

A-LIVING SERVICES CO., LTD.* 雅居樂雅生活服務股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 3319

Lifelong
Caring

2018

Environmental, Social and
Governance Report



*For identification purposes only

Content of the Report

2	About this Report
3	Corporate Profile
4	Sustainable Development Philosophy and Governance
6	Stakeholder Engagement
7	Materiality Assessment of Environmental, Social and Governance Issues
8	Adhering to Ingenuity and Improving Services
22	Caring for Employees with Sincerity
34	Protecting Environment Diligently at All Times
41	Faithful Cooperation to Achieve Win-win Results
44	Keeping Original Aim in Mind and Preserving Integrity
47	Always Maintaining Enthusiasm and Giving Back to the Society
50	Appendix I List of Policies and Regulations
53	Appendix II Content Index of the Environmental, Social and Governance Reporting Guide by the Hong Kong Stock Exchange



About this Report

1. Introduction to the Report

A-Living Services Co., Ltd. (“A-Living” or the “Company”, together with its subsidiaries, the “Group”) is pleased to publish its 2018 Environmental, Social and Governance (“ESG”) Report (the “Report”), which is aimed to explain the Group’s policy development and performance in ESG aspects in 2018 in response to the expectations of stakeholders for the sustainable development management and information disclosure of the Group and to enhance stakeholders’ understanding of and confidence in the Group.

2. Scope of the Report

The information set out in the Report covers the period from 1 January 2018 to 31 December 2018, and prior years for certain contents such as the Group’s participation in the development of industry standards. The Report covers three major business lines of the Group, namely property management services, extended value-added services and community value-added services. For details of the business of the Group, please refer to the 2018 Annual Report of the Group.

3. Preparation Basis of the Report

The Report is prepared by the Group in accordance with the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) and strives to give a thorough and objective view of the efforts and achievements made by the Group for ESG work in 2018. The content index of the Environmental, Social and Governance Reporting Guide is set out in detail at the end of the Report for convenience of readers to look up the Report quickly.

4. Source of Information in the Report

The information disclosed in the Report has been derived from official documents and reports and internal statistics of the Group and the relevant public information. Unless otherwise stated, Renminbi is used as the settlement currency for the data in the Report.

5. Publication of the Report

The Report is available in both Chinese and English and is published in electronic form. If there is any discrepancy between the English and Chinese versions of the Report, the Chinese version shall prevail. Electronic version of the Report can be accessed on the websites of the Group (www.agileliving.com.cn) and the Hong Kong Stock Exchange (www.hkex.com.hk).

6. Readers’ Feedback

Your comments and suggestions on the Report and the performance of the Group in sustainable development are welcomed.

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1. Business Overview

The Group is a reputable property management service provider focusing on mid-to high-end properties. We offer a comprehensive portfolio of services. The Group has three major business lines, namely property management services, extended value-added services and community value-added services, forming an integrated service spectrum covering the entire value chain of property management. As of 31 December 2018, the Group's total contracted GFA was approximately 229.8 million sq.m. and its total contracted GFA under management was approximately 138.1 million sq.m.

2. Major Recognition and Awards in 2018

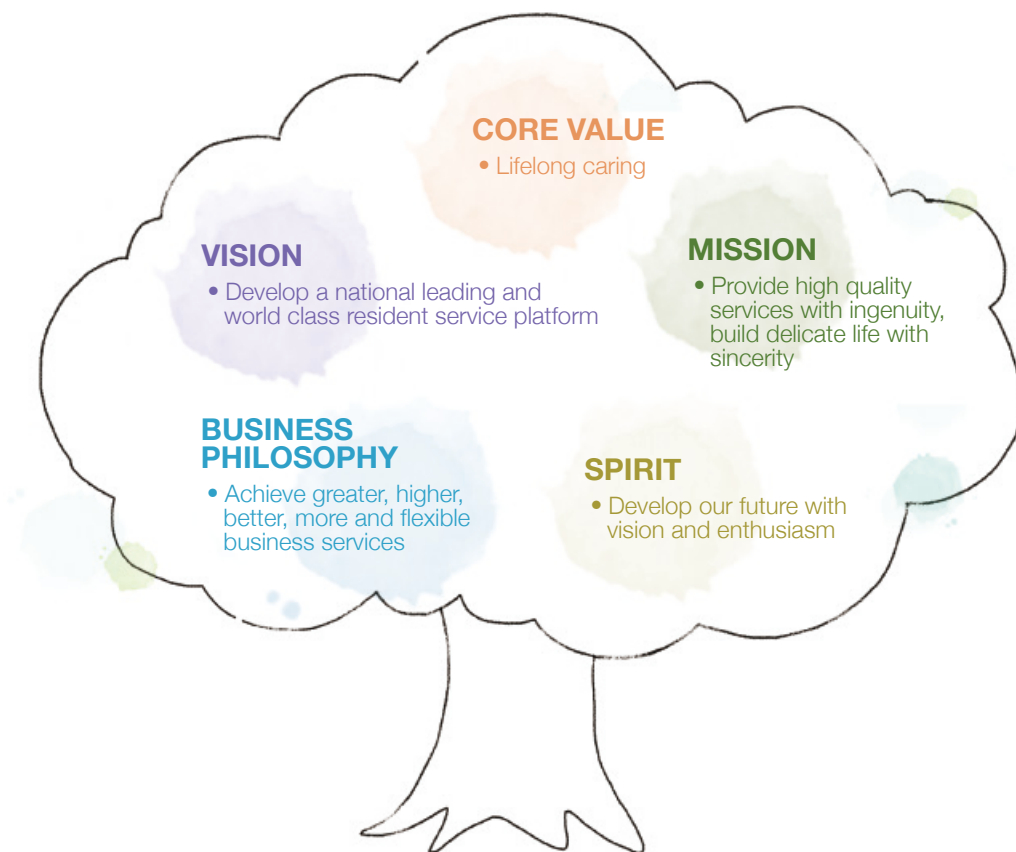
No.	Award	Issued by
1	LACP 2017 Vision Awards Best Annual Report — Gold Award	League of American Communications Professionals (LACP)
2	LACP 2017 Vision Awards Annual Report — Technical Achievement Award	LACP
3	2018 Top 8 Property Management Companies of the PRC in terms of Comprehensive Strength	China Property Management Institute
4	2018 Top 10 China Community Services Providers	Yihan Think Tank
5	2018 China Community Services Provider Model in terms of Customer Satisfaction	Yihan Think Tank
6	2018 Top 10 China Community Services Providers in terms of Competitiveness	Yihan Think Tank
7	2018 Top 10 China Community Services Providers in terms of Capital Market's Attention	Yihan Think Tank
8	2018 China Top 100 Property Management Companies	China Index Academy
9	The 2nd of the 2018 China Top 100 Property Management Companies in terms of Growth Potential	China Index Academy
10	2018 China Leading Property Management Company in terms of Service Quality	China Index Academy
11	2018 China Leading Property Management Company in terms of Customer Satisfaction	China Index Academy
12	Leading Company among 2018 Top 100 Property Management Companies in the PRC in terms of Business Performance	China Index Academy
13	2018 China Leading Property Management Enterprise in terms of Characteristic Service — Leading Brand in Vacation Property Management	China Index Academy
14	2018 China Office Property Management Exceptional Company (Greenland Property)	China Index Academy
15	2018 China Blue-chip Property Management Company's Annual Meeting — Top 30 China Blue-chip Property Management Companies	The Economic Observer
16	Dajie.com 2018 Extraordinary Employer	Dajie.com
17	Vice Chairman Unit of Fifth Session of Guangdong Property Management Industry Institute	Guangdong Property Management Industry Institute
18	Vice Chairman Unit of Guangdong Academy of Human Resources	Guangdong Academy of Human Resources
19	Extraordinary Vice Chairman Unit of Guangzhou Property Management Association	Guangzhou Property Management Association
20	2018 Golden Lion Award for the Listed Company on the Hong Kong Stock Exchange — Newly Listed Company with the Best Investment Value	Sina Finance Channel
21	President's Award of The Community Chest of Hong Kong	The Community Chest of Hong Kong

Sustainable Development Philosophy and Governance

The Group adheres to the fulfillment of its environmental and social responsibilities as a corporate citizen and integrates the sustainable development philosophy into its decision-making and daily operation. By actively listening and responding to the expectations of its stakeholders, the Group continues to improve its management mechanism and is committed to achieving balanced development for economy, environment and social benefits.

Under “lifelong caring” as the core value and “provide high quality service with ingenuity and build delicate life with sincerity” as the corporate mission, the Group adheres to its original aims with dedication to offer property owners comprehensive home life solutions. The Group also focuses on the four dimensions, namely property owners, developers, communities and cities, to continuously optimize the product structure, develop niche sectors, strengthen the brand characteristics, utilize scientific and technological means, uphold integrity management and achieve steady corporation development, so that value can be created for employees, property owners, shareholders, supply chains and the environment.

Corporate Value System of the Group



The Board takes full responsibility for the ESG strategies and reporting of the Group and is responsible for reviewing and approving the annual ESG reports. It understands and discusses the relevant ESG work through channels such as shareholders' general meetings and Board meetings and gives instructions on the relevant matters according to the specific circumstances. The Group attaches great importance to the relevant ESG work and is fully aware of the potential impacts of ESG matters such as the improvement in service quality, investment in social welfare and employee relationship management on the financial performance and sustainable development of the Group, including the impacts on the cost management and control, fundraising ability and social reputation of the Group. The Group monitors its risks relating to ESG matters through its existing risk management and internal control system to safeguard the sustainable development of the Group. For more information on the risk management and internal control of the Group, please refer to the section headed "Corporate Governance Report" of the 2018 Annual Report of A-Living Services Co., Ltd. published on the website of the Hong Kong Stock Exchange at www.hkex.com.hk.

The Group also strengthens its communication with stakeholders through the preparation and disclosure of the Report and continues to improve its ability to manage ESG matters.

Stakeholder Engagement

The trust and support of stakeholders are the foundation for sustainable corporate development. The Group continues to improve its communication mechanism with stakeholders and timely understand and respond to the expectations and demands of stakeholders through diversified channels such as WeChat official account and official website, meetings with suppliers, property owner satisfaction survey and staff satisfaction survey. On such basis, it continues to optimize the sustainable development strategies and plans of the Group in order to strengthen its cooperation with stakeholders and achieve win-win development.

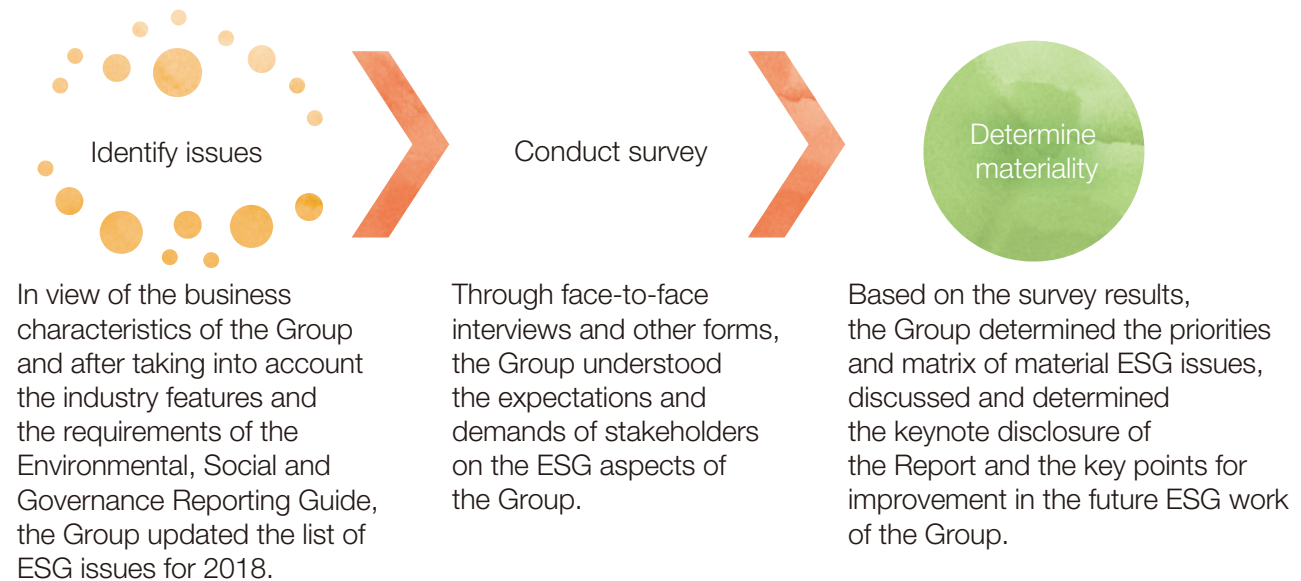
The Group's analysis of and responses to the expectations and demands of stakeholders in 2018 are as follows:

