

SOHO China Limited

Environmental, Social, and Governance
Report

2021



Stock Code: 410

Where is our Ark of Salvation?

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Message from Our Chairman



For over two years, not only has the COVID-19 pandemic ravaged across the globe, disrupted our economy development and our social life, it has also reminded us of our insignificance and ignorance. From countries to organizations, then to individuals, their relations with environment and nature should be contemplated and closely re-evaluated. If we examine and compare all the challenges encountered today, including trade frictions, environmental disruption, indiscriminate currency issuance, poverty and hunger, complex diseases, and issues affecting women and children, environmental problems emerge as the “greatest common denominator” among all countries. It is reasonable to conclude that addressing environmental problems necessitates concerted and immediate actions as no one is safe until everyone is safe.

SOHO China has recognized the severity of the environmental problems a long time ago and has initiated its ESG project since 2016. Originating from the social problem of air pollution in Beijing, we have gradually formed a systematic understanding of environmental protection, social responsibility and corporate governance in the process of the PM2.5 purification work in office buildings. It is our 6th consecutive year to issue the Environmental, Social, and Governance (ESG) report. In the past six years, we have gained deeper insights into ESG issues in a progressive fashion and identified our unique sustainability approach.

For the goal of “Carbon Peaking and Carbon Neutrality”, we have been pursuing the ultimate excellence in building green buildings. In 2021, the 24 projects managed by SOHO China saved 116 million kWh of electricity, equivalent to 96,000 tonnes of carbon emissions reduction. The energy-saving rate reached 28.9%. We are making steady progress towards our goal of saving 400 million kWh of energy and reducing 300,000 tonnes of CO₂ in the next five years. We have already endeavored to embed the green and wellness concept throughout the cycle of the design, construction, operation, and management of our buildings. Last May, four of our projects received the national “Certificate of Green Building Label (China Two-Star)”.

This year, we will design and build a Zero Carbon Library in Tianshui, Gansu Province. Starting from scratch brings tremendous challenges because there is no precedent to follow. However, our design team has overcome a raft of difficulties and achieved the huge leap from nothing to fruition. We look forward to the completion of this Library, as it will be the first of its kind in China and also our gift to Mother Nature.

SOHO China is an excellent corporate citizen and is always willing to give back to the community. In July 2021, we donated RMB 10 million to the Red Cross Society of China Zhengzhou Branch to support post-disaster recovery. In November, we donated an additional RMB10 million to the Red Cross Society of China Tianshui Branch to support pandemic prevention and control, for which we received the “China Red Cross Humanitarian Medal” award from the Red Cross Society of China. In recent years, we have invested over RMB40 million in the revitalization, poverty alleviation, and learning assistance programs in rural districts in Northwest China. We have built harmonious neighborhoods with “elderly care services, pre-school tutoring, and poverty reduction initiatives”. Additionally, we invested RMB30 million to build the non-profit “Yang Zheng Kindergarten” in Tianshui City, which is run by the Beijing Family Learning House Education Group. At present, 180 children are enrolled.

The projects developed and managed by SOHO China are located in the core areas of Beijing and Shanghai, where 400,000 people come to work every day. Not only are these buildings remarkable landmarks, they are also closely connected with the local community and have a long-term impact on the surrounding communities. Therefore, guided by the concept of sustainable development, we continue to invest money and resources to build a diverse, harmonious, inclusive, innovative and culturally unique community and promote the coordinated development of the surrounding communities. In 2021, we organized more than 110 activities, including regular community activities on holidays, fitness activities advocating a healthy lifestyle, art activities promoting the development of art and pop culture, and joint-building activities with local governments for communities and streets.

A robust and effective corporate governance framework is the cornerstone to our long-term success. Aware of the importance of ESG reporting, we established an ESG Committee under the Board of Directors to oversee ESG-related work. In 2021, we took many concrete actions, including a people-oriented approach to staff management, integrated green leasing practices across the chain, a platform-based customer service management system, strengthened information security, enhanced customer satisfaction, a harmonious and inclusive community ecosystem, and established green procurement plans.

Large piles of light feathers will eventually overturn a boat. Through our small steps, we hope to offer our customers green services and promote high quality and sustainable industrial and social development.

Pan Shiyi

Chairman

SOHO China Limited



Data Highlights: SOHO China Limited in 2021

900,000

Leasable property area
(square meters)

RMB 1,742

Rental income
(million)

85%

Average occupancy of
investment properties

80%

Gross profit margin of
leasing business

44%

Net gearing ratio

4.13

Management area of property
service (million square meters)

2.18

Development area of green buildings
(million square meters)

9

Number of LEED
Certification

4

Number of green building
operation label

116

Annual energy savings
(million kWh)

28.9%

Energy saving rate

BBB

MSCI's ESG Rating

20,769

Number of suppliers

98.15

Customer satisfaction
(points)

1,706

Number of staff

75

Customer satisfaction above the real
estate industry average (quantile)

RMB 24.5

Contributions to society
(million)

2,415

Volunteer time
(hours)

Special Topic: Energy Conservation and Carbon Reduction

Environmental issues are universal and must be addressed by concerted efforts. As a responsible real estate developer and operator, SOHO China launched environmental protection programs early in 2009. From design and construction to operation and management, we have incorporated the green and healthy concept throughout the life cycle of our buildings. With the commitment to green development and green operations, we pledge to save 400 million kWh of electricity and cut carbon emissions by 300,000 tonnes in five years. We will also present trailblazing demonstrations and collaborate with other leading institutions to drive the world toward a more sustainable future.

SOHO China's Roadmap of Environmental Management Stewardship

- 2009** SOHO China set green buildings as its strategic direction and required all new buildings meet green building standards.
- 2010** Guanghualu SOHO II received the LEED-CS Gold Preliminary Certification and Galaxy SOHO received the LEED-CS Silver Preliminary Certification.
- 2011** Wangjing SOHO received the LEED-CS Gold Preliminary Certification.
- 2012** SOHO Fuxing Plaza, Sky SOHO, Bund SOHO and Hongkou SOHO received the LEED-CS Gold Preliminary Certification.
- 2013** SOHO China established an Energy Conservation Center and made it accessible to the public, ushering in a new era of energy conservation, carbon reduction and green building operation and management.
- 2014** SOHO China incorporated the design standards of green buildings into its Design Standard Manual and made green building design an essential part of daily design work. Galaxy SOHO received the LEED-CS Silver Certification. Wangjing SOHO and SOHO Fuxing Plaza received the LEED-CS Gold Certification.
- 2015** Sky SOHO and Bund SOHO received the LEED-CS Gold Certification.

2016

Guanghualu SOHO II received the LEED-CS Gold Certification. Wangjing SOHO and Guanghualu SOHO II received the LEED Gold Certification, and got the Energy Saving and Development Guidance Reward of RMB4.52 million from the "Guiding Fund for Energy Conservation" of Chaoyang District Development and Reform Commission of Beijing Municipality.

2017

Guanghualu SOHO II ice storage centralized air-conditioning and cooling station received RMB 420,000 from the "Beijing Power Demand Side Reward". SOHO Tianshan Plaza received the LEED-CS Gold Certification. Gubei SOHO received the National Two-Star Green Building Design Label.

2018

SOHO China's Energy Management Platform and LED lighting energy-saving renovation project received RMB3.59 million from the "Guiding Fund for Energy-saving Development in Chaoyang District, Beijing". Gubei SOHO received the LEED-CS Gold Certification.

2019

Over 14,000 tonnes of carbon allowances were transferred for energy conservation and carbon emission reduction, of which the carbon trading profit amounted to RMB550,000. Leeza SOHO received the LEEDS-CS Gold Certification.

2020

Tower A and Tower B of Jianwai SOHO and SOHO Nexus Center passed the experts' examination and received a bonus of RMB4.93 million from the Beijing Public Building Energy-saving and Green Transformation Award Fund.

2021

SOHO China developed and announced a series of ESG policies. Galaxy SOHO, Wangjing SOHO Tower 3, Guanghualu SOHO II and SOHO Tianshan Plaza received "Certificate of Green Building Label (China Two-Star)". The "Carbon Neutrality" Innovative Flagship Project was initiated and China's first "Zero Carbon Library" will be built.

In 2021, we continued to integrate the green and healthy concept into our daily operations, committed to green development and green operations, prepared to build a "Zero Carbon Library" in Tianshui, Gansu Province, and promoted the development of green and innovative technologies worldwide through institutional partnerships.

Zero Carbon Pioneer

In 2021, SOHO China launched the “Carbon Neutrality” Innovation Benchmarking Project and prepared to build China’s first Zero Carbon Library as part of its efforts to meet the national “Dual Carbon” goals. Located in Shizui Village, Majji District in Tianshui City, the Library will be designed and built with the highest energy efficiency standards. We will use multiple industry-leading architectural technologies including passive doors & windows, photovoltaic panels, high-efficiency air-conditioning, heat recovery in HVAC systems, rainwater harvesting, and smart control systems. Once completed, the Zero Carbon Library will become a template for energy conservation and carbon reduction efforts. The project covers an area of about 1,040 square meters, and the construction area is 800 square meters. With an investment of RMB20 million, it is expected to be completed by the end of August 2022. After completion, the Library will serve as a venue for local residents to conduct leisure activities and offer services for teachers and students from local kindergartens, primary and secondary schools, colleges and universities.

Project area: **1,040** sq.m.

Construction area: **800** sq.m.

Investment: **RMB20** million



Green Operations

In 2013, SOHO China established its Energy-saving Center and build Energy Management Platform to monitor and analyze energy consumption, upgrade inefficient equipment, and execute management rules. As such, green operations were ensured and energy consumption was reduced. At the moment, all our projects are operated and managed via platforms. In 2021, our 24 projects saved 116 million kWh of electricity, cut 96,000 tonnes of carbon emissions, and reduced waste discharge by 641.5 tonnes, resulting in reduction rates of 28.9%, 41.5%, and 23.5% respectively. Between January 2021 and February 2022, 134 million kWh of energy was saved, representing a 28.8% conservation rate.

134 million kWh of energy saved
28.8% Energy saving rate

In May 2021, Galaxy SOHO, Wangjing SOHO Tower 3, Guanghualu SOHO, and SOHO Tianshan Plaza received the “Certificate of Green Building Label (China Two-Star)” for their operational excellence. The projects covered 830,000 square meters of construction area, accounting for 20.1% of the total area under our operation and management. In 2021, the revenue of the four projects accounted for 42.0% of the total revenue of our 24 projects. The green building evaluation system aims to maximize energy, land, material and water conservation throughout the life cycle of buildings, and ensure the indoor environment, construction and operation quality reach high standards. At present, it has become the mainstream green building certification system in China. All our projects are managed by the same high standards. The certification of these four projects symbolized the industry’s recognition of our successful management and excellent performance.



Green Development

Since 2009, all the projects undertaken by SOHO China have been designed and built according to the US LEED certification standards. Up to nine of SOHO China's projects have been certified by the LEED/Green Building Label: seven received the LEED Gold Certification, one received the LEED Silver Certification, and the remaining one received the dual-certification of LEED Gold and Two-star Green Building Design Label. The certified area totals 2.18 million square meters, accounting for 44% of the total development area and 52.8% of the total construction area under our operation and management. In 2021, the revenue from the nine projects accounted for 86.3% of the total revenue of our 24 projects.

Revenue: 9 projects accounts for

86.3% of 24 projects



Commitment to Climate Action and Sustainable Growth

Mrs. Pan Zhang Xin Marita, CEO of SOHO China and a member of the Board of Trustees of Asia Business Council (ABC), signed the Asia Business Council Statement on Climate Action and Sustainable Growth. SOHO China supports the goals of the Paris Agreement and the Convention on Biological Diversity (CBD). The Company has set goals and made pledges to reduce greenhouse gas (GHG) emissions, has strived to establish a business model that protects nature and manages natural resources sustainably, and is committed to bringing fresh opportunities of low-carbon and circular economies to businesses across Asia.

- We support the Intergovernmental Panel on Climate Change's (IPCC) scientific guidance, as well as the target of holding the increase in the global average temperature well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C above pre-industrial levels, as set out in the Paris Agreement.
- We support the Convention on Biological Diversity's goal of stabilizing the trends that have exacerbated biodiversity loss by 2030, thus allowing for the recovery of natural ecosystems with net improvements by 2050.
- We support related initiatives, such as the Glasgow Declaration on Forest and Land Use.
- We pledge to make GHG emission reductions consistent with our home economies' nationally determined contributions, and to set more ambitious targets where possible.
- We pledge to work toward business models that safeguard nature and manage natural resources sustainably, through actions such as those detailed in "Our Multi-pronged Approach".
- We pledge to take a human-centered approach, understanding that healthy environments and climate-resilient economies ultimately mean better lives for those in our communities. This transition will lead to new opportunities in the low-carbon and circular economy for businesses across Asia.
- We commit to model best practices in sustainable growth, and advocate for Asia having a greater voice in global discussions on climate and sustainability.

Finally, we call on governments around Asia to put economies on a trajectory to meet the Paris Agreement goals by working towards net-zero targets in their nationally determined contributions.





Breakthrough Energy Coalition

In 2016, SOHO China joined the Breakthrough Energy Coalition, which was initiated by Bill Gates and comprised of 28 business leaders from internet firms and investment groups. The Coalition is committed to improving the production and storage of power and achieving net-zero emissions. SOHO China agree to continuing to invest a USD20 million commitment to the Coalition, and by the end of 2021 has contributed more than 70% of the promised capital .

USD 20 million agree to continuing to invest by SOHO China to the Coalition

More than 70% of the promised capital contributed by the end of 2021



Going forward, SOHO China will continue to fulfill its social responsibility of energy conservation and environmental protection, explore better ways to facilitate premier architectural design, construction and operation, promote the green and low-carbon transformation of the real estate industry, help China achieve the goals of "carbon peak and carbon neutrality", and provide technical empowerment for global green development.

Board Statement on ESG

SOHO China fully acknowledges the importance of ESG work, integrates sustainability requirements into its daily operation and management, and continually contributes to social progress.

The Board is the Company's highest decision-making body responsible for ESG matters. The Board attaches great importance to the Company's sustainable performance and has established an ESG committee to oversee ESG related issues that may have an impact on the Company's business operation, shareholders, or other stakeholders. The ESG Committee also works to ensure that the Company's environmental, social, and governance vision, strategy, goal, and policy are implemented.

The ESG Committee facilitates Company-wide ESG governance and engages the ESG Working Group comprised of the functional departments to improve the company's performance on the following ESG issues: environmental responsibility, employment and labor standards, supplier management, product and customer responsibility, anti-corruption, and community investment. The goal is to ensure that the Company's ESG vision, goal, and policy are effectively implemented. The ESG Committee regularly reports to the Board, and the Board reviews and approves major ESG issues.

We have made ESG governance an integral part of our management processes based on the external socio-economic environment, our development strategy, expectations of stakeholders, and the national goals of "carbon peak and carbon neutrality". In 2021, we assessed the materiality of ESG issues, identified core ESG risks and opportunities, addressed the risks and opportunities that would affect our future operations due to climate change, and reviewed progress on energy and water conservation, greenhouse gas emission reduction, and waste reduction targets. We submitted the results to the Board to ensure effective ESG management.

This report discloses in detail the progress of SOHO China's ESG work in 2021, and was reviewed and approved by the Board on 24 March, 2022.

About this Report

Introduction

This report is the sixth Environmental, Social and Governance (ESG) Report released by SOHO China Limited, and also the Company's first stand alone ESG report. It aims to introduce SOHO China's sustainability concept and practices, promote stakeholder engagement, and ensure continuous progress of the Company. The Board of Directors reviewed and approved this report, and oversaw the contents contained.

Scope of Report

This report focuses on SOHO China, and includes the operations of SOHO China and the subsidiary companies listed in its annual report. The report covers events that took place between 1 January and 31 December in 2021. Note that some information may concern events in 2022 or prior to 2021.

Basis of Preparation

This report was compiled according to the Environmental, Social and Governance Reporting Guide, which is Appendix 27 of The Stock Exchange of Hong Kong Limited ("HKEX").

Presentation Principles and Data Source

This report follows the HKEX's principles of materiality, quantitative, balance and consistency. The materials and data come from the Company's statistical data and relevant documents, and have been calculated, summarized and reviewed by the Company. SOHO China undertakes that this report does not contain any false records or misleading statements, and is responsible for the authenticity, accuracy and completeness of its contents.

Assurance of Report

TUV Nord China provides assurance and review for SOHO China's 2021 ESG report according to the Company's requirements.

The main purpose is to examine the materiality, completeness and responsiveness of the report according to the report verification standards, review the integrity and consistency of the economic, environmental and social performance indicators disclosed in the report, and check the balance, comparability, accuracy, timeliness, clarity and reliability of the report according to the principle of report quality control.

Note on Names

In this report, "SOHO China", "the Company", and "we" all denote "SOHO China Limited".

Access to this Report

This report, published in tradition Chinese and English, is available for browse and download on the HKEX website: <https://www.hkexnews.hk> and SOHO China ESG website: <https://esg.sohochina.com>.



Improving Corporate Governance

SOHO China emphasizes comprehensive and transparent corporate governance, continuously improves its ESG governance framework and policies, and enhances its capital market performance. The Company listens to its stakeholders, manages business risks, and works diligently to preserve its long-term viability and health.

SDGs focus in this chapter



This chapter relates to the following major sustainable development topics:

- Stakeholder engagement
 - Anti-corruption
 - Supplier management
-



SOHO China adheres to the philosophy of "promoting social and economic development and intellectual development", and aligns the Company's development strategy with sustainable development concept, actively undertaking corporate social responsibility.

A good and effective corporate governance framework is critical to a Company's long-term success. SOHO China emphasizes comprehensive and transparent corporate governance, continuously improves its ESG governance framework and policies, and enhances its capital market performance. The Company hears from its stakeholders, manages business risks, and works diligently to preserve its long-term viability and health.

In 2021, SOHO China designed its sustainable development policies and published them on the Company's official website based on the regulatory requirements from HKEX, and focused areas of rating agencies and investors. In the meantime, SOHO China also improved its internal ESG management system. Each chapter of this report includes a summary of the Company's sustainable development policies and systems for illustrative purposes.

