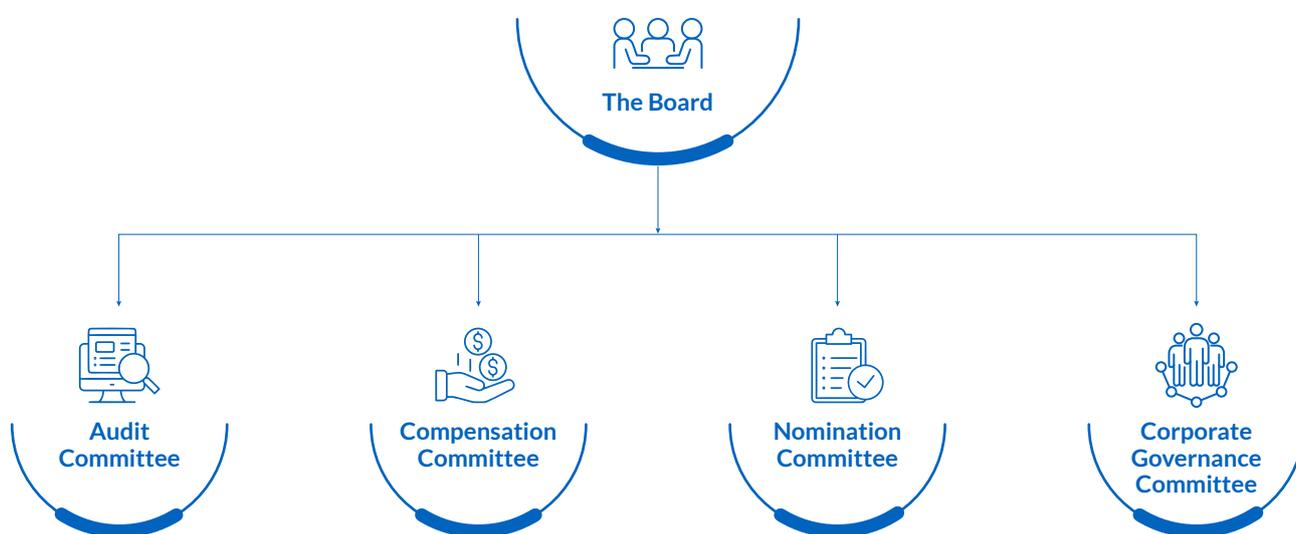


Beike strictly complies with the *Company Law of the People's Republic of China*, the *Securities Exchange Act of the United States*, and the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, and other applicable laws, regulations, and listing rules. **We have established a corporate governance mechanism with well-defined rights and responsibilities and rigorous corporate structure. In this way, Beike ensures that the governance structure operates in a compliant, professional, and efficient manner, while keep strengthening the foundation for sustainable corporate development and safeguarding the long-term interests of all shareholders.**

# Board Structure

As the highest decision-making body, the Board of Directors (the Board) is responsible for setting the strategic direction and overall strategy of the Company, leading and overseeing the business development and financial performance of the Company. Meanwhile, the Board continuously oversees and reviews the effectiveness of the Company's risk management and internal controls. The Board has established the Audit Committee, the Compensation Committee, the Nomination Committee, and the Corporate Governance Committee to ensure efficient resource allocation and effective decision-making. The Corporate Governance Committee oversees ESG matters. The ESG governance structure is described in detail in the "ESG Strategy" section. Our Board committees' scope of responsibilities, directors' background and further governance details are published on the official website<sup>①</sup>.

Beike's Board consists of 8 directors, including 4 executive directors, 3 independent non-executive directors and 1 non-executive director. More than one-third of the Board are independent non-executive directors, playing a counterbalancing role, thereby creating long-term value for shareholders and the Company. The Chairmen and members of the Audit Committee, the Compensation Committee, and the Corporate Governance Committee are all independent non-executive directors. The Chairman of the Nomination Committee and two-thirds of its members are independent non-executive directors.



# Board Diversity

Beike deeply values the diversified background of the Board, and has formulated the Board Diversity Policy. The Policy explicitly requires that factors such as independence, gender, age, educational background, industry experience, technical capabilities, professional qualifications and skills, knowledge and tenure should be comprehensively considered in the selection of director nominees.

The Nomination Committee is required to review the structure, size and composition of the Board annually in line with the Board Diversity Policy, ensuring a Board that aligns with the Company's operational needs. The Board currently includes one female director. Besides, members of the Board have diversified professional backgrounds, including expertise in electrical engineering, corporate and business management, technical and strategic consulting, accounting and related financial management, investment, capital markets and risk control, as well as extensive experience in the Internet and real estate brokerage industries. As a result, a diverse board secures a more comprehensive and integrated perspective and concept for the Company to improve its decision-making capabilities and enhance the performance of its top management.

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

# Risk Management and Internal Control

We have established a comprehensive risk management system to effectively identify, assess and prevent internal and external risks. The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. The Board oversees the management on designing, implementing and monitoring of these systems. The management confirms the effectiveness of the systems and reports to the Board.

The Company's Audit Department performs an annual risk assessment to identify risks that may affect the Company's business and various aspects, including but not limited to operational risks, risks in financial processes, compliance risks, and information security risks. The management identifies, assesses, and responds to significant risks faced by the Company. It also reviews risk assessment reports on a regular basis and reports to the Board. Additionally, due to changes in the external environment, we have identified several emerging risks<sup>②</sup> that may impact the Company's future development, such as decreases in customer satisfaction level and exposures to information security risks. We have implemented effective measures to prevent and address these risks.

## Emerging Risk

### Risk in customer satisfaction level

- **Risk description:** As customers' demands for quality housing services diverge and intensify, such as the constantly expanding home rental market and increased demands for higher-quality, more personalized renovation and furnishing services, failing to meet these demands could negatively impact Beike's business and reputation.
- **Risk response:** Beike is committed to improving customer satisfaction level and values the voices and experiences of our customers. We are continuously enhancing our service quality, introducing corresponding service commitments, and providing effective communication channels across business scenarios like home transaction services, home renovation and furnishing services, as well as home rental services, thereby improving the overall service experience for our customers. For more information regarding our customer service assurance practices, please refer to the "Quality Assurance" chapter of this report.

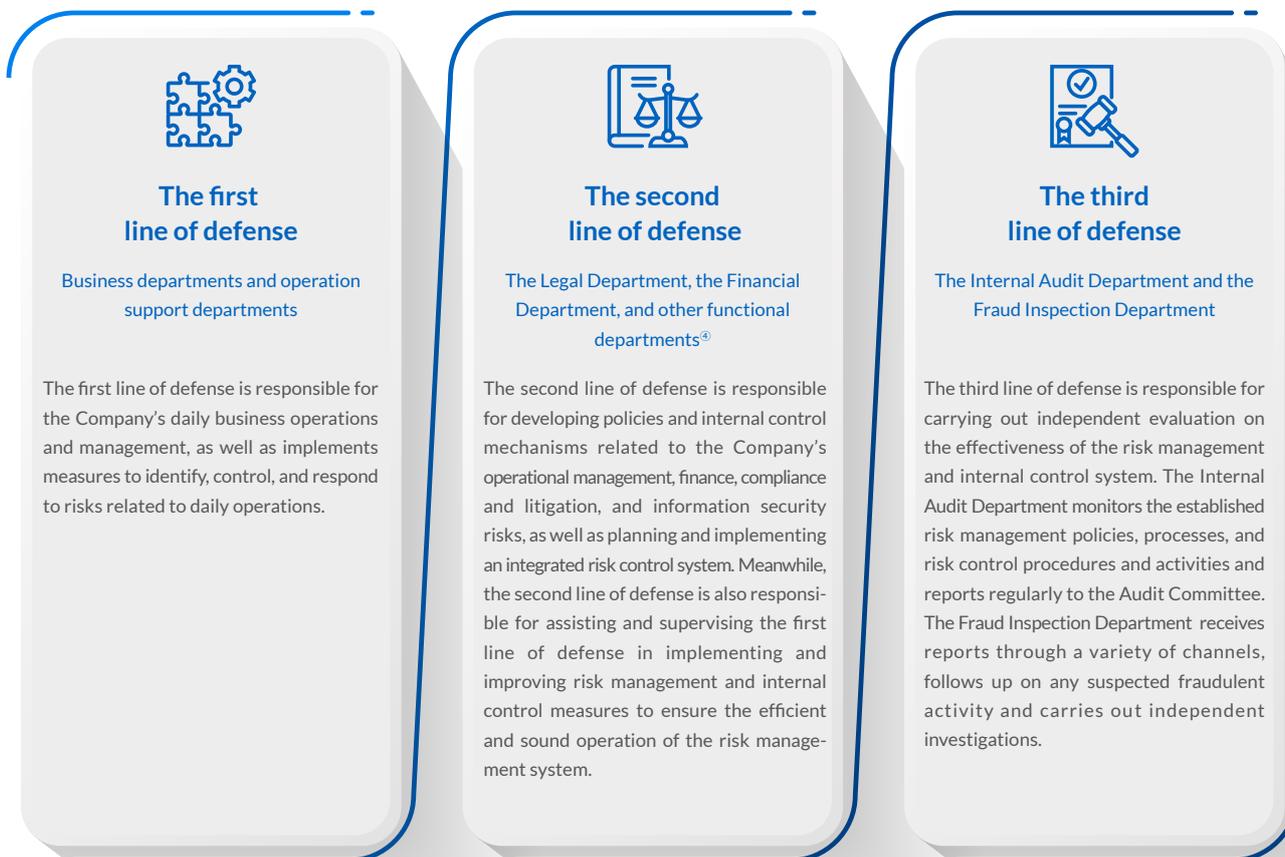
### Information security risk

- **Risk description:** As Beike's services become increasingly digitalized, the Company is facing systematic and diversified risks to information security and privacy protection. This includes the risk of system overload that may be triggered by online large-scale promotional shopping festivals as well as events with high traffic data request such as graduation season and return-to-work season. Additionally, there is the risk of data and privacy breaches while handling massive amounts of customer information and sensitive data.
- **Risk response:** To ensure the smooth operation of our business, we continuously improve the construction of system security capabilities. The Company regularly conducts timely and effective investigation and remediation of system risk points to ensure that the transaction and relevant systems continue to operate in a stable manner under all uncertainties. Meanwhile, Beike is constantly improving its information security and data compliance framework, while always adhering to the highest standards and strictest procedures to ensure the security of customer data and privacy information stored on its systems. For more information regarding the information security and privacy protection measures we have in place, please refer to the "Information Security and Privacy Protection" chapter of this report.

<sup>②</sup> Emerging risk: a new external risk, which is less likely to have a significant direct impact on the Company, but may already be having an impact. However, the potential impact of the risk is of a material nature. The risk has the potential to affect a significant portion of the Company's operations, resulting in possible adjustments to its strategy and/or business model.

## // Risk Management Framework

Following the COSO<sup>③</sup> risk management framework and combined with the actual business situation, we have built a risk management structure consisting of three lines of defense. Meanwhile, we have integrated ESG issues and their related risks, including climate-related risks into the Company's risk assessment and management system to strengthen the systematic risk management and safeguard the long-term stability operation of the Company.



## // Building a Risk Culture

Beike strengthens the internal risk culture by establishing a risk assessment mechanism, enhancing risk awareness among employees, and intensifying communication with various parties.

 <b>Risk assessment mechanism</b>	<ul style="list-style-type: none"> <li>◆ Senior management's performance assessment is linked to risk management related indicators. For instance, when addressing risks on information security and data compliance issues, the Information Security and Data Compliance Committee is required to drive forward the establishment of Beike's data security compliance system. This ensures that sensitive data is protected throughout its lifecycle, and data related risks within the data collection, transmission, and processing stages are well-managed, ultimately guaranteeing the stability of the Company's operations.</li> <li>◆ Line managers' performance assessment is linked to risk management related indicators. For instance, the Human Resources Department, in collaboration with Legal, Finance, Tax, Compliance, and other related functional departments, are required to implement targeted risk management measures focusing on aspects such as "working hours and vacation entitlements" and "labor dispute risks."</li> </ul>
 <b>Risk management awareness</b>	<ul style="list-style-type: none"> <li>◆ Appropriate risk management training is provided to employees at all levels.</li> <li>◆ Course contents of the risk management training cover anti-corruption, information security and advertising compliance and other risk-related topics.</li> </ul>
 <b>Risk management communication</b>	<ul style="list-style-type: none"> <li>◆ Communication channels are established for all employees, as well as agents, customers, suppliers, and other stakeholders with whom Beike has a business relationship.</li> <li>◆ We continuously improve the risk management process by communicating with and receiving feedback from employees and other stakeholders.</li> </ul>

③ COSO, Committee of Sponsoring Organizations of the Treadway Commission.

④ Other functional departments include the Information Security Department, the Business Compliance Department, and the Quality Management Department, etc.



# ESG Strategy



Beike's mission is "admirable service, joyful living", and our core values are "customer first, honest and reliable, win-win cooperation, striving beyond better". To achieve our mission, we insist on "doing the right thing even if it's difficult". **We integrate ESG criteria into our corporate strategy and operation management to consolidate the foundations of ESG governance, and maintain effective communication with stakeholders to ensure our long-term and stable development.**

# Board Statement

The Board is the highest decision-making body for the Company's ESG governance and has full accountability for the Company's ESG strategy and reporting. Delegated by the Board, the Corporate Governance Committee oversees the management of ESG matters, reports back to the Board, and makes related recommendations.

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

The Company conducts a materiality assessment of ESG issues stakeholders concerned. The Board is involved in the assessment, prioritization, and management of key ESG issues. For details of the materiality assessment process and results of ESG issues, please refer to the "Stakeholder Engagement" and "Materiality Assessment" sections of this chapter. This year, to further strengthen the Board's expertise in effectively overseeing ESG matters, the Board participated in specific training on ESG trends, ESG work progress, and areas for improvement.

The Company considers the potential significant impact of ESG-related risks and opportunities and incorporates them into our risk management system. The Board oversees the assessment of ESG-related risks and opportunities and ensures that appropriate and effective ESG risk management and internal oversight systems are in place. This year, the Company identified, assessed and managed risks related to ESG issues such as business ethics, privacy and data security, and climate change. For further details, please refer to Beike's 2023 Annual Report.

The Company has set environmental targets associated with its business development. The Board regularly reviews the progress against environmental targets and continues driving improvements in ESG management. For details of the progress against the environmental targets, please refer to the "Low-Carbon Operations" chapter of this report.

This report provides detailed disclosure on the progress and effectiveness of the Company's ESG work in 2023 and was reviewed and approved by the Board on April 24, 2024.

# ESG Governance Structure

To ensure the steady promotion and implementation of its ESG concepts and strategies, Beike has established an ESG governance structure covering the Board, specialized committees, as well as management and executive levels to drive ESG performance improvement from different facets.

## Beike's ESG governance structure

### Governance

As the highest decision-making body for ESG governance, the Board is responsible for guiding the Company's ESG strategic direction and is ultimately accountable for ESG matters. The Board delegates the Corporate Governance Committee as a professional committee responsible for overseeing the implementation of the Company's ESG work and reporting back to the Board. In addition, the Company conducts regular ESG trainings for directors to further enhance the Board's effectiveness.

### Management

The heads of each ESG functional department form an ESG Executive Management Team, to coordinate and guide these functional departments, working jointly to ensure the effective implementation of ESG management strategies, set ESG-related goals and promote their achievement, and periodically report work progress to the Corporate Governance Committee.

### Execution

The ESG Working Group is responsible for coordinating staff from ESG-related functional departments, ensuring smooth implementation of ESG work, optimizing the ESG-related policies and systems, implementing the specific ESG management strategy and ensuring the close communication and cooperation with all stakeholders.

The Company has formulated the management policies on business conduct and ethics, employee rights protection, anti-harassment, environmental protection and occupational health and safety, aiming to clarify the Company's responsibilities, commitments, and measures on the relevant issues and ensure that the measures are consistent with Beike's sustainable development philosophy. Meanwhile, we encourage the affiliates, business partners and our suppliers to comply with the requirements in these management policies, hoping to jointly practice our concept of sustainable development.

# Stakeholder Engagement

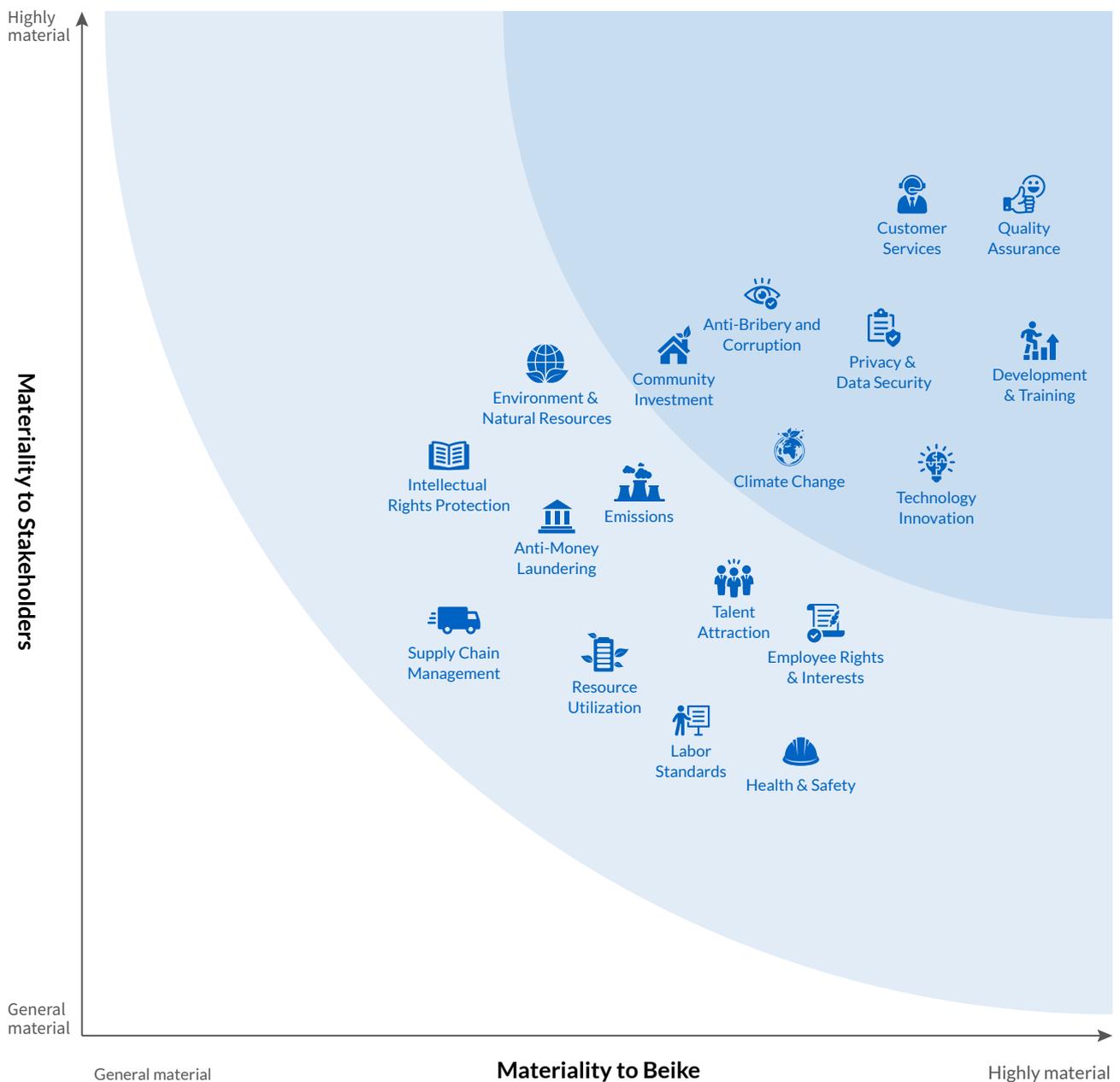
Understanding stakeholder concerns helps the Company to develop its sustainability workplan and future business approach. We actively engage in regular and diversified communications with users, government and regulatory bodies, employees, shareholders and investors, suppliers and business partners, media and the public, community, and other stakeholders to understand their expectations and opinions on our ESG performance, and respond to their expectations and demands in a timely manner.

Stakeholders	Key ESG concerns	Communication channels
Customer	<ul style="list-style-type: none"> <li>◆ Quality Assurance</li> <li>◆ Customer Services</li> <li>◆ Privacy &amp; Data Security</li> </ul>	<ul style="list-style-type: none"> <li>◆ Continuous offline and online communication (App/Mini program/Store)</li> <li>◆ Customer service hotline</li> <li>◆ Media communications</li> <li>◆ Satisfaction surveys</li> </ul>
Government and regulatory bodies	<ul style="list-style-type: none"> <li>◆ Anti-Money Laundering</li> <li>◆ Anti-Bribery and Corruption</li> <li>◆ Climate Change</li> <li>◆ Technology Innovation</li> </ul>	<ul style="list-style-type: none"> <li>◆ Routine communication and reporting</li> <li>◆ Symposiums and seminars</li> <li>◆ Government supervision and assessment</li> </ul>
Employees	<ul style="list-style-type: none"> <li>◆ Health &amp; Safety</li> <li>◆ Development &amp; Training</li> <li>◆ Labor Standards</li> <li>◆ Talent Attraction</li> <li>◆ Employee Rights &amp; Interests</li> </ul>	<ul style="list-style-type: none"> <li>◆ Surveys</li> <li>◆ Employee representative forums</li> <li>◆ Employee commendation</li> <li>◆ Regular trainings</li> <li>◆ Corporate culture activities</li> <li>◆ Emails, website, and official WeChat channel</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>◆ Climate Change</li> <li>◆ Technology Innovation</li> <li>◆ Privacy &amp; Data Security</li> <li>◆ Emissions</li> <li>◆ Resource Utilization</li> <li>◆ Environment &amp; Natural Resources</li> <li>◆ Community Investment</li> </ul>	<ul style="list-style-type: none"> <li>◆ Information Disclosure</li> <li>◆ Roadshow</li> <li>◆ Teleconference and online interaction</li> <li>◆ Investor hotline and email</li> <li>◆ Capital market conference</li> </ul>
Suppliers and business partners	<ul style="list-style-type: none"> <li>◆ Anti-Bribery and Corruption</li> <li>◆ Privacy &amp; Data Security</li> <li>◆ Intellectual Rights Protection</li> <li>◆ Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>◆ Vendor bidding sites</li> <li>◆ Email and telephone communication</li> <li>◆ Seminars</li> <li>◆ Reporting phone number and email address</li> </ul>
Media and the public	<ul style="list-style-type: none"> <li>◆ Community Investment</li> <li>◆ Quality Assurance</li> </ul>	<ul style="list-style-type: none"> <li>◆ Beike public welfare platform</li> <li>◆ Website and WeChat official account</li> <li>◆ Social media platform</li> <li>◆ Roadshow</li> <li>◆ Information Disclosure</li> </ul>
Community	<ul style="list-style-type: none"> <li>◆ Community Investment</li> </ul>	<ul style="list-style-type: none"> <li>◆ Long-term public welfare projects</li> <li>◆ Daily media communications</li> <li>◆ Volunteer activities</li> </ul>

# Materiality Assessment

Beike identifies and analyzes material issues on an annual basis and applies the results of the analysis as a key consideration in the formulation of the Company's ESG strategy. In 2023, we conducted a comprehensive and systematic stakeholder survey. After thoroughly understanding the issues of concern and their importance to both internal and external stakeholders, and taking into account ESG-related trends, as well as the potential risks and opportunities they pose to the Company, we have identified 18 key issues that contribute to sustainable development. The results of the materiality analysis serve as a critical reference for our ESG actions and discourses in order to better respond to the concerns of our stakeholders. In addition, based on the results of our materiality assessment, we improve the Company's overall risk management process and regularly identify, assess, and respond to ESG-related risks.

This year, we identified the customer service, quality assurance, development and training, privacy and data security, technological innovation, anti-bribery and corruption, climate change, and community investment as "highly material issues". "General material issues" include employee rights and interests, health and safety, talent attraction, anti-money laundering, labor standards, supply chain management, intellectual property protection, environment and natural resources, resource utilization, and emissions. The above-mentioned issues are discussed in detail in each section of this report.



# 2023 ESG Performance Highlights

## // Quality Assurance



In 2023, approximately **74%** of existing home transactions completed on the Beike platform involved cross-store cooperation. By the end of 2023, agents affiliated with Connected Stores have posted approximately **86%** of existing home listings on the Beike platform.



By the end of 2023, the "developer transparent operations commitment" had become a **standard requirement for cooperation**, covering **over 6,500 properties** and effectively regulating the behavior of all parties involved in Beike's new home operations.



By the end of 2023, Beike Carefree Rent's seven upgraded services had covered **13 cities**, benefiting **over 264,000** customers.



Since 2011, we have been conducting the "Erudite" examinations for service providers, inspiring them to continuously enhance their professional capabilities through a positive cycle of "learning-application-examination-learning". By the end of 2023, the cumulative participation in the "Erudite" examinations had **exceeded 2.8 million**.



Beike's" commitment to authentic property listings" has **achieved 100% platform coverage for 13 consecutive years**. The platform's consistent guidance and supervision has ensured an authentic listing rate of **over 95%** for many years.



By the end of 2023, Beike had implemented the Phone Number Protection for Property Viewing model in **over 3,000** cooperating real estate projects, covering approximately **2.7 million** customers.



By the end of 2023, we had provided rental benefits to approximately **18,000** graduates, with a cumulative benefit of approximately **RMB 23 million**.



In collaboration with the School of Public Administration at Renmin University of China, Beike has launched a **part-time graduate program specializing in Real Estate Economics and Management**, providing agents with opportunities for continued learning and supporting their career development.

## // Business Ethics



The Apps with **over 95%** of daily active users in Beike have all obtained ISO/IEC 27001 Information Security Management Certification and ISO/IEC 27701 Privacy Information Management Certification.



