



Neuedu

東軟教育科技有限公司

Neusoft Education Technology Co. Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 9616

Environmental, Social and
Governance Report

2020



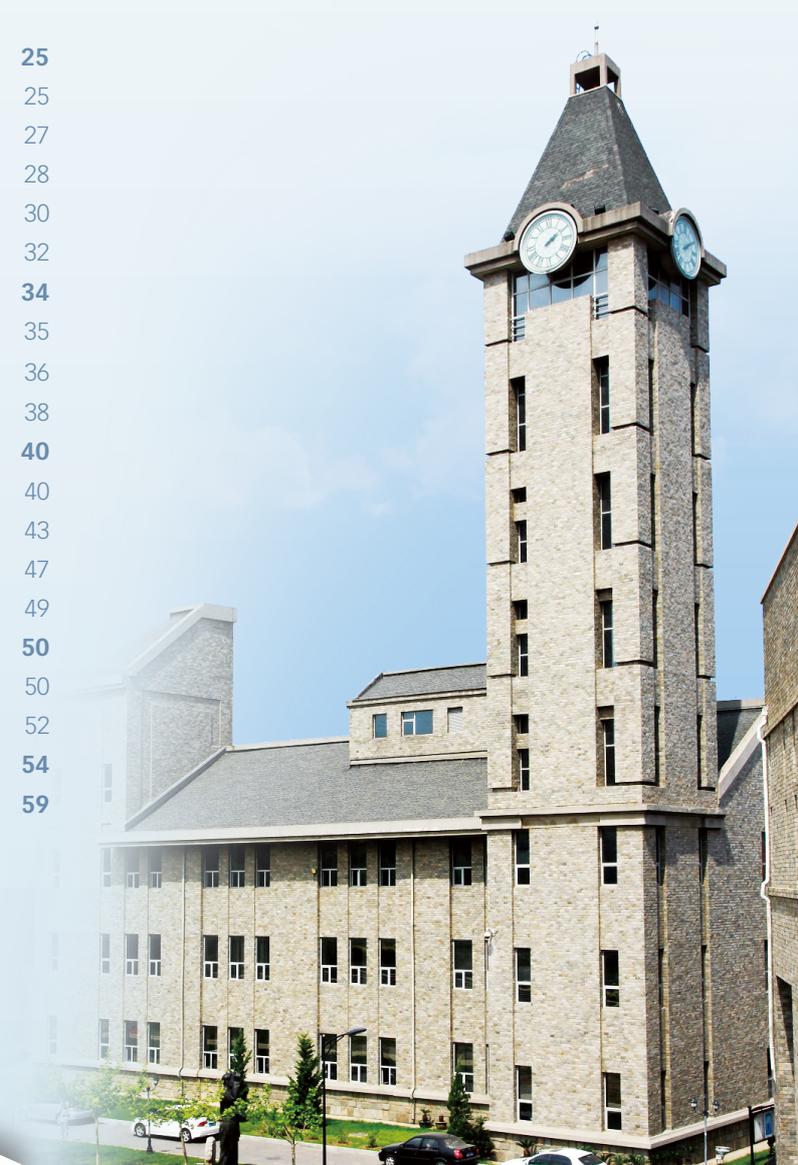
教育創造學生價值

Empower Students with Innovative Education



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ABOUT THIS REPORT

Neusoft Education Technology Co. Limited and its subsidiaries (“**Neusoft Education**”, the “**Group**” or “**we**”) are pleased to release the first environmental, social and governance report (this “**Report**”) to disclose the Group’s environmental, social and governance performance in relation to corporate social responsibility and sustainable development.

BASIS OF PREPARATION

The contents of this Report have been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**Guide**”) set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**Listing Rules**”), and this Report has complied with the “comply or explain” provisions and the requirements of the four reporting principles (materiality, quantitative, balance and consistency) of the Guide.

Materiality	We have identified and disclosed in our Report the process for identifying material environmental, social and governance factors and the criteria for selection, as well as a description of material stakeholders and the process and results of stakeholder engagement.
Quantitative	We have disclosed the information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable).
Balance	This Report provides an unbiased picture of our performance during the Reporting Period, and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.
Consistency	In the future, if there are any changes to the statistical methods or KPIs or any other relevant factors that affect meaningful comparison, we will make clear explanation in future report.

SCOPE OF THE REPORT

The time frame of this Report covers the period from 1 January 2020 to 31 December 2020 (the “**Reporting Period**”). Unless otherwise stated, the scope of this Report is consistent with the scope covered by the Group’s annual report during the Reporting Period. The scope of data for environmental KPIs covers the Group’s headquarters and the three universities operated by the Group, namely Dalian Neusoft University of Information (“**Dalian University**”), Chengdu Neusoft University (“**Chengdu University**”) and Neusoft Institute, Guangdong (“**Guangdong University**”).

LANGUAGE OF THE REPORT

This Report is published in both Chinese and English. In case of inconsistency, the Chinese version shall prevail.

APPROVAL OF THE REPORT

This Report has been considered and approved for issue by the board of directors of the Group (the “**Board**”) on 19 July 2021.

PUBLICATION OF THE REPORT

The electronic version of the Report is published on the Group’s official website (<http://www.neuedu.com>) and the HKExnews website of the Stock Exchange (<http://www.hkexnews.hk>).

FEEDBACK ON THE REPORT

The Group values your views on this Report. If you have any inquiries or suggestions, please feel free to contact us through the following means:

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1. ABOUT US

1.1 OUR INTRODUCTION

Headquartered in Dalian, Neusoft Education is a leading IT higher education group in China. Over the past 20 years, Neusoft Education has been focusing on value creation for learners based on full-time formal higher education services, integrated online and offline operations, vigorously expanded two major businesses, namely continuing education and education resources and apprenticeship programme, and established an education service ecosystem with three major business segments supporting each other and coupling and interacting with each other, and strived to become the leader of digital talent education services in the PRC.

Full-time Formal Higher Education

As one of the largest IT solution and service provider in the PRC, Neusoft has realised the gap between talent training in universities and talent demand in IT industry in its rapid development process. The serious imbalance between supply and demand in IT talent has given birth to Neusoft's dream of running a school. Relying on Neusoft's strong industrial gene and technological resources, since 2000, three IT application-oriented undergraduate universities, namely Dalian University, Chengdu University and Guangdong University, have been established in Dalian of Liaoning, Chengdu of Sichuan, and Foshan of Guangdong, respectively, with new system and mechanism, high starting point and high standard. Now there are 39,242 full-time students and more than 100,000 graduates of bachelor degree programmes and junior college diploma programmes, making positive contributions to promoting the development of IT industry in China. According to the Frost & Sullivan Report, we ranked first in terms of the number of IT majors provided by China's private higher education institutions and the second in terms of the students enrolled in IT majors among all private higher education institutions in China, in the school year of 2018/2019. After excluding independent colleges from the ranking, we ranked first in terms of the number of students enrolled in IT majors among all private higher education institutions in the school year of 2018/2019.

Continuing Education

Relying on Neusoft's industrial practice of "IT + Healthcare Technology" and the experience in application-oriented education accumulated by the three universities, Neusoft Education has built a special continuing education service system supported by bases in Dalian, Chengdu and Foshan, and has vigorously developed a hybrid lifelong education model that integrates online and offline operations. Firstly, with the support of the three universities, we actively provide formal continuing education services such as high school-to-adult junior college transfer programmes¹, junior college-to-adult bachelor degree transfer programmes² and online adult education programmes as well as self-taught examination education, and more than 6,000 students have enrolled in our formal continuing education programmes. Secondly, we undertake all kinds of non-academic short-term training services entrusted by government, enterprises, colleges and universities, and have obtained more than 40 national, provincial and municipal training qualifications, such as the first batch of enterprise practice sites for vocational education teachers nationwide recognised by four ministries including the Ministry of Education, and one of the first 50 organisations providing online vocational training platforms in the PRC recognised by the Ministry of Human Resources and Social Security. Thirdly, we carry out IT industry skills training business for college students, graduates and individual social students to accurately improve the employment competitiveness of trainees. The acquisition of Tianjin Neusoft Ruidao Education Information Technology Co., Ltd. ("**Tianjin Ruidao**") has further expanded our continuing education business. According to the Frost & Sullivan Report, Tianjin Ruidao ranked seventh among IT and internet technology vocational training providers in China in terms of revenues generated from offering IT training services in 2019.

Education Resources and Apprenticeship Programme

Supported by Neusoft's strong industrial advantages and rich experience in formal education, we develop digital products and platforms based on advanced educational concepts, methods, models, systems and standards in the form of joint establishment of academic majors and industrial colleges, smart education platform and teaching resources and practical training laboratory solutions, and implement apprenticeship programme to continuously empower the reform and development of general universities and vocational colleges with high quality educational products and services. Since 2017, our educational resource services have been successfully applied to more than 400 universities and vocational colleges, including over 30 "double first-class" universities and over 60 vocational education schools under the "Construction Plan of High-level Vocational Colleges & Majors with Chinese Characteristics" in China. According to the Frost & Sullivan Report, as measured by cumulative number of schools using our services as of 31 March 2020, we ranked second in China among providers of IT value-added education services.

¹ high school to adult junior college transfer programmes

² junior college to adult bachelor degree transfer programmes

1.2 HONORS AND AWARDS

With its first-class education services, high-quality education resources and social responsibility for public welfare and charity, Neusoft Education has won many awards and has been highly recognised and praised by all sectors of society.

The following are the major honors and awards received by the Group during the Reporting Period:

March 2020

“SOVO Mass Entrepreneurship Space” (SOVO 眾創空間) of Chengdu University was recognised as a national-level mass entrepreneurship space (the first private university in Sichuan Province) by the Torch Center of Ministry of Science and Technology (科技部火炬中心), and up to the date, all of three universities of Neusoft Education have obtained such qualification.



August 2020

The project of “Suspending Classes Without Stopping Study and Teaching – Supporting IT Talent Training with the Neusoft Smart Education Platform (《「停課不停學、不停練」-東軟智慧教育平台助力IT人才培養》)” of Neusoft Education was recognised by CAETT as one of the “Excellent Innovative Application Cases of Educational Technology in the Battle against the Pandemic” (“教育科技「戰疫」優秀創新應用案例”).



February 2020

Neusoft Education was recognised by the Ministry of Human Resources and Social Security as the first batch of 54 organisations providing online vocational training platforms in the PRC.



May 2020

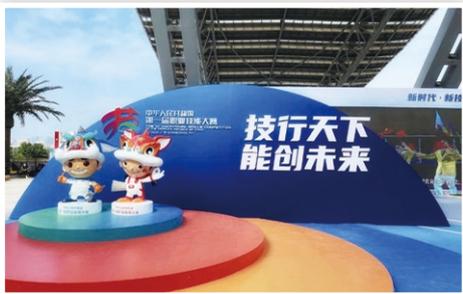
All of three universities of Neusoft Education were listed in the top 100 in the “private universities (inclusive of independent colleges) in China in 2020” (2020 軟科中國民辦高校排名), among which Dalian University ranked fifth.



1. ABOUT US

October 2020

Neusoft Education was selected as a partner of the "Business Software Solutions" (商務軟件解決方案) competition in the first National Skills Competition (全國技能大賽).



September 2020

Dalian University was recognised as the first batch of national vocational college principal training and cultivation bases by the Ministry of Education.



November 2020

Neusoft Education was recognised as a caring company for "suspending classes without stopping study and teaching" by National Joint Conference of Vocational Education Information (全國職業教育信息化聯席會議).



Dalian University ranked first in the "Teachers Teaching Development Index (2020 edition)" (民辦及獨立學院教師教學發展指數) among all private universities (inclusive of independent colleges) in China, and has been in the first place for two consecutive years.

序号	学校名称	项目数	总分	省份	序号	学校名称	项目数	总分	省份
1	大连东软信息学院	460	38.28	辽宁省	11	吉林动画学院	110	27.09	吉林省
2	浙江树人学院	330	32.49	浙江省	12	上海建桥学院	112	26.95	上海市
3	山东协和学院	332	32.39	山东省	13	广东白云学院	97	26.92	广东省
4	吉林外国语大学	246	30.96	吉林省	14	三亚学院	229	26.58	海南省
5	山东英才学院	275	30.75	山东省	15	宁波财经学院	251	26.48	浙江省
6	南京医科大学康达学院	33	29.66	江苏省	16	武汉生物工程学院	75	25.58	湖北省
7	西安学院	303	28.74	陕西省	17	华南理工大学广州学院	79	25.43	广东省
8	北京城市学院	383	28.7	北京市	18	江西科技学院	76	23.28	江西省
9	湖南涉外经济学院	149	27.99	湖南省	19	潍坊科技学院	227	23.25	山东省
10	东莞城市学院	126	27.69	广东省	20	桂林学院	120	24.95	广西省

"民办及独立学院" 共415所, 指数覆盖394所, 覆盖率为94.94%

Dalian University was selected as one of the first batch of featured demonstrative software colleges recommended to the Ministry of Education (the only recommended university in Liaoning Province), and Chengdu University was selected as the first batch of featured demonstrative software colleges in Sichuan Province (the only private university among 5 selected universities in Sichuan province).



December 2020

Dalian University won the “2020 Social Influential Private University of the Year” (2020年度社會影響力民辦高校) by Xinhuanet, Chengdu University won the “2020 Influential University Brand Award” (2020年度院校品牌影響力獎) by China Education Online, and Guangdong University won the “2020 Influential Private University Brand” (2020年度品牌影響力民辦高校) by CCTV.



Neusoft Education successively won the “Educational Listed Pioneer Award for the Year” (年度教育上市新銳獎) of Blue Whale Education (藍鯨教育) and “IPO with Growth Potential for the Year” (年度最具成長力IPO) of Gelonghui (格隆匯).



