

2021 Environmental, Social and  
Governance Report



**Neuedu**

**東軟教育科技有限公司**

Neusoft Education Technology Co. Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 9616

**教育創造學生價值**

Empower Students with Innovative Education



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## ABOUT THIS REPORT

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

### BASIS OF PREPARATION

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

Materiality	We have disclosed in this Report the process for identifying material environmental, social and governance factors and the criteria for selection, as well as a description of material stakeholders and the process and results of stakeholder engagement.
Quantitative	We have disclosed the information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable).
Balance	This Report provides an unbiased picture of our performance during the Reporting Period, and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.
Consistency	There is no difference in the preparation of the ESG report compared to that of the previous years. In the future, if there are any changes to the statistical methods or KPIs or any other relevant factors that affect meaningful comparison, we will make clear explanation in future report.

### SCOPE OF THE REPORT

The time frame of this Report covers the period from 1 January 2021 to 31 December 2021 (the “**Reporting Period**”). Unless otherwise stated, the scope of this Report is consistent with the scope covered by the Group’s annual report during the Reporting Period. The scope of data for environmental KPIs covers the Group’s headquarters and the three universities operated by the Group, namely Dalian Neusoft University of Information (“**Dalian University**”), Chengdu Neusoft University (“**Chengdu University**”) and Neusoft Institute, Guangdong (“**Guangdong University**”).

### LANGUAGE OF THE REPORT

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

### APPROVAL OF THE REPORT

This Report has been considered and approved for issue by the board of directors of the Group (the “**Board**”) on 30 May 2022.

## ABOUT THIS REPORT

### **PUBLICATION OF THE REPORT**

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

### **FEEDBACK ON THE REPORT**

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

Address: No. 8, Software Park Road, Ganjingzi District, Dalian, Liaoning Province, China

E-mail: [IR@neuedu.com](mailto:IR@neuedu.com)

Tel: +86-0411-82379616

# 1. ABOUT US

## 1.1 OUR INTRODUCTION

Headquartered in Dalian, Neusoft Education is a leading IT higher education group in China. Over the past 22 years, we have been focusing on value creation for learners based on full-time formal higher education, integrated online and offline operations, vigorously expanded two major businesses, namely continuing education and education resources and apprenticeship programme, and established an education service ecosystem with three major business segments supporting each other and coupling and interacting with each other, and strived to become the leader of digital talent education services in the PRC.

### Full-time Formal Higher Education

As the largest IT solution and service provider in the PRC, Neusoft has realised the gap between talent training in universities and talent demand in IT industry in its rapid development process. The serious imbalance between supply and demand in IT talent has given birth to Neusoft's dream of running a school. Relying on Neusoft's strong industrial gene and technological resources, since 2000, three IT application-oriented undergraduate universities, namely Dalian University, Chengdu University and Guangdong University, have been established in Dalian of Liaoning, Chengdu of Sichuan, and Foshan of Guangdong, respectively, with new system and mechanism, high starting point and high standard. After more than 20 years of school running, we have built an application-oriented school-running system that integrates industry and education, formed an operation mechanism of school-enterprise cooperation and win-win cooperation, creatively proposed and implemented the TOPCARES integrated talent training model, created the SOVO innovation and entrepreneurship education system that is famous nationwide with Neusoft Education's characteristics, built a university science park that deeply integrates industry, university and research, adopted an efficient and shared group management model, and promoted the three universities to achieve leapfrog development. Now there are more than 45,000 full-time students and more than 100,000 graduates of bachelor degree programmes and junior college diploma programmes, making positive contributions to promoting the development of IT industry in China.

