



雅居樂集團控股有限公司
AGILE GROUP HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability) Stock Code: 3383

Develop our future with
VISION AND ENTHUSIASM

Environmental, Social and Governance Report
2017





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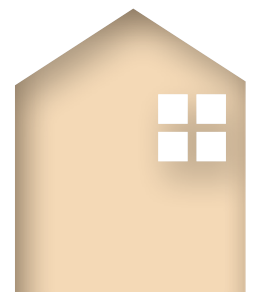
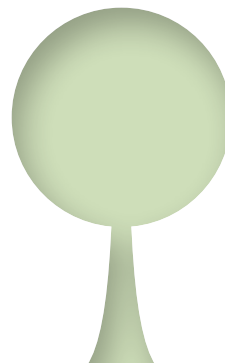
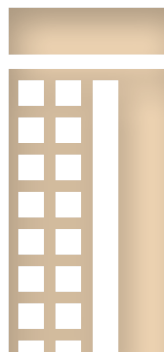
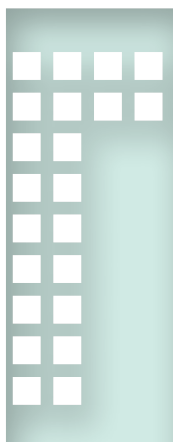
- Supply chain management
- Product responsibility
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CORPORATE PROFILE

Agile Group Holdings Limited (“Agile” or the “Group”; Stock Code: 3383) is principally engaged in the development of large-scale mixed-use property projects, with extensive presence in diversified business segments, including property management, hotel operations, property investment, environmental protection and construction. Established in 1992, Agile currently owns a portfolio of property development projects in over 60 cities and districts. As at 31 December 2017, Agile had a land bank with a total planned GFA of 34.10 million sq. m., which includes both lands with titles and contractual interests.

Since 2005, the shares of Agile have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) and are now constituent stocks of Hang Seng Composite Index, Hang Seng Global Composite Index, Hang Seng Stock Connect Hong Kong Index Series, Hang Seng High Dividend Yield Index, Hang Seng Mainland Properties Index, Hang Seng High Beta Index, MSCI China Index and Lippro Select HK and Mainland Property Index.



ABOUT THIS REPORT

Introduction

Agile is pleased to present the second Environmental, Social and Governance (“ESG”) Report (this “Report”). This Report provides an overview of the Group’s commitment and achievements in sustainability. Upholding the belief of “benefiting from society, giving back to society”, we are committed to operating as a wholly sustainable business that creates added value for our stakeholders and the communities within which we operate and serve by placing corporate social responsibility (“CSR”) at the core of our corporate operations.

Reporting scope

This Report details the Group’s current sustainability performance within our business operations in Mainland China, Hong Kong and overseas during the financial year ended 31 December 2017, with information and data of previous years used for reference where necessary. The amounts listed in this Report are denominated in Renminbi (“RMB”).

Reporting standards

This Report has been prepared in accordance with the ESG Reporting Guide under Appendix 27 of the Rules Governing the Listing of Securities on Hong Kong Stock Exchange.

Access to this Report

This Report is available in Traditional Chinese and English. An electronic version of this Report can be downloaded from the website of Hong Kong Stock Exchange www.hkex.com.hk and our website www.agile.com.cn.

Feedback and suggestions

Stakeholder feedback is of great importance to us as it embraces and enhances our sustainable development and corporate social responsibility priorities. You are welcome to provide feedback and suggestions regarding this Report or the Group’s sustainability performance.

Contact us

Capital Markets and Corporate Affairs Department
Email: ir@agile.com.cn



OUR SUSTAINABILITY APPROACH

Principles and objectives

Driven by our vision and strategic endeavour to “focusing on property development, supported by a diversified range of businesses” (“1+N”), we uphold the philosophy of stable, prudent and sustainable development while driving the growth of our business segments. To achieve this, Agile strives to remain as a responsible corporate citizen that is in active pursuit of long-term sustainable growth.

We firmly believe that placing sustainability at the core of our business strategies and operations will enable us to further improve the quality and safety of our products and services and to create comfortable homes and a well-curated living environment for our home owners and residents. Our environmental and social responsibility are key drivers for our business specifically in the areas of inheriting Chinese culture, disaster relief, environmental protection, healthcare, education and people development.

This year, we included the following plans to enhance our sustainable development efforts:



Our Sustainability Approach (Continued)

Major honours and awards

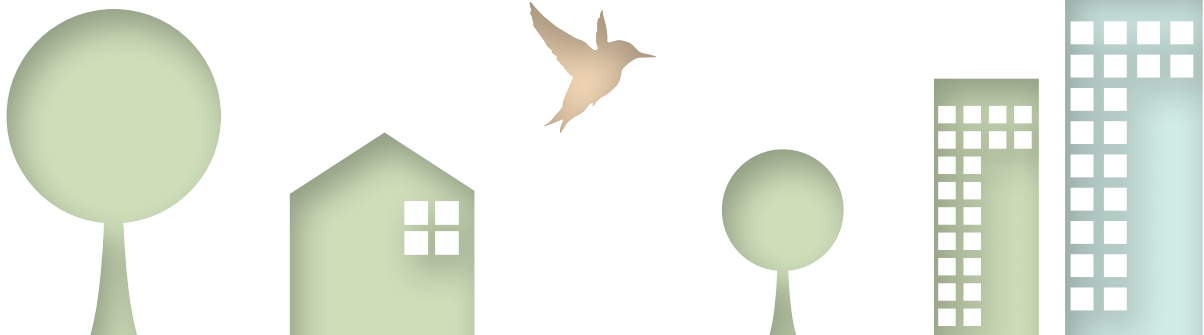
Agile has been widely recognised by the industry for its efforts in environmental conservation through deploying green building design and in nurturing communities and the well-being of society as a whole. Recognised as one of the competent brands that represents responsible corporate citizenship, Agile won numbers of major honours and awards during the year, and its 16 projects have been rated as 1-star and 2-star level of Evaluation Standard for Green Building (ESGB) published by the Ministry of Housing and Urban-rural Development of the People's Republic of China ("PRC").

Major CSR honours and awards:

Honour and Award	Award Organiser
Caring Company	<i>The Hong Kong Council of Social Service</i>
2017 Corporate Social Responsibility Awards Ceremony: Outstanding Enterprises	<i>Southern Publishing and Media Company Limited New Weekly magazine Lingnan (University) College</i>
The Outstanding Corporate Social Responsibility Award	<i>The Mirror magazine</i>
Corporate Social Responsibility Award 2017	<i>Capital magazine</i>
China Corporate Social Responsibility Annual Meeting: The Best Charity Performance of the Year 2017	<i>Southern Weekly magazine</i>

Projects rated as 1-star and 2-star level of ESGB:

Project Name	City
Agile Chairman Xi'an	Xi'an
Agile Life Diary Xi'an	Xi'an
Agile Chairman Zhengzhou	Zhengzhou
Agile Forest Lake Zhengzhou	Zhengzhou
Guangzhou Liwan District Project	Guangzhou
Agile International Financial Center Nanning	Nanning
Agile Hillgrove Zhenjiang	Zhenjiang
Agile Luxuriant Palace Zhenjiang	Zhenjiang
Agile Orchid Mansion Yangzhou	Yangzhou
Yangzhou Station South Road Project	Yangzhou
Agile Garden Jurong	Jurong
Phase 1 & 2, Agile Garden Gaochun	Nanjing
The Territory Nanjing	Nanjing
Agile International Garden Wuhan	Wuhan
Phase 3, Agile Chairman Chongqing	Chongqing
Agile Garden Chengdu	Chengdu

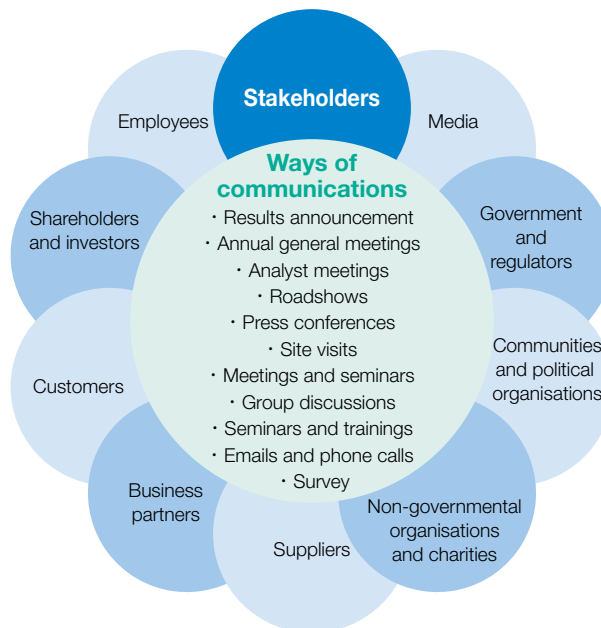


STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a key component of the Group's ESG vision, policies and practices. The Group believes that effective and timely communication with stakeholders enables us to better understand stakeholders' needs and establish strategies for long-term business development.