Stakeholder	Expectation and demand	Communication and response
Shareholders and Investors	<ul style="list-style-type: none"> Financial performance Interest protection Corporate transparency Risk control 	<ul style="list-style-type: none"> Improve profitability Convene shareholders' meetings Routine information disclosure Optimize risk management and internal control system
Government and Regulatory Organizations	<ul style="list-style-type: none"> Comply with the laws Pay taxes in compliance with the laws Respond to the national call Support local development 	<ul style="list-style-type: none"> Operation in compliance with the laws Pay taxes in full on time Actively implement relevant policies Actively assume social responsibilities
Employees	<ul style="list-style-type: none"> Career development platform Training opportunities Remuneration and benefits Healthy and safe working environment Listening to the voice of employees 	<ul style="list-style-type: none"> Optimize career promotion mechanism Establish an employee training and education system Competitive salary and benefits Implement management systems for health and safety Equal communication and complaint mechanism
Customers	<ul style="list-style-type: none"> Product quality and price/performance ratio Customer service quality Customer information security Customer rights protection 	<ul style="list-style-type: none"> Create quality life service platform Comprehensive and considerate service Network security and permission settings Compliance in marketing
Suppliers and Cooperative Partners	<ul style="list-style-type: none"> Integrity cooperation Experience sharing Win-win cooperation Business ethics and reputation 	<ul style="list-style-type: none"> Create responsible supply chain Promote daily communication Carry out project cooperation Perform contracts under the laws
Society and the Public	<ul style="list-style-type: none"> Care for the poor Support social welfare Protect natural environment Promote social advancement 	<ul style="list-style-type: none"> Participate in precise poverty alleviation Committed to charities Adhere to green operations Share development achievements

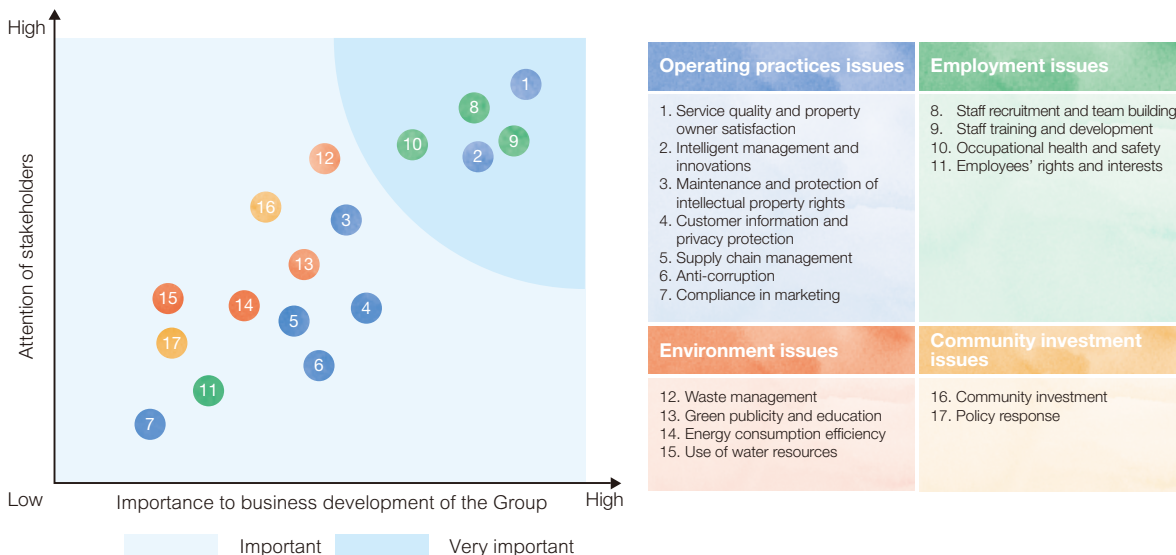
Materiality Assessment of Environmental, Social and Governance Issues

In order to understand the demands and expectations of stakeholders, the Group assessed the materiality of various ESG issues to the business development of the Group and concerns to stakeholders through face-to-face interviews, determined the priorities of material ESG issues, prepared a material issue matrix, and determined the disclosure keynotes of the Report.

The materiality assessment on ESG issues of the Group during the year covers the following steps:



The priorities and matrix of material ESG issues for 2018 are as follows:



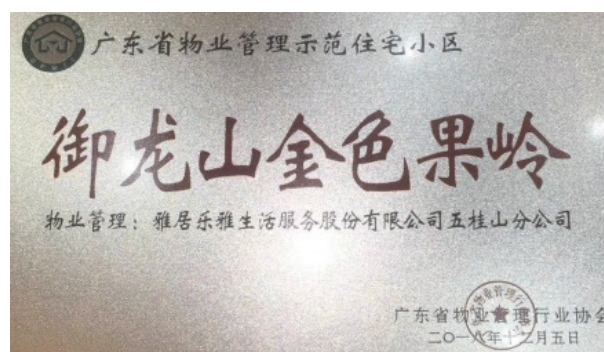
According to the assessment results for 2018, stakeholders were highly concerned about issues including service quality and property owner satisfaction, staff recruitment and training, intelligent management and innovation, and occupational health and safety. The Group will make disclosure of the issues in the following sections of the Report and focus on the issues at the top of the list of priorities in response to the concerns of stakeholders. In addition, the Group will determine the focus areas of its ESG work for 2019 according to the assessment results, continue to improve the relevant management policies and systems, improve performance, and share the value created in economic, social and environmental areas with stakeholders.

Adhering to Ingenuity and Improving Services

The Group strictly abides by the relevant requirements of the laws and regulations of the PRC such as the Property Management Regulations. It actively responded to the call of China Property Management Institute for the “service quality improvement year of 2018”, vigorously promoted the development strategy of “management digitalization, service specialization, procedure standardization and operation automation” (the “Four Specialized Standards” development strategy), continued to improve service quality and innovate property management models, and strived to provide specialized, standardized and refined high-quality services and strengthen property owner satisfaction.

In 2018, certain property management projects of the Group were recognized and praised by local governments or the relevant associations for their high-quality services:

- Guangzhou Agile Center project and Agile Royal Mount Zhongshan Golfer's Paradise project passed the inspection and acceptance for demonstration residential community in Guangdong Province for property management;
- Agile Cambridgeshire Guangzhou project was recognized as a demonstration project in Guangzhou for property management;
- Yorkshire Zhongshan project and Metro Agile Zhongshan (Berry Mountain) (佰利山) project were recognized as demonstration projects in Zhongshan for property management;
- Agile Garden Zhengzhou project was recognized as a model project of the Property Management Association of Zhengzhou for customer services.



1. Improvement in Service Quality

The Group adheres to the spirit of craftsmen and the philosophy of honest services and carried out a series of activities including the improvement in and implementation of standards and rules, special training for service improvement, special program for improving window services, building benchmark projects and project quality inspection from four dimensions, namely customer service management, engineering management, social environment management and community safety and order management, which has further improved its service quality.

The key measures of the Group for improving service quality from four dimensions for 2018 include:

1) Customer Service Management

- **Promote service standardization**

In 2018, the Group prepared and distributed 22 rules and regulations including the On-site Standardization Management Manual and the Benchmark Publicity Manual, revised five documents for standards such as the Visualization Standards, and implemented the strategy of promoting its large-scale development with standardized management. The Group also actively participated in the building of pilot entities for advanced standards and systems for residential property services and had passed the inspection and acceptance for standardized good behavior enterprises in Guangdong Province at AAAA level.

- **Improve professional services**

Through special training for service improvement, special programs for improving window services and other activities, the Group strengthened the training and assessment of service skills of customer service personnel, so that they can provide professional services.



Special Training for Service Improvement:

The Group arranged full-time training for key customer service personnel at its 14 regional offices across China to promote the implementation of service standards and training of experts of the Group. During the period of special training, a total of 1,680 employees in the customer service line of the Group participated in the training, accounting for 99.6% of the employees required to participate in the training.

“Little Window, Big Image” Special Program:

In 2018, the Group carried out the “little window, big image” special program at 14 regional offices and 136 property service centers across China in order to urge customer service personnel to pay attention to their appearance and improve overall service image and service consciousness.



- **Enhance service timeliness**

Since January 2018, the Group has been carrying out centralized operation of property service centers across China. It has set up a 400 Call Center, which receives the demands of property owners on a centralized basis, provides standard services, and adopts a closed management cycle from the acceptance of demands, work order assignment, follow-up services, quality monitoring to closure and accountability. This has effectively shortened the service radius and enabled “zero distance” communication.

2) Engineering Management

- **Engineering management standardization**

In 2018, the Group continued to improve its engineering management standards and system by actively preparing or revising the Public Equipment and Facilities Management Regulations, the Operation and Maintenance Procedures for the Power Supply and Distribution System, the Central Air Conditioner Operation and Maintenance Procedures, the Dereliction of Duty and Accountability Management Measures for Elevator Repair and Maintenance Monitoring, the Equipment Room Inspection Management Procedures and other documents in order to provide clear guidance on the operation, maintenance and inspection of power distribution system, central air conditioners, elevators and other equipment and facilities and promote the standardization of engineering management for property projects.

- **Engineering management digitalization**

By launching an EBA equipment management system, the Group is able to realize monitoring, early warning and real-time management and control of facilities and equipment of its community projects and ensure the normal operation of facilities and equipment of its community projects.



User interface of the EBA equipment management system of the Group

- **Engineering management specialization**

In order to improve the professional skills of its engineering management personnel, the Group actively established training bases in six major regional offices in Zhongshan, Guangzhou, Shenzhen, Hainan, Nanjing and Shanghai. Through the combination of theoretical teaching and practical operation, the service skills and ability of engineering management personnel were comprehensively improved. In addition, the Group held engineering skill competitions at 14 regional offices in Zhongshan, Guangzhou, Shenzhen, etc. in 2018, which further enhanced the exchange and learning among engineering management personnel and promoted the specialization of engineering management of property projects.

► Case: 2018 Engineering Skill Competition at Zhongshan Regional Office

Zhongshan regional office held an annual engineering skill competition during the period from 25 to 26 October 2018 in order to motivate employees to improve their own expertise and work skills and provide specialized high-quality services to property owners.



3) Community Environment Management

The Group has formulated and implemented the relevant work procedures for leasing and displaying of green plants, prevention and control of greening diseases and pests, daily cleaning services, landscape pool cleaning, domestic garbage collection and treatment, greening maintenance operation and other matters to promote the standardization of environmental management. The Group implements the “Four Specialized Standards” development strategies, promotes the application of mechanical equipment such as driving washers and sweepers, and actively arranges employees to participate in practical training, environment skill contest and other activities. It improves the work skills of environmental management staff, carries out assessment of and guidance for services of suppliers related to environment on a regular basis, and actively improves service quality in order to provide property owners with a better living environment.



Clean water at Agile Garden Xi'an



Garden landscape of the territory Nanjing

4) Community Safety and Order Management

Under the principle of “safety first, taking precautionary measures and carrying out comprehensive management”, the Group has formulated and implemented the Fire Safety Management Work Procedures, the Handling Procedures for Emergency or Abnormal Situations and other internal rules, actively carries out safety training and drills, and promotes travel safety, electrical appliances safety and water safety through the WeChat official account of A-Living from time to time. It spares no effort to eliminate potential safety hazards and protect the personal and property safety of property owners. The major activities carried out by the Group to improve community safety and order management in 2018 include:

100-Day Accident-Free Program



Period and scope

From November 2017 to February 2018
Covered over 100 projects in China

Content of activity

- Carried out nearly 2,500 social safety activities, including safety training, emergency drills and safety management military skills, for employees and outsourcing units
- Conducted safety inspections of almost 5,000 elevators for projects across China

Results of activity

- Successfully prevented 105 thefts
- Helped property owners 147 times
- Extinguished 12 fire accidents in homes of property owners
- Returned 41 lost items to owners

“Improvement in Internal Quality and Public Image” Special Campaign

In March 2018, the Group carried out the “improvement in internal quality and public image” special campaign for service quality improvement in relation to safety and order management at 14 regional companies and 162 property service centers in the PRC. During the campaign period, the Group received a total of 385 silk banners and 226 letters of compliment from property owners.