### Continuing Education

Relying on Neusoft's industrial practice of "IT + Healthcare Technology" and the experience in application-oriented education accumulated by the three universities, we have built a special continuing education service system supported by bases in Dalian, Chengdu and Foshan, and has vigorously developed a hybrid lifelong education model that integrates online and offline operations. Firstly, with the support of the three universities, we actively provide formal continuing education services such as high school-to-adult junior college transfer programmes<sup>1</sup>, junior college-to-adult bachelor degree transfer programmes<sup>2</sup> and online adult education programmes with more than 9,000 students currently enrolled. Secondly, we undertake all kinds of non-academic short-term training services entrusted by government, enterprises, colleges and universities, and have obtained more than 50 national, provincial and municipal training qualifications, with our businesses covering the Ministries of Education, Human Resources and Social Security, Industry and Information Technology and all levels of governmental departments, and enterprises in industries such as finance, construction and energy, in 19 provinces and cities nationally. Thirdly, we carry out IT industry skills training business, employment consultancy, employment referral and other diversified services for college students, graduates and individual social students to accurately improve the employment competitiveness of trainees, thus building our good brand recognition and market competitiveness.

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<sup>1</sup> High school to adult junior college transfer programmes

<sup>2</sup> Junior college to adult bachelor degree transfer programmes

## 1. ABOUT US

### Education Resources and Apprenticeship Programme

By adhering to the concept of “empower the reform of education with technology, empower students with innovative education”, we focus on the fields such as educational research, scientific and technological problem tackling, and product development, and have built a high-level research and development team with rich experience. We will continue to digitize, productize and platformize leading educational concepts, methods, models, systems and standards and empower the reform and development of general undergraduate and vocational colleges in the form of joint establishment of academic majors and industrial colleges, smart education platform and teaching resources and practical training laboratory solutions. Meanwhile, in order to meet the engineering environment requirements of the cooperative colleges and universities for talent cultivation and the demand of local governments for talents in the development of regional economic and social development and to effectively improve the professional practice capabilities of our students, we have developed a complete talent ecological chain from customized cultivation of college students, centralized training and post internship to talent output based on our “Apprenticeship Programme”. Since 2017, our educational resource services have been successfully applied to more than 400 universities and vocational colleges, including several “double first-class” universities and vocational education schools under the “Construction Plan of High-level Vocational Colleges & Majors with Chinese Characteristics”.

### 1.2 HONORS AND AWARDS

The Group has always attached great importance to the environmental, social and governance work, actively responded to the national “14th Five-Year” plan, and proactively addressed the climate change, so as to contribute to the promotion of green development. In 2021, Neusoft Education won the Annual Social Responsibility Excellence Award in the selection of “ESG Pioneer 60” initiated by Shanghai United Media Group and Jiemian News (界面新闻), which fully demonstrated the corporate social responsibility and the core competitiveness of enterprises in the era of “carbon neutrality”.



## 1. ABOUT US

In addition, in 2021, with its first-class education services, high-quality educational resources and social responsibility for public welfare and charity, Neusoft Education has won many awards and has been highly recognised and praised by all sectors of society.

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

<b>Time</b>	<b>Honors and Awards</b>
January 2021	Dalian University was awarded the 2020 "China's Typical Demonstration University in Innovation and Entrepreneurship" and 2020 "China's Typical Demonstration Base in Innovation and Entrepreneurship" by China Internet News Center;
April 2021	Dalian University was awarded one of the "Top 10 Science and Technology Advances and Nominated Projects of Higher Education Institutions in Liaoning Province" and one of the "Top 10 Projects for Transformation of Science and Technology Achievements of Higher Education Institutions in Liaoning Province" and was the only private university to be selected in Liaoning Province;  Dalian University ranked third among all private universities across the country and the first in Liaoning Province in "Best China's Private Universities Ranking of Shanghai Ranking"
May 2021	Ningbo Wanli Neuedu Execution Centre for Apprenticeship Programme was awarded an outstanding case of "Training Base for Industry-Education Integration" by the MOE;
June 2021	Neusoft Education obtained the qualification of Liaoning Province Vocational Skills Training Demonstration Base (遼寧省職業技能培訓示範基地); Neusoft Education was awarded "Best Service Supporting Unit in Liaoning Software Industry in Two Decades" by Liaoning Software Industry Association;
July 2021	Neusoft Education became a Social Training Evaluation Organization for Vocational Skill Level Recognition in Liaoning Province; Neusoft Education formally became a cooperation entity of Ministry of Industry and Information Technology in the Vocational Skills Enhancement Project;
October 2021	Neusoft Education became an online training cooperation entity of Ministry of Industry and Information Technology for technically skilled talents;
November 2021	Neusoft Education Technology Group has become a council member of China Education Society of Electronics;