Effective and timely communication with stakeholders

We have established a broad range of communication channels to engage with a wide variety of stakeholders to gather feedback on our social and environmental performance. We liaise with internal and external stakeholders, including our employees, customers, shareholders and investors, suppliers, business partners, government and regulators, non-governmental organisations and charities, media as well as communities and political organisations through various means, such as survey, group discussions and meetings to better understand stakeholders' concerns, expectations and comments.



Materiality assessment

With the support of an independent third-party consultant, we engaged with a number of stakeholders to gain an objective view of our current ESG performance and of the challenges our different businesses face. A questionnaire was used to collect stakeholders' views on the relative importance of various ESG aspects and of their impact to our business operations. Over 350 responses were received and summarised as follows. Material aspects are defined as the most concerning issues to the Group and external stakeholders. These topics will be explained in more details in the relevant sections of this Report.

Material aspects

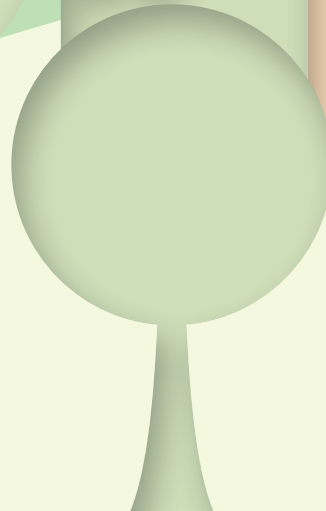
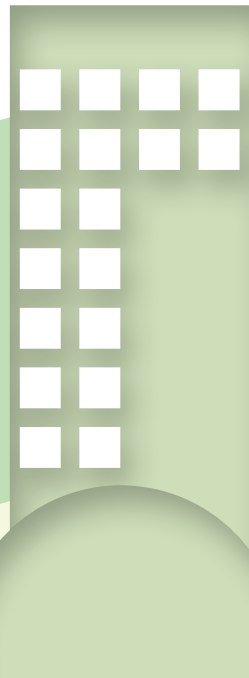
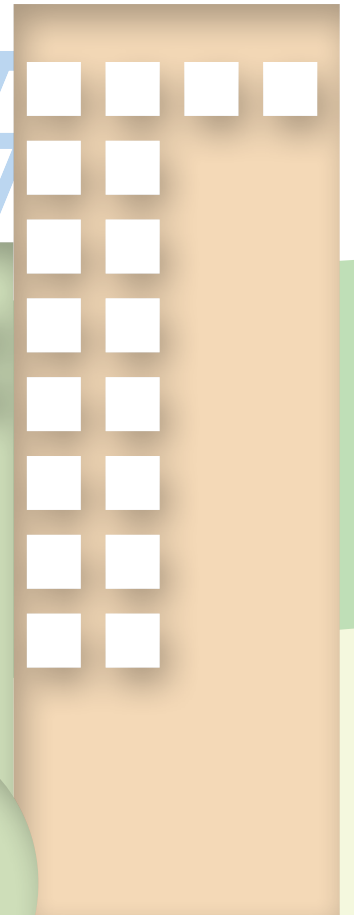
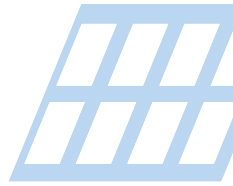
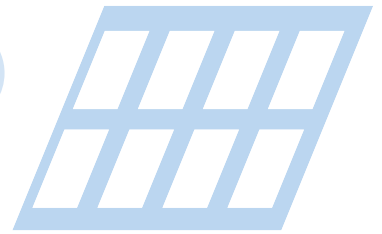
- Anti-corruption/bribery
- Climate change, energy consumption
- Diversity and equal opportunities (e.g. employing people with disabilities)
- Employee health, welfare and benefits
- Open communication and transparency
- Product responsibility
- Staff recruitment, training, development and retention
- Sourcing materials and products from eco-friendly suppliers

Other aspects

- Employee volunteering in the community
- Packaging materials used for products
- Use of resources
- Waste
- Water

We believe that this Report serves as a guide for our stakeholders and the Group to identify and better understand the areas where our business overlaps with existing environmental and social challenges of other companies and governments. Our stakeholders' feedback enables us to pursue long-term sustainable development and enhance our CSR initiatives.

ENVIRONMENTAL PROTECTION



ENVIRONMENTAL PROTECTION

Agile believes that environmental protection is the key to achieving sustainable business growth and development. As identified in the materiality assessment, climate change and energy consumption were one of the material aspects our stakeholders concerned about. As such, we have incorporated environmental protection practices within our business operations, including planning and design, material procurement, construction, property management and hotel operations.

Environmental protection policy

Agile understands that as a major property developer and lifestyle services provider, we have a responsibility to protect and preserve the environment. Accordingly, the Group strictly adheres to the Environmental Protection Law of the PRC and all other applicable environmental protection laws and regulations across the locations where we operate. During the year, no material non-compliance report was received.

To extend our commitment, the Group has implemented an environmental protection policy that outlines the importance of compliance, continuous improvement and awareness for our environmental management.

Commitment	Adhering strictly to all applicable laws and environmental protection practices.
Management Systems	Constantly upgrading the environmental management level of the Group. Actively encouraging and educating our staff to be environmentally responsible.
Continuous Improvement	Committing to continuous improvement of our environmental protection measures.
Sustainable Development	Promoting green architecture, adopting environmental-friendly design and materials, conducting research and development on new green construction technologies.
Suppliers and Contractors	Raising the public awareness for environmental protection and actively encouraging suppliers, contractors and customers to protect our environment.
Local Communities	Striving to resolve concerns of local communities and other interested groups over environmental issues and showing respect to the environment.
Environmental Strategy "4Rs"	Actively promoting our environmental policy "4Rs": Reduce, Recycle, Reuse and Replace.



Environmental Protection (Continued)

Emission reduction**Greenhouse gas management**

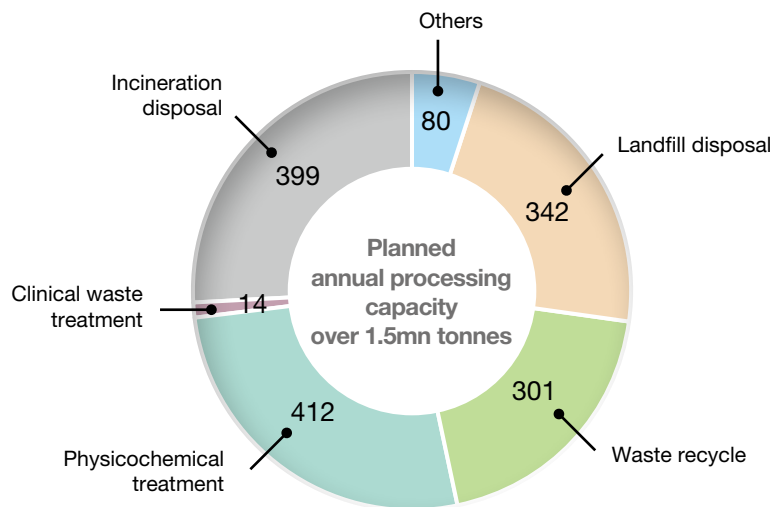
As part of our drive to minimise greenhouse gas emission, we have conducted various investigations to identify more innovative, environmental-friendly solutions. During the year, new environmental-friendly coolants were used in large-scale cooling units of our residential projects to reduce pollution and the amount of greenhouse gas emitted. We have also installed circulating cooling system in some of our commercial projects, including Xiqiao Metropolis Plaza and Agile Hongxi Yoha Center Guangzhou. This centralised cooling system not only enabled us to reduce the frequency of conduits cleaning but also allowed us to save electricity consumption of 8 to 10% over traditional air-conditioning systems.

