



**Oriental**  
UniversityCity  
東方大學城

Environmental, Social and Governance Report

# 环境、社会及管治报告 2021



Oriental University City Holdings (H.K.) Limited  
東方大學城控股（香港）有限公司  
(incorporated in Hong Kong with limited liability)  
(於香港註冊成立之有限公司)  
Stock code (股票代號) : 8067

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## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year from 1 July 2020 to 30 June 2021

### ABOUT THIS REPORT

#### Corporate Profile

Oriental University City Holdings (H.K.) Limited (the “**Company**” together with its subsidiaries, the “**Group**”) presents the environmental, social and governance report (the “**ESG Report**”) for the year ended June 30, 2021 (“**Year 2021**”), which covers information of environmental and social aspects of the Group to demonstrate its continuous commitment to sustainability. Additional Information in relation to the Group’s corporate governance and financial performance can be found in the annual report 2021.

Oriental University City (“**OUC**”) is a district located in Langfang Economy and Technology Development Zone (廊坊經濟技術開發區). It was one of the earliest university city established in the People’s Republic of China (the “**PRC**”) in 1999. OUC is 40km away from Beijing and 60km away from Tianjin and connected to the Beijing-Shanghai expressway network and closed to other major transport networks in Beijing and Tianjin. OUC is also in close proximity to Beijing Daxing Industrial Development Zone (北京大興工業園區), Tianjin Binhai New Area (天津濱海新區) and Tianjin Jingbin Industrial Zone (天津京濱工業園區), where there is a high concentration of foreign and domestic companies engaging in aviation, service industrial and information technology.

The campus site currently occupies a gross site area of approximately 542,045 square meters in OUC, among which the Group owns teaching buildings with a gross floor area of approximately 207,326 square meters and dormitories with a gross floor area of approximately 125,957 square meters. The Group hosted more than 12 education institutions with a student population of 16,000 within the campus.

#### REPORTING STANDARD AND SCOPE

This ESG report has been prepared in compliance with the “Environmental, Social and Governance Reporting Guide” (the “**ESG Reporting Guide**”) under Appendix 20 of the GEM Listing Rules (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Group is principally engaged in the provision of education facilities leasing services in the PRC, Malaysia and Indonesia. It owns and leases education facilities, comprising primarily teaching buildings and dormitories to education institutions in the PRC, Malaysia and Indonesia; and to a much lesser extent, commercial leasing for supporting facilities. All existing education facilities are located in the PRC, Malaysia and Indonesia. The former has relatively high relevance to the environmental, social and governance aspects. Therefore, the disclosures in the ESG Report focus on the policies and performance of education facilities located in the PRC in Year 2021 in relation to four environmental aspects and eight social aspects.

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### STATEMENT FROM THE BOARD

The Board retains overall responsibility for overseeing the Group's sustainability strategy, policy and annual reporting. The role of the Board involves directing and overseeing sustainability initiatives to ensure their effectiveness and relevance in light of the evolving sustainability landscape.

The Group's global 5-year sustainability targets have been set to provide a strategic direction for all operations. The sustainability performance and progress made against the goals are reported yearly to the Board for review.

To identify and control sustainability-related risks, as part of an effective risk management system, a mechanism for internal communication and a reporting model are in place to keep the Board informed in a timely manner. All sustainability-related key risks and opportunities, which may have a significant impact on the Group, are reported to the Board on yearly basis.

The management of the Group is delegated to develop sustainability strategies and policies, implement sustainability initiatives, provide sustainability reporting and prepare the sustainability report. The management are responsible for executing projects, evaluating results, monitoring potential risks and reporting on performance.

### QUANTITATIVE

The quantitative principle applies to all information in the ESG report. The Group disclosed the information of the standards, methodologies and source of conversion factors used for the reporting of emissions and energy consumption.

### CONSISTENCY

The statistical methodologies applied to the data disclosed in this report are consistent.

### STAKEHOLDER ENGAGEMENT

The Group deeply understands the close relationship between stakeholders and development of its business. In order to address key concerns of stakeholders, the Group maintains a close tie with its stakeholders, including government, investors, customers/potential customers, employees, community and the public.

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The Group continues to improve stakeholder engagement and strives to understand and respond to stakeholders' expectations and requirements through diverse communication and response.