## 1. ABOUT US

Time	Honors and Awards
December 2021	<p>Neusoft Education was awarded 2021 ESG Pioneer 60 “Annual Social Responsibility Excellence Award”;</p> <p>Neusoft Education was elected as the vice president entity of the “The Belt and Road” Vocational Education Alliance in three provinces and one autonomous region in northeastern China;</p> <p>Neusoft Education (9616.HK) was awarded the “Most Valuable Education Company” award by Zhitong Finance. Tonghuashun Finance at the “2022 Global Investment Trends Forum and the 6th Golden Hong Kong Stock Awards Ceremony” held in Shenzhen;</p> <p>The number of users of “Neusoft Education Online” exceeded 500,000 and the platform was successfully selected as one of the 100 high-quality online vocational skills training platforms and digital resources recommended by the MHRSS;</p> <p>Awarded the “Best Investment Value Award” (「最具投資價值獎」) in China Finance Awards in 2021 by the financial magazine China Financial Market.</p>

The following are the educational and teaching achievements obtained by the Group during the Reporting Period:

Time	Educational and Teaching Achievements
August 2021	2021 Neuedu Smart Laboratory Solution of “Industry Education Integration and Intelligent Experiment” was launched online to help the institutions to solve the sore points and problems existing in practical teaching, so as to realise the leading and empowering of the new round of practical teaching reform;
September 2021	Guangdong University won the first prize of Guangdong Education and Teaching Achievement Award (Higher Education Category) in 2021;
November 2021	Four courses of Chengdu University are recognised as provincial-level first-class undergraduate courses;
December 2021	<p>Dalian University ranked first in China once again in the “Private and Independent College” Teacher Teaching Development Index (「民辦及獨立學院」教師教學發展指數) (2021 Edition), and has been in the first place of the rankings for three consecutive years following its first top ranking in 2019;</p> <p>In 2021 World’s Universities with Real Impact Ranking (2021年真實影響力世界大學排名) published by the Hanseatic League of Universities, Dalian University featured itself in Global Top 100 Innovative Universities for the first time, together with Tsinghua University, Peking University, Cheung Kong Graduate School of Business, Beijing Normal University, Beijing Technology and Business University and The Hong Kong University of Science and Technology.</p>

## 2. SUSTAINABILITY GOVERNANCE

### 2.1 STATEMENT OF THE BOARD

The Group has established the ESG Committee. Under the leadership of the Board of Directors, the ESG Committee has formulated the Group's strategic planning and institutional policies in environmental, social and governance aspects, promoted the effective implementation of the strategic planning and various policies in the Group, and continuously improved the Group's environmental, social and governance level and performance. The Board assumes full responsibility for the Group's ESG strategies and reporting.

During the Reporting Period, the Group conducted a materiality assessment to identify and prioritise material ESG issues in order to formulate appropriate ESG approaches and strategies. We identify and assess material ESG risks (including climate-related risks) that may have an impact on us based on our Comprehensive Risk Management Manual, and we have formulated the Internal Control Management Manual and relevant responding systems to manage these risks<sup>3</sup>. We have set a number of ESG-related goals and formulated relevant systems and measures to achieve these goals. We also regularly review the targets set and review the implementation progress of various environmental objectives. We will explore more opportunities for energy conservation and emission reduction.