Waste management

During the year, Agile continued to deploy new technology to handle hazardous and non-hazardous waste. As at 31 December 2017, our environmental protection business had a planned annual capacity to process more than 1.5 million tonnes of hazardous waste. The capacity of our non-hazardous waste landfill was over 8 million cubic metres.

Figure 1. Planned annual processing capacity of hazardous waste

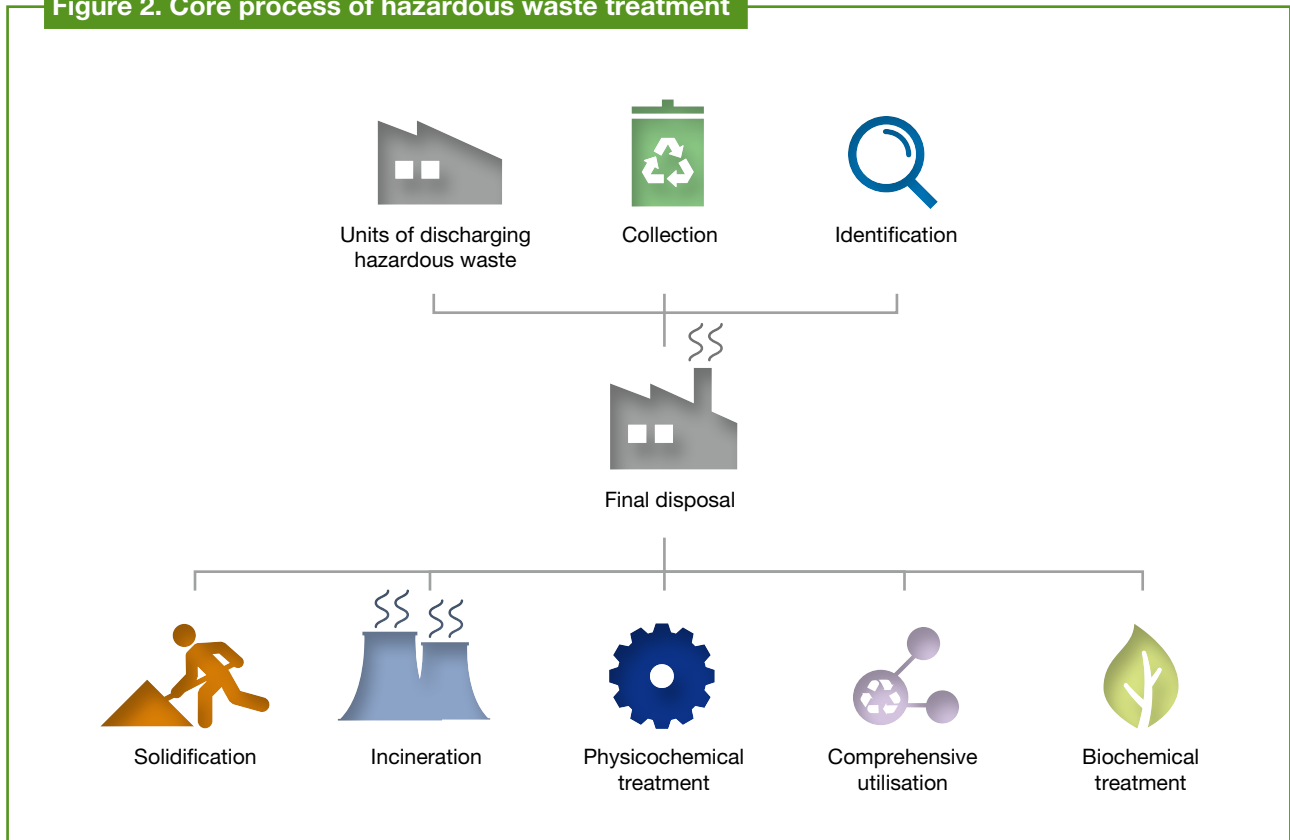
('000 tonne)



Environmental Protection (Continued)

We have also invested in industry-leading facilities of environmental protection such as the largest incineration system in China and enhanced techniques for more efficient processing and treatment of hazardous waste. We processed the hazardous waste with solidification, incineration, physicochemical treatment, comprehensive utilisation and biochemical treatment while processing industrial wastewater and sewage using water treatment techniques and technology.

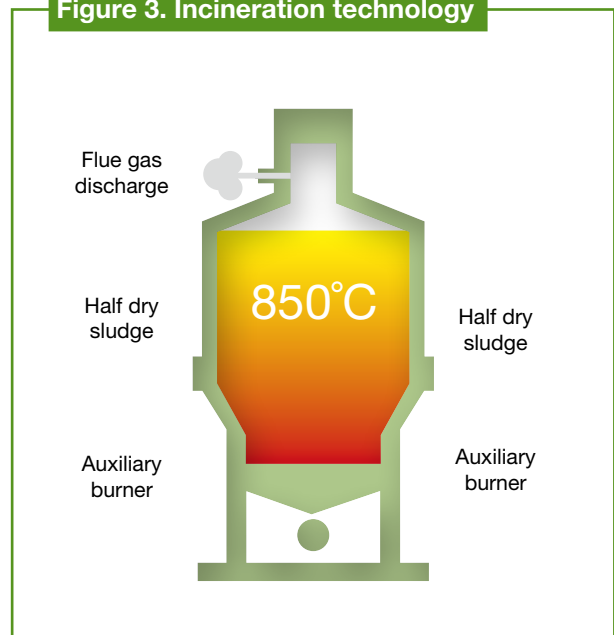
Figure 2. Core process of hazardous waste treatment



In handling waste, our environmental protection team has applied state-of-the-art incineration technology. As of the end of 2017, we owned a total of 21 waste treatment plants in various cities and regions across China. Our waste incineration plant handles waste while producing energy through heating, pyrolysis and incineration. With the incineration technology, we are able to minimise waste and mitigate the detrimental health effects of waste processing. In the disposal of sludge, the Group adopts a process which involves concentration, slaking and dehydration followed by sanitary landfill or incineration.

In addition, the Group has set up waste separation facilities in most of its residential projects to sort “recyclable waste”, “food waste”, “harmful waste” and “other wastes” and encouraged residents and staff to foster green habits.

Figure 3. Incineration technology



Environmental Protection (Continued)

Use of resources

Property development

Sustainable and environmental-friendly planning and design are core aspects of every project of the Group. By properly arranging layout, space and orientation of the buildings in pursuant to local climate and environment during planning and design, we make good use of lighting, air conditioning and natural resources. To further reduce the energy consumption of its projects, the Group's planning and property management teams conduct evaluation and analysis on energy demand of public areas during the early stage of building planning and design to formulate the most appropriate lighting standards.

The Group recognises that construction materials directly influence building quality and surrounding environment. The Group therefore gives priority to local and reusable construction materials in order to minimise carbon emission caused by transportation of materials and construction waste. In respect of indoor construction supplies, the Group uses wooden flooring that meets international standards with the adhesive glue made from low-formaldehyde materials. Furthermore, environment-friendly tiles including wood pattern and glazed tiles are used to reduce the consumption of natural and non-renewable resources such as wood and stone. During the year, 11 residential and commercial projects in Guangzhou made good use of wood pattern and glazed tiles, reducing consumption of wood and stone by 38,000 square metres and nearly 600,000 square metres respectively. Our indoor wooden furniture are also coated with water-based, non-toxic and odour-free wood paint. The waterproof, fireproof, damp-proof and antiseptic paint is fully compliant with the environmental standards for coating and also exhibits the characteristics associated with anti-carbonation. As for outdoor construction materials, safe and efficient energy-saving materials are selected based on the stringent energy-saving and thermal insulation analysis of the outer walls, roofs and balconies. For instance, energy-saving materials used in the residential projects in Yunnan and Chongqing helped save 21% of electricity consumption in average during the year.

Furthermore, we have improved our construction management process to minimise the electricity and water consumption of our projects while ensuring full compliance with the government's energy-saving requirements for construction projects.

