



VIRSCEND EDUCATION COMPANY LIMITED

成實外教育有限公司

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 1565

A Profound Chinese Foundation,  
A Panoramic Global Outlook,  
An Innovative Future



2021 | ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT



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### **BASIS OF COMPILATION**

The report is prepared in accordance with the requirements of Appendix 27 “Environmental, Social and Governance Reporting Guide” of the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” of The Stock Exchange of Hong Kong Limited, with reference to the “GRI Sustainability Reporting Standards” issued by Sustainability Standards Board, intending to disclose material environmental, social and governance issues for stakeholders’ consideration.

### **REPORTING SCOPE**

This is the sixth Environmental, Social and Governance (“ESG”) report published by Virscend Education Company Limited. This report covers performance and information of Virscend Education Company Limited and its subsidiaries from 1 January 2021 to 31 August 2021 in respect of the corporate governance, teaching quality, school harmony, environmental protection, employee care and social investment and other aspects.

### **INFORMATION SOURCE**

The information and cases involved in this report mainly came from the statistics reports and relevant documents of Virscend Education Company Limited.

The Group strictly abides by the principles of materiality, quantity, balance and consistency and warrants that there are no false representations and misleading statements in the report, and is responsible for the truthfulness, accuracy and completeness of the content herein.

### **APPELLATION STATEMENT**

For convenience, “Virscend Education”, the “Group” and “We” refer to “Virscend Education Company Limited” in this report.

### **APPROVAL AND ACCESS TO THE REPORT**

This report was approved for publication by the Board on 28 January, 2022. Both Chinese and English versions of the report are available at the official website of the Company ([www.virscendeducation.com/en/](http://www.virscendeducation.com/en/)).

### **OPINION AND FEEDBACK**

If you have any queries or feedback on this report or its contents, you are always welcome to contact us through the following channels. Your comments will assist us in further refining this report and enhancing our overall environmental, social and governance performance.

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## STATEMENT FROM THE BOARD

Virscend Education is well aware of the importance of good corporate governance and risk management processes, including ESG management, which is crucial to the sustainable development of the Group.

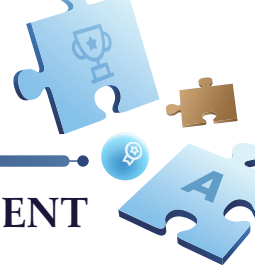
As the decision-making body of the Group's operation, the Board has overall responsibility for the Group's ESG matters and is responsible for formulating the Group's overall ESG strategies and identifying the relevant risks, and establishing an effective ESG management system, in order to regularly review the Group's ESG performance based on the targets formulated. Virscend Education established an ESG working group, which is headed by our financial department and assisted by teaching quality department, teachers (cadre) development center, administration office, human resources department (Party Building Committee), brand promotion department, logistics support department, equipment department, art and sports department and all of our campuses. On a yearly basis, the working group organizes the updates on ESG-related policies and systems, collects and integrates our ESG practice performance, and provides recommendations and decision-making support on ESG for the Board after reviewing ESG annual performance of the Group.

According to the "Environmental, Social and Governance Reporting Guide" issued by the Hong Kong Stock Exchange, Virscend Education regularly publishes the ESG report. The working group will initiate and review the annual ESG report, the final draft of which will be reviewed and confirmed by the board.

Based on the external macro environment and the development strategies of the Group, Virscend Education conducts an assessment of the importance of ESG issues every year so as to deliberate on and identify the ESG risks and opportunities faced by the Group. The Board reviews and confirms the results of the importance assessment, considers such major issues as a part of the Group's overall strategies and oversees the management of these issues and its performance. In 2021, the Board of the Group particularly reviewed and supervised the major issues identified in 2020, such as "guaranteeing the safety and health of students", "improving teaching quality", "network information security and personal privacy protection", "educational philosophy and innovative education model" and "compliance operation".

The Group has set various ESG targets, including energy conservation and water consumption. The Board will review the achievement of the targets, and the implementation strategies and action plans of the annual targets.

This report fully discloses the progress and achievements of Virscend Education in ESG-related work in 2021 and was approved by the Board on 28 January, 2022.



## SENIOR MANAGEMENT'S STATEMENT

The "Implementation Regulations of the People's Republic of China on the Law Regarding the Promotion of Private Education (《中華人民共和國民辦教育促進法實施條例》)(hereinafter referred to as the "Implementation Regulations on the Law Regarding the Promotion of Private Education") revised and promulgated in 2021 set off a wave of reform in the education industry. As a practitioner of education, Virscend Education is inevitably affected by the Implementation Regulations on the Law Regarding the Promotion of Private Education. For 21 years since Virscend Education was established, it has always adhered to operate schools in accordance with laws and regulations, and fostered integrity and promoted rounded development to students based on moral ethics; based on current situation, it regards the expansion of compliant business scale and the transformation of light asset model as development plan, opened up a more vibrant business line, and injected creative vigor for the sustainable development of enterprises.

"An educator must have faith in education and should strive to become a person who believes in education", this is a famous quote from Mr. Zhu Ziqing, and Virscend Education was interpreting this quote with actions every day and night during 2021. Education needs faith, so does every education practitioner. In the past year, by upholding the love for and the faith in the cause of education, we insisted on the struggling goal of enlightening wisdom and cultivating virtue. Not only we have harvested the healthy growth of every child, but also the sound development of Virscend Education.

Adhering to the original aspiration of education, Virscend Education puts people foremost and is devoted itself to academic studies. We center around nurturing people, focus on individuals and respect differences, aiming to fully stimulate the dynamism and nurture students' lifelong development ability. By putting emphasis on fostering talents, we establish ourselves with an international curriculum system featuring foreign language teaching and attach importance to comprehensive practice and quality development to cultivate students' overall ability. Holding the original aspiration with ingenuity, we constantly strengthen the construction of teachers' morality and moral behaviour, and improve teachers' overall quality, striving to build a high-quality education system. By keeping pace with the times, we innovate teaching methods to meet diversified educational needs and run education to the satisfaction of the people.

Bearing in mind the responsibility of guardianship, Virscend Education carefully keeps the safety of the campus and takes care of the physical and mental health of students. We insist on and continuously improve the food safety supervision system to eliminate food safety hazards with a traceable mechanism. We establish and conscientiously implement various system barriers for personal safety, fire safety, traffic control and epidemic prevention and control to eliminate blind spot in safety with our sense of responsibility. We listen carefully to the voices of students and parents, and open up a new situation of cooperation between home and school in education, so as to create a harmonious campus where students can grow up healthy and strong.

Virscend Education is committed to fulfilling its civic responsibility and strives to create more social values. We continue to improve the scientific level of corporate governance, stick to integrity and compliance in operation and hold on to the bottom line of anti-corruption and integrity in order to reward our shareholders with healthy and sound development. We focus on employee welfare and personal development constantly, and promote win-win and common prosperity between employee and employer by creating a diversified and harmonious working environment. We carefully implement new development concept and use systematic thinking to carry out green development during campus construction and management. We cultivate students' awareness of environmental protection and ecological civilization, building a green home together. As a leader in promoting educational management and consultation services (領辦), we transfer our scientific and mature teaching system to more districts and schools in need, selflessly contribute quality educational resources and do our best to break down educational barriers to promote educational equity.

Looking ahead, we will continue to undertake the noble mission of fostering integrity and promoting all-round development of people, and strive for perfection with energetic actions, so that education has the temperature to awaken the soul and ignite love, and has the light to illuminate the bright future of all students. We will also adapt ourselves to the change of times, keep uprightness and innovation, shoulder the mission bravely, and concentrate on providing intellectual support for national rejuvenation, national prosperity and social progress, handing over a satisfactory answer sheet for the people to "further create a better future for human being".

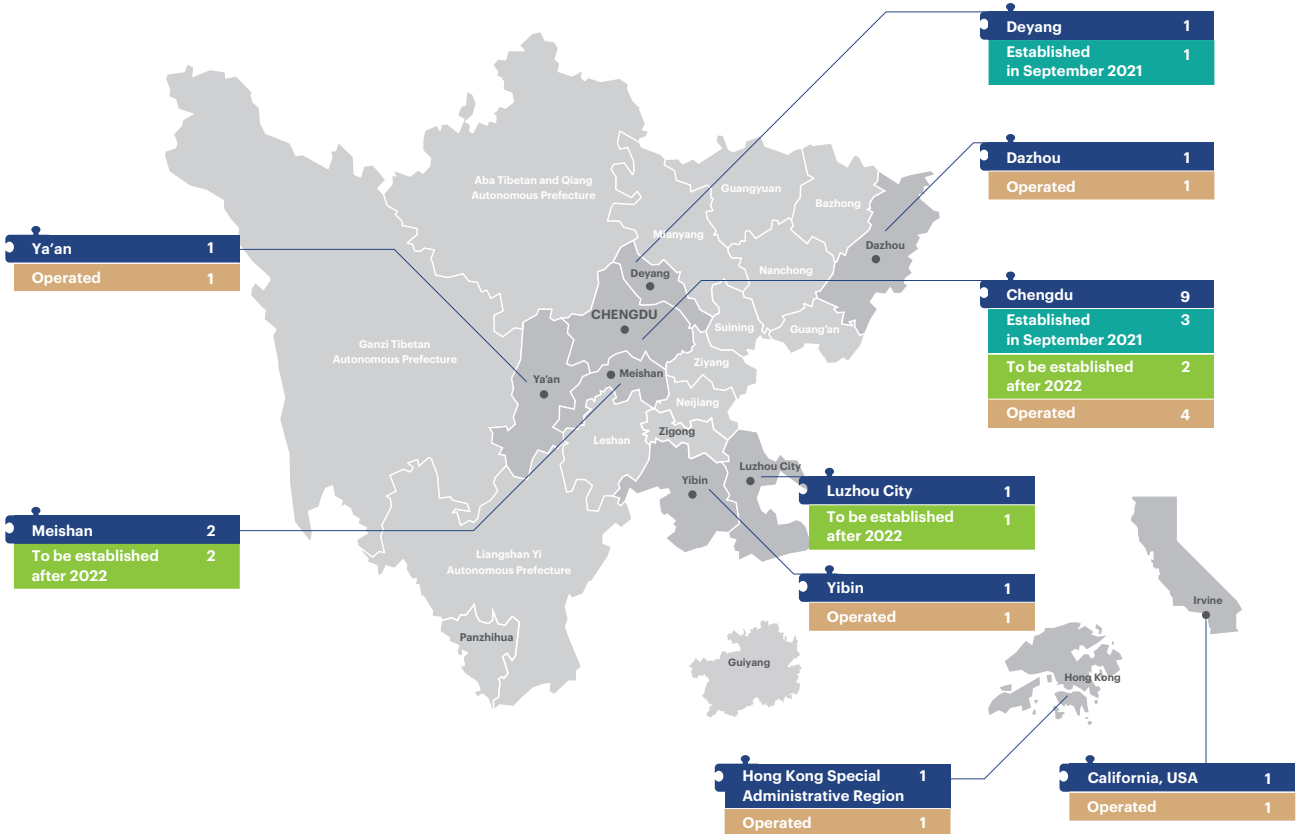
# ABOUT US

Virscend Education has always been implementing the “people-oriented teaching” strategy, taking the education of students as its lifelong responsibility, constantly innovating new ideas in management system, and forging ahead in the education cause without stopping.

## COMPANY OVERVIEW

Virscend Education Company Limited (HK.1565), incorporating in 2000 and listing on the main board of Hong Kong in January 2016, is a provider offering comprehensive private education services from high school education, higher education, international education, non-subject and non-formal education and has accumulated abundant experience in students’ education, teachers’ training and innovative educational system.

As at the end of the reporting period, the Group has operated a total of 9 schools, with over 21,634 students enrolled.



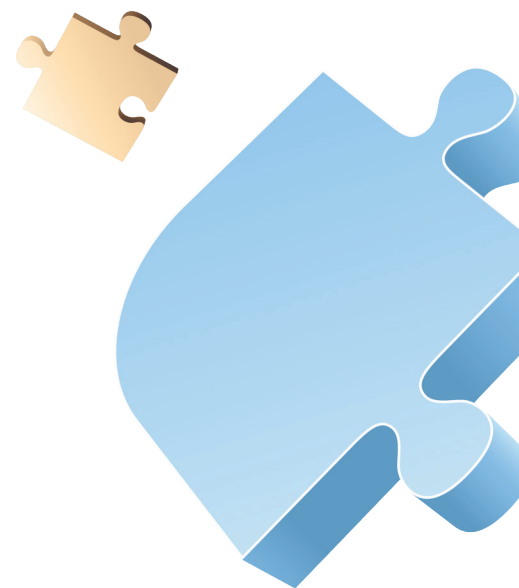
Map of Schools Attributed to Virscend Education





**Table: Network of Schools Attributed to Virscend Education**

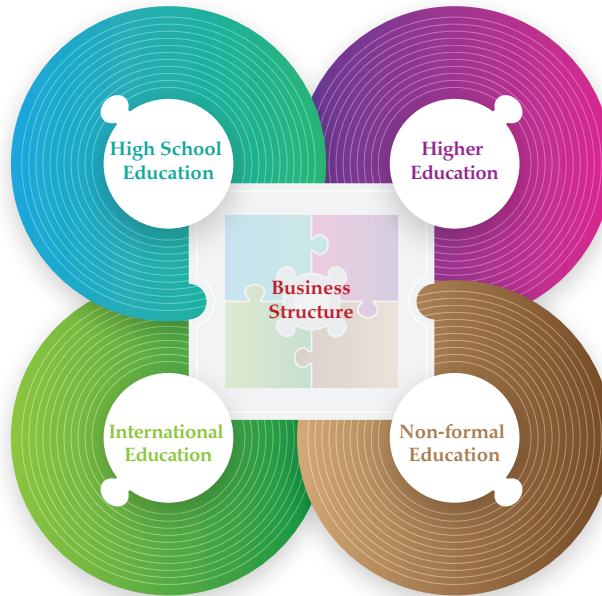
<b>Secondary School</b>	<p>Wulongshan Campus of Chengdu Experimental Foreign Languages School                      Chengdu Foreign Languages High School of Yibin                      Virscend High School of Ya'an                      Virscend High School of Quxian                      Chengdu Foreign Languages School Gaoxin Campus</p>
<b>University</b>	<p>Chengdu Institute Sichuan International Studies University/Chengdu Institute Sichuan International Studies University Yibin Campus                      Virscend University (California, USA)</p>
<b>Non-formal Education</b>	<p>Chengdu Fanmao Education Consulting Co., Ltd                      Chengdu Jiataihua Education Consulting Co., Ltd.                      Wah Tai Han Education Company Limited                      Chengdu High-tech Zone Jiayingtai Culture and Art Training School</p>





## ABOUT US

As a pioneer of the private education industry in Southwestern China, Virscend Education has established a relatively comprehensive business structure and provided elites for national education, as well as new system and ingenious ideas, based on our endeavor in four major aspects including high school education, higher education, international education and non-formal education service.



