



**Agile Group Holdings Limited.**  
**Sustainable Finance Framework**

July 2021



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

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.

treatment, water treatment and common solid waste treatment, Agile is committed to providing platform-level environmental system solutions and comprehensive environmental services.

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.

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

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

-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

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. 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 Sustainability Financing Instruments Sustainability Financing Instruments will fund Eligible Green and/or Social Projects that conform to the sustainable finance principles listed below:

- <sup>2</sup> <sup>3</sup>; and/or <sup>1</sup>, Sustainability Bond

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

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

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

- 2021<sup>5</sup> ( GLP ) 2021<sup>4</sup>

In aligning with the above principles and guidelines, the Group Sustainable Finance Framework is presented / 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 and Eligible , 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><b>Green Buildings</b></p> 	<ul style="list-style-type: none"> <li>• 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"> <li>▪ U.S. Leadership in Energy and Environmental Design (LEED) minimum certification of Gold; or</li> <li>▪ BEAM Plus minimum certification level of Gold; or</li> <li>▪ Chinese Green Building Evaluation Standard minimum certification level of 2 stars; or</li> <li>▪ BREEAM minimum certification level of Excellent; or</li> <li>▪ BCA Green Mark minimum certification level of Gold; or</li> <li>▪ Any other green building label, that is an equivalent standard of the above</li> </ul> </li> <li>• 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</li> </ul> <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>

<sup>4</sup> In alignment with LMA Green Loan Principles, February 2021, <https://www.lsta.org/content/green-loan-principles/>  
<sup>5</sup> 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
<b>Energy Efficiency</b> 	<ul style="list-style-type: none"> <li>Refurbishment of buildings that delivers a minimum 20% increase in energy efficiency compared to the existing performance or grade improvement(s)</li> </ul>	<p>SDG 7</p> <p>Target 7.3: By 2030, double the global rate of improvement in energy efficiency</p>
<b>Sustainable Water and Wastewater Management</b> 	<ul style="list-style-type: none"> <li>Investment in technologies, projects and infrastructure for the collection, distribution, recycling or reuse of water, rainwater or waste water</li> <li>Investments and expenditures related to constructions, upgrades, renovations or improvement of wastewater related facilities, equipment and infrastructure, including:                             <ul style="list-style-type: none"> <li>Water and wastewater treatment plants</li> </ul> </li> </ul>	<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>
<b>Pollution Prevention and Control</b> 	<ul style="list-style-type: none"> <li>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"> <li>Facilities for sorting and recycling of kitchen waste and treatment into biofuels, ecological feed and organic fertilizers</li> </ul> </li> <li>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</li> <li>Installation of equipment to reduce environmental pollution (e.g. air, water) during construction and/or building operation</li> </ul>	<p>SDG 12</p> <p>Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>
<b>Climate Change Adaptation</b> 	<ul style="list-style-type: none"> <li>reduce flood risk and replenish groundwater</li> </ul>	<p>SDG 13</p> <p>Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>
<b>Renewable energy</b> 	<ul style="list-style-type: none"> <li>Installation of renewable energy systems and associated infrastructure meeting the following eligibility criteria:                             <ul style="list-style-type: none"> <li>Concentrated solar heat and power generation (CSP) to be derived from solar energy</li> <li>Geothermal facilities with direct emissions</li> </ul> </li> </ul>	<p>SDG 7</p> <p>Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix</p>
<b>Clean Transportation</b> 	<ul style="list-style-type: none"> <li>Construction and maintenance of infrastructure for electric vehicles and electric vehicle charges</li> </ul>	<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



- 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 S 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, cancellation 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 credit/loan/investment approval processes



### 2.3 Management of Proceeds

The proceeds of each Sustainable Financing Instrument will be managed by Agile deposited in Agile 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 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 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
<b>Green Project Categories</b>	
<b>Green Buildings</b>	<ul style="list-style-type: none"> <li>Level of certification by property</li> <li>Energy efficiency gains in MWh or % vs. baseline</li> <li>Estimated avoided GHG emissions (tCO<sub>2</sub>eq)</li> <li>Annual energy savings (MWh pa)</li> </ul>
<b>Energy Efficiency</b>	<ul style="list-style-type: none"> <li>Estimated avoided GHG emissions (tCO<sub>2</sub>eq)</li> <li>Expected energy saved (in MWh)</li> </ul>

Eligible Project Categories	Impact Reporting Metrics
	<ul style="list-style-type: none"> <li>Percentage annual energy efficiency gain relative to an established baseline</li> </ul>
<b>Sustainable Water Management</b>	<ul style="list-style-type: none"> <li>Amount of water recycled (litres)</li> <li>Amount of water reused (litres)</li> <li>Annual reduction in water consumption (tonnes)</li> </ul>
<b>Climate Change Adaptation</b>	<ul style="list-style-type: none"> <li>Area covered by sponge city-related projects in km<sup>2</sup></li> <li>Number of people benefitted from reduced flood risk and associated benefits of sponge city-related projects</li> </ul>
<b>Pollution Prevention and Control</b>	<ul style="list-style-type: none"> <li>Waste prevented, minimised, reused or recycled (% or tonnes p.a.)</li> <li>Estimated avoided GHG emissions from waste management (tCO<sub>2</sub>eq)</li> <li>Amount of waste separated and/or collected, and treated or disposed of (tonnes p.a. or % of total waste)</li> </ul>
<b>Renewable Energy</b>	<ul style="list-style-type: none"> <li>Renewable energy purchased (MWh)</li> <li>Renewable energy capacity added/rehabilitated (MWh pa)</li> <li>Percentage of electricity consumption from renewable sources</li> </ul>
<b>Clean Transportation</b>	<ul style="list-style-type: none"> <li>Number of electric vehicle charging stations installed</li> </ul>
Social Project Categories	
<b>Affordable Basic Infrastructure</b>	<ul style="list-style-type: none"> <li>Area of public sports facilities, public parks / green spaces constructed</li> </ul>
<b>Access to Essential Services</b>	<ul style="list-style-type: none"> <li>Capacity of public schools / kindergartens and public hospitals constructed</li> </ul>
<b>Affordable Housing</b>	<ul style="list-style-type: none"> <li>Number of housing units constructed</li> <li>Number of individuals / households benefitted</li> </ul>
<b>COVID-19 related investment &amp; expenditure</b>	<ul style="list-style-type: none"> <li>Investments or expenditures into COVID-19 relief efforts (Dollar amount)</li> </ul>

### 3. External Review

#### 3.1 Second Party Opinion

Agile has appointed DNV to assess this Sustainable Finance Framework GBP/SBG/SBP GLP/SLP and issue a Second Party Opinion accordingly.

The Second Party Opinion will be made publicly available on the Group

[www.agile.com.cn](http://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.