

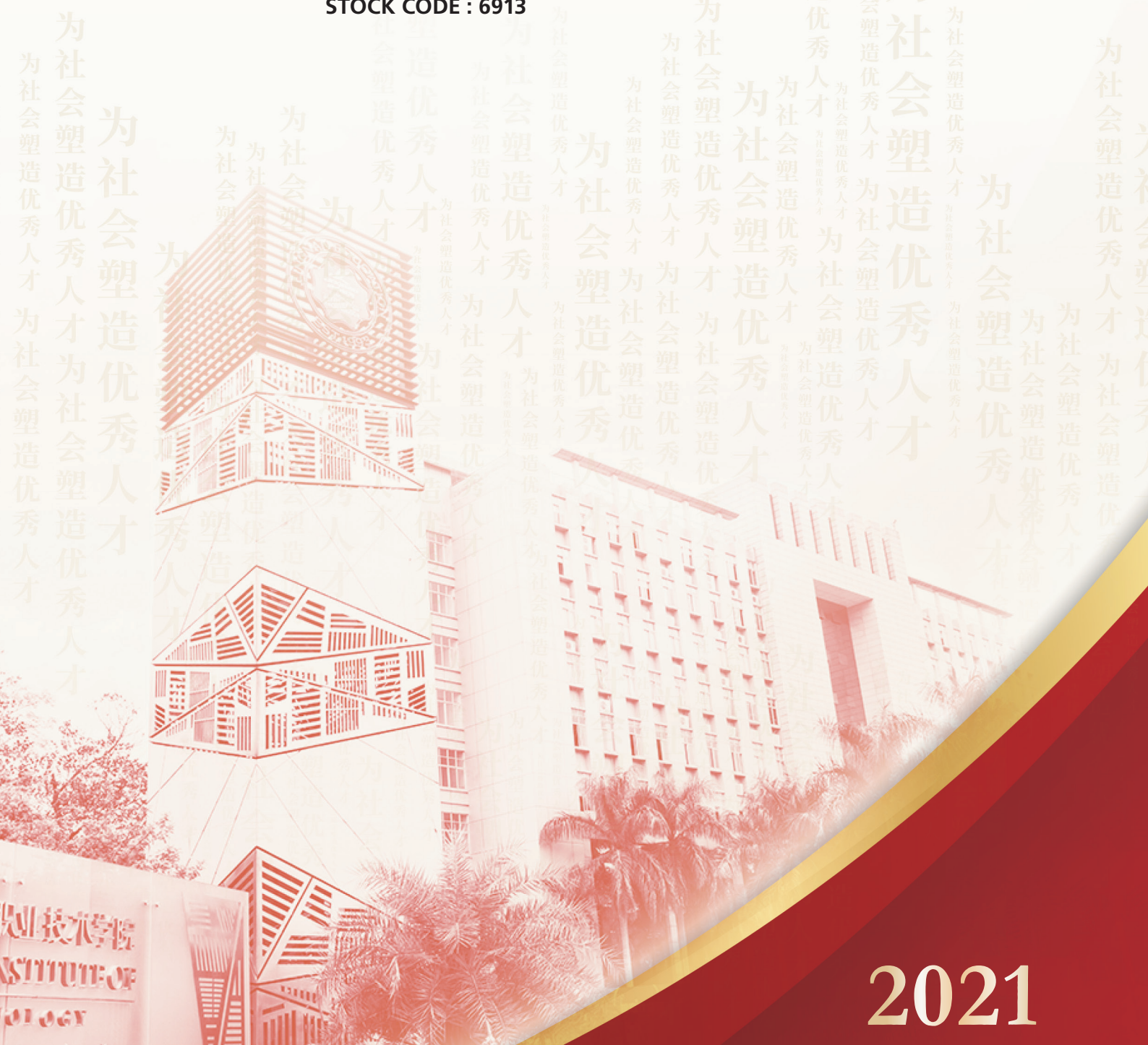


# 中國華南職業教育集團有限公司

SOUTH CHINA VOCATIONAL EDUCATION GROUP COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE : 6913



## 为社会塑造优秀人才

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# 2021

Environmental, Social and Governance Report

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## 1. ABOUT THE REPORT

South China Vocational Education Group Company Limited and its subsidiaries (the “Group” or “We”) have presented the first environmental, social and governance (“ESG”) report (“the Report”) of the Group in accordance with the disclosure requirements as set out in Appendix 27 – “Environmental, Social and Governance Reporting Guide” (the “Guide”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

### 1.1. Reporting Standard

We have followed through with the disclosure obligations under the Guide on each relevant issue, reported in accordance with the mandatory disclosure requirements and “comply or explain” provisions, and complied with the reporting principles in the Guide, which are presented in terms of materiality, quantitative, balance and consistency.

**Materiality:** The Group communicates fully with its stakeholders and discloses in the Report the process of communication with each stakeholder and the results of the materiality assessment, so as to identify each of the material ESG issues of the Group during the Year.

**Quantitative:** All data in the Report are derived from the statistical data of the Group. The calculation tools, methods, criteria and conversion factors used in the Report have been fully disclosed.

**Balance:** The Report describes performance for the Year in an unbiased manner so as to avoid inappropriately influencing the decisions of readers due to the selections, omissions or presentation formats of the Report.

**Consistency:** In the future, if there are any changes to the statistical methodology or key performance indicators (“KPIs”) or any other relevant factors that affect meaningful comparisons, we will clearly state them in the Report.

## 1. ABOUT THE REPORT

### 1.2. Reporting Scope

The Report discloses the structure and objectives of the Group's sustainability efforts, as well as ESG-related policies, work and performance for the period from 1 January 2021 to 31 December 2021 (the "Year" or "Reporting Period"), demonstrating to stakeholders the Group's philosophy and commitment to sustainable development. The ESG KPIs performance reported in the Report covers the two colleges operated by the Group in the Greater Bay Area, namely Guangdong Lingnan Institute of Technology and Guangdong Lingnan Modern Technician College (collectively, the "Colleges"). Readers may read the "Corporate Governance Report" (《企業管治報告》) section of the Annual Report to gain a better understanding of the governance aspects of the Group.

### 1.3. Report Approval

The Report was approved by the Board of Directors of the Group (the "Board") on 30 March 2022 after being confirmed by the management.

### 1.4. Report Availability

The electronic version of the Report has been published on the websites of the Group and the Stock Exchange. Readers may visit or download the Report from "Financial Reports" under the column "Investor Relations" on the Group's website ([www.scvedugroup.com](http://www.scvedugroup.com)) or the Stock Exchange's website (<https://www.hkexnews.hk/>).

### 1.5. Report Feedback

We welcome feedback from all stakeholders on the contents of the Report. If you have any inquiries or suggestions, please feel free to contact the Group through the following channels.

Address: 24/F, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong

Email: [SPRG\\_SCVE@sprg.com.hk](mailto:SPRG_SCVE@sprg.com.hk)

Phone: (852) 2111 8468



## 2. ABOUT THE COMPANY

Founded in 1993, the Group is the largest private formal vocational education group in the Guangdong-Hong Kong-Macao Greater Bay Area. We have successfully built two major vocational education brands, Lingnan Institute of Technology and Lingnan Modern Technician College, with related industries extending to the whole school-age education and the medical care and nursing industry clusters. The Group has cumulatively delivered more than 300,000 practical and compound talents to the society.

With the mission of “providing education that enables students to succeed in life (嶺南教育 成就你的一生)”, the values of “innovation, concentration, inclusiveness and dedication (創新、專注、包容、敬業)”, and the vision of “creating a century-old high-quality education brand (鑄就百年優質教育品牌)”, we uphold the idea of running a school that is based in South China and open to the world, and integrate school running into national strategy, regional development and industry progress through the “three parallel education” (三育並行) model, that is, liberal arts education, innovative education and internationalized education, striving to cultivate high-quality application-oriented compound talents with international vision and national feelings that adapt to the needs of social development, thus creating an education group with industry leadership and international influence in the Guangdong-Hong Kong-Macao Greater Bay Area.

Going forward, with focus on innovatively developing higher vocational education, the Group will actively explore the mechanism for deep integration between industry and education and cooperation between colleges and enterprises so that a distinctive vocational education can be created and the South China education brand can be exported to the world with education and industry keeping the same pace of development and colleges and enterprises making progress together, providing continuous drive and support for social development with high-quality vocational education.

