

2024

Environmental, Social and Governance Report



SOHO China Limited

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

2024

		Message from Chairman of the Board	01
		ESG milestones	03
		Data Highlights: SOHO China in 2024	05
01	Responsibility: Enhancing Corporate Governance	Compliance and steady operation	09
		Sustainable management	22
		Stakeholders engagement	31
02	Environmental Guardian: Building a Green Ecosystem Together	Tackling climate change	41
		Adhering on green development	73
		Implementing green operations	81
03	Commitment : Seeking Excellent Quality Service	Enhancing leasing management	95
		Enhancement of customer service excellence	114
		Safety management	127
04	Cooperation: Joining Hands with Partners for Win-Win Together	Promote green and sustainable procurement	140
		Improve supplier admission standards	142
		Carry out dynamic supplier management	143
		Building a responsible supply chain	146
05	Employee Care: Creating a Joyful Workplace	Protecting employee rights	152
		Creating a diverse and inclusive workplace	160
		Talent development strategy	163
		Enhancing employee health and safety	175
		Higher employee satisfaction	181
06	Gratefulness: Fostering Urban Development	Community engagement	187
		Promoting rural revitalisation	193
		About this report	203
		Index table of indicators	204
		Report assurance	211
		Reader feedback	216

Message from Chairman of the Board

In 2024, SOHO China, together with our clients and partners, navigated a year fraught with challenges. Confronted with profound adjustments in the real estate sector and constant external shifts, we remained steadfast in our core values of “honesty, unity, innovation and service”. Rather than resigning ourselves to complaint or inertia, we adapted our strategy, prioritizing volume over price to ensure high occupancy rates. This approach helped us avoid large-scale vacancies and the waste of social resources, allowing us to maintain stable operations. The year 2025 marks SOHO China's 30th anniversary—a journey defined by growth in times of prosperity and resilience in adversity. It is through our unwavering composure, embracing both the sunshine and the storms of the era, that we have shaped the SOHO China of today—humble yet tenacious and commendably responsible.

For the past three decades, we have been committed to pursuing ESG. Since our inception, we have upheld integrity as our core principle, thus aligning ourselves with sustainable development by coincidence. As our business becomes fully-fledged in our third decade of operations, we are determined to achieve our ESG goals, which yield significant achievements. All new projects fully comply with green building standards, while existing properties are undergoing accelerated green retrofitting. In particular, Yang Zheng Library, a zero-carbon building pioneer in China, has achieved a negative-emissions operation. In June 2024, SOHO China joined the Science Based Targets initiative (SBTi), reinforcing the transparency of carbon disclosure and emission reduction through global partnerships. It presented our image as a responsible company to the world. Throughout our three-decade evolution, we have always balanced commercial interests with our unwavering dedication to ESG, demonstrating our corporate responsibilities through concrete actions.

We incorporate the principle of integrity into corporate governance to cement the foundation for growth. Over the past 30 years, we have fostered an atmosphere of integrity in daily operations. We reject false statements, avoid financial falsification, and maintain compliant operations. This philosophy extends to our "Hexagonal Value Model," which encompasses our clients and partners. In 2024, we enhanced our governance framework, fostering company-wide synergy through cross-departmental collaboration and a clear division of responsibilities.

This resulted in a robust firewall against risks, which features a three-tiered structure supported by multifaceted policies and reinforced by multilayered internal audits, making hidden risks easily identified. Thanks to the guiding principle of integrity, we navigated huge uncertainties that plagued the real estate market in 2024 and secured steady and resilient progress.

We tackle critical tasks in energy efficiency to unlock long-term value. Since climate change is at the top of our agenda, we remain committed to reducing carbon emissions and enhancing energy efficiency to help address climate challenges worldwide. Upon receiving SBTi validation, we pledge to reduce emissions by 4.7% annually from our 2021 baseline, aiming for a 42% emission reduction by 2030. We also embrace digital transformation by upgrading our energy management platform to an AI-driven energy and carbon management platform and leveraging the new tech wave to optimize energy efficiency. We procure green power to facilitate the transition towards clean energy. In 2024, the 24 property projects under our management adopted a meticulous approach to exploring low-carbon solutions for tech-powered buildings, lowering emissions by 16.6% from 2021 and meeting our target. Cooling the planet holds the key to our future, and with technology as our ally, we remain confident in our sustainability journey.

We leverage green technology to create a new ecosystem. **Developing green buildings and offices is our relentless pursuit.** In 2024, we launched 20 green-furnished property units (7,758 square meters), designed with energy conservation and eco-friendliness in mind, which set a green benchmark for expertly constructed office buildings. Beyond construction, we also promote the Green Leasing Advocacy Contract by embedding green-related clauses into standard contracts and requiring tenants to adopt energy-saving technologies in decoration and daily operations. This has helped communicate the concept of green buildings to tenants. Over the past two years, 100% of new tenants have signed the Green Leasing Advocacy Contract (1,241 agreements in total). This model fosters collaborative low-carbon transformation across the industry's value chain, bringing us closer to our beautiful vision of a sustainable office ecosystem with tenants.

We put people first and pool the strengths of all stakeholders. We fully recognize that, under the pressure of an economic downturn, our employees, tenants, and partners have each encountered varying degrees of challenges. However, we are convinced that the ultimate solution lies in collective warmth and solidarity, rather than negligible individual efforts. In 2024, we expanded our payroll to 1,650 employees, without resorting to layoffs or salary cuts. We also delivered more than 2,200 training sessions for 35,000 participants. Our commitment to the community remains unwavering, as is reflected in our active engagement in local, rural, and volunteer activities. The Yang Zheng Library, as a cultural beacon, hosts a series of community public welfare activities, benefiting 11,000 individuals through the power of knowledge. At the same time, Yang Zheng Kindergarten enhances teacher training in all aspects, with a focus on providing high-quality education to impoverished regions. Our volunteer actions also develop in tandem, with volunteers contributing nearly 2,000 hours of service. While our physical presence may have limits, the impact of our goodwill knows no bounds. The power of unity is immense, capable of dispelling despair and spreading warmth and hope even in the toughest times.

ESG represents not only corporate governance and responsibility but also the foundation of long-term value. As we mark our 30th anniversary, we reflect on a journey shaped by both challenges and triumphs, with a promising future ahead. SOHO China will continue to align with China's 14th Five-Year Plan green building policies. In every challenge, we see opportunities; through each transformation, we create value. In the vast expanse of time, small as we may be, we strive to shine differently. Stronger and more determined than ever, we look forward to collaborating with all stakeholders to achieve a harmonious balance between business and the environment, contributing to a brighter future for all.

Chairman of the Board, SOHO China
Xu Jin

ESG milestones

SOHO China's Near-Term Science-Based Targets have been approved by the SBTi, leading the green transformation of commercial properties

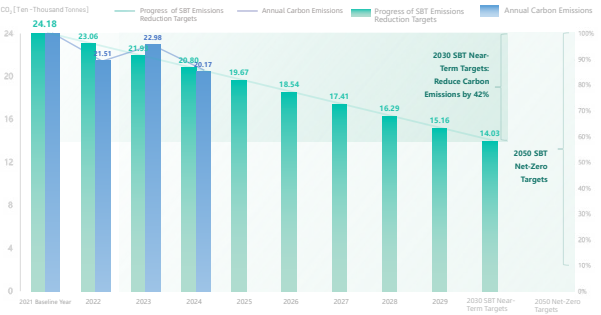
On June 18, 2024, SOHO China's Near-Term Science-Based Targets were officially approved by the SBTi. The target aligns with the Paris Agreement's goal of limiting global temperature rise to 1.5°C. The SBTi validation signifies that SOHO China's carbon reduction target meets the latest climate science standards, marking a significant milestone in The Company's green development journey. SOHO China is the eighth real estate company in mainland China to have its science-based carbon target approved by the SBTi and to commit to achieving the Net-Zero target.



Guided by our SBTi 2030 target, SOHO China joins hands with upstream and downstream partners to advance carbon reduction efforts

In the global context of addressing climate change, SOHO China is committed to sustainable development while advancing carbon reduction actions. SOHO China has pledged to reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 42% by 2030 from the 2021 baseline year. In addition, The Company is committed to reducing absolute Scope 3 emissions from purchased goods and services, use of sold products, and downstream leased assets by 42%. As we implement carbon reduction actions, SOHO China not only focused on achieving key targets but also fostering a low-carbon development environment across the supply chain and tenant base. From 2022 to 2024, The Company reduced 78,983 tonnes of greenhouse gas emissions under the SBT (Science-Based Targets) framework. In line with the near-term targets of the Science-Based Targets initiative, the total emissions in Scope 1, 2, and 3 decreased by 16.6% in 2024 compared to the baseline year, achieving the established emission reduction targets.

To meet our carbon reduction goals, The Company advances energy-saving technological improvements in all aspects, optimizes the energy management system, and promotes the use of renewable energy. We unleash carbon reduction potential in all links. The Company also focuses on carbon emissions from downstream leased assets and sustainable supply chains. We regularly conduct ESG training to raise environmental awareness among employees and partners. Additionally, through ESG surveys among suppliers, we identify and scientifically evaluate ESG risks across the entire supply chain lifecycle, laying a solid foundation for a green supply chain. Moreover, The Company provides tenants with the Green Leasing Guidelines for collaborative green operations.



SOHO China receives the certification of the ISO 37301 compliance management system

ISO 37301, the latest international compliance management standard, is designed to prove that organizations establish efficient compliance management systems that conform to laws, regulations, and industry standards. In November 2024, SOHO China completed the ISO 37301 compliance management system certification. The PDCA (Plan-Do-Check-Act) methodology embedded in this standard covers the full process of establishing, operating, maintaining, and improving a compliance management system. It provides an integrated solution based on compliance governance principles for companies to establish and operate a compliance management system, and spread a positive compliance culture. By obtaining the certification, SOHO China builds an effective compliance management system, effectively controls compliance risks, and improves our overall compliance capability, integrity, and brand reputation.



ISO 37301: Compliance Management System Certification

Data Highlights: SOHO China in 2024

Economic development	0.91 <small>million square meters</small> Leasable property area	RMB 1,535 <small>million</small> Rental income	77.7% The average occupancy rate of investment property	
	83% Gross profit margin of leasing business	41% Net gearing ratio	4.1 <small>million square meters</small> Area of property service under management	
Environmental responsibility	100% Proportion of the primary investment property portfolio that has achieved green/healthy building certifications	90% Proportion of asset value of certified construction in total asset value	9 Number of LEED certification	5 Number of green buildings with operation label
	8 Number of buildings certificated with WELL HSR	39,874 <small>megawatt hours</small> Annual energy savings	19.3% Energy saving rate	78,983 <small>tonnes</small> SBT cumulative greenhouse gas emissions reduction
Social responsibility	99.9 <small>Points</small> Customer satisfaction	RMB 118.8 <small>million</small> Annual rent deducted	100% Rate of suppliers signing the <i>Supplier Green Procurement and Business Ethics Commitment Letter</i>	
	4.7 <small>Points</small> Employee Net Promoter Score (NPS) (out of 5 points) Employee participation rate	26.6 <small>hours</small> Average training hours for employees	1,724 <small>hours</small> Employee volunteer service time	RMB 5.1 <small>million</small> Contributions to society by SOHO China and our affiliated companies

Responsibility

Enhancing Corporate Governance

SDGs focus in this chapter

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS



SOHO China has established a sound governance mechanism and risk control procedures and continuously optimized the ESG governance framework and ESG policy system to control operational risks. We maintain smooth communication with stakeholders, and actively respond to the expectations and demands of stakeholders, ensuring the sustainable and healthy development of The Company.

This chapter relates to the following major sustainable development issues:

- Business ethics
- Risk management
- Compliant operation
- Corporate governance
- Stakeholder engagement

Compliance and steady operation

Standardized corporate governance

Following the relevant requirements of Appendix C1 Corporate Governance Code of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), SOHO China sees corporate governance and ESG matters as a crucial part of corporate compliance governance and has been continuously improving the compliance governance system, so that we can constantly improve our compliance governance, and comprehensively cultivate corporate compliance culture.

Seeing law-abiding and compliance as essential prerequisites for The Company's stable development, SOHO China strictly abides by relevant laws and regulations. We have established a system for controlling risks in business operations and ethics to continuously improve The Company's compliance and risk control.

Corporate governance system

In strict accordance with laws, regulations, and relevant supervision provisions such as the *Companies Ordinance*, *Securities and Futures Ordinance*, and *Environmental, Social and Governance Reporting Code*, which is Appendix C2 under the Listing Rules, SOHO China has established a standardized and orderly governance structure. In this regard, The Company has established the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Environmental, Social and Governance (ESG) Committee under the Board of Directors (the "Board") to assist the Board in management and supervision and to regularly report to the Board to promote the compliant, scientific, and efficient operation of corporate governance.

During the Reporting Period, The Company held 1 General Meeting , 5 Board meetings, 3 meetings of the Audit Committee, 1 meeting of the Remuneration Committee, 1 meeting of the Nomination Committee, and 1 meeting of the ESG Committee. The convening and voting procedures are conducted in compliance with laws and regulations, the Articles of Association and relevant rules of procedures which ensure that all significant decisions are legal, compliant, true, and effective and that shareholders can exercise their rights in accordance with the law.

Key performances:

In 2024, SOHO China completed the certification of ISO 37301 Compliance Management System Certification

Board Independency and Diversity

SOHO China believes that Board diversity and independence are crucial to fairness and objectivity. We have formulated the SOHO China Board of Directors Diversity Policy and selected candidates of the Board following the talent-oriented principle and based on diversified indicators, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge, and service terms.

From the perspective of Board independency, Mr. Huang Jingsheng, Mr. Xiong Minghua, and Mr. Zhang Mingeng in the Board are all independent non-executive Directors. Mr. Huang Jingsheng has extensive experience in the investment industry, having worked for well-known institutions and having a strong academic background. Mr. Huang received an M.B.A from Harvard Business School, an M.A. from Stanford University and a B.A. from Beijing Foreign Studies University. His rich experience and professional knowledge enable him to independently and objectively provide strong support for board decisions. Mr. Xiong Minghua has outstanding achievements in the field of technological innovation, and his profound accumulation in the technology industry enables him to independently express his opinions and participate in decision-making from the perspective of professional technology and innovative development in the Board. Mr. Zhang was accredited the degree of Doctor in Jurisprudence. As one of the leading personnel in real estate industry in China, Mr. Zhang was the chairman of China Real Estate Investment Fund Alliance and the vice-chairman of China Real Estate Chamber of Commerce. Over the years, Mr. Zhang has accumulated insights in macro-economy and the trend and investment in real estate industry, and has abundant practical experiences in the operation of real estate projects. His legal background and industry influence provide independent guarantees for the compliance of board decisions and industry foresight.



SOHO China Corporate Governance Framework

Key performances:

In 2024, among the members of SOHO China's Board of Directors, there are

2 female directors accounting for 28.57%

3 independent directors accounting for 42.86%

5 industry experts accounting for 71.43%

From the perspective of board diversity, board members have diverse professional backgrounds, industry experience, and educational backgrounds. Ms. Xu Jin, Chairman of the Board and Co- CEO of the Company, has over 20 years of relevant experience in the real-estate industry in China. and has held multiple important positions in the Company. She has a profound understanding of the overall operation and management of the Company. Mr. Qian Ting, is an executive Director and Co-CEO of the Company., has 20 years of experience in real estate sales and leasing, with rich practical experience in property leasing and sales. Mr. Huang Jingsheng, an independent non-executive Director, has extensive experience in the investment field, covering various aspects such as venture capital and private equity investment; Mr. Xiong Minghua focuses on the field of scientific and technological innovation, and has made outstanding achievements in the management and technology research and development of Internet and technology enterprises; Mr.Zhang Mingeng has a profound accumulation in the real estate industry and legal field. This diverse background enables the Board to comprehensively consider different perspectives and professional knowledge in the decision-making process, promote the comprehensive development and strategic formulation of the Company, and ensure the stable progress of the Company in the complex and ever-changing market environment.

Controlling the operational risks

Since its establishment, SOHO China has always highly valued the construction and improvement of risk management and internal control systems. We constantly adhere to sophisticating The Company's risk prevention lines of defense, enhancing risk treatment capabilities, and cultivating risk control ideas to ensure effective prevention in advance, timely response during the process, and efficient handling afterwards.

Operational risk control

- **Risk assessment:** In accordance with the ISO 31000:2018 Risk Management Guidelines, SOHO China assesses risks in The Company's operational processes and recognizes, and prioritizes material risks after comprehensively considering The Company's future business direction, trading frequency, and amount.
- **Risk control:** The Board and the management are responsible for the implementation, improvement, evaluation, and monitoring of the risk management system and internal control procedures. Based on the types of risks, they adopt appropriate handling methods and, following the principle of comprehensiveness, cover various businesses and matters of The Company and all functional departments. The Audit Committee assists the Board in supervision and corporate governance and conducts internal monitoring of The Company's compliance risk management. The Internal Audit Department of The Company regularly reports to the Audit Committee to provide independent assurance for the effectiveness of the risk management functions.
- **Effectiveness evaluation:** The Risk Management Department and the Internal Audit Department have established a unified risk system and risk assessment standards. They follow up on rectifying existing risks' progress, and regularly report comprehensive opinions on relevant risks to the Audit Committee and other committees. They also evaluate the effectiveness of current monitoring measures to ensure that the formulated risk disposal plans can effectively prevent risks.

In 2024, according to the characteristics of SOHO China's business, the Risk Management Working Team identified and evaluated 8 tier-1 risks and 35 tier-2 risks. They formed a Risk Register and developed corresponding response measures for all risks to ensure effective risk control. The Risk Management Working Team will update the Risk Register biennially and reassess all risks to ensure The Company's risk management effectiveness.

Business ethics risk control

SOHO China has always firmly adhered to the philosophy of "adhering to business ethics and operating with integrity, and regards anti bribery and anti-corruption work as important cornerstones for enterprise development". The Company has carefully formulated the Anti-Bribery and Corruption policy, the implementation channels of anti-bribery training, the channels and processes for complaints and reports the handling channels for violations, and the focus and methods of internal audits.

At the level of responsibility practice, SOHO China comprehensively and deeply covers this policy to the entire scope of The Company's business. From the perspective of internal personnel, it covers every individual involved in the operation of The Company, including directors, senior management, full-time employees, contract workers, part-time employees, interns, etc. In 2024, The signing rate of the *SOHO China Integrity Standards and Business Ethics Management Policy Compliance Confirmation Letter* has reached 100%, ensuring the formation of a clean and upright working atmosphere within The Company. From the perspective of external organizations, The Company actively strengthens close ties and deep cooperation with external stakeholders such as tenants, contractors, partners, and suppliers. By carrying out diversified anti-corruption publicity activities, we aim to raise external organizations' awareness of the importance of anti-bribery and anti-corruption. At the same time, establish a sound management mechanism to strictly supervise business dealings with external organizations. In cooperation with suppliers, it is required that they sign the *"Green Procurement and Business Ethics Commitment Letter"*, with a signing rate of 100% by 2024. The "Business Ethics" section of this commitment letter explicitly requires suppliers to comply with anti-corruption laws and regulations in the country/ region where they operate, strictly prohibit any form of bribery, corruption, extortion, instigation, and money laundering, and not provide, promise, pay, or solicit money or other benefits. Through these measures, SOHO China and external partners work together to create a fair, just, transparent, and clean business ecosystem, maintain The Company's good business reputation and market image, and achieve win-win development between enterprises and external partners.

Key performances:

100%

Rate of employees signing the *SOHO China Integrity Standards and Business Ethics Management Policy Compliance Confirmation Letter*

100%

Rate of employees signing the *Supplier Green Procurement and Business Ethics Commitment Letter*



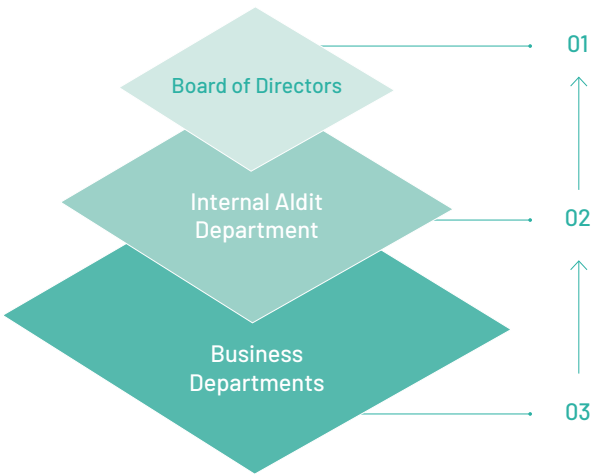
SOHO China Risk Management Procedure



In 2024, SOHO China strictly adhered to regulatory documents such as the SOHO China Integrity Standards and Business Ethics Management Policy Compliance Confirmation Letter, Complaint and Report Handling Policy, clarifying management standards and requirements in anti-bribery, interest conflicts, insider trading, competition and anti-monopoly, and due diligence of sustainability.

In addition, we continue to promote the three lines of defense for our business ethics governance, namely the Board of Directors, Internal Audit Department, and business departments, to strictly implement business ethics risk management. In this system, the Board of Directors is responsible for supervising the business ethics of The Company. The Internal Audit Department mainly audits the Group's business ethics of all business operations, conducts independent investigations on risk alerts received, and reports the audit results and investigation results to the Board. Business departments are responsible for daily supervision of integrity practices, and regular internal self-inspections, promptly identifying corruption risks, and reporting to the Internal Audit Department.

In 2024, SOHO China continued to conduct special internal audits on business ethics and anti-corruption for all businesses of The Company, including business process risks, tenant qualification review, intermediary corruption, supplier business ethics, anti-corruption and professional ethics compliance, and anti-monopoly. The internal audit covered the whole Company and formed the SOHO China Business Ethics and Anti-Corruption Special Audit Report 2024.



SOHO China's three lines of defense for business ethics governance

Key performances:

70	100%	0	6	64
Non-conformities found	Completion rate of rectification on time	High-risk matters	Medium-risk matters	Low-risk matters

12	2	100%	0
Integrity inspections conducted: Focused on business ethics and anti-corruption	Non-conformities found	Completion rate of rectification on time	Lawsuits related to corruption and bribery in 2024

2	1,650	100%
Anti-corruption (integrity practices) training sessions	Participants in anti-corruption (integrity practices) training sessions	Training participation coverage, including directors, full-time employees, contract workers, part-time employees, interns, and suppliers.

● Complaints and reports

The Company has regulated procedures for reporting and investigating various rule-violation and disciplinary actions within The Company and encourages all employees and stakeholders (suppliers and partners, etc.) to report all inappropriate behavior related to The Company. We have clearly defined the whistleblower protection policy in the *SOHO China Complaint Report Handling Policy*. We keep all reported data confidential and ensure whistleblowers to receive fair treatment, and we will take reasonable measures to protect them from potential retaliation or adverse treatment.

Complaint registration: Anyone can file complaints via hotline, email, or mail. The Internal Audit Department registers all complaints in the complaint log, documenting the whistleblower, complaint content, and the date.

Complaint investigation and handling: The Internal Audit Department conducts an initial assessment of the nature of the reported complaints and implements corresponding handling procedures based on the specific circumstances. If the complaint involves suspected corruption or misconduct by internal employees, the Internal Audit Department transfers the case to the department head of the reported individual. The department assigns a designated person to assist in collecting evidence, which is then submitted to the Legal Department and Human Resources & Administration Department for joint reporting to the public security authorities for investigation and legal action. The Human Resources & Administration Department issues handling recommendations. If the complaint involves only external parties with no indication of internal employee involvement, the Internal Audit Department forwards the case to the relevant department for verification and handling. For cases involving external partners, suppliers, or bidding participants, the Group's Bidding and Procurement Center and Platform Management Center blacklist the involved parties in accordance with the Blacklisted Supplier Management System.

Complaint handling results feedback: The relevant responsible departments are required to submit the verification conclusions, follow-up handling recommendations, and optimization plans generated from the aforementioned work to the Internal Audit Department. The Internal Audit Department is responsible for overseeing the fairness of the complaint handling by the relevant responsible departments and ensuring the implementation status of follow-up plans, and completion of closed-loop management of complaints and reports.

During the Reporting Period, SOHO China did not have any litigation cases related to bribery or corruption.

● Fair competition

SOHO China strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations to encourage and protect fair competition. We avoid participating in arrangements like price manipulation, collective boycott, and market fragmentation, avoid exchanging sensitive data that affects competition, avoid imposing restrictions on customers or suppliers, and avoid abusing market dominance to effectively protect the legitimate rights and interests of all stakeholders and to ensure the healthy development of the socialist market economy.

During the Reporting Period, SOHO China reported no involvement in any legal proceedings related to unfair competition.

Reporting channels

Email for whistleblowing:

neishen@sohochina.com

Hotline for whistleblowing:

+86-10-5878-8557

Address:

Internal Audit Department, SOHO
China Limited, 11/F, SOHO A Building,
No. 6, Chaowai Street, Chaoyang
District, Beijing, China

Postal code:

100020





Public opinion risk management

In 2024, SOHO China continued to improve its existing public opinion monitoring mechanism by covering various kinds of media channels, and domestic and foreign regions, expanding and updating the industry and tag storehouse, and continuously optimizing keyword management to ensure timely response to public opinions of The Company.

- **Regular public opinion monitoring**
We constantly produce daily media monitoring reports and grasp the direction of public opinion timely by collecting daily media reports.
- **Emergent public opinion and crisis management**
By implementing the full process - identification, early warning, tracking, analysis and summary, we have established a process of negative information feedback and a response mechanism for crisis public relations, where key negative public opinions and negative news are timely reported to the management and response strategies are developed in advance to efficiently manage negative public opinions.

Intellectual property protection

SOHO China attaches great importance to intellectual property protection and strictly abides by the laws and regulations such as *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*, and *the Patent Law of the People's Republic of China* to strictly protect intellectual property and prevent infringement. During the Reporting Period, SOHO China reported no legal proceedings related to intellectual property.

SOHO China's intellectual property protection

Stricken brand logo standard	We develop detailed rules and requirements on using brand logo, and strictly standardise the advertising of the headquarters, subsidiaries and branches.
Optimized trademark management	We establish a legal management platform, conduct trademark management systematically, timely update trademark information and status, and effectively manage trademarks.
Protect intellectual property of the third party	We include the provisions and agreements oncerning the infringement of intellectual property such as software development and scheme design copyright and potential interest disputes in the contract signed with the third party, and state confidentiality duties to suppliers in the form of confidentiality clauses in major contracts.

Governance

Improve the operational management resilience of The Company, and repay the stakeholders with steady economic growth.



Society

Continuously investing in community public welfare construction, effectively demonstrating corporate social responsibility and commitment.



Employees

Uphold honesty, unity, innovation and service, and build a diversified and industry-leading professional team.



Partners

Establish long-term partnership and transmit ESG value.



Sustainable management

In 2024, SOHO China adheres to and deepens the ESG values established in 2023, and continues to make efforts in the six pillar directions to promote corporate ESG practices to new heights.

ESG value

SOHO China keeps deepening the sustainability (ESG) values. Following the United Nations Sustainable Development Goals (SDGs), we have formed an ESG value model: Resilient development, Green and low-carbon , Dedicated service, Win-win Together, People-oriented, and Gratitude as six pillars of ESG values, comprehensively promote the sustainable development of enterprises and create long-term value for society and the environment.

Resilient development, laying a solid foundation for sustainable development: faced with a complex and ever-changing market environment and many uncertain factors, SOHO China regards resilient development as a key pillar. The Company continuously optimizes its asset structure, conducts refined management and evaluation of the properties, enhances the risk resistance of the assets, and ensures stable operational performance even in market fluctuations, laying a solid foundation for the sustainable development of the enterprise.

Green and low-carbon, helping to achieve carbon neutrality goals: green and low-carbon is an important focus of SOHO China's ESG strategy. The Company actively responds to energy conservation and emission reduction, as well as the national "dual carbon" policy, and implements green concepts throughout the entire life cycle of buildings.

Dedicated service, to enhance customer satisfaction and loyalty: customers are the important cornerstone of SOHO China's development, and dedicated service is the principle that The Company always adheres to. The Company continuously improves the customer service system and creates an intelligent service platform to provide customers with thoughtful and convenient service experiences, enhancing customer satisfaction and loyalty.

Win-win Together, building a sustainable development ecosystem: SOHO China deeply understands the power of cooperation and adheres to the concept of win-win cooperation, establishing long-term and stable cooperative relationships with suppliers and partners. The Company prioritizes suppliers with good ESG performance to jointly carry out energy-saving and emission reduction projects, achieving coordinated development of the industrial chain.

People-oriented, unleashing employees unlimited potential: employees are SOHO China's most valuable asset, and the concept of People-oriented runs through The Company's human resource management. The Company inspires employees' unlimited potential by providing rich training and broad career development opportunities. At the same time, pay attention to the physical and mental health of employees, carry out rich and colorful employee activities, and create a positive and uplifting corporate culture atmosphere.

Gratitude fulfilling social responsibility and demonstrating responsibility: as a corporate citizen, SOHO China always remembers the mission of gratitude and feedback to society. By actively participating in public welfare undertakings, paying attention to social hot issues, and contributing to solving social pain points.

Environment

Pursue the harmony and unity of nature, people, and architecture, and explore green and low-carbon development.



Clients

Committed to improving client service management level, strive to provide customers with more intimate service experience.



ESG governance structure

SOHO China continuously adjusts and refines the ESG framework to improve its sustainability management, forming a three-tier management structure of "Board of Directors -ESG Committee- ESG Working Group".

Board of Directors	It oversees and coordinates ESG initiatives, listens to and approves suggestions from the ESG Committee, and includes ESG factors in the business decision.
ESG Committee	Members appointed by the Board. It reports ESG issues to the Board and supervises the formulation and implementation of The Company's ESG vision, strategy, objectives, and policies.
ESG Working Group	Its members consist of all functions, with several ESG working teams under it; directly led by the ESG Committee, it executes ESG projects and launches and implements works in environment and climate, employment and labor, sustainable procurement, products and customers, anti-corruption, community investment, and risk management, guiding ESG practice. It regularly reports to the ESG Committee.



ESG public policy

SOHO China has published a total of 15 sustainability-related policies, which are available on The Company's official website (<https://esg.sohochina.com/>) for public review and supervision. In 2024, SOHO China newly revised 5 policies to continuously improve The Company's sustainability management.

Governance

SOHO China ESG Committee - Terms of Reference	SOHO China Policy of Payment, Recovery and Deduction of Performance-based Salary [△]
SOHO China Board of Directors (BOD) Diversified Policy	SOHO China Anti-Bribery and Corruption Policy [△]
SOHO China Integrity Standards and Business Ethics Management Policy [△]	SOHO China Complaint Report Handling Policy

Environmental

SOHO China Environmental Management Policy [△]	SOHO China Management Policy to Address Climate Changes [△]
SOHO China Biodiversity Protection Policy	SOHO China Green and Healthy Building Policy
SOHO China Green Lease Policy	

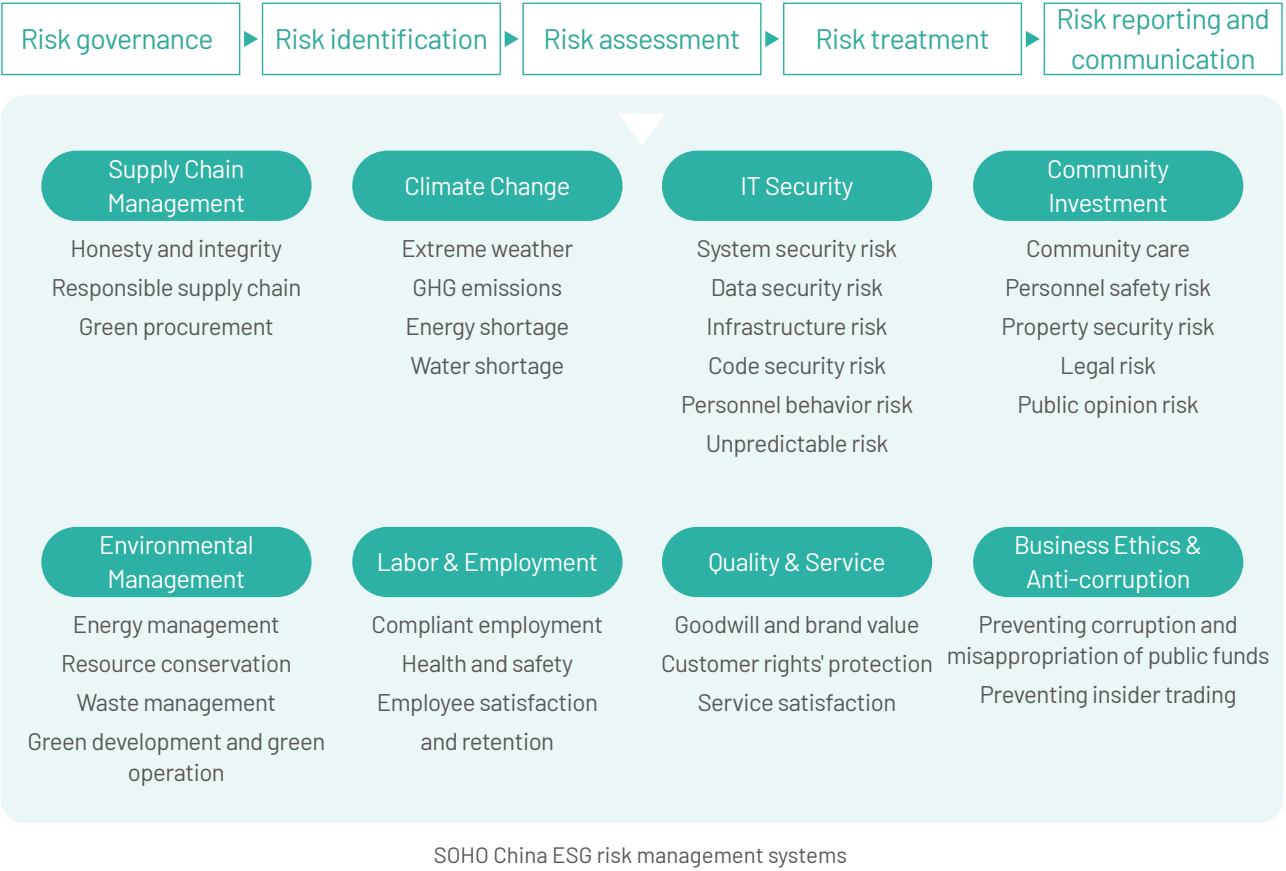
Social

SOHO China Fair Hospitality and Marketing Management Policy	SOHO China Management Policy for Employment and Labor Standards
SOHO China Community Investment Management Policy	SOHO China Green Procurement and Sustainable Supply Chain Management Policy

[△] indicates that this policy is revised in 2024

ESG risk management

Believing that effective risk management is crucial, SOHO China includes ESG risks in daily risk management. In 2024, according to the ESG Risk Management System, we established a three-tier structure and responsibilities of the " Board of Directors- ESG Committee - ESG Risk Management Working Team". Through the ESG Risk Management Working Team, we stipulated risk management procedures, forming a complete risk management system to promote the orderly development of risk management work.



Following the risk management procedures, the ESG Risk Management Working Team will conduct risk identification, evaluate processes and develop risk response measures annually. They will regularly report The Company's risk management system products to the ESG Working Group, ESG Committee, and other relevant stakeholders, providing reference for The Company's business decision-making.

In 2024, according to the characteristics of SOHO's business in China, the Risk Management Working Team identified and evaluated 8 tier-1 risks and 35 tier-2 risks. They formed a Risk Register and developed corresponding response measures for all risks to ensure effective risk control. The Risk Management Working Team will update the Risk Register annually and reassess all risks to ensure The Company's risk management effectiveness. The main content of the Risk Register is shown in the table below:

Issues	Potential ESG risks/ opportunities	Response Measure
Environmental management		
<ul style="list-style-type: none">Energy managementResource efficiencyWaste managementGreen development and green operation	<ul style="list-style-type: none">Not at the expense of the environment; integrate environmental management into the business process, strategic direction, and decision-making, take environmental responsibilities in accordance with the law, reach environmental goals, avoid the not-in-my back-yard attitude, create long-term positive impacts on production and operation	<ul style="list-style-type: none">Improve environmental management systems and policiesContinuously track environmental management goals and performanceRegularly carry out energy auditApply energy conservation equipmentWaste reduction, recycling and harmless utilizationAdvocate green leasing
Climate change		
<ul style="list-style-type: none">Extreme weatherGHG emissionsEnergy shortageWater shortage	<ul style="list-style-type: none">Physical risks and transition risks brought by the dynamics and uncertainty of climate change may lead to asset impairment or lossChanges in the climate and environment lead to changes in investor sentiment and expectations in the capital market, causing fluctuations in asset pricesAdjust the technology and business structure to respond to the high cost caused by climate change regulations	<ul style="list-style-type: none">Join CDP questionnaire filling to enhance the influence of the capital marketConduct quantitative risk assessment and regular revision of climate related financial information disclosure (governance, strategy, risk management, metrics and targets)The scientific carbon target has been approved by SBTi
Quality and service		
<ul style="list-style-type: none">Improving leasing managementGoodwill and brand valueProtection of customers' rightsService satisfaction	<ul style="list-style-type: none">Analyze and study macroeconomic policies both domestically and internationallyPioneer green leasing and customer environmental health in the domestic market, provide quality services and improve brand value and goodwillImprove service quality, care and respond to the real needs of customers, increase customer satisfaction and maintain good customer relations	<ul style="list-style-type: none">Strictly practice related policies, such as Client Satisfaction Survey SystemFlexibly adjust pricing strategies and build a diversified tenant structureInclude quality service into performance assessmentCommitment to treating customers and marketing fairlyConduct office environment satisfaction surveyConduct internal and external customer satisfaction surveys

Issues	Potential ESG risks/ opportunities	Response Measure
Supply chain management		
<ul style="list-style-type: none">Contract fulfillment with integrityResponsible supply chainGreen procurement	<ul style="list-style-type: none">Be realistic and pragmatic, satisfactorily perform the contract terms and conditions as required, and build a good company imageAssess and screen on suppliers, improve suppliers' environmental and social performance, select qualified suppliers, and promote sustainable supply chainsIntegrate the concept of green and low-carbon development into procurement, prefer environmentally friendly products and services which save water, energy, and materials, connect green production and green consumption, build a green market with the upstream and downstream of the supply chain	<ul style="list-style-type: none">Improve the Measures on the Management of Procurement and Tendering, graded and classified assessmentStrengthen the closed-loop management of supplier access, contract signing, evaluation and withdrawalConduct supplier ESG questionnaire survey and trainingPurchase environmentally friendly products and services
Employment and labor		
<ul style="list-style-type: none">Compliant employmentHealth and safetyEmployee satisfaction and retention	<ul style="list-style-type: none">Avoid legal disputes or penalties arising from the employment of child labor, discrimination incidents, forced labor incidents, and infringement of employees' legitimate rights and interests, which may damage The Company's image and reputationPay attention to employee health and safety, focus on improving employee satisfaction, mobilize employees' subjective initiative, reduce employee turnover rate, improve work efficiency, enhancing overall efficiency and market competitiveness	<ul style="list-style-type: none">Revise and strictly implement the Employee Handbook, adhere to legal and compliant employment, equal pay for equal work, and create a culture of inclusivityRegularly evaluate and improve workplace conditions, conduct monthly inspections of water equipment, ensure stable water quality, and other measures to create a healthy and safe working environment for employeesContinuously providing career development opportunities and training resources, creating a positive work atmosphere, and enhancing employees' sense of belonging and loyaltyConduct employee satisfaction surveys, develop satisfaction improvement plans, and respond to the real needs of employees

Issues	Potential ESG risks/ opportunities	Response Measure
Business Ethics, Anti-corruption, and Anti-bribery		
<ul style="list-style-type: none">Prevent corruption and misappropriationPrevent insider trading	<ul style="list-style-type: none">Prevent favoritism and fraud, make business operations more transparent and effective, and boost stakeholders’ confidence in The Company’s stable operationPrevent insider trading and protect the fairness, equity, and transparency of the market	<ul style="list-style-type: none">Complete the ISO 37301 Compliance Management System Certification programStrictly implement the 'Code of Conduct and Business Ethics Management Policy' and require all employees to sign SOHO China Integrity Code and Professional Ethics Management Policy Confirmation LetterRequire all suppliers to sign the “Green Procurement and Sustainable Supply Chain Commitment Letter”Improve the business risk assessment processPublicize complaint and reporting channels and maintain a closed-loop whistle blowing management, specify whistle-blower protection policyStrengthen business ethics and anti-corruption training and publicity to cover all staff and all suppliersConduct legal training related to insider trading prevention
Information security		
<ul style="list-style-type: none">System security riskData security riskInfrastructure riskCode security riskPersonnel behavior riskUnpredictable risk	<ul style="list-style-type: none">Potential security vulnerabilities may lead to illegal access, data tampering, or destruction of the systemUnstable network connections, power outages, hardware failures, and other issues may cause service interruptions, affecting the normal operation of business	<ul style="list-style-type: none">Improve IT Information Security Management System and other management policiesUpgrade security systems such as firewalls and security centersDevelop data security emergency plans and regularly conduct system failure emergency drills
Community investment		
<ul style="list-style-type: none">Community carePersonnel safety risksProperty security risksLegal risksPublic opinion risks	<ul style="list-style-type: none">Disputes and complaints arising from activities can affect customer satisfaction and relationships with communities and streets, thereby affecting The Company's reputationDuring the event, gatherings of people may lead to potential risks such as pushing, trampling, etc., posing a threat to the personal safety of customers and participants, and may result in legal disputes, administrative penalties, and negative public opinion	<ul style="list-style-type: none">Strictly implement the Property Site Management System and improve the development of relevant systemsStrengthen personnel training and enhance risk awarenessImprove building plans in activities and strengthen supplier management

ESG statement of the Board of Directors

The Board of SOHO China, the highest lead and policy-making body for The Company's ESG issues, strives to align the ESG governance strategy and policy with corporate development.