Stakeholders	Expectations and requirements	Communication and response
Government	<ul style="list-style-type: none"> <li>• Operate in compliance with the laws</li> <li>• Tax payment in accordance with the laws</li> </ul>	<ul style="list-style-type: none"> <li>• Law-abiding operations</li> <li>• Pay tax on time and in full</li> </ul>
Investors	<ul style="list-style-type: none"> <li>• Implement corporate governance and create value</li> <li>• Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Optimise internal control and risk management</li> <li>• Release operating data in due course</li> </ul>
Customers/potential customers	<ul style="list-style-type: none"> <li>• Reliability of services</li> <li>• Transportation and accessibility</li> </ul>	<ul style="list-style-type: none"> <li>• Provide high quality education facilities and services</li> <li>• Good public transport network</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Career development platform</li> <li>• Remuneration and benefits</li> <li>• Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent promotion channel</li> <li>• Competitive remuneration package</li> <li>• Implements health and safety management system</li> </ul>
Community and the public	<ul style="list-style-type: none"> <li>• Positive learning atmosphere</li> <li>• Support social welfare</li> <li>• Protect the nature</li> </ul>	<ul style="list-style-type: none"> <li>• Create a conducive environment for colleges and students</li> <li>• Participate in charity works</li> <li>• Adhere to green operations</li> </ul>

### MATERIALITY MATRIX

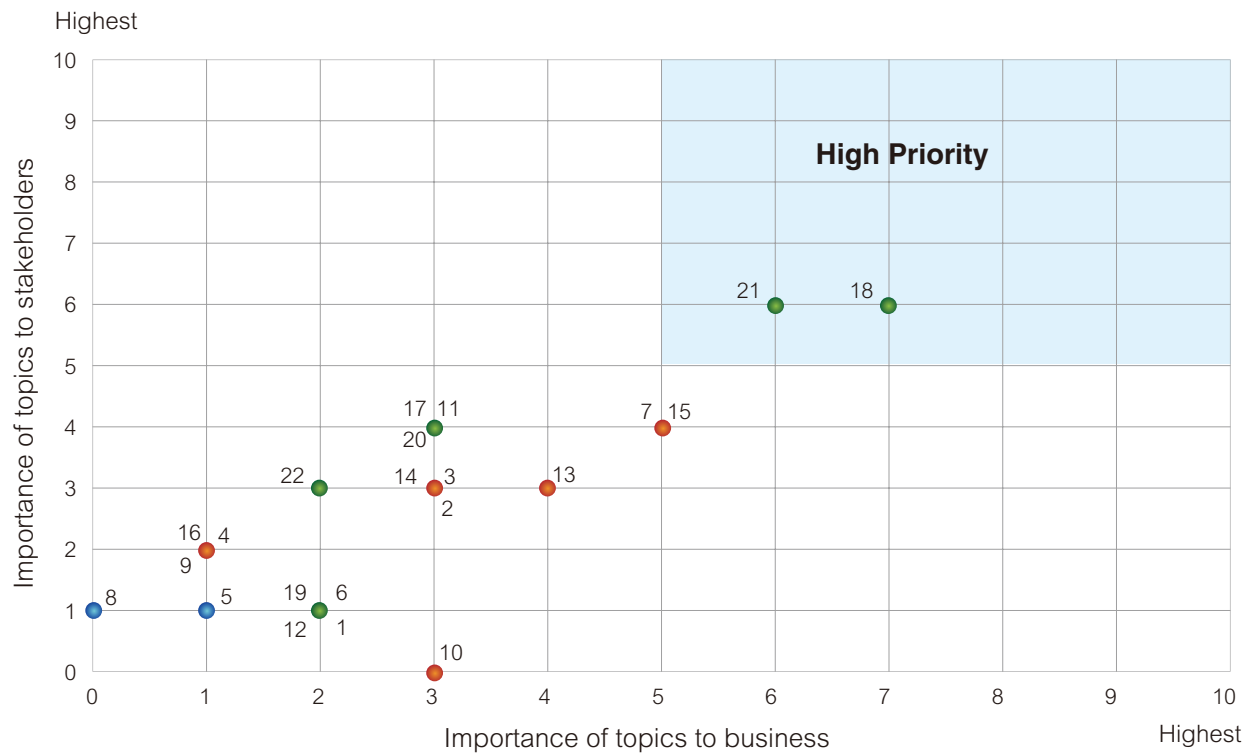
The Group carried out materiality assessment on a number of ESG issues for the purpose of timely and comprehensive understanding of the materiality of each ESG issue to the business development of the Group and the stakeholders, in order to facilitate the Group's effective disclosure of ESG information and continuous improvement in the management level of relevant issues.

