

2018
Environmental, social And Governance Report



China Maple Leaf Educational Systems Limited
中國楓葉教育集團有限公司*

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1317

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CHINA MAPLE LEAF EDUCATIONAL SYSTEMS LIMITED 2018 Environmental, Social and Governance Report

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ABOUT THIS REPORT



Report Release Cycle

This report is the second independent annual Environmental, Social and Governance (“ESG”) Report released by China Maple Leaf Educational Systems Limited (the “Company”), with the reporting period covering 1 September 2017 to 31 August 2018 (FY2018). Certain content may be beyond the aforesaid period.

Organisational Scope of the Report

This report covers data regarding China Maple Leaf Educational Systems Limited and its subsidiaries. For convenience, expressions including “MLES”, “the Group”, “the Company” and “We” are also used in this report.

Basis for Compilation of the Report

This report was prepared in accordance with the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with reference to the Sustainability Reporting Guidelines (GRI standards) issued by the Global Reporting Initiative (GRI).

Data Description

Certain financial data in the report are derived from 2018 annual report. In case of discrepancy between data of this report and the annual report, the latter shall prevail. Other data are mainly associated with FY2018, with certain data beyond the aforesaid period are mainly from the statistics of internal system of the Company and its subsidiaries. Unless otherwise stated, the amounts in this report are denominated in Renminbi (“RMB”).

Publication Form of the Report

This report is published in both Chinese and English. Should there be any discrepancy between the Chinese and English versions, the English version shall prevail. The electronic version of this report is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Group (www.mapleleaf.cn).

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CHAIRMAN'S STATEMENT



Education is the foundation for the future development of a nation. Over the past twenty years, the Group has been focusing on international education, making united efforts to promote innovative education while sticking to the domestic business and exploring overseas markets. Starting with various perspectives such as caring for students, implementing innovative education philosophy, caring for employees, promoting environmentally-friendly and compliant operation and commitment to the communities, we seek for sustainable development to promote the long-lasting MLES education brand, with an aim to constantly cultivate international elite talents for the society.

Caring for students by emphasising on their safety and health. MLES respects the right for education of each student, and is committed to providing an elite education to all students regardless of race, colour, nationality or family background. MLES always attaches great emphasis on the healthy development of all students. During the reporting period, we have implemented a series of measures to ensure campus security, responsible procurement, food safety, student privacy and equality, with an aim to promote health and safety of the students. At the end of the 2017/18 school year, the Group had a total of 33,478 students.

Promotion of innovative educational systems to cultivate talents with bilingual proficiency. Innovation brings about new dynamics for a company's future development. MLES aligns itself with the development pattern of the era, and proactively explores for a leading educational philosophy and an education mode. With the innovative educational philosophy of "promoting quality-oriented education by combining the merits of both Western and Chinese educational philosophies", the Group has established the unique education mode of "three blendings", "two certifications" and "one integration", with an aim to cultivate elite talents who are equipped with both Western and Chinese thinking, familiar with international affairs and international rules, and well-prepared for international competition for the society. Meanwhile, by implementing the educational philosophy of "happy education" at elementary school level, "development of three good habits" at middle school level and "ideal education" at high school level, MLES promotes holistic and quality-oriented education by organising all kinds of school activities and social practice activities, so as to promote the comprehensive development of all students. As of 31 August 2018, 69% of our high school graduates received offers from the Maple Leaf Global Top 100 Universities for the 2017/18 school year.

Commitment to employees by focusing on their career development and training. MLES always upholds the motto of mutual advancement of both employees and the enterprise, and attracts outstanding international talents through extensive channels and fair recruitment process. As of 31 August 2018, the Group had a total of 5,369 full-time employees. During the reporting period, MLES embraced a compliant and diverse employment policy, paid continuous attention to the physical and psychological wellness of our employees, and offered our employees with care and love, so as to enhance their sense of belonging and trust towards the Company. Moreover, the Group provides various development opportunities for our employees with diverse talent development (such as project new sprouts) and promotion plans (such as "1+5" team program).

Promotion of environmental protection by implementing low-carbon operation. MLES promotes energy conservation and emission reduction based on the distinctive characteristics of its operation. During the reporting period, the Group continued to promote the education and office model by electronic means by introducing Vhomework, an online English learning platform, developing system application on weixiao100.cn and continuing to encourage use of electronic dictionaries and Powerschool system to realise paperless office. Moreover, the Group enhances management of discharges and promotes resources efficiency in its operation, with an aim to mitigate the impacts on the environment. The Group also advocates the concept of environmental protection to the students and the society through such education programs and public welfare activities.

Legal compliance and integrity operation. MLES always sticks to the legal compliance principles and takes measures to improve its compliance and risk management system. Furthermore, the Group spares no effort in prevention of corruption and fraudulent behaviour, so as to ensure the integrity operation and healthy development of the Company. During the reporting period, the Group was not involved in any litigation caused by corruption or fraud.

Commitment to public welfare and fulfilment of enterprise responsibility. MLES proactively participates in public welfare and volunteer activities. Every year, each campus carries out public welfare activities of all kinds, fulfilling its responsibility as a corporate citizen, and at the same time promoting the concept of charity among students.

We believe that sustainable development is complementary to the health operation of the Company. In our future development strategy, we will further penetrate the sustainability concept into our daily operation, and continue to create greater value for the stakeholders of MLES based upon the "Five Systems"¹ of MLES, in an effort to achieve our mission of building the Group into a long-lasting education brand.

¹ The five education systems, namely the MLES curriculum system, moral education system, culture system, talents system and development system.

1. ABOUT US



1.1 Corporate Overview

China Maple Leaf Educational Systems Limited (the “Company”, together with its subsidiaries and consolidated affiliated entities, collectively the “Group”) is a leading international school operator, from preschool to grade 12 (“K-12”) education, in the People’s Republic of China (“China” or the “PRC”) as measured by student enrolment.

Founded in 1995, the Group’s headquarters is located at Dalian, Liaoning Province, China. With over twenty three years’ experience in operating international schools in China, the Group provides high quality K-12 education by combining the merits of both Western and Chinese educational philosophies in 21 cities in China and British Columbia (“BC”), Canada, namely Dalian, Wuhan, Tianjin, Chongqing, Zhenjiang, Luoyang, Ordos, Shanghai, Pingdingshan, Yiwu, Jingzhou, Pinghu, Xi’an, Huai’an, Haikou, Huzhou, Yanchen, Weifang, Shenzhen, Kamloops and Richmond.

As at 15 October 2018, the Group had 36,564 students and 3,116 teachers. As of 15 October 2018, We had 92 schools, of which 90 are located in China and 2 are located in Canada, comprising 14 high schools (for students in grade 10 to 12), 23 middle schools (for students in grade 7 to 9), 24 elementary schools (for students in grade 1 to 6), 28 preschools and 3 foreign national schools. Over 90% of our students are local Chinese mainly from middle-class and above families and the rest students come from other countries.

Our high schools are certified by both the Ministry of Education of BC, Canada and the Chinese educational authorities, where we offer a bilingual and dual-curriculum to our students. Our high school graduates receive both a fully accredited BC diploma and a Chinese diploma. Furthermore, all of our high schools, foreign national schools and MLES have been accredited by AdvancED, the largest school accreditation agency in the United States of America. Our middle and elementary schools provide Chinese compulsory education to our students with distinctive courses such as English enhancement classes and comprehensive arts programmes including musical instruments, chess, calligraphy and painting. Currently, the Group employs approximately 397 BC-certified teachers.

The Group launched its Maple Leaf Global Top 100 University Guide (“Maple Leaf Guide”) based on well recognised international rankings, such as QS, US News and MacLean’s, in 2015/2016 school year. The Group believes that the Maple Leaf Guide is suitable for the majority of its students who aim for English-language universities. For the year ended 31 August 2018, the Group had 2,146 high school graduates, 99 of whom received offers from top 10 universities in the world, including Imperial College London and University College London, while 1,481 graduates, being more than 69% of them receiving offers from the Maple Leaf Global Top 100 Universities.

2. ESG MANAGEMENT

2.1 Sustainability Concept

Upholding the MLES vision of “building MLES education brand for China, the world and ourselves”, the Group has established the sustainability concept in line with our own unique features. From four major perspectives including caring for students, enhancement of staff cohesion, promotion of environmental protection and contribution to the society, we are committed to promoting sustainability practice, with an aim to realise our mission of building the long-lasting MLES education brand and win recognition and respect of all stakeholders.



2-1: Sustainability concept of MLES

2.2 Corporate Governance

The Group is of the opinion that a sound corporate governance structure is fundamental to the promotion of sustainability practice, and is also an important premise for the achievement of comprehensive values in the economy, society and environment by the Company. The board of directors (the “Board”) is the core decision-making organ of the Group, which comprises seven directors, including three executive directors, one non-executive director and three independent non-executive directors. The Company has established the audit committee, remuneration committee and nomination and corporate governance committee under the Board, which govern all major affairs of the Group in different aspects.

In order to promote the sustainability concept and implement ESG practice, the Group has set up a top-down ESG system ranging from the decision-making level, execution level to practice level. The Board is responsible for the management and decision-making for ESG issues, while the ESG working group which is established by personnel assigned by the Board is responsible for the execution and liaison of ESG work and ensuring smooth communication among the Board, all departments and all schools of the Group, so as to push forward the management and implementation of ESG work. Meanwhile, it will summarise the difficulties encountered by all departments and schools of the Group in the implementation of ESG work, and report them to the Board for resolutions. As the practitioners of ESG work, all departments and schools of the Group are responsible for the implementation and information reporting of ESG work.

The Board is responsible for the ESG strategy and report as well as the assessment and determination of the ESG risks to which the Company may be exposed. During the reporting period, the Board continued to monitor the preparation and publication process of the ESG report, and review and make recommendations to the disclosure set out in the report. The ESG report shall be published only after obtaining approval for issue from the Board by way of resolution.