Summary of SOHO China's Sustainable Development Policies and Rules

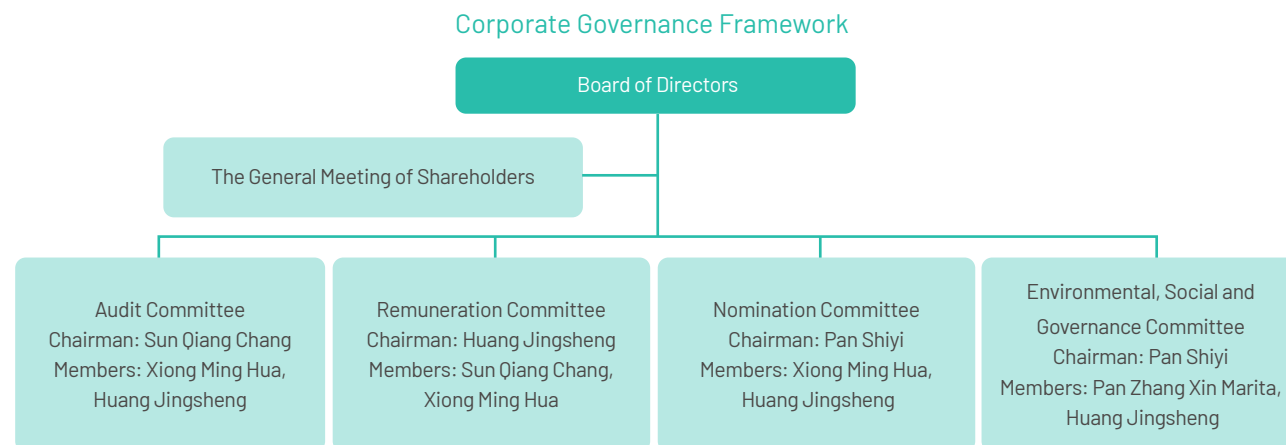
SOHO China ESG Committee - Terms of Reference	SOHO China Complaint Report Handling Policy
SOHO China Board of Directors (BOD) Diversified Policy	Environmental, Social and Governance (ESG) Working Group Rules
SOHO China Integrity Standards and Business Ethics Management Policy	ESG Management and Evaluation Methods

Corporate Governance Framework

Corporate Management System

SOHO China complies with the Companies Ordinance, the Securities and Futures Ordinance, and the Environmental, Social, and Governance Reporting Guide, i.e., Appendix 27 of HKEX's Listing Rules and Guidance. Apart from adhering to applicable laws, regulations, and regulatory requirements, the Company always enhances its governance system and ensures that it is compliant with industry standards, science-based and efficient.

The Board is responsible for leading and overseeing the Company's business performance and implementing strategies. It is responsible for leading and supervising the company's business performance and implementing strategies. It is also tasked with fulfilling the responsibility of corporate governance. Under the Board of Directors, there are the Audit Committee, Remuneration Committee, Nomination Committee, and Environmental, Social and Governance (ESG) Committee, which assist the daily work of the Board. SOHO China places a high value on candidate expertise during the recruitment process and develops a collaborative and effective governance framework that promotes intelligent decision-making and checks & balances. In 2021, the Company held one Annual General Meeting and four Board of Directors Meetings.



ESG Governance System

In 2021, SOHO China, in a bid to further enhance ESG governance capability, improved its ESG governance system based on HKEX's compliance requirements, capital market rating and investor focus. The Company released the SOHO China ESG Committee-Terms of Reference, the SOHO China ESG Working Group Rules, the SOHO China Board of Directors Diversified Policy, and the ESG Management and Evaluation Methods. We kept perfecting the governance system pertaining to social responsibility and ESG issues, and incorporated social responsibility into corporate governance, operations and strategies.

At SOHO China, the Board of Directors is the ultimate decision-making institution for ESG issues, and takes full responsibility for the company's ESG strategy and its reporting. Specifically, it reviews and approves the Company's ESG strategy and policy, oversees the establishment of ESG systems, evaluates the efficiency of ESG governance mechanism, and reviews and approves the annual ESG report. In 2021, SOHO China further improved its ESG governance system by establishing the ESG Committee under the Board of Directors. The members of the ESG committee were appointed by the Board of Directors, and Mr. Pan Shiyi, the Executive Director, served as the Chairman of the Committee. Mrs. Pan Zhang Xin Marita, the Executive Director, and an independent non-executive director also served in the Committee. In this way, the balance and effectiveness of decision-making on ESG topics was maintained. The SOHO China ESG Committee - Terms of Reference clarified the responsibilities of the ESG Committee, which is responsible for reporting to the Board of Directors on the Company's ESG practices, and overseeing the formulation and implementation of internal ESG vision, strategy, objective and policy.

The ESG Working Group consists of various functional departments, and undertakes ESG projects. It is responsible for completing ESG tasks, submitting ESG information, and reporting to the ESG Committee on a regular basis. The Company's ESG practices focuses on six areas: environmental responsibility, employment and labor standards, supplier management, product and customer responsibility, anti-corruption and community investment. The head of the functional department of core ESG issues serves as the leader of the ESG Working Group. The leader is responsible for coordinating different functional departments, regularly supervising relevant management measures and offering feedback to the ESG Committee. Moreover, the employees of functional departments work in a collaborative manner to fill out the required information and promote the steady implementation of ESG policy and strategy.



ESG Policies

In 2021, SOHO China kept improving its ESG policies and mechanisms by releasing 13 open-access policies, including the SOHO China ESG Committee-Terms of Reference, the SOHO China Environment Management Policy, the SOHO China Green and Healthy Building Policy, and the SOHO China Biodiversity Protection Policy, as well as 12 internal management mechanisms, including the Environmental, Social and Governance (ESG) Working Group Rules, the ESG Management and Evaluation Methods, and Measures on the Incentives to Encourage Staff's Continuous Learning. These policies and mechanisms cover a wide range of areas such as environmental responsibility, employment and labor standards, supplier management, customer relations, information security, leasing services, anti-corruption, community investment, and climate risks. Therefore, SOHO China put in place a complete framework of ESG policies and mechanisms.

Stakeholder Engagement

SOHO China highly values stakeholder engagement, identifies key stakeholders based on the scope of its impact on sustainable development and industry background, and provides an efficient and effective method for stakeholder communication and feedback. The Company is committed to providing stakeholders with the most efficient means of obtaining our information, including reports, e-mails, phone calls, meetings, and forums, and to listening to the suggestions of our stakeholders, which include the government, shareholders, customers, partners, communities, and employees. All these positive efforts help improve our ESG performance, respond to the needs and concerns of our stakeholders, and promote win-win results between our Company and all the stakeholders.

Stakeholder Expectations and Responses

Stakeholders	Expectations and Requirements	Responses and Results
 Investors/ shareholders	<ul style="list-style-type: none"> Higher return on investment Operational risk mitigation Protection of shareholders' rights and interests Information disclosure 	<ul style="list-style-type: none"> Improved operating efficiency Better management systems Mutual trust with investors Periodic disclosure of financial reports
 Governments	<ul style="list-style-type: none"> Compliance with national policies, laws and regulations Information disclosure Local economic development Corporate social responsibility 	<ul style="list-style-type: none"> Proactive compliance with local laws and regulations Regular submission of supervision reports Timely tax payment and response to national policies
 Employees	<ul style="list-style-type: none"> Better benefits package Career development and promotion Occupational health Equal opportunities 	<ul style="list-style-type: none"> Fair remuneration Diverse training pathways Protection of staff's rights and interests Public recruitment
 Partners	<ul style="list-style-type: none"> Honesty and integrity Open and transparent management Win-win results 	<ul style="list-style-type: none"> Sincere cooperation Responsible procurement and periodical inspection Frequent communication
 Customers	<ul style="list-style-type: none"> Honesty and integrity Higher-quality service Complaint filing and handling Protection of customers' privacy 	<ul style="list-style-type: none"> Compliance in sales service Service quality guarantee Complaint handling mechanisms Confidentiality mechanisms on customers' information
 Community residents	<ul style="list-style-type: none"> Participation in charitable events Participation in community construction and promotion of community development 	<ul style="list-style-type: none"> Organizing colorful community activities Bridging the gap in educational resources Offering humanitarian relief to support disaster relief efforts Supporting rural revitalization Encouraging employees to volunteer and give back to society
 The Environment	<ul style="list-style-type: none"> Addressing climate risks Enhancing resource use efficiency Emissions and waste management 	<ul style="list-style-type: none"> Energy conservation and emissions reduction Advocating green development and operations Building green offices Exploring zero carbon buildings

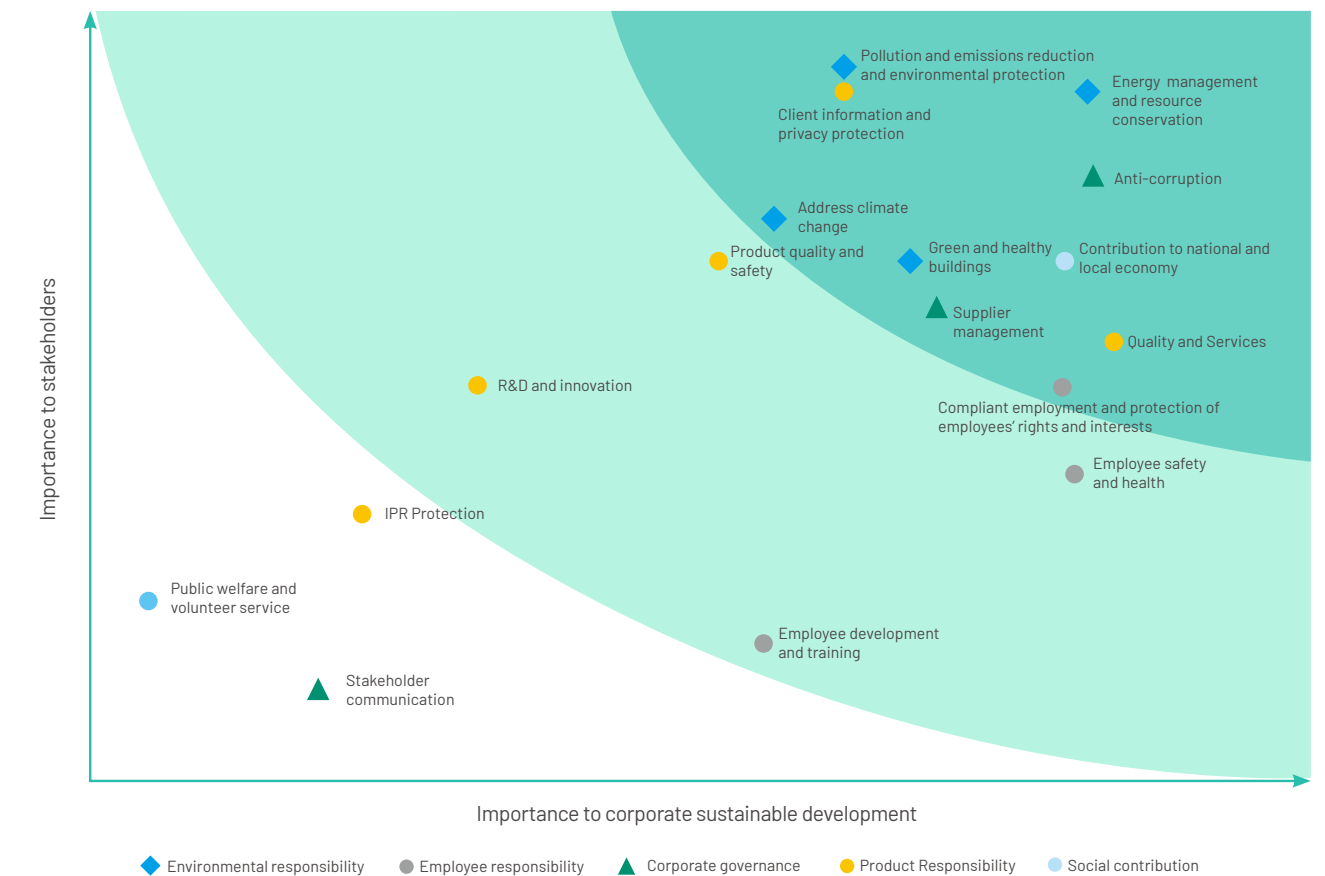
Identifying and Stipulating Major Issues

To clarify the significant areas of social responsibility practice and information disclosure, SOHO China identifies the substantive social responsibility issues and then sorts and classifies them to ensure that the disclosures in the report cover the key focus of the Company and its stakeholders.

Identifying issues	We identify the material issues across the industry and create a dedicated database based on policy research, industry benchmarking, and expert consultation.
Stakeholder surveys	We engage an independent third-party consultant to conduct a questionnaire survey of our stakeholders, including employees, tenants, consumers, shareholders, government and regulatory agencies, suppliers, partners (such as charities and academic institutions), media outlets, industry associations, and business organizations. The stakeholders are asked to evaluate the importance of each issue from their perspective. A total of 266 valid questionnaires were collected.
Sorting issues	In line with the materiality and stakeholder participation principles, we rank the issues according to their importance to the Company's stakeholders and corporate sustainable development. We then determine the materiality of the social responsibility issues already selected and present them in a matrix.
Evaluating issues	We bring in external experts to comment on the materiality and ranking of the issues, and the Company's management reviews their conclusion.

Materiality Matrix

SOHO China's ESG Materiality Matrix 2021



Responding to Capital Markets

SOHO China attaches great importance to the evaluation from the capital market, proactively responds to the ESG performance evaluation system, including MSC¹ (Morgan Stanley Capital International), and improves its information disclosure in line with the focus of the capital market. These actions help us better meet the compliance requirements, strengthen the corporate governance, and respond to stakeholders' expectations.



SOHO China has obtained the BBB rating in the MSCI Index for five consecutive years, making the Company an industry leader. In 2021, we intended to improve our MSCI rating through more comprehensive governance measures and set more ambitious goals based on recent progress.

The ESG Rating of the MSCI Index assesses SOHO China's performance in green buildings, employee development, corporate governance, and anti-corruption & stability. In 2021, SOHO China made unremitting efforts to improve its performance in these four aspects. Adhering to the concept of green design and operations, we have improved our seamless wellness ecosystem and built healthy and green buildings. We have continuously conserved energy and reduced carbon emissions. Many of our projects received green building design and operation certification. We have maintained a "people-oriented" approach in our efforts to strengthen human resource management standards, protect employees' lawful rights and interests, and care for their physical and mental well-being. Additionally, we have reinforced our talent pipeline to ensure that employees and the organization grow together. We have improved our governance framework and published or updated 25 ESG policies. We have also been able to avoid and regulate any violation of business ethics and implemented steps to ensure the integrity of our partners. Therefore, SOHO China has progressed consistently in an honest manner.

Managing Operational Risks

SOHO China fosters a corporate culture of "honesty, solidarity and creativity", paying special attention to "honest" business operation. The Company abides by the *Company Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Interim Provisions on Banning Commercial Bribery*, the *Anti-Monopoly Law of the People's Republic of China*, and the *Tendering and Bidding Law of the People's Republic of China*. We have also formulated and improved a series of management policies such as the *SOHO China Integrity Standards and Business Ethics Management Policy* and the *SOHO China Complaint Report Handling Policy*. In this way, we have improved the management requirements of fighting corruption and advocating integrity at SOHO China.

Developing Risk Control Policies

SOHO China published the *SOHO China Integrity Standards and Business Ethics Management Policy*, clarifying the requirements and guidance regarding preventing bribery, conflict of interest, unfair competition, and leak of secrets so that employees are informed of ethical standards and anti-corruption & anti-fraud rules. It also contains the guidance on ongoing business and operational positions. The Company applies this Policy to all business transactions, and adheres to honest and fair operations. Our staff are required to follow the principle of integrity in all business activities, and not to attend banquets, accept or give gifts and cash-value vouchers. Additionally, they should not provide benefits to any person or company who has business dealings with SOHO China. Instead, they should select companies who share similar business ethics with us as business partners, and build mutually beneficial partnerships with contractors, suppliers and joint venture partners. This Policy and SOHO China's other internal policies are reviewed and updated following any changes to applicable laws and regulations.

Launching Business Ethics Auditing

SOHO China, based on its operational direction, undertakes specific internal audits annually on business operations involving frequent transactions and vast sums of money. The Company conducts a biennial comprehensive integrity audit on all the business units. As a high-risk area, integrity and anti-corruption are given special attention in each audit project to prevent employees and business partners from bribery, extortion, fraud or other violations of the *SOHO China Integrity Standards and Business Ethics Management Policy*. In 2021, we included 90% of the business income corresponding to the items in the consolidated financial statements into the scope of internal auditing to ensure that these operations could maintain sound business ethics and high corporate governance standards.

¹MSCI is a renowned US company for index formulation. Research findings based on the MSCI Index are objectivity, impartial, practical, informative and transparent. The rating guides investors' equity investment decision-making.

Follow on Complaints and Whistleblowing

SOHO China remains committed to “transparent, fair and just” operations. In 2021, we established the *SOHO China Complaint Report Handling Policy*, which applies to our company and any third parties with whom we do business. The Policy helped shape an efficient and smooth reporting system with diverse complaint channels and timely follow-up measures, ensuring effective communication between the Company and its customers and suppliers and bringing our anti-corruption management to a new level.

Internal reporting procedures are defined in the Policy that employees may report any misconduct or questionable business conducted by our Company or a third party with whom we do business to the competent leaders, personnel department, legal department, and internal audit department via telephone, e-mail, or letter, while outsiders may report violations of laws and regulations via the hotline and e-mail address available on our website. After receiving a report, we will conduct a special investigation into the matter and implement a zero-tolerance corruption policy. Reasonable measures are taken to protect the informant, and all the information is kept confidential to forestall retaliation or unfair treatment.

In 2021, SOHO China reported **0** violation of the *SOHO China Integrity Standards and Business Ethics Management Policy*.

Providing Training on Business Ethics and Norms

SOHO China educates and trains its staff to combat fraud and corruption within the Company. For instance, it conducts monthly professional ethics training for new staff. In 2021, the Company completed compliance training for all employees and the Board. The topics covered anti-corruption, anti-unfair competition, anti-bribery and related criminal law, anti-money laundering, conflict of interest, official hospitality, and applicable laws and regulations. Moreover, the *SOHO China Code of Professional Ethics* and the *SOHO China Integrity Standards and Business Ethics Management Policy* were explained to warn the employees against improper payment and bribery. Several auditing cases were used to illustrate the critical nature of integrity and the detrimental effect that corruption has on individual careers. Additionally, SOHO China will take a strict stance against such infractions. In 2021, all the staff were required to pass the *SOHO China Code of Professional Ethics Test* for Staff to better implement the Company’s anti-corruption policies.

Promoting Integrity Across the Industry

SOHO China values honest and trustworthy partners, prioritizes ethical suppliers and operators in its business dealings, and maintains an efficient and equitable reciprocal relationship within the legal framework.

We require selected partners and suppliers to sign a Supplier Commitment, requiring them to comply with applicable laws and regulations in their dealings with our employees, local communities, and SOHO China. Moreover, they must follow our rules on anti-bribery and anti-unfair competition.

We conduct an annual integrity review to assess our partners and suppliers and prevent corruption, unfair competition, and other potential business ethics violations. Our procurement website offers an open reporting and monitoring mechanism via which the public and staff can report business partners and suppliers for misbehavior. Once we receive a report of suspected corruption, the Company will immediately send independent personnel to investigate the matter.

We provide periodic anti-corruption training to our partners to promote their understanding and support of our anti-corruption policy. We also encourage them to apply these principles to their business operations.



Building a Green Ecosystem

SOHO China has incorporated sustainable elements throughout the life cycle of a project, from design to construction, operation, and management. Additionally, we have made vigorous climate action an integral part of our sustainable development strategy. We also encourage our employees, tenants, suppliers, and other stakeholders to be more mindful of green and sustainable development. Together we will build a complete green ecosystem.