In view of the business characteristics of the Group, the Group has identified 22 ESG issues covering environmental, social and operation for Year 2021. The Group invited both internal and external stakeholders to assess the materiality of the ESG issues through a scoring tool and interviews. Based on the results of the materiality assessment, the Group discussed and determined the disclosure of the ESG Report for the Year 2021.

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The Group's materiality matrix of ESG issues in Year 2021:



### Environmental issues

1. Greenhouse gas ("GHG") emissions
2. Energy consumption
3. Water consumption
4. Waste
5. Environmental impact of construction
6. Green buildings certification
7. Customer engagement in environmental issues
8. Use of chemicals

### Social issues

9. Local community engagement
10. Community investment
11. Occupational health and safety
12. Labour standards in supply chain
13. Training and development
14. Employee welfare
15. Inclusion and equal opportunities
16. Talent attraction and retention

### Operation issues

17. Economic value generated
18. Corporate governance
19. Anti-corruption
20. Supply chain management
21. Customer satisfaction
22. Customer privacy

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### ENVIRONMENTAL ASPECTS

The Group committed to maintain sustainable development and to comply with the relevant laws and regulations in respect of environmental protection, the Group endeavours to minimise the impacts of its operating activities on the environment.

### EMISSIONS

The Group knows that the quality of environment protection is very important to achieve of long-term development. The Group does its best to ensure that the concept of environmental sustainability is integrated into every part of its daily business operation. The Group keeps on monitoring all types of changes in the ways of producing waste and/or utilising energy during the process of carrying on its business activities.

The Group understands the importance of environmental protections. It actively implements multiple measures for environmental protection in its operations and formulates an Office Environmental Guidelines (《辦公室環保指引》) to reduce emissions. The key environmental performance indicators of the Group's emissions in Year 2021 and Year 2020 (defined as the period from July 1, 2019 to June 30, 2020) are shown in the table below:

Environmental indicators	Unit	Year 2021	Year 2020
<b>Air emissions</b> <i>(Note 1)</i>			
Nitrogen oxides (NO <sub>x</sub> ) emissions	Kg	104.09	82.93
Sulphur oxides (SO <sub>x</sub> ) emissions	Kg	0.34	0.27
Particulate matter (PM) emissions	Kg	9.94	7.90
<b>GHG emissions</b>			
Total GHG emissions <i>(Note 2)</i>	Tonnes CO <sub>2</sub> e	1,163.29	1,162.63
GHG emissions intensity	Kg CO <sub>2</sub> e/square meter of campus site	2.39	2.39
Direct emissions <i>(Scope 1)</i>	Tonnes CO <sub>2</sub> e	62.22	48.86
Indirect emissions <i>(Scope 2)</i> <i>(Note 3)</i>	Tonnes CO <sub>2</sub> e	1,064.90	1,047.70
Other indirect emissions <i>(Scope 3)</i> <i>(Note 4)</i>	Tonnes CO <sub>2</sub> e	36.17	66.07
<b>Waste</b>			
Total non-hazardous waste produced <i>(Note 5)</i>	Tonnes	N/A	N/A
Non-hazardous waste produced intensity	Tonnes/square meter of campus site	N/A	N/A
Total hazardous waste produced <i>(Note 6)</i>	Tonnes	N/A	N/A
Hazardous waste produced intensity	Tonnes/square meter of campus site	N/A	N/A

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*Note 1:* Air emissions include emissions data from motor vehicles.

*Note 2:* GHG emissions can be classified into three scopes:

Scope 1: Direct GHG emissions from operations that are owned or controlled by the Group including GHG emissions from vehicles controlled in the PRC;

Scope 2: Indirect GHG emissions resulting from electricity consumption by the Group; and

Scope 3: Other indirect GHG emissions include emission from paper waste disposed at landfills and emission from electricity consumption for processing fresh water and sewage and business travel by employees by the Group.