Business Structure of Virscend

- **HIGH SCHOOL EDUCATION**

Virscend Education fully respects the life of students, and is committed to cultivating high-quality modern Chinese with national feelings and world-mindedness. We continue to carry out teaching reform, improve students' ideological and moral level, strengthen students' practical ability, and stimulate students' potential to meet the needs of high school entry, and then create a high-quality high school with high enrollment rate and high teaching conversion rate.

- **HIGHER EDUCATION**

To serve economic and social development and promote cultural exchange and cooperation, the Group has established two higher education schools, Virscend University and Chengdu Institute Sichuan International Studies University, which have been continuously cultivating innovative talents.

Virscend University

- Mainly offers mini classes of less than 20 students
- With the main purpose of motivating students to develop innovative ideas and entrepreneurship to help them succeed in the global business environment

Chengdu Institute Sichuan International Studies University

- Focuses on foreign languages
- There are 15 foreign languages, as well as undergraduate and college majors related to foreign languages, such as translation and business English.

- INTERNATIONAL EDUCATION

The Group is also committed to providing superior education resources and curriculum system for students. For internationally renowned universities, we offer preparatory courses that have an important impact on application for admission, such as A-level, AP projects, Sino-Australian Advanced Placement (中澳直升) and international competitions. We actively offer mini classes to lay a good foundation for students to grow into elites with international vision and comprehensive development in the future.

- NON-FORMAL EDUCATION

The Group entered into the management cooperation agreements with peer institutions, such as public schools, private schools and kindergartens, to help such schools improve their management level and teaching quality. We also support teaching quality monitoring, brand promotion and campus design services, and do our best to promote the industry and expand the supply of high-quality education.

## OUR HONORS

### HIGHER EDUCATION

Chengdu Institute Sichuan International Studies University of Virscend Education has been widely recognized by the industry and society for its excellent education management team, first-class teaching staff, innovative education mechanism and excellent teaching service quality.

- Ranked 15th in comprehensive ranking of “Wu Shulian’s Ranking of Independent Colleges in China”
- Ranked second among independent colleges specializing in literature in “Wu Shulian’s Ranking of Independent Colleges in China”
- Ranked first among independent college specialising in language in Cuaa.Net “Five-star Class Independent College”

The excellent comprehensive quality and the high continuing education rate of the graduates enabled the universities affiliated to the Group to rank fourth in the comprehensive ranking of 399 independent colleges and private universities.

### HIGH SCHOOL EDUCATION

During the reporting period, schools affiliated to the Group achieved remarkable results. The first-class university admission rate of students from two flagship high schools participating in the 2021 college entrance examination reached 90.4%. A total of 27 graduates were admitted to Tsinghua University and Peking University, and 74 students were recommended to first-class universities. Another 132 students were admitted to the top 100 universities in the QS World University Rankings.

At the same time, our students also achieved impressive results in the five major discipline competitions in China.

Competition	Result
National Team for training	A total of three students were selected to be members of the national team for training and qualified for admission without taking the Gaokao
National Academic Competition	A total of 10 students were selected to Sichuan provincial team, and won 6 gold medals, 3 silver medals and 1 bronze medal in the finals
Provincial Academic Competitions	A total of 70 students won the first prize, 140 won the second prize and 58 won the third prize in provincial academic competitions, respectively

# ESG MANAGEMENT

## OUR VISION OF MANAGEMENT

Targeting at the advancement of students’ “knowledge, character, ability, and quality”, Virscend Education adheres to the guiding idea of “laying the foundation for the development of students and taking up the duty of shaping the future of the nation”, and strives to nurture high-quality Chinese students in this generation who have a sense of social responsibility, national sentiment and worldwide perspective. We abide by the educational philosophy of “people-oriented and comprehensive education”, and advocate an all-round education concept of schooling through management, teaching, environment and service. We actively promote the integration of social responsibility ideas into the Group’s management and campus operations and strive for sustainable development. We aim to set up schools for the people, teach for the motherland, scale new heights for the students, and stand tall in the world for our nation.

## OUR MANAGEMENT STRUCTURE

A good ESG governance structure is the foundation for solid ESG management. Virscend kept on improving our ESG management system, and established an organizational structure with clear powers and responsibilities. The Board is the top regulator of ESG. The ESG working group is composed of key functional departments, which is responsible for the implementation of specific matters of ESG. On a yearly basis, the ESG working group organizes the updates on ESG-related policies and systems, collects and integrates our ESG practice performance, and provides recommendations for the Board after reviewing ESG annual performance of the Group.

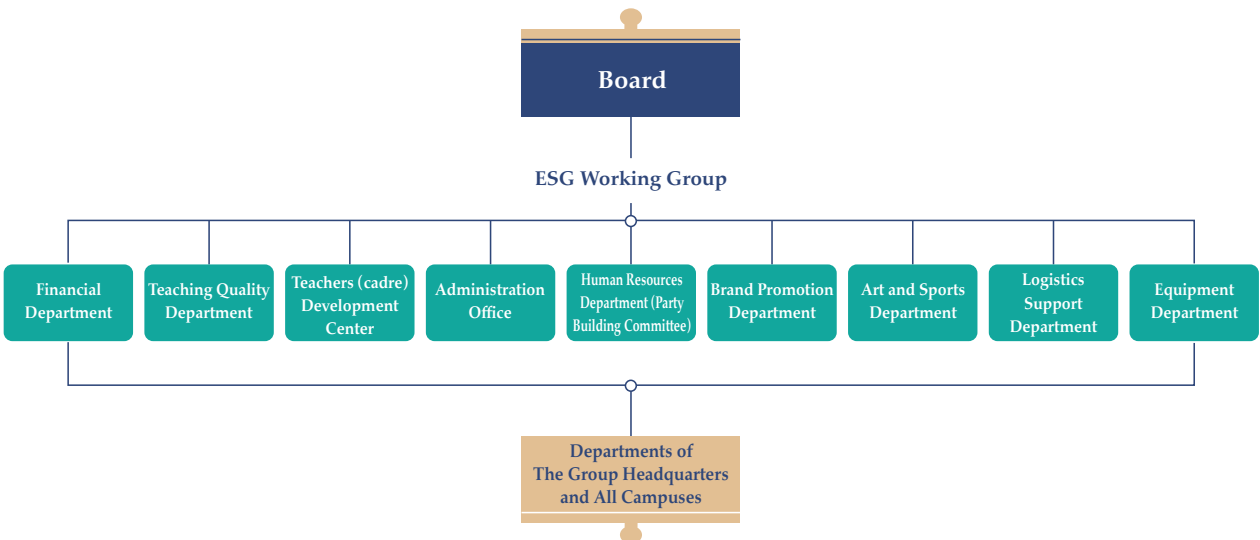






Chart: The ESG governance structure of Virscend






## STAKEHOLDERS COMMUNICATION

We have established a comprehensive communication system to gain better understanding of and make response to the expectations and demands from our stakeholders such as our investors/shareholders, teachers/staff, students, parents, government/regulatory authorities and community/public. We will continue to enhance the effectiveness of communication and strive to create a long-term value.

**Chart: Table of Stakeholders Communication**

Stakeholder	Main Concerns	Communication & Response
 <b>Investors/Shareholders</b>	<ul style="list-style-type: none"> <li>Compliant operations and management</li> <li>Operation results</li> <li>Information transparency</li> </ul>	<ul style="list-style-type: none"> <li>General meetings</li> <li>Company announcements and press release</li> <li>HKEx website/the Company's website</li> </ul>
 <b>Teachers/Staff</b>	<ul style="list-style-type: none"> <li>Safeguard employees' interests</li> <li>Safe and healthy work environment</li> <li>Favorable platforms for employees to develop their careers</li> <li>Competitive salary package</li> </ul>	<ul style="list-style-type: none"> <li>Department meeting/ educational research activities</li> <li>Training programs for teachers/ staff</li> <li>Evaluation of teaching quality</li> <li>Teachers/staff assessment</li> </ul>
 <b>Students</b>	<ul style="list-style-type: none"> <li>Premium teaching quality</li> <li>Ample teaching resources</li> <li>Advanced teaching methods</li> <li>Comfortable learning environment</li> <li>Diversified activities</li> </ul>	<ul style="list-style-type: none"> <li>Themed class meetings/lectures</li> <li>School principal's mailboxes</li> <li>Survey on levels of satisfaction</li> </ul>
 <b>Parents</b>	<ul style="list-style-type: none"> <li>Premium teaching quality</li> <li>Outstanding development of teachers' ethics and morality</li> <li>Safeguard the physical and mental health of students</li> <li>Guarantee the diet and campus safety of students</li> </ul>	<ul style="list-style-type: none"> <li>Parents meeting</li> <li>Open day for parents</li> <li>Meet the Principal Day</li> <li>School principal's mailboxes</li> </ul>

## ESG MANAGEMENT

Stakeholder	Main Concerns	Communication & Response
 <b>Suppliers/Partners</b>	<ul style="list-style-type: none"> <li>• Cooperation and mutual benefit</li> <li>• Establish long-term cooperation</li> <li>• Fair competition</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier evaluation</li> <li>• On-site visits to suppliers</li> <li>• Supplier gatherings</li> <li>• Strategic cooperation</li> </ul>
 <b>Government/Regulatory Authorities</b>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Pay tax in accordance with the laws</li> <li>• Safe teaching environment</li> <li>• Create positive social benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance report</li> <li>• Regular visits</li> <li>• Accept on-site inspections</li> <li>• Participation in conferences/seminars</li> </ul>
 <b>Community/Public</b>	<ul style="list-style-type: none"> <li>• Public welfare and charity projects</li> <li>• Social activities for students</li> <li>• Updates on education development</li> </ul>	<ul style="list-style-type: none"> <li>• Charitable activities</li> <li>• Public welfare activities</li> <li>• Volunteer activities</li> </ul>

### MATERIAL ISSUES MATRIX

The Company’s assessment on the priorities of ESG issues is based on stakeholders’ level of concern and their judgment on the importance of various ESG issues. In 2021, according to the “Environmental, Social and Governance Reporting Guide” issued by the Stock Exchange, we adjusted the ESG material issues with reference to the Company’s business development for the current year and comparison to industry peers. In 2021, we conducted questionnaire surveys with stakeholders, including the management team, staff, students, parents, investors, suppliers, government and regulatory authorities, and collected 1,335 valid questionnaires, to understand the changes in the opinions and demands of key stakeholders and update ESG material issues matrix.



ANALYSIS ON ESG ISSUES MATERIALITY MATRIX OF 2021



High materiality	
01	Guarantee the safety and health of students
02	Network information security and protection of personal privacy
03	Improvement in teaching quality
04	Compliant operation
05	Educational philosophy and innovative educational model

Medium materiality	
06	Cultivation of students' ability and comprehensive quality
07	Staff's development and training
08	Green campus and office environment
09	Staff's occupational safety and health
10	Intellectual property rights protection
11	Emission and control of greenhouse gases
12	Compliance and equal employment
13	Anticorruption
14	Supply chain management
15	Responsible marketing
16	Cultivation of students' environmental awareness
17	Waste release management
18	Complaints handling
19	Energy consumption and energy saving measures

General materiality	
20	Response to climate change
21	Employee care
22	Water conservation
23	Public welfare of community
24	Employee remuneration and benefits

# 1. PRUDENT CORPORATE GOVERNANCE

Virscend Education continually strengthens corporate governance to strictly abide by the compliance bottom line; comprehensively promotes its management and operation through improving internal control system, enhancing risk management and adhering to operation with honest under a principle of anticorruption and anti-fraud.

As an enterprise citizen, we strictly follow the “Company Law of the People’s Republic of China”, “Education Law of the People’s Republic of China”, “Non-state Education Promotion Law of the People’s Republic of China” and the “Implementing Regulations of the Law of the People’s Republic of China on the Promotion of Privately-run Schools” and other relevant laws, regulations and industrial regulatory requirements of the states and where our operations located. To ensure the stable operation and prudent development of the Company and our schools, we not only actively identify, prevent and control the risks from industry and market, but build a compliance management system and perfect the risk management mechanism.

As a private education enterprise, we comply with regulatory requirements such as the “Interim Measures for the Management of Collection of Non-State Education Fees” to update the charging license in a timely manner. For the tuition fees collected, each school has established a risk isolation system, in order to crosscheck the number of students recorded by the department of academic affairs with the amount of tuition fees collected by the finance department and control financial risks of income and expenditure.

## 1.1. INTELLECTUAL PROPERTY RIGHTS PROTECTION

As a transporter of knowledge, Virscend Education fully safeguards its own and other’s intellectual property rights and abides by relevant laws and regulations such as the “Copyright Law of the People’s Republic of China” and “Patent Law of the People’s Republic of China”.

The articles and books, inventions and creations and achievements of teaching and scientific research of our teachers and students are encouraged, supported and respected. We help to promote the protection of various intellectual property rights, review and summarize the intellectual property products of all schools regularly to prevent from infringement. Given the infringement of intellectual property rights of the Company, complaints, civil litigations, judicial investigations for criminal responsibilities or otherwise will be taken to safeguard our legitimate rights and interests.

We apply external intellectual property rights in accordance with the provisions of the country, corresponding region and the product rights manual, and require all departments and campuses we operate to strictly review all the teaching data used during teaching process and insist on using genuine research and teaching data to show respect for the intellectual property rights of others.

## 1.2. RESPONSIBLE MARKETING PRACTICE

We establish a strategic publicity committee and formulate the “Regulations on External Publicity Management” based on relevant laws and regulations such as the “Advertising Law of the People’s Republic of China” in the pragmatic and honesty spirit of the Company, in order to ensure and commit the trueness and accuracy of our advertisements and marketing materials without misleading. Moreover, we set up the “Operation Management Regulations for Both Weibo and WeChat (Trial)” to regulate the websites, weibo accounts, wechat official accounts and other external publicity channels of the Company and its subsidiaries in one-stop manner.



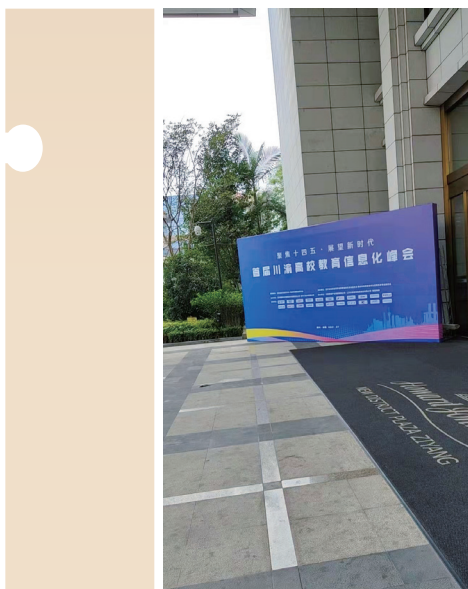
## 1. PRUDENT CORPORATE GOVERNANCE

### 1.3. PRIVACY PROTECTION

With the rapidly development of digital information, we clearly noted that it is our duty to protect the personnel information of the students and their parents as well as all faculty and staff. We strictly follow the laws and regulations regarding to information safety such as the “Cyber security Law of the People’s Republic of China” and the “Data Security Law of the People’s Republic of China”, continue to increase the investment in information security and data protection, build a tight internal data security firewall for purpose of keeping client’s personnel information away from leakage and preventing system information security accident.