2. ESG MANAGEMENT

2.3 Stakeholder Communication

The Group constantly establishes diverse communication channels with stakeholders, with an aim to safeguard the interests and rights of all stakeholders and earnestly implement social responsibility communication and management. The Group has identified major stakeholders who are closely related to the Company. The following table provides an overview of communications with the major stakeholders of the Company.

Stakeholders	Expectations and concerns	Communication mode
Shareholders/ investors	Ensuring interests and benefits of shareholders Investment return Information disclosure Operation and management in compliance with laws and regulations	General meeting of shareholders Press release and announcement Financial reports of the Company HKEx/the Company's website Investor conferences and roadshows
Government/ regulatory authorities	Legal and compliance supervision Fulfilment of tax obligations Business and economic development Social contribution Operation safety	Conferences Compliance reports On-site inspections Attending conferences/seminars Special enquiries/inspections Submitting documents
Students/parents	Health and safety of the students Protecting students' interests and rights High-quality education Innovative education system	Daily interaction Education Expo Survey and questionnaire Regular visits Parent-teacher conferences
Teachers/ employees	Protecting employees' rights and interests Conducting communication between the management and the employees Occupational health and safety Improving employees' welfare Equal opportunity in employment and diversified development	Labour contract Employees' symposiums Daily communication
Suppliers/partners	Mutual benefit and win-win Fair competition Long-term business relationship Fair and reasonable price Product quality assurance	Supplier evaluation Field visits Daily communication
Environment	Enhancing environmental and ecological protection Energy and resource conservation Promotion of green teaching	Environmental inspection Environmental information disclosure Green teaching
Communities/ public	Community engagement Social fusion Public welfare events	Volunteer activities Charitable activities Public welfare activities
Media	Update on education development School activities	Written interviews Telephone interviews Press conferences

2. ESG MANAGEMENT

2.4 Assessment of Major Issues

The table below provides a summary of the ESG issues identified based on the assessment made by the ESG working group which were material to the Group during the reporting period.

Issue category of the Environmental, Social and Governance Reporting Guide		Material ESG issues of the Group
A Environment		
A1 Emissions		Management of greenhouse gas, management of domestic wastes
A2 Use of resources		Green operation, office and education by electronic means activities focusing on environmental protection
A3 Environment and natural resources		Education programs and public welfare
B Society		
B1 Employment		Equal employment, interests and rights of employees
B2 Health and safety		Occupational health and safety, caring for employees
B3 Development and training		Employee training and development
B4 Labour standards		Prohibition of child and forced labour
B5 Supply chain management		Safe sourcing system, fair and open procurement procedure
B6 Product responsibility		Students' safety and health, high-quality education, innovative education system
B7 Anti-corruption		Anti-corruption practice
B8 Community investment		Public welfare and volunteer activities

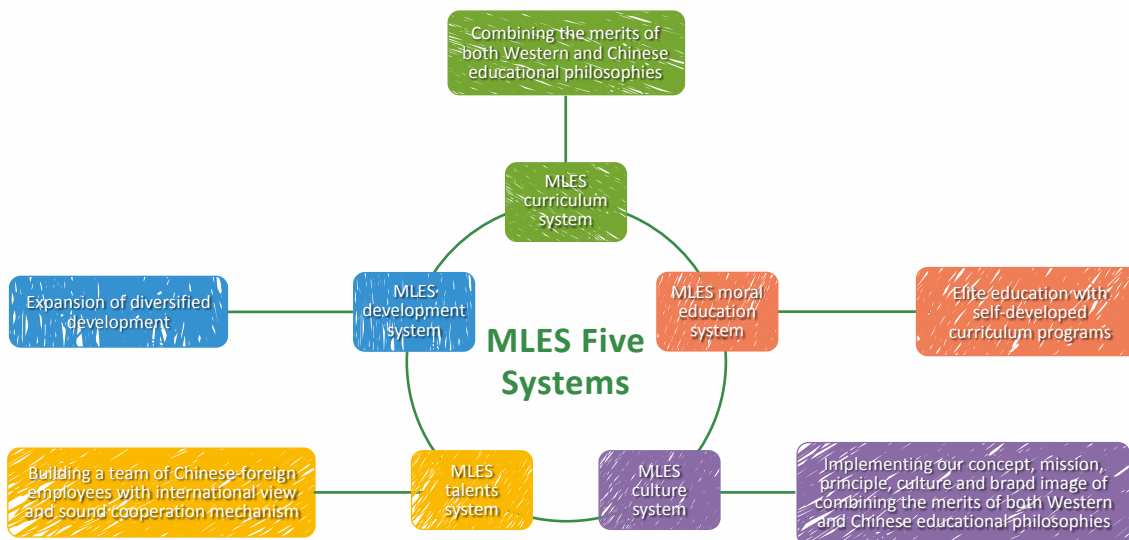
3. INNOVATIVE EDUCATION OFFERING A COMBINATION OF DIFFERENT CULTURES

3.1 Exploration for Innovative Education Mode

Upholding the educational philosophy of “promoting quality-oriented education by combining the merits of both Western and Chinese educational philosophies”, the Group took the lead in introducing Canadian high school curriculum system, which was blended with the Chinese high school curriculum to complement each other, offering a combination of Western and Chinese cultures.

- Improving education system**

Over the past twenty-three years, MLES has developed its “bilingual and dual-diploma” mode into an enforceable and exportable system, namely the “five systems” with the MLES curriculum system and moral education system as the core, guided by the MLES culture system and supported by the MLES talents system and development system. During the process of addressing increasingly diverse education needs, “five systems” also gain the recognition and support from students, their parents and society.

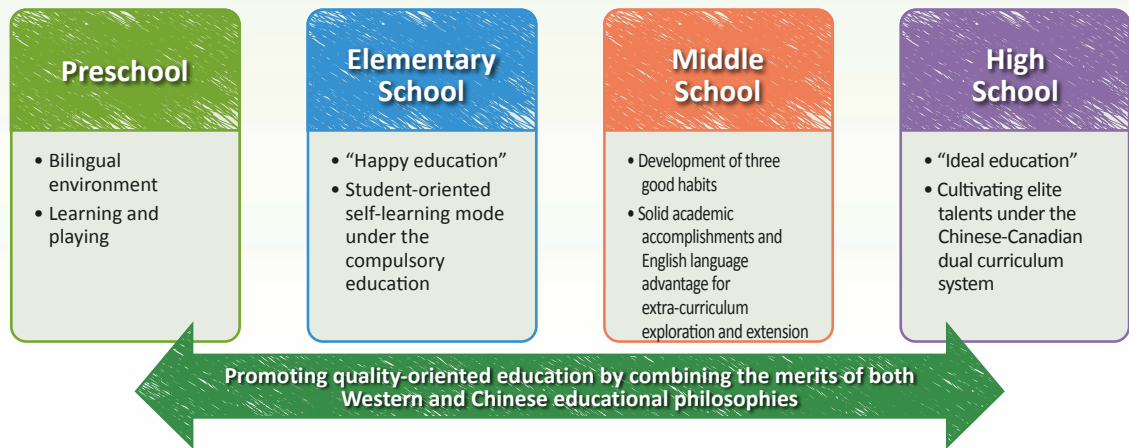


3-1: MLES five systems

- Diversified education mode**

The Group has created educational philosophies with different focuses applicable for preschool, elementary school, middle school and high school level respectively, which combine the merits of both Western and Chinese educational philosophies. At preschool level, the Group focuses on establishing a bilingual environment, with an aim to develop a thinking pattern combining Western and Chinese mentality. At elementary school level, we implement the educational philosophy of “happy education”, encouraging a student-oriented self-learning mode under the compulsory education. At middle school level, our goal is to develop students with three good habits, so as to equip them with solid academic accomplishments and English language advantage for extra-curriculum exploration and extension. At high school level, we pursue the goal of “ideal education”, making efforts to cultivate elite talents under the Chinese-Canadian dual curriculum system.

3. INNOVATIVE EDUCATION OFFERING A COMBINATION OF DIFFERENT CULTURES



3-2: Educational philosophy at all levels

Case study 3-1: The education mode comprising “three blendings”, “two certifications” and “one integration” of Maple Leaf high schools

Maple Leaf high schools adopt the leading education mode comprising “three blendings”, “two certifications” and “one integration”. With the core missions of inheriting and promoting the essence of traditional Chinese culture, developing cultural self-awareness and confidence within students, strengthening the cultivation of a good learning attitude, habits, aspiration, belief and values, the Chinese curriculum adopted at high schools lays a solid foundation for students to learn from advanced science and cultures across the world. In addition to emphasis on students’ acquisition of sophisticated basic knowledge and skills, the schools also focus on fostering students’ practice and innovation spirits and broadening their global vision with diversified culture, with an aim to develop them into elite talents with multicultural background.

Three Blendings	<p>“Three blendings” refers to the blending of the merits of both Western and Chinese educational philosophies, the blending of outstanding Chinese-foreign teachers, and the blending of the best of Chinese-Canadian education resources. The Chinese curriculum at Maple Leaf high schools covers Chinese, politics, history and geography which are taught by Chinese teachers, while the Canadian curriculum covers English, maths, physics, chemistry, biology, sociology and science etc., which adopt Canadian textbooks and are taught by Canadian-certified teachers in English.</p>
Two Certifications	<p>“Two certifications” refers to the Chinese-English bilingual education certification system and Chinese-Canadian dual diploma certification system. Students of Maple Leaf high schools are registered with both Chinese and Canadian educational authorities, and are awarded both Chinese and Canadian high school diploma if they pass the Chinese and Canadian high school graduation examinations.</p>
One Integration	<p>“One integration” refers to the qualification of our Chinese students to apply for all universities in English-speaking countries (regions) and the qualification of our foreign students for admission into Chinese universities after completion of curriculum programs at Maple Leaf high schools with the prescribed credit. The education costs only account for a quarter of those required for equivalent education in foreign countries.</p>

Under the guidance of our quality education system, our elite students demonstrate outstanding capability and quality in achieving the six core quality goals, i.e. “an excellent, life-long learner”, “a deep and broad thinker”, “a creative innovator”, “an active contributor to community”, “a global citizen with Chinese and Western visions” and “a physically, mentally healthy person”.