### 2.2 SUSTAINABILITY GOVERNANCE STRUCTURE

The aforementioned ESG Committee is chaired by WANG Weikun, the senior vice president of the Group, with HE Jing, the secretary of the Group and the head of the office of the board of directors (董事會辦公室主任) as the vice chairman, and members include the heads of various departments, so as to ensure that employees with different professional backgrounds are covered and can plan the Group's ESG work from various perspectives. The ESG Committee reports regularly to the Board on the status of the Group's ESG efforts and related risks and, under the leadership of the Board, promotes the implementation of ESG policies, measures and efforts across the Group.

### 2.3 PROMOTING STAKEHOLDERS' INVOLVEMENT

Maintaining close communication with stakeholders and engaging them in our daily operations have a profound impact on the Group's sustainability governance. This is not only an effective way to listen to the opinions on sustainable development governance, but also an effective way to enhance stakeholders' understanding of our strategies and initiatives. It is also an important part of practicing sustainable development governance. We maintain close contact with stakeholders such as investors/shareholders, teachers/employees, students/parents, business partners, suppliers, government/regulatory authorities, alumni, community/non-governmental organisations, the general public and the media through various communication channels, such as regular results announcement conferences, regular employee communication meetings and seminars, and on-site inspections by the government, regulatory authorities and partners, to understand their expectations and demands on the ESG aspects of the Group so as to continuously optimise our sustainable management and enhance our sustainable development performance.

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<sup>3</sup> For the identification, assessment and management of significant ESG risks and climate-related risks, please refer to "4.1 Comprehensive Risk Management" and "6.5 Responding to Climate Change"

## 2. SUSTAINABILITY GOVERNANCE

Major stakeholders	Key focus areas	Main communication channels
<b>Investors/shareholders</b>	<p>Compliant and stable operation</p> <p>Publication of information</p> <p>Results performance</p> <p>Corporate image</p>	<ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Results announcement</li> <li>• Investor conference</li> <li>• Teleconferences/web conferences</li> <li>• Interim report and annual report</li> <li>• Shareholder visits</li> </ul>
<b>Teachers/employees</b>	<p>Career development</p> <p>Employee remuneration and benefits</p> <p>Healthy and safe working environment</p>	<ul style="list-style-type: none"> <li>• Channels for employees to express their opinions (e.g. forms, suggestion boxes, emails, etc.)</li> <li>• Work performance evaluation and interview</li> <li>• Employee communication meetings</li> <li>• Training</li> <li>• Business briefings</li> <li>• Volunteer activities</li> <li>• Special advisory committees/special discussion panels</li> <li>• Seminars/workshops/talks</li> </ul>
<b>Students/parents</b>	<p>Education service quality</p> <p>Healthy and safe Campus</p> <p>Teaching resources</p> <p>Teacher qualification</p> <p>Student employment rate</p>	<ul style="list-style-type: none"> <li>• Satisfaction survey</li> <li>• Supervisory feedback</li> <li>• Regular visits</li> <li>• Parents' meetings</li> <li>• Students' symposium</li> <li>• Online platforms (e.g. WeChat group, QQ group, etc.)</li> <li>• Phone calls, emails, face-to-face meetings, etc.</li> </ul>
<b>Business partners</b>	<p>Education service quality</p> <p>Compliant and stable operation</p> <p>Business growth</p>	<ul style="list-style-type: none"> <li>• Strategic partnership projects</li> <li>• Cooperation meetings</li> <li>• Exchange activities</li> <li>• Visits</li> <li>• Talks</li> <li>• Phone calls, emails, visits, etc.</li> </ul>

