



Chen Lin Education Group Holdings Limited 辰林教育集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1593

Environmental, Social and Governance Report

2021



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ESG REPORT

ABOUT THIS REPORT

Summary

This is the third Environmental, Social and Governance Report (“**ESG**”) published by the Group. Based on the principles of materiality, consistency, quantitative and balance, the report provides a detailed disclosure of the Group's practice and performance in areas such as environment, society and governance responsibility for eight months ended 31 August 2021.

Basis of preparation

This report is prepared in accordance with *Environmental, Social and Governance Reporting Guide* (《環境、社會及管治報告指引》) set out in Appendix 27 of the Listing Rules.

Scope of reporting

This report covers our Company and its Consolidated Affiliated Entities, namely Nanchang Di Guan, JUAS, Ruicheng Education, Jishi College, Guizhou Institute and Yu Ren High School. The materials published and statistically reported in this ESG Report are from 1 January 2021 to 31 August 2021 (“**Reporting Period**”), which are in line with the financial year covered by the Company's 2021 Annual Report.

Data sources and reliability guarantee

Sources of data used in the ESG Report include the relevant internal statistical statements, administrative documents and reports of the Group. Our Board and senior management team have approved this ESG Report and guaranteed that the ESG Report is free of any false information, misrepresentation or major omissions.

Contact information

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RESPONSIBILITY MANAGEMENT

Responsibility Philosophy

As a leading provider of private higher education in Jiangxi province, China, our Group is committed to provide students with quality education and professional training. Our Group always adheres to the mission to cultivate innovative talents with practical skills and knowledge, and to provide talent support for the development of urbanization in China (為新型城鎮化建設與管理培養高層次、高技能、創新型和應用型人才). Meanwhile, to efficiently advance its environmental, social and governance works, the Group continuously improves its enterprise management framework, fully implements sustainable development initiatives and widely disseminates the concept of sustainable development.

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Responsibility Structure

Establishing a complete ESG management framework is an important step for the Group to implement ESG management practice, by which it can put the objectives of sustainable development into daily practice. The ESG management framework of the Group consists of decision-making layer, executive layer and implementation layer. The decision-making layer represents members of the Board and is responsible for major decisions on ESG-related matters; the executive layer represents the ESG group established by the Board, and is responsible for the delivery of resolutions made by the decision-making layer and the report of work process and feedback from the implementation layer; the implementation layer is comprised of principals from each department and school, who are the practitioners of ESG works and are responsible to implement decisions made by the decision-making layer into daily practice.

The Board's short-term approach mainly focuses on the alignment and compliance with the new amendments of the ESG Reporting Guide, announced by HKEx in late 2019 and effective from July 2020 onwards. During the Reporting Period, the Board appointed senior management to attend a gap analysis meeting. We discussed relevant ESG reporting matters and aimed to minimise the gaps between our current performance and the new requirements. Furthermore, the Board may commission an independent sustainability consultant to conduct an external materiality assessment on potential ESG issues. The Board has reviewed the list of environmental targets and chosen those that are considered most significant for the Group's businesses. For more information, please refer to subsections "Energy Saving" under the section "Environmental Responsibility".

Risk Management

To ensure there are appropriate precautions towards the emerging ESG risks in the medium and long term, all potential ESG risks covering financial, operational, compliance and governance aspects are identified and discussed by the Board and the established Audit Committee on a regular basis. In order to better monitor the Group's ESG performances and effectively adjust its management approaches, the Board may designate an ESG Committee in the near future, which is considered as one of the long-term strategies. The ESG Committee shall be responsible for the management of ESG issues, including but not limited to launching ESG-related initiatives. The ESG Committee may also be responsible for evaluating the materiality of potential ESG issues to the Group on an annual basis, and reviewing the effectiveness of the Group's ESG management and risk control systems on an ongoing basis.

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Stakeholder Communication

The Group adheres to actively communicate with stakeholders to understand their demands and expectation. It is committed to safeguard the interest of stakeholders through improving the communication mechanism with stakeholders by establishing multiple channels. The stakeholders of the Group mainly include: investors/shareholders, teachers/employees, students/parents, government and regulatory institutes, suppliers/partners and community public, etc.

Table of The Group Stakeholder Communication Methods

Stakeholders	Focus areas and demands	Communication methods
Investors/shareholders	Stable investment returns Compliance operation and management Sustainable development and risk control	General meeting Announcement, news release and periodic report Investor relations roadshow
Teachers/employees	Strengthen teachers' professional skills Improve employee benefits Safeguard occupational health and safety Promotion and development Improve the teaching/working environment	Teacher/employee training Internal teacher/employee evaluation Internal exchange forum We Chat/Email direct communication channel arranged by management
Students/parents	Teaching quality Campus life and social practice School safety and physical and mental health guarantee Employment rate	Theme class meeting or lecture Student satisfaction survey We Chat/Email direct communication channel arranged by management
Government and regulatory institutes	Observe state laws and regulations Legal and compliance operation and management Legitimately tax	Irregular inspection Government communication Periodic report
Suppliers/partners	Fair competition and dealing Dealing with integrity Mutual benefit and long-term cooperation Product quality assurance	Supplier site visit Supplier review Supplier exchange meeting
Community public	Community fusion Public welfare projects Community return	Community activity Public welfare activities Thanksgiving season activities Telephone hotline

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Materiality Issue Management

In order to understand the ESG issues which the stakeholders concerned in a more professional and objective perspective, we have conducted the identification and significance evaluation on the Group's ESG issues during the preparation period of this Report. We selected 27 important issues in respect of ESG with reference to *Environmental, Social and Governance Reporting Guide* (《環境、社會及管治報告指引》), laws and regulations in education industry, the important topics in education industry identified by industry peers and the business scope of the Group.