To mitigate the risk of sensitive data leakage during customer callbacks, we employ technical measures to desensitize customers' phone numbers throughout the **entire service process**, implementing a virtual number callback system.



In 2023, Beike established the **Data Security Blue Army**, collaborating with internal and external security experts to carry out **two** practical attack and defense drills focused on critical data breaches and data security compliance issues.



We require **all employees across our platform** to undergo comprehensive training and assessment on anti-corruption, anti-fraud, and integrity compliance. To ensure compliance with key policies and rules and cultivate a culture of compliance, we require all staff members to possess a thorough understanding of relevant knowledge and pass the necessary assessments.

## // Talent Development



We established smooth mechanism of internal talent flow. In 2023, our internal job transfer mechanism, the Internal Mobility Program, helped **3,445** employees transfer to new positions.



We carry out employee activity clubs covering sports, entertainment, and art to enrich employees' leisure time and improve their sense of happiness in the workplace. In 2023, we organized **596** club activities, attracting **over 9,933** times of participations.



By the end of 2023, we have established company level trade unions in **more than 20** cities with **more than 40,000** members nationwide, forming a stable and smooth mechanism for employee communication.



Beike offers diversified online and in-person training activities and courses for employees and agents. In 2023, we provided training sessions for employees and agents for more than **11 million hours** in total.

## // Low-Carbon Operations



Beike has developed and released **the 2023 Beike Carbon Neutrality Target and Roadmap Report**, which serves as our guideline to integrate our responses to climate change, low-carbon emission reduction pathways, and business development strategies in a cohesive manner.



In 2023, Beijing Lianjian Alfa Community Store received **LEED Gold Certification** for its excellent resource conservation and environmental management performance.



In 2023, we further improved the power generation efficiency and power output of the project by optimizing the existing equipment and increasing the area of photovoltaic panel laying. These efforts brought the total annual photovoltaic power generation to **1,235,726kWh**.



By the end of 2023, Shanghai Lianjia had achieved **complete coverage** of its stores with the intelligent control system, while the coverage rate of Beijing Lianjia's intelligent control system has reached **95%**. Meanwhile, Shenzhen Lianjia has completed the installation of the system in **over 150 stores**.

## // Caring for Our Communities



In 2023, Beike's donations amounted to **RMB 25.43 million**.



By the end of 2023, the Smartphone Training Sessions for Seniors had covered **60** cities nationwide with a total of **12,543** public welfare sessions and **more than 47,000** smartphone training courses held, providing the elderly with **more than 760,000 times of service**.



By the end of 2023, we had set up **4** Beike Caring Homes in Beijing and provided a total of **3,078 days** of welfare accommodation for **95** families of children with serious diseases.



By the end of 2023, Beike had established **225** Charity Libraries and donated **more than 630,000** books, benefiting approximately **66,000** students.



# Quality Assurance



With the mission of "admirable service, joyful living", Beike has joined hands with industry partners to continuously strengthen the quality construction of the industry and build a harmonious industry ecology. We continue to promote talent development in the industry, enhance service quality through technology, and elevate the quality of the residential sector. These initiatives aim to provide joyful living for consumers and facilitate fulfilling careers for service providers.

# Industry Quality Construction

As an integrated online and offline housing transaction and service platform, Beike continuously strengthens its capability construction of platform, spearheading broad industry transformation by improving ecological governance and industry standards. Over the years, Beike has been devoted to leading and uniting industry partners to explore quality service practices across various business models, consistently enhancing the overall quality of the residential sector.

## // Agent Cooperation Network

Since 2018, Beike has aggregated and empowered platform brands through the ACN (Agent Cooperation Network), shifting the competitive agent environment to one that is collaborative. By assigning roles based on real business scenarios, agents from the same or different brands can jointly participate in a transaction. They collaborate to complete the entire business process, from discovering and maintaining home listings and customer leads to finalizing transactions. The ACN network effectively addresses the challenges of connecting "properties", "customers", and "agents", facilitating an industry shift toward a more collaborative, shared, and quality-focused ecosystem. It also enhances resource utilization and service efficiency, thereby elevating the customer experience. In 2023, approximately 74% of existing home transactions completed on the Beike platform involved cross-store cooperation. By the end of 2023, agents affiliated with Connected Stores had posted approximately 86% of existing home listings on the Beike platform.

In addition, we established a multi-level autonomous decision-making system, including the Store Owners Committee, Regional Co-governance Council, and Beike Jury, to ensure fair ACN operations and foster a positive collaborative ecosystem. Guided by "collaboration and co-governance, fairness and impartiality" principles, we utilize self-management and self-supervision methods to oversee rule implementation and dispute adjudication. This approach promotes communication and collaboration among various brands, driving positive development of the industry.



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### Store Owners Committee

The committee comprises representatives from store owners and city-level brands across various cities. It regularly discusses and researches industry development strategies, resolves conflicts that arise during service delivery, and actively communicates with customers, effectively protecting the rights and interests of all platform parties, including customers, agents, and brands. By the end of 2023, we had established Beike Store Owners Committee in 43 cities nationwide, with 1,053 store owner commissioners.



### Regional Co-governance Council

The council comprises agents and store owners from different cities. It promotes cross-brand and cross-store collaboration to enhance efficiency and jointly build a positive regional cooperative ecosystem, enhancing the healthy and orderly development of the regional operating environment. By the end of 2023, we had established Regional Co-governance Councils in 32 cities nationwide.



### Beike Jury

The jury comprises agent representatives who possess rich operational experience. Following fair and impartial adjudication principles, the jury employs collective decision-making to resolve disputes related to profit distribution that arise during agents' operations, protecting agents' rights and interests. We regularly select jury members and carry out targeted capacity-building projects to ensure adjudication fairness and independence. By the end of 2023, we had organized Beike Juries in 72 cities nationwide, with 4,087 agents serving as jurors.



## // Commitment to Authentic Property Listings

In 2011, Lianjia took the lead in formulating the "four authenticities" property listings standard in the industry, aiming to change the housing transaction market, which has long been plagued by false information. Beike continues to take the "four authenticities" listing standards as the basic principle. Building on this foundation, Beike has since launched the "commitment to authentic property listings", assuring that all listings published on the Beike platform are truly existing, verified address and property related information, truly available for sale or for rent, and authentic price.

"Cooperation and trust" are central to our core value system. We collaborate with our platform partners to jointly maintain and oversee the authenticity of listings on our platform. Providing authentic listings is the fundamental prerequisite for any brokerage brand to join our platform, and all listings must undergo rigorous verification before registration. Leveraging a 24/7 continuous verification mechanism, Beike assigns the task of maintaining problematic listing information to our agents, who are responsible for confirming, maintaining and providing evidence of listing information. The platform then inspects and monitors, forming an intelligent and continuous listing quality verification process within our brokerage operations.

Driven by technology, we have created an industry-leading online listing database known as the "Housing Dictionary" to enhance the quality of listings. The database serves as the foundation for implementing our "commitment to authentic property listings". For each property, we establish a "unique identifier" that contains 7 levels of address information<sup>⑤</sup> and 433 housing characteristics fields<sup>⑥</sup>. In 2023, we launched a large-scale update and maintenance of listing information for registered listings on the Housing Dictionary, mobilizing thousands of agents and photographers to conduct on-site verifications, update expired information, and rectify any errors in properties' physical details, ensuring that all current listing information was complete, authentic, and up-to-date.

Beike's "commitment to authentic property listings" has achieved 100% platform coverage for 13 consecutive years. The platform's consistent guidance and supervision has ensured an authentic listing rate of over 95% for many years.



The platform's consistent guidance and supervision has ensured an authentic listing rate of

**over 95%**

for many years

## // Honor Project for New Home Sales

Beike continuously improves its Honor Project for New Home Sales by jointly committing to a "healthy environment for new home sales" with industry partners, implementing a Phone Number Protection for Property Viewing initiative, and enhancing the digitalization of new home sales-related information. These initiatives promote standardized operations in the industry, safeguard the interests of developers, agents, and customers, and foster a healthy industry ecosystem.

In 2021, Beike launched the "service commitment to honor operations" for real estate developer partners, including the commitment in the cooperation agreements with these developers. This commitment aims to establish long-term relationships of mutual trust and mutual benefit with developers, encourage platform agents to obtain reasonable compensation through transparent operations and provide homebuyers with a transparent home-buying experience. In 2023, we upgraded the "service commitment to honor operations" to the "developer honor operations commitment", urging channel service providers and on-site sales service providers to make the same commitments, jointly creating a transparent sales site that reassures both customers and service providers.

### Developer Honor Operations Commitment

- ◆ **No interception of customers:** It is prohibited to intercept, compete for, solicit, or attempt to obtain contact information for regular visiting customers within a developer's designated location.
- ◆ **No poaching of customers:** It is prohibited to collude with developers' personnel or on-site sales personnel to convert regular visiting customers into Beike's customers through improper means.
- ◆ **Ethical operations:** It is prohibited to bribe employees of developers or engage in abnormal exchanges of benefits with them, such as kickbacks.
- ◆ **Transparent transactions:** It is prohibited to collect any form of fees or payments personally from customers.
- ◆ **Trustworthy advertising:** Strictly adhere to all project information, sales prices, and preferential methods confirmed by the developer for advertising. It is prohibited to engage in false advertising, provide false information, or mislead customers.

By the end of 2023, the "developer transparent operations commitment" had become a standard requirement for cooperation, covering over 6,500 properties and effectively regulating the behavior of all parties involved in Beike's new home operations.



Covering **over 6,500** properties

⑤ 7 levels of address information include city, urban area, property, building, etc.

⑥ 433 housing characteristics fields include descriptions of core home features such as neighborhood alias, number of elevators, and year built.

## Phone Number Protection for Property Viewing

Beike continuously improves the Honor Project for New Home Sales to safeguard customers' privacy and security during new home transactions. We have introduced the Phone Number Protection service, concealing customers' phone numbers when submitting them to Beike staff and developers before property viewings. In 2023, we upgraded the Phone Number Protection to the Phone Number Protection for Property Viewing, extending customer privacy safeguards to encompass more service scenarios leading up to the purchase. This initiative not only relieves customers from frequent phone disturbances, creating a reassuring experience for property viewings and purchases, but also prompts the industry to prioritize and enhance efforts in customer privacy protection. By the end of 2023, Beike had implemented the Phone Number Protection for Property Viewing model in over 3,000 cooperating real estate projects, covering approximately 2.7 million times of service.

For more information, please refer to the "Business Ethics" chapter, "Technological Support" section of this report.



By the end of 2023, Beike had implemented the Phone Number Protection for Property Viewing model in

**over 3,000**

cooperating real estate projects, covering approximately

**2.7 million times of service**

## Digitalization of New Homes-related Information

We continuously strengthen the digitalization of new homes-related information, comprehensively describing the characteristics of new home developments with hundreds of fields. At the same time, we display potentially unfavorable factor information such as transportation facilities, public facilities, and folk facilities, enhancing the comprehensiveness of property listings and minimizing information gaps for buyers. In 2023, we added online displays of project construction progress information and conducted regular on-site inspections to ensure the authenticity and timeliness of the information. We have also established a scientific management mechanism for new home projects, identifying and providing online alerts for at-risk projects. Ultimately, this approach aims to provide customers with a reassuring and worry-free experience when selecting and purchasing new homes.

## // Home Renovation and Furnishing Ecosystem

Beike has continuously invested in the governance of the home renovation and furnishing ecosystem, establishing clear management systems, refining transparent service standards, and strengthening the fundamental capabilities of construction delivery. This approach ensures high-quality deliveries for our customers, rebuilds user trust in the home renovation and furnishing industry, and cultivates a healthy and sustainable home renovation and furnishing ecosystem.

### Management System

In 2023, we updated the Beike Red and Yellow Line Management System for the Home Renovation and Furnishing business for both internal service providers and external collaborators, establishing a unified rule to standardize the operational order for industry-wide home renovation and furnishing service providers. In this system, we clarify basic professional ethics and establish business norms tailored to different service roles, increasing the standardization of service operations, and ensuring high-quality service for our customers. During the revision process, we also engaged in in-depth discussions with service providers to closely align the rules with the actual business context. Through this collaboration, we achieved consensus on the rules, guaranteeing effective system implementation.

- ♦ **For front-end business service providers**, the focus is on preventing and controlling malicious additions, private fees, private orders, improper promises, unauthorized data manipulation, and adopting risky solutions.
- ♦ **For back-end engineering service providers**, the emphasis is on supervising project quality and strengthening the management of irregularities such as false acceptance, false rectification, and cutting corners. This ensures that issues on the construction site are genuinely managed, rectified, and comprehensively resolved.

## Quality Upgrade

In 2023, we focused on upgrading our philosophy of "transparency in pricing, materials, construction, and service". We aim to achieve transparency throughout the entire renovation and furnishing process to ensure high-quality service delivery and provide customers with a secure service experience.



### For "transparent pricing"

We provide transparent and controllable quotation lists.



### For "transparent materials"

We use genuine, original, and sufficient materials with material certificates that are accessible for verification.



### For "transparent construction"

Customers can access information on construction progress and quality, ensuring a transparent and visible construction process.



### For "transparent service"

We include our service commitments in the contract, providing transparent and guaranteed service.

We organize activities such as the Source Transparency Factory Visit and the Transparent Site Open Week to showcase our quality renovation and furnishing services and service-delivery capabilities while promoting our service providers' professional and service capabilities. Through these activities, we put the "four transparencies" philosophy into practice and further drive the quality development of the industry.

## Source Transparency Factory Visit

In 2023, we conducted the Source Transparency Factory Visit activity, inviting customers to join us on factory visits to our strategic cooperative suppliers. These visits aimed to enhance the transparency of home renovation materials by showcasing the standardized production processes, including material selection, cutting, production, and storage. The event covered 11 cities, including Hangzhou, Shanghai, Nanjing, Hefei, and others, with over 500 participants.



Site Photo of Source Transparency Factory Visit

## Quality Supervision

Beike has launched the Sword Initiative, assigning dedicated personnel to inspect material stacking at construction sites and reporting of additional fees to ensure compliance with business management regulations. We have established standards for material stacking at construction sites by space and category and installed cameras to monitor the on-site implementation, thus ensuring a safe and tidy construction site while also preventing any impact on the quality of home renovation materials. Additionally, we have formulated a management system for additional fees. We audit them through an online approval system and conduct telephone interviews with project managers, and we take measures such as suspending orders and fines against violations.

Meanwhile, Beike has continuously advanced the self-inspection campaign for construction quality, known as the Lu Ban Campaign. This campaign involves joint inspections by internal Engineering, Operation, and Material departments, etc. Based on the "6S<sup>⑦</sup>" inspection standards, the Lu Ban Campaign emphasizes inspections on construction safety, fire safety, and construction standards for the single job category. We have established quality indicators and adhere to the "true inspection, true rectification, and true closed loop" principle to enhance construction quality and improve delivery standards. Addressing the challenges of traditional construction sites, which are easy to conduct patrol inspection but difficult to close the loop on, the Lu Ban Campaign has established the "377" principle. This principle specifies synchronizing engineering issues within 3 days, closing the loop on problem rectification within 7 days, and conducting spot checks on the authenticity of rectification within 7 days. In 2023, the Lu Ban Campaign covered 30 regions nationwide, conducted 593 sessions, and inspected 11,135 construction sites.



In 2023, the Lu Ban Campaign covered

**30**

regions nationwide



conducted

**593** sessions and inspected

**11,135**

construction sites

⑦ 6S refers to seiri, seition, seiso, seiketsu, shitsuke and safety of the construction site management.

# Service Quality Assurance

Guided by our corporate value of "customer first", Beike established a service commitment system that comprehensively safeguards customer rights and ensures high-quality deliverables for our customers. We attach great importance to listening to our customers' voices, standardizing the handling process for customer complaints, and conducting diverse communication activities to improve the customer service experience continuously.

## // Service Commitment System

Drawing upon our business's unique characteristics and focusing on our customers' needs and expectations, Beike continuously enhances its service commitment system, which covers housing transactions, home renovation and furnishing, and home rental services.

### Service Commitments for Housing Transaction

We have identified home transaction processes prone to service problems, developed 7 service commitments and standards, and advocated cooperative brands for joint fulfillment to build a favorable transaction environment. In addition to these 7 service commitments, various brands on our platform continue to improve their own service commitment systems by addressing customer pain points and needs. In 2023, we comprehensively evaluated the effectiveness of various service commitments on our platform and optimized those with poor performance in fulfillment. We require all parties on the platform to effectively fulfill the service commitments that have been launched, thus safeguarding customers' rights and interests. At the same time, we utilize various communication channels on the platform to help customers understand the guaranteed service commitments advocated by Beike during the transaction process and the ways to apply for commitment performance claims.



### Worry-free Service Commitments

To address the key service needs of our customers, we have optimized our business working methods and continuously enhanced our service levels. In cities such as Changsha, Hefei, and Jinan, we have explored online business operation standards and customer rights protection measures in the context of "property transfer" scenarios. This has effectively mitigated risks associated with settling utility bills such as water, electricity, and gas, as well as the inventory and handover of household facilities during the property transfer process. By learning from professional maintenance companies and outstanding agents' practical experience, we have summarized housing inspection methods for water leak risks and explored standardized tools and working methods for agents to detect potential housing water leak issues.

## Service Commitments for Home Renovation and Furnishing

Beike's subsidiaries, Shengdu and Beiwoo, continue to refine "10 promises for 10 worries with full attention and devotion" and the "10 commitments with sincerity" service commitments, which cover various dimensions, including home renovation and furnishing budget, quality, construction period, safety, etc. These include the entire home renovation and furnishing service process of contracts signing, design, material selection, construction, delivery, and after-sales, consistently addressing customers' concerns and safeguarding their rights and interests.



### In response to the need for more price transparency

Beike commits to eliminating additional costs or private charges and takes appropriate corrective actions, including customer compensation and employee penalties.



### In response to concerns about poor renovation quality

Beike commits to guaranteeing construction quality.



### In response to the issue of formaldehyde pollution

Shengdu bears the cost of correction or formaldehyde treatment where it operates if formaldehyde detection exceeds the accepted standard.



### In response to delays in home renovation and furnishing services

Beike commits to compensating for the postponed delivery.



### In response to home renovation and furnishing after-sales service problems

Beiwoo commits to providing door-to-door maintenance services after service completion and acceptance, and ensuring quality assurance for concealed work.

▶▶ We will release more targeted service commitments

## Home Rental Service Guarantee

Beike's Carefree Rent service provides safeguards for the safety of entrusted properties and the personal safety of renters, protecting the rights and interests of both property owners and renters and promoting the upgrading of service quality in the home rental industry. By the end of 2023, this service guarantee had covered 13 cities, including Beijing, Tianjin, Chengdu, Xi'an, and Suzhou.

For more details, please refer to the "Joyful Living Options - Supply of High-quality Housing" section of this report.

## // Customer Communication

Listening carefully to our users, responding to their needs quickly, and solving their problems to the best of our abilities form our underlying customer service philosophy.

## Complaints and Compensation

We value the quality of various customer service issues handling. By establishing complaint-handling standards, we guide customer service personnel in developing standardized solutions for handling complaints. By the end of 2023, we had formulated over 745 handling standards across 9 categories of inquiries and complaints, effectively improving the quality of complaint handling.

We have assembled a professional service team and incorporated a digital approval mechanism to ensure accurate information recording, prompt response, and timely handling of user inquiries and complaints. At the same time, we conduct retrospective analyses of complaints, focusing on high-frequency and key issues to identify areas for improvement within our service standards and processes. This approach helps us refine our service capabilities and reduce the occurrence of complaints at their root.

Our word is our bond, with a daring commitment to providing compensation - this is the resolute attitude of Beike and its partners toward user service quality. We have implemented a complaint handling process of "compensation before liability determination", establishing online compensation capabilities to connect various scenarios and multiple responsible parties, enabling rapid online compensation and disbursement to ensure a timely experience for customers.

In 2023, we received a total of 309,382 customer complaints, achieving a 100% response rate.

## Customer Service Experience Survey

To better understand our customers' perspectives, we have established a mechanism for managing service quality and conducted customer forums to investigate their experiences during the service process. Based on the feedback and suggestions from our customers, we continuously optimize our service management and enhance the quality of our services.

### The SQS Service Quality Data Management System

In 2023, Beike established the Service Quality Data Management System (SQS), regularly gathering feedback from customers regarding their experiences with home renovation and furnishing services. This system covers multiple modules, such as design services, construction delivery, construction completion acceptance, and after-sales service, reflecting the performance of core service roles, including designers, project managers, and housekeepers. Based on the SQS, we continuously manage and evaluate customer experiences in home renovation and furnishing services, periodically adjust our service control strategies, and integrate the SQS into the performance evaluations of both management and service personnel, thereby continuously enhancing the quality management of our home renovation and furnishing services.

### Customer Forums



Site Photo of of the Customer Forums

We regularly hold Customer Forums to invite customers to engage in face-to-face communication with our core management team. This helps us better understand the issues, demands, and suggestions customers have throughout the sales, design, construction, and after-sales services in the home renovation and furnishing service processes. We explore potential areas for improvement with our customers and take targeted measures to resolve issues and adjust our business strategies accordingly, thereby continuously enhancing the quality of customer service.

In 2023, our home renovation and furnishing business held 106 customer forums with 848 customers participating.

## Joyful Living Options

Beike continuously improves its multi-level home rental supply system, strengthening the supply of high-quality housing and home rental services to offer customers an excellent rental experience. At the same time, we explore various types of home rental services to support the supply of affordable rental housing and provide new citizens and young people with excellent rental options.

### // Supply of High-Quality Housing

We actively respond to the guidance of the 14th Five-Year Plan outline on "effectively and orderly expanding the supply of urban home rental and improving long-term rental policies". We continuously strengthen the supply of rental housing and assist in alleviating the housing difficulties of new citizens, young people, and other groups through various forms of home rental services, such as rental brokerage services and apartment operation services. By the end of 2023, over 210,000 housing units were managed by our home rental services.



By the end of 2023,  
**over 210,000**

housing units were managed by our home rental services

## Decentralized Rental Property Management Services

We have launched the Beike Carefree Rent, which integrates decentralized rental units in the market into high-quality and reliable long-term rental properties without changing the layout of rental units. In 2023, we comprehensively upgraded our Carefree Rent service, adhering to the concept of "promptly meeting every need". Based on the actual needs of our customers, we provided standardized rental services for each property throughout the entire rental cycle, including dedicated housekeepers, professional maintenance, and smart door locks. This ensures that our renters enjoy a carefree and quality rental experience. By the end of 2023, Beike Carefree Rent's seven upgraded services had covered 13 cities, benefiting over 264,000 customers.

### Beike Carefree Rent's Seven Upgraded Services:

#### Maintenance Service

We offer over 3,000 maintenance services in 10 major categories to meet renters' daily maintenance needs.

#### Smart Door Locks

We install smart door locks for tenants to meet their more convenient living needs.

#### Broadband Service

We provide broadband setup service to our renters.

#### Cleaning Service

We provide comprehensive cleaning services before renters move in and proper cleaning services after their move in.

#### Hassle-Free Relocation

We provide relocation protection to minimize the renters' penalty losses.

#### Dedicated Housekeeper

Our dedicated housekeepers are available 24/7 to respond to renters' needs at any time.

#### Flexible Payment

We offer multiple payment cycles for renters to choose from, easing the financial burden of rent payments.



By the end of 2023, Beike Carefree Rent's seven upgraded services had covered

**13 cities**



benefiting **over 264,000** customers

## Water Leak Management

Focusing on the issue of water leaks in properties, a major concern for both homeowners and renters, Beike has launched a comprehensive water leak management initiative in Beijing. By taking preventive measures and establishing a responsive mechanism after incidents occur, we aim to reduce both the frequency and impact of water leak events.

In 2023, we conducted a leak risk assessment in Beijing to identify potential water leak hazards in vacant properties before the winter heating period. We also reminded our current renters of the potential risks associated with heating-related water leaks. Additionally, we have designated personnel to handle any water leak incidents that occur. We promptly respond to any reported issues and contact professional suppliers for repairs to minimize the impact of leaks and maintain a positive rental experience for our customers.

Furthermore, we have established a "compensation reserve fund" mechanism to proactively consider the risks renters face during their lease term. For each property, we set aside a reserve to provide rental security and uphold the rights and interests of our customers.



## Centralized Home Rental Solutions

We launched multiple centralized rental apartment projects, converting existing market assets into quality housing supply through various forms such as apartment operation, joint investment and construction, and entrusted operation. With the core concept of "understanding customer needs," we strive to enhance the diversity and precision of our services to respond to renters' diverse demands.

### Beike HEY.YOUNG Apartment

In 2023, we established our first Beike HEY.YOUNG Apartment in Chengdu, offering 605 units. Guided by the "C2M<sup>®</sup>" philosophy, HEY.YOUNG Apartment strives to comprehensively fulfill renters' living needs through our apartment offerings and supporting services. By conducting user surveys, we have identified numerous key concerns and customer preferences, including housing safety, room style preferences, environmentally friendly appliances, and the functionality of common areas. Based on these insights, we have tailored our housing layouts and home furnishings, introducing three standardized floor plans and seven standardized floor plan modules.



Beike HEY.YOUNG Apartment

While ensuring the satisfaction of basic rental needs, we also pay attention to the creation of public spaces in our HEY.YOUNG Apartments. Within the apartments, we have established various activity zones, such as reading corners, entertainment hubs, and fitness centers, designed to foster interaction among young renters and make renting a better living choice.