Dalian University was recognised as a national-level high-skilled talent training base by the Ministry of Human Resources and Social Security.



2. SUSTAINABILITY GOVERNANCE

2.1 STATEMENT OF THE BOARD

In order to strengthen the Group's environmental, social and governance management and promote the sustainable development of the Group, we established the Group's Environmental, Social and Governance (ESG) Committee during the Reporting Period. Under the leadership of the Board, the ESG Committee formulates the Group's strategic plans, rules and policies on ESG matters, and promotes the effective implementation of the relevant strategic plans and policies in the Group. The Board assumes full responsibility for the Group's ESG strategies and reporting.

During the Reporting Period, the Group conducted materiality assessment to identify and determine the priority of important ESG issues in order to develop appropriate ESG policies and strategies. We identify and assess the significant ESG risks (including climate-related risks) that may affect us in accordance with the Comprehensive Risk Management Manual, and develop an Internal Control Management Manual and related responding systems to manage these risks³. We have established a number of ESG related objectives and have relevant systems and measures in place to work towards these objectives.

2.2 SUSTAINABILITY GOVERNANCE STRUCTURE

The aforementioned ESG Committee is chaired by the senior vice president of the Group, with the secretary of the Group and the director of the Board office as the vice chairman, and members include the heads of various departments. The ESG Committee reports regularly to the Board on the status of the Group's ESG efforts and related risks and, under the leadership of the Board, promotes the implementation of ESG policies, measures and efforts across the Group.

2.3 COMMUNICATION WITH STAKEHOLDERS

The Group recognises the importance of maintaining close communication with our stakeholders. We maintain close contact with stakeholders such as investors/shareholders, teachers/employees, students/parents, business partners, suppliers, government/regulatory authorities, alumni, community/non-governmental organisations, the general public and the media through various communication channels to understand their expectations and demands on the ESG aspects of the Group so as to continuously optimise our sustainable management and enhance our sustainable development performance.

Major stakeholders	Main channels for communication and response
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Investors/shareholders	<ul style="list-style-type: none">• Annual general meeting• Results announcement• Investor conference• Teleconferences/web conferences• Interim report and annual report• Shareholder visits
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³ For the identification, assessment and management of significant ESG risks and climate-related risks, please refer to "4.1 Comprehensive Risk Management" and "7.3 Responding to Climate Change".

2.3 COMMUNICATION WITH STAKEHOLDERS (CONTINUED)

Major stakeholders	Main channels for communication and response
Teachers/employees	<ul style="list-style-type: none"> • Channels for employees to express their opinions (e.g. forms, suggestion boxes, emails, etc.) • Work performance evaluation and interview • Employee communication meetings • Training • Business briefings • Volunteer activities • Special advisory committees/special discussion panels • Seminars/workshops/talks
Students/parents	<ul style="list-style-type: none"> • Satisfaction survey • Supervisory feedback • Regular visits • Parents' meetings • Students' symposium • Online platforms (e.g. WeChat group, QQ group, etc.) • Phone calls, emails, face-to-face meetings, etc.
Business partners	<ul style="list-style-type: none"> • Strategic partnership projects • Cooperation meetings • Exchange activities • Visits • Talks • Phone calls, emails, visits, etc.
Suppliers	<ul style="list-style-type: none"> • Supplier management procedures • Meetings (e.g., negotiation meetings between parties) • Supplier/contractor review and evaluation • Site visits • Tendering activities • Phone calls, emails, etc.

2. SUSTAINABILITY GOVERNANCE

2.3 COMMUNICATION WITH STAKEHOLDERS (CONTINUED)

Major stakeholders	Main channels for communication and response
Government/regulatory authorities	<ul style="list-style-type: none">• Consultation• Talks• School assessment• School visits• Meetings• Compliance reports• Annual inspection, audit, etc.
Alumni	<ul style="list-style-type: none">• Media information• School websites• Alumni events• Official media (e.g. official accounts, video accounts, etc.), phone calls, emails
Community/non-governmental organisations	<ul style="list-style-type: none">• Public welfare activities• Donations• Education fund/scholarship• Community events• Talks/workshops
General public	<ul style="list-style-type: none">• Media information• Official website• Education fair• Public announcements (e.g. teaching quality reports), official media, phone calls, emails
Media	<ul style="list-style-type: none">• Press releases• News• Senior management interview• Results announcement• Media gatherings

2.4 MATERIALITY ASSESSMENT

In order to identify key ESG aspects of concern and disclosure, we engaged an independent consultant to conduct a materiality assessment and analysis of ESG issues during the Reporting Period.

Steps of materiality assessment during the Reporting Period

1. Identify key stakeholders and important ESG issues

We identified key stakeholders based on our business operations, the degree of interaction between our stakeholders and us, and other factors. By considering our business development direction and operations, we identified 25 potentially important ESG issues with reference to the Guide of the Hong Kong Stock Exchange and the materiality map of the Sustainability Accounting Standards Board (SASB).

2. Conduct online survey

During the Reporting Period, online questionnaires were sent to key stakeholders such as students/parents, teachers/employees, investors/shareholders, government/regulatory authorities, business partners, suppliers and community/non-governmental organisations to understand their concerns and importance to the Group on ESG issues.

3. Analysis of important ESG issues

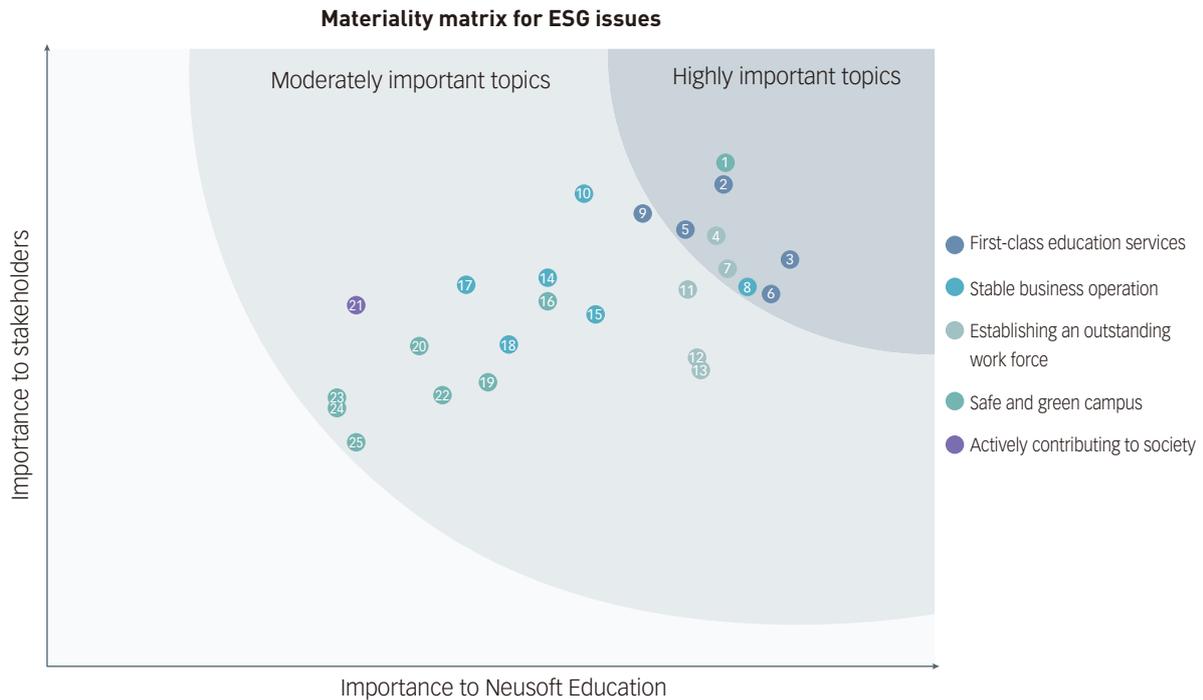
Based on the results of the survey, we conducted materiality assessment based on two dimensions, including importance to stakeholders and importance to the Group's development, and prioritised important ESG issues to form a materiality matrix.

4. Finalise important ESG issues

The Group confirmed the final materiality matrix results for ESG issues, and finally determined 8 highly important issues and 17 moderately important issues.

2. SUSTAINABILITY GOVERNANCE

2.4 MATERIALITY ASSESSMENT (CONTINUED)



Based on the results of the materiality matrix, Neusoft Education has identified the direction of important ESG issues, including “first-class education services”, “stable business operation”, “establishing an outstanding work force”, “safe and green campus” and “actively contributing to society”. This Report will focus on these five aspects to reflect our ESG focuses and contributions.

2. SUSTAINABILITY GOVERNANCE

2.4 MATERIALITY ASSESSMENT (CONTINUED)

Highly important ESG topics		Relevant sections
1	Health and safety of students	Safe and green campus
2	Advanced teaching concepts and innovative teaching methods	First-class education services
3	Quality control of teaching services	First-class education services
4	Qualifications and professional conduct of teachers	Establishing an outstanding work force
5	Abundant and quality educational resources	First-class education services
6	Employment quality of students	First-class education services
7	Health and safety of staff	Establishing an outstanding work force
8	Compliance operation	Stable business operation
Moderately important ESG topics		Relevant sections
9	Communication with and complaint handling of students, parents and customers	First-class education services
10	Protection of intellectual property right	Stable business operation
11	Employee compensation and benefits	Establishing an outstanding work force
12	Employee development and training	Establishing an outstanding work force
13	Protection of employment rights	Establishing an outstanding work force
14	Brand promotion management	Stable business operation
15	Anti-corruption	Stable business operation
16	Waste management	Safe and green campus
17	Information and privacy protection	Stable business operation
18	Sustainable supply chain management	Stable business operation
19	Pollution reduction and emission reduction	Safe and green campus
20	Water resources management	Safe and green campus
21	Community welfare and charity	Actively contributing to society
22	Energy management	Safe and green campus
23	Responding to climate change	Safe and green campus
24	Use of material and resource	Safe and green campus
25	Greenhouse gas emission management	Safe and green campus

3. FIRST-CLASS EDUCATION SERVICES

3.1 UNIQUE BUSINESS AND EDUCATION PHILOSOPHY



VISION

Become the leading education service provider of digital talents in China



VALUES

Innovation

Innovation is the source of our long-term development. With the mission of “Empower students with innovative education”, we adhere to the exploration and innovation of education methods, training models and operating mechanisms, and pursue the excellence of education

Integration

Integration is the mechanism of our value creation. With the responsibility of serving social development, we promote the integration of education and regional economy, industry and information technology, and create a mutually beneficial ecosystem

Progression

Progression is our driving force to face the challenges. Based on firm ideals and beliefs, we pursue self-renovation, continuous improvement and breakthroughs in education services, and are at the forefront of innovative education



MISSION

Empower students with innovative education

- Focus on talent cultivation in the field of IT and healthcare and medical technology, guided by high-quality employment and entrepreneurship of students, practice TOPCARES methodology, integrate industry and education, continuously innovate, achieve accurate and efficient application-oriented university that offer bachelor degree programs and junior college diploma programs, build first-class application-oriented universities
- Based on Neusoft’s industrial practice and educational accumulation, create a flexible, open and digital characteristic continuing education system, innovate new models of online and offline continuing education, empower individual learners and organisations to continuously develop, become a leader in continuing education solutions providers
- Digitalise, productise and platformise Neusoft’s characteristic education methods and contents, outsource first-class educational resources and management services, empower IT, healthcare and medical technology education to more universities and vocational colleges, become an innovator and leader of new education

3. FIRST-CLASS EDUCATION SERVICES



EDUCATION METHODOLOGY

TOPCARES education methodology

Based on the theory of constructivism and cognitive development, and integrating the concept of outcome-based engineering education, we have created the unique TOPCARES education methodology, which is centered at students' development, and localises the achievements of international engineering education reform. Under such methodology, we focus on cultivating students' technical knowledge and reasoning ability, open thinking and innovation, personal and professional skills, communication and teamwork, attitude and manner, responsibility, ethical values, and social values created by application practice ("TOPCARES", which represents our "greatest care" for students), and integrate them into each course, each project, each activity and each experiment, so as to ensure the integrated development of students' knowledge, ability and quality. TOPCARES has been applied to the education and teaching process of all our majors and has played an important role in improving the overall quality of students, achieving high quality employment and entrepreneurship, and thereby bringing good returns to their families and ultimately creating value for society.

3.2 DISTINCTIVE EDUCATIONAL MODELS AND PRACTICES

3.2.1A pioneer in blended education

As a pioneer in the implementation of blended education model in China, Dalian Universities became the first laptop university in China at the beginning of its establishment, and also proposed and implemented the "F2F + e-Learning" education model earlier in China. Through face-to-face teaching by teachers and online teaching assisted by online technology, we have changed the traditional model of teacher-centered teaching and passive learning and enabled efficient learning by students. We always promote and focus on individualised learning and lifelong development for our students. By effectively combining online learning platforms and resources and offline education and teaching resources and environments, we enable students to learn any content they need at anytime, anywhere, and in any way. With years of practice in blended education, we have accumulated a wealth of online education resources and a supportive smart education platform.