Training sessions for professional knowledge

3,920

Military skill training sessions

6,255

Emergency drills

2,292

Fire inspections

2,795

Monitoring inspections

5,721

Night patrols

2,539

► Case: Making Concerted Efforts to Fight Two Typhoons

Typhoons Barijat and Mangkhut successively hit south China in 2018. In order to protect the safety of lives and properties of property owners and reduce the losses caused by typhoons, staff at the relevant regional offices of the Group adopted comprehensive prevention measures and responses, including early warning and stocking emergency supplies as well as preparing sufficient sandbags for flood control and water pump and pipes in flood prone areas in advance, and worked together with property owners to resist the typhoons and ensure community safety.



In addition, the Group further strengthened its efforts into “service quality improvement year of 2018” campaign through a number of measures including building benchmark demonstration projects, learning from demonstration projects and project quality inspections:

Building Benchmark Demonstration Projects

In April 2018, the Group launched the building of the second batch of benchmark demonstration projects in the PRC. As of the end of September 2018, it completed the pre-inspections of 14 benchmark demonstration projects, and the pre-inspection results were recognized and spoken highly by experts at local property management associations.

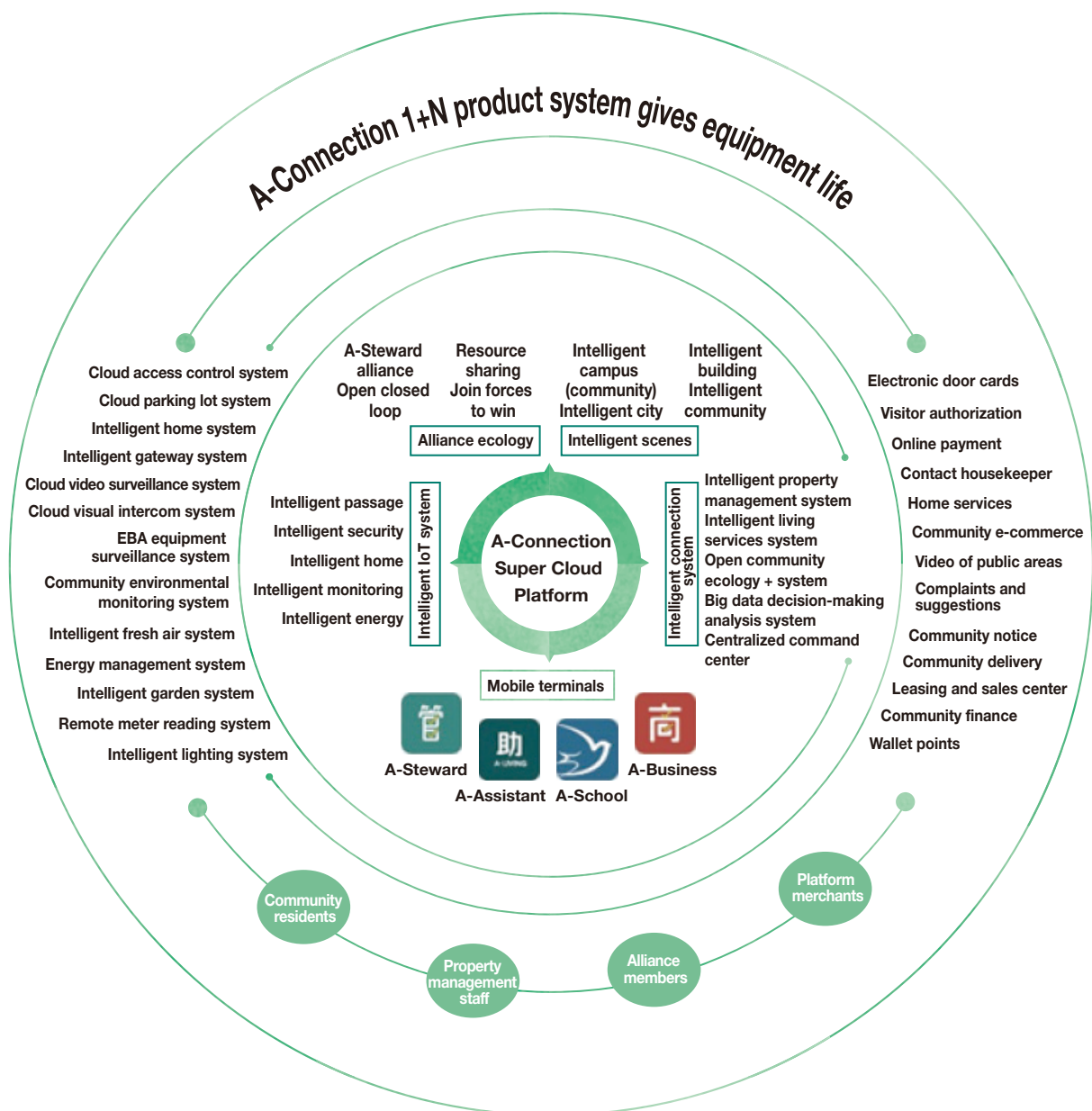
Project Quality Inspection

From June to August 2018, the Group conducted national quality inspections for 2018 of 57 projects of 11 regional offices in the PRC to examine the effectiveness of service quality improvement.

2. Innovations in Property Management and Diversified Services

By sticking to its original aims of “building better life with everything interconnected by intelligence”, centering around the needs of property owners and the Group, and focusing on three core aspects of “communities with everything interconnected”, “lateral extension of service” and “vertical management of systems”, the Group continues to strengthen the research and development and application of “A-Connection Super Cloud Platform” and “A-Connection 1+N Product and Service System”, continuously improves its intelligent community management and strives to provide property owners with comprehensive high-quality intelligent life experience.

Through its A-Connection Super Cloud Platform, the Group conducted research and development and upgrading of its “1+N” product and service system and has realized the information interaction of people, machines and things with “1 platform+4 mobile terminals+5 intelligent interconnection systems+5 intelligent IoT systems” and has realized the “management digitalization and operation automation” by connecting online and offline management services.



Adhering to Ingenuity and Improving Services (continued)

As of the end of 2018, the Group had completed the research and development of the relevant systems of its A-Connection Super Cloud Platform and actively promoted the application of various systems, which can substantially enable the following:

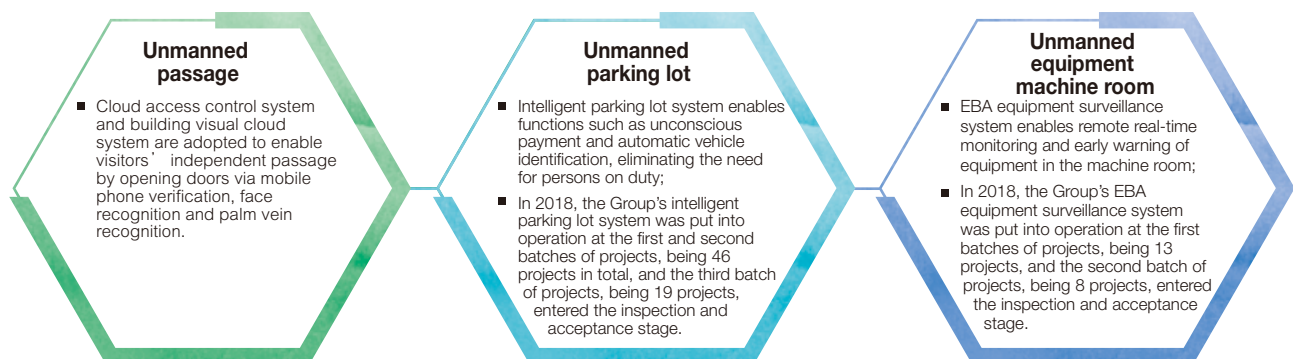
Integrated business

By integrating the sub-systems adopted in property management from four aspects of “people, wealth, property and management” into the integrated management platform for A-Living, the Group has realized business synergies, process integration and data consolidation and improved its property management efficiency. Currently, all of the 12 modules of the integrated management platform for A-Living, including human resources, engineering management, quality management, equipment management, customer services and procurement and warehousing, etc. have been launched.

Mobilized operation

Through the promotion and application of A-Steward App and A-Assistant App and their interconnection and interaction with the A-Connection Super Cloud Platform, the Group is able to provide targeted and mobile property management services, which has further improved the satisfaction of property owners.

Unmanned scenes



Centralized management

The Group implements centralized operation of its 400 Call Center and has realized connection of three levels, being the headquarters, regional offices and service centers of the Group, using the A-Assistant work order system, which has enabled unified, efficient and transparent services.

Visualized data

The Group integrates the data on property owners and the data on property management collected through various systems into its big data platform, which has enabled the data visualization and decision-making and analysis and driven business adjustment and optimization.

In addition, the Group actively implements its diversified development strategy, focuses on value-added services, and vigorously explores community economy in order to provide property owners with all-round services:

- **Yatian Technology:** It is committed to building a new community ecosystem by using mobile Internet and IoT technologies and consolidating online and offline quality resources, so as to provide customers with one-stop services of planning, design, construction and operation of intelligent communities and help improve the quality of property projects.
- **Yafang Travel:** With the philosophy of “travelling around the world and bringing good memory back home”, it strives to enhance neighborhood relationship as well as create a harmonious community environment and is committed to creating a distinctive comprehensive service platform of “community+property+travel” in the PRC.
- **Yaxin Engineering:** It pays attention to the needs of property buyers and provides professional, systematic and standardized third-party property inspection and engineering quality assessment services in order to improve property quality.
- **Yazhuo Real Estate:** By relying on the sales platform of Agile Group with a transaction value of over RMB100 billion and A-Living’s management community O2O big alliance platform, it is committed to providing professional and systematic integrated marketing services for Agile Group and other renowned property developers.
- **Yatao Advertising:** With DNA and communication concept of world’s top brand system, it provides customers with professional and systematic communication strategies and plans and helps enterprises improve brand influence and marketing effectiveness through 360-degree perspective and capacity.

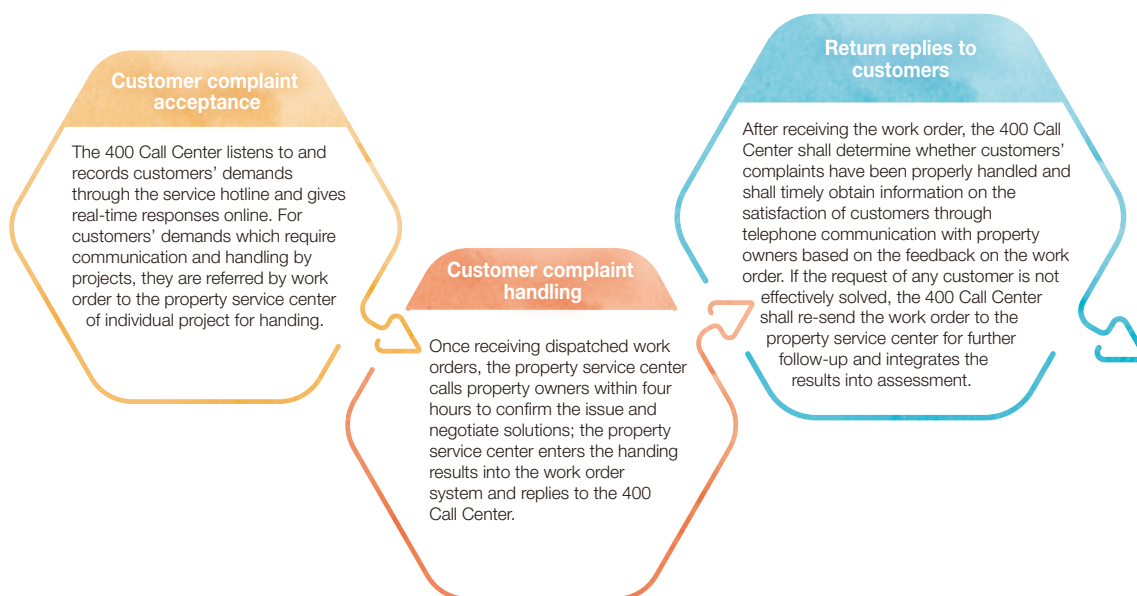
3. Maintenance of Relationship with Property Owners

The Group attaches great importance to the protection of lawful rights and interests of property owners and continues to strengthen communication and exchange with property owners, in order to build and maintain a harmonious relationship with property owners and improve the satisfaction and brand recognition of property owners.