## 2. SUSTAINABILITY GOVERNANCE

Major stakeholders	Key focus areas	Main communication channels
<b>Suppliers</b>	Fair and impartial purchasing procurement Business growth	<ul style="list-style-type: none"> <li>• Supplier management procedures</li> <li>• Meetings (e.g., negotiation meetings between parties)</li> <li>• Supplier/contractor review and evaluation</li> <li>• Site visits</li> <li>• Tendering activities</li> <li>• Phone calls, emails, etc.</li> </ul>
<b>Government/regulatory authorities</b>	Compliant operation Education service quality Teacher qualification	<ul style="list-style-type: none"> <li>• Consultation</li> <li>• Talks</li> <li>• School assessment</li> <li>• School visits</li> <li>• Meetings</li> <li>• Compliance reports</li> <li>• Annual inspection, audit, etc.</li> </ul>
<b>Alumni</b>	School reputation School development	<ul style="list-style-type: none"> <li>• Media information</li> <li>• School websites</li> <li>• Alumni events</li> <li>• Official media (e.g. official accounts, video accounts, etc.), phone calls, emails</li> </ul>
<b>Community/non-governmental organisations</b>	Promote community development Participation in public charity Environmental protection	<ul style="list-style-type: none"> <li>• Public welfare activities</li> <li>• Donations</li> <li>• Education fund/scholarship</li> <li>• Community events</li> <li>• Talks/workshops</li> </ul>
<b>General public</b>	Education service quality Teaching resources Information transparency	<ul style="list-style-type: none"> <li>• Media information</li> <li>• Official website</li> <li>• Education fair</li> <li>• Public announcements (e.g. teaching quality reports), official media, phone calls, emails</li> </ul>
<b>Media</b>	Corporate image Results performance	<ul style="list-style-type: none"> <li>• Press releases</li> <li>• News</li> <li>• Senior management interview</li> <li>• Results announcement</li> <li>• Media gatherings</li> </ul>

## 2. SUSTAINABILITY GOVERNANCE

### 2.4 MATERIALITY ASSESSMENT

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

#### Steps of materiality assessment during the Reporting Period

**1. Identify key stakeholders and important ESG issues**

We identified key stakeholders based on our Business Operation, the degree of interaction between our stakeholders and us, and other factors. By considering our business development direction and operations, we identified 28 potentially important ESG issues with reference to the Guide of the Hong Kong Stock Exchange and the materiality map of the Sustainability Accounting Standards Board (SASB).

**2. Stakeholders' participation in questionnaires or interviews**

During the Reporting Period, we conducted questionnaire surveys or interviews with students/parents, teachers/employees, investors/shareholders, government/regulatory authorities, business partners, suppliers, communities/non-governmental organizations and other stakeholders to understand their concerns and appeals on the Group's ESG issues.

**3. Analysis of important ESG issues**

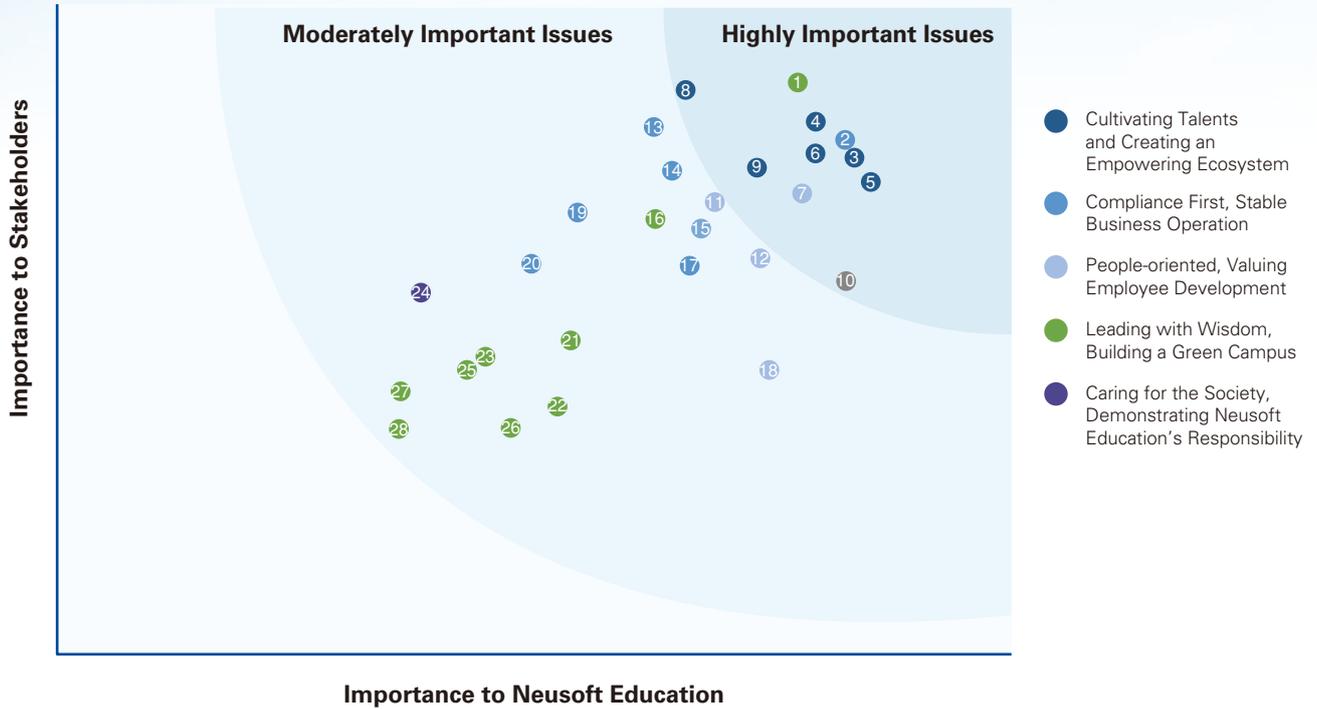
Based on the results of the questionnaire surveys and interviews, we conducted materiality assessment based on two dimensions, namely the importance to stakeholders and the importance to the Group's development, prioritized important ESG issues to form a materiality matrix, and finally determined 10 highly important issues and 18 moderately important issues.