Hotel operations and property investment

In respect of hotel operations and property investment business, we have developed various sustainable measures to reduce unnecessary energy consumption. Energy use of laundry rooms, boilers, lighting, air-conditioners and other systems are adjusted based on customer demand. Furthermore, energy-saving lamps, gas appliances and electrical equipment have been upgraded and transformers have been better arranged for more efficient loading. For instance, LED light bulbs have been applied gradually in Shanghai Marriott Hotel City Centre, Raffles Hainan, Sheraton Bailuhu Resort Huizhou and Holiday Inn Resort Hainan Clearwater Bay etc., with annual electricity expense of approximately RMB1.2 million saved during the year.

The use of air-source heat pump technology and the recycling of exhaust from the boiler steam at selected hotels enabled us to reduce annual gas expense by RMB870,000 during the year. The use of air-source heat pump technology also enabled us to supply hot water heated by renewable energy to residential units, staff dormitories and hotels in Agile Eden Yunnan, with 18% reduction of carbon emission recorded.

Property management

Energy-efficient technologies, in line with the power-saving standards issued by the government, are deployed in some of our residential projects. This include the use of energy-saving lights, infrared body sensing switches, optical control and water-saving switches. Within the Group's managed properties, we make extensive use of LED lighting systems that generate illuminance closer to natural light and are four times brighter than traditional fluorescent lamps in common areas such as underground parking lots, streets and parks.



Environmental Protection (Continued)



Furthermore, in order to improve the efficiency and reduce the energy consumption of our water pumps, cooling towers and air-conditioning systems, variable frequency motor has been installed and intelligent control technology has been applied. For our high-end projects, the Group enhanced the power-saving efficiency of air-conditioning units using advanced heat recovery and cooling storage technology.

Water management across businesses

Agile owns water plants and sewage treatment works in places such as Hainan, Guangdong and Yunnan. As at 31 December 2017, our environmental protection business could supply 500,000 cubic metres of running water per day and its sewage treatment capability reached 300,000 cubic metres per day. In addition, some of the Group's properties such as Hainan Clearwater Bay, Agile Eden

Yunnan, Agile Egret Lake Huizhou and Agile Garden Heyuan are built with sewage treatment works furnished with advanced technology to ensure healthy and quality life of property owners.

During the year, Agile continued to invest in water-saving technologies as well as applying efficient water utilisation techniques throughout its business segments. We used mechanised, high-pressure washing equipment for outdoor cleaning of our surrounding communities. Using high-pressure systems, we were able to remove dirt more efficiently while minimising water consumption.

Furthermore, the Group adopted a number of water conservation practices and procedures in all of its properties, including:



Recycling condensed water vapour from air-conditioning units and using it as backup water supply for the cooling towers



Installing water-saving switches to applicable public facilities



Placing fish fry in artificial lakes to allow natural sanitation



Using water-saving electric appliances such as close stools and shower sprinklers



Using reclaimed water and water from rivers, lakes and artificial ponds for irrigation



Introducing the concept of "sponge city" to facilitate the water recycling with rainwater harvesting system

Environmental Protection (Continued)

The environment and natural resources

The Group undertakes rigorous measures to minimise the projects' impact on the environment. Various factors including those related to environmental and social issues are taken into consideration during site selection and development. In particular, comprehensive investigation, assessment and remediation where needed are carried out in line with the applicable regulations for brownfield development. While ensuring safety, the Group also increases the adoption of natural foundation, making full use of the carrying capacity of the original foundation so as to reduce resource consumption and minimise the projects' adverse impact on the surrounding environment.

During the year, the Group continued to implement various environmental protection measures, including growing

saplings in plant nurseries for greening the community in a bid to prevent damages to the ecology; using environmental-friendly pesticides to minimise damages made to the ecology; and effectively dealing with pests according to their occurrence patterns and weather conditions with targeted prevention measures, doses and frequencies. Reusable flowers and floral displays were collected timely after large-scale festivals and events for replantation.

We believe environmental protection education can raise awareness of environmental issues among our staff, residents, customers and other stakeholders. During the year, the Group organised or sponsored the following environmental protection activities:



Lai See Packets Reuse and Recycle Programme

Organised by Greeners Action, the programme has entered its seventh year. During the year, Agile continued to support this programme through setting up recycling points in over 80 residential projects, 8 hotels, 6 shopping malls and offices in over 40 cities and regions. Over 1 million residents, staff members and the public have participated in the event. Being the only member of "Excellent Green Lai See Charter", the Group also continued to cease issuing new lai see packets for the second consecutive year.



Promotion of Permaculture on Lamma Island

In Hong Kong, Agile Volunteer Team continued to co-organise with "Local Life", a local farming social enterprise, a farming campaign to promote permaculture on Lamma Island. During the year, a total of seven farming activities were held on a piece of abandoned farmland at Yung Shue Ha Old Village, with rice successfully reaped and shared with the local elderly as gifts. Furthermore, ecological tours were held concurrently so as to promote environmental education.



WWF's Earth Hour 2017

Organised by World Wide Fund For Nature ("WWF"), WWF's Earth Hour 2017 was held on 25 March 2017. Residential and commercial projects of Agile supported the campaign by switching off their lights for one hour at 8:30pm on the event day to arouse the public awareness of climate change.



Joint University Eco-Business Innovation Award

Organised by Environment Students' Society of Hong Kong University of Science and Technology Student Union and sponsored by Agile, the Award aims to promote green education. Major activities included site visit, green community design competition and industry expert talks. Entering its sixth year, the 2017 edition magnetised over 40 teams from local tertiary institutions to join and propose innovative and feasible environmental business plans for land parcels located at Agile International Garden Zhuhai.

Environmental Protection (Continued)

Environmental data table

Environmental KPIs	Unit	2017
Nitrogen Oxides ("NO _x ") emissions	tonnes	0.34
Sulphur Oxides ("SO _x ") emissions	tonnes	0.0033
Particulate Matter ("PM") emissions	tonnes	0.03
Total greenhouse gas ("GHG") emissions	tonnes CO ₂ e	10,672.59
Total greenhouse gas ("GHG") emissions intensity	tonnes CO ₂ e/FTE	0.61
Greenhouse gas emissions (Scope 1)	tonne CO ₂ e	605.69
Greenhouse gas emissions (Scope 2)	tonne CO ₂ e	10,066.91
Total paper consumption	tonnes	89.64
Total energy consumption	GJ	48,014.61
Total energy consumption intensity	GJ/FTE	2.73
Total direct energy consumption	GJ	7,443.52
Total direct energy consumption intensity	GJ/FTE	0.42
Petrol	GJ	7,196.28
Diesel	GJ	247.24
Total indirect energy consumption	GJ	40,517.09
Total indirect energy consumption intensity	GJ/FTE	2.30
Purchased electricity	GJ	40,517.09
Total water consumption	m ³	516,362.28
Total water consumption intensity	m ³ /FTE	29.33

Remark: The environmental data covers the main offices of the Group

COMMUNITY INVOLVEMENT



COMMUNITY INVOLVEMENT

Adhering to the philosophy of “benefiting from society, giving back to society”, Agile supports the holistic development of all communities in which it operates through numerous social sustainability efforts and initiatives. We engage the local communities through various channels and collaboration with local community partners. In 2017, the Group contributed RMB169 million in donations and rendered support to over 100 charity and community projects.

Focused areas of Agile’s community involvement:

Education and sponsorship



Promotion of Chinese culture



Care for the community



Encouraging our staff to participate in social services



Education and sponsorship

Agile believes that lifelong education enables our next generation to build a brighter future. We therefore have been taking strong initiatives to promote and foster learning in our communities through various means such as recognising contributions made by teachers, supporting outstanding students, as well as making charity donations. Over the past 26 years, we have donated more than RMB390 million in support of education.

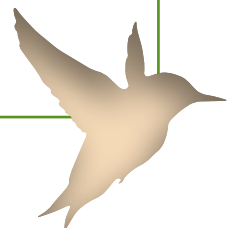
During the year, we continued to support students from 12 universities, such as Tsinghua University, Hunan University and Tianjin University by granting scholarships and study subsidies of RMB1.2 million under “Agile Property Scholarship and Study Subsidy” scheme. Since 2007, this scheme has provided scholarships and study subsidies of over RMB10 million to university students.

In addition, the group awarded more than RMB9 million to over 5,000 outstanding teachers and students in Qinghai through “Agile Qinghai Educational Award and Bursary Fund”. The five-year “Teaching Aid Scholarship Programme” also continued to support the education programmes of underprivileged schools in rural locations with the annual funding of approximately RMB720,000.