### 3. SUSTAINABILITY MANAGEMENT

In order to enable our employees to better promote the sustainable development of the Group, we have established a Corporate Sustainability Policy (“Sustainability Policy”). The Group will strive to provide sustainable services through continuous improvement of our environmental management system and initiatives. The Group’s Sustainability Policy and environmental management system will cover all of the Group’s businesses, products and services. We will promote sustainability initiatives to our employees in five major areas and strive to implement corporate sustainability responsibility. These five areas include environmental protection, operational practice, employee rights, community investment and stakeholder engagement.

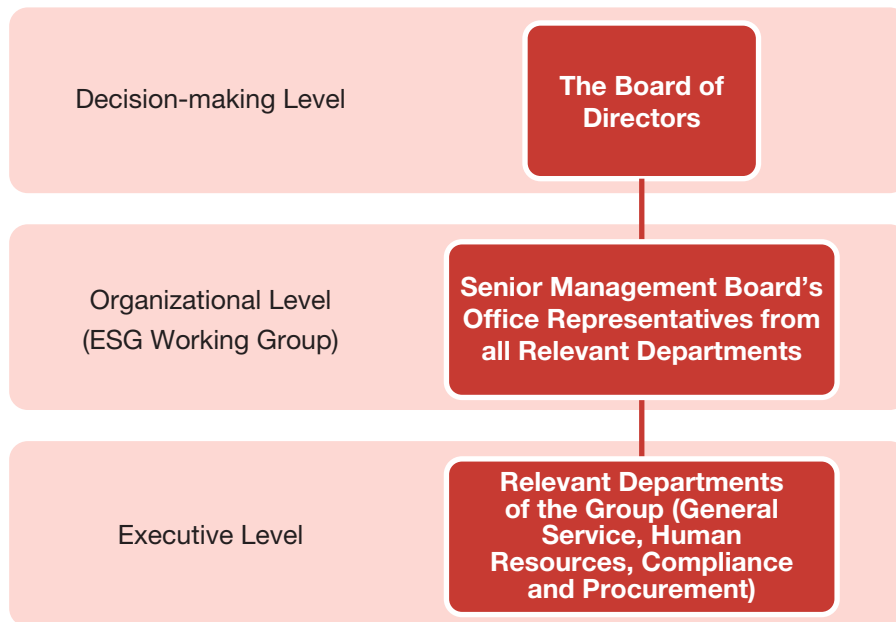
#### 3.1. Statement of the Board

We understand the importance of sustainability and are concerned about the potential impact and opportunities of ESG on the Group’s operations. Therefore, we have established an ESG governance structure to take responsibility for the Group’s sustainability efforts during the Year. The Board of Directors oversees the Group’s ESG affairs comprehensively through the resolution of the Group’s ESG strategy, governance policy and risk management. Under the authority of the Board, we have established an ESG Working Group (the “Working Group”), which is responsible for all ESG activities of the Group, including assessing key ESG issues, formulating ESG strategies, priorities, management approaches and monitoring the results of its work. The Board is responsible for overseeing and approving the work of the ESG Working Group as well as reviewing the effectiveness of ESG work and progress towards its objectives. All ESG strategies and reporting responsibilities of the Group are undertaken by the Board. The Board of Directors has formulated the Group’s Sustainability Policy and environment-related directional objectives, and we are committed to regularly reviewing progress against these objectives and making improvements to effectively improve the Group’s ESG efforts in the future.

### 3. SUSTAINABILITY MANAGEMENT

#### 3.2. ESG Governance Structure

In order to integrate ESG concepts into the Group's management principles, strategies, business plans and policies, the Group has established an ESG governance structure that covers all departments of the Group and is divided into three levels, including the decision-making level, the organizational level and the executive level. The following is the ESG governance structure of the Group and the responsibilities of each level:



ESG Governance Structure



### 3. SUSTAINABILITY MANAGEMENT

#### **Decision-making Level: The Board of Directors**

The Board of Directors is the highest level of decision-making for the Group's ESG efforts and assumes full responsibility for the Group's ESG strategy and reporting. The Board of Directors is responsible for the resolution of the Group's ESG management principles, strategies, objectives and annual work, and receives regular reports from the ESG Working Group to review the performance of ESG work and the progress of achieving the objectives.

#### **Organizational Level: ESG Working Group**

The ESG Working Group identifies and evaluates the Group's ESG issues and its risks and opportunities, and formulates and implements strategies, annual work and objectives. The ESG Working Group understands and responds to stakeholders' views on ESG issues through communication with stakeholders. The ESG Working Group is responsible for coordinating, facilitating and monitoring the implementation of the plans by all departments, and reports regularly to the Board on each ESG-related performance and makes recommendations to enhance the ESG performance of the Group.

#### **Executive Level: Relevant departments of the Group**

It promotes and executes all ESG related work as required by ESG Working Group, collects data and reports ESG related KPIs regularly.

### 3. SUSTAINABILITY MANAGEMENT

#### 3.3. Stakeholder Engagement

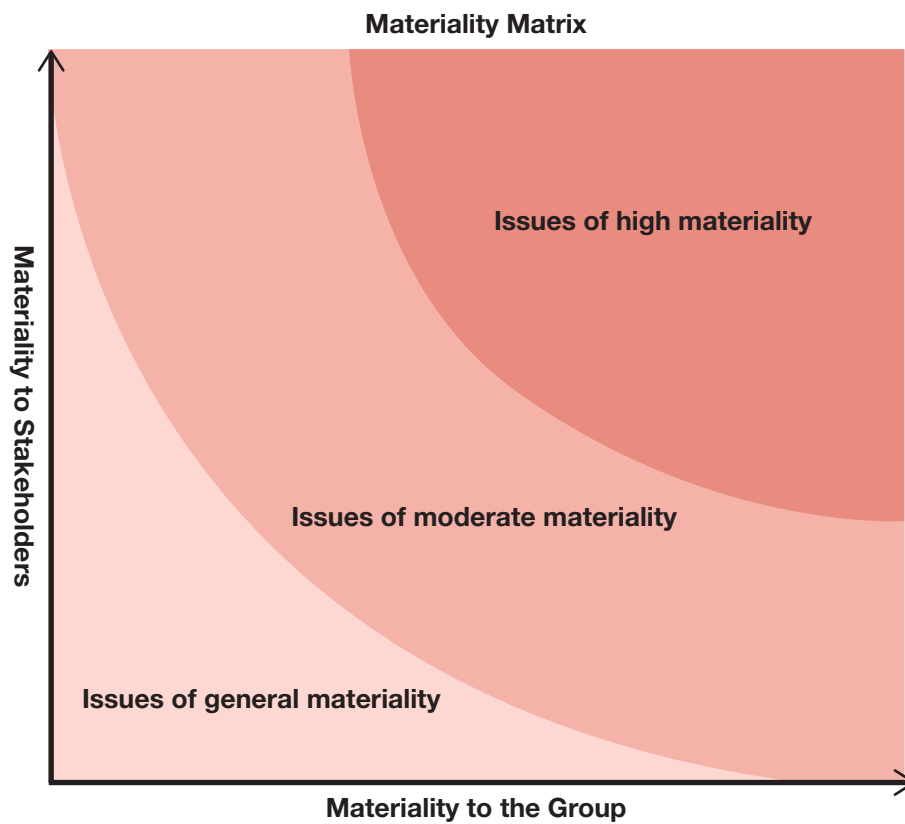
The development of the Group is closely related to the opinions of our stakeholders. We have been actively communicating with various parties to collect opinions. We actively promote sustainable development information to stakeholders and respond to their views on various ESG issues, and formulate strategies. During the Year, the ESG Working Group collected ESG issues from various stakeholders through different channels and assessed the importance of each issue as well as the views and expectations on the Group's sustainable development, which helped the Group to set long-term ESG objectives. The following are the main communication channels with the stakeholders.

Main Stakeholders	Main Communication Channels
Investors/shareholders	Annual general meeting, interim report and annual report, corporate communications, results communications and investor meetings
Government/industry association	Organize industry events, consultations, lectures and school visits
Regulatory authorities	Audits, annual inspection of private colleges, consulting and compliance reports
Employees	Performance appraisals and interviews, seminars/workshops/lectures, intranet, communication groups and questionnaires
Students/parents	After-school feedback, questionnaires, regular visits, online platforms and phones
Former students	Media information, school website and events/gatherings for former students
Suppliers	On-site inspections, supplier management procedures and supplier evaluation systems
Business Partners	Educational fairs, lectures, visits, conferences, exchange activities (various types of opinion exchange partners) and cooperation units (event cooperation organizations)
Community	Volunteer activities and lectures/seminars
Public	Media information, school websites, educational fairs and school events

### 3. SUSTAINABILITY MANAGEMENT

#### 3.4. Materiality Assessment

In order to set long-term strategic goals and action plans, we conduct materiality assessments to analyze the importance of each issue and thus develop materiality issues for the Year. The materiality assessment was conducted with reference to the Guide, the materiality issue database of the Sustainability Accounting Standards Board (SASB), common issues among peers and opinions of stakeholders, in conjunction with the Group's operations. For the Year, we have listed 17 issues and classified them into high materiality, moderate materiality and general materiality issues according to their importance. All issues and the results of the materiality assessment were reviewed and confirmed by the Board.