In 2021, safety devices putted into use at each data nodes according to its data usage respectively. A comprehensive data security management system including large-screen AI protection platform, warning and control center for big data security analysis, security control system for big data users was set up. Furthermore, information security systems of Virscend Education had obtained National Information System Security Level III Protection (國家信息系統安全等級保護三級證書).

As we value employees’ awareness on data security and privacy protection, we invited external third party professional institutes to conduct information security awareness trainings in an online-offline combined manner for employees. Meanwhile, we actively held communication meetings with participants in education industry, and involved in a series of informatization and internet security exchange and training conferences such as the “Internet Security Training Conferences in Sichuan Province” and “The First Sichuan-Chongqing College Education Informatization Conference”, which were all organized by education systems.



Picture: Participation in the First Sichuan-Chongqing College Education Informatization Conference



## 1. PRUDENT CORPORATE GOVERNANCE



Picture: Virscend Education participated in Education Informatization Conference of Sichuan Province

### 1.4. ADHERE TO INTEGRITY AND HONESTY

Education industry shall bear the brunt of integrity and honesty spreading. We insist on the coordinated cultivation of ethics and anti-corruption. With equal importance being attached to moral ethics and anti-corruption, we strengthen the moral and ethical development of teachers, and drive the healthy development of education and teaching at schools operated by the Group in the aspects of system constraints, inspection and supervision, and cultural construction. During the reporting period, the Group had no litigation involving embezzlement or corruption.

- **INTEGRITY SYSTEM BINDING**

On the basis of strictly comply with the relevant laws and regulations such as the “Anti-Corruption and Bribery Law of the People’s Republic of China” and the “Anti-Money Laundering Law of the People’s Republic of China”, we set up the “System of Party Conduct and Integrity Government” (《黨風廉政制度》) as a reference for the requirements of strengthening the construction of party conduct and integrity government that conducted by Party members and its affiliated schools according to the stipulations from “the CPC Code of Integrity and Self-discipline” (《中國共產黨廉潔自律準則》), “Opinions on Strengthening and Improving the construction of teachers’ moral and ethical in the New Era” (《關於加強和改進新時代師德師風建設的意見》), “Opinions of the CPC Central Committee and the State Council on Comprehensively Deepening the Reform of the Teacher Building in the New Era”(《中共中央國務院關於全面深化新時代教師隊伍建設改革的意見》)and other documents. Each school of the Group has established “Teachers’ Management System”(《教師管理制度》) under the content of moral and ethical development of teachers. For staff who is violating teachers’ moral standards, causing an adverse event and related facilities, we will timely take corresponding measures and order to rectify.

We have established clear reporting channels such as school principal’s mailboxes, telephone and network and set up a reporting and whistleblowing channel covering the Company and all schools, for the purpose of anonymous reporting for violations of laws such as corruption, embezzlement and bribery. Regarding to the reports received, the Group will conduct joint-investigation with campuses in accordance with management system such as the “Measures for Embezzlement and Corruption Reporting” and deal with those personnel involved in a serious manner such as reminder or warning after verification. At the same time, we also standardized the privacy protection of the whistleblowers, keeping relevant information in stringent confidentiality and prohibiting the disclosure of their privacy.



## 1. PRUDENT CORPORATE GOVERNANCE

- **INTEGRITY SUPERVISION AND INSEPCCTION**

The management of Virscend Education is responsible for conducting and supervising the integrity construction. We periodically supervise and make research on the process of integrity work for employees and in school, also systematically and fully in charge of the current party conduct and integrity government development work of the Group and its affiliated schools. Problems founded will be prompt correction or rectification in a timely manner. In addition, we conduct inspections and oversight at the beginning and end of the semester, admonish party officials, strengthen oversight of their integrity, and give them timely warnings to nip corruptions in the bud.

- **INTEGRITY CULTURE INITIATING**

Virscend Education always committed to cultivating an integrity culture which is also the foundation of schools' long-term growth. In the culture building of the Group and schools, we actively play the role of cultural fertilization, and integrity education led by its value. All faculty and staff shall be integrity men who are doing things in principle with honest hearts.

Integrity education is added in the faculty and staff enrollment, fresh enrollment trainings of the staff and new teachers, so as to raise awareness of integrity and discipline of the fresh. The Group and each school conduct party conduct and integrity government training to popular the Party's Discipline, typical cases and regular party conducts in the ways of the Party lessons, thematic reports, video views and field trips. Meanwhile, School affairs open column, school bulletin board, blackboard-news, teachers' QQ group and other multi-channels are used to actively promote party conduct and integrity building in daily operation.

As of 31 August 2021, 4 board anti-corruption trainings were held by Virscend Education, and the total participants of anti-corruption training for faculty had reached 4,165.

### 1.5. CONDUCTING RESPONSIBLE PROCUREMENT

We uphold the mutual benefit and win-win concept to strengthen supplier management through the full process recovering bidding and purchasing, entrance and election, performance-evaluation and dynamic management. With emphasis on suppliers' environment obligations, we take responsibility with them on supply chain system.

For safeguarding the science, completeness and fairness of supply chain management, we formulate the "Management System of the Equipment Department", "Measures for Corporate Tenders and Bids Management" (《公司招投標管理辦法》) and other internal procurement management systems according to the relevant laws and regulations such as the "Law of the People's Republic of China on Tenders and Bids" and the "Government Procurement Law of People's Republic of China" to regulate manage the full process of supplier election, evaluation and management. Opened-up bidding information can achieve clear information publication and strictly standardize the tender procurement process without injustice and unlawful.

## 1. PRUDENT CORPORATE GOVERNANCE

### Entrance of suppliers



We have a comprehensive understanding of the supplier's operation and obligation performance in supplier identification, and pay attention to the supplier's quality of project safety, capital strength and reputation, thereby avoiding the issues such as insufficient funds of suppliers.

We also include corporate social responsibility requirements in the selection process, including their adoption of environmental protection measures, integrity, respect to employees' efforts, prohibition of child labor in any form, equal treatment to employees and proper business practice. The Group maintains at least two suppliers of similar nature on our list to diversify the risk of supply disruption.

### Performance-evaluation and management of suppliers



We have developed an online information system regarding supplier management which is operated by designated personnel.

The updating suppliers list will be prepared under the performance evaluation on the comprehensive abilities of existing and new-added suppliers at fixed period. For the high-scored suppliers, the Group will take further solid corporation with them; for the suppliers with unsatisfactory scores, and who are punished by the Group audit, supervision and other functional departments as fraud, coercion and bid-rigging in the corporation will be removed from the Group's list.

### Green supply chain



We encourage suppliers to practice environmental responsibility and give priority to suppliers who strictly comply with the "Environmental Protection Law of the People's Republic of China" and other environmental protection regulations. We also prioritize local suppliers to ensure timely supply while reducing energy waste and pollution emissions caused by transportation. In addition, each school sets clear environmental requirements for construction standards, building processes, construction materials, and equipment for infrastructure projects to ensure that the projects will meet the national environmental and health standards. Furthermore, we take the initiative to purchase certified green products, and encourage suppliers to obtain relevant environmental management standard system certification.

As at 31 August 2021, Virscend Education has 76 suppliers with 100% localization rate.



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## 2. STRICTLY OBSERVING THE QUALITY OF TEACHING

Excellent teaching quality is the brand blood of Virscend Education, and it is also the promise of Virscend Education to the society. Under the guidance of advanced and unique teaching philosophy, we continue to optimize educational system for years, further deepen research on teaching, strictly control the teaching quality, actively explore innovative teaching model, integrate and optimize cross-cultural premium educational resources to provide students with lifelong education and nurture talents who can easily overcome challenges in the future for the society.

### 2.1 GENERATION OF ACADEMIC PHILOSOPHY

- **TEACHING FOR THE NATION, RUNNING SCHOOLS FOR THE PEOPLE**

Education is the basis of any long-term national development plan. Virscend Education cultivates the talents needed by the motherland and society, we impart knowledge, revamp old learnings, discover new facts and explore the unknowns, enable children to better understand and transform the world.

We always keep the fundamental mission of education in mind and cultivate outstanding builders and successors of the motherland. We cultivate patriotic feelings, carry out our social obligations, take responsibility for the future of the nation, and strive for the great revival of our country!

We drive the development of our schools in earnest and aim at providing harmonious school life. We also pursue integration of teaching resources to meet the needs of diverse education. Our mission is to demonstrate the characteristics of private education and serve the people by running first-rate learning institutes.

## 2. STRICTLY OBSERVING THE QUALITY OF TEACHING

- **CONNECTING CHINA TO THE WORLD THROUGH LANGUAGE STUDIES**

Virscend Education established its base in the province of Sichuan and specializes in teaching foreign languages. We believe that mastering a foreign language can broaden students' horizon and foster their international perspective. Our mission and commitment are to offer first-rate foreign language education and cultivate elite foreign language talents.

English is our second language, and we are aware that English language teaching is a major part of the internationalization of education in the future. We adhere to the policy of taking English as the main subject, complemented by the studies of other languages, and through these learning we are drawn closer to the world. We are the first school in Southwestern China to offer dual language courses such as English + German, English + French and English + Japanese. We shall continue to promote the multilingual teaching model and gradually introduce language courses on Russian and Spanish. Our ultimate mission is to foster multilingual talents for the country.

- **FOSTER INTEGRITY AND PROMOTE ROUNDED DEVELOPMENT TO STUDENTS, TEACH THEM ACCORDING TO THEIR APTITUDE**

Education should be centered on the personal development of the students, with moral training at its forefront. We stand firm in upholding moral values at school, and are resolved to achieve this aim by positive motivation, giving students guidance, inspiration and encouragement. Our focus is on the character-building of each individual, shaping and developing their moral sense by showing them the proper way.

We also encourage creativity and personality by providing students with a variety of elective courses and activities, such as fitness and sports, leisure hobbies, stage performance, explorations into foreign and Chinese traditional culture, in order to enrich students' campus life and lay solid foundations for their future lives.



## 2. STRICTLY OBSERVING THE QUALITY OF TEACHING

### 2.2. OPTIMIZING TEACHING RESOURCE

With the mission to provide first-class teaching services for the whole education, universal education and holistic education, Virscend Education gives full play to the advantages of the education group, integrates high-quality teaching resources, updates and adjusts teaching plans and syllabuses in a timely manner, promotes teaching and learning to improve the teaching standard of the Group, and achieve comprehensive and quality development of education.

#### 2.2.1. RIGOROUS TEACHING PLAN

We insisted on the “Foster Integrity and Promote Rounded Development to Students”, implemented the “Simultaneous Development of Five-Pronged Education(五育並舉)” and conducted in-depth studies on the “Opinions on Deepening the Education Reform and Comprehensively Improving the Quality of Compulsory Education”(《關於深化教育教學改革,全面提高義務教育質量的意見》) and the “Opinions on Further Alleviating the Burden of Homework and After-School Tutoring for Students in Compulsory Education”(《關於進一步減輕義務教育階段學生作業負擔和校外培訓負擔的意見》) issued by the Office of the State Council. Guided by the training plan of “Core Competence for Chinese Students’ Development”(《中國學生發展核心素養》), we will meet the new policy challenge of “double reduction” by focusing on “reducing burden and improving quality”.

In 2021, under the leadership of the Group, each school actively carried out policy and curriculum research, and formulate rigorous teaching plans and syllabuses. Each school was based on the teaching practice with “reducing burden and improving quality” as the overall goal, routine management as the starting point, teaching quality as the center, carrying out solid and effective teaching and research activities as the main channel, and solving hot and difficult problems in teaching as the main breakthroughs, led teachers to further update educational concepts through various forms, improved the ability to implement new courses, strengthened curriculum awareness and teaching management, deepened curriculum and teaching research, expanded the “learning” teaching mode of Group schools, and solidified or optimized the “intersubjective” teaching paradigm, and created a high-quality class with vitality.

#### 2.2.2. INTERFLOW OF TEACHING RESOURCES

We played the role of bridge and continuously strengthened the communication, exchange and cooperation between schools under the principle of “reserving differences among similarities, and learning from differences”. While promoting the formation of unique teaching advantages and characteristics of each school, a joint force also formed to realize the mutual assistance and complementation of teaching resources and human resources, and to maximize the balance and optimization of the teaching ability and teaching resources of each school.



## 2. STRICTLY OBSERVING THE QUALITY OF TEACHING

We built an inter-school excellent teacher resource library and established a teacher exchange and communication mechanism to realize inter-school teacher sharing. The Teaching Quality Department of the Group has established a “Central Teaching and Research Group” to give full play to its resource advantages, establish a WeChat group for teachers, and share activity information and support each other in a timely manner in the WeChat group. At the same time, each school undertakes at least one inter-school “joint teaching and research” in each semester. Through seminars and communication, excellent results will be displayed and resources will be effectively shared. We continued to carry out and promote the recording and broadcasting of excellent teachers’ experience sharing lectures, demonstration courses and educational informatization courses, and disseminated excellent teaching class examples to the schools of the Group in a vivid way, effectively promoted the rapid progress and growth of young teachers in each school, and promoted the teaching level of each school to develop together.



### *Virscend Wulongshan actively carried out the activity of “selecting excellent teachers for video classes”*

In 2021, Virscend Wulongshan actively sent key teachers to participate in various teaching and research activities of brother schools among the Group, and at the same time, selected excellent teachers to record high-quality class teaching videos for them as always, and conducted training for teachers in each campus through video classes, so as to share the high-quality teaching resources. As of 31 August 2021, Virscend Wulongshan has recorded a total of 6 high-quality video classes for high school Chinese, mathematics, English, biology and other disciplines.



Figure: high school English video class

## 2. STRICTLY OBSERVING THE QUALITY OF TEACHING



CASE:

*Virscend Wulongshan actively carried out the activity of “selecting excellent teachers for video classes”*



Picture: high school Physics video class



Picture: high school History video class

In some schools with better practical teaching conditions, we integrated high-quality resources of experimental training rooms and training bases inside and outside the school, and provided services for accepting student training to other colleges and universities in need, so that the schools can support and help each other and jointly promote the operating mechanism of the development of students.



## 2. STRICTLY OBSERVING THE QUALITY OF TEACHING

### 2.3. IMPROVING TEACHING QUALITY

Excellent education and teaching quality is our core competitiveness and an important guarantee for the healthy development of the school. Virscend Education Group takes teaching supervision and teaching evaluation as the starting point, goes deep into the classroom to ensure the quality of teaching, concentrates resources to strengthen teaching research, continuously innovates teaching methods, and helps improve the teaching level and quality of each school.

#### 2.3.1. CONDUCTING STRICT TEACHING MANAGEMENT

The quality control of teachers' teaching is the guarantee of students' learning effectiveness. Virscend Education makes full use of management functions such as planning, organization, coordination and control, conducts strict supervision and fair evaluation on teaching, and comprehensively promotes the teaching management.