*Note 3:* The emission factor of GHG emissions associated with the electricity purchased in Langfang City as in North China Grid (華北電網) is approximately 0.968 Kg/kWh.

*Note 4:* The electricity consumption per unit for treatment of fresh water and sewage in PRC are set at 0.6 and 0.28328 kWh respectively.

*Note 5:* The Group has engaged a waste management company located in OUC to handle non-hazardous waste, such as food waste and general office waste. Hence, no data of non-hazardous waste is maintained by the Group itself.

*Note 6:* No hazardous waste is produced by the Group. In the event when any hazardous waste is to be disposed of, the Group would engage professional companies to handle it.

The Group upholds the principles of environmental protection management and is committed to the proper handling and disposal of all emissions and wastes. Specific actions have already been taken, which include:

- Maintaining an indoor temperature at an optional level for comfort;
- Installing LED lighting system in the offices. Saves power by implementing automatic lights off during non-business hours and providing manual override switch for all non-emergency lighting;
- Encouraging the employees to switch off the computers and monitors when not utilised, setting office machines such as copiers and TV monitors to switch off automatically after office hours;
- Encouraging the employees to make the best use of modern telecommunication system to avoid unnecessary travel arrangement;
- Putting up signage emphasising the importance of energy saving at offices are in place;
- Performed minimal renovations, by re-using existing flooring, furniture etc.;



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- Works closely with various local governments in Langfang City, Hebei Province, to promote PRC environment protection strategies to its tenants; and
- Promotes the knowledge of environmental protection to students and staff in its campus and advocates students therein to sort their trash into separate bins.

In Year 2021, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have significant impact, including Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》). In addition, there was no report of significant fines or non-monetary sanctions as the result of non-compliance with relevant laws and regulations in Year 2021.

### USE OF RESOURCES

The Group pays attention to environmental protection and is striving to realise reasonable utilisation of energy and resources. An Office Environmental Guidelines has been established and appropriate measures are advocated for enhancement of utilisation rate.

The key environmental indicator data in respect of use of resources by the Group is shown below:

Environmental indicators	Unit	Year 2021	Year 2020
Units of diesel consumed	kWh	N/A	N/A
Units of petrol consumed <sup>(Note 1)</sup>	kWh	226,689.77	174,854.24
Units of purchased heating consumed <sup>(Note 2)</sup>	kWh	180,437.73	181,941.38
Units of purchased electricity consumed <sup>(Note 3)</sup>	kWh	1,130,590.93	1,082,331.00
Total energy consumption	kWh	1,537,718.43	1,439,126.62
Total energy consumption intensity of campus site	kWh/square meter	3.16	2.95
Amount of water consumption <sup>(Note 4)</sup>	Tonnes	38,592.00	36,303.00
Water consumption intensity of campus site	Tonnes/square meter	0.08	0.07
Total amount of packaging materials used <sup>(Note 5)</sup>	Tonnes	N/A	N/A
Intensity of packaging materials used	Tonnes/units of product	N/A	N/A

Note 1: The convert data from litres to tonnes of petrol is set at 1,350 and the gross calorific value of petrol is approximately 47.1 GJ/Tonne.

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- Note 2:*
- (i) The data includes units of heating purchased by OUC for the PRC office. The units of heating consumed for leased buildings of OUC are excluded since the customers have purchased heating by themselves and the Group is responsible for delivering heating to customers after secondary pressurisation by OUC;
  - (ii) The floor area of PRC office is approximately 3,605.87 m<sup>2</sup>. The space-heating load data per unit floor area (供暖面積熱指標) of office/university is ranged from 58 to 81 W/m<sup>2</sup> (i.e. 69.5 W/m<sup>2</sup> in average) according to Technical Measures for Heating and Ventilation Design of Civil Buildings (《民用建築採暖通風設計技術措施》) issued by China Academy of Building Research (中國建築科學研究院); and
  - (iii) The heating supply period is commonly known as November 15 to March 15 of next year in the north of PRC and the efficient heating supply time is around 25%. Therefore, the efficient time of heating supply used in the Report is near to 720 hours for Year 2021 and 726 hours for Year 2020.