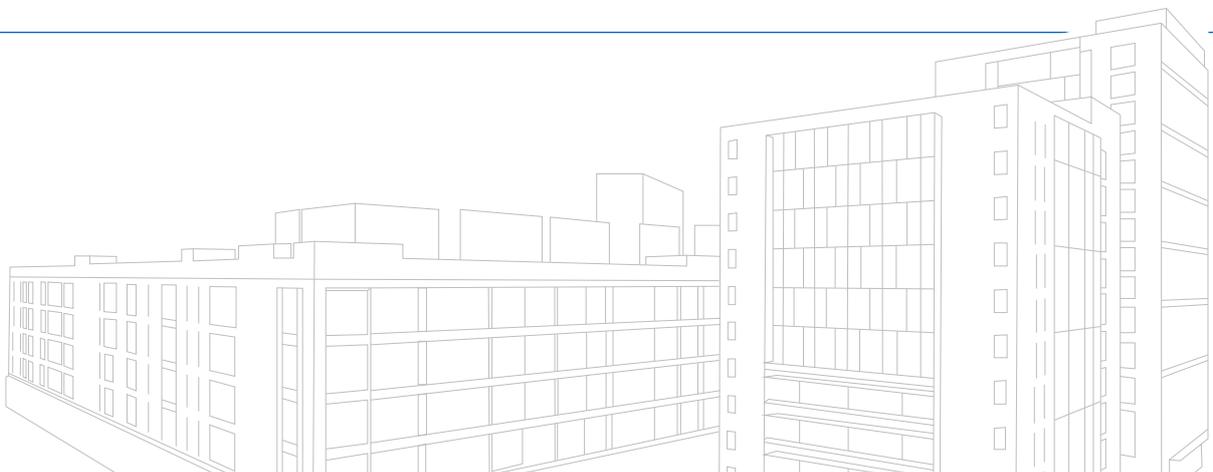
### Beike New Youth Apartment



Beike New Youth Apartment

We have developed a series of Beike New Youth Apartment projects, continuously offering affordable, convenient, safe, and clean independent living spaces for new youths and new citizens. The first Beike New Youth Apartment is located in Xuhui District, Shanghai, covering an area of nearly 40,000 square meters. Transformed from an old factory building, it holds 2,978 rooms under management with superior location conditions and better cost-effectiveness compared to surrounding housing.

In 2023, Beike New Youth Apartment's Shanghai Nanxiang store introduced apartments transformed from villas, aiming to provide young people with a high-quality living environment. The project holds 560 rooms under management and features a unique villa-style community, hosting various special community activities to build an open community model. At the same time, we focus on quality operations to continuously improve the living comfort of the community.



® C2M stands for Customer to Manufacturer, referring to the process of connecting consumers directly with manufacturers. Its core lies in understanding user needs and designing products and services based on those needs.

## // Exploration of Rental Services

Beike actively responds to the 14th Five-Year Plan outline and the call to "expanding the supply of affordable rental housing and focusing on solving the housing problems of vulnerable groups and the new citizens," as stated in the *Opinions on Accelerating the Development of Affordable Rental Housing*, to continuously explore home rental services that benefit new citizens and young people.

### New Youth Program

Beike has launched the New Youth Program, which includes Carefree Rent, centralized apartments, and ordinary home rental products, providing rental benefits to graduates. Based on the specific conditions of each city, we have launched special rental discount activities such as "zero deposit and monthly rent payments" for fresh graduates in 13 cities, including Beijing, Shanghai, Hangzhou, Chengdu, Xi'an, and Ningbo, helping young people settle down. By the end of 2023, we had provided rental benefits to approximately 18,000 graduates, with a cumulative benefit of approximately RMB 23 million.



By the end of 2023, we had provided rental benefits to approximately

**18,000** graduates



with a cumulative benefit of approximately

**RMB 23 million**

### The Direct Rent Payment with Housing Provident Fund Model

In 2023, Beike participated in launching the Direct Rent Payment with Housing Provident Fund model in Jinan through government-enterprise collaboration. This model enables renters to pay their rent directly using their housing provident fund balances and offers supporting benefits such as "zero deposit for rentals with flexible monthly payments" and "discounted service fees". These measures aim to alleviate the financial pressure on renters, enhance the convenience of home rentals, and provide cost-effective rental solutions for renters.

### Affordable Rental Housing

Beike has launched a special business for Affordable Rental Housing, converting existing properties on the market into rental housing, and establishing a platform for efficiently matching the supply and demand of Affordable Rental Housing. We have formed a professional home rental service management team to provide owners with a range of services, including customer consultation, property inspection, qualification application, and contract signing, assisting them in obtaining the qualifications for Affordable Rental Housing. Additionally, we have launched an Affordable Rental Housing Channel on the Beike App targeting the Chengdu region. Users can access this channel to understand the application requirements for projects and select suitable properties. By the end of 2023, we had operated over 8,000 units of Affordable Rental Housing in cities like Chengdu, Shanghai, and Hangzhou.



By the end of 2023, we had operated

**over 8,000 units**

of Affordable Rental Housing in cities like Chengdu, Shanghai, and Hangzhou



# Empowering Services with Technology

In our journey toward becoming a one-stop platform for new residential services, Beike remains committed to leveraging technology to empower housing transactions, home renovation and furnishing, and home rental services, exploring more possibilities of new residential service offerings. We utilize online and intelligent tools such as Sheniu, AI Exhibition Hall, and 3D Property Catalog to enhance service quality and operational efficiency, delivering a brand-new service experience to our customers.

## Sheniu

Beike has launched the AIGC<sup>®</sup> home design product Sheniu, providing customers with a brand-new experience in home renovation and furnishing with the assistance of AI technology. Designers can quickly generate and switch between multiple styled renovation renderings using Sheniu, visualizing users' visions for their living environments and thereby enhancing communication efficiency between designers and users. By the end of 2023, over 9,300 interior designers had utilized Sheniu to produce more than 200,000 renderings. Additionally, users can independently use Sheniu to generate renovation renderings with a single click based on room photos or floor plans, efficiently selecting their preferred renovation styles and reducing the actual cost of renovation trial and error. By the end of 2023, Sheniu had cumulatively served approximately 63,000 users, generating over 2.34 million renderings.



Sheniu User Interface

## AI Exhibition Hall

The AI Exhibition Hall is Beike's next-generation intelligent home renovation and furnishing service tool, applying AIGC technology to deliver a personalized and digitized home renovation and furnishing experience to customers. Based on the structure of the customer's house, measurement data, and their specific needs, the AI Exhibition Hall matches them with a library of interior design schemes of popular neighborhoods and classic floor plans, offering a diverse range of AIGC renderings for reference. Through the "online construction site" function, AI Exhibition Hall educates customers on construction techniques, transparently displays, and retrospects the renovation process of actual construction site, making it easier for customers to understand Beike's construction standards and service quality. By the end of 2023, AI Exhibition Hall had been applied to home renovation and furnishing services for over 165,000 homes, generating more than 180,000 AIGC renderings and exhibiting over 115,000 real-time construction sites online.



By the end of 2023, AI Exhibition Hall had been applied to home renovation and furnishing services for **over 165,000** homes



Generating **more than 180,000** AIGC renderings



Exhibiting **over 115,000** real-time construction sites online



Real-time Construction Sites



Renovation Design Rendering

⑨ AIGC refers to Artificial Intelligence Generated Content.

# Industry Talent Cultivation

As the core of business quality, the professionalism of service providers is crucial. For this reason, Beike continues to refine the talent professionalization system, enhance the professional quality of service providers, and refine their professional abilities. At the same time, Beike is committed to promoting the integration of vocational education and industrial development, strengthening the effective matching of talent supply and demand between enterprises and universities, and building a talent cultivation ecosystem in the field of residential services.

## // Empowering Service Providers

Beike builds a sound training system for many service providers in its business scope. Through diverse training and empowerment programs, such as the "Erudite Professionalism Examination", "Craftsman (Jinggong) Academy", and "Craftsman Spark Training Program", service providers can more readily move toward professional and vocational paths.

### Agents

We attach great importance to agent training and adopt diverse learning modes, including online learning, offline centralized training, practical tasks, and passing assessments to comprehensively enhance their professional capabilities. In 2023, we launched a continuing education program for agents, providing support for their ongoing learning and career development.

#### Agents "Erudite" Professionalism Examination

Since 2011, we have been conducting the "Erudite" examinations to solidify the effectiveness of Beike's vocational training for service providers, inspiring them to continuously enhance their professional capabilities through a positive cycle of "learning-application-examination-learning" and ultimately promoting improvements in service quality and efficiency.

In recent years, we have broadened the candidate scope of the exam, extending it to include managers, employees, and service providers from various businesses. The exam covers a diverse range of topics, such as human resources, finance, brokerage services, home design, specifically aimed at enhancing the professionalism and expertise of our employees. We have assembled an expert team to update the exam database and develop learning materials based on practical cases, including printed and digital textbooks, as well as AI-powered audio lessons. These materials assist service providers in systematically grasping relevant knowledge points. In 2023, 68,397 people visited the electronic textbooks, 27,527 people visited the AI-based audio tutorials, and 420,632 participants took the online exam. By the end of 2023, the cumulative participation in the "Erudite" examinations had exceeded 2.8 million.



As of the end of 2023, the cumulative participation in the "Erudite" examinations had exceeded

**2.8 million**



Agents "Erudite" Professionalism Examination

#### The "Earning Master's Degree at Beike" Continuing Education Program

In collaboration with the School of Public Administration at Renmin University of China, Beike has launched a part-time graduate program specializing in Real Estate Economics and Management, providing agents with opportunities for continued learning and supporting their career development. This program integrates the university's high-quality educational resources and faculty expertise to create a comprehensive training system that covers various courses related to real estate, including real estate economics, real estate policy analysis and evaluation, real estate financial innovation and securitization. Through this program, agents can enhance their professional expertise and knowledge base, thereby delivering superior services to the customers.

## Store Owners and Brands

Our stores serve as the fundamental units for both business operations and customer services, and our store owners play a pivotal role as the direct managers and operators of these stores. Beike founded Huaqiao Academy, focusing on the essence of store operations and addressing pain points to continuously improve store owners' management capabilities and professional competence. By combining a large number of positive and negative practical cases, we have extracted methodologies, formed high-quality training courses and introduced a professional certification training model for store owners to cultivate more backbone forces for the industry. By the end of 2023, Huaqiao Academy had conducted 51 certification training sessions for store owners, trained 10,235 store owners, certified 7,790 of them, and accumulated 808,565 hours of training.



Huaqiao Academy

By the end of 2023, Huaqiao Academy had conducted **51** certification training sessions for store owners

trained **10,235** store owners

certified **7,790** store owners

accumulated **808,565 hours** of training

## Home Renovation and Furnishing Service Providers

Beike is committed to cultivating high-quality home renovation and furnishing service providers, supplying professional talent to the entire industrial chain of the home renovation and furnishing industry, and delivering exceptional service experiences to customers. We continuously optimize the training system for all types of home renovation and furnishing service providers, covering the entire career development process of these professionals. By doing so, we aim to build a high-quality team of home renovation and furnishing service providers and cultivate outstanding talent.



### Fusion Training

Through the study of 10 courses, including cultural promotion, craft standards, red and yellow line measures, systematic operations, and safety assurance, combined with a mentorship program, we complete on-site learning and practical tasks. This approach assists newly contracted project managers and home renovation and furnishing workers of various construction trades to quickly understand the company culture and work standards and master basic professional skills. We have established a post-training assessment and certification mechanism, requiring newly contracted service providers to pass the certification before taking up their positions. In 2023, 3,446 home renovation and furnishing service providers successfully passed the fusion training assessment.



### Themed Training

For project managers with certain work experience, Beike has launched the Sunmao Program to address practical issues encountered in daily operations. We aim to enhance project managers' management capabilities in seven key areas: project duration, quality, service, manpower, materials, tools, and finance. Additionally, we have developed the Leap Classroom for installation technicians, which utilizes short videos to disseminate installation tools and techniques to industry technicians, helping improve their professional skills and delivery standards. In 2023, the Sunmao Program was implemented in 18 regions, covering over 600 individuals. Meanwhile, the Leap Classroom released 16 video sessions, with cumulative views exceeding 48,141.



### Talent Reserve Training

The Kaolan Action management reserve training program is specifically designed for skilled craftsmen. This program focuses on cultivating core abilities in professionalism, management skills, and basic competency, supplemented by various training methods, including classroom lectures, mentorship programs, scenario simulations, and case discussions, to facilitate skilled craftsmen's rapid growth into project managers.

## Craftsman Spark Training Program

In 2023, we explored a training model tailored for beginner installation engineers, aiming to cultivate service-oriented craftsmen with professional ethics and skills for the home renovation and furnishing industry. The training is carried out using a combination of theoretical knowledge and practical operations, teaching trainees the basic theory of carpentry and panel materials as well as operational skills in practical scenarios. We also guide trainees in installing furniture made of different materials and structures on site, strengthening their mastery of knowledge and skills. Additionally, we focus on comprehensively cultivating trainees' actual business capabilities, enhancing their abilities in customer communication and emergency problem-solving. Through this program, installation engineer trainees completed 15 days of intensive learning and 30 days of on-the-job mentored training. After passing the assessment and certification, they successfully begun their positions.



Craftsman Spark Training Program

## Technology Empowerment

Beike is committed to continuously empowering service providers with technology, enhancing business efficiency and service quality. We provide empowerment training and business assistance to service providers across various businesses through the intelligent online tool Xiaobei AI-Assistant. This includes, but is not limited to:

### In the housing transaction business

The Xiaobei AI Assistant helps agents enhance their business capabilities throughout the entire process of operation. Before serving customers, it provides agents with a simulated training ground, offering over 5.78 million training sessions in 2023, covering more than 314,000 agents with a total learning duration exceeding 750,000 hours. During customer services, it provides agents with over 160 million business assistance suggestions in 2023. After the service, it provides service evaluation and diagnosis to assist agents in enhancing their service quality, specifically by providing post-chat diagnostic reports for IM business opportunities to nearly 300,000 agents in 2023.

### In the home renovation and furnishing and home rental service

Service providers can familiarize themselves with business knowledge, such as service commitments, standardized techniques, and operational processes, through online training on the Xiaobei AI-Assistant. In 2023, Xiaobei AI-Assistant provided nearly 270,000 training sessions, engaging over 77,000 service providers in business learning and training activities.



Xiaobei AI-Assistant

## // Integration of Industry and Education

Beike is committed to cultivating service professionals in the new residential sector. We collaborate closely with universities to continuously improve the comprehensive talent cultivation system throughout higher and vocational education stages. This replenishes high-quality talent in the residential industry and provides solid support for the industry's qualitative development.

We actively respond to the Implementation Plan to Empower and Enhance the Integration of Industry and Education Through Vocational Education Between 2023 and 2025 by continuously deepening the integration of industry and education. In 2023, to promote deeper cooperation between the residential industry and educational institutions, Beike joined forces with universities such as Tianjin University and Shanghai Urban Construction Vocational College to initiate the "national residential industry industry-education integration community". Focusing on the residential industry, we gather industry and educational resources across regions to help establish an ecological cycle system of "education promoting industry and industry supporting education", as well as a new form of cooperation for the integration of industry and education. The industry-education integration community conducts joint training, accurately connecting universities with the talent needs of enterprise positions, improving the quality of talent cultivation and adaptation efficiency, and contributing to the high-quality supply pool of vocational talent.

We have jointly developed standards with professional institutions and industry associations to institute a digital brokerage service vocational skill level certificate for the new residential sector. This certificate aims to accurately align with the current technical and skill requirements of residential service positions, cultivate multi-disciplinary and compound technical talent, and further facilitate the entire industry's progress toward professionalization. The certificate has successfully been included in the fourth batch of vocational skill level certificate lists by the Ministry of Education, making it the first 1+X certificate<sup>⑩</sup> in the new residential sector. It covers work areas including digital property and customer management, online appointments and property presentations, and the application of smart devices and technologies, effectively filling the gap in digital and intelligent service professional standards within the industry. By the end of 2023, nearly a hundred schools had registered to participate in the certificate examination, and 9,451 individuals had undergone the certificate assessment. Meanwhile, Beike holds 1+X teacher training sessions annually, delivering content such as 1+X certificate standards, professional standards, and new industry trends to university teachers, thus improving the professional talent training program.

We have integrated technologies such as VR and AI to introduce various practical training products and establish training bases, empowering vocational education through digitization and driving the construction of a vocational education system through technology.

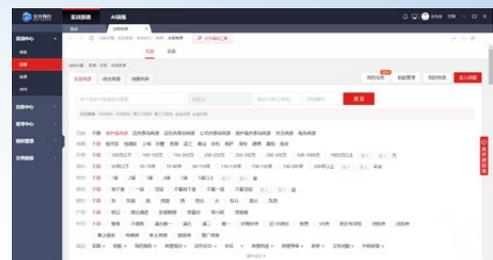


As of the end of 2023,

**9,451**

individuals had undergone the 1+X certificate assessment

- ◆ In 2023, we launched the online Real Estate Brokerage Sandbox Simulation Training product. This product adopts digitized and informatized teaching methods to fully simulate different types of brokerage business environments and closely align with real-world brokerage business scenarios. Through AI and VR simulation scenario training, such as the full process of property and customer business management and online digital signing, it effectively enhances students' practical operational capabilities, effectively linking professional teaching and vocational positions.



Interface of Real Estate Brokerage Sandbox Simulation Training product



Interface of New Residential Virtual Simulation Training System

- ◆ We have also launched the New Residential Virtual Simulation Training System, which utilizes 3D technology to truly recreate corporate work environments and role scenarios, allowing students to immerse themselves in real business processes in a virtual world. This system adopts gamification strategy mechanisms, combining real-world work scenarios with industry expertise to stimulate student interest and effectively enhance their professional skills and industry understanding.

<sup>⑩</sup> 1+X certificates: "1" represents an academic certificate, and "X" represents several vocational skills level certificates.



Site Photo of Beike's Training Base

- ◆ Beike has established its first training base at Tianjin Land and Resources and Housing Vocational College, which is equipped with advanced technological equipment and features teaching, VR experience, and practical operation areas. We integrate methodologies, standards, and scenarios into the curriculum, creating immersive learning experiences through VR and AI technologies and reproducing simulated training scenarios to achieve online integration of learning, practice, testing, examination, and evaluation. Additionally, our case-based and multi-level practical training curriculum system allows students to deeply experience work scenarios, further cultivating their service awareness and basic professional skills.

In addition, we collaborate with universities to launch designer internships and practical training programs. By adopting a "dual mentorship" model, which involves mentors from both Beike and the participating schools, we facilitate students' professional development.

## Designer Internship and Practical Training Program

In 2023, we launched the Assistant Designer Internship and Practical Training program at Shanghai Urban Construction Vocational College and Zhejiang Business Vocational College. This program helps to enhance students' job skills, improve the quality of talent cultivation and adaptation efficiency, and contribute to the development of vocational education. Under the guidance of mentors from Beike and the participating schools, students learn theoretical knowledge of architectural techniques and collaborate in offline teaching scenarios to complete practical tasks such as on-site room measurement and spatial design. In 2023, we conducted two rounds of recruitment at Shanghai Urban Construction Vocational College, with 93% of the students from the first round successfully passing the 120 days of on-the-job training and assessment.

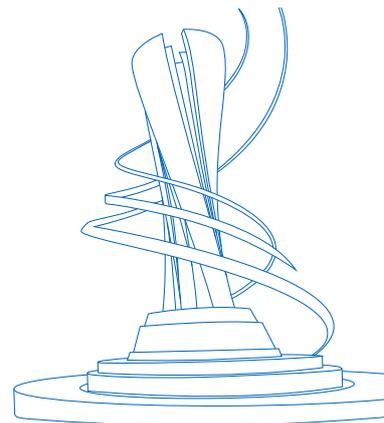


Site Photo of Designer Internship and Practical Training Program

Our achievements in school-enterprise cooperation, talent cultivation, and practical training system construction in the new residential industry have been recognized by various parties.

## 2023 Honors and Awards

- ◆ Beike successfully obtained the honorary title of "Industry-Education Integration Enterprise" at the provincial level in Guangdong, Shandong, Henan, Anhui, and Tianjin.
- ◆ Beike received the "Silver Award in the Industry Track" at the 9th China International College Students' "Internet+" Innovation and Entrepreneurship Competition in the Tianjin region.
- ◆ Beike's online internship and training product for assistant designers was awarded the "Best Case of Industry Integration" by the China Association for Construction Education.
- ◆ At the 6th China Real Estate School-Enterprise Collaborative Education Innovation Summit hosted by the China Association for Construction Education, Beike Education was awarded as the "Demonstration Base for Industry-Education Integration in China's Construction Education."





# Business Ethics



Compliance operation is the foundation for the sustainable development of the Company. **Ever since our establishment, Beike has adhered to our core philosophy of “business for good”.** We conduct our operations in strict accordance with relevant laws and regulations, while continuously enhancing our compliance framework and implementing effective management practices. Our efforts encompass a wide range of areas, including information security and privacy protection, integrity building, intellectual property rights protection, compliance advertisement, and supplier management. With scientific and efficient management systems and mechanisms, we collaborate with various stakeholders throughout the value chain of our industry to jointly create an honest business atmosphere, foster a healthy market competition, and practice good business ethics.

# Information Security and Privacy Protection

Beike places a high priority on ensuring information security and protecting the privacy of our users. We strictly abide by the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*, and other relevant laws and regulations. To ensure the compliance of our business operations with the latest legal requirements, we continuously follow up on changes in legislative enforcement related to information security and privacy protection. Meanwhile, we timely update our internal policies and compliance knowledge database, which includes information related to laws and regulations, internal policies, and national standards. With the comprehensive and timely understanding of the relevant laws and regulations, we incorporate the applicable legal requirements into our business and products to continuously enhance our efforts in information security and privacy protection.

We continually refine our internal management system, implementing technological measures to prevent information and privacy leakage while strengthening the capabilities of emergency response and information protection, to protect user data and privacy.

## // System Infrastructure

We keep strengthening our information security and privacy protection system through improving our management framework and policies, standardizing data usage, optimizing our emergency response procedures, as well as establishing the management barriers addressing risks related to information security and privacy protection. These efforts collectively lay a solid foundation for the security of user data and privacy.

### Improving the Management Framework

Beike keeps enhancing the management framework of information security and privacy protection. At the governance level, the Corporate Governance Committee supervises matters pertaining to the Company's information security and privacy protection. It provides guidance and conducts reviews on the establishment of the Company's vision and strategies for information security and privacy protection, while regularly receiving updates on the progress of these endeavors. At the management level, Beike has issued the Organization and Management Measures of Beike Information Security and Data Compliance, and established the Information Security and Data Compliance Committee ("the Safety Committee"). Consisting of Beike's CEO, CFO, heads of each business line, as well as managers from Legal Department, Business Ethics and Compliance Department, and Information Security Department, the Safety Committee is responsible for managing the Company's information security and data compliance risks and reviewing and issuing strategies and policies of the Company. At the execution level, Beike has established dedicated working groups, including the Information Security Working Group, the Emergency Response Working Group, and the Data Compliance Working Group. The working groups are responsible for developing management measures for critical risk related to information security, enhancing risk management through collaborative efforts with various departments. Also, the working groups report their working progress to the Safety Committee on a regular basis. Meanwhile, we have established an information security protection defense line encompassing "business, legal and security, compliance and ethics" to ensure that relevant functional departments continuously manage risks related to information security and privacy protection before, during, and after any event.

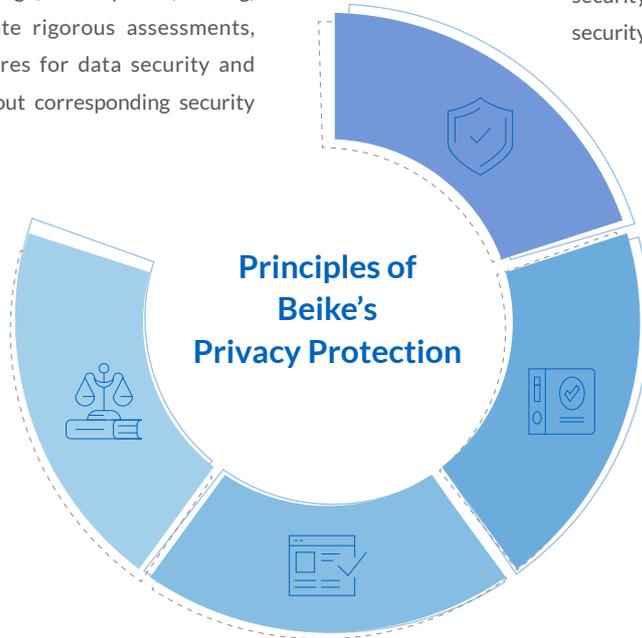


## Clarifying the Management System

Our privacy protection principles are integrated into all of Beike's technology applications, product designs, and business operations. Throughout the entire lifecycle of our services and products, from design, development, testing, launch to update, we integrate rigorous assessments, testing, and protective measures for data security and privacy compliance and carry out corresponding security and compliance management.

### Legal compliance

Beike takes corporate responsibility in accordance with laws, privacy and security rules, to safeguard the rights and interests of its users.



### Security and reliability

Beike equips with the high-level information security protection mechanism to ensure the security of user data.

### Transparency

Beike guarantees that users can easily understand, access, and control their personal information authorized for processing by Beike, anytime and anywhere. Additionally, we empower users to autonomously manage their personal information permissions through straightforward and user-friendly means.

### Minimum necessity

Beike adheres to the principle of data minimization, collecting only the minimum amount of data necessary to provide relevant services to users, and refraining from obtaining unauthorized personal privacy data from third parties. Each data processing behavior has specific processing purposes, with legality and necessity as the criterion.

Unless a longer retention period is legally required, we will only retain users' personal information for a necessary duration to complete the transaction with the user or to provide the service<sup>①</sup>. After expiration, we will delete or anonymize users' personal information in accordance with applicable law. If users close their Beike account, we will complete the review within 15 working days of the request for account cancellation.