- *TEACHING SUPERVISION*

We insist on pursuing the effectiveness of teaching management, and focus on supervision work to stabilize teaching order, regulate teaching activities, train teachers, and deepen teaching reform. Based on the teaching practice of each school, we strive to improve the ability of the teachers as well as the mental and physical health of the students in order to generally enhance the quality of teaching and achieve balanced development of the students.

We insist on taking "seeking common ground while harboring differences" as the guiding principle of teaching quality supervision and make full use of the backbone role of the "central teaching and research group". We made a preliminary analysis and evaluation of the system establishment and implementation process of the school's teaching routine and offered effective suggestions on how to upgrade teaching methods in accordance with the teaching history and actual situation of each school, allowing them to form their own characteristics in terms of school running, education model, education quality and school culture. Based on the "supervision on teaching, going deep into the front line", we start with the teaching routine, go deep into the schools and lessons and implement daily management with respect to class preparation, handling of lessons and homework by inspection. At the same time, from the level of management norms and efficiency, we put forward specific requirements for correction, supplementation and improvement of the deficiencies (hidden dangers) and deficiencies in the implementation of school teaching management, effectively supervise the standardization and scientificity of teaching routines in schools, especially new schools, and promote the sound construction of school management system to carry out comprehensive supervision.



## 2. STRICTLY OBSERVING THE QUALITY OF TEACHING

In order to accurately optimize the teaching classes, in 2021, we will carry out teaching quality month activities in various schools for courses such as Chinese, mathematics, English, geography, history, chemistry, etc., and fully mobilize teachers of Virscend Education Group to actively devote into the reform of class teaching, research the class and deeply cultivate the class by the way of “class teaching + special lectures”. We explore effective teaching strategies that conform to the Group’s actual situation, and effectively improve the professional level, business ability and teaching quality level of the Group’s teachers.



### *Teaching Supervision Documentary*

The teaching quality department of the Group goes deep into the front line of teaching, walks into the classroom, listens to the teaching process of the teachers, and conducts discussions and communications with the teachers of the relevant teaching and research groups after the class, and makes a meticulous and accurate comment on each course, and provides valuable suggestions for the organization and design of the teaching. In terms of school teaching management, the teaching quality department visited each school to carefully check the review plans, research plans, teachers’ work logs and other teaching documents and data, so as to provide sufficient basis for improving teaching.



## 2. STRICTLY OBSERVING THE QUALITY OF TEACHING



### *High school teaching quality discussion and communication meeting*

From March 29th to 31st, Virscend held a high school teaching quality discussion and communication meeting in Chengdu Experimental Foreign Languages School. Mr. Gu Daili, Vice President of the Group, Mr. Long Zuyuan, Minister of Quality Department, and others came to Chengdu Experimental Foreign Languages School to investigate the teaching work of high school, and conducted in-depth discussions and communication with the school principal and other teaching leaders in respect of college entrance examination research, regular teaching research, examination evaluation and other aspects.



Picture: Seminar on Teaching Quality in Senior High Schools



## 2. STRICTLY OBSERVING THE QUALITY OF TEACHING

- *Teaching evaluation*

Teaching evaluation is a key step in regulating teaching behavior. We constantly improve the teaching evaluation system and formulate the “Virscend Education School Teaching Quality Assessment Plan”. We evaluate curriculum setting and management, general teaching management, teaching research and teacher’s professional development and teaching performance by combining quantitative and qualitative analysis, as well as self-assessment and assessment methods. We establish a humanized and scientific evaluation mechanism, and achieve “promoting reform by evaluation” and “promoting teaching by evaluation”.

Teacher’s Self-Evaluation	After completing their teaching activities, teachers will organize their own feelings, inspirations, changes, needs, opinions or suggestions in a timely manner, promote communication and give feedback, in order to facilitate an improvement in teacher’s capability and effective guidance by the quality department.
Student’s Evaluation	Evaluating teacher’s teaching performance based on student’s needs facilitates all-round understanding of teacher’s work, adjustments of teaching guidance according to academic conditions and improvement of teaching effectiveness with explicit goals.
Evaluation by the Teaching Quality Department	According to the actual opinions of students, we give timely feedback to teachers in order to continuously adjust and optimize the teaching plan, and according to the results of school’s relevant subject exams, we timely assess and review the school and teacher’s teaching performance.
School Evaluation and Assessment	Schools formulate a plan to carry out periodic and final assessment on teaching and its effect, and include the assessment results in the teacher’s evaluation, promotion and performance assessment.

### 2.3.2. Deepening teaching research

We are mainly committed to improving teaching content and methods. Through constantly increasing the interpretation of teaching materials compiled by the Ministry of Education of China, research on current topics and the practice of teaching methods, we constantly explore effective teaching design, ensure classroom availability, improve teacher’s professional ability.

- *Interpretation of teaching materials*

Virscend Education has established internally an education system to steadily implement new teaching materials in an orderly manner. Led by the Group’s teaching quality department, we organize schools to conduct in-depth interpretation of teaching materials used throughout the country and compiled by the Ministry of Education of China, and set up a team of experts to analyze and study new teaching materials and curriculum standards in terms of compilation basis, content structure and teaching suggestions, in order to standardize teacher’s understanding of teaching materials, improve the accuracy of teaching content and further effectively highlight such teaching materials’ impact on cultivating student’s key competencies.

## 2. STRICTLY OBSERVING THE QUALITY OF TEACHING

- *Lesson study*

Lesson study is a form of teaching and research based on teachers' teaching practice, an anatomical analysis of the curriculum and reflection on problems to find solutions. We conduct lesson study for newly established schools, make recommendations to optimize their teaching systems, reconstruct their education system, in order to effectively improve their teaching quality. In 2021, affiliated schools under the Group have implemented in-depth lesson study, and carried out discussions on lesson study featuring a combination of teaching materials, innovative learning and practice.



### ***Teaching Seminar on high school English extracurricular reading***

On 25 March 2021, at the teaching seminar on high school English extracurricular reading of Virscend Education, Zhangcong (張聰), a senior high school English teacher of Chengdu Foreign Languages School and students in Class 23, Grade 2 jointly presented an extensive reading class with high school English newspaper reading as the theme, COVID-19 vaccines as the topic and based on the activity form of Model United Nations. During the class, teacher guides students to read different discourses on the topic of COVID-19 vaccines in groups, causing the difference of information. In their reading, students learn to extract information, organize opinions and achieve inter-group exchanges based on the activity form of Model United Nations, and cooperate to explore and jointly solve the COVID-19 vaccine distribution issue in reality. Students showed excellent English thinking and expression skills throughout the class, and gained recognition from participating teachers.



Picture: an on-site High School English Newspaper Reading Class

## 2. STRICTLY OBSERVING THE QUALITY OF TEACHING

- *Teaching the same class in different ways*

The activity of “teaching the same class in different ways” means that teachers of the same discipline will conduct a class on the same subject using different teaching styles, and convey their own interpretation of the teaching materials. Teachers conduct an in-depth research on the topic by conducting such a subjectivity activity, during which they take the essence of different teaching methods and deepen the research results to improve the ability to solve practical teaching problems and promote teacher’s development.

In 2021, in view of conducting the study and research on “new curriculum standards”, based on the school teaching (especially the reform and improvement in classroom teaching) and on the premise that we conduct classroom observation and evaluation for different disciplines at different learning stages to understand the present teaching situation of the school under the Group, we proposed the work requirement of establishing “intersubjective learning classroom” and set up the teaching mode of “Four Dimension and Four Sheets” learning classroom for the school under the Group. Through the teaching and research group of senior high school discipline center, we capitalized on the quality resources of the Group, and successively organized more than 80 classes of different disciplines at different learning stages in respect of “teaching the same class in different ways” activity on Wulongshan Campus of Chengdu Experimental Foreign Languages School and in Virscend High School of Ya’an respectively, such disciplines including Chinese, mathematics, English, minority languages, physics, chemistry, biology, politics, history and geography for senior high schools.



CASE:

### *Teaching the same class in different ways*

On 31 May, Wulongshan Campus held a research activity on how high school Math central teams handle examples in teaching materials. During this activity, Lv Shuangyao (呂雙耀) (a teacher from Chengdu Foreign Languages School Gaoxin Campus) and Huang Yuanling (黃元婷) (a teacher from Chengdu Experimental Foreign Languages School of Xindu Wulongshan) gave their respective lesson on the same topic of Sum of the Geometric Progression (《等比數列求和》) on the basis of teaching the same class in different ways. All the two teachers did a good job in their classroom, showing their different teaching styles and teaching methods, and gained recognition from the experts in teaching and research group, participating teachers and students.



Picture: Seminar on High School Math Teaching on the Basis of Teaching the Same Class in Different Ways in Wulongshan School

## 2. STRICTLY OBSERVING THE QUALITY OF TEACHING

- *Layered teaching*

In order to comprehensively improve the learning efficiency of all kinds of students, Virscend Education aims to “implement effective teaching strategies for all students”. Based on the careful analysis of academic conditions, we closely follow the objectives of teaching quality management, actively explore and innovate the form of layered teaching, carry out various layered teaching activities and strive to build distinctive learning class. For all kinds of students in different learning levels, teaching is provided according to their learning aptitude and learning ability to build a learning classroom. Under the guidance of the Group’s teaching quality department, each school has formulated its own distinctive layered teaching work plan. The Group organizes a group-wide seminar on layered teaching to effectively promote the teaching and research work based on layered teaching.



### ***Implementing layered teaching to teach students according to their aptitude***

On 9 April, a seminar on layered teaching of the Group was held in Chengdu Foreign Languages School of Xinjin. The seminar is themed on “teaching students in accordance with their aptitude, working for all the students, layered teaching and building a learning classroom”. Through observing, researching and reviewing on-site Math and English mobile classes in Chengdu Foreign Languages School of Xinjin, we can diagnose, evaluate, refine and summarize effective layered teaching models and methods, share the implementation strategies and experience on layered teaching of the Group’s member schools, in order to promote the Group’s overall development of education cause.

- Layered teaching in English classrooms:

Four teachers from the school’s English group give the layered demonstration classes of Level A, B and C, respectively. They explore demonstrative teaching for the same teaching content based on student’s actual learning and mastery conditions of knowledge. The content of this class is based on A Bad Storm’s Coming course in the teaching material of English in Mind as the main line, and runs through the basic goals of the PEP edition as the orientation. Through carrying out new explorations in English teaching, our different classes reflect the requirements of scope and focus at different levels, and effectively demonstrate student’s knowledge generation, thinking improvement and listening and speaking skills advancement.



## 2. STRICTLY OBSERVING THE QUALITY OF TEACHING



CASE:

### *Implementing layered teaching to teach students according to their aptitude*

- Math class

Five teachers from the school's Math group give the layered demonstration classes of Level A, B and C, respectively. Based on the different academic conditions, they explore demonstrative teaching with their unity and difference for the layered design of Comprehensive Application of Parallel Lines (2) (《平行線的綜合運用(2)》). We conduct new explorations in Math teaching from this class. Our different student-oriented classes reflect the requirements of scopes and priorities at different levels, and effectively practice and demonstrate student's knowledge generation, thinking improvement, key competence fostering and expression ability development.





## 3. BUILDING A HARMONIOUS CAMPUS

We consider “providing students with a high-quality and safe growth environment” as our missions, strictly comply with the red line of food and campus safety and endeavor to provide students with a safe and healthy growth environment. Also, we further perfect school-and-family co-education system, listen carefully to suggestions of parents and students, so as to continuously improve management level of school and together build a campus for students’ healthy growth through school-and-family cooperation.

### 3.1 SAFEGUARDING FOOD SAFETY

We stick to the red line of food safety and earnestly perform our duty of guarding healthy growth of each student. We strictly abide by the laws and regulations such as the “Food Safety Law of the People’s Republic of China”, the “Regulations on School Food Safety and Nutrition and Health Management”, and the “Operating Rules on Food Safety in Catering Service”, formulate internal regulations such as the “Regulations on Food Traceability Management” and “Regulations on Food Storage Management”, to establish a whole life-cycle food safety supervision system covering various aspects including food purchase, food storage, food nutrition and canteen service and try our best to create a healthy and safe dining environment. During the reporting period, no food hygiene and safety incidents occurred in all the canteens of the Group.

- **PURCHASE OF FOOD TRACIBILITY**

Pursuant to “Supplier Management System” and “Food Import Inspection System”, we standardize the procurement process of food comprehensively and intensify management of suppliers, requiring ingredients suppliers to provide the qualification certificates and batch inspection report to make sure that all import inspection items (such as date of production, shelf life, import date and quality condition) comply with requirements. We also conduct on-site investigation on qualification of suppliers and products’ production regions, and selectively choose ingredients suppliers possessing processing and testing workshop of modern agricultural logistics, to ensure the freshness, safety and high-quality of food ingredients and establish a complete system purchase of food tracing through warehousing records, standing books and claiming notes.

- **FOOD STORAGE MANAGEMENT**

We strictly abide by laws and regulations such as the “Food Safety Law”, “Regulations on Implementation of the Food Safety Law” and “Measures for the Supervision and Administration of Food Safety in Catering Services” and formulate the “Regulations on Food Storage Management”, which standardizes storage management of canteen food, food additives and food related products of schools, to safeguard catering safety of students. We storage food by types and shelves according to food characteristics and inspect and clear away those food ingredients that are bad, expired or bitten by insects or mice on a regular basis by following “first-in first-out” principal.

- **FOOD RESERVING SAMPLES MANAGEMENT**

We established a food traceability system, which stipulates the person in charge of reserving samples and standardizes sessions including package seal, information mark and sample storage, reserve samples of three meals a day and reduce the risk of sudden food safety incident by implementing accountability system.

### 3. BUILDING A HARMONIOUS CAMPUS

- **FOOD SUPERVISION SYSTEM**

Our canteens regularly display the relevant information on food safety, tableware disinfection and food safety levels and conduct supervision, inspection and evaluation on food safety, cuisine quality, nutrition balance and service level. Also, our schools create a “transparent kitchen and bright stoves” video surveillance system. As of 31 August 2021, the “Internet + video kitchen” construction had been completed in 5 schools of our group, and it is expected that the system’s entire coverage will be completed in 2022. To facilitate the participation and supervision of stakeholders, we invite teachers and student to together appraise and grade the skills of canteen kitchens, and set “dining table headmaster”, which represents parents or shift leaders will experience kitchen work of canteen in person, so as to improve management level of canteen.



Picture: “transparent kitchen and bright stoves” video surveillance system

### 3. BUILDING A HARMONIOUS CAMPUS

- **FOOD SAFETY TRAINING**

We regularly organize safety trainings for canteen employees to learn related safety regulations as well as find out problems and formulate prevention measures based on actual situation, thus improving employees' comprehensive quality and safety management ability. In 2021, we engaged experts of Chengdu Vision Protection and Health Promotion Society (成都市視力保護與健康促進學會) in promotion of food nutrition related knowledge for canteen employees in our school and strictly supervised the nutrition balance of teachers, students and staff of the whole school and conducted analysis of nutrition content on cuisine each week, so as to assure safe and reliable food as well as nutritious and healthy diet for teachers and students.