3. FIRST-CLASS EDUCATION SERVICES

3.2 DISTINCTIVE EDUCATIONAL MODELS AND PRACTICES (CONTINUED)

3.2.2 Practitioner of industry-education integration

With Neusoft's leading position in the industry, we have realised a seamless connection between the school operation process and industrial needs and development of the industry, and accordingly built an application-oriented school operation system that integrates industry and education. It formed a school-enterprise cooperation and win-win operation mechanism, thereby ensuring that enterprises can deeply participate in the whole process of talent training such as construction of academic majors, training proposal demonstration, curriculum construction, teaching and experimental training. At present, our three universities have carried out various forms of in-depth cooperation with more than 700 enterprises, including Neusoft Group⁴, Baidu, IBM, Lenovo, HP, Intel, Concentrix and Accenture. First, we have joined hands with industry leaders to build industry colleges and improve the overall construction of academic majors driven by comprehensive strategic cooperation between schools and enterprises. For example, in May 2019, we entered into a six-year business cooperation framework agreement with Baidu, under which we will establish the "Neusoft Baidu Artificial Intelligence College" in three universities, jointly develop talent training programs, optimise curriculum systems, develop educational and teaching resources and smart education solutions. Secondly, we provide support for students to understand the industry environment and improve their practical ability by jointly developing academic majors, courses and practical teaching resources and environment between schools and enterprises. For example, in 2003, Dalian University became the ninth and the only private university in China to be selected for the SAP Global University Seed Programme. Thirdly, we attract enterprises to station in our university science and technology park, so that students can understand the industry environment without leaving school, and apply what they have learned in their jobs. In December 2019, Dalian University science park was officially recognised as a provincial-level university science park, and became the first provincial-level university science park built by a private university in Liaoning Province.

3.2.3 Leader in innovation and entrepreneurship

As early as 2002, we built the unique SOVO⁵ based on the real environment of enterprises, integrated innovation and entrepreneurship education into the whole process of talent training, and established a progressive practice platform of "universal education of innovation and entrepreneurship + innovation and entrepreneurship project implementation + virtual company operation + entrepreneurial results incubation". In 2020, our three universities supported more than 400 innovation and entrepreneurship projects, and incubated a total of 80 virtual companies and more than 40 physical companies. The breeding ground of innovation and entrepreneurship culture and the incubator of achievements formed by our three universities relying on SOVO have not only provided solid foundation for the innovation and entrepreneurship of teachers and students, but also been widely recognised by various parties in the society. In 2016, Dalian University was selected as one of the first 50 colleges and universities with typical experience in innovation and entrepreneurship by the Ministry of Education. In 2017, Dalian University was selected as one of the First 99 Model Universities Nationwide with Deepening Innovation and Entrepreneurship Education and became the only private university in the third batch of innovation and entrepreneurship bases for innovative education in colleges and universities. At present, Dalian University, Guangdong University and Chengdu University have been approved as the Mass Entrepreneurship Space under the Torch Center of Ministry of Science and Technology.

⁴ Neusoft Corporation

⁵ Student Office & Venture Office

3.2 DISTINCTIVE EDUCATIONAL MODELS AND PRACTICES (CONTINUED)

3.2.4 Promoter of internationalisation

In order to provide students with the necessary exposure to different cultures and overseas education, we closely follow the trend of internationalisation of higher education and conduct in-depth exchanges and cooperation with foreign universities. We explore the construction of an education and teaching system that is in line with international standards with reference to the Washington Accord, ABET⁶ and other international standards for professional accreditation in engineering education, as well as international curriculum standards; promote the internationalisation of educational resources by co-establishing laboratories with foreign universities and famous enterprises; improve the internationalisation ability of the teaching staff by introducing overseas students and sending teachers abroad for training and exchange; expand the international vision of students by expanding the scale of international students enrollment and sending students abroad and encouraging students to participate in various overseas competitions. As of March 2020, we have established nearly 200 international programmes in partnership with more than 130 universities abroad; cumulatively, more than 1,800 students have applied for international programmes to study abroad, and we have admitted more than 2,500 international students to study in our universities, and approximately 22.7% of our full-time faculty members have overseas study and/or work experience.

3.3 CUTTING-EDGE EDUCATIONAL RESEARCH AND PRODUCT DEVELOPMENT

We are highly concerned about the disruptive and leading role of cutting-edge technological innovation on the development of education reform, we have established a specialised R&D organisation with the research institution and product development center as the core, and a high-level research and development team with rich experiences in the fields of educational research, technological research and product development to ensure the sustainable development of different businesses.

3.3.1 Educational research

We intensify our efforts to promote the iterative update of TOPCARES featured education approach of Neusoft Education through systematic research in the field of education technology and learning science. We continue to optimise and develop new education philosophy, approaches, models, systems and standards, and pay close attention to methods and channels of information technology and education integration, providing strong education theoretical support for technological studies and product development.

3.3.2 Technological research and development

We focus on the development trend of smart education in the future, and comprehensively promote the research and development and application of emerging cutting-edge technologies in the field of education such as artificial intelligence, big data, and virtual reality, continue to make key core technology breakthroughs, thereby establishing a same-frequency linkage relationship with product research and development which is strong coupling and interactive.

⁶ Accreditation Board for Engineering Technology or "ABET"

3. FIRST-CLASS EDUCATION SERVICES

3.3 CUTTING-EDGE EDUCATIONAL RESEARCH AND PRODUCT DEVELOPMENT (CONTINUED)

3.3.3 Product research and development

Supported by Neusoft's strong advantages in IT industry and rich experience in formal education, we focus on assisting and supporting digital and smart teaching management and operation of universities. By developing digital products and platforms based on the unique educational concepts, methods, models and systems of Neusoft Education, and creating a series of rich online education resources and supporting smart education platform products such as Neusoft MOOC Platform, Neusoft Practical Curriculum Platform and Neusoft Software Development Practical Training Platform to cater to the blended teaching scenarios.

3.4 QUALITY EDUCATIONAL RESOURCES AND SERVICES

3.4.1 Actively facilitating the development of digital industry with first-class full-time formal higher education

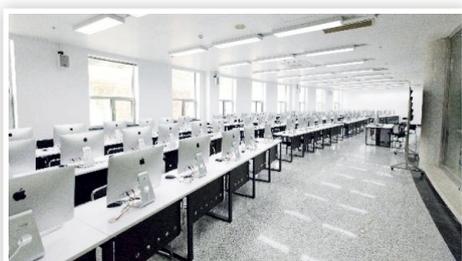
Over the years, we have continued to focus on education of IT industry, built unique educational concept, method, model, system and standard, and utilised the advantages of the Group to coordinate and create high-quality educational teaching resources and environment that closely follows the frontiers of the industry. At the same time, we have carried out unified planning and deployment for the procurement, maintenance and update of library resources, practical training laboratory, smart education platform and various information systems, campus infrastructure construction and other matters for our three universities to fully ensure the maximum utilisation of resources.



Library



3D Printing Creators Lab



Mobile Application Development Lab



Semiconductor Process and Integrated Circuit Test Lab

3. FIRST-CLASS EDUCATION SERVICES

3.4 QUALITY EDUCATIONAL RESOURCES AND SERVICES (CONTINUED)

3.4.1 Actively facilitating the development of digital industry with first-class full-time formal higher education (Continued)

We actively advocate and practice the concept of “the application of knowledge is more important than the possession of knowledge”, and ensure the integrated development of students’ knowledge, ability and quality through the TOPCARES integrated training model and based on high-quality resources and environment. As a result, our students are more competitive and have the comprehensive ability and quality required by enterprises. The total number of graduates has exceeded 100,000 people since the establishment of our universities, making positive contributions to the development of digital industry in China.

As of 31 December 2020, the employment rates of 2020 graduates of Dalian University, Chengdu University and Guangdong University reached 91.3%, 94.6% and 91.2%, respectively, which are higher than the average level of colleges and universities in their respective province. The average salary for graduates of bachelor degree programmes of Dalian University, Chengdu University and Guangdong University reached RMB5,579, RMB5,228, and RMB5,285, respectively and the average salary for graduates of junior college diploma programmes is RMB5,045, RMB4,836 and RMB4,045, respectively. In the tough situation where the COVID-19 epidemic affects the employment market, the average salary for graduates of bachelor degree programmes and junior college diploma programmes of 2020 achieved a steady increase as compared to that of 2019, reflecting the competitiveness of the graduates of our three universities in the job market. Some of our outstanding graduates in Class of 2020 have been employed in well-known companies such as IBM, NetEase, Tencent, JD, Lenovo and ByteDance.

In 2020, students from our three universities have won more than 1,900 provincial-level third prizes and above in various academic competitions, for example, 1 first prize, 4 second prizes, and 25 third prizes in the Chinese College Students Computer Design Competition (中國大學生計算機設計大賽) sponsored by the China Association of Higher Education (中國高等教育學會) and the Advisory Committee of Professional Computing Teaching in Colleges and Universities established under the MOE (教育部高等學校計算機類專業教學指導委員會); 2 first prizes and 8 second prizes in the “Higher Education Press Cup” Contemporary Undergraduate Mathematical Contest in Modeling (「高教社杯」全國大學生數學建模競賽); first prize in each of the important events such as the 29th Times Golden Calf Awards Selection (時報金犢獎評選), the Blue Bridge Cup National Professional Talent for Software and Information Technology Competition (藍橋杯全國軟件和信息技術專業人才大賽), the National University Digital Art Design Competition (全國高校數字藝術設計大賽), and the National College Student Mathematics Competition (全國大學生數學競賽). In addition, students from our three universities have obtained 30 patents and 200 computer software copyrights in 2020, representing a significant increase in the number of intellectual property achievements.

3.4.2 Supporting the building of a learning society with an integrated mode of online and offline continuing education

Formal continuing education

Relying on the physical space, teaching facilities and faculty of Neusoft Education’s three universities, we actively carry out continuing education business such as high school-to-adult junior college transfer programmes, junior college-to-adult bachelor degree transfer programmes and online adult education programmes through scientific planning and reasonable allocation of education and teaching resources of each university. As of 31 December 2020, student enrolment of formal continuing education in our universities was 6,849, increased by 25.53% as compared with that of 31 December 2019, reflecting the further expansion of scale of business.

3. FIRST-CLASS EDUCATION SERVICES

3.4 QUALITY EDUCATIONAL RESOURCES AND SERVICES (CONTINUED)

3.4.2 Supporting the building of a learning society with an integrated mode of online and offline continuing education (Continued)

Skill training for individual customers (2C training)

To cater to the market demand, we developed courses of various types and terms to satisfy the needs of different customers. We also proactively deployed online education by leveraging on self-developed online platform and third-party livestreaming platforms and bringing our fundamental courses and trainings online, thus achieving a combination of learning and practicing based on the features of IT training. The employment situation in 2020 was critical due to the impact of the epidemic. We actively provided multi-channel job referral services for participants of our training courses, and the successful referral rate reached 70%. Graduates have been successfully employed by well-known companies such as Pactera Technology International Ltd. (文思海輝技術有限公司), Yusys Technologies Co., Ltd. (北京宇信科技集團股份有限公司), Thunder Soft Technology Co., Ltd (中創達軟件股份有限公司), Beijing Zhangshangxianji Network Technology Co., Ltd (北京掌上先機網絡科技有限公司) and Beijing Kelan Software System Co., Ltd (北京科藍軟件系統股份有限公司).

Short-term training services for institutional customers (2B training)

In 2020, we obtained 10 new training site qualifications, including four national-level qualifications, one provincial-level qualification and five municipal-level qualifications. Currently, we have developed three types of training products, including professional capacity enhancement training for teachers and practical training for teachers in the education system, vocational skills training in the human resources system and employee training and Party building training for enterprises. Our existing institutional customers are from various provinces and cities across China, covering government departments at all levels such as education and human resources, as well as enterprises in finance, construction, energy and other industries. During the period of the COVID-19 epidemic, we have provided free online skill training services to tens of thousands of employees in 267 companies through our self-developed smart education platform.

3. FIRST-CLASS EDUCATION SERVICES

3.4 QUALITY EDUCATIONAL RESOURCES AND SERVICES (CONTINUED)

3.4.3 Empowering other colleges and universities to reform and develop with innovative education resources and apprenticeship programme services

Education resources

With a strong application R&D team and through online and offline integration, we have developed digital products and platforms based on the unique educational concepts, methods, models, systems and standards that originated from our three universities and have been effectively tested and continuously practiced, and applied them to “N” universities cooperated with us in the form of joint establishment of academic majors and industrial colleges, smart education platform and teaching resources and practical training laboratory solutions, which formed the “3+N”⁷ business model with O2O (online and offline integration), light assets and less manpower to achieve continuous expansion of education business. In 2020, we launched a total of 187 projects in joint establishment of academic majors with 69 cooperative colleges and universities, covering 14,947 students, and sold 50 education and teaching products to 44 customers, of which practical teaching products such as practical curriculum platform and practical project training platform were highly recognised in the market.

Apprenticeship programme

In order to ensure that the business has more characteristics and competitiveness, meet the needs of cooperative colleges and universities for the engineering environment of talent training, as well as the needs of local governments for the local economic and social development of talents, and expanding the channels of students’ employment, we creatively proposed and established our “Apprenticeship Programme” as one of the implementation carriers of our business, and built a complete talent ecosystem chain from customised training, concentrated training, internships to talent output for college students. Leveraging on the regional execution centers and cooperative enterprises across China, we provide a shared simulated or real engineering environment for students of cooperative colleges and universities, and provide talent support services for cooperative enterprises and regional economic development, thereby creating a synergetic and win-win ecosystem for schools, enterprises and governments, students, teachers and engineers. We have established 12 off-campus execution centers for apprenticeship programme in 8 provinces or municipalities (of which 2 was added in 2020), which can accommodate approximately 6,000 students for participating in apprenticeship programme onsite. In 2020, the number of students who participated in apprenticeship programme was 15,838.

⁷ “3” stands for our three universities and “N” stands for other higher education institutions that enjoy our quality education resources

3. FIRST-CLASS EDUCATION SERVICES

3.5 GOOD SERVICE QUALITY AND QUALITY ASSURANCE

The quality of our educational services is the foundation for the trust and support of our students, parents and customers, and the fundamental prerequisite for the sustainable development of our businesses.

3.5.1 Quality assurance system construction

With reference to the advanced quality management concepts and methods such as ABET and PDCA⁸, and based on the actual situation of business development, we have built and implemented the education service quality management and assurance system based on full participation, whole process monitoring, and all-round evaluation, which includes five sub-systems of quality planning, organisational assurance, process monitoring, information collection and feedback, and quality assessment and improvement, which not only enable our three universities to be fully trusted and widely recognised by different parties, but also provide a good training and learning experience for the customers of continuing education services, and ensure that our cooperative colleges and universities continue to enjoy the education resource services with quality assurance.