The Board plays a leading role in the ESG affairs. It supervises ESG work, formulates ESG management policies and strategies, reviews ESG objectives, and identifies, assesses, and manages ESG risks. In addition, the Board guides sustainability at meetings and reviews and approves important issues reported by the ESG Committee. The Company places a high premium on stakeholders’ expectations and regularly communicates with stakeholders to sort out and analyze the importance of ESG issues to The Company and timely adjust the sustainability strategy and objectives.

The Board delegates its supervision responsibility on ESG responsibility that may impact business or operation, shareholders, and other stakeholders to the ESG Committee. The ESG Committee meets at least once a year and reports the latest dynamics to the Board for review.

In 2024, the ESG Committee evaluated the importance of ESG issues among various stakeholders and identified the core ESG issues of The Company, among which green leasing receives increasing attention from stakeholders. The Company actively responded to relevant changes and, after the review by the Board, ensured the effectiveness of ESG management. This report details how progressive and effective SOHO China's ESG work was in 2024 and was reviewed and approved by the Board of Directors on March 27, 2025.

In 2024, the ESG Committee held 1 meeting and discussed 10 material topics in total, and propose the specific goals, including:

- ESG governance: Keep improving ESG risk management systems, fulfill the responsibilities of the ESG risk team, and obtain compliance management system ISO 37301 certification;
- Business ethics , anti-corruption and anti-bribery: Carry out internal audit of business ethics, anti-corruption and anti-bribery, and conduct business ethics and anti-corruption and anti-bribery training for all employees;
- Environmental responsibility: Put into practice the carbon reduction management goals and performance, promote the use of renewable energy, add WELL HSR certification project, and optimize waste data management;
- Climate change and carbon neutrality: Promote the approval and progress of Science-Based carbon Targets (SBT); enhancement of climate change governance frameworks, Join CDP questionnaire filling to enhance capital market influence, and carry out climate related financial information disclosure (governance, strategy, risk management, and targets).
- Leasing services: Update the Green Leasing Advocacy Contract and continuously promote green leasing;
- Customer relation: Conduct surveys on client satisfaction and formulate improvement plans;
- Supply chain management: Improve the supply chain audit mechanism and conduct ESG questionnaires and training for suppliers;
- Information security: Optimize IT information security management system, and conduct data security emergency drills;
- Employment and labor standards: Update ESG Management and Evaluation System to strengthen linkages between ESG management and employee salary; and
- Community investment: Organize diversified community activities, low-carbon promotion activities, regular volunteer activities, etc.

In response to the work objectives mentioned above, the ESG working group members have thoroughly discussed and broken down the work objectives into feasible tasks. The tracking of each task is managed through the SOHO China Operations Collaboration Platform (OMS), with clear work time nodes, expected deliverables, and responsible persons set to achieve closed-loop management of work tasks.

Listening to the voices of stakeholders

SOHO China believes that working with stakeholders is a long-term driving force for promoting The Company's sustainable development. While comprehensively understanding the needs and expectations of all stakeholders, we continuously build diverse communication channels to continuously improve the long-term communication mechanisms and respond to stakeholders with targeted practices.

Stakeholders engagement

SOHO China attaches great importance to the expectations and demands of all stakeholders. We continuously established normalized and diversified communication channels and methods. We deeply listened to the opinions and suggestions of stakeholders such as the government, shareholders, clients, partners, communities, and employees through various means such as public reports, emails, phone calls, meetings, forums, and questionnaires. We also fully integrated the concerns of all stakeholders into The Company's operations and decision-making process to continuously improve the quality of information disclosure and optimize ESG management performance.

Stakeholders	Demands and Expectation	Actions	Communication Channels
Shareholders and investors	<ul style="list-style-type: none">Improving return on investmentReducing business risk	<ul style="list-style-type: none">Improving operational efficiencyImproving ESG governance structure	<ul style="list-style-type: none">Shareholders' meetingInformation disclosure
	<ul style="list-style-type: none">Protecting shareholders' rightsProtecting intellectual propertyInformation disclosure	<ul style="list-style-type: none">Strengthening risk managementMaintaining mutual trust with investorsRegularly disclosing financial reports and ESG reportsCompleting the intellectual property protection mechanism	<ul style="list-style-type: none">Company websiteInvestor Q&ABriefings by media and research institutionsRoadshow
Government and regulatory agencies	<ul style="list-style-type: none">Compliant operationPaying taxesEnergy utilization	<ul style="list-style-type: none">Complying with local laws and regulationsComplying with business ethicsRegularly submitting regulatory reports	<ul style="list-style-type: none">Oversight and inspectionRegular managementConference
	<ul style="list-style-type: none">Comprehensive disposal of wasteWater resource managementAddressing climate changeUrban renewal and construction	<ul style="list-style-type: none">Actively paying taxes and responding to national policiesFull life cycle green managementActively addressing climate changeEmpowering regional cultural and economic functions	<ul style="list-style-type: none">Public consultation
Employees	<ul style="list-style-type: none">Career path and promotionHealthy and safe working environment	<ul style="list-style-type: none">Protecting labor rightsFocusing on talent diversityBuilding a competitive salary system	<ul style="list-style-type: none">Employee trainingEmployee satisfaction survey
	<ul style="list-style-type: none">Compensations, benefits, and equal opportunitiesCreating an inclusive work environmentIncreasing employee satisfaction	<ul style="list-style-type: none">Diversifying training channelsCaring about the physical and mental health of employeesPublic recruitment	<ul style="list-style-type: none">Feedback to complaintsRegular meetingsCommunication channels for employeePerformance evaluation

Stakeholders	Demands and Expectation	Actions	Communication Channels
Partners and suppliers	<ul style="list-style-type: none">Fulfilling contractBuilding sustainable supply chainsGreen procurement	<ul style="list-style-type: none">Cooperating in good faithSupplier compliance auditSigning sustainable supply chain policies and commitments	<ul style="list-style-type: none">Supplier trainingSupplier evaluationConferenceBidding and procurement process
Clients	<ul style="list-style-type: none">Green building and leasingHealthy and safe building environmentResponsible marketingImproving service qualityClient complaints and feedbackClient information and privacy protection	<ul style="list-style-type: none">Compliant sales serviceEnsuring service qualityIssuing green lease guidelinesPassing the building environmental health certificationComplaint handling mechanismClient information confidentiality mechanism	<ul style="list-style-type: none">Client satisfaction surveyConferencePublic inquiryFeedback to complaintsHotline of client serviceOfficial website of The Company and new media
Community	<ul style="list-style-type: none">Community engagementRural revitalizationCharity	<ul style="list-style-type: none">Holding many community activitiesBridging the educational gapSupporting rural revitalizationOffering social assistanceEncouraging employees to participate in volunteer activities and give back to the society	<ul style="list-style-type: none">Public/community activitiesVolunteer activitiesPublic inquiryMedia communication

Definition of material topics

In 2024, SOHO China, referring to the *Environmental, Social and Governance Reporting Code* issued by the Stock Exchange of Hong Kong Limited (the ESG Reporting Code) and the GRI Standards issued by the Global Sustainability Standards Board (GSSB), carried out stakeholder surveys, aiming to provide effective information for ESG reports and company-wide ESG strategies. We actively listen to the expectations and requirements of more external stakeholders for sustainability to guide The Company to further optimize its sustainability management.

Identification of material issues

01 Identification With reference to GRI Standards, the ESG Reporting code of the Stock Exchange and mainstream ESG rating frameworks at home and abroad, and with industry policy analysis and peer benchmarking, a topic bank covering 29 ESG topics was formed for 2024.

02 Assessment To better understand the expectations of stakeholders, The Company engages independent third-party consultants to conduct a questionnaire survey on a larger sample of stakeholders, including employees, tenants, consumers, shareholders and investment institutions, government and regulators, suppliers, partners, media/industry associations/ business organizations. We also invite stakeholders to evaluate the materiality of each topic from their own perspective. A total of 305 valid questionnaires are collected.

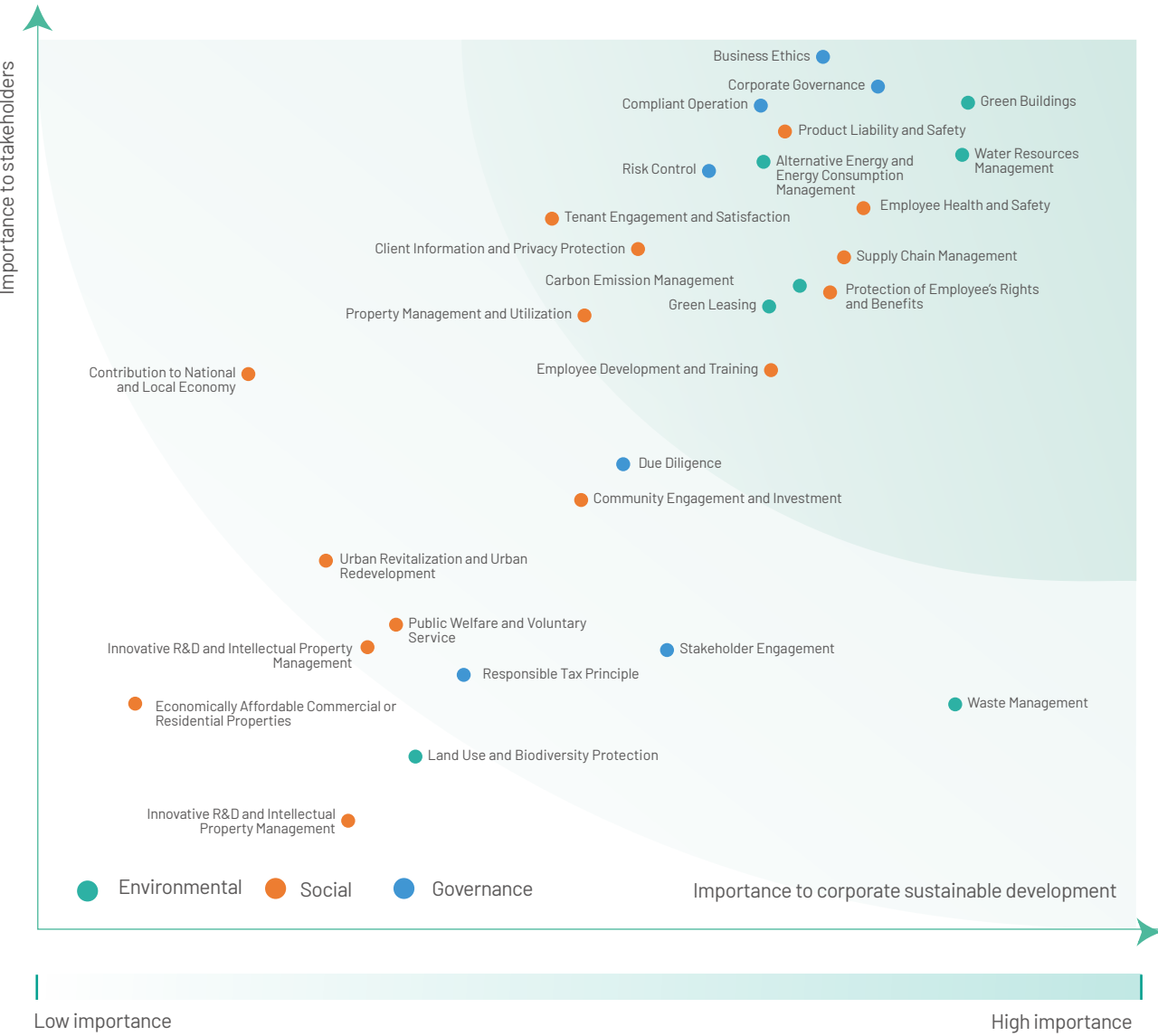
03 Prioritization According to the principle of materiality and stakeholder engagement, the topics are prioritized according to their significance to stakeholders and corporate sustainable development, and are disclosed in the form of a matrix.

04 Review External experts provide suggestions on material topics and their priorities; the management of The Company reviews the material topics and their priorities.

SOHO China materiality matrix

Considering the opinions and concerns of internal and external stakeholders, The Company evaluates the potential economic, environmental, and social risks and opportunities brought to The Company's business and the society, and reflects the materiality of the topics from the perspectives of internal and external stakeholders.

2024 Materiality Matrix includes a total of 29 ESG topics concerned by The Company's and stakeholders.



SOHO China's highly material issues in 2024

SOHO China’s highly material topics in 2024

Environmental	Green Buildings Water Resources Management	Alternative Energy and Energy Consumption Management	Climate Change and Carbon Emission Management
Social	Employee Development and Training Employee Health and Safety Protection of Employee’s	Rights and Benefits Property Management and Utilization Product Liability and Safety	Client Information and Privacy Protection Tenant Engagement and Satisfaction Supply Chain Management
Governance	Business Ethics Corporate Governance	Risk Control	Compliant Operation

Statement on SOHO China materiality changes in 2024

Material Issues	Change	Reasons
Corporate Governance	The importance of two issues were upgraded from medium to high.	Adjusting the importance of issue from medium to high can further improve governance structure, reduce risks, improve efficiency, promote development, to improve the performance, for address financial challenges, and enhance investor confidence.
Green Leasing		Helps to enhance SOHO China’s brand image and market competitiveness, attracting more high-quality tenants who value environmental protection and Sustainability, increase occupancy rates and rental levels, while also aligning with The Company’s own sustainability strategy, reducing operating costs, and achieving long-term stable development.
Due Diligence	Adding new topics	Adding due diligence issue can help mitigate potential risks in risk prevention and control, ensure supply chain stability, ensure compliance and efficiency improvement in operations, guarantee product and service quality, maintain brand reputation, demonstrate social responsibility, and have significant implications for the sustainability of enterprises.



Environmental Guardian

Building a Green Ecosystem Together

SDGs focus in this chapter

3 GOOD HEALTH AND WELL-BEING 	6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 
11 SUSTAINABLE CITIES AND COMMUNITIES 	13 CLIMATE ACTION 	15 LIFE ON LAND 

SOHO China firmly practices the green and low-carbon development concept. We continue to enhance environmental management, respond to climate change, and promote digital management of energy and carbon. Besides, we apply renewable energy and green energy-saving technologies and embed green concepts into the entire life cycle management of buildings. We work closely with all stakeholders to create green, healthy, climate-resilient and high-quality buildings and strive to achieve the Net Zero Target across the value chain by 2050.

This chapter relates to the following major sustainable development issues:

- Green building
- Alternative energy and energy consumption management
- Climate change and carbon emission management
- Water resources management

- Waste management
- Land use and biodiversity protection
- Urban revitalization and urban redevelopment

SOHO China strictly complies with relevant PRC laws and regulations on energy and resource utilization. In line with our commitment to green and low-carbon operations, we continuously enhance our environmental management systems and develop sustainability policies that align with our operational needs. To date, we have implemented 14 internal management policies, which have been regularly updated in accordance with the latest regulatory changes.

SOHO China’s Green Sustainability Policies and Rules at a Glance

SOHO China Environment Management Policy

SOHO China Green and Healthy Building Policy

SOHO China Biodiversity Protection Policy

SOHO China Community Investment Management Policy

Energy Conservation and Carbon Reduction Management System

SOHO China Management Policy to Address Climate Changes

Management Rules on Public Area Lighting

Management Rules on Energy Conservation in the Office

Energy Conservation Management System

Property Collection and Payment Business Management System

Management Rules on Water Saving Management

Rules on Management Platform of Equipment and Facilities

Management Rules on Equipment Operation and Energy Conservation at Commune by the Great Wall

Management Rules on Waste Management

SOHO China Management Policy to Address Climate Changes

In 2024, we revised the SOHO China Management Policy to Address Climate Changes by setting a strategic target to reduce carbon emissions by 42% by 2030 compared to a baseline in 2021 and achieving net-zero emissions by 2050. These targets are aligned with the 1.5°C global warming limit target of the Paris Agreement. Furthermore, we have executed material issues related to alternative energy and energy consumption management and integrated the implementation of entire life cycle management for our buildings into the policy. We have driven the transformation of our energy structure with a focus on increasing the share of renewable energy and invested in upgrading energy-saving and carbon-reduction technologies. Our goals include achieving a 100% transition to new energy vehicles for office use by 2030 and a 100% transition to renewable energy by 2050.

SOHO China Environment Management Policy

To more effectively manage and reduce waste, SOHO China is dedicated to expanding the recycling of waste materials. In 2024, we revised the SOHO China Environment Management Policy and introduced specific plastic management objectives and measures, aiming to significantly reduce the environmental impact of plastic products during our operations, prevent long-term soil contamination and protect marine life from the threats posed by plastic waste. We have taken measures to reduce the use of single-use plastics, such as promoting environmentally friendly alternatives like eco-friendly tableware, water bottles, and cloth bags, and to strengthen our waste sorting methods. Through active promotion and training, SOHO China has conveyed the importance of reducing plastic usage to employees, customers, and suppliers, fostering both internal and external collaboration to advance a culture of green office and sustainable consumption.

SOHO China’s ISO Environmental Management System Certificate



ISO 14001:2015 Environmental Management System Certificate

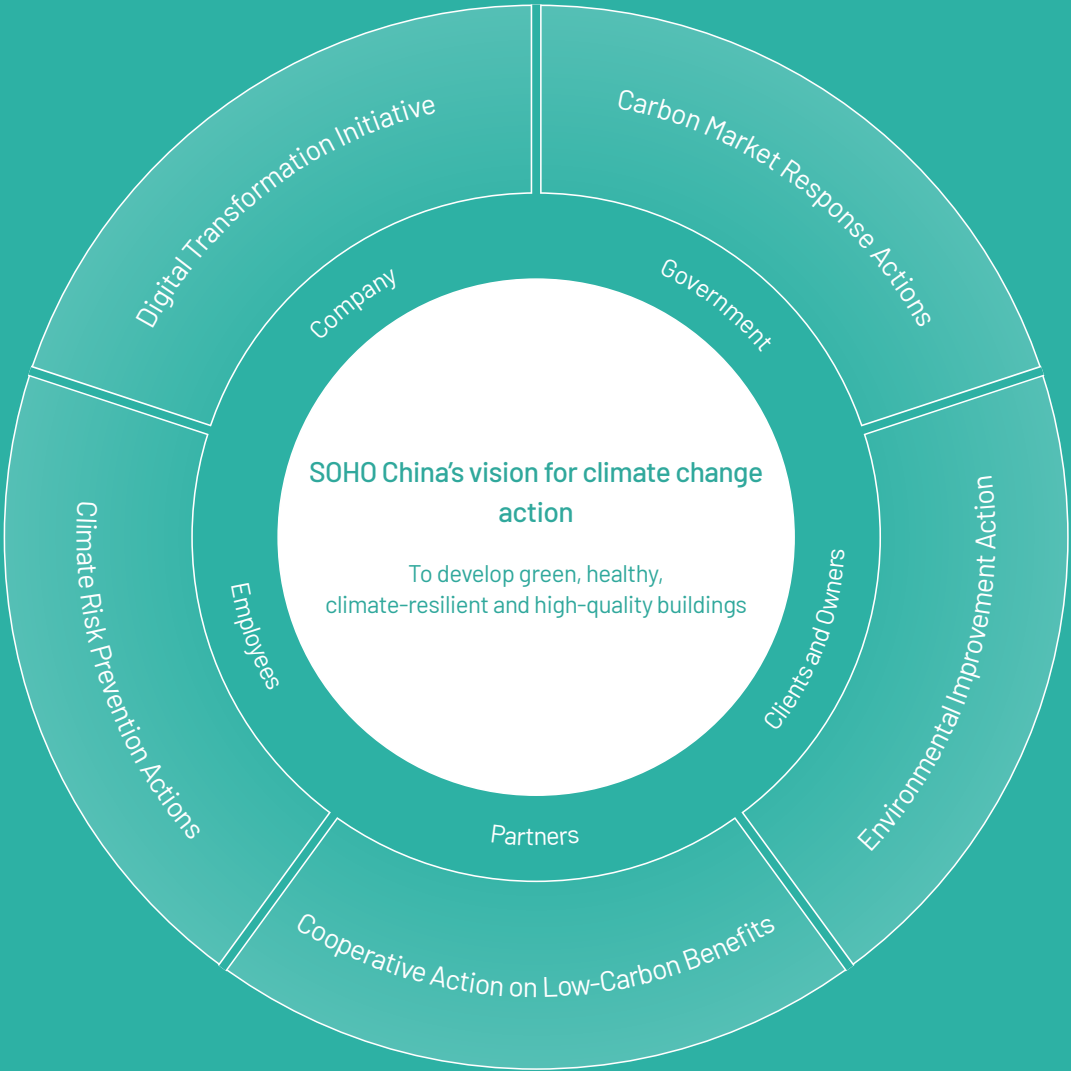
Beijing SOHO Property Management Co., Ltd., a subsidiary of SOHO China, has been certified the ISO 14001:2015 Environmental Management System Certificate. We have effectively implemented the system's requirements and conducted regular internal audits and performance assessments for both self-owned and managed properties.

The ISO system follows the Plan-Do-Check-Act (PDCA) cycle to guide continuous improvement in business operations, requiring companies to set targets for carbon emissions, energy use, waste management, and water consumption to ensure ongoing progress. Since 2016, we have conducted regular assessments of our energy use, waste generation, and water consumption and evaluated our energy efficiency on a monthly, quarterly, and annual basis with performance rankings. This approach not only drives ongoing enhancements in operational efficiency throughout the lifecycle of building operations but also encourages engagement from tenants and stakeholders in promoting responsible resource utilization and sustainable practices.

Tackling climate change

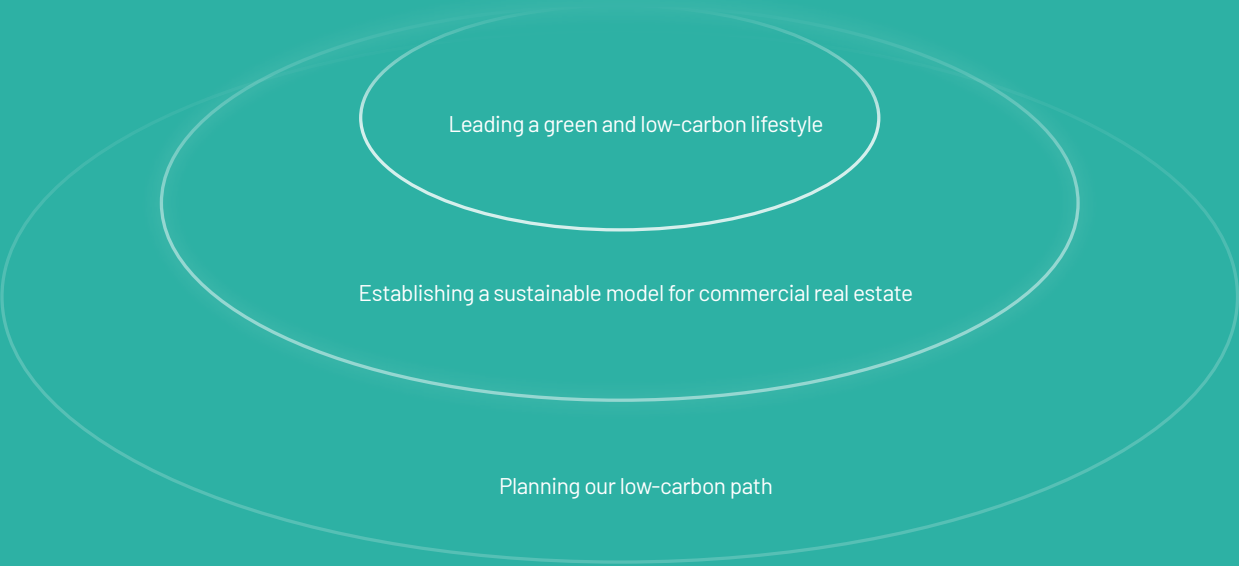
As a leading office space operator in China, SOHO China actively addresses the challenges brought by climate change. Based on “planning our low-carbon operation path”, “establishing a sustainable model for commercial real estate”, and “leading a green and low-carbon lifestyle” by concentrating on digital transformation, responding to carbon markets, environmental benefits improvement, fostering inclusive collaboration on low-carbon benefits, and climate risks prevention, SOHO China is committed to collaborating with stakeholders to drive the realization of its 2030 GHG emissions reduction targets across the entire value chain.

Seeing value concepts as the banner of its action, SOHO China has steadily marched ahead to address climate change. We take the climate governance framework as the foundation and climate goals as the direction, constantly improve the climate risk management process, and launch concrete actions and measures to build our strategic blueprint for addressing climate change.



Highlights of climate actions

SOHO China has highly focused on environmental and climate change related issues for years. Since 2009, when our direction toward green building strategy was clarified, we have been continuously dedicated to green development and operation. We have been adhering to the business philosophy of sustainable development, continuously expanding the depth and width of climate action to contribute our strength to the global response to climate change.



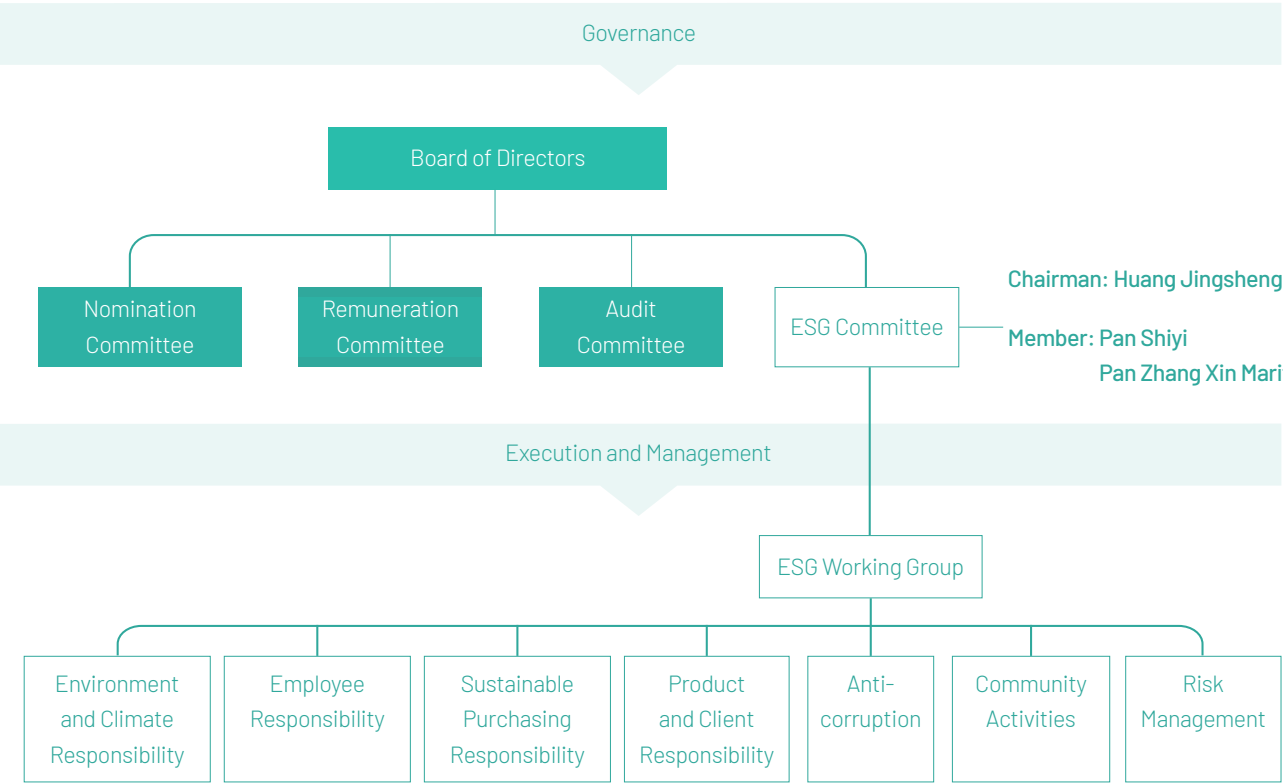
SOHO China' Corporate Values in addressing Climate Change

Important milestones
of addressing climate change



Corporate governance in addressing climate change

SOHO China has established a comprehensive climate change governance system and formed a four-tier governance structure covering “the Board of Directors - ESG Committee - ESG Working Group -Environment and Climate Responsibility Working Team/Risk Management Working Team” from top to down. The Board of Directors is the core decision-making and highest governance body overseeing SOHO China's sustainability and climate change initiatives. It plays a supervisory and guiding role with the utmost oversight. The ESG Committee is the highest governing body for managing SOHO China's climate change initiatives and serves as the decision-making center for The Company's ESG concerns. The ESG Working Group, led directly by the ESG Committee, serves as a cross-departmental communication platform for executing The Company's ESG initiatives. The Environment and Climate Working Team, a functional department under the ESG Working Group, is primarily responsible for overseeing, inspecting, and implementing climate-related initiatives, while the Risk Management Working Team is responsible for identifying, assessing, analyzing, and responding to climate-related risks and opportunities.



SOHO China's framework in addressing climate change governance

Specific Responsibilities of SOHO China Climate Governance Structure

Board of Directors	<p>The Board assumes primary responsibility for developing The Company's ESG and climate change strategy and reviewing and approving new projects and necessary budgets for climate change mitigation and adaptation. It has empowered the Nomination, Remuneration, and Audit Committees of The Company to support governance and oversight of corporate ESG and climate change management practices. Each committee provides regular reports on their activities and resolutions to the Board of Directors, includes:</p> <ul style="list-style-type: none">Offering guidance and oversight on strategy, operations, and management of proactive tackling climate change; andAuthorizing the relevant committees to address corporate governance matters in tackling climate change.
ESG Committee	<p>The ESG Committee is tasked with the overall deployment and promotion of The Company's tackling climate change, including regular review of The Company's policies, decisions, and practices related to significant climate issues. It also oversees the execution of The Company's climate strategy, formulates and implements climate objectives, and provides regular reports to the Board of Directors on the latest progress, major climate risks, and response measures, includes:</p> <ul style="list-style-type: none">Determining climate change risks;Developing strategies to address climate change;Managing climate indicators and targets; andOverseeing governance of The Company's response to climate change.
ESG Working Group	<p>The ESG Working Group is responsible for advancing and implementing climate change risks and opportunities management, includes:</p> <ul style="list-style-type: none">Guiding and supervising the Environment and Climate Working Group and Risk Management Working Group;Coordinating and allocating resources;Enhancing and improving the disclosure of climate-related information; andContinually monitoring and updating the latest climate-related issues.
Environment and Climate Responsibility Working Team	<p>The team is responsible for executing specific measures to address climate change and manage climate risks, and providing guidance, supervision, and inspection for initiating climate-related actions across various professional departments and operating units within The Company. Additionally, it performs crucial tasks such as identifying climate risks and conducting carbon emission accounting and data auditing to ensure comprehensive implementation of corporate governance in climate change management, includes:</p> <ul style="list-style-type: none">Tracking updates of climate-related laws and regulations;Identifying, controlling, and managing climate risks;Establishing and dissecting climate objectives;Tracking energy and climate indicators;Implementing climate change response strategies; andProviding regular reports on climate-related matters to the ESG Working Group.;
Risk Management Working Team	<p>The team is responsible for assessing, analyzing, and responding to climate-related risks and opportunities to enable The Company to proactively implement appropriate measures to manage climate risks and leverage opportunities, includes:</p> <ul style="list-style-type: none">Identifying, assessing, and analyzing climate risksAdopting and ensuring consistent implementation of effective control measures at pivotal risk points; andCollaborating with other ESG working groups to holistically manage ESG risks.

2024 climate governance performance of all governance bodies

Board of Directors: At the beginning of 2024, the Board reviewed and approved the 1.5°C temperature control commitment submitted to the SBTi and set a target to reduce absolute greenhouse gas emissions by 42% by 2030 compared to 2021 levels. The Board also approved the revised SOHO China Management Policy to Address Climate Changes and SOHO China Environment Management Policy, and the SOHO China 2023 Climate Action Report. Additionally, the Board incorporated the IFRS S2 Climate-related Disclosures into the policy framework to enhance transparency and compliance.

ESG Committee The committee decided to join the SBTi, reviewed the SBTi emission reduction commitments, and reported its work to the Board. To further strengthen the climate governance framework and enhance the executive compensation and incentive system, the committee proposed linking executive performance-based compensation to the achievement carbon reduction targets of Science-Based Targets. This aims to motivate management to actively drive internal collaboration across all levels, foster a strong collective effort toward carbon reduction, and systematically enhance The Company's climate resilience and ability to address climate change. Additionally, the committee directed the ESG Working Group to update The Company's climate change strategy. It also released SOHO China's first Climate Action Report, and revised the SOHO China Management Policy to Address Climate Changes and SOHO China Environment Management Policy. After an initial review and approval, these updates were submitted to the Board to ensure alignment with the latest regulatory requirements and leading industry practices.

ESG Working Group The group is responsible for formulating annual ESG material issues and key performance indicators. In 2024, based on previous efforts to set SBTi emission reduction targets and submit reduction commitments and under the guidance of the approved 1.5°C Science-Based Targets, the group coordinated various departments, including property management, green leasing, and sustainable procurement, to set and implement targets for carbon reduction across the entire value chain (including Scope 1, 2, and 3). The group also directed the Environment and Climate Responsibility Working Team to complete the first CDP questionnaire submission and revise the SOHO China Climate Change Management Policy and SOHO China Environmental Management Policy, and tasked the Risk Management Team with overseeing ISO37301 compliance certification process.

Environment and Climate Responsibility Working Team The team submitted carbon reduction commitments, established SBTi reduction targets and further refined them into actionable goals. It completed the CDP climate change questionnaire submission, took the lead in the preparation of the SOHO China 2023 Climate Action Report, and tracked updates to climate-related laws and regulations in alignment with green development objectives. Moreover, the group revised the SOHO China Climate Change Management Policy and SOHO China Environmental Management Policy. It supported the ESG Working Group in promoting green leasing by encouraging tenants to actively participate in environmental performance-related business agreements. Additionally, the group assisted the sustainable procurement department by facilitating internal green procurement training and supplier ESG training.

Risk Management Team The team led the completion of the ISO 37301 compliance management system certification. The team further identified climate-related risks and opportunities, conducted climate scenario analyses, and implemented appropriate risk control measures to ensure consistent execution. It also supported the Environment and Climate Responsibility Working Team in completing the CDP climate change questionnaire submission and preparing the SOHO China 2023 Climate Action Report by drafting the risk management section.



Strategic blueprint for climate change action

SOHO China strives to develop high-quality, green, healthy, and climate-resilient buildings, we prioritize the environmental performance of our property operations. We are dedicated to collaborating with our tenants and owners to actualize our ESG goals and find sustainable solutions to promote a shared living model involving a broad spectrum of stakeholders, such as the community and the public. We endeavor to establish a “new norm” in commercial real estate operation across corporate, industry, and societal perspectives.

SOHO China takes active actions to address climate change. In 2024, SOHO China released its first Climate Action Report and joined the SBTi, committing to reduce emissions in line with the 1.5°C temperature control target of the Paris Agreement. We are steadfast in pursuing a transformation strategy to achieve net-zero emissions by 2050.

Through comprehensive analysis of the emission reduction potential across our self-owned assets and property management projects, we have developed a series of self-driven carbon reduction strategies, including implementing energy-saving technological upgrades and enhancing energy-saving management. In addition to these self-driven reductions, we have also introduced carbon reduction measures, such as promoting the use of renewable energy among tenants, enhancing green lease management, fostering collaboration between property management and tenants to reduce carbon emissions, and establishing a sustainable supply chain. Our collective efforts aim to gradually reduce carbon emissions across all projects from 2021 through 2050.

SOHO China’s three climate strategies

Planning Our Low-Carbon Operation Path

We strive to become an exemplary company for sustainable development. Guided by the principles of IFRS S2 (Climate-related Disclosures) concerning Governance, Strategy, Risk Management, Indicators and Targets, we fortify our management initiatives, pursue proactive approaches to tackle climate-related risks and challenges, and advance towards a zero-carbon future.

Establishing a Sustainable Model for Commercial Real Estate

As trailblazers in the eco-friendly and low-carbon evolution of office building operators, we are the first organization in China to employ tools such as CRREM for evaluating the influence of climate change on corporate strategies and finances, which enables us to identify energy-saving opportunities within our current commercial properties and the entire value chain. Our commitment also involves charting a course for the low-carbon transformation of commercial properties and collaborating with our tenants to bolster the city's capabilities for sustainable advancement.

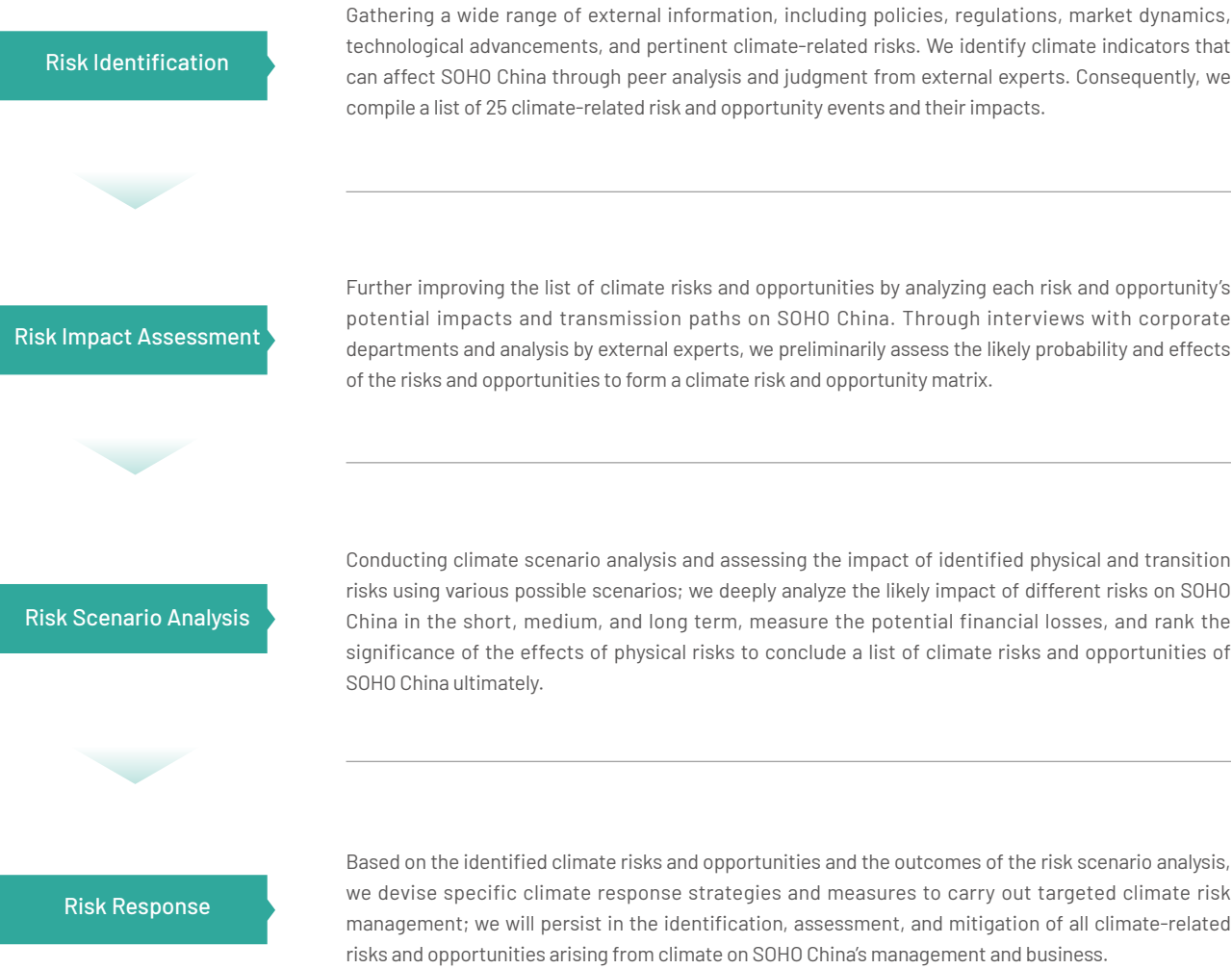
Leading a Green and Low-Carbon Lifestyle

Embracing the strategic advantage of our centrally situated properties, we proactively integrate the low-carbon principles endorsed by the United Nations Sustainable Development Goals (UNSDGs), the Science-Based Targets Initiative (SBTi), and other pertinent organizations. We foster community engagement, promote the ethos of low-carbon to the broader public and relevant stakeholders, and jointly explore green and low-carbon lifestyles.