Based on the Beike's privacy protection principles, we constantly refine our internal policies to enhance information security and safeguard users' privacy. Meanwhile, we evaluate our privacy compliance processes, to provide guidance for executing and implementing privacy protection management systems. We have formulated multiple internal management policies, such as the Beike Data Security Management, Personal Information Protection Guidelines, Beike Group Information Security Violation and Punishment Management Measures, Beike Group Data Export Compliance Guidelines, Compliance Guidelines for Collecting Personal Information in Mobile Internet Applications, and Beike Group Algorithm Compliance Management Measures. Through these policies, we standardize data classification and grading criteria, outline scenarios of information security violations and associated joint liabilities, and clarify procedures for investigating and adjudicating such violations, to ultimately improve the Company's information security and privacy protection management. The information security and privacy protection-related management policies cover the Company and its directly or indirectly controlled subsidiaries. All Board members and employees, which includes full-time employees, part-time employees, and contractors who provide labor services for the Company are applicable for such policies.

<sup>①</sup> Necessary duration to complete the transaction with the user or to provide the service: refers to the period of time necessary to fulfill the purpose of the transaction with the user, maintain the corresponding transaction and business records for possible inquiries or complaints from users, and to ensure the security and quality of our services. Please refer to the Privacy Statement of KE Holdings Inc. for the retention criteria of personal information.

To ensure the effective implementation of information security and privacy protection management, employees can learn about relevant policies through channels such as the data compliance management platform and the data compliance WeChat official account, and by participating in the Company's policy promotion activities. Meanwhile, the Beike Group Information Security Violation and Punishment Management Measures categorize punishments for information security violations into different levels, specifying criticisms, demotions, terminations of employment, and other disciplinary methods to standardize data usage.

Furthermore, we publicly display a series of privacy-related policies such as Beike Privacy Statement. These policies elucidate the nature of the users' personal information we collected, and how we collect, use, protect and store such information. We also value users' concern for their personal information and protect their rights to access, correct, delete, withdraw consent to their personal information, so that users have full control over their personal information.

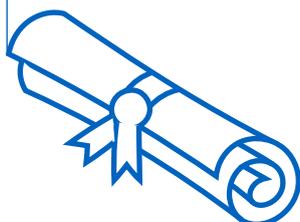
## Obtaining Certification

Beike is committed to providing professional, secure, and high-quality products and services, striving to build a service platform that instills trust and confidence in users. The products and services we provide have obtained multiple external certifications, including:

- ◆ The Apps with over 95% of daily active users<sup>⑫</sup> in Beike, including Beike Zhaofang, Lianjia and Beiwoo Home Decoration, have all obtained ISO/IEC 27001 Information Security Management Certification and ISO/IEC 27701 Privacy Information Management Certification. We also carry out third-party independent audits every year to maintain the validity of these certifications.
- ◆ In 2023, our data storage system obtained a certification from the Ministry of Public Security of China after undergoing an information security protection level 3 assessment.

## Honors and Awards

- In March 2023, Beike was awarded the title of "One-star Company of Data Security and Personal Information Protection Social Responsibility" in the pilot DS & PIP Social Responsibility Evaluation (T/CCIA 002-2022) organized by the Data Security Working Committee of the China Cybersecurity Industry Alliance (CCIA);
- In September 2023, Beike's Platform for Automated Classification, Labelling and Access Authorization Based on the Machine Learning and Recognition Engine was selected as an excellent cybersecurity case by the Internet Society of China.

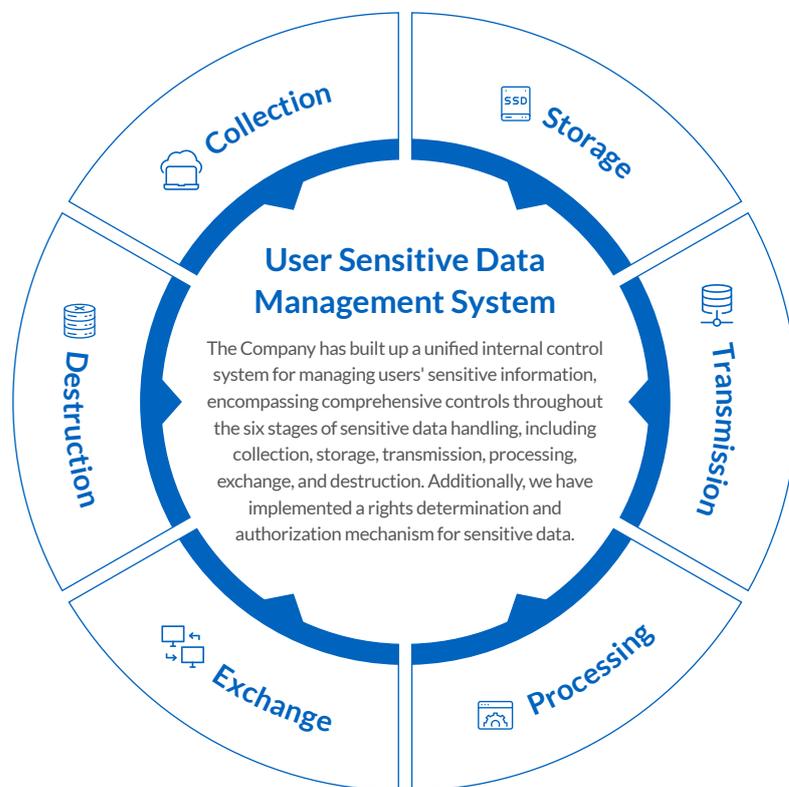


<sup>⑫</sup> Daily active users: refer to the number of unique users who use an App in a day.

## // Technological Support

Beike adopts a wide range of technological security measures to safeguard users' personal information against unauthorized access, disclosure, use, modification, and damage or loss. By improving products' privacy protection function and regulating data circulation requirements, we have launched the management system for users' sensitive data to strengthen our management for users' personal information protection.

- ◆ **Data collection:** The system categorizes and classifies sensitive data and determines data rights.
- ◆ **Data storage and transmission:** Sensitive data is stored using encryption techniques, and data transmission flows are restricted to prevent information leakage.
- ◆ **Data processing and exchange:** Access to users' sensitive information is strictly controlled, and data owners must pass the IAM<sup>®</sup> authentication to access and use the data. Those other than data owners must go through the authorization process to access the data.
- ◆ **Data destruction:** When users de-authorize the personal sensitive information or close their account, we will anonymize and erase their sensitive information.



### Strengthening Products Privacy Protection Function

We clarify the management requirements for the use of users' data in our products and at all stages of our services. In 2023, we established a one-stop management platform to implement more comprehensive, proactive, and efficient data compliance management. Through this platform, we incorporate privacy protection principles and solutions into the design phase of our product and service. We conduct compliance assessments or the Privacy Impact Assessments (PIA) before launching data processing activities, and automated code compliance testing before launching the App/Mini Programs on mobile devices. These measures help us detect and mitigate privacy compliance risks in advance, prevent the unauthorized collection, use, and sharing of personal information, ensuring users' information security from the source, and enhancing user privacy protection.

- ◆ **To ensure the secure transmission of users' sensitive information in payment and other financial scenarios,** in addition to encrypting users' private data throughout the data transmission channel, we gradually introduce content encryption for users' private data, from the client-side to the service-side of Beike's products, which greatly reduces the risk of data leakage during data transmission and strengthens the protection of users' private data.
- ◆ **To mitigate the risk of sensitive data leakage during customer callbacks,** we employ technical measures to desensitize customers' phone numbers throughout the entire service process, implementing a virtual number callback system.

<sup>®</sup> IAM: Identity and Access Management, i.e., user authentication.

## Standardizing Data Circulation Requirements

We continuously standardize management rules for data circulation both within and outside our organization to safeguard users' personal information. We have implemented a review and evaluation process for data circulation. When it comes to internal and external data circulation, the data must first undergo comprehensive evaluation and review by the data applicant, data circulation management team, and the data owner. We continuously refine this process to ensure robust security for user data.



### When engaging with suppliers or involving third-party services

We rigorously require that these entities adhere to their obligations for personal information protection in accordance with relevant laws, regulations, and Beike's privacy policies. We conduct Privacy Impact Assessments to identify potential data security risks and compliance risks before initiating collaborations.



### When users use Beike products

We will not rent, sell, or provide users' personal information to third parties, except as necessary to complete the transaction, to ensure the service delivery, or as required by law. Before providing user information to third parties, we will inform the user in advance of the name of the information recipient, the contact information, the purpose and method of the data processing, as well as the type of personal information, and meet applicable legal requirements.

In addition, we have signed data confidentiality agreements with our suppliers/third-party service providers, ensuring that we only share user-authorized data that is necessary for delivering the services. For example, in the Agent Cooperation Network, we only provide information authorized by users to our partners and will only retain and process this information within the time limit and scope allowed by law.

## // Risk Prevention and Control Mechanism

In response to the risks of leakage, damage, or loss of personal information, Beike has established the Emergency Response Working Group. We also effectively reduce information security risks and standardizes the security incidents processing flow through proactive risk control measures and a full-process incident management mechanism. Meanwhile, Beike has developed the Data Security Emergency Response Plan to initiate corresponding security emergency response for different types of security incidents.



## Proactive Risk Control Measures

We adopt proactive prevention measures to sort out and manage potential system vulnerabilities and risks. Aiming to identify potential security threats and continuously improve the security level of Beike's products and services, we have established the Beike Security Response Center, which regularly collects security vulnerabilities and threat intelligence on our products and services from users and information security experts, therefore safeguarding the information security of our users.

We conduct data leakage emergency drills every year and invite external professional evaluation agencies to assess the security of our core systems, continuously improving our management and technical competence for data security incidents. In 2023, Beike established the Data Security Blue Army, collaborating with internal and external security experts to carry out two practical attack and defense drills focused on critical data breaches and data security compliance issues. These drills encompassed risks across the internet, office networks, data centers, and cloud service providers. During these drills, we simulated attacks on the Company's important sensitive data and core system assets by means of vulnerability exploitation, phishing, near-source infiltration, and in-network breach, thereby enhancing the Company's overall security protection and emergency response capabilities.

In addition, the Safety Committee has issued data security risk reporting standards and response procedures to all employees to strengthen their awareness and ability to respond to risks. Employees can make anonymous reports or inquiries in a variety of ways. The Data Security Management Team will conduct a preliminary investigation of the reported data security breach within 30 days and send the investigation results to the whistle-blower.

- ◆ Contact the Data Asset Administrator of the business line
- ◆ Send an email to the Security Center: security@ke.com.
- ◆ Send an email to the Safety Committee: ISC@ke.com.

## Full-Process Incident Control

We implement full-process control over data security incidents, including recording incident details, controlling the development of the situation, and assessing the impact of the incident. Furthermore, when personal information security incident occurs, we will promptly inform users about the situation and potential impact of the security incident and explain the measures we have taken or will take to address the incident.



## // Capability Building

We attach great importance to data security and privacy protection. We implement our measures from three aspects, including knowledge sharing, training, and assessment. We carry out information security empowerment activities covering formal employees, part-time employees, data processing service providers, and contractors, to enhance their awareness of data security protection, and strengthen the Company's management and professional capabilities in information security and privacy protection.



### For all Beike employees

We regularly provide comprehensive information security and privacy protection training for all our employees. The Company provides special data compliance learning programs to employees and our management through training and examination system, such as "KE Jinxue" and "BeiJingTang", aiming to provide employees with a more targeted understanding of information security and data protection precautions. For example, the Human Resources Department focuses on safeguarding employee information, while the Marketing Department ensures that users' information is collected and utilized in a compliant manner, and the Customer Service Department needs to have a comprehensive understanding of how to respond to user requests regarding their personal information rights. To ensure that the information security and privacy protection compliance training is put into practice, we require trainees to take exams after the learning activities, thus strengthening the training effectiveness and improving employees' compliance awareness and capabilities. We also carry out special information security activities for employees to further strengthen their awareness of security protection.

## Information Security and Compliance Knowledge Sharing Month

In 2023, Beike launched the Information Security and Compliance Knowledge Sharing Month campaign with the theme of "collaborative protection for worry-free security". For different types of employees, we have organized learning activities centered around modules such as security policy learning, technical knowledge explanation, and security awareness training. These activities aim to disseminate information security knowledge among employees, thereby enhancing their information security awareness and skills. The events have reached over 25,000 participants.

- **In terms of data security policies**, we helped employees understand both the Beike Data Security Management and the Beike API Asset Security Management Measures, effectively promoting the implementation of the Company's information security policies.
- **In terms of technological knowledge**, we explained relevant knowledge, such as account and permission management, and security audit processes to strengthen employees' information security knowledge reserves.
- **In terms of security awareness**, following the "eight prohibitions of information security", we reminded employees of typical information security risks in the workplace by means of cartoons, and clarified the security red line, to enhance employees' information security awareness.



Information Security and Compliance Knowledge Sharing Month



### For data processing-related suppliers

We include data security protection requirements in the contract terms signed with these suppliers and conduct targeted supplier training activities to jointly uphold the legitimate rights and interests of data subjects. In 2023, we organized the “Beike Data Protection” training for suppliers involved in the processing of personal information and other protected data. The training focused on data classification, data violation case study, and suppliers’ data protection obligations, aiming to promote suppliers’ data protection capabilities and awareness.



### For our agents

We arranged the “Personal Information Protection in Cities” training, covering topics of possible violations of process users’ privacy in the workplace, and information security and privacy protection practices. In 2023, over 100,000 agents participated in this training course and the corresponding assessment, which effectively enhanced the data security protection awareness among front-line service providers. Meanwhile, we advocate agents to sign the Data Security Protection Commitment to jointly safeguard users’ data, enhancing their service security awareness through active commitment. As of January 2024, 426,787 copies of the commitment were signed by agents on our platform.



As of January 2024,

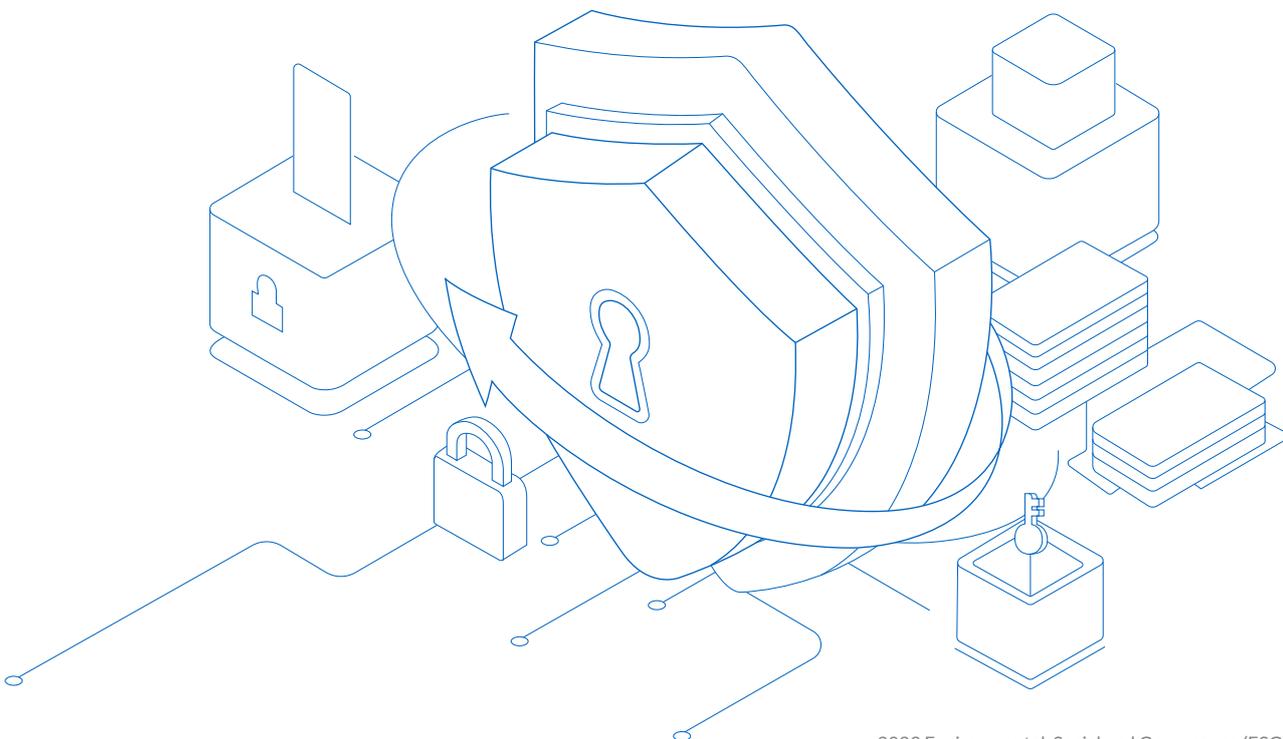
**426,787**

copies of the commitment were signed by agents on our platform



### For the industry

Beike communicates and cooperates with domestic and international professional agencies to jointly promote the standardization of privacy security across the industry. In 2023, we participated in the compilation of five national standards and two group standards in data security, including national standards of *Artificial Intelligence Computing Platform Security Framework and General Requirements for Generative Artificial Intelligence Service Security*, and the group standard of *Guidelines for Protecting Client Personal Information in Real Estate Agent Services*.



# Building a Culture of Compliance and Integrity

## // Anti-Corruption and Anti-Fraud

We strictly adhere to the *Anti-Unfair Competition Law of the People's Republic of China*, the *U.S. Foreign Corrupt Practices Act (FCPA)*, and other laws and regulations related to anti-corruption and anti-fraud. Based on our business characteristics, we have established a set of policies and guidelines, such as the Anti-Corruption Compliance Policy, Regulations on Employee Interest Relationship Management, Code of Conduct for Work Ethics, Beike Employees Code of Conduct for New Homes Transactions, Code of Business Conduct and Ethics, and Guidelines on Third Parties of the Anti-Corruption Compliance Policy, to prohibit any forms of bribery, corruption, and fraud. These policies also clarify the situations that employees should avoid and the consequences of violation.

For the integrity and compliance management for employees of business lines, we have issued detailed rules on red and yellow lines mechanism of employee honest credit management, whistleblowing and investigation, gift management, and business behavior compliance, ensuring consistent standards for violation identification and punishment across the Company. Besides, we organize all employees to report interest relationships to continuously optimize our code of business ethics. To enhance the efficiency of reporting, we continue to optimize the online reporting system, by providing explanations and clarifications for violations during the reporting process and upgrading the system's announcement function.

The Company has appointed a Chief Compliance Officer to approve FCPA-related matters in accordance with our policies and guidelines. The Audit Committee of the Board is responsible for supervising the improvement of the Company's internal management system for business ethics. Moreover, we also set up the Business Ethics Committee, the Platform Supervision Department, and investigation teams that carry out daily supervision and investigation throughout the Company. In 2023, Beike further optimized its business ethics management system, by strengthening resource integration and collaboration across departments related to internal control, internal audit, and compliance monitoring, to guard the bottom line of business ethics with the help of specialized functional teams.

### In terms of daily business ethic management, we carry out the following measures

#### Investigation of the management team

The Ethics Committee is responsible for investigating any legal or regulatory violation clues involving individuals at the director level, and other equivalent levels or above. If the related actions are suspected of being illegal, we will then communicate and transfer the relevant cases to the judicial authorities.

#### Periodic audits

The Internal Audit and Internal Control Center conducts annual internal audits of the company's major business processes, information systems, and related departments, focusing on key topics such as business ethics, information security, and quality management, to strengthen the company's risk control capabilities in key areas.

#### City level supervision

The business supervision teams of our city companies are responsible for investigating clues on illegal behaviors, involving employees at lower level, or the case is in smaller scales and caused minor circumstances. If the relevant behavior is suspected of violating the law, we will transfer the cases to the judicial authorities.

In 2023, we received the result of one criminal case in which one individual was sentenced to five years of imprisonment for duty-related encroachment. We have terminated the employment relationship with the above-mentioned employee and have conducted a retrospective investigation of the case and issued a warning notice to prevent its recurrence in the future. The above case had no significant impact on our business.

## // Anti-Money Laundering

We continuously assess the potential financial risks that could impact our business and take serious risk control measures for any business activities that may be susceptible to money laundering. We strictly comply with anti-money laundering (AML) laws and regulations, such as the *Law of the People's Republic of China on Anti-Money Laundering* and the *Provisions of Anti-Money Laundering through Financial Institutions*. We have also designated the AML compliance officer, 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 have established an internal control system for AML, and formulated policies and rules such as the Anti-Money Laundering Compliance Policy, the Emergency Management Measures for Major Money Laundering Cases, the Internal Inspection Operation Procedures for Anti-Money Laundering, and Self-Assessment Policy for Money Laundering Risks. Moreover, we have a team of professionals to continuously monitor any updates on AML-related laws and regulations and ensure that our internal policies are always up-to-date. In addition, we enhance our internal AML controls by utilizing an online AML system.

We require all employees to report any suspicious activities identified during the KYC (Know Your Customer, i.e., customer background check) process, due diligence process, financial activities, and daily operations to the AML compliance officer. After consulting with the Legal Department and the Capital Department, the AML compliance officer will determine whether to report these suspicious activities to law enforcement for further actions. We also hold the monthly suspicious transaction analysis meeting, where members of the AML leading group and full-time and part-time AML personnel discuss and analyze difficult situations and key cases encountered, explore the direction of intelligence gathering and submit a special report on significant suspicious transactions to the AML authority.

### **We keep strengthening the management and control of money laundering risks by improving employees' AML awareness and providing technological support.**

#### Improving AML awareness

This year, we carried out 8 AML training sessions, covering topics on AML policies and practices, AML theories, AML data compliance and other aspects. The training sessions attracted 145 employees to participate, including the management and employees in core positions.

#### Providing technological support

We developed innovative monitoring technologies to strengthen the monitoring and analysis of suspicious transactions, ensuring efficient and accurate detection of AML risks during the transactions. Based on our experience in existing home transactions, we developed monitoring technologies, including the "Risk Monitoring Method and Device based on Buyers' Transaction Information" and the "Risk Monitoring Method and Device based on Customers' Characteristics", which were filed with China National Intellectual Property Administration in 2023 for invention patent application.

Our AML experience and practices in the real estate industry are well-recognized. In October 2023, written by the payment center under Beike, the Design Scheme and Application of the Monitoring Model for Suspicious Transactions in the Real Estate Industry was included in the "Cases of Money Laundering Risks Management in Financial Institutions", which was compiled and published by the Anti-money Laundering Bureau of the People's Bank of China.

## // Whistleblowing and Protection Mechanisms

Adhering to the principle of integrity in business, we have formulated the Policy on Reporting and Investigation of Discipline Violation to clearly define the reporting channels, investigation process, review procedures and protection mechanisms for whistle-blowers. We offer multiple reporting channels, including WeChat, email, hotline, mailbox, and letter, to ensure timely information capture and response. For credible reports of suspected fraud, the Ethics Committee will either directly initiate an investigation or delegate the responsibility to the appropriate functional department or city companies, depending on the findings of the preliminary examination and screening. For the fraud cases identified, the issues will be published on Beike's internal website as a warning. If the violation is deemed to be a criminal act, we will report to appropriate judicial authorities and pursue criminal responsibility accordingly. Employees dissatisfied with the proposed treatment are entitled to submit an appeal. The Ethics Committee will designate an investigation department that was not involved in the initial investigation to review the appeal.

In 2023, the initial review and response rate of fraud reports were ensured to be 100%. Meanwhile, we kept improving the timely investigation and handling of fraud cases. We also attach great importance to safeguarding whistle-blowers and have specified the protective measures in our Policy on Reporting and Investigation of Discipline Violations. We guarantee the utmost confidentiality of all details regarding both the reports and the identity of the whistle-blowers, and they are protected from any form of unfair treatment. If whistle-blowers face any form of retaliation, they can file a complaint to our Ethics Committee through the public reporting channels. After verifying the complaint, we will provide the whistle-blower with compensation and take punishing measures against those who take any adverse actions to the whistle-blower.



The initial review and response rate of fraud reports were ensured to be

**100%**

As for our agents, we have established a business violation reporting process that guarantees timely responses, efficient processing, regular progress updates, and results updates for any reported cases. To ensure the confidentiality and security of whistle-blowers, our system provides anonymous feedback option. The identity of the informant remains anonymous throughout the incident handling process, and no one is permitted to access the anonymous information to protect the privacy of the whistle-blowers involved.

## // Integrity Culture

We regularly conduct anti-fraud training, which covers employees of different levels and functions, to standardize daily operational behavior, enhance the anti-fraud awareness of our employees, and reduce the occurrence of potential violations. We require all employees, including part-time and contractors across our platform to undergo comprehensive training and assessment on anti-corruption, anti-fraud, and integrity compliance. The training covers topics in a range of policies, including rules on conflicts of interest, codes of ethics, guidelines for giving and receiving gifts, whistleblowing and investigation protocols, data safety procedures, Beike security trading policies, and Beike public channel speech management. To ensure compliance with key policies and rules, it is critical that all staff members possess a thorough understanding of relevant knowledge and pass the necessary assessments. By enhancing their risk awareness and prevention skills, the Company aims to cultivate a culture of compliance that permeates throughout all levels of enterprise management.



### New Employees

- Conduct general business ethics training during onboarding.



### Platform Employees

- In 2023, we conducted the Beike Sunshine Action integrity training, which involved a total of 26 thousand employees, with all employees passed the examination.
- In 2023, we released over 30 reports on integrity cases, interpretations of policies and rules, reminders on integrity during festivals, and reminders on business compliance. These resources were made accessible all employees, with an average of over 75 thousand views per article.



### The Management

- Senior management: We organize the “Erudition Test for Beike’s Managers”, which consists of business ethics and integrity training and relevant exams.
- City level management: We provide regular integrity compliance training to the city level management. Participants are required to be honest and self-disciplined, while assisting with the development of the Company’s integrity culture.
- Managers for new home sales, payments, and other business lines: We carry out integrity education through different means, such as fraud risk analysis, typical case studies, integrity compliance reminders.



### The Board

- We provide targeted trainings on topics such as business ethics and integrity development and anti-corruption to the Board member, while debriefing contents on the Company’s management policies, system construction, and incident management.



