



Agile Group Holdings Limited.
Sustainable Finance Framework

July 2021

1. Introduction

Agile Group Holdings Limited (“**Agile**” or the “Company”) and its subsidiaries (jointly referred to as “the Group” and “us”) are principally engaged in large-scale integrated property development, as well as a diversified range of businesses including property management, environmental protection, construction, real estate construction management, urban renewal and commercial. With the philosophy of “Lifestyle of a Lifetime”, Agile is always concerned about people’s pursuit of a better life and strives to become a quality lifestyle service provider.

The Company has been listed on the Main Board of the Hong Kong Stock Exchange since 2005 and is currently a constituent of the Hang Seng Composite Index, Hang Seng Composite MidCap Index, Hang Seng Stock Connect Hong Kong Index, Hang Seng Stock Connect Greater Bay Area Index, Hang Seng Stock Connect China 500 Index, Hang Seng High Dividend Yield Index, Hang Seng Mainland China Companies High Dividend Yield Index, MSCI China Index and Lippo Select HK & Mainland Property Index.

Agile will continue to adopt the business model of “focusing on property development, supported by a synergy of diversified businesses” to drive the steady development of its various business segments. Alongside the property development business, the Group is also comprised of:

- **A-Living Smart City Services Co., Ltd. (“A-Living”)**, which provides property management services, extended value-added services and Property owners value-added services, forming an integrated service spectrum covering the entire value chain of property management;
- **Environmental protection business**, which is focused on hazardous waste treatment while engaging in selective projects of energy and power generation, ecological industrial parks, environmental protection water treatment and ecological restoration;
- **A-City Group Limited (“A-City”)**, which is a prominent ecological habitat service provider in China, committed to providing customers with a green living experience through ecological outdoor landscapes and a quality indoor ambience;
- **Real estate construction management** which provides a range of construction management services, including government agent construction, capital agent construction and commercial agent construction;
- **Urban Renewal Group**, formally established in 2020, which covers a wide range of redevelopment projects, including the old village redevelopment, old factory redevelopment, urban redevelopment and shanty town redevelopment; and
- **Commercial** which comprises hotel operations and investment properties with a range of commercial projects covering cultural and tourism retail and community retail.

1.1 Concept of Sustainable Development

Adhering to the business philosophy of “Lifestyle of a Lifetime”, Agile has been concerned about people’s pursuit of a better life, and devoted to creating refined living for the public through developing real estate and diversified businesses.

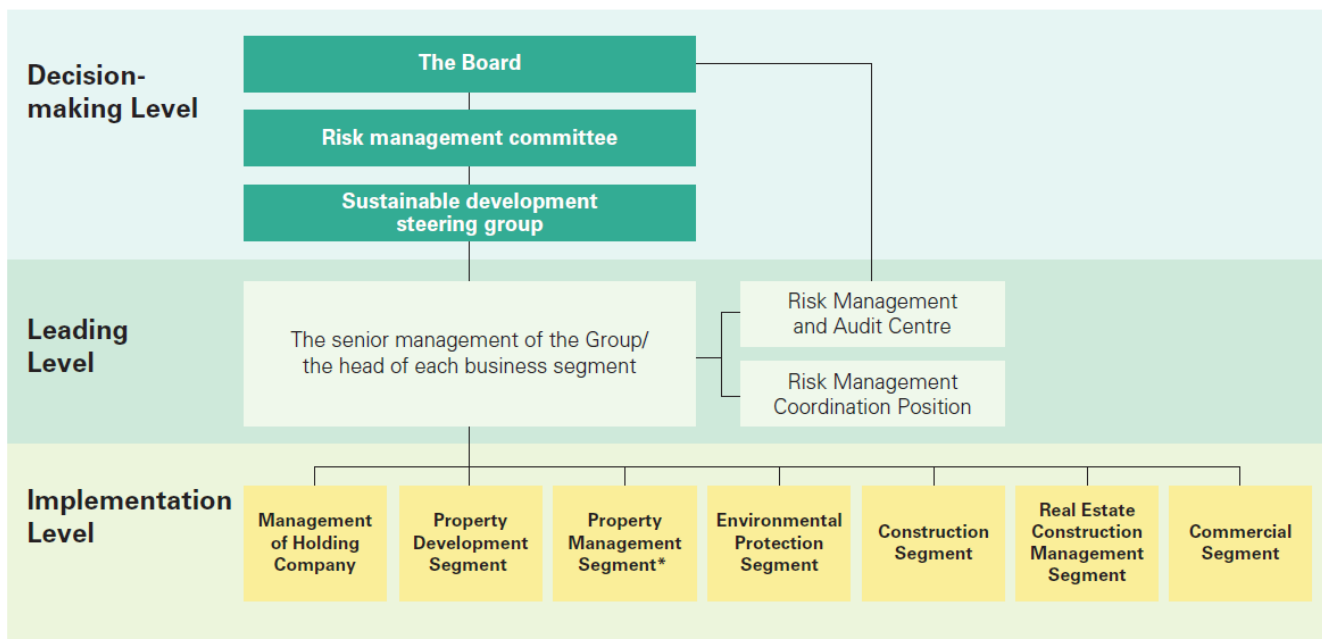
Agile attaches great importance to the sustainable development of economic, environmental and social benefits during its operation, maintains a good level of corporate governance to protect shareholders’ rights and interests, implements green development to safeguard local ecological environment, creates occupational development opportunities to help employees realise their own values, keeps steady and healthy growth of main businesses to achieve joint development with suppliers, and makes active participation in community construction to assume corporate social responsibility.