*Note 3:* The data of purchased electricity consists of three parts:

- (i) 537,970.33 kWh and 503,303.80 kWh of electricity were consumed for PRC office and vacant buildings maintenance in Year 2021 and Year 2020 respectively;
- (ii) 384,018.60 kWh and 428,589.99 kWh of electricity were consumed for a heat exchange station for delivering heating to customers after the secondary pressurisation by OUC in Year 2021 and Year 2020 respectively; and
- (iii) 208,602.00 kWh and 150,437.21 kWh of electricity were consumed for a water pump house for supplying water to customers after the secondary pressurisation by OUC in Year 2021 and Year 2020 respectively.

*Note 4:* The data of water consumption consists of two parts:

- (i) 17,638.00 tonnes and 23,405.00 tonnes were used for PRC office and vacant buildings maintenance in Year 2021 and Year 2020 respectively; and
- (ii) 20,954.00 tonnes and 12,898.00 tonnes were used for a heat exchange station for delivering heating to customers after the secondary pressurisation by OUC in Year 2021 and Year 2020 respectively.

*Note 5:* The Group's business does not involve any use of packaging materials. Therefore, no data in this aspect is available.

The Group seeks opportunities to reduce and recycle resources that have consumed in order to minimise the amount of waste generated to the environment by the following steps taken to achieve it:

- Adjusting the heat supply system to low settings during the winter vacation period to reduce heat waste ultimately; and
- Encouraging all employees to reduce paper usage by using double-sided papers and by a frequent use of electronic information systems for material sharing or internal administrative documents as part of the environmental protection campaigns.

In the future, the Group will continue its commitment in environmental protection and strive to build a greener and healthier environment to fulfil its responsibilities as a member of the community we all live in.

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### THE ENVIRONMENT AND NATURAL RESOURCES

The Group engages a gardening service provider to provide gardening services on its campus site, including the removal of any unwanted or dead plants and replenishment with new seed beds and healthy plants. The gardening service provider has to comply with the Group's internal guidelines on Gardening Maintenance Scheme (《綠化養護方案》), Gardening Maintenance Operation Guideline (《綠化養護操作規範》) together with Gardening Maintenance Quality and Examination Standards (《綠化養護質量與考核標準》) which set out the frequency of fertilization on different types of plants, and guidelines for tree cutting and trimming, removal of dead plants and application of disinfectants.



*Environmental enhancement on campus site*



*Environment in dormitories*

### CLIMATE CHANGE

Task Force on Climate-related Financial Disclosures (TCFD) provides a reporting framework for companies to report their climate-related risks to the stakeholders. TCFD divided climate-related risks into 2 major categories: (i) Physical risks: risks related to the physical impacts of climate change; and (ii) Transition risks: risks related to transition to a lower-carbon economy.

Physical risks resulting from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns. Acute risks including increased severity of extreme weather events, such as cyclones, hurricanes, or floods, that could reduce revenue and higher costs from negative impacts on workforce (e.g. health, safety, absenteeism). Chronic risk including changes in precipitation patterns and extreme variability in weather patterns, rising mean temperatures and rising sea levels, such climate-related risks could increase capital costs (e.g. damage to facilities).

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Transition risks are identified for moving towards a low-carbon, less polluting economy. Transiting to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. It may pose varying levels of financial and reputational risk to the Group.

Attempt to constrain actions that contribute to the adverse effects of climate change would result policy and legal risks, such as enhanced emissions-reporting obligations and mandates and regulation of existing services. The potential financial impact of these risks would be increasing in operating costs, such as higher compliance cost.

Technological improvement or innovations that support the transition to a lower-carbon, energy efficient economic system would affect the competitiveness of production and distribution cost, and ultimately the demand for services from end users. The potential financial impact of technology risks would be costs to transition to lower emission technology (e.g. costs to adopt/deploy new practices and processes). In some cases, if investment in new technologies is unsuccessful, research and development expenditures would be unrecoverable.

While the ways in which markets could be affected by climate change are complex, demand for services could be reduced due to shift in consumer preferences or change of customer behaviour.

The Group understands that a global transition to a low-carbon economy is necessary to combat climate change and achieve a more sustainable future.

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### SOCIAL ASPECTS

The Group provides employees with a fair working environment, protects their physical and mental health, and provides training to improve their knowledge and skills for discharging duties at work.