### Beike Sunshine Integrity Influence

We actively participated in anti-fraud and anti-corruption social organizations such as the Trust and Integrity Enterprise Alliance and the China Enterprise Anti-Fraud Alliance (CEAFA) in 2017 and 2019, respectively. Our goal is to promote integrity in our industry via the information sharing mechanism among industry peers. In 2023, Beike became the vice president of the China Enterprise Anti-Fraud Alliance<sup>14</sup>, involving as a more active role in exercising leadership and expanding influence of anti-fraud in the industry.

In October 2023, Beike, as one of the representative enterprises, jointly released the Initiative to Strengthen the Construction of Integrity Culture in Internet Companies with the Internet Society of China. Together with the industry, we aim to promote the development of integrity culture in Internet companies in the new era. With this initiative, we seek to effectively enhance the awareness of self-discipline and integrity among Internet companies, and foster the value of integrity, thereby creating a clean business and industrial environment.



### Integrity and Compliance Knowledge Sharing Activities

In 2023, we upgraded the Integrity Beike WeChat official account with additional key features including “view our policies and guidelines”, “one click to complain and report”, “one click to report gifts received”, and “declaration of interest relations”. All materials related to notifications of disciplinary offence and integrity compliance publicity are open for search to effectively improve the transparency of integrity compliance management.

Meanwhile, we kept carrying out activities to foster a culture of integrity compliance, and successively released 10 articles on topics such as “compliant declaration of individual income tax”, “compliant declaration of reimbursement”, “Q&A related to declaration of interest relations”, “knowledge sharing of common crimes”. Together, these articles attracted 850 thousand views.

## Intellectual Property Rights

We attach great importance to protecting intellectual property rights. To achieve this, we have set up a professional team and a highly efficient set of mechanisms to manage our intellectual properties and enhance our abilities to prevent intellectual property risks. By advancing the full-process intellectual property management, we continue to optimize the quality and efficiency of our intellectual property management capabilities and protection effectiveness.

During collaborations, our suppliers sign a confidentiality agreement to ensure that the technical information we provide remains secure under such an agreement, therefore safeguarding our intellectual property. We also respect the intellectual property of others. We add a defect warranty agreement for intellectual property to ensure that relevant products and services provided by our suppliers do not infringe on the legal rights of third parties. When conducting R&D for hardware products, we carry out patent risk checks in advance to ensure, to the maximum extent possible, that our hardware products do not infringe on the intellectual property rights of others.

<sup>14</sup> Beike's term as the vice president of the China Enterprise Anti-Fraud Alliance is from December 2023 to December 2028.

## // Trademarks and Copyrights

We abide by the laws and regulations such as the *Trademark Law of the People's Republic of China* and the *Copyright Law of the People's Republic of China*. We have formulated the Beike Group Intellectual Property Management System and supporting management rules to ensure the compliance management of trademarks and copyrights.

In 2023, focusing on brand reputation protection, we expanded the basic principles of “stringent, broad and prompt protection” to include the development philosophy of “enhancing reputation and increasing value”, and expanded the whole process system of trademark and copyright protection encompassing rights verification, safeguarding, protection, compliance and application of honors.



### Trademark rights verification

We reinforced the trademark protection in each business line and established a sound trademark right verification process and global trademark layout. By the end of 2023, we had carried out overseas trademark filing and protection across 30 countries and regions, with 9,414 trademark applications completed and 7,831 trademarks authorized.



### Trademark rights safeguarding

In 2023, we expanded the scope of rights protection and initiated a cross-industry rights protection action around the trademark of Lianjia, which achieved the company's first successful cross-industry rights protection case. Meanwhile, we compiled the Rights Protection Manual to carry out specific management on Internet infringement.



### Trademark rights protection

For suspected trademark infringement, we take proactive measures to verify and deter such behaviors, and meanwhile we organize training and publicity campaigns to encourage our employees to actively report potential trademark infringements to the Company's Trademark Management Department. In 2023, we organized 4 intellectual property training sessions for all Beike employees to share the Company's practices and achievements in upholding our brand image.



### Trademark rights compliance

To deal with possible infringement of intellectual property rights in the field of artificial intelligence (AI), we have set up a special AI column which collects and publishes the latest legal information on global AI development. Based on our own R&D achievements, we compiled the Guidelines for Intellectual Property Rights Compliance of Large Models to ensure the compliance in the processes of AI R&D and commercial application.



### Application of honors

We integrate trademark protection with brand value adding to vigorously promote brand reputation. In 2023, the trademark of Lianjia was included in the Key Trademark Protection Catalogue of Guangdong Province. The trademarks of Beike, Deyou and Beiwoo were honored as the Well-known Trademarks. The trademarks of Beike and Deyou were also awarded AAA Grade Famous Trademarks, making Beike the first enterprise in the industry to win this honor.

## Crackdown on “Black and Gray Industries” of Property Listings

- Beike won the first lawsuit against “black and gray industries” of property listings in the case of “Tuitui 99”, which was well-recognized by the legal community. The case was selected by Primary People's Court of Haidian District of Beijing Municipality as one of the “2023 Typical Cases of Intellectual Property Disputes Involving Online Platforms” and “2023 Ten Typical Cases of Beijing Intellectual Property Court Against Data-involving Unfair Competition”, and also included in the “Selected Cases of the People's Courts” compiled by the Supreme People's Court of The People's Republic of China. These resources provide judicial references for the establishment of regulations in data property rights and the legislation in real estate industry.
- In 2023, for the first time in a judicial case, the Actual Survey Map and Floor Plan of Houses photographed and created by the Company were recognized as satisfying the requirements for creative “Photographic and Graphic Works” under the *Copyright Law of the People's Republic of China*. As a breakthrough in the protection of the Company's property listings and an all-round enhancement of management efforts, this case will effectively expand the protection boundaries and help achieve cross-industry property rights protection.

## // Patents and Software Copyrights

Beike attaches great importance to the management of patents and software copyrights and complies with applicable laws and regulations of places where we operate, such as the *Patent Law of the People's Republic of China*, and the *United States Code Title 35 – Patents*, and the *Convention on the Grant of European Patents*, and establishes relevant management systems. To ensure the overall management of patents and software copyrights, we set up the Center of Intellectual Property and Litigation Management, which is responsible for the application, authorization, rights protection, litigation and licensing of patents and software copyrights. Additionally, Beike's Policy on Group Patent Rewarding motivates the R&D colleagues for their contributions to technological innovation and inventions.

Through formulating a global patent strategy, developing a patent portfolio, identifying and managing intellectual property risks in R&D projects, as well as reviewing intellectual property clauses in contracts, we ensure smooth business operations and minimize our intellectual property risks.

Our practices in protecting and managing intellectual properties have been well-recognized.

- In 2023, Beike Zhaofang (Beijing) Technology Co., Ltd. was officially approved by China National Intellectual Property Administration as a “National Intellectual Property Advantageous Enterprise”.
- In 2023, Beike Technology Co., Ltd. applied to undertake the “2023 High-quality Intellectual Property Rights Creation Project” of Tianjin Intellectual Property Office and passed the final acceptance.

By the end of 2023, we had received 1,612 granted patents and 737 software copyrights cumulatively.



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## Compliance of Advertisement

To ensure the compliance of our advertisements, we strictly comply with relevant laws and regulations, including the *Advertising Law of the People's Republic of China*, the *Regulations on the Release of Real Estate Advertisements*, and *Administrative Measures on Internet Advertising*. We have also set forth internal policies such as the Criteria of Content Release Compliance on Beike, the Criteria of Speech Compliance on Public Channel of Beike, and the List of Prohibited Advertising Words and Phrases. These policies and guidelines standardize the advertising content published by our employees through public channels to promote the housing information, thereby reinforcing the Company's internal management of advertising compliance.

We rigorously examine and manage the advertising content designed by agencies. The agency is required to strictly follow our requirements as listed in the Criteria of Content Release Compliance on Beike and the List of Prohibited Advertising Words and Phrases. Also, the release of the advertisement is only permitted upon the approval of the Company. For the advertising materials designed by the Company itself, the requesting departments need to conduct a layered review in accordance with laws, regulations, and internal policies. In addition, the Company has established handling procedures for advertising complaints to provide prompt and specific feedback on each complaint and take corresponding management actions. During the post-incident review process, we identify measures for improvement to continuously enhance our advertising management standards and ensure the effective protection of the Company's reputation.

Beike places great emphasis on cultivating employees' awareness of advertising compliance. We have established mechanisms to actively address common questions related to advertising compliance that arise in employees' daily work, proactively identify and prevent advertising risks at any time, and enhance employees' compliance awareness and problem-solving abilities. In 2023, we provided advertising compliance training for employees in different business lines and the Legal Department, covering various aspects such as the legal basis for advertising compliance, advertising compliance requirements and case study for general scenarios, real estate industry and marketing activities, as well as the Company's advertising registration system. These advertising compliance trainings helped the Company to ensure the compliance of employees' work related to advertising and laid a solid foundation for maintaining a good corporate reputation.

# Supplier Management

We have formulated policies and rules, such as Beike Supplier Management Policy and Beike Code of Conduct for Suppliers, to enhance our supply chain management capacity. Meanwhile, we are continuously promoting our procurement transparency and advancing the process of building a clean supply chain. With our commitment of green procurement, we contribute to the green development of the industry by selecting suppliers and products that meet our sustainable development standards.

In 2023, we updated the Beike Supplier Management Policy to further standardize the processes of supplier selection, entry, assessment, and withdrawal. We thoroughly evaluate and monitor the environmental and social risks of our suppliers and ensure that the information of all suppliers is in the Beike's procurement system for centralized management. In 2023, for suppliers involved in data security cooperation, we provided them with data security training and required them to sign the Data Security Commitment.

## // Whole-Process Management of the Supply Chain



### Selection

We aim to select suppliers that meet the business requirements and the concept of sustainable development by taking into consideration on suppliers' reputation, service quality, product quality, social responsibility, business ethics and other factors. For example, for suppliers of outsourcing labor services, we focus on their performance in protecting the rights and interests of their employees, as well as their performance in environmental safety, and assess their compliance with labor regulations to prevent the use of child labor.



### Entry

In 2023, we added qualification requirements for supplier onboarding and established a review process to screen and select suppliers with lower ESG risks. Additionally, we implemented an elimination process for suppliers engaged in commercial fraud or provided falsified information. We require suppliers to provide certification documents related to product quality, occupational health and safety, environmental protection, and other relevant areas as mandated by national authorities, industries, or the Company. Furthermore, we conduct reviews on supplier's documents such as the production and operation permits, and other relevant product or service qualifications.



### Assessment

We regularly conduct performance assessments of our collaborating suppliers, considering multiple aspects such as product quality, service level, and business compliance. Based on these assessments, we implement tiered management for suppliers to ensure scientific and effective supplier management. In addition to the ISO 9001 Quality Management System standards, we have introduced on-site assessment for certain categories of suppliers, incorporating assessment criteria such as labor management, institutional standards, environmental management, and product/service quality. For any non-conformities identified during the on-site assessment, we guide suppliers through rectification based on the evaluation results, and suppliers are required to submit corrective and preventive measures addressing these non-conformities. In 2023, we completed performance assessments for 525 suppliers.



### Withdrawal

We have established a blacklist management system for suppliers. We will terminate our partnership with the supplier who engages in activities that violate our business ethics standards, demonstrates severe dishonesty, involves in major product quality issues, or commits other breaches of the Company's red lines.

## // Supply Chain Anti-Corruption

We practice the Sunshine Procurement Concept of “fairness, equity, and transparency”. We have formulated the supplier integrity management system to build transparent supply chains and ensure a market environment featuring justice and integrity. All suppliers are required to sign the Anti-Commercial Bribery Agreement and the Anti-corruption Commitment and Promise. In 2023, the Supplier Code of Conduct was officially incorporated into the home renovation and furnishing procurement contracts, establishing consensus with suppliers on three behavioral requirements: integrity and compliance, customer service, and win-win cooperation. Furthermore, we clarified suppliers' noncompliant behaviors and categorized them into five levels based on severity, outlining the corresponding breach responsibilities for each level. In 2023, we collaborated with over 3,000 suppliers to host more than 30 rules advocacy events. Additionally, we established a supervisory mechanism featuring reporting hotlines and emails, facilitating supervision and whistleblowing, and guiding suppliers to jointly maintain a clean and high-quality supply chain.

As a member of the Trust and Integrity Enterprise Alliance and the China Enterprise Anti-Fraud Alliance (CEAFA), we are committed to working with other social enterprises to purify the business environment. In accordance with standardized workflows, we include dishonest suppliers engaged in commercial bribery practices into the Beike supplier blacklist system. Moreover, we carry out the Sunshine Action to provide the procurement management staff with integrity training.



In 2023, we collaborated with

**over 3,000**  
suppliers



to host  
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rules advocacy  
events

## // Green Procurement

We deepen the concept of green procurement and are committed to the sustainable development of the entire industrial chain. Based on our business development, we released the Factory Review Policy for our strategic suppliers and home renovation and home furnishing suppliers of our group procurement, as well as suppliers with prominent environmental protection attributes. With this Policy, we have established qualification requirements related to health and safety, environment, and social responsibility, to facilitate the review of suppliers.

For suppliers of different categories, we formulated different management measures and requirements in line with their product features, building a comprehensive green supply chain.

  
For  
**strategic suppliers  
and home renovation  
and furnishing  
suppliers of our  
group procurement**

We have formulated separate on-site review standards to examine their environmental protection efforts and sustainability and require them to rectify all non-conformities.

### Supplier on-site review items

- At the occupational health and safety level, we consider whether the supplier has ISO 45001 Certification for occupational health and safety management system, whether the safety signs in the factory are correct, and whether they have set up procedures for dealing with emergencies.
- At the environmental level, in addition to ISO 14001 certification, we examine whether the supplier has set up energy and water conservation policies and green procurement policies.
- At the social responsibility level, we assess their information protection system, whether they respect female employees, whether they set up corporate foundation or participate in public welfare activities, etc.

**For  
woodwork  
suppliers**



We strictly control the formaldehyde emission limits of their products and require that all products supplied meet the highest environmental protection level of the E0/ENF formaldehyde emission limit in *GB/T 39600-2021 Formaldehyde Emission Grading for Wood-based Panel and Finishing Products*. Corresponding test reports are required to ensure that only healthy and environmentally friendly panels are used. The above evaluations and requirements ensure that the suppliers meet the highest standards of sustainable development and lay a solid foundation for our green procurement concept.

**For  
home appliance  
suppliers**



At the short-listing stage, they are required to provide, but not limited to, ISO 14001 Environmental Management System Certification. At the bid evaluation stage, the energy consumption of their products is one of the important scoring items, with Grade 1 energy-consuming products receiving higher scores.

**For  
data center  
suppliers**



When selecting data center suppliers, we consider their environmental benefits, including energy consumption levels, use of clean energy, and environmental impact, and give preference to green data centers. We also require data center suppliers to hold ISO 14001 Environmental Management System Certification.

**For  
suppliers offering  
daily office supplies**



We incorporate green and environmental protection concepts into the procurement process for daily office supplies by purchasing from JD.com, M&G, and other e-commerce platforms that meet the environmental protection standards.

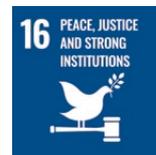
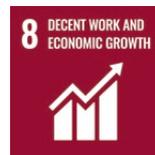
In the future, we will continue to strengthen our green procurement practices and apply the concept and requirements of sustainable development to more suppliers, to build a green supply chain.

<b>Number of maintained suppliers by region<sup>15</sup></b>	<b>2023</b>
The Mainland of China	7,594
Hong Kong, Macao and Taiwan regions of China	0
Other countries and regions	0

<sup>15</sup> Number of Suppliers refers to the number of certified suppliers maintained in the supplier management system as of December 31, 2023. Region refers to the place where the suppliers are registered.



# Talent Development



Employees are the most valued resources at Beike. **We attach great importance to talents, respect talents and value talents. Adhering to the “five forces” talent development concept, we continuously work on discovering and fostering talents across our industry network who are customer-oriented, industry-focused, perseverant, collaborative, as well as value-creating.** While safeguarding employees’ rights and interests, we implement a series of management practices to protect their occupational health and safety. We also organize diverse and targeted employee training and empowerment programs to promote talent development in the housing industry.

# Employee Rights and Interests

## // Legal Employment

We strictly abide by the *Labor Law of the People's Republic of China*, the *Provisions on the Prohibition of Using Child Labor*, the *Law of the People's Republic of China on the Protection of Minors*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, and other applicable laws and regulations in the location where we operate, as well as the requirements of international practices, to ensure legal and compliant employment.

We formulated our Employee Rights Protection Policy, Anti-Harassment Policy, Code of Conduct for Work Ethics, and other policies and guidelines to specify the Company's management requirements regarding workplace diversity, anti-discrimination and anti-harassment, freedom of association, and prevention of child labor and forced labor, to effectively protect employees' rights and interests. We established reporting channels where employees can report any identified workplace misconduct to their superiors or the Human Resources Department verbally, in writing, or other means. Meanwhile, we set up the reporting email (jubao@ke.com) to receive reporting information confidentially, and ensure that whistleblowers will not face any retaliation. Once receiving the reporting information, we will organize the Human Resources Department, Quality Management Center, and other relevant departments to immediately conduct investigation to prevent employees from further effects of the misconduct. In addition, we developed clear and standardized rectification measures for misconduct. For employees committing misconduct behaviors, we will implement cascading disciplinary mechanisms including imposition of criticism, suspension, dismissal, and referral to judicial authorities based on the impact and consequences of the misconduct.

We require employees to provide proof of termination from their previous job and verify their identity information, such as age, to avoid child labor and other non-compliant employment. We fully consider the willingness of employees at all stages of employment, ensuring that employees participate in work voluntarily and avoid forced labor. We strictly comply with the labor laws and regulations of the places where we operate, and continuously improve our employment management. We specify the remedial measures in case of child labor and forced labor according to regulatory requirements, and strive to eliminate such violations.

## // Recruitment and Turnover Management

Upholding our equal and transparent employment policy, we formulated the Beike Policy on Recruitment Management to standardize recruitment management, and ensure that there is no differential treatment in hiring process based on race, age, gender, marital status, and religion. We actively optimize the digital recruitment management system and continuously refine the recruitment management process, to improve the quality of talent recruitment and the efficiency of job matching. Meanwhile, we formulated the Measures on Employee Turnover Management to standardize the employee turnover management process, ensuring compliance handling of resignation process, and protecting the rights and interests of employees during the process.

With the development of the Company's strategy, we are paying more attention to talent selection and attraction. We developed internal guidance such as the Recruiter Onboarding Handbook and the Interviewer Handbook to manage recruiters and standardize the recruitment process. In addition, we launched a series of professional interviewer training courses that cover recruitment rules, recruitment processes and the use of recruitment channels. These courses aim to help recruiters accumulate professional ability, creating quality recruitment, and promoting the positive cycle of talents accumulation. In 2023, the interviewer training courses attracted more than 1,200 times of participation.



In 2023, the interviewer training courses attracted **more than 1,200 times of participation**

We continuously expand our campus recruitment channels and adopt diverse recruitment methods to attract more talented fresh graduates. In 2023, we continued the ADC (Aspiration, Development, Cooperation) campus recruitment program for outstanding global graduates, aiming to attract and reserve future technological innovation talents, business experts and management talents for the housing industry.

We established smooth mechanism of internal talent flow. Through the mechanism, we retain and cultivate internal employees while supplementing our workforce for various business needs, continuously bringing vitality into both the Company and employees. We formulated the Internal Recruitment and Staffing Management Policy, the Competitive Recruitment System for Key Management Positions in Urban Functions and other management system to clarify the management rules and processes of internal recruitment and competitive recruitment, ensuring orderly talent flow within the Company. In 2023, our internal job transfer mechanism, the Internal Mobility Program, helped 3,445 employees transfer to new positions.



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## // Compensation and Incentives

At Beike, we offer fair, reasonable, and competitive compensation, incentives, and benefits for our employees. Adhering to our principle of “motivative, equitable, and sustainable”, we continuously standardize our employee compensation system. We conduct special compensation evaluation annually, based on employees’ locations, industry characteristics, and job functions. By acquiring third-party compensation analysis reports and benchmarking industry best practices on compensation and incentives, we timely review the employee compensation level and incentive strategy to ensure reasonable and competitive compensation of employees. While determining employees’ compensation, we only consider the position level, employees’ capability and performance, without considering factors such as gender, age, etc.

We incorporate flexible incentive mechanisms into compensation structure and motivate employees through share incentives and performance bonuses. Since 2018, we have launched multiple share incentive plans covering employees, management, and directors. We evaluate and incentivize employees in accordance with our policies, comprehensively considering employees’ annual performance results, long-term performance, and contribution to the Company’s development. We grant restricted stock units with a general vesting period of 4 years to qualified outstanding employees, motivating them to achieve collaborative development with the Company. In 2021, 2022 and 2023, we recorded RMB 1.538 billion, RMB 2.425 billion, and RMB 3.216 billion of share-based compensation<sup>®</sup> respectively.

### Elite Club



Picture of Elite Club Event

In 2007, we established the Elite Club. While building communication and development platform for outstanding employees, we give recognition and encouragement to their work achievements, and motivate them towards long-term career development. Every year, we set different entry criteria for different types of employees based on their comprehensive performance across multiple dimensions. Members who meet these criteria are awarded with various forms of material and spiritual incentives, including honorary awards, exclusive gifts and overseas study opportunities.

<sup>®</sup> The 2023 Share Incentive Plan uses the U.S. dollar to Renminbi exchange rate as the point of grant rate. Please refer to Report of the Directors-The Share Incentive Plans in KE Holdings’ 2023 Annual Report for more details on Beike’s granted shares and the remuneration data of directors and senior management.

## // Promotion and Performance Evaluation

Beike attaches great importance to employees' development and looks forward to growing together with our employees. We formulated the Promotion Management Policy to clarify the talent standards and job level requirements. We also established the "professional development channel" and "management development channel" to diversify employees' career development paths. We guarantee fair and equitable promotions for our employees. Based on the objective assessment of employees' capacity and performance, we provide more development opportunities for outstanding employees. We combine the Company's development needs and the actual situation of employee development to initiate the annual promotion window, so that employees with outstanding performance can be identified through the Company's selection mechanism. At the same time, in the process of promotion management, we established complete talent standards for the professional development channel, strengthened the consensus of various groups (including employees, managers, professional judges) on the standards and processes, and set up effective supervision mechanism on talent selection, to ensure the fairness of promotion.

### We evaluate employees' performance in an objective and fair manner based on their achievement of targets and overall performance:

#### In terms of target management

We set company targets, business line targets and individual targets for our employees. Through targets breakdown, the development of the Company, business teams, and individuals is closely integrated, enabling the achievement of coordinated improvement. To guarantee the rationality of employee target setting, employees and their superiors are fully communicated to formulate practical personal targets together. Meanwhile, employees and their superiors will continuously track, review, discuss and revise the individual targets to improve the targets achievement progress.

Meanwhile, we pay attention to the timeliness and effectiveness of communication and feedback on employees' performance. After the performance evaluation, the Company requires all employees and supervisors to conduct performance coaching and result communication through one-on-one interviews. We also established a performance appeal mechanism, whereby appraisees who have doubts about the performance evaluation process can initiate an appeal online. Once we received an appeal request, we will send designated person to follow up on the request, and communicate with the business leaders on the situation.

#### In terms of performance evaluation

We conduct multidimensional evaluation to ensure the rationality and fairness of performance evaluation. We comprehensively measure employees' performance from multiple perspectives including the achievement of personal targets, and evaluation results of themselves, relevant colleagues, superiors and business partners, etc. In addition, we conduct the performance evaluation on a monthly, quarterly or annual basis, subjecting to characteristics of employees' positions.

## // Employee Benefits

We provide various social insurances for employees in accordance with laws and regulations and protect employees' rights on taking leaves. We formulated the Platform Employee Attendance and Leave Policy, and the Urban Employee Attendance and Leave Policy, attaching attention to the update and revision of the relevant leave regulations in regions where we operate, ensuring that employees take their leaves as regulated. We provide employees with a variety of welfare holidays including "Parent-Child Leave", "Women's Day Leave", "Mother's Leave" and "Family Visit Leave". We also offer paid parental leave<sup>⑰</sup> to employees who give birth, in accordance with the regulations in the operation location. During the Spring Festival, we provide employees with three additional paid leaves beyond the statutory holidays, to facilitate their travel arrangements and reunions with their families. To continuously optimize the working conditions of our service providers, we offer welfare leave of "Winter and Summer Vacation"<sup>⑱</sup> to agents, allowing them to spend more time with their children.

Beike values employees' happiness in life. We provide all employees with diverse benefits such as transportation allowance, overtime meals subsidy, free meals, and housing benefits. These benefits aim to alleviate the employees' commuting, housing, and living pressure while continuously enhancing their happiness both at work and in life. We advocate flexible work arrangements, giving employees more flexibility in work locations and hours. While caring about employees' happiness, we also offer benefits and support for their families to help employees better balance work and family responsibilities and receive the Company's heartwarming care. We established the Education Fund for Service Providers' Children to support the children of service providers to finish their education by providing tuition grants for high school or vocational high school, and college scholarships. Besides, we provide incentive funds for those who join Beike after graduation.

<sup>⑰</sup> The parental leave is implemented according to local regulations with variations in 5 to 10 working days per year. Take employees in Beijing, where our majority of employees are located as an example, they are capable of taking 5 working days of parental leave each year until their child reaches 3 years old, i.e., a total of 15 working days of parental leave over 3 years. In 2023, we provided a total of 51,763 days of paid parental leave to 8,652 employees.

<sup>⑱</sup> The "Winter and Summer Vacation" is applicable to agents with children. Depending on their seniority, agents can enjoy a total of 2 to 10 days of welfare leave during their children's winter and summer vacation each year. In 2023, we provided a total of 32,530 days of "Winter and Summer Vacation" to 5,435 agents.