Risk management for addressing climate change

SOHO China has established a comprehensive management process for climate-related risks and opportunities, encompassing risk identification, risk impact assessment, risk scenario analysis, and risk response. We employ scenario analysis tools to identify, analyze, and assess risks and opportunities that may impact corporate strategy and finance. This enables us to understand the practical implications of diverse risks and opportunities on SOHO China's operations and implement corresponding mitigation strategies to enhance our climate resilience. We regularly employ third-party organizations to conduct audits and optimizations for the risk management system and perform comprehensive assessment on climate-related risks and opportunities at 3-5 year intervals.

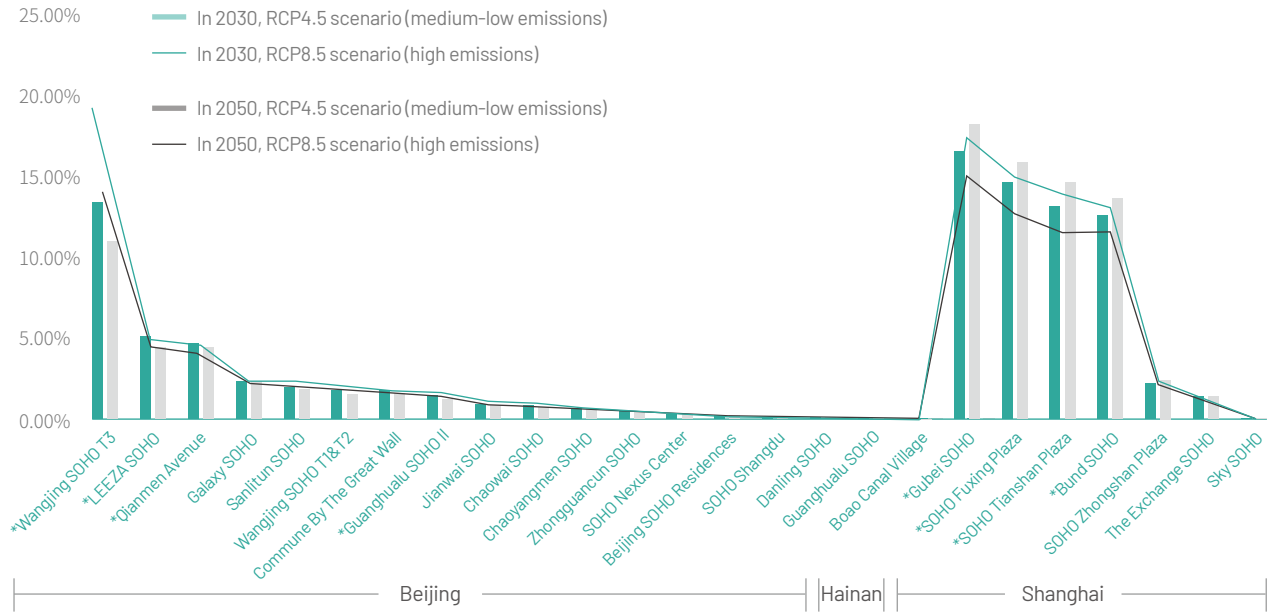
SOHO China Climate Risk Management Process



SOHO China has conducted climate scenario analysis to identify and assess the potential impacts of climate-related risks and opportunities. To analyze the impact of physical risks, we refer to the IPCC's Representative Concentration Pathways (RCPs) and adopt the RCP4.5 medium-low emissions scenario and the RCP8.5 high emissions scenario. The analysis of transition risks and opportunities is based on the Net Zero by 2050 Scenario, the Announced Pledges Scenario, and the Stated Policies Scenario from the International Energy Agency (IEA), and the IPCC's AR5-RCP4.5 medium-low emissions scenario and the AR5-RCP8.5 high emissions scenario. For detailed analysis results, please refer to the [SOHO China 2023 Climate Action Report](#).

SOHO China Physical Risk Scenario Analysis Results:

- The Company faces higher vulnerability to extreme precipitation, wet trend, extreme heat, and warming trend in the future;
- Extreme precipitation notably potentially affects the operating income of buildings in Shanghai, followed by Beijing and Hainan. Moreover, it significantly impacts self-owned projects rather than property management-only projects; and
- The Company will prioritize managing four key risks affecting its asset value and operating income in its future physical risk management: extreme precipitation, wet trend, extreme heat and warming trend. Specifically, for extreme precipitation risk, resources will be focused on management in the Shanghai's buildings by The Company.



List of potential loss rate caused by extreme precipitation in various buildings in SOHO China¹

¹ Projects marked by * are the self-owned projects of SOHO China

Potential Financial Losses from Extreme Precipitation Risk Analysis:

- **At the enterprise level:** By 2050, SOHO China demonstrates remarkable adaptability and resilience in responding to the challenges of climate change. Under the low emissions scenario, the total cost of The Company's emission reductions are RMB 1,299.91 million, but the climate value at risk (CVaR) is only 2.45%, indicating The Company's robust strategy in reducing emissions over the long term. Under the medium emissions scenario, the total cost of emission reductions is RMB 385.33 million, and the CVaR is reduced further to 0.73%, reflecting The Company's ability to flexibly adjust its emission reduction pathway to align with different climate scenarios. The costs of emission reduction under both scenarios are mainly attributable to Scope 2.
- **At the asset level:** Through in-depth analysis of projects such as Guanghualu SOHO II, Qianmen Avenue, and Sky SOHO, The Company recognizes that early-stage emission reduction measures not only mitigate risks but also capitalize on the economic and social benefits brought by energy savings, thus strengthening the foundation for long-term asset value preservation and appreciation.

Climate change brings not only challenges but also opportunities for transformation and innovation. In 2024, SOHO China completed multiple energy-saving technology retrofitting pilot projects across various building types, incorporating energy efficiency upgrades into its corporate strategy, scaling up the adoption of advanced energy-saving technologies and improving overall building energy performance. SOHO China is committed to developing green, low-carbon smart buildings. As early as 2013, The Company has established and applied an energy management platform. By leveraging green smart management, we actively engaged in digital transformation and created a multi-dimensional digital energy management platform to capture energy-saving and emission reduction potential in real time. In 2024, The Company further strengthened its green operations by actively pursuing energy-saving retrofits, constructing solar power generation projects, and purchasing green electricity, to significantly reduce carbon emissions. These efforts not only mitigate the risk of additional costs arising from potential future over-emissions but also explore new business models and growth opportunities, enhancing The Company's overall competitiveness and sustainability.

SOHO China' Response Measures for Climate-related Risks & Opportunities;

By synthesizing climate risks and opportunities lists and scenario analysis results, SOHO China implements targeted response strategies aligned with its own operational realities to address the impact of various physical and transition risks as well as opportunities. Meanwhile, through practical initiatives, The Company aims to prevent and control risks and seize potential opportunities in time.

SOHO China Climate-related Physical Risk List

No.	Risk Type	Value Chain Stage	Risk Description	Risk Indicators	(Potential) Occurrence Probability ²	Severity ³	Impact Period ⁴	Risk Impact	Response Measures
1	Flooding	Direct operations	Flooding refers to natural disasters caused by excessive rainfall, snowmelt, or other factors leading to rapid water level rises in rivers, lakes, or reservoirs that exceed their capacity, resulting in severe damage to humans, flora, fauna, and infrastructure. Floods include:- Riverine floods: Specifically refer to socioeconomic impacts caused by occasional high-water floods due to seasonal variations in stream and river water levels.- Coastal floods: Specifically refer to sudden inundation of coastal areas caused by combined effects of extreme tides, storm surges, and waves in short-term climate disasters.	Increase in indirect operating costs Higher insurance premiums Revenue loss from productivity decline	Unlikely	Negligible	Short-term	-Flood-induced property and infrastructure damage reduces the asset value of SOHO China's buildings and increases repair costs; -Building inundation and subsequent repairs disrupt business operations for tenants and owners, subsequently affecting the daily operations of the leasing business; -Employees are also unable to access offices, affecting their abilities to conduct client service duties;Increased personnel costs for emergency response; -Increased insurance premium and stricter insurance assessment models; and -In addition, severe flooding may reduce regional real estate market availability and demand, impacting SOHO China's services.	-Develop climate-related management plans to address major natural climate risks; -Conduct climate vulnerability and resilience assessments; -All projects of SOHO China are equipped with flood prevention and storm resistance emergency plans and warning mechanisms; -Implement continuous monitoring and early warning system; -Optimize and improve flood prevention designs; and -Upgrade drainage systems.
2	Extreme heat	Direct operations	Extreme heat refers to abnormally high temperatures relative to long-term averages in a certain region and during a certain period, causing adverse impacts on operations and human health such as power shortages, productivity declines, and workforce losses, typically occurring in summer.	Increase in operating costs Revenue loss from productivity decline	Possible	Minor	Medium-term	-Escalated demand for air conditioning and increased energy consumption stemming from the risks posed by heat exposure to building assets, raising operational costs particularly in summer; -Heightened capital and operational expenses for cooling system enhancements or the possibility of stranded assets failing to meet comfort standards; -Potential infrastructure damage due to heat exposure risks, leading to public service disruptions and obstructed asset access; -Amplified risks to employee health and safety associated with extreme heat weather, especially for outdoor construction workers; -Elevated probability of accidental fires, further jeopardizing life and property security; and -Increased personnel costs for emergency response.	-Develop climate-related management plans to address major natural climate risks; SOHO China formulates emergency plans and risk warning systems for extreme heat events to ensure stable operation of electromechanical systems; -Conduct climate vulnerability and resilience assessments; -Each project has had Uninterruptible Power Supply (UPS) systems to ensure emergency power supply capabilities; -Invest in solar photovoltaic systems; -Carry out energy-saving technological upgrades for energy-saving lighting, equipment, and HVAC systems to reduce energy load; -Improve the insulation and ventilation systems of buildings; -Establish weather monitoring systems (temperature, humidity, wind speed, evaporation) with extreme heat and stress alerts for proactive responses; -Implement heat safety and health protocols to prevent worker injuries from extreme heat; -Enhance water recycling rates to mitigate impacts on water supply and consumption equipment; and -Vigorouslly apply various renewable energy sources.
3	Extreme precipitation	Direct operations	Extreme precipitation refers to precipitation events with intensity significantly exceeding normal regional levels or expected thresholds, causing operational disruptions such as transportation and operation disruptions, agricultural losses, and restricted outdoor activities.	Increase in indirect operating costs Revenue loss from productivity decline Higher insurance premiums	Unlikely	Minor	Medium-term	-Flood-induced property and infrastructure damage reduces the asset value of SOHO China's buildings and increases repair costs; -Building inundation and subsequent repairs disrupt business operations for tenants and owners, subsequently affecting the daily operations of the leasing business; -Employees are also unable to access offices, affecting their abilities to conduct client service duties; -If the intensity of heavy rainfall increases, leading to floods, it will cause significant damage to SOHO China's building assets and surrounding communities, resulting in financial losses; and -Increased personnel costs for emergency response.	-Develop climate-related management plans to address major natural climate risks, and implement effective stormwater management strategies; -Conduct climate vulnerability and resilience assessments; -Proactively inspect and maintain building envelopes to enhance extreme rainfall resistance; regularly check and maintain drainage systems to ensure functionality; -Install monitoring devices and early warning systems for information access of precipitation, water levels, and flood risks; -Strengthen waterproofing designs and improvements; and -Formulate emergency response plans with regular drills.

SOHO China Climate-related Physical Risk List

No.	Risk Type	Value Chain Stage	Risk Description	Risk Indicators	(Potential) Occurrence Probability ²	Severity ³	Impact Period ⁴	Risk Impact	Response Measures
4	Hailstorms	Direct operations	Hailstorms are extreme weather phenomena typically accompanied by severe thunderstorms.	Increase in indirect operating costs Higher insurance premiums	Unlikely	Minor	Short-term	-Hailstorm-induced dents or damage to building assets may reduce asset value and functionality; -Enterprises may put in additional resources and costs to uphold maintenance and repair of impaired items, including the restoration of vehicles and equipment surfaces; -Extreme hailstorm hampers the commute of SOHO China's employees, tenants, and owners, thus hindering their travel and business; -Accidental injuries to outdoor personnel due to sudden hailstorm; and -Increased personnel costs for emergency response.	-Develop climate-related management plans to address major natural climate risks; -Conduct climate vulnerability and resilience assessments; -Enhance building protection measures; -Formulate hailstorm emergency plans with regular safety drills; and -Procure insurance coverage for hailstorm damage.
5	Cold wave	Direct operations	Cold waves refer to meteorological phenomena where cold air masses rapidly move southward, causing abnormally low temperatures accompanied by strong winds and snowfall, severely impacting business operations.	Increase in indirect operating costs Revenue loss from productivity decline	Unlikely	Minor	Medium-term	-Impairment of commercial property buildings and equipment, resulting in decreased asset values and augmented maintenance expenses; -Increased usage of heating system and energy consumption raise operational costs; -Suspended commercial buildings and operational shutdowns of -SOHO China and its tenants, disrupting business operations; and -Increased personnel costs for emergency response.	-Develop climate-related management plans to address major natural climate risks; -Conduct climate vulnerability and resilience assessments; -SOHO China has established emergency snow removal plans to address extreme low temperature and ensure project operations; -Strengthen building maintenance and protection; -Ensure heating equipment and system safety; and -Enhance communication and collaboration with tenants.
6	Cyclone / Typhoon/ Hurricane	Direct operations	Large-scale cyclonic storms caused by low-pressure systems with characteristics of strong winds and heavy precipitation.	Revenue loss from productivity decline Higher insurance premiums Write-offs, asset impairments, or the premature disposal of existing assets caused by the reduction in asset value or asset lifespan	Unlikely	Negligible	Short-term	-Buildings and infrastructure damage caused by cyclone, typhoon, hurricane or other severe weather reduce assets value and increases maintenance costs; -Typhoon-related rainstorms may induce secondary calamities such as flood and river overflow; -Operational paralysis during cyclone, typhoon or hurricane disrupts normal operations for SOHO China and its tenants; -Jeopardizing the health and safety of individuals; and -Increased personnel costs for emergency response.	-Develop climate-related management plans to address major natural climate risks; -Conduct climate vulnerability and resilience assessments; -SOHO China has implemented typhoon response property operation and management strategies for projects in Shanghai and Hainan, to prevent asset value damage and personnel safety caused by secondary disasters such as basement flooding; -Ensure infrastructure and buildings meets super typhoon resistance standards; -Conduct asset protection activities; -Develop post-disaster recovery and business continuity plans.
7	Water scarcity	Direct operations	Water scarcity refers to the climate disaster risk caused by insufficient surface and groundwater supply from reduced river and stream runoff.	Water pricing pressures Increase in operating costs	Unlikely	Negligible	Long-term	-Direct increases in water costs for asset development and maintenance; -Indirect water cost pressures on clients and tenants.	-Develop climate-related management plans to address major natural climate risks; -Conduct climate vulnerability and resilience assessments; -Implement water resource management plans; and -Establish water conservation targets and integrate them into performance evaluations."

SOHO China Climate-related Physical Risk List

No.	Risk Type	Value Chain Stage	Risk Description	Risk Indicators	(Potential) Occurrence Probability ²	Severity ³	Impact Period ⁴	Risk Impact	Response Measures
8	Drying trend	Direct operations	Long-term adverse impacts on socioeconomic systems from surface water shortages, low soil moisture, and reduced air humidity caused by precipitation and evaporation imbalances under climate change.	Water pricing pressures Increase in operating costs	Unlikely	Negligible	Long-term	-Direct increases in water costs for asset development and maintenance; and -Indirect water cost pressures on clients and tenants;	-Develop climate-related management plans to address major natural climate risks; -Conduct climate vulnerability and resilience assessments; -Implement water resource management plans; and -Establish water conservation targets and integrate them into performance evaluations.
9	Humidification trend	Direct operations	Long-term potential impacts on business operations from increased climatic humidity.	Increase in indirect operating costs	Unlikely	Minor	Long-term	-Increased maintenance costs from building leaks; and -Increased maintenance costs from structural dampness;	-Develop climate-related management plans to address major natural climate risks; -Conduct climate vulnerability and resilience assessments; -Optimize leak-proof, moisture-resistant, and flood prevention facilities; and -Upgrade the drainage systems.
10	Warming trend (Higher average temperature)	Downstream value chain	Warming Trends, also known as the increase in average temperatures, refers to the persistent warming impacts on socioeconomic activities from rising average temperatures, occurring across all seasons.	Increase in operating costs	Probable	Moderate	Long-term	-Increased energy consumption and carbon emissions; -Growing HVAC demand from frequent warm/hot weather raises operational costs through maintenance and energy use; -Electricity demand pressures on AC systems to maintain occupant comfort; -Energy price volatility from security risks affecting tenant expenditures; and -Health and well-being impacts from temperature changes.	-Develop climate-related management plans to address major natural climate risks; -Conduct climate vulnerability and resilience assessments; -Optimize energy conservation and emission reduction efforts; -Invest in solar photovoltaic systems; -Install energy-efficient lighting, equipment, and HVAC systems to reduce energy loads; and -Improve the insulation and ventilation systems of buildings
11	Wind speed trend	Direct operations	Adverse impacts on business operations from changing wind patterns, including restricted outdoor production activities, such as transportation and wind power generation.	Increase in indirect operating costs	Unlikely	Minor	Long-term	-Building assets and infrastructure damage increases maintenance costs; -Severe weather events cause commuting difficulties for SOHO China's employees and tenants, subsequently disrupting operations; and -Severe weather events increase health and safety risks of individuals.	-Develop climate-related management plans to address major natural climate risks; -Conduct climate vulnerability and resilience assessments; -SOHO China has established flood prevention and storm resistance emergency plans and warning mechanisms for all projects; -Conduct asset protection activities; and -Develop post-disaster recovery and business continuity plans.
12	Sea level rise	Direct operations	Sea level rise refers to the phenomenon where the global sea level continues to rise due to factors such as glacial melting and thermal expansion of seawater under global warming. The risks associated with sea level rise typically impact socioeconomic activities in low-elevation coastal areas.	Write-offs, asset impairments, or the premature disposal of existing assets caused by the reduction in asset value or asset lifespan Increase in indirect operating costs	Unlikely	Negligible	Long-term	-Required flood defense investments; -Flood-induced property damage, construction delays, and cost increases; and -Reduced land value and client business interruptions;	-Develop climate-related management plans to address major natural climate risks -Conduct climate vulnerability and resilience assessments; -Review critical infrastructure locations and invest in flood prevention infrastructure; -Optimize leak-proof, moisture-resistant, and flood prevention facilities; and -Upgrade the drainage systems.

SOHO China Climate-related Transition Risks and Opportunities List — Policy and Law

No.	Risk Type	Value Chain Stage	Risk Description	Risk Indicators	(Potential) Occurrence Probability ²	Severity ³	Impact Period ⁴	Risk Impact	Response Measures
1	Use of green building materials	Opportunity	National policies from the Ministry of Industry and Information Technology encourage localized development of green building materials to promote the synergistic development of green building materials and green buildings, thereby increasing their use in both new constructions and renovations. At the local level, Hainan province has issued the Notice on Issuing the Comprehensive Energy Conservation and Emission Reduction Work Plan for the 14th Five-Year Plan, which calls for enhancing the promotion and application of green building materials.	Reduction in indirect (operating) costs Increase in revenue due to increased demand for products and services	Frequent	Minor	Long-term	-Government support for green building materials could, in the future, provide tax breaks, subsidies, and other preferential policies. This may lower the prices from upstream suppliers, thereby reducing SOHO China's renovation and decoration costs. -With growing focus on sustainable development and environmental protection, the downstream leasing market may increasingly value green attributes in buildings and even be willing to pay a premium. Promoting green building materials can help SOHO China meet tenant demand.	- Reasonable low-price bidding: We integrate environmental factors into supplier selection mechanisms and procurement standards; - Policy tracking: We regularly track updates on the green building materials policies and respond in a timely manner; - Supplier communication: We participate in supplier conferences and related events to promote the green building material requirements among the upstream suppliers and facilitate low-carbon cooperation with suppliers; and - Green building material usage: We enhance the use of green building materials in fully-finished properties and undertake corresponding promotional activities.
2	Carbon market	Opportunity	National mandates require improvements in carbon emission accounting mechanisms for industry enterprises, with the Ministry of Ecology and Environment and other agencies formulating and revising accounting methods and national standards for key sectors such as power, steel, non-ferrous metals, building materials, petrochemicals, chemicals, and construction. Moreover, among the pilot carbon emissions trading programs in seven provinces and cities, Shanghai and Shenzhen have included the construction industry.	Increase in non-operating income through the monetization of carbon assets	Frequent	Minor	Medium-term	-In the near to medium term, by following policies and regulations such as the Interim Measures for the Administration of Greenhouse Gas Resource Emission Reduction Trading issued by the National Development and Reform Commission, The Company integrates into the carbon market independently, and engage actively in initiatives like the voluntary greenhouse gas emissions reduction trading program and CCER (Chinese Certified Emission Reduction) to facilitate the transfer of carbon quotas and generate revenue via carbon trading.	- Pre-accumulation of carbon trading knowledge: We proactively understand carbon market policies and regulations, acquire relevant knowledge and expertise, or engage professionals to guide carbon trading operations; - Policy tracking: We regularly track updates on the carbon market policies, including local carbon quotas and CCER trading rules, etc; - Active participation in greenhouse gas market trading: We engage in both national and regional mandatory carbon trading and voluntary emission reduction trading (CCER); and - CCER projects development: We evaluate the feasibility of developing CCER projects within existing projects.
2	Carbon market	Risk	In China, the government sets the total carbon quota for the carbon market and allocates quotas to key emission units, with the allocation scale expected to decline over time. If a company's emission reduction pace lags behind the overall industry trend, the volume of carbon allowances it must purchase from the market will gradually increase.	Increase in indirect (operating) costs	Unlikely	Major	Long-term	-In the long run, the national policies on carbon emissions trading in the carbon market improve. As decarbonization progresses, carbon quota allocations will further decrease, exposing companies to greater transition risks rather than opportunities. Companies may need to purchase additional carbon allowances to cover emissions or invest more in energy conservation and green transformation to avoid declining competitiveness and mitigate higher carbon emissions costs and costs for participating in the carbon market.	- Technological transformation: SOHO China has established a digital energy-carbon management platform and continues to enhance its zero-carbon management measures for buildings; and - Participation in the carbon market: We pay attention to the price and market trend of carbon emission rights and actively participate in the carbon market.
3	Green building certification	Opportunity	Various national bodies, including the State Council, have successively issued policies and guidance to support the development of the green building industry, such as the Green Building Creation Action Plan and the Green Building Label Management Measures. Additionally, some local governments have introduced support and incentive measures, such as the Special Support Measures for Building Energy Conservation and Green Building Demonstration Projects in Shanghai and the Interim Measures for Administration of City-Level Rewards for Prefabricated, Green, and Green Ecological Demonstration Zone Projects in Beijing.	"Reduction in indirect (operating) costs due to lower energy and resource consumption Increase in revenue through attracting more customers after green certification"	Possible	Minor	Short-term	-Green building initiatives emphasize safety, durability, health, comfort, convenience, resource savings, and livable environments. Through the certification process, buildings use less water, energy, and natural resources, thereby enhancing emission reduction potential and minimizing environmental impact; -Upgrading and certifying existing buildings in alignment with national and local policies (e.g., in Shanghai and Beijing) may garner direct financial or project development support; and -Certified green assets may also attract higher attention in the downstream leasing market, potentially commanding rental premiums."	- Apply for green building certification: We disclose the green certifications obtained by SOHO China, such as LEED, and the respective proportions; we report on ongoing or planned certification projects and their progress.

SOHO China Climate-related Transition Risks and Opportunities List — Policy and Law

No.	Risk Type	Value Chain Stage	Risk Description	Risk Indicators	(Potential) Occurrence Probability ²	Severity ³	Impact Period ⁴	Risk Impact	Response Measures
4	Carbon pricing	Risk	Internal carbon pricing assigns a financial value to greenhouse gas emissions within an enterprise's internal policy analysis, aiming to drive climate-conscious decision-making. This typically takes the form of shadow prices and carbon fees. Shadow prices quantify emission risks in monetary terms without actual payments, serving as the additional indicator in climate risks quantification of commercial assessments, while carbon fees are similar to an internal tax on each tonne of greenhouse gas emissions collected voluntarily by each enterprise.	Increase in indirect (operating) costs	Unlikely	Minor	Long-term	-According to transition risk scenarios analysis, some of SOHO China's assets might incur additional carbon emission costs in the future due to fluctuations in carbon prices and other factors. Failure to implement internal carbon pricing in advance may hinder effective emission reduction, resulting in excessive carbon costs.	- Policy tracking: We regularly track updates on the carbon price policies and respond in a timely manner; - Linkage between carbon emission reduction and performance: We have set climate-related targets, and integrated energy saving and emission reduction indicators with departmental performance, and incorporated it into annual appraisals.
5	Green finance	Opportunity	The National Development and Reform Commission has issued the Guidelines of Green Bond Issuance, explicitly listing green building development and energy-saving renovation of existing buildings as key projects. Moreover, many local governments have released green finance policy documents, encouraging financial leasing companies to develop green leasing services. For instance, Shanghai encourages banking institutions to increase financial support for green financing leasing projects. Such diversified policies create opportunities for the real estate industry to access green financial instruments like green bonds, green credit, green funds, and green insurance.	Increase in financing channels	Possible	Negligible	Long-term	-Energy-saving renovation of existing buildings can open up broader funding channels under green finance to support the development of green leasing services.	- Policy tracking: We regularly track the green finance policy updates related to green leasing and respond promptly; and - Green finance project development: We proactively pursue green finance projects related to green leasing to diversify financing channels.
6	Circular economy	Opportunity	The core concept of the circular economy is to “promote the development of renewable energy while altering product design and usage methods to reduce greenhouse gas emissions along the value chain, and to recycle materials and products to preserve the energy embedded within them.” As stated in the 14th Five-Year Plan for the Development of the Circular Economy issued by the National Development and Reform Commission, by 2025, we will fully implement the circular production methods, adopt green design and clean production, significantly enhance resource utilization efficiency, and basically establish a circular industrial system. Furthermore, waste material recycling networks will be improved, and the recycling capacity for renewable resources will be enhanced, thereby establishing a comprehensive societal resource recycling system.	Reduction in indirect (operating) costs	Possible	Negligible	Long-term	-Aligning with national policy guidance, SOHO China's renovation or demolition projects in the existing buildings, which involve substantial material usage and replacement, can fully leverage material recycling. This may help reduce greenhouse gas emissions across the value chain and lower future extra costs associated with excessive emissions.	- Material recycling and utilization: We implement material recycling measures during building renovations or demolitions, such as the recycling and reusing of renovation materials in the SOHO3Q project; and - Procurement of recycled materials: When undertaking renovations or refurbishments, we prioritize the use of recycled materials.

SOHO China Climate-related Transition Risks and Opportunities List — Technology

No.	Risk Type	Value Chain Stage	Risk Description	Risk Indicators		(Potential) Occurrence Probability ²	Severity ³	Impact Period ⁴	Risk Impact	Response Measures
1	Digital energy management	Opportunity	Adoption of digital energy management systems, such as IoT, AI, and big data, enables real-time monitoring, analysis, and optimization of energy usage within buildings.	Reduction in indirect (operating) costs	Frequent	Moderate	Medium-term	-Relying on the digital energy management systems, we can monitor and control the energy use in buildings, thereby significantly reducing the manpower and time required for traditional energy management, while also exploring potential measures for carbon reduction and energy conservation.	- Energy audit: We conduct energy audits for buildings and offer the service to tenants free of charge; we implement improvement measures based on audit results; and - Use of digital management platform: SOHO China has upgraded its energy management platform to an energy-carbon management platform.	
2	Energy saving and low-carbon Retrofitting	Opportunity	Energy conservation and low-carbon retrofitting refers to a range of technical and management measures applied to existing buildings to reduce energy consumption and emissions. These measures include, but are not limited to, replacing high-efficiency equipment, installing intelligent control systems, implementing energy consumption cap management, and conducting low-carbon performance assessments.	Reduction in indirect (operating) costs	Frequent	Moderate	Medium-term	-Be expected to enhance energy efficiency and promote resource recycling in buildings, thereby lowering operating costs and generating savings on energy and carbon emission expenses.	- Equipment energy-saving renovation: Highlight transformation examples include replacing LED lights with energy-efficient alternatives, installing intelligent control systems(to manage lighting and air conditioning), and retrofitting pumps and cooling towers to improve water resource utilization; -Energy saving technology renovation of existing buildings; and - External exchanges and learning: Regularly visit and learn from outstanding enterprises in the industry every year, and draw on their energy-saving experience.	
3	Use of renewable energy	Risk	The energy consumption structure of buildings is gradually shifting from traditional fossil fuels to renewable sources such as photovoltaic and wind energy.	Reduction in indirect (operating) costs	Unlikely	Moderate	Medium-term	-Fluctuations in the renewable energy market may lead to increased expenditure when procuring renewable energy.	- Green power purchase: As green power becomes more price-competitive with fossil fuels, its adoption may help reduce future energy consumption and carbon emission costs; - Green Power Construction: Install solar photovoltaic power generation systems in eligible projects; - Linkage with tenant benefit: We develop plans for large-scale green power procurement linked to tenant benefits to create a low-carbon synergy with downstream tenants; and - Green power market tracking: We pay close attention to market trends in green power to mitigate potential premium costs.	

² (Potential) Occurrence Probability: Based on the likelihood of occurrence, there are five levels: [Frequent - Already occurred or 80-100% likelihood][Probable - Reasonably expected to occur in the future (60-80%)][Possible - Significant uncertainty about occurrence (40-60%)][Unlikely - Minimal probability of occurrence (20-40%)][Remote - Not expected to occur (0-20%)](The lower bound is inclusive.)

³Severity: Based on the preliminary scenario analysis results and the potential average annual financial losses, there are five severity levels: [Extreme - ≥RMB 100 million][Major - RMB 10-100 million][Moderate - RMB 5-10 million][Minor - RMB 1-5 million][Negligible - < RMB 1 million](The lower bound is inclusive.)

⁴Impact Period: Based on the time dimension of the impact on The Company, the periods are divided into three levels: [Short-term - Within 1 year][Medium-term - From next year to 2030, aligned with The Company's short-term SBTi targets)][Long-term - From 2030 to 2050, aligned with The Company's long-term SBTi targets]

SOHO China Climate-related Transition Risks and Opportunities List — Market

No.	Risk Type	Value Chain Stage	Risk Description	Risk Indicators	(Potential) Occurrence Probability ²	Severity ³	Impact Period ⁴	Risk Impact	Response Measures
1	Pricing of products and services	Risk	The use of upstream green energy and green building materials, coupled with short-term investments in energy conservation retrofits, may lead to rental premiums in downstream green leasing services.	Reduction in revenue due to decreased demand for products and services	Possible	Minor	Short-term	-Compared with traditional buildings, the rental premium associated with green buildings might lower market demand for SOHO China's leasing services, thereby reducing revenue.	-Green leasing publicity: We distribute free green leasing promotional materials to tenants and encourage them to sign green leasing contracts, thereby enhancing their low-carbon and environmental awareness; and -Energy retrofit benefit assessment: For energy conservation renovation projects, we invite external professional agencies to conduct cost-benefit assessments and consider cost-sharing mechanisms with tenants to spread renovation expenses.

SOHO China Climate-related Transition Risks and Opportunities List — Reputation

No.	Risk Type	Value Chain Stage	Risk Description	Risk Indicators	(Potential) Occurrence Probability ²	Severity ³	Impact Period ⁴	Risk Impact	Response Measures
1	Stakeholder requirements for climate risk disclosure	Risk	Regulatory authorities may impose increasingly stringent requirements for the public disclosure of climate-related risks, and investors or financial intermediaries may place greater emphasis on a company's ability to identify and manage such risks.	"Reduction in financing channels Increase in credit risk"	Possible	Minor	Medium-term	-Non-compliant disclosures or inadequate climate performance could damage The Company's reputation, and investors might lose confidence in SOHO China's ability to identify and manage climate-related risks, thereby causing financing challenges and affecting overall business operations and revenue.	Climate information disclosure: We disclose ESG and climate information through multiple channels, including the progress and plans of promotional and publicity work such as The Company's official website, public website, ESG website, ESG report release meeting, climate action report release, Science-Based Carbon Target (SBT) release and carbon reduction progress disclosure
2	Shift of tenant and partner preferences	Opportunity	Tenants and partners are increasingly shifting their preferences toward low-carbon products and services.	Increase in revenue due to higher demand for products and services	Possible	Minor	Long-term	-Initiatives such as green building certification and the green leasing services can enhance SOHO China's brand and reputation in managing climate risks, thereby attracting tenants and partners with a low-carbon preference.	-Climate change-related target setting: we formulate and disclose climate change-related target plans, and encourage partners to realize these plans through extensive communication;change-related target plans, and encourage partners to realize these plans through extensive communication; and -Stakeholder communication: We incorporate tenants' and investors' demands into SOHO China's climate action plan and information disclosure to facilitate emissions reduction across the entire value chain.

Climate targets and metrics

In response to the national goals of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, SOHO China has rigorously upheld its environmental responsibility for energy conservation and environmental protection. In 2020, The Company established a five-year environmental stewardship goal (2021–2025), covering management issues such as energy, water resources, greenhouse gas (GHG) emissions, and waste management, with a commitment to reducing the environmental impact of its buildings across the entire lifecycle.

To further enhance the ambition and executability of these environmental management targets, SOHO China launched a low-carbon pathway planning in 2023 and set a Science-Based Carbon Target (SBT) in compliance with the Science-Based Targets initiative's (SBTi) Absolute-based Approach. In June 2024, SOHO China received formal approval from the SBTi, namely a 42% reduction in absolute emissions of Scope 1, Scope 2 and Scope 3 (encompassing only Category 1 Outsourced Goods and Services, Category 11 Use of Sold Goods, and Category 13 Downstream Leased Assets) by 2030 compared to their GHG emissions in 2021, and an achievement of net zero emissions in its value chain by 2050 – aligning with the Paris Agreement's emissions reduction target for the 1.5°C scenario. Based on the SBT, SOHO China develops a carbon reduction strategy that is tailored to the local conditions and the time. Guided by the principles of “equally prioritizing tenant services and operational carbon reduction” and “emphasizing voluntary reduction over carbon offsetting”, we map out the Carbon Reduction Roadmap by 2030.

The base year 2021 selected for the SBT scientific carbon target setting is quite special in terms of GHG emissions accounting, as it is the year of the New Crown Epidemic. In order to meet the requirements of prevention and control, it is necessary to work at home during some periods, and at the same time, the management of HVAC also needs to meet the requirements of prevention and control, so the energy consumption in that year is relatively low compared with the regular years. The choice of 2021 as the base year for GHG emissions has posed additional challenges to SOHO China in meeting its annual targets.

Nonetheless, SOHO China is committed to annually assessing the latest progress, accomplishing the targets and disclosing them in the ESG report, continuously improving its environmental management capabilities, fully realizing its green commitments, and demonstrating its responsibility and commitment to all stakeholders.

SOHO China five-Year (2021–2025) Environmental Stewardship Goal

Issue	Five-Year Environmental Stewardship Goals		Progress in 2024	Status
Energy	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.		<ul style="list-style-type: none">The total energy consumption of the 24 projects managed by SOHO China is 80 million kWh less than that of the Standards for Energy Consumption of Buildings (GB/T 511612016), and the annual rate of energy saving is 21%.SOHO China has saved 414 million kWh from 2021 to 2024.	Exceeding the goal
Water resources	Goal of Water Saving: With 2017-2019 annual average water consumption per square meter as the benchmark, the annual water saving should be at least 2%. Cumulative savings of at least 10% over 5 years.		<ul style="list-style-type: none">The water consumption per unit area in 24 projects managed by SOHO China is 0.648 tonnes per square meter, saving 0.037 tonnes per square meter compared with the average consumption of 0.685 tonnes per square meter in 2017-2019, and the rate of water saving is 5.42%.The cumulative rate of water saving of SOHO China is 25.84% from 2021-2024.	Exceeding the goal
Greenhouse Gas (GHG)	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.		<ul style="list-style-type: none">Across the 24 projects managed by SOHO China, the annual energy savings is 80 million kWh, with an annual rate of 21%, equivalent to 70,200 tonnes of carbon reduction.SOHO China has saved 414 million kWh of energy, equivalent to 346,300 tonnes of carbon reduction from 2021 to 2024.⁵	Exceeding the goal
Waste	Goal of Waste Reduction: By strengthening the green operation, and advocate paperless offices, the reduction of waste intensity by at least 15% within five years based on the benchmark in 2020.		<ul style="list-style-type: none">The waste emission intensity in 24 projects managed by SOHO China is 0.00036 tonnes per square meter, which is 0.00134 tonnes per square meter lower than that of 0.0017 tonnes per square meter in 2020, and the rate of waste emission reduction is 78.8%.	Exceeding the goal

⁵When the greenhouse gas emission reduction goals were established in 2020, the emission calculation coefficients referred to the Average Carbon Dioxide Emission Factor of China's Regional Power Network in 2011 and 2012 issued by the National Development and Reform Commission. The CO₂ emission factor of the power grid in East China is 0.7035 kgCO₂ / kWh, and the CO₂ emission factor of the power grid in North China is 0.8843

SOHO China’s Science-Based Targets Progress (SBT)

Indicator	Unit	2021 Baseline Year	Science-Based Targets ⁶	In 2022	In 2023	In 2024	Progress in 2024
Total greenhouse gas emissions (Scope 1, Scope 2 & Scope 3) ⁷	tonne	241,869.75	Emission reduction of 42% by 2030	215,070.80	229,842.00	205,177.13	Emission reduced by 16.6% relative to the base year
Direct greenhouse gas emissions (Scope 1) ⁸	tonne	2,072.88	Emission reduction of 42% by 2030	2,390.79	3,477.82	1,693.32	Emission reduced by 34.5% relative to the base year
Indirect greenhouse gas emissions (Scope 2) ⁹	tonne	96,644.17		66,175.05	79,619.63	62,935.26	
Indirect greenhouse gas emissions (Scope 3) ¹⁰	tonne	143,152.70	Emission reduction of 42% by 2030	146,504.97	146,744.55	137,084.92	Emission reduced by 4.2% relative to the base year
Proportion of renewable energy	%	0	Accounting for 40% by 2030, and 100% by 2050	0	0.82%	Procurement of 43.5211 million kWh of green power; Sky SOHO's photovoltaic system generated 235,221 kWh in the year, accounting for 14.25% of total electricity consumption	Increased by 14.3% relative to the base year

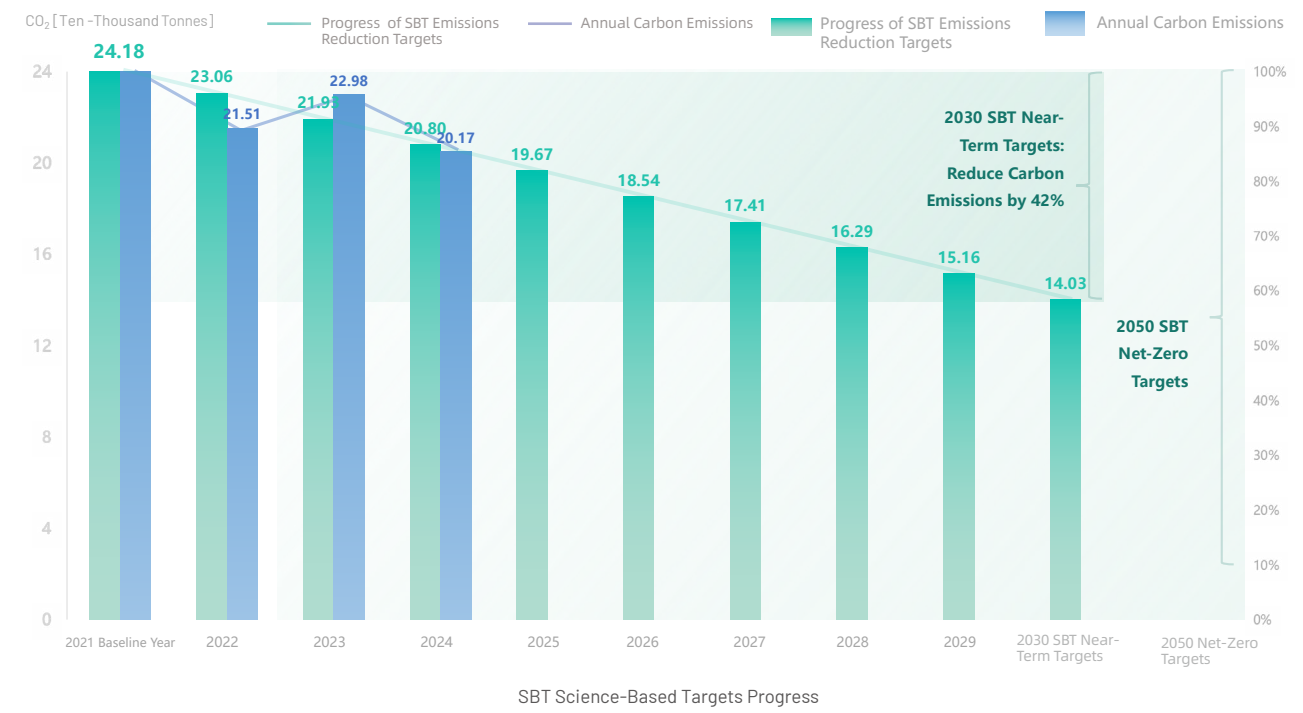
⁶ The 2024 SOHO China GHG emissions statistics are for SOHO China Limited and its 24 property management projects.