SDGs focus in this chapter

6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	11 SUSTAINABLE CITIES AND COMMUNITIES 
13 CLIMATE ACTION 	15 LIFE ON LAND 	

This chapter relates to the following major sustainable development topics:

- Pollution and emissions reduction and environmental protection
 - Energy management and resource conservation
 - Green and healthy buildings
 - Addressing climate change
-



SOHO China has always championed green development and fulfilled its environmental responsibility to conserve energy and the environment. As more national policies promoting environment protection and green development are implemented, SOHO China has been exploring sustainable project development and management models, incorporating sustainable elements throughout the life cycle of a project, from design to construction, operation, and management. Additionally, we have made vigorous climate action an integral part of our sustainable development strategy and popularized green, environmental friendly buildings. We also encourage our employees, tenants, suppliers, and other stakeholders to be more mindful of green and sustainable development and practice the concept of energy conservation and emissions reduction in their daily work and life. Therefore, the Company and the industry can achieve sustainable progress together.

Summary of SOHO China's Sustainable Development Policies and Rules

<i>SOHO China Environment Management Policy</i>	<i>Management Rules on Energy Data</i>
<i>SOHO China Green and Healthy Building Policy</i>	<i>Management Rules on Energy Conservation in the Office</i>
<i>SOHO China Biodiversity Protection Policy</i>	<i>Energy Evaluation and Profit Calculation Methods for Asset Management Firms</i>
<i>SOHO China Community Investment Management Policy</i>	<i>Management Rules on Public Area Lighting</i>
<i>SOHO China Green Lease Policy</i>	<i>Management Rules on Equipment Operation and Energy Conservation at Commune by the Great Wall</i>
<i>SOHO China Management Policy to Address Climate Changes</i>	<i>Rules on Management Platform of Equipment and Facilities</i>

Improving Environmental Stewardship

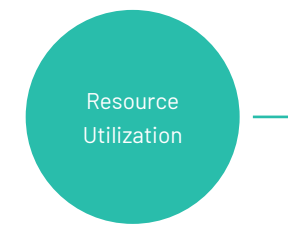
SOHO China abides by the relevant laws and regulations on energy and resource utilization, commits to green, sustainable, and low-carbon operations, and implements the management rules on reducing energy and resource consumption. We keep optimizing the energy and resource management model, applying innovative technologies, improving energy and resource use efficiency, and contributing to China's "dual carbon" goals. Additionally, we attempt to create an awareness of ESG environmental stewardship in our staff to make them more environmentally conscious and urge them to incorporate energy and resource conservation into their everyday life and work.

To standardize our environmental stewardship system and establish a science-based, systemic, and uniform management model that emphasizes energy conservation and emissions reduction, we developed a series of ESG policies. This includes the *SOHO China Environment Management Policy*, the *SOHO China Green and Healthy Building Policy*, the *SOHO China Biodiversity Protection Policy*, the *SOHO China Management Policy to Address Climate Changes*, and the *SOHO China Green Lease Policy*. You can access these documents at SOHO China ESG website (<https://esg.sohochina.com>). Additionally, we developed a set of internal rules governing environmental stewardship, including the *Management Rules on Energy Data*, the *Management Rules on Energy Conservation in the Office*, the *Energy Evaluation and Profit Calculation Methods for Asset Management Firms*, the *Management Rules on Public Area Lighting*, the *Management Rules on Equipment Operation and Energy Conservation at Commune by the Great Wall*, the *Rules on Management Platform of Equipment and Facilities*, and the *Environmental Factors Identification and Evaluation Control Program*. Our goal is to minimize the adverse effect on the environment due to our business operations and be responsible corporate citizens.

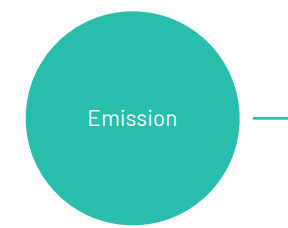
Implementation of Environmental Stewardship Goals

As a leading office landlord in China, SOHO China proactively echoes to the country's "carbon peak and carbon neutrality" pledges, committing to promote green, sustainable, and low-carbon operations and accepts responsibility for energy saving and environmental protection. We have implemented the management regulations on consumption reduction, improved the energy and resource use efficiency, and formed our pathways to the "dual carbon" goal. In 2020, SOHO China set a five-year (2021-2025) environmental stewardship goal on resource use and discharge management, aiming to reduce the further impact of the Company's daily operations on the environment.

Five-Year (2021-2025) Environmental Stewardship Goal



- **Goal of Energy Saving:** With the *Standards for Energy Consumption of Building (GB/T 51161-2016)* as the benchmark, the total energy consumption should be reduced by at least 20%, more than 80 million kWh per year, and the total conservation over the five years should be more than 400 million kWh.
- **Goal of Water Saving:** With the 2017-2019 annual average water consumption per square meter as the benchmark, the annual water saving should be at least 2% per year, and the total water conservation over the five years should be at least 10%.



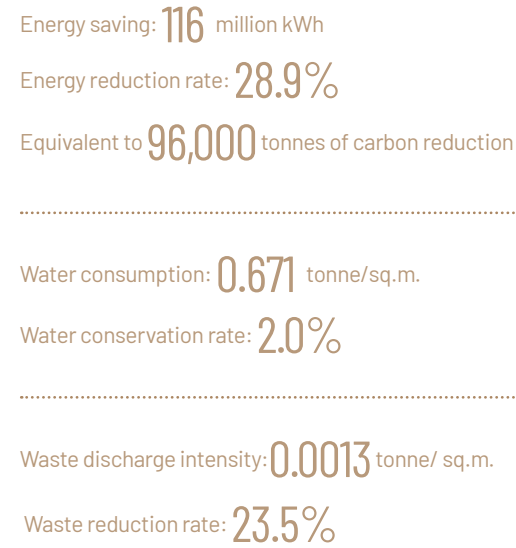
- **Goal of Greenhouse Gas Emission Reduction:** With the *Standards for Energy Consumption of Building (GB/T 51161-2016)* as the benchmark, the annual reduction of carbon should be more than 60,000 tonnes based on energy conservation, and the total reduction over the five years should be more than 300,000 tonnes.
- **Goal of Waste Reduction:** By implementation of green operations and promoting the idea of paperless offices, the reduction of waste intensity should be at least 15% in five years with 2020 as the base year.

In 2021, the energy saving of 24 projects managed by SOHO China is 116 million kWh comparing to the *Standards for Energy Consumption of Building (GB/T 51161-2016)*, marking an energy reduction rate of 28.9% or an equivalent of 96,000 tonnes of carbon. In 2020 and 2021, altogether 235 million kWh of energy was saved, equivalent to 196,000 tonnes of carbon².

In 2021, the 24 projects managed by SOHO China consumed 0.671 tonne of water per square meter, marking a reduction of 0.014 tonne per square meter from the 2017-2019 average 0.685 tonne per square meter. The water conservation rate was 2.0%.

In 2021, the 24 projects of SOHO China registered a waste discharge intensity of 0.0013 tonne per square meter, a reduction of 0.0004 tonne per square meter from 0.0017 tonne per square meter in 2020. The waste reduction rate was 23.5%.

SOHO China monitors the implementation of energy conservation and emissions reduction targets via the Energy Management Platform, the Property Engineering Division, and third-party organizations offering energy-saving services. We have managed to implement our environmental stewardship rules, complete the performance assessment of environmental targets, hold monthly meetings, and use our management platform to conduct real-time monitoring of operational data. Through these integrated measures, we can tap the vast potential of energy conservation, eliminate the loopholes in the process, and identify new demands in green operations so that we can finally drive forward performance-oriented management of consumption reduction targets. SOHO China continues to hire third-party organizations offering energy-saving services to assist in the R&D of the latest energy-saving and low-carbon technologies to continually improve the benefits of energy conservation and emissions reduction through the management and technological innovations.



Environmental Stewardship Knowledge Training

SOHO China encourages our employees, tenants, suppliers, and other stakeholders to improve the awareness of environmental protection and energy and resource conservation, fulfill the environmental responsibility, and practice the concept of energy conservation and emissions reduction in daily work and life.

In 2021, SOHO China arranged a training session for all employees on environmental responsibility and climate change, covering the conceptual evolution, purpose & mission, and practical outcomes of environmental responsibility, and successfully disseminated the Company's relevant environmental policies and rules.

²In 2020, SOHO China conserved 120 million kWh of electricity, an equivalent of 100,000 tonnes in carbon reduction. 2021 saw a slower conservation rate, since from February to May in 2020, the work resumption rate was relatively low because of the COVID-19 pandemic, so the overall energy consumption was low. Similar types of buildings also faced the same problem.

Tackling Climate Change

Climate change is threatening the health of people and the earth. It is also closely related to business operations, customers, and supply chains because of extreme weather events, such as floods, rainstorms, and drought. The Chinese government has been proactive in climate governance and promoted ecological progress following the Paris Agreement.

SOHO China attaches great importance to the risk of climate change and integrates a proactive response to the threat into its ESG work. In 2021, we undertook a climate risk assessment in Beijing and Shanghai, two of our critical operating locations, and identified significant physical and transition risks to our business due to a changing environment. We also spotted potential business opportunities brought about by climate change.

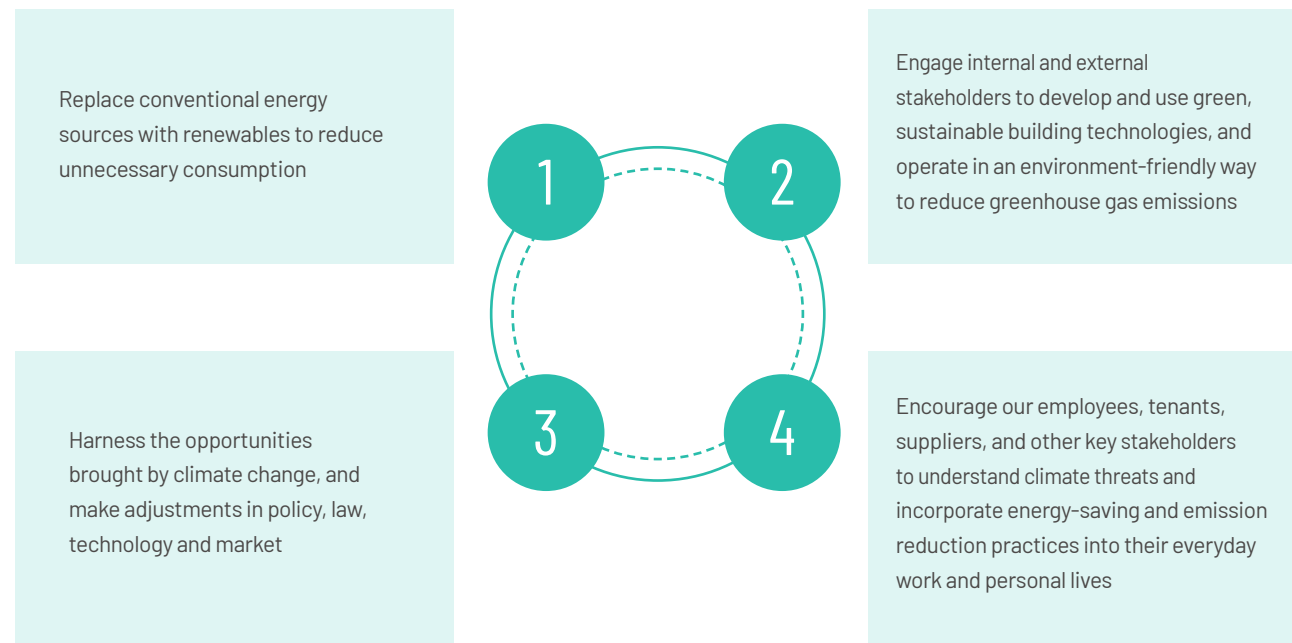
Evaluating Physical Climate Risks

SOHO China has analyzed the acute and chronic physical risks under different climate scenarios and evaluated the sensitivity and resilience of our buildings in Beijing and Shanghai, two main operation bases, to the potential impact of the identified climate risks. The analysis showed that the facilities in Shanghai face a greater likelihood of acute hazards such as typhoons, extreme precipitation, flood, extremely hot and cold weather, and chronic risks such as a rising sea level and warmer temperatures. However, our buildings in Beijing are exposed to the acute risk of cold weather but are less affected by other physical risks. As a result of the findings, we have responded by including climate assessment considerations into site selection, design, construction, and operation to strengthen our buildings' resilience and ability to adapt to physical risks associated with climate change.



Evaluating Transition Climate Risks and Opportunities

The global economy is transitioning toward a low-carbon future, with extensive changes seen in policy, law, technology, and market. China proposed in 2020 to enhance its Nationally Determined Contributions to peak its emissions by 2030 and realize carbon neutrality by 2060. Moreover, regulators and capital markets are calling for more climate-related disclosures. SOHO China has evaluated the climate impact on policies, laws, regulations, technical fields, market supply and demand, and other stakeholders under different scenarios. We have identified several potential transition risks and opportunities that could affect the business. For instance, transitioning to a low-carbon energy mix will entail policy and regulatory risks, requiring the Company to share transition costs with the government. Customers' preference for green and low-carbon products will result in market transition risks, causing the Company to spend more on green building development, operation, and management. Investors, upstream and downstream suppliers, local communities, and other stakeholders place a higher premium on the real estate industry's environmental performance, which may increase the company's reputational risk and additional spending. We have taken a series of measures to address the transition risks and embrace opportunities.



Climate Risk Management

SOHO China attaches great importance to climate risks. For example, we have actively responded to national "carbon peak and carbon neutrality" goals, identified and tackled the climate risk, set medium and long-term carbon emission targets, and regularly assessed the progress. We have also stopped highly polluting operations that discharge large amounts of waste. In this way, we have made more significant strides on our green, low-carbon and sustainable path. In 2021, the Company formulated the *SOHO China Management Policy to Address Climate Changes* to show our commitment to addressing climate change. Moreover, we have strengthened internal management, taken adequate measures to mitigate the impact of climate change on our operations and sustainable development, and improved employees' awareness of climate change to meet the capital market's requirements and expectations.

Adhering to Green Construction

SOHO China commits to sustainability in its business operations and integrates various sustainable factors into the whole life cycle of buildings' planning, design, construction, operation, and management. In 2021, the Company formulated the *SOHO China Community Investment Management Policy*, the *SOHO China Green and Healthy Building Policy* and the *SOHO China Biodiversity Protection Policy*, indicating our commitment to project planning, design, construction, operation, and management of projects. We have always championed green and healthy buildings and promoted the sustainable development of the Company and the industry.

Green Planning

SOHO China is committed to contributing to urban renewal, urban public space construction, rural revitalization and green and eco-friendly buildings by harnessing its strength in architectural planning and construction. In the process of project planning, SOHO China focuses on the environmental, social and other ESG factors involved in the project.

Environmental Aspect	Social Aspect
<p>SOHO China has carried out ESG risk assessment, including but not limited to climate change adaptation, biodiversity assessment, environmental impact assessment of land use, soil pollution, air pollution, noise pollution and light pollution on construction sites, and energy and resource utilization assessment. Through site selection and planning, we have laid the foundation for green, eco-friendly and sustainable development during the whole life cycle of buildings.</p>	<p>SOHO China requires each project to fully consider the historical positioning of the project area as well as the local historical relics at the early stage of development to respect and protect history, and strives to find ways to balance ancient and modern architectural techniques. Additionally, realizing the open community development of urban buildings has always been the purpose of SOHO China. Therefore, we attempt to maximize the use of the limited urban public space.</p>

Green Design

SOHO China remains committed to the concept of green design. In 2009, the Company designated green buildings as the strategic direction and aligned our design standards with relevant design requirements of green building evaluation systems. We published the *SOHO China Green and Healthy Building Policy*, which outlines the requirements for the implementation of domestic and international green building certification standards and stipulates all new projects must meet *China's Assessment Standard for Green Building (GB/T 50378-2019)*³ (Two-star rating or above) and the *Leadership in Energy and Environmental Design (LEED)*⁴ certification standards (Gold level or above). Moreover, they are expected to be certified by *The WELL Building Standard*⁵, so that the design is on par with the required standard.

SOHO China constructs healthy and sustainable green buildings with the functionality and quality of construction in mind. We give priority to the use of green materials, purchase high-performance equipment, make full use of renewable energy, reduce the consumption of resources and lower the damage to the environment, taking into account the needs of environmental beauty and biodiversity protection. In addition, we have built a diversified, multi-layered greening system by combining trees, shrubs and the grass, which is both beautiful and beneficial to biodiversity.

In the design phase, we have leveraged the renewable energy technology, high-efficiency air conditioning & heating system and the energy-saving control mechanism, established an energy and equipment management system that enabled real-time monitoring and regulation, and applied the intelligent building control system. We have managed to reduce, directly and indirectly, the discharge of greenhouse gases and pollutants, and control the amount of waste generated through land saving and outdoor environment strategy, water, energy, materials saving and utilization, and indoor environmental quality.

Green Construction

SOHO China offers green building solutions, which ensure that the builders strengthen the management of air, water, noise, and waste to meet the regulatory requirements and relevant green certification standards. The Company utilizes environmentally friendly materials, conducts resource conservation, improves discharge management, and applies innovative technologies to maximize resource efficiency, simplify building processes, and minimize the impact on the surrounding environment and residents. We also strengthen indoor air quality monitoring and management for all our projects and encourage builders to test the indoor air quality of the built environment.

We have set up fencing around the construction area, implemented strict water and soil conservation measures, protected the covered vegetation, and reduced soil and biodiversity damage. In this way, we can minimize the interference of the ecosystem and protect the local environment. In addition, we avoid construction activity at night and during rest time and take soundproof measures for main noise sources such as forklifts, cutting machines, and drilling machines to reduce noise pollution and adverse impact on the surrounding communities.

We implement strict waste management measures to avoid polluting land and water bodies. We have set up different closed waste containers to store construction waste and hazardous waste at the construction site and hired a qualified third party to transport and deal with the garbage. Moreover, we have improved the waste recovery rate by reducing and recycling polluted waste. Additionally, we have constructed sedimentation tanks and drainage ditches to treat production and domestic sewage before discharge into the municipal sewage system, thereby avoiding soil and groundwater pollution.

SOHO China follows green construction standards in its reconstruction and redecoration projects to recycle the materials and reduce construction waste. The following table shows the construction waste generated from all our projects in 2021. Construction waste was reduced by 2,107.18 tonnes compared to 2020, marking a reduction of 22.7%.

SOHO China Construction Waste in 2021

Indicator	2021
Construction Waste (tonnes)	1629.9

³ China's Assessment Standard for Green Building (GB/T 50378-2019) is a three-star rating system that is applicable to all types of civil construction. The Standards takes into account the local climate, environment, resources, economy and culture of the building area, and evaluates whether the building is safe, durable, comfortable, convenient, resource-saving and livable during its entire life cycle. The system consists of four levels: basic, one-star, two-star and three-star.

⁴ Leadership in Energy and Environmental Design (LEED) system, issued by the US Green Building Council (USGBC), is a widely recognized green building rating system. LEED examines and evaluates the impact of new buildings on the environment from the following aspects: sustainable building site, water resource utilization, energy conservation and atmosphere, resources and materials, indoor air quality, green innovation and local priority. It then gives a score according to the indicators of each item. The total score is 110 points, and there are four levels: Certified, Silver, Gold, and Platinum.