In compliance with the requirements of the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests in relation to the consumers’ rights and interests and the obligations of merchants, the Group has formulated and implemented the Customer Demands Management Work Procedures, the 400 Complaint Handling and Reward and Punishment Measures, the Customer Satisfaction Survey Work Procedures and other internal rules, which set out clear provisions on the process and effectiveness of customer complaint handling and the work of the relevant staff handling complaints in order to ensure that customers’ complaints and opinions are timely and properly received and dealt with and customers’ lawful rights and interests are protected.

Adhering to Ingenuity and Improving Services (continued)

Currently the Group mainly listens to customers' opinions and complaints through customer service personnel or stewards at property service centers, the A-Steward App and the service hotline of the 400 Call Center. In particular, the Group carries out centralized operation of its property service centers in the PRC, whereby the 400 Call Center serves as the dispatch hub to receive inquiries, complaints and maintenance issues from property owner across China and arranges specialized staff at each property service center to solve problems for property owners. The process for the 400 Call Center to handle customers' complaints and opinions is as follows:



In addition, the Group strengthened communication with property owners and timely understood customers' needs and protected customers' rights and interests through monthly internal satisfaction survey, property owners' forum and third-party property owner satisfaction survey in 2018. In 2018, the Group commissioned China Index Academy to conduct an annual satisfaction survey of property owners, covering all of its regional offices in the PRC. The projects surveyed accounted for approximately 65% of all projects of the Group and 18,000 property owners participated. According to the results of the annual satisfaction survey of property owners, the overall satisfaction ratio for property services of the Group for 2018 was 90.1%, which was 19.6 percentage points and 8.6 percentage points higher than the industry average and the benchmark level respectively.

► Case: 2018 A-Living National Property Owners' Forum

In order to have a better understanding of the property service needs of property owners, regional offices of the Group successively held national property owners' forum with "hear the voices for service improvement" as the theme from October to November in 2018 in order to improve service quality and satisfaction of property owners by meeting their needs.



In addition, by carrying out a number of community recreational and sports activities, the Group enriched the cultural life of property owners, strengthened emotional exchange with property owners, improved the sense of belonging to community of property owners and the recognition and reputation for property services of the Group among property owners.

Community Recreational and Sports Activities

In 2018, the Group held 3,387 community cultural activities with the themes of "neighborhood family culture", "neighborhood benefit culture", "neighborhood skill culture" and "neighborhood joy culture", attracting a total of 327,000 participants, with the aim of guiding property owners in "loving family and community" and building warm and harmonious communities.

From July to August 2018, the Group held community property owner sports games with the theme of "happy life, happy sports" covering over 200 projects in 69 cities in the PRC, in order to let property owners share happy neighborhood time, at which a total of over 500 events of different sizes were held and attracted more than 100,000 participants.



4. Protection of Property Owners' Information and Privacy

The Group strictly abides by the requirements of the Cyber Security Law of the People's Republic of China and other laws and regulations in relation to information safety and privacy protection. It has implemented a series of internal rules such as the Information System Security and Operation Management Policy, the Information System Disaster Recovery Policy, the Information System User Account and Privilege Management, the Information System Problems and Accident Handling Standards, the Network Security Management Standards, the Machine Room Management Policy and the Data Backup and Recovery Policy, which specify the departments responsible for the safe operation of information systems and set out provisions for the privilege management of information systems, emergency handling, machine room management, data backup and recovery in order to protect the safe and stable operation of information systems.

In addition, the Group has implemented internal policies such as the Confidentiality Policy and the Work Procedures for Customer Profile Management to regulate behaviors including the collection and use of customer information by employees and protect customer information security. It has issued the User Service Agreement and Privacy Terms and the User Privacy Policy for users, which inform users of the Group's policies on the collection, use, storage, processing or disclosure of user information and are aimed to protect users' right to know and remind them of information security.

The Group adopts secure socket layer (SSL), firewall and other technologies to safeguard information security of property owners, manages and monitors internet access behaviors of all employees through internet access privilege management by the information center in order to prevent employees from leaking information and privacy of property owners through the internet. Furthermore, the Group classifies complete information of property owners as confidential documents and enters into the Confidentiality Agreement with persons managing or having access to confidential information of the Group to set out the rights and obligations of the parties and prevent the abuse or leakage of personal information and privacy of property owners.

5. Intellectual Property Rights Management

The Group strictly abides by laws and regulations such as the Copyright Law, the Trademark Law, the Patent Law, the Tort Liability Law of the People's Republic of China. It has formulated and implemented internal policies including the Management Measures for Legal Affairs of A-Living Group and the Management Measures for Trademark Affairs, which set out the rights and obligations of the relevant intellectual property rights management department and specific requirements for the application, registration, use and archives management of trademarks, standardize the management of intellectual property rights, and strengthen the protection of intellectual property rights.

As its business continues to expand, the Group attaches great importance to the management and protection of intellectual property rights. As of 31 December 2018, the Group had registered 171 exclusive rights for registered trademarks and was in the process of applying for 60 trademark rights; it had obtained 4 patents and was in the process of applying for 2 patents; and it had obtained 15 computer software copyrights and 26 domain names.

6. Supporting Industry Development

Standardization is an important way to improve property management level and quality of property services. The Group actively summarizes its own practical experience in property services and contributes to the formulation of industry standards. In October 2017, the Group was selected by China Property Management Institute as the leading unit in the preparation of the Vacation Housing Property Service Standard. In March 2018, the Group formally established the drafting team of the Vacation Housing Property Service Standard, and organized industry experts and the experts in standardization to convene launch meeting and seminars for the preparation of the standard. In December 2018, the Vacation Housing Property Service Standard, which was prepared under the leadership of the Group, passed the review by China Property Management Institute and was highly praised by participating experts. In addition, the Group actively cooperated with and assisted in the preparation of two national standards, being the Property Service Safety and Emergency Handling and the Customer Satisfaction Survey of Property Services, to support industry standardization development.



In order to promote overall industry development, in 2018, the Group entered into an assistance agreement with the Association of Real Estate Industry of Jieyang in the summit forum of “Continuous Promotion of Integrity in Guangdong Property Management Industry” through sufficient negotiations. Under the agreement, the Group undertook to help local property enterprises in Jieyang realize the goal of reducing staff and increasing efficiency through a number of measures including holding property development summit forums, property service training for “Four Specialized Standards” and free provision of the A-Steward alliance platform to the Association of Real Estate Industry of Jieyang, so as to help property service enterprises in economically underdeveloped areas of Guangdong Province improve management, improve service quality and realize common development of the industry.

Caring for Employees with Sincerity

The Group strictly abides by the requirements of the Labour Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases and other laws and regulations. It continues to improve its human resources management system, strengthens the development of its talent training mechanism, effectively protects the lawful rights and interests of employees, provides employees with a broad development platform, and provides talent support for the sustainable development of the Group.

1. Compliant Employment

The Group strictly implements the Recruitment Management Policy, which expressly stipulates the work procedures and rules to ensure the fairness, openness and standardization of the recruitment process, to protect the legal rights and interests of candidates and to attract outstanding talents. The Group implements the Labour Contract Management Measures and the Employment Termination Management Policy, conducts strict labour contract management and employment termination management, provides our staff with equal opportunities and a workplace that is free of harassment and discrimination, and actively maintains a strong employment relationship.

In order to adapt to its rapid business development, the Group implements its annual recruitment plan and fills vacancies through diversified channels including headhunters, recruitment websites, job fairs and internal promotion. During the Reporting Period, the Group recruited a total of 7,208 employees, of which 278 were recruited through campus recruitment in autumn of 2018. The Group actively assists the State in the implementation of employment policies.



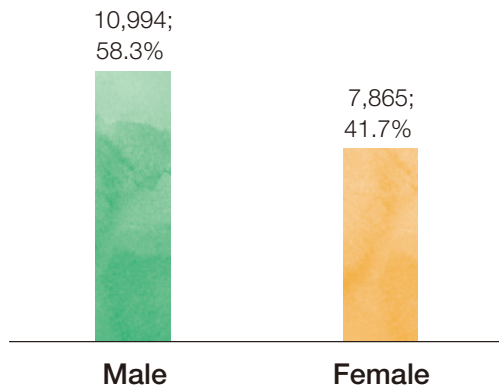
Campus recruitment seminar
at Hainan University in October 2018



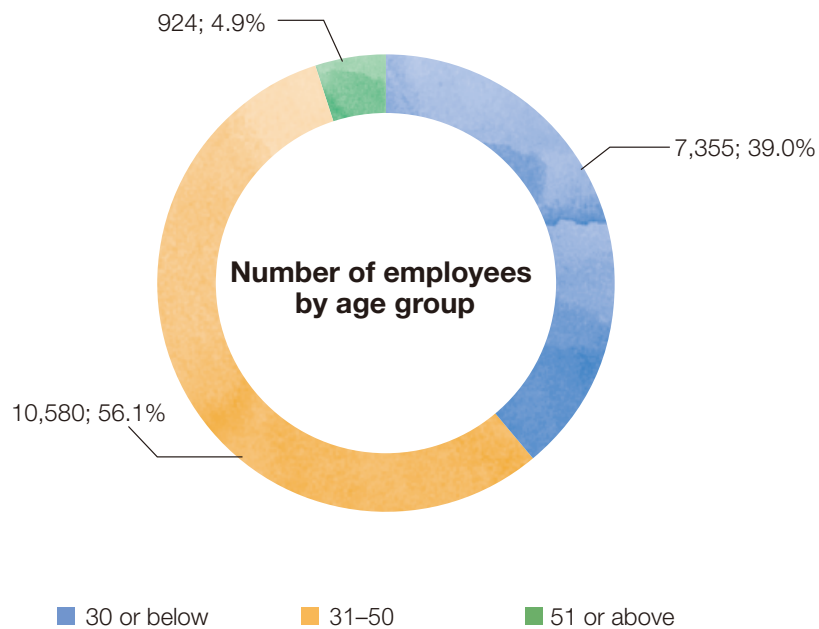
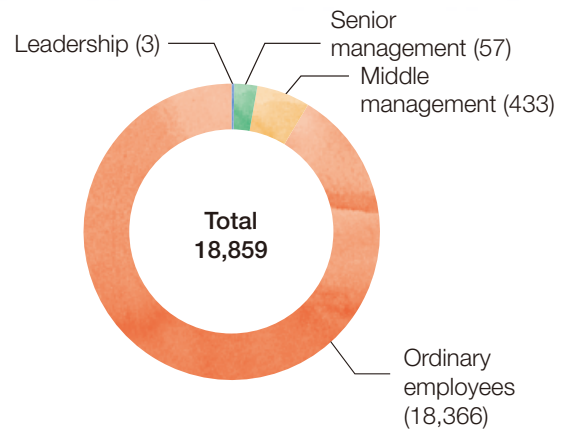
Campus recruitment seminar
at Guangzhou University in November 2018

As of 31 December 2018, the Group had a total of 18,859 employees. Details of the employees of the Group are as follows:

Number of employees by gender



Number of employees by employment type



In accordance with the requirements of the relevant laws and regulations and the actual situations of its business development, the Group continues to improve its internal remuneration management policy. It has formulated and implemented the Welfare Management Policy, the Management Measures for Internal Changes and other internal policies to ensure that its employees obtain labour remuneration in accordance with the law and enjoy statutory social insurance contribution and lawful rights and interests. The Group's remuneration standard is formulated with reference to market salary level in the industry and internal remuneration positioning. The Group reviews and adjusts remuneration once a year in principle, and is committed to providing employees with salaries with market competitiveness and stimulating their enthusiasm for work. The Group makes social insurance and housing fund contribution for all employees and provides them with paid vacation holidays in accordance with the law. The Group provides cooling and heating fees, food subsidies, maternity allowances, travel allowances and other cash benefits, as well as non-cash benefits such as physical examinations and property purchase concession, and organizes activities to care for employees such as birthday parties and festival greetings, so that employees can feel the care of the Group.