Picture: Regular food safety training



Picture: Training from dietitian

### 3.2. SAFEGUARDING CAMPUS SAFETY

Campus safety is the precondition and foundation of smooth school education work. We attach great importance to campus safety management, constantly improve the safety management system, pay close attention to implementation of safety management, supervision and education in personal safety, fire protection, transportation and pandemic, and eliminate various hidden dangers in safety, to build a safe campus for students. During the reporting period, no major safety incidents occurred in any campus of the Group.

- **PERSONAL SAFETY PROTECTION**

We conduct regular troubleshooting of hidden danger in safety on school, engineering machine room and facilities and reinforce regular repair of facilities, to assure safe use of facilities. We constantly improve and formulate response plan for emergencies and conduct effective and timely prevention, control and disposal of emergencies, so as to maximumly alleviate and eliminate the harm and effect on schools resulted from emergencies. We organize safety education activities including counter-terrorism training and knowledge training of school bullying for teachers and students in each school, which improves emergency prevention capability of counter-terrorism in school and effectively safeguards personal and property safety of school students.

- **FIRE SAFETY MANAGEMENT**

Each campus strictly abides by the "Fire Control Law of the People's Republic of China", "Regulations on Fire Safety Management of Authorities, Groups, Enterprises and Institutions" and other laws and regulations, formulates internal regulations such as the "Fire Safety Management System" and "Fire Inspection System", and establishes the relevant fire-fighting protocols, to promote the systematism and standardization of campus safety work. In addition, we arrange staff to supervise and inspect the fire safety facilities in key areas and parts every day, timely update and maintain the effectiveness of firefighting facilities to prevent dangers in advance.

Schools actively invite local fire departments and public security departments to hold lectures and fire drills, organize teachers and students to learn fire laws, first aid knowledge, conduct activities such as fire safety trainings and fire emergency evacuation drills, which improve the safety awareness of teachers and students.



Picture: fire safety inspection

### 3. BUILDING A HARMONIOUS CAMPUS

- TRAFFIC SAFETY CONTROL

We have formulated the “Campus Traffic Management Measures” and “Campus Vehicles Management System”, which strictly control traffic safety of campus and surrounding areas. We require that external vehicles entering the campus must cooperate with the security guards in its inquiry and information registration; each school reinforces implementation of special governance work on the parking order of campus vehicles and prohibits driving in violation of regulations, to safeguard safety of teachers and students in campus. At the same time, schools actively strengthen communication with local departments including public security, traffic and supervision management of safe administration, so as to eliminate various hidden dangers in traffic safety outside schools and guarantee the traffic safety of teachers and students.

- NORMAL PREVENTION AND CONTROL OF PANDEMIC

We strictly carry out requirements and various measures of pandemic prevention and control. Our group established a team of pandemic prevention and control, which comprises 5 special work groups, and formulated the “Implementation of COVID-19 Pandemic Prevention and Control in Workspace Areas in 2021” (《2021年辦公區區域開展新型冠狀病毒肺炎疫情防控》) and “Guidance on COVID-19 Pandemic Prevention and Control and Safety Works in Fall Semester of 2021 for Each Campus” (《關於各校(園)做好2021年秋季學期開學新冠肺炎疫情防控與安全工作的指導意見》), carrying out normalized implementation of the Group’s pandemic prevention and control and safeguarding the life safety and physical health of teachers and students.

We gradually promote comprehensive prevention and control transforming to precise one, reinforce control on key venues and personnel in schools and conduct supervision and inspection works including dynamic monitoring of pandemic. Logistics support department will clean and inventory the anti-pandemic supplies in schools and replenish them in sufficient quantity in accordance with the requirement. We conduct centralized cleaning and disinfection on public areas and facilities in schools such as teaching buildings, laboratories, student dormitories, canteens and lavatories, to reduce virus spreading. We reinforce trainings in various aspects including pandemic prevention and control policies, guidance, solutions and emergencies handling, carry out contingency planning exercise and establish and optimize emergency response procedure for epidemiological investigation, nucleic acid testing, quarantine and control, logistics support, and information publication, so as to ensure that our responsibilities were fully performed.



Picture: campus disinfection

### 3.3. FLUENT SCHOOL-AND-FAMILY COMMUNICATION

We adhere to the core of school-and-family culture of “Sharing emotions and joy on the way of nurturing children”, and build platforms for smooth communication, including telephone, WeChat group, parent meeting, education platform, parent open day, school principal’s mailbox, school official website and other communication channels. We listen carefully to the voice of students and parents, and set a new phase of cooperation for building education between family and school, to together benefit students’ healthy and vigorous growth.

- **LISTEN TO THE VOICE OF PARENTS**

We organize “parent open day” activity for the purpose of enhancing communication among schools, teachers and parents and understanding the study and living conditions of children in schools. Parent could experience children’s daily living environment in various aspects of “attending classes, visiting teaching buildings and having dinner in canteens”. Also, we constantly improve the complaints handling process, listen carefully to the voice of parents and untangle all the details. We will then follow and solve issues complained by parents, and cooperate with parents to together improve education quality through avoiding similar complaints during managing schools in future and actively improving various deficiencies. During the reporting period, the Group’s response rate to school complaints was 100%.

- **RESPECTING STUDENTS’ DEMANDS**

Students may propose their feedback to school through school principal’s mailbox and student meetings, which provide channels for students to express their opinions. These channels play a role as a bridge for students and schools to communicate, realize good communication, thereby promoting problems solving and safeguarding students’ interests.

## 4. CREATING HAPPY WORKPLACE

Virscend Education attaches great importance to our employees and considers them as the most valuable asset of the corporation. We are committed to building a warm, harmonious, diversified and inclusive working environment to achieve a win-win situation between the Company and our staff.

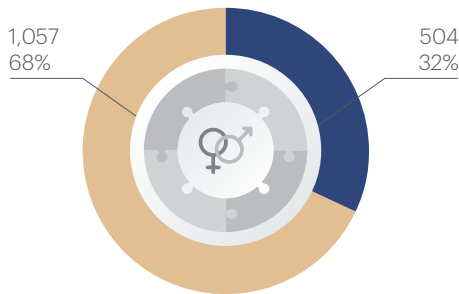
### 4.1 SAFEGUARDING EMPLOYEES' INTERESTS

Virscend Education strictly abides by the "Labour Law of the People's Republic of China", "Labour Contract Law of the People's Republic of China", "Social Insurance Law of the People's Republic of China" 《中華人民共和國社會保險法》, "Law of the People's Republic of China on the Protection of Minors" 《中華人民共和國未成年人保護法》, and other laws and regulations applicable to the place of operation, while guided by the internal rules such as the "labour and personnel system", "recruitment mechanism" and the "teacher's manual", to effectively safeguard the interests of employees and build harmonious and stable employment relationship from the perspective of employees.

The Group upholds the principles of diversity, equality and fairness, and strives to promote equal pay for equal work for both female and male employees and various humane policies. We are determined to eliminate all discrimination and unhealthy competition in terms of race, region, religion, gender and family, and to provide equal employment and promotion opportunities for all employees. We also explicitly prohibit child labour and forced labour, and rigorously screen the identity information of candidates during the recruitment process. Any issues that have arisen in relation to the use of forced labour and child labour will be dealt with seriously and terminated immediately.

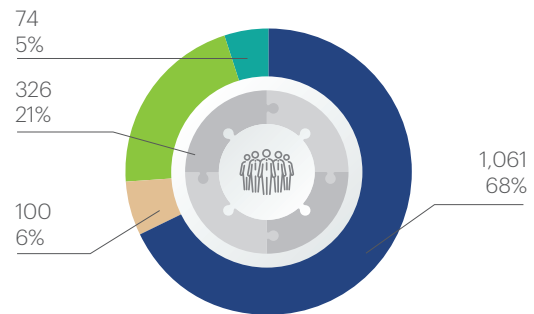
As of the end of the reporting period, the total number of employees working at Virscend Education was 1,561, of which 165 were new recruits, 68% were female employees, and 68% were subject teachers. The rate of signing employment contract and social insurance coverage had both reached 100%.

Gender distribution



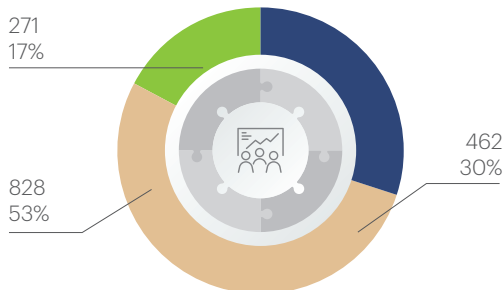
● No. of male staff    ● No. of female staff

Employment type distribution



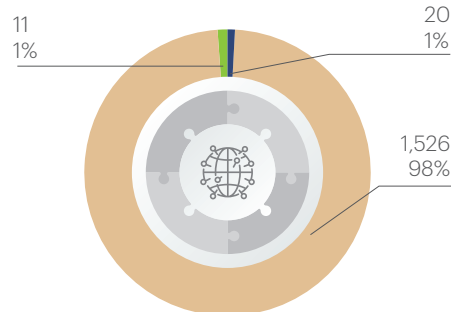
● Subject teachers    ● Living teachers    ● Administrative and supporting staff    ● Other staff

Age distribution



● Aged<30    ● Aged 30-50    ● Aged>50

Geographical region distribution



● Sichuan Province    ● China (except Sichuan Province)    ● Overseas staff



## 4. CREATING HAPPY WORKPLACE

To ensure the maximum retention of talent, we continue to improve the system of employee compensation and benefits. The Group upholds the principle of “more pay for more work, better pay for better work”, while offers diverse and competitive welfare policies to enhance our employees’ sense of happiness and recognition.

- Benefits Package
- Social Insurance and Housing Provident Fund Scheme
  - Provision of Accommodation and Meals for Employees
  - Statutory Holidays
  - Preferential Enrollment for Children of Teachers and Staff
  - Enjoying the Same Teacher Title Assessment Policy as Public Teachers

### 4.2 FOCUSING ON THE DEVELOPMENT OF TALENTS

We firmly believe that the strength of highly qualified teachers is the key factor to ensure the longevity of an educational corporation. The Group is committed to building an advanced career growth platform and constructing a comprehensive training system to fully enhance the professionalism of our staff.

At present, Virscend Education has formed an strong teaching crew, with 50 provincial and municipal special grade teachers and approximately 190 senior teachers.

#### 4.2.1 Career Development and Promotion

The Group actively plans the career development and the promotion paths for teaching staff and corporate employees, while correlating job duties and performance assessment to motivate employees to continuously fulfil themselves and progress with the corporation.

We have expanded the traditional development channels horizontally, and established three major career development paths based on the development of staff competencies, encouraging them to select the corresponding career development opportunities according to their own interests, job positions and actual situations, so as to achieve the goal of “making the best use of people and making the best use of their strengths”.

- |                           |  |
|---------------------------|--|
| PROFESSIONAL GROWTH       | <ul style="list-style-type: none"><li>• With reference to the teacher’s professional title evaluation standard, working years and salary structure will also be considered to form an incubation system from new teachers to mature teachers with characteristics of the Group</li></ul>                         |
| MANAGEMENT GROWTH         | <ul style="list-style-type: none"><li>• Expand teachers’ administration and management capabilities on top of their foundation of professional teaching, encourage teachers to participate in education and teaching management of schools, with an aim to becoming capable in school-level management</li></ul> |
| COMPANY STAFF DEVELOPMENT | <ul style="list-style-type: none"><li>• Establish dual career paths towards management and professional development, stipulate requirements for each grade, and encourage staff to continuously improve their abilities and qualities</li></ul>  |

**Figure: Three Major Career Development Paths**



## 4. CREATING HAPPY WORKPLACE

After taking account the various laws and characteristics of talent growth, we evaluate each employee’s grade, the criteria of which is linked to length of employment, qualification, professional and technical titles, and performance assessment. Our elucidation of the competencies required for each grade is conducive to provision of indicative targets for employees. In addition, we adopt a combination of qualitative and quantitative indicators in the assessment process in line with the principles of scientific and fair talent assessment, and thereafter rely on a gradient difference in performance to promote the motivation of our employees.

Qualification and Work Experience	Knowledge	Competencies	Reference
<ul style="list-style-type: none"> <li>• Qualification Level</li> <li>• Work Experience</li> </ul>	<ul style="list-style-type: none"> <li>• Professional Knowledge</li> <li>• Corporate Knowledge</li> <li>• Industry Knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Professional Title</li> <li>• Performance Outcome</li> </ul>	<ul style="list-style-type: none"> <li>• Training and Development</li> <li>• Special Awards</li> <li>• Accumulated Knowledge</li> </ul>

### The Qualifications and Assessment Criteria of Virscend Education

#### 4.2.2 Professional Training Systems

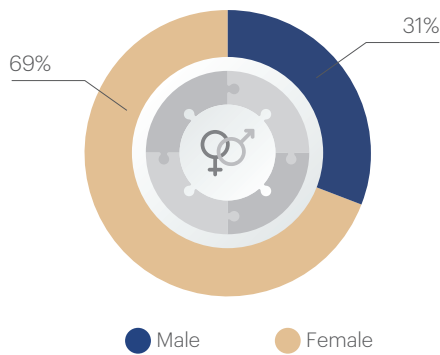
We always concern about the growth of our employees, and motivate employees to continuously enrich themselves and progress with the corporation through comprehensive professional training systems and well-established development and promotion systems.

In response to national requirements for the development of teachers, we actively assist new teachers in professional growth and provide timely work guidance on cultivating teachers through methods such as holding lectures, Teacher Quality Improvement Week and support from experienced teachers, thereby accelerating the pace of ecological classroom construction and improving the overall execution of the teacher team. In 2021, the Group implemented the “Excellence Project”, with the leading idea of “enhancing the morality and professionalism of teacher, and being a teacher with grace and elegance”, aiming to give full play to the active role the school as an academic pacesetter and the backbone teachers as leaders in imparting, assisting and leading, provide a platform with high quality and starting point for young teachers to grow and advance, guide them to understand the philosophy of school, to establish a mindset of loving education, school and students, and continuously improve their abilities of educating and teaching.

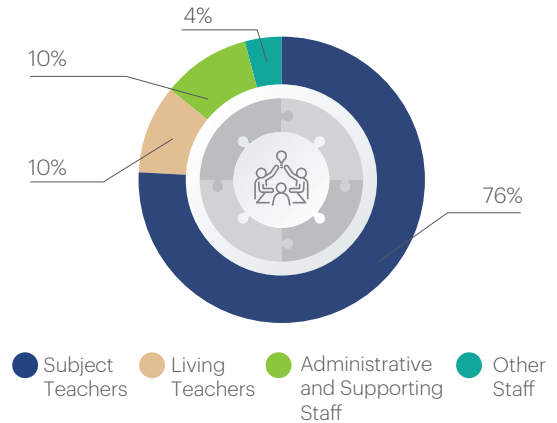
## 4. CREATING HAPPY WORKPLACE

During the reporting period, the Group trained employees of 4,165 person-times cumulatively, with a total of 369,182 training hours and 88.6 training hours per person.