Quality assurance system for full-time formal higher education

- **Quality planning:** In accordance with the national requirements and based on the actual situation of school operation with focus on cultivation of application-oriented talents, we have established a series of quality standards and evaluation plans, such as the Academic Majors Construction Framework/Evaluation Criteria, Curriculum Construction Framework/Evaluation Criteria, Project Construction Framework/Evaluation Criteria, and Activity Construction Framework/Evaluation Criteria, to ensure a high degree of unity and enable replication and sharing of education and teaching operation in all universities of the Group
- **Organisational assurance:** We have established a three-level quality management system of schools, departments and professional teams. In particular, at the school level, we have set up a teaching quality management and assurance department and a teaching quality control committee to form a dual structure of teaching operation and quality management; at the department and professional team level, there is a deputy director in charge of teaching operation and teaching quality to ensure that teaching operation and quality management works are carried out in a standardised and efficient manner
- **Process monitoring:** We make full use of big data, artificial intelligence and other information technologies to monitor the teaching and management process at all levels of the school, faculty, department, teachers and students, provide personalised learning guidance for students, teaching decision support for teachers, and quality monitoring and evaluation analysis for managers based on big data analysis of teaching activities
- **Information collection and feedback:** We have established a comprehensive, information-based internal and external information collection and feedback mechanism to carry out external information collection and feedback for industry enterprises, employers and alumni, and internal information collection and feedback for students, teachers, members of teaching quality control committee and teaching management staff
- **Quality assessment and improvement:** We have established multiple quality assessment and improvement mechanisms such as talent training program evaluation, teacher teaching quality evaluation, and student learning effectiveness evaluation, while periodically carrying out assessment and improvement work based on our self-developed digital platform system

⁸ Plan, Do, Check and Act

3.5 GOOD SERVICE QUALITY AND QUALITY ASSURANCE (CONTINUED)

3.5.1 Quality assurance system construction (Continued)

Quality assurance system for continuing education services

- **Quality planning:** Based on the guidance of PDCA, we have established a standardised service procedure and process management system for continuing education to ensure that the project services are carried out in a cyclic manner from preparation, to implementation and then to improvement
- **Organisational assurance:** We set up dedicated departments and posts to supervise and control the quality of project services, establish clear awareness of service standardisation, quality assurance and innovation, and ensure that refined management is carried out in an orderly manner
- **Process monitoring:** We continue to promote standardised, systematic and consistent services, and have developed a series of project management process documents, quality management procedure documents, quality management performance documents, and project implementation guidelines, which greatly improved the delivery quality of project services
- **Information collection and feedback:** Externally, we conduct multi-dimensional satisfaction surveys on current and former students and their institutions to collect extensive information and opinions from all parties; internally, we collect comprehensive feedback on service quality through class sit-in, regular meetings and regular assessment
- **Quality assessment and improvement:** Based on internal and external information feedback, we regularly organise relevant departments and personnel to discuss and analyze service quality and standards for continuous evaluation, summary, improvement and optimisation

3. FIRST-CLASS EDUCATION SERVICES

3.5 GOOD SERVICE QUALITY AND QUALITY ASSURANCE (CONTINUED)

3.5.1 Quality assurance system construction (Continued)

Quality assurance system for education resource and apprenticeship programme

- **Quality planning:** We build the required standardised solution library, sales toolkit, product resources and training system, faculty management standards, consulting and tracking service system based on the situations before, during and after sales to respond quickly to customers' needs and effectively guarantee the quality of all kinds of customised solutions and services
- **Organisational assurance:** We set up dedicated departments and posts to supervise and control the quality of project services, establish clear awareness of service standardisation, quality assurance and innovation, and ensure that refined management is carried out in an orderly manner
- **Process monitoring:** We focus on strengthening service process management and monitoring data feedback to ensure service quality while promoting continuous improvement of the service process in order to create a satisfactory delivery experience for customers; at the same time, we strengthen the system construction in four dimensions, including teaching preparation, teaching process management, daily management of the base, and management of teachers and students, to achieve standardised operation of apprenticeship programme
- **Information collection and feedback:** We communicate with customers in the form of weekly reports, bi-weekly reports and monthly reports, demonstrate the milestones to customers, and collect and understand the key concerns of customers in a timely manner; meanwhile, we collect feedback from various parties through satisfaction questionnaires and other surveys
- **Quality assessment and improvement:** We evaluate and summarise the executed and completed projects in time, continuously improve and enhance the quality of project execution, and support the development of cooperative colleges and universities with high-quality products, services and solutions

3.5.2 Communicating with students, parents and customers

In order to safeguard and continue to enhance the quality of education services of the Group, it is important to understand the opinions of students, parents and customers. The three universities of the Group have established channels for the communication and feedback from students and parents, such as the self-invented "QR code Self-service System", set up the feedback mailbox, registered the QQ number for tuition service, allowing students and parents to express their opinions and needs; "Family-school Connection System" has also been established, the major ways of communication include the investigation system of the family conditions, the contact and messaging system between family and school, the hospitality of parents' school visit, the seminar system and the visit system of the family of students with special needs, strengthening the connection between school and parents, allowing parents to understand the situation of school attendance and needs of their children. According to the developmental needs of continuing education, education resources and apprenticeship programme, we have collected customers' opinions on various services through numerous ways, such as interviews, online platforms, telephone contact, questionnaires, we have also improved the timeliness and efficiency of feedback.

In addition, in order to protect the rights of students, we have established the "Student Complaints Handling Methods" and "Correspondence and Visit System", allowing students to raise claims, opinions, proposals or complaints. When claims or letters and calls are received, we will handle such issues in compliance with the system and provide feedback.

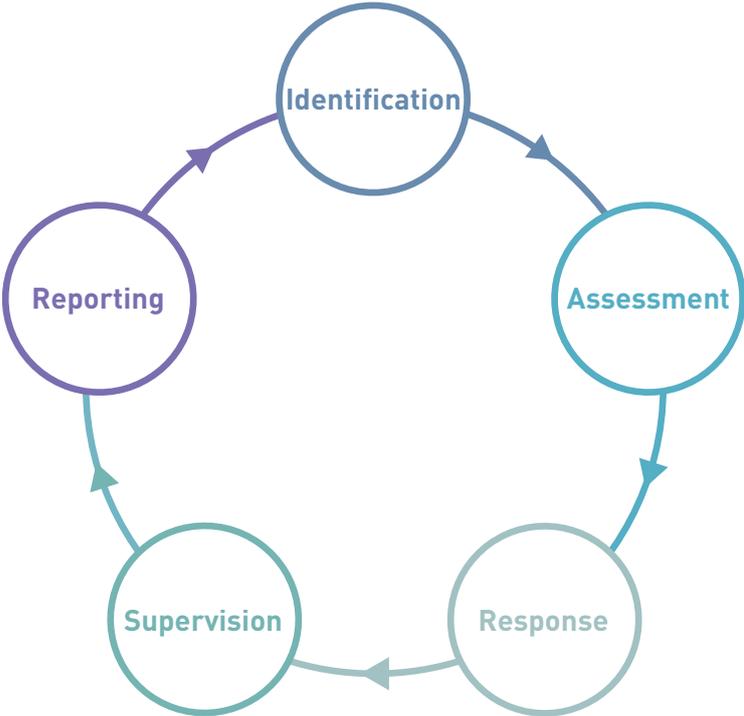
4. STABLE BUSINESS OPERATION

4.1 COMPREHENSIVE RISK MANAGEMENT

In order to strengthen the risk management of the Group, establish a complete and effective risk management system, identify and manage various risks, integrate the risk management into our business strategy and promote the sustainable, healthy and stable development of the Group, we formulated the Comprehensive Risk Management Manual by adopting the Risk Management System of the Committee of Sponsoring Organisations of the Treadway Commission with reference to the actual situation of the Group.

We specify the risk management organisation structure and the responsibilities of each department in risk management. We have established a risk management committee composed of senior management and heads of various departments, and carry out the risk management under the authorisation of the Board. The Risk Management Office is authorised by the Risk Management Committee to carry out the daily work of the Group's risk management. The Audit and Supervision Department independently supervises the risk management based on the authorisation of the Audit Committee under the Board.

Our comprehensive risk management process consists of five steps, including identification, assessment, response, supervision and reporting, to manage various risks of the Group, such as strategic risk, financial risk, market risk, operational risk, legal risk, various environmental, social and governance risks (including climate-related risks).



4. STABLE BUSINESS OPERATION

4.1 COMPREHENSIVE RISK MANAGEMENT (CONTINUED)

Risk management step	Description
Identification	We extensively and continuously collect internal and external initial information related to the Group's risks and risk management based on the Company's strategic goals, and use effective risk identification tools to screen, refine, compare, classify and combine the above-mentioned initial information to form and regularly update the risk catalogue
Assessment	We conduct risk assessment on the risk catalog and important business processes through risk analysis and risk evaluation, and we use risk matrix and other tools based on the possibility and impact of risk-related events to recognise the Group's major risks while implementing the dynamic management of risk assessment results and assessing the significance of risks
Response	<p>By focusing on the development strategy of the Group, we have formulated a set of risk management strategies that includes human resources, financial resources and management tools, and we regularly summarise and analyse the effectiveness and rationality of the strategies that have been formulated, and constantly revises and improves them based on actual conditions;</p> <p>We formulate risk management solutions for specific risks based on our risk management strategies, clarify specific targeted measures, and require all departments to earnestly implement various measures based on their responsibilities in risk management</p>
Supervision	<p>We focus on major risks and important business processes, and use a variety of methods such as stress testing, walkthrough testing and risk control self-assessment to test the effectiveness of risk identification, assessment and response;</p> <p>The Audit and Supervision Department independently evaluates the management risks and the effectiveness thereof of each department and business unit at least once a year, and puts forward suggestions for improvement</p>
Reporting	We regularly organise and report the results of risk identification, assessment, response and supervision

4. STABLE BUSINESS OPERATION

4.1 COMPREHENSIVE RISK MANAGEMENT (CONTINUED)

In order to conduct risk management in a more effective manner, we have formulated the Comprehensive Risk Management Manual with risk management as the core, which specifies the management objectives, management systems or related documents of various risks and provides guidance for risk management in order to strengthen the Group's risk prevention capabilities and provide reasonable protection for the Group's strategic development. We have identified and assessed environmental, social and governance risks in each business process that may have a significant impact on us in accordance with a comprehensive risk management process, including those related to environmental protection and resource conservation, human resources, students' safety, procurement, engineering projects, outsourcing, intangible assets, research and development, information systems, etc. In order to manage these environmental, social and governance risks, we have established and improved various management systems, management methods or management regulations. The identification, assessment and management of major climate-related risks will be described in "7.3 Responding to Climate Change" in this report.

4.2 STRICT COMPLIANCE OPERATION

Neusoft Education adheres to compliance operations and strictly abides by various laws, regulations and industry regulatory requirements related to our business, such as the Education Law of the People's Republic of China and the Private Education Promotion Law of the People's Republic of China and its implementation regulations.

4.2.1 Upholding intellectual property rights

In order to protect the legitimate rights and interests of the Group, enhance our employees' enthusiasm for invention and intellectual creation and facilitate the promotion, application and transformation of scientific and technological achievements, we have formulated the Intellectual Property Management Measures in accordance with the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Regulations on the Implementation of Copyright of the People's Republic of China and other relevant laws and regulations to regulate the management of intellectual property rights of the Group.

The Intellectual Property Management Measures stipulates the ownership of intellectual property rights created during the work, management measures for intellectual property declaration, intellectual property confidentiality management systems and intellectual property transfer management methods, so that our due intellectual property rights can be effectively protected. If any infringement of the intellectual property rights of the Group is found, we will conduct investigation and claim for damage.

4.2.2 Information and promotion management

In order to strengthen the publicity and communications and standardise the release of news and information, the Group has formulated the Administrative Measures for the Release of News and Information to ensure the accuracy, timeliness, completeness and effectiveness of news releases. The Brand Marketing Department of the President's Office of the Group is responsible for guiding, managing and supervising the brand promotion and news releases of universities and business units. Brand promotion specialists designated by various departments, universities and business divisions of the Group are responsible for the specific planning and implementation of brand promotion and news releases under the guidance of the Brand Marketing Department of the President's Office of the Group. We shall ensure the accuracy when releasing news and information. The information released by various departments, universities and business units of the Group on their respective websites or new media platforms must be correct without any errors. Important news and information to be released, especially those which involve emergencies or may arouse public sentiment, must be reviewed and checked by the heads of the various departments, universities and business units of the Group and reported to the Brand Marketing Department of the President's Office of the Group for review before being released.

4. STABLE BUSINESS OPERATION

4.3 COMMITMENT TO ANTI-CORRUPTION AND INTEGRITY

Neusoft Education adheres to integrity and compliance-with-laws, and strictly abides by the Criminal Law of the People's Republic of China, the Anti-unfair Competition Law of the People's Republic of China, the Anti-money Laundering Law of the People's Republic of China and other laws and regulations related to the prevention of bribery, extortion, fraud and money laundering. By following the principles of resolving both apparent and fundamental issues, comprehensive treatment, simultaneous punishment and prevention and emphasis on prevention, we have actively promoted anti-corruption, anti-bribery and anti-money laundering in commercial activities in the following aspects in accordance with the requirements for establishing a sound punishment and prevention system.