For the sake of fully understanding the stakeholders' attention level to the above-mentioned issues, we conducted a comprehensive materiality assessment survey. After comprehensive consideration of the self-operation and demands from stakeholders, we sorted each issue in two dimensions, namely "Importance to corporation" and "Importance to stakeholders", to form the ESG materiality matrix and lists. The final report on stakeholders' participation process and evaluation of issue importance has been submitted to the management for review, and has obtained recognition and approval.

Table of The Group's ESG Important Issues List

Highly important issues	1	Teaching Quality
	2	Strengthen teachers' professional skills
	3	Enrich teaching sources
	4	Professional skill training adapts to market demand
Moderately important issues	5	Student safety and physical and mental health guarantee
	6	Employee remuneration and benefits
	7	Protect employee interest
	8	Develop and innovate teaching and research systems
	9	Student employment rate
	10	Risk management and internal control system construction
	11	Teaching courses, models and tools
	12	Innovative teaching model
	13	Whereabouts of graduates
	14	Protect privacy of students and parents
	15	Handle complaints from students and parents
	16	Employee training and education
	17	Green campus and green office
	18	Compliance operations and anti-corruption
	19	Pay attention to environmental treatment of sewage and waste
	20	Student campus life and social practice
	21	Educational universality
	22	Improve supplier management system
	23	Cultural protection and promotion
	24	Improve energy efficiency
	25	Popularize environmental concepts
Low important issues	26	Control greenhouse gas emissions
	27	Reduce water consumption

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For standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption and any changes to the methods or KPIs used, we usually calculate it based on the below standard. Energy and resource consumption is calculated by the average per capita consumption value based on historical data multiplies the number of new students and make some necessary adjustments. In the future, more accurate calculation methods will be adopted by us.

GOVERNANCE RESPONSIBILITY

Compliance Operation

The Group has a sophisticated centralized management model, which integrates expert management with self-management. To strengthen its regulated operational governance, the Group constructs a sound organizational structure, clarifies the positions and responsibilities of functional departments and coordinates the sharing of management and resources among different departments and the Schools. The senior management closely monitors the compliance with laws and regulations related to business operation of the Company and the Schools and supervises the implementation of any necessary measures, ensuring that the Group strictly adheres to ethics and integrity and operates under related law and regulation on a sustainable development basis.

Anti-corruption

Faculty and teachers of the Group abide by the relevant provisions in the *Company Law of the PRC* (《中華人民共和國公司法》), the *Anti-laundering Law of the PRC* (《中華人民共和國反洗錢法》), the *Anti-unfair Competition Law of the PRC* (《中華人民共和國反不正當競爭法》) and other relevant laws and regulations as well as industry norms and standards, and also formulate the *Employee Handbook* (《員工手冊》) to resist corrupt conducts, such as bribery, extortion, fraud and money laundering, set up integrity bottom line on all fronts and create an earnest working environment in the Company, thus safeguarding the healthy development of the Group. In *Employee Handbook*, the Group has established a code of conduct for employees and adopted a zero-tolerance policy for any form of corruption, including bribery and extortion, fraud and money laundering, and promise to operate our business in an honest, ethical and creditable manner. The policies are revised in due course and all Directors and employees are reminded with its requirement from time to time. It also stipulates that if employees have any complaints, they can raise it to the human resources department of the head office.

Throughout this whistleblowing process, the identity of the reporter will be concealed to ensure they will not be discriminated against. Relevant officers will evaluate the complaint and determine corresponding remediation solutions, including legal action against any corruption in breach of the relevant laws. We also conducted a moral risk assessment towards each position to determine which position may be easily exposed to moral hazards. For high-risk positions, we provide relevant employees with specific training to increase their awareness.

The Group requires all faculty and employees to strictly stick to the integrity bottom line, and receive training and warning on related laws and regulation. We have organized teaching morality training for school teachers aiming at continuously improving the teachers' legal awareness and the awareness of legal teaching. Based on the anti-corruption information published by the Independent Commission Against Corruption in Hong Kong (香港廉政公署), the Company organized a special anti-corruption training for directors. During the reporting period, we provided professional ethics and behavioral guidelines training for employees who were responsible for procurement and sales.