### EMPLOYMENT

The Group understands that human resources is one of its most important valuable assets. The Group respect culture and individual diversity, it aims to uphold a fair and equitable human resource policy, in which quality and merit of the candidates are the most important elements to be assessed during the recruitment and promotion processes. The Group offers equal employment opportunities to different genders, age groups and nationalities such that a sound of diversify of human resources can be achieved. The Group has established human resource management policy which covers: (i) recruitment and promotion; (ii) working hours; (iii) rest periods; and (iv) benefits and welfare.

As of June 30, 2021, the total number of employees being employed by the Group in the PRC was 49 (2020: 53). Summaries of the total employees by gender and age group, turnover rate by gender and age group of the Group for the Year 2021 are disclosed as follows:

	Unit	Year 2021
Total workforce	Number of employees	49
<b>Total employees by gender</b>		
Male	Number of employees	33
Female	Number of employees	16
<b>Total workforce by employment type</b>		
Part time	Number of employees	–
Full time	Number of employees	49
<b>Total employees by age group</b>		
Under 30 years old	Number of employees	2
30 to 50 years old	Number of employees	24
Over 50 years old	Number of employees	23
<b>Total workforce by geographical region</b>		
Hong Kong	Number of employees	–
Mainland China	Number of employees	49
<b>Employee turnover rate by gender</b>		
Male <sup>(Note 1)</sup>	%	3
Female <sup>(Note 1)</sup>	%	17
<b>Employee turnover rate by age group</b>		
Under 30 years old <sup>(Note 2)</sup>	%	–
30 to 50 years old <sup>(Note 2)</sup>	%	8
Over 50 years old <sup>(Note 2)</sup>	%	9
<b>Employee turnover rate by geographical region</b>		
Hong Kong <sup>(Note 3)</sup>	%	–
Mainland China <sup>(Note 3)</sup>	%	8

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- Note 1:* The employee turnover rate by gender is calculated based on the total number of employees turnover of the gender group divided by the average number of employees of the corresponding gender group.
- Note 2:* The employee turnover rate by age group is calculated based on the total number of employees turnover of age group divided by the average number of employees of the corresponding age group.
- Note 3:* The employee turnover rate by geographical region is calculated based on the total number of employees turnover of employment during the period divided by the number of employees of each geographical region for each end of period.

The Group has placed a high value on the employee welfare by providing a clean working and living environment with a relaxing and pleasant atmosphere. All the staff are entitled to social insurance and various paid leave, such as sick leave, work-related injury leave, statutory holidays, marital leave, maternity leave, compassionate leave and annual leave.

In Year 2021, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that have significant impact. The Group strictly complied with local laws and regulations relating to employment, such as Labour Law of the People's Republic of China (《中國人民共和國勞動法》) and Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》). In addition, there was no report of significant fines or sanctions as the result of non-compliance with relevant laws and regulations in Year 2021.

### HEALTH AND WORK SAFETY

The Group is committed to provide and maintain a safe and health working environment for all employees.

In order to strengthen employees' work safety awareness and to reduce number and severity of injuries and accidents, the Group has developed health and safety policies including prohibition of smoking in the workplace, abuse of alcohol and drugs, identification and prevention of risks and hazards on its campus site, and follow-up actions for accidents or personal injuries. The Group requires its employees to strictly adhere to and comply with such policies, which are set out in the employee handbook.

The Group attaches great importance to fire safety. The entire campus site has been equipped with fire station and firefighting devices such as fire extinguishers and fire hydrants. In addition, the leasing contracts include the clauses of fire safety and for customers who rent the whole buildings, Fire Safety Responsibility Letters (《消防安全責任狀》) are necessary to be signed to declare the responsibilities for fire safety as lessees. Apart from submitting supporting documents of firefighting devices to Fire Protection Section of Langfang City (廊坊市消防大隊), the Group also attends fire drills conducted by Fire Protection Section of Langfang City at least annually to raise fire safety awareness of employees.