### 3. SUSTAINABILITY MANAGEMENT

#### Issues of high materiality

- Teaching quality control
- Student employment rate
- Mechanisms for handling complaints and responding to them
- Supply chain management
- Employment rights and welfare protection
- Employee training and development
- Student health and safety
- Climate change response and opportunities
- Waste management
- Energy management
- Community investment and charitable activities

#### Issues of moderate materiality

- Anti-corruption
- Protecting intellectual property
- Employee health and safety
- Water resources management

#### Issues of general materiality

- Information privacy protection
- Greenhouse gas emissions and control

## 4. TEACHING QUALITY

### 4.1. Quality Management

We provide students with the best education. In order to ensure that the education quality of the Colleges will continue to develop and be better, the Group has established a number of quality management systems, including the “Measures for the Monitoring and Management of Teaching Process” (《教學環節監控管理辦法》), the “Teaching Evaluation Plan” (《教學評價方案》), the “Rules for Daily Supervisory Inspections of School” (《學校日常督導工作檢查細則》) and the “Measures for the Management of Teaching Supervision Work” (《教學督導工作管理辦法》). In monitoring and managing the teaching process, we mainly conduct regular and ongoing inspection and improvement with respect to a number of educational projects covering teaching plan, lesson plan, progress of teaching. Teaching evaluation is based on the teachers’ teaching plans, teaching ability, etc., and each item is scored by a professional evaluation team. We adopt the mode of assessment or self-assessment to evaluate the teaching quality of teachers. Each department should give feedback on the assessment contents of the supervisory team, the results of student assessment or self-assessment contents, and guide teachers to carry out diagnosis and improvement to improve the teaching quality. In order to ensure the effective implementation of the above measures, the Group has set up a full-time teaching supervisory position to monitor the work. In addition to monitoring and supervising the daily education work of teachers, the supervisor also conducts inspection on measures such as teaching process, teaching evaluation and talent training quality assurance in each department to ensure that the teaching quality system can follow the steps in achieving appropriate inspection, improvement and assurance, etc.

### 4.2. Student Employment Assistance

In order to help students make their career plans and get prepared for entering the workplace, the Group has established a leading group for graduate employment work, responsible for coordinating employment activities and consolidating information to help graduates find jobs. Together with the Department of Education of Guangdong Province, we have organized several job fairs which were participated by a number of companies and students. We also collect all the different job postings and distribute them to all students through the WeChat group. In order to protect the rights and interests of students, we regularly offer courses to students to explain the policies and regulations related to labor rights protection. We will also contact graduates to conduct opinion surveys and give feedback on their current employment environment, the job compatibility with their majors, the employment services of the Colleges, etc. This Year, approximately 46.72% of the 5,725 graduates who participated in the survey went to work in private companies. Among all the respondents, 11.27% of the graduates were very satisfied with their current employment, 32.61% of them were satisfied, and 46.24% of them were generally satisfied. As to the Colleges’ employment work, 40.44% of the graduates were quite satisfied, 38.99% of them were satisfied, and 15.02% of them were very satisfied.

## 4. TEACHING QUALITY

### 4.3. Handling of Comments

The Group respects the individual rights and interests of students and teachers. If any of the teachers and students believes that there is anything unreasonable in the Colleges' punishment imposed on them, we provide an appeal mechanism and corresponding handling methods. The Group has developed an appeal committee system in accordance with the "Regulations on the Administration of Students in General Institutions of Higher Education" (《普通高等學校學生管理規定》) and the "Measures for the Handling of Students' Appeal" (《學生申訴處理辦法》). Grievance handling is the responsibility of the grievance committee, which is composed of the representatives of the Colleges, the Colleges' resident supervisor from the provincial department of education, the head of the Colleges' labor unions, the member representatives of the Colleges' board of directors, the secretary of the disciplinary committee, supervisory head, the legal advisor, teaching staff representatives, and the student representatives. Any grievance against the Colleges' punishment must be submitted to the committee within the specified time, and the grievance committee must respond and review the result within the specified time. We also give the person targeted by the grievance the opportunity to make a statement and defense. For any dissatisfaction with the result reviewed by the grievance committee, the person making the grievance has the right to appeal to the Education Administrative Department of the Guangdong Province.

This Year, there were 4 complaints about education, all of which were minor complaints, and were properly handled. The Group's teaching credit rating for the Year was 95.89%.



## 5. COMPLIANCE OPERATION

### 5.1. Anti-Fraud

The Group strictly complies with the Company Law of the PRC (《中華人民共和國公司法》) and the Basic Standards for Enterprise Internal Control (《企業內部控制基本規範》) and the “Articles of Association” (《公司章程》) established by the Group and other regulations, and has formulated the “Anti-Fraud Management System” (《反舞弊管理制度》) in accordance with the Group’s situation. The supervision and audit office is the anti-fraud agency of the Group and is responsible for reviewing, auditing and monitoring the Group’s operations in compliance with laws and regulations to prevent fraud. Fraud acts include illegal acceptance of bribes, illegal possession, theft, misappropriation of Group property, falsification of accounting records, misrepresentation of information and records, and collusion in false bidding, etc. The Group strictly prohibits any form of fraud. To establish an anti-fraud culture, we have formulated internal control documents to take precautions in our daily operations, including disseminating anti-fraud information to suppliers with whom the Group has business dealings and requiring them to sign the “Integrity Cooperation Undertaking” (《廉潔合作承諾書》). We have also stepped up anti-fraud training and publicity to our employees and directors to educate them properly and send anti-fraud publicity materials to each employee and management during several festivals such as Chinese New Year to ask employees to be vigilant. The Group also provides training to finance, risk control and legal employees responsible for anti-fraud. We have a complaint and whistle-blowing system in place to keep the personal information of whistleblowers absolutely confidential. The fraud complaint handling system is divided into three levels, which are designed to deal with complaints from general employees, mid-level executives and senior executives. Once a complaint is substantiated, we will impose penalties on the person concerned or refer the matter to the judicial institution according to law, depending on the circumstances.

During the Year, the Group did not violate any relevant laws and regulations relating to bribery, extortion, fraud and money laundering. In addition, there was no legal case regarding corrupt practices brought against the Group or its employees during the Reporting Period.

## 5. COMPLIANCE OPERATION

### 5.2. Patent Management

The Group strictly abides by the Patent Law of the PRC (《中華人民共和國專利法》) and the Rules for the Implementation Rules for the Patent Law of the PRC (《中華人民共和國專利法實施細則》) and has formulated the “Interim Measures for Patent Management” (《專利管理暫行辦法》) this Year. The Group actively promotes scientific research and innovation, and encourages teachers and students to turn their scientific research results into patents to protect their rights and interests. The teaching and research department of the Colleges is responsible for the patent work of the Colleges. The patent rights invented and created by anyone in the professional capacity of the Colleges belong to the Colleges and are also protected by the patent measures of the Colleges. Any student or faculty member who needs to apply for a patent must first be examined by their respective departments and then submitted to the office of teaching and research for review, and then go through the agent designated by the Colleges to handle the application. As long as the first patentee is the Group, we will give financial support to the item, including application fee, examination fee, registration fee, annual fee, change fee, certificate fee, etc. We will also give incentives to the inventor. The Group also has express provisions on patent transfer, which stipulate that the inventors and departments should promote the transfer of patents but shall not transfer them privately, and that the transferred items shall be filed with the office of teaching and research, and a contract shall be signed to confirm the terms of transfer time, fees, rights, breach of contract and arbitration.

During the Year, the Group had 5 new patents granted and 105 patents kept registered.