⁵ The WELL Building Standard (WELL), issued by the International WELL Building Institute (IWBI), is a leading tool that helps global enterprises/institutions to improve health and well-being through healthier buildings. WELL is a globally applicable and highly flexible measurement and certification system for healthy buildings and communities. It aims to help companies/institutions to integrate health strategies into their construction, operation and management policies. The WELL strategy includes ten concepts, including air, water, light, comfort (such as the acoustic environment or HVAC conditions), and how to make the environment promote healthy diets, increase activity and improve brain cognition. There are four levels of certification: Bronze (applicable only to WELL core buildings), Silver, Gold and Platinum.

Promoting Green Operations

SOHO China keeps enhancing the management of energy and resource consumption, waste disposal, and reducing carbon emissions in existing property projects. We strive for green operations, embrace a green office, and work to increase our facilities' environmental and social benefits.

SOHO China is guided by the mission of green, energy-saving, and efficient operations. We have formulated and implemented a series of management policies and rules, made rational use of resources and energy, and achieved remarkable progress in energy conservation and emissions reduction. Additionally, we utilize a variety of platforms to carry out effective supervision and organize monthly assessment checks to ensure high-quality management.

SOHO China Green Operations Commitments:

- We encourage our operating buildings to get certified by the "existing building" standard. For those buildings that are under par, improvements will be made to meet the standard;
- We set environmental objectives for our buildings, and the progress made will be disclosed in our annual report, ESG report, or on our website; and
- We conduct regular building audit and assessment, in order to improve the energy and resource efficiency, reduce the waste discharge, and safeguard health and well-being.

Since October 2013, SOHO China has operated an Energy Conservation Center and made it accessible to the public for free, ushering in a new era of energy conservation, emissions reduction, and green operations. Additionally, in 2013, we implemented an Energy Management Platform responsible for energy management across all of our projects. After the energy management system was introduced across the spectrum of our projects, we installed classified energy consumption measurement devices on power transformation and distribution equipment, lighting devices, elevators, and air conditioners. These devices enabled remote collection, real-time monitoring, dynamic analysis, and data-based, performance-oriented management of energy consumption. By the end of 2021, SOHO China had 25 2-D Energy Management Platforms and eight 3-D BIM Energy Management Platforms. Some are handled centrally by the Group Center, while others are controlled independently by standard projects. The remaining are managed on-site by the operating staff. We conduct monthly evaluations and ranking on energy control based on the data from the Energy Management Platforms and consider energy management as a metric in assessing the performance of vital departmental heads such as managers of the property engineering department and the general manager of asset management. In addition, the Platform hires a third-party energy-saving service organization to assist in monitoring data quality. We always strive to pursue green operations through technological innovation and management model upgrading. Remarkable energy-saving results were achieved in 2021.

We practice the green design concept in operations, employ eco-friendly refrigerants in the refrigeration system and improve the control strategy of air conditioning systems, lighting systems, and other equipment systems to limit pollutant and GHG emissions and damage to the atmosphere and climate. All our projects are being upgraded according to energy-saving needs. By the end of 2021, we had replaced all the lighting devices with energy-saving ones. Meanwhile, we optimized the public lighting system in response to the government's call to save electricity and achieved energy-saving benefits equivalent to turning off the lights for an hour. From 2022, SOHO China will mainly procure green electricity and further increase the use of renewables.

Case Study | Optimal Project in Green Operation

The design, construction and operation processes of Guanghualu SOHO II have been based on a well-designed 3D Building Information Modelling (BIM) System. The building received the LEED Gold Certification at the design stage. The BIM Energy Management Platform integrated multiple weak electronic systems and numerous sensors to enable digital performance diagnosis and analysis, thus ensuring the efficient operation of the building and delivering better operation and management outcomes. In 2021, Guanghualu SOHO II achieved remarkable results in green operation and management, and became SOHO China's Best Project in Green Operation.

In 2021, the total energy saving in the public property areas of Guanghualu SOHO II was 1.3 million kWh, marking an energy saving rate of 25.2%. The total electricity consumption of the whole building was 5.63 million kWh lower than the threshold in the Standards for Energy Consumption of Building, marking an energy saving rate of 39.5%.

In 2021, Guanghualu SOHO II, thanks to its BIM-based Key Technologies R&D in Green Building Operation and Improvement, was selected as the Key Demonstration Project for Green Building and Construction Industrialization under the 13th Five-Year Plan National Research and Development Initiatives.

In 2021, the building passed the on-site review of green building experts and received Certificate fo Green Building Lable (China Two-Star).



Optimal Project in Green Operation

Since 2015, SOHO China has been developing equipment and facility management platforms and enabling digital transformation in this space, intending to increase the controllability of operation, maintenance, and management processes, eradicate management blind spots, and ensure reliable equipment operations. At present, all our projects are managed online, which improves efficiency, enhances employees' capability, and ensures effective communication of facility information. In 2021, the SOHO China Property Engineering Team and third-party energy-saving service organizations inspected and maintained equipment and facilities 479,000 times.

SOHO China hires a third-party carbon dioxide emission verification (hereinafter referred to as carbon verification) agency to carry out annual carbon verification following the National Development and Reform Commission (NDRC) and the Ministry of Ecology and Environment requirements. We performed carbon verification and achieved 2020 carbon quotas within the reporting period for this report. We will check the carbon emissions throughout 2021 between April and October of 2022, following the NDRC's policy criteria. We are committed to energy conservation and emission reduction, and the national carbon quota can fully meet the carbon compliance requirements.

SOHO China Energy Consumption and Greenhouse Gas Emissions in 2021⁶

Indicator ⁷	2021
Total energy consumption (MWh) ⁸	284,830.28
Natural gas (MWh)	11,137.72
Direct energy consumption (MWh)	11,137.72
Purchased electricity (MWh)	273,692.56
Indirect energy consumption (MWh)	273,692.56
Energy consumption per square meter (floor area) per year (MWh/m ²) ⁹	0.069
Total greenhouse gas emissions (Scopes I and II)(tonnes) ¹⁰	227,993.53
Direct greenhouse gas emissions (Scope I)(tonnes)	3,377.07
Indirect greenhouse gas emissions (Scope II)(tonnes)	224,616.46
Greenhouse gas emissions per square meter (floor area) ¹¹ per year (tonnes/m ²)	0.055

⁶ This annual report captures environmental data from the 24 projects managed by the Company's property management division.

⁷ The emission of air pollutants is only applicable to the projects under construction. During the construction period, measures are taken according to the environmental evaluation report, and the emission intensity and rate should meet the relevant standards. Water pollutants are only applicable to projects under construction, and specific measures are taken according to the environmental evaluation report to meet relevant standards.

⁸ The disclosure excludes diesel, coal and other direct energy use. The energy consumption data is calculated based on the consumption of electricity and fuel as well as the relevant conversion factors in the General Rules for Calculating Comprehensive Energy Consumption (GB/T 2589-2020) published by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and the State Standardization Administration. The data includes electricity and natural gas.

⁹ This report uses the whole floor area of a building as the benchmark when calculating the energy intensity.

¹⁰ Greenhouse gas inventories include CO₂, methane, and N₂O, mainly from purchased electricity and natural gas. Computation of greenhouse gas is based on carbon dioxide equivalence, the 2011 and 2012 Average CO₂ Emission Factors for China's Regional Power Grids issued by the National Development and Reform Commission of China, and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Revision) published by the Intergovernmental Panel on Climate Change (IPCC).

¹¹ By the end of 2021, SOHO China Property had managed 24 projects, occupying a total construction area of 4,126,867.42 square meters. Excluding the areas for office work, business and residence, the total public area was 1,392,420.95 square meters. The parameter used in calculating the greenhouse gas emission intensity in this report is the total construction area.

SOHO China has responded to the requirement of the Beijing Municipal Commission of Development and Reform for energy conservation inspection. In 2021, we completed the filling of supervision data such as electricity, gas and water via the Beijing Service Platform for Energy Conservation and Monitoring and passed the audit.

SOHO China keeps optimizing the water-conserving methods to enhance the management of water resources. For example, we installed double-flush toilets, as well as low-flow, inductive faucets and valves. We also introduced water-saving high-pressure cannons and Gaussian robots to clean the floor. In addition, we reused rain water and recycled water within the site for efficient irrigation. The secondary utilization of water resources has been encouraged to improve the water use efficiency.

Case Study | Green Automatic Sprinkler System and Reclaimed Water Reuse System

In 2021, SOHO China maintained and upgraded the green automatic sprinkler system and the reclaimed water reuse system in the SOHO Tianshan Plaza project site. The reclaimed water was used for sprinkling, which improved the water use efficiency.



Green Automatic Sprinkler System and Reclaimed Water Reuse System

SOHO China Water Consumption in 2021

Indicator	2021
Tap water (tonnes)	2,744,720
Tap water consumption per square meter (floor area) per year (tonnes/m ²) ¹²	0.671

¹² The parameter used in calculating the water consumption density in this report is the total building area.

SOHO China has formulated the garbage management system for solid waste treatment, built garbage chambers on the premises, and required cleaning staff to collect and transport the waste to garbage stations at a designated period every day. The wet and dry garbage in garbage chambers shall be separated, stored and treated in different places. The cleaning apparatus is installed, and the cleaners should regularly disinfect it with chemical agents every day. Harmless waste is disposed of by qualified garbage recyclers licensed by the environmental regulator. They may burn, bury or recycle the nonhazardous waste. But the hazardous waste should be treated by a licensed third-party with proven expertise to do so. In addition, we have also carried out pilot compost trials to further improve the utilization rate of solid waste.

SOHO China Solid Waste Discharge in 2021

Case Study | The Solid Waste Composting Experiment at Yang Zheng Kindergarten

Yang Zheng Kindergarten is a non-profit institution invested by SOHO China Foundation. The Kindergarten conducted a solid waste composting trial by using fallen leaves, residual flowers, vegetables, fruit peel, and nut residue. Some of the generated fertilizer was used in the botanical garden, while the rest was put in a pot for comparative experimentation. The practice improved the utilization rate of solid waste, and provided a valuable learning experience for the children.



Solid Waste Composting Experiment

Indicator ¹³	2021
Non-hazardous waste (tonnes) ¹⁴	1,768.09
Domestic waste	116.3
Kitchen waste	0.06
Construction waste	1,629.9
Office paper	18.16
Non-hazardous waste per square meter (floor area) per year (tonnes/m ²)	0.0013
Hazardous waste (tonnes) ¹⁵	1.64
Waste toner cartridges	0.03
Waste cartridges	0.95
Waste fluorescent tubes	0.23
Other electronic waste	0.23
Hazardous waste per square meter (floor area) per year (kg/m ²) ¹⁶	0.0012

In addition, SOHO China values the advocacy of the green governance philosophy by posting notices on water and electricity conservation at the project sites and offices, launching a wide array of environmental awareness activities on a regular basis, setting up a bulletin board on energy saving, encouraging employees to choose green commuting, and recycling old paper. These efforts have helped heighten the staff's awareness to protect the environment, build green offices and carry out green operation.

¹³ SOHO China is not a manufacturing company, so packaging data is not applicable here.

¹⁴ Harmless waste, including domestic and construction garbage, is treated by recyclers.

¹⁵ Hazardous waste, mainly including toner cartridges, cartridges, and fluorescent tubes, is delivered to a third party or supplier for treatment.

¹⁶ The parameter for calculating the density of waste in this report is the total common construction area.

Optimizing Customer Services

To better understand our customers, SOHO China implements a "scientific, systematic, standardized" management mode and provide premier customer services; and pay extensive attention to social green trends and enhance our service quality based on technological innovations and value sharing; to earn customers' trust, we standardize our staff's customer handling procedures, implement fair and impartial responsible marketing, and protect privacy following applicable laws.

SDGs focus in this chapter



This chapter relates to the following major sustainable development topics:

- Contribution to national and local economy
- R&D and innovation
- Product quality and safety
- Quality and services
- Client information and privacy protection
- Intellectual property rights (IPR) protection



SOHO China is dedicated to protecting customers' interests. To better understand our customers, we implement a "scientific, systematic, standardized" management mode and provide premier customer services; and pay extensive attention to social green trends and enhance our service quality based on technological innovations and value sharing; to earn customers' trust, we standardize our staff's customer handling procedures, implement fair and impartial responsible marketing, and protect privacy following applicable laws.

Summary of Policies and Systems on Customer Services in SOHO China

<i>SOHO China Fair Hospitality and Marketing Management Policy</i>	<i>IT Information Security Management System</i>
<i>SOHO China Green Lease Policy</i>	<i>IT Management System</i>
<i>SOHO China Community Investment Management Policies</i>	<i>Information Security Organization Management System</i>
<i>Customer Satisfaction Survey System</i>	<i>Information Security Incident Reporting and Handling Management System</i>
<i>Mysterious Visitor Survey System</i>	

Enhancing the Quality of Products and Services

SOHO China full understands that the core requirement of protecting the interest of customers is to constantly enhance the customer service level. On the premise of strictly observing applicable laws and regulations, we develop and implement policies and systems such as the *Property Company's Management Policy for Contract Performance*, the *Policy for Property Land Management*, the *Customer Service Management Manual*, and the *Management Measures for the Inspection and Evaluation of Property Quality*, to improve our service quality and level constantly. In 2021, we updated the *SOHO China Fair Hospitality and Marketing Management Policy*, *Customer Satisfaction Survey System* and *Mysterious Visitor Survey System*. Meanwhile, through fine management, we set up property service quality standards higher than national requirements and peer performance to ensure upgraded service level and growing customer satisfaction.

Optimizing Service Procedures

SOHO China has been constantly optimizing customer service procedures, developing platform-based customer service management systems, and providing a smooth communication and complaint mechanism that sends out announcements in time to convey our warmest care for customers.

SOHO China has set up a customer management platform, which handles all daily customers' maintenance requests, property service complaints, and provides feedback. By sending work orders, we ensure that relevant issues are transferred to specified responsible personnel; in the meantime, electronic service work orders are used for enhancing the working efficiency. In 2021, The Company implemented real-time facility system work order management through the customer management platform to provide quick feedback, such as responding to all customer maintenance requests and sending out personnel to the customer site for maintenance within 15 minutes, and replying to customer complaints within 1 working day. We also urged responsible personnel to make follow-up and on-site

visits after solving the issues to effectively ensure service quality and improve the resolution rate.

The Company has also established a Call Center to answer customer requests through telephone, Weibo, email, and other means and transfer them to relevant responsible personnel and urges customer concerns, complaints, and suggestions should

be properly handled. In 2021, the Company cumulatively handled 41 valid customer complaints relating to service improvement, facility maintenance, sanitation supervision and inspection, and property service management. As of the end of this reporting period, we achieved 100% customer satisfaction by processing and following up with all complaints in a timely and effective manner. For leasing and consultancy business, our staff keep track of all customers' requests, and assign them to relevant personnel; for customer maintenance requests, we create work orders, send them to the on-duty engineers, and request them to complete the work within 15 minutes and make a follow-up visit the day after; in 2021, SOHO China dealt with 58,158 work orders submitted by the customers, with a completion rate of 99.98%; for property customers service complaints, we create work orders based on these complaints, and notify project personnel to verify and handle the complaints within one working day. The Call Center will make a return visit to customers to ensure that all issues are resolved.

In August 2021, to reduce the possibility that the customers being unaware of the policy changes, the Company urged those customers who had purchased houses or parking spaces but have not handled certificates of title to do so by posting announcements at the Project Property Center, thus avoiding customer losses and protecting customers' interests.

58,158 work orders submitted and resolved in 2021
Completion rate: **99.98%**

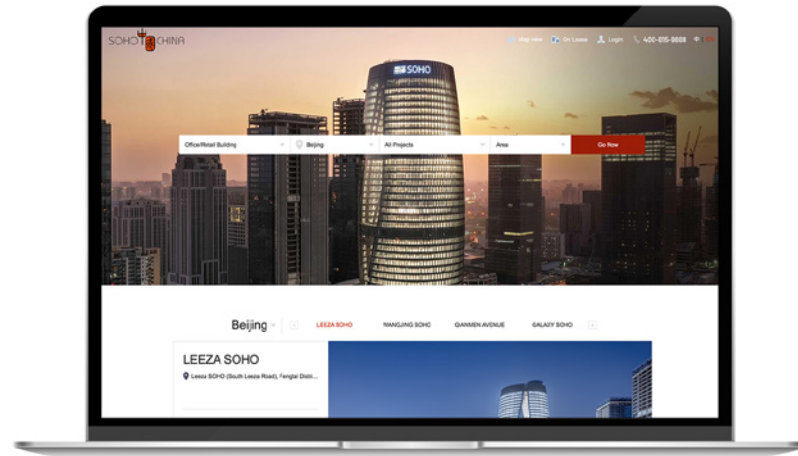
Promoting Responsible Marketing

During the sales and promotion process, the Company strictly follows the fair competition principle, advocates responsible marketing, and conducts staff assessment regularly to make sure that all staff of the Company and its branches and subsidiaries fully understand and implement the fair reception and responsible marketing idea.

SOHO China Fair Reception and Marketing Management Commitments:

- On the basis of In full compliance with laws and regulations, , the Company adheres to the principles of fair competition and refusing behaviors of defaming competitors, providing fictional information and inducing customers. We will provide customers with true, complete and lawful information and guarantee compliance of the sales/lease behaviors with the statutory and regulatory requirements. We promise that the commitments made to the customers are true and valid;
- Employees' any behaviors of disseminating false, incomplete, or fraudulent information to customers for obtaining money or other personal benefits are prohibited in the Company;
- The Company has established and improved responsible marketing audit and control procedures and periodically check the marketing and market behaviors, to ensure normal behaviors of the Company avoid misleading and concealing information; and
- Trainings on responsible marketing is on a regular basis for the employees who are engaged in relevant marketing and market promotion, to unremittingly standardize the behaviors of employees and safeguard the interests of the customers.

In 2021, we released the *SOHO China Fair Hospitality and Marketing Management Policy* to ensure that all leasing personnel and new entrants completed the necessary training and met the comprehensive compliance with three leasing procedures: contract signing, payment collection, and reminder sending. Upholding the public and transparent principles, the Company disclosed all its house's information on the internet, Customers, intermediaries, and internal leasing personnel can access the information through its official website and WeChat Mini Programs. We disclose real-time prices to effectively reduce the chance of customers being misled by staff due to non-transparent information. Meanwhile, we added non-standard contracts during the COVID-19 pandemic to ensure that all marketing operations meet the actual needs of the market.



Public Leasing Platform for SOHO China

Additionally, in 2021, the Company invited Cushman & Wakefield, a third-party institution on a quarterly basis, to provide marketing analysis training for all leasing personnel, which covered macro policies of real estate, studies on rentals, and leasing rates in different regions, customer portrait analysis, marketing policies, etc. By enhancing the training for relevant personnel, we can expand our professional knowledge reserve, better fulfill the marketing demands of different projects and achieve accurate and responsible customer marketing.