3. INNOVATIVE EDUCATION OFFERING A COMBINATION OF DIFFERENT CULTURES



Core quality goals	Achievements by students of MLES
An excellent, life-long learner	<ul style="list-style-type: none"> Ranked top 30% across America in the America high school physics competition “Physics Bowl” Attended Rhode Island School of Design Pre-College (羅德島設計學院夏校)
A deep and broad thinker	<ul style="list-style-type: none"> Took part in the Model United Nations activities organised by Georgetown University to discuss international issues Attended Jeju Youth Forum to discuss international affairs Wrote articles analysing the cause of child violence in today’s world Collaborated with professors from American universities on papers on China’s education and mathematics
A creative innovator	<ul style="list-style-type: none"> Organised club projects at MLES campuses by consolidating club resources Started magazines and official accounts at WeChat focusing on child violence Explored the application of facial recognition technology in identifying emotional and psychological problems of the youth Designed a simple diet program for MLES canteen to offer healthy diet
An active contributor to community	<ul style="list-style-type: none"> Online educational support Participated in volunteer program in Cambodia Participated in volunteer program in Indonesia Wafangdian Charity Walk (瓦房店慈善行)
A global citizen with Chinese and Western visions	<ul style="list-style-type: none"> Attended the “Ten-people Meeting” organised by the former Greek prime minister to discuss international affairs Attended the 8th Jeju Youth Forum, exchanging their views regarding world citizen responsibility with other teenagers from 24 cities in 8 countries Wrote books on experience of receiving elite education in American middle and elementary schools
A physically, mentally healthy person	<ul style="list-style-type: none"> Champion of 2018 Tianjin Youth Football Championship Elites (天津市青少年足球冠軍杯精英賽) Attended Spartan Race Proposed introduction of Lesmills course to set up fitness clubs

3. INNOVATIVE EDUCATION OFFERING A COMBINATION OF DIFFERENT CULTURES

3.2 Expanding Education Service Coverage

Adhering to the corporate mission of “commitment to providing an elite education to all students regardless of race, colour or nationality”, and leveraging on its own quality educational resources, the Group continues to develop the K-12 education business through various measures including constantly expanding the school network at home and abroad, exploring the feasibility of operating schools in countries along the “Belt and Road” route and establishing the “Zhou Enlai Scholarship Class”, so as to increase the accessibility of education and bring our quality education resources to more regions and families.

From 15 October 2017 to 15 October 2018, MLES has added another five cities to its school network at home and abroad, with a new overseas campus in Richmond, Canada. As of 15 October 2018, the Group operated 92 schools in 21 cities at home and abroad, of which 90 are located in China and 2 in Canada. On 15 October 2018, the Group had 36,564 students.

The Group actively responds to the national “Belt and Road” initiative, and explores its own resources for English learning and international education as well as learning resources for Chinese language and Chinese culture. During the reporting period, the Group issued the “Feasibility Report of MLES on Operating Schools in Countries along the “Belt and Road” Route (《楓葉教育沿「一帶一路」辦學可行性報告》) (currently version 2.0), and signed a cooperation memorandum with China-ASEAN Investment Cooperation Fund to actively promote educational cooperation and friendly exchanges with countries along the route, which helps to improve educational resources in the regions along the route and offers opportunity for more students to enjoy their right to education.



3-3: MLES School Network

3. INNOVATIVE EDUCATION OFFERING A COMBINATION OF DIFFERENT CULTURES

Case study 3-2: Maple Leaf Educational School District-Hainan was formally established

The opening ceremony of Maple Leaf Educational School District-Hainan, the first school district of MLES, was held on 20 June 2018. As the first school district of MLES, Maple Leaf Educational School District-Hainan includes the former Hainan National Science Park Experimental School acquired in February last year and the five schools such as Haikou Meishe School acquired in January this year.

Dr. Shu Liang Sherman Jen, the founder and chairman of MLES, pointed out in his speech on the ceremony that the construction of Hainan Pilot Free Trade Zone, Free Trade Port and International Tourism Island has been incorporated into the national strategy, which represents a historic opportunity for the development of international education in Hainan. Leveraging on the premium education brand and abundant educational resources of MLES, Maple Leaf Educational School District-Hainan will make its contribution to talent cultivation and investment of cultural environment development for Hainan. By seizing this historical opportunity, Maple Leaf Educational School District-Hainan will expand its business presence to allow more people in Hainan to benefit from the Chinese course, English course, Chinese language course and English language course of MLES, and also tap into the markets of Southeast Asian countries and the countries along the Belt and Road route. MLES will launch promotion campaigns targeting overseas market, attracting more overseas students to study and live in Hainan and even encouraging more overseas families to settle and start businesses in Hainan.

MLES will strive to develop Maple Leaf Educational School District-Hainan into a first-class international school in Hainan province, with an aim to promote the development of education in Hainan and cultivate elite talents for the construction of Hainan International Free-trade Island.





3. INNOVATIVE EDUCATION OFFERING A COMBINATION OF DIFFERENT CULTURES

The Group is committed to offering access to global education around the world for every student with potential for international development, focusing on the growth and development of each student and guaranteeing education for all students with ambitions by establishing scholarships and other means. We offer the “Scholarship of Sherman Jen Educational Foundation” which was contributed and set up by Dr. Shu Liang Sherman Jen, the founder of MLES. We also establish the “Zhou Enlai Scholarship Class” to encourage MLES students with excellent academic performance.



3-4: Establishment of “Zhou Enlai Class” by Scholarship of Sherman Jen Educational Foundation

3.3 Smooth Cooperation with International Universities

Under the educational philosophy of “promoting quality-oriented education by combining the merits of both Western and Chinese educational philosophies” and leveraging on the advantage of blending the best of Western and Chinese cultures and integrating domestic and overseas quality education resources, the Group maintained good cooperative relationship with universities in Canada, Australia, the U.K., the U.S.A. and other countries and explored new cooperation mode. The Group hosts the MLES International Education Fair in November every year, which facilitates understanding of Chinese students by international universities and facilitates understanding of universities at home and abroad by our students and their parents, offering more opportunities for our students to get a better understanding of and choose international universities.

In order to provide better education resources, the Group has continued to build a team of teachers who are knowledgeable of both Western and Chinese cultures. Under the motto of “One team, One goal” and adhering to the motto of “combining the merits of both Western and Chinese education philosophies”, our team of Chinese-foreign teachers with international view and sound cooperation mechanism is committed to educating students with outstanding occupational skills and morality and differentiating themselves from their peers. Our teachers possess the great quality of integrity, diligence and pragmatism. As at the end of the reporting period, the Group had a total of 2,404 Chinese teachers and 397 BC-certified teachers.

For the year ended 31 August 2018, MLES had 2,146 high school graduates of 2018, while 1,481 of whom received offers from the Maple Leaf Global Top 100 Universities, accounting for 69%.

3. INNOVATIVE EDUCATION OFFERING A COMBINATION OF DIFFERENT CULTURES

Case study 3-3: Introduction of ASDAN quality education system

ASDAN, the full name of which is Award Scheme Development and Accreditation Network, is a non-profit education organisation that provides students with quality education certification and leadership curriculum development. The quality education of ASDAN is characterised with the following features: academic selective courses, systematic extra-curriculum activities, credit system management and achievement certification. ASDAN's experience will offer meaningful insights for the development of systematic curriculum of MLES moral education system as well as the development of the group courses and school courses mentioned in the "Education Enhancement Project (壯腰工程)" of our middle schools.

During the reporting period, MLES introduced ASDAN quality education system and promoted the integration of such system with various measures such as study and analysis of the curriculum system and provision of ASDAN quality education curriculum training for teachers. The introduction of such system by MLES further enriched the concept of innovative education and facilitated the implementation of quality education in our schools.

Case study 3-4: MLES and AdvancED (the Largest US-based quality education assessment and accreditation organisation) Leadership Meeting

The founder and chairman of MLES, Dr. Shu Liang Sherman Jen, and the executive director and superintendent of global education, James Beeke, met with the president and CEO of AdvancED, Dr. Mark Elgart; the chief of global operations, Dr. Annette Bowling; the vice president of certification services, Dr. Claudia Carter; the vice president of Middle East, Asia and Australia business, Dr. Kem Hussain; and other AdvancED leadership staff.

The meeting was held at the AdvancED global headquarters in Alpharetta, Georgia, the USA on 27 February 2018. Meaningful discussions were conducted by both parties regarding MLES's continuous development and expansion on relevant cooperation upon MLES's recently-acquired AdvancED Systems Accreditation. The leadership teams from both AdvancED and MLES officially commemorated MLES's AdvancED Systems Accreditation with Dr. Elgart presenting Dr. Jen AdvancED's Systems Accreditation Certificate. As such, AdvancED Systems Accreditation will enable MLES to advertise that the new high schools it opens anywhere in the world are accredited by AdvancED.





3. INNOVATIVE EDUCATION OFFERING A COMBINATION OF DIFFERENT CULTURES

Case study 3-5: 13th MLES International Education Fair

On 17 November 2017, a grand opening ceremony was held for the 13th MLES International Education Fair, with 84 higher education institutions from 9 countries and regions including Canada, the U.S.A., the U.K., Australia, Switzerland, Denmark, Italy, United Arab Emirates and Japan participating in the itinerant fairs held in Dalian, Tianjin, Chongqing, Wuhan, Luoyang, Zhenjiang, Yiwu and Shanghai from 18 to 28 November. Among those 84 higher education institutions, 53 were universities with 22 being listed among the MLES Global Top 100 Universities and 10 among the global top 10 in eight professional fields, 35 offered scholarship dedicated for MLES graduates, and 28 granted offers at the fair.