1.1.1 Sustainability Development Management Structure

Agile underscores the sustainability management by keeping a close eye on ESG-related proposals and standards at home and abroad, and making timely assessment and optimisation of its managerial structure and system, ensuring that it has sufficient and effective management capabilities over each ESG topic.

The Risk Management Committee is responsible for overseeing the sustainability of the Group. The Risk Management Committee reports to the Board at regular Board meetings on major sustainability issues and the status of management of annual key performance indicators. The Risk Management Committee also monitors the effectiveness of the risk management framework and policies, and conducts regular risk identification, analysis and review of the management process through the Enterprise Risk Management (ERM) system, as well as identifies and manages core ESG risks with ERM. Being chiefly responsible for environmental and safety management in each of the Group’s industrial groups, the Committee’s remuneration performance is related to the key environmental and safety management indicators of the industrial groups, thereby promoting the relevant responsible departments to ensure the effective implementation of the ESG management system.

Besides, the Risk Management Committee has set up a Sustainability Development Steering Group (SDSG) to take responsibility for coordinating the ESG management of the various segment groups of the Group, and assisting the Board in carrying out ESG information disclosure, target formulation, risk assessment and policy improvement. Each segment group has designated a sustainability supervision liaison to conduct execution work such as ESG information collection and summary according to instructions of the SDSG, thus offering important basis for formulating and adjusting Agile’s sustainability strategies.



Risk Management Organisation Chart

1.1.2 Green Buildings Opportunities

Agile attaches great importance to the harmonious coexistence between the community environment and the natural ecology, actively pays attention to the relevant policies and technical specifications of the green buildings at the places where it operates, and prudently evaluates the green building opportunity in the process of project development in each region. The Group has continuously invested in the R&D and design of green buildings and energy-saving buildings. In 2020, the Group established 127 projects with reference to the Assessment Standard for Green Building (GB/T 50378-2019), of which, 70 projects reached star levels of green building design standard of which 15 projects have reached two star level design standard.

In response to the impact of climate change and extreme weather conditions, including changes to precipitation patterns, Agile actively introduces the design concept of “sponge cities” into its developments with the aim to reduce flood risk, replenish groundwater and enhance the resilience of its communities.

1.1.3 Environmental Initiatives and Management

Being involved in property development, Agile has fully considered the life cycle impacts of each real estate project. Agile takes into thorough account the bio-diversity protection around the project premise and green construction opportunities during the design phase, made active use of prefabricated buildings and other green construction

techniques to control pollution during the project construction process, and concentrated on and heightened the utilisation efficiency of resources and energy during the project operation process, as well as continued to practice the green development concept of energy saving and emission reduction.