**4. Determination of the results of material ESG issues**

The management of the Group confirmed the materiality assessment results of ESG issues and discussed and analysed the key concerns of stakeholders to adjust the Group's sustainable development strategy accordingly.

## 2. SUSTAINABILITY GOVERNANCE

### Materiality matrix for ESG issues in 2021



Based on the results of the materiality matrix, Neusoft Education has identified the direction of important ESG issues, including "Cultivating Talents and Creating an Empowering Ecosystem", "Compliance First, Stable Business Operation", "People-oriented, Attaching Importance to Staff Development", "Leading with Wisdom, Building Green Campus" and "Caring for the Society and Demonstrating Neusoft Education's Responsibility". This Report will focus on these five aspects to reflect our ESG focuses and contributions.

## 2. SUSTAINABILITY GOVERNANCE

<b>Highly important ESG topics</b>		<b>Relevant sections</b>
1	Health and safety of students	Leading with Wisdom, Building Green Campus
2	Compliance operation	Compliance First, Stable Business Operation
3	Advanced teaching concepts and methodology	Cultivating Talents and Creating an Empowering Ecosystem
4	Abundant and quality educational resources	Cultivating Talents and Creating an Empowering Ecosystem
5	Quality control of teaching services	Cultivating Talents and Creating an Empowering Ecosystem
6	Investment in research and development	Cultivating Talents and Creating an Empowering Ecosystem
7	Health and safety of staff	People-oriented, Valuing Employee Development
8	Communication and complaint handling of students, parents and customers	Cultivating Talents and Creating an Empowering Ecosystem
9	Students' growth	Cultivating Talents and Creating an Empowering Ecosystem
10	Employment quality of students	Cultivating Talents and Creating an Empowering Ecosystem