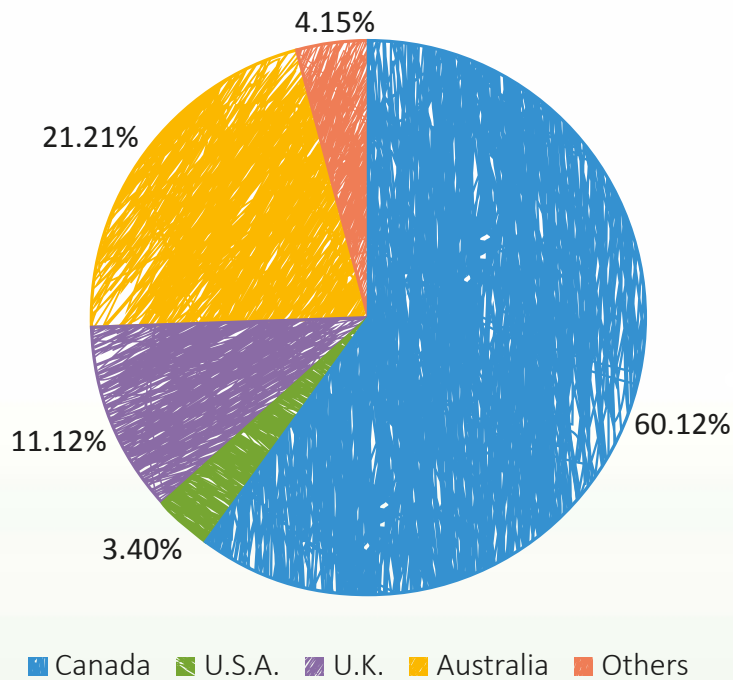
The fair offered an opportunity for MLES to expand its business and enhance international cooperation, and also created a platform for direct communication between our students and their parents and first-class universities overseas, as well as providing more school admission channels for our students.



3. INNOVATIVE EDUCATION OFFERING A COMBINATION OF DIFFERENT CULTURES



3-5: Approximately over 12,000 of the previous 19 sessions of high school graduates having been admitted by at least 640 universities in around 30 countries and regions in the world



3-6: Destinations of high school graduates from MLES for the 2017/18 school year



4. CARING FOR TEACHERS AND STUDENTS TO CULTIVATE FUTURE TALENTS

4.1 Protecting Students' Rights and Interests

One of our mission since the establishment of MLES is to provide an elite education to all students. The Group attaches emphasis on protection of students' rights and interests by respecting the students' right to receive education and safeguarding students' privacy. Moreover, the Group pays great attention to the safety and health of all students, and strictly complies with the relevant laws and regulations of the places where it operates, such as the Law on the Protection of Minors and the Measures for the Handling of Student Injury Accidents. The Group has set up a comprehensive work safety management system which introduces the rewards, punishments and management accountability system, so as to ensure safety at the campuses. Furthermore, the Group organises physical examinations, lectures on nutrition and psychological counselling activities, with an aim to ensure the physical and psychological wellness of the students.

- **Respecting the students' right to receive education**

Upholding the principle of "equal education opportunity", the Group offers students from different family backgrounds a chance to receive leading education. In setting the tuition fees, the Group strictly complies with the regulations stipulated by local education bureaus and price bureaus. The Group prohibits any kinds of discrimination in enrollment against genders, ethnics and religious belief of the students.

- **Rational advertising campaign**

In order to protect the rights and interests of the students and their parents, the Group strictly abides by the Advertisement Law and other laws and regulations of the places where it operates, and prohibits false claims and exaggerated propaganda. In promoting our schools, the Group engages in compliance promotion by strictly complying with the process of "approaching the media, entering into contracts and publishing press release". The Group also strives to promote our schools through various channels, enabling more students and parents to get a better understanding and experience of our education service. During the reporting period, the Group carried out compliance promotion in good faith, and was not subject to any penalty by the competent regulatory authorities in respect of advertising campaigns.

- **Protecting students' privacy**

Adhering to the relevant regulations of the places where it operates in relation to privacy protection for students and parents, the Group complies with the relevant provisions of the Tort Liability Law and the Law on the Protection of Minors, and lays emphasis on privacy protection for the students and parents. Starting from student enrolment process, the Group makes great effort in protecting the privacy of the students and parents. Provisions on use of portraiture rights are attached to the admission application form, with an aim to safeguard the portraiture rights of the students.

4. CARING FOR TEACHERS AND STUDENTS TO CULTIVATE FUTURE TALENTS

- **Campus safety**

In terms of safety management, the Group implements the policy of “giving priority to prevention, allocating duties to each individual, and keeping a big picture in mind while focusing on key issues” and follows the principle of “headmaster accountability system”. In accordance with the provisions of the “MLES Safety Management System” and in light of its actual conditions, each school formulates safety system that is in line with its own situation. The headmaster of each school and preschool shall respectively be directly responsible for campus safety, who shall be responsible for the safety management of each school. To ensure safety and prevent accidents, each school also carries out safety supervision on a regular basis to eliminate hidden dangers, and implements the annual safety management work plan and rectification measures. In addition, intricate problems are reported to the Group and the local competent authority. Meanwhile, each school and department of the Group shall be subject to guidance and supervision by the provincial, municipal competent authorities for education, the public security organs and the Group regarding their efforts in safety management. In addition to strict compliance with local laws and regulations on fire-fighting and safety, all schools have formulated fire-fighting and safety emergency response plan and emergency plans regarding unexpected power failure, earthquakes and disease treatment for students in light of their own situations. Each school regularly organises education and training on safety laws, regulations and systems for all teaching staff, in an effort to enhance their safety awareness and ensure campus safety.

At the implementation level, in order to ensure students’ personal safety, fire-fighting and safety drill is conducted at least once a year at all our schools. Moreover, for schools that provide school bus services, school bus safety drills are organised. Furthermore, public areas of each school are equipped with 24-hour surveillance cameras, and some schools have established connectivity with local police stations to safeguard safety in campus.



4-1: Delivering fire-fighting lecture at Henan Maple Leaf School



4-2: Earthquake drill at Hainan Meihua School



4. CARING FOR TEACHERS AND STUDENTS TO CULTIVATE FUTURE TALENTS



- **Development of teachers' professional ethics and morality**

The Group attaches great importance to the development of teachers' professional ethics and morality, and implements strict control over every aspects ranging from employee recruitment to daily education and supervision on teachers' professional ethics and morality. In addition, MLES has formulated systematic employee code of conduct and relevant policy, which specifies zero tolerance towards harassment and bully behaviour, with an aim to create a safe and respectful study and working environment for the students and employees.

The Group conducts stringent inspection on the teachers and administration staff as to their qualifications, backgrounds and competence before offering them any position. All newly-recruited Chinese and Canadian teachers are required to provide certificates of non-criminal record. The Group also conducts stringent review of the qualification of the applicants for teaching posts. In the recruitment of foreign teachers, there will be questions regarding their personal characteristics at the interview stage, so as to ensure that they will treat each individual student with respect and integrity.

For the Chinese teachers, lectures on Human Resource Management System will be arranged for new employees to provide training on teachers' professional ethics and morality during the induction training. In our daily operation, the Group has formulated the Regulation on Development of Teachers' Professional Ethics, "Four Undertakings of MLES Employees" and other rules, which require our staff to abide by professional conduct code, follow the law of education, respect the students, prohibit physical punishment or disguised physical punishment, and prohibit our staff from taking bribes from the parents. The management system has outlined the relevant punishment measures. By posting such undertakings in public areas of the schools which contain contact information, the Group is willing to subject itself to supervision by the parents and all social parties at any time. Our foreign management team has developed policy and procedure manual in relation to teachers' moral ethics in accordance with local Chinese laws and regulations, so as to regulate teachers' behaviour by requiring all employees to abide by the required high ethical standards set out in the manual.

- **Safe sourcing system**

Sticking to the top priority of protecting the health of the faculty and students, the Group implements strict control over its sourcing system, so as to ensure that the necessities of the faculty and students are safe and healthy. We have established unified procurement management measures and implements stringent control over our suppliers. The Group adopts public tender for material projects and tender by invitation for general projects. There shall be at least three bidders to provide their first and second offer which shall be reviewed, assessed and analysed by professional cost estimators, and there shall be no fixed number of staff involving in the determination of successful bidder.

- We strive to approach the source manufacturers in the selection of supermarket suppliers.
- Inspection report is required from the fabric suppliers for school uniform, so as to ensure that the goods meet our quality requirements.
- Entrusted inspection is conducted for our school uniform and drinking water products every year.
- We conduct visit and inspection on the suppliers with focus on their capability and quality management system, etc.

4. CARING FOR TEACHERS AND STUDENTS TO CULTIVATE FUTURE TALENTS

- **Canteen hygiene and food safety**

In sourcing food ingredients for the canteens, the Group strictly abides by the selection process of suppliers and actively promotes the top brand strategy, and the two top suppliers are among the world's top 500 enterprises.

In order to guarantee food safety, in addition to strict compliance with the Food Hygiene Law of the PRC, the Group has formulated food safety regulations, and canteens of all schools under the Group have established stringent requirements for their suppliers. Food sampling shall be conducted round the clock every day. Kitchenware is cleaned every day while tableware is cleaned and sterilised for each meal. All workers at the canteens must pass the physical examination before taking their posts. Processed food and ready-to-eat food are kept separately. Measures are taken to guarantee no mouse, cockroach and mosquito in the canteens. The canteen areas are divided into several sanitary zones and the accountability system is implemented, which specifies the responsibility of each individual employee, so as to implement strict hygiene supervision.