Sound system

- Formulate the Anti-Corruption, Anti-bribery, Compliance with Anti-Money Laundering and Economic Sanctions Legal Management System to guide all employees of the Group and related stakeholders (such as customers, suppliers, etc.) to act in accordance with the law and be honest and trustworthy

Employment management

- Strict qualification review and background investigation for newly recruited staff in positions prone to corruption, focusing on the inspection of personal conduct and past experience
- Corrupt personnel will not be hired

Code of conduct

- It is strictly forbidden to use the influence of power and position to seek improper benefits, such as accepting gifts of goods, engaging in private fraud and accepting bribes in the business links of bidding, procurement, etc.
- It is strictly forbidden to appropriate and embezzle our public property by violating the provisions of the financial management system
- It is strictly forbidden to violate the regulations on selecting and appointing cadres

4.3 COMMITMENT TO ANTI-CORRUPTION AND INTEGRITY (CONTINUED)

Strengthen anti-corruption education

- Provide new teachers with training on anti-corruption and compliance with laws and regulations
- Organise our employees to receive anti-corruption and anti-bribery related training

Strengthen prevention and supervision

- Carry out investigations and studies, grasp the characteristics and laws of improper transactions and commercial bribery, study targeted and specific countermeasures and measures and implement various methods such as education and publicity, perfecting the system, reporting and monitoring, so as to effectively prevent typical, symptom and tendency problems
- Identify the major risks that the Group's business may involve in terms of anti-money laundering laws and conduct key audits
- Return visits to suppliers, customers, etc. from time to time to find out whether relevant employees have corrupt behaviors in the process of cooperation

In order to effectively prevent and punish all kinds of corruption and bribery and other violations of laws and regulations, we have formulated the Management System for Letters and Complaints. We have set up an internal audit department which is staffed to handle the complaints received by the Group via letters and visits. For any corruption, bribery and other violations of laws and regulations, the informant may make a real-name reporting by means of letters, telephone, intranet communication mailbox, e-mail and visits. We will make ensure that the personal information of the informant will be kept strictly confidential. After receiving the report or complaint, the internal audit department or relevant staff will normally organise the relevant unit to complete the investigation within 30 days from the date of acceptance. If any employees are found to have violated laws and regulations such as corruption and bribery, we will conduct sanctions for violations of regulations and disciplines in accordance with the relevant management systems of the Group. For employees who violate the law, we will hand such cases over to the judicial authorities.

During the Reporting Period, the Group had no lawsuits involving corruption, bribery, extortion, fraud and other violations of laws and regulations, reflecting the effectiveness of our anti-corruption and integrity work.

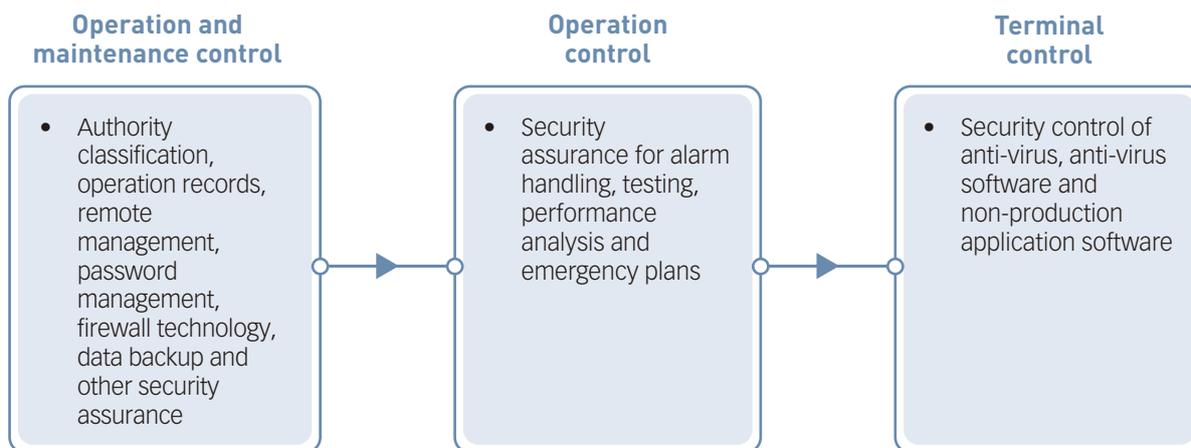
4. STABLE BUSINESS OPERATION

4.4 INFORMATION AND PRIVACY PROTECTION

As a digital talent education service provider, Neusoft Education attaches great importance to information security and protecting the privacy of customers and students. We strictly abide by the Regulations of the People's Republic of China on the Security Protection of Computer Information Systems and the Administrative Measures on the Protection of Computer Information Network Internet Security and other laws and regulations related to information security. In order to standardise and manage the operation and maintenance of the Group's information technology, the Group has formulated the IT Operation and Maintenance Management System, which includes the management systems on computer rooms, the network security system, fault management, etc., to ensure the stable, efficient and safe operation of our information system in many aspects.

The key measures of the IT Operation and Maintenance Management System are as follows:

- Physical access: non-computer-room-staff must be approved by the leader of the computer room management department before entering the computer room with the company of the computer room staff
- Regular inspection: follow the working principle of "safety first, prevention first" to conduct regular inspection of operating equipment
- Network access: network security is guaranteed by three control methods: operation and maintenance control, operation control and terminal control



4.4 INFORMATION AND PRIVACY PROTECTION (CONTINUED)

- Emergency response: in the event of an abnormal situation, strictly implement the fault-emergency handling process in a timely manner, make detailed records and report to the superiors and relevant departments in due course, and provide first-line technical support
- Fault management: timely and efficient troubleshooting management, including equipment fault management and system fault management

In order to further standardise the confidentiality of internal information and maintain the information security of the Group, we have formulated the Confidentiality Management System. All employees of the Group shall assume confidentiality obligations for the confidential information of the Group. Without approval, it is not allowed to disclose, report or transmit contents related to confidential information of the Group to the outside world.

The key measures of the Confidentiality Management System are as follows:

- Strictly manage the carriers of confidential information (paper media, optical media, electromagnetic media, etc.), and carry on security protection measures
- Standardise the management of the confidential information transmission process
- Strengthen the management of office space and office environment, and all visitors must register before entering
- All employees must sign a confidentiality agreement with the Group or relevant unit upon entry
- The news, communications, reports and other works and articles released by the Group to the public must not involve any secrets of the Group, and the manuscripts must be subject to confidentiality review by the President's Office

4. STABLE BUSINESS OPERATION

4.5 SUSTAINABLE SUPPLY CHAIN MANAGEMENT

In order to strengthen the supply chain management, standardise bidding and other procurement methods and ensure the quality of procurement projects, the Group has formulated the Procurement Management System and the Qualification Review Rules for Bidders of Logistics Procurement Projects and other relevant regulations.

When selecting and evaluating suppliers, we will conduct qualification review of candidate bidders or suppliers, and will also conduct on-site inspections as needed. Only qualified candidate bidders or suppliers can be included in our supplier database. In order to manage and reduce the environmental and social risks of suppliers, we require candidate bidders or suppliers to sign the Social Responsibility Commitment and give an undertaking on meeting the following requirements in terms of compliance, environmental and social performance, in addition to considering the suppliers' product quality, craftsmanship, price, supply or service period, service commitment and service guarantee measures and other conditions:



4. STABLE BUSINESS OPERATION

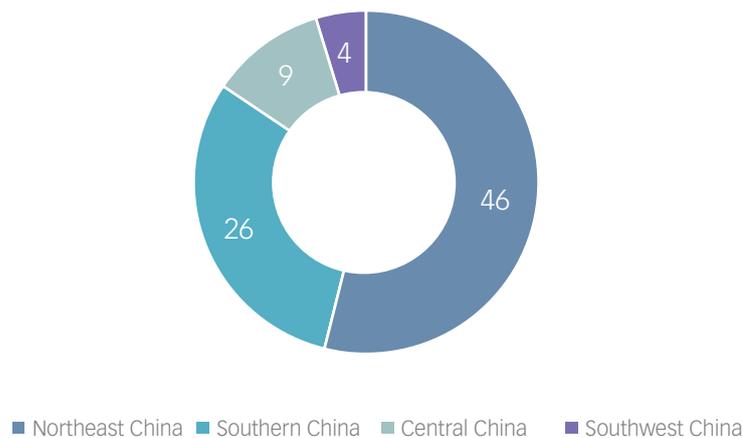
4.5 SUSTAINABLE SUPPLY CHAIN MANAGEMENT (CONTINUED)

We stipulate that all employees involved in procurement activities must abide by relevant national laws and regulations, and maintain integrity and self-discipline. We have stipulated the integrity agreement on anti-commercial bribery in the contract signed with the supplier. If any violation of such agreement is found, we will terminate the contract with the supplier and require the supplier to pay liquidated damages.

In addition, we advocate green procurement. The University's Energy Conservation and Emission Reduction Programme stipulates that every infrastructure project of each university, as well as newly purchased equipment, parts and consumables, must meet the national environmental protection and energy conservation requirements. We take our own initiative to apply new energy-saving products, strictly implement the government's plan on the energy-saving catalog procurement, give priority to the energy-saving products and energy-saving materials when purchasing and eliminate high-energy-consuming equipment and products that are explicitly prohibited by the state. We have also planned to eliminate and remodel severely aging and overdue equipment in an effort to reduce energy consumption.

During the Reporting Period, we had 85 major suppliers, providing electronic equipment, furniture, electrical appliances and other products, as well as repair and maintenance services, property services, security services, greening services and other services. Of these, 46 are in Northeast China, 26 are in Southern China, 9 are in Central China and 4 are in Southwest China.

Distribution of suppliers

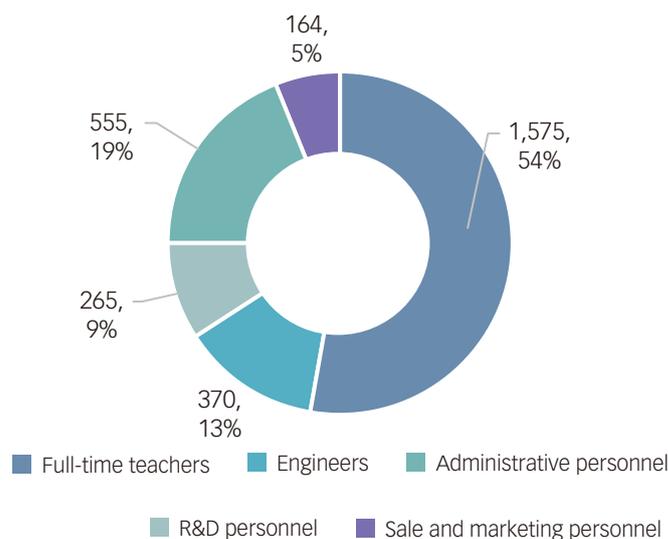


5. ESTABLISHING AN OUTSTANDING WORKFORCE

Neusoft Education recognises that outstanding employees are the foundation that has always supported our business and the most valuable asset for our sustainable development. In order to accelerate the construction of a high-level talent team, we optimise the human resource development plan that is in line with the development strategy of the Group and strengthen the team-building. We protect the rights and interests of employees and care about their well-being, optimise the promotion mechanism and performance management mechanism, promote the growth of the talent team, further increase our employees' compensation and increase their satisfaction and loyalty. We attach importance to the training and development of talents, and through various types of training channels, we enhance the various business capabilities of our employees. Besides, we pay attention to the management of our cadre echelon, and continuously improve the leadership level of the management team by clarifying the competence standards of cadres at different levels. Through the above measures, we attract and train outstanding talents to build a first-class talent team.

In terms of team-building, we pay attention to the optimisation of the team structure and the introduction of high-level talents. During the Reporting Period, the Group had a total of 2,929 employees, of which more than half were full-time teachers, in addition to 370 engineers and 265 R&D personnel. The distribution of employees by function is as follows:

The distribution of employees by function



5. ESTABLISHING AN OUTSTANDING WORKFORCE

In terms of faculty, we hire teachers who have strong academic knowledge and practical skills in their respective professional fields, are receptive to innovative teaching methods and care about the health of students. During the Reporting Period, our three universities had a total of 1,495 full-time teachers⁹. The following are the outstanding qualifications of full-time teachers in the three universities:



In addition to valuing the qualifications of our faculty and staff, we are also committed to promoting their ethics and style, enhancing their ethics and professional accomplishment and standardising their working and daily-life behaviors in teaching, scientific research, management and servicing. We strictly require our faculty and staff to abide by the Ten Codes of Professional Conduct for College Teachers in the New Era published by the Ministry of Education, and have also formulated the Code of Academic Ethics in a bid to strengthen the regulation, inspection and supervision of teachers' ethics and style.

5.1 PROTECTION OF EMPLOYMENT RIGHTS

Neusoft Education strictly abides by the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and other relevant laws and regulations, committing itself to safeguarding employment rights. We have established a comprehensive employment management system and formulated a series of employment management documents, such as the Employee Handbook, the Recruitment Management System, the Salary Management System, the Performance Management System and the Employee Code of Conduct, to regulate all aspects of employment management including employee recruitment, salary and benefits, performance management, promotion, working hours, holidays and dismissal.

The Employee Handbook stipulates that the Group strictly prohibits any discrimination based on gender, ethnicity, race, religious belief, nationality, age and other factors in recruitment, remuneration, training, promotion and dismissal, and respects multicultural and religious beliefs. Our recruitment process follows the principle of openness and fairness. Through multiple channels such as internal recruitment and external recruitment, we select suitable talents who meet the requirements by the position in terms of the character, knowledge, experience and capability. We strictly abide by the Provisions on Prohibition of Child Labour and review and inspect the applicant's ID card, academic certificate and other information in accordance with the Recruitment Management System. All applicants are required to fill in the Job Application Form, and the human resources department shall check whether the content filled in is consistent with the information contained in the certificate. If the information provided by the employee is found to be false, we have the right to terminate the labour contract with such employee immediately. We strictly prohibit and never employ child labour.