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Meanwhile, the Group are subject to public supervision of suppliers and opposed to commercial bribery. Our agreement with suppliers clearly stipulates the working discipline for purchasing personnel, and proposes that relevant purchasing personnel should not attend the feast held by suppliers, accept gifts, money and other bribes, or they would be dismissed immediately and subject to fines depending on the severity. We encourage employees to cooperate with suppliers and potential suppliers in a manner that conforms to professional ethics, and prohibited all forms of commercial bribery. We are also prudent in the process of procurement. We have company policies regarding suppliers' Integrity Undertakings. In addition, employees above the level of managers and directors should sign the Work Atmosphere Commitment to the maximum extent to ensure no potential illegal behaviors such as bribery, claim, fraud or money laundering exist during the process of procurement. Going forward, we will continue to invest more resource to our anti-corruption training and expand the scope of anti-corruption training data disclosure. For eight months ended 31 August 2021, the Group did not have any corrupt conduct, such as bribery, extortion, fraud and money laundering that results in any significant lawsuit.

Intellectual Property Protection

The Group strictly abides by the *Intellectual Property Law of the PRC* (《中華人民共和國知識產權法》), the *Trademark Law of the PRC* (《中華人民共和國商標法》) and the *Advertisement Law of the PRC* (《中華人民共和國廣告法》) and completely eradicates false promotion. For eight months ended 31 August 2021, the Group further strengthened the brand maintenance and construction, strictly regulated the intellectual property rights, including patents, copyright and trademark, and protected the brand and goodwill image through various means, such as dynamic monitoring, investigation, complaint and advise and litigation. Meanwhile, the Group uses authorized textbooks and relevant reference books during the procurement process to fully respect others' intellectual property rights and try our best to protect the legal rights and interests of others from infringement.

Privacy Protection for Students and Parents

The Group strictly complies with the *Consumer Protection Act of the PRC* (《中華人民共和國消費者權益保護法》) and formulates the *School Roll and Academic Credentials Administrative Measures* (《學籍學歷管理辦法》), stipulating that it is not allowed to provide relevant data on school roll without the consent of the person in charge of the academic affairs, except necessary work requirements of relevant posts. For eight months ended 31 August 2021, the Group did not have any complaint or significant case on the leakage of personal data of students and parents.

EDUCATIONAL RESPONSIBILITY

Quality Education

New Educational Philosophy

Upholding the banner of "cultivating innovative talents with practical skills and knowledge, and to provide talent support for the development of urbanization in China (為中國新型城鎮化建設與管理培養高層次、高技能、創新型和應用型人才)", the Group takes "realizing the growth and success of students" as its essential function and original aspiration. The Group strives to provide comprehensive education solutions to students who are about to step into the society through various channels such as teaching quality enhancement, teaching model innovation, education resources diversification, and future-oriented education model development.

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Education Quality Improvement

The Group takes teaching work as its central work. The Group has established a teaching management committee comprised of education experts to attain high quality education by improving teachers' ability, strengthening specialty construction, and innovating cultivation model. For teachers, the Group holds various activities and competitions to improve their teaching skills, experiment teaching skills and professional skills for the sake of cultivating talents proficient.

At the same time, the Group takes teaching supervision and assessment as an important link of closed-loop management for teaching quality improvement. In order to regulating teaching management, supervising and feedback, the Group formulated a services of inter policies, and established a company-wide school supervision team in 2018 to evaluate teaching level, quality and methods. The supervision team participates in the teaching procedure quality inspection, evaluates teaching practice timely and comprehensively, monitors education quality and proposes reasonable suggestion for improvement.

Enrich Educational Resources

Cooperation among schools and enterprises has become a major trend in the education industry development. The Group fully integrates its own educational resources with related industry resources and have established stable and extensive cooperative relations with may enterprises. Our Group takes such cooperative relation as an important action for our Group to deepen the cross-border cooperation between our Schools and other enterprises, expand students' practical resources, broaden students' employment channels, and strengthen students' innovative practice capabilities.

Students' Potential Stimulation

The Group aims to build a complete quality and disciplinary systems to stimulate the student personality development, and to cultivate awareness of innovation and team spirit. For eight months ended 31 August 2021, the Group continued to hold technology competitions and skill competitions, initiating patent application activities with voluntary participation and teacher guidance, undergraduate innovation and entrepreneurship projects, and other activities. For eight months ended 31 August 2021, under the leadership of instructors, students from our Schools actively participated in various competitions on national, provincial and municipal levels.

Students' Satisfaction

The level of satisfaction of teachers and students in school management is an important criterion for assessing the school management and service level. The Group establishes a comprehensive and effective mechanism for issue handling, and opens up channels for students and parents to express opinions. Students and parents can report issues through Weibo, WeChat, BBS of the school and direct contact with the Director. The Group classifies and distributes the issues to relevant institutions for handling, identifies responsible leaders and sets a deadline for rectification. In the meantime, the Group tracks the whole process, makes coordination between companies and departments, and reviews the actual handling of issues, so as to allow the real feedback from students and parents to be learned about quickly and conveniently, thus guiding the improvement direction for the Group. For eight months ended 31 August 2021, there were no major complaints throughout the Reporting Period.