Agile supports Hainan Tropical Ocean University



In Hainan, we donated RMB30 million to Hainan Tropical Ocean University to support its work of developing China into a strong maritime nation, facilitating the implementation of the “One Belt and One Road” initiative, strengthening ASEAN cooperation and nurturing marine talents. The donation is used for the construction of university facilities, scientific research, rewards for outstanding teachers and students and the provision of support to teachers and students with financial difficulty.



Community Involvement (Continued)

Agile supports the Open University of Hong Kong



In Hong Kong, Agile donated HK\$10 million to the Open University of Hong Kong (“OUHK”) for the development of its new campus at where the future OUHK Jockey Club Institute of Healthcare will be located. The institute will run courses on nursing and healthcare with the aim of offering better training and education for future healthcare professionals. In recognition of Agile’s support, the multi-purpose hall of the OUHK’s Jockey Club Campus is named the “Agile Sports Hall”.

Inheriting Chinese culture

The Group is dedicated to promoting Chinese culture, as we firmly believe that appreciation of Chinese culture plays an integral part in cultivating the character of the younger generation, as well as nurturing their sense of belonging to the nation.

Agile Special Fund for Chinese Culture Inheritance Work



To promote Chinese culture abroad, Agile has sponsored “Agile Special Fund for Chinese Culture Inheritance Work” organised by the Chinese Language and Culture Education Foundation for 10 consecutive years. Since 2008, Agile has donated RMB80 million in total to fund the hardware construction of education offices to promote the broad and profound Chinese culture in over 80 countries such as Indonesia, Thailand, the United Kingdom, and Germany.



Community Involvement (Continued)

Care for the community

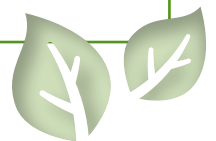
We are dedicated to making positive contributions to the society's development through our active support to and collaboration with different communities and charitable organisations.

Seeing the severe poverty situation in Lingshui Li Autonomous County of Hainan Province, we donated RMB20 million to the Li Autonomous County Charity Foundation's Special Fund for Poverty Alleviation in 2017 to support poverty alleviation work in Lingshui Li Autonomous County.

Agile supports sports and cultural activities

During the year, Agile also continued to support the sports and cultural activities in the communities. We sponsored L'Étape China by Le Tour de France, which was officially held in Changsha City, Hunan Province, China on 10 September 2017, with an aim to promote cycling that helps cut carbon emissions and fight climate change. Marking Le Tour de France's successful landing in China, the contest attracted nearly 4,000 cycling enthusiasts from all over the country.

In addition, as part of the Group's collaboration with Guangzhou Library, Agile has previously built the 13th branch of the library in Agile Mountain Guangzhou, which features some 20,000 books of literature, economics, leisure, health and children's stories. Agile is responsible for keeping the literature and information resources up-to-date. During the year, this branch of the library continued to provide a one-stop multi-cultural service platform to accommodate the local community's needs for knowledge, information and related cultural activities.



Community Involvement (Continued)

Furthermore, our property management team organised approximately 1,800 community activities across China with over 260,000 participants during the year. The activities included owners' sports day, neighbourhood carnival, family summer camp, care and love for the elderly and community spring festival gala.

Encouraging staff to participate in social services

We have established long-term partnership with various social service organisations and strive to encourage our staff to participate in various social services inside and outside Agile.

In 2017, the Group became the principal sponsor for the "30-Hour Famine" in Hong Kong and "Macau Famine" in Macau, which were organised by the World Vision Hong Kong, for eight consecutive years.

Moreover, we donated RMB300,000 to Zhongshan Branch of Red Cross Society of China to support the "Zhongshan Charity Walk", to which Agile Volunteer Team showed great support.



OUR PEOPLE



OUR PEOPLE

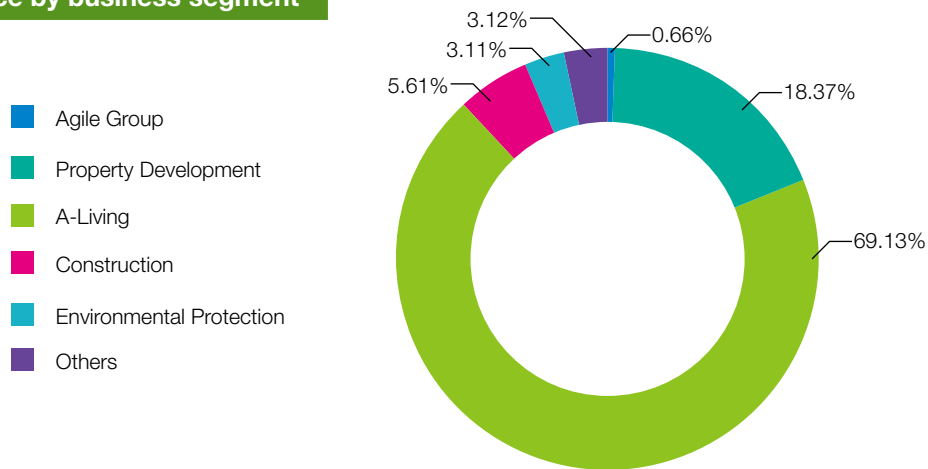
Agile strongly believes that human capital is one of the main driving forces behind the future success and solid growth of the Group. We uphold and incorporate the principles of **Happy Work, Happy Life** and **Happy Growth** into our corporate sustainability strategy for the well-being of our employees. In addition to providing an ideal workplace to our staff, which promotes healthy work-life balance, equal opportunities and comprehensive benefits, the Group ensures that it complies with the local laws such as the Labor Contract Law of the PRC, the Law of the PRC on Promotion of Employment, the Law of the PRC on the Protection of Disabled Persons and the Sex Discrimination Ordinance of Hong Kong.

Employment

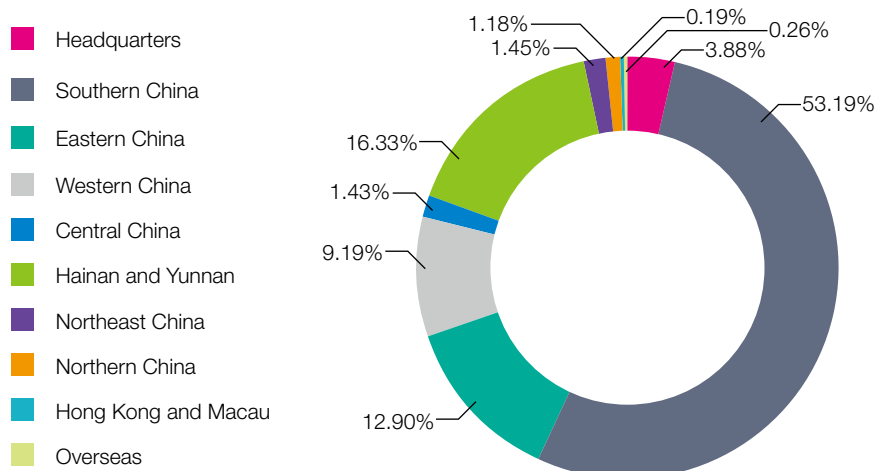
Total workforce overview

As of 31 December 2017, the Group's total number of full-time employees was 17,602, representing an increase of 5,134, or 41.2% when compared with last year.