### 5.3. Information Security

The Group strictly complies with the Interim Provisions on the Administration of Computer Information Network with International Connections of the PRC (《中華人民共和國計算機信息網國際聯網管理暫行規定》), the Advertising Law of the PRC (《中華人民共和國廣告法》) and the Regulations on Security Protection of Computer Information Systems of the PRC (《中華人民共和國計算機信息系統安全保護條例》), and has formulated the “Refined Management Manual of the Information Management Department” (《信息管理部精細化管理手冊》) and the “Security Management Regulations” (《安全管理規定》), which set the rules and regulations on network security and computer equipment protection of the Colleges. We attach great importance to information maintenance and strictly control every step of information processing. We have established terms and conditions for information collection, selection, arranging and editing, review, publishing and update, and maintenance of the information environment. The information is collected, selected, arranged and edited by each responsible department, and the department head is responsible for checking the content before releasing it, and the department head should update the information content in time.

## 5. COMPLIANCE OPERATION

We regularly manage, backup and restore systems and install anti-virus systems for the network. Departments and individuals are required to use their assigned user names to post information. The Colleges prohibit anyone from using the network for non-teaching and non-Group operations, and from engaging in any illegal activity. In the event of any emergency, the Information Management Department will provide emergency response and backup information to ensure network and information security. We also require all departments to take precautionary measures to prevent these problems from occurring. We will also provide security training to our employees who are responsible for the network security of the Group.

The official information release of the Group is managed by the Propaganda Department of the Party Committee and the Administrative Office. All information issued to the public needs to be reviewed by the publishing department on the content first before it is released to ensure that the information released is true, accurate, complete and timely. The department also needs to be responsible for the daily maintenance of the media content. No one is allowed to release information that violates laws and regulations, sensitive data and personal data of the Group. The Propaganda Department and the Administration Office supervise media applications and require departments that violate the regulations to rectify them. The Group did not violate any relevant laws and regulations related to advertising and privacy matters relating to provision of educational services during the Year.

The Group is committed to protecting personal data from disclosure to the public. All personal data collected, including that of students and employees, are protected by law. We standardize all data collection work and authorize designated department(s) to be responsible for it, and other departments cannot duplicate the collection. Data collectors are also required to ensure that the data is true, reliable and complete, and that it is stored and backed up securely. We also encrypt sensitive data. Anyone wishing to use the data must first apply for permission to do so. We will set permissions for all data users and strictly prohibit unauthorized use by third parties. The Information Management Department will regularly monitor the quality of daily data, analyze problems and give feedback. Any loss caused to the Group by any person or department due to violation of rules shall be borne by the department or individual.



## 5. COMPLIANCE OPERATION

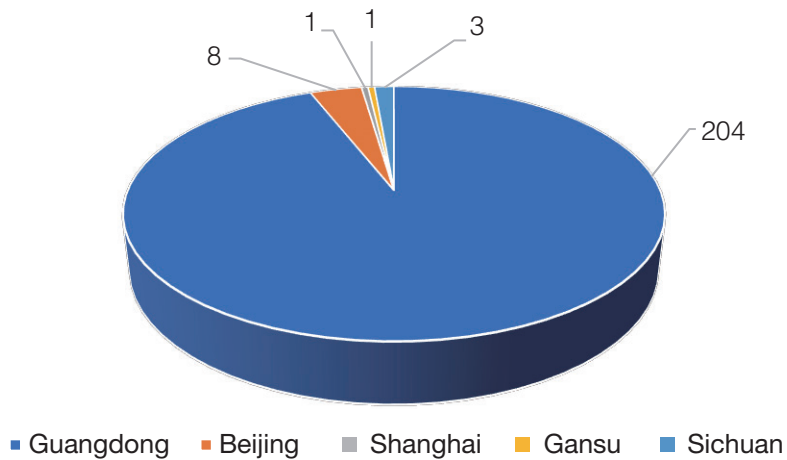
### 5.4. Supply Chain Management

The Group has formulated the “Procurement Management System” (《採購管理制度》) and the “Refined Management Manual – Supplier Management System” (《精細化管理手冊 – 供應商管理制度》) to manage all procurement and supplier management of the Group. The Group adopts different procurement methods in procurement according to its budget. In order to ensure quality control and to select goods at reasonable market prices, we request quotations from different suppliers and select from them, except for small purchases or special purchases. The Group’s Purchasing Department is responsible for the Group’s supplier management, which establishes the Group’s “Qualified Supplier Database” (《合格供應商庫》). We ask new suppliers to fill out the “Basic Supplier Data Sheet” (《供應商基本數據表》) to collect their basic information, and we also conduct site visits to suppliers who supply important goods and services. When purchasing from suppliers, we ask them to sign the “Integrity Commitment” (《廉潔承諾書》) to ensure that they maintain good quality of operations and that no fraud occurs. We also regularly evaluate the suppliers we have cooperated with and make evaluations based on their quality, delivery time and service, etc., and make a “Supplier Evaluation Form” (《供應商考評表》), and any suppliers with abnormal performance will be recorded in the “Supplier Exception Register” (《供應商異常情況登記表》). The Group’s Purchasing Department summarizes the supplier evaluation for the whole year and makes the “Annual Supplier Annual Comprehensive Evaluation Report” (《年度供應商年度綜合評價報告》) for final approval. Suppliers who fail the appraisal will not be considered anymore, and suppliers can also appeal the results.

To encourage responsible purchasing, we will not select suppliers who are being punished and corrected for environmental and labor violations, or who have been rated as environmentally undesirable by environmental authorities, or who have involved in child labor and forced labor. We will give priority to suppliers who have better environmental performance and choose products and services that are energy-efficient, low-consumption and environmentally friendly. We will also continuously monitor the environmental and social policies of our suppliers to ensure compliance with the Group’s procurement objectives.

## 5. COMPLIANCE OPERATION

During the Year, the Group had 217 suppliers responsible for equipment, teaching consumables, network system services, event planning and employee benefits, etc. The following chart shows the geographical location of each supplier:



Geographical Distribution of Suppliers

## 6. EMPLOYEE MANAGEMENT

“Having ideal and faith, moral sentiment, solid knowledge, and a benevolent heart (有理想信念、有道德情操、有扎實學識、有仁愛之心) “are the “four qualities (四有)” of teachers proposed by General Secretary Xi Jinping. The Group has always followed his philosophy and has been identifying the most suitable teachers and professionals to establish a good teaching style and morality for promoting a better development. The Group strictly abides by the employment laws and all relevant laws and regulations of regions where we operate, including 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 Teachers Law of the PRC 《中華人民共和國教師法》, the Law of the PRC on the Protection of Minors 《中華人民共和國未成年人保護法》 and the Regulations on Prohibiting the Use of Child Labor 《禁止使用童工規定》 to protect the legitimate rights and interests of employees according to law. We protect the rights and interests of our employees and formulate various human resource management policies. The Group has set out the guidelines for protecting employees’ rights and interests in its sustainability policy, and any regulation made is based on the protection of employees’ rights and interests as written in the measures. The following are the guidelines set out in the measures:

- Comply with the employment laws and all relevant laws and regulations of regions where the Group operate, and protect the legitimate rights and interests of employees according to law;
- Follow the principles of distribution according to work and equal pay for equal work to ensure that all employees receive reasonable remuneration, and review employee remuneration packages and other benefits on a regular basis;
- Pay respect to employees and condemn any form of workplace discrimination and harassment;
- Establish a sound occupational safety system to provide relevant training for employees and improve their safety awareness;
- Establish a vocational training system and support employees to participate in further studies and training in their spare time; and
- Respect the right of employees to express their opinions and communicate candidly with employees.

During the Reporting Period, the Group did not have any violation of relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other remuneration and benefits, nor had it been found of any violation of relevant laws and regulations relating to the employment of child labor or forced labor.

## 6. EMPLOYEE MANAGEMENT

### 6.1. Recruitment Process

The Group has formulated the “Employment Management System” (《聘用管理制度》), the “Labor Contract Management System” (《勞動合同管理制度》) and the “Job Creation and Personnel Employment Management Measures” (《崗位設置及人員聘用管理辦法》), which set out appropriate and compliant employment standards. We have formulated the “Human Resources System Manual Recruitment Process” (《人力資源制度手冊招聘流程篇》), “Social Security, Provident Fund and Commercial Insurance Management System” (《社保公積及商業保險管理制度》), “Compensation and Benefits Management System” (《薪酬福利管理制度》), and “Employee Attendance and Leave System” (《員工考勤及休假制度》) as our talent management policy documents to establish a clear management direction for employee recruitment and talent management system.

In order to optimize talent management, the Group has determined the job classification, job level and job title of the Group’s personnel. Each job level of the Group is detailed with education and experience requirements, giving clear recruitment requirements and opportunities for employee promotion. We provide a diverse, anti-discriminatory work environment to ensure that employees are not discriminated against in hiring or in the workplace based on sexual orientation, nationality, religion, disability, gender, family status, race, etc. In the event of any non-compliance with regulations during the recruitment process, the Group will handle the incident in accordance with the law.