Administrative Logistics Support

The Group considers students and teachers' health and safety as a top priority. To create a safe, healthy, civilized and harmonious school atmosphere, the Group formulates a variety of logistics management measures, which stipulates strict management systems and rules on fields including facility safety, fire safety, food hygiene, vehicle safety and medical health. The Group strengthens emergency prevention and intervention in higher education institutions to reduce various types of security incidents risks.

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Food Safety Guarantee

As at 31 August 2021, we have 10 student canteens and 1 faculty canteen at our campus. We possess the necessary operating licenses for offering meal catering services through canteens on our campus.

According to national laws and regulations including the *Food Safety Law of the PRC* (《中華人民共和國食品安全法》), the *Guidelines for Canteen Safety of Higher Education Institutions* (《普通高等學院食堂安全工作指南》) issued by Ministry of Education and the *Regulation on Hygiene Administration of School Canteens and Collective Dining of Students* (《學院食堂及學生集體用餐衛生管理規定》), and regulatory requirements of local government departments, the Group formulates strict food safety system, requiring all institutions to put the printed documents of the *Guidelines and Measures on Food Safety Management* (《食品安全管理準則與辦法》) on the wall and show canteen licenses, raw materials and their source as well as other information to the public for supervision. The Group supervises the canteens during the whole process to ensure food safety. Supervision stages includes procurement and storage of raw materials, staff management, food sample retention and tableware disinfection.

Campus Security Guarantee

The Group attaches great importance to campus security management, and requires each college to establish a security leading group. The Group makes great efforts in fostering a sense of full participation to regulate employees' behavior and to prevent and reduce the occurrence of safety accidents, establishes corresponding safety management systems, formulates standards on fire management and medical health.

In respect of fire safety, according to the national laws and regulations including the *Fire Protection Law of the PRC* (《中華人民共和國消防法》), the Group formulates the *College Fire Management System* (《學院消防管理制度》) and the *Fire Control Room Management System* (《消防控制室管理制度》), and arranges the security personnel to check the fire prevention conditions under the third-level inspection requirements every day, to ensure that fire equipment are put in place; The Group makes special inspections on fire safety and equipment safety at key places such as dormitory, teaching building and training building.

In respect of medical treatment and health care, we provide routine medical care services for our students and faculty on our school campus by outsourcing such services to a qualified hospital in Nanchang from April 1, 2019 to June 30, 2022.

In order to strengthen teachers' and students' safety awareness, the Group organizes education and trainings on healthcare and fire safety for teachers and students through propaganda showcase, radio and theme class meeting. The Group also regularly holds health education seminars and workshops to promote health, hygiene and disease prevention. With these efforts, the Group is committed to strengthen students' health awareness and self-care ability. In addition, the Group advocates scientific and healthy living habit through providing demonstration and guidance for teachers and students on site. In addition, the Group constantly pays attention to various adverse factors that jeopardize students' physical and mental health, such as campus loan, school bully, network safety, AIDS and drugs, and joins hands with the relevant regulatory authority to clear up and purify the environment of campus through campus bulletin and themed lectures.

Student Employment

Student employment is the "last mile" of school education. The Group formulates a series measures to standardize the employment guidance for students and integrate student employment and student entrepreneurship. On one hand, the Group puts emphasis on enhancing students' professional proficiency and professional quality. On the other hand, with employment service and employment guidance as points of penetration, the Group provides employment consultation and guidance services for students through opening employment guidance optional courses and employment guidance lectures, actively explores employment channels through the cooperation with enterprises and alumni, and establishes employment platform to vigorously improve graduate employability.

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SOCIAL RESPONSIBILITY

Staff Development

The Group disclosed the performance indicators of the employment aspect according to the ESG Guide. As at the end of the Reporting Period, the total number of employees of the Group was 1,738. The following tables show the number of employees by different categories as at 31 August 2021 and turnover rate of employees by different categories for the eight months ended 31 August 2021:

Overview of Employees	Unit	As at 31 August 2021
Total number of employees	person	1,738
Total number of employees (by gender)		
Female employees	person	868
Male employees	person	870
Total number of employees (by employee category)		
Full-time employees	person	1,738
Part-time employees	person	N/A
Total number of employees (by age group)		
Employees aged 18–30	person	657
Employees aged 30–50	person	774
Employees over the age of 50	person	307
Total number of employees (by geographical region)		
Jiangxi Province	person	1,222
Out of Jiangxi Province	person	516

Employees Turnover Rate	Unit	For the eight months ended 31 August 2021
Total employee turnover rate	%	8.57
Employees turnover rate (by gender)		
Female employees	%	9.45
Male employees	%	7.70
Employees turnover rate (by employee category)		
Full-time employees	%	8.57
Part-time employees	%	N/A
Employees turnover rate (by age group)		
Employees aged 18–30	%	13.25
Employees aged 30–50	%	4.91
Employees over the age of 50	%	7.82
Employees turnover rate (by geographical region)		
Jiangxi Province	%	6.63
Out of Jiangxi Province	%	13.18