Enhancing Customer Satisfaction

The company considers customer satisfaction as one of the top priorities, sets up annual customer service goals and performance appraisal methods, and achieves three-level management of customer satisfaction.

In 2021, we conducted a round of customer satisfaction surveys for each project semiannually and invited the customers to rate the overall service level of the property through a questionnaire that covered staff's appearance, service attitude, and professional knowledge, the current property management systems ability to meet actual needs, and the current state of public areas and facilities management. Quantitative data analysis results and satisfaction reports are utilized to encourage responsible parties to make timely rectifications.

In 2021, the Call Center at the headquarters of the Company selected a certain part of customers every month for property service follow-up, integrated the satisfaction survey results into the project appraisal of the property company, and maintained a close eye on the rectification results. In 2021, our customer satisfaction survey covered 100% of property customer groups with a feedback rate of 57% on the phone survey and a comprehensive customer satisfaction score of 98.15 points.

In addition, to ensure that staff and properties met the Company's behaviors and service standards, in 2021, we contracted with an independent third-party company to visit our properties as a mysterious guest semi-annually, and we gained insights into customer experience by evaluating the service consciousness and service capabilities of project personnel. Moreover, based on quantitative assessment results issued by the independent third-party company, we completed on-site service optimization and improved the full-process customers' service experience. In 2021, SOHO China's mysterious guest gave a comprehensive score of 96.21 points.

Sharing Value through Innovations

SOHO China strongly promoted innovative development in the commercial real estate industry. We encourage innovation, positive practice, and efficient collaboration, and bring out the value of innovations through frontier technology applications, leasing and sales platform setup and optimization, and digital investment attraction.

Facilitating the Industry Efficiency Upgrade

In 2021, the Company continued to lead the development of the industry, enhanced technological applications through multi-party cooperation, and created more high-definition, more intelligent, and more convenient technology products as value-added points, bringing a better service experience for our customers.

With 5G, internet+, and other prospering hi-tech developments, we continue to improve the intelligent level of our services. In 2021, we increased the automation level in property cleaning, provided building broadband access, opened the 5G Laboratory to the public for free, and improved high-intelligent technologies from a variety of perspectives, providing a better experience for our customers.

Contributing to the standards of the communications industry

- In 2021, SOHO China was invited by Beijing Communications Administration to join the national reviews of communications engineering construction for the *Technical Standard for Building's Mobile Communication Infrastructure Engineering* and engage in the survey of wireless coverage of buildings, thus contributing its power to the development of the communications industry.

Environmental optimization for building Internet access

- We put high value on the fairness of Internet service providers, and develop the *Management System for Telecommunication Service Providers* to fully eliminate unfair competition and monopolization faced by the customers during broadband access.
- Since 2014, we have been deepening the strategic partnership with three largest telecoms operators, and introducing several independent secondary operators through public tendering to continuously increase the customers' freedom of choosing an appropriate operator.

Development of the Internet signal security system

- We set up fixed indicators for assessing the quality of mobile phone and network signals within a building, integrate them into a building's overall basic service survey and the performance requirements for the responsible team, and identify anomalies on a regular basis to ensure excellent internet signal performance.
- Since 2016, we released the ranking of mobile phone signal and network downloading speed for every service project on SOHO official Weibo account on a monthly basis to disclose relevant information.
- We ensure the communication between general managers of the three largest telecoms operators, customer service manager and relevant responsible persons by organizing WeChat working groups. Once any anomaly is identified, we will arrange responsible persons to resolve it in the first time.

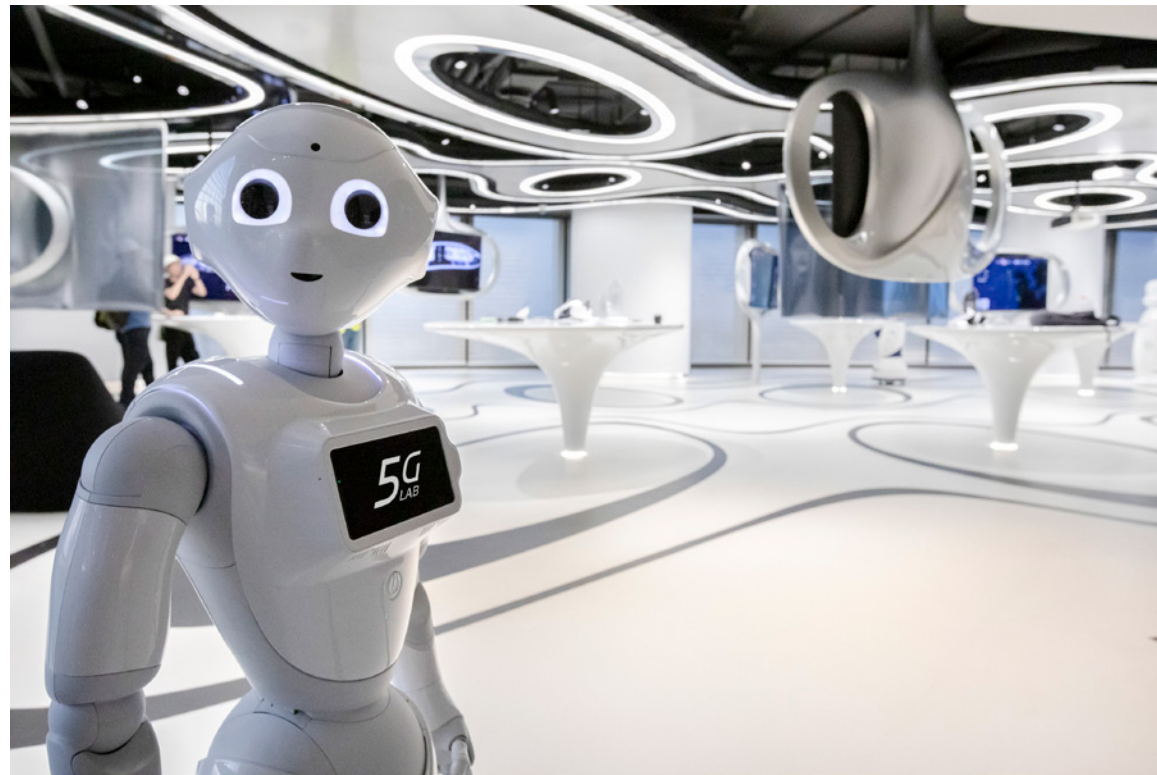
In addition, we continue to increase the property service level, utilize new technologies for intelligent cleaning, and improve the indoor environment cleanliness and project image with intelligent equipment that drives autonomously, silently cleans up and walks without traces. In 2021, we deployed 40 intelligent cleaning robots in 21 projects to improve floor cleaning frequency and efficiency and increase the tidiness of the property environment.

Case Study | Leeza SOHO continues to open 5G Lab free to the public

The Company is aware of the positive significance of 5G to the improvement of people's lives. By covering all buildings with 5G network, we continued to allow the public's free on-site visits to the 5G laboratory in LEEZA SOHO.

In 2021, we invited many frontier companies to exhibit their products in LEEZA SOHO's 5G laboratory, allowing the public to experience high-quality 5G services there. We have created eight application scenarios in the laboratory, including 5G+smart buildings, 5G+intelligent perception, 5G+blockchain, 5G+smart medical care, 5G+Ultra HD video, 5G+smart health, 5G+virtual reality, 5G+remote interaction, fully covering numerous cutting-edge innovations in the field of 5G and providing possibilities for the public to imagine their future ideal life. In 2021, under the premise of meeting the national pandemic control requirements, we strictly controlled the number of visitors to the laboratory, hosted 9 important government visits in total, and welcomed the visits of 178 companies, allowing a total of 1,513 people for visiting and experience.

In the future, SOHO China will continue to build the 5G laboratory open to the public for free to promote industry exchanges, so that the public can have a glimpse of the forward-looking effects of 5G and the potential changes it brings to life.



Leeza SOHO 5G Laboratory

Intellectual Property Rights Protection

By strictly following the *Advertising Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Interim Measures for the Administration of Internet Advertising*, and other laws and regulations, SOHO China provides strict intellectual property protection, and actively applies for the registration of trademarks and patents to ensure that no infringement happens. On the one hand, we developed detailed brand logo usage specifications and implementation requirements internally, and strictly regulate advertising activities of the headquarters, subsidiaries, and branches; on the other hand, considering business development objectives, we developed a legal management platform for systematical trademark management, actively apply for exclusive rights to newly registered trademarks, and ensure that our trademark information and status are valid and compliant.

In 2021, we continued to include clauses regarding the infringement of intellectual property rights such as software development and scheme design copyrights and potential interest disputes in the contracts with third parties. In major contracts, we completed the declaration of supplier confidentiality in the form of confidentiality contracts. For trademark infringement, the Company worked closely with external suppliers to conduct investigations and prevent infringement.

In 2021, SOHO China did not involve in any lawsuits related to trademark and intellectual property rights.



Intelligent Digital Marketing

SOHO China implements a one-stop public rental platform and digitally transforms customer experiences in line with the "openness and transparency" service principle and "efficiency and convenience" service goal. In 2021, all the links in the leasing business were interconnected, including housing resources, signing, commission, and payment collection, allowing for digital marketing and operation of the whole life cycle of the leasing business. On SOHO China's public leasing and sales platform, customers can use the WeChat Mini Programs to check the building introduction video, the floor plan of the house, 41 delivery standards and rents, and other detailed information to make online house selection; by using electronic signature, customers can sign contracts online, cutting the contract signing time down to 2-3 days on average and increasing the efficiency when compared to more than two weeks to sign a traditional lease contract; to simplify customer payment processes the Company uses the "rent bank withholding" method for rent payment, and customers do not need to resort to bank remittances.



One-stop digital public rental platform for the whole life cycle of the leasing business

With the digital leasing and sales platform, we have implemented digital investment attraction management, fully exposed our inventory, matched and signed tenants in the shortest time, and met the rapid development needs of customers. In 2021, through business intelligence-based digital analysis, we created real-time multi-dimensional customer portraits, precisely located potential customer groups, dynamically formulated hierarchical preferential rent policies, and supported the leasing business development. In 2021, SOHO China had a net new 228,000 sq.m. signing area.

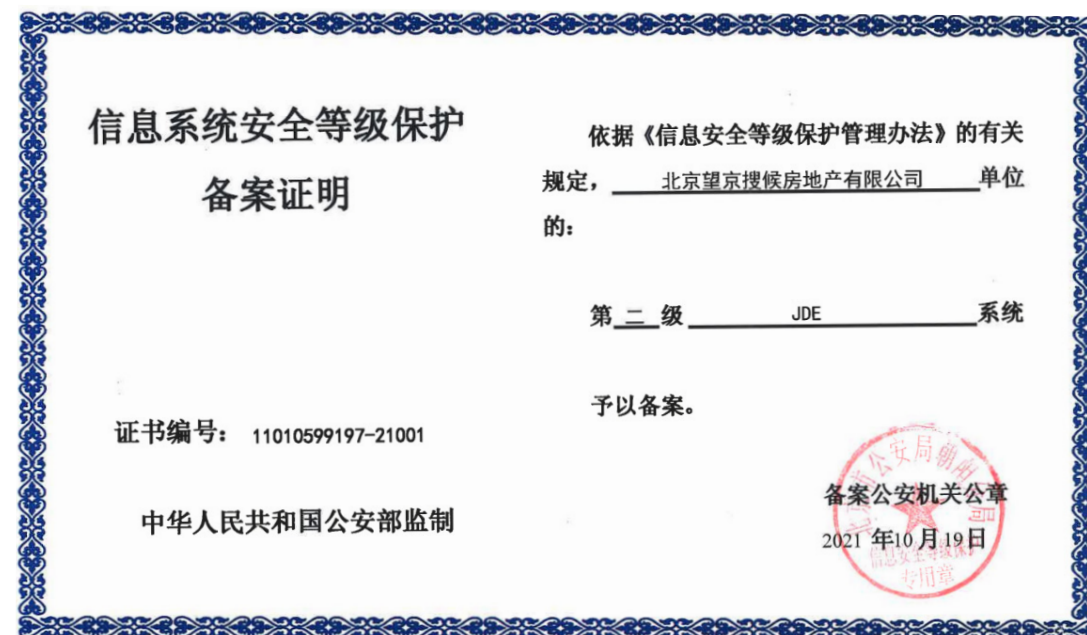


Maintaining Information Security

SOHO China places a high value on network and information security and is constantly improving the management system, standardizing the construction of information security, strengthening data security management and control, and enhancing staff awareness of information security to improve its overall information security management capabilities.

SOHO China strictly follows the *Network Security Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Regulations on the Management of Information Services on Mobile Internet Applications*, the *Regulations on Technical Measures for Internet Security Protection* and other applicable laws and regulations. In 2021, it formulated the *Information Security Organization Structure Management System* and the *Information Security Incident Reporting and Handling Management System*, and revised the *IT Management System* and *IT Information Security Management System*, further promoting the construction of the Company's information security systems.

By referring to ISO27001: 2013 requirements (Information Security Management System), SOHO China enhances its information security organization structure and manages information security from top to bottom. On one hand, we established an information security group leading a laboratory, and defined specific responsibilities of each manager in promoting system and network security; on the other hand, in 2021, we built a virtualized security assurance system through the deployment of Alibaba Cloud, Tencent Cloud, and self-owned private clouds to comprehensively promote information security management. We regularly contracted with external third-party agencies to evaluate, monitor, and reviewed the information management system to ensure the operation and security of the system are smooth and stable. In 2021, we passed the secondary registration for classified protection of information system security issued by the Ministry of Public Security of the People's Republic of China, and our technology and management dimensions exceeded the corresponding requirements of national network security.



Certificate of Record of Grade-based Information Security Protection

We have defined security measures in physical security, device security, network communications security, application security, and data security and refined our management. In 2021, we continued to optimize network and server security configuration, internal network access policies, security isolation, data access permissions, backups, etc., refined the code of conduct for all staff in data operations, and prohibited staff from transmitting any information containing company secrets to individuals or institutions outside the Company without prior authorization. In 2021, SOHO China did not have any lawsuits related to customer privacy.

Information Security Management of SOHO China

Physical Security and Equipment Security

- The *Date center room Security Management System* and *Server Security Management System* have been formulated and clearly define regulations for equipment environment and the operation of corresponding personnel.

Network and Communication Security

- The *Network Security Management System* and *Server Security Management System* have been formulated to strengthen the security configuration management for the network and the server.
- We added new configuration of situation-aware devices for dedicated network security, optimizing the firewall, VPN, behavior management, load balancing and other devices.

Application Security

- The *Account Security Management System* and *Client Security Management System* have been formulated to define the security regulation of application behaviors.
- The internal network is separated from the Internet.
- For access to important business systems, we also adopt application-level security measures.

Data Security

- SOHO China has developed the special the *Data Security Management System* to manage all kinds of data information according to the level of importance and set the corresponding data backup plan and emergency mechanism.
- SOHO China conducts quarterly emergency drills for business system scenario.
- For important electronic data access, SOHO China has set a strict permission control mechanism.
- Paper data are stored in the archives, so staff need to get approval and authorization before they are authorized to read and use a file, and the access history is left in the system.

SOHO China classifies and manages information security emergencies on a level-to-level basis, and sets up response plans for different levels of information security incidents such as network service interruption, application service interruption, and data damage and loss. We conduct emergency drills each quarter to improve our information security emergency support and handling capabilities and ensure the implementation of scientific and effective emergency response mechanisms.

In 2021, to promote the development of information technology of SOHO China, we provided information security training for all staff, covering national information security laws and regulations, corporate and personal information security. Moreover, we continued to provide special business systems training to staff, suppliers, agents, and tenants to strengthen information security protection awareness.

Leading a Sustainable Life

SOHO China integrates the sustainable development concept into the core company culture and collaborates with its tenants to promote green, beautiful, and sustainable operating communities focusing on the vision of providing a better life for customers.

Green Leasing

In 2021, SOHO China publicly released the *SOHO China Green Lease Policy* on official website, which deeply correlated the concept of green leasing with all aspects of the full cycle of our leasing business and established a standardized process from green property delivery to rent incentives throughout the customer's check-in, decoration, operation, and other parts, realizing green leasing throughout the whole leasing life cycle. We add green leasing-related content to the *Check-in Letter* provided to customers to ensure they could enjoy the Company's one-stop service.



1 Green Delivery

The newly developed office projects of SOHO China are all designed and constructed following the US Green lease LEED standard. There are 8 projects with LEED Gold standards and 1 LEED Silver standard. Prior to delivery, the projects are equipped with green facilities such as energy-saving lamps and water-saving equipment, the establishment of decoration and waste partitions, and a designated area for food waste sorting to reach the goal of energy-saving and emission reduction.

2 Check-in Guidance

During the check-in process, detailed publicity materials are created to inform clients of specific green leasing measures such as the promotion of green leasing concept, waste classification requirements, and daily use of green environmental protection materials. They also help guide clients to understand the concept of green leasing and implement it.

3 Green Decoration

Providing green decoration guidelines and support for clients' decoration; assisting them to use energy-saving and environmentally friendly materials and facilities during decoration, for the purpose of reducing energy consumption during the leasing period and mitigating environment pollution.

4 Green Service

Organizing green leasing activities to convey the concept of green leasing. Providing clients with free energy monitoring and energy optimization consultation to reduce energy consumption. The office area provides daily indoor PM2.5 air quality monitoring to ensure customers a good office environment.

5 Green Promotion

Evaluate clients with green ratings, and awarding the title "Green Leasing Star" to the clients who qualify with publicity and provided to them.

6 Rent Incentive

The Company will give preferential rent as incentive for newly signed whose MSCI rating has reached level BBB or above.