Each department must submit an “Application Form for Increase or Decrease in Personnel” (《編制增減申請表》) for annual staffing and staff increase/decrease plans, and the Human Resources Office will recruit through different channels according to the plan. We will collect each applicant’s information for background check, including education background, identification documents, household register, etc. to prevent child labor. We also have a strict attendance management system. Employees must work on time, and if they need to work overtime, they must apply to the Group for approval in advance, we will provide the corresponding compensatory time off for overtime work. Forced labor is strictly prohibited. We have established a human resources database of the Group and selected suitable candidates. We will enter into contracts with suitable candidates, go through the entry formalities, arrange medical examinations and give appropriate probationary periods in accordance with the system. The contract also clearly sets out the remuneration, recruitment, working hours, holidays and resignation arrangements, including the appropriate notice period or procedures when resigning, and also sets out the reasons that may lead to the termination of the contract. We will also provide compensation for employees who are dismissed due to certain special circumstances.

## 6. EMPLOYEE MANAGEMENT

### 6.2. Employee Benefits

In order to enhance employees' sense of belonging to the Group and to maintain their enthusiasm for education and commitment to their work, we make regular salary adjustments, which are based on differences in the cost of living index, consumer price index, disposable consumer income and market data. In addition to salary adjustments, we offer a variety of benefits to meet the needs of different categories of employees. We provide "four insurances and one housing fund" (四險一金), i.e. "pension insurance, medical insurance, unemployment insurance, work injury insurance and housing fund" (養老保險、醫療保險、失業保險、工傷保險、住房公積金), as required by law. Employees are also entitled to some benefits, such as personal leave, sick leave, marriage leave, maternity leave and bereavement leave. In addition to the above basic benefits, the Group has established "Welfare and Allowance Payment Management System" (《福利及津貼發放管理辦法》) to provide employees with appropriate and competitive welfare allowances, including insurance benefits, subsidized benefits and allowances. We provide accident insurance for our employees and critical illness insurance for certain teaching staff, etc. In addition, the Group provides our employees with Teacher's Day and Chinese New Year allowances, etc.

In order to reward employees with outstanding performance, we also have a performance award system, and provide performance awards on a monthly and academic year basis. Monthly performance awards are given to employees who pass the annual evaluation and complete the basic workload of their position and the assigned tasks in the previous year. The academic year performance award is part of the Colleges' bonus sharing arrangement and is awarded to employees based on their performance in the current academic year.

### 6.3. Employee Appraisal and Promotion

In order to maintain the quality of our employees' work, the Group has established the "Appraisal Management System" (《考核管理制度》) to set standards and regulations for the appraisal of employees.

Employee appraisal is an important quality control process in the Group's education work. There are four major categories of appraisal: non-teaching staff, management staff, teaching staff, and semester and academic year appraisal. Each type of employees is evaluated by the respective department. In addition to the above, the teaching staff is also evaluated by teaching-related criteria such as student evaluation, classroom effectiveness, and classroom monitoring. The results of the appraisals have a significant impact on the teaching quality of the Group and on the performance awards of the employees. The appraisal program also has an appeal system so that if an employee has a challenge to the results, he or she can appeal to the Colleges' appraisal committee to have the results reviewed.



## 6. EMPLOYEE MANAGEMENT

We have also established a promotion method for our Group. Employees who are interested in the positions being recruited can apply for promotion to the relevant positions. Employees who have sufficient working ability and professional knowledge as well as good political quality can be promoted to the respective positions step by step.

### 6.4. Training System

We focus on the development of our employees and provide them with diversified and targeted training to ensure that the Group continues to improve and remain competitive in terms of governance and education quality. We have established a “Training and Development Management System” 《培訓發展管理制度》 to ensure that every employee is provided with appropriate training. Training can be divided into internal training, external training and self-learning. The Human Resources Department is responsible for coordinating, arranging, developing and managing the training records of employees. Employees are also required to attend all training sessions as required. We will provide an assessment after the training, which will be used as a reference standard for evaluating the effectiveness of the training and for individual employee performance appraisal and promotion. We also encourage employees to participate in external training, and employees are reimbursed for training expenses based on their years of service. We have courses for new teachers to improve their teaching and research skills, as well as life education, cloud computing and other courses for backbone teachers. Other technical education-related employees, such as counselors and nursing employees, receive various professional training and certification courses, including psychological training, campus safety management, career guidance, Global Career Development Facilitator (GCDF) certificate courses, and early childhood care vocational skills certificates. In addition, our logistics staff are provided with safety training related to campus safety.

### 6.5. Employee Activities

In order to enhance the sense of belonging to the Colleges among our employees to allow them enjoy the campus ambience, ease their pressures at work and maintain good mental health, we have organized a number of activities for our employees, including the Spring Festival couplets sending activity, birthday parties, track and field events, etc. All of our employees enjoyed the activities, during which they showed courage and demonstrated the spirit of competition, solidarity and mutual assistance.

## 6. EMPLOYEE MANAGEMENT



The “Forever Following the Party, Singing a Folk Song to the Party”  
Online Singing Competition for Teaching Staff



The 3-on-3 Basketball Competition for Teaching Staff

### 6.6. Campus Safety

The safety and health of our teachers and students is a key concern of the Group. In order to provide a comfortable learning and working environment for teachers and students, the Group is committed, careful and responsible in protecting them from fire, equipment safety and epidemics. In accordance with the Law of the PRC on Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and Fire Protection Law of the PRC (《中華人民共和國消防法》), the Group has formulated the “Health Management System” (《衛生管理制度》), “Emergency Plan for Public Health Emergencies” (《突發公共衛生事件應急預案》), “Emergency Plan for Campus Logistics” (《校園後勤類應急預案》) and “Campus Construction Application Form” (《校園施工申請備案表》) and other safety rules for employees, faculty and students’ reference. We will also strengthen our training to nip risks in the bud. Besides, the Colleges organized a number of safety activities, including fire prevention activities, prevention of online fraud, promotion of AIDS education, food safety, epidemic prevention and control, mental health, etc., to protect teachers and students in the campus. During the Year, the Group did not encounter with any work-related fatalities or work days lost due to work-related injuries, and the number of work-related fatalities in the past three years was 0. Also, the Group did not have any violations of relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards.

The logistics team of the Group is responsible for the daily safety work of the Colleges, and regularly conducts safety monitoring, repair and maintenance of the public facilities in the Colleges. The daily work includes regular inspection of various equipment to ensure smooth operation, such as the inspections on street lights in the campus, underground pipe network for drinking water, and water and electricity equipment, etc.

#### Fire prevention

The Group strictly complies with the provisions of the “Regulations on Fire Safety Management in Organizations, Enterprises and Public Institution” (《機關團體、企業、事業單位消防安全管理規定》) and has formulated a number of fire prevention codes, including the “Organization and Management System of Volunteer Fire Brigade” (《義務消防隊組織管理制度》) and the “System for Rectification of Fire Hazards” (《火災隱患整改制度》), and established emergency teams. The employees have developed measures in accordance with the Systems, including regular safety inspections on fire-fighting equipment, fire and electrical appliances on campus, as well as rectification of potential fire hazards on campus, and regular fire safety education, training and emergency evacuation drills for employees. The Group’s volunteer fire brigade will conduct regular drills, improve skills, and familiarize themselves with fire-fighting facilities. During the Year, we held fire drills in September and held fire prevention month promotion in November, launching activities such as fire prevention quizzes and fire prevention lectures to enhance employee’s awareness of fire prevention.

## 6. EMPLOYEE MANAGEMENT



Fire Prevention Month Themed Activities

### Epidemic prevention and control

To prevent the spread of the epidemic and to protect teachers and students, the Group has introduced a series of epidemic prevention measures. We have set up a working group to coordinate the epidemic prevention and response measures on campus. The Group has stepped up the dissemination of information and information reporting on the epidemic in the Colleges, while the supporting staff (the supporting teams) have stepped up cleaning efforts on campus. Thermometers have been set up at the entrance of the Colleges to measure body temperature for teachers and students on campus on a daily basis. We will take the initiative to contact the absent students to register their absence, find out the reasons for their absence and make arrangements for teachers and students to return to campus. Students who have been the confirmed cases of COVID-19 must get health certificate before they return to school, practice good personal hygiene and have regular medical check-ups. We encourage teachers and students to get vaccinated and do our best to promote vaccination. During the holidays, we manage student attendance and students are not allowed to leave school early or return late without prior approval. Before returning to school, students are required to submit records of nucleic acid testing if they have been to high-risk area and to report proactively their whereabouts to the community organization. 14 consecutive days of health monitoring are also required before returning to school. Besides, We have set up an online platform for students to report daily personal health.