**Percentage of Trainees by Gender**



**Percentage of Trainees by Employment Type**



### ***Special Lectures on Activity-based Teaching***

On the afternoon of 17 March 2021, Mr. Long Zuyuan, Director of the Teaching Quality Department of the Virscend Education Group, gave a special lecture on “Scenario-based Teaching II – Activity-based Teaching”, and explained the importance of activity-based teaching and how to apply.

Mr. Long emphasized the importance of “activities” in subject teaching, and pointed out that teachers shall advance gradually and give a consideration to diversity, subjectivity, hierarchy, purpose, relevance, practice and authenticity in the process of activity-based teaching, which specified the direction and provided new ideas for the teaching design of participating teachers and further enhanced their teaching quality.



## 4. CREATING HAPPY WORKPLACE



### *Intensive Training for New Teachers of Virscend Education in 2021*

In August 2021, Virscend Education conducted a 3-day intensive training for all new teachers in response to the education reform of the PRC. The training was jointly held by the Virscend Education Teachers (Cadre) Development Centre, the Teaching Quality Department, the Human Resources Department, the Preschool Education Department, the Centre for the Development of Moral Education and the Art and Sports Department, with the aim of improving the teaching quality of new teachers, enhancing their sense of recognition and mission towards the profession and the school, and cultivating reserve teachers who prioritize their integrity and integrate knowledge and action.



### *Ambulanceman Training Course*

In response to Recommendation No. 6670 of the Third Session of the 13th National People's Congress, the Group's Art and Sports Department conducted a one-day first aid training for relevant teachers (including administrative cadres) from the Art and Sports Department of each school on 27 March 2021. The training engaged AHA professional certified instructors to enhance the safety awareness of the institution's staff and improve first aid skills through training on pre-hospital emergency medical services and series of CPR knowledge and skills, providing more assistance for students, their families, friends and the society.





CASE:

### **State Training Programme of PE Teachers**

According to the requirements of the Sichuan Provincial Department of Education regarding the implementation of the training projects in China's central and western regions and for kindergarten teachers under the 2020 "National Training Programme", Virscend Education organized teachers to participate in a senior seminar on physical education and health for subject teachers and researchers held by Sichuan Institute of Education Sciences from 29 March to 1 April 2021.

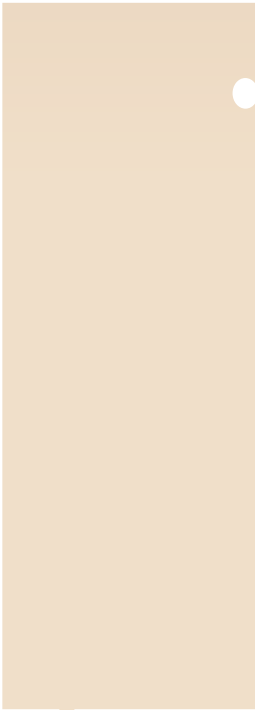
The training covered the development direction and planning of physical education in Sichuan Province in the next five years, the seminar proposal of provincial key topics, the strategy of writing and submitting articles for the magazines "China School Physical Education" and "Campus Football", which are closely related to frontline PE teachers, the interpretation of PE subjects and examination of problems, and the sharing of experience of teachers and researchers in each city and prefecture in relation to the local situation, with the aim of deepening teachers' ideological understanding, helping them to well perform their necessary duties and accumulating teaching experience.



## 4. CREATING HAPPY WORKPLACE

### 4.3 CREATING ENERGETIC WORKPLACE

Virscend Education attaches great importance to employees’ physical and mental health and actively promotes the concept of “healthy life, happy work”. In accordance with the “Law of the People’s Republic of China on Prevention and Control of Occupational Diseases” and other laws and regulations applicable to the locations where we operate, we carried out a series of activities in respect of employees’ physical and mental health, such as annual physical examination, health lectures and psychological consultations. We encourage our employees to participate in sports clubs and fitness classes for staff, and guide them to develop a good healthy daily routine. At the same time, we organize collective birthday parties, festive events, free movies, visits to bases of Chinese revolution and other activities from time to time, so that employees can enrich their souls through the Company’s channels. Finally, both corporate cohesion and employees’ happiness can be improved.



**October birthday party in Quxian Campus**



**September Lectures on Psychological Crisis Intervention**



**Chinese tea ceremony for relaxing**



**Visits to bases of Chinese revolution**



## 5. CARING FOR GREEN EARTH

We strictly abide by the “Environmental Protection Law of the People’s Republic of China”, “Energy Conservation Law of the People’s Republic of China” and other environment-related laws and regulations. By continuously improving our environmental management system, we integrate the concept of green development into the school operation, talent cultivation, campus construction and management so as to create a green campus atmosphere. At the same time, we make great efforts to promote green office, energy conservation, emission reduction and resource saving, and work together with all teachers and students to keep a green living environment.

### 5.1. BUILDING A GREEN CAMPUS

#### 5.1.1 ENERGY MANAGEMENT

We advocate the development concept of energy conservation and consumption reduction, and have formulated the “Regulations on Reducing Energy Consumption at the Office” and the “Regulations on Reducing Energy Consumption in the Dormitory” to fully standardize the management for energy consumption of equipment and lighting facilities during office, teaching and living hours.

In 2021, all campuses actively worked on energy conservation and consumption reduction. The logistics support department regularly inspected and followed up on campus energy conservation and consumption reduction to form a sound energy conservation management mechanism.

Our major measures for energy management include:

- renovating school lighting facilities and gradually replacing them with energy-saving lights such as LED lights through implementing “Green Lighting Projects”;
- advocating and applying energy-efficient teaching facilities and materials, phasing out inefficient equipment, and prioritizing the environmentally-friendly and energy-saving products in the procurement of equipment;
- designating personnel to monitor and check exceptional power equipment for the avoidance of unnecessary and irregular utilization and the usage of standby models. Exceptional power equipment must be turned off in time after dining in the canteen;
- encouraging our employees to make good use of sunlight in offices and classrooms, and turning off lights when they leave the office, eradicating “keep lights on daylong”;
- reducing the power consumption and usage of standby models of office equipment, reasonably turning on and using electrical equipment such as computers, printers, water dispensers, air conditioners, electric fans, etc. Rigid standards of switching-on frequency and the temperature have been set for using air conditioners properly, and no one is allowed to use the air conditioner with the windows or doors open so as to minimize power consumption;
- implementing a vehicle deployment system by which drivers are required to follow the route and destination on the list of order and are not allowed to arbitrarily change the route. For staff going to the same direction at the same time, they should share the vehicle as far as possible to reduce usage and costs;
- actively promoting green commutes, advocating “135”, the green and low-carbon, i.e., walk within 1 km, ride within 3 km and take public transport within 5 km.

A number of campuses operated by the Group issued measures for power management, proposing standards and initiatives regulating the power and energy consumption in teaching venues, public areas and other key energy-consuming areas. Furthermore, “saving prize” has been set on some campuses as an incentive to meet energy saving objectives.

## 5. CARING FOR GREEN EARTH

### 5.1.2 WATER CONSUMPTION AND WASTEWATER MANAGEMENT

We earnestly implement water consumption management in the three aspects of managing water consumption from the source, saving water in the consumption process and controlling wastewater in discharge. We actively respond to the policy guidelines given by the energy conservation supervision department in Chengdu, and set water consumption cap in every academic year for each school with reference to the per capita water consumption quotas of educational institutions and continuously follow up the progress to improve the efficiency of water utilization.

- *MANAGING FROM THE SOURCE*

We strengthen the daily maintenance and management of water facilities. Continuous efforts have been made in managing drinking water for teachers and students, cleaning water in public areas and other key water-using areas, and in keeping good records of water consumption to prevent unreasonable water utilization.

We find out the water consumption situation of all schools through the water balance test and conduct analysis of reasonable water consumption based on the same, thus avoiding water dripping and leakage. According to the situation of different schools, domestic water is supplied for each floor with different treatment, and stop valves are installed to control the supply to vacant floors. In order to regulate water consumption behavior of students, we also upgrade and renovate the intelligent water control system, under which students fetch water by swiping cards, thus ensuring the recording and management of water consumption in different areas in real time, and reducing waste of water resources from the source.

- *DAILY CONSERVATION*

We have published “Water Conservation Policies”, under which we implement water conservation measures by actively promoting the use of water conservation equipment, posting signs of water conservation and using the water/rainwater recycling system. In addition, we have strengthened the daily inspection and maintenance management of water facilities for teaching, researching and living to avoid wastage of water resources caused by abnormalities in the facilities. The green areas and landscaping of campus are irrigated by sprinklers, micro-irrigation and drip irrigation to effectively improve the water efficiency.

In 2021, Chengdu Foreign Languages School, as an experimental unit, upheld the principles of “the realization of the sustainable development of water”, started to work on the creation of a water conservation unit, and finally succeed to be part of the 26th batch of water conservation units in Sichuan province and received recognition. Chengdu Foreign Languages School has formulated a three-year planning for building a water-conservation school, set up a lead working group on water conservation, with the vice-principal as the highest responsible person to co-ordinate water conservation of the school, and engaged a full-time manager of water conservation to inspect and record water consumption, and address warranty matters at all points. The school continues to strengthen its promotion of water conservation, raise the awareness of water conservation among all teachers, students and staff, and establish a water conservation mechanism with the participation of all teachers, students and staff in the school to improve the water efficiency.

- *EMISSION COMPLIANCE*

School effluent includes domestic sewage from teachers and students and canteen wastewater. Each of the Group’s schools has a discharge permit and the wastewater generated is treated by wastewater treatment facilities to ensure that the discharge meets the requirements of the “Integrated Wastewater Discharge Standard”. The schools promote the use of phosphate-free detergents and biodegradable cleaning products to reduce the environmental impact of wastewater discharge.

### 5.1.3 WASTE MANAGEMENT

Waste generated in the course of the Group's operations mainly includes office paper, equipment, lamps, toner cartridges, ink cartridges and other household waste generated from the daily operation of the Group's offices; food waste generated from the kitchens in the canteens of various campuses; and waste chemicals generated from chemical experiments conducted in some schools.

We strictly comply with the regulations and systems such as "the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste" 《中華人民共和國固體廢棄物污染環境防治法》 and the "Regulations on the Management of Municipal Domestic Waste" 《城市生活垃圾管理辦法》, and have formulated efficient and coordinated internal management measures to actively implement waste treatment and disposal. Hazardous waste is stored properly and handed over to qualified third parties for transfer and disposal, requiring a 100% safe disposal rate.

- *DISPOSAL OF OFFICE WASTE*

We appeal to our staff to reduce paper use by sending messages through email or circulating documents, promoting duplex printing and using porcelain cups instead of the disposable paper ones. We have placed three types of paper recycling bins for office paper, newspaper and periodicals, wrapping paper, to collect double-sided copy paper, old envelopes, letter paper, newspapers, wrapping paper respectively. For waste cartridges and batteries etc., we choose replaceable toner cartridges and rechargeable batteries as far as possible in procurement, and the waste cartridges are collected and disposed of by the suppliers on a regular basis.

- *DISPOSAL OF KITCHEN WASTE*

We have formulated the "Management System of Kitchen Waste Disposal" to strictly regulate the handling process of kitchen waste. Canteens on all campuses are required to dispose of kitchen waste in a harmless manner and put a management record in force of kitchen waste disposal. The canteens have separate control and treatment of kitchen waste: waste generated from the rough processing of food ingredients is treated as domestic waste and disposed of by sanitation workers; slop type of waste is emptied into special slop buckets or separated by oil separators, grease, etc. and discharged into grease traps for transfer and disposal by qualified third parties, and sale to other units and individuals is strictly prohibited. At the same time, the Group requires all school managers and head chefs to separate wet and dry food waste to reduce the amount of food waste to be disposed of.



## 5. CARING FOR GREEN EARTH

In order to reduce kitchen waste, schools are actively promoting “Clean Plate Campaign” to reduce food waste, and installing cameras and appointing supervisors at food waste dumping sites to monitor food waste behaviors and create a positive atmosphere where waste is shameful and conservation is a matter of pride.



- *DISPOSAL OF DANGEROUS CHEMICALS*

For schools conducting chemical experiments, we have developed an internal “System on Safety Management of Dangerous Chemicals” in accordance with the “Regulations on Safety Management of Dangerous Chemicals” and the “Regulations on the Supervision and Management of Fire Safety of Flammable and Explosive Chemical Substances”, to regulate the purchase, storage, use disposal and other processes of laboratory chemicals, and to consolidate the management of hazardous chemicals. At the purchase stage, chemicals of schools are managed by a person who clearly understands the safety and environmental characteristics of chemicals before purchasing them. At the storage stage, chemicals are stored in dedicated facilities, and are sorted and separated to avoid explosions, leaks and other safety incidents and to maximize the elimination of potential safety hazards. At the use stage, the amount of chemical used is strictly controlled, teachers and students are requested to follow the requirements for the use of various chemicals. At the disposal stage, the schools shall sign a recycling agreement with a qualified hazardous chemical recycling company or entrust a unit with legal disposal qualifications to carry out destruction and disposal, so as to stop casual spillage and burial.

### 5.1.4 EXHAUST MANAGEMENT

To reduce canteen fume emissions, the school canteens adopt a combined electrostatic fume purifier to test and treat the fumes, with a 98% fume removal rate, and have commissioned the local environmental monitoring agency to monitor the canteen fumes in each school to ensure that the emissions comply with the “Emission Standard of Cooking Fume”.

In addition, we have installed activated carbon adsorption devices at the ventilation end of the chemistry laboratories to prevent the emissions from the laboratories from affecting the air quality inside and outside the campus and creating environmental pollution.

In order to reduce vehicle emissions, each campus of the Group has issued the “Company Vehicle Management System”, which regulates the application requirements for public vehicles, account records of fuel consumption, vehicle maintenance, etc. By standardizing the deployment of idle company vehicles, the number of public service vehicles has been decreased to reduce vehicle fuel consumption and emissions reduced. At the same time, we encourage employees to take public transportation to commute. We also conduct travel management and encourage employees to work in different places through online communication or video meetings, so as to reduce greenhouse gas emissions caused by unnecessary travel.

## 5.2 FOSTERING GREEN AWARENESS

We actively respond to the strategy of national green development and continue to promote green education activities in schools based on green culture, aiming to enhance environmental literacy and green awareness of students. Students are guided to pay attention to the protection of the ecological environment through various means, such as setting up placards, organizing speeches under the national flag and encouraging students to practice in person. Each school also launched its own unique initiatives on green education, low-carbon living and frugality and conservation to enhance the environmental awareness of all staff and create a campus culture of energy saving and emission reduction.

In addition, we have incorporated the concept of energy saving and environmental protection into all aspects of education and help the students deepen their awareness of environmental protection, acquire environmental skills and develop environmental habits by organizing activities of environmental education, courses of low-carbon environment, competitions of environmental handicraft, practical activities of protecting rivers and the like.

## 5. CARING FOR GREEN EARTH



### *Eco-cultural Exchange Activities Conducted between Virscend Education Ya'an Senior High School and Friendly School of France*

Virscend Education Ya'an High School and Armand David High School of France have become friendly schools and conducted an exchanging activity for the first time on 28 May 2021. Armand David High School, with its strengths in agriculture and life science and technology, has launched a series of environmental and cultural exchange activities with Virscend Education Ya'an High School as follows.