Total workforce by business segment

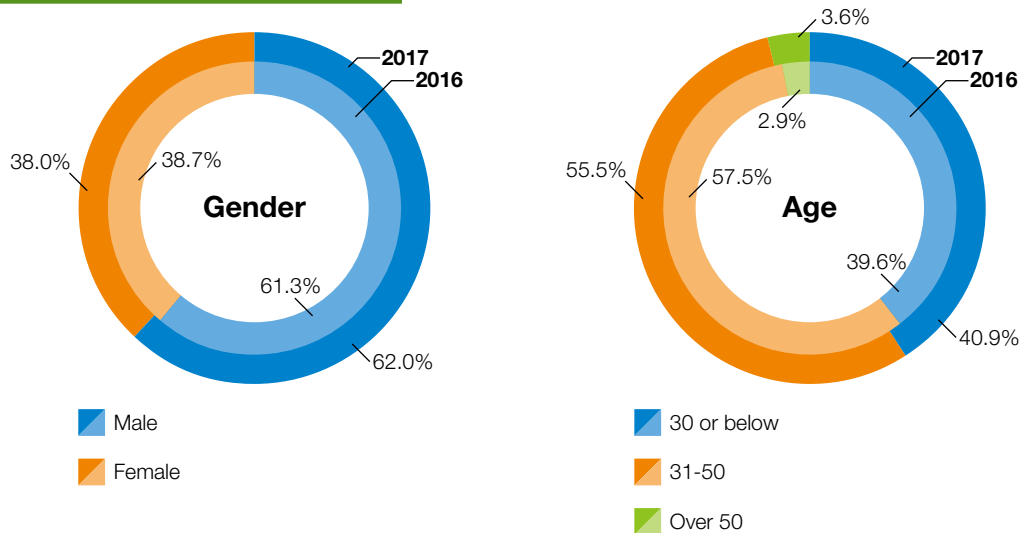


Total workforce by region

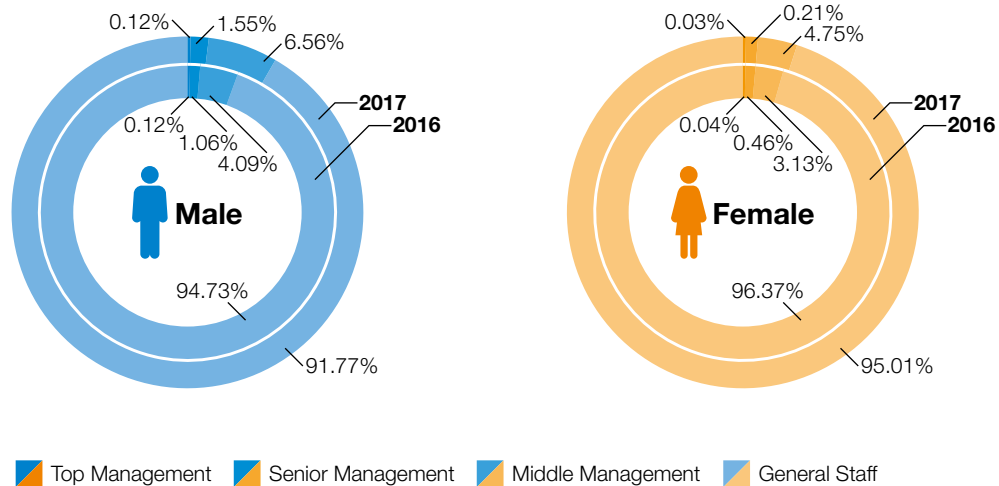


Our People (Continued)

Total workforce by age and gender



Total workforce by employee category and gender



Employee welfare

The Group established policies and procedures relating to compensation, benefits and welfare. Our remuneration policy and bonus and reward system reward our employees in line with their individual performance, working experience and market remuneration levels. The employees' performance is assessed through the annual review system, which forms the basis of our valuation of salary raise, bonus and promotion. The total remuneration of the employees consists of their basic salary, cash bonus and shares from the Share Award Scheme. Agile adopted a Share Award Scheme in 2013 to acknowledge the contributions of employees selected by the Board of Directors (the "Board") by awarding them shares in the Group.

In addition, we provide our staff with comprehensive compensation and benefits such as medical insurance, travel allowances, retirement schemes, as well as paid sick leave, maternity leave, paternity leave and compassionate leave. Social insurance contribution plans are organised by local governments in which we are required to pay on behalf of our employees' monthly social insurance premium, covering pension insurance, medical insurance, unemployment insurance and housing reserve fund.

Our policies are implemented according to the relevant national and local labour and social welfare laws and regulations, and regular reviews of the related systems are in place for further improvement.

Our People (Continued)

Care for our employee

Agile is committed to providing the necessary support and protection for our staff through various employee care initiatives. In this regard, we have developed the “Agile Foundation for Mutual Help” to offer financial assistance for the staff who have financial difficulties caused by accident or serious illness and their families. During the year, we helped over 300 employees with financial aid amounting to over RMB1.5 million.

To promote work-life balance and foster team spirit and collaboration, Agile also organised numbers of staff activities during the year.

Agile’s sports day and staff appreciation event



From the perspective of sports, 12 teams of up to 600 staff members joined Agile’s second Sports Day on 18-19 November 2017. Participants have been competing against one another in 5 categories including basketball, badminton, table tennis, track and field sports and tug-of-war. At Agile, we also foster a culture of gratitude. A total of 130 staff members who have worked at Agile for over 15 years and their family were invited to a staff appreciation event held at Agile Changjiang Hotel Zhongshan.



In addition, we have implemented a system of policies and procedures to meet our obligation to provide our staff with a workplace that is free of harassment and discrimination. This system ensures that no one is unfairly discriminated against in the workplace due to individual trait, gender, marital status, pregnancy, disability, family status and ethnicity. The Group also endeavours to provide employment opportunities as well as training and development initiatives to employees with disabilities.

Employee engagement

We ensure constant interaction and communication with our employees to effectively disseminate and collect information. Through the Company’s intranet and staff newsletters, including “Agile Staff” and “Agile Express”, we are pleased to keep our staff up to date and well-informed of the Group’s latest business development and staff activities.

Our People (Continued)

To obtain the views from our employees, we highly encourage them to express their insights using our wide range of internal communication channels, including questionnaires and interviews. Responses are reviewed and addressed in accordance with their needs. We strongly believe that creating a culture of open communication and close contact within our businesses is key to forming a harmonious working environment.

Occupational health and safety

The Group is also dedicated to creating a safe, open and healthy working environment for all employees. We have put in place the “Safety Management System”, “Office Environment Management System” and other related measures in compliance with the relevant employee safety and health laws, regulations and requirements such as the Law of the PRC on Work Safety and the Law of the PRC on Prevention and Control of Occupational Diseases, providing our staff with appropriate offices, facilities and workplaces.

To further ensure strict compliance with our policies and systems, we have set up reward and punishment mechanisms to encourage our staff to comply with relevant policies and systems.

Agile will closely monitor our business operations and work to reduce the risk of work-related fatalities and injuries in the future.

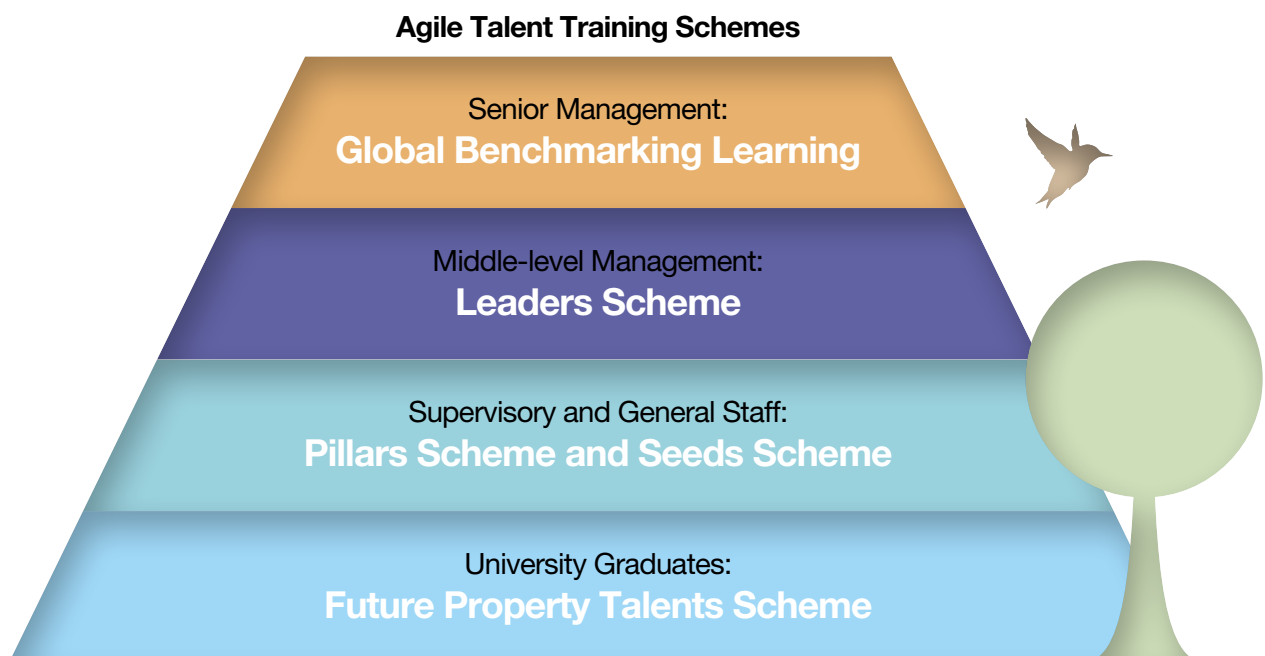
Occupational safety and health data table