## 6. EMPLOYEE MANAGEMENT



Health Monitoring



## 7. ENVIRONMENTAL PROTECTION

The Group has always supported the development of environmental protection on campus and has established a sustainable policy on environmental protection and encouraged its employees to fulfil their social responsibilities, including the need for employees to comply strictly with environmental protection legislation in all the regions where the Group operates and all relevant laws and regulations such as Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) and Energy Conservation Law of the PRC (《中華人民共和國節約能源法》). We have developed a number of climate response policies, electricity-saving and water-saving management plans, including the “Typhoon Emergency Plan” (《防颱風應急預案》), “Flood Control and Emergency Plan” (《防汛防洪應急預案》) and “Water-saving and Electricity-saving Management System” (《節水節電管理制度》), and we regularly monitor the Group’s environmental performance and make improvements.

The Group set a preliminary directional environmental target this Year. which is to progressively reduce waste generation, carbon emissions, electricity and water consumption by improving existing and implementing additional environmental protection measures. We will continue to comply with environmental laws and regulations and monitor the Group’s environmental performance and will set a baseline year when appropriate.

During the Reporting Period, the Group did not have any violations of relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and disposal of hazardous and non-hazardous waste. We are concerned about the environmental impact of the Group and will respond in a timely manner to address and develop preventive measures in the unfortunate event of any environmental-related complaints and reports.

### 7.1. Climate Resilience Measures

Through regularly reviewing the operations of the Group, we identified that extreme weather events caused by climate change, such as typhoons and heavy rainfall, may have an impact on our operations. In order to protect the safety of our teachers, students and employees, the Group has developed policies to address the physical and transition risks that may arise from climate change after assessing the risk of climate change. Details are as follows:

Physical risk: During the Year, we have formulated response policies such as the “Public Emergency Plan for Campus Emergencies” (《校園突發事件公共應急預案》), “Typhoon Emergency Plan” (《防颱風應急預案》) and “Flood Control and Emergency Plan” (《防汛防洪應急預案》), and set up response team to prepare for the disaster and to prepare the campus for prevention, warning, relief and rehabilitation. In addition to preparing the plans, we also provide each teacher, student and employee with drills on working and studying in extreme weather. We are also promoting the digitalization in office, reducing the possibility of data loss and conducting regular security checks on the buildings and equipment in the Colleges.

## 7. ENVIRONMENTAL PROTECTION

Transition risk: Climate change may bring reputational risk to the Group. In order to reduce the related impact, we will continue our study to implement more environmental protection measures in our daily operations, and cooperate with various environmental protection industries and organizations to improve teachers, students and the public's environmental protection awareness and improve the image of the Colleges.

### 7.2. Water Resources Management

During the Year, the Group's water consumption was 1,394,557.00 cubic meters. The Group's water resources come from municipal water supply and there are no water sourcing problem. The Group has introduced various management measures over the years and invested in a number of water resource consolidation projects, including collecting rainwater on campus for daily plant irrigation, installing water-saving equipment and conducting leakage detection for water-using equipment on campus, and posting various water-saving labels and establishing various water-saving rules. The facilities have begun to bear fruit in recent years. For example, the Qingyuan Campus promoting water conservation and efficient use of water resources has been awarded the "Qingyuan Water-efficient Public Institution" (清遠市節水型公共機構) by the Water Resources Bureau of Qingyuan and the Development and Reform Bureau of Qingyuan after examination. In the Guangzhou Campus, improvements have also been made to the diversion of rainwater and sewage project, which has been undergoing renovation for many years. During the year, the Group was awarded the "Guangzhou Drainage Compliance Unit" (廣州市排水單元達標單位) after numerous inspections by the Lianhe Street Office and Huangpu Water Bureau. The accreditation from various organizations has affirmed the Group's efforts in water resources and the Group will continue to make greater efforts to upgrade its water management measures to improve the efficiency of water resources in the future.

### 7.3. Pollutant Emissions Management

In terms of air emission management, all vehicles used by the Group are required to meet national emission standards, with small vehicles meeting Phase IV, V or VI emission standards and school buses meeting Phase V emission standards. All vehicles used on campus are subject to regular annual checks to ensure that they all meet national environmental standards for vehicles. We will also provide training to our drivers on green driving practices and the use of electric or hybrid vehicles with an aim to reduce pollutant emissions. We will continue to monitor the Group's air emission data and explore more options to reduce emissions.

## 7. ENVIRONMENTAL PROTECTION

During the Year, the total amounts of pollutants emitted by the Group's vehicles were as follow:

Types of Emissions <sup>1</sup>	Unit	2021
Nitrogen Oxide	kg	635.97
Sulfur Oxide	kg	0.67
Particulate Matter	kg	50.36

### 7.4. Waste Management

In line with the Group's policy of optimizing the use of resources and reducing waste, it has implemented a number of waste reduction and recycling projects to reduce the use of paper and improve the recycling rate on campus. During the Year, we implemented the "Provisional Measures for the Management of the Use of Office Automation System" 《辦公室自動化系統使用管理暫行辦法》 to speed up the move towards a fully paper-less campus and reduce the use of paper. In order to promote a waste-free campus and to instill in students the concept of environmental protection in their daily lives, we have implemented a waste recycling bonus point redemption scheme and installed smart recycling bins at various locations on campus. The smart system combines multiple functions such as weighing, scoring, promotion and automatic lighting. Students can earn points through recycling activities and redeem them for goods or services, and the sorted waste is disposed by qualified agents for us. We have also gradually reduced the number of trash bins on campus, replacing them with recycling bins. What's more, we vigorously promoted the campus waste reduction plan, held a number of training seminars on waste sorting to explain the recycling plan and sorting details to students, and posted recycling labels on campus as reminders.

During the Year, the Group produced a total of 2,600.00 tonnes of non-hazardous waste.

### 7.5. Energy Efficient Campus

During the Year, the Colleges implemented the "Water and Power Conservation Management System" 《節水節電管理制度》 as the Colleges' action principle for water and power conservation. It is the shared responsibility of all teachers and students to save water and electricity. We encourage teachers and students to use natural light sources as much as possible, turn off lights in classrooms when not in use, set up multiple lighting areas in the office with dynamic switches, and set the air conditioners to 25-26 degrees Celsius with automatic air speed and upward airflow to increase air circulation in the classroom. Employee can also wear casual clothes in hot weather to reduce the use of air conditioners. Besides, the supporting teams of the Colleges regularly check the electrical equipment on campus to ensure that it is safe and functioning properly.

<sup>1</sup> We calculated the Group's air pollutant emissions with reference to "How to Prepare Environmental, Social and Governance Reports – Appendix II: Reporting Guidance on Environmental KPIs" of the Stock Exchange.

## 7. ENVIRONMENTAL PROTECTION

During the Year, the Group's electricity consumption was 37,195.00 MWh, with electricity consumption per capita of 1.40 MWh.

### 7.6. Low-carbon Campus

To control the Colleges' greenhouse gas emissions and achieve a low-carbon campus, we have launched a series of low-carbon activities, including encouraging our employees to reduce business trips, streamline workflow and improve efficiency. The Group also installed solar panels for street lights on campus, reducing reliance on fossil fuels, and actively promoted tree planting. A total of 3,225 trees were planted this Year, helping to reduce the Colleges' greenhouse gas emissions. The Group will introduce more greenhouse gas emission reduction measures in the Colleges in due course.

The Group's greenhouse gas emissions for the Year were 23,943.60 tonnes of carbon dioxide equivalent (CO<sub>2</sub>e), with emissions per capita of 0.90 tonnes of CO<sub>2</sub>e.

Greenhouse Gas Emissions <sup>2</sup>	Unit	2021
Direct Greenhouse Gas Emissions (Scope 1)	tonne of CO <sub>2</sub> e	1,369.52
Greenhouse Gas Emissions Removals from Newly Planted Trees (Scope 1)	tonne of CO <sub>2</sub> e	118.59
Indirect Greenhouse Gas Emissions (Scope 2)	tonne of CO <sub>2</sub> e	22,692.67
Total Greenhouse Gas Emissions (Scope 1 and Scope 2)	tonne of CO <sub>2</sub> e	23,943.60
Greenhouse Gas Emissions Intensity (per square meter) (Scope 1 and Scope 2)	tonne of CO <sub>2</sub> e/m <sup>2</sup>	0.05
Greenhouse Gas Emissions per Capita (Scope 1 and Scope 2)	tonne of CO <sub>2</sub> e/person	0.90

<sup>2</sup> We calculated the Group's greenhouse gas emissions with reference to "How to Prepare Environmental, Social and Governance Reports – Appendix II: Reporting Guidance on Environmental KPIs" of the Stock Exchange.