⁹ The Group has a total of 1,575 full-time teachers, of which three universities have a total of 1,495 full-time teachers, while the training business has 80 full-time teachers.

5. ESTABLISHING AN OUTSTANDING WORKFORCE

5.1 PROTECTION OF EMPLOYMENT RIGHTS (CONTINUED)

The Group strictly abides by the Labour Law of the People's Republic of China and signs labour contracts with employees on the basis of legality, fairness, equality, voluntariness and consensus, which will clearly set out the terms of employment. When recruiting employees, we are not allowed to collect deposits or earnest money, nor do we seize identity certificates, certificates or other statutory documents from the applicants. We have formulated the Time Management System, which implements a standard working hour system of 8 hours a day and 40 hours a week, and allows employees to apply for leave based on their actual conditions. We strictly prohibit and never employ forced labour. If any violations in respect of child labour or forced labour are found, we will follow up in strict accordance with relevant laws and regulations.

The termination and cancellation of all labour contracts of the Group are in compliance with national laws and regulations and the Company's rules and regulations. We hope that our employees can continue to develop with us. If an employee proposes to resign, we will arrange a resignation interview to understand the employee's thoughts and needs. We will try to retain outstanding talents. If the employee is willing to stay with the Group after the resignation interview, we will assist him/her to find a platform for continued development.

In order to promote the continuous improvement of employees' work efficiency and make a reasonable evaluation of their performance, we have formulated the Performance Management System and established a performance management system based on key performance indicators. We follow the principle of openness, fairness and justice and use the actual performance of the assessed as the basis for assessment. The results of performance appraisal will be applied to employees' bonus, salary, promotion and training, so that the employees will be motivated to improve their work performance.

5.2 PROVIDING WARMTH AND CARE TO EMPLOYEES

Neusoft Education cares about the needs of employees and understands that compensation and benefits serve as the driving force, incentive and reward for employees to create value for the Group. The Group optimises the remuneration mechanism, and effectively combines the interests of employees with our business development to provide employees with competitive remuneration. In addition to the basic salary, we have performance bonuses given to employees based on their performance and special bonuses for achieving significant results for the Group in recognition of their outstanding performance.

In addition to the social insurances and housing fund and statutory holidays prescribed by the state, we have also set up supplementary benefit schemes for employees to provide them with long-term and stable economic security and personal safety, which reflects our concern and care for employees. The supplementary benefit schemes include:



**Enterprise
Annuity Scheme**



**Supplementary
Commercial Insurance**



Body checkup



**Wedding
allowance**



**Fertility
allowance**



**Funeral
condolence payment**

5. ESTABLISHING AN OUTSTANDING WORKFORCE

5.2 PROVIDING WARMTH AND CARE TO EMPLOYEES (CONTINUED)

5.2.1 Comprehensive health and safety protection

The Group is committed to ensuring the health and safety of employees. All of our employees are entitled to free physical examinations. Male employees, unmarried female employees and married female employees can choose the physical examination package that suits them.

As a provider of education services, we also care about the mental health of our employees. In order to improve the psychological “immunity” of employees, Dalian University held an online lecture of “Emotion and Stress Management” during the Reporting Period. It invited professionals to give lectures to improve employees’ self-awareness of emotions and stress and to help them make timely cognitive adjustments and master effective psychological training and release techniques so as to keep employees mentally healthy.

5.2.2 Diverse employees’ activities

In addition to caring about the needs of employees at work, Neusoft Education also encourages employees to maintain a relaxed mood in their free time. We organise different recreational activities for employees every year to enhance their sense of belonging and cohesion. During the Reporting Period, we held different public and festive activities, including Neusoft Education Technology Group’s 2019 Awards Ceremony and Dalian Neusoft University of Information 2020 New Year’s Party, March 8th Women’s Day Flowers Delivery Activity, “Innovative Development and Dreaming for the Future” series activities of Teacher’s Day, Faculty Cooking Competition and “Sichuan Opera Appreciation” Theme Lecture.



Neusoft Education Technology Group’s 2019 Awards Ceremony and Dalian Neusoft University of Information 2020 New Year’s Party



“Innovative Development and Dreaming for the Future” series activities of Teacher’s Day

5. ESTABLISHING AN OUTSTANDING WORKFORCE

5.3 FOCUS ON TALENT TRAINING

Neusoft Education is committed to providing each employee with an open career development platform and opportunities. “We provide employees with opportunities for career development, not just a job” is the Group’s commitment to employees. Our employees can choose suitable career development directions and opportunities according to their own specialties, career interests and the Company’s needs. We encourage employees to actively participate in academic education or professional skills training. The Group supports the continuous development of employees through centralised training, corporate training, academic lectures, special seminars and broadening of channels for educational qualification improvement, and also enhances teachers’ education and teaching ability, engineering practice ability and application research and development ability with a view to reinforcing the construction of first-class talent team.

We provide diversified and customised training to different types of employees, such as:

Start-up education and training for new employees

- Provide start-up education and training to new employees to help them understand and integrate into the Company faster

Coaching by internal mentors

- Assign a mentor to each new employee
- Guide them to acquire the required knowledge and skills, how to deal with administrative affairs, technical issues and interpersonal communication
- Provide coaching of specialised skills to improve business capabilities

Development plans for key staff

- Identify high-potential and high-performing employees into the backbone workforce
- Develop personalised development plans for them, provide more development opportunities and exchange and sharing platforms to guide their career development

Succession plans for key positions

- Provide successors with all the opportunities and resources needed for their development to ensure that they can be qualified for key positions within the planned training cycle

Leadership development plan

- Build a leadership development system through leadership assessment, leadership development plans, leadership training and other methods to ensure that existing leaders will have the corresponding competencies and reserve leadership talents for the future

5. ESTABLISHING AN OUTSTANDING WORKFORCE

5.3 FOCUS ON TALENT TRAINING (CONTINUED)

During the Reporting Period, based on the business needs and the employee development plans, the Group organised a series of training activities totaling more than 153 in terms of sales skills, teaching and research, innovation and entrepreneurship, academic branding and training courses for new employee in accordance with the training plan, which had attracted 3,750 participants and covered 1,443 employees. Through such series of training which are set out as follows, the basic quality and professional level of faculty and staff have been improved in both theoretical and practical aspects:

Training type	Examples of training topics
Special training for teachers	Pre-job training, scientific research innovation and team building training, teacher class for entrepreneurship training, training class for young teachers, high-quality teacher training, special training for key personnel, concept and practice training on effective teaching method, training on image shaping and communication etiquette of university teachers, as well as "Online Teaching Quality Assurance and Substantial Equivalence", "Scientific Research, Art and Innovative Thinking" and more than 50 online courses
Training on business capability for employees	Start-up education and training for new employees, sales skills training, new media content production and product innovation training, training on artificial intelligence for education empowerment, animation network tutorial training and software project training based on new technology
Lectures by external experts	Lectures on the 16th ADMA ¹⁰ International Conference on Modern Data Mining and Its Applications, "New Generation of Information Technology and Data Era" scientific research lecture, big data analysis and application online lecture, online ecological construction lectures-oriented program design ability training and big data and management innovation lecture
Training for expatriate exchanges	National winter vacation training class for IT key teachers in colleges and universities, vocational skills training for new teachers in colleges and universities, online teacher training course for university innovation and entrepreneurship competition guidance, the teaching and innovative team building online training demonstration class for the vocational education teachers, seminar for business English majors in national colleges and universities and training courses on education network security defenses

¹⁰ Advanced Data Mining and Applications

6. SAFE AND GREEN CAMPUS

We have established various systems to ensure the safety of our campus, staff and students, adopted a series of environmental protection and climate change measures, and are actively engaged in green education to work with staff and students to build a healthy, safe and green campus.

6.1 HEALTHY AND SAFE CAMPUS

The Group strictly abides by the Regulation on Sanitary Work of Schools, Prevention and Control of Occupational Diseases Law of the PRC, the Fire Fighting Law of the PRC, the Food Safety Law of the PRC and other relevant laws and regulations. We have put in place a series of systems and measures to safeguard campus safety, food safety and the health and safety of teachers and students, and have carried out various health and safety education activities to fully safeguard the health and safety of our staff and students. During the Reporting Period, the Group did not have any major campus health and safety incidents.

6.1.1 Safety of campus

We have established a series of systems to ensure campus safety, such as the Safety Management Measures for Building Facilities, Campus Security Management Regulations, Property Management System and Laboratory Safety System, to protect the safety of various campus buildings and facilities and laboratories, and to strengthen the campus environment management and security management. In order to eliminate safety hazards in student residences and ensure students' personal safety, we also conduct regular safety inspections in student residences, focusing on the hygiene of students' bedrooms and the use of high-powered electrical appliances.

Fire Emergency Drills

During the Reporting Period, all three of our universities organised various emergency drills, such as emergency incident handling drills and campus fire drills, to ensure fire safety on campus and to improve the ability of the campus security team to handle emergency incidents.



6.1.2 Food safety

We strictly comply with the laws, regulations and requirements of the Food Safety Law of the PRC, the Regulations on the Hygienic Management of School Canteens and Students' Collective Meals and the National Emergency Plan for Major Food Safety Accidents. We also have developed a series of systems and emergency plans to ensure food safety in the canteens, such as the Canteen Food Safety Responsibility System, the College Food Safety Management System, the College Canteen Standardised Management System and the Emergency Plan for the Prevention of Food Poisoning.

6.1 HEALTHY AND SAFE CAMPUS (CONTINUED)

6.1.2 Food safety (Continued)

In order to strengthen the management of food hygiene on campus, we have also clearly defined the responsible person and each responsible unit for food safety in the canteen. The Logistics Management Department is responsible for the management of food hygiene and safety in the canteens across the campus under the leadership of the school leaders. We have clear management regulations for canteen hygiene, personal hygiene of food-related personnel, operation room hygiene, canteen environmental hygiene, meal safety, food poisoning prevention and warehouse food safety on campus to strengthen the management of campus food services, improve food hygiene and ensure the food safety of teachers and students.

In order to deal with food safety incidents in a timely, efficient, reasonable and orderly manner, we have formulated a food safety incident emergency drill programme and set up a food safety emergency response leadership group to clarify the duties and tasks of relevant personnel, set out the emergency response procedures for food safety incidents, improving the emergency response mechanism and enhance the emergency response capability.

6.1.3 Education on health, safety and prevention of disease

During the Reporting Period, we conducted a number of health and safety and disease prevention education and promotion activities, such as hygiene and health education and anti-drug and anti-AIDS awareness seminars, mental health education for university students and depression identification seminars.

Hygiene and Health Education and Anti-drug and Anti-AIDS Awareness Seminar

In order to ensure that new students commence their university life in a safe and healthy manner, Chengdu University organised a hygiene and health education and anti-drug and anti-AIDS awareness seminar for all new students of the Class of 2020 in September 2020 to enhance their awareness of anti-drug and HIV prevention.



"Campus Safety Awareness and Education Month" (「校園安全宣傳教育月」) Activities

From 1 November to 4 December 2020, Chengdu University held a number of activities during the "Campus Safety Awareness and Education Month", including the 4th Fire Safety Knowledge and Skills Competition (第四屆消防安全知識與技能競賽), campus traffic safety awareness and education, earthquake disaster prevention and mitigation and fire emergency evacuation drill, safety knowledge competition, class safety officer training and campus-wide safety inspection, to strengthen the awareness of safety precautions among teachers and students, improve the ability to avoid emergencies and save themselves, and strongly curb major safety accidents.



6. SAFE AND GREEN CAMPUS

6.1 HEALTHY AND SAFE CAMPUS (CONTINUED)

6.1.4 Prevention and control of COVID-19

To effectively prevent and control the outbreak of pneumonia caused by a novel coronavirus infection (“COVID-19”) and to fully protect the health and safety of staff and students, the Group has formulated and implemented a series of work plans and measures to prevent and control the outbreak.

Formulating work plan for prevention and control of COVID-19

- Content includes: Personal protection requirements, daily health status tracking, protection of daily prevention and control work, protection of meals during pandemic prevention and control, ventilation and disinfection work, setting up of emergency isolation areas, management of pandemic reporting and reporting procedures, establishment of health management files for staff and students, prevention and control requirements for staff and students returning to school, response measures for those returning to school, management of entry to school during pandemic prevention and control, prevention and control requirements in case of confirmed or suspected cases in school, management of medical observation isolation areas, management of health clinics and health education strengthened for staff and students

Knowledge handbook of announcement for prevention and control of COVID-19

- Content includes: Protection knowledge of work, teaching and living areas, knowledge of personal protection, knowledge of protection of the living environment, knowledge of COVID-19, medical procedures, precautions for staff and students, etc.

Full protection for “Suspending Classes Without Stopping Teaching and Studying”

- Launching online teaching arrangements during the pandemic prevention and control period, making full use of the self-developed online learning platform and accumulated online resources to enable teachers to teach online and students to learn at home, so as to achieve both anti-pandemic and learning
- The Centre for Teaching and Learning Development (CTLTD) (教師教學發展中心) sent teachers training materials on the design and implementation of online teaching courses and the construction of first-class undergraduate courses in time to strengthen their online teaching design and implementation capabilities
- Providing students with the mental health services they need to balance their studies and lives during the pandemic

6.1 HEALTHY AND SAFE CAMPUS (CONTINUED)

6.1.4 Prevention and control of COVID-19 (Continued)

Commencement of pandemic prevention and control drills for students returning to school

- In order to prevent and control the pandemic during and after the return of students to school, school leaders, heads of relevant functional departments, quality teachers and relevant staff conducted emergency drills in different scenarios, such as students entering school, students entering residences, teaching operation and the start and end of classes, meals, emergency handling of fever patients, etc.