Through the Group's environmental protection business, focusing on the three major areas of hazardous waste treatment, water treatment and common solid waste treatment, Agile is committed to providing platform-level environmental system solutions and comprehensive environmental services.

Agile has been committed in enhancing its three tier Environment, Health and Safety ("EHS") management framework. Under the EHS management framework of each business segment, Agile assigns relevant departments to be responsible for the overall planning, supervision and execution of the environmental management tasks, and the continuous improvement of environmental management system based on the business characteristics and referring to the standards of the ISO14001 environmental management system. The Group has also set annual environmental management goals, which is assessed through collection and monitoring of daily management data.

Agile actively promotes the development of the circular economy. The Group engages in resource reduction and reuse initiatives such as recycling of building materials, promoting energy efficiency measures and renewable energy usage during the construction process, and application of water-saving technology across its operations. Across its subsidiaries, Agile's Environmental Protection Group engages in online dust collecting and other technologies to improve the operational efficiency of machinery, and A-City Group implements energy-saving renovation works such as water-saving valve modification and replacement of lighting system to achieve energy saving.

1.1.4 Healthy Buildings

The Group attaches great importance to product quality and continues to improve the planning and design of its products, striving to create a high-quality living environment for the public. The Group has launched five main product series that focuses on the "Eight Elegances of Residence" product philosophy. In particular, the "Agile Health" (乐健康) product series, which was developed with reference to the WELL building standards and the Assessment Standard for Healthy Building (T/ASC 02-2016), and adhering to the philosophy of "smart technology leading to a healthy life", has incorporated a new smart ventilation system, low-pollution renovation materials, whole-house water purification system and other advanced technologies, so as to fully enhance and elevate the living experience of residents. Agile also actively applies for WELL pre-certification for its buildings, obtaining WELL Gold pre-certification for a number of its projects. The Company will continue to explore the application and innovation of healthy building standards.

1.1.5 Social Contribution

Agile has invariably adhered to the philosophy of "Benefiting from Society, Giving Back to Society" for public welfare and charity. Complying with stipulations in the Charity Law of the PRC and the Articles of Agile Public Welfare Foundation and other internal management policies, the Company has actively fulfilled its corporate social responsibilities by participating in charitable activities themed on education assistance and sponsorship, disaster relief, poverty alleviation and sustainable development. As of December 31, 2020 Agile's various charitable donations have exceeded RMB1.85 billion in aggregate.

2. Sustainable Finance Framework

Agile intends to use this Framework as the basis to issue Green, Social or Sustainability Bonds, Loans and other debt instruments ("Sustainability Financing Instruments"). The Sustainability Financing Instruments will fund Eligible Green and/or Social Projects that conform to the sustainable finance principles listed below:

- International Capital Market Association ("ICMA") Green Bond Principles ("GBP") 2018¹, Sustainability Bond Guidelines ("SBG") 2018² and Social Bond Principles ("SBP") 2020³; and/or

¹ In alignment with ICMA Green Bond Principles, June 2018, <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² In alignment with ICMA Sustainability Bond Guidelines, June 2018, <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>

³ In alignment with ICMA Social Bond Principles, June 2020, <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

- Loan Market Association (“LMA”) Green Loan Principles (“GLP”) 2021⁴ and Social Loan Principles (“SLP”) 2021⁵

In aligning with the above principles and guidelines, the Group’s Sustainable Finance Framework is presented through the GBP’s/SBG’s/SBP’s/GLP’s/SLP’s four core components as well as its recommendation for external review:

- (a) Use of Proceeds
- (b) Process for Project Evaluation and Selection
- (c) Management of Proceeds
- (d) Reporting


Bond(s) issued under this Framework may take the form of public transactions or private placements, in bearer or registered format, and may take the form of senior unsecured or subordinated issuances. Such bonds and loans entered into under this Framework will be standard recourse-to-the-issuer obligations and investors will not bear the credit risk of the underlying allocated eligible asset exposures.