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Protection of Staff's Interests

High quality faculty is the core competitiveness of the Group. The Group has, in strict compliance with *the Labor Law of the PRC* (《中華人民共和國勞動法》), *the Labor Contract Law of the PRC* (《中華人民共和國勞動合同法》), *the Provisions on the Prohibition of Using Child Labor* (《禁止使用童工規定》), *the Special Provisions on Labor Protection of Female Employees* (《女職工勞動保護特別規定》) and *the Regulation on Work Injury Insurance* (《工傷保險條例》) and other national laws, formulated *the Administrative Measures on Labor Contracts and Social Insurance* (《勞動合同和社會保險管理辦法》) to safeguard the legitimate interests of staff, restrain any form of discrimination, and strive to create a harmonious, fair and aspiring working environment.

We explicitly prohibit the hiring of child labor and forced labor, and all formal employees so hired must be at least 18 years old. During the recruitment process, we strictly verify the identity of the applicants, and applicants can sign the contract only if they are old enough pursuant to local regulations and their identity is correct. We regularly investigate the recruitment process and verify the age of employees. At the same time, we also regularly investigate the existence of child labor and forced labor by establishing a systematic human resources management system. If child labor or forced labor is found, we shall investigate the management responsibility of the person in charge of the human resources department. Legal liability may arise if the case is serious.

In order to prevent the occurrence of forced labor, the attendance system included in the employee handbook of the Group specifies the working hours of employees and the relevant overtime requirements. Employees are free to leave on time. The Group will not force any employees to work overtime. In case of overtime work, each department shall notify the employees in advance and the overtime work can only be carried out with the consent of the department manager and the approval of the human resources department. Rest periods shall be arranged for employees who work overtime to ensure that they have adequate rest.

In addition, in order to protect employees' rights to terminate their labor contracts freely, the Group has established procedures for terminating labor contracts in accordance with applicable laws and regulations. We respect the willingness of employment of every employee, but at the same time, we will also seek to understand the reasons for any employee's resignation through the relevant department to which the employee belongs and strive to provide a reasonable and fair working environment for employees.

In order to regulate the talent recruitment mechanism for selecting suitable high-quality talents, the Group has formulated measures which sets out the recruitment principles. We examine the documents and information of employees during interviews and directly weed out those whose qualification or certificates are identified fake. Meanwhile, the Group has established attendance management measures to regulate the working hours of faculty and prevent forced labor activities. Administrative measures on remuneration has been put in place to establish a scientific and reasonable remuneration system that conforms to the development of the Company.

As at 31 August 2021, the total number of full-time employees in the group was 1,738, and there was no case prejudicial to the interests of employees.

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Unimpeded Development Channels

The Group ensures impartial and equal promotion opportunities for each staff. It has worked out administrative measures on performance incentives and assessment of school operations, regulating staff assessment and incentive mechanism, so as to promote their enthusiasm.

The Group highly values the cultivation of teaching teams and the strengthening of faculty, and keeps abreast of the reform of the professional and technical titles evaluation system of colleges and universities, encouraging teachers to actively apply for various titles.

Enhancement of Teacher's Ability

The Group attaches much importance to the development of teacher's ability. To enhance the overall quality and teaching standard of teachers, the Group has formulated various guidance and measures according to *the Teachers Law of the PRC* (《中華人民共和國教師法》), *the Regulation on Training Work for Teachers of Higher Education Institutions* (《高等學院教師培訓工作規程》) and other relevant laws and regulations.

In order to improve the quality of teachers, the Group selected teachers to participate in special study and training programs organized by other institutes. In addition, the Group held regular professional analysis and communication activities among its colleges, promoting excellence in teaching through reviews in the purpose of assisting teachers to work out teaching planning, understand teaching proposals and grasp the meaning of teaching by virtue of experts' professional analysis. In addition, the Group organized competitions on experimental and practicing teaching skills for teachers, competitions on professional skills for teachers, so as to improve teaching and sharing experiences during competitions. Teachers were encouraged to lead students in participating in students' technology and skills competitions, thus realizing aspects that can improve in both teaching and learning.

The Group disclosed the performance indicators of the development and training aspect according to the ESG Guide. The following table shows the percentage of employees trained and the average training hours of employees by gender and employee type during the Reporting Period.

Training Employees Percentage	Unit	For the eight months ended 31 August 2021
Employees training employees percentage (by gender)		
Female employees	%	13.13
Male employees	%	10.80
Employees training employees percentage (by employee category)		
Full-time employees	%	11.97
Part-time employees	%	N/A

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Average Training Hours	Unit	For the eight months ended 31 August 2021
Average training hours (by gender)		
Female employees	Days	16
Male employees	Days	18
Average training hours (by employee category)		
Full-time employees	Days	17
Part-time employees	Days	N/A

Care for Staff

Attracting and retaining talents, providing adequate care to staff, and creating a good working environment for them, are the foundation and pre-condition for the Group's stable development. The Group provides staff with good welfare benefits, including the payment of pension, medical, maternity and unemployment insurances and housing funds, and maintains supplemental medical insurance. In addition, the Group also provides staff with birthday allowance, consolation money benefiting closed family members, physical check for significant abnormalities and reimbursement. The Group provides housing estates or apartments leased near campus sites to faculty to solve the problem of overlong commuting time, thus enhancing staff's satisfaction.