Total number of staff members of the Group	17,602
Lost days due to work-related accidents and occupational diseases	2,087

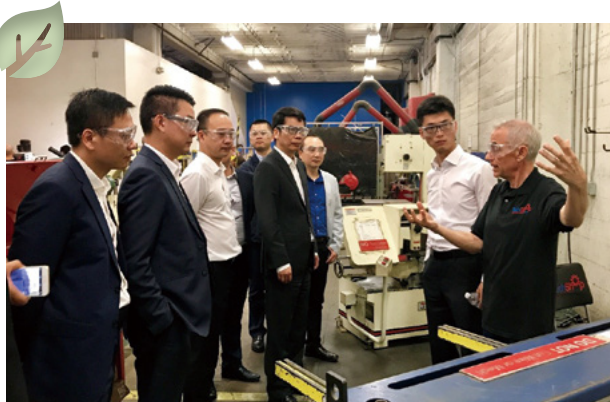
Development and training

For the development of our people, we endorse the belief of “Happy Growth” in which the Group promotes not only a bright career path but also holistic growth which includes spiritual growth, family growth and social development. We are on a constant quest to integrate the sentiment of “happiness” in our operations, as we believe that maintaining a happy staff is a way to create happy homeowners. Comprehensive training programmes, development opportunities and recreational activities are provided to staff.

The Group provides advanced and systematic training for all levels of management and staff to ensure that they acquire new knowledge and updated industry information.



Our People (Continued)



Global Benchmarking Learning

The idea of “learning outside the classroom, outside the company, outside the industry and outside China” is deeply embedded within our company vision and sustainability strategy concerning learning and training. The Group believes that benchmarking learning is the most effective method amongst individuals, teams, organisations and intra-organisations.

Benchmark learning involves the stages of preparation, learning, practice and conclusion. The learning process provides the knowledge and foundation for Agile’s senior management to achieve the broader purpose of learning advancement, broadening horizons, team building and

enlightening direction. Applying the advanced concepts and applied experience of benchmarking on top of field project visits, we believe that we attain the required mastery and sustainable development and growth.

Talent Training Schemes

As part of our people development initiatives, we give high priority to internal promotions and provide excellent learning opportunities to help our employees achieve their full potential. With active feedback and insights from our staff, we have introduced talent training schemes and employees’ continuous professional development programmes.

Agile’s Talent Training Schemes foster our talent for the Group’s sustainable development. We provide customised training schemes based on the needs of the Group’s different management levels, staff and trainees. These include “Leaders Scheme” for nurturing the middle-level management to shoulder more responsibilities and develop leadership skills and the “Pillars Scheme” and the “Seeds Scheme” for fostering the supervisory and general staff.

We have also organised a one-year “Mentoring Programme” for university graduates in accordance with the “Future Property Talents Scheme”, helping them to develop the necessary skills and knowledge in preparation for their professional careers. We assigned experienced members who act as the graduates’ mentors, providing them with advice and guidance to adapt to the working environment and gain relevant expertise and working skills.

Internal Mentoring Programme

We consider internal mentoring programme to be a core competence for accumulating and inheriting corporate wealth including knowledge, experience, skills, spirit and culture in pursuit of unceasing sustainable development. We have developed an internal mentor team within the Group, which is in line with our strategic vision of the steady development of property sales and business diversification. Continuing this approach from previous years, each business within the Group continues to progressively promote and implement “Training Programme for Internal Mentor Team Capacity”.

Labour standards

Agile complies with the Labor Law of the PRC as well as all other local labour laws and regulations in the areas it operates. Robust policies and procedures have also been developed in accordance with relevant policies, laws and regulations of Mainland China, Hong Kong and other localities to create an equal yet diversified working environment. In addition, the Group strictly prohibits the employment of child and forced labour in its businesses and expects suppliers and service providers to follow the same labour standards.

During the year, no significant labour disputes and non-compliance cases which would have adversely affected our business operations was experienced and recorded.





SUSTAINABLE OPERATING PRACTICES

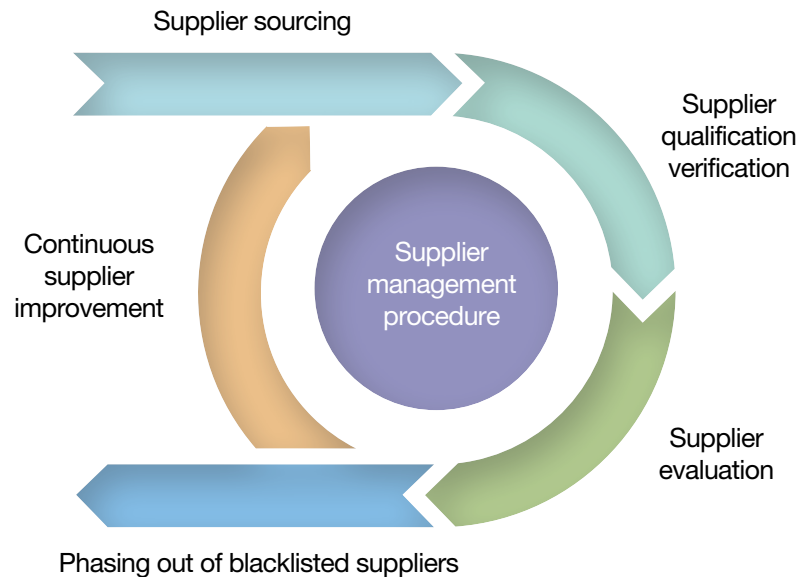
SUSTAINABLE OPERATING PRACTICES

We believe that our dedication to provide high-quality products and services for our customers sets us apart from our competitors in the property industry and allows us to conduct business for more than 25 years. Only engaging with reputable suppliers and providing high-quality services with honesty and integrity enable the Group to be one of China's leading brands in property industry.

Supply chain management

Our approach to supply chain management is to adopt the principle of fairness and transparency to ensure that we provide superior products and services. We have implemented a Supplier Management System that allows us to standardise supplier admission screening, supplier management and ongoing evaluation.

In selecting our suppliers, the Group strictly implements the following procedures:



Product responsibility

Products quality and customer satisfaction

As part of our commitment to our customers, we take pride in delivering quality products. Quality control is therefore implemented throughout our projects to allow us to comply with the applicable laws and regulations relating to quality and safety such as the Law of the PRC on Product Quality, the Advertisement Law of the PRC and the Law of the PRC on the Protection of Consumer Rights and Interests, and to meet market standards. We also value our customers' opinion and have embedded within our property development cycle comprehensive feedback mechanism that allows our customers to share their views.

A key success factor for Agile is our belief in providing quality after-sales services. We have spearheaded the industry in providing warranty for all new residential projects. In order to safeguard customer's interests, dedicated teams have been set up in all property management companies under the Group to deal with enquiries and complaints from customers. Handover teams, formed by staff from various departments, have formulated strict handover standards. To ensure the quality of the Group's properties, over 100 items of a resident unit will be inspected in detail before the handover.

Customer data privacy

Agile upholds customer data protection and privacy as a top priority. Our customer database is managed in strict compliance with relevant rules and regulations regarding personal data.

Intellectual property protection

In seeking, developing and acquiring innovative as well as state-of-the-art solutions among our diversified businesses, Agile has formulated and implemented a set of trademark and brand management standards to ensure we are compliant with any laws relating to intellectual property rights as implemented by Trademark Office of the State Administration for Industry and Commerce, PRC.