⁷ The greenhouse gas emission inventory includes carbon dioxide, methane, nitrogen oxides, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride. Greenhouse gas accounting is presented by carbon dioxide equivalent.

⁸ Scope 1 greenhouse gas emission refers to the greenhouse gas emissions generated by consuming natural gas, diesel, and gasoline, carbon dioxide fire extinguisher filling, and refrigerant filling in the 24 projects under SOHO China's property management. For the emission calculation coefficients, we referred to the revised 2019 version of the *2006 IPCC Guidelines for National Greenhouse Gas Inventories and the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions in Other Industrial Sectors (Trial)*. When applying for SBTi reduction targets, emissions from backup diesel generators have been reasonably excluded; the diesel-generated emissions of 232.11 tCO₂e in 2024 were not included in the total Scope 1 emissions.

⁹ Scope 2 greenhouse gas emission refers to the greenhouse gas emissions generated by consuming purchased electricity, purchased heat, and purchased cold sources by the 24 projects under SOHO China's property management. For the emission calculation coefficients, 0.5810 tCO₂/MWh, we referred to the revised 2022 version of *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions for Enterprises - Power Generation Facilities, Series Local Standards for CO₂ Emissions and Accounting of Carbon Emission Unit in Beijing, and Analysis of Carbon Emissions from Regional Cooling Systems*.

¹⁰ Scope 3 greenhouse gas emission refers to the greenhouse gases generated by upstream and downstream activities of the 24 projects under SOHO China's property management, including Category 1- Outsourced Goods and Services, Category 11- Use of Sold Goods, and Category 13- Downstream Leased Assets. The emission calculating factors for Scope 3 remain consistent with those used in the base year.



Case: Advancing Green Energy Structure: Green Electricity and Beyond

In 2024, SOHO China generated 235,221 kWh solar power and procured 43.5211 million kWh green power, reducing carbon dioxide emissions by over 20,000 tonnes. Through these concrete actions, The Company has significantly propelled the critical transformation of its entire energy structure toward greening and sustainability. In the future, we will further expand the use of green power.

Adhering on green development

At a time when green development and sustainable development have become the main theme of global urban construction, SOHO China actively responds to the call of the times. SOHO China adheres to a sustainable business philosophy in its business operations and integrates various sustainable factors into the whole life cycle of project site selection, planning, building design, construction and operation management. Through the creation of green buildings and the improvement of building quality, we aim to provide people with more comfortable living and working environments and promote the transformation of the industry towards green buildings, to achieve the goal of energy conservation and emission reduction.

Project Investment and Site Selection

SOHO China has been implementing its sustainable development strategy from multiple perspectives, making continuous efforts in high-density mixed-use development, brownfield development, urban revitalization and urban redevelopment, and green certification commitments, contributing to the promotion of sustainable development in the industry. SOHO China's sustainable project investment and site selection are based on the following criteria:

- Selects sites located in areas with convenient public transportation in order to reduce residents' reliance on private vehicles and lower carbon emissions; and pays attention to the availability of public service facilities around the site, such as schools, hospitals, and parks, to enhance residents' quality of life and promote the sustainable development of the community.
- Strives to realize high-density mixed-use development through vertical integration of office, commercial, residential and public spaces, which improves land use efficiency.
- Prioritizes the development of brownfield sites, avoiding the occupation of undeveloped greenfield sites or ecologically sensitive areas, and prioritizes the transformation of contaminated industrial sites or abandoned land parcels to reduce the impact of urban sprawl on the natural ecology.
- When developing projects, emphasize the harmony with surrounding buildings and areas, avoiding projects with abrupt buildings or those that do not match the functions of the surrounding areas.
- Actively participate in urban renewal projects to renovate and upgrade venues in old urban areas, so as to enhance the overall image and functions of the city.
- Initiate environmental impact assessment (EIA) work to ensure that all projects must meet the requirements of the EIA report, and undertake to avoid damaging or interfering with important or sensitive areas, including green areas, agricultural land, wetlands and other nature conservation areas.

Based on the above principles of project investment and site selection, SOHO China has completed a total of 5.03 million square meters of development in 27 projects in the urban centers of Beijing and Shanghai, involving office, commercial, hotel, and condominiums, with a number of projects becoming urban landmarks.

Beijing Project



Shanghai Project



We have formulated and publicized green sustainability policies and rules such as the SOHO China Biodiversity Protection Policy and the SOHO China Community Investment Management Policy, pledging to minimize the negative impacts of anthropogenic pollution from production and operations on the ecosystem and to contribute to the renewal of the city.

Abstract of SOHO China Biodiversity Protection Policy

- 1. Minimize the negative impact of production operation pollution on the ecosystem caused by human factors (such as prioritizing brownfields for new project development).
- 2. The concept of protecting biodiversity will be integrated into the total process of the project, including project site selection, design, construction and operation phases. If The Company carries out the development of new projects, The Company prefers brownfields for treatment and development, which will minimize the negative impact on the ecological environment.
- 3. Focus on protecting and enhancing biodiversity in and around the property, including making the building and its surroundings a place where local plants and animals inhabit and providing landscape value to the community.
- 4. Take into account the requirements of ensuring both the beauty of the environment and the protection of the biodiversity, and establish a diversified, multi-level, multi-channel greening system by using multi-species, combination of trees, shrubs and grass and other approaches.

Summary of SOHO China Community Investment Management Policy

- 1. With the goal of respecting and preserving history, we require each project to give full consideration to the historical positioning of the area in which the project is located as well as the historical relics of the area in the pre-development stage, and endeavor to find ways to make the ancient and modern architectural arts complement each other.
- 2. It is The Company's mission to maximize the use of limited urban public space and to realize open community development in urban architecture. We always focus on creating buildings that are in harmony with the communities in which they are located, and each project is designed and constructed with the active expansion of urban public space in mind, so that each SOHO China office building is not only an office building, but also a convenient place to live for the residents in the community.

Case: Jianwai SOHO, a priority brownfield green development project

Jianwai SOHO is located in the heart of Beijing's CBD. The site planning follows the principle of prioritizing the development of brownfield sites, avoiding the occupation of undeveloped greenfield sites or ecologically sensitive areas, and prioritizing the renovation of contaminated industrial land or abandoned sites to reduce the impact of urban expansion on the natural ecology. The site of Jianwai SOHO was originally the Beijing No. 1 Machine Tool Factory, which was demolished by blasting in 2001 to create Jianwai SOHO. the design concept of Jianwai SOHO allows the building to have a direct relationship with the city, vertically integrating office, commercial, residential, and public space, realizing high-density mixed-use development, and improving the efficiency of land use.

The development of Jianwai SOHO is guided by the principle of harmonization with the surrounding buildings and area, avoiding the emergence of abrupt buildings or projects that do not match the functions of the surrounding area. This pioneering building, completed twenty years ago, is still a vibrant and trendy neighborhood.





Case: SOHO Qianmen Avenue, a representative project of urban revitalization and urban redevelopment

With a total length of 845 meters, starting from Zhushikou West Street in the south to Zhengyangmen Arrow Tower in the north, the SOHO Qianmen Street project is located on the central axis of Beijing, and is the only commercial pedestrian zone around Tiananmen Square, and is also a prosperous commercial area where the ancient and the modern, the traditional and the fashionable, and the national and the international brands coexist in a diversified manner. The SOHO Qianmen Avenue project has integrated various functions such as commercial, cultural, leisure and so on, through the rational planning and development of the land, so that the land resources can be utilized more fully and efficiently. Through rational planning and development of the site, the SOHO Qianmen Avenue Project has organically integrated various functions such as commerce, culture and leisure, so as to make fuller and more efficient use of the land resources, avoid idle or inefficient use of the land, and enhance the comprehensive value of the land. At the same time, it pays attention to the protection and inheritance of the history and culture of the Qianmen area, integrates traditional cultural elements into modern buildings and commercial business, and, while inheriting the history and culture, innovates and develops the traditional culture by means of modern forms of expression and operation, so that the ancient culture will be given new vitality in the modern metropolis.

Building Green Buildings

SOHO China has always adhered to the concept of green design. As early as 2009, SOHO China formally clarified the strategic direction of green building and listed the relevant design requirements of the green building assessment system as a design standard. The Company has formulated the SOHO China Green and Healthy Building Policy, which sets out specific requirements for the implementation of domestic and international green building certification standards, stipulating that all new projects must comply with the design requirements of China's "Green Building Rating Standards" at two-star level or above and the certification requirements of "Leadership in Energy and Environmental Design" (LEED)¹¹ at gold level or above, and that The Company will participate in the certification of the "WELL Healthy Building Standard" ¹² as much as possible, so that our architectural designs can meet the certification requirements of the standards.

Green design

On the basis of full consideration of building functions and quality, we construct healthy and sustainable green space buildings. We prioritize the use of green and environmentally friendly materials and raw materials, purchase high-performance equipment, and make full use of renewable energy to reduce the use of resources and damage to the environment. We will also take into account the need for environmental aesthetics and biodiversity protection, applying multi-species, tree, shrub and grass combination, and other means to build a diversified, multi-layered and multi-channel greening system.

Incorporate low-carbon technologies such as renewable energy utilization, high-efficiency air-conditioning and heating systems and energy-saving controls into the design, establish real-time monitoring and regulation of energy and equipment management systems, apply advanced equipment systems such as intelligent building controls, and directly or indirectly reduce greenhouse gas and pollutant emissions through land and outdoor environment conservation, water conservation and water resource utilization, energy conservation and energy use, material conservation and material resource utilization, and indoor environmental quality. and pollutant emissions, strictly control the amount of waste generated, and realize the effective use of resources.

Green construction

Ensure that green construction solutions are adopted in project construction, and that the construction side strengthens the management of air, water, noise and waste, etc. to meet regulatory compliance requirements and relevant green construction certification standards, and enhances the efficiency of resource utilization through the use of environmentally friendly building materials, resource conservation, enhanced emission management, enhanced indoor air quality monitoring and management, and the adoption of various innovative technologies to minimize the impacts of the project construction on the surrounding environment and residents. We will minimize the impact of the project construction on the surrounding environment and residents.

¹¹ LEED (Leadership in Energy and Environmental Design), published by the U.S. Green Building Council (USGBC), is a globally recognized green building rating system with four levels of certification: certified, silver, gold and platinum.
¹²The WELL Health-Safety Rating Standard (WELL HSR), issued by the International Wellness Building Institute (IWBI), is designed to help businesses or organizations improve the healthy and safe operation and management of their buildings and facilities in the post-pandemic era, and based on the certification, to demonstrate to the users of the space that they have confidence in their health and safety practices and management. Based on the certification, users of the space can demonstrate confidence in their health and safety practices and management.

Key performances:
Certification for building design

9 projects
Certificated and labeled with LEED

1 project
Certificated by China's Green
Building Evaluation Standard

100%
Proportion of the primary investment
property portfolio that has achieved
green/healthy building certifications



Implementing green operations

SOHO China incorporates the concept of sustainable development into the entire operational process. We have established an environmental management system tailored to our operations. An Environment and Climate Working Team has been set up under the ESG Working Group to continuously strengthen the management of energy and resource utilization. The team is responsible for the day-to-day management of environmental risks and the tracking of environmental targets, as well as the cross-departmental coordination in the implementation of energy conservation and cost reduction regulations. Moreover, we actively formulate institutional systems in energy management, water resource management, and waste management, and launch green operation culture promotion activities from time to time to implement green office initiatives and practice the concept of green development.

During the Reporting Period, SOHO China further improved its policies on green building operations and made the following green commitments:

All existing projects will gradually achieve 100% of China's Green Building Rating Standards, Leadership in Energy and Environmental Design (LEED) and WELL Health-Safety Rating Guidelines (WELL HSR) through continuous improvement during the construction operation stage by 2025. Certified projects still need to continuously invest in and monitor buildings to renew certification.

Green and healthy operation

Commitment that all existing buildings will gradually obtain green building, healthy building and other related certifications during the operation phase, and by exploring improvement and enhancement measures. to meet the certification standards or requirements. Certified projects maintain their validity through continuous investment and building inspections;

Set targets of energy saving, water saving, and waste discharge reduction, attend in SBT, and regularly disclose completion progress of the targets. Conduct regular building audits and inspections to ensure that the energy and resource use efficiency of buildings is improved, waste discharge is reduced, and users' health and welfare are guaranteed.

Key performances: Certification for building operation

4

projects

Certificated by China's Green Building Evaluation Standard

1

projects

Certificated by the Green Office Building Evaluation Standard

100

%

Proportion of the primary investment property portfolio that has achieved WELL HSR certifications



China Green Building Label



Gubei SOHO Leeza SOHO SOHO Tianshan Plaza Wangjing SOHO



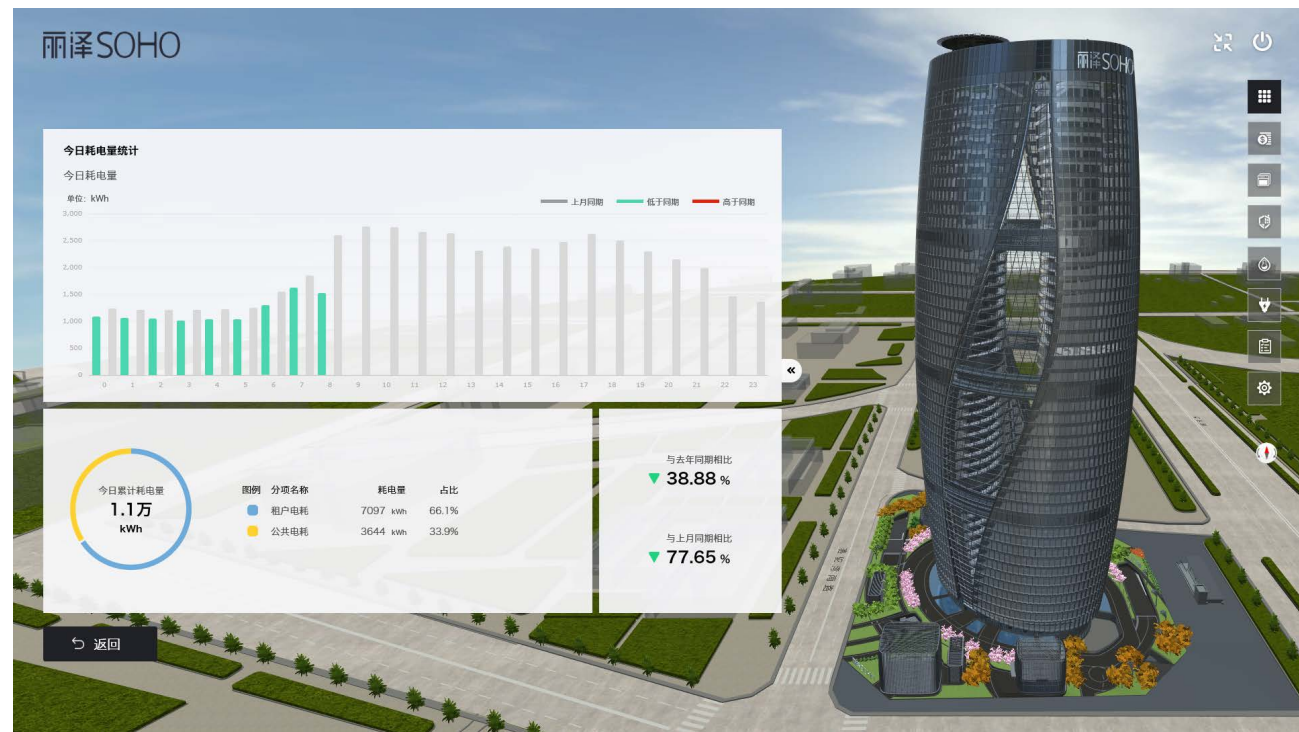
Bund SOHO Guanghualu SOHO II SOHO Fuxing Plaza Qianmen Avenue

WELL HSR Certificate

Energy management

- Smart green management

SOHO China has established internal working systems such as the Energy Conservation Management System and the Energy Conservation and Carbon Reduction System, and set up a leading group for energy conservation with responsibilities at all levels clarified to improve the energy management workflow. We are committed to building green and low-carbon intelligent buildings, for which we actively carry out digital transformation. Our energy management platform has been upgraded to a comprehensive energy and carbon management platform, with budget control and carbon management modules added alongside the existing real-time monitoring, management, and analytics functions of energy consumption, which make it an AI-driven intelligent management platform. In 2024, the platform was continuously optimized for precise energy conservation with enhanced real-time monitoring and data analytics functionalities, more granular energy consumption breakdown, and quicker and more precise energy consumption insights.



100% of SOHO China's projects are managed through the energy and carbon management platform

01 Enhancing daily energy and carbon management

In daily management, the Group's platform management center uses an energy management platform to monitor energy consumption in real time across various sub-categories. Through sub-category calibration and continuous tracking of energy usage, we can learn the energy consumption of buildings, accurately pinpoint high-energy-consuming nodes, and identify energy-saving opportunities, thus achieving cost reduction and efficiency enhancement. The energy and carbon management platform automatically generates monthly post-evaluation reports, analyzing energy consumption and carbon emissions at the Group, regional, and project levels. Based on the calculation results, each level is ranked internally to encourage competition and drive improvements.

02 Linking energy and carbon management to performance assessments

The energy and carbon management platform is integrated with the Operations Management System (OMS) and aligned with existing environmental management policies and energy performance management practices, enabling online management of energy budgets. Each project's engineering manager is required to complete relevant tasks online every week, which helps maintain a clear understanding of energy usage and allows for timely strategy adjustments to reduce energy consumption and improve overall management efficiency.

03 Providing energy audit services to clients

We conduct internal energy analysis for key areas, such as the Group's headquarters office (Chaowai SOHO) and leading internet companies, focusing on year-on-year energy consumption comparisons, abnormal energy use, energy demand, energy savings rate, and inspections of energy-consuming equipment. By working closely with clients, we aim to jointly explore opportunities for reducing energy consumption and carbon emissions.

Key performances:

RMB 20.98 million

The award totals in recognition of SOHO China's performance in energy conservation and emission reduction by the government

• Energy-saving technical retrofit

In 2024, SOHO China launched multiple energy-saving retrofit projects across various projects after detailed research and assessment. To comprehensively improve energy efficiency, we replaced diesel power generation equipment, introducing intelligent lighting systems, upgrading high-efficiency equipment and optimizing operational processes. These technical and energy-saving measures cover all aspects of building operations, significantly reducing the intensity of carbon emissions and providing solid support for the realization of green and low-carbon goals.

Case: Air-source heat pumps replace diesel boilers

In 2024, for the Commune by the Great Wall project, SOHO China implemented an air source heat pump retrofit. We gradually replaced old air-cooled heat pumps with low ambient temperature units, which served as winter heating sources in place of electric boilers and oil-fired boilers. The retrofit is expected to save energy consumption by 42%. The new air-source heat pumps not only reduce energy consumption costs, but also boost operational reliability and enhance indoor temperature stability and comfort.



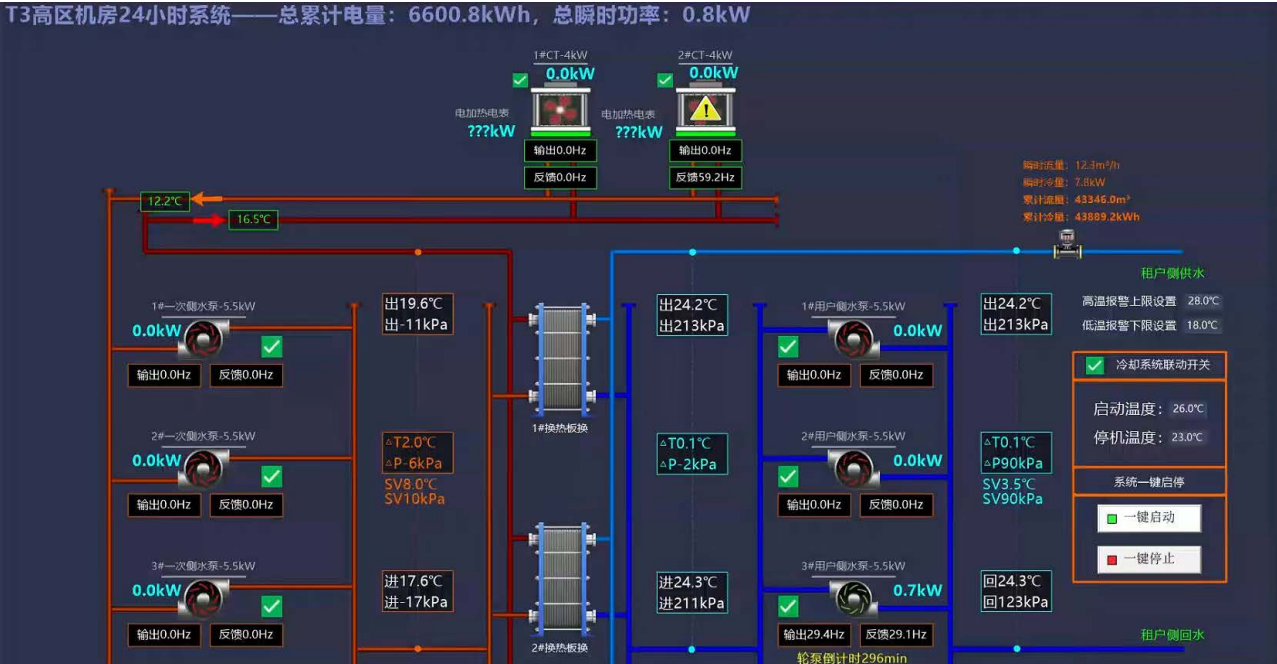
Case: Intelligent retrofit of underground garage lighting system provides an innovative paradigm for low-carbon transition

In October 2024, SOHO China joined hands with Beijing Telecom to initiate the intelligent retrofit of the underground garage lighting system for 20 projects in Beijing and Shanghai. The traditional LED energy-efficient lights were replaced with green and intelligent lighting systems. The system features intelligent sensors and automatic dimming technology, which allow for automatic adjustment of the operating load, mode, and brightness based on the movement of people and vehicles. This dramatically boosts energy efficiency. The retrofit, which is expected to reduce energy consumption by 80%, provides an innovative paradigm of the low-carbon path for commercial real estate planning.



Case: Retrofits of cooling/heating systems

In 2024, SOHO China implemented energy-efficient retrofits of the cooling water systems, chiller plants, and boiler rooms for tenants of Wangjing SOHO, Sanlitun SOHO, Galaxy SOHO, SOHO Zhongshan Plaza, and Gubei SOHO. By applying variable flow control, frequency conversion control, automated control and other technologies, the retrofits enable a reduction in energy consumption and operating costs while ensuring a stable and reliable cooling and heating supply to navigate the water demands of different areas and periods within the buildings. Based on preliminary measurements in pilot areas, the expected annual energy savings is about 1.36 million kWh.



Case: Retrofits the water pump system

The application of water pump efficiency prediction technology for energy-efficient retrofit of domestic water pump rooms is a key initiative to conserve energy, reduce consumption, and improve energy efficiency in buildings. Chaowai SOHO has completed the retrofit of its domestic water pump systems. In 2024, this technical retrofit was extended to Wangjing SOHO, SOHO Nexus Center, and Jianwai SOHO. After the retrofit is completed, the annual energy-saving rate is expected to reach 60-73%.



Case: Green energy – solar photovoltaic power generation

Sky SOHO has made full use of the idle space on its building rooftops to install photovoltaic power generation and energy storage equipment, which runs stably throughout the year. In 2024, the photovoltaic power generation reached 235,221 kWh. This initiative has effectively reduced carbon emissions from the building's electricity consumption, thereby contributing to climate change mitigation.



SOHO China Energy Consumption Data

Indicator	Unit	2021	2022	2023	2024
Natural gas	MWh	17,702.22	21,486.93	19,444.16	18,768.21
Diesel	MWh	1,632.45	1,454.02	1,539.43	877.34
Gasoline	MWh	227.09	193.26	191.72	198.81
Direct energy consumption	MWh	19,561.76	23,134.21	21,175.31	19,844.36
Purchased electricity ¹³	MWh	162,402.16	109,785.74	134,425.66	123,836.73
Purchased heat	MWh	17,584.15	17,886.29	14,806.46	15,496.90
Purchased cooling	MWh	6,929.63	7,712.14	8,975.96	7,425.26
Indirect energy consumption	MWh	186,915.94	135,384.17	158,208.08	146,758.89
Total energy consumption ¹⁴	MWh/m ²	206,477.71	158,518.38	179,383.39	166,603.25
Energy intensity ¹⁵	MWh	0.050	0.038	0.043	0.040
Annual energy saving rate ¹⁶	%	-	23.2%	13.1%	19.3%

¹³ Purchased electricity means the electricity consumed by the common areas and service facilities of the 24 projects managed by its properties.
¹⁴ Total Energy Consumption means the total energy consumed by the common areas and service facilities of the 24 projects managed by its properties.
¹⁵ Energy intensity means the total energy consumption per square meter of a building.
¹⁶ The base year for the comparison of energy saving rates is 2021.

Water resource management

All of SOHO China's projects are located in areas with a relatively low level of water resources risk. We strictly comply with local laws and regulations in its operational place. The Company formulates and implements the Water Conservation Management System, specifying water conservation goals, water conservation management methods, water use measurement methods, and water conservation performance evaluation, to strengthen all employees' water-saving awareness and boost water resource efficiency. At the same time, water resource managers are encouraged to implement water-saving technical retrofits and apply innovative technologies, including additional water-saving retrofits within budgets.

Case: Actively promotes lean water management in buildings

Taking the water quota for project areas as the management target, we make monthly statistics on the water consumption of public areas and the whole buildings of the property to pinpoint water consumption abnormalities. Taking the water consumption data of the previous year as the base year, we analyze the water-saving rate through five approaches, namely, the monthly year-on-year of public areas, the cumulative monthly year-on-year of public areas, the monthly year-on-year of whole buildings, the cumulative monthly year-on-year of whole buildings, and total water consumption compared to water quota. During monthly energy-saving meetings, we analyze abnormal changes in water consumption and their causes among various project teams to seek solutions and improve water efficiency.

SOHO China Water Consumption

Indicator	Unit	2021	2022	2023	2024
Tap water	tonne	2,744,720	2,504,755	2,695,009	2,673,676
Annual tap water consumption per square meter of floor area	tonne/m ²	0.671	0.607	0.653	0.648
Annual water saving rate	%	-	11.4	4.7	5.42

Waste management

Strictly abiding by laws and regulations in China and at operational places such as the Environmental Protection Law of the People's Republic of China and the Beijing Municipal Household Waste Management Regulations, SOHO China has formulated the Waste Management System, clarifying the division of duties among departments and providing guidance for various waste management processes such as waste disposal and collection, transportation and classification, temporary storage, and removal. To manage and reduce waste more effectively, we strive to promote waste recycling and continuously optimize our environmental management policies.

We have adopted a systematic and classified approach to waste management. By cooperating with qualified and technically capable third-party waste removal companies, we ensure the proper disposal of different types of waste. Domestic waste is transported to waste-to-energy incineration plants for heat recovery or electricity generation, achieving resource recycling. Construction waste is transported to recycling plants, where it is preprocessed through screening and crushing, and then reused as recycled building materials. Kitchen waste is transported to kitchen waste treatment plants via closed vehicles and converted into methane and fertilizers for resource utilization through anaerobic digestion, aerobic composting, and other biological treatment technologies.

Case: Developing new plastics management targets and measures to expand waste recycling

SOHO China has set specific plastic usage targets and management measures in SOHO China Environment Management Policy to mitigate the environmental impact of plastic products during operations. These targets include but are not limited to preventing long-term soil pollution and protecting marine life from the threat of plastic waste. To this end, we strive to minimize the use of single-use plastics by promoting eco-friendly tableware, water cups, and cloth bags. We also keep optimizing our waste classification system. In addition, we communicate the concept of reducing the use of plastics to our employees, customers, and other stakeholders through active outreach and training activities. In this way, we foster internal and external cooperation to promote the green office together.

Case: Fully implementing waste classification

In active response to the national call for waste classification, SOHO China has fully implemented waste classification in all 24 property projects. We have applied uniform facilities across all projects, placed waste bins with uniform waste classification labels in every freight elevator lobby on each floor, and conducted secondary sorting in the waste rooms. These measures make it easier for the classification, collection, and removal of waste, and effectively ensure accurate waste disposal, thereby ensuring successful waste classification. Waste classification has been included as a key part of our publicity efforts in our daily work. In addition, bulletin boards, lobby digital signage, public account pushes, and other forms are adopted to strengthen guidance. During the “National Urban Domestic Waste Classification Publicity Week”, we educated tenants about the importance and methods of waste classification through exhibition boards, waste sorting games, and other interactive waste sorting and specific sorting methods. In the future, SOHO China will continue to deepen the 'building-community-city' three-level linkage, integrate waste sorting data into the government's 'One Net Unified Management' platform, and create a green upgrade model that spans from individual buildings to urban governance.



SOHO China Waste Discharge

Indicator	Unit	2021	2022	2023	2024
Non-hazardous waste	tonne	1,268.09	1,022.72	760.00	496.76
Annual non-hazardous waste per square meter of floor area	tonne/m ²	0.0013	0.0007	0.0005	0.0004
Domestic waste	tonne	116.3	138.6	156.1	139.6
Kitchen waste	tonne	0.06	38.90	77.70	86.30
Construction waste	tonne	1,629.9	760.7	508.4	225.2
Office paper	tonne	18.16	84.51	17.80	45.60
Hazardous waste	tonne	1.64	3.53	6.47	5.04
Annual hazardous waste per square meter of floor area	kg/m ²	0.0012	0.0025	0.0046	0.0036
Waste toner cartridges	tonne	0.03	0.01	0.02	0.00
Waste ink cartridges	tonne	0.95	0.001	0.005	0.002
Waste fluorescent tubes	tonne	0.23	3.34	6.38	5.03
Other electronic waste	tonne	0.23	0.18	0.07	0.01

Commitment Seeking Excellent Quality Service

SDGs focus in this chapter

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



With a relentless focus on product and service quality, SOHO China strengthens quality management and listens to customer feedback. To improve customer satisfaction, The Company promotes responsible marketing, builds a digital service platform, innovates service models, and accelerates digital transformation. These efforts aim to provide every client with more sophisticated and smarter products and services.

This chapter relates to the following major sustainable development issues:

- Green leasing
- Product liability and safety
- Client information and privacy protection
- Property management and utilization
- Tenant engagement and satisfaction
- Innovation, R&D, and intellectual property management

Enhancing leasing management

SOHO China places its leasing business at the core of The Company's development and makes every effort to ensure the stability of its rental income. SOHO China's leasing strategy is centered on sustainable development, with synergistic efforts in multiple dimensions, such as business model, green development, and risk management, and is committed to realizing win-win results in terms of long-term stable development and social and environmental benefits.

Efficient governance drives business upgrades

SOHO China has established a comprehensive leasing governance system aimed at ensuring a stable rental income. The governance framework consists of three tiers: the Board of Directors, the Leasing Management Committee, and the Leasing Business Management Team.

The Board oversees and instructs leasing management policies, strategic planning, and major leasing project decisions. The Leasing Management Committee, composed of key executives including the Chairman, Co-CEO, CFO, and Vice President, is responsible for formulating leasing strategies, deciding major leasing projects, discussing leasing policies, and evaluating significant leasing matters. The Committee also reviews rental pricing and leasing strategy adjustments, major tenant leases, and rent reliefs to mitigate potential business risks. By implementing the PDCA model, SOHO China continuously refines leasing strategies, policies, and processes to respond to rapid market changes.

Through the leasing management system and leasing business process management, SOHO China clarifies departmental responsibilities and processes and ensures orderly coordination between functional and business departments. Regular Leasing Management Committee meetings are held to discuss and resolve key leasing issues, fostering an efficient internal collaboration environment. The leasing management system covers rental pricing, leasing policies, contract management, overdue rent collection, tenant classification, and leasing personnel management. It establishes clear responsibilities for business and functional departments and comprehensive business management processes with a well-structured, efficient leasing support system. Additionally, The Company has implemented a tenant rating system, which defines risk identification standards, assessment processes, and response measures. KPIs, including occupancy rates, are directly linked to the performance evaluations of senior executives such as the Chairman and Co-CEO, effectively incentivizing the management and driving the growth of the leasing business.

The Company has also constructed a one-stop digital public leasing platform for the entire life cycle, with the service principle of “openness and transparency” and the service goal of “efficiency and convenience” to digitally transform the customer experience. The Company has integrated all aspects of the leasing business, including the listing, contract signing, commission and payment collection, and realized the digital marketing and operation of the entire life cycle of the leasing business.

On SOHO China's public rental and sales platform, customers can access detailed information such as building introduction videos, floor plans, 41 delivery standards and rental prices through WeChat applets, realizing online selection of apartments; customers can sign contracts online with electronic signatures, shortening the time for signing contracts to an average of 2-3 days, which is an effective enhancement of efficiency compared to the average time taken for signing contracts, which is more than 2 weeks in traditional leasing contracts. The Company adopts the “rent bank deduction” method, which eliminates the need for customers to remit money through banks and facilitates the payment process of customers. The rental and sales management platform covers the management of the entire process of the rental business, from the promotion of properties, showings, signing of leases, collection of payments, collection of payments, commissions, bonuses, and financial accounting, etc. Customers can log on to the SOHO Digital Rental Platform applet to obtain detailed information on properties, and can also obtain detailed information based on special labels such as transportation accessibility, green attributes, and other characteristics. Customers can log into the SOHO digital leasing platform applet to obtain detailed information about the properties, and can also make personalized selection of property information based on transportation accessibility, green attributes, and other characteristics of the labels.

Policies and Systems on Customer Services in SOHO China at a Glance

<i>SOHO China Fair Hospitality and Marketing Management Policy</i>	<i>Property Site Management System</i>
<i>SOHO China Green Lease Policy</i>	<i>Customer Shop Sign Management System</i>
<i>The Leasing Management System</i>	<i>Customer Satisfaction Survey System</i>
<i>Leasing Business Management Process</i>	<i>Mysterious Visitor Survey System</i>
<i>Commercial Brand Management System</i>	<i>IT Information Security Management System</i>
<i>Housing Rehabilitation Management System for Customers Surrendering Leases</i>	<i>Information Security Organization Management System</i>
<i>Renovation Deposit Refund System</i>	<i>IT Management System</i>
<i>Advertising Space Management System</i>	<i>Information Security Incident Reporting and Handling Management System</i>
<i>Sales Management System</i>	<i>Management Measures for Property Quality Inspection and Evaluation</i>
<i>Complaint Report Handling Policy</i>	<i>Quality Talent Pool Management System</i>



Through the digital rental and sales platform, we realized digital investment management, fully exposed our inventory of properties, and realized tenant matching and contract signing in the shortest possible time, which empowered and matched the needs of our customers' rapid business development. 2024, through the Business Intelligence digital analytics function, we drew real-time multi-dimensional portraits of our customers, accurately positioned our potential customer base, and dynamically formulated tiered rental concession strategies to promote the development of our leasing business. In 2024, SOHO China signed a net new area of 135,300 square meters.

Implementation of Green Leasing Strategy

Leasing strategy is not only about business interests, but also about the pursuit of environmental sustainability, social responsibility and good corporate governance. In the field of commercial real estate leasing, SOHO China always adheres to the ESG concept and integrates environmental, social and corporate governance considerations into all aspects of its leasing strategy. We have adopted a competitive differentiation strategy to accurately position and create unique leasing products; we uphold the principle of putting customer experience first to deliver ESG values in our whole life cycle services; and we are determined to implement a green leasing strategy to lead the trend of sustainable development in the industry.

We rely on a series of comprehensive systems to promote the implementation of ESG concepts. The "Fair Customer Service and Marketing Management Policy" ensures that we uphold the principles of fairness, impartiality and transparency in every interaction with our customers, providing them with quality and honest services and maintaining good market order. The "Green Leasing Policy" integrates the concept of environmental protection throughout the entire process of leasing business, from building design, energy management to tenant orientation, to promote green development in all aspects and help realize the low-carbon goal. The Leasing Management System is oriented towards standardization and efficiency, and provides detailed management of all aspects of leasing business to ensure the smooth commencement of leasing activities and enhance operational efficiency. The "Commercial Brand Management

System" helps us shape a unique and influential commercial brand image, conveying our corporate values and cultural connotations and enhancing our market competitiveness. The "Customer Satisfaction Survey System" and "Mystery Visitor Survey System" complement each other to gain a deeper understanding of our customers' needs and feedback from different perspectives, prompting us to continuously optimize the quality of our services and enhance our customers' experience.

Through these efforts, we are committed to realizing the harmonious unity of economic, environmental and social benefits, building a solid foundation for the sustainable development of the enterprise and contributing to the green transformation of the society, and walking out of a unique ESG development path in the commercial real estate leasing market.

Green leasing is an important part of SOHO China's leasing strategy. We have deeply integrated green leasing into our overall strategy, and have crafted a standardized green leasing process that covers the entire cycle of project delivery, customer move-in, renovation guidance, and green service implementation. Each step of the process incorporates cutting-edge green concepts and strict implementation standards to ensure that the green gene takes root in every part of the office space. At the same time, we continue to upgrade the level of green leases from basic "light green" to high-standard "dark green", setting a benchmark for green development in the industry and leading the green leasing industry to develop in depth.