## Green Mutual Help Program

In 2008, we launched the Green Mutual Help Program, a mutual benefit and assistance program designed for our service providers. The program aims to help service providers in the new residential industry and their families to alleviate the living difficulties caused by diseases. The beneficiaries of the Green Mutual Help Program include service providers and their spouses, children, parents, and parents-in-law. By the end of 2023, the program had issued more than RMB 543 million of relief fund and provided 36,865 times of assistance in total.



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**36,865 times of assistance**

in total

We provide special care for female employees. We set up rest rooms for pregnant employees, and breast-feeding facilities, equipped with disinfection cabinets in the workplace. Meanwhile, we attach attention to the working conditions of female agents with children and support their career development. We encourage store owners to provide special cares on working conditions for our female agents with children, such as flexible working hours and customized daily work plans based on the situation of stores.

## // Employee Activities

We focus on enhancing employees' sense of belonging in Beike. We organize a variety of employee activities for Women's Day, Chinese New Year, Thanksgiving Day, and other holidays, providing care and benefits to employees. We carry out employee activity clubs covering sports, entertainment and art to enrich employees' leisure time and improve their sense of happiness in the workplace. In 2023, we organized 596 club activities, attracting over 9,933 times of participations. We also conduct a number of cultural seminars to continuously enhance employees' recognition of corporate values and team cohesion, creating a positive workplace environment.



In 2023, we organized

**596** club activities

attracting

**over 9,933**

times of participations

## Homelinker<sup>19</sup> Committee

We value the employees who make long-term and consistent contributions to the Company. Therefore, we established Homelinker Committee consisting of the backbone force of the Company to spread our corporate culture to more employees, as well as setting up mutual emotional connections and communication platform for employees and managers.



Picture of Homelinker Committee Event

In 2023, we organized the Homelinker Celebration, with 1,766 representatives of long-term employees and outstanding employees gathered in Guangzhou. 23 employees shared their positive feedback and motivation gained from practicing corporate culture and encouraged more employees to embrace our spirit of contributing to society's welfare. In the activity, we commended and inspired 33 employees who joined the Company for over 20 years, encouraging service providers across the platform to learn from outstanding employees, obtain the motivation to forge ahead, and realize the connotation of the corporate spirit of "doing the right thing even if it's difficult".

<sup>19</sup> Homelinker refers to the employees who have joined the Company for more than 10 years and are willing to practice and pass on the Company's culture values.

## Holiday Activities



International Women's Day Forum

◆ During the Women's Day, we cooperated with the superior trade union and Women's Federation to organize a series of special activities for female employees, including making blankets, conducting Chinese medicine consultations and massages, to give female employees holiday care. Besides, we held a forum to celebrate International Women's Day, focusing on the topic of protecting female employees' rights and interests, which attracted approximately 600 participants.

◆ During the Mid-Autumn Festival, Beike distributed festival gift sets to employees nationwide, innovatively applying low-carbon and environmentally friendly gift sets to convey festive warmth to employees, while encouraging them to participate in environmental protection action. All the packaging and accessories of gift sets were made from renewable materials that are recyclable and degradable, reducing carbon emissions by 393.35 tonnes, equivalent to the annual carbon fixation amount of 78,669 trees.



Mid-Autumn Festival Gift Sets



All the packaging and accessories of gift sets were made from renewable materials that are recyclable and degradable, reducing carbon emissions by **393.35 tonnes**

equivalent to the annual carbon fixation amount of **78,669 trees** 

## // Employee Communication

Focusing on corporate values, Beike established diverse communication channels for employees, such as the online communication platform, work atmosphere surveys, collective bargaining, and seminars on corporate values. We advocate democratic communication among employees. Through setting up online communication platform, such as the "Yes or No" program, we encourage employees to participate in the corporate development and provide valuable suggestions for the future growth of the Company. Relevant departments will quickly respond, thereby driving all employees to build a better Company together. Adhering to the principle of "listening to employees' suggestions and solving problems for them", Beike's Integrated Home Renovation Business Group has established the National Engineering Committee. Comprising service providers, the committee has participated in the revision and update of 5 systems and rules of the Company, effectively promoting the democracy and transparency in the Company's system building.

We value employee feedback, and actively collect employees' feedback and suggestions on the development of their own and the Company. We organize employees to anonymously fill in the survey questionnaire on work atmosphere every year, to understand their perceptions and suggestions in terms of happiness in work, job satisfaction, purpose of work, work pressure, company culture and the Company's long-term development. Once we received the survey result, we will interpret and analyze the results to improve our management and enhance employees' working experience.



By the end of 2023, we had established company level trade unions in

**more than 20** cities



with

**more than 40,000**

members nationwide

In accordance with the *Labor Contract Law of the People's Republic of China*, the *Regulations on Paid Annual Leave for Employees*, the *Trade Union Law of the People's Republic of China*, the *Guiding Opinions on Strengthening Collective Bargaining of Labor Welfare Funds and Education Funds*, *Labor Protection Standards*, *Treatment of High-skilled Talents*, and *Paid Vacation*, and other laws and regulations and guiding opinions, the trade union of Beike organizes employees to sign special collective contracts for wages every year since 2020, providing employees with multiple guarantees such as labor remuneration, working hours, attendance and leave, labor safety, insurance benefits and professional skill trainings. By the end of 2023, we had established company level trade unions in more than 20 cities with more than 40,000 members nationwide, forming a stable and smooth mechanism for employee communication.

## // Employment KPIs

Indicators		2023
Total number of employees		116,344
Number of employees by gender	Male	73,423
	Female	42,921
Number of employees by age group	Under age 30	57,156
	Age 31 to 50	58,795
	Above age 50	393
Number of employees by geographical region	The Mainland of China	116,341
	Hong Kong, Macao and Taiwan	3
	Other countries and regions	0
Number of employees by management level	Management	98
	Non-management	116,246
Number of employees by employment type	Formal	115,589
	Others	755
Total turnover rate		21.57%
Employee turnover rate by gender	Male	21.24%
	Female	22.14%
Employee turnover rate by age group	Under age 30	28.44%
	Age 31 to 50	13.57%
	Above age 50	12.67%
Employee turnover rate by geographical region	The Mainland of China	21.57%
	Hong Kong, Macao and Taiwan	0.00%
	Other countries and regions	0.00%

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

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

## Occupational Health and Safety

We strictly abide by relevant laws and regulations such as the *Law of the People's Republic of China on Work Safety* and the *Provisions on the Administration of Occupational Health at Workplaces*. We formulated the management systems of the Occupational Health and Safety Policy, the Safety Management Policy in Office Areas, the Elevator Emergency Rescue Plan, the Fire Alarm Contingency Plan, and the Emergency Response Plan, to standardize the management of occupational health and safety at the workplace. Besides, we regularly identify the risk factors for occupational health and safety in the workplace and evaluate their risk levels. Based on the risk factors and their risk level, we develop corresponding risk mitigation plans and prioritize the plans to ensure adequate resource input. The Human Resources Department and relevant business department periodically discuss the occupational health and safety risks identified, mitigation plans and the effectiveness of relevant management measures, so as to constantly optimize our occupational health and safety management.

**We continue to improve the Company's occupational health and safety conditions for employees through multiple management methods:**

**Optimizing workplace facilities**

We installed fresh air system to ensure air quality in our workplace. We set up multiple sports areas such as gym, yoga room and basketball court in the office area to encourage our employees participating in physical exercises. We also installed the AED (automated external defibrillator) equipment in the workplace to meet the needs of first aid equipment for emergencies.

**Enhancing employee management**

We selected employees to undergo CPR (cardiopulmonary resuscitation) training. After the learning sessions, these employees obtained first aid responder training certificates issued by the American Heart Association. We also conduct regular fire safety inspections to identify potential workplace fire hazards at the first time.

**Improving medical assurance**

We provide free health check for employees every year to help prevent occupational diseases and offer emergency medical supplies to our employees in case of physical discomfort and other situations. Additionally, we offer various insurance measures related to occupational health and safety. For employees, we offer a variety of medical insurance plans to provide substantial protection against occupational health risks. For home renovation service providers, we offer "personal loss of income insurance" to ensure fundamental protection in the event of construction safety accidents.

We prioritize the mental health of our employees by providing relaxation areas in the workplace, as well as offering psychological counseling and crisis intervention<sup>Ⓢ</sup> services to support the mental well-being of our employees. When employees need psychological counseling, we will connect the employee with professional psychological counseling agency for further treatments. If an employee experiences a serious incident, our Human Resources team will set up a specialized crisis intervention group to provide personal support to the employee or their family members and arrange for counseling experts to provide psychological guidance.

We regularly conduct safety awareness enhancement activities. By analyzing real-life accident cases from the past and learning from the experience and lessons, we aim to enhance employees' awareness of workplace safety. By the end of 2023, the home renovation business group had conducted 27 safety awareness education sessions for project directors and 20 sessions for those in charge of equipment installation. Additionally, we carry out special "Fire Safety Education Month" events to enhance employees' fire safety awareness and capabilities while mitigating fire risks through knowledge tests, fire safety trainings and specialized drills, and in-store smoke-free campaigns. By the end of 2023, the home renovation business group had held two "Fire Safety Education Month" events, reaching over 90% of the city level home renovation showroom stores.



Safety Awareness Education Sessions

**// Health and Safety Related KPIs**

Indicators	2023	2022	2021
Number of work-related fatalities	1	0	0
Rate of work-related fatalities	0.0009%	0.000%	0.000%

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

The number of working days lost due to work injuries in 2023 is 9,934 days.

The source of occupational health and safety-related fatalities and injuries is the work-related fatalities and injuries recognized by the local Human Resources and Social Security Bureau.

In 2023, our work-related injury rate was 0.73. The work-related injury rate = Number of lost-time injuries/total hours worked in 2023 \* 1,000,000.

<sup>Ⓢ</sup> Crisis intervention: a form of clinical psychological service that provides timely and appropriate psychological assistance to individuals in a state of psychological crisis.

# Employee Training and Empowerment

Beike attaches great importance to the career development of employees and offers diverse and comprehensive training and empowerment programs to enhance their professional skills. We formulated the Platform Training Management System, implemented comprehensive management for lecturers in our platform, and established the Course Training Satisfaction scoring system to ensure the effectiveness of training projects.

## // New Employee Onboarding

**Beike provides special training programs for different types of new employees, and is committed to letting each new employee quickly fit into their positions:**

### For new joiners with working experience

We offer the New Employees Orientation Training program, which covers cultural integration, business overviews, platform navigation, and team integration. Through a culture-centric and emotion-driven approach, this program is designed to help new employees quickly get familiar with the Company's culture and business. Meanwhile, the program aims to build a communication platform, enabling employees to truly recognize our corporate culture, unleash personal potential, and find a sense of belonging in Beike. By the end of 2023, the program had trained more than 3,500 people in total.

### For new employees recruited from campus hire

We organize an exclusive Lu Shi Camp for integration training. Through a 6-day and night training, the camp helps these new employees understand the Company's profile, recognize corporate culture, as well as better integrate into their business teams. Furthermore, after the training, new employees can master basic work skills and successfully transform from fresh graduates to Beike staff. By the end of 2023, Lu Shi Camp program had trained more than 1,500 campus recruits in the ADC program.



New Employees Orientation Training Program

## // Management Talent Development

Beike places importance on developing and enhancing the abilities of its management personnel. We continue strengthening the construction of the Company's management talent pool, providing special training programs for management talents, including executives, managers, and senior management, in order to improve the competency level of the managements and meet the organizational requirements for management succession. In 2023, while continuing to operate the director leadership training programs, we actively developed training courses tailored to the requirements of various positions and management capabilities. By establishing a cooperative training model with universities, we help the managements grasp future industry trends and the latest business management models. By continuously improving our management talent development system, we build and reserve a management team with strong leadership, strategic vision, and executive ability to support the long-term strategic development of the Company.

### Beike Internal Supervisory Development Program (ISDP)

ISDP is the development program for core leaders of the Company's executive level. Centered on the three modules of "self-awareness, task achievement, and influencing others", the program aims to cultivate influential supervisors, enhance their comprehensive management ability, and strengthen the Company's management talent reserve. By combining classroom learning with post-training practices, the program helps trainees identify and build on their strengths, improve their decision-making efficiency and cross-departmental collaboration capabilities, as well as further enhancing the capacity of team management and improving business efficiency. The program was officially launched in August 2023 and covered 356 participants.



Site Photo of ISDP Program

## Beike Excellent Leadership Development Program (ELDP)



Site Photo of ELDP Program

ELDP is the leadership enhancement program tailored for managers. Guided by the training philosophy of “people-oriented, diverse and inclusive, and collective wisdom”, the program establishes a cultivation system aligned with industry trends, focusing on three dimensions: self-management, motivating others, and task management. Through diversified empowerment methods such as small classes, open lectures, workshops, and mentorship program, the program aims to address practical management issues faced by participating managers, broaden their management horizons, and promote the enhancement of management awareness and capabilities. In 2023, a total of 301 managers participated in this program.

## Beike Advanced Study Program - Guanghua School of Management, Peking University

Beike Advanced Study Program - Guanghua School of Management, Peking University is a compulsory course designed for senior management at Beike. Through a collaborative effort with Guanghua School of Management, Peking University, the program not only broadens management’s business perspectives, but incorporates substantial theoretical depth. There were 41 participants in the first phase of the program. The curriculum covers four major thematic modules: strategic decision-making, innovation and change, organizational culture, and business management. It employs a multi-dimension learning and practice model incorporating “classroom lectures, case studies, group discussions, mentoring by class committees, corporate visits, and graduation theses” to enhance the managerial competence of participants, develop their systematic thinking skills, and help Beike identify, nurture, and develop future-oriented business leaders.



Site Photo of Beike Advanced Study Program - Guanghua School of Management

## // Training KPIs

Beike is committed to providing diverse training sessions for employees and growing together with agents from Beike platform. To enhance professional capabilities, improve service efficiency, and provide customers with a high-quality service experience, Beike conducted diversified online and in-person training activities and courses for employees and agents. In 2023, we conducted training sessions for employees and agents for more than 11 million hours in total. The key performance indicators for the training provided by Beike for employees and platform agents are shown in the table below.



In 2023, we conducted training sessions for employees and agents for **more than 11 million hours**

Indicators	2023	
Percentage of employees trained by gender	Male	91.34%
	Female	89.55%
Percentage of employees trained by management level	Management	90.59%
	Non-management	90.64%
Average training hours by gender	Male	28.93 hours
	Female	23.29 hours
Average training hours by management level	Management	82.93 hours
	Non-management	24.53 hours



# Low-Carbon Operations



Beike complies with the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and relevant environmental laws and regulations. To reduce our environmental footprint, we integrate the concept of green development into different business models while continuously minimizing resource consumption within the business process through institutionalized management and technological applications.

In 2023, while continuing to implement green practices in the areas of service delivery, daily office operations, and store management, **we are paying closer attention to climate-related issues. By identifying the risks and opportunities associated with climate change, we have laid a solid foundation for effectively implementing measures to respond to climate risks and seize climate opportunities.**

# Responding to Climate Change

Beike pays full attention to addressing climate change, proactively identifying and assessing the impact that climate change risks and opportunities may have on the Company's business. With our full understanding of the potential impact of business operations on society and the environment, we are committed to working with stakeholders to promote sustainable social and environmental development and effectively address and mitigate climate change. This year, we carried out climate change risk identification and analysis based on the TCFD<sup>®</sup> framework recommendations, prioritizing climate change opportunities related to our business operations. In addition, we initially selected a climate scenario analysis model that covers our main business. In the future, we will further clarify and quantify the specific impact of important climate-related risks and opportunities on Beike under different applicable climate scenarios.

## // Governance

The Board has authorized the Corporate Governance Committee to assume the ultimate management responsibility for climate change-related matters in the Company. The Committee annually reviews the Company's identification of climate change risks and opportunities, oversees the achievement of the Company's climate-related objectives, guides the Company's climate change response strategies, and reports on the progress of climate-related work to the Board. Meanwhile, to ensure that the Committee possesses adequate climate-related knowledge, the Company organizes relevant directors to participate in climate-focused training every year. This training covers, but is not limited to, the latest domestic and international macro-policy trends in climate change, compliance regulatory requirements for disclosing climate-related information, as well as the sharing of leading practices in climate change response within the industry.

Beike's ESG Executive Management Team is responsible for the daily management of the Company's climate change-related matters. The Team annually identifies and assesses climate change-related risks and opportunities, develops targeted risk response plans, tracks progress toward the achievement of climate-related goals, and makes necessary adjustments for Beike. The Team also coordinates the participation of all relevant departments in the management of climate-related issues to ensure the effective implementation of climate change response measures at the operational level. Meanwhile, we invite external experts to conduct special training for the Team and financial-related departments, focusing on the financial impact of climate change and relevant information disclosure rules. The trainings aim to enhance the Company's awareness of financial risks related to climate change and strengthen the cross-department integration capabilities in climate information and financial disclosure, thereby providing effective support for the Company to formulate more sustainable and risk-controllable strategic decisions.

## // Strategy

Beike has developed and released the 2023 Beike Carbon Neutrality Target and Roadmap Report, which serves as our guideline to integrate our responses to climate change, low-carbon emission reduction pathways, and business development strategies in a cohesive manner. Through benchmarking against industry-leading practices, internal discussions, and expert consultation, we have identified potential climate risks and opportunities within our operational scope and value chain based on the dimensions of physical risks, transition risks and climate opportunities. We have assessed the correlation, scope, and magnitude of the impacts of our business models, stages of development, and climate risks and opportunities throughout various time cycles. Based on the assessment results, we have compiled a list of key climate risks and opportunities. We have also organized communication sessions on these climate risks and opportunities among relevant business departments, with the impact cycle clarified and targeted response measures prepared to promote the business departments' understanding of climate issues and the realization of Beike's carbon neutrality goals.

© TCFD: Task Force on Climate-Related Financial Disclosure.

## Physical Risks Related to Climate Change

Category	Acute physical risks
Description	The frequency and intensity of extreme weather events such as heavy rainstorms, floods, typhoons, hurricanes, and heat waves have increased.

Impacts	Scope of impacts	Time cycle <sup>②</sup>	Measures
Extreme weather may undermine the stability of our business operations, for instance, by forcing store closures or reductions in operating hours, damaging our stores, warehouses, offices, and other facilities and assets, thus resulting in maintenance costs. It may also elevate safety risks for our agents and employees during their daily work.	Beike's own operation	Short-term, medium-term, and long-term	<p>We are gradually establishing an emergency response mechanism for extreme weather events that covers all our stores. This mechanism includes the development of standardized procedures and measures for emergency response before, during, and after the extreme weather event (e.g., distributing flood and rain prevention operational specifications to stores during the summer flood season and designating emergency contacts and repair channels to minimize the risk of limiting normal store operating hours).</p> <p>During the site selection process of our leased and owned facilities, such as warehouses, apartments, and the Huaqiao Academy, we fully consider the geographic location and regional geological conditions to avoid leasing and using facilities in low-lying areas, areas with high risk of geological hazards, and harsh climatic conditions. We also assess and optimize the drainage systems of buildings in key areas to cope with waterlogging during heavy rainstorms.</p> <p>We pay attention to weather forecasts in our operational areas and promptly obtain weather warning information. We remind our employees and service providers to be aware of the weather conditions through internal notification and set up work-from-home options during severe weather to reduce the safety risks faced by employees and service providers caused by operating in adverse conditions. As for office areas, according to the <i>Measures for Administration of the Release and Dissemination of Early Warning Signals for Meteorological Disasters</i> issued by the China Meteorological Administration, we have recognized various meteorological disasters that might have a significant impact on our office operations and developed targeted standard operating procedures for special weather conditions. By establishing a hierarchical early warning mechanism and corresponding emergency response measures, we are capable of avoiding and reducing property damage and casualties caused by the occurrence of extreme weather events.</p> <p>In addition, during the summer and winter seasons, we launch a series of campaigns, namely Sending Coolness in Summer and Warmth in Winter, to distribute seasonal care supplies and medications to our service providers. This initiative aims to further reduce the health and safety risks faced by our service providers when working under extreme high temperatures or cold conditions.</p>
Extreme weather events may cause an increase in raw material costs or a scarcity of raw materials for Beike's upstream home decoration suppliers, resulting in either escalated procurement costs or a disrupted supply of goods.	Upstream supply chain	Short-term, medium-term, and long-term	<p>We conduct supplier assessments to establish and continuously maintain the list of qualified suppliers, ensuring a high-quality goods supply. For our strategic suppliers and home renovation and home furnishing suppliers in our group procurement, we proactively assess raw materials that are susceptible to extreme weather conditions or have scarcity issues and promptly identify alternative suppliers as backups. In the event of a disruption in the supply of specific commodities, we promptly allocate resources from our backup suppliers to ensure the continuity of our supply of the commodity.</p>
Extreme weather conditions may increase the difficulty of transportation for our downstream delivery partners of merchandise. For instance, situations like heavy precipitation caused by torrential rains may lead to moisture absorption and deformation of wooden products during transit. Such occurrences may potentially result in failures to adhere to the agreed completion times stipulated in service contracts, requiring redelivery of the merchandise and consequently causing delayed compensation and negative impacts on the customer satisfaction and brand reputation.	Downstream supply chain	Short-term, medium-term, and long-term	<p>We apply online logistics management system to digitally manage our distribution routes. Based on weather warnings, the system evaluates and develops reasonable distribution routes and reminds drivers to keep a close eye on the road conditions and avoid road sections in bad weather. These functions can help reduce the risk of delays in goods delivery.</p> <p>For transport routes susceptible to extreme weather, we check the vehicle condition before transportation to ensure that the cargo hold is dry and that there is no water leakage or seepage. During transportation, we make sure that the goods are well sealed, and if necessary, we cover moisture-sensitive goods with waterproof cloth and place desiccant in the cargo hold.</p>

<sup>②</sup> Time cycle: According to the business development stage, we classify climate impacts into short-, medium-, and long-term impacts, with risks or opportunities that will affect the Company's business development in the next 3 years, 3-5 years, and more than 5 years, respectively.

## Physical Risks Related to Climate Change

<b>Category</b>	Chronic physical risks
<b>Description</b>	The polar glaciers melted due to continued global warming, causing sea levels to rise.

Impacts	Scope of impacts	Time cycle	Measures
Rising sea levels can trigger flooding and storm surges, which may affect our stores and offices in coastal cities, resulting in damage to our facilities <sup>②</sup> .	Beike's own operation	Medium-term and long-term	<p>For our stores located in select coastal cities, we have stocked flood prevention materials such as water barriers and sandbags, and we have established standardized emergency response procedures tailored to specific disasters. The objective is to effectively mitigate the potential damage to our store facilities and ensure the safety of personnel in the event of floods, storm surges, or other disasters.</p> <p>Since 2020, we have launched three public tree-planting initiatives as part of the Blue Ocean Campaign. Through initiatives such as engaging users, organizing employees, and promoting green environmental practices, we have planted mangroves and restored mangrove ecosystems along coastal areas. Our aim is to enhance the resilience of coastal cities against floods and storm surges. By the end of 2023, in partnership with the SEE Foundation and Fugong Forestry Station, we had planted over 220,000 mangroves across more than 50 mu (approximately 3.3 hectares) in the coastal wetlands of Jiulongjiang Estuary, Longhai, Fujian Province. This has resulted in the formation of a mangrove forest belt with an average width of approximately 40 meters.</p>

<b>Category</b>	Chronic physical risks
<b>Description</b>	Regional droughts increased due to continued global warming, making access to water more difficult.

Impacts	Scope of impacts	Time cycle	Measures
Beike has no self-built data centers, and currently, the leased data centers are mainly located in North China. The cooling process of these data centers consumes a significant amount of energy and water resources. As global temperatures rise, causing regional water scarcity or even droughts, energy consumption and water usage for data center cooling will increase. As a result, the overall operating costs of data center suppliers may rise. Consequently, Beike may also experience an increase in its data center leasing costs.	Upstream supply chain	Medium-term and long-term	<p>We have explored the possibility of using waterless cooling technology with existing data center suppliers to reduce the dependence of leased data centers on large-scale water use.</p> <p>By continuously evaluating the clean energy usage of newly leased data centers as well as the carbon neutrality targets and roadmaps of data center suppliers, we have been exploring rental opportunities for low-carbon and zero-carbon data centers based on Beike's business development and future data application requirements.</p> <p>When selecting servers, hard disks, and other hardware, we prioritize products with low energy consumption and high stand-alone storage density. We also conduct monthly assessments of the energy consumption levels of our existing leased data center server rooms and racks to prevent wasted electricity due to vacant racks.</p>



② The 2022 China Sea Level Bulletin states that, against the backdrop of climate warming, the sea level change in China's coastal areas has displayed an accelerating trend, and the high sea level is a catalyst for annual storm surges and flooding disasters in coastal cities.

## Transition Risks Related to Climate Change

<b>Category</b>	Policy and Legal Risks
<b>Description</b>	The requirements for disclosing climate-related information have become increasingly stringent, making it more difficult for companies to comply with these regulations. As a result, companies may face challenges in managing climate-related data.

Impacts	Scope of impacts	Time cycle	Measures
China has established the “1+N” policy system centered on the strategy of achieving carbon peak and neutrality, formulated carbon emission control strategies for key emission industries and enterprises, and improved the construction of the national carbon emissions trading market. Currently, Beijing Lianjia has been included as a key carbon emission unit in Beijing. If it fails to establish effective climate-related data statistical management capabilities and improve its climate-related information disclosure strategies, it may face compliance risks.	Beike’s own operation	Short-term and medium-term	<p>We promptly identify and interpret climate change-related strategic planning and policy requirements from the national level down to the provinces and cities where we operate. Additionally, we organize internal discussions on key policies that may pose compliance risks, allowing us to proactively assess and mitigate potential compliance risks.</p> <p>We conduct annual carbon inventory across all of Beike’s business lines, implementing meticulous and systematic data management measures to clarify the rules for data filing and reporting. This helps us continuously strengthen Beike’s carbon emission data management capabilities.</p>

<b>Category</b>	Policy and Legal Risks
<b>Description</b>	Various regions have successively issued policies restricting the use of gasoline or diesel vehicles, which may cause an impact on the way enterprises supply goods and provide services.