<b>Moderately important ESG topics</b>		<b>Relevant sections</b>
11	Qualifications and professional conduct of teachers	People-oriented, Valuing Employee Development
12	Protection of employment rights and welfare	People-oriented, Valuing Employee Development
13	Protection of intellectual property right	Compliance First, Stable Business Operation
14	Brand promotion and corporate culture	Compliance First, Stable Business Operation
15	Innovation and smart teaching	Cultivating Talents and Creating an Empowering Ecosystem
16	Smart campus and green office	Leading with Wisdom, Building Green Campus
17	Anti-corruption	Compliance First, Stable Business Operation
18	Employee training and development	People-oriented, Valuing Employee Development
19	Responsible supply chain management	Compliance First, Stable Business Operation
20	Information and privacy protection	Compliance First, Stable Business Operation
21	Waste management	Leading with Wisdom, Building Green Campus
22	Pollution reduction and emission reduction	Leading with Wisdom, Building Green Campus
23	Consumption and efficiency of water resource	Leading with Wisdom, Building Green Campus
24	Involvement in welfare and charity	Caring for the Society and Demonstrating Neusoft Education's Responsibility
25	Greenhouse gas emission management	Leading with Wisdom, Building Green Campus
26	Energy consumption and efficiency	Leading with Wisdom, Building Green Campus
27	Use of resources and materials	Leading with Wisdom, Building Green Campus
28	Responding to climate change	Leading with Wisdom, Building Green Campus

## 3. CULTIVATING TALENTS AND CREATING AN EMPOWERING ECOSYSTEM

### 3.1 INNOVATIVE EDUCATION METHOD THAT LEADS THE CULTIVATION OF DIGITAL TALENTS

From the theory of construction and cognitive development, and combining the result-oriented engineering education concept (OBE), we take student development as the center, internalize and calibrate the results of international engineering education reform, creatively propose TOPCARES methods, and fully implement the TOPCARES<sup>4</sup> integrated talent training model. Based on the eight abilities represented by “TOPCARES”, we have built a talent training indicator system consisting of 8 first-level indicators, 34 second-level indicators and 126 third-level indicators. The talent training objectives are decomposed and implemented in each course, project, activity and experiment to ensure that all educational activities and teaching processes can effectively implement our unique educational philosophy, thereby supporting the integrated development of students’ knowledge, ability and quality. At present, the TOPCARES methodology has been applied to the education and teaching process of all majors in our three universities, which plays an important role in improving the overall quality of students and achieving high-quality employment and entrepreneurship.

We continued to promote the iteration and upgrading of TOPCARES, and optimized and updated TOPCARES methodology by combining the new requirements of the Party and the country for the cultivation of application-oriented innovation-minded talents in the new era and the new needs of digital economy development for the knowledge, ability and quality of talents while learning new standards and new cases of talent cultivation at home and abroad, so as to promote the comprehensive growth of students’ morality, intelligence, physical fitness and beauty, and better adapt to future development. At the same time, we actively integrate advanced education theories and research results, continuously theorize, systemize and generalize the reform and practical experience of Neusoft Education in over 20 years, and further summarize and practice the education methods of TOPCARES to form a complete theoretical and practical system, so that it can not only guide the reform and development of education and teaching in the three universities, but also provide useful reference for the cultivation of application-oriented talents in more colleges and universities, and truly promote the reform and innovation of digital talent cultivation.

### 3.2 STRONG TECHNOLOGY RESEARCH AND DEVELOPMENT CAPABILITIES TO FACILITATE INTELLIGENT EDUCATION INNOVATION

Adhering to the concept of “technology empowers education reform, and education creates value for students”, we continue to focus on the integration of new generation information technology and education, pay attention to scientific and technological innovation and investment in research and development, and actively carry out the research and development and application of artificial intelligence, big data, cloud computing and other technologies in the field of education with an important orientation of promoting the informatisation, digitisation and intelligence of education, so as to provide strong support for smart teaching and management of colleges and universities.

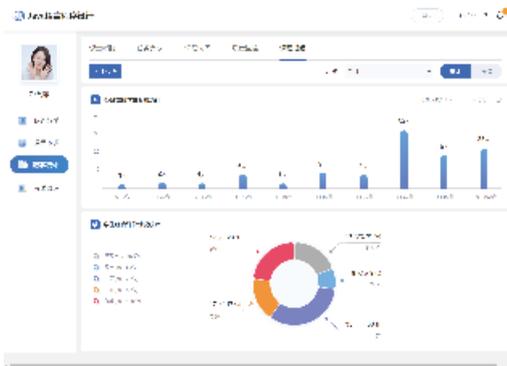
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<sup>4</sup> TOPCARES is the first alphabetic combination of eight first-level competence indicators, namely: students’ Technical knowledge and reasoning ability, Open thinking and innovation, Personal and professional ability, Communication and teamwork, Attitude and manner, Responsibility, Ethical values, Social value created by application practice. The integrated and synchronous cultivation of these eight capacity indicators fully reflect our “maximum care” for students (TOPCARES)