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During the outbreak of the novel coronavirus disease 2019 pandemic (the “COVID-19”) in Years 2020 and 2021, the Group prioritised the protection of staff health by providing them with sufficient quantities of hand-rub sanitisers and medical face masks. In addition, the Group has developed policies including prevention and control of COVID-19 in canteen and emergency plan for COVID-19. The Group has also taken a number of preventive measures against COVID-19 in workplace include but not limited to: (i) reminding employees to maintain hand hygiene; (ii) arranging security guard at the front desk to measure employees/visitors’ body temperature, if it exceeds 37.3°, no entry into the office building is allowed; (iii) requiring all employees/visitors to wear mask before entering the office building and canteen; and (iv) increasing frequency of cleaning and disinfection.

In Year 2021, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that have significant impact. The Group strictly complied with local laws and regulations relating to health and safety, such as Law of the People’s Republic of China on Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and the Regulations on Work-Related Injury Insurance of the People’s Republic of China (《中華人民共和國工傷保險條例》). In addition, there was no report of significant fines or sanctions as the result of non-compliance with relevant laws and regulations in Year 2021.

	Unit	Year 2021	Year 2020	Year 2019
Number of work-related fatalities	Number	–	–	–
Rate of work-related fatalities	%	–	–	–
Lost-days as a result of work injuries	Day	29	–	–

### DEVELOPMENT AND TRAINING

The Group acknowledges the importance of training for the development of its employees. To ensure to provide high quality service for the customer, the Group offers professional training program to its employees, including: (i) corporate cultures; (ii) the GEM Listing Rules; (iii) operation management (iv) financial management; (v) revised regulations of social insurance; (vi) internal control measures; and (vii) firefighting and so on. Through education and training, the Group can enhance the employees’ personal qualities, reinforce their skill sets and keep up with the most advanced professional knowledge that their position may require.



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The average numbers of training hours of employees during the Year 2021 are listed as the following table:

	Unit	Year 2021
<b>Total hours of training received by employee</b>	Hour	490
<b>Average number of training hours employee completed by gender</b>		
Male	Hour	10
Female	Hour	10
<b>Average number of training hours employee completed by employee category</b>		
Senior Level	Hour	10
Middle Level	Hour	10
Entry Level	Hour	10
<b>Percentage of employee trained by gender</b>		
Male <sup>(Note 1)</sup>	%	98.5
Female <sup>(Note 1)</sup>	%	91.4
<b>Percentage of employee trained by employee category</b>		
Senior Level <sup>(Note 2)</sup>	%	111.1
Middle Level <sup>(Note 2)</sup>	%	94.7
Entry Level <sup>(Note 2)</sup>	%	94.6

*Note 1:* Percentage of employee trained by gender is calculated based on the total number of employees trained by gender group during the period divided by the average number of employees of the corresponding gender group.

*Note 2:* Percentage of employee trained by employee category is calculated based on the total number of employees trained by employee category during the period divided by the average number of employees of the corresponding employee category.

## LABOUR STANDARDS

The Group recognises that the employment of child and forced labour is a serious violation of universal values. Accordingly, the Group strictly complies with the Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》) and other laws and regulations relating to labour standards. The Group also strictly fulfills the requirements under the labour contract system whereby all newly recruited employees will enter into a labour contract or an appointment agreement with the Company upon formal appointment.



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The Group has taken measures on practices of recruitment, including: (i) measures to prevent the use of child labour; and (ii) measures to prevent the use of forced labour. The administration and personnel department will screen out applicants under the age of 18 when reviewing resumes. The Group has not employed any child labour since the measures came into effect. Furthermore, staff are required to submit working schedules every day to their immediate supervisors. The administration and personnel department conducts weekly checks on the records of working schedules. Investigation procedures will be commenced immediately for any overtime works discovered.

In Year 2021, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to prohibiting the Group from employing child and forced labour. The Group strictly complied with local laws and regulations relating to labour standards, such as the Labour Law of the People's Republic of China (《中華人民共和國勞動法》) and Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》). In addition, there were no significant fines or sanctions as the result of non-compliance with relevant laws and regulations in Year 2021.