2. Staff Training and Development

By focusing on the establishment of a sound talent training mechanism, the Group has formulated and implemented the Learning and Development Management Policy, the Management Measures for the Learning and Development of New Employees, the Management Measures for the Learning and Development of Graduates, the Internal Trainer Management Measures, the Management Measures for Position Coaches, the Management Measures for External Learning and other internal policies to standardize the training requirements and training plans for various types of employees and internal training management matters. The Group continues to improve its employee learning and development system and strives to realize the common development of the Group and its employees.

The Group's training activities are mainly conducted at three levels, including training at the headquarters of the Group, special training at regional offices, and position skill training. The main types of training include:

- Orientation training: Through orientation training, the Group guides new employees to quickly understand its corporate culture, learn the history of the Group, master basic job knowledge, and clarify their career planning;
- Professional training: The Group is committed to improving the management system for on-the-job training for employees and providing professional training such as professional certificate training and business skills upgrading training, so that a positive and progressive learning atmosphere can be fostered;
- General knowledge training: The Group provides its employees with diversified general knowledge training in terms of management capabilities and communication skills development, etc., to continuously enhance working capabilities and literacy of employees.

The training at the headquarters of the Group mainly targets to accelerate personal, business and organization growth. The Group actively implements various key training programs, facilitates the establishment of the A-Living Institute, strengthens college-enterprise cooperation, and provides employees with diversified training programs to promote the Group's business development and the realization of the value of employees. In particular, the A-Living Institute was formally established in March 2018. With the philosophy of "accelerating growth and lifelong learning", it has launched the "A-seedling growth program" to train frontline talents, the "A-elite takeoff program" to train skilled backbone employees, the "advanced property management seminar" to seek business leaders and other key training programs and curriculum systems, in order to improve the quality and ability of employees in multiple dimensions and to build a good growth ladder for each employee.



Acceleration of talent growth

- A-Living training camp for management trainees and quality talent program
- A-seedling growth program
- A-talent cultivation program
- A-elite takeoff program
- Special talent development training
- On-the-job training

Acceleration of business growth

- Special training for business operation
- Special training for enterprise expansion
- Special training for operation management

Acceleration of organization growth

- A-Living Institute
- College-enterprise cooperation
- Overseas study/seminar for senior management
- Benchmark learning
- A-Living Lecture Room



Photo of "LOHAS π" training for newly recruited college graduates



Photo of A-Living talent cultivation program

Caring for Employees with Sincerity (continued)



A-Living Lecture Room

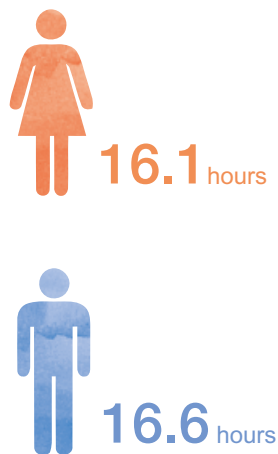
In August 2018, the much-anticipated A-Living Lecture Room commenced, and Yu Shaoyuan, deputy secretary-general of China Property Management Institute, gave a lecture with the theme of “Let happiness continue”, explaining to employees of the Group how to improve quality for property service enterprises in the new era.



In addition, the Group also carries out activities such as position skill trainer certification and internal trainer certification training. The Group has developed skill trainer certification courses and conducts position skill trainer certification, whereby skill trainers undergo the standard operation process of “teaching, helping, leading” to maintain the consistency and inheritance of quality standards. By relying on the A-Living Institute, the Group has designed and developed internal trainer certification courses and carries out the training, trial lecturing and assessment and certification of internal trainers. Through the internal trainer system, the Group has realized the inheritance, precipitation, extraction and reproduction of the valuable experience of the Group in property management and created an environment in which everyone teaches and learns from others in order to help the Group achieve its strategic objectives. Currently the Group has a total of over 500 skill trainers and more than 200 internal trainers.

In 2018, the total number of training hours of employees of the Group was 309,320, and the average training hours per employee by gender and by employment type is as follows:

The average training hours per employee by gender



The average training hours per employee by employment type



Note: The average training hours per employee = Total number of training hours/Number of employees as of the end of the year.

3. Performance Appraisal and Promotion

In order to realize the development strategies of the Group and stimulate the enthusiasm of employees, the Group has formulated and implemented the Promotion Management Policy and the Internal Competition Management Measures, which set out clear provisions for the department responsible for the performance appraisal and promotion of employees, promotion principles, promotion timing, promotion criteria and promotion process, standardize talent promotion management, and provide system guarantee for the equal promotion and development of employees, so that all employees have ideas, motivation, joy and aspiration in their work and can realize their career dreams.

In accordance with the selection principle of “both ability and integrity, choosing the best from the best, matching people to positions”, the Group conducts comprehensive assessment of employees on a regular basis in terms of length of service in the relevant field, annual key work performance and contribution, new position match degree and other areas, promotes employees based on the assessment results, and links the remuneration and benefits and career development opportunities of employees with the assessment results. The promotion of employees of the Group can be divided into regular promotion and unscheduled promotion. Regular promotion is conducted during the same window period in the first quarter of each year and applies to all positions of the management channel and the technology channel. Unscheduled promotion mainly applies to the sporadic needs for promotion for the management channel and team leader positions at the entry level during the non-window period. The standard regular promotion process of the Group for each year is as follows:



Caring for Employees with Sincerity (continued)

In addition, for the needs of promotion during the non-window period, the Group selects persons to fill position vacancies in a timely manner and meet the development needs of employees mainly through the selection by the units to which they belong, internal competition or appointment of designated persons.



Photos of internal competition and promotion assessment

In 2018, the Group issued and implemented the Organizational Performance Appraisal Proposal for 2018 and the Employee Performance Appraisal Proposal for 2018. By adhering to the principle of objective, open, fair and comprehensive assessment and confidential results, the Group carried out performance assessment and behaviour assessment for employees on a regular basis, and treated the performance assessment results as an important basis for personal appraisal, salary adjustment, promotion, transfer and training.

4. Occupational Health and Safety

The Group strictly implements the requirements of the Occupational Health Management Measures, the Emergency Proposal for Guangzhou Agile Center, the Staff Manual and other internal policies regarding the production safety and occupational health protection of employees. It defines the responsibilities of each unit for safety management, strictly carries out supervision and inspection, and actively conducts staff safety education and technical training in order to prevent the occurrence of accidents and to strive to create a safe, healthy and comfortable working environment for employees.

According to the relevant requirements of the Group, all units shall establish their own occupational health management teams to be responsible for their respective occupational health and safety management, so as to strengthen the management of prevention and control of occupational hazards. By adhering to its policy for occupational health and safety management of “taking precautionary measures, combining prevention with treatment, management by classification and carrying out comprehensive management”, the Group continues to improve its occupational health management. Currently the occupational health management of the Group includes the following:

Contents of occupational health and safety management

Reporting of occupational hazards

Each unit shall timely fill in the Declaration Form for Occupational Hazards according to its own actual situation and report to the local safety supervision authorities.

Warning and notification of occupational hazards

In the stages from signing of labor contracts, operation site to occupational hazard examination, each unit shall timely inform employees of the occupational hazard factors of the positions and matters requiring attention.

Publicity, education and training for the prevention of occupational diseases

Each unit shall organize and carry out publicity, education and training for the prevention of related occupational diseases according to the characteristics of positions.

Identification of occupational hazard factors

Each unit shall identify occupational hazard factors in a timely manner in accordance with the relevant laws, regulations and industry standards, and report the identification results to the Human Resources Center of the Group for record.

Testing of occupational hazards

Each unit shall engage qualified testing institutions to conduct annual occupational health inspections of work sites to ensure that on-site occupational hazard factor and protective measures meet the relevant national regulations.

Occupational health examination

Each unit shall organize all of its employees to have regular physical examinations in accordance with the Physical Examination Management Measures of the Group and properly deal with occupational diseases of employees caused by work.

Occupational disease accident report

Upon the occurrence of occupational disease accidents, the responsible unit shall timely report to the occupational health leading team of the Group, which shall then report to the relevant local government authorities.

Caring for Employees with Sincerity (continued)

In particular, in order to promote standardized management of occupational safety and health, the Group steadily facilitates the certification of occupational health and safety management system so as to continuously improve its occupational health and safety management.

In 2018, six projects of the Group, namely Agile Garden Zhongshan (phases 1 to 8), Metro Agile Zhongshan (phases 1 to 6), Majestic Garden Foshan, South Lagoon Guangzhou, Grand Palace Huadu, Golfer's Paradise, a component of Hainan Clearwater Bay of the Group, had obtained OHSAS 18001:2007 Occupational Health and Safety Management System Certification.



OHSAS 18001:2007
Occupational Health and
Safety Management
System Certification

The Group attaches great importance to emergency plans and drills for various emergencies such as fires and extreme weather, in order to ensure that all responsible units or departments can make quick responses and maximize the protection of safety of lives and properties of its employees, property owners and other stakeholders in case of emergencies.

Flood control and emergency rescue drills

In September 2018, in view of continuous rainfall in the regions in which they operate, the projects of regional offices of the Group in Guangzhou, Shenzhen, Shanghai, Zhengzhou and Hainan and the Agile Eden Yunnan project in Tengchong carried out flood control and emergency rescue drills to simulate the scenes of blackout and collapse of trees in the communities in catastrophic typhoons and that how each department should perform its duties to safely and orderly handle emergencies in such circumstances.



Caring for Employees with Sincerity (continued)

Moreover, in order to protect the physical and mental health of its employees, the Group actively organized various recreational and sports activities to enrich the spare life of employees, relieve their pressure in work and life, strengthen the communication and exchange among employees, and create a cultural atmosphere of exercise and healthy life for all employees. The recreational and sports activities held by the Group in 2018 include:

2018 A-Living Sports Games

In October 2018, the Group held its first national staff sports games with the theme of “moving forward with concerted efforts and enjoying the future”. The sports games served as a platform for athletes from all regional offices and professional companies of the Group across China to exhibit themselves, strengthened the communication among employees, and helped employees improve their physical quality and establish a consciousness of healthy life.



“Walking forward to lead a happy life” themed activity

In 2018, the Group planned for and arranged walking activities for its headquarters and regional offices in order to further improve the physical fitness of employees.



Establishment of associations for recreational and sports activities

The Group has established various activity associations in order to stimulate employees' positive energy, enrich their spare lives and strengthen the cohesion of the Group.



Basketball Association



Badminton Association



Dance Association

5. Staff Communication and Protection of Rights and Interests

In order to strengthen the exchange and communication with employees, the Group has set up diversified channels including the “complaint and suggestion hotline for human resources and administration”, the “general manager reception day”, and the “box of opinions to general manager”, and has established a staff complaint mechanism. The Group conducts various surveys and caring activities to widely listen to employees’ voices and opinions, in order to identify and address employees’ concerns in a timely manner, thereby protecting the legal rights and interests of employees, creating a democratic, harmonious, fair and equitable corporate culture atmosphere and continuously improving employees’ satisfaction and sense of belonging.

► Case: Staff Dedication Survey Activity

In August 2018, the Group carried out a survey to identify the factors driving the satisfaction and dedication of staff from the perspectives of both the Group and employees. In particular, from the perspective of employees, the survey and analysis were conducted on 6 key dimensions, namely policy and operation, work, people, opportunity, comprehensive remuneration and life quality, and 23 dedication drivers, and targeted measures for improvement were proposed.

A total of 14,367 employees of the Group were invited to participate in the survey, and 13,683 employees gave answers in the survey, with an effective answer rate of 95%. The cross analysis of staff dedication and satisfaction showed that the ratio of employee satisfaction and dedication was 68% in 2018, 20 percentage points higher than that of 2017, and that the ratio of employee non-satisfaction and non-dedication was 16%, 17 percentage points lower than that of 2017.

The Group has formulated and implemented the Recruitment Management Policy, which expressly provides that employing candidates under the age of 16 is prohibited and that measures such as identification card examination and filling employee background forms shall be adopted to prevent the recruitment of child labour. The relevant internal policies of the Group strictly require that overtime and overwork of employees must be approved by the departments to which they belong before any arrangement to ensure employees’ work and life balance and to regulate the working hours, rest periods, and other benefits and welfare. During the Reporting Period, there were no cases of child labour or forced labour of the Group.