Summary of Green Leasing Policy:

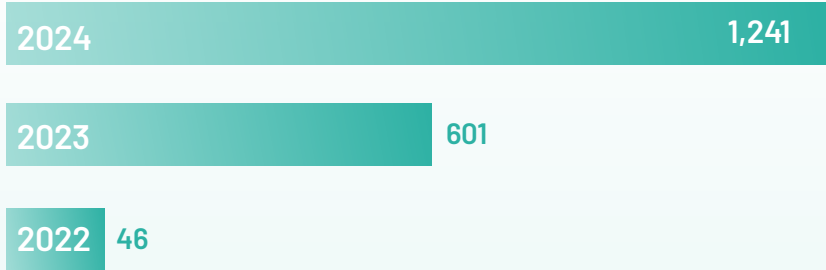
SOHO China's leasing policy revolves around green leasing, covering delivery, services, requirements, promotion and incentives, etc. It aims to promote green and sustainable development and guide tenants in practicing green concepts, as summarized below:

01	Green Lease Delivery	Equip public areas with energy-saving lamps and light sources, set up waste separation zones, special zones for recycling renovation waste and food waste, as well as equip water-saving facilities;
02	Green leasing services	The property owner regularly cleans the common areas of the building, uses green or sustainable cleaning products and materials, and applies water-saving equipment; regularly monitors the air indicators and indoor temperature in the office building; and provides customers with energy consumption check-up services to realize energy saving and emission reduction;
03	Green Leasing Requirements	Tenants are required to categorize and dispose of daily garbage, decoration garbage and food waste in accordance with the requirements of the property; and use environmentally friendly materials, water-saving equipment and energy-saving equipment during decoration;
04	Green promotion and incentives	Actively organize green leasing activities to spread the concept of green leasing;
05	Green incentives	Awarding “Green Leasing Star” honorary title to customers with outstanding performance; providing rental incentives to new customers with MSCI rating of BBB and above.

Green lease signing

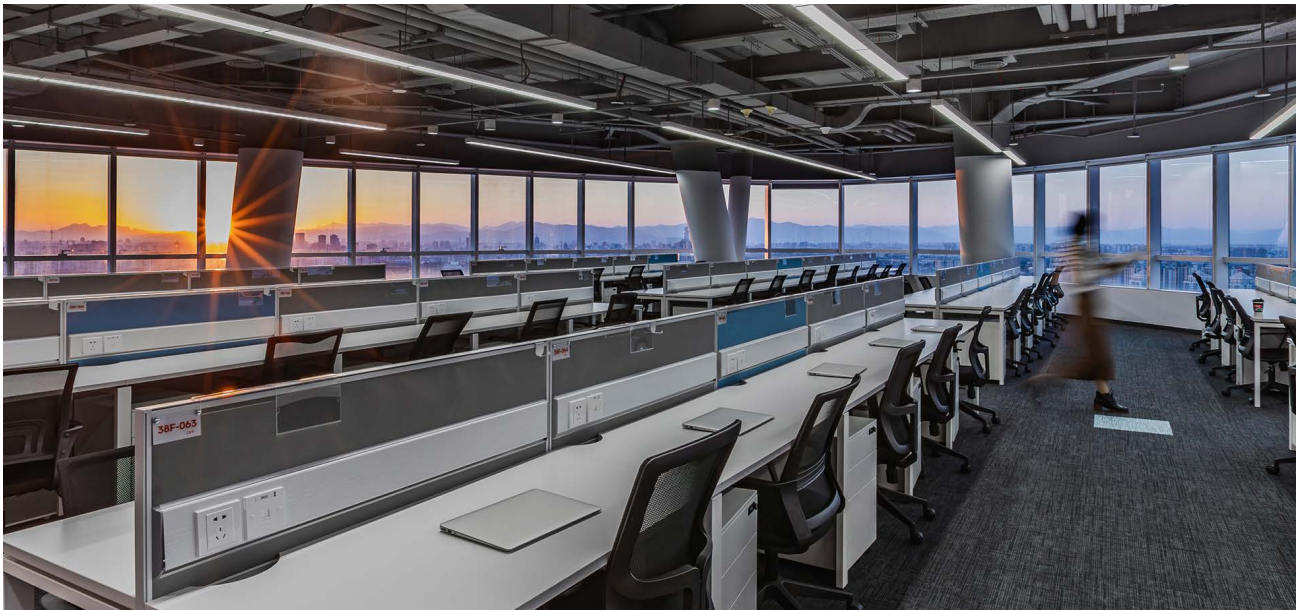
SOHO China signs green lease contracts with its tenants, requiring them to share with us the responsibility of energy saving and emission reduction, use of environmentally friendly materials, and improvement of the efficiency of energy and water utilization, etc. Through these measures, we are able to reduce the impact of our buildings on the environment and achieve our green objectives. As of December 31, 2024, SOHO China has successfully signed a total of 1,241 green lease contracts with a total contracted area of 589,600 square meters. Since the introduction of green lease terms into standard contracts in 2022, the number of contracts signed has risen from 46 in 2022, to 601 in 2023, when the green lease terms were upgraded to dark green, to the current 1,241. This steady growth reflects not only our strong commitment to green leasing but also our relentless efforts in driving sustainable development. Throughout our partnerships with clients, we pay close attention to every detail, ensuring that green principles are embedded throughout the leasing process. From contract signing to office formation, green leases not only provide high-quality office spaces for businesses but also support the widespread adoption of environmental protection values.

Number of green lease contracts signed



Case: Green-furnished property units

In 2024, we introduced 20 green-furnished property units for our tenants, covering an area of 7,758 square meters. These units prioritize energy efficiency and environmental protection. From the choice of building materials to the details of interior decoration, we have demonstrated our commitment to environmental protection. They use inorganic paints free from organic solvents and volatile organic compounds. The carpets are certified under the Carpet and Rug Institute (CRI) Green Label Plus, and the furniture meets the GREENGUARD Gold Certification Standard, minimizing indoor pollution and harmful emissions. Additionally, we have standardized the assessment process for vacated office spaces. When a tenant moves out, our in-house design experts conduct on-site evaluations to determine the feasibility of green refurbishment. Spaces meeting the criteria undergo green renovations before being reintroduced to the market, reducing costs and efforts for future tenants while promoting green decorations.



Property Management Agreement

In addition to the Green Lease Agreement, SOHO China Property Management signs Property Management Agreements with its tenants, in which the rights and obligations of the tenants and property managers are clearly defined, with clear terms and conditions on various aspects such as services, fees, utilization, management and communication, so as to clearly delineate the responsibilities of the two parties, safeguard the efficient operation of the properties, enhance the satisfaction of tenants and promote sustainable development.

Summary of the Property Management Agreement:

01	Services provided by the Properties	The Properties provide basic property management services to the Client, including security, cleaning, greening, etc., and are responsible for the operation and maintenance of the air-conditioning system. In terms of decoration management, it provides clients with decoration codes and monitors the decoration process. We are responsible for the maintenance of facilities and equipment to ensure that the main structure and utilities are in good condition.
02	Client's renovation	Clients are required to obtain written approval from the property in advance for renovation, comply with relevant regulations and renovation codes, and select qualified and compliant contractors. During the renovation period, we will minimize disturbance to others and work according to the stipulated time.
03	Green Lease	The customer and the property will work together to promote the implementation of the green lease terms. In the process of decoration and office work, the customer should choose environmentally friendly materials and energy-saving equipment, do a good job of garbage separation, and actively participate in green activities and feedback. Properties are responsible for organizing green leasing promotional activities, assisting clients in interpreting the green terms, providing energy consumption data analysis services, setting up special areas for garbage separation, and adopting environmentally friendly measures and equipment.

We recognize that each new customer moving into a SOHO property is not only a fresh start in the leasing cycle, but also a golden opportunity to spread the concept of green leasing in depth. Therefore, the property management company has prepared a “Green Leasing Guideline” for each new tenant, which is distributed to customers when they move in.

The Green Renovation Guidelines focus on creating healthy, comfortable and environmentally friendly indoor spaces, providing guidance on green renovation, comfort configuration and environmental management, covering material selection, indoor environmental control, waste disposal and energy-saving management.



[Green Leasing Guidance](#)

Green renovation

In terms of green renovation requirements, it centers on reducing environmental impacts, safeguarding indoor air quality, and properly disposing of waste. In terms of material selection, it is recommended to use green building materials, recyclable and reusable materials, local materials, etc. with environmental labeling certification, and at the same time, to use low volatile materials, and to limit the concentration of asbestos, mercury-containing materials and lead. In terms of indoor air quality control, air supply and return ducts should be wrapped during the renovation stage, and volatile and adsorbable materials should be properly preserved; thorough ventilation and air quality testing should be carried out before moving in. In terms of waste disposal, a management plan should be developed and implemented, and construction waste and recyclable/reusable waste should be disposed of by qualified third-party contractors.

Comfort features

Focus on creating a healthy and comfortable indoor environment, covering five aspects: air, heat, light, sound and drinking water. In terms of air health, it is necessary to meet the relevant air quality standards, ensure ventilation, and install purification and monitoring equipment; for thermal comfort, it is necessary to meet the thermal comfort standards for green buildings, and adjust the temperature, humidity and wind speed through temperature control and adjustable air-conditioning devices; for light comfort, it is necessary to meet the lighting and illumination standards, optimize lighting, install shading facilities and use energy-saving lamps and lanterns; for acoustic comfort, it is necessary to meet the indoor acoustic standards, and use sound-absorbing materials or partitions to reduce noise; and for drinking water, it is necessary to meet the indoor sound standards, and use noise-absorbing materials or partitions to reduce noise; and for drinking water, it is necessary to meet the indoor sound standards. In terms of drinking water health, direct drinking water should meet the standards and be equipped with three-stage filtration and regular inspection and replacement devices, while bottled water should be cleaned regularly in the water dispenser.

Environmental protection management

The Company has implemented the concept of “green, low-carbon and sustainable operation”, which covers energy-saving management and waste management. In terms of energy conservation management, we have set up a responsible person for energy conservation, formulated plans and implemented regular energy conservation strategies, such as controlling lighting, air-conditioning and other energy-consuming equipment on a demand basis, managing them in accordance with the principle of “zoning and time-sharing”, and prioritizing the replacement of products with high energy efficiency. In terms of waste management, the requirements for pre-disposal treatment of food waste, recyclables, hazardous waste and other waste are specified, with the aim of maximizing waste reduction and resource utilization.

Case: Energy consumption audits

To help our tenants reduce energy consumption, we offer complimentary energy consumption audits for electricity bills. Through these professional audits, we assist tenants in identifying areas of energy waste and provide recommendations for improvement, achieving genuine energy conservation and emissions reduction. The energy audit service is both a technical support and a commitment to environmental protection. By providing this service, we aim to encourage more businesses to adopt green operations and contribute collectively to environmental protection.



Case: Green Mobility

In order to facilitate customers' green traveling to and from work and to solve the charging problems of electric vehicles, the property management company gradually allocates fast charging piles in all projects to provide customers with convenient 24-hour charging services and to escort the green traveling. All quick charging piles comply with the national charging standards, with safe and reliable performance, meeting the charging requirements of various types of vehicles in the market.



Green leasing activities



We have hosted multiple green leasing activities in our property projects. For instance, we respond to global energy conservation campaigns such as “Earth Hour.” Through activities like signing environmental pledges, green knowledge quizzes, waste sorting, and used item recycling, we have engaged more tenants and raised awareness of green leasing.

At Leeza SOHO, we have launched a green office campaign, encouraging tenants to play an active role in waste sorting and safeguarding our green homeland. These initiatives reinforce environmental awareness among our tenants and foster greater interaction and collaboration between our Company and our tenants.



Enhancing leasing risk management

SOHO China has established a comprehensive leasing risk management process and refined risk management policies. We evaluate the potential risks and opportunities that may affect our business strategy and financial position, including market risks, credit risks, and operational risks. This process helps identify the actual impact of these risks and opportunities on business operations. Additionally, through tenant credit evaluation systems, rent pricing mechanisms, and market risk early warning systems, SOHO China ensures a stable leasing business and robust finance.

Risk identification and assessment

We identify various risks faced by the leasing business, such as the risk of rising vacancy rates due to changes in market demand, tenant credit risks, rent fluctuations, and risks associated with macroeconomic changes. We apply scientific methods to assess the likelihood and potential impact of these risks, which informs our formulation of risk management strategies.

Risk	Risk identification	Risk assessment
Macroeconomic and policy risks	Potential risks arising from macroeconomic shifts, government policies, urban planning, and changes in relevant laws and regulations	<ul style="list-style-type: none">Macroeconomic factors: The macroeconomic situation is reflected in the trends in GDP, CPI, and PPI. Business cycles may impact the leasing market.Policy risks: Governments may change policies on the leasing market, including but not limited to rent subsidies and tax incentives. Such policy adjustments can directly influence supply and demand dynamics, rents, and corporate leasing costs, thereby impacting overall leasing operations.Industry restrictions: Industry-specific regulatory policies can significantly affect the leasing market. For instance, the implementation of the “Double Reduction” policy in China’s education sector has led to a sharp decline in leasing demand from the sector, destabilizing the leasing market. Similarly, shifts in government support for emerging industries may alter supply-demand balances and rent levels.
Market risks	Assessing the impact of supply-demand dynamics, rents, and location on office building investment returns and asset value.	<ul style="list-style-type: none">Supply: We closely monitor recent office building availability in urban and regional areas while forecasting total supply over the next three years. The launch of newly developed office buildings and adjustments to commercial real estate development plans may lead to drastic changes in supply volumes, significantly affecting market competition.Demand: We conduct a comprehensive analysis of transaction data over the past year at both urban and regional levels, including tenant preferences across different industries, size requirements, and specific needs for facilities and supporting services. Structural economic adjustments, the rise of emerging industries, or the decline of traditional sectors may drive notable shifts in demand across industries, scales, and functional requirements.Competition: We have in-depth research on regional competitors, covering aspects such as rental pricing strategies, vacancy rate fluctuations, leasing incentives, and property services. Competitors’ innovative marketing strategies, cost advantages, or differentiated services may rebalance competition in the regional leasing market.

Risk	Risk identification	Risk assessment
Tenant performance risks	Assessing the impact of tenant credit, rent payment capability, lease term, and other factors on leasing risks.	<ul style="list-style-type: none">Tenant stability: We make an overall assessment of the tenant’s business growth, including the likelihood of relocation due to business expansion or contraction, to gauge potential changes to their leasing cycle.Tenant credibility: We use targeted, quantifiable indicators such as rent collection rates to accurately assess a tenant’s credit performance and integrity in rent payment. This provides a thorough understanding of the potential tenant performance risks.
Property management risks	Considering the impact of property management quality, safety hazards, maintenance costs, and other factors on office building value and operational efficiency.	<ul style="list-style-type: none">Equipment operation & maintenance risks: Equipment failures can disrupt tenant operations, potentially leading to tenant complaints or even lease termination. By evaluating factors such as equipment age, repair records, and maintenance investment, we assess the likelihood of equipment breakdowns and their potential impact on tenant satisfaction and leasing business.Safety management risks: Issues related to fire safety or security breaches can jeopardize tenant safety and property while exposing The Company to serious legal liabilities and reputational damage. By reviewing fire and security inspection results, along with historical incident data, we analyze the likelihood and potential severity of safety incidents.Service quality risks: Poor service quality can lower tenant satisfaction, impacting lease renewals and the ability to attract new tenants. By analyzing tenant satisfaction survey results and complaint rates, we assess the long-term impact of service quality risks on leasing operations.Cost control risks: Uncontrolled costs can erode profit margins and affect The Company’s financial stability. By examining historical cost data, market price trends, and management efficiency indicators, we assess the likelihood of cost overruns and their potential impact on profitability, enabling us to take timely measures to optimize cost structures.
Financial risks	Identifying the impact of financing methods, interest rate fluctuations, and capital management on office building investment and operations.	<ul style="list-style-type: none">Financing method assessment: We regularly analyze The Company’s financing structure and score different financing methods based on cost, term, and flexibility. We reduce the proportion of high-cost, unstable financing channels while increasing the share of emerging stable channels, such as green finance, to ensure a well-balanced and sustainable financing structure.Interest rate monitoring: We have established a dedicated interest rate research team or turned to financial advisory firms to predict rate trends using econometric models. Based on the forecast, we assess the impact of interest rate fluctuations on existing and potential debt and develop proactive strategies—such as increasing the proportion of long-term fixed-rate debt when a downward trend in interest rates is expected.Capital management: We have developed a detailed capital operation simulation model incorporating variables such as rental income, operating costs, and investment returns under different market scenarios. We also evaluate liquidity and debt repayment capacity to optimize capital allocation based on assessment results and maintain a balanced investment-to-reserve ratio. This ensures financial stability for office building operations in various market conditions.v

Based on risk assessment results, SOHO China has swiftly and precisely implemented a set of targeted risk mitigation strategies. The Company leverages a flexible rental pricing mechanism and monitors market trends to efficiently address market volatility, ensuring a steady rental income amid market fluctuations. Additionally, we focus on building a diversified tenant base, carefully selecting tenants from various industries, sizes, and credit levels to distribute potential credit risks and enhance portfolio resilience. Furthermore, The Company continuously conducts thorough evaluations of the effectiveness of risk response strategies, such as their positive impact on optimizing financial performance, cash flow efficiency, and profitability. This approach strengthens the risk defenses and ensures the healthy and sustainable growth of the leasing business.

01 Macroeconomic and policy risks

We strengthen market research and economic forecasting to accurately capture the subtle impacts of macroeconomic trends and policy adjustments on the leasing market. By continuously collecting policy insights and market survey data, we proactively refine our leasing strategies, such as flexibly adjusting rents and tenant acquisition approaches to sharpen our resilience toward policy changes and business cycles, ensuring the stable operation of the leasing business.

02 Market risks

We have established a comprehensive, multi-level information collection and strategy adjustment framework. Weekly market transaction data inform us about market dynamics to ensure a timely and accurate understanding of the latest market trends. Additionally, every quarter, top international consulting firms are invited to share market insights, enabling real-time tracking of national policies, macroeconomic conditions, industry trends, and fluctuations in the office building market. Based on the input, the Leasing Management Committee holds at least one meeting each month to swiftly and flexibly adjust leasing policies in response to real-time market changes. This includes fine-tuning rents and commission policies to capture market opportunities and drive continuous leasing growth, thus maintaining our competitive edge in a rapidly changing market.

03 Tenant performance risk management

We adopt a flexible yet prudent strategy. The Leasing Management Committee responds swiftly to unexpected lease terminations by convening meetings to explore viable solutions. Depending on the tenant's financial situation, The Company may either terminate the lease promptly to prevent further losses or offer temporary relief through lease extensions or reasonable rent reductions to ease short-term financial difficulties. To mitigate risks from the outset, we put in place a comprehensive tenant rating system for the contract negotiation phase. After a contract is signed, a dedicated monthly credit assessment meeting rigorously evaluates tenant performance and outstanding payments. Tenants with weak operational capacity and significant arrears will have their leases decisively terminated, while those with solid business fundamentals but facing short-term liquidity issues may be granted deferred payments or rent reductions. This structured approach ensures the stability and sustainability of the leasing business.

04 Property management risks

Based on a daily maintenance plan on the equipment and facility platform, The Company closely monitors the operational status of all equipment. Through precise data analyses and expert technical assessments, we carry out preventive equipment maintenance and timely upgrades to lower long-term operational costs and ensure stable, efficient equipment performance. Additionally, internal quality inspections are conducted every month, following stringent service standards to identify areas for improvement and enhance service capability and quality. We have also developed a comprehensive emergency response plan covering all possible emergencies and strengthened tenant communication via an unhindered feedback channel. This guarantees swift and effective responses to emergencies, fostering a safe, comfortable, and convenient workplace for tenants.

05 Financial risk management

The Company diversifies financing channels to ensure a well-refined capital structure while prudently lowering financial leverage to enhance overall financial stability. By improving the accuracy of cash flow forecasting and implementing a robust cash flow management system, we guarantee sufficient liquidity for operational flexibility. To mitigate foreign exchange risks, we employ dedicated hedging instruments, coupled with rigorous monitoring of currency fluctuations to minimize their potential impact on financial performance. These measures reinforce The Company's financial risk defenses, safeguarding financial security and stability.

Risk monitoring and feedback

The Company's internal audit department conducts periodic leasing-specific audits, strictly examining the compliance of leasing processes, the robustness of policies, and the effectiveness of internal control. Detailed findings from these audits are reported directly to senior management. On the external supervision front, The Company engages professional third-party firms to conduct in-depth assessments of property and leasing services through mysterious customer investigations. These covert evaluations provide precise insights into operational efficiency and service quality, forming a comprehensive internal-external supervision framework that ensures the healthy and orderly development of the leasing business.

Implementation of leasing indicators and targets

SOHO China's leasing business is organized around a number of core dimensions, with the aim of achieving stable growth, improved customer satisfaction and sustainable development of the leasing business.

In 2024, SOHO China faces a huge challenge in the leasing market, and The Company has set an occupancy rate target of 80%. In order to achieve this target, The Company carried out a detailed target dismantling process, which resulted in the specific implementation of the occupancy rate target for each project, and detailed it to the monthly net new signings and rent refunds, and constructed a stringent target management system to ensure that the various items could accurately grasp the pace of the leasing business, and to promote the steady improvement of the overall occupancy rate through the stringent control over the net new signings and rent refunds each month.

However, the economic downturn has dealt a heavy blow to the leasing market. Market demand has shrunk significantly, and many enterprises have reduced the scale of their office space due to increased pressure from the economic situation, resulting in a significant increase in the number of properties available for leasing in the market, intensified competition and a general decline in occupancy rates. Under such difficult circumstances, SOHO China's occupancy rate was 77.7% at the beginning of the year and remained at 77.7% at the end of the year, successfully maintaining stability in the face of the declining occupancy rate.

In order to stabilize the occupancy rate, The Company actively adopted a series of effective strategies. In terms of marketing, SOHO China increased its investment in marketing to pinpoint its target customers. Through in-depth market research, The Company was able to capture the differentiated needs of tenants in different industries. The Company made full use of various online and offline channels for promotion and publicity, displaying its projects online with the help of social media and professional leasing platforms, and organizing various leasing activities offline, which greatly enhanced the visibility and influence of its projects and attracted the attention of a large number of potential tenants.

In terms of service enhancement, The Company is committed to creating an all-round, high-quality service experience for its

tenants. In terms of facilities maintenance, The Company has strengthened its daily inspections of the office premises and promptly resolved any problems with the facilities and equipment to ensure their normal use by the tenants; in terms of safety and security, The Company has improved the security system, increased the number of surveillance equipment and stepped up patrols in order to create a safe and reliable office environment for the tenants; and in terms of property services, The Company has responded quickly to the needs of the tenants and solved the latter's worries. These measures have significantly increased tenant satisfaction and effectively reduced the rate of lease termination.

In terms of leasing strategy adjustments, SOHO China responded flexibly to market changes. Considering that the economic downturn has put some customers under financial pressure, The Company demonstrated a high degree of social responsibility by introducing a rent remission policy for customers in difficulty in order to ride out the storm together with them. The Company has gained an in-depth understanding of the operating conditions of its tenants, and has provided a certain degree of rent remission or deferred payment support to those tenants who have been hit hard by the economic downturn and are experiencing difficulties in their operations. This measure not only helped tenants ease their capital pressure and strengthened their willingness to lease, but also, more importantly, established a deep relationship of trust with tenants during the difficult period. The Company actively communicated and negotiated with existing tenants to understand their difficulties and needs, and successfully retained some of the tenants who might have surrendered their leases through reasonable rent adjustments and service optimization.

Although the occupancy rate target of 80% set at the beginning of the year was not achieved, SOHO China maintained a stable occupancy rate through various proactive measures in such an unfavorable market environment, which fully demonstrated The Company's strong operation and management capabilities and market competitiveness. In the future, with the gradual improvement of the economic situation, SOHO China is expected to leverage on its experience accumulated during the difficult period and optimized operation strategies to further increase the occupancy rate and achieve sustainable development of its leasing business.

SOHO China leasing business targets

Performance indicator	Indicator description	Target	Status
Occupancy rate	Leased area/Total leasable area	80%	77.7%
Lease renewal rate	Renewed lease area/Expiring lease area	70%	72%
Rent Collection Rate Total	Rent Received/Total Rent Receivable	95%	95.6%
Green lease signing rate	New green leases/New total leases	99%	100%

Case: Growing together with SMEs

Acknowledging the power of support and company, we join hands with SMEs to empower them. In 2024, in response to the temporary financial challenges faced by fast-growing SMEs, we offered rent relief, deferral, and reduction. Tenants benefiting from rent relief covered industries such as TMT (technology, media, and telecommunications), healthcare, education, commerce, and catering, creating a supportive environment for their growth. Our goal was to help them overcome difficulties and thrive in the market.

113

Tenants received rent relief or deferral, totaling

RMB118.8million

Total rent relief for tenants

RMB74.2million

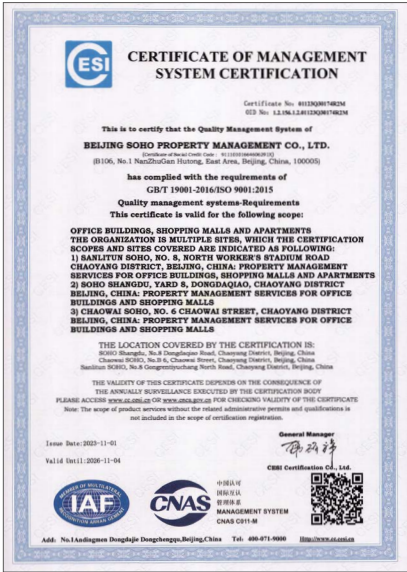
Rent relief for micro, small & medium enterprises

Enhancement of customer service

SOHO China is committed to enhancing customer experience in all aspects through a comprehensive and responsive service system. We continuously refine our quality management system and optimize the digital service platform to meet our clients' diverse needs. By establishing diverse communication channels to gather feedback and suggestions, we consistently elevate our service standards and capabilities, delivering an intelligent, efficient, and considerate service experience.

Strengthening quality management

SOHO China strictly adheres to the ISO 9001 quality management system standard in property management services and has obtained ISO 9001 certification. We have developed the *Quality, Environment, Occupational Health and Safety Management Manual* to raise service levels in safety management, environmental hygiene, facility management and maintenance, landscape maintenance, and diverse specialized services.



ISO 9001 Quality Management System Certificate

To ensure standardized property service procedures, we have established the *Management Measures for Property Quality Inspection and Evaluation*, which define the scope, criteria, and process for property inspections. We conduct monthly and dedicated evaluations using on-site observations, inquiries, and record reviews across all property projects. These inspections cover multiple aspects, including customer service, environmental management, equipment and facility management, security service, sign management, basic management, smoking control management, and operator management. Findings are compiled into monthly evaluation reports and discussed in monthly quality review meetings where project rankings and problems are analyzed. We then take project-based corrective actions to address problems, ensuring the orderly execution of our quality management.

In 2024, SOHO China launched all-around and in-depth project inspection and improvement actions to ensure high-quality project operations and continuous optimization. Following the PDCA approach for total quality management, we have refined service standards and project quality, creating a better, safer, and more comfortable environment for our clients. These efforts have significantly improved customer experience, solidified our reputation for service excellence, and bolstered our market competitiveness.

Establishing an inspection team

The inspection team, led by the Chairman, includes platform and property executives, along with design, engineering, and safety professionals. The team conducts thorough joint inspections at various project sites, accurately assessing the actual conditions, identifying potential issues, and requiring improvements.

Assessing projects in all aspects

During the inspections, the team evaluates each project in great detail, covering everything from the functionality and condition of public areas, the operational status and maintenance of equipment and facilities, to all aspects of safety management. Professional, independent reports are compiled for each project.

Accurately evaluating the status of projects

A total of 22 reports have been generated, providing precise assessments of each project’s status. Based on every project’s uniqueness and actual needs, the team proposes targeted improvement plans and on-site management recommendations, effectively helping optimize projects.

Ensuring rectification and implementation

Each project, based on its specific circumstances, focuses on one to three targeted improvement projects. These include public area upgrades, equipment and facility updates, and safety system improvements. Additionally, over 10 corrective measures are carried out to address on-site management details, such as reinforcing service standards and optimizing work processes.

Key performances:

9,801

Problems were identified during property quality inspections

100%

Rectification rate

22reports

The inspection team inspected the whole project and formed 22 reports to help the project renovation and upgrading





Customer communication

SOHO China continuously optimizes customer service processes, ensuring smooth and effective communication channels and complaint mechanisms. We have built a platform-based customer service management system to respond promptly and effectively to every customer request.

Ensuring smooth communication channels

Tenants can make complaints and provide feedback through various channels such as phone, email, and Weibo. We have set up a call center system platform to ensure quick responses and proper treatments to customer complaints.

Developing a customer management platform

We have put in place a customer management platform covering all projects and continuously refined the 400 Workflow Standard, enabling customers to provide feedback and resolve issues efficiently while achieving closed-loop management of customer feedback.

Effectively responding to customer demands

For five categories of consultations—ESG-related issues, sales/ rental business, facilities maintenance, complaints and suggestions, and other business consultations—we have developed a hierarchical feedback processing mechanism with hierarchical response processing time. In 2024, we integrated the customer management platform with the equipment and facilities work order management system, enabling us to respond to maintenance requests within 15 minutes and resolve customer complaints within one business day. For special issues that cannot be responded to in the requested time, we promise that the maximum resolution time limit will not exceed three working days.

Ensuring clear feedback on issue resolution

Through a structured work order system, we assign specific responsibilities to designated personnel, requiring them to conduct follow-ups and on-site visits after resolving the issue. This approach effectively enhances service quality and improves the resolution rate of tenant concerns.

Key performances:

26,433

Orders for repair dealt with

100%

Ccompletion rate

2,545

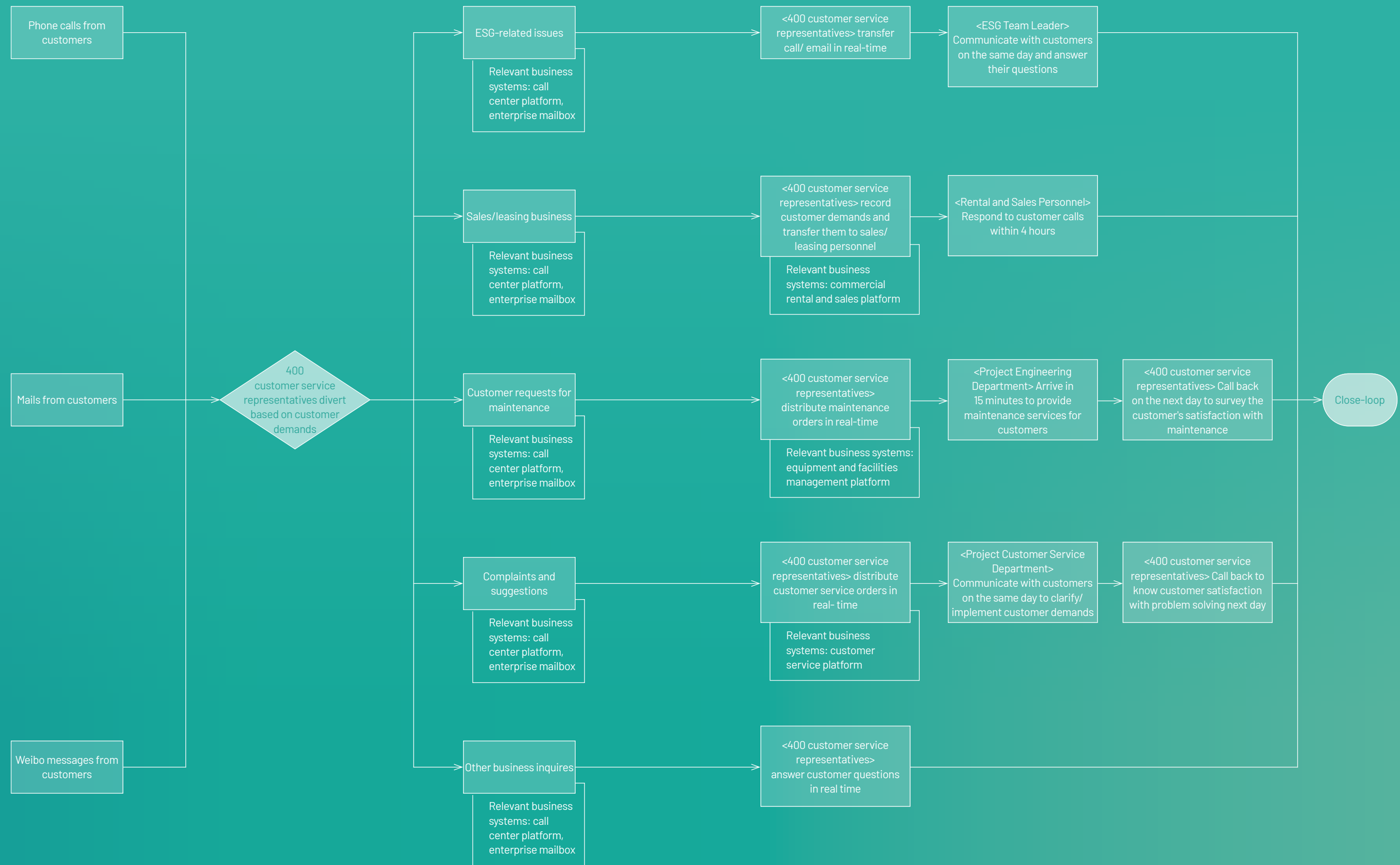
Client positive feedbacks The Company received

7

Complaints received

100%

Completion rate of requests for maintenance



400 Workflow Chart in SOHO China

Customer satisfaction survey and improvement

Prioritizing customer feedback and needs, we strive to meet the diverse demands of our clients. We conduct customer satisfaction surveys through four methods: property project surveys, headquarters call center surveys, mystery customer visits, and customer Net Promoter Score (NPS) surveys. Based on the survey results and feedback, we identify areas for improvement and take corresponding actions to enhance both service quality and customer experience.

Property project customer satisfaction surveys

Each property project conducts a customer satisfaction survey every six months. The property customer service team surveys clients through face-to-face, one-on-one interviews, asking for feedback on aspects such as staff appearance, service attitude, professionalism, company management practices, public area and facility maintenance, and parking management. After gathering customer feedback, the team analyzes the data and creates an improvement plan, which includes, but is not limited to, enhancing communication with customers and providing additional staff training, continuously optimise service quality to enhance customer satisfaction.

Customer satisfaction surveys

To ensure a comprehensive understanding of customer needs, The Company's platform call centre, in accordance with the principle of covering 100% of households throughout the year, draws samples from a certain percentage of customers who have moved into each project every month and carries out customer satisfaction surveys by means of telephone interviews. Customers are invited to evaluate the service attitude and business ability of the project staff and listen to the improvement suggestions put forward by the customers, so as to continuously track the level of customer satisfaction. If fluctuations are detected, a special person is immediately responsible for investigating and analysing the situation, so as to ensure the satisfaction of property services.

In response to the customer feedback problems in the satisfaction survey, the call centre will send work orders through the customer service management platform to follow up, the responsibility for solving the problem is clearly implemented to specific personnel, and continue to follow up the processing progress until the problem is closed. The call centre will rank and announce the results of the monthly satisfaction survey, and the survey scores will be included in the performance appraisal of the general manager of each project, and at the same time, the common problems reflected in the survey will be analysed and prompted, so as to enable the projects to adjust their service strategies in a timely manner and optimize the quality of service continuously.

Mystery customer visits

In 2024, SOHO China hired a professional third-party organization to conduct mystery visits across various projects. These visits involved semi-structured evaluations of service processes, staff performance, and environmental facilities. Each project received a detailed, independent report that highlighted areas of excellence and key areas requiring improvement. The findings were shared with all project general managers to facilitate discussions on how to precisely enhance service quality and management standards at all projects.

For each report, The Company has carefully organised all general managers to participate in the study and exchange. Adhering to the attitude of "correcting if there is something, adding encouragement if there is nothing", The Company urges each project to reflect on and improve the problems and deficiencies found during the project visits. At the same time, we fully explored the highlights of the initiative, and promoted the valuable experience of the excellent projects to other projects in the business practice. We help each project pinpoint the direction of improvement, optimise the workflow from multiple dimensions, and enhance the efficiency of teamwork, so as to improve The Company's overall business capacity, win the advantage in the fierce market competition, and achieve sustainable development.



Customer Net Promoter Score (NPS) surveys

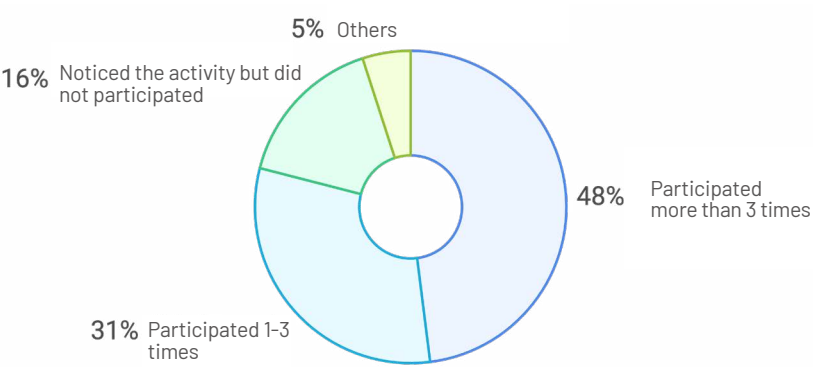
In 2024, we continued implement NPS surveys, focusing on the research of customers' willingness to recommend The Company, and committed to accurately grasp the degree of customer recognition of The Company's services.In this survey, we have precisely invited customers from a total of 21 property projects in Beijing and Shanghai to participate. In order to achieve wider coverage and listen to customers' voices to the greatest extent possible, we optimised and upgraded the survey method and strengthened the promotion of the questionnaire. The questionnaires were distributed to the whole society through the WeChat public number of each project, aiming to reach all households in an all-round way. As a result of these improvements, 1,791 valid responses were received, an increase of 26% compared to the same period in 2023, which fully demonstrates the increase in customer engagement. Meanwhile, the NPS score was 84.85, an increase of 5.69 points year-on-year, and the number of dissatisfied issues raised by customers was 239, a decrease of 123 year-on-year, which intuitively reflects from the data that customer satisfaction is steadily improving.Customer dissatisfaction is decreasing significantly, meaning that we are making positive progress in understanding our customers' needs.After further analysing the feedback data, we found that compared with the previous year, the distribution of NPS scores for this year's projects showed a good trend:

- The number of projects with scores below 30 has been eliminated, with a year-on-year decrease of 3 projects;
- There are two projects with scores between 30 and 70, an increase of one year-on-year;
- There are 19 projects with scores above 70, an increase of 2 year-on-year.

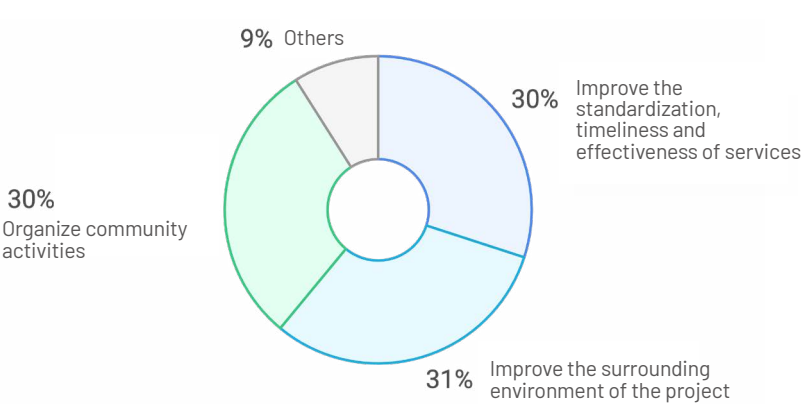
In terms of ranking by region and by type of business, the NPS score of Shanghai's commercial business is as high as 91.86, and that of Beijing's commercial business is 87.66, while the office and flat businesses have also improved significantly, and the year-on-year growth of each business has been of varying degrees. These results demonstrate the steady improvement of our property services in different regions and formats. However, there are still variations in performance between projects, which also points to the direction of our subsequent service optimisation work. The Company has always attached great importance to the causes of customer dissatisfaction. We have responded quickly to customer feedback and actively carried out corrective actions. Up to now, 68 corrective measures have been arranged, covering a wide range of areas such as service quality improvement, increased customer interaction, service process optimisation and service awareness enhancement. The Company takes this survey as an important opportunity to firmly put all improvement measures in place in order to achieve continuous improvement in customer satisfaction.

To meet tenants' needs regarding health and well-being, we have expanded the scope of customer demand collection. In 2024, we introduced ESG-related questions in NPS surveys, aiming to understand tenants' concerns and expectations on ESG issues. The results revealed that tenants have a strong interest in and demand for physical and mental well-being, environmental protection, and education & culture. In response, we have focused on enhancing tenant health and well-being by organizing a series of special activities. For example, we have hosted a traditional Chinese medicine wellness seminar, where experienced practitioners share knowledge and techniques to help tenants relax and reduce stress from heavy workloads. We have also organized the "SOHO Cycling Adventure" encouraging tenants to embrace green commuting, connect with nature, improve their fitness, and raise environmental awareness. These events are well received by tenants, as they strengthen trust and interaction between tenants and SOHO China and communicate our commitment to their health and well-being.