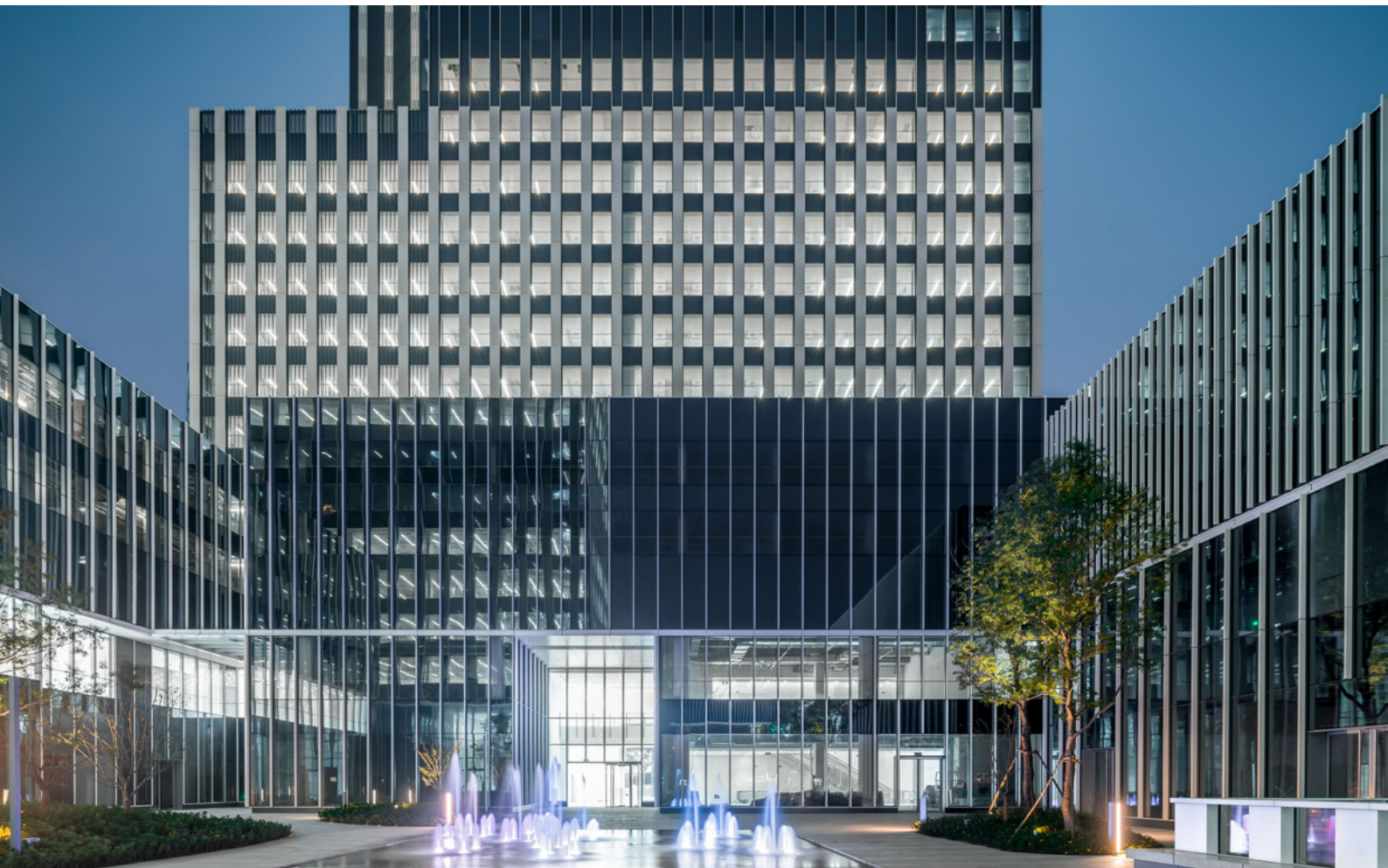
Community Co-Building

SOHO China recognizes that positive and effective interaction with the communities where we operate is essential to the development and operation of our projects. Together with staff, customers, and residents, we actively participate in all aspects of community construction and operation, contributing to the overall development of the communities.

In 2021, adhering to the sustainable development concept, we reviewed the community investment management concept and published the *SOHO China Community Investment Management Policy* on our website, committing to offer additional social benefits to the development of the communities where we operate. The Company continuously carried out community building and harmonious integration activities, strengthened urban infrastructure and support services, deeply participated in regional economic support and rural revitalization, and was concerned about the environmental protection of the communities where we operate, creating a diversified, harmonious, inclusive, innovative, and culturally unique communities through continuous input and investment.

On the one hand, the Company engages in a range of activities to create young, energetic, and diversified communities. We collaborate with local merchants to organize activities such as bazaars, music festivals, and food festivals, actively plan activities during holidays, and advocate a healthy and happy lifestyle through fitness-related activities such as sports games, vertical marathons, plank competitions, and cycling competitions. On the other hand, we work closely with the sub-district office where we operate to conduct fire drills, promote vaccination during epidemics, and provide venues and fee assistance for party-building activities. In addition, we cooperate extensively with communities to support the urban community's cultural development by organizing activities and assisting in film and TV series production.

110 community activities were organized in 2021.



Case Study | Well-prepared community activities

To better serve communities, SOHO China regularly organizes various holiday-themed activities on holidays, actively interacting with participants and strengthening the vitality and stickiness of communities by combining tradition and innovation. We actively organize holiday-themed activities, including Spring Festival, Mid-Autumn Festival, Dragon Boat Festival, Thanksgiving, Christmas, and New Year's Eve, serving communities extensively and enabling everyone working or living in the SOHO buildings in Beijing and Shanghai to feel thick holiday atmosphere.

In January 2021, LEEZA SOHO cooperated with the Fengtai District Peoples Government of Beijing Municipality to hold a Party Day event themed "Future scenery is in Fengtai, excellent writing in Fengtai", introduced exhibitions by emerging artists to create a trendy urban culture, and invited experts to conduct industry seminars and entrepreneurial roadshows to collide with the academic and entrepreneurial atmosphere of the community. In June 2021, we launched the "SOHO Dragon Boat Festival Knowledge Quiz" on our WeChat Official Account together with offline events. Combining fun rich online and offline formats, more people could feel the atmosphere of Dragon Boat Festival through fun activities. In September 2021, we held the Mid-Autumn Festival Garden Party in each SOHO project in Beijing and Shanghai. These parties made people who couldn't return home feel the festive atmosphere of the Mid-Autumn Festival by conducting ringtoss, archery, riddle-guessing, folk music performance, putting festival lanterns into river and other activities.

Through carefully prepared activities on different holidays, we aim to have every resident in the SOHO communities experience fun and happy times.



Diversified Community Activities

Case Study | Free Exhibition of 100 Landscape Photographers at Galaxy SOHO

From March 2021 through April 2021, we held a photography exhibition named "Beautiful China". The exhibition was free and allowed the magnificent landscape of China photographed by 100 outstanding photographers to be seen by wider public. The exhibition lasted one month, attracting residents in the communities.



Landscape Photography Exhibition "Beautiful China" at Galaxy SOHO

Case Study | 2021 Spring Cross-country Race at Commune by the Great Wall

In May 2021, SOHO China held the 2021 Spring Cross-country Race at Commune by the Great Wall to welcome summer with a 15km cross-country race. Community and commune residents actively participated into the activity. They went over the mountains and forests, got close to nature and enjoyed the beauty of the environment.



2021 Spring Cross-country Race at Commune by the Great Wall

Case Study | "A backpack full of Love" – Spread of Love from SOHO China Employees to Tianshui Volunteers

At the end of 2021, SOHO China started the public welfare activity themed "A Backpack full of Love" for volunteers who had provided voluntary services for Yang Zheng Kindergarten. Since the Kindergarten opened two years ago, 267 teachers, parents and villagers participated in its operation and provided 11,902 hours of voluntary services in total, including arts, English, chauffer service, garden trimming, kitchen assistance, engineering maintenance and cleanup, etc.

After the stories of these volunteers spread to Beijing and Shanghai, SOHO China colleagues donated various kinds of resources to volunteers in Tianshui, including 240 backpacks and over 2,000 gifts.



Spread of Love from SOHO China Employees to Tianshui Volunteers

Building Green Supply Chain

SOHO China practices responsible management of suppliers, upholds the new “multi-win and mutual benefits” idea, continuously improves supply chain management system, and strengthens supplier communication and collaboration, thus forming a partnership of “powerful combination and complementary advantages” and promoting environmentally friendly, green, and sustainable industrial supply chain development.

SDGs focus in this chapter



This chapter relates to the following major sustainable development issues:

Supplier management





SOHO China practices responsible management of suppliers, upholds the new “multi-win and mutual benefits” idea, continuously improves supply chain management system, and strengthens supplier communication and collaboration, thus forming a partnership of “powerful combination and complementary advantages” and promoting environmentally friendly, green, and sustainable industrial supply chain development.

Summary of Policies and Systems on Responsible Supply Chain Management for SOHO China

<i>SOHO China Green Procurement and Sustainable Supply Chain Management Policy</i>	<i>Management Requirements for Blacklisted Suppliers</i>
<i>Measures on the Management of Procurement and Tendering</i>	
<i>Measures for the Management of Suppliers on the Procurement Platform</i>	<i>Management Measures for Supplier Letter</i>

Managing the Quality of Supply Chain

SOHO China strictly abides by laws and regulations including the *Bidding Law of the People's Republic of China* and develops internal systems such as the *Measures on the Management of Procurement and Tendering*, the *Management Requirements for Blacklisted Suppliers*, the *Measures for the Management of Suppliers on the Procurement Platform*, and the *Management Measures for Supplier Letter* to adhere to fair and public responsible procurement and strengthen supply chain quality management. In 2021, the Company issued the *SOHO China Green Procurement and Sustainable Supply Chain Management Policy* to clarify supplier sourcing, access, assessment, evaluation, and other management processes to improve its supply chain management level.

The Company's supply chain procurement is fully platform-based and electronically handled, allowing suppliers to complete their entire bidding process online operations on our system. We adopt the "online registration" method and implement "electronic signature" and "online bidding" systems to ensure that each supplier competes fairly in the bidding process to further improve the efficiency of cooperation.

During supplier screening, SOHO China verifies suppliers' registered capital, *Work Safety License*, and industry qualifications in compliance with national occupational health and safety laws, regulations, and industry standards, to identify suppliers with competitive advantages and a desire to collaborate. We develop appropriate qualification audit standards according to different types of suppliers and conduct refined management while considering the industry's unique characteristics.

In 2021, the Company further improved the management methods for contractors' on-site safety construction, implemented the "safety first, prevention crucial" policy, and strictly evaluated contractors' safety qualifications, such as the *Work Safety Licenses*. Meanwhile, we proposed specific requirements for civilized construction and safe construction in the bidding documents, and bidders were required to clarify and confirm in writing. We specified the management responsibilities for each unit and set up a "safety leadership group" led by the owner's project director, who was responsible for coordinating the civilized construction safety of the project. We also supplied safety construction training to all contractors and formulated emergency prevention measures to protect safety and health during the construction process. We regularly contract with external units to conduct safety audits and inspections on the construction site, including the safety management system, safety construction measures, equipment safety, etc. and formulated a clear reward and punishment system to ensure the construction safety of the project.

The Company attaches great importance to identifying supplier risks and conducts on-site inspections and comprehensive assessments of suppliers who meet the standards. By cooperating with third-party platforms such as Tianyancha and resorting to on-site inspections, we verify basic information, comprehensive credit rating, and association relationship of the suppliers to create a fair, unbiased, and open supplier competition environment. We require the selected suppliers to sign the Supplier Commitment, promising their good business reputation and avoiding potential risks to the cooperation between two parties due to legal disputes and financial conditions. In 2021, the signing rate of the SOHO China's Supplier Commitment reached 100%. If suppliers were found with fraudulent fraud, malicious breach of contract, major liability accidents, or violations of relevant laws and regulations, we held them liable for breach of contract according to the contract and added them to our supplier blacklist. In 2021, SOHO China blacklisted eight suppliers, which were regularly posted on the

company's official website.

During the contract performance stage, according to the contract performance management system and performance evaluation method, SOHO China objectively evaluates the supplier's quality control, after-sales service, progress management, on-site coordination, safe production, and service awareness to strengthen the product and service quality control of the suppliers. In addition, to further standardize the effectiveness and formality of the communication regarding the suppliers' contract execution system and performance quality between both parties, we issue notices, warnings, conduct interviews and send out contract termination letters for joint improvement. To encourage and appreciate suppliers for their high-quality services, we select and send thank you letter to selected excellent suppliers with outstanding performance and significant contributions in the contract performance process. Moreover, we display these excellent partners on our official website. In 2021, SOHO China sent and received 384 letters to/from the suppliers.

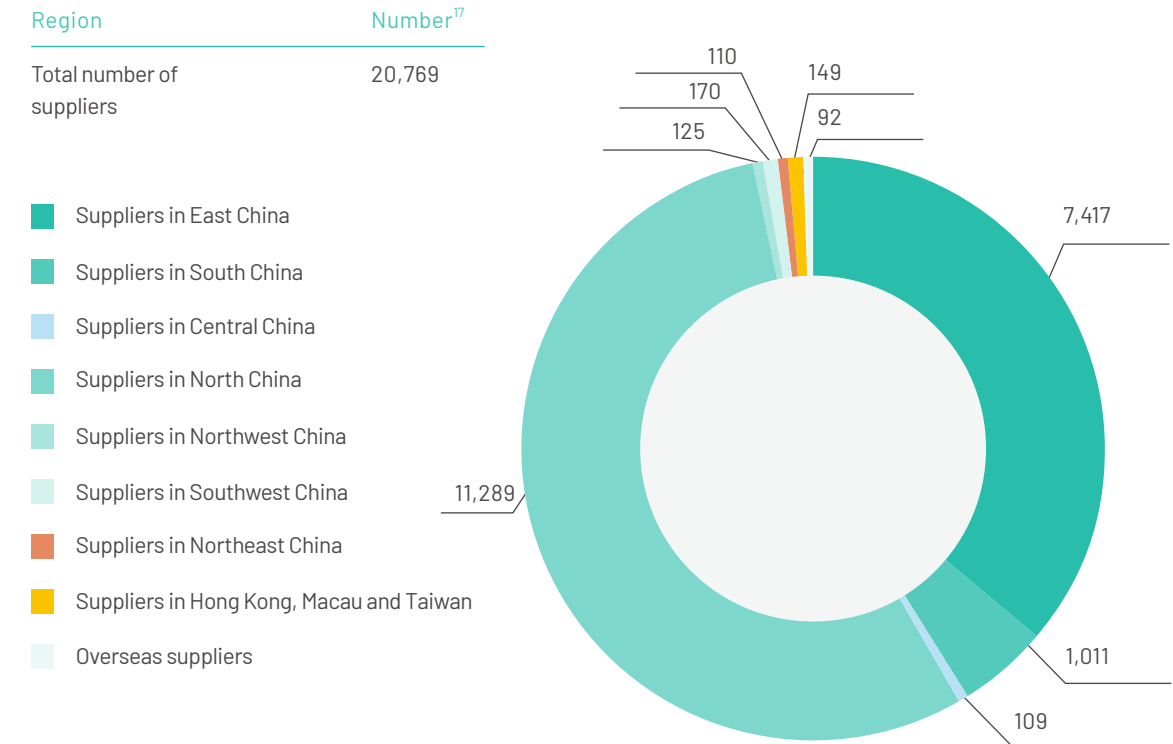
Number of Letters to/from Suppliers for SOHO China

Letter Type	Unit	Number
Notice	Letter	290
Letter of Thanks	Letter	7
Warnings	Letter	65
Contract Termination	Letter	5
Others	Letter	17

At the same time, the Company actively assists suppliers in improving their capabilities, and builds a more competitive supply chain. We organize diversified professional training and technical training and provide personalized advice and opinions for the growth of suppliers. For example, we improved engineering management and system training for engineering suppliers. With the support of SOHO's self-own platform and system, we enhanced the supplier's professional skills and management level in plan formulation, safe construction, sample material sealing, demand change, and project progress report.

In 2021, SOHO China had a total of 20,769 suppliers, including a total of 1,987 newly registered suppliers, with more than 90% of the suppliers located in North China and East China. In addition, SOHO China established a long-term and stable strategic partnership with high business relevance suppliers to further promote the healthy development and growth of both parties. In 2021, SOHO China has formed strategic partnerships with 16 suppliers, including engineering construction management, corporate operation management, and other business types.

Number of Suppliers for SOHO China in 2021



¹⁷ Note: The locations of the suppliers are determined by the registered addresses.
 East China: Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi and Shandong
 South China: Guangdong, Guangxi and Hainan
 Central China: Hubei, Hunan and Henan
 North China: Beijing, Tianjin, Hebei, Shanxi and Inner Mongolia
 Northwest China: Ningxia, Xinjiang, Qinghai, Shanxi and Gansu
 Southwest China: Chongqing, Sichuan, Guizhou, Yunnan and Tibet
 Northeast China: Liaoning, Jilin and Heilongjiang
 Hong Kong, Macau and Taiwan regions of China: Taiwan, Hong Kong and Macau

Facilitating the Industry's Sustainable Development

SOHO China adheres to the green procurement principle and is committed to raising environmental responsibility awareness among suppliers, creating a fair, honest, and friendly cooperation environment, and actively promoting the development of a sustainable supply chain. Since 2022, SOHO China has launched a new bidding and procurement management platform, which requires all suppliers to read and agree to the terms and conditions of the *Supplier Green Procurement and Sustainable Supply Chain Commitment* when signing up and logging in our system before they cooperate with us. The goal is to emphasize and improve the company's social responsibility and environmental performance in areas such as labor and human rights, environmental protection, business ethics, and green procurement.

The Company improves the environmental, social, and governance management requirements for suppliers, strengthens the identification and management of suppliers' ESG risks, and actively oversees and evaluates suppliers' ESG performance in the entire supplier sourcing, admission, contract performance, and evaluation process to selecting high-quality partners. We pay close attention to relevant policies and systems on the sustainable development of our partners, including environmental protection, green procurement, labor rights protection, occupational health, and safety, etc., and we work to strengthen suppliers' social responsibility standards.

The Company pays close attention to suppliers' ESG performance, develops a strict supplier admission mechanism, clearly requires suppliers to comply with labor and human rights, environmental protection, and business ethics law and regulations, and develops corresponding internal management methods. We prioritize ISO-certified suppliers, including ISO 9001 (quality management system), ISO 14001 (environmental management system), and ISO 45001 (occupational health and safety management system), and encourage our suppliers to implement relevant index requirements and further promote supplier system management. Meanwhile, we formulate procurement rules by adhering to the *Assessment standard for green building* (GB/T 50378-2019), and fully considering energy use, waste management, utilization of renewable materials, etc. during the construction and operation process to refine green procurement requirements.

We actively promote a green and low-carbon cooperation model with suppliers, advising suppliers on how to implement "paperless offices" and "online operations" to improve work efficiency, minimize ineffective energy consumption and waste, and facilitate the sustainable development of the industry. Since December 2021, we have launched a new bidding and procurement system, which enables the entire operation of bidding planning, announcement, registration, shortlisting, bidder inspection, bid issuance, bid submittal, bid evaluation, bid awarding, and contract signing to be online. The system enables electronic signature, minimizes the management cost of tendering and bidding for suppliers and our company, and avoids unnecessary business travel, document printing, and other work. All bidding processes are recorded through the system fairly and transparently, enhancing our supply chain management level.

Contractual Performance and Behavioral Requirements of Suppliers

Environmental	Environmental protection	Formulating environmental protection policies, assessing environmental impacts, and protecting the ecological environment
		Optimizing resource use, reducing pollutant emissions, and strengthening waste management
		Prioritizing green materials usage
Social	Labor and Human Rights	No forced labor, child labor, etc.
		No discrimination against or bullying against candidates and staff for any reason
	Health and Safety	Formulating health and safety related policies and providing staff with a safe and healthy working environment
Governance	Business Ethics	Complying with anti-corruption, anti-monopoly and other applicable laws and regulations
		Avoiding arrears in staff wages

In addition, the Company encourages suppliers to regularly hire third parties to carry out ESG audit and evaluation activities, and improve ESG self-evaluation and management. We strengthen the communication and collaboration with suppliers, perfect the supplier communication mechanism, regularly organize ESG trainings for the suppliers, and cooperate with partners for all kinds of exchange or training activities to jointly enhance ESG management level and promote the development of the industry.