Impacts	Scope of impacts	Time cycle	Measures
In response to national or provincial regulatory requirements, such as restrictions on the use of gasoline or diesel trucks, it is necessary to increase the proportion of new energy vehicles used in the delivery of home renovation and furnishing materials. This approach will minimize the impact of regional restrictions on delivery timescales, thereby preventing potential compliance or operational costs from arising.	Beike’s own operation	Short-term and medium-term	<p>We prioritize cooperating with suppliers who have a high proportion of new energy vehicles and whose carbon neutrality goals align with Beike’s. Currently, we have already embarked on the replacement of new energy vehicles in some cities.</p> <p>For more information on our use of new energy vehicles in home renovation and furnishing materials delivery, please refer to the “Implementing Green Service” chapter of this report.</p>



## Opportunities Related to Climate Change

<b>Category</b>	Energy consumption structure adjustment
<b>Description</b>	Companies can reduce operating expenses by using renewable energy facilities and implementing energy efficiency management initiatives.

Impacts	Scope of impacts	Time cycle	Measures
The energy conservation and emission reduction achieved through adjusting the existing energy consumption structure and adopting green operations will directly reduce our operating costs in the medium and long term and, to some degree, mitigate global greenhouse gas emissions.	Beike's own operation	Medium-term and long-term	<p>The application of clean energy and the steady increase in the proportion of renewable energy are important ways for Beike to achieve carbon neutrality at the operational level. In 2022, we proactively engaged an external photovoltaic power generation company, installing roof photovoltaic power generation facilities in the Shengdu Home Renovation Industrial Park in Jinhua, Zhejiang province. In 2023, we further improved the power generation efficiency and power output of the project by optimizing the existing equipment and increasing the area of photovoltaic panel laying. These efforts brought the total annual photovoltaic power generation to 1,235,726kWh. At the store level, we have implemented an intelligent monitoring and control system for electrical equipment. This system allows us to monitor the energy consumption and operational status of electrical appliances in real-time, providing intelligent statistics and diagnostics on energy usage in our stores.</p> <p>For more information on our application of intelligent control systems in stores, please refer to the "Creating Green Stores" chapter of this report.</p>

<b>Category</b>	Product and service innovation
<b>Description</b>	With consumers' growing awareness of low-carbon, environmental protection, and other related issues, they are increasingly paying attention to whether the products and services offered by companies incorporate relevant environmental considerations.

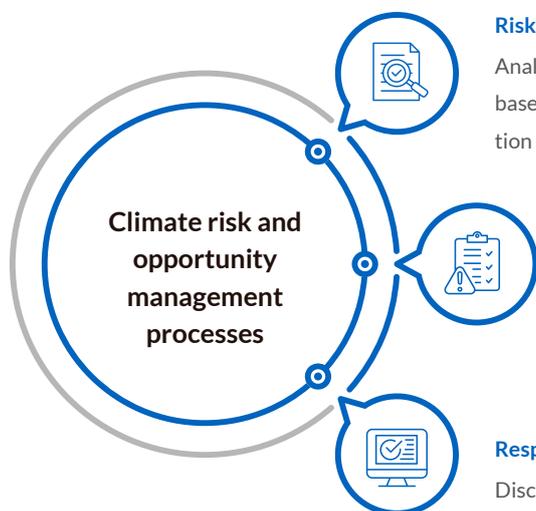
Impacts	Scope of impacts	Time cycle	Measures
Through the application of digital technology, we provide users with green and low-carbon home renovation and furnishing solutions and promote the standardization and digitalization of the entire industry.	Beike's own operation	Short-term, medium-term, and long-term	<p>We are actively embracing the trends of digitalization, energy conservation, and emission reduction by conducting in-depth analyses of multiple business scenarios. Through digital means, we offer users worry-free and low-carbon home renovation services. At the design stage, we incorporate AR technology to present users with a visual representation of the home renovation effect, showcasing a wider range of possibilities for their homes. During the decoration phase, we have developed an integrated SaaS system for home renovation, which integrates five key modules, namely sales management, BIM design, cost control management, supply chain management, and delivery management. This not only provides users with a convenient and efficient home renovation experience but also reduces carbon emissions that result from frequent commuting.</p>

<b>Category</b>	Environmental corporate image building
<b>Description</b>	Actively addressing climate change and promoting sustainable development can enhance a company's sense of social responsibility and brand image, thereby attracting more consumers and investors and increasing its competitiveness.

Impacts	Scope of impacts	Time cycle	Measures
We keep enhancing our social image and reputation by participating in public welfare activities and promoting sustainable social development.	Beike's own operation	Short-term, medium-term, and long-term	<p>In our daily operations, Beike leverages its deep-rooted presence in communities, continuously disseminating knowledge about green and low-carbon practices to community residents. We also initiate campaigns promoting a low-carbon lifestyle, guiding residents to engage in carbon-reduction practices, and fostering green living habits by establishing incentive mechanisms and organizing regular activities. Taking garbage classification as an example, we have set up strategic drop-off points, and we conduct regular training and events for residents. Collaborating with residents and property management, we aim to establish a sustainable garbage classification management model, thereby enhancing resource utilization and minimizing waste generation.</p>

## // Risk Management

Beike established a climate risk management and continuous assessment mechanism. Led by the ESG Executive Management Team and involving climate-related departments, we complete the list of climate risks and opportunities. Each year, we prioritize the impacts of identified climate-related risks and opportunities through a risk assessment process and develop targeted response measures, forming an “identify-assess-respond” climate risk management process.



### Risk and opportunity identification

Analyze the potential climate change risks and opportunities in Beike’s business operations based on industry-leading practice benchmarking, internal discussion, and expert consultation to annually update the climate risk and opportunity list and control matrix.

### Impact assessment

Evaluate the possibility of the identified climate risks and opportunities in Beike’s business operations, sort out the climate risks and opportunities with substantial impact, and prioritize them according to their impact level and time cycle.

### Response actions

Discuss with relevant business departments and develop feasible risk responses and opportunity capture actions for major climate risks and opportunities identified in the impact assessment.

## // Metrics and Targets

In 2023, we developed and published the 2023 Beike Carbon Neutrality Target and Roadmap Report, in which we set the following carbon emission-related targets:

- ◆ Achieving carbon neutrality in our own operations (Scope 1 and 2) by 2030.
- ◆ Reducing the value chain carbon emissions (Scope 3) intensity of the Headquarters and the real estate brokerage business by 60%, and the value chain carbon emissions (Scope 3) intensity of the home renovation and furnishing and home rental business by 30% in 2030 from 2022 as the base year.

In addition to the carbon emission targets mentioned above, we also set a series of environmental targets based on our past environmental performance together with the characteristics of our operations. Please see the table below for the progress we made toward our environmental targets this year:

Content of environmental targets	Progress of environmental targets in 2023
From 2023, all of the Beijing Lianjia stores will use energy-saving LED light boxes.	In 2023, all of the Beijing Lianjia stores used LED light boxes.
By the end of 2022, we strived to achieve paperless online contract signing for housing transactions with customers and agreement signing with store owners.	In 2023, we achieved paperless online contract signing for housing transactions with customers and continued to promote the overall paperless agreement signing with store owners.
By the end of 2024, we will reduce the total water consumption of Beijing’s main offices, Beijing Lianjia stores, and Huaqiao Academy by 5% compared with 2021 levels.	In 2023, the total water consumption of Beijing’s main offices, Beijing Lianjia stores, and Huaqiao Academy each decreased by more than 5% compared with 2021.
From 2023, we will organize annual environmental protection-related activities covering all employees.	In 2023, we carried out the “Beike Low-carbon Week,” the “Low-carbon Concert,” and a series of environmental protection-themed activities.

We will keep tracking progress against carbon emissions and environmental targets and disclose our environmental performance in terms of carbon emissions, energy use, and energy efficiency annually in our ESG report. For more information on our environmental performance in 2023, please refer to the “Environmental KPIs” chapter of this report.

# Implementing Green Services

We integrate digital development with our business processes and conduct an in-depth analysis on green service potentials in different business scenarios, aiming to achieve low-carbon development in all business models and multiple business segments through technological measures. In 2023, we provided users with green and low-carbon services through a variety of technology applications in various aspects of our three major businesses: housing transactions service, home renovation and furnishing, and home rental services.

## // Housing Transaction Services

We actively explore the integration of technology and business models, transforming certain offline work scenarios into convenient and efficient online transaction modes to achieve low-carbon housing transaction services. We have developed VR-based property viewing and guiding functions, integrated with AI technology, to provide users with clear, comprehensive, and authentic housing information. Compared to traditional methods, our application of VR technology not only effectively enhances the efficiency of agents and users in viewing properties but also significantly reduces the carbon emissions generated by commuting for property viewings.

We are aware that transactions in traditional housing services such as contract signing, property assessment, and loan issuance require a substantial volume of printed paper, and the delivery of hard copy contracts also results in significant carbon emissions. While applying a VR system to complete property viewings, we also broaden the scope of paperless services across other business processes during housing transactions. We have successfully digitized six modules and dozens of phases of the transaction contract signing process, including online contract signing, online evaluation, and online notarization. In some cities, our contract service centers are connected with local real estate registration centers, enabling users to pay property taxes and transfer ownership online for their real estate directly within the contract service centers. This measure, on the premise of transaction security, significantly improved customer transaction efficiency and reduced the use of unnecessary paper materials. In addition, we keep developing paperless features in business scenarios such as home renovation and furnishing, as well as home rental services. We also actively explore the potential for implementing paperless operations in our daily work and providing paperless training for our employees and agents. In 2023, through various paperless initiatives in transaction services and offices, we saved nearly 200 million sheets of paper and reduced approximately 1,700 tonnes of carbon emissions.



In 2023, through various paperless initiatives in transaction services and offices, we saved nearly

**200 million sheets of paper**



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of carbon emissions

## // Home Renovation and Furnishing Services

With the progress in the Company's strategic expansion into home renovation and furnishing services, we've identified potential environmental impacts across four key business processes: materials selection, product packaging, warehouse planning, and logistics transportation. We've aligned our company's environmental philosophy with these business processes and implemented targeted environmental management measures to strengthen our environmental management while providing users with a secure living space and a satisfactory user experience.

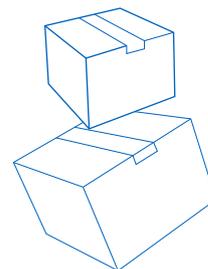
### Materials selection process

According to the Home Decoration Consumption Trend Survey Report released by Beike Research in 2023, the quality issues of decoration materials remain the primary concern for consumers. We collaborate with environmentally responsible suppliers to promote a healthy industry ecosystem and improve our service quality and the consumers' confidence. Through these collaborations, we advocate for the centralized procurement of high-quality, eco-friendly decoration materials by the Company during the materials' selection process. Additionally, we prioritize the use of energy-efficient construction equipment to avoid any potential negative health and environmental impacts associated with harmful home decoration materials, auxiliary materials, or energy-intensive devices. We established the Factory Assessment Policy for Beike Building Materials Suppliers along with corresponding audit criteria to comprehensively assess the environmental management proficiency of our suppliers. These criteria include the ISO 14001 Environmental Management System Certification, the setting of environmental management goals, energy conservation policies, and water conservation policies, among other requirements. For suppliers of wooden building materials, possession of an E0/ENF test report for their panel products is a requirement of the suppliers' on-boarding process. Furthermore, we are developing the Beike Building Products Technical Specification (SPEC), which is designed to ensure that the purchased panel products adhere to environmental standards, thereby facilitating quality control at the source.



### Product packaging process

Beike is committed to achieving sustainability in packaging practices. Through technological research and development, as well as policy formulation, we design rational packaging methods to facilitate packaging reduction and avoid resource wastage arising from secondary packaging. In 2023, through innovations and improvements in packaging technology, coupled with collaborative efforts with home furnishing factories, we adopted the "Delivered with Original Package" model. This approach integrates furniture materials into the logistics packaging, reducing instances of secondary packaging during the product packaging process and thereby effectively reducing resource waste from redundant packaging. At the same time, we established a packaging recycling zone within our warehouses to classify and process the recovered packaging during the product inbound and logistics distribution activities and reuse the recycled packaging that meets our standards.



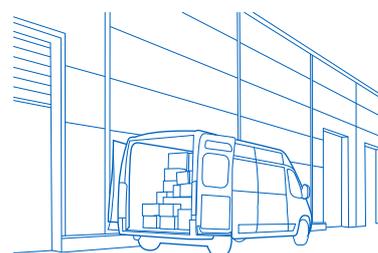
### Warehouse planning process

Through conducting research on rationalizing warehouse layouts and exploring the balance between warehouse locations, inventory, delivery distances, and construction schedules, we are continuously improving the efficiency of warehouse operations. We apply the material distribution system to analyze real-time information on warehouse occupancy rates and material turnover rates. By calculating the distance between users and our warehouses, we evaluate the shortest and most efficient distribution routes to avoid the waste of logistics vehicle capacity and resource use associated with frequent long-distance transportation. Meanwhile, we introduce the Personal Digital Assistant (PDA) devices to our warehouse management process. These devices empower our operators to efficiently handle tasks such as material entry, querying, and approval, significantly reducing the costs associated with paper-based processes, minimizing human errors and omissions, and enhancing the overall efficiency of warehouse operations, including material inflow and outflow.



### Logistic transportation process

We actively assess opportunities for the application of new energy logistics vehicles and strive to increase the proportion of their usage. Take the home furnishing material warehouse in Beijing as an example; 95% of the branch distribution vehicles at the Beijing warehouse are electric vehicles. In addition, we are focusing on the new energy transition of warehouse operation vehicles. By utilizing new energy forklifts for material handling, we aim to reduce emissions and noise pollution during operations. In 2023, Beike successfully replaced all traditional forklifts with new energy forklifts in its self-built warehouses. Looking ahead, we intend to further increase the proportion of new energy vehicles by establishing our own fleets across the country.



## // Home Rental Services

In the home rental services, we emphasize the promotion of environmental protection to our tenants, closely combining users' demands with environmental management practices in the design, renovation, and operation phases to provide users with green and low-carbon rental services.

### In the design and renovation phase

Taking Beike's Hey Young Apartment and New Youth Apartment as examples, we set low-carbon and green living as a core objective for apartment design and renovation. We select environmentally-certified building materials and equip the apartments with high-efficiency electric appliances such as refrigerators, washing machines, and air conditioners, aiming to provide tenants with a healthy and environmentally friendly living experience.

### In future apartment construction planning

We will comprehensively consider the safety, comfort, and convenience of tenants while integrating the design concepts and standards of green buildings. During the architectural design process, we will explore the possibility of rooftop distributed photovoltaic power generation according to the geographical location and ecological environment. By increasing the proportion of clean energy usage, we aim to reduce electricity consumption and carbon emissions during the operational phase of the buildings. We will continue to equip our apartments with low-carbon and eco-friendly household products and energy-efficient appliances, striving to improve energy efficiency and reduce energy consumption during building operations.

### In the operation phase

We establish energy consumption management requirements for public areas and promote energy-saving practices among apartment management personnel, such as promptly shutting down unused equipment and controlling lighting durations rationally to avoid unnecessary energy waste. In addition, we plan to carry out flea market activities in Chengdu Beike Hey Young Apartment in 2024 to actively promote second-hand offline trading activities within the community. Through the activity, we will encourage our tenants to participate in second-hand transactions, aiming to promote waste re-utilization and reduce the amount of waste generated in the apartments.

## Capitalizing on Green Building Opportunities

We continue to explore green building opportunities under different business models and fully consider green building concepts such as resource efficiency, environmental friendliness, and health and livability of buildings in all aspects of designing, constructing, operating, maintaining, and demolishing office spaces and stores.

## // Expanding the Green Office Space

Our office area in the Beike Huaqiao Academy Phase I Project was designed, built, and operated in accordance with green building standards, and we received a two-star level of the Certificate of Green Building Label. The building design achieves an energy efficiency rate of 50%, a green coverage rate of 30%, and a design utilization rate of reusable and recyclable materials of nearly 6%. In our daily work, we focus on the manual adjustment of facilities in the building and the promotion of energy-saving policies. We carry out management standards related to the acquisition and usage of office supplies, requiring office personnel at Huaqiao Academy to apply for office supplies based on actual needs and follow the principle of avoiding waste. Meanwhile, we designate specific personnel to promptly shut off equipment before leaving the classrooms and meeting rooms to avoid unnecessary energy waste.

We plan to start the Huaqiao Academy Phase II Project in 2024. Based on the existing hardware facilities of the Phase I Project, we will closely refer to national standards related to green building and actively explore the feasibility of renewable energy power supply. Drawing on the design experience from the Phase I Project, we incorporate more designs utilizing photovoltaic and other renewable energy sources for power supply in the Phase II Project, to further increase the proportion of renewable energy usage.



Beike Huaqiao Academy Phase I Project

## // Creating Green Stores

We realize that promoting energy conservation in our store is an important way for Beike to achieve carbon neutrality at our operational level. In 2023, we continued to make progress toward energy conservation and emission reduction in our stores through systematic environmental management and intelligent store construction.

In terms of systematized environmental management, we promote the development of targeted environmental management policies for all city-level companies based on the actual business situation. Taking the Beijing Lianjia stores as an example, we formulated the Guidelines for Store Air Conditioner Usage, aiming to guide the proper use of air conditioners in operating stores, prevent equipment damage and energy waste caused by improper use, as well as achieve scientific and precise emission reductions through energy consumption monitoring. At the same time, we have established a cost-based model for electricity usage in stores, evaluating the reasonable range of electricity consumption based on factors such as store area. We alert stores that have abnormal electricity consumption and regularly commend and encourage exemplary stores and individuals for their achievements in energy conservation, showcasing them as role models in energy conservation and cost reduction.

In 2023, Beijing Lianjian Alfa Community Store received LEED Gold Certification for its excellent resource conservation and environmental management performance. Meanwhile, during the certification process, we kept exploring the possibilities and opportunities for obtaining green building certifications for other stores on the Beike platform. We matched and analyzed the differences between the current decoration and operation rules in our stores and the green building standards to form the Beike Green Building Standards. In the future, we will assess newly renovated and refurbished stores based on these standards to strengthen store-level environmental management performance.



LEED Gold Certification for Beijing Lianjian Alfa Community Store



By the end of 2023, Shanghai Lianjia had achieved **complete coverage** of its stores with the intelligent control system



while the coverage rate of Beijing Lianjia's intelligent control system has reached **95%**



Shenzhen Lianjia has completed the installation of the system in **over 150 stores**

In terms of intelligent store construction, leveraging the project model of the KE Sustainable Action Award, we have collected excellent energy conservation and emission reduction technologies and initiatives previously implemented in certain city-level stores and expanded them nationwide. This has established a green development trajectory where pilot projects are regularly transformed into sustainable nationwide initiatives. In 2023, we focused on promoting the Beijing Lianjia Intelligent Store Monitoring and Control System for electrical equipment nationwide to achieve real-time and accurate tracking of electricity consumption levels in our stores and reduce the waste of electricity consumption by unnecessary equipment. By the end of 2023, Shanghai Lianjia had achieved complete coverage of its stores with the intelligent control system, while the coverage rate of Beijing Lianjia's intelligent control system had reached 95%. Meanwhile, Shenzhen Lianjia has completed the installation of the system in over 150 stores.



# Practicing the Concept of Green Office

We practice the concept of a green office and continuously strengthen employees' awareness of environmental protection. By implementing various environmental management measures such as energy saving, water conservation, and waste reduction in the office area while also regularly conducting training sessions and knowledge-sharing activities on environmental protection themes, we promote the integration and practice of green and sustainable concepts into our daily work.

## // Resource Utilization and Management

Beike implements refined energy management practices in our office areas. We continue to enhance our resource management performance by strengthening equipment management, enhancing personnel allocation, exploring the practice of smart electricity consumption, and cultivating employees' environmental awareness.



### Strengthening Equipment Management

For the office lighting and fixtures, we categorize the interior lighting of the building based on functional areas and fixed zones. We post red, yellow, and green signs on switches, each corresponding to a different shutdown time, which allows employees and equipment management personnel to have a clearer understanding of the lighting shutdown requirements. In addition, we regard water conservation as a routine measure of our operations. We continuously strengthen the daily inspection and maintenance of water-using equipment in the office area, focusing on the equipment status in areas with high water usage, such as the staff restaurant kitchen, showers, and toilets, so as to deal with water use anomalies in a timely manner.



### Enhancing personnel allocation

The administrative department checks the data on water and electricity consumption in the office area monthly, reports any abnormal changes in consumption, and analyzes the underlying reasons for anomalies. Meanwhile, dedicated personnel are assigned to manage major electricity-consuming devices such as office air conditioning, lighting, stairway light boxes, and conference room TVs. They conduct routine inspections and timely adjustments to prevent energy waste caused by devices being left on for extended periods.



### Exploring the practice of smart electricity consumption

We utilize intelligent control devices to implement timed control and set default shutdown times for office lighting and air conditioning systems. For areas with distinct usage patterns, such as the lobby and dining area, we further refine their operational hours by decreasing the running time of lighting, air curtain fans, and other associated equipment.



### Cultivating Employees' Environmental Awareness

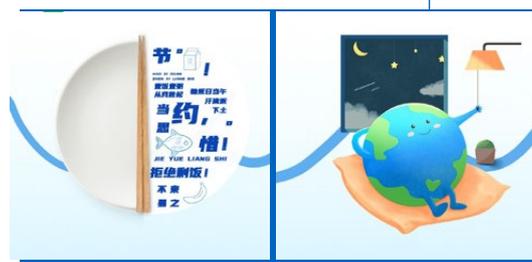
We continuously promote environmental awareness among our employees. By sharing the principles of green living through various forms, such as pictures and short videos and organizing environmental protection theme activities, including Clear Your Plate Month and Low-Carbon Week, on a regular basis, we aim to guide employees in cultivating green lifestyles. In 2023, we selected environmentally friendly packaging for the Mid-Autumn mooncake gift boxes distributed to our employees, with the packaging materials and accessories made from recyclable and biodegradable materials. According to calculations by a third-party institution, compared to traditional disposable packaging, each gift box reduced carbon emissions by 2,055 grams, resulting in a total reduction of 393.35 tonnes of carbon for all gift boxes, which is equivalent to the carbon sequestration provided by 78,669 trees over a year.



Certification of Product Carbon Reduction for the Mid-Autumn Mooncake Gift Boxes

## Beike Low-Carbon Week Activities

Based on the “Earth Hour” campaign initiated by the World Wildlife Fund (WWF), we have selected high-frequency and easy-to-participate environmental initiatives from our daily office work and launched the environmental campaign named Beike Low-Carbon Week. By organizing diverse low-carbon-themed activities for employees every year, we call for our employees to pay attention to low-carbon environmental issues and encourage them to adopt green office practices.



Promotion Pictures of Beike Low-Carbon Week Activities

## // Waste Recycling and Disposal

In terms of waste disposal in our offices, hazardous waste generated from Beike’s daily operations, such as used batteries, toner cartridges, and ink cartridges, is recycled and regularly collected by qualified suppliers for proper disposal. Used batteries are sorted in hazardous waste bins and transported by waste collection companies for further processing. Waste toner cartridges, ink cartridges, and other printer consumables are first collected by our IT Operation and Maintenance Department and then regularly picked up and disposed of by our printer maintenance service providers. As for non-hazardous waste, we practice waste sorting by providing recycling bins and other waste bins in our office areas. Our cleaning team then sorts the waste during the collection process and separates it by category in the enclosed garbage room. The waste is later transported out of the office area by waste collection companies at night. In addition, we recycle used office paper for secondary paper utilization. We staple this paper into the “Lianjia Exclusive Sketchbook” for employees to use, which effectively reduces office paper consumption.

We actively explore circular economy model in our offices. We recycle and reuse office supplies that meet certain criteria to not only reduce waste generated in our offices but also contribute to the development of a circular economy. We maximize the utilization of existing assets by conducting reuse assessments for furniture, computers, network equipment, and other office items before they are phased out. Items that meet the reuse conditions will be refurbished and reused. Electronic equipment that does not meet the conditions for recycling and reuse is collected and disposed of after regular door-to-door collection by our suppliers through the Company’s asset disposal process. In 2023, we integrated our support for rural revitalization with the reuse of office supplies, screening, and collecting office computers that did not meet our criteria for recycling and reuse but were still functional for daily use. After being reinstalled by our technical department and equipped with practical office and teaching software tailored to the teaching needs, these computers were donated to rural schools, aiding local teachers and students in their educational endeavors.



# Environmental KPIs

## // Energy and Resources Consumption <sup>②③</sup>

Indicators	2023
Total energy consumption <sup>②</sup> (MWh)	195,866.28
Direct energy consumption (MWh)	1,796.23
Indirect energy consumption (MWh)	194,070.05
Energy consumption per unit of revenue (MWh/RMB million)	2.52
Water withdrawal <sup>②</sup> (tonnes)	1,286,314.77
Water withdrawal per unit of revenue (tonnes/RMB million)	16.53

## // Emissions <sup>②③</sup>

Indicators	2023
Total GHG emissions (Scope 1 and 2) <sup>②</sup> (tCO <sub>2</sub> e)	105,074.23
Direct GHG emissions (Scope 1) (tCO <sub>2</sub> e)	1,907.90
Indirect GHG emissions (Scope 2) (tCO <sub>2</sub> e)	103,166.33
Total GHG emissions per unit of revenue (tCO <sub>2</sub> e/RMB million)	1.35
Hazardous waste (tonnes)	5.02
Hazardous waste per unit of revenue (kg/RMB million)	0.06
Non-hazardous waste (tonnes)	19,463.16
Non-hazardous waste per unit of revenue (kg/RMB million)	250.17

② In 2023, for the first time, we have compiled environmental data covering the entire company, including Beike's headquarters, the real estate brokerage business, the home renovation and furnishing business, as well as the home rental business. The reporting scope has significantly increased from 2022.