Disinfection and cleaning of the office and teaching environment

- Strict disinfection and cleaning of offices, school buildings, residences and other areas

Sufficient preparation of anti-pandemic materials

- Expanding the procurement channels actively by contacting multiple suppliers to provide material security for pandemic protection and to ensure smooth implementation of pandemic prevention work

6.2 PRACTICING GREEN OPERATIONS

Neusoft Education strictly complies with relevant environmental laws and regulations such as the Environmental Protection Law of the PRC, the Prevention and Control of Environmental Pollution by Solid Waste Law of the PRC and the Energy Conservation Law of the PRC. As a higher education service provider, the impact of our business operations on the environment and natural resources mainly includes electricity consumption, domestic water usage, school and office material usage, disposal of school, office and dormitory waste, and the use of the Group's vehicles. We have adopted a number of effective programmes and measures to conserve energy and water, reduce air emissions and greenhouse gas emissions, and reduce waste, we have also promoted the implementation by staff and students, working with us to build a green campus. During the Reporting Period, the Group did not have any non-compliance with the law in relation to emissions and greenhouse gas emissions, water and land discharges, and disposal of hazardous and non-hazardous waste.

6. SAFE AND GREEN CAMPUS

6.2 PRACTICING GREEN OPERATIONS (CONTINUED)

6.2.1 Establishing green campus

In order to build a green campus and enhance the awareness of environmental protection among teachers and students, we have formulated the University's Energy Conservation and Emission Reduction Programme to create an energy-saving and emission reduction campus culture to achieve energy conservation and emission reduction. In order to ensure the implementation of the energy conservation and emission reduction programme, we have set up a leading group for energy conservation and emission reduction work. The leading group is mainly responsible for organising, checking and implementing energy conservation and emission reduction work, and actively carries out energy conservation and emission reduction work through the stages of promoting and launching, formulating measures, implementing and forwarding, checking and improving, and consolidating and developing. We have also incorporated energy conservation and emission reduction into our daily management as an important matter, and established a corresponding coordination mechanism to clearly set out the responsibilities and division of labour of relevant departments, in order to ensure the implementation of measures and supervision and assessment. We have implemented environmental protection measures in the areas of energy conservation, water conservation, wastes management, paperless office and emission management to practice green operations.

Energy conservation

Air-conditioning system

- Turn off the air-conditioning system when the offices are not in use
- Adopt water-cooled air-conditioning system
- Set the minimum indoor air-conditioning temperature to 26 degrees Celsius in summer
- Place the UV protection heat-insulating film onto the windows to reduce heat energy absorption
- Clean the filters and coiled fans regularly

Lighting system

- Turn off the lights when the offices, classrooms and laboratories are not in use
- Install sound-controlled and light-controlled switches in public areas, e.g. staircase
- Use energy-saving lamps at the roads, squares and green belts and other public areas, when feasible, to implement green lighting

Electronic office equipment

- Turn off the electronic devices completely during non-working hours
- Turn on and use the computers, printers, copiers and other equipment reasonably to minimise energy consumption
- Set the computer to go into automatic standby or sleep mode when it is idle

Water conservation

In order to raise the awareness of our staff and students to cherish and conserve water, to form a good atmosphere to jointly promote the sustainable development and utilisation of water resources and improve the water environment, we have developed the following water-saving school programmes:

- Check water consumption monthly and inspect underground water pipes regularly to detect abnormalities in a timely manner
- Control the flow of water from faucets and inspect each area daily for regular water flow
- Post water conservation signs in each area to remind water conservation
- Systematically renovate bathrooms, traditional flushing toilets, etc. and install water-saving metering devices
- Strictly enforce the time regulations on boiling water supply and advocate that teachers and students to fetch water only when necessary
- Strengthen the supervision of water use in school infrastructure projects

6.2 PRACTICING GREEN OPERATIONS (CONTINUED)

6.2.1 Establishing green campus (Continued)



Waste and resources management

- Non-hazardous waste, such as food waste, will be collected by qualified units for treatment after waste separation
- Hazardous waste, such as wasted electronic products, will be collected and disposed of by qualified units
- Promote waste separation, recycling, and waste utilisation
- Reduce the use of disposable and non-recyclable products
- Reuse envelopes, flipcharts and other stationery items



Advocating paperless office

- Adopt the office automation system, submit the school's documents and materials through the online system (if possible), and promote paperless office
- The school's photocopying, printing and other office paper is designated for special management and strictly controlled
- Implement double-sided printing of paper materials and daily documents transmitted within the school



Emission management

Direct air emissions of the Group are mainly from vehicles owned by the Group and the following emission reduction measures have been taken:

- Maintain the vehicles of the Group by conducting regular inspection and inflating the tires
- Encourage employees to take public transportation and share transportation
- Turn off the engines of vehicles when they are not in use

6. SAFE AND GREEN CAMPUS

6.2 PRACTICING GREEN OPERATIONS (CONTINUED)

6.2.2 Sustainable development targets

To fulfill our corporate social responsibility to protect the environment, we have set preliminary directional targets for energy efficiency, water efficiency, waste reduction and greenhouse gas emissions during the Reporting Period to achieve our targets in the energy conservation, water conservation, waste reduction and greenhouse gas emissions aspects. We will review and assess the progress of our environmental targets and measures and identify more opportunities for energy conservation and emission reduction. Going forward, we will set more specific and quantifiable environmental targets to protect the environment more effectively and cherish the natural resources.

Environmental Aspect	Target
Energy efficiency	According to the above-mentioned The University's Energy Conservation and Emission Reduction Programme, we will actively implement the electricity saving programme and measures to gradually reduce electricity consumption
Water efficiency	According to the above-mentioned The University's Energy Conservation and Emission Reduction Programme, we will actively implement the water saving programme and measures to maintain or gradually reduce water consumption
Waste production	According to the above-mentioned The University's Energy Conservation and Emission Reduction Programme, we will actively implement the materials saving programme and measures to maintain or gradually reduce the production of wastes
Greenhouse gas emissions ¹¹	According to the above-mentioned The University's Energy Conservation and Emission Reduction Programme, we will actively implement the electricity saving programme and measures to gradually reduce greenhouse gas emissions

¹¹ During the Reporting Period, the sources of our greenhouse gas emissions were mainly the indirect greenhouse gas emissions induced by the external energy purchased by the Group, therefore, the greenhouse gas emissions could be reduced efficiently by saving electricity consumption

6.3 PROMOTING GREEN EDUCATION

The Group actively promotes green education and disseminates environmental protection messages to the staff, teachers and students to enhance their awareness of caring for the environment and resources conservation, to encourage them to take action. The Group’s three universities have also actively organised and participated in various types of environmentally friendly activities. In order to pass on the virtue of protecting the environment, we have also organised environmental education for elementary school students to build their awareness of environmental protection from a young age.

Dalian University

The 4th National University Student Environmental Protection Knowledge Contest (第四屆全國大學生環保知識競賽)

From 8 April to 15 June 2020, the College of Foreign Languages of Dalian University and the College of Intelligent and Electronic Engineering jointly organised the 4th National University Student Environmental Protection Knowledge Contest in Dalian Neusoft University of Information. The event adopted the online knowledge contest to popularise environmental protection knowledge, and a total of 750 people participated, which strongly promoted the popularisation and deepening of environmental protection concepts.



6. SAFE AND GREEN CAMPUS

6.3 PROMOTING GREEN EDUCATION (CONTINUED)

Chengdu University

“Clean the Creek, Zero Food Waste Action” (「清小河·光盤行動」) volunteer service activity

On 25 September 2020, the Youth Volunteer Association of Chengdu University held a volunteer service activity called “Clean the Creek, Zero Food Waste Action” to protect the ecological environment, conserve resources and promote the civilisation of thrift and frugality in the school.



Guangdong University

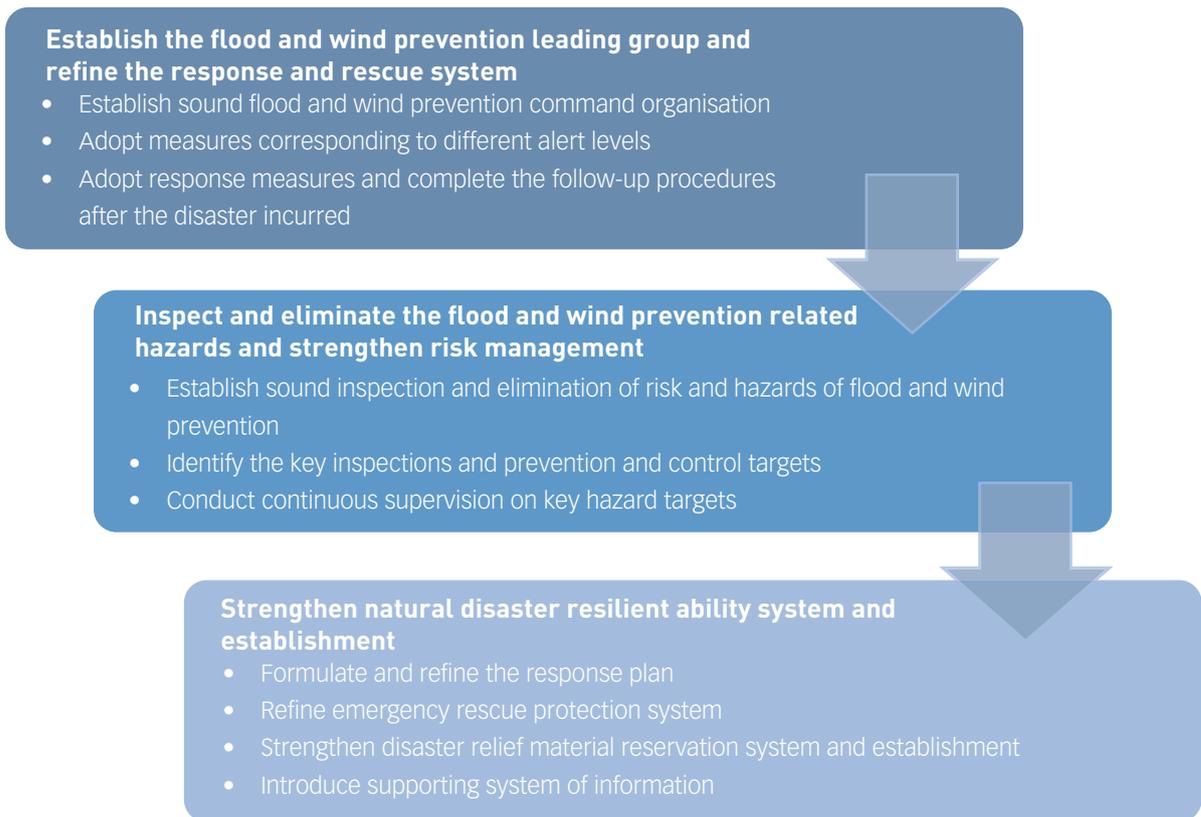
Environmental Protection Drama (「環保話劇繹起來」)

The Guangdong University explained the environmental protection related knowledge to the children, such as how to stop water pollution, followed by volunteers leading the children to make handicrafts to improve their knowledge and awareness of environmental protection in a lively and interesting way.



6.4 RESPONDING TO CLIMATE CHANGE

With reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Group has identified significant climate-related actual risks that may affect us, such as the extreme weather changes such as typhoons, heavy rainfall, high temperatures and droughts. To effectively address and mitigate these climate-related risks, we have included our external environmental management system in our Risk Management Manual, established external environmental management objectives, including external environmental management strategic objectives and external environmental management safety objectives, and developed contingency plans for various extreme weather changes. We have formulated various measures for managing climate-related risks, such as the Emergency Response Plan for Natural Disaster-type Emergencies and the Safety Management of University Building Facilities, and have established a multi-level flood and wind prevention programme to enhance the school’s ability to withstand flooding and typhoon disaster risks.



Flood and wind prevention programme

In addition, we have calculated our greenhouse gas emissions in accordance with the Greenhouse Gas Protocol issued by the World Resources Institute and the World Business Council for Sustainable Development, and ISO 14064-1 as defined by the International Organisation for Standardisation. During the Reporting Period, please refer to Appendix I: KPI Data Table for our greenhouse gas emissions.

7. ACTIVELY CONTRIBUTING TO SOCIETY

As we strive to expand our digital talent education services, Neusoft Education is committed to developing charitable causes and actively fulfilling our social responsibility to give back to the community. During the Reporting Period, our three universities organised a number of charity events, while our students actively participated in the fight against COVID-19 pandemic, contributing to the prevention and control of the pandemic as pandemic prevention volunteers. During the COVID-19 pandemic, the Group also took the initiative to make our self-developed learning platform available to universities, enterprises and other organisations in the PRC for free, so that more teachers, students and employees of enterprises could conduct learning activities in the context of the actual situation.

7.1 ENTHUSIASM FOR CHARITY AND PUBLIC WELFARE

During the Reporting Period, our three universities participated in a number of community charity and poverty alleviation activities, organising and participating in diverse volunteer activities, such as concern for autistic children, charity sales, primary school teaching, charity carnival, blood donation and clothing donation.

Dalian University

「One Foundation Blue Campaign – Large-scale awareness campaign for autistic children」 （「壹基金藍色行動 – 關注自閉症兒童大型宣導活動」）

On 2 April 2020, Dalian University of Higher Vocational Technology and Dalian Aina have joined the “One Foundation Blue Campaign – Large-scale awareness campaign for autistic children”, hoping to popularise autism-related knowledge through the internet, focus on the growth of the “autistic disabled” group, raise public awareness of autism, dispel misconceptions, and build a “dignified, barrier-free and quality” integrated society for the autistic group with a little more action from everyone.



The 8th Dalian Model University Apple for Love Charity Sale 2020 （2020第八屆大連高校愛心蘋果義賣活動）

The Youth Volunteer Association of Dalian University strongly supports the activities of Project Hope and organised a donation of RMB11,900 at the charity sale of apples for love organised by the Dalian Hope Project Office and Dalian Youth Development Foundation. All proceeds from the sale were donated to children with leukemia.