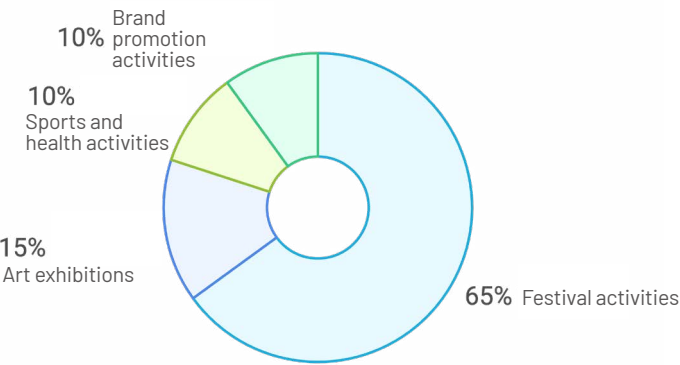
Distribution of participation in property management activities



Areas for desired service quality improvement



Improve the surrounding environment of the project



Key Performances:

99.89

Customer satisfaction score

95.91

Average customer satisfaction score from mystery customer visits

84.85

Net Promoter Score

Case: “Free TCM consultation for health: a dedicated office building health initiative”

In July 2024, during a series of tenant engagement visits, SOHO Zhongshan Plaza identified a growing demand among white-collar tenants for wellness-focused activities. To better meet these needs, SOHO Tianshan Plaza launched the “Five-Minute Paid Health Break” initiative. This program invited medical specialists from various disciplines to provide one-on-one complimentary health check-ups and consultations. Based on individual assessments, doctors offered professional health advice and guidance.



Responsible marketing

SOHO China adheres to the concept of responsible marketing. On the basis of the *Advertising Law of the People's Republic of China*, the *Measures for the Administration of Internet Advertising* and the *Law of the People's Republic of China Against Undue Competition*, SOHO China has formulated internal systems such as the *Fair Hospitality and Marketing Management Policy* and the *Property Site Management System*, which clearly stipulate the marketing behaviors and ensure the legality and accuracy of the promotional information of the paper media, TV, Internet, streaming media and other output channels. We ensure that the publicity information of the paper media, television, internet, streaming media and other output channels are legal, authentic and accurate. In addition to regulating our own marketing behaviors, we have also formulated the *Customer Shop Sign Management System* to strictly control the external promotional materials and output information of shops under each property project.

We have strict screening and management procedures for advertisements, and advertisement spaces for sale or lease are subject to joint audits by multiple departments to avoid wrong associations or interpretations of advertisement slogans, product names and promotional contents by customers, and try to avoid inappropriate promotional outputs that may cause adverse social impacts and legal risks to SOHO China.

We have placed the course on the *Fair Customer Service and Marketing Policy* on our online knowledge management platform for all staff to learn, and we conduct annual responsible marketing awareness and training for staff of relevant business departments to ensure that all staff of The Company comply with marketing-related laws and regulations and SOHO China's Responsible Marketing Principles.

SOHO China’s Commitment to Fair Hospitality and Marketing Management

- We follow laws and regulations, upholding the principles of fair competition by refraining from disparaging competitors, fabricating content, or misleading customers.
- We provide true, complete, and lawful information to customers, ensuring that sales and leasing activities comply with legal and regulatory requirements, and that all our commitments to customers are genuine and effective.
- We prohibit employees from disseminating false, incomplete, or deceptive information to customers in exchange for monetary gain or personal benefit.
- We establish and refine audit and control procedures for responsible marketing, conducting regular inspections of marketing activities to prevent misleading claims or information concealment.
- We conduct regular responsible marketing training for employees engaged in marketing and promotional activities, continuously standardizing employee behavior to safeguard customer interests.

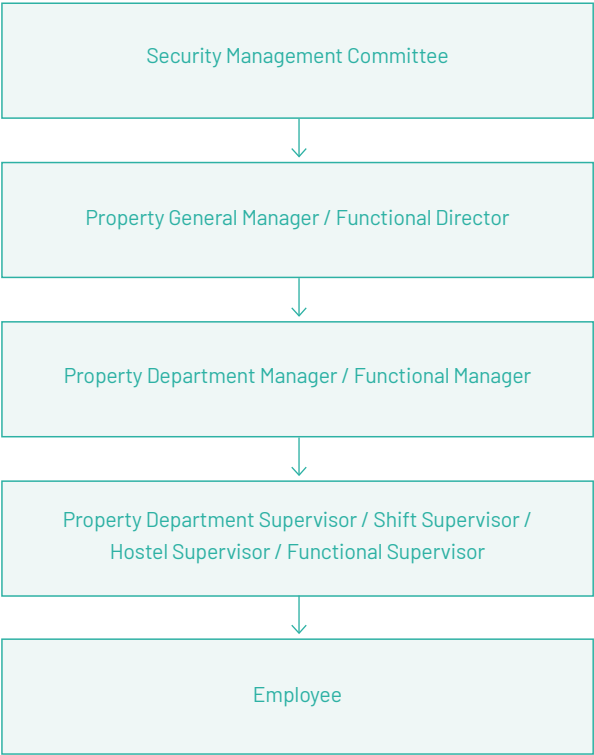
Safety management

SOHO China prioritizes work safety as a core aspect of its daily management, adhering to strict safety protocols while continuously enhancing property safety management. At the same time, we focus on information security and privacy protection, striving to provide tenants with a safe, healthy, and secure physical, digital, and social environment.

Property safety management

In 2024, SOHO China established a Safety Management Committee to strengthen safety policies, implement specialized safety management initiatives, and systematically enhance service capabilities. We conducted fire safety drills, reinforced on-site inspections and emergency response measures, and provided education, training, and examinations to improve employees’ emergency response capabilities, contributing to a safer working environment.

The Company follows a five-tier safety management system, adhering to the principle of “Safety First, Prevention Foremost”, while enforcing a clear accountability structure “Whoever is in charge is responsible” and “Whoever approves is held accountable”.



We continuously enhancing safety management policies and emergency response plans. In addition, we conduct systematic and scheduled safety inspections, hazard assessments, and equipment maintenance to eliminate risks and ensure a secure environment across all properties. In 2024, we strengthened our safety management framework by formulating the Work Safety Management System and optimizing key safety policies, including the Work Safety Management Manual, Fire Safety Management Guide, Hot Work Safety Management System, Emergency Incident Reporting System, and multiple Emergency Response Plans. These documents provide a clear, structured approach to maintaining work safety and compliance in daily operations.

We actively promote safety awareness by sharing knowledge on safety laws, regulations, news, and best practices, as well as updates on SOHO China's safety initiatives. Regular fire safety training and safety drills are conducted for employees and customers, followed by assessments to ensure 100% passing rates. Hands-on emergency response and fire drills further increase customer participation and awareness of fire safety and emergency evacuation procedures.

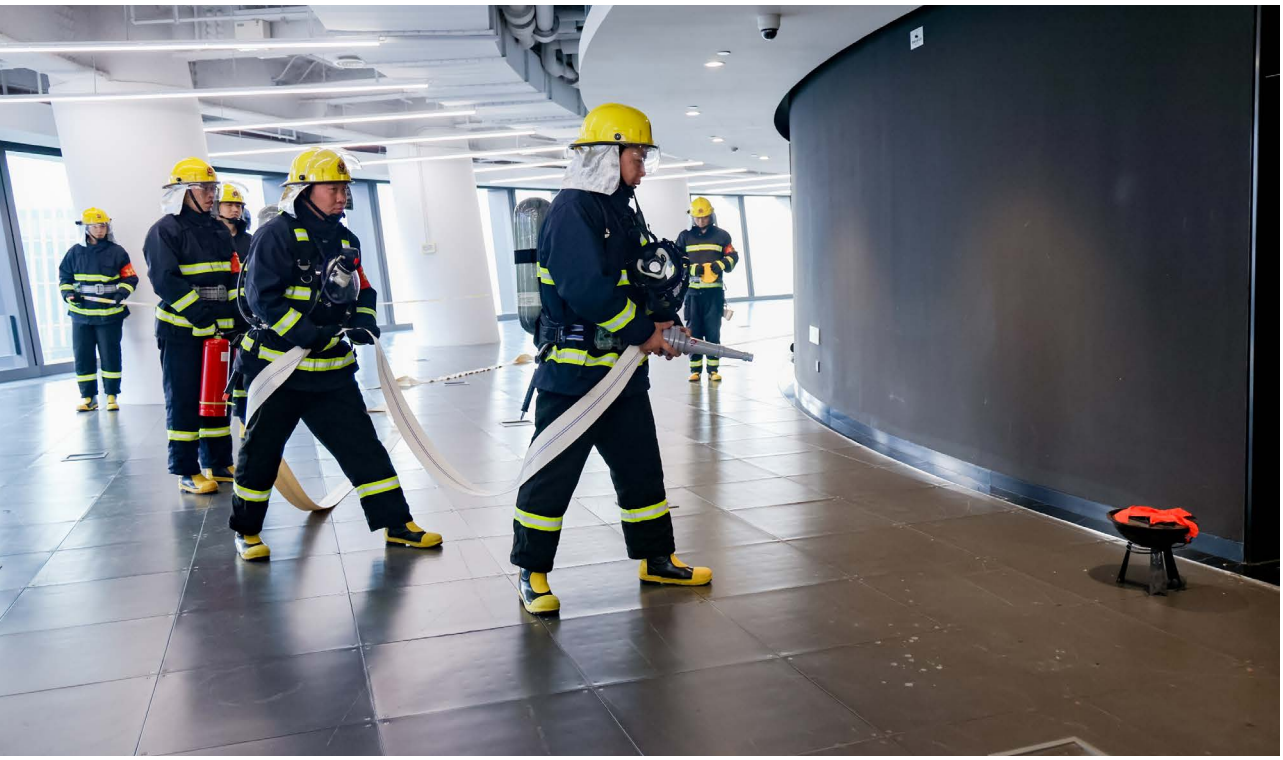
Regular organization of safety production conference, group level safety production meeting held once every six months, property project level safety production meeting held once every quarter. The content of the meeting includes summarizing the safety work in the first half of the year and arranging the work in the second half of the year, conveying the current political and superior safety policies and policy documents, reporting and dealing with the safety accidents that have occurred, recognizing and rewarding safety model projects or excellent individuals, and studying and solving common problems and hidden dangers in the safety production of various property projects.



• Comprehensive employee safety training (Three-Level Training)



• Public education on fire safety laws and knowledge to increase customer participation



• Pre-employment safety training and safety drills

We enforce full-cycle supervision of secondary renovation projects of customers and tenants, covering pre-construction approvals (safety agreements, insurance requirements, etc.), construction site supervision (safe operating procedures, hot work management, etc.), and post-construction inspections to ensure safe and compliant construction processes while minimizing safety hazards and quality risks.



We actively collaborate with government authorities and relevant agencies to support safety monitoring and inspections, ensuring that all safety practices remain compliant and orderly. We also provide early warnings and precautionary measures for disastrous weather conditions, hazardous operations, and other major safety risks, protecting employees and tenants from unnecessary harm.

Key performances:

In 2024, we have achieved remarkable results in production safety: "zero deaths and zero serious injuries" in industrial accidents; No deflagration incident or fire alarm occurred. No major or above safety accidents occurred, and its projects and employees performed well, winning a number of government commendations.

Property safety advanced commendation

Case: SOHO China held the 2024 Annual Production Safety Recognition Ceremony

On February 27, 2025, SOHO China held the 2024 Production Safety Recognition Ceremony to review the production safety work in the past year and commend outstanding teams and individuals. The management of SOHO China, members of the Safety Management Committee, as well as colleagues from the Group and property companies gathered at the ceremony to honor our commitment to "Safety First, Prevention First", and to make every SOHO office building a safe haven for people to feel at ease. In the future, we will take higher standards and more practical measures to escort the high-quality development of the enterprise, and contribute to the progress of urban construction and the industry.



Case: SOHO China established the first building fire volunteer service team in Changning District

In July 2024, SOHO China and Shanghai Changning Fire Brigade jointly conducted building fire safety volunteer training, with a total of 35 team members participating in the training, focusing on the operation of fixed fire-fighting facilities, initial firefighting and rescue tactics, personnel and key material evacuation and protection techniques, and other content. Set up subject assessments including single and multiple person evacuation in dense smoke environments, initial disposal of electric bicycles and car fires, etc., and award flags and graduation certificates to team members, in order to build a solid defense line for comprehensive maintenance of fire safety in key unit buildings.

Case: Enhancing fire safety awareness through drills – Fire drill at Leeza SOHO

June 2024 marked the 23rd National Work Safety Month in China, themed “Safety for All, Emergency Preparedness for Everyone – Safeguarding the Lifeline in Emergencies.” To help tenants and employees familiarize themselves with fire emergency procedures, master the use of firefighting equipment, and develop basic fire suppression skills, Leeza SOHO conducted a fire evacuation and hands-on fire drill tailored to the characteristics of high-rise office buildings. The exercise included fire safety training, evacuation drills, and interactive fire suppression practice, significantly enhancing the fire emergency response capabilities, self-rescue skills, and fire safety awareness of SOHO China’s teams, tenants, and employees.



Information security and privacy protection

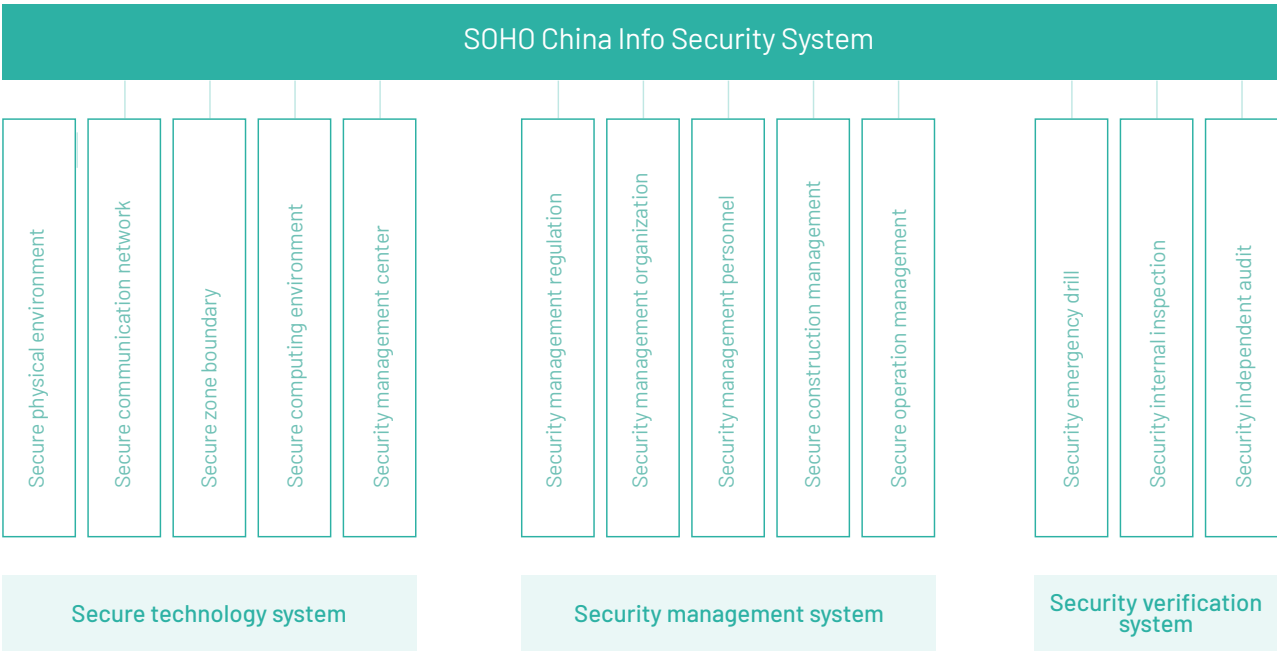
In the digital era, information security has become a cornerstone of corporate development. SOHO China regards information security as a strategic priority, systematically enhancing its management framework, promoting compliance-driven initiatives for customer and employee data protection, strengthening data security governance, and raising company-wide security awareness to holistically build information security management capabilities. *The Company strictly adheres to the Cybersecurity Law of the People’s Republic of China, the Data Security Law of the People’s Republic of China, the Personal Information Protection Law of the People’s Republic of China, the Regulations on the Management of Mobile Internet Application Information Services, and the Regulations on Technical Measures for Internet Security Protection*, ensuring that our operations remain fully compliant with laws and regulations.

In 2024, we further reinforced our information security framework, upgrading and optimizing policies such as the *IT Information Security Management System, Platform System Management Standards, Internal Data Usage Policy, Inventory Material Management Policy, and IT Management System*. To enhance incident response capabilities, we introduced the *Information Security Incident Management System*. Additionally, we developed the *Website and Social Media Management Policy* to strengthen the security of corporate social media accounts, safeguarding SOHO China’s information security in cyberspace.

Following the *ISO 27001 Information Security Management System*, we have continuously refined our information security framework, establishing a three-pronged approach that integrates security technology, security management, and security auditing to fully safeguard customers’ personal information and privacy security. The Information Security Leading Group, The Company’s highest decision-making body on information security issues, is led by a senior executive from the Management Committee, with members comprising key personnel from information security-related departments. Following the instructions of the Information Security Leading Group, the IT Department of the Platform Management Center serves as the executive body responsible for daily security operations, overseeing data centers, networks, servers, data and user accounts, client endpoints, monitoring, and early-warning systems. In 2024, SOHO China successfully passed the ISO 27001 certification audit, further strengthening the authority and reliability of its information security management system.



ISO27001 SOHO China's Information Security System



To cultivate a strong security culture, The Company regularly conduct information security training and simulated phishing email attack drills, ensuring that all employees continuously enhance their security awareness and practical skills.

In terms of technical safeguards, SOHO China has built a comprehensive virtual security system by leveraging the advanced cloud security capabilities of Alibaba Cloud. In 2024, all corporate servers were fully integrated into the Alibaba Cloud Security Center,

enabling real-time monitoring of servers and applications, with a focus on identifying vulnerabilities, security patches, and weak credentials. Throughout the year, we detected 17 high-risk and two medium-risk vulnerabilities, achieving a 100% remediation rate, effectively preventing cybersecurity incidents and ensuring the stability and security of SOHO China's information systems.

Key performances:

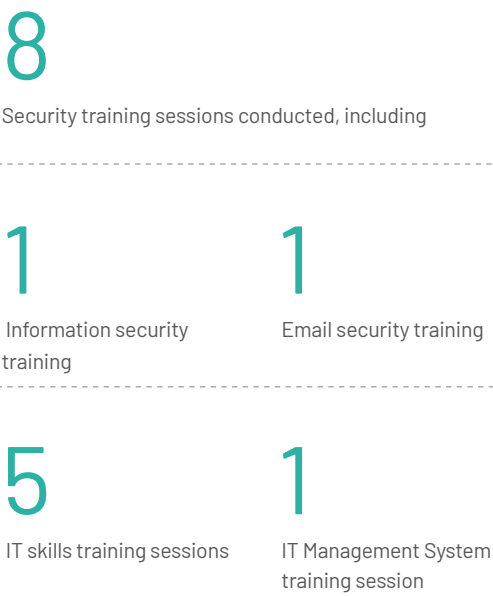


Case: Simulation drill on phishing email attack

Since 2022, SOHO China has organized annual information security training and simulated attack drills, embedding cybersecurity awareness into daily operations and enhancing email security awareness across The Company. From August to October 2024, we conducted a phishing email simulation in multiple rounds, using a no-notice approach to authentically assess employees' incident response under realistic conditions.

Following the drill, The Company intensively tracked employees who failed the test and implemented specialized training and assessments on email security, ensuring that they have acquired the necessary knowledge and skills. Through the closed-loop management approach of "Drill-Training-Evaluation", we significantly enhanced overall cybersecurity awareness and practical defense capabilities, thereby establishing a solid foundation for SOHO China's information security framework.

Key performances:



Cooperation

Joining Hands with Partners for Win-Win Together

SDGs focus in this chapter

7 AFFORDABLE AND CLEAN ENERGY 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	11 SUSTAINABLE CITIES AND COMMUNITIES 
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	

In SOHO China's development journey, suppliers have always played a crucial role and are the key force driving The Company forward. We always aware of the significant importance of building a stable and sustainable supplier cooperation system. From strict screening of suppliers to comprehensive supervision and verification during the performance process; from actively promoting the concept of sustainable development to jointly advancing the construction of a clean supply chain, every link embodies our determination to work together with suppliers.

This chapter relates to the following major sustainable development issues:

- Due diligence
- Supply chain management

SOHO China Code of Conduct and Business Ethics Management Policy

SOHO China Green Procurement and Sustainable Supply Chain Management Policy

Measures on the Management of Procurement and Tendering

Suppliers Management System

Sporadic Procurement Management System

Promote green and sustainable procurement

SOHO China strictly follows laws and regulations such as the *Government Procurement Law of the People's Republic of China* and the *People's Republic of China Tendering and Bidding Law*, establishes a management system centered on *SOHO China Green Procurement and Sustainable Supply Chain Management Policy*, *Supplier Management Policy*, and *Measures on the Management of Procurement and Tendering*. Under this system, The Company adheres to the principles of openness, fairness, and impartiality in procurement, continuously promotes green and sustainable procurement, and provides strong support for the healthy development of The Company's business.

To enhance the efficiency and transparency of procurement management, The Company has fully implemented a digital procurement platform. With this platform, the entire procurement process from supplier registration, qualification review, bidding,

to contract signing, performance evaluation, and payment has been digitized, ensuring dynamic transparency and full traceability of the procurement process. At the same time, The Company relies on the Supplier Management System to further refine management standards, starting from the full lifecycle of supplier admission, performance, evaluation, and exit, systematically strengthening supplier compliance management.

In 2024, SOHO China's business development trend is good, successfully fulfilling contracts with 537 suppliers, achieving a procurement amount of 440 million yuan and signing 870 contracts throughout the year. Supported by the standardized management system and efficient digital platform, The Company's procurement work is carried out in an orderly manner, laying a solid foundation for The Company's continuous operation and development.

Number of Suppliers for SOHO China in 2024

Suppliers by region	Number
Suppliers in East China	170
Suppliers in South China	20
Suppliers in Central China	4
Suppliers in North China	331
Suppliers in Northwest China	4
Suppliers in Southwest China	0
Suppliers in Northeast China	0
Suppliers in Hong Kong, Macao, and Taiwan, China	2
Overseas suppliers	6
Total	537



Improve supplier admission standards

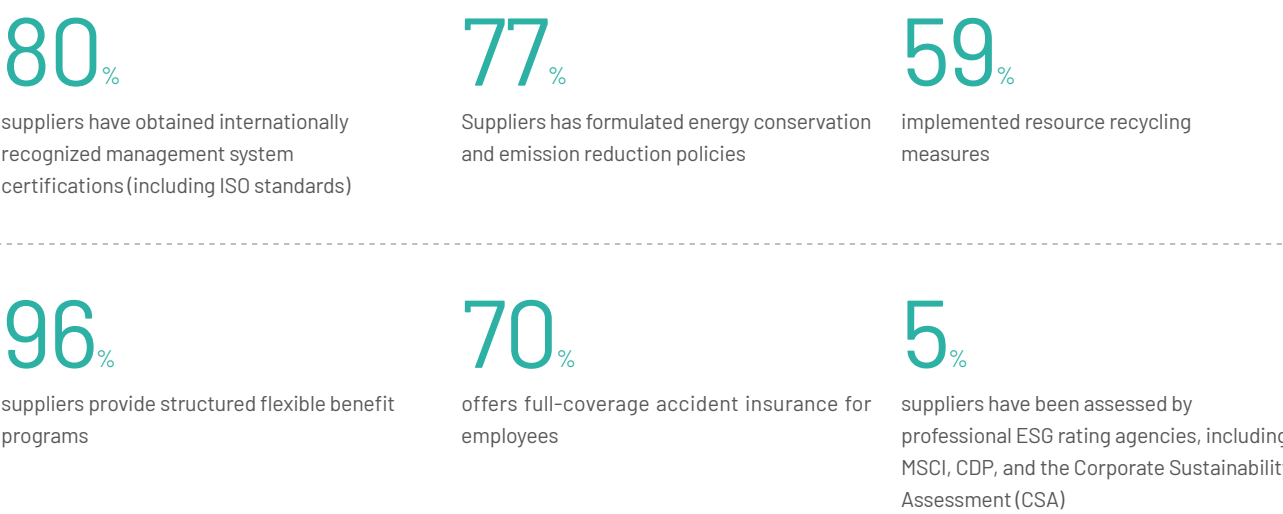
During the supplier screening process, SOHO China strictly follows the Supplier Management System, ensuring transparency in the procurement process through data review and correlation investigation. In the selection process, The Company attaches great importance to the ESG performance of suppliers. For suppliers with ESG related qualifications and systems, appropriate bonus points will be given, and priority to selecting those suppliers who are more responsible and sustainable in environmental, social, and corporate governance aspects.

In 2024, SOHO China further strengthened the identification and management of supplier ESG risks. For suppliers with a bidding amount exceeding 500,000 yuan, a special on-site inspection section has been set up. The Company will send dedicated personnel to visit suppliers' office locations, construction or

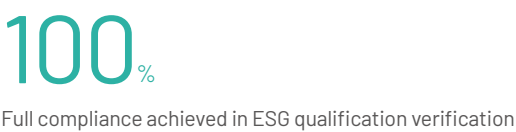
production sites, etc., not only to confirm the effectiveness of their ESG systems and certifications, but also to observe their ESG compliance capabilities on site during construction, factory operations, or actual performance processes.

During the Reporting Period, SOHO China has comprehensively carried out supplier qualification audits, correlation checks, and ESG special evaluations, covering environmental certification, social responsibility (ESG) systems, and other aspects. Through rigorous evaluation, priority is given to suppliers demonstrating validated sustainability implementation capabilities. In 2024, we achieved 100% coverage in verifying the ESG related qualifications of our suppliers, ensuring that all introduced suppliers meet The Company's high standards for sustainable development.

2024 suppliers ESG survey questionnaire results



Key performances:



Carry out dynamic supplier management

During the supplier performance process, SOHO China strictly supervises and verifies the supplier's performance through a series of strategies. Among these, performance evaluation and graded management are important means. SOHO China's procurement center organizes all contract execution departments to conduct comprehensive evaluations of suppliers' performance every quarter, and considers ESG performance as a necessary factor for evaluation. In 2024,the organization maintained partnerships with 537 qualified suppliers, completing 5,211 performance evaluations during the Reporting Period.

To further strengthen the quality of supplier performance, The Company continues to optimize the performance evaluation method, and on the basis of graded and classified management, has increased on-site inspection efforts. In 2024, The Company arranged for dedicated personnel to conduct on-site visits to 182 suppliers to gain a deeper understanding of their actual performance status.

Meanwhile, SOHO China also issues letters to notify, interview, warn, and even take termination measures when necessary, regarding the progress, quality, and service of suppliers, in order to ensure the compliance and effectiveness of communication between both parties and ensure that suppliers can strictly fulfill the contractual agreements.

For the three key service categories (security, cleaning, and landscaping), SOHO China Ministry of Quality conducts on-site inspections, ratings, and rankings of the service quality of suppliers and the performance of the contract every month, and publishes the results on the official Weibo, to motivate suppliers and SOHO China to work together to improve service quality and project quality.

In 2024, in order to motivate suppliers to continuously improve their service quality, we organized a supplier selection activity for all contract execution departments. After rigorous evaluation and screening, 14 *outstanding suppliers of the year* and 186 *Excellent Suppliers of the Year* were finally selected. We will also publicly commend these outstanding suppliers through official channels, creating a good atmosphere of unity, cooperation, and healthy competition.

In the past year, we have always strictly controlled the service quality of our suppliers. Throughout the year, there were 5 suppliers whose evaluations did not meet the standards. In response to these suppliers, we uphold a responsible attitude and take timely action. Through interviews, communicate deeply with them about the existing problems and demand that they rectify them within a specified period of time; for suppliers with poor rectification results or serious problems, the cooperation will be terminated decisively. In this process, we conducted a thorough analysis of the root causes of the problem and developed a series of practical and feasible solutions, which not only prompted suppliers to improve their own shortcomings, but also accumulated valuable experience for future supplier management work.

Key performances:

91

supplier communication letters were sent out

14

outstanding suppliers was be selected

186

excellent suppliers was be selected

Number of Letters to/from Suppliers for SOHO China in2024

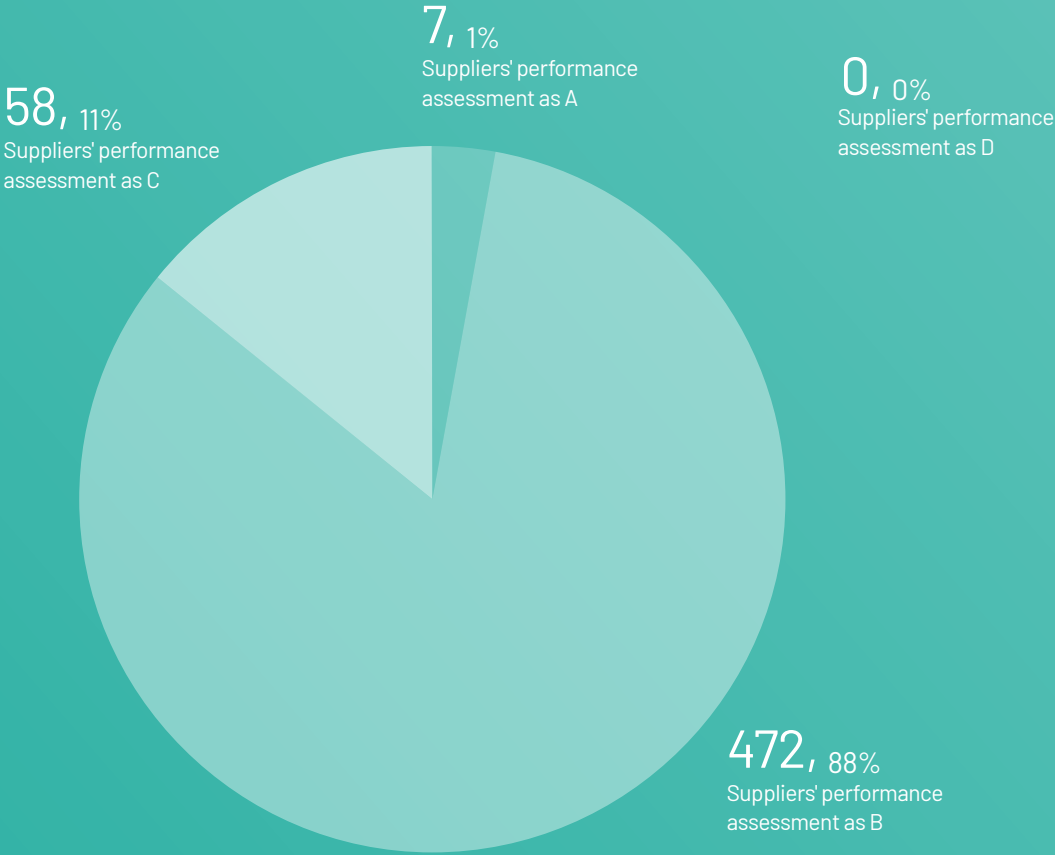
Document Category	Number
Warranty Notice	6
Quality Warning Letter	56
Progress Warning Letter	4
Letter for Notice, Communication, and Negotiation	20
Letter of Thanks	5



Supplier Performance Ratings in 2024

Assessment rating scores:

- A (Excellent, 95 points and above)
- B (Better, 85-94.99 points)
- C (Qualified, 71-84.99 points)
- D (Unqualified, 70.99 points and below)



Building a responsible supply chain

SOHO China has always been committed to building a sustainable supply chain ecosystem and maintaining good communication and cooperation with suppliers over the long term. In the process of cooperation, The Company actively integrates the concept of sustainable development into supply chain management, guides suppliers to enhance their social responsibility awareness through various means, and works together to practice the concept of sustainable development.

To this end, SOHO China has formulated the SOHO China Green Procurement and Sustainable Supply Chain Management Policy, which clearly applies to all suppliers. At the same time, The Company's online procurement platform stipulates that suppliers must sign the Green Procurement and Business Ethics Commitment Letter when registering on the platform, in order to guide upstream and downstream supply chain partners to establish sustainable values and jointly contribute to the construction of a responsible supply chain.

In terms of integrity construction, SOHO China has established anti-corruption requirements for contractors, suppliers, and all business partners in accordance with the SOHO China Integrity Standards and Business Ethics Management Policy Compliance Confirmation Letter. Moreover, by requiring suppliers to sign the Green Procurement and Business Ethics Commitment Letter, we further strengthen the constraints on their compliance with integrity standards and fully promote the construction of a healthy and clean supply chain.

Contractual performance and Code of Conduct of Suppliers

Environment

Environmental Protection

- Formulate environmental protection policies, assess environmental impacts, and protect the ecological environment
- Optimize resource use, reduce pollutant emissions and strengthen waste management
- Prioritize green materials usage

Society

Labor and Human Rights

- No forced labor or child labor, etc. during employment
- No discrimination against or bullying against candidates and staff for any reason
- Avoid arrears in staff wages

Health and safety

- Formulate health and safety related policies and provide staff with the safe

Governance

Business Ethics

- Comply with anti-corruption, anti-monopoly and other applicable laws and regulations

In addition, we attach great importance to the safety production responsibility management of our suppliers and deeply understand the significance of safety production for the operation of The Company and social stability. To strengthen security from the source, we have made clear requirements for all suppliers – they must sign the Safety Management Agreement. This agreement is not only a written commitment, but also the cornerstone of building a secure partnership between us and our suppliers. In the agreement, detailed and clear provisions are made regarding the safety responsibilities of suppliers during the project implementation process. There are detailed specifications for safety planning during the project preparation phase, on-site safety management and personnel safety training during the execution phase, and safety acceptance standards during the project closure phase. Require suppliers to strictly comply with relevant laws and regulations on safety production, ensuring that the products or services they provide do not pose any safety hazards to personnel, environment, and facilities. At the same time, we will also provide necessary security guidance and support to suppliers in accordance with the agreement, assisting them in better fulfilling their security responsibilities. By requiring all suppliers to sign the Safety Management Agreement , we have further woven a safety production protection net. This not only helps us effectively reduce security risks during project execution and ensure the smooth operation of The Company's business, but also promotes suppliers to improve their own security management level and promote the safe and sustainable development of the entire supply chain.

Key performances:

100%

Rate of suppliers signing the *Supplier Green Procurement and Business Ethics Commitment Letter*

100%

Rate of suppliers signing the *Safety Management Agreement*

Case: Conducting supplier training to empower supplier development

In October 2024, we organized SOHO China supplier training, with 232 participates. The training topics cover basic ESG knowledge, SOHO China Procurement Requirements, and SOHO China showcased its achievements in green supply chain construction over the past year to suppliers, and proposed future work goals. The training covers rental intermediary service units for the first time, aiming to convey SOHO China 's green leasing concept to more customers and stakeholders.

Looking ahead to the future, we will continue to deepen our cooperation, continuously improve our supplier management system, and promote the deep implementation of sustainable development concepts in the supply chain. By implementing stricter management, closer collaboration, and more open communication, we work together with suppliers to address market challenges and opportunities, setting a benchmark for sustainable development in the industry and creating greater value for society.



Employee Care

Creating a Joyful Workplace

SDGs focus in this chapter

<div>3</div> <div>GOOD HEALTH AND WELL-BEING</div> <div></div>	<div>5</div> <div>GENDER EQUALITY</div> <div></div>
<div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> <div></div>	<div>10</div> <div>REDUCED INEQUALITIES</div> <div></div>

“Solidarity, Honesty, Creativity, and Service” have been the cultural DNA of SOHO China since its founding. We encourage a collaborative spirit among employees to foster a positive and supportive work environment in their daily interactions. Guided by integrity and transparency, we are committed to delivering responsible and high-quality service to our customers. Furthermore, we foster a culture of innovation among our employees, enabling them to unlock their creativity and achieve their full potential.

We firmly believe that every employee is the most valuable asset of an enterprise, and SOHO China is committed to creating an equal, diverse and inclusive work environment where each employee feels a sense of belonging. We provide physical and mental health support, career development planning, diverse team-building activities, and flexible and efficient work systems for our employees. Through these efforts, we aim to focus on the growth and well-being of all our employees and create a positive work environment where every individual can thrive both personally and professionally.

This chapter relates to the following major sustainable development issues:

- Protection of employee’s rights and benefits
- Employee development and training
- Employment creation and equal employment
- Employee safety and health

Summary of SOHO China’s People-oriented Policies and Systems at a Glance

- SOHO China Board of Directors (BOD) Diversified Policy
- SOHO China Management Policy for Employment and Labor Standards
- SOHO China’s Performance Pay Policy and Performance Pay Recovery and Deduction Policy
- SOHO China Complaints and Reports Handling Policy
- SOHO China Employee Handbook
- Property Employee Professionalism Handbook
- Quality Talent Pool Management System
- Intern Management System
- Recruitment Management System
- Internal Referral and Reward System of Talent Scout Award
- Employee Training Management System
- Employee Examination Management System
- Performance Assessment System
- ESG Management and Assessment Regulation
- Incentives to Encourage Employees’ Continuous Learning
- Incentive Management System for Innovation, Government Rewards and Reasonable Suggestions
- Employee Grievance System

Protecting employee rights

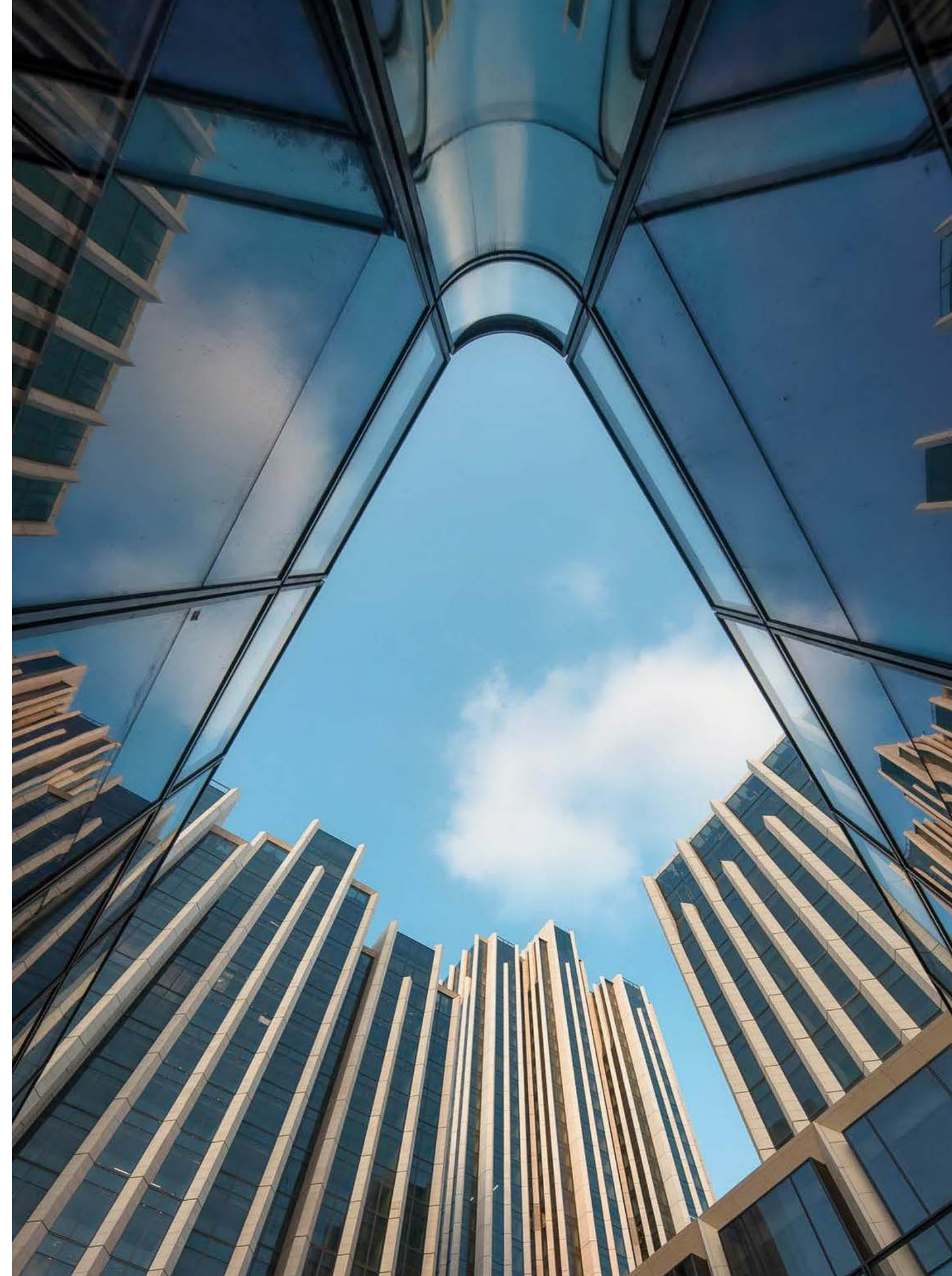
SOHO China has always regarded the protection of employee rights and interests as a cornerstone of enterprise development. We are committed to creating a diversified, equal, and inclusive work environment that allows employees to fully unleash their talents and potential to jointly promote The Company’s development.