- **Nutrition management**

Three meals and snacks for students at our preschools, elementary schools, middle schools and high schools are provided in strict compliance with the nutritional catering benchmark formulated by the nutritionists. We provide fixed quantity dishes at preschools which are prepared by the nutritionists, and adopt nutritious catering at elementary schools where the canteen managers formulate the recipe according to the nutritional catering benchmark for elementary schools developed by the management department which has been reviewed by the nutritionists, while a wide variety of dishes are served in the middle and high schools which is monitored by the nutritionists to ensure a rich portfolio of meat and vegetables with light taste and balanced nutrition.



4-3: Meals with balanced nutrition

All schools of the Group organise physical examination for all students once a year. The nutritionists assess the nutrition and health condition of each individual student based on the check-up results and provide improvement recommendations, and formulate a check-up assessment form. By summarising and analysing changes in the check-up data between two adjacent years, check-up reports are prepared for the headmaster and canteen manager of each school to get an understanding of the changes in the physical condition of the students, so as to make prompt adjustments to the canteen recipe.



4. CARING FOR TEACHERS AND STUDENTS TO CULTIVATE FUTURE TALENTS



During the reporting period, the Group organised twelve lectures on nutrition. Before delivering the lectures, the nutritionists have reviewed the results of annual check-up for the students, and visited the school canteens to get first-hand information regarding the dishes provided for all teachers and students and their dining habits such as the dishes ordered or leftover, and then made adjustments to the lectures based on the first-hand information collected. Moreover, some schools also set up nutrition consultation machines and promotion billboard of canteen nutrition knowledge, and use WeChat public platform to promote nutrition and healthcare knowledge.

- **Safe and environmentally-friendly structures**

The Group implements safety and environmental protection control over the key aspects such as procurement of construction materials and equipment, construction site supervision and inspection before putting into use, so as to ensure safety of the structures at each campus.

During the course of construction (including school dormitories, stadiums and public facilities), the Group implements centralised management over the contractors. Only contractors with second class or higher qualification for renovation and decoration projects are invited for bidding, and the contracts entered into by both parties shall contain provisions regarding on-site construction safety. Moreover, qualified supervision companies shall be engaged to conduct on-site supervision. Construction materials used by the contractors shall be subject to rigorous selection process, and the construction materials, furniture, facilities and equipment shall obtain environmental certifications. All the buildings shall be subject to environmental inspection before putting into use, and only can be put into use after passing the inspection.

- **Colourful campus activities**

In order to enrich the school life of the teachers and students, broaden students' horizon and nurture positive hobbies, the Group organised a wide variety of campus activities at each school during the reporting period, so as to release their pressure of study and work and cultivate their temperament.



4-4: Parent-child sports meeting at Dalian Ganjingzi Maple Leaf School



4-5: Parent-child carnival at Yancheng Maple Leaf School

4. CARING FOR TEACHERS AND STUDENTS TO CULTIVATE FUTURE TALENTS

Case study 4-1: Traditional Chinese Costume and Poem Club of Yiwu Maple Leaf School to promote traditional Chinese culture

In the afternoon of 30 November 2017, led by the teachers, the Traditional Chinese Costume and Poem Club of Yiwu Maple Leaf School took pictures and promoted culture of traditional Chinese costume at Taxi Zhou park. The event offered an opportunity for the students to get a better understanding of the culture of traditional Chinese costume and also inspired them to learn traditional Chinese culture, experiencing the beauty of traditional Chinese costume and highlighting the flair of the Traditional Chinese Costume and Poem Club. The event called for inheritance and promotion of our traditional culture.



4.2 Protecting Employees' Rights and Interests

The Group cherishes the team culture of “One team, One goal”, and accentuates trust, cooperation and communication. MLES fully respects the rights of our teachers to the extent permitted by laws and regulations, and incorporates the prohibition of use of child labour and forced labour and other requirements into its internal management policy which has been implemented throughout its entire operation, striving to create and maintain a diverse, equal and harmonious campus environment.

- **Compliance employment**

By incorporating the principles and requirements of non-discrimination, freedom of association and collective negotiation, prohibition of use of child labour and forced labour into its sustainability management in accordance with the international covenants of human rights including the Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights, the relevant core labour convention issued by the International Labour Organisation as well as the laws and regulations such as the Labour Law, the Labour Contract Law, the Provisions on Prohibition of Child Labour, the Law on the Protection of Rights and Interests of Women and the Trade Union Law, the Group strictly abides by the international conventions and the applicable national laws and regulations, and follows and implements the international conventions and international labour standards committed by the Chinese government as well as other applicable industrial standards, so as to protect the legitimate rights and interests of the Group and its employees and maintain the stable and harmonious labour relationship.



4. CARING FOR TEACHERS AND STUDENTS TO CULTIVATE FUTURE TALENTS



The Company prohibits the employment of child labour and forced labour. In the event of employment of child labour by error, our Human Resources Department shall, after verification, escort the child concerned to the labour and social security department at the place of his residence together with staff from local labour and social security department who shall jointly hand the child over to his parents or guardians, and the related responsible persons shall be held accountable according to relevant laws and internal management regulations. In the event of a forced labour incident, our Human Resources Department shall, after verification, arrange physical examination and medical treatment for the people concerned in accordance with the actual situation whom shall be handed over directly to his guardian or immediate family members after recovery, and the related responsible persons shall be held accountable according to relevant laws and internal management regulations. No child labour or forced labour incident has been reported during the reporting period.

During the current financial year, MLES continued to protect the legitimate rights and interests of the employees, strictly complied with working hour standards and holiday-taking requirements, and cared about employee welfare. The Group has developed and implemented a set of systems such as the Human Resource Management System and the Employee Manual which specify the leave entitlement of the employees and the relevant protection measures, so as to put the requirements of non-discrimination, freedom of association and collective negotiation, prohibition of use of child labour and forced labour into practice. During the induction training for new employees, the Group introduces the labour rules and regulations of the Group (the schools) as well as requirements of labour laws and regulations, enabling them to get a full understanding of their rights and obligations. Detainment of identification certificates or charge of deposits or training fees is strictly prohibited. We fully respect the employees' freedom of job selection and work.

- **Fair employment**

Having a team of diverse background with members from both China and abroad, the Group makes it a priority to ensure fair employment practice in talent recruitment. MLES embraces a talent employment principle featured with fairness, justice and openness. The Group has always abided by the international and domestic laws, regulations, conventions and rules in relation to employment and labour issues, and has developed a full package of staff policies covering employee recruitment, employment, remuneration, promotion, working hours, vacations, dismissal, as well as occupational health, work safety and welfare benefits, etc., with a view to create and maintain a working environment of diversity, integration and non-discrimination. As of the end of the reporting period, the Company had a total of 5,369 employees.

- **Employee health and safety**

The Group recognises our employees as our valuable assets, and believes that protecting the health and safety of our employees is fundamental to staff stability and employee happiness. The Group strictly complies with the Trade Union Law, Law on Prevention and Control of Occupational Diseases and relevant laws and regulations of places where it operates, and has set up a comprehensive work safety management system (such as Work Safety Management System and Campus Safety Management System, etc.), which introduces the safety management rewards, punishments and management accountability system, provides safety management training sessions and requires regular safety inspections, with an aim to prevent accidents and eradicate casualties.

4. CARING FOR TEACHERS AND STUDENTS TO CULTIVATE FUTURE TALENTS

During the reporting period, the Group took various measures to ensure employee health and safety, including:

- Holding safety seminars, fire-fighting and earthquake drills at regular intervals to strengthen prevention and control measures.
- Arranging free physical examinations for employees on a regular basis to care about their physical condition.
- Stepping up efforts in promotion and education of occupational safety and health by holding 1 or 2 training session(s) on work safety and health at each campus every year to improve employees' awareness of occupational safety and health.
- Assigning psychological consultants for each school to deliver lectures on psychological wellness and offer psychological counselling services.
- Equipping each canteen with nutritionists to prepare nutritional diet for the staff.
- Making the stadium and sports equipment of each school available to the staff during a certain time period every day for free, with an aim to promote physical and psychological wellness of the staff.

• Caring for employees

The Group continues to provide the employees with a competitive salary and a munificent benefit package, in an effort to create a comfortable and happy working environment for its employees. In addition to the welfare and benefit provided by law, the Group also purchases international medical insurance and provides other benefits for key member of the management, and repurchases part of MLES shares from the market as authorised by the Board to motivate its employees, with an aim to create a comfortable and decent workplace for them.

During the reporting period, the Group continued to actively organise outward-bound activities for staff, celebration events for Teacher's Day, Halloween, Christmas and other festivals, teacher-student entertainment activities such as art festival, basketball match, water splashing festival and sports games, as well as birthday parties and exchange activities. In addition, the Group also visited and offered financial support to employees in need.



4-6: The 2018 employee sports meeting



4. CARING FOR TEACHERS AND STUDENTS TO CULTIVATE FUTURE TALENTS



- **Facilitating development of the employees**

The Group implements a talent strategy, focuses on improving the overall quality of the workforce and cultivating the personal skills of the employees, and provides the employees with a larger development platform and more diversified promotion channels. The Group has formulated various talent training programs, attaches great emphasis on the integration of training and practice, and actively carries out a variety of training programs. According to the long-term and short-term development plans and goals, we organise various training courses or assign outstanding employees to visit, study and communicate abroad each year, providing talent reserve for the sustainable development of the Group.

The Group has a multi-channel training and promotion mechanism, creating its own distinctive training system to facilitate employee development, with an aim to cultivate talents for MLES.