## 7. ENVIRONMENTAL PROTECTION

### 7.7. Environmental Activities

As educators, we have the responsibility to make the next generation go one step further and contribute more to the environment. Besides, in order to promote labor education so as to enable students achieve overall development, the Colleges have successively held the Patriotic Public Health Month (愛國衛生月) and Colleges Labor Education (書院勞動教育) activities. The Colleges held the 33rd Patriotic Public Health Month activity this Year. In order to strengthen health education among students and promote the harmonious development of the campus, we mobilized students to clean the Colleges and reminded students to pay attention to epidemic prevention and hygiene. We will evaluate the hygiene campaigns of each College and commend the Colleges and students who have performed well in the campaigns, so as to train students for the spirit and skills of labor. We set aside about 500 square meters of land within the campus for students as the Labor Education Base for the Colleges. Students will cultivate the land on which various crops, such as corn, sugar cane, tomatoes, cucumbers and peppers, will be grown. Through personally tilling the soil, planting seeds, raising seedlings, watering, weeding, fertilizing, and finally harvesting, students benefit a lot in the process, embracing the beauty of nature while making contribution to a green campus.



A Cleaning Activity in the Patriotic Public Health Month



## 7. ENVIRONMENTAL PROTECTION



A Planting Event in Colleges Labor Education

## 8. COMMUNITY INVESTMENT

The Group understands that helping needy people in the community is our social responsibility and that it is also our role model for students to contribute to the country and the people and partake in the creation of shared values. The Group sets out our overall community investment strategy in the sustainability policy and gradually implements strategic community investment activities. The following are the guidelines set out in the sustainability policy:

- Take full consideration of the interests of the community in business activities to fulfill corporate social responsibilities;
- Establish close ties with the community and the public, always pay attention to the development of society and people's livelihood as well as social welfare, and make adjustment to the policy of community participation in a timely manner;
- Offer support to employees to participate in social welfare activities, thus making contribution to the society.

Since the Guangdong Lingnan Education Charity Foundation (the "Foundation") was registered as a charitable organization under the Group in 2011, the Group has been committed to helping needy people in the society with the mission of "educating people with great love and creating a harmonious society together (大愛育人·共創和諧社會)". This Year, the amount raised by the Foundation reached RMB16.6 million, and an annual sum of RMB14.39 million had been spent to support various public welfare activities. We were awarded the 5A grade of the provincial social organization rating evaluation this year. In 2021, we ranked A+ with 100 scores in the China Foundation Transparency Index, the highest recognition given to the Foundation for its work.

The work of the Foundation is mainly divided into vocational education and public welfare education. It cooperates with many different enterprises, charities, research institutions, etc. to jointly launch a variety of programs. In line with cultivating diverse talents for governments, enterprises, schools and communities, our vocational education work is to provide educational resources for ethnic minorities, rural women and people with disabilities to drive employment. Charity education, with the aim of promoting the development of social welfare education, offers different types of projects for students of different age groups.

## 8. COMMUNITY INVESTMENT

The Foundation subsidized Guangzhou Jinyan College to carry out veggies training courses, “Qian Huo Chu Shan (黔貨出山)” e-commerce business’ live streaming training courses, maternal and child care and housekeeping training courses and other courses, benefiting more than 1,300 women in places such as Meizhou and Conghua in Guangdong as well as Bijie, Qiannan and Anshun in Guizhou.



Training Courses

The Foundation subsidized the commencement of training of mental health teachers for secondary vocational institutions in the “Jiang Ling Program (匠領計劃)”. By way of empowering education through drama, a total of 20 teachers were trained to help solve the problems of low self-confidence and lacking self-identity among students of secondary vocational institutions.



Jiang Ling Program

## 8. COMMUNITY INVESTMENT

For drama education targeting teachers of secondary vocational schools, the Foundation, under the guidance of the Municipal Bureau of Agriculture and Rural Affairs and the Municipal Women's Federation, and in cooperation with Guangzhou City Construction Investment and Zhongshan Green Guard, sent campus-version meal boxes to 50 schools and family-version meal boxes to 100 families, and started enlisting 50 new schools and 1,000 families.



The Event of Farmers' Meal Boxes (食农盒子) Entering a Hundred Schools and a Thousand Families

In addition to the above educational activities, the Foundation helps those in need to solve their urgent difficulties. This Year, an outbreak of the COVID-19 occurred in Guangzhou. Under the guidance of Guangzhou Urban Management and Comprehensive Law Enforcement Bureau, Liwan District Civil Affairs Bureau, Huangpu District Women's Federation and others, the Foundation raised RMB4.04 million of epidemic prevention materials, including disinfection materials, epidemic prevention supplies and daily necessities, helping prevent the epidemic and resolving the difficulties of citizens. During the flood in Henan Province, the Foundation, together with companies including Lingnan Education Group, Tongwen Education Investment Group, CTCD and Zhongshan Carefor, raised RMB1.07 million of emergency daily supplies. We also provided assistance to the local post-disaster reconstruction, donating to local schools RMB174,340.00 of teaching materials, such as desks, chairs and books, to help them resume classes as soon as possible. The Foundation is expected to launch more new projects to help more people in need in a more diverse form. As this year marks the 10th anniversary of the Foundation, we will focus on advancing public welfare promotional work, telling well the public welfare story of Lingnan, integrating public welfare segments, and developing Huawai Fund and named funds, etc.

Aside from the work of the Foundation, this Year, the Group also launched a number of activities featuring the contribution of teachers and students to the community, which has not only helped the community to which the Colleges belongs, but has also cultivated the awareness of community contribution among our students. During the Year, the Colleges had altogether 25,191 employees, teachers and students participating in volunteer activities. The total number of hours worked by employees volunteers and student volunteers were 300.00 hours and 2,949.70 hours, respectively.



## 8. COMMUNITY INVESTMENT

Students were involved in a number of community service activities. They applied what they had learnt to helping others, and took the initiative to return to their hometowns for epidemic prevention services. Epidemic prevention is a major focus of service activities. Our students proactively assisted the working staff, helped with the registration of information, and publicized information on epidemic prevention. What's more, led by social workers, our students, together with the Narcotics Control Office, carried out an anti-drug campaign in the community, disseminating information on anti-drug and related laws and regulations to residents, and holding interactive anti-drug Q&A sessions, thus spreading anti-drug knowledge. The campaign was conducted under the leadership of teachers, and the creativity and planning ability of the students were brought into play.



V Community Base – Anti-drug Propaganda

Under the guidance of teachers, our students were engaged in garbage classification-related publicity activities in the community. They brought garbage classification knowledge they have learnt to the community, publicized it to residents, and carried out inspection and supervision of the garbage classification work.



## 8. COMMUNITY INVESTMENT



Promoting Garbage Classification Knowledge

## APPENDIX I: SUSTAINABILITY DATA SUMMARY

Environmental Aspect	Unit	2021
<b>Air Pollution Emissions<sup>1</sup></b>		
Nitrogen Oxide	kg	635.97
Sulfur Oxide	kg	0.67
Particulate Matter	kg	50.36
<b>Greenhouse Gas Emissions<sup>2</sup></b>		
Direct Greenhouse Gas Emissions (Scope 1)	tonne of CO <sub>2</sub> e	1,369.52
Greenhouse Gas Emissions Removals from Newly Planted Trees (Scope 1)	tonne of CO <sub>2</sub> e	118.59
Indirect Greenhouse Gas Emissions (Scope 2)	tonne of CO <sub>2</sub> e	22,692.67
Total Greenhouse Gas Emissions (Scope 1 and Scope 2)	tonne of CO <sub>2</sub> e	23,943.60
Greenhouse Gas Emissions Intensity (per square meter) (Scope 1 and Scope 2)	tonne of CO <sub>2</sub> e/m <sup>2 3</sup>	0.05
Greenhouse Gas Emissions per Capita (Scope 1 and Scope 2)	tonne of CO <sub>2</sub> e/person <sup>4</sup>	0.90
<b>Energy Consumption</b>		
Purchased Electricity Consumption	MWh	37,195.00
Purchased Electricity Consumption Intensity (per square meter)	MWh/m <sup>2 3</sup>	0.07
Purchased Electricity Consumption per Capita	MWh/person <sup>4</sup>	1.40
Gasoline Consumption	liter	29,547.15
Diesel Consumption	liter	14,888.77
<b>Water Consumption</b>		
Total Water Consumption	m <sup>3</sup>	1,394,557.00
Water Consumption Intensity (per square meter)	m <sup>3</sup> /m <sup>2 3</sup>	2.73
Water Consumption per Capita	m <sup>3</sup> /person <sup>4</sup>	52.45
<b>Paper Consumption</b>		
Total Paper Consumption	kg	2,656.25
Paper Consumption Intensity per Capita	kg/person <sup>4</sup>	0.10
<b>Waste Generation<sup>5</sup></b>		
Total Non-hazardous Waste Produced	tonne	2,600.00
Non-hazardous Waste Produced per Capita	tonne/person <sup>4</sup>	0.10

1 We calculated the Group's air pollutant emissions with reference to "How to Prepare Environmental, Social and Governance Reports – Appendix II: Reporting Guidance on Environmental KPIs" of the Stock Exchange.