Key performances:



We strictly comply with national laws, regulations, and company policies and have not encountered any violations in recruitment and employment. The following are our measures to address recruitment violations:

- | | | |
|----|-----------------------------------|---|
| 01 | Immediate investigation | We conduct a detailed investigation into any violations and gather relevant evidence such as written documents, emails, witnesses, and testimonies. |
| 02 | Suspension of relevant processes | Once a violation is identified, we suspend the relevant recruitment or employment processes to prevent further damage. |
| 03 | Notification for relevant parties | We will report the violation to relevant stakeholders, including the HR and Administration Department, Legal Team, Internal Audit Team, management, and external agencies. |
| 04 | Disciplinary actions | In compliance with applicable laws, regulations, and company policies, we impose disciplinary actions, including warnings, suspension, termination of employment, or denial of employment opportunities, on any employee or candidate found in violation. |
| 05 | Corrective measures | We implement corrective measures based on the investigation findings to prevent future violations. Relevant parties will review and update recruitment policies and processes to address any potential gaps that may lead to non-compliance. |
| 06 | Training and education | We will provide training for relevant parties to raise awareness of compliant recruitment and employment practices. |



Better salary system

We emphasize fairness and competitiveness in our salary system, adhering to core principles of fairness, equity, motivation, and sustainable development. We integrate crucial elements such as compensation, job value, employee skills and performance, as well as market competitiveness to create a comprehensive and competitive salary framework. By considering multiple dimensions, including job value, skills, performance, employee potential, and ESG-related indicators, we cultivate a positive, fair, motivating and sustainable work environment that encourages personal growth and contributes to The Company's long-term success.

We firmly believe that recognizing and rewarding employees' capabilities can inspire continuous self-improvement, thereby driving our company forward with sustained momentum. Strictly adhering to national laws and regulations, we ensure timely and full payment of employee salaries and that every employee receives their salary on time. To date, there has never been any case of salary arrears.

Evaluating job value to ensure fairness

Through a rigorous job evaluation model, we have conducted a quantitative analysis of the required skill complexity, scope of responsibility, workload, and impact on business outcomes for each position. This enables us to define the value of different roles and ensure that salary accurately reflects job responsibility and contribution. Job value directly influences the basic salary and salary range, ensuring that resources are allocated to core and key positions. This approach reinforces the fairness of our employment system.

Empowering personal capabilities to showcase professionalism

Our salary structure is thoughtfully designed to recognize and reward individual capabilities. We have conducted comprehensive professional competency assessments to evaluate employees across several dimensions, including professional skills, communication and collaboration abilities, problem-solving capacity, and innovation. Employees who excel in specific areas and contribute significant value to our company are rewarded with appropriate salaries. We also encourage a culture of lifelong learning by supporting employees in their pursuit of professional certifications and continuous skill development.

Aligning performance with salary to unlock full potential

We have formulated the Performance Assessment System and developed a comprehensive and systematic employee performance evaluation framework based on various dimensions, such as work quality and quantity, efficiency, and goal achievement. By directly linking employees' individual performance and organizational goals to their salaries, we aim to motivate individuals to fully unlock their potential, pursue excellence, and generate greater value for our company. Since 2022, we have formulated the ESG Management and Assessment Regulation and incorporated ESG-related indicators into each job role and continuously refined these indicators, aligning ESG goals and performance with employee salary and rewarding those who make outstanding ESG contributions.

Monitoring market trends to reinforce competitive edge

We closely track market trends and industry salary standards to attract and retain top talent. By conducting regular market research and data analysis, we ensure that our salary remains competitive both locally and within our specific industry. When there are significant changes in market salary, we promptly adjust our salary strategies to provide competitive pay. Furthermore, we continuously refine our salary structure and offer competitive benefits and incentives, positioning our company as a highly attractive employer in the talent market.

Ensuring employees' benefits

SOHO China believes that the hard work of employees is the driving force behind The Company's development. Therefore, safeguarding employee rights and protecting their interests is our unwavering commitment and responsibility. In order to let every employee feel The Company's care and support and devote themselves to their work, we actively practice the concept of 'people-oriented' and have crafted a series of comprehensive and thoughtful employee welfare initiatives. These initiatives cover a wide range of aspects of employees' work and life, and cover every employee of The Company, aiming to create a reassuring and comfortable working environment for everyone, so that every employee can gain a sense of belonging in SOHO China, and realise the common growth of the individual and The Company.

Employee rights and benefits measures

Insurance coverage

We provide social insurance and Housing Provident Fund for employees. Additionally, we purchase supplementary medical care and supplementary accident insurance for employees to cover their medical expenses from outpatient visits, hospitalization, and accidental injuries.

Holiday benefits

All employees are entitled to annual leave, paid sick leave, marriage leave and bereavement leave. In terms of maternity and breastfeeding leave, female employees are entitled to prenatal examination leave, maternity leave and breastfeeding leave, and male employees are entitled to paternity leave.

Welfare benefits

Employees can receive annual health check-ups, dental cleanings, fitness activities, birthday benefits, and other perks. We also implement flexible working policies, such as staggered working hours, when necessary, to reduce commuting pressure and improve work efficiency.

Special weather care

In summer, we provide all employees working in high temperatures with sufficient hygienic cooling drinks and necessary medications. We also offer high-temperature allowances to our property management employees. In winter, we provide employees in northern cities with cold-weather supplies.

Assistance for employees in need

We extend our care to injured or sick employees through visits, offer flexible paid sick leave policies, and pay close attention to employees' physical and mental health. Additionally, we have set up a charity fund to provide love relief for employees in need.

Support for female employees

We have built nursery rooms for pregnant and breastfeeding employees.



Creating a diverse and inclusive workplace

SOHO China is committed to fostering an inclusive workplace by strictly adhering to the *Labor Law of the People's Republic of China* and the *Law of the People's Republic of China on Promotion of Employment*. We ensure that all employees enjoy equal employment rights and uphold the principles of fairness, transparency, and impartiality in recruitment and human resource management. Discrimination based on race, ethnicity, skin color, gender, or religious beliefs is strictly prohibited in employment.

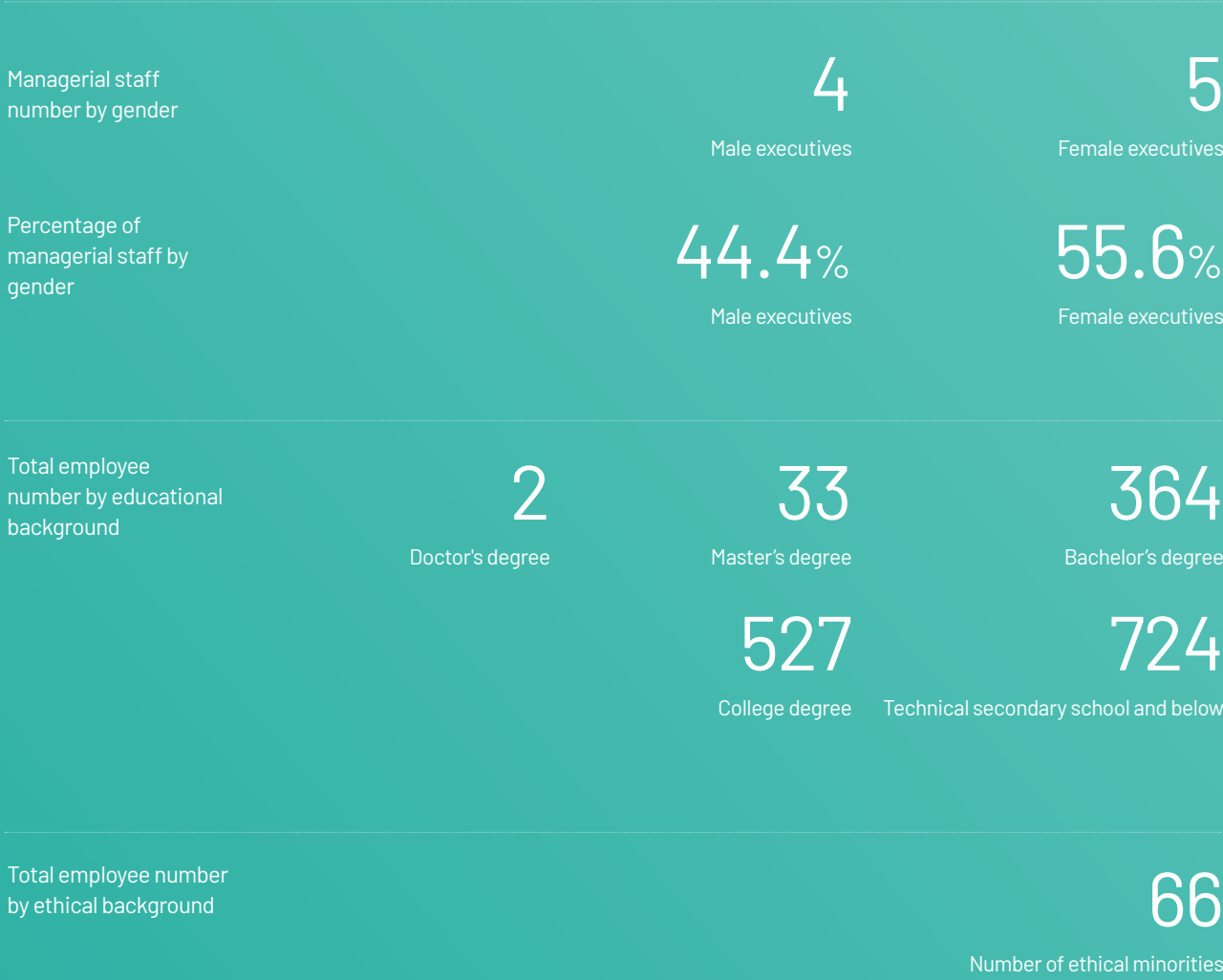
Diverse governance

The Company also upholds the principle of inclusion and diversity in governance, so we formulated the *SOHO China Board of Directors (BOD) Diversity Policy*. When appointing and renewing nominated directors, factors including but not limited to gender, age, cultural and educational background, race, professional experience, skills, and knowledge, will be comprehensively considered to achieve diversification in corporate governance, which could provide professional advice from diverse angles and help achieve sustainable governance.

Diverse workplace

Dedicated to creating and maintaining a workplace that is equal, diverse, open, and inclusive, we ensure that employees are free from discrimination or harassment throughout the entire employment process, including recruitment and promotion. Our policies are guided by principles of equality, zero tolerance for discrimination, and respect for individual differences.

Key performances: Overview of SOHO China Employee Diversity in 2024



Recruitment policy

We ensure that all candidates meet the essential job requirements, demonstrate growth potential, possess no criminal record, and have the capacity for civil conduct. All candidates should be at least 18 years of age. We strictly prohibit any form of illegal employment and all hiring decisions are based on individual talent and qualifications, regardless of race, color, religion, age, gender, marital status, or other personal factors.

Employment contract

We adhere to the principles of legality, fairness, equality, voluntariness, mutual agreement, and honesty in signing employment contracts with our employees.

Career development

We provide equal opportunities for promotion, training, and career advancement and respect employees' personal aspirations and development goals by offering diverse training programs and development pathways.

Performance evaluation

We actively integrate ESG indicators into our performance evaluation framework. Since diversity and inclusion are key factors in our HR assessment standards, the HR team should consider workforce diversity in hiring decisions. Our policies emphasize that minority employees should account for at least 0.5% of the workforce, while those with disabilities should also exceed 0.5%. We offer tailored job training for employees with disabilities to help them better integrate into the workplace.

Employee benefits

We respect and embrace diversity in gender, ethnicity, and religion. For example, we accommodate dietary restrictions for ethnic minority employees during communal meals at events such as sports meeting.

Promotion of female leadership

SOHO China supports female employees for their career development and personal growth and provides equal employment and promotion opportunities for women. We are firmly against any form of gender discrimination and explicitly prohibit terminate the labor contracts with female employees during their pregnancy, childbirth, or lactation period, ensuring that female employees are respected and treated equally in the workplace, to gradually promote the construction of female leadership.

To promote workplace equality, The Company conducts pay gap assessments by gender to eliminate gender discrimination in the workplace and protect the basic rights and interests of female employees. We set up nursery rooms and hold various activities, such as festival celebrations for female employees to help female employees balance work and life, creating a warm and inclusive work atmosphere.

Talent development strategy

We are fully aware that talent is the core driving force of an enterprise, and SOHO China has always made talent strategy a top priority for The Company's development. From careful talent planning and identification to the development of diversified talent acquisition channels, from comprehensive talent training and development to scientific talent assessment and reserves, The Company has built a complete and effective talent management system, which has achieved remarkable results in attracting, cultivating and retaining talents, and has injected constant vitality into The Company's sustainable development.

SOHO China attaches great importance to the construction of its talent team and continues to improve its talent development strategy. We have formulated talent introduction plans, talent development plans, talent management strategies and long-term incentive programmes for different groups of talents, constructed professional talent echelons, and committed ourselves to building our staff team into the core competitiveness of our company.

In order to effectively implement its talent development

strategy, SOHO China has elaborated a series of comprehensive and detailed systems to build a complete talent management system. The *Recruitment Management System* regulates the talent selection process from the source and introduces high-quality talents to The Company. Closely linked to this are the *Internship Management System* and the *Management System for Management Trainees*, which provide clear guidelines for The Company to explore potential talents and cultivate future backbones, respectively. The Employee Training Management System focuses on the growth and enhancement of talents, helping employees to make continuous progress. The *Quality Talent Pool Management System* centralises the management of outstanding talents, reserving sufficient reserves for key positions in The Company. Finally, the *Performance Appraisal System* ensures that the development of talents is closely integrated with The Company's strategic objectives through a reasonable evaluation mechanism. These systems cooperate with each other to provide a solid institutional guarantee for the selection, use, training and retention of talents, and promote The Company to move forward steadily on the road of talent development.

Talent planning and identification

In terms of talent identification and planning, SOHO China has a set of rigorous and comprehensive system, and is committed to building a solid talent foundation for The Company's sustainable development.

Closely focusing on organizational strategy

SOHO China's talent identification and planning is always guided by organizational strategy and goals. In the commercial property sector, in the face of fierce market competition and ever-changing industry trends, The Company carries out planning for the construction of key talent teams in order to maintain its competitiveness and achieve sustainable development. According to the business strategies of commercial property development, asset leasing and property management, we precisely analyse the types and numbers of talents required at different stages.

Clarifying job requirements and responsibilities

Among the key aspects of talent management, clarifying job requirements and responsibilities is the core point of accurately identifying high-quality talents, and SOHO China, with property leasing and property management as its core business, has formulated detailed and clear talent standards for a number of different key positions. To date, The Company has formulated 109 job standards and responsibilities covering a wide range of business areas and functional departments, ensuring that each position has a basis to follow when selecting talents.



Case: Talent planning for leasing business

In 2024, market demand will be weak due to the weakening of the macro-economy. In order to cope with the challenge, in terms of talent planning, emphasis will be placed on identifying and reserving talents with keen market insights and the ability to accurately grasp the dynamic changes in the leasing market. In recruiting leasing talents, emphasis was placed on their ability to analyse and judge market supply and demand, rental trends, customer demand preferences, etc., to ensure that leasing strategies could be adjusted in a timely manner in accordance with changes in the market and to enhance occupancy rates and rental yields. In the property management segment, in order to provide tenants with high quality and efficient service experience to enhance tenant satisfaction and renewal rate, the talent planning tends to attract and cultivate talents with professional property management knowledge, good communication and coordination skills as well as a strong sense of service. We focus on selecting talents who are good at communicating with tenants and can respond to and solve tenants' problems in a timely manner.

39

The Company recruited a total of external leasing managers

7

leasing directors through internal competitions and external recruitment

Boarder talent pipeline

In order to ensure that the recruitment work is carried out in a scientific, standardised and efficient manner, we have formulated the *Recruitment Management System*. The system comprehensively covers all aspects of the recruitment work, from demand analysis, channel selection, to the interview process, hiring criteria, there are clear and detailed provisions. In order to meet The Company's business needs, we know that we cannot rely only on a single way to obtain talent, but we need to take a multi-pronged approach to recruit talent. For this reason, we actively implement the strategy of diversified expansion of talent sources, the layout of the campus recruitment, social recruitment and internal staff recommendations and other channels, and strive to bring together the elites of all parties, for the long-term development of The Company to inject a constant flow of power.

We actively expand social recruitment channels, using professional recruitment platforms, industry forums, social media and other channels to widely attract talents with rich industry experience and professional skills. For key positions, we formulate personalised recruitment strategies and take the initiative to explore excellent talent resources in the industry.

In order to strengthen the talent pool and cultivation, we have actively intensified our campus recruitment efforts. We have established long-term relationships with real estate and business management majors in renowned universities and set up internship bases to attract outstanding fresh graduates to join The Company. Every year, we recruit a certain percentage of interns in key departments of The Company to inject fresh blood into The Company. Currently, we have partnered with Tsinghua University to promote the internship base programme as well as the summer practice programme of Tsinghua University's Department of Architecture. In these projects, students are able to learn the operation mechanism of key equipment of property management in the field and combine theoretical knowledge with practice, which not only improves their professionalism but also brings new ideas and vitality to our company.

At the same time, we attach importance to the role of internal staff in talent recommendation, issued the *Internal Referral and Reward System of Talent Scout Award*, to establish a perfect staff recommendation reward mechanism. By giving material and spiritual rewards to employees who successfully recommend excellent talents, we fully mobilise the enthusiasm of employees to participate in talent recommendation and tap the potential of internal talent recommendation.

Case: SOHO China deepens university-enterprise collaboration to foster talent development

SOHO China has long partnered with Tsinghua University to advance university-enterprise collaboration, with a strong focus on integrating industry, university, and research institute. This partnership centers on cutting-edge fields such as architectural technology, green and low-carbon development, and digital and intelligent management. Leveraging Wangjing SOHO as a recognized internship base for students from Building Environment and Energy Engineering program of Tsinghua University's School of Architecture, we carried out the Guanghua Road SOHO Summer Practice Project to support the development of architectural talent. In 2024, this collaboration was further strengthened through immersive practical experiences, site visits, and internship programs. The collaboration aims to cultivate well-rounded architectural professionals with both theoretical knowledge and hands-on expertise while infusing SOHO China .

Key performances:

Overview of SOHO China New Employees

292

Total number of new employees

Number of new employees by gender

180
Male

112
Female

Number of new employees by age group

116
30 years old and below

132
31-39 years old

44
40 years old and above

Number of new employees by region

163
Beijing

125
Shanghai

4
Hainan

Training and empowerment

SOHO China continues to build an all-round and diversified employee training system. In order to comprehensively improve the quality of our employees and create a learning organisation, we have formulated the *Employee Training Management System and Employee Examination Management System*, carefully designed a tiered and classified training and examination system, and organised training contents such as leadership training, skills certificate training, degree training, expert training, and leasing-specific training, etc., which are committed to We are committed to building a talent team that matches the needs of business development.

We have formulated a comprehensive training plan on industry trends, annual hot topics, sustainable development, and professional skills. We tailor our training courses, both online and offline, to meet the specific business development and competency needs of employees at all levels, including the general workforce, management, and employees in specialized roles. Additionally, the training is associated with monthly examinations to enhance training effectiveness and empower our talent team.

In order to enhance the professional skills of its employees and strengthen The Company's core competitiveness, SOHO China has launched a job-specific training programme. The programme is closely focused on The Company's core business and covers key areas such as commercial property development, operation management and marketing.

Leadership training for the management

To enhance leadership and management capabilities, we provide specialized leadership training for our management team, aiming to build a competitive leadership force. As business operations expand and market competition intensifies, we have increased the frequency of leadership training to cultivate a larger pool of exceptional leaders. Through regulatory-focused workshops, expert lectures, and benchmarking visits to leading enterprises, our management team analyzes industry best practices and strengthens their management skills and team cohesion. This enables them to integrate their acquired experience and skills into The Company's management practices. As part of the training, our management has visited and studied industry-leading companies such as Tencent, Huawei, and ByteDance, incorporating their best practices into our future management strategies.

General courses for all employees

We provide general training courses to support employees’ overall development, including ESG training and business ethics courses. These courses cover topics such as anti-corruption, professional ethics, ESG series training, business system training, legal case studies, IT software and cybersecurity, work safety, fire drills, and employee health.

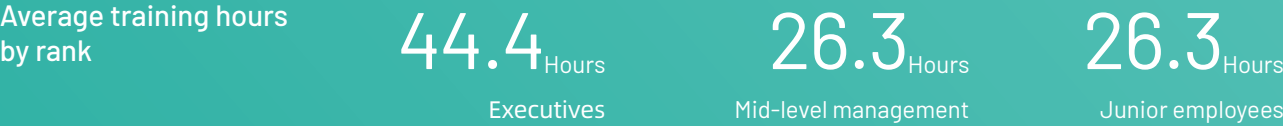
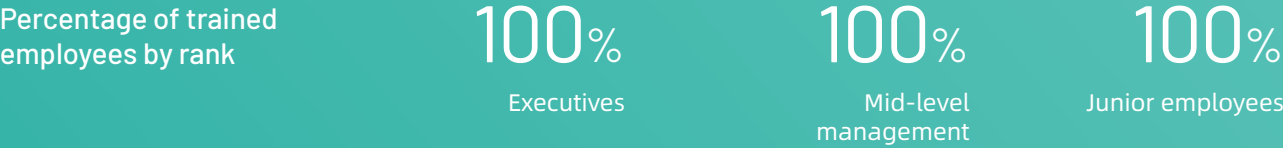
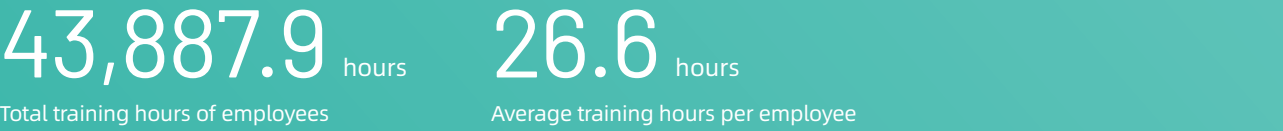
Specialized skill training for employees in specialized roles

The Company has specially launched a targeted position training program. This project is closely aligned with The Company's core business, covering key areas such as leasing market marketing and property management, empowering employees to enhance their business capabilities. A total of 2,016 specialized courses have been conducted.

New Employee Training

To help new employees quickly integrate into The Company and adapt to their work positions, we have carefully created a comprehensive and systematic training system for new employees. The training covers many important aspects such as company culture and values, rules and regulations, business knowledge and skills. Through a rich variety of training methods, such as senior staff sharing, professional course lectures, and on-site operational exercises, new employees are able to understand The Company in all aspects and master the skills and methods required for their work.

Key performances: Employee Training in 2024



Case: SOHO China establishes an AI learning group to explore AI-powered business development

Keeping abreast of technological advancements, SOHO China provides employees with opportunities to explore the latest developments in technological information and knowledge tools. In 2024, we hosted 11 AI knowledge-sharing sessions, attracting a total of 1,667 participants. Additionally, we established an AI learning group, bringing together 195 AI enthusiasts to explore AI development and application.

-AI knowledge-sharing sessions: These sessions focus on sharing insights into global technological advancements, industry trends, and innovative AI applications.

-Expert-led industry talks: We invited renowned industry experts to deliver in-depth discussions on generative AI, its applications across industries, and its potential future impact. These sessions help employees understand how AI is reshaping productivity, enhancing corporate competitiveness, and driving industry transformation, while fostering a culture of innovation within The Company.

-Hands-on training on trending AI tools: To equip employees with practical AI skills, we organized hands-on trainings on trending AI tools, including natural language processing applications, image recognition software, and data analytics platforms. These trainings feature live demonstrations and incentive-based case study competitions, enabling employees to quickly master AI tools, apply them to real life scenarios, and gain a deeper understanding of how AI enhance business performance.

Case: Leasing Job Training

Leasing business, as one of the core business segments of The Company, the quality of its professionals plays a key role in The Company's performance and market position. The leasing job training programme aims to improve the business ability of leasing staff in all aspects and create a professional and efficient leasing team, with a total of 28 leasing job training sessions in 2024.

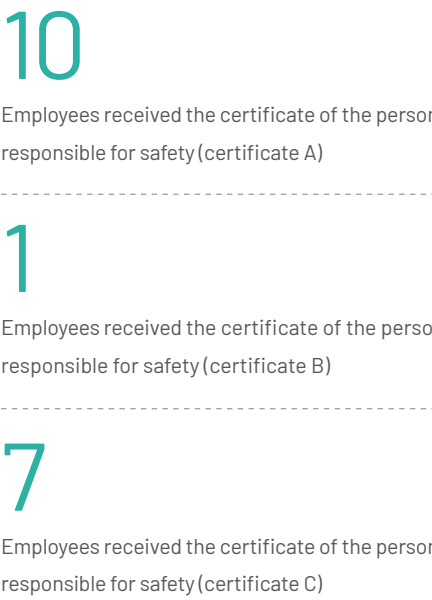
In terms of training content, The Company has set up a systematic and comprehensive course system. In the leasing basics section, employees will learn in-depth about the dynamics and trends of the commercial property leasing market, understand the leasing characteristics of different types of properties, and become proficient in all aspects of the leasing process, including customer development, contract negotiation, contract signing, and subsequent customer maintenance. Negotiation Skills Enhancement Board, through simulated negotiation scenarios and case analyses, helps employees master effective communication strategies, learn to gain insight into customer needs, and flexibly cope with various negotiation situations, in order to maximise the interests of The Company. Customer Relationship Management course, employees will learn how to establish and maintain long-term stable customer relationships, enhance customer satisfaction and loyalty, and accumulate good reputation and customer resources for The Company.

In order to ensure the effectiveness of the training, The Company has set up an experienced team of teachers. The team members include senior leasing experts in the industry, who have rich practical experience and deep professional knowledge, and are able to teach employees the latest industry concepts and practical operational skills; meanwhile, leasing elites with outstanding performance within The Company will also participate in the lectures and share their successful experience and valuable insights in practical work, so as to make the training content more in line with The Company's actual business scenarios.

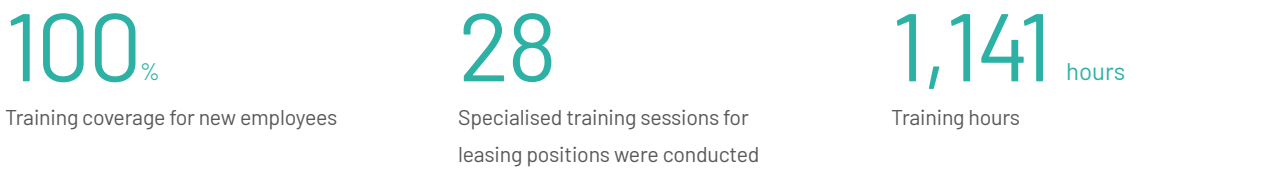
Case: Job training for the person in charge of production safety

Production safety is an important cornerstone of The Company's operation, which is related to the safety of employees and the stable development of The Company. The training programme focuses on improving the safety awareness and professional skills of the person in charge of production safety in property projects, so as to build a solid safety defence for The Company's operation.

The training content is closely centred on various key aspects of production safety. In the safety regulations and system course, employees will systematically learn national and local production safety regulations and gain a deeper understanding of The Company's internal production safety system to ensure that they strictly abide by the relevant regulations in their work and operate in accordance with the law. Risk identification and prevention and control board, through actual case analysis and on-site demonstration, employees will learn how to identify various types of safety risks, master effective risk prevention and control measures, and prevent safety accidents in advance. Emergency Response and Rescue Course, employees will receive professional emergency response training, including emergency response procedures, rescue techniques and self-protection methods in case of fire, earthquake and other emergencies, to ensure that they can respond quickly and effectively in times of emergency and reduce accidental losses.



Key Performances:



In addition, The Company issued the *Incentives to Encourage Employees' Continuous Learning* and launched a subsidy scheme for continuing education and career development for employees with development potential, which is aimed at encouraging employees to upgrade their academic qualifications and further their skills, and helping them to improve their personal capabilities and promote their career development by providing reimbursement and incentives for training and learning expenses.

In order to stimulate the innovation vitality of employees, actively respond to government policies and encourage employees to make suggestions for the development of The Company, The Company has formulated the *Incentive Management System for Innovation, Government Rewards and Reasonable Suggestions*. For innovations, no matter in business model, technology application or management process, as long as they can bring actual benefits or enhance competitiveness for The Company, The Company will give rewards based on the influence and value of the innovation. For projects or individuals who have won government awards, The Company will give additional incentives in recognition of the honour they have won for The Company. At the same time, rationalisation suggestions made by employees will also be rewarded after being evaluated and adopted. Through such a system, The Company hopes to create a positive and innovative atmosphere, enhance employees' sense of belonging and responsibility, and promote the sustainable development of The Company.

Key performances:

27

Employees achieved educational advancement

92

Employees obtained professional certification

RMB 0.19 million

SOHO China providing tuition reimbursement and other rewards totaling over



Employee
development

In order to select talents that best meet the needs and cultural values of The Company, SOHO China has established a scientific and reasonable evaluation standard and index system. In order to improve the accuracy and effectiveness of talent identification, SOHO China applies a variety of assessment methods and tools, such as conducting regular talent inventory to comprehensively sort out the current status of talents within The Company, and to understand the strengths and weaknesses of talents; using performance assessment to objectively measure the results of employees' work and performance; and adopting 360-degree feedback to collect evaluations of employees from superiors, co-workers, subordinates, and customers, so as to comprehensively understand the work ability and interpersonal skills of employees.

SOHO China is committed to the career development of its employees, and has established clear and transparent promotion channels, providing multiple promotion paths for employees in different positions and actively supporting internal staff mobility. The Company regularly evaluates the performance, ability and potential of reserve talents for key positions. Based on the assessment results, we screen out talents with excellent performance and high potential, and provide them with promotion opportunities or more challenging tasks to motivate them to grow continuously; for those who are not up to the standard for the time being, we provide them with targeted feedback and development suggestions to help them improve and enhance their performance.

For management positions above the level of property management manager, The Company has implemented a competitive recruitment system. Once there is a vacancy, The Company will promptly issue a notice internally to encourage employees who meet the conditions and have the willingness to take up the role to participate in the competition, which effectively promotes the cultivation of business backbones and management talents, not only helps employees realise their career aspirations, but also reserves a rich pool of talent resources for The Company. In 2024, The Company achieved remarkable results in talent promotion. one management trainee who joined The Company in 2018 was promoted to the position of leasing director through the competitive recruitment mechanism. In addition, a total of 15 employees were promoted to middle management positions through internal competition. At the same time, The Company also absorbed 3 middle-level management talents through social recruitment, further optimising the talent structure and injecting new vitality into The Company's development.

The Company has set up a talent pool for key positions, so that when there are vacancies in The Company, it can quickly select suitable talents from the talent pool to fill them, ensuring the smooth connection of positions and reducing the impact on business due to shortage of personnel. At the same time, The Company continuously pays attention to the dynamics of the talent market and timely replenishes new reserve talents to maintain the adequacy and freshness of the talent reserve.

Key Performances:

1

Senior management personnel was promoted through evaluation

3

Persons of middle management reserve talents have been introduced

15

Talents through internal competition have been promoted

Case: SOHO China holds third quarter leasing commendation conference, earning client trust through professional service

On October 15, 2024, SOHO China held its third quarter leasing commendation conference. During the conference, Xu Jin, Chairman of the Board and Co- CEO, announced the list of awardees and recognized the outstanding contributions of various teams throughout the quarter. The leasing team actively expanded the market, the asset management team quickly responded to client needs, and the functional departments collaborated efficiently to ensure smooth business operations. Their contribution showcases SOHO China's professionalism to clients. Beyond acknowledging achievements, the quarterly leasing commendation conference serves as a strategic tool to foster employee development and enhance team cohesion, fostering both company development and talent cultivation.



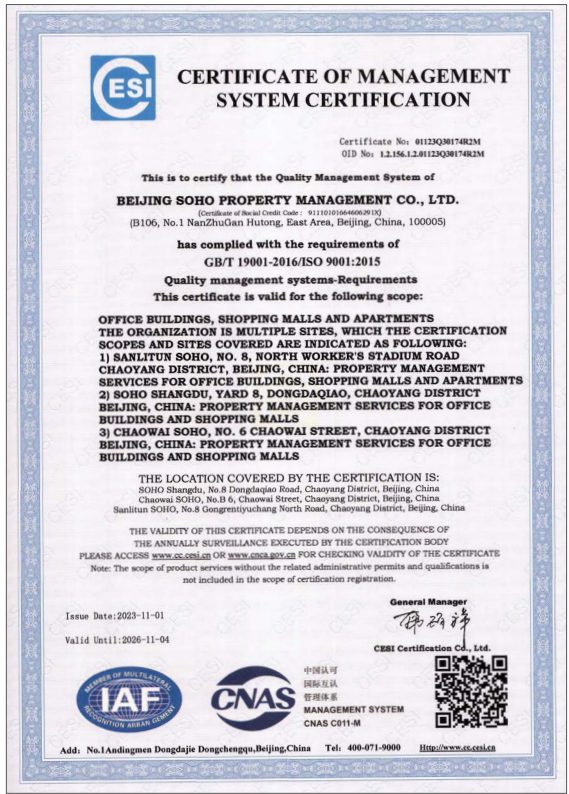
Enhancing employee health and safety

Occupational health and safety

Attaching great importance to the health and safety of every employee, SOHO China strictly adheres to laws and regulations on employee health and safety, including the *Law of the People's Republic of China on Work Safety* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Disease*. The Company has established internal systems such as the *Quality, Environment, Occupational Health and Safety Management Manual*, the *Environmental and Occupational Health Operation & Control Procedures*, the *Emergency Preparedness and Response 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 ensure the employees' occupational health and safety.

Placing the highest priority on safeguarding employee safety and health. Covering every aspect from workflow design to daily operational procedures, this system ensures that every work environment adheres to rigorous safety standards. By developing the system, we seek to provide employees with a secure and healthy workplace.

We have obtained ISO 45001 Occupational Health and Safety Management System Certification, which applies to all of our property projects. From public spaces to client-specific spaces, and from routine operations to special projects, every aspect is managed in strict compliance with certification requirements. Additionally, through regular internal audits and external supervisory reviews, we continuously optimize the management system to ensure its effective operation.



ISO 45001: 2018 Certificate of Occupational Health and Safety Management System Certification

Key performances: 2024 Occupational Safety Management

In the past three years, SOHO China has not experienced any workplace fatalities.

0

Work-related fatalities¹⁷

9

Work-related injuries

709.3

days
Working days lost due to work-related injuries

0.51

%
Rate of incidents per 200,000 hours 18

0

Fatal work-related accidents in the past three years

70

Fire drills

1,172

Participants in fire drills

14,392

hours
Total hours of safety training received by employees

1,650

participants
Total number of people receiving safety training

10,461

times
Total number of people receiving safety training

100

%
Employee health check-up coverage

¹⁷ The statistics on the number of work-related fatalities and injuries includes all employees and interns of SOHO China and contractors who had business cooperation during the Reporting Period

¹⁸ The work-related accident rate per 200,000 working hours is calculated as: The work-related accident rate per 200,000 working hours = (number of accidents/total working hours of all employees)* 200,000

Identifying occupational health risks

We conduct thorough inspections of potential risks in the work environment through a professional hazard identification process. Utilizing scientific risk assessment methods, we accurately evaluate the likelihood and severity of risks. Additionally, we regularly update the property service safety hazard list and conduct periodic inspections and monthly spot checks. In the event of a safety incident, we promptly initiate an in-depth investigation to analyze the root cause and implement targeted corrective measures. In 2024, during a monthly quality inspection, incomplete elevator inspection records were identified at one project. In response, we conducted immediate re-inspection and inspections across all other projects and took corrective actions, effectively mitigating potential risks.

Enhancing safety operation management

We provide employees with personal protective equipment that meets safety standards and systematically conduct safety checks, hazard assessments, equipment inspections, and maintenance. Any identified risks are promptly addressed to ensure a safe working environment across all properties. Furthermore, we have established a dedicated safety supervision position to monitor work sites in real time, ensuring that all safety measures are properly enforced. We report safety management topics at monthly meetings, covering the promotion of work safety knowledge, laws and regulations, and updates on safety-related news, and explain our safety measures to enhance employees’ and customers’ awareness and understanding of our safety management practices.

Fostering a safety education culture

We conduct regular training sessions for employees and clients on safety production and fire safety and organize drills and emergency response exercises to encourage client participation and promote fire safety and emergency evacuation knowledge. Additionally, we actively collaborate with government bodies on practical exercises, participate in fire safety training and exchanges organized by local safety management authorities, and cooperate with relevant bodies in monitoring and inspections. This ensures the timely coordination and handling of safety-related issues, as well as the lawful and orderly operation of all safety activities. In 2024, several of our projects received team and individual awards in fire self-defense and rescue competitions organized by local governments, and recognition as advanced collectives in fire safety. Furthermore, we conducted two company-wide safety training sessions and organized exams to ensure that workplace safety and management principles are deeply embedded in all employees.

Ensure physical and mental health

Adhering to the principle of "People Orientation, Caring for Health", SOHO China pays attention to employees’ physical and psychological health and work happiness, including workplace environment, physical and mental health, to help employees strive for a balance between work and life.

Workplace environment

The Company regularly disinfects and sterilizes the office area, and has installed the fresh air system and air purifiers, as well as purified drinking water of high standards. We also set up a fitness area and activity room for the office area. We maintain the public area regularly to provide high-quality workplace environment for employees.

The Company has upgraded the employees’ dormitory and renovated the original facilities.

Physical health

The Company purchases commercial medical insurance for employees, and they can also apply for their spouses and children to join the program. We regularly provide annual medical services such as physical checks and dental cleaning for employees.

The Company insists on posting healthy tips to promote health knowledge, and prepares medicines for employees. The Company also set up clubs for football, basketball, badminton, and ping pong, as well as running club and yoga course.

The Company holds the annual sports meeting and cross-country running, and hires professional teachers to provide specialized training on sports injury prevention.

Mental health

Cooperating with an external institution, SOHO China continues to offer provides free mental health hotline services, helping employees relieve emotional pressures.

We also carry out employee care activities, including New Year's Eve, Lantern Festival, Women's Day, Mother's Day, Dragon Boat Festival and other festivals.

Key performances:

800+

Participants of the Employee Sports Meeting held by SOHO China in 2024

200+

Participants of two running events, Spring/Autumn Commune Run by the Great Wall, held by SOHO China in 2024

40+

Participants of visits to the planetarium and the National Museum organized by SOHO China in 2024



In September 2024, SOHO China hosted its 7th Employee Sports Meeting and encouraged employees to share memorable moments and celebrate their passion and achievements together

In April 2024, SOHO Tianshan Plaza launched the Fight Work Fatigue Program, creating a health hub for workers to recharge

Higher employee satisfaction

Employee satisfaction surveys

SOHO China conducts employee satisfaction surveys annually to listen to their voices and understand their needs. In the survey, employees would score 1-5 on various aspects such as job content, job development, workplace integration, learning and growth, work management, ethics and integrity, and health and safety. This comprehensive approach helps The Company better understand employee needs and address areas for improvement. After receiving feedback from employees, The Company will discuss the results and promptly make up for deficiencies in employee management, continuously improving our management and capabilities for support employees. The Human Resources Department will organize and coordinate various departments and project companies of the Group to develop a annual satisfaction improvement plan and will arrange quarterly reviews.

In 2024, The Company conducted employee satisfaction survey and produced a detailed employee satisfaction survey plan from multiple dimensions, including Net Promoter Score (NPS), occupational health and safety, business ethics, and ESG.