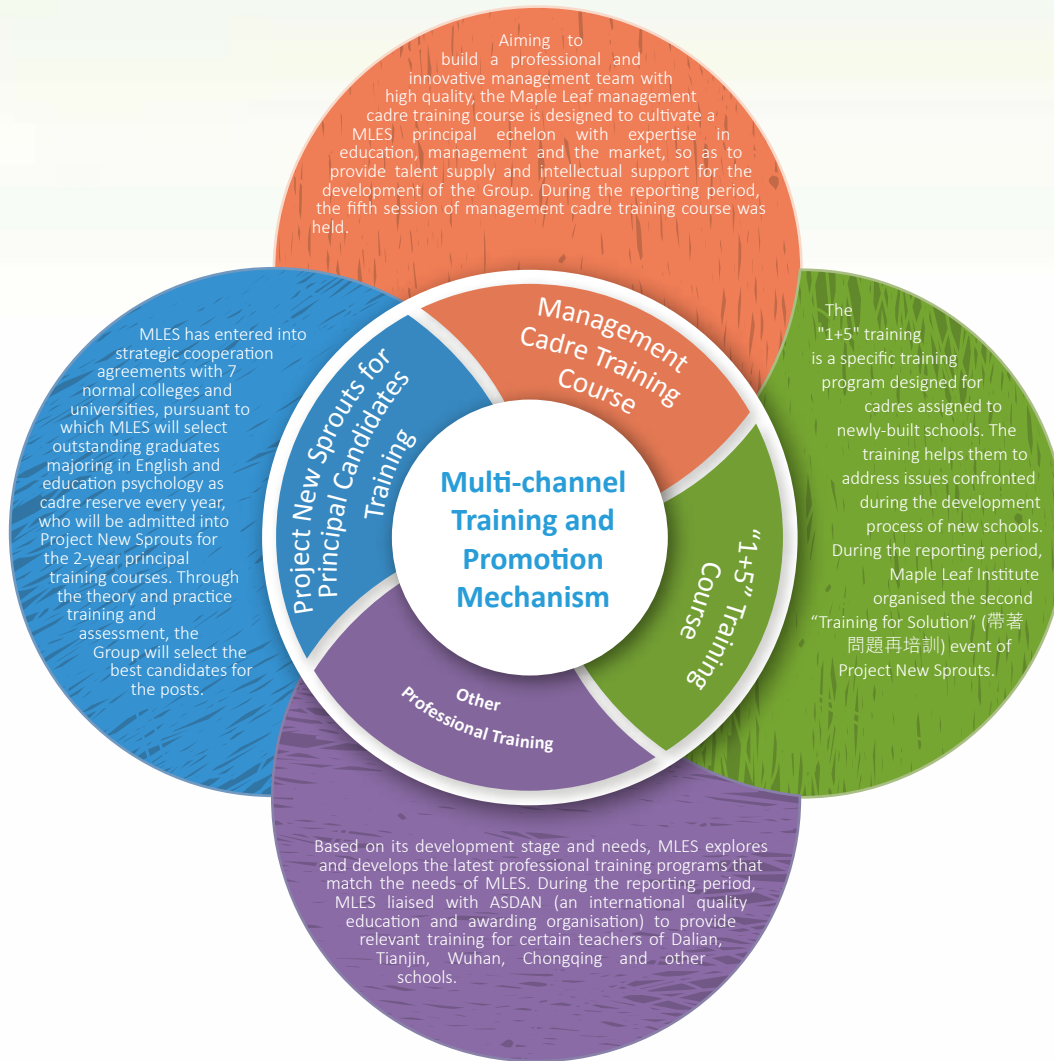
4-7: The ceremony for the commencement of the 5th session of the management cadre training course and the graduation of the 4th session



4-8: The graduation ceremony for the 2018 "project new sprouts"



4. CARING FOR TEACHERS AND STUDENTS TO CULTIVATE FUTURE TALENTS



4-9: MLES' diversified training programme and promotion mechanism for its employees

5. LEGAL COMPLIANCE AND RISK MANAGEMENT

5.1 Compliance Operation

The Group always strictly abides by relevant laws, regulations and industry requirements. The Group has developed the Internal Audit Management System of MLES and established the Internal Audit Department, which is responsible for independent supervision of the authenticity and legitimacy of the inter-group income and expenses and economic activities. Furthermore, the Board will supervise and improve the compliance and risk management of the Group, so as to meet the national and industrial regulatory requirements and satisfy the requirements under the Corporate Governance Code.

5.2 Anti-corruption Practice

The Group strictly complies with the provisions in respect of corruption and bribery of the Criminal Law, the Law against Unfair Competition and the Company Law of the places where it operates, and has developed the Anti-fraud System of MLES (《楓葉教育集團反舞弊制度》), which outlines the goal and policies of the Group in prevention and crackdown of corruption behaviour. During the reporting period, the Group was not involved in any litigation caused by corruption or fraud.

Under the guidance of anti-corruption system and policies, the Group implements anti-corruption management led by the Internal Audit Department, and enhances daily promotion and implementation with relevant training programs. Moreover, the Group has in place the anti-corruption mechanism at different levels within the Group by establishing smooth petition channels such as reporting email account and hotlines with whistle-blower protection, so as to ensure integrity operation and healthy development.

Case study 5-1: Training meetings on the theme of “Anti-corruption and Fraud”

During the 2017/18 school year, promoted by the Internal Audit Department of the Group and organised by the office of the Group, over 30 training meetings on the theme of establishing positive brand and enterprise image and preventing corruption and fraudulent behaviour were held by the Group and all schools under the Group with over 4,200 participants, providing trainings on the concept of fraud and corruption, the relevant laws and regulations as well as the punishment for fraudulent and corruption behaviour by the Group.



The training meetings called for increased efforts to foster a corruption-free culture at each campus, stating that the creation of harmonious and civilised campus environment forms a key part in our social and economic development. Such training program which covered all employees from various departments and schools of the Group helped to enhance the employees' sense of responsibility and create a positive atmosphere of role model, pioneering spirit and integrity.

6. PROMOTION OF ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT

6.1 Spreading the Idea of “Go Green”

As an education enterprise, the Group continuously enhances its own resource and emission management capabilities, while vigorously advocating and spreading the idea of “go green” by conducting on-campus education and organising regular extra-curricular public welfare activities regarding environmental protection, with an aim to integrate the concept of “go green” with students’ daily study and life.

- **Environmental protection education**

In order to cultivate in students the concept of green development and inspire them to practice environmental protection, the Group organises a wide variety of environmental protection activities to enhance students’ awareness of environmental protection, incorporates the concept of environmental protection into daily teaching activities and gradually develops an environmentally-friendly lifestyle by regulating students’ behaviours.

Case study 6-1: Green teaching practice at Maple Leaf Kindergarten - Tianjin TEDA



Maple Leaf Kindergarten - Tianjin TEDA has launched its green curriculum, which adheres to the educational concept of the “naturalism” and covers the five major fields of preschool education, namely “health, society, language, science and art”. Meanwhile, with the inherent connection based on the four themes of “green habits, green environment, green language, green festivals”, such curriculum represents a perfect combination of all the above fields. The health field

focuses on the theme of “green habits”, with an aim to develop children’s good daily behaviours and habits as well as self-care and self-protection ability. The social field emphasises on the two themes of “green environment” and “green festivals”, organising children to participate in the design and decoration of the kindergarten environment and classroom environment, co-organising festival celebrations and carrying out public welfare activities for environmental protection jointly with kindergartens and communities. The language field focuses on the theme of “green language”, striving to improve children’s ability in reading and oral expression through picture book reading, child play creation and performance, poetry reading and civilised citizen promotion activities. The science field lays emphasis on the theme of “green environment”, allowing children to discover the connection between their own growth and changing seasons by closely observing and exploring changes in the animals and plants in the kindergartens and the surrounding nature while they manage, feed animals and grow plants. The art field gives priority to the themes of “green festival” and “green environment”, where children experience and appreciate the beautiful things in the nature and then creatively turn such feelings into paintings, crafts, songs, dances and other artistic works which shall be shown in festival celebrations or used to decorate the kindergarten environment and classroom environment.



6. PROMOTION OF ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT



- **Public welfare activities for environmental protection**

The Group encourages teachers and students of all schools to take active part in public welfare activities for environmental protection, translating theories of environmental protection education and knowledge learned in classes into practices and making positive contributions to the undertaking of environmental protection.



6-1: Teachers and students from Dalian Maple Leaf Foreign Nationals School participated in a tree planting activity

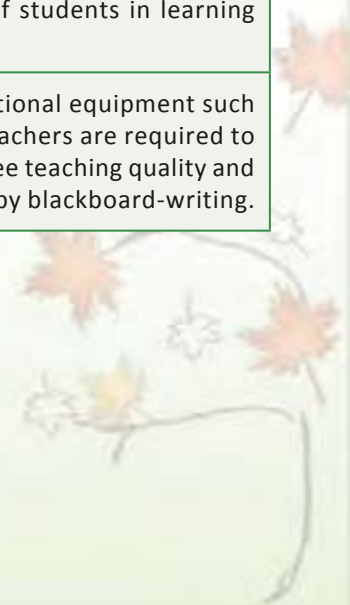


6-2: Dalian Maple Leaf Middle School participated in an environmental protection public welfare activity to clean up garbage at the seaside of Jinshitan

6.2 Electronic Office and Teaching

The Group implements the philosophy of green teaching in daily teaching activities and realises low-carbon operation and green teaching through application of multimedia teaching equipment, doing homework by electronic means, promotion of paperless teaching, supporting the recycle and reuse of books and encouraging teachers and students to make teaching aids by themselves, etc.

Multimedia teaching	By cooperating with CASIO, the Group has introduced electronic dictionaries to replace printed copies, bringing greater convenience for the teachers and students in their teaching and learning process, reducing use of paper and improving the efficiency and professionalism of students in learning vocabularies.
	Each classroom is equipped with audio-visual educational equipment such as computers, screens, projectors and episopes. Teachers are required to prepare scientific and intuitive PPTs, so as to guarantee teaching quality and also avoid use of consumables and pollution caused by blackboard-writing.