2.1 Use of Proceeds






Agile will allocate an amount at least equivalent to the net proceeds of the Sustainability Financing Instruments issued under this Framework to finance and/or re-finance, in whole or in part, green and/or social projects which meet the eligibility criteria of the following Eligible Green Project categories (“Eligible Green Projects”) and Eligible Social Project categories (“Eligible Social Projects”), as defined as below.

A maximum 3-year look-back period would apply for refinanced projects and Agile expects each issuance under this framework to be fully allocated within 2 years from the date of issuance.






2.1.1 Eligible Green Projects

Project Category	Eligibility Criteria	Alignment with UN SDG Targets
<p>Green Buildings</p> 	<ul style="list-style-type: none"> • Investment in new or existing commercial or residential buildings that have received, or expect to receive based on its design, construction and operational plans, certification according to third-party verified green building standards, such as: <ul style="list-style-type: none"> ▪ U.S. Leadership in Energy and Environmental Design (LEED) – minimum certification of Gold; or ▪ BEAM Plus – minimum certification level of Gold; or ▪ Chinese Green Building Evaluation Standard – minimum certification level of 2 stars; or ▪ BREEAM – minimum certification level of Excellent; or ▪ BCA Green Mark – minimum certification level of Gold; or ▪ Any other green building label, that is an equivalent standard of the above • These buildings may additionally achieve the WELL Building Standard™ (Silver/Gold/Platinum) certification with an aim of improving the well-being of occupiers on top of existing green building labels <p>Or are in the top 15% of buildings within the region based on absolute emissions performance or primary energy demand</p>	<p>SDG 11</p> <p>Target 11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.</p> <p>SDG 11</p> <p>Target 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management</p>

⁴ In alignment with LMA Green Loan Principles, February 2021, <https://www.lsta.org/content/green-loan-principles/>
⁵ In alignment with LMA Social Loan Principles, April 2021, <https://www.lsta.org/content/social-loan-principles/>

Project Category	Eligibility Criteria	Alignment with UN SDG Targets
Energy Efficiency 	<ul style="list-style-type: none"> Refurbishment of buildings that delivers a minimum 20% increase in energy efficiency compared to the existing performance or grade improvement(s) 	<p>SDG 7</p> <p>Target 7.3: By 2030, double the global rate of improvement in energy efficiency</p>
Sustainable Water and Wastewater Management 	<ul style="list-style-type: none"> Investment in technologies, projects and infrastructure for the collection, distribution, recycling or reuse of water, rainwater or waste water Investments and expenditures related to constructions, upgrades, renovations or improvement of wastewater related facilities, equipment and infrastructure, including: <ul style="list-style-type: none"> Water and wastewater treatment plants 	<p>SDG 6</p> <p>Target 6.3: By 2030, improve water quality by reducing pollution eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p> <p>SDG 6</p> <p>Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</p>
Pollution Prevention and Control 	<ul style="list-style-type: none"> Investments in projects that contribute to soil remediation, waste prevention and collection, waste reduction, and waste recycling such as: <ul style="list-style-type: none"> Facilities for sorting and recycling of kitchen waste and treatment into biofuels, ecological feed and organic fertilizers Investments related to the development, operations, maintenance, and upgrading of facilities used to produce energy from waste products, including sewage and sludge treatment facilities and waste to energy Installation of equipment to reduce environmental pollution (e.g. air, water) during construction and/or building operation 	<p>SDG 12</p> <p>Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>
Climate Change Adaptation 	<ul style="list-style-type: none"> Investments to develop “sponge cities” that aim to reduce flood risk and replenish groundwater 	<p>SDG 13</p> <p>Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>
Renewable energy 	<ul style="list-style-type: none"> Installation of renewable energy systems and associated infrastructure meeting the following eligibility criteria: <ul style="list-style-type: none"> Concentrated solar heat and power generation (CSP) plants with ≥ 85% of electricity generated to be derived from solar energy Geothermal facilities with direct emissions ≤100gCO₂/kWh 	<p>SDG 7</p> <p>Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix</p>
Clean Transportation 	<ul style="list-style-type: none"> Construction and maintenance of infrastructure for electric vehicles and electric vehicle charges 	<p>SDG 11</p> <p>Target 11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.</p>