Employee complaints and communication

In the development process of an enterprise, the voice of the employees is of vital importance. SOHO China deeply recognises this, and in order to further protect the rights and interests of the employees and promote the harmonious development of the enterprise, it has elaborately formulated the *SOHO China Complaints and Reports Handling Policy and Employee Grievance System*, and other related systems, and has made every effort to open up the channels of employees' complaints and communication. The introduction of these systems is not only The Company's respect for and protection of employees' rights and interests, but also an important measure to build a good corporate culture. They build a bridge of communication between The Company and the employees, make the employees feel that their voices are valued, and enhance the employees' trust and sense of belonging to The Company.

The SOHO China Complaints and Reports Handling Policy provides a transparent and fair platform for employees to report their complaints. Whether it is an important matter related to the operation of The Company, or issues related to the working environment, co-worker relations, etc., employees can report their complaints with confidence according to this policy. The Company promises to keep all complaints and reports strictly confidential to ensure that the rights and interests of whistleblowers are not infringed upon in any way. At the same time, an efficient handling mechanism has been established, which clearly stipulates that upon receipt of a complaint or report, the relevant department will promptly investigate and verify the complaint, take appropriate measures according to the specific circumstances, and provide timely feedback on the results of the process, so as to provide employees with an effective response to their demands.

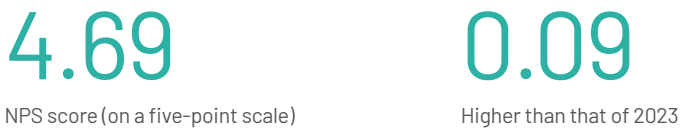
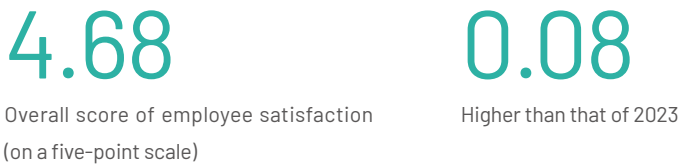
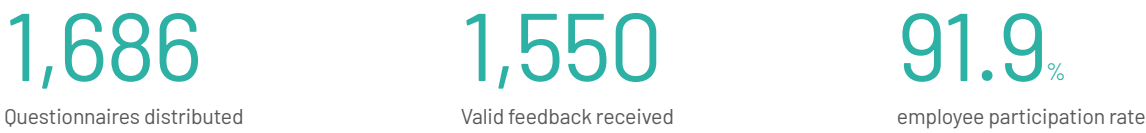
The Employee Grievance System focuses on various types of disturbances and grievances encountered by employees at work. When employees disagree with their work arrangement, performance evaluation, career development, etc., they can lodge a complaint through the process stipulated in the system. The Company has set up a specialised grievance handling team, comprising members from the HR department, management and employee representatives, to ensure that the process is fair and impartial. The grievance process is clear and unambiguous. After the employee submits the grievance material according to the guidelines, the grievance handling team will consider the grievance within a specified period of time and fully communicate with the employee in an endeavour to find a solution that is satisfactory to both parties.

While actively promoting the *implementation of the SOHO China Complaints and Reports Handling Policy and the Employee Grievance System*, SOHO China further strengthens employee communication and labour relations management, and through a series of initiatives, protects the rights and interests of employees in all aspects and creates a harmonious and stable corporate environment.

Whistleblowing channels

Email for whistleblowing: neishen@sohochina.com
Hotline for whistleblowing: +86-10-5878-8557
Address: Internal Audit Department, SOHO China Limited, 11/F, SOHO A Building, No. 6, Chaowai Street, Chaoyang District, Beijing, China
Postal code: 100020

Key performances:





Diverse communication channels

The Company regularly organises a variety of forms of communication talks, such as new employee symposium, active separation review meeting, one-on-one talks and team meetings. In the new employee forum, new employees can speak freely, share their feelings and difficulties after joining The Company, and The Company management and relevant department heads will answer their questions on the spot to help new employees quickly integrate into The Company. The active departure review meeting is aimed at employees who left The Company on their own initiative, to understand the reasons for their departure, and to collect suggestions on The Company's management and business development, so as to provide reference for The Company's improvement. One-on-one meeting allows managers to have in-depth communication with employees, focusing on employees' career development planning and practical needs at work. And team meetings promote communication and collaboration among team members and enhance team cohesion. Through these communication talks, The Company is able to understand the needs and expectations of employees in a timely manner, address their problems and concerns in a targeted manner, and enhance their sense of belonging.

Labor dispute prevention mechanism

Placing great emphasis on the prevention and handling of labor disputes, we have established a comprehensive early-warning mechanism of labor relations and outlined procedures for addressing employee concerns in the *SOHO China Employee Handbook*. Through regular communication with employees, we identify potential labor dispute risks and take timely measures to mitigate them. When labor disputes occur, we adhere to the principles of prompt response and impartiality and build a dedicated team to conduct thorough investigations. For disputes that can be resolved through negotiation, we actively facilitate mutually agreeable solutions to preserve harmonious labor relations; if negotiation fails, we proceed in strict accordance with relevant arbitration or litigation procedures.

Gratefulness

Fostering Urban Development

SDGs focus in this chapter:

<div>1</div> <div>NO POVERTY</div> <div></div>	<div>4</div> <div>QUALITY EDUCATION</div> <div></div>
<div>10</div> <div>REDUCED INEQUALITIES</div> <div></div>	<div>16</div> <div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div></div>

With a spirit of gratitude, SOHO China actively gives back to society, attentively listening to the needs of partners and local communities, supporting community development, and continuously investing in philanthropy and public welfare initiatives. Together with stakeholders, we strive to contribute to urban development. Through community engagement, we promote cultural heritage, environmental sustainability, and urban revitalization, fostering a vibrant, responsible, and loving community atmosphere. Meanwhile, through the SOHO China Foundation, we continue to expand our philanthropic efforts, leveraging our expertise in architecture, culture, environmental protection, and public welfare to support rural revitalization and high-quality urban development.

This chapter relates to the following major sustainable development issues:

- Community engagement and investment
- Contribution to national and local economy
- Public welfare and volunteer services
- Urban revitalization and redevelopment

Summary of Policies and Systems on SOHO China’s Contribution to Public Welfare at a Glance

SOHO China Community Investment Management Policy

Constitution of the Urban Culture Foundation

Community engagement

SOHO China values its connection with local communities, striving to understand their needs and integrate community interests into our daily operations. By preserving and promoting cultural heritage, creating green communities, and illuminating everyday life, we continue to strengthen the relationship between architecture and community life. Our goal is to create eco-friendly communities, offering residents a healthy and comfortable living environment while leveraging our architectural expertise to host art exhibitions and cultural events, injecting new vibrancy and charm into urban spaces.

We take a deeply engaged and personalized approach to community activities, actively listening to residents’ concerns and expectations. In 2024, we conducted a net promoter score (NPS) survey to explore customer preferences and potential interests in community activities. After each event, we systematically gathered participant feedback, regularly reviewing the effectiveness of our initiatives and continuously refining our community engagement strategies.

Focusing on the interests of local residents and clients, we organized a variety of community public welfare activities, including Dragon Boat Festival Summer Gathering, Mid-Autumn Festival Moonlit Reunion, Earth Hour event, SOHO Cycling Adventures, photography exhibitions, and more. These initiatives enrich the cultural and social environment of surrounding neighborhoods and contribute to the high-quality development of urban communities.

Key performances:

133

Community public welfare events held by SOHO China

Preserving and promoting cultural heritage

We are committed to preserving and promoting traditional culture, actively organizing festive celebrations that enhance cultural identity and participation, contributing to a stronger sense of cultural confidence.

Case: Summer Gathering at Guanghualu SOHO II – Celebrating the Beauty of Dragon Boat Festival

On June 7, 2024, the Guanghualu SOHO II Property Service Center hosted a Dragon Boat Festival Summer Gathering, celebrating the festival’s traditions and extending well-wishes for happiness and good health. Through interactive cultural games such as “Zongzi Fishing” and “Ring Toss on Dragon Heads,” participants received exclusive festival gifts, including bamboo fans, fragrant sachet dragon boats, and five-color fortune bracelets, infusing new energy into the community’s cultural landscape.

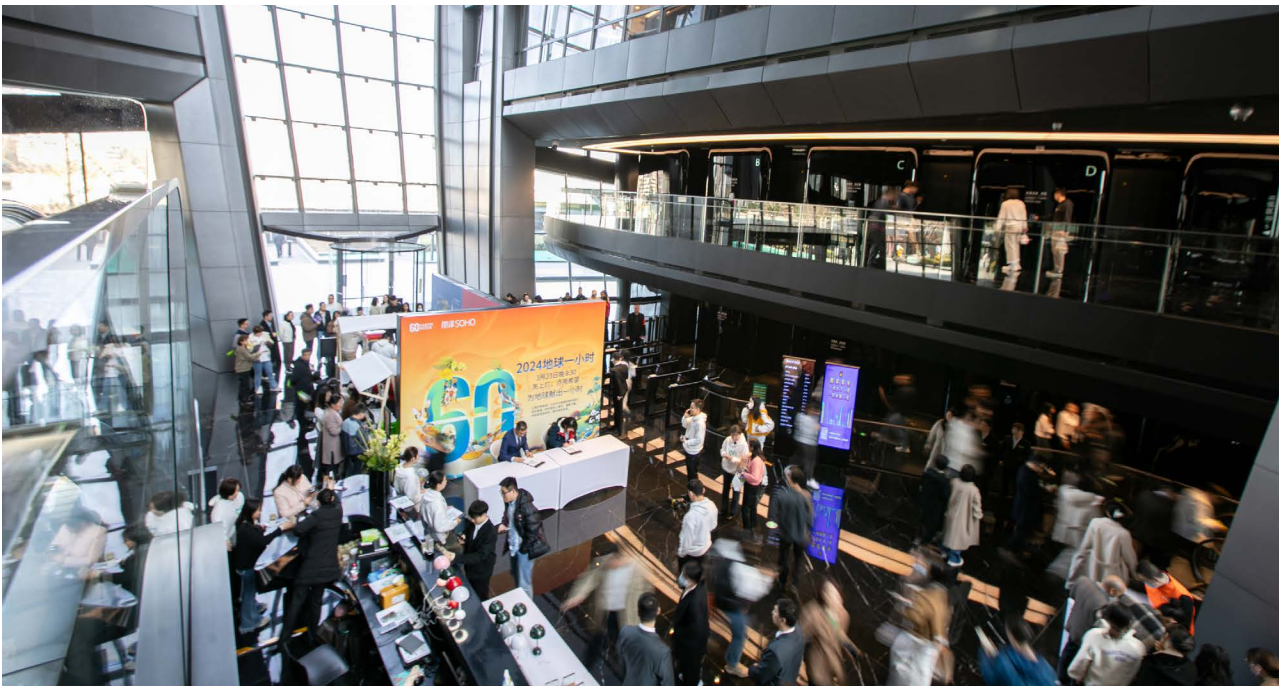


Creating green communities

We are committed to building sustainable, green communities by organizing creative and impactful environmental initiatives such as SOHO Cycling Adventures and Earth Hour. These activities actively promote low-carbon lifestyles, raise environmental awareness among employees, tenants, and community residents, and help build a harmonious coexistence between people and nature.

Case: Turn off the lights, light up hope – 2024 Leeza SOHO Earth Hour event

At 20:30 on March 25, 2024, Leeza SOHO once again hosted its annual Earth Hour event. The event featured diverse activities centered around environmental protection, green philosophy, green workplaces, sustainable commuting, and waste sorting, encouraging every customer to take concrete environmental actions. This initiative was more than just an hour of energy conservation—it was a pledge to sustainable development. SOHO China also reaffirmed its commitment to being a leader in green office buildings, making greater contributions to environmental protection and public welfare.



Case: SOHO Cycling Adventure – A date with autumn

On October 13, 2024, SOHO China teamed up with over 40 cycling enthusiasts for the “2024 SOHO Cycling Adventure,” a thrilling ride through the crisp autumn air. The event featured exciting highlights, including a fun slow-cycling challenge and the interactive “Cycling Miracles” experience, where participants shared their riding journeys. Riders could fuel up at energy stations and take on challenges to win exclusive prizes. Like a gentle autumn breeze weaving through the community, this event invited participants to rediscover the city’s charm while infusing everyday life with adventure and joy.



Illuminating everyday life

Harnessing our expertise in architectural spaces, we collaborate with photographers, cultural organizations, and other stakeholders to curate high-quality photography and art exhibitions. These events bring vibrant cultural experiences to local communities, sparking artistic inspiration and enriching urban life with vitality and creativity.



September – November 2024 | The “Light and Everything” Photography Exhibition launched by SOHO China and Weibo Image Year at Wangjing SOHO and Galaxy SOHO, Beijing



August 30 – September 30, 2024 | The “Microcosmic Wonders” Insect Macro Photography Exhibition hosted by Galaxy SOHO



September 21 – October 21, 2024 | The “365pixel Photographers Invitational Exhibition” unveiled by SOHO Fuxing Plaza, Shanghai

Promoting rural revitalisation

A strong nation is built on high-quality education. SOHO China actively supports China's rural revitalization strategy, staying true to the belief that art and culture nurture the soul. Through our commitment to "educating people with virtue and cultivating people with culture," we continue to invest in the development of Yang Zheng Library, Yang Zheng Kindergarten, and Panjizhai School, striving to enhance rural education infrastructure. By promoting virtue education, art education, and professional training, we inject new vitality into rural communities, empowering young minds and shaping a brighter future for education. In the year 2024, the SOHO China Foundation is committed to investing RMB 5.1 million towards rural revitalization efforts.

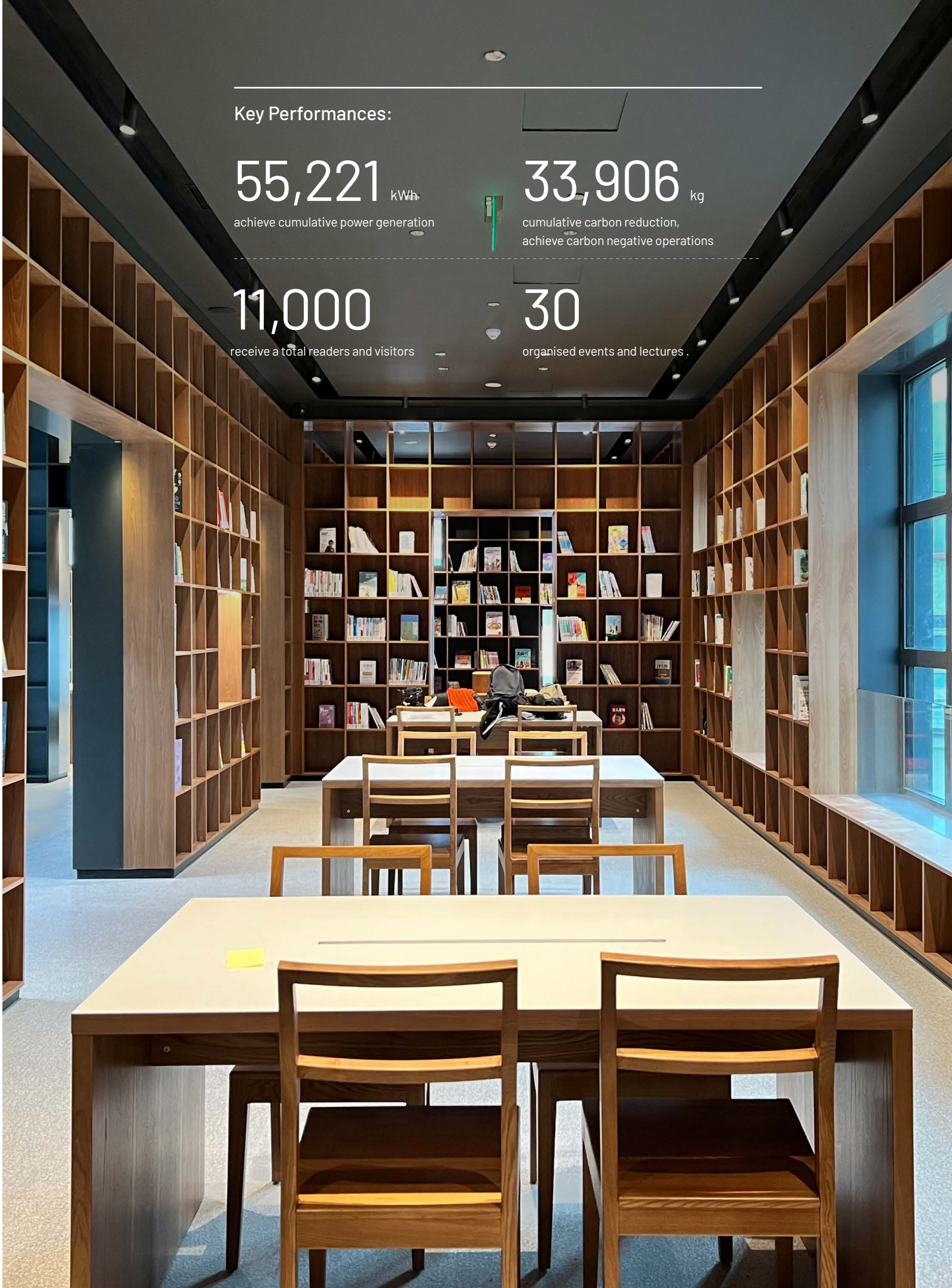
Key performances:

RMB **5.1**million

The SOHO China Foundation's Investment in Rural Revitalization

Yang Zheng Library

Yang Zheng Library was built with a donation of 20 million RMB from the SOHO China Foundation, and is the first "zero-carbon library" in China. Yang Zheng Library remains committed to providing free access to a rich collection of books, cultural events, and insights into the latest technological advancements. Since opening in 2023, it has welcomed more than 10,000 readers and visitors each year. In 2024, the library continued to host a variety of community-focused educational programs, including AI Classroom, World Reading Day Series, and Zero Carbon Knowledge and Energy-Saving and Emission Reduction Workshops. This year, the library also launched the "Yang Zheng Library Environmental Awareness Program," aimed at enhancing students' understanding of environmental protection. Additionally, Yang Zheng Library actively collaborates with local government agencies to support educational visits, youth volunteer programs, and other initiatives. To promote the study and dissemination of cultural traditions, the SOHO China Foundation funded the establishment of the Yang Zheng Genealogy Research Center.



Key Performances:

55,221 kWh
achieve cumulative power generation

33,906 kg
cumulative carbon reduction,
achieve carbon negative operations

11,000
receive a total readers and visitors

30
organised events and lectures

Case: SOHO China Foundation supports Yang Zheng Genealogy Research Center

In 2024, with the support of the SOHO China Foundation, the Yang Zheng Genealogy Research Center was officially established. The center assembled a dedicated team of 17 volunteers, specializing in data collection, transcription, proofreading, photography, and editing. Throughout the year, volunteers embarked on field research in Zhengzhou and Xingyang in Henan Province, as well as Lintao and Dingxi in Gansu Province. They combed through ancient texts, engaged with local family associations, and conducted door-to-door visits in Tianshui, gathering data from over 500 households. By the end of 2024, the Genealogy Research Center had compiled 15 volumes of family history books and albums, documenting over 25,000 individuals and archiving more than 10,000 historical photographs. These valuable records have been digitally preserved and integrated into the Yang Zheng Library collection, enriching its historical archives and ensuring the continuation of cultural heritage.

Yang Zheng Kindergarten

Founded with a RMB 30 million donation from the SOHO China Foundation, Yang Zheng Kindergarten is a non-profit educational institution located in Shiju Village, Mapaoquan Town, Maiji District, Tianshui City, Gansu Province. The school accommodates over 200 children, providing high-quality early childhood education to underdeveloped communities, helping bridge the gap in preschool accessibility for local children. Since opening in 2020, a cumulative total of students have graduated 180 person. SOHO China Foundation donates RMB 4.5 million annually for the daily operation of the kindergarten.



Virtue education

At Yang Zheng Kindergarten, virtue education is at the heart of its curriculum. In 2024, the kindergarten conducted 17 virtue-themed educational programs, focusing on honesty, gratitude, peace, happiness, cleanliness, help, courage, and more. Each theme is carefully designed with ten engaging activities, ensuring that moral values are deeply instilled in children's hearts and reflected in their actions. Through joyful sing-alongs, immersive storytelling, expressive art, and interactive role-playing, children naturally embrace and practice virtues in their daily lives.

In 2024, the kindergarten also hosted 19 virtue education workshops for parents, bringing in expert trainers from the Family Learning House Education Group to deliver specialized training sessions, fostering a collaborative learning environment that nurtures lifelong virtues.



Kindergarten administrators, support staff, and property management teams participating in virtue education training sessions



Parents engaging in a morning virtue education session at Yang Zheng Kindergarten

Art education

In 2024, Yang Zheng Kindergarten took a major step forward in arts education, providing teachers with unprecedented opportunities to experience and explore art learning.

Case: Artistic Integration Workshop – Nurturing creativity for a brighter future

In May 2024, Yang Zheng Kindergarten invited two seasoned art educators from Meiyu Simeng Art Space in Beijing to host an innovative arts integration workshop for its teaching staff. Breaking free from traditional art education frameworks, the workshop placed teachers in immersive creative scenarios, where they transformed into leaves and musical notes, expressing themselves freely through movement, painting, and sound. By embracing open-ended artistic exploration, teachers experienced the boundless possibilities and freedom of art creation.



Orff music education training

Professional training

In 2024, Yang Zheng Kindergarten significantly enhanced professional training for its faculty and staff, aligning with national education policies and early childhood development needs. Through a series of in-depth training programs, teachers explored educational guidelines, curriculum development, and best practices to ensure scientifically sound teaching methods that foster optimal child development. Beyond pedagogical training, the kindergarten also conducted specialized workshops covering fire safety knowledge, property management procedures, energy platform operations, library storytelling techniques, food safety, meal planning and nutrition, health, hygiene, and sanitation protocols, etc. Additionally, professional development extended to financial management, dietary budget planning, archival management, and AI-powered teaching tools, laying a solid foundation for holistic child development.

Key performances:

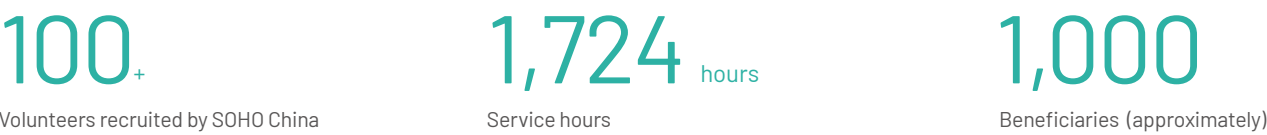
59

Professional training sessions conducted by Yang Zheng Kindergarten

Organizing volunteer services

At SOHO China, public welfare is integral to corporate development. We have developed the *SOHO China Community Investment Management Policy* to guide our efforts in social responsibility and sustainable development, giving back to society through diverse initiatives. Through the SOHO China Foundation, we actively organize and support volunteer initiatives across architecture, culture, arts, environmental protection, and public welfare, encouraging employees and partners to participate in meaningful volunteer work and spread love and warmth with concrete actions.

Key performances:



Case: Awakening Spring – Wangjing SOHO partners with AY Foundation

On March 21, 2024, the 17th World Social Work Day, Wangjing SOHO joined forces with the AY Foundation and floral brand BETTER ME to launch the “Awakening Spring” public welfare campaign. In a heartwarming initiative, We transformed children’s artwork from hospital wards into plantable love cards, symbolizing growth, renewal, and hope. These unique cards were featured in a charity sale, with all proceeds donated to the AY Humanitarian Medical Assistance Project, supporting children battling illness and bringing them closer to a brighter, warmer spring.



Case: Spreading love, passing it forward – Rural Revitalization Charity Market at Galaxy SOHO

On April 20, 2024, SOHO China, in collaboration with the Beijing Xianhe Social Work Center, hosted the Rural Revitalization Charity Market at Galaxy SOHO’s sunken plaza. The event saw participation from over 60 families, who engaged in charity sales to foster community interaction, family bonding, and civic awareness among children. The market served as a platform that brings together families and facilitates exchange and mutual learning. Most importantly, it raised funds to support public welfare initiatives.

Case: Wangjing SOHO Charity Flea Market – Giving new purpose to pre-loved items

September 4, 2024 was the ninth Charity Day of China. On September 5, Wangjing SOHO, in partnership with Wangjing Subdistrict Office, hosted the Charity Flea Market at its central plaza. The event featured a charity bazaar, where businesses and individuals sold donated goods and second-hand items to raise funds for those in need, engage with the community while demonstrating that every act of kindness—big or small—contributes to a greater good.



Case: Bringing warmth to children with special needs – SOHO China volunteers at Our Learning House

On October 29, 2024, SOHO China mobilized a team of dedicated volunteers to visit Our Learning House in Chaoyang District, a sanctuary for children with disabilities and special needs. With care packages of daily essentials, school supplies, and other necessities, volunteers brightened the children’s day with heartfelt interactions. They put on performances, led engaging lessons, and crafted handmade art together, creating a joyful and memorable afternoon filled with a warmth and laughter.



About this report

Introduction

This report is the 9th Environmental, Social and Governance (ESG) Report released by SOHO China Limited, and also The Company's 4th 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 its 24 property management projects. The report covers events that took place between 1 January and 31 December in 2024 (the "Reporting Period"). Note that some information may concern events in 2024 or prior to 2023 to make it more comparable and forward-looking.

Basis of Preparation

This report was compiled with reference to Appendix C2 of the Listing Rules of the Stock Exchange of Hong Kong Limited (hereinafter referred to as "the HKEX") *HKEX ESG Reporting Code*, and the GRI Standards of the Global Sustainability Standards Board (GSSB) and the United Nations Sustainable Development Goals (UNSDGs).

Presentation Principles and Data Source

This report follows HKEX's four principles of materiality, quantitative, balance and consistency in the *HKEX ESG Reporting Code*. The Company identifies sustainability issues that are crucial to The Company's business and related to it through industry evaluation and materiality assessment. Material issues will be disclosed first. The information and data cited are from The Company's statistical data and

relevant documents, and have been collected, summarised and reviewed by The Company. This report contains qualitative and quantitative data and information to illustrate The Company's past and latest sustainability performance. Unless otherwise stated, the data are calculated using a unified method.

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.

Report Assurance

CCX GREEN FINANCE INTERNATIONAL LIMITED (hereafter "CCXGFI") conducted an independent third-party verification of SOHO China's 2024 ESG report according to SOHO China's relevant requirements.

The main objectives are to: 1) Review the substance, completeness, and responsiveness of the report according to the verification standards.2) Review the completeness and consistency of the economic/environmental/social performance indicators disclosed in the report.3) Review the balance, comparability, accuracy, timeliness, clarity, and reliability of the report according to the report quality control principles.

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 traditional Chinese and English, is available for browsing and download on the HKEX website: <https://www.hkexnews.hk/index.htm> and SOHO China ESG website: <http://esg.sohochina.com/>

Index table of indicators

HKEX The Stock Exchange ESG Indicator Indexes

Aspect	Indicator No.	Content	Page
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include nitrogen oxides (NOx), sulfur oxides (SOx), and other pollutants regulated by national laws and regulations. Greenhouse gases include carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF6). Hazardous waste refers to waste as defined by national regulations.	P90-91
	A1.1	The type of emissions and respective emission data.	P92
	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).	P69
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P92
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P92
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	P68, P90-91
	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.	P90-91

Aspect	Indicator No.	Content	Page
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used for production, storage, transportation, buildings, electronic equipment, etc.	P81-84, P90
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P89
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P90
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P68, P70, P84-88
	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.	P68, P90
	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	Policies on minimising the issuer's significant impacts on the environment and natural resources.	P73-75, P78
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P76-77
A4: Climate Change	General Disclosure	Polices on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P41-P72
	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.	P41-P72

Aspect	Indicator No.	Content	Page
B1: Employment	General Disclosure	Information on:(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P151, P154-P155
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	P152
	B1.2	Employee turnover rate by gender, age group and geographical region.	P153
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to providing a safe working environment and protecting employees from occupational hazards.	P175-P180
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P176
	B2.2	Lost days due to work injury.	P176
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P177
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	P167-P174
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P168
	B3.2	The average training hours completed per employee by gender and employee category.	P168
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to preventing child and forced labour.	P154
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	P154
	B4.2	Description of steps taken to eliminate such practices when discovered.	P155

Aspect	Indicator No.	Content	Page
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	P139-140
	B5.1	Number of suppliers by geographical region.	P140
	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.	P141-142
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P143-145
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P146-147
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	P95-P97
	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.	P118-P120
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	P20
	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.	P134-P136

Aspect	Indicator No.	Content	Page
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to bribery, extortion, fraud and money laundering.	P9-10
	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.	P14
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P15-17
	B7.3	Description of anti-corruption training provided to directors and staff.	P14
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P187
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P187-P202
	B8.2	Resources contributed (e.g. money or time) to the focus area.	P193, P195

Chapter		Content	GRI Standards
Message from Chairman of the Board			2-6
ESG milestones			
Data Highlights: SOHO China in 2024			202-1、415-1
Responsibility: Enhancing Corporate Governance	Compliance and steady operation	2-9、2-10、2-11、2-12、2-13、2-14、2-16、 2-1、 2-18、2-25、2-26、2-27、202-2、205-1、205-2、205-3、206-1、207-1、207-2、207-3、405-1	
	Sustainable management	2-22、2-24	
	Stakeholders engagement	2-4、2-29、3-1、3-2、3-3	
Environmental Guardian: Building a Green Ecosystem Together	Tackling climate change	2-27、3-3、201-2、305-1、305-2、305-4、305-5	
	Adhering on green development	3-3、301-1、301-2、301-3、303-1、303-2、303-4、304-2、304-3、416-1、416-2	
	Implementing green operations	2-27、3-3、302-1、302-3、302-4、302-5、303-5	
Commitment: Seeking Excellent Quality Service	Enhancing leasing management	3-3、308-1、308-2	
	Enhancement of customer service excellence	2-2、3-3、416-1、416-2、206-1、417-1、417-2、417-3	
	Safety management	403-2、403-5、403-6、403-7、416-1、417-1、418-1	
Cooperation: Joining Hands with Partners for Win-Win Together	Promote green and sustainable procurement	2-27、3-3、204-1、308-1、308-2、414-2	
	Improve supplier admission standards	204-1、308-1	
	Carry out dynamic supplier management	308-1、 308-2、414-2	
	Building a responsible supply chain	3-3、409-1、414-1、414-2	

Chapter	Content	GRI Standards
Employee Care: Creating a Joyful Workplace	Protecting employee rights	2-7、2-20、2-23、2-27、201-1、3-3、401-1、401-2、401-3、402-1、405-2、408-1、409-1
	Creating a diverse and inclusive workplace	3-3、401-3、405-1、406-1
	Talent development strategy	3-3、403-5、404-1、404-2、404-3
	Enhancing employee health and safety	3-3、2-27、401-2、403-1、403-2、403-3、403-4、403-5、403-6、403-7、403-8、403-9、403-10
	Higher employee satisfaction	3-3、403-4
Gratefulness: Fostering Urban Development	Community engagement	3-3、411-1、413-1
	Promoting rural revitalisation	3-3、203-1、203-2、415-1
About this report		2-1、2-2、2-3
Index table of indicators		
Report assurance		2-5
Reader feedback		



Independent Assurance Statement

To the Board and stakeholders of SOHO China Limited:

CCX Green Finance International Limited (hereafter “CCXGFI” or “We”) was commissioned by SOHO China Limited (hereafter, “SOHO China”) to provide an independent third-party assurance for the 2024 Environmental, Social, and Governance Report (hereafter, the “ESG Report”), covering the period from 1st January 2024 to 31st December 2024. This assurance engagement focused on the reliability, completeness, and alignment of the ESG Report with internationally-recognised ESG reporting standards.

If there is any inconsistency or ambiguity between the English version and the Chinese version, the Chinese version shall prevail.

Assurance Standard and Scope

To the best of our ability, this assurance engagement has been aligned with the AccountAbility’s AA1000 Assurance Standard (AA1000AS v3) Type 2 (Moderate) requirements and included the following objectives:

- Assess the extent to which SOHO China’s ESG Report meets reasonable local and international expectations for effective reporting, including the Hong Kong Stock Exchange Listing Rules – Appendix C2 Environmental, Social and Governance Reporting Code, the GRI Standards of the Global Sustainability Standards Board (GSSB) and the United Nations Sustainable Development Goals (UNSDGs);
- Assess the extent to which SOHO China’s ESG Report adheres to assurance principles of Inclusivity, Materiality, Responsiveness, and Impact; and
- Assess the extent to which collection, collation and reporting of key data from SOHO China’s operations meets reasonable expectations for accuracy, consistency, completeness and reliability, as tested at the desktop/off-site level.

An assurance conclusion has been provided on the following key performance indicators (KPIs) identified and selected by SOHO China’s management:

Environmental Impact	Employee & Workplace
1. Direct greenhouse gas emissions (Scope 1)	1. Total employee number (by gender)
2. Indirect greenhouse gas emissions (Scope 2)	2. Overall employee turnover rate
3. Indirect greenhouse gas emissions (Scope 3)	3. Average training hours per employee
4. Total energy consumption [MWh]	4. Number of work-related fatalities
5. Purchased electricity [MWh]	5. Number of workdays lost due to work-related injuries
6. Tap water consumption [tonnes]	
7. Non-hazardous waste [tonnes]	Customer & Community
8. Hazardous waste [tonnes]	1. Customer complaint resolution rate
	2. Average score of customer satisfaction
Sustainable Development	Supply Chain & Suppliers
1. Number of green building certificates	1. Total number of suppliers



The following items have been excluded from the scope of assurance, and we do not express any conclusions regarding the information listed below:

- Any information outside the reporting period, or any other data disclosed in the ESG Report that is not included in the scope of our assurance engagement;
- Expression of opinion, belief, expectation and advertisement in the ESG Report;
- Factors obtained from third parties that contribute to the derivation of the disclosed data;
- Financial data or other information already verified through existing verification documents; and
- Information included in the ESG Report that is not related to SOHO China, its subsidiaries, suppliers and contractors, as well as data or information provided by third parties.

Any inquiries regarding the content of this assurance statement or related matters should only be directed to SOHO China.

Independence

CCXGFI was not involved in the preparation of any part of the ESG Report and has not undertaken any commissions for SOHO China during the reporting period that could interfere with our independence. The responsibility for preparing the ESG Report lies solely with SOHO China.

Responsibilities

SOHO China’s Responsibilities include:

- Selection, preparation and presentation of the selected KPIs in the ESG Report;
- Identification of stakeholders and stakeholder requirements;
- Implementation and maintenance of internal controls to ensure the ESG report is free from material misstatement, whether due to fraud or error.

CCXGFI’s Responsibilities include:

- Conduct assurance procedures in accordance with AA1000AS v3, as mutually agreed upon with the Board and management of SOHO China;
- Issue an independent assurance statement to the Board of Directors of SOHO China, detailing findings and recommendations; and
- Ensure personnel involved in the assurance engagement are competent and have received the professional training necessary to perform the assurance work.

Limitations

This assurance process is a Type 2 (Moderate) engagement in accordance with AA1000AS v3. It is solely focused on the evidence collected by the Group/Head Office level, and if necessary, on limited evidence collected at lower levels of the organisation. Due to the lack of established practices for assessing and measuring non-financial information, varying measurement methods and techniques may be used within acceptable limits, which may affect the comparability between entities.

Assurance Process

CCXGFI conducted the assurance procedures at SOHO China's Beijing headquarters, and the assurance work included:

- On-site interviews with key individuals responsible for ESG governance, risk management, community investment, and operations, including those in information technology, procurement, customer service and human resources;
- Reviews of SOHO China's methodologies for assessing and managing ESG risks and opportunities, stakeholder engagement procedures, feedback management mechanism, and the preparation of the ESG report, including materiality assessments;
- Data quality analysis by examining data consolidation processes and control measures for selected KPIs, including evidence reviews and testing of KPIs; and
- Reviews of the ESG Report to assess adherence to the AA1000 principles of Inclusivity, Materiality, Responsiveness and Impact, as well as alignment with relevant local and international reporting frameworks.

Key Observations

Based on our reviews, SOHO China's ESG data collection, collation and reporting processes are deemed sufficient to meet reasonable reporting expectations, but demonstrate potential for further improvement. Nonetheless, the selected KPIs were found to be reasonably accurate and reliable to reflect SOHO China's ESG performance.

Reporting & Assurance Principles

Inclusivity

- Based on a review of management assertions, including Group-level discussions, SOHO China reasonably engages key stakeholders, thereby meeting the requirements of Inclusivity. However, we believe there is room for improvement by establishing formal policies and procedures to document stakeholder engagement results and responses.

Materiality

- The content of the ESG Report aligns with our analysis of the material issues identified by SOHO China. Adequate systems and controls are in place to identify and prioritise SOHO China's most material issues, thereby meeting reasonable Materiality expectations.

Responsiveness

- Based on a review of management assertions, including discussions at the Group level, SOHO China reasonably addresses stakeholder concerns through its engagement efforts, inclusive of, but not limited to, the content within its ESG Report, thereby meeting reasonable Responsiveness expectations.

Impact

- Based on a review of management assertions, including discussions at the Group level, it is reasonable to assert that SOHO China addresses its most material impacts on stakeholders and local communities in which it operates through its risk management policies and procedures. We believe that, at a moderate level, SOHO China's activities, inclusive of, but not limited to, the content discussed within its ESG Report, meet reasonable Impact expectations.

ESG Performance

ESG Governance

- A robust ESG management system is in place, characterised by the board oversight of SOHO China's ESG performance and collaborative effort to work towards strategic and business targets.

Environmental and Climate Initiatives

- SOHO China employs a multifaceted approach to enhance environmental performance and adapt to climate change. This includes the utilisation of a digital energy management platform, conducting climate risk assessments, engaging in carbon trading, procuring green electricity, and obtaining green building certifications.

Supply Chain and Tenancy Management

- SOHO China promotes sustainable supply chain practices by integrating ESG considerations into its supplier selection and evaluation processes. A digital platform is utilised to monitor and document any breaches of contract terms by suppliers, including those related to ESG commitments. Additionally, green lease contracts and a *Green Leasing Guidelines* are offered to tenants to encourage environmentally-friendly interior renovations and operational practices.

Stakeholder Communication

- Stakeholder engagement is facilitated through standardised communication channels, including internal escalation procedures, customer satisfaction surveys, customer service hotline and etc. Feedback and complaints received from various channels are managed by designated personnel according to a predefined handling protocol, ensuring timely and professional responses.

Data Management

- SOHO China's data collection, collation, and reporting systems at both the Group and subsidiary levels are deemed adequate to meet reasonable reporting expectations. The majority of the KPIs within the scope of assurance are collected and aggregated on a digital platform, complemented by manual verification processes to ensure accuracy and reliability.

Recommendations

CCXGFI believes that SOHO China should continue to review and update its ESG management and data collection systems to improve data reliability and align with the evolving stakeholder expectations and market landscape. Key areas of focus include, but are not limited to:

- Perform a thorough review of the ESG strategy to ensure alignment with the criteria set by ESG rating agencies, while maintaining consistency with SOHO China's current status and long-term strategic objectives.
- Conduct regular site visits to sample and verify the data collected by individual property management offices, ensuring the quality and accuracy of the data collected.
- Develop a systematic approach to articulate how the stakeholder engagement results influence response outcomes and address stakeholders' concerns.



Assurance Conclusions

Based on the information reviewed, **CCXGFI** is confident that the ESG Report provides a fair and balanced representation of SOHO China's ESG performance for the period under review. The data presented has been systematically collected and derived, leading us to conclude that the ESG Report meets the assurance and reporting principles of **Inclusivity, Materiality, Responsiveness, and Impact**.



CCX Green Finance International Limited
Hong Kong, China
7 April 2025



Reader feedback

Thank you for reading SOHO China ESG Report 2024. 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:

11/F, Tower A, Chaowai SOHO, 6B Chaowai Street, Chaoyang District, Beijing, China Fax: +86-10-65671064
Post code: 100020 Email: sohohotline@sohochina. com

1. 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

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

- ☐ Yes
- ☐ Basically
- ☐ No

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

- ☐ Yes
- ☐ Basically
- ☐ No

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

- ☐ Yes
- ☐ Basically
- ☐ No

5. Do you think the text in this report is well-organised and easily understood?

- ☐ Yes
- ☐ Basically
- ☐ No

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

- ☐ Yes
- ☐ Basically
- ☐ No

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

SOHO China Limited

Tel: (86) 400-815-9888

Fax: (86) 6567-1064

Website: www.sohochina.com