6. PROMOTION OF ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT

Electronic homework	Homework of certain subjects is assigned to the students in electronic form, which upon completion shall be submitted by the students in the same form back to the teachers who could select the excellent ones for display after marking.
	The Group has introduced Vhomework, an online English learning platform, which provides a more flexible interaction mechanism for developing students' ability in listening, speaking, reading and writing English, further facilitating the implementation of green teaching and reducing the use of paper caused by mass printing of testing papers.
Paperless teaching and office	The Group has developed an application system on weixiao100.cn, through which teachers can post school notices as well as news and photos of the students participating in school activities, and parents and teachers are able to communicate with each other by sending voice messages or making phone calls. In addition, parents can submit leave application for students through the system.
	Powerschool system is applied to electronically manage student attendance and record each test score and teacher comments.
	OA system is adopted, enabling staff to make online applications to their supervisors who will review and reply in the same manner, thus eliminating the paper application process.
Reuse of books	Teachers are required to take good care of their textbooks and teaching materials, etc., and return them to the teaching affair office for reuse at the end of the semester to avoid waste.
	"Let's share books (有書大家共同分享)" campaign is organised, encouraging students to bring their books to the reading room where they will share books and study together.
Self-made teaching aids	Teachers and students make teaching aids, performance props and costumes by themselves for the purpose of energy conservation and environmental protection, providing the tools needed for education activities, and helping the students to strengthen their understanding of knowledge, enhance their hands-on ability and enrich their knowledge.

6. PROMOTION OF ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT

Case study 6-2: Dalian Maple Leaf Preschool adopts its multimedia teaching method

Maple Leaf preschools replaced traditional teaching tools like blackboard or whiteboard with multimedia teaching equipment. It was proven by practice that audio-visual method can realise energy conservation and emission reduction and also help to maintain an exciting, pleasant mood and a proactive state of mind in learning.

On one hand, the adoption of multimedia teaching eliminates the use of chalks, thus reducing energy consumption and also preventing harm to the health of teachers and students caused by chalk dusts. In addition, the multimedia teaching reduces consumption of marker pens.

On the basis of 2 marker pens for each classroom every month, we will be able to save a total of approximately 900-1,440 marker pens for 9 schools in an academic year. Meanwhile, the adoption of multimedia teaching helps to substantially reduce paper waste, therefore effectively saving paper.



6.3 Green Operation

The Group advocates low-carbon operation, and is committed to integrating environmental protection into its educational concepts and practices, and strictly complies with the relevant laws and regulations such as the Environmental Protection Law of the People's Republic of China. Starting from resource and energy conservation and emission reduction, we constantly strengthen environmental protection awareness and improve environmental protection so as to achieve green development. During the reporting period, the Group was not involved in any litigation or imposed of any penalty owing to any violation of laws and regulations relating to environmental protection.

- **Energy conservation and emission reduction**

During the reporting period, the Group took proactive measures to implement energy conservation and emission reduction. In strict compliance with local laws and regulations, all schools have developed their own energy conservation and emission reduction systems according to their actual operation conditions, such as the "Management System for Water Saving", "Management System for Power Saving", "Regulations on Gas Usage", "Management System for the Printing Room", etc.

In its own operation, the Group encourages the students and employees to fulfil their obligation of energy conservation and emission reduction. By taking measures such as saving water, power and other resources, recycling of resources, disposal of emissions, the Group promotes energy conservation and emission reduction and implements the principle of green operation.

6. PROMOTION OF ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT



Emission treatment measures

Cooking fume treatment	The Emission Standard of Cooking Fume (GWPB5-2000), Emission Standard of Cooking Fume (GB18483), General Code for Construction and Acceptance of Mechanical Equipment Installation Engineering (GB50231-98) are adopted on the emission of canteen cooking fume. The range hoods adopt electrostatic cooking fume control equipment widely applied in the catering trade, with cooking fume being discharged after treatment process through gas-collecting hoods, fans and fume purifiers, achieving the cooking fume removal rate of over 85%, which meets the national standard. The fume emission concentration of the smoke removal equipment used by the Company is 1.2mg/m ³ -1.8mg/m ³ , which meets the national requirement on emission concentration of 2.0mg/m ³ .
Wastewater treatment	Wastewater produced by canteens are filtrated and precipitated in stages. Oil-water separators are used with an oil removal rate of no lower than 42kg per hour.
Kitchen waste treatment	Wastes are sorted out as recyclable and non-renewable when initially collected, which are subsequently delivered to the waste recycler designated by the local environmental protection department for treatment and disposal. As a result, the monthly kitchen wastes generated from all schools of the Group were reduced.

Measures for resource conservation and recycling

Energy conservation	<p>Management system – The Group has established the power consumption management accountability system which specifies the obligations of each department, grade, class, room and relevant person-in-charge to ensure implementation of power consumption quota. Security patrols shall inspect if the power switches in each classroom and office are turned off every day.</p> <p>Green procurement – The Group has implemented a green procurement system. While strictly controlling the costs of new electrical appliances, lighting products and water-supply products intended to be purchased by the schools, the Group promotes procurement of energy-efficient, water saving and environmental labeling products.</p> <p>Use plan – The Group has developed its central air conditioning and lighting plan for schools.</p> <p>Energy-saving renovation – Renovation is carried out for school buildings, including installation of solar water heating equipment, LED energy-saving lamps, insulated curtains and plastic steel windows as well as heat preservation treatment for exterior walls of the school buildings. The Group has also formulated rules on gas use, requiring all canteen gas stoves to be energy-saving and environmental protection.</p> <p>Repair & maintenance – The garment factory and water plant are required to carry out maintenance of equipment with timely lubrication to reduce energy consumption of the equipment.</p>
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6. PROMOTION OF ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT

Water conservation	<p>Management system – Irrigation water is required to be turned off when no one is around.</p> <p>Water-saving renovation – Water-saving faucets have been installed to effectively improve water conservation. Some schools have rainwater recovery system for campus greening irrigation. Some school canteens are equipped with ultrasonic dishwashers, which consume less water and power than traditional dishwashers.</p> <p>Water-saving promotion – Water conservation signs are posted near the faucets used by students.</p> <p>Regular maintenance – Water pipelines must be checked every day during the routine inspection, and maintenance shall be arranged immediately for water leakage and dripping faucets.</p>
Recycling of resources	<p>Sorting and recycling – Assorted dustbins are placed in campuses for recyclable garbage, and boxes are set up to collect waste batteries for recycling. Clothes recycling bins are placed in each dormitory hall to collect used clothes of students and teachers. Discarded printer cartridges are uniformly collected for recycling.</p> <p>Waste renovation – Used bottles, bottle caps, waste cartons and other items are used for cultural decoration.</p> <p>Recycling – As to office paper and envelopes, one-side used office paper and used envelopes are kept for internal reuse.</p>



6-3: Dalian Maple Leaf Middle School held student art work exhibition which were made out of wastes and materials from the nature



6-4: Assorted dustbins set up in Dalian Ganjingzi Maple Leaf School

6. PROMOTION OF ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT

- Environmental performance**

With the implementation of emission management policies and initiatives during the reporting period, the information on major sources of emissions and use of resources in the reporting period is set out as below:

Indicator	Unit	FY2018
Greenhouse gas emissions		
Total greenhouse gas emissions (Scope 1+Scope 2)	tCO ₂ e	34,282
Greenhouse gas emissions per RMB million revenue	tCO ₂ e/ RMB million	25.56
Scope 1: Greenhouse gas emissions from direct emission sources	tCO ₂ e	7,875
Scope 2: Greenhouse gas emissions from indirect emission sources	tCO ₂ e	26,407
Discharge of waste		
Discharge of kitchen waste	kg	343,070
Discharge of kitchen waste per RMB million revenue	kg/RMB million	255.78
Use of resources		
Total purchased electricity	kwh	27,798,993
Purchased electricity consumption per RMB million revenue	kwh/RMB million	20,725.87
Total water consumption	tons	1,383,415
Water consumption per RMB million revenue	tons/RMB million	1,031.42
Total natural gas consumption	m ³	3,283,402
Natural gas consumption per RMB million revenue	m ³ /RMB million	2,447.98
Total diesel oil consumption	litre	74,809
Diesel oil consumption per RMB million revenue	litre/RMB million	55.77
Total LPG consumption	kg	33,844
LPG consumption per RMB million revenue	kg/RMB million	25.23
Total gasoline consumption	litre	173,221
Gasoline consumption per RMB million revenue	litre/RMB million	129.15
Total purchased heat	million kJ	76,829
Purchased heat consumption per RMB million revenue	million kJ/ RMB million	57.28
Total comprehensive energy consumption	tce	10,743
Comprehensive energy consumption per RMB million revenue	tce/RMB million	8.01

6. PROMOTION OF ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT

Use of packaging materials		
Total amount of packaging materials used	kg	3,746
among which: plastic bags	kg	1,193
cartons	kg	1,841
bottle preforms	kg	712
Packaging material consumption per RMB million revenue	kg/RMB million	2.79

- Note:
1. Unless otherwise stated, the above environmental data covers data for office premises of MLES headquarters, all schools, Dalian Maple Leaf Spring Water Co., Ltd and Dalian Maple Leaf Red Clothing Co., Ltd. operating in Mainland China;
 2. Packaging materials consumption mainly refers to consumption of packaging materials by Dalian Maple Leaf Spring Water Co., Ltd and Dalian Maple Leaf Red Clothing Co., Ltd.;
 3. Emissions and energy consumption per RMB million revenue are both calculated by the following formula: total emissions and energy consumption/revenue (in RMB million). The revenue of China Maple Leaf Educational Systems Limited for the FY2018 was RMB1,341.27 million;
 4. The calculation of GHG emission refers to the Greenhouse Gas Protocol: a corporate accounting and reporting standard 2012 (Amendment). The grid emission factors used in the calculation of Scope 2 refers to the latest emission factors of China's regional power grid for 2017 released by the Department of Climate Change under the Ministry of Ecology and Environment of the PRC;
 5. The comprehensive energy consumption conversion coefficient for standard coal is derived from Comprehensive Energy Consumption Calculation Principle (GB/T 2589-2008).