2 We calculated the Group's greenhouse gas emissions with reference to "How to Prepare Environmental, Social and Governance Reports – Appendix II: Reporting Guidance on Environmental KPIs" of the Stock Exchange.

3 The area is the total area of the two Colleges (Lingnan Institute of Technology and Lingnan Modern Technician College) that was included in the data collection scope with respect to environmental aspect at the end of 2021.

4 The number is the sum of all teaching staff and students as of the end of 2021.

5 The hazardous waste produced by the Group during the year was handed over to recyclers for disposal, but relevant data was not recorded. The Group will announce hazardous waste data next year.

## APPENDIX I: SUSTAINABILITY DATA SUMMARY

Social Aspect <sup>6</sup>	Unit	2021
<b>Employee Data</b>		
Total Employees	person	1,136
Female Employees	person	682
Male Employees	person	454
Full-time Junior Employees	person	987
Full-time Mid-level Employees	person	128
Full-time Senior Employees	person	21
Employees Aged below 30	person	337
Employees Aged 31-40	person	448
Employees Aged 41-50	person	234
Employees Aged above 50	person	117
Employees in Southern Region	person	1,136
<b>Employees Turnover Data<sup>7</sup></b>		
Total Employees Turnover Rate	%	17.43
Turnover Rate of Female Employees	%	19.94
Turnover Rate of Male Employees	%	13.66
Turnover Rate of Employees Aged below 30	%	24.04
Turnover Rate of Employees Aged 31-40	%	16.52
Turnover Rate of Employees Aged 41-50	%	5.98
Turnover Rate of Employees Aged above 50	%	24.79
Turnover Rate of Employees in Southern Region	%	17.43
<b>Occupational Health and Safety</b>		
Number of work-related fatalities in each of the last three years	person	0
Percentage of work-related fatalities in each of the last three years	%	0.00
Number of working days lost due to work-related injuries	day	0.00

6 There is no relevant record of part-time employees at the end of the year. We will make relevant disclosure next year.

7 The percentage of employees turnover is calculated as: number of employees lost in the category ÷ total number of employees in the category at the end of the year x 100%

## APPENDIX I: SUSTAINABILITY DATA SUMMARY

Social Aspect <sup>6</sup>	Unit	2021
<b>Employee Training Data<sup>8</sup></b>		
<b>Percentage of Employees Trained by Gender</b>		
Male Employees	%	35.47
Female Employees	%	64.53
<b>Percentage of Employees Trained by Employee Category</b>		
Full-time Junior Employees	%	86.37
Full-time Mid-level Employees	%	11.60
Full-time Senior Employees	%	2.03
<b>Average Training Hours of Employees by Gender</b>		
Female Employees	hour	59.56
Male Employees	hour	54.33
<b>Average Training Hours of Employees by Employee Category</b>		
Full-time Junior Employees	hour	60.09
Full-time Mid-level Employees	hour	43.77
Full-time Senior Employees	hour	35.17

8 The percentage of employees trained is calculated as: employees trained in the category ÷ total number of employees trained x 100%

The training hours of employees is calculated as: total training hours of employees in the category ÷ the number of employees in the category

## APPENDIX II: THE STOCK EXCHANGE ESG REPORTING GUIDE INDEX

KPI		Related Sections
<b>A. Environmental Aspect</b>		
<b>A1. Emissions</b>	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.
	A1.1	The types of emissions and respective emissions data.
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.
	A1.3	Total hazardous waste produced and intensity.
	A1.4	Total non-hazardous waste produced and intensity.
	A1.5	Description of emission target(s) set and steps taken to achieve them.
	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.
		7. Environmental Protection
		Appendix I: Sustainability Data Summary
		Appendix I: Sustainability Data Summary
		The Group's hazardous waste was handed over to recyclers for disposal, but relevant data was not recorded. The Group will announce hazardous waste data next year.
		Appendix I: Sustainability Data Summary
		7. Environmental Protection
		7. Environmental Protection



## APPENDIX II: THE STOCK EXCHANGE ESG REPORTING GUIDE INDEX

KPI			Related Sections
<b>A2. Use of Resources</b>	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.5. Energy Efficient Campus; 7.2. Water Resources Management
	A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Appendix I: Sustainability Data Summary
	A2.2	Water consumption in total and intensity.	Appendix I: Sustainability Data Summary
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	7. Environmental Protection
	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.	7. Environmental Protection
	A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Not applicable to the Group's business
<b>A3. Environment and Natural Resources</b>	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	7. Environmental Protection
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7. Environmental Protection
<b>A4. Climate Change</b>	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	7.1. Climate Resilience Measures
	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.	7.1. Climate Resilience Measures

## APPENDIX II: THE STOCK EXCHANGE ESG REPORTING GUIDE INDEX

KPI			Related Sections
<b>B. Society Employment and Labor Practices</b>			
<b>B1. Employment</b>	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6. Employee Management; 6.1. Recruitment Process
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Appendix I: Sustainability Data Summary; there is no relevant record of part-time employees at the end of the year. We will make relevant disclosure next year.
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: Sustainability Data Summary
<b>B2. Health and Safety</b>	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	6.6. Campus Safety
	B2.1	Number and percentage of work-related fatalities in each of the last three years (including the reporting year).	6.6. Campus Safety
	B2.2	Number of working days lost due to work-related injuries.	Appendix I: Sustainability Data Summary
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	6.6. Campus Safety

## APPENDIX II: THE STOCK EXCHANGE ESG REPORTING GUIDE INDEX

KPI			Related Sections
B3. Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.4. Training System
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I: Sustainability Data Summary
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: Sustainability Data Summary
B4. Labor Standards	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labor.	6. Employee Management 6.1. Recruitment Process
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	6.1. Recruitment Process
	B4.2	Description of steps taken to eliminate non-compliance practices when discovered.	6.1. Recruitment Process

## APPENDIX II: THE STOCK EXCHANGE ESG REPORTING GUIDE INDEX

KPI		Related Sections
<b>Operational Practice</b>		
<b>B5. Supply Chain Management</b>	General Disclosure	Policies on managing environmental and social risks of the supply chain.
	B5.1	Number of suppliers by geographical region.
	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.
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.
		5.4. Supply Chain Management
		5.4. Supply Chain Management
		5.4. Supply Chain Management
		5.4. Supply Chain Management
		5.4. Supply Chain Management

## APPENDIX II: THE STOCK EXCHANGE ESG REPORTING GUIDE INDEX

KPI			Related Sections
B6. Product Responsibility	General Disclosure	Information on the policies and 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.	5.3. Information Security; 6.6. Campus Safety
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Group's business
	B6.2	Number of products and service related complaints received and how they are dealt with.	4.3. Handling of Comments
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.2. Patent Management
	B6.4	Description of quality assurance process and recall procedures.	Not applicable to the Group's business
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	5.3. Information Security



## APPENDIX II: THE STOCK EXCHANGE ESG REPORTING GUIDE INDEX

KPI			Related Sections
<b>B7. Anti-corruption</b>	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	5.1. Anti-Fraud
	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.	5.1. Anti-Fraud
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	5.1. Anti-Fraud
	B7.3	Description of anti-corruption training provided to directors and employees.	5.1. Anti-Fraud
<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.	8. Community Investment
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	8. Community Investment
	B8.2	Resources contributed (e.g. money or time) to the focus area.	8. Community Investment