2.1.2 Eligible Social Projects

Project Category	Eligibility Criteria	Alignment with UN SDG Targets
Affordable Basic Infrastructure 	<ul style="list-style-type: none"> Financing construction and refurbishment/maintenance of basic infrastructure in urban renewal areas, such as public sports facilities, public parks / green spaces <p><i>Target population:</i> Individuals and families that do not have access to quality basic infrastructure and essential services</p>	<p>SDG 11</p> <p>Target 11.7: By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities</p> <p>SDG 11</p> <p>Target 11.4: Strengthen efforts to protect and safeguard the world’s cultural and natural heritage</p>
Access to Essential Services   	<ul style="list-style-type: none"> Investment and expenditures in projects to develop education and training facilities in targeted communities for general public or vulnerable groups 	<p>SDG 3</p> <p>Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all</p> <p>SDG 4</p> <p>Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p>
Affordable Housing 	<ul style="list-style-type: none"> Investments and expenditures in projects that provide affordable housing for the general public and vulnerable groups in accordance with local government and regulatory definitions, including: <ul style="list-style-type: none"> Public rental housing Social housing program 	<p>SDG 11</p> <p>Target 11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums</p>
COVID-19 related investment & expenditure⁶	<ul style="list-style-type: none"> Provide funding and community service support for the fight against COVID-19, including purchase of emergency medical supplies and equipment 	

2.1.3 Exclusion Criteria

In any case, eligible assets/projects exclude the type of activities listed in the International Finance Corporation (“IFC”) Exclusion List (2007)⁷:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES
- Production or trade in weapons and munitions
- Production or trade in alcoholic beverages (excluding beer and wine)
- Production or trade in tobacco
- Gambling, casinos and equivalent enterprises

⁶ Covid-19 related investment and expenditure is at present is timebound until 31st December 2021. We expect that all urgent COVID-19 related funding will have concluded by this date. This will be reviewed dynamically by the Sustainable Finance Working Group

⁷ https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/company-resources/ifcexclusionlist

- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded
- Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length
- Production or trade in fossil fuel

2.2 Project Evaluation and Selection Process

Agile's Sustainable Finance Working Group ("SFWG") is responsible for the management of this Framework and the compliance of all financing instruments issued under the Framework. The SFWG consists of senior representatives from the following departments, including:

- Internal audit and risk management
- Finance
- Human resources
- Project operation
- Legal & compliance
- Capital markets department

The SFWG may be supplemented from time to time, or expanded, by the inclusion of representatives from other relevant teams.

The SFWG will:

- Meet at least every 12 months
- Ratify Eligible Green and/or Social Projects and review them for compliance against framework, which are initially identified and proposed by the constituent team members. The Capital Markets department & Internal Audit and Risk Management, in particular, will take the lead in the initial identification of projects.
- Where available, the environmental or social assessments of the projects and their compliance with relevant policy requirements and market standards will be reviewed as part of the assessment process.
- Undertake regular monitoring of the asset pool to ensure the eligibility of Green and/or Social Projects with the criteria set out above in section 2.1. Use of Proceeds, whilst replacing any ineligible Green and/or Social Projects with eligible new Green and/or Social Projects. Should a project be considered by SFWG to be no longer meeting the criteria detailed above or is subject to postponement, cancelation or divestment, Agile is committed to reallocate proceeds on a best efforts basis to ensure the full amount of proceeds are allocated to eligible projects. Such monitoring will be done throughout the life of the sustainable instruments.
- Facilitate regular reporting on any Green, Social or Sustainability issuance in alignment with our Reporting commitments
- Manage any future updates to this Framework
- Ensure that the approval of Eligible Green and/or Social Projects will follow the Company's existing credit/loan/investment approval processes

2.3 Management of Proceeds

The proceeds of each Sustainable Financing Instrument will be managed by Agile’s Finance department and deposited in Agile’s general funding accounts and earmarked for allocation towards the Eligible Green and/or Social Projects using the Sustainable Finance Register.