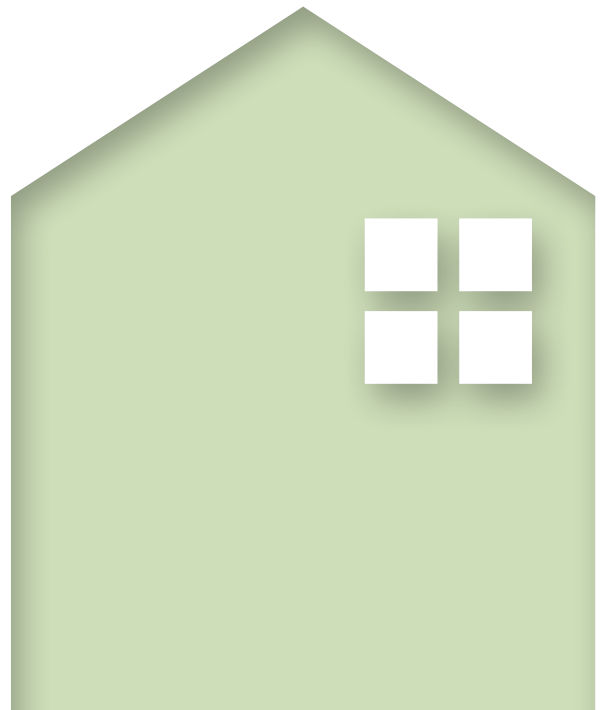
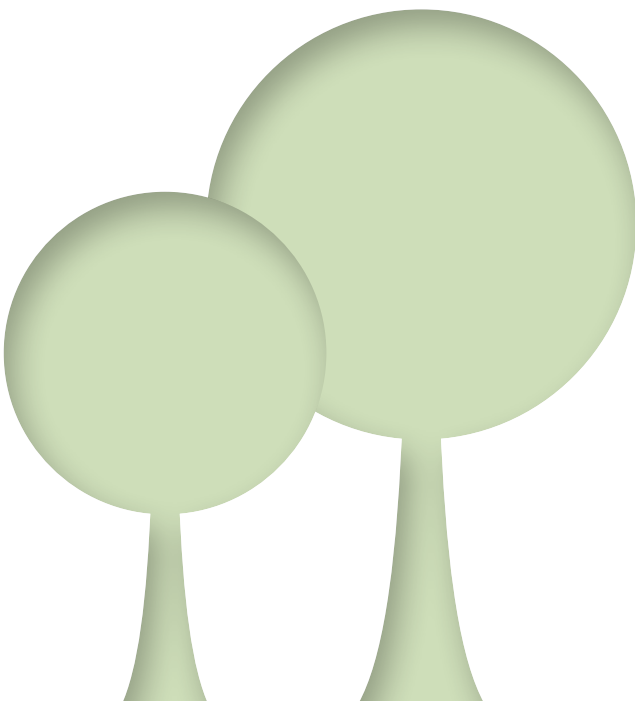
Sustainable Operating Practices (Continued)

Anti-corruption

We hold honesty and integrity at the heart of our culture and business operations. Agile strictly complies with applicable local laws and regulations, such as the Criminal Law of the PRC and the Anti-unfair Competition Law of the PRC, and has formulated an “Anti-corruption System”, “Accountability System for Defaults” and related policies to define corruption behaviours. Integrity management measures are also put in place to combat illegal behaviour. We proactively promote business integrity and ethics among our staff by organising seminars on anti-corruption.

A whistleblowing policy is in place as part of the “Anti-corruption System”. Through the established “Anti-corruption Hotline” and “Anti-corruption Mailbox”, our staff may report unlawful practices anonymously or with full disclosure of their identity. The lodged complaint will be attended to within 48 hours after receipt of the report. A thorough investigation will be carried out by the responsible department based on our standard misconduct accountability management procedures.

Through our initiatives in relation to anti-corruption, we were not involved in any legal proceedings, claims or disputes, which may have major adverse impact on our business operations during 2017.



APPENDIX – ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Remarks/Explanation/ Chapter or Sub-chapter reference to 2017 ESG Report
A. Environmental		
Aspect 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.	<ul style="list-style-type: none"> Environmental Protection – Environmental protection policy and Emission reduction
KPI A1.1	The types of emissions and respective emissions data	<ul style="list-style-type: none"> Environmental Protection – Environmental data table
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	<ul style="list-style-type: none"> Environmental Protection – Environmental data table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	<ul style="list-style-type: none"> There is no significant hazardous waste generated by the Group
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	<ul style="list-style-type: none"> The office paper is the major non-hazardous waste generated by the Group
KPI A1.5	Description of measures to mitigate emissions and results achieved	<ul style="list-style-type: none"> Environmental Protection – Emission reduction
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	<ul style="list-style-type: none"> Environmental Protection – Emission reduction
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	<ul style="list-style-type: none"> Environmental Protection – Environmental protection policy
KPI 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)	<ul style="list-style-type: none"> Environmental Protection – Environmental data table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	<ul style="list-style-type: none"> Environmental Protection – Environmental data table
KPI A2.3	Description of energy use efficiency initiatives and results achieved	<ul style="list-style-type: none"> Environmental Protection – Use of resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	<ul style="list-style-type: none"> Environmental Protection – Use of resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	<ul style="list-style-type: none"> Not applicable to the Group's business

Appendix – ESG Reporting Guide Content Index (Continued)

Subject Areas, Aspects, General Disclosures and KPIs	Description	Remarks/Explanation/ Chapter or Sub-chapter reference to 2017 ESG Report
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	<ul style="list-style-type: none"> Environmental Protection – Environmental protection policy Environmental Protection – The environment and natural resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	<ul style="list-style-type: none"> Environmental Protection – The environment and natural resources Environmental Protection – Emission reduction
B. Social		
Employment and Labour Practices		
Aspect 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	<ul style="list-style-type: none"> Our People – Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	<ul style="list-style-type: none"> Our People – Total workforce overview
KPI B1.2	Employee turnover rate by gender, age group and geographical region	<ul style="list-style-type: none"> Data is not available and we will seek to provide this information in our future reports.
Aspect 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.	<ul style="list-style-type: none"> Our People – Occupational health and safety
KPI B2.1	Number and rate of work-related fatalities	<ul style="list-style-type: none"> Data is not available and we will seek to provide this information in our future reports.
KPI B2.2	Lost days due to work injury	<ul style="list-style-type: none"> Our People – Occupational health and safety data table
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	<ul style="list-style-type: none"> Our People – Occupational health and safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	<ul style="list-style-type: none"> Our People – Development and training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	<ul style="list-style-type: none"> Data is not available and we will seek to provide this information in our future reports.

Appendix – ESG Reporting Guide Content Index (Continued)

Subject Areas, Aspects, General Disclosures and KPIs	Description	Remarks/Explanation/ Chapter or Sub-chapter reference to 2017 ESG Report
KPI B3.2	The average training hours completed per employee by gender and employee category	<ul style="list-style-type: none"> Data is not available and we will seek to provide this information in our future reports.
Aspect 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	<ul style="list-style-type: none"> Our People – Labour standard
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	<ul style="list-style-type: none"> Our People – Labour standard
KPI B4.2	Description of steps taken to eliminate such practices when discovered	<ul style="list-style-type: none"> Our People – Labour standard
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	<ul style="list-style-type: none"> Sustainable Operating Practices – Supply chain management
KPI B5.1	Number of suppliers by geographical region	<ul style="list-style-type: none"> Data is not available and we will seek to provide this information in our future reports.
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	<ul style="list-style-type: none"> Sustainable Operating Practices – Supply chain management
Aspect 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	<ul style="list-style-type: none"> Sustainable Operating Practices – Product responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	<ul style="list-style-type: none"> Data is not available and we will seek to provide this information in our future reports.
KPI B6.2	Number of products and service related complaints received and how they are dealt with	<ul style="list-style-type: none"> Data is not available and we will seek to provide this information in our future reports.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	<ul style="list-style-type: none"> Sustainable Operating Practices – Product responsibility

Appendix – ESG Reporting Guide Content Index (Continued)

Subject Areas, Aspects, General Disclosures and KPIs	Description	Remarks/Explanation/ Chapter or Sub-chapter reference to 2017 ESG Report
KPI B6.4	Description of quality assurance process and recall procedures	• Sustainable Operating Practices – Product responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	• Sustainable Operating Practices – Product responsibility
Aspect 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	• Sustainable Operating Practices – Anti-corruption
KPI 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	• There were no relevant concluded legal cases during the reporting period
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	• Sustainable Operating Practices – Anti-corruption
Community		
Aspect 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	• Community Involvement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	• Community Involvement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	• Community Involvement



雅居樂集團控股有限公司
AGILE GROUP HOLDINGS LIMITED

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