### SUPPLY CHAIN MANAGEMENT

As a university city, one of the Group's missions is to provide high quality education facilities to its contract colleges. Selection and maintenance of suppliers and contractors policy is well-documented in the Internal Control Rules and Regulations (《內部監控制度》). During the selection process for suppliers and contractors, the Group not only consider economical and commercial factors in the tendering processes but also make a serious assessment of their compliance with all the applicable laws and regulations; safeguard workers' health and safety; and mitigate environmental impacts. The suppliers and contractors are divided into 8 main aspects, including (i) hardware, electrical materials, building materials, chemical products; (ii) cleaning supplies; (iii) office supplies; (iv) software technology development, computer consumables; (v) moving companies; (vi) companies of waste recycling, cleaning, furniture; (vii) advertisement companies; and (viii) maintenance companies, which are all located in Langfang City. Performance of all suppliers and contractors are assessed half-yearly by the Group in order to obtain satisfactory services.

To maintain a good corporate control and governance, the Group has developed a series of management systems and procedures to be aligned with the corporate governance as required by the Stock Exchange. In addition, the Group encourages all business partners to develop energy-saving and consumption-reducing policies in order to work together in its pursuit of sustainable development.

Suppliers by geographical region	Unit	Year 2021
The PRC	Number	3

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year from 1 July 2020 to 30 June 2021

### PRODUCT RESPONSIBILITY

The Group's main business is leasing education facilities, comprising primarily teaching buildings and dormitories to education institutions in the PRC, Malaysia and Indonesia. The Group endeavours to improve its educational facilities to provide a beautiful and liveable campus to the contract colleges, and create a comfortable and harmonious environment for students in order to improve their satisfaction.

In respect of personal data protection and privacy policies, the Group ensures a strict compliance with the statutory requirements to fully meet a high standard of security and confidentiality of personal data privacy protection. As part of the Internal Control Rules and Regulations, a personal data protection procedure is set forth to protect the integrity of the stakeholders' personal data from inappropriate or unauthorised use. The Group highly respects personal data privacy and is firmly committed to preserving the data protection principles during its business operation. Employees are required to strictly follow full procedures of handling company confidential information set out in the Internal Control Rules and Regulations as well as Code of Ethics for Employees (《員工職業道德守則》). Protection of customer data is also highly important to avoid intrusions and unauthorised access. Employees are subjected to the strictest standards of privacy and confidentiality to prevent from leaking of customer privacy.

The Group mainly provides leasing services hence no recall products for safety and health reasons. The Group did not receive service-related complaint in Year 2021. In case of customer feedback with reasonable urgency and of importance, customer can submit directly to operation department of the Group for immediate action, head of operation department will review customer's feedback and assign to responsible personnel for handling the case.

Protecting intellectual property rights is a priority to the Group which has in place dedicated management systems related to the handling of patents and intellectual property.

In Year 2021, the Group was not aware of any material non-compliance with relevant rules and regulations relating to leasing operation, health and safety and privacy matters relating to service provided and methods of redress that have a significant impact. The Group strictly complied with local laws and regulations relating to product responsibility, such as Contract Law of the People's Republic of China (《中華人民共和國合同法》), Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) issued by Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) and other relevant regulations issued by the local government. In addition, there was no report of significant fines in Year 2021.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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### ANTI-CORRUPTION

The Group aims to maintain the highest standards of openness, uprightness and accountability and all staff are expected to observe the highest standards of ethical, personal and professional conduct. The Group does not tolerate corruption, bribery, extortion, money-laundering and other fraudulent activities in connection with any of its business operations.

In addition to the well-established Code of Ethics for Employees and Code of Conduct on Anti-corruption (《反舞弊行為規範》), the Group has issued relevant whistle-blowing procedures of setting up a private communication channel on reporting suspicious fraudulent actions to the Group's management directly. Ongoing review of the effectiveness of the internal control systems is conducted on a regular basis in preventing the occurrence of corruption activities.

The Group conducts internal training of the relevant law and knowledge and organise directors and employees to study the national anti-corruption laws and regulations and Company's anti-corruption policy. Besides, there were no legal case regarding corrupt practices in Year 2021.

In Year 2021, none of the Group or its employees was involved in any legal proceedings relating to bribery, extortion, fraud or money laundering. The Group strictly complied with local laws and regulations relating to anticorruption, such as the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) and Interim Provisions on Banning Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》).

### COMMUNITY INVESTMENT

The Group is committed to improving the society through continuous community involvement. It supports the local community through different means including employee volunteering and personal donations. Both the Group and its employees have put their best effort in helping the local communities and people in need in the society. During the Year 2021, the Group made charitable donation of RMB500,000 (2020: RMB Nil).