7. DEDICATION TO THE COMMUNITY TO CREATE A HARMONIOUS AND LOVING ENVIRONMENT

7.1 Promotion of Public Welfare Charity

The Group is dedicated to giving back to the society and remains true to its original aspiration. As the development of an enterprise benefits from the support of the society, the enterprise is obliged to take the social responsibility to participate in public welfare activities. The Group has been supporting community charity events since its establishment, extending assistance to those in difficulties and making contribution to the development of surrounding communities. In the meantime, the Group encourages students to participate in various social public welfare activities, with an aim to cultivate the students' sense of social responsibility.

Under the leadership of the school office of the headquarters and in light of the actual situation of local communities, all schools under the Group are committed to providing assistance to mainly the elderly without families, the disabled, the poverty-stricken, autistic children and orphans. Led by the Chinese and foreign teachers, our students offered love and care to the local communities through charity bazaars, material supplies donations, caring visits, cooperation for co-development and other charity activities.

Case study 7-1: Foreign teacher from MLES was granted the International Educator in China Award for her commitment to educational public welfare

On 24 May 2018, the Awarding Ceremony for the 7th National Contest of My Foreign Teacher and I & the 6th Development of International Talents Forum was held in Tsinghua University.

Kelli Kramer, a foreign teacher from Dalian Maple Leaf International School (High School), was granted 2017 International Educator in China Award by State Administration of Foreign Experts Affairs. Kelli Kramer represents our teachers at Maple Leaf International School, who serve as a bridge to connect the oriental and western cultures. By leading our students to participate in public welfare activities, they help to promote cultural exchange, and also instill the concept of public welfare commitment and education with love and care in our students. They embrace our educational philosophy, proactively participate in public welfare activities, and have deep love for MLES and China.

In the era of globalisation and educational internationalisation, we will equip ourselves with visionary insights for exploration of education approach innovation and resource utilisation. MLES is ready to devote itself to public welfare, and will always remain true to its original aspiration and continue to create a brighter future.





7. DEDICATION TO THE COMMUNITY TO CREATE A HARMONIOUS AND LOVING ENVIRONMENT



7.2 Volunteer Activities

The Group encourages and promotes volunteer service spirit, and proactively participates in volunteer activities to fulfil its social citizen responsibility. We encourage our teachers and students to participate in volunteer activities, so as to enhance their sense of social responsibility and dedication, establish healthy moral values, and strengthen their communication and expression skills, enabling the students to perceive their social citizen responsibility from practice.

Case study 7-2: Dalian Maple Leaf International School (Middle School) visited the elderly at a nursing home



On 22 March 2018, the student volunteers from Dalian Maple Leaf International School (Middle School) visited the elderly at Wang Da Jie Public Welfare Centre (汪大姐公益之家) located at Jinshitan. The teachers and students brought rice, flour, grain, cooking oil and other daily supplies for the elderly.

The students went to the nursing home in an orderly queue and presented a small but well-prepared performance for the elderly. After that, the students voluntarily went to the elderly's rooms to chat with them. They presented them with home-made cards with best wishes for good health, and also brought them fruits and peeled oranges for the elderly, extending their loving care for the elderly. The happy laughter of the elderly coming from their rooms made these scenes more unforgettable.



OUTLOOK



In the future, focusing on our mission of “commitment to providing an elite education to all students regardless of race, colour or nationality” and vision of “building MLES education brand for China, the world and ourselves”, we will carry out environmental, social and governance work by adhering to the sustainability concept regarding caring for students, enhancement of staff cohesion, promotion of environmental protection and contribution to the society.

The Group will continue to consider its students as priority by always sticking to the principle of “student safety first”. Also, the Group will constantly explore the quality-oriented education which combines the merits of both Western and Chinese educational philosophies and innovative education mode, with an aim to create a teaching approach that will facilitate the holistic development of students. As to corporate governance, we will stick to compliance operation and create an honest working environment to support the healthy development of the Company. As to our staff, we will continue to safeguard their rights and interests, care for their safety and health and encourage the growth and development of employees. As to environmental protection, we will review every operation aspect to identify areas for improvement in energy conservation and emission reduction. In addition, by exploring new approaches to green operations in light of the distinctive features of our operation, we aim to reduce emission effect and enhance efficient use of resources. As to community investment, we will also continue to engage in public welfare charity projects and voluntary activities as before, encouraging our teachers and students to make more contributions to the local communities or place where our operation is located, with an aim to build an image of social responsible enterprise.

Looking forward, the Group will continuously reinforce the sustainability concept by establishing and refining its sustainability management system step by step, and pay continuous attention to communication and collaboration with all stakeholders with an aim to create a win-win situation.

ESG INDEX



NO.	Description	Disclosure Status	Reference Sections in the Report
A1 Emissions	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.</p> <p>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	Disclosed	P.31-33
A1 Emissions	A1.1 The types of emissions and respective emissions data.	Disclosed	P.34-35
	A1.2 Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	P.34
	A1.3 Total hazardous waste produced (in weight or volume) and, where appropriate, intensity (e.g. per unit of production volume, per facility and per regular employee).	Not applicable	–
	A1.4 Total non-hazardous waste produced (in weight or volume) and, where appropriate, intensity (e.g. per unit of production volume, per facility and per regular employee).	Disclosed	P.34
	A1.5 Description of measures to mitigate emissions and results achieved.	Disclosed	P.31-33
	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Disclosed	P.32



ESG INDEX



NO.	Description	Disclosure Status	Reference Sections in the Report
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, storage, transportation, buildings, electronic equipment, etc.	Disclosed	P.28-33
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	P.34-35
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	P.34
A2.3	Description of energy use efficiency initiatives and results achieved.	Disclosed	P.33
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Disclosed	P.33
A2.5	Total packaging materials used for finished products (in tons) and, if applicable, with reference to per unit produced.	Disclosed	P.35
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	Disclosed	P.28-30
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	P.28-30
B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Disclosed	P.23-24

ESG INDEX

NO.	Description	Disclosure Status	Reference Sections in the Report
B1 Employment	B1.1 Total workforce by gender, employment type, age group and geographical region.	Partially disclosed	P.23
	B1.2 Employee turnover rate by gender, age group and geographical region.	Planned to be disclosed in the future	–
B2 Health and Safety	General Disclosure Information on:		
	(a) the policies; and	Disclosed	P.19-20,P.24
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		
	B2.1 Number and rate of work-related fatalities.	Planned to be disclosed in the future	–
	B2.2 Lost days due to work injury.	Planned to be disclosed in the future	–
B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Disclosed	P.19-20,P.24	
B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	P.25-26
	Note: Training refers to vocational training. It may include in-house and external courses paid by the employer.		
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Planned to be disclosed in the future	–
	B3.2 The average training hours completed per employee by gender and employee category.	Planned to be disclosed in the future	–

ESG INDEX



NO.	Description	Disclosure Status	Reference Sections in the Report	
B4 Labour Standards	General Disclosure Information on:			
	(a) the policies; and	Disclosed	P.22-23	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.			
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	Disclosed	P.23	
B4.2	Description of steps taken to eliminate such practices when discovered.	Planned to be disclosed in the future	–	
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Disclosed	P.19-20	
	B5.1	Number of suppliers by geographical region.	Planned to be disclosed in the future	–
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Partially disclosed	P.19-21
B6 Product Responsibility	General Disclosure Information on:			
	(a) the policies; and			
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Disclosed	P.8-9 P.11-22	
	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.	Planned to be disclosed in the future	–
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Planned to be disclosed in the future	–
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	P.17	

ESG INDEX

NO.	Description	Disclosure Status	Reference Sections in the Report
B7 Anti-corruption	General Disclosure Information on:		
	(a) the policies; and	Disclosed	P.26
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		
B7 Anti-corruption	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	P.26
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Disclosed	P.26
B8 Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Disclosed	P.36-37
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	P.36-37
	B8.2 Resources contributed (e.g. money or time) to the focus areas.	Disclosed	P.36-37

FEEDBACK FORM



Thank you for reading the “Environmental, Social and Governance Report” of the Group for the FY2018. In order to provide you and other stakeholders with more valuable information and improve the Group’s ability to implement the overall environmental, social and governance work, we sincerely welcome any opinions and suggestions you may offer on the report via:

Mail to: Maple Leaf Educational Park, 6 Central Street, Jinshitan National Tourist Area, Dalian, Liaoning Province, China
Postal code: 116650
Email: ir@mapleleaf.net.cn

1. Which of the following stakeholder types applies to you?
- | | | | |
|---------------|-------------------------|----------------|---------------------|
| A. Government | B. Regulatory Authority | C. Shareholder | D. Customer |
| E. Employee | F. Supplier and Partner | G. Community | H. Public and Media |

2. Do you think this report has fully satisfied your expectations for the Group?
- A. Yes B. If not, what other expectations do you think are not reflected in this report?
-

3. Do you think the Group has met your expectations well?
- A. Yes B. If not, what other expectations do you think are not met well?
-

4. Do you think the arrangement of content and layout design of this report provide easy reading?
- | | | | |
|--------------|---------|---------|---------|
| A. Excellent | B. Good | C. Fair | D. Poor |
|--------------|---------|---------|---------|
-

5. What other opinions and suggestions do you have on our ESG efforts and this report?
-

Thanks again for your participation!



China Maple Leaf Educational Systems Limited
中國楓葉教育集團有限公司*

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1317