- During the United Nations Biodiversity Conference Kunming, China 2021, students from both sides collaborated online to produce and present posters and videos
- During the summer, the two sides send exchange students mutually. Chinese students are able study environmental protection, ecology, agronomy and life sciences and technology, or horticultural art in France; and French students are able to visit the Ya'an Virscend Education High School in China, see the giant pandas, learn about Chinese culture and the cultural heritage of Ya'an, etc.

During the exchange, Mr. Bai Sha (Chinese name), Consul for Science and Education at the French Consulate in Chengdu, expressed his hope that the teachers and students of both schools would inherit and carry forward Mr. David's scientific attitude of practicality and scientific spirit of exploration and discovery, and contribute more to safeguarding global biodiversity and ecological balance.



### 5.3 RESPONDING TO CLIMATE CHANGE

Extreme weather caused by climate change has already brought about many challenges in fields such as water resources, ecology and energy development. For this reason, we have actively responded to the strategy of national development and formulated relevant working mechanisms and rules and regulations to identify and mitigate issues of climate change that may have or have had a significant impact on Virscend Education. In response to climate change, we regulate the use of resources such as water for green land maintenance and switches of street light, promote scientific and timely irrigation, and maximize the use of natural light to achieve rational use of water resources and energy. In response to the increase in extreme weather in local areas caused by global warming, such as typhoons, rainstorms and hailstorms, we actively organize drill activities of natural disaster to enhance the awareness and ability of all teachers and students to respond to the emergency of disasters.



## 6. CONTRIBUTION TO WARMING COMMUNITIES

Virscend Education is committed to fulfilling our social responsibilities, supporting the industry by leveraging on our strengths, passing on innovative experiences and sparing no effort to promote the development of education in China. We also devote to voluntary activities and social charity, encouraging our staff and students to participate in voluntary activities, contributing our corporate power and building up a good social image of corporation.

During the reporting period, the Group's staff accumulated 48,539 hours of working as volunteers.

### 6.1 ACTIVITIES OF ENTHUSIASTIC VOLUNTEERING

In 2021, Virscend Education actively participated in community activities, spreading positive energy, enhancing sense of well-being and security of people, and contributing to a harmonious society and a better home.



#### *Learning from Lei Feng Activities*

On the occasion of the 58th Learning from Lei Feng Day and the 22nd Chinese Youth Volunteer Day, in order to better carry forward the Lei Feng spirit in the new era and the volunteering concept of "dedication, friendship, mutual help and progress". Online and offline activities themed on "Volunteering, all together in Yibin" were launched in Chengdu Institute Sichuan International Studies University Yibin Campus on 5 March.

After registered as a volunteer on a mini program named "Volunteering in Sichuan" set up by the campus, students can participate in the "we are youth in Yibin, we are carrying forward volunteerism" campaign on WeChat Moments, Weibo and TikTok platforms, sharing the registration procedures, the exclusive new media QR code of "Yibin Youth" team, their volunteer hours, photos and experience. The campus encourages all students to actively participate our offline presentation on volunteer registration and voluntary activities.



## 6. CONTRIBUTION TO WARMING COMMUNITIES



### *Learning from Lei Feng Volunteer Month of Chengdu Institute Sichuan International Studies University*

In order to promote the Lei Feng spirit and spread positive energy, in March 2021, Chengdu Institute Sichuan International Studies University launched a series of Volunteer activities under the theme of “Learning from Lei Feng Volunteer Month” with an overwhelming positive response from the students, enriching their own experience and building up their sense of volunteerism through their contribution to the society.



On 12 March, the volunteers from the School of Asian and African studies went to the Union Community of Happy Streets in Dujiangyan and conducted a programme of books for green plants exchange.



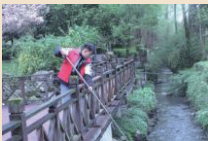
On 13 March, The Young Volunteers Association organized 34 volunteers of our institute to the Chengdu Blood Center for donating platelets.



On 15 March, Students of French and Italian Institute volunteered at the Love Avenue in Chongzhou City for the Flower Festival of Self-driving.



On 16 and 17 March, 282 people participated in a two-day Blood Donation Drive to Campus Activity conducted by our institute, donating a total of 84,700ml of blood.



On 19 March, the voluntary service team of our institute’s physical education department launched a river management voluntary activity at Xinlian Community in Dujiangyan.

## 6. CONTRIBUTION TO WARMING COMMUNITIES

### 6.2 SUPPORTING SOCIAL CHARITY

Virscend Education concerns about public welfare and is committed to building a good corporate image by supporting charity activities in a variety of ways while spreading the message of excellence in the industry.



#### *The Love of "June 1", A Gift of Fragrant Flowers*

On the morning of 31 May 2021, Du Shimin, Vice Principal of Ya'an Campus of Chengdu Experimental Foreign Languages School, went to Xianghua Central School in Cao Ba town with leaders of each office, grade dean and student representatives of each class from Junior Class 2020 and 2019, using the money raised from the charity sale by teachers and students last week to deliver school supplies and sports equipment to 32 children left behind at Xianghua Central School, bringing a touch of warmth to "June 1" of the children.



## 6. CONTRIBUTION TO WARMING COMMUNITIES



### **School Exchange Programme conducted by Virscend Education Chengxiang School**

In 2020, Virscend Education led three schools, including Chengxiang School of Qingbaijiang Chengdu and Chengdu Chengxiang Middle School etc., in a school-enterprise alliance.

From 21 to 23 October 2021, a team composed of relevant department heads and outstanding teachers, taken the lead by the Virscend Education Group and led by Liu Peng, the Party Secretary and Principal of Qingbaijiang Chengxiang School, went to Ganzi Jiulong Central Primary School (甘孜州九龍縣湯古中心小學) to conduct a teaching exchange programme, to inspect the counterpart support projects of the school on site, and to promote exchanges and cooperation between the two schools.

The teachers from the Tibetan area gave us great enthusiasm and sincerity, and expressed their true goodwill and simplicity during this exchange programme. Headmaster Liu Peng said that we should not only provide material support, but also pass on the latest information on education technology and the latest teaching ideas to others without reservation. In the future, Chengxiang school will continue to promote its work of counterpart support and make greater contributions to the education of ethnic areas.



## 6. CONTRIBUTION TO WARMING COMMUNITIES



CASE:

### *Passing on the characteristics of Chengdu Foreign Languages School to help promoting education in Liangshan*

From 14 to 16 May, Li Lin, Vice Principal of Chengdu Foreign Languages School, and Yuan Hua, high school English teacher of Chengdu Foreign Languages School, went to Jinjiang Campus of Huili No.1 Middle School in Xichang City to participate in a supportive activity organized by Sichuan Association of Middle School Principals on “Sending teaching to help students with different lessons”.

On the morning of the 15th, Vice-Principal Li Lin gave a speech on the two topics of “how to grasp school’s routine management efficiently” and “how to improve the efficiency of classroom” in the “Principals’ Forum”. Teacher Yuan Hua took part in the classroom demonstration of “Sending teaching to help students with different lessons” and received unanimous and positive feedback from the teachers and students participating in the activity for her diversified teaching methods and active classroom atmosphere.





## 7. APPENDIX

### 7.1 KEY ESG PERFORMANCE INDEX

ESG index	Unit	Data in 2021*	
<b>Environmental</b>			
<b>A1 Emission</b>	<b>A1.2 Greenhouse gas emissions in total and intensity<sup>1</sup></b>		
	Total GHG emission	tons (carbon dioxide equivalent)	<b>14158.47</b>
	Intensity of GHG emission	tons (carbon dioxide equivalent)/ number of student	<b>0.50</b>
	GHG emission (scope 1) <sup>2</sup>	tons (carbon dioxide equivalent)	<b>4098</b>
	GHG emission (scope 2) <sup>3</sup>	tons (carbon dioxide equivalent)	<b>10060.48</b>
	<b>A1.3 Total hazardous waste produced</b>		
	Amount of hazardous waste <sup>4</sup>	tons	<b>4.22</b>
	Intensity of hazardous waste	tons/number of student	<b>0.00015</b>
	<b>A1.4 Total non-hazardous waste produced</b>		
	Amount of non-hazardous waste <sup>5</sup>	tons	<b>3318.24</b>
Intensity of non-hazardous waste	tons/number of student	<b>0.12</b>	

<sup>1</sup> Data computing standard

- Direct GHG produced by gasoline, diesel, natural gas and pipeline gas is calculated with reference to the "Guidelines for Accounting and Reporting Greenhouse Gas Emissions – China Public Building Operator Units (Enterprises) (Trial) of the People's Republic of China" issued by the General office of the National Development and Reform Commission;
- Indirect GHG emission generated from purchase of electricity with reference to the "Guidelines for Accounting and Reporting Greenhouse Gas Emissions – China Public Building Operator Units (Enterprises) (Trial) of the People's Republic of China" issued by the General office of the National Development and Reform Commission, among which, emission factor for electricity in Mainland China is calculated with reference to the Standards of "China Regional Grid Baseline Emission Factor in Emission Reduction Projects of 2017".

<sup>2</sup> GHG in Scope I of indicator A1.2 includes direct emissions generated by gasoline, diesel, natural gas and pipeline gas.

<sup>3</sup> GHG in Scope II of indicator A1.2 includes indirect emissions generated by purchased electricity.

<sup>4</sup> Total amount of hazardous wastes of indicator A1.3 includes sum of amount generated from light tubes, batteries, ink tanks, printer cartridges and lab wastes.

<sup>5</sup> Total amount of non-hazardous wastes of indicator A1.4 includes sum of amount generated from domestic waste and food waste (oil, water and waste residue).



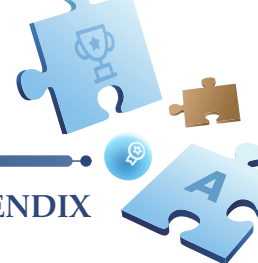
	ESG index	Unit	Data in 2021*
<b>A2. Use of Resources</b>	<b>A2.1 Energy consumption by type in total and intensity</b>		
	Conversion of electricity for comprehensive energy consumption <sup>6</sup>	10,000 kWh	<b>2981.42</b>
	Conversion of electricity for comprehensive energy consumption intensity	kWh/number of student	<b>1059.68</b>
	Electricity consumption	10,000 kWh	<b>1116.09</b>
	Natural gas consumption	10,000 cubic meters	<b>184.23</b>
	Gasoline consumption	liter	<b>37007.84</b>
	Diesel consumption	liter	<b>613.38</b>
	<b>A2.2 Water consumption in total and intensity</b>		
	Total amount of water consumption	10,000 tons	<b>157.21</b>
Water consumption intensity	tons/number of student	<b>55.88</b>	

<sup>6</sup> Total energy consumption of indicator A2.1 includes the sum of consumptions of gasoline, diesel, natural gas and pipeline gas. Data computing standard is that the conversion of standard coal for the total energy consumption is made with reference to the "GB/T 2589-2008T General Principles for Calculation of the Comprehensive Energy Consumption".

## 7. APPENDIX

	ESG index	Unit	Data in 2021*
<b>B1. Employment</b>	<b>B1.1 Total workforce by gender, employment type, age group and geographical region</b>		
	Total workforce	persons	1,561
	<b>By gender</b>		
	Male employees	persons	504
	Female employees	persons	1,057
	<b>By employment type</b>		
	Subject teacher	persons	1,061
	Living teacher	persons	100
	Administrative and supporting staff	persons	326
	Other staff <sup>7</sup>	persons	74
	<b>By age</b>		
	Aged 30 and below	persons	462
	Aged 30 to 50	persons	828
	Aged 50 and above	persons	271
	<b>By geographical region</b>		
Sichuan Province	persons	1,526	
China (except Sichuan Province)	persons	11	
Overseas	persons	20	
<b>B2. Health and Safety</b>	<b>B2.1 Number of work-related fatalities</b>		
	Number of work-related fatalities in each of the past three years (including the reporting year)	persons	2019:0 2020:0 2021:0
	<b>B2.2 Lost days due to work injury</b>		
	Work injury	cases	3
	Total lost days due to work injury	days	0

<sup>7</sup> Other staff under employment type of indicator B1.1 includes cadres and mid-level cadres at the school level.



	ESG index	Unit	Data in 2021*
<b>B3. Development and Training</b>	<b>B3.1 The percentage of employees trained by gender and employee category</b>		
	The percentage of total number of employees trained	100%	<b>41.8%</b>
	<b>By gender</b>		
	Male employees	100%	<b>40.3%</b>
	Female employees	100%	<b>42.5%</b>
	<b>By employment type</b>		
	Subject teachers	100%	<b>46.6%</b>
	Living teachers	100%	<b>65%</b>
	Administrative and supporting staff	100%	<b>7.4%</b>
	Other staff member	100%	<b>93.2%</b>
	<b>B3.2 The average training hours completed per employee by gender and employee category</b>		
	All employees	hours	<b>75.6</b>
	<b>By gender</b>		
	Male employees	hours	<b>68.6</b>
Female employees	hours	<b>78.8</b>	
<b>By employment type</b>			
Subject teachers	hours	<b>88.9</b>	
Living teachers	hours	<b>18.1</b>	
Administrative and supporting staff	hours	<b>91.9</b>	
Other staff member	hours	<b>29.1</b>	

## 7. APPENDIX

	ESG index	Unit	Data in 2021*
<b>B5. Supply Chain Management</b>	<b>B5.1 Number of suppliers by geographical region</b>		
	Sichuan Province	suppliers	73
	China (except Sichuan Province)	suppliers	3
<b>B6. Product Responsibility</b>	<b>B6.2 Number of product and service related complaints received</b>		
	Complaints response rate	100%	100%
<b>B7. Anti-corruption</b>	<b>B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period</b>		
	Number of filed or concluded legal cases regarding corrupt practices	cases	0
	Total faculty members participating in anti-corruption trainings	persons	4,165
	Number of anti-corruption trainings provided to directors	trainings	4
<b>B8. Community Investment</b>	<b>B8.2 Resources contributed to the focus area</b>		
	Charitable donation	Renminbi Yuan	200,003
	Number of volunteers	persons	5,965
	Hours of volunteer work	hours	48,539



## 7.2 ESG INDEX GUIDE

### HKEX Guide

ESG matters	Index	Reporting Guide Requirements	Chapters and Explanation
<b>A. Environmental</b>			
<b>A1: Emissions</b>	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 pollutants and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	5.1 Building a Green Campus
	A1.1	The types of emissions and respective emissions data.	Due to the characteristics of the education industry, the emission of air pollutant and pollutant sewage discharge is not an important issue in the operation and management of the company. Therefore, the respective emissions data are not disclosed during the reporting period.
	A1.2	Total directly (Scope 1) and energy indirectly (Scope 2) Greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Key ESG Performance Index
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Key ESG Performance Index
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Key ESG Performance Index
	A1.5	Description of emission target(s) set and steps taken to achieve them.	5.1 Building a Green Campus
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	5.1 Building a Green Campus

## 7. APPENDIX

ESG matters	Index	Reporting Guide Requirements	Chapters and Explanation
<b>A. Environmental</b>			
<b>A2: Use of Resources</b>	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	5.1 Building a Green Campus
	A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	Key ESG Performance Index
	A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Key ESG Performance Index
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	5.1 Building a Green Campus
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	5.1 Building a Green Campus All the water used by the Group comes from municipal waterworks, and there is no problem in obtaining suitable water sources.
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Since the Group provides educational services and does not involve finished products and does not use packaging materials in its operations, the topic of packaging materials management is not applicable to the Group.