③ Beike's operations do not involve the production of physical products. KPI A2.5- Total packaging material used for finished products does not apply.

④ The consumption of natural gas, gasoline, and diesel within the total energy consumption is calculated using the conversion factors specified in the General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2020). Direct energy consumption arises from the consumption of natural gas, gasoline, and diesel during Beike's operation. To be specific, the natural gas, gasoline, and diesel consumption was approximately 630.16MWh, 1,155.83MWh, and 10.24MWh, respectively. Indirect energy consumption arises from the consumption of purchased electricity and heat during Beike's operation.

⑤ Beike's water resources consumed come from the municipal water supply. In use of water resources, in 2022, the Company had no issues in sourcing water.

⑥ Due to our operational features, the significant emissions of Beike are GHG emissions arising mainly from combustion of fuels and the purchased electricity and heat 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 are presented in carbon dioxide equivalent and the calculation is based on China Energy Statistical Yearbook 2022, the Notice on Managing Greenhouse Gas Emission Reporting for Power Generation Enterprises from 2023 to 2025 issued by the Ministry of Ecology and Environment of the People's Republic of China, the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions of Industrial Enterprises (Trial) issued by the National Development and Reform Commission of the People's Republic of China, and the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories issued by the Intergovernmental Panel on Climate Change (IPCC).

⑦ GHG emissions (Scope 1) arise mainly from the consumption of "direct energy" (natural gas, gasoline, and diesel) by Beike's operation. GHG emissions (Scope 2) arise mainly from the consumption of "indirect energy" (purchased or acquired electricity and heat) by Beike's operation.



# Caring for Our Communities



Leveraging the strengths of its platform, stores, and service providers, Beike collaborates with various partners to continuously explore diverse models for community public welfare initiatives. Over the years, Beike has deeply engaged in community public welfare activities to foster an atmosphere of positive public welfare in the residential industry. Our focus has been on community services, elder care services, rural revitalization, and emergency assistance. **Adhering to the principles of “being virtuous while seeking growth” and “community-rooted”, Beike contributes to a better living environment through professional, warm, and effective public welfare activities.**

Building upon our presence through local stores, Beike uses its platform advantages to continuously innovate public welfare service models and foster harmonious communities in collaboration with residents. We have deepened the emotional connection of all employees and platform partners to public welfare projects, driving the development of community welfare activities and the involvement of residents as both participants and beneficiaries.



In 2021, we launched our Shanbei GO Charity Program in collaboration with brokerage brands, store owners, agents and employees on our platform. Program volunteers have participated in various public welfare projects organized by Beike, such as raising funds through sponsored walks where each mile walked is exchanged for donation funds. With Beike's business empowerment, personnel support, financial support, and other resource support, we aim to jointly create a public welfare atmosphere on the platform. In 2023, Beike's donations amounted to RMB 25.43 million. Among them, through Shanbei GO Charity Program, we raised more than RMB 800,000 in charitable donations to support Beike Caring Homes, Seeking the Light, Sunshine Playground and several other charity programs.



In 2023, Beike's donations amounted to

**RMB 25.43 million**



In 2023, through Shanbei GO Charity Program, we raised

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in charitable donations

## Community Services



Beike focuses on providing convenient services in urban community areas. In close collaboration with partner brokerage brands, we leverage the offline presence of our stores to build a community service system, providing residents with a variety of convenient services and creating a better community life.

### // Convenient Service

#### Urban Study Rooms

Since 2021, Shanghai Lianjia has cooperated with Xinhua Bookstore to carry out the Urban Study Rooms project. Through the project, we aim to create a shared cultural space in the community and promote nationwide reading habits. Within the stores, we offer segregated reading zones along with open-designed bookshelves and reading/writing desks to establish a "study room" into our stores. By doing so, we aim to provide a comfortable public reading space for local residents. In 2023, the project hosted multiple reading events and invited families in the community to participate. The events provided a new cultural setting for parent-child bonding, while cultivating a cultural atmosphere within community families that encourages the love for reading quality books. By the end of 2023, we had set up nearly 300 Urban Study Rooms in five cities, including Shanghai, Guangzhou, Chengdu, Suzhou, and Hefei.



Site Photo of Urban Study Rooms



By the end of 2023, we had set up nearly

**300** Urban Study Rooms

## // Community Unity Project

Beike actively responds to the Opinions of the CPC Central Committee and the State Council on Strengthening and Improving Urban and Rural Community Governance and its concept of “building a social governance pattern featuring joint construction, joint governance and sharing”. Since 2020, Beike Charity Foundation has collaborated with professional charitable organizations to launch the Community Unity Project, which aims to empower high-potential community charitable organizations. By pooling our collective resources and capabilities, we can effectively tackle the specific issues facing particular groups or areas, providing multidimensional and multi-level value to the community. The Community Unity Project focuses on community advocacy, community assistance, community welfare research, sustainable community development, and child-friendly community building. Gathering professional expertise, the project funds 16 activities, such as Community Mental Health Workshops, Beike Caring Homes for Medical Care-Seeking Travelers, and Art Therapy for Disabled Children to support community development in a charitable manner.

### Beike Caring Homes for Medical Care-Seeking Travelers

Since 2021, Beike has collaborated with professional charitable organizations to launch the Beike Caring Homes for Medical Care-Seeking Travelers project, calling on the public to consider the needs of people with rare diseases. Beike Caring Homes provides short-term free accommodation for patients and their families, solving the accommodation difficulties faced by patients seeking medical treatment away from home. At the same time, by leveraging our business resources and industry advantages, and collaborating with relevant parties, we actively participated in the operation of Beike Caring Homes from aspects including available location presenting, house micro-renovation, and daily services providing to enhance the quality of our Beike Caring Homes. By the end of 2023, we had set up 4 project sites in Beijing and provided a total of 3,078 days of welfare accommodation for 95 families of children with serious diseases.



By the end of 2023, we had provided a total of

**3,078 days**

of welfare accommodation for



**95**

families of children with serious diseases

## Elder Care Service

As China's population ages, the housing needs of the elderly are becoming increasingly prominent. Beike focuses on the aging population and explores adaptive transformation of living spaces and services for the elderly. With the purpose of finding connection between daily life of the elderly and community services, we keep making elderly-oriented App optimizations, to support the integration of the elderly into the digital society.

We carry out special research while continue exploring suitable housing services for the elderly to provide innovative approaches in the development of elderly-friendly living environments. On the Double Ninth Festival this year, the Research Institute of Beijing Lianjia, in collaboration with research groups from the School of Labor and Human Resources, Renmin University of China, released the “2023 Insight Report on Housing Needs of the Elderly in Beijing”. Based on Lianjia's real estate transaction data from the past five years, the report outlines the current property ownership status, preferences, and behaviors of the elderly population in Beijing. It provides a reference sample for the design of housing support system, elderly-oriented housing renovation, and community caring services for the elderly.

In 2023, leveraging its nationwide stores, volunteer agents, Beike continued to expand the scope and community influence of the Smartphone Training Sessions for Seniors and bridge the “digital gap”. At the 2023 ESG Development Forum of Enterprises, jointly hosted by Xinhuanet and the China Enterprise Reform and Development Society, Beike was recognized for its Smartphone Training Sessions for Seniors project as the 2023 Featured ESG Case of Enterprises.



## Smartphone Training Session for Seniors

Since 2018, we have initiated the community public welfare program Smartphone Training Sessions for Seniors, calling on stores and agents to conduct regular smartphone training workshops and free Q&A. The training sessions help teach seniors how to use everyday smartphone functions, including using WeChat and showing seniors how to use the internet to make doctors' appointments, pay fees, use maps and order food delivery. Each of these empowers seniors with smart living conveniences. By the end of 2023, the program had covered 60 cities nationwide with a total of 12,543 public welfare sessions and more than 47,000 smartphone training courses held, providing the elderly with more than 760,000 times of service.



In 2023, we continued to strengthen the social welfare influence of the program and broadened the reach of the smartphone training sessions by expanding the diversity of class formats and course content. At the same time, we conducted live streaming training and designed a series of online live courses based on the learning needs expressed by the elderly, including photography and short video production, in order to enhance their sense of fulfillment and happiness.

By the end of 2023



The program had covered  
**60 cities**  
nationwide



With  
**more than 47,000**  
smartphone training courses  
had been held



The program had provided  
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**more than 760,000**  
times of service

## Fall Prevention Training Program for Seniors

To provide better care for seniors in the community, the Beike Charity Foundation, in collaboration with the Beijing Bethune Charitable Foundation, initiates the Fall Prevention Training Program for Seniors. With professional support from the Geriatric Department of Peking Union Medical College Hospital, we have developed the Fall Prevention Handbook for Seniors and produced educational videos on fall prevention. Moreover, Beike utilizes the reach of its community stores to hold a variety of easy-to-understand health guidance classes and organize community advocacy activities on "fall prevention" for seniors, ultimately enhancing the awareness and skills among senior residents and their caregivers in preventing falls. From the perspectives of enhancing scientific awareness and improving the safety of living environment, the program comprehensively considers the issue of fall prevention to provide seniors with straightforward practical skills and increase their scientific literacy in fall prevention.



Site Photo of Fall Prevention Training Program

# Rural Revitalization

Beike actively responds to the National Rural Revitalization Strategy and supports the country to achieve the important goal of common prosperity. With expertise in residential housing, Beike explores rural revitalization practices by various means such as rural industry revitalization and educational support to promote the advancement of underdeveloped regions.

## Beike Station

Since 2021, Beike has carried out a series of Beike Station project, investing funds in eligible villages to support urban revitalization. The investment will be used for renovation, construction, and hardcover of Beike Station, to improve the appearance of villages, promote the development of rural tourism industry, and drive local employment and income. By taking the development strategy and distinctive culture of the recipient area into account, the project actively utilizes our advantages in the residential housing sector, to develop unique accommodation. In 2023, we donated more than RMB 6 million to the Beike Station project, vigorously boosted the urban revitalization and created job opportunities in villages. Through the project, we aim to directly drive the increase of employment and income for local residents, and further strengthen the village collective economy and help consolidate the achievements of poverty alleviation.



Site Photo of Beike Station

## // One Enterprise for One County Support Project

Since 2016, Lianjia has carried out targeted supporting projects in Jingyuan County, Baiyin City, Gansu Province. In 2021, we officially signed the rural strategic cooperation agreement on the Consolidating Poverty Alleviation Achievements and Assisting Rural Revitalization Strategy with the Jingyuan County People's Government. By signing the agreement, we continuously promote the rural revitalization in Jingyuan County through renovating educational facilities and providing educational support for impoverished children.

Focusing on children's basic education in rural areas, Beike collaborates with social welfare organizations to develop online art and music courses suitable for rural schools through online education platforms, thereby narrowing the gap in educational resources for rural schools. In 2023, Beike conducted online music classes in Jingyuan County to improve the music education in rural schools, especially for small-sized schools in remote mountainous areas and promote the integrated and balanced development of urban and rural education. By fully utilizing music teaching resources in the county and carefully crafting new courses, Beike supported rural schools in Jingyuan on building local public service course management groups and teaching teams. While conducting targeted online music classes, we invited teaching research team consisted of volunteer teachers to conduct on-site classes. Through the integration of online and on-site teachings, the project effectively helps strengthen the education for the all-round development of children in rural areas. By the end of 2023, Beike's County-to-Village Online Music Teaching program in Jingyuan County had attracted 40 volunteer teachers and 70 teaching assistants, conducting over 1,673 online music classes in 50 rural primary schools.



By the end of 2023, Beike's County-to-Village Online Music Teaching program in Jingyuan County had attracted



**40** volunteer teachers  
**70** teaching assistants conducting



**over 1,673** online music classes in 50 rural primary schools

## // Rural Community Development Plan

To consolidate and expand the achievements of poverty alleviation and support rural revitalization, Beike initiates the Rural Community Development Plan to help rural schools improve their educational environment and enhance local teaching capabilities. Throughout the years, by implementing a series of public welfare projects such as Seeking the Light program, Charity Library, Charity Primary School, and Sunshine Playground, Beike has helped students in rural villages to cultivate their interests and learning ability while safeguarding children's healthy growth during their basic education stage.

## Seeking the Light Program



Site Photo of Seeking the Light Program

Beike carries out Seeking the Light program to address the current challenges of limited physical education curriculum, insufficient physical education teachers, and a scarcity of professional sports equipment and resources in rural schools. By providing rural schools with specialized sports equipment and improving the basic physical education facilities, we enrich the content of physical education courses and school life for rural students to further enhance students' physical fitness. By the end of 2023, the program had equipped 39 rural schools in Jingyuan County with basketball stands, table-tennis tables, and other types of sport equipment, benefiting approximately 13,805 students.



By the end of 2023, the program had equipped **39 rural schools** with sport equipments



benefiting approximately **13,805 students**

## Charity Library

Since 2011, we have implemented the Charity Library program in regions including Guizhou, Anhui, Inner Mongolia, Shaanxi, Hubei, Shandong, Yunnan, and Gansu. Through donating books to rural schools, we have increased reading opportunities for children in remote areas and enriched children's knowledge through forming their habit of reading. By the end of 2023, Beike had established 225 Charity Libraries and donated more than 630,000 books, benefiting approximately 66,000 students.



By the end of 2023, Beike had established **225** Charity Libraries



donated **more than 630,000 books**

benefiting approximately **66,000 students**

## // Agent Agricultural Support Program

Beike has launched the Agent Agricultural Support Program, which leverages the power of our platform to sell agricultural products from agents' hometowns across the country and promote the revitalization of rural industries. Agricultural products produced by Beike agents and their immediate relatives are sold through our internal product sales platform of the Beike Service Station. Meanwhile, we have established the Agricultural Support Agreement of Beike Service Station by following the selection principle of "prioritize households in difficulty, fresh products in stock, and direct farmer-to-consumer delivery" to ensure the effective implementation of the agricultural support program. In addition, we provide specific guidance to farmers throughout the entire process, from product packaging to image display and sales services, to help them expand the marketing channels for agricultural products.

By the end of 2023, the Agent Agricultural Support Program had helped farmers sell a total of 67,500 kilograms of various agricultural products.



By the end of 2023, the Agent Agricultural Support Program had helped farmers sell a total of **67,500 kilograms** of various agricultural products

# Emergency Assistance

Enhancing emergency response capabilities and improving the emergency medical system are important components of the “Healthy China Initiative”. Beike actively responds to the national strategy and relies on the voluntary services provided by our stores and agents to participate in community first aid, disaster relief, and other emergency assistance operations.

## Community Red Cross First Aid Station

Beike has established the industry first Community Red Cross First Aid Station in Guangzhou, creating emergency service stations with emergency response capabilities in urban communities to better fill the gap between community first aid and emergency treatments from hospital.

Based on Lianjia’s community service scenarios, we have uniformly equipped our stores with AEDs, first aid kits, and other emergency medical equipment. Our agents have also received first aid training from the Red Cross to provide residents with timely and proper treatments while enriching the volunteer team of emergency medical assistance. Furthermore, we have conducted several public welfare activities such as community first aid training and free clinics to promote the construction of the social emergency response network. By the end of 2023, more than 230 Lianjia stores in Guangzhou had established the Community Red Cross First Aid Station.



Site Photo of Community Red Cross First Aid Station



By the end of 2023  
**more than 230**

Lianjia stores in Guangzhou had established the Community Red Cross First Aid Station

## Disaster Relief Assistance

In response to natural disasters, we actively engage in disaster relief efforts to help safeguard people’s livelihoods, contribute to post-disaster reconstruction, and fulfill our corporate social responsibility.

- In July 2023, several areas including Zhuozhou in Hebei Province experienced flooding, with some residents unable to return to their homes due to inundation. This led to a rapid increase in the demand for short-term rentals in the affected areas. To facilitate the post-disaster reconstruction in Zhuozhou, and address the housing placement difficulties for affected residents, we gathered our real estate agents to initiate a commission-free rental service. A total of 268 agents in Zhuozhou participated in the initiative, benefiting over 500 customers. Within 3 days, we assisted 100 families affected by the disaster in finding short-term housing, fulfilling Beike’s commitment to “taking care of customers”.
- Also in July 2023, the Beijing-Tianjin-Hebei region experienced prolonged heavy rainfall, resulting in flooding and geological disasters with significant losses. Following the disaster, Beike donated RMB 8 million to support flood control and disaster relief efforts in the region.



A total of  
**268 agents**

in Zhuozhou participated in the commission-free rental service, benefiting  
**over 500 customers**



Within 3 days, we assisted  
**100 families**

affected by the disaster in finding short-term housing



# Outlook

Since the founding of Beike, we have consistently adhered to the development theme of "committing to long-term value, doing the right thing even if it's difficult". We are fully aware that the growth and advancement of an enterprise are inseparable from the continuous value creation for customers and perpetual contribution to society. Therefore, as we forge ahead into the future, we have set clear development goals and visions.

In 2024, we will continue our journey toward the goal of "providing a joyful living for consumers, facilitating fulfilling careers for service providers". To achieve this, we have identified five strategic paths, to address both present and future challenges in ways that benefit the long-term development of the Company. These paths include:

**Implementing standardized company operation and management:** Compliant business operations serve as the cornerstone for long-term development. Internally, we will further strengthen information security and privacy protections, reinforce integrity measures, safeguard intellectual property rights, and ensure advertising compliance. Meanwhile, through collaboration with our upstream and downstream partners in the industry, we aim to further optimize our supplier management capacities to jointly embody the philosophy of "business for social good".

**Promoting quality development in the industry:** We are committed to continuously refining the quality assurance frameworks across the various business models at Beike and collaborating with industry partners to implement quality service commitments. Additionally, we will persist in accelerating the professionalization of service providers in all our business services and harnessing technology to boost service quality and efficiency. Through these efforts, we aim to propel the quality development of the housing industry and offer an exceptional living experience for consumers.

**Constructing a diverse talent system:** We will continue to uphold our commitment to an equitable and diverse workplace, ensuring the legal rights and interests of our employees, valuing their career development potential, and providing comprehensive support. We strongly believe that the growth and advancement of our employees are significant driving forces behind our company's achievements.

**Pursuing environmentally friendly and sustainable development:** We will thoroughly identify potential environmental impacts and carbon reduction opportunities inherent in our business model. Also, we will further refine our analysis of climate change impacts and develop targeted response measures to address them. By implementing green services, exploring green building opportunities, and adopting green office practices, we aspire to make significant progress in green and carbon-reducing development, contributing to the sustainable progress of human society.

**Creating a win-win situation for both social and commercial values:** Guided by our community welfare philosophy that aims to pursue win-win situation between corporate's social value and commercial value, we leverage our platform's strengths to continuously innovate unique community welfare projects that reflect Beike's characteristics. By engaging our employees, partners, and the broader public, we strive to collaboratively advance community welfare initiatives. Through educational support and industrial revitalization, we aim to stimulate development in less developed areas. Additionally, we will harness Beike's expertise in the housing industry to further contribute to the national strategic goals of rural revitalization and common prosperity.

Looking ahead, while maintaining efficient and orderly operations, we will further drive industry quality advancement, foster a diverse and inclusive talent system, pursue green and sustainable development, and engage in community public welfare activities. These efforts will lay a solid foundation for the Company's long-term growth.

# Appendix: Reporting Framework Index



The Stock Exchange of Hong Kong Limited's ESG Reporting Guide

Mandatory Disclosure Requirements		
Mandatory Disclosure Requirements	Description	Disclosure Location or Remarks
<b>Governance Structure</b>	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> <li>(i) a disclosure of the board's oversight of ESG issues;</li> <li>(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and</li> <li>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</li> </ul>	<b>ESG Strategy:</b> Board Statement ESG Governance Structure
<b>Reporting Principles</b>	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report (Materiality, Quantitative and Consistency).	<b>Preface:</b> About This Report
<b>Reporting Boundary</b>	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	<b>Preface:</b> About This Report
"Comply or Explain" Provisions		
General Disclosures and KPIs	Description	Disclosure Location or Remarks
Environmental Area		
Aspect A1: Emissions		
<b>General Disclosure</b>	<p>Information on:</p> <ul style="list-style-type: none"> <li>◆ the policies; and</li> <li>◆ compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</li> </ul>	<b>Low-Carbon Operations</b>
<b>KPI A1.1</b>	The types of emissions and respective emissions data.	<b>Low-Carbon Operations:</b> Environmental KPIs
<b>KPI A1.2</b>	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and (if applicable) intensity.	<b>Low-Carbon Operations:</b> Environmental KPIs
<b>KPI A1.3</b>	Total hazardous waste produced (in tonnes) and (if applicable) intensity.	<b>Low-Carbon Operations:</b> Environmental KPIs
<b>KPI A1.4</b>	Total non-hazardous waste produced (in tonnes) and (if applicable) intensity.	<b>Low-Carbon Operations:</b> Environmental KPIs

KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	<b>Low-Carbon Operations:</b> Responding to Climate Change Implementing Green Services Capitalizing on Green Building Opportunities Practicing the Concept of Green Office
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	<b>Low-Carbon Operations:</b> Responding to Climate Change Implementing Green Services Capitalizing on Green Building Opportunities Practicing the Concept of Green Office
<b>Aspect A2: Use of Resources</b>		
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	<b>Low-Carbon Operations</b>
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	<b>Low-Carbon Operations:</b> Environmental KPIs
KPI A2.2	Water consumption in total and intensity.	<b>Low-Carbon Operations:</b> Environmental KPIs
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	<b>Low-Carbon Operations:</b> Responding to Climate Change Implementing Green Services Capitalizing on Green Building Opportunities Practicing the Concept of Green Office
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	<b>Low-Carbon Operations:</b> Responding to Climate Change Practicing the Concept of Green Office Environmental KPIs
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable due to the fact that we do not produce physical products
<b>Aspect A3: The Environment and Natural Resources</b>		
<b>General Disclosure</b>	Policies on minimising the issuer's significant impacts on the environment and natural resources.	<b>Low-Carbon Operations:</b> Responding to Climate Change Implementing Green Services Capitalizing on Green Building Opportunities Practicing the Concept of Green Office
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	<b>Low-Carbon Operations:</b> Responding to Climate Change Implementing Green Services Capitalizing on Green Building Opportunities Practicing the Concept of Green Office

<b>Aspect A4: Climate Change</b>		
<b>General Disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	
<b>KPI A4.1</b>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	<b>Low-Carbon Operations:</b> Responding to Climate Change
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
<b>General Disclosure</b>	Information on: <ul style="list-style-type: none"> <li>♦ the policies; and</li> <li>♦ compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</li> </ul>	<b>Talent Development:</b> Employee Rights and Interests
<b>KPI B1.1</b>	Total workforce by gender, employment type, age group and geographical region.	<b>Talent Development:</b> Employment KPIs
<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.	<b>Talent Development:</b> Employment KPIs
<b>Aspect B2: Health and Safety</b>		
<b>General Disclosure</b>	Information on: <ul style="list-style-type: none"> <li>♦ the policies; and</li> <li>♦ compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</li> </ul>	<b>Talent Development:</b> Occupational Health and Safety
<b>KPI B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	<b>Talent Development:</b> Health and Safety Related KPIs
<b>KPI B2.2</b>	Lost days due to work injury.	<b>Talent Development:</b> Health and Safety Related KPIs
<b>Aspect B3: Development and Training</b>		
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<b>Talent Development:</b> Employee Training and Empowerment
<b>KPI B3.1</b>	The percentage of employees trained by gender and employee category.	<b>Talent Development:</b> Employee Training and Empowerment
<b>KPI B3.2</b>	The average training hours completed per employee by gender and employee category.	<b>Talent Development:</b> Training KPIs

Aspect B4: Labour Standards		
	Information on:	
<b>General Disclosure</b>	<ul style="list-style-type: none"> <li>the policies; and</li> <li>compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</li> </ul>	<b>Talent Development:</b> Employee Rights and Interests
<b>KPI B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	
<b>KPI B4.2</b>	Description of steps taken to eliminate such practices when discovered.	
Operating Practices		
Aspect B5: Supply Chain Management		
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	
<b>KPI B5.1</b>	Number of suppliers by geographical region.	
<b>KPI B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	<b>Business Ethics:</b> Supplier Management
<b>KPI B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
<b>KPI B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
Aspect B6: Product Responsibility		
	Information on:	
<b>General Disclosure</b>	<ul style="list-style-type: none"> <li>the policies; and</li> <li>compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</li> </ul>	<b>Quality Assurance:</b> Industry Quality Construction Service Quality Assurance Joyful Living Options  <b>Business Ethics:</b> Information Security and Privacy Protection Compliance Advertisement
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable due to the fact that we do not produce physical products
<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with.	<b>Quality Assurance:</b> Service Quality Assurance
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	<b>Business Ethics:</b> Intellectual Property Rights

<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	<b>Quality Assurance:</b> Industry Quality Construction Service Quality Assurance Joyful Living Options
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	<b>Business Ethics:</b> Information Security and Privacy Protection
<b>Aspect B7: Anti-corruption</b>		
<b>General Disclosure</b>	Information on: <ul style="list-style-type: none"> <li>♦ the policies; and</li> <li>♦ compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</li> </ul>	
<b>KPI B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	<b>Business Ethics:</b> Building a Culture of Compliance and Integrity
<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	
<b>KPI B7.3</b>	Description of anti-corruption training provided to directors and staff.	
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
<b>General Disclosure</b>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	
<b>KPI B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	<b>Caring for Our Communities</b>
<b>KPI B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	

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