In order to improve the cohesion and sense of belonging of the teacher team, our Group has organized various sports and entertainment events irregularly, such as fun sports, mountain-climbing and outings, visit of old revolutionary areas, social gathering and etc., to enrich staff's leisure life.

Harmonious Communities

The Group has always adhered to the fundamental tasks of "educating people with good morals" to realize the throughout and comprehensive education, focusing on the growth of students, strengthening the education of ideals and beliefs of students, and continuously improving the sense of social responsibility and historical mission of students. During the eight months ended 31 August 2021, the Group has participated in a variety of voluntary activities including volunteer teaching activities, volunteer blood donation, providing volunteer services for disabled citizens/residents and environment protection volunteer services.

While pursuing its own development, we also bear in mind the support and trust given to us by all sectors of society. Therefore, we vigorously support social welfare undertakings by harnessing our strengths and educational resources, thus assuming corporate social responsibility. During the Reporting Period, we organised a series of volunteer activities with participation of employees and students. Our students can serve the society and create values through participating in volunteer activities. In addition, working as volunteers is also an important form of social life for students as they have not yet formally entered society. We hope that our students can improve their personal moral quality through voluntary service, and convey support and care to vulnerable groups.

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Case 1: Drawing Environmental-friendly Wall Paintings

Students from JUAS came to Likeng Village, which located in Wuyuan County, and painted wall paintings with the theme of “protecting water resources” in a prominent position at the head of the village, giving full play to their artistic expertise and making their own contributions to helping rural revitalization and building an ecological civilization.



Case 2: “Colorful Holiday” Volunteer Activities

Students from JUAS went to Wangying Town Center Primary School in Yangxin County, Huangshi City to carry out the “Colorful Holiday” volunteer activities. The 10-day social practice activity, with the theme of “Children’s Hearts Building Dreams for a Hundred Years”, a total of 12 volunteers participated, attracting more than 110 left-behind children to voluntarily enrolled, and successively carried out creative paintings and special activities such as handmade, brush writing, traditional Chinese paper cutting, speech eloquence training, cheerleading exercises, fitness boxing and homework counseling.



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Case 3: Support COVID-19 Prevention and Control

Students from JUAS help prevent and control the epidemic and show their social responsibility. Since the outbreak of the covid-19, student volunteers of JUAS have taken active actions to contribute to the prevention and control of the epidemic through volunteer services such as materials donations, export point duty, and publicity for epidemic prevention and control.



Supply Chain Management

The Group's major suppliers include goods, service, engineering and other enterprises. To ensure student safety and health at each link, the Group has formulated procurement management rules to regulate and improve the procurement operation mechanism for procurement efficiency enhancement and capital utilization effectiveness. In addition, to strengthen the monitoring and management of suppliers, the Group has established supplier database to implement unified management of commodity suppliers and supplier access system.

For engineering suppliers, the Group carefully reviews their qualification and project experience, then specifies the requirements for environmental protection, construction safety and labor protection for projects. The Group supervises the whole process during the construction of projects, and accepts the projects upon completion with feedbacks.

For enterprises that produce and operate energy-saving and environmental protection products, the standards and conditions for entering school procurement may not be that strict. The purchased products belong to the products in the environmental protection list, and when reviewing the procurement documents including bidding documents, negotiation documents, inquiry documents and etc., the qualification requirements of the supplier are reasonably set, and the requirements for the suppliers of energy-saving and environmental protection products are appropriately reduced in terms of supplier scale, performance, qualification and credit. When purchasing products, the evaluation factors for energy-saving and environmental protection products are added to the evaluation criteria of the bidding documents and determined in the bidding documents.

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For the supply chain, it mainly involves three aspects: supplier, purchaser and user. In the identification of suppliers, we usually consider their environmental and social risk factors. The final decision should be approved by the procurement department, the leaders of the school in charge, and the leaders of the school in charge of assets. If the product applied for by the user does not meet the requirements of environmental and social control requirement, it will be notified in accordance with the time limit for delayed procurement bidding and in the form of a written notice. When the procurer enters the normal procurement bidding, it is openly selected according to the school's bidding management measures. If there is a situation that violates fairness, the supplier's bidding qualification would be cancelled and the procurement party personnel are transferred to the discipline inspection department for investigation and punishment.

During the Reporting Period, we had a total of 434 suppliers, all of which were located in the PRC. Number of suppliers by geographical location is set out below:

Number of Suppliers by geographical locations	For the eight months ended 31 August 2021
Anhui Province	1
Beijing	19
Fujian Province	6
Guangdong Province	5
Guangxi Province	2
Guizhou Province	65
Hebei Province	1
Henan Province	11
Hubei Province	5
Hunan Province	5
Jiangsu Province	5
Jiangxi Province	284
Liaoning Province	1
Shandong Province	1
Shanghai	4
Shenzhen	6
Sichuan Province	2
Tianjin Province	2
Zhejiang Province	9
Total	434

During the same period, the procurement categories were mainly construction works, landscaping works, interior decoration, teaching equipment, electrical appliances, dormitory supplies, catering services and etc.