Case Study | Digitalized and Sustainable Procurement

SOHO China adheres to the principle of transparent, fair and equitable procurement, and works with its partners to facilitate sustainable procurement. In late December 2021, the Company launched the new bidding and procurement system, where suppliers can register, get verified and apply for an electronic seal via the self-service function. The system also enables a wide range of online services such as application for a project, formulation of bidding document, sealing of the document, encrypted submission of a tender, and consulting services. The bidding and procurement personnel of our Company can generate the *Supplier Survey Report* online, post an advance notice on project bidding online, develop a bidding program and plan online, formulate and release bidding document online, seal the document online, clarify or enquire about technical and commercial matters online, invite suppliers to a virtual bidder conference through the Bidding Hall, automatically calculate item-specific quotes after getting a bid, and publish the Bidding Notification and Acknowledgement Letter online. The new bidding and procurement system actualizes the online management of the demand, process, and execution throughout the entire cycle. It proves to be a powerful online platform for us to practice sustainable procurement.



SOHO China's Bidding and Procurement Portal

Adhering to People-oriented Principle

SOHO China adheres to the people-oriented talent development concept: actively creating a fair, mutually beneficial, and inclusive working atmosphere; fully protecting the legitimate rights and interests of staff, paying attention to employees' safety and health in work and life, and improving various salary and welfare plans; providing suitable promotion space, providing professional and efficient training, and facilitating staff to continuously make career progress.

SDGs focus in this chapter



This chapter relates to the following major sustainable development issues

- Compliant employment and protection of staff interests
- Employee development and training
- Employee safety and health



SOHO China adheres to the people-oriented talent development concept: actively creating a fair, mutually beneficial, and inclusive working atmosphere; fully protecting the legitimate rights and interests of staff, paying attention to employees' safety and health in work and life, and improving various salary and welfare plans; providing suitable promotion space, providing professional and efficient training, and facilitating staff to continuously make career progress; always maintaining a smooth internal communication channel to understand what staff want and need.

Summary of SOHO China's People-oriented Policies and Systems

SOHO China Board of Directors (BOD) Diversified Policy	Employee Training System
SOHO China Management Policy for Employment and Labor Standards	Incentives to Encourage Employees' Continuous Learning
Employee Handbook	ESG Management and Appraisal Measures

Adhering to Compliant Employment

SOHO China strictly abides by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, 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 Rights and Interests of Women and Children and other relevant laws and regulations, adheres to the people-oriented staff development concept and protects employees' rights and interests. In 2021, the Company formulated and publicly released the SOHO China Management Policy for Employment and Labor Standards, SOHO China Board of Directors (BOD) Diversified Policy, revised the Employee Handbook and Employee Training System and other internal rules and regulations, and implemented legitimate, equal, and diversified employment to effectively improve the rights and interests of employees.

The Company is committed to maintaining a compliant, diverse, and equal employment environment. We boycott any form of child labor and forced labor, and state explicitly in the Employee Handbook that "any form of illegal employment and forced labor is prohibited", and deal with violations promptly and seriously. We prohibit all forms of discrimination based on gender, ethnicity, age, belief, and religion, eliminate discriminatory policy inclination in the process of recruitment, promotion, training, and dismissal, while encourage our employees and the public to complain and report, unfair treatment. In 2021, we publicly announced the SOHO China Board of Directors (BOD) Diversified Policy, promising that when nominating, appointing, and renewing directors, we would take into account gender, age, educational background, professional experience, skills, industry experience, and other factors, ensuring that the Board of Directors is comprised of members with professional skills and diverse viewpoints to achieve the Company's diversified policy.

In 2021, we hired no child labor and there was no forced labor in SOHO China. The labor contract signing rate of full-time staff was 100%, and labor dispatching complied with national regulations.

The Company actively builds a compliant, fair, reasonable, and competitive salary and welfare system as well as performance appraisal system. We conduct annual salary scale assessments and adjustments and improve the salary growth mechanism. Based on statutory benefits such as social insurances housing fund, we purchase supplementary medical care and supplementary accident insurance for staff to enrich the benefit types. In order to provide timely and effective feedback and encouragement to the staff, we conduct monthly performance appraisal through our online management system, and the appraisal result is directly linked to employees' performance bonus. For frontline staff, we also set up a behavior appraisal system to reward the staff for their excellent behavior and remind them of their inappropriate behavior in a timely manner.

The Company adds ESG-related content to the monthly performance evaluation system that has been implemented and links it to employee remuneration to stimulate their enthusiasm. In 2021, we developed and released the ESG Management and Appraisal Measures, added ESG indicators to the Company's ESG working group and the annual performance appraisal of all employees, such as energy consumption, water resources management and waste discharge assessment, etc., and rewarded to staff with excellent evaluation results.

Employment Statistics in 2021¹⁸

Percentage of managerial staff by gender

Total Employee Number **1,706**

Male executives 33.33%	Female executives 66.67%
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By type					
Regular Employees under labor contract	1,703	Dispatched workers	3	Interns	0
By level					
Executives	12	Mid-level management	131	Junior employees	1,560
By gender					
Male	1,230	Female	473		
By age group					
30 years old and below	392	31-39 years old	819	40 years old and above	492
By location					
Beijing	1,217	Shanghai	463	Hainan	23

¹⁸ Except for the number of staff divided by type, staff demographics in this report include regular staff under labor contract only.

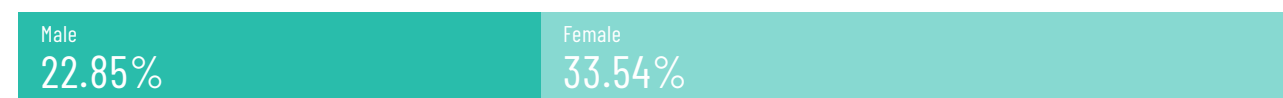
Employee Turnover in 2021

By type		Unit	Quantity
Total Number of Resigned Employee		Person	439
By gender	Male	Person	278
	Female	Person	161
By age	30 years old and below	Person	179
	31-39 years old	Person	189
	40 years old and above	Person	71
By region	Beijing	Person	268
	Shanghai	Person	171
	Hainan	Person	0

Employee Turnover Rate

22.88%

By gender



By age



By region



Supporting Employee Development

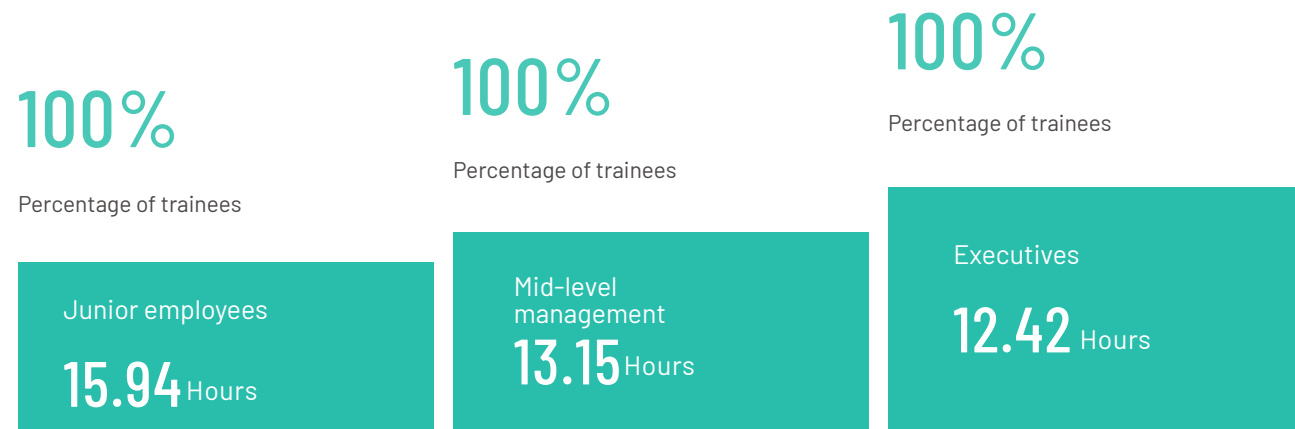
SOHO China supports the establishment of the talent development system and provides opportunities for all employees to challenge themselves, learn and grow. In 2021, we revised and released the SOHO China Management Policy for Employment and Labor Standards, the Employee Training System, and other internal systems, clearly defining the talent training system and occupational promotion channels provided by the Company. Based on the SOHO China Provisions of Reimbursement of Title Certificate, Qualification Certificate Training, we issued the Incentives to Encourage Employees' Continuous Learning, which newly added financial rewards for staff to learn and obtain bachelor's degree or above in addition to reimbursing the learning and examination fees for obtaining job titles and qualification certificates to promote self-development and growth.

In 2021, we revised and implemented the Employee Training System and created four training systems including general training system, management system, professional system, and emergency system, correspondingly providing general capability training, management capability training, professional skill training, and emergency response training. We pay close attention to the development of employee professional competence to help them improve their position competencies. As of the release of the Report, we have provided occupational ethics training, ESG general knowledge and professional knowledge training for all employees; law training, financial training, and soft skill training on commercial operation for the leasing team; and service capability and literacy training for the asset and property management team, helping them improve their occupational skills.

Relying on the knowledge management platform, the Company implemented a training mode integrating online and offline training and builds a two-pillar talent cultivation mode consisting of the occupational training course system and internal trainer construction. We developed incentive policies for course development and production and encourage employees to transform their professional knowledge and personal experience into courseware and micro-courses based on their positions and their strengths, and actively encouraged them to become the Company's internal trainers. We hope more employees will participate to share their knowledge and improve the flexibility and value of staff training.

In 2021, SOHO China, via the online knowledge management platform, provided a total of 1,110 training sessions in 36 categories, covering 21,967 employees with a total of 26,780.6 hours in training. In addition, we administered 44 professional skills tests in 9 categories to 17,481 people, with an average score of 96.66 points, fully demonstrating the effectiveness of relevant training.

Employee Training in 2021



By type		Unit	Quantity
Average training hours by type	Male	%	100
	Female	%	100
Average training hours by gender	Male	Hours	15.70
	Female	Hours	15.70
Percentage of employees receiving professional training		%	53.16
Percentage of employees receiving special ESG training ¹⁹		%	82.65

In 2021, to further provide employees more incentives and more challenging occupational development opportunities, we implemented a variety of educational aids and personal growth support following the Employee Training System and the Incentives to Encourage Employees' Continuous Learning. We encouraged our employees to widen their occupational development opportunities, and those who are qualified could apply for job transfer on their own free will after passing a new job evaluation. We encourage them to learn in their spare time and reward them for gaining professional title certificates, qualification certificates, and bachelor's degrees and above. We arranged on-site job reporting when they had fulfilled their probation periods or when they were transferred to new positions. In this way, they were able to improve their abilities to express themselves and fully understand the mastery of their profession. In this way, they were able to improve their abilities to express and fully understand the mastery of their profession. In 2021, we held 139 reporting sessions for transferring staff, with a total of 262 participants, and 19 competition meetings of manager level, with 55 participants.

In order to ensure a continuous and stable supply of talents, we have set up a reserve manager talent pool, a quality management talent pool, and a trainee system. For key management positions, such as property manager, engineering manager, customer service manager, etc., the Company has set up a reserve manager talent pool, which is open for recruitment to the external market and internal colleagues to ensure that there are a certain number of reserve talents for on-the-job training, ready to provide talents for business expansion or to fill in when there are job vacancies. In order to meet the needs of the company's continuous and rapid development, to cultivate comprehensive and versatile employees, and to involve more excellent employees in quality work, the Company has set up a talent pool for quality management. We select outstanding talents from each property project and recommend them to enter the quality talent pool. Every month, we select members from the talent pool to work and study with the quality department, participate in the monthly quality inspection, and complete the monthly members from report, and after the work is completed, the experienced quality managers will evaluate the performance and qualified people can participate in the Company-level competition.

We provide managers with the "Personal Strengths and Leadership Assessment" from a professional third-party consulting firm, and arrange professional training for interpret the assessment report so that each manager can better understand himself or herself and bring his or her strengths into play.

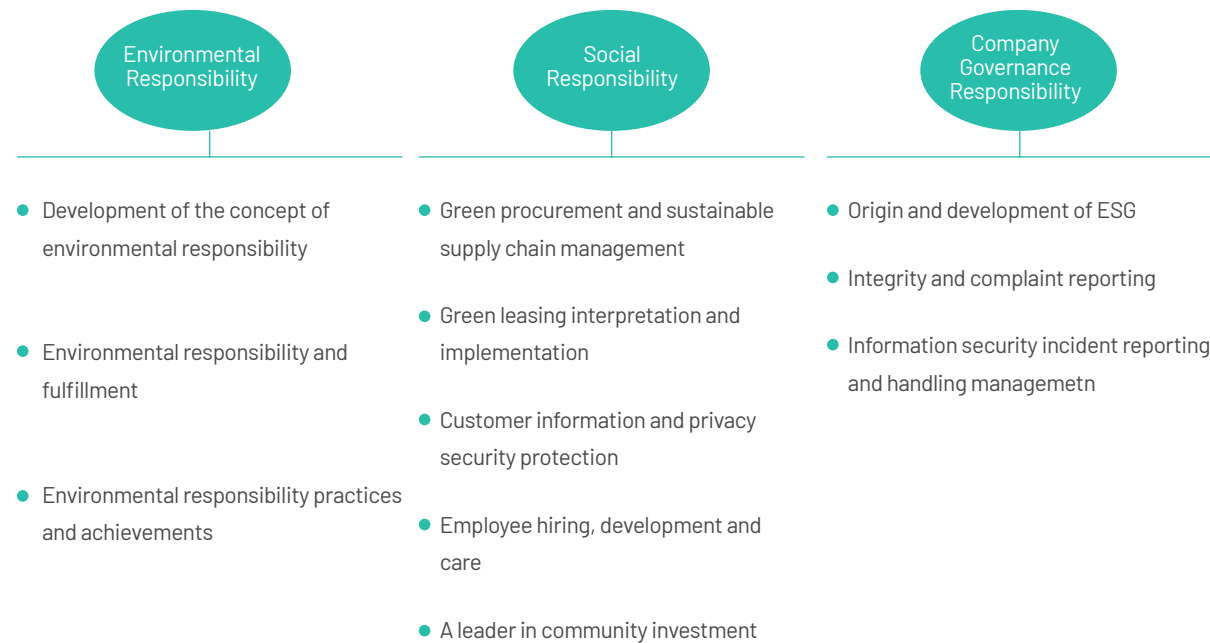


¹⁹ SOHO China's special ESG training covers environmental, social and management and governance training. The detailed training content includes ESG information disclosure requirements, concerns of the capital market to enterprise ESG performance and summary of 2020 SOHO China's ESG work progress and so on. The percentage of staff receiving special ESG training is calculated as the number of staff receiving ESG-specific training/total number of employees.

Case Study | Comprehensive ESG General Knowledge Training

SOHO China has deep insight into the importance of its own sustainable development level and ESG performance. Based on the good feedback from the capital market and the public on the company's ESG work in 2020, we continued to conduct ESG training for all employees in 2021 to improve their understanding of ESG.

In 2021, SOHO China further promoted special ESG improvement, actively invited third-party organizations to conduct ESG general knowledge training for all employees, and work together with them to participate in ESG promotion and improvement activities. The training covered stakeholder concerns and inquiries about the Company's ESG performance, mandatory ESG information disclosure of regulators and capital markets and SOHO China's ESG disclosure status and ratings. We improved the understanding of all staff on ESG, better strengthened the Company's ESG expertise and achieved ESG management optimization through strengthening staff ESG knowledge base.



Case Study | Comprehensive improvement of professional skills of kindergarten teachers at Yang Zheng Kindergarten

Overall improvement of English proficiency

In 2020, SOHO China donated RMB30 million to establish the non-profit project, Tianshui Yang Zheng Kindergarten. Since the official opening of the Yang Zheng Kindergarten in October 2020, Tencent Happy Mouse English and VIP Kids came to the kindergarten's teaching classroom in order to expose the kindergarten children to pure English initiation learning. In addition to quality English teaching resources, the English level of the kindergarten faculty shall also be improved to help the children better enjoy the English learning and living environment.

SOHO China vigorously rewarded the teachers for their English improvement by online English courses and setting up a reward mechanism. In December 2020, the kindergarten established an English learning group. From the initial 25 colleagues joining the group, we now have 34 colleagues; in addition to all teachers, we also have colleagues from the administration department, property management department, as well as cleaning and kitchen staff from the logistics department, forming a learning force. We announce group members' learning hours and progress of last week's study every Monday; the colleagues take an English level test every three months to check their improvement.

In addition to taking English courses online, we also organize our teachers to study together every Saturday night with an invited senior lecturer to consolidate their learning.

Through more than a year of continuous learning, the English level of the teachers at Yang Zheng Kindergarten has improved significantly, from only three people reaching English level 3 at the beginning to seven people reaching English level 5 now, and the whole process of learning has helped the kindergarten faculty to develop good habits of learning.

Employees of Yang Zheng Kindergarten English Test Level	Number of Qualified Employees in December 2020 (person)	Number of Qualified Employees in February 2022 (person)
Level 5	0	7
Level 4	0	7
Level 3	3	15
Level 2	11	5
Level 1	11	0

On-the-job Education Enhancement Program

In September 2021, we researched the education background and study status of the teachers at Yang Zheng Kindergarten and developed a 4-year undergraduate degree program and incentive scheme to encourage all teachers to obtain their undergraduate degrees and to encourage them to use their spare time to complete their education. All tuition fees are borne by the company, so that teachers can improve their education and help children grow up healthily with more professional knowledge at the same time.

At present, there are 24 teachers working at Yang Zheng Kindergarten, including six teachers with bachelor's degree and 18 teachers with college diploma. With the help of the academic upgrading program, ten teachers are currently enrolled in studies. four have enrolled and taken the entrance exam in March 2022, and four more teachers are ready to take the entrance exam in September 2022. In the future, it is expected to achieve 100% bachelor's degree for Yang Zheng kindergarten teachers, of which 75% will benefit from the in-service education improvement program.

Putting Value on Health and Safety

SOHO China has paid high attention to staff's occupational health and safety. We rigorously followed the Law of the *People's Republic of China on Work Safety*, the Law of the *People's Republic of China on the Prevention and Control of Occupational Disease*, and other laws and regulations. We follow the certification requirements of the Occupational Health and Safety Assessment Series (ISO45001) and formulate and implement internal management policies such as the Work Safety Management Manual, the *Environment and Occupational Health Operation & Control Procedures*, the *Control Procedures for the Identification of Sources of Danger and the Evaluation and Control of Risks*, and the *Measures for Handling Major Death and Injury Accidents in Project Management* to consolidate regular safety supporting measures in daily management, implement safety patrol inspections and emergency management, strengthen supplier safety management, and ensure the occupational health and safety of our employees. In the past three years, there was zero fatal work-related accidents.