Protecting Environment Diligently at All Times

The Group strictly abides by the requirements of the Environmental Protection Law of the People's Republic of China and other laws and regulations. It has formulated and rigidly implemented internal policies such as the Public Energy Consumption Management Regulations, the Management Measures for Energy Saving and Consumption Reduction, the Waste Management Measures and the Work Procedures for Collection and Disposal of Domestic Garbage, which provide clear guidance in the energy consumption management and control, waste emissions and disposal of domestic garbage in the business operation of the Group and aim to reduce the impacts of the business operation of the Group on the ecological environment.

The Group has established an organizational structure and a reporting mechanism for environmental management, under which administrative department and engineering management center are responsible for coordinating the environmental management issues of office area and property project respectively. Persons-in-charge are designated for environmental management of the headquarters and various projects to supervise the implementation of environmental protection objectives and measures with regular reports to the management of the Group on the progress and management effectiveness.



The Group adheres to the concept of green operation and continues to improve the construction of environmental management system. In 2018, Agile Garden Sanxiang Zhongshan (phases 1 to 8), Metro Agile Zhongshan (phases 1 to 6), Majestic Garden Foshan, South Lagoon Guangzhou, Grand Palace Huadu, Golfer's Paradise, a component of Hainan Clearwater Bay of the Group, had obtained 14001: 2015 Environment Management System Certification.

14001:2015 Environment Management System Certification

1. Energy and Carbon Management

The Group has prepared a public energy consumption ledger in strict accordance with the Public Energy Consumption Management Regulations. It conducts comparison and analysis of energy consumption and deals with abnormal energy consumption and formulates energy saving proposals to minimize energy consumption and the emissions of greenhouse gas generated by energy consumption. The EBA equipment monitoring center of the integrated management and control platform of the Group can monitor the electricity and water consumption of all machine rooms in real time, which helps to improve the timeliness of identification and handling of abnormal energy consumption situations and reduce unnecessary waste of resources.

In order to reduce energy consumption and the emissions of greenhouse gas generated by energy consumption, the Group actively implements the following measures in its day-to-day work:

- It advocates turning off the lights before leaving, which requires that the lighting, computers, air conditioners, fans and other energy consumption equipment in offices, dormitories and equipment and machine rooms are turned off to save electricity when necessary;
- Energy-saving lamps and timing switches are installed in public areas for street lamps, basement lighting, lawn lighting and tower lighting in the community, and timing switches are adjusted according to different seasons in order to meet the lighting needs of public areas with the shortest on-time of lamps;
- For energy consumption management of air conditioners, the Group requires that the temperature of air conditioners must be set at no lower than 26°C in summer while no higher than 20°C in winter. When air conditioners are on, doors and windows shall be closed to reduce wastage. The fins and filters in coil fans and cooling towers of air conditioners shall be cleaned and the insulation effect of the chilled water pipes shall be examined on a regular basis in order to improve the energy efficiency ratio of air conditioners, to ensure heat dissipation of the cooling towers and to minimize energy consumption of central air conditioners;
- Non-negative pressure revamping was conducted for water supply pumps in the communities to reduce the number of starts of water pumps and further lower energy consumption of water supply equipment;
- Records have been made and effective management and control have been imposed on the use, maintenance and oil consumption of vehicles in order to minimize the oil consumption and emissions of corporate business vehicles.

► Case: Lighting Energy-Saving Revamping at Basement of Yorkshire Project of Zhongshan Regional Office

In March 2018, 28W T5 fluorescent tubes at the underground garage of Yorkshire project of Zhongshan Regional Office were all replaced with 10W LED infrared induction lamp tubes. New lamp tubes can reach the luminous flux generated by the original lamp tubes. They have a normal power consumption of 3W and can restore to 10W brightness when they have sensed people or vehicles passing by. The meter reading data following the energy-saving revamping shows that: the average electricity consumption following the replacement of lights was reduced by approximately 63% compared to that before the replacement.

2. Water Resources Management

The water used in the operation of the Group mainly comes from the municipal pipe network. For certain property management projects, local river water resources are used in greening and irrigation, and there has been no problem in obtaining suitable water resources. The Group strictly abides by the national and provincial sewage discharge standards, and ensures that no sewage shall be discharged through the pipe network before the content of harmful substances in sewage meets the requirements of relevant standards. The Group also actively reduces excessive consumption of water resources through the following measures:

- Water-saving appliances are adopted, and publicity slogans for water saving are put up in office areas, toilets, pantries and other places. Employees are encouraged to turn off the faucet after using water to save water;

Protecting Environment Diligently at All Times (continued)

- Inspection of water supply pipelines and monitoring of water consumption in the communities are strengthened to prevent water from running, emitting, dripping and leakage. Damaged water appliances are repaired or replaced in a timely manner to avoid unnecessary waste;
- For waterscape in the communities, a large number of aquatic plants were planted in view of local conditions, and water circulating pumps were added to improve water quality and minimize the number of water changes. Water pipes were modified to use water sources in the pools in the communities for green plant irrigation, in order to recycle water resources and improve the utilization efficiency of water resources.

3. Waste Management

1) Waste Management in the Community

The Group strictly implements the relevant requirements of the Waste Management Measures and strives to reduce, reuse and recycle domestic garbage in the communities.

The Group classifies the garbage in the communities into kitchen waste, recyclable garbage, hazardous garbage and other garbage, collects and manages them according to the classification, and arranges professional outsourcing cleaning companies to clean up and transport them on a regular basis. Waste and construction waste generated by the decoration construction of property owners are collected and disposed of in strict accordance with local urban management regulations. Qualified professional companies are engaged to dispose of hazardous waste and the relevant procedures are completed in accordance with the law. Property service centers or offices are encouraged to use kitchen waste and greening garbage for composting if possible. The Group also works with environmental protection technology companies, sets up intelligent waste sorting and recycling machines in certain communities to recover metal, plastics, textile, paper, glass and hazardous waste at a fee, and encourages property owners to actively participate in waste sorting and recycling.

In the daily management of communities, regional offices of the Group focused on recycling various waste and used items for reuse and turn waste into treasure, including:

- Scrap tires were used to make creative segmentation flower belts, and abandoned boards and pot devices were used to make creative small flower beds in order to enable the recycling of resources and beautify the environment;
- The “exchanging old for new” activities for calendars and toys were held to motivate property owners to participate in the resource recycling and environmental protection activities;
- The Group participated in the Lai See Packet Recycle and Reuse Programme held by the Greeners Action, which encourages the public to reduce paper consumption and make good use of resources.



Community waste sorting facilities



Residents actively participate in waste sorting and recycling

2) Waste Management in Office Areas

The Group sets up four-color trash bins in the office areas for hazardous waste, recyclables, kitchen waste, and other waste to implement waste sorting and recycling, with collection ports for used batteries in each trash bin to ensure centralized disposal of hazardous waste for the prevention of environmental pollution.

The Group has set up an OA network office platform system, developed and put into use A-Assistant and A-Steward mobile Apps, which combine the daily document issue, work order contact and business link review, approval and data archiving with mobile terminals to reduce output of documents and data in hard copies and actively promote the reduction of paper consumption. Cartons for used paper are placed beside copiers for particular collection of the used paper to improve the paper utilization efficiency.

4. Greening Management and Environmental Protection Publicity

In 2018, the Group organized its regional offices to establish small nursery gardens with unused sites and available manpower in order to eliminate bare loess in the communities and meet the needs to replace aged plants in the communities, which also contributed to the ecological environment optimization and green planting protection in the places where its property management projects are located. As of 31 December 2018, five regional offices in Zhongshan, Shenzhen, Chengdu, Hainan and Yunnan had established 17 small nursery gardens, where approximately 45 species of green plants were cultivated and 708,000 seedlings were produced.



Protecting Environment Diligently at All Times (continued)

The Group also actively conducts various environmental protection publicity campaigns to raise the awareness of property owners of environmental protection, and encourages property owners to practice a green and low-carbon lifestyle and jointly build a better and more harmonious society.

► Case: Continuing Green Life with Actions and Sowing Better Life Together

In order to improve property owners' awareness of environmental protection and establish a platform for communication among property owners, the Group carried out Planting Day activities at over 100 projects in 40 cities across China, during which property owners planted trees with neighbors in order to let green enter the community and contribute to a better environment.



5. Key Environmental Performance Indicators in 2018

The Group's key environmental performance indicators in 2018 are as follows:

Key Environmental Performance Indicators	Unit	Consumption/emission in 2018
Sulphur oxides	kg	39.60
Nitrogen oxides	kg	96.44
Particulate matter	kg	5.84
Greenhouse gas emissions (scope 1)	ton Co ₂ e	1,705.73
Greenhouse gas emissions (scope 2)	ton Co ₂ e	82,594.74
Total greenhouse gas emissions (scope 1+scope 2)	ton Co ₂ e	84,300.47
Hazardous waste	ton	55.95
Non-hazardous waste	ton	778,288.38
Liquefied petroleum gas	kg	7,143.9
Pipeline natural gas	m ³	38,349.00
Gasoline	L	376,066.43
Diesel	L	275,914.67
Electricity consumption	kWh	97,232,228.61
Purchased heating	KJ	9,888.10
Direct energy consumption	GJ	23,349.89
Indirect energy consumption	GJ	350,036.02
Total energy consumption	GJ	373,385.91
Energy intensity	GJ/m ²	0.01
Water consumption	m ³	14,620,110.62
Water intensity	m ³ /m ²	0.24
Office paper consumption	kg	36,836.54
Paper recycling volume	ton	9.67

Protecting Environment Diligently at All Times (continued)

Remarks on environmental data:

- 1) The period of data collection is from 1 January to 31 December 2018, with data collection covering office area of the headquarters, office areas and public areas of 14 regional offices including Shanghai, Zhongshan, Yunnan, Beijing, Nanjing, Guangzhou, Chengdu, Wuhan, Shenyang, Zhengzhou, Hainan, Shenzhen, Xi'an and Jinan and their projects (excluding the resource consumption of property owners or resource consumption the expenses of which were borne by property owners).
- 2) The emissions are derived from the use of corporate business vehicles and the burning of liquefied petroleum gas and pipeline natural gas. In particular, emission factors of natural gas are based on the 2017 Coefficient, Material Balance Calculation Methods for Industries not Included in Emission Permit Management, and other emission factors are based on the Reporting Guidance on Environmental Key Performance Indicators promulgated by the Hong Kong Stock Exchange.
- 3) The emissions of greenhouse gas (scope 1) are mainly from gasoline and diesel consumed by corporate business vehicles, lawn mowers and other mechanical equipment, as well as the liquefied petroleum gas and pipeline natural gas consumed in office areas and public areas. The emissions of greenhouse gas (scope 2) are mainly from purchased electricity and purchased heating. In particular, emissions factors of greenhouse gas of purchased electricity are based on China Regional Power Grid Baseline Emission Factor for Emission Reduction Project for 2017 published by the Ministry of Ecology and Environment; emissions factors of greenhouse gas of purchased heating are based on the Calculator for Greenhouse Gas Emissions Caused by Energy Consumption (Version 2.1) published by the World Resources Institute ("WRI") in July 2013. Other emissions factors are based on the Reporting Guidance on Environmental Key Performance Indicators promulgated by the Hong Kong Stock Exchange.
- 4) The types of consumed energy include liquefied petroleum gas and pipeline gas, purchased electricity, purchased heating, and gasoline and diesel used by vehicles. The unit conversion coefficient for energy consumption took GB2589-2008T General Principles of Comprehensive Energy Consumption Calculation as reference.
- 5) The Group mainly provides property services and related value-added services and is not involved in the manufacturing of finished products and use of packaging materials.

Faithful Cooperation to Achieve Win-win Results

The Group strictly abides by the requirements of the Tendering and Bidding Law of the People's Republic of China and other laws and regulations. It has formulated and implemented the Service Tendering and Bidding Management Policy, the Service Supplier Management Policy and other internal policies and guidelines which set out clear requirements for supplier qualifications and management rules and ensure fair and open introduction of suppliers and the high quality of products and services provided by suppliers. The Group actively maintains the cooperation with suppliers and strives to achieve win-win cooperation. As of 31 December 2018, the Group had a total of 511 suppliers in the PRC.