The Sustainable Finance Register will contain the following information:

- I. Sustainable Financing Instrument (Bond/Loan etc.) details: pricing date, maturity date, principal amount of proceeds, coupon, ISIN number, etc.
- II. Allocation of Proceeds:
 - a. The Eligible Projects List, including for each Eligible Project, the Eligible Green and/or Social Project category, project description, project location, Group’s ownership percentage, total project cost, amount allocated, settled currency, etc.
 - b. Amount of unallocated Proceeds

Any proceeds temporarily unallocated will be invested according to the Group’s standard liquidity policy for short term time deposits or investments, subject to the Exclusion Criteria.

2.4 Reporting

Agile will provide information on the allocation of the net proceeds of its Sustainability Financing Instruments in Agile’s Environmental, Social and Governance (ESG) Report, Annual Report and/or website. Such information will be provided on an annual basis until all the net proceeds have been allocated. The information will contain at least the following details:

2.4.1 Allocation Reporting

- a. List of Eligible Green and/or Social projects
- b. The amount of Proceeds allocated to each Eligible Green and/or Social Project category
- c. When possible, descriptions of the Eligible Green and/or Social Projects financed, such as project locations, amount allocated, etc.
- d. Selected examples of projects financed
- e. Percentage of financing vs. refinancing
- f. Amount of unallocated Proceeds

2.4.2 Impact Reporting

Where possible and subject to data availability, the Group will provide reporting on the environmental benefits of the Eligible Green and/or Social Projects potentially with the following impact indicators. In addition, calculation methodologies and key assumptions will be disclosed.

Eligible Project Categories	Impact Reporting Metrics
Green Project Categories	
Green Buildings	<ul style="list-style-type: none"> Level of certification by property Energy efficiency gains in MWh or % vs. baseline Estimated avoided GHG emissions (tCO₂eq) Annual energy savings (MWh pa)
Energy Efficiency	<ul style="list-style-type: none"> Estimated avoided GHG emissions (tCO₂eq) Expected energy saved (in MWh)

Eligible Project Categories	Impact Reporting Metrics
	<ul style="list-style-type: none"> Percentage annual energy efficiency gain relative to an established baseline
Sustainable Water Management	<ul style="list-style-type: none"> Amount of water recycled (litres) Amount of water reused (litres) Annual reduction in water consumption (tonnes)
Climate Change Adaptation	<ul style="list-style-type: none"> Area covered by sponge city-related projects in km² Number of people benefitted from reduced flood risk and associated benefits of sponge city-related projects
Pollution Prevention and Control	<ul style="list-style-type: none"> Waste prevented, minimised, reused or recycled (% or tonnes p.a.) Estimated avoided GHG emissions from waste management (tCO₂eq) Amount of waste separated and/or collected, and treated or disposed of (tonnes p.a. or % of total waste)
Renewable Energy	<ul style="list-style-type: none"> Renewable energy purchased (MWh) Renewable energy capacity added/rehabilitated (MWh pa) Percentage of electricity consumption from renewable sources
Clean Transportation	<ul style="list-style-type: none"> Number of electric vehicle charging stations installed
Social Project Categories	
Affordable Basic Infrastructure	<ul style="list-style-type: none"> Area of public sports facilities, public parks / green spaces constructed
Access to Essential Services	<ul style="list-style-type: none"> Capacity of public schools / kindergartens and public hospitals constructed
Affordable Housing	<ul style="list-style-type: none"> Number of housing units constructed Number of individuals / households benefitted
COVID-19 related investment & expenditure	<ul style="list-style-type: none"> Investments or expenditures into COVID-19 relief efforts (Dollar amount)

3. External Review

3.1 Second Party Opinion

Agile has appointed DNV to assess this Sustainable Finance Framework and its alignment with the ICMA's GBP/SBG/SBP and LMA's GLP/SLP and issue a Second Party Opinion accordingly.

The Second Party Opinion will be made publicly available on the Group's official website www.agile.com.cn.

Amendments to this Framework

The SFWG will review this Framework on a regular basis, including its alignment to updated versions of the Principles as and when they are released, with the aim of adhering to best practices in the market. Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of the Group and DNV. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an external reviewer. The updated Framework, if any, will be published on our website and will replace this Framework.