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ENVIRONMENTAL RESPONSIBILITY

Environmental Management

The Group strictly complies with the *Environmental Protection Law of the PRC* (《中華人民共和國環境保護法》), the *Environmental Impact Assessment Law of the PRC* (《中華人民共和國環境影響評價法》), the *Energy Conservation Law of the PRC* (《中華人民共和國節約能源法》) and other national and local environmental regulations, by means of promoting and advocating the concept of environmental protection actively, not only imparting the knowledge of environmental protection in the course of education, but also incorporating the environmental concept and disseminating environmental awareness in teaching activities. By carrying out environmental protection seminars and environmental protection activities, the Group encourages initiatives within the entire organization, to join environmental protection activities, so as to build a green campus and perform its environmental protection responsibilities.

The education service industry where the Group operates is primarily involved with the following environmental impact: energy consumption, water resource consumption, office resource consumption, campus life wastes and three wastes (exhaust gas, wastewater and solid waste) discharge from canteen operation, without any use of packaging materials for products. The domestic sewage generated during daily operation is discharged through municipal sewage pipe networks to urban sewage plants for treatment, which has limited impact on the environment and natural resources, and there is no issue in sourcing suitable water.

Energy Saving

During the operations, the Group encourages the Schools to save energy and to reduce consumption in daily office work and travel for environmental protection purpose. For the eight months ended 31 August 2021, the Group set up energy consumption management targets and followed up the monthly energy consumption analysis table for refined management.

The Group has implemented a daily energy registration system to monitor daily electricity and water consumption level and to rectify any abnormal situations once identified in a timely manner. We have changed office vehicles and school buses to electric vehicles, and strictly control the conditions and frequencies of the new energy vehicles. Decorative lights and garden lamps are switched off on the campus, except for special needs. The switch of street lights is adjusted timely according to the weather forecast on the day, utilizing to the maximum extent natural light, and half of the street lights are required to be switched off after 11:00 p.m. Lighting switches in public areas are changed to sound-control switches; and water-saving faucets are installed, etc. On one hand, the Group sets up a strict supervision and inspection system to make public departments which have taken inadequate measures to save resources, or individuals who have caused serious wasting of water and power. On the other hand, under the principle of “timely processing to reduce consumption”, the Group repair water and electricity facilities once any emission, dripping or leakage of the same identified. Furthermore, the Group actively promoted online repair system at each of its colleges to achieve more timely and efficient maintenance.

In the management of fixed assets, the Group has formulated the management measures for fixed assets, which sets out provisions for the full cycle, from material application, transfer of new assets, continuous management of assets, checking of inventory, maintenance of assets to disposal of scrapped assets, in order to prevent waste of assets caused by improper management, as well as environmental pollution caused by random disposal of wastes. Meanwhile, the Group has put in place annual management objectives for consumables, and purchases office consumables, consumables for water and electricity repair, training consumables and activity consumables on a unified basis.

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Table of Energy and Resource Use

Index	Unit	Data for the eight months ended 31 August 2021	Data for the year ended 2020	% change
Electricity consumption	kWh	10,710,414	10,104,165	6%
Office purchased paper	Tonne	3.35	3.11	8%
Total used water	Tonne	63,772	approximately 596,000	7%

Green Campus

The Group places emphasis on the construction of green campus to ensure a clean and tidy school environment. We classify recycling dustbins are put in place on the campus and keep the ground clean. The Schools intersperse with high trees, shrubs, swards and fresh flowers throughout the eight months.

The Group has implemented a series of logistic management measures to strictly standardize the waste management of daily operation, including wastewater, exhaust gas and solid wastes. The Schools have carried out energy-saving transformation of cooking utensils and purging systems in their canteens that oil and water transmitters are installed to reduce and eliminate emissions of greasy dirt. Kitchen food wastes are collected, transported and disposed by qualified external third parties. After unitedly collected and classified, campus garbage is subject to treatments by municipal waste treatment units. Hazardous wastes such as the abandoned lighting tubes and batteries are separately collected and dealt with by qualified third parties. In addition, a small amount of medical wastes are generated in college dispensaries, which are to be disposed by qualified third parties after volume record by doctors.