1. Exploration of Suppliers and Admission

The Group has formulated and implemented the Operational Guidelines for the Introduction of Suppliers and Contract Signing and other policies to regulate the recruitment, screening, review and admission of suppliers in order to implement strict control at the source and ensure the overall quality of suppliers.

In addition, the Group puts forward different management requirements for the admission of different types of suppliers: For suppliers in goods procurement, the Group has formulated the Goods Procurement Management Process to strengthen the supplier management in goods procurement. For service providers, the Group has established service subcontracting management policy and implemented the Service Subcontracting Management Regulations and the Service Subcontracting Control Procedures to ensure service quality.

In addition, for the suppliers involved in the APP shopping mall, the Group has adopted a strict certification system of retail stores and requires merchants joining the shopping mall to provide the relevant qualification documents with national certification. For example, household appliance suppliers must provide 3C certificates and energy efficiency grade certificates, and their agents must also provide the manufacturer's qualification certificates, etc. in order to ensure the quality of goods supplied.

2. Dynamic Supplier Management

In order to ensure that the goods and services provided by suppliers can meet the needs of property owners for a better life, the Group conducts monthly and annual assessment of suppliers in accordance with the requirements of the relevant policy, and removes unqualified suppliers from the List of Qualified Suppliers to guarantee the overall quality of suppliers.

In addition, in order to better implement the mechanism of keeping the best while discarding the inferior and improve product and service quality, in 2018, the Group selected outstanding service providers, qualified service providers and unqualified service providers for 2017 according to the feedback received by the 400 hotline, the property owner satisfaction survey results for 2017 and the quality inspection results of the Group for 2017. In particular, in recognition of the strong contribution made by outstanding service providers, the Group issued awards to them at the Annual Mobilization Meeting on Service Quality Improvement for the Year of 2018.

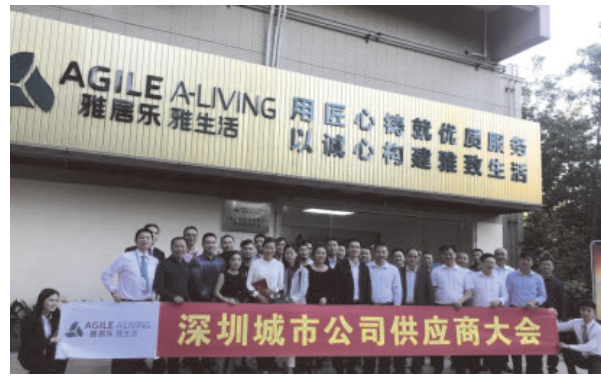


3. Sustainable Development of Supply Chain

The Group attaches great importance to communication with suppliers, listens to and responds to the expectations and demands of suppliers in a timely manner, in order to maintain mutually beneficial and win-win cooperation and promote sustainable development of the supply chain. During the period from November to December 2018, the Group's 13 regional offices in Guangzhou, Zhongshan, Shenzhen, Hainan, Chengdu, Shanghai, Nanjing, Wuhan, Zhengzhou, Yunnan, Xi'an, Beijing and Shenyang held annual supplier meetings for 2018 to strengthen the communication, cooperation and friendship with suppliers.



2018 annual supplier meeting of Hainan regional office



2018 annual supplier meeting of Shenzhen regional office

► Case: Working Together to Create Innovations and a Win-win Situation

In March 2019, the Group held an A-Living Group service provider meeting for 2018 with the theme of “working together to create innovations and achieve win-win situation”, and 41 supplier representatives across China attended the meeting.

At the meeting, the Group shared its future core strategies and development plans with attending partners in the hope of joining hands with them. The Group also recognized outstanding suppliers according to the annual comprehensive performance assessment results of professional service providers for 2018 in order to maintain good cooperation with outstanding suppliers.



Keeping Original Aim in Mind and Preserving Integrity

The Group strictly abides by the Interim Provisions on Prohibiting Commercial Bribery and other laws and regulations related to anti-corruption, and implements the Code of Business Conduct, the Integrity Policy, the Accountability Management Measures for Dereliction of Duty and other internal policies. Through the relevant policies, the Group clearly defines employees' illegal acts and dereliction of duty including corruption, bribery, extortion and fraud of employees, sets out corresponding accountability requirements, and effectively protects the lawful rights and interests of the Group. The Internal Audit Department of the Group is responsible for anti-corruption, anti-bribery and other relevant management works and actively strives to create integrity culture for work and promote the healthy and sustainable development of the Group through the information declaration policy, training and education activities and other measures.

The daily supervision and integrity management of the Group includes:

1. Information Declaration and Integrity Commitment Requirements

The Group implements integrity information declaration policy and requires employees of the Group and its subsidiaries to declare integrity related information and report business matters involving themselves and their relatives to the Company, in order to strengthen the management and supervision of the management personnel of the Company. The Group implements information declaration mechanism for the introduction of partners. For the first cooperation with non-state-owned monopolistic companies, the Application Form for Introduction of the Information of Partnership has to be filled out in order to strengthen the integrity supervision over the partners.

The Group requires all employees to sign the Employee Integrity Commitment. The human resource and administration departments of all branch offices and subsidiaries have to organize at least one integrity policy learning activity for all employees each year, to encourage employees to make commitments on their integrity and strengthen awareness of integrity practice. When subsidiaries and departments of the Group sign contracts with business partners for which the information declaration obligations must be complied with, they are also required to sign the Integrity Agreement in a specified form to clarify integrity responsibilities. The Group will pursue legal actions against the partners who have violated the Integrity Agreement, blacklist them and terminate cooperation with them as appropriate.

2. Anti-corruption Training and Publicity

The Group attaches great importance to anti-corruption publicity and education activities and continuously improves the employees' awareness of integrity operation. In 2018, the Group completed the integrity training for all regional offices and their projects as scheduled and successfully achieved the goal of spreading the idea of integrity and establishing an integrity culture. The Group's anti-corruption training and publicity activities during the Reporting Period include:



Photo of integrity training at Nanjing regional office

Integrity Education Tours in the Property Management System

In 2018, the Group arranged integrity education tours in the property management system in six regional offices in Zhongshan, Shenzhen, Yunnan, Beijing, Zhengzhou and Nanjing, 5,137 employees completed the training.

Integrity Education Publicity at Agile Garden Zhongshan

In March 2018, an integrity education and publicity was organized by the property service center of Agile Garden Zhongshan, with a total of 30 department heads and employees attending. The training explained the relevant requirements of the Group for integrity construction and required all employees to strictly comply with the policies of the Group and abide by professional ethics.



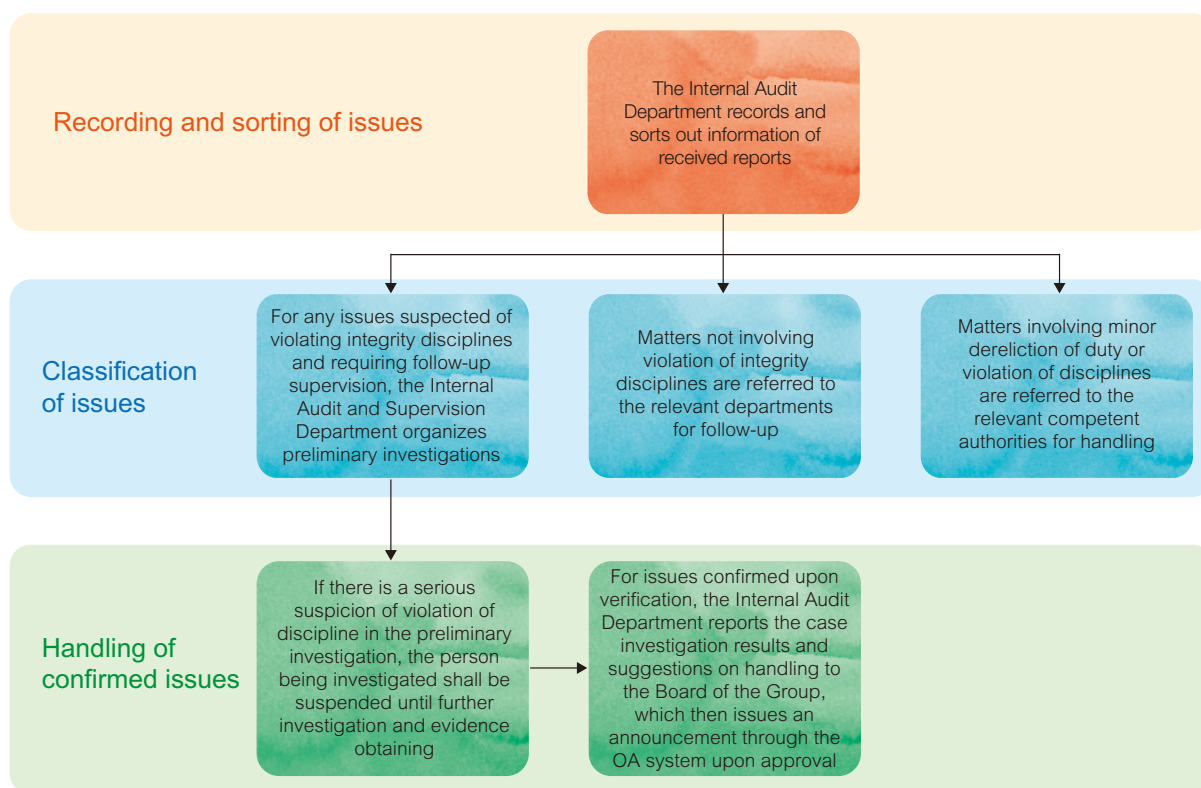
Photo of integrity education and publicity at Agile Garden Zhongshan

In addition, the Group has joined the China Enterprise Anti-Fraud Alliance (CEAFA) and actively participates in various anti-fraud communication and training activities organized by CEAFA, improving the Group's anti-fraud management skills. CEAFA is the first non-profit non-governmental cooperative organization in China aiming at anti-fraud. It was established by several leading enterprises in various industries in the PRC, Guangdong Enterprise Institute for Internal Controls and the Internal Control Research Center for Enterprises and Non-profit Organizations, Sun Yat-sen University, in 2015.

3. Whistleblowing Channels and Handling Procedures

The Group encourages employees and external personnel to actively report and expose violations of integrity and discipline through face-to-face reporting, integrity email, integrity hotline, writing letters and other channels. For units and individuals which have made outstanding contributions in timely identifying, preventing and correcting violations of integrity and discipline, the Group rewards them in accordance with the relevant regulations and taking into account other factors such as the amount of economic loss recovered. In order to protect whistleblowers, the Group stipulates that information of the whistleblowers is confidential and protected by the Group's Confidentiality Policy, regardless of whether or not the issues reported have been verified. In case of information leakage of the whistleblowers or retaliation against the whistleblowers, the Group demotes, transfers position of, dismisses or hands over the relevant personnel to the public security authorities, as the case may be, in strict accordance with the requirements of the Accountability Management Measures for Dereliction of Duty.

The Group handles complaints and reports according to the following process:



During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

Always Maintaining Enthusiasm and Giving Back to the Society

While pursuing its own excellence, the Group feels grateful and actively fulfills its corporate social responsibilities. It plans for various recreational and sports activities, provides convenient services for community property owners, and strengthens efforts into community poverty alleviation, education and public welfare, medical and health care and other areas, in order to promote the harmonious and healthy development of the society and create a better and happier life for the people.