7.1 ENTHUSIASM FOR CHARITY AND PUBLIC WELFARE (CONTINUED)

Chengdu University

Non-profit Blood Donation Campaign

In November 2020, The Youth Volunteer Association of Chengdu University contacted the local blood center to conduct a blood donation health science and practice campaign to guide university students to actively donate blood. Subsequently, a blood donation van was contacted to enter the campus and a blood donation campaign was organised. While the weather was cold, there was a long queue of students making appointments to donate blood, with a total of over 600 students eventually participating.



Guangdong University

The 5th Volunteer Culture Month Charity Carnival (第五屆義工文化月之公益嘉年華)

On 16 December 2020, Guangdong University launched The 5th Volunteer Culture Month Charity Carnival, which was organised by The Youth Volunteer Association, awards were presented to volunteers, classes and epidemic prevention workers through a charity recognition ceremony to acknowledge their contribution to volunteering activities and to raise the motivation of others to participate in volunteer activities. A total of 1,500 people attended the event, which showcased the Youth Volunteer Association to a wide range of people from both inside and outside the school, promoting the Youth Volunteer Association's philosophy and informing the whole school about charity projects through charity sales.



7. ACTIVELY CONTRIBUTING TO SOCIETY

7.2 FIGHTING THE PANDEMIC TOGETHER

In 2020, COVID-19 has shocked everyone, while the whole country has been fighting the epidemic, Neusoft Education and its three universities have made their own contributions in various fields.

7.2.1 Releasing free resources to support the fight against the pandemic

During the COVID-19 pandemic, Neusoft Education has made its self-developed “Neusoft MOOC Platform”, “Neusoft Practical Curriculum Platform” and “Neusoft Practical Training Project Platform” freely available to universities in the PRC, with about 300 institutions and over 87,000 people using them.

We were recognised by the Ministry of Human Resources and Social Security as one of the first 54 online vocational skills training platforms in the PRC, providing remote vocational skills training to over 260 companies and nearly 10,000 employees during the epidemic.

We have won numerous awards for our smart education platform’s performance in helping to combat the epidemic. The case of “Suspending Classes Without Stopping Study and Teaching – Supporting IT Talent Training with the Neusoft Smart Education Platform ” was selected as one of the Excellent Innovative Application Cases of Educational Technology in the Battle against the Pandemic by the CEATT, “Neusoft Practical Training Project Platform” was awarded the “2020 China Software Education Annual Conference Outstanding Software Education Platform Award” (2020年中國軟體教育年會優秀軟體教育平台獎), and we were also awarded the “suspending classes without stopping study and teaching” by National Joint Conference of Vocational education Information.

7. ACTIVELY CONTRIBUTING TO SOCIETY

7.2 FIGHTING THE PANDEMIC TOGETHER (CONTINUED)

7.2.2 Responding actively to the call to volunteer to combat the pandemic

While our students are doing their best to protect themselves during the epidemic, they are also actively involved in the promotion of epidemic awareness, community volunteering and supporting donations to help in the fight against the epidemic.

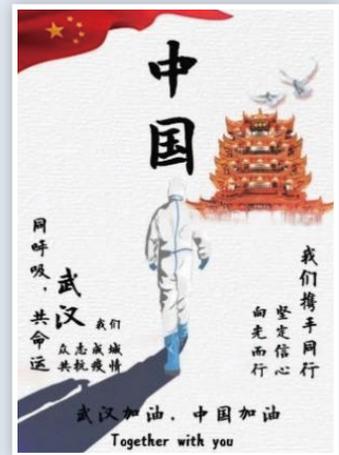
Volunteer work for the prevention and control of the pandemic

Students from the three universities under Neusoft Education actively volunteered during this special period. Hundreds of students participated in the anti-epidemic activities and contributed to the fight against the epidemic as much as they could. For example, they promoted epidemic prevention knowledge, donated epidemic prevention materials to frontline workers, and assisted in the registration and management of foreigners in the community, combating the epidemic in different positions.



Cheering Wuhan up with the power of design

Students from Dalian University used "art" to fight against the "epidemic", creating posters to express their concern for the epidemic and their support for the country, as well as paying tribute to all the heroes on the front line.



APPENDIX I: KPI DATA TABLE

Environmental Aspect ¹²	Unit	FY2020
Air Emission of Vehicles		
Nitrogen Oxides (NO _x)	kilogram (kg)	107.81
Sulphur Oxides (SO _x)	kilogram (kg)	0.29
Particulate Matter (PM)	kilogram (kg)	8.98
Greenhouse Gas Emission¹³		
Direct greenhouse gas emissions (Scope 1) ^{14,15}	tonnes carbon dioxide equivalent (CO ₂ -e)	242.85
Indirect greenhouse gas emissions (Scope 2) ¹⁶	tonnes carbon dioxide equivalent (CO ₂ -e)	13,194.15
Greenhouse gas emissions in total (Scopes 1 and 2)	tonnes carbon dioxide equivalent (CO ₂ -e)	13,437.00
Intensity of Greenhouse Gas Emission		
Intensity of greenhouse gas emissions (Scopes 1 and 2)	tonnes carbon dioxide equivalent (CO ₂ -e)/metre square (m ²)	0.0086
Intensity of greenhouse gas emissions (Scopes 1 and 2)	tonnes carbon dioxide equivalent (CO ₂ -e)/person*	0.33
Hazardous Waste		
Hazardous waste produced ¹⁷	tonnes	2.55
Hazardous waste produced intensity	tonnes/person^	0.0014
Non-hazardous Waste		
Non-hazardous waste produced	tonnes	13,116.32
Non-hazardous waste produced intensity	tonnes/person*	0.32
Paper Consumption		
Paper consumption	kilogram (kg)	14,583.75
Paper consumption intensity	kilogram (kg)/person*	0.35

¹² The environmental aspect collection scope covered the headquarters of the Group, Dalian University, Chengdu University and Guangdong University

¹³ The greenhouse gas emissions for Scope 1 and Scope 2 of the Group were calculated in reference to "How to Prepare an ESG Report – Appendix 2: Reporting guidance on Environmental KPIs"

¹⁴ Scope 1: direct greenhouse gas emissions produced by the sources owned and controlled by the Group

¹⁵ Greenhouse gas removals have been calculated for new tree planting

¹⁶ Scope 2: greenhouse gas emissions indirectly induced by the external electricity purchased by the Group

¹⁷ Including computers, batteries, waste ink cartridges, waste toner cartridges and other hazardous wastes

APPENDIX I: KPI DATA TABLE

Environmental Aspect ¹²	Unit	FY2020
Electricity Consumption		
Electricity consumption	kilowatt hour (kWh)	21,626,203.94
Electricity consumption intensity	kilowatt hour (kWh)/metre square (m ²)	13.82
Electricity consumption intensity	kilowatt hour (kWh)/person *	526.21
Fuel Consumption for Vehicles		
Gasoline	litre (L)	10,157.30
Diesel	litre (L)	8,804.00
Water Consumption		
Water consumption in total	tonnes	916,894.00
Water consumption intensity	tonnes/metre square (m ²)	0.59
Water consumption intensity	tonnes/person*	22.31
Reclaimed water consumption	tonnes	45,623.00

* Calculated in accordance with the number of employees and students under the environmental data collection scope, as of 31 December 2020

^ Calculated in accordance with the number of employees under the environmental data collection scope, as of 31 December 2020

APPENDIX I: KPI DATA TABLE

Social Aspect ¹⁸	Unit	FY2020
Total workforce	number of people	2,929
Total Workforce (by Gender)		
Female employees	number of people	1,484
Male employees	number of people	1,445
Total Workforce (by Employee Category)		
Short-term contract/part-time employees	number of people	805
Full-time general employees	number of people	2,688
Full-time middle management	number of people	221
Full-time senior management	number of people	20
Total Workforce (by Age Group)		
Employees aged below 30 years old	number of people	893
Employees aged between 30-50 years old	number of people	1,804
Employees aged above 50 years old	number of people	232
Total Workforce (by Geographical Region)		
Employees in Northern China	number of people	138
Employees in Northeast China	number of people	1,333
Employees in Eastern China	number of people	178
Employees in Central China	number of people	612
Employees in Northwest China	number of people	32
Employees in Southern China	number of people	636

¹⁸ Social aspect collection scope covered the Group entirely

APPENDIX I: KPI DATA TABLE

Social Aspect ¹⁸	Unit	FY2020
Turnover Rate		
Turnover rate of work force	%	17.49
Turnover Rate of Work Force¹⁹ (by Gender)		
Female employees	%	15.15
Male employees	%	19.77
Turnover Rate of Work Force¹⁹ (by Age Group)		
Employees aged below 30 years old	%	26.08
Employees aged between 30-50 years old	%	13.44
Employees aged above 50 years old	%	10.08
Turnover Rate of Work Force¹⁹ (by Geographical Region)		
Employees in Northern China	%	22.47
Employees in Northeast China	%	16.95
Employees in Eastern China	%	27.64
Employees in Central China	%	12.94
Employees in Northwest China	%	33.33
Employees in Southern China	%	17.40

¹⁹ Turnover rate = number of employees turnover ÷ (number of employees turnover + annual number of employees) × 100%

APPENDIX I: KPI DATA TABLE

Social Aspect ¹⁸	Unit	FY2020
Occupational Health and Safety		
Number of work-related fatalities occurred in each of the past three years including the reporting year.	number of people	0
Lost days due to work injury.	days	63.50
Development and Training		
Percentage of Employees Trained (by Gender)		
Female employees	%	57.17
Male employees	%	42.83
Percentage of Employees Trained (by Employee Category)		
Full-time general employees	%	90.37
Full-time middle management	%	8.94
Full-time senior management	%	0.69
Average Training Hours Completed Per Employee (by Gender)		
Female employees	hour	27.99
Male employees	hour	18.79
Average Training Hours Completed Per Employee (by Employee Category)		
Full-time general employees	hour	23.55
Full-time middle management	hour	23.38
Full-time senior management	hour	11.50
Anti-corruption		
Number of concluded legal cases regarding corrupt practices brought against the Group or employees	number of cases	0

APPENDIX II: INDEX OF THE ESG REPORTING GUIDE

Index Content		Relevant Chapter	
A. Environmental Aspect			
A1 Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6. Safe and Green Campus
	A1.1	The types of emissions and respective emission data.	Appendix I: KPI Data Table
	A1.2	Direct (Scope 1) greenhouse gas emissions and indirect greenhouse gas emissions from energy (Scope 2) in total and, where appropriate, intensity.	Appendix I: KPI Data Table
	A1.3	Total hazardous waste produced and intensity.	Appendix I: KPI Data Table
	A1.4	Total non-hazardous waste produced and intensity.	Appendix I: KPI Data Table
	A1.5	Description of the established targets to mitigate emissions and the procedures for achieving such targets.	6.2 Practicing Green Operations
	A1.6	Description of how hazardous and non-hazardous wastes are handled and description of the established targets to mitigate wastes and the procedures for achieving such targets.	6.2 Practicing Green Operations
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6. Safe and Green Campus
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	Appendix I: KPI Data Table
	A2.2	Water consumption in total and intensity.	Appendix I: KPI Data Table
	A2.3	Description of energy use efficiency targets and the procedures for achieving such targets.	6.2 Practicing Green Operations
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency targets and the procedures for achieving such targets.	6.2 Practicing Green Operations The source of water of the Group is the municipal water supply, there is no issue in sourcing water.
	A2.5	Total packaging material used for finished products and the volume per unit produced.	Not applicable, as the business of the Group does not involve packaging material.

APPENDIX II: INDEX OF THE ESG REPORTING GUIDE

Index Content		Relevant Chapter	
A3 The Environmental and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	6. Safe and Green Campus
	A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them.	6. Safe and Green Campus
A4 Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	6.4 Responding to Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	6.4 Responding to Climate Change
B. Social Aspect			
B1 Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1 Protection of Employment Rights 5.2 Providing Warmth and Care for Employees
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix I: KPI Data Table
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: KPI Data Table
B2 Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	6.1 Healthy and Safe Campus
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix I: KPI Data Table
	B2.2	Lost days due to work injury.	Appendix I: KPI Data Table
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.1 Healthy and Safe Campus
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.3 Focus on Talent Training
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I: KPI Data Table
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: KPI Data Table

APPENDIX II: INDEX OF THE ESG REPORTING GUIDE

Index Content			Relevant Chapter
B4 Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1 Protection of Employment Rights
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Protection of Employment Rights
	B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Protection of Employment Rights
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.5 Sustainable Supply Chain Management
	B5.1	Number of suppliers by geographical region.	4.5 Sustainable Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	4.5 Sustainable Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.5 Sustainable Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.5 Sustainable Supply Chain Management
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.	4.2 Strict Compliance Operation 4.4 Information and Privacy Protection
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable. As the Group provides IT higher education services and education service products, it does not involve products subject to recalls for safety and health reasons.
	B6.2	Number of products and service related complaints received and how they are dealt with.	3.5 Good Service Quality and Quality Assurance We will disclose the number of complaints in the future
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.2 Strict Compliance Operation
	B6.4	Description of quality assurance process and recall procedures.	3.5 Good Service Quality and Quality Assurance As the Group provides IT higher education services and education service products, no product recall procedures are involved.
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	4.4 Information and Privacy Protection

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Index Content		Relevant Chapter	
B7 Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	4.3 Commitment to Anti-corruption and Integrity
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	4.3 Commitment to Anti-corruption and Integrity
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	4.3 Commitment to Anti-corruption and Integrity
	B7.3	Description of anti-corruption training provided to directors and staff.	4.3 Commitment to Anti-corruption and Integrity
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.	7. Actively Contributing to Society
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	7. Actively Contributing to Society
	B8.2	Resources contributed to the focus area.	7. Actively Contributing to Society