ESG matters	Index	Reporting Guide Requirements	Chapters and Explanation
<b>A. Environmental</b>			
<b>A3: The Environment and Natural Resources</b>	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	5.1 Building a Green Campus 5.2 Fostering Green Awareness
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5.1 Building a Green Campus 5.2 Fostering Green Awareness
<b>A4: Climate Change</b>	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have or would have an impact on the issuer.	5.3 Responding to Climate Change
	A4.1	Description of the significant climate-related issues which have or would have an impact on, the issuer, and the actions taken to manage them.	5.3 Responding to Climate Change



## 7. APPENDIX

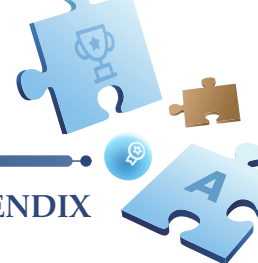
ESG matters	Index	Reporting Guide Requirements	Chapters and Explanation
<b>B. Social</b>			
<b>B1: Employment</b>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	4.1 Safeguarding Employees' Interests 4.3 Creating Energetic Workplace
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Key ESG Performance Index
	B1.2	Employee turnover rate by gender, age group and geographical region.	Key ESG Performance Index
	<hr/>		
<b>B2: Health and Safety</b>	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.	3.1 Safeguarding Food Safety 3.2 Safeguarding Campus Safety
	B2.1	Number and rate of work-related fatalities in each of the past three years (including the reporting year).	Key ESG Performance Index
	B2.2	Lost days due to work injury.	Key ESG Performance Index
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.3 Creating Energetic Workplace



ESG matters	Index	Reporting Guide Requirements	Chapters and Explanation
<b>B. Social</b>			
<b>B3: Development and Training</b>	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.2 Focusing on the Development of Talents
	B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Key ESG Performance Index
	B3.2	The average training hours completed per employee by gender and employee category.	Key ESG Performance Index
<b>B4: Labour Standards</b>	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.	4.1 Safeguarding Employees' Interests
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1 Safeguarding Employees' Interests
	B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Safeguarding Employees' Interests
<b>B5: Supply Chain Management</b>	General Disclosure	Policies on managing environmental and social risks of the supply chain.	1.5 Conducting Responsible Procurement
	B5.1	Number of suppliers by geographical region.	Key ESG Performance Index
	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.	1.5 Conducting Responsible Procurement
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	1.5 Conducting Responsible Procurement
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	1.5 Conducting Responsible Procurement

## 7. APPENDIX

ESG matters	Index	Reporting Guide Requirements	Chapters and Explanation
<b>B. Social</b>			
<b>B6: Product Responsibility</b>	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.	1.2 Responsible Marketing Practice
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Since the Company provides education services and does not produce products, there is no product recycling
	B6.2	Number of products and service related complaints received and how they are dealt with.	3.3 Fluent School and Family Communication Key ESG Performance Index
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	1.1 Intellectual Property Rights Protection
	B6.4	Description of quality assurance process and recall procedures.	2 Strictly Observing the Quality of Teaching
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	1.3 Privacy Protection



ESG matters	Index	Reporting Guide Requirements	Chapters and Explanation
<b>B. Social</b>			
<b>B7: Anti-corruption</b>	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.	1.4 Adhere to Integrity and Honesty
	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.	Key ESG Performance Index
	B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	1.4 Adhere to Integrity and Honesty
	B7.3	Description of anti-corruption training provided to directors and staff.	1.4 Adhere to Integrity and Honesty
<b>B8: Community Investment</b>	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.	6 Contribution to Warming Communities
	B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	6 Contribution to Warming Communities
	B8.2	Resources contributed (e.g., money or time) to the focus area.	Key ESG Performance Index

## 7. APPENDIX

### GRI INDEX

Disclosure of Topics/Items	Description	Chapters and Explanation
<b>GRI 101: Foundation 2016</b>		
<b>GRI 102: General Disclosures 2016</b>		
<b>Organizational Profile</b>		
<b>102-1</b>	Name of the organization	About This Report
<b>102-2</b>	Activities, brands, products, and services	About US
<b>102-3</b>	Location of headquarters	About US
<b>102-4</b>	Location of operations	About US
<b>102-5</b>	Ownership and legal form	About US
<b>102-6</b>	Markets served	About US
<b>102-7</b>	Scale of the organization	About US
<b>102-8</b>	Information on employees and other workers	Creating Happy Workplace
<b>102-9</b>	Supply chain	Conducting Responsible Procurement
<b>102-10</b>	Significant changes to the organization and its supply chain	About Us
<b>102-11</b>	Precautionary Principle or approach	About This Report
<b>Strategy</b>		
<b>102-14</b>	Statement from senior decisionmaker	Statement from the Board
<b>102-15</b>	Key impacts, risks, and opportunities	Statement from the Board
<b>Governance</b>		
<b>102-18</b>	Governance structure	Our Management Structure
<b>102-19</b>	Authorisation	Our Management Structure
<b>102-20</b>	Executive-level responsibility for economic, environmental, and social topics	Our Management Structure
<b>102-21</b>	Consulting stakeholders on economic, environmental, and social topics	Our Management Structure
<b>102-22</b>	Composition of the highest governance body and its committees	Our Management Structure
<b>102-23</b>	Chair of the highest governance body	Our Management Structure
<b>102-25</b>	Conflicts of interest	Our Management Structure



Disclosure of Topics/Items	Description	Chapters and Explanation
102-26	Role of highest governance body in setting purpose, values, and strategy	Our Management Structure
102-27	Collective knowledge of highest governance body	Our Management Structure
102-29	Identifying and managing economic, environmental, and social impacts	Material Issues Matrix
102-30	Effectiveness of risk management processes	Our Management Structure
102-31	Review of economic, environmental, and social topics	Material Issues Matrix
102-32	Highest governance body's role in sustainability reporting	Our Management Structure
102-33	Communicating critical concerns	Stakeholders Communication
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	Stakeholders Communication
102-42	Identifying and selecting stakeholders	Stakeholders Communication
102-43	Approach to stakeholder engagement	Stakeholders Communication
102-44	Key topics and concerns raised	Stakeholders Communication
<b>Reporting Practice</b>		
102-45	Entities included in the consolidated financial statements	About This Report
102-46	Defining report content and topic Boundaries	About This Report
102-47	List of material topics	About This Report
102-48	Restatements of information	About This Report
102-49	Changes in reporting	About This Report
102-50	Reporting period	About This Report
102-51	Date of most recent report	About This Report
102-52	Reporting cycle	About This Report
102-53	Contact point for questions regarding the report	About This Report
102-54	Claims of reporting in accordance with the GRI Standards	About This Report
102-55	GRI content index	GRI Index

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Disclosure of Topics/Items	Description	Chapters and Explanation
<b>Specific Disclosures</b>		
<b>Economic</b>		
<b>GRI 201: Economic Performance 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	About Us
	103-2 The management approach and its components	About Us
	103-3 Evaluation of the management approach	About Us
<b>201-2</b>	Financial implications and other risks and opportunities due to climate change	Responding to Climate Change
<b>201-3</b>	Defined benefit plan obligations and other retirement plans	Creating Energetic Workplace
<b>GRI 203: Indirect Economic Impacts 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Contribution to Warming Communities
	103-2 The management approach and its components	Contribution to Warming Communities
	103-3 Evaluation of the management approach	Contribution to Warming Communities
<b>203-1</b>	Infrastructure investments and services supported	Contribution to Warming Communities
<b>203-2</b>	Significant indirect economic impacts	Contribution to Warming Communities
<b>GRI 204: Procurement Practices 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Conducting Responsible Procurement
	103-2 The management approach and its components	Conducting Responsible Procurement
	103-3 Evaluation of the management approach	Conducting Responsible Procurement



Disclosure of Topics/Items	Description	Chapters and Explanation
<b>Specific Disclosures</b>		
<b>GRI 205: Anti-corruption 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Adhere to Integrity and Honesty
	103-2 The management approach and its components	Adhere to Integrity and Honesty
	103-3 Evaluation of the management approach	Adhere to Integrity and Honesty
<b>205-2</b>	Communication and training about anti-corruption policies and procedures	Adhere to Integrity and Honesty
<b>205-3</b>	Confirmed incidents of corruption and actions taken	Adhere to Integrity and Honesty
<b>Environmental</b>		
<b>GRI 302: Energy 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Building a Green Campus
	103-2 The management approach and its components	Building a Green Campus
	103-3 Evaluation of the management approach	Building a Green Campus
<b>302-1</b>	Energy consumption within the organization	Key ESG Performance Index
<b>302-3</b>	Energy intensity	Key ESG Performance Index
<b>302-4</b>	Reduction of energy consumption	Building a Green Campus
<b>302-5</b>	Reductions in energy requirements of products and services	Building a Green Campus
<b>GRI 303: Water 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Building a Green Campus
	103-2 The management approach and its components	Building a Green Campus
	103-3 Evaluation of the management approach	Building a Green Campus
<b>303-3</b>	Water withdrawal	Building a Green Campus



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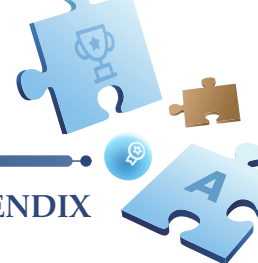
Disclosure of Topics/Items	Description	Chapters and Explanation
<b>Specific Disclosures</b>		
<b>GRI 305: Emissions 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Building a Green Campus
	103-2 The management approach and its components	Building a Green Campus
	103-3 Evaluation of the management approach	Building a Green Campus
<b>305-1</b>	Direct (Scope 1) GHG emissions	Key ESG Performance Index
<b>305-2</b>	Energy indirect (Scope 2) GHG emissions	Key ESG Performance Index
<b>305-4</b>	GHG emissions intensity	Key ESG Performance Index
<b>305-5</b>	Reduction of GHG emissions	Key ESG Performance Index
<b>Environmental</b>		
<b>GRI 306: Effluents and Waste 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Building a Green Campus
	103-2 The management approach and its components	Building a Green Campus
	103-3 Evaluation of the management approach	Building a Green Campus
<b>306-1</b>	Water discharge by quality and destination	Key ESG Performance Index
<b>306-2</b>	Waste by type and disposal method	Key ESG Performance Index
<b>306-4</b>	Transport of hazardous waste	Building a Green Campus
<b>GRI 307: Environmental Compliance 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Key ESG Performance Index
	103-2 The management approach and its components	Key ESG Performance Index
	103-3 Evaluation of the management approach	Key ESG Performance Index



Disclosure of Topics/Items	Description	Chapters and Explanation
<b>Specific Disclosures</b>		
<b>Social</b>		
<b>GRI 401: Employment 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Safeguarding employees' interests
	103-2 The management approach and its components	Safeguarding employees' interests
	103-3 Evaluation of the management approach	Safeguarding employees' interests
<b>401-1</b>	New employee hires and employee turnover	Key ESG Performance Index
<b>401-2</b>	Benefits provided to full-time employees that are not provided to temporary or parttime employees	Creating Energetic Workplace
<b>GRI 403: Occupational Health and Safety 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Creating Energetic Workplace
	103-2 The management approach and its components	Creating Energetic Workplace
	103-3 Evaluation of the management approach	Creating Energetic Workplace
<b>403-2</b>	Types of injury and rates of injury, occupational diseases, lost days and absenteeism	Key ESG Performance Index
<b>GRI 404: Training and Education 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Focus on the Development of Talents
	103-2 The management approach and its components	Focus on the Development of Talents
	103-3 Evaluation of the management approach	Focus on the Development of Talents
<b>404-1</b>	Average hours of training per year per employee	Key ESG Performance Index
<b>404-2</b>	Programs for upgrading employee skills and transition assistance programs	Focus on the Development of Talents

## 7. APPENDIX

Disclosure of Topics/Items	Description	Chapters and Explanation
<b>Specific Disclosures</b>		
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Safeguarding employees' interests
	103-2 The management approach and its components	Safeguarding employees' interests
	103-3 Evaluation of the management approach	Safeguarding employees' interests
<b>405-1</b>	Diversity of governance bodies and employees	Safeguarding employees' interests
<b>405-2</b>	Ratio of basic salary and remuneration of women to men	Safeguarding employees' interests
<b>Social</b>		
<b>GRI 406: Non-discrimination 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Safeguarding employees' interests
	103-2 The management approach and its components	Safeguarding employees' interests
	103-3 Evaluation of the management approach	Safeguarding employees' interests
<b>406-1</b>	Incidents of discrimination and corrective actions taken	Safeguarding employees' interests
<b>GRI 408: Child Labor 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Safeguarding employees' interests
	103-2 The management approach and its components	Safeguarding employees' interests
	103-3 Evaluation of the management approach	Safeguarding employees' interests
<b>GRI 409: Forced or Compulsory Labor 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Safeguarding employees' interests
	103-2 The management approach and its components	Safeguarding employees' interests
	103-3 Evaluation of the management approach	Safeguarding employees' interests



Disclosure of Topics/Items	Description	Chapters and Explanation
<b>Specific Disclosures</b>		
<b>GRI 413: Local Communities 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Contribution to Warming Communities
	103-2 The management approach and its components	Contribution to Warming Communities
	103-3 Evaluation of the management approach	Contribution to Warming Communities
<b>413-1</b>	Operations with local community engagement, impact assessments, and development programs	Contribution to Warming Communities
<b>GRI 414: Supplier Social Assessment 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Conducting Responsible Procurement
	103-2 The management approach and its components	Conducting Responsible Procurement
	103-3 Evaluation of the management approach	Conducting Responsible Procurement
<b>414-1</b>	New suppliers that were screened using social criteria	Conducting Responsible Procurement
<b>414-2</b>	Negative social impacts in the supply chain and actions taken	Conducting Responsible Procurement

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Disclosure of Topics/Items	Description	Chapters and Explanation
<b>Specific Disclosures</b>		
<b>Social</b>		
<b>GRI 416: Customer Health and Safety 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Building a Harmonious Campus
	103-2 The management approach and its components	Building a Harmonious Campus
	103-3 Evaluation of the management approach	Building a Harmonious Campus
<b>416-1</b>	Assessment of the health and safety impacts of product and service categories	Building a Harmonious Campus
<b>GRI 418: Customer Privacy 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Privacy Protection
	103-2 The management approach and its components	Privacy Protection
	103-3 Evaluation of the management approach	Privacy Protection
<b>GRI 419: Socioeconomic Compliance 2016</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	ESG Management
	103-2 The management approach and its components	ESG Management
	103-3 Evaluation of the management approach	ESG Management