Table of Environmental Management

Index	Unit	Data for the eight months ended 31 August 2021	Data for the year ended 2020	% change
<i>Hazardous waste</i>				
Abandoned lighting tubes	Piece	486	463	5
Used printer toner cartridges	Piece	32	31	3
Used batteries	Piece	977	958	2
Used toner boxes	Piece	100	98	3
Toner boxes recovered	Piece	96	93	3
Medical wastes	Tonne	0.9	0.94	(6)
<i>Non-hazardous waste</i>				
Total non-hazardous waste	Tonne	2,159	1,981	9
Kitchen garbage	Tonne	299	277	8
Domestic garbage	Tonne	1,811	1,693	7

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APPENDIX ESG INDEX

ESG KPI	Guideline Requirements	Report section/statement
A1: Emissions	General Disclosure	Environmental Responsibility
	A1.1 The types of emissions and respective emissions data.	Not disclosed as the emissions are of little significance for the Group's operation.
	A1.2 Direct and energy indirect greenhouse gas emissions and, where appropriate, intensity.	Not disclosed as the greenhouse gas emissions are of little significance for the Group's operation.
	A1.3 Total hazardous waste produced and, where appropriate, intensity.	Environmental Responsibility — Green Campus Since hazardous waste is not counted by weight, intensity calculation is not applicable.
	A1.4 Total non-hazardous waste produced and, where appropriate, intensity.	Environmental Responsibility — Green Campus
	A1.5 Description of emission target(s) set and steps taken to achieve them.	Not disclosed as the emissions are of little significance for the Group's operation.
	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.	Environmental Responsibility — Green Campus
A2: Use of Resources	General Disclosure	Environmental Responsibility — Energy Saving
	A2.1 Direct and/or indirect energy consumption by type in total and, where appropriate, intensity	Environmental Responsibility — Energy Saving
	A2.2 Water consumption in total and, where appropriate, intensity.	Environmental Responsibility — Energy Saving
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Responsibility — Energy Saving

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ESG KPI	Guideline Requirements	Report section/statement
	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.	Environmental Responsibility — Energy Saving No issue in sourcing water.
	A2.5 Total packaging material used for finished products and with reference to per unit produced.	Not applicable. The Group does not use any product packaging materials during operation.
A3: The Environment and Natural Resources	General Disclosure	Not disclosed as the impact on the environment and natural resources are of little significance for the Group's operation.
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Not disclosed as the impact on the environment and natural resources are of little significance for the Group's operation.
A4: Climate Change	General Disclosure	Not disclosed as the impact on the general disclosure of climate change are of little significance for the Group's operation.
	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Not disclosed as the impact on the significant climate-related issues are of little significance for the Group's operation.
B1: Employment	General Disclosure	Social Responsibility — Staff Development
	B1.1 Total workforce by gender, employment type, age group and geographical region.	Social Responsibility — Staff Development
	B1.2 Employee turnover rate by gender, age group and geographical region.	Social Responsibility — Staff Development
B2: Health and Safety	General Disclosure	Educational Responsibility — Administrative Logistics Support

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ESG KPI	Guideline Requirements	Report section/statement
	B2.1 Number and rate of work-related fatalities.	No work-related fatalities in the past three years (including the Reporting Period)
	B2.2 Lost days due to work injury.	No lost days due to work injury in Reporting Period
	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Educational Responsibility — Administrative Logistics Support
B3: Development and Training	General Disclosure	Social Responsibility — Staff Development
	B3.1 The percentage of employees trained by gender and employee category.	Social Responsibility — Enhancement of Teacher's Ability
	B3.2 The average training hours completed per employee by gender and employee category.	Social Responsibility — Enhancement of Teacher's Ability
B4: Labour Standards	General Disclosure	Social Responsibility — Staff Development
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	Social Responsibility — Staff Development
	B4.2 Description of steps taken to eliminate such practices when discovered.	Social Responsibility — Staff Development
B5: Supply Chain Management	General Disclosure	Social Responsibility — Supply Chain Management
	B5.1 Number of suppliers by geographical region.	Social Responsibility — Supply Chain Management
	B5.2 Description of practices relating to engaging supplies, number of supplies where the practices are being implemented, how they are implemented and monitored.	Social Responsibility — Supply Chain Management
	B5.3: Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Social Responsibility — Supply Chain Management

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ESG KPI	Guideline Requirements	Report section/statement
	B5.4: Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Social Responsibility — Supply Chain Management
B6: Product Responsibility	General Disclosure	Governance Responsibility — Compliance Operation Educational Responsibility — Quality Education
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable. The Group does not involve recalls for safety and health reasons during operation.
	B6.2 Number of products and service related complaints received and how they are dealt with.	Educational Responsibility — Students' Satisfaction
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Governance Responsibility — Intellectual Property Protection
	B6.4 Description of quality assurance process and recall procedures.	Not applicable. The Group does not involve product quality inspection and recall during operation.
	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Governance Responsibility — Privacy Protection for Students and Parents
B7: Anti-corruption	General Disclosure	Governance Responsibility — Anti-corruption
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Governance Responsibility — Anti-corruption
	B7.2 Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Governance Responsibility — Anti-corruption

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ESG KPI	Guideline Requirements	Report section/statement
	B7.3: Description of anti-corruption training provided to directors and staff.	Governance Responsibility — Anti-corruption
B8: Community Investment	General Disclosure	Social Responsibility — Harmonious Communities
	B8.1 Focus areas of contribution.	Social Responsibility — Harmonious Communities
	B8.2 Resources contributed of the focus area.	Social Responsibility — Harmonious Communities