Regular Safety Measures of SOHO China

Fire safety responsibility management	<ul style="list-style-type: none"> SOHO China clarifies the attribution of rights and liabilities for fire safety work in the system to ensure effective fire safety management.
Hazard management	<ul style="list-style-type: none"> SOHO China has rigorously followed the <i>Regulations on the Safe Management of Dangerous Chemicals</i>, and conducts monthly special inspection on dangerous areas like storage places of flammable and combustible materials to address the sources of danger immediately and eliminate potential safety hazards. SOHO China manages the sources of danger at the project site on a regular basis, establishes rules for the access of stakeholders, approval of operations and issuing of permits. Field supervision and inspection is regularly carried out to ensure that the ground of the project sites remains smooth and undamaged, and that the manholes are placed properly. We set up warning signs to remind constructors the danger sources involved in construction to ensure construction safety.
PPE management	<ul style="list-style-type: none"> SOHO China offers protection measures above the industrial average to front-line workers and special operators according to the nature of high-risk jobs and special jobs, providing noise-proof earplugs, insulating boots and gloves, anti-static clothing, etc. We also provide refreshment to outdoor workers in the summer and subsidies for high temperature to showcase our support.
Safety facility management	<ul style="list-style-type: none"> SOHO China strictly complies with laws and regulations with safety facilities. On one hand, we have purchased and are equipped with a variety of fire safety facilities such as the firefighting water system, automatic fire alarm system, emergency lighting system, evacuation indication system, fire extinguisher, to guarantee the discovery of fire in the first time and put out it at the very beginning; on the other hand, we install alarm devices, emergency rescue equipment and facilities and open exit passageway in public areas to ensure the safety of these areas.
Employee safety awareness training	<ul style="list-style-type: none"> SOHO China specifies workplace safety regulations in employment contracts and the Employee Handbook, and prevents the impact of occupational safety and health risks on different types of people, such as women, men, the disabled, and inexperienced and young workers by informing them of occupational safety and health regulations and risk management plans. SOHO China regularly organizes safety trainings for all employees to improve their knowledge and ability to judge risks and handle unexpected situations. We require the staff in key positions to shoulder the responsibility of safety management, to promptly identify dangerous or malfunctioning facility situations, and to promptly notify department managers, safety officers and engineering maintenance personnel to the site to deal with them.
Safety assessment	<ul style="list-style-type: none"> SOHO China takes into account the safety accident evaluation results when determining employees' performance salaries, implements regular safety control by means of institutional punishment and cancellation of bonuses.

To prevent accidents from happening, SOHO China sorts out all project risks, strengthens safety inspections, organizes all departments and posts to conduct regular inspections and maintenance of safety-related equipment and facilities, and pay close attention to the management of alarm devices, emergency rescue equipment and exit passageways in crowded public spaces. If problems arise, they will be addressed immediately to ensure the normal operation of safety facilities.

SOHO China keeps improving its emergency response mechanism and takes substantial steps to implement the emergency mechanism. In 2021, to integrate the *Safety Accident Emergency Response Plan*, we identified essential management and control targets and clarified the emergency response to relevant managers and ordinary employees when facing dangerous situations, including fire, flooding, electric shock, poisoning and asphyxiation, mechanical injuries, vehicle injuries, object strikes, falls from height, elevator accidents and other emergencies. Meanwhile, we improved emergency drill training so that all staff could understand and use emergency knowledge practically.

SOHO China attaches great importance to the COVID-19 pandemic and works with its employees to overcome difficulties, and carry out front-line prevention and control to combat the pandemic in all directions. We raise the prevention and protection awareness of our employees through publicity, provide an adequate allocation of basic epidemic prevention materials for on-duty staff, strictly enforce pandemic disinfection, and actively arrange our employees to be vaccinated in batches. We achieve zero errors and zero infections during the pandemic and make every effort to protect our employees' lives and physical and mental health.

In addition, SOHO China actively assists suppliers in implementing their safety management responsibilities and managing and controlling suppliers' health and safety risks. We educate suppliers of high-risk operations about occupational hazards, encourage them to participate in safety training, and urge them to ensure safe production.

2021 Occupational Safety Management

Work-related fatalities	Person	0
Lost hours from work-related injuries	Hour	1,764
Employee health check-up coverage	%	100.00

As previously mentioned, please also disclose the number of work-related fatalities of the Company for FY2019 and FY2020.

Valuing Employee Care

SOHO China has taken many concrete actions to ensure that employees feel the “heartfelt love and continuous warmth”, ensuring that “staff care” is not just a slogan.

Employee Care

SOHO China constantly provides its employees with various care measures, increasing their sense of belonging and happiness through physical and mental health care, office environment improvement, assisting employees in difficult situations, and recreational and sporting activities.

<p>Ensuring employees' physical and mental health</p>	<ul style="list-style-type: none"> We regularly provide the staff annual physical examination, tooth-wash and other healthcare items, purchase commercial medical insurance for the employees and their spouses and children, offer precautionary measures against the cold and heat in winter and summer. In addition, we remind our employees to prevent seasonal influenza at the turn of a season, and offer common drugs in the Company for them.
<p>Creating clean office environment</p>	<ul style="list-style-type: none"> We regularly disinfect and sterilize office areas, install fresh air systems and air purifiers to improve indoor air quality, and equip coffee bars or pantries with optional refrigerators, microwave ovens and coffee machines to create a life-loving and healthy working atmosphere.
<p>Assisting employees in difficulty</p>	<ul style="list-style-type: none"> We set up the charity fund to provide warm relief for employees who suffer from severe diseases or major accidents resulting in extreme life difficulties. In 2021, one employee fell from his bicycle late at night and suffered head injury. The Company's charity fund assisted RMB20,000 for the operation deposit at the first time to solve the urgent need, and the Company continued to pay attention to his operation and rehabilitation needs and provide the necessary assistance.
<p>Conducting diversified recreational and sports activities</p>	<ul style="list-style-type: none"> We advocate the concept of alternating work with rest, and provide our employees with a variety of recreational, sports and leisure activities opportunities. We regularly hold birthday parties to enhance communication among employees. We have a running team, a basketball team, a soccer team, a badminton team and a table tennis team. In 2021, we held a table tennis competition in Beijing to enrich the spare time of our employees and build up their bodies.



Case Study | Renovation of Employee Dormitories

SOHO China always attaches great importance to the health of employees' living environment and is committed to providing them with a warm, harmonious, and convenient living area. In 2021, based on providing dormitories, we painted the walls, replaced lamps, sprinklers and other items irregularly, as well as updated washing machines, lockers, dryers, shoe racks, mattresses, bed sheets, etc.. Resident employees are quite satisfied with the renovated dormitories.

Enhancing Employee Satisfaction

SOHO China values employee opinions and establishes a bottom-up communication channel proactively in an institutional safeguarding way. We provide an easy way for our employees to file complaints and report violations, encourage front-line employees to submit suggestions and comments directly to the management level, and offer moral or material rewards based on the adoption degree of the suggestions. In 2021, we added an additional provision in the Employee Handbook: Employees are able to speak directly to the management. This provision dictates that if issues or suggestions raised by employees are not resolved in their departments, they can speak directly to the management level through a democratic communication meeting.

In 2021, SOHO China contracted with the Gallup Organization to conduct employee satisfaction survey. 1,667 questionnaires were sent out, and 1,534 valid responses were received, with a 92% staff participation rate. The satisfaction survey used the classic Gallup Q12 questionnaire to collect staff's voices about company innovation, basic talent development needs, manager support, staff retention, teamwork, learning and promotion, and ESG performance. The survey results reveal that SOHO China's overall employee satisfaction is slightly higher than the 75 quantiles of the real estate companies that responded to Gallup's survey, showing a high level of satisfaction in the industry. In the future, the Company will develop improvement plans based on the satisfaction survey result to continue to improve employee satisfaction.

In 2021 overall employee satisfaction higher than the 75 quantiles of the real estate industry

1,667 questionnaires were distributed, 1,534 valid feedbacks received

Employee participation rate: 92%



Practicing Public Welfare

SOHO China has been giving back to the society, and contributing its strength in terms of public welfare, education, environment, and other aspects. SOHO China Foundation was established in 2005 and carried out charitable donations by building a comprehensive organizational structure. We are actively participating in pandemic prevention and control and disaster relief, education and poverty alleviation, and other public welfare causes, gathering a long stream of warm hearts with love bit by bit.

SDGs focus in this chapter



This chapter relates to the following major sustainable development issues

- Public welfare and volunteer services
- Contribution to national and local economy



SOHO China has been insisting on giving back to the society, and contributing its strength in terms of public welfare, education, environment, and other aspects. SOHO China founded SOHO China Foundation in 2005 and carried out charitable donations by building a comprehensive organizational structure. We are actively participating in pandemic prevention and control and disaster relief, education and poverty alleviation, and other public welfare causes, gathering a long stream of warm hearts with love bit by bit.

Summary of Policies and Systems on SOHO China's Contributions to Public Welfare

SOHO China Community Investment Management Policy

Anti-Pandemic and Disaster Relief

Donating Actively, Carrying Out Anti-Pandemic and Disaster Relief

In view of the severe and complicated pandemic situation, to conduct scientific and precise prevention and control of the COVID-19 pandemic, SOHO China donated RMB10 million to the Red Cross of China Tianshui Branch in November to provide material guarantee and financial support for pandemic prevention and control in Tianshui and help the people's Government of Tianshui City and people overcome the pandemic and difficulties. Therefore, it was awarded the "China Red Cross Humanitarian Medal" issued by the Red Cross of China.

It's always our sentiment and mission to serve our country and society. In July 2021, SOHO China donated RMB10 million to the Red Cross Society of China Zhengzhou Branch for the purchase of disaster relief supplies and post-disaster recovery.

In November 2021, RMB 10 million donated for pandemic prevention and control in Tianshui

In July 2021, RMB 10 million donated for disaster relief and post-disaster recovery in Zhengzhou



Receipt of SOHO China's donation of RMB10 million for epidemic prevention and control and China Red Cross Humanitarian Medal



Education Aid

Education Aid in Western China

Education is the most fundamental driving force for social progress and change. In order to help China's education development, SOHO China actively promotes educational poverty alleviation and student aid.

In 2020, SOHO China donated RMB30 million to construct a non-profit program, the Tianshui Yang Zheng Kindergarten. At the beginning of founding the kindergarten, we set a principle: help children from poor families and let them enjoy education fairness from childhood. To avoid discrimination and prejudice, we required that the children's family backgrounds be kept confidential at the kindergarten, and children from the village and the ones from other villages, as well as children from rural and urban areas, were equal. Our advanced teaching philosophy and facilities, and professional teaching team attracted the attention of more children and parents in the surrounding areas, having a total of 180 children from Shizui Village and the surrounding villages enrolled. Most of them are poor, left-behind children. From 2021, the Company donates RMB3 million each year to the kindergarten for daily operation.



Tianshui Yang Zheng Kindergarten

In 2021, SOHO China continually donated school uniforms, stationary and sporting goods, cleaning supplies, pandemic control, and prevention supplies with a total value of over RMB500,000 to Tianshui Panjizhai School to constantly carry forward educational poverty alleviation.



Tianshui Yang Zheng Kindergarten

SOHO China Scholarship

In 2014, SOHO China initiated its scholarship project to fund Chinese undergraduates to receive further education in world-class universities. Currently, it has signed donation agreements with Harvard University, Yale University, and University of Chicago. As of 2021, a total of 285 Chinese undergraduates had benefited from it.

Rural Development Aid

Zero Carbon Library

In order to help "Rural Revitalization" and enrich the spiritual and cultural life of rural residents, SOHO China Foundation invested 20 million yuan to build a "zero carbon library" in Shizui village, Maiji District, Tianshui City in 2021 to provide cultural and leisure places for surrounding residents and serve local teachers and students such as kindergartens, primary and secondary schools and colleges and universities. The library will be completed by the end of August 2022.



Donation of Sanitation Truck and Trash Bins

To improve sanitary condition and residential environment in rural areas, SOHO China set up a specialized team to help Shizui Village, Maiji District, Tianshui for environmental protection in December 2021. SOHO China totally invested RMB400,000 to donate a sanitation truck to the villagers, transform eight garbage drop off locations, install 54 garbage sorting bins, and advocate the villagers to implement garbage sorting.



Sanitation truck donated by SOHO China Foundation to Shizui Village, Tianshui City

Lunch Donation

Furthermore, SOHO China established a restaurant named "We Are Family". The restaurant officially opened in November 2020, providing free lunch for the aged over 80 years old from Shizui Village, Mapaoquan Town, Maiji District, Tianshui, Gansu Province. In 2021, there were totally 30 elderly people benefited from the program.

Report Assurance Statement



Assurance Statement of SOHO China 2021 ESG Report

TÜV NORD (Hangzhou) Co., Ltd. ('TUV NORD') has been commissioned by the management of SOHO China Limited (SOHO China for short) to carry out an independent assurance of the SOHO China 2021 ESG Report ('report' for short) .

SOHO China is responsible for the collection, analysis, aggregation and presentation of information within the Report. TUV NORD's responsibility in performing this work (assurance of the report) is in accordance with terms of reference agreed in the scope of engagement with SOHO China. SOHO China is the intended users of this statement.

This statement is based on the assumption that the data and information provided in the report is complete and true. This report is the sixth ESG report for SOHO China, and SOHO China invites the third party to give independent assurance.

Assurance Scope

- The report revealed the accuracy and reliability for key performance, information and management system, which happened in 2021.
- We evaluate the collection, analysis, aggregation of the information and data.
- Because the economic data had been audited by the third party, we won't do double audit this time.
- Assurance of the Report was done on **28.02.2022-02.03.2022.**

Assurance Methodology

Assurance process including following activities:

- Review the document information which provide by SOHO China ;
- To combat the novel coronavirus pandemic, choose online auditing, check the emails from the person who collected the report information and communicate by immediate communication tools;
- View the related websites and media reports, verify the data and information through sampling method;
- In accordance with Appendix 27 to the Listing rules of the Stock Exchange of Hong Kong Limited (SEHK) - Guidelines on Environmental, Social and Governance, reporting on balance, comparability, accuracy, timeliness, clarity, reliability, and giving the evaluation;
- Refer to AA1000AS (2008) Assurance methodology;
- Assurance activity is based on TUV NORD ESG report assurance management procedure.

Assurance Conclusion

SOHO China Sustainability Report provide an appropriate and objective view of the sustainability & social programs and performances in 2021. The data in report is reliable and objective, TUV NORD didn't find the system error or substantial error, which meets the disclosure requirement of ESG Standards core option.

- The structure of report is complete, the revealed information is clear, easy-understand and available;
- The report take "Improving Corporate Governance": "Building a Green Ecosystem", "Optimizing Customer Services", "Building Green Supply China", "Adhering to People-oriented Idea"; "Practicing



Public Welfare” reveal 2021 SOHO China ESG idea, practice, result and typical cases;

- Determining material aspects through stakeholder survey, which feedback stakeholders’ expectation and attention.

Suggestion for Improvement

Through assurance and evaluation, we had following improvement suggestion on ESG practice and management:

- In order to improve the accuracy of the selection of substantive issues, it is suggested to further expand the survey sample in the screening and confirmation of substantive issues.
- Recommending more comprehensive disclosure of performance information to reflect the balance of reporting;
- It is recommended to add quantitative performance indicators for three years of evaluation to reflect vertical comparability of reports

Special Statement

This statement excluding:

- The activity outside information reveal;
- The position, idea, faith, object, future developing direction, and promise which stated by SOHO China.

Statement of Independence and Competence

TUV NORD Group is the world’s leader in inspection, testing and verification, operating in more than 70 countries throughout the world and providing services which includes management systems and product certification; quality, environmental, social and ethical auditing and training; environmental; social responsibility and sustainability report assurance.

TÜV NORD (Hangzhou) Co., Ltd. affirms its’ independence from SOHO China and confirms that there is no conflicts of interest with the organization or any of its subsidiaries and stakeholders when performing the assurance of the Report. TÜV NORD (Hangzhou) Co., Ltd. was not involved in any manner with SOHO China, when the latter was preparing the Report.

The team leader: Xuemei (Olina) Li

Date: 28.03.2022

The Authorized person: Haining Song

Date: 28.03.2022

Note: in case of conflict between the Chinese and English versions of the declaration, please refer to the Chinese version

HKEX ESG Indicator Indexes

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A. Environmental		
A1: Emissions		
General Disclosure		P29-31, 36, 39, 41-42
A1.1	The type of emissions and respective emission data.	P30-31, 39, 42
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P39
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P42
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P42
A1.5	Description of emissions target(s) set and steps taken to achieve them.	P30-31, 34-39
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.	P30-31, 34-37, 40-42
A2: Use of Resources		
General Disclosure		P29-31, 34-40
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A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P40
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P30-31, 34-39
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.	P30-31, 40
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Company is not a manufacturer, so these indicators do not apply to it.
A3: The Environment and Natural Resources		
General Disclosure		P7-14, 27-42

A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P7-14、 27-42
Details	Details	Page No.
A4: Climate Change		
General Disclosure		P12-14、 32-33
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P12-14、 32-33
B. Social		
B1: Employment		
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B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	P72
B1.2	Employee turnover rate by gender, age group and geographical region.	P73
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B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P80
B2.2	Lost days due to work injury.	P80
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P79-80
B3: Development and Training		
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B4: Labor Standards		
General Disclosure		P71
B4.1	Description of measures to review employment practices to avoid child and forced labour.	P71
B4.2	Description of steps taken to eliminate such practices when discovered.	P71
B5: Supply Chain Management		
General Disclosure		P61-68

B5.1	Number of suppliers by geographical region.	P66
Details	Details	Details
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P64-66
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P67-68
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P67-68
B6: Product Responsibility		
General Disclosure		P43-60
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Company is not a manufacturer, so these indicators do not apply to it.
B6.2	Number of products and service related complaints received and how they are dealt with.	P45-46
B6.3	Description of practices relating to observing and protecting intellectual property rights.	P50
B6.4	Description of quality assurance process and recall procedures.	The Company is not a manufacturer, so these indicators do not apply to it.
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P53-54
B7: Anti-corruption		
General Disclosure		P24-25
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P25
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P25
B7.3	Description of anti-corruption training provided to directors and Employees.	PP25
B8: Community Investment		
General Disclosure		P85-91
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P87-91
B8.2	Resources contributed (e.g. money or time) to the focus area.	P87-91

Reader Feedback

Thank you for reading SOHO China ESG Report 2021. In order to provide more valuable information to you and other stakeholders, and motivate SOHO China to enhance the capability and level of ESG management, you're warmly welcomed to offer your suggestions in the following ways:

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Which stakeholders do you belong to?

- Government and Regulatory Bodies Shareholders and Investors Tenants/Consumers Staff
- Suppliers /Business Partners Community Media and NGOs Trade Association/Business Organization
- Others ()

Do you think whether this report fully reflects SOHO China's environmental, social and governance performance?

- Yes Basically No

Do you think whether this report fully responds to the expectations and appeals of SOHO China's stakeholders?

- Yes Basically No

Do you think whether the quantitative information reflected in this report is objective, true and valid?

- Yes Basically No

Do you think whether the text in this report is well-organized and easily understood?

- Yes Basicall y No

Do you think whether the format design of this report helps you understand relevant information?

- Yes Basically No

Do you have any other opinions and suggestions on SOHO China's ESG management work and ESG report?

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