In 2018, the Group organized cultural and educational activities, sports and fitness activities, environmental protection and health promotion activities, free repair of home appliance and other convenient services and activities in the communities from time to time. The total community service hours during the year amounted to 6,596 hours. Furthermore, the Group also actively put human and financial resources into various public welfare activities relating to the issues of widespread concern in the society such as aid to the poor and vulnerable groups and ecological environment protection, including:

1. Community Poverty Alleviation

As a council member of the first session of China Poverty Alleviation Community Association, the Group actively responds to the poverty alleviation strategies of China and the initiative to build a community with a shared future for mankind and promotes the development of community poverty alleviation by relying on its own community platform resources. The Group conducted the following community poverty alleviation activities in 2018:

1) Implementation of Precise Poverty Alleviation of Contract Agriculture

Due to the sluggish grain market in recent years and the limited transportation and economic conditions, the income of farmers and the output value of crop production have not been greatly improved. In order to increase the income of farmers and the output value of crop production, the Group actively consolidates and mobilizes advantageous resources to explore good products and ecology in poverty-stricken counties, and utilize its community platform resources to encourage the consumption of these products by property owners, so as to realize the strong integration of public welfare assistance to farmers with community services. In March 2018, the Group entered into a strategic cooperation agreement for agricultural projects with Lindian County, a national poverty county. Starting with Jian Di Xiang, a quality rice produced in Lindian County, the Group launched a new mode of community public welfare of agricultural poverty alleviation through orders made by property owners. Property owners purchased rice to help the local poor rice farmers, and most of the profit from sales was directly donated to poor farmers under the special government-enterprise cooperation poverty alleviation program, thus establishing a long-term poverty alleviation mechanism to win the fight against poverty. During the period from April to December 2018, the total sales volume of Jian Di Xiang rice in Lindian County customized for the Group reached 203.95 tonnes, with the total sales amount of RMB2,511,000.



Poster of Jian Di Xiang rice promotion



Jian Di Xiang rice promotion

2) Holding Guangdong E-commerce Precise Poverty Alleviation Shopping Festival

In order to urge the whole society to focus on poverty alleviation and jointly promote precise poverty alleviation, Guangdong Countryside E-commerce Association partnered with several well-known e-commerce platforms to carry out related activities in 2018. The Group's subsidiary Lexianghui Community Service Co., Ltd. ("Lexianghui") actively cooperated with Guangdong Countryside E-commerce Association and held Guangdong E-commerce Precise Poverty Alleviation Shopping Festival activities. A poverty alleviation shopping zone was launched in the Lexianghui online shopping mall, and the relevant offline poverty alleviation activities were carried out at Agile Garden Guangzhou, offering online promotion opportunities of featured agricultural products from poverty-stricken areas of Guangdong Province and broadening product sales channels, so as to advance "Internet+Modern Agriculture" and "Internet+Consumption Poverty Alleviation" in Guangdong Province and contribute to rural revitalization.



Poster of Guangdong E-commerce Precise Poverty Alleviation Shopping Festival activity



Offline activity of Guangdong E-commerce Precise Poverty Alleviation Shopping Festival

2. Public Welfare and Charity

In 2018, the Group supported The Community Chest of Hong Kong's activities to provide the local people in need with quality elderly, health care and other services, and helping community development. The Group received the President's Award by The Community Chest of Hong Kong.



3. Environmental Protection

In view of the increasingly serious problems of marine ecological environment, on 6 October 2018, Hainan regional office of the Group held an environmental protection event named "Warm Heart Breaks Ice — Agile Healthy Beach Hiking" to promote a healthy lifestyle and raise the awareness of marine environmental protection. The activity included beach walking, beach garbage cleaning, etc. and received unanimous praise from employees of the Group and the relevant environmental protection and public welfare activists.



Photos of "Warm heart breaks ice — Agile healthy beach walking" environmental protection activity at Hainan regional office of the Group

Appendix I List of Policies and Regulations

ESG Indicators	Compliance with Laws and Regulations	Name of the Relevant Internal Policies of the Group
A1 Emissions	<p>Environmental Protection Law of the People's Republic of China</p> <p>Environmental Noise Pollution Prevention Law of the People's Republic of China</p> <p>Air Pollution Prevention Law of the People's Republic of China</p> <p>Water Pollution Prevention Law of the People's Republic of China</p> <p>Marine Environment Protection Law of the People's Republic of China</p> <p>Administrative Regulations of the People's Republic of China on the Prevention of Marine Environment Pollution Caused by Land-based Pollutants</p>	<p>Waste Management Measures</p> <p>Public Energy Consumption Management Regulations</p> <p>Management Measures for Energy Saving and Consumption Reduction</p> <p>Work Procedures for Collection and Disposal of Domestic Garbage</p>
A2 Use of Resources	<p>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste</p> <p>List of National Hazardous Waste</p> <p>Administrative Measures for Hazardous Waste Disposal Forms</p> <p>Work Plan for Controlling Greenhouse Gas Emissions for the 13th Five-Year Period</p>	
A3 The Environment and Natural Resources	<p>Technologies and Policies for Prevention and Control of Pollution by Hazardous Goods</p> <p>Energy Conservation Law of the People's Republic of China</p> <p>Regulations on Urban Water Conservation Management</p> <p>Management Measures for Saving Electricity</p> <p>Environmental Impact Assessment Law of the People's Republic of China</p> <p>Regulations on Management of City Appearance and Environmental Sanitation</p> <p>Management Measures for Automatic Monitoring of Pollution Sources</p> <p>Municipal Domestic Garbage Management Measures</p>	

Appendix I List of Policies and Regulations (continued)

ESG Indicators	Compliance with Laws and Regulations	Name of the Relevant Internal Policies of the Group
B1 Employment	Labour Law of the People's Republic of China Labour Contract Law of the People's Republic of China Employment Promotion Law of the People's Republic of China Social Insurance Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases	Recruitment Management Policy Labour Contract Management Measures Employment Termination Management Measures Welfare Management Policy Management Measures for Internal Changes Promotion Management Policy Internal Competition Management Measures Occupational Health Management Measures
B2 Health and Safety	Production Safety Law of the People's Republic of China Fire Prevention Law of the People's Republic of China Emergency Response Law of the People's Republic of China Fire Safety Management Regulations for Organs, Organizations, Enterprises and Institutions Regulations on the Safety Management of Hazardous Chemicals	Physical Examination Management Measures Related Party Management and Control Procedures Fire Safety Management Work Procedures Special Incident Reporting Procedures Handling Procedures for Emergency or Abnormal Situations Emergency Handling Procedures for Engineering Accidents Elevator Maintenance Supervision and Management Regulations Operation Safety Management Regulations Emergency Preparation and Emergency Response Control Procedures Barrier-free Facilities Safety Management Regulations
B3 Development and Training	Regulations on Reporting, Inspection and Treatment of Production Safety Accidents Interim Regulations on Investigation and Treatment of Hidden Dangers in Safety Production Accidents Regulations of the People's Republic of China on Work-Related Injury Insurance Regulations on Supervision and Management of Occupational Health in Workplaces Law of the People's Republic of China on the Protection of Women's Rights and Interests	Regulations for Basic Business Risk Management and Control at Project Sites Learning and Development Management Policy
B4 Labour Standards	Regulations on Health Care for Female Employees Trade Union Law of the People's Republic of China Regulations on Safety Supervision of Special Equipment	Management Measures for the Learning and Development of New Employees Management Measures for the Learning and Development of Graduates Management Measures for Position Coaches Internal Trainer Management Measures On-the-job Training Management Policy Management Measures for External Learning

Appendix I List of Policies and Regulations (continued)

ESG Indicators	Compliance with Laws and Regulations	Name of the Relevant Internal Policies of the Group
B5 Supply Chain Management	Tendering and Bidding Law of the People's Republic of China Government Procurement Law of the People's Republic of China	Service Tendering and Bidding Management Policy Service Supplier Management Policy Management Regulations for Work Handover between Old Suppliers and New Suppliers of Outsourcing Services Environmental Outsourcing Supervision Work Procedures
B6 Product Responsibility	Property Management Regulations Product Quality Law of the People's Republic of China Law of the People's Republic of China on the Protection of Consumer Rights and Interests Cyber Security Law of the People's Republic of China Tort Liability Law of the People's Republic of China Advertising Law of the People's Republic of China Copyright Law Trademark law Patent Law	Case Site Standardization Management Manual Non-Conformity Control Procedures Monitoring and Measurement Control Procedures for Services and Provision Process Control Procedures for Corrective and Preventive Measures Public Equipment and Facilities Management Regulations Fire Safety Management Work Procedures Handling Procedures for Emergency or Abnormal Situations Customer Demands Management Work Procedures 400 Complaint Handling and Reward and Punishment Measures Customer Satisfaction Survey Work Procedures Information System Security and Operation Management Policy Information System User Account and Privilege Management Information System Disaster Recovery Policy Network Security Management Standards Confidentiality Policy Work Procedures for Customer Profile Management Management Measures for Legal Affairs of A-Living Group Management Measures for Trademark Affairs Code of Business Conduct Integrity Policy Accountability Management Measures for Dereliction of Duty
B7 Anti-Corruption	Anti-Unfair Competition Law of the People's Republic of China Interim Provisions on Prohibiting Commercial Bribery Anti-Monopoly Law of the People's Republic of China Supervision Law of the People's Republic of China	
B8 Community Investment	None	None

Appendix II Content Index of the Environmental, Social and Governance Reporting Guide by the Hong Kong Stock Exchange

	ESG Indicator	Disclosure Status	Corresponding Section
A1 General Disclosure	Information on the policies and 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.	Disclosed	"Protecting Environment Diligently at All Times"
A1.1	The types of emissions and respective emissions data.	Disclosed	"Protecting Environment Diligently at All Times"
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	"Protecting Environment Diligently at All Times"
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	"Protecting Environment Diligently at All Times"
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	"Protecting Environment Diligently at All Times"
A1.5	Description of measures to mitigate emissions and results achieved.	Disclosed	"Protecting Environment Diligently at All Times"
A1.6	Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved.	Disclosed	"Protecting Environment Diligently at All Times"
A2 General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Disclosed	"Protecting Environment Diligently at All Times"
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).	Disclosed	"Protecting Environment Diligently at All Times"
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	"Protecting Environment Diligently at All Times"
A2.3	Description of energy use efficiency initiatives and results achieved.	Disclosed	"Protecting Environment Diligently at All Times"
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Disclosed	"Protecting Environment Diligently at All Times"
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable	—
A3 General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Disclosed	"Protecting Environment Diligently at All Times"
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Disclosed	"Protecting Environment Diligently at All Times"

Appendix II Content Index of the Environmental, Social and Governance Reporting Guide by the Hong Kong Stock Exchange (continued)

	ESG Indicator	Disclosure Status	Corresponding Section
B1 General Disclosure	Information on the policies and 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.	Disclosed	"Caring for Employees with Sincerity"
B1.1	Total workforce by gender, employment type, age group and geographical region.	Partially disclosed	"Caring for Employees with Sincerity"
B1.2	Employee turnover rate by gender, age group and geographical region.	Not disclosed	—
B2 General Disclosure	Information on the policies and 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.	Disclosed	"Caring for Employees with Sincerity"
B2.1	Number and rate of work-related fatalities.	Not disclosed	—
B2.2	Lost days due to work injury.	Not disclosed	—
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Disclosed	"Caring for Employees with Sincerity"
B3 General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	"Caring for Employees with Sincerity"
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Not disclosed	—
B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	"Caring for Employees with Sincerity"
B4 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Disclosed	"Caring for Employees with Sincerity"
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	"Caring for Employees with Sincerity"
B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	"Caring for Employees with Sincerity"
B5 General Disclosure	Policies on managing environmental and social risks of the supply chain.	Disclosed	"Faithful Cooperation to Achieve Win-win Results"
B5.1	Number of suppliers by geographical region.	Not disclosed	—
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Disclosed	"Faithful Cooperation to Achieve Win-win Results"

Appendix II Content Index of the Environmental, Social and Governance Reporting Guide by the Hong Kong Stock Exchange (continued)

	ESG Indicator	Disclosure Status	Corresponding Section
B6 General Disclosure	Information on the policies and 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.	Disclosed	“Adhering to Ingenuity and Improving Services”
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable	—
B6.2	Number of products and service related complaints received and how they are dealt with.	Not disclosed	“Adhering to Ingenuity and Improving Services”
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	“Adhering to Ingenuity and Improving Services”
B6.4	Description of quality assurance process and recall procedures.	Not applicable	—
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Disclosed	“Adhering to Ingenuity and Improving Services”
B7 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Disclosed	“Keeping Original Aim in Mind and Preserving Integrity”
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.	Disclosed	“Keeping Original Aim in Mind and Preserving Integrity”
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Disclosed	“Keeping Original Aim in Mind and Preserving Integrity”
B8 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.	Disclosed	“Always Maintaining Enthusiasm and Give Back to the Society”
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	“Always Maintaining Enthusiasm and Give Back to the Society”
B8.2	Resources contributed (e.g. money or time) to the focus area.	Disclosed	“Always Maintaining Enthusiasm and Give Back to the Society”

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