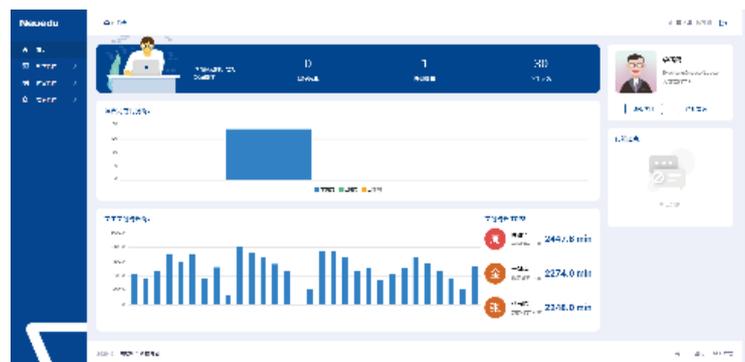
### 3. CULTIVATING TALENTS AND CREATING AN EMPOWERING ECOSYSTEM

We have established a high-level research and development team with rich experiences in the fields of educational research, technological research and product development. In the field of education research, we pay close attention to the two-way integration of information technology and education, continue to optimize and innovate on education concepts, methods, models, systems and standards, and provide theoretical support for product research and development. In the field of scientific and technological research, we focus on key core technologies and form a strong coupling and interactive linkage with product research and development. In the field of product research and development, we have built an online education resource and platform product system for service hybrid teaching scenarios by digitalizing, platforming and productizing Neusoft Education’s featured education concepts, methods, models and systems.

In 2021, we developed nine platform system products, including Neuedu Smart Teaching Platform, Neuedu Practical Teaching Management System, Smart Learning System, and Professional Assessment and Evaluation System, to help universities achieve digital and intelligent teaching and management. In response to the urgent demand of many schools for practical teaching products in emerging technology fields such as artificial intelligence and big data, we also launched 8 sets of experimental training room solutions and supporting educational teaching content and resources according to the actual development process and scenarios of the enterprise, ensuring the efficient development of practical teaching activities. In addition, we have also optimised and upgraded a full set of educational resources for 8 majors, including Internet of Things engineering, software engineering and digital media technology, and newly-developed education and teaching resources for 9 emerging majors, including artificial intelligence, big data management and application, intelligent science and technology, whereby forming a comprehensive education and teaching resource system consisting of 176 standardized professional courses and 1,082 1–5 level systematic experimental projects.



**Smart Teaching Platform**



**Cloud-based Laboratory Platform**



**Engineering Education Certification Supporting System**



**Professional Assessment and Evaluation System**

### 3. CULTIVATING TALENTS AND CREATING AN EMPOWERING ECOSYSTEM

#### 3.3 FIRST-CLASS EDUCATION SERVICES AND BUILDING A COUPLING ECOSYSTEM

##### 3.3.1 Continue to create student value with high-quality full-time formal higher education

**Focusing on IT + HT fields to create advantageous majors and serve students' life-long development.** In the field of national strategic emerging industries, in 2021, Dalian University added 1 undergraduate major and 3 vocational undergraduate majors, Chengdu University added 4 undergraduate majors, and Guangdong University added 3 undergraduate majors, including virtual reality technology, artificial intelligence, big data management and application, all of which are popular majors urgently needed for the development of China's digital industry. The professional settings that meet market demand and good brand reputation have also attracted more and higher quality students. In 2021, the total number of students enrolled in the three universities was over 15,000, representing a year-on-year increase of approximately 18%, and the average registration rate of the junior college was approximately 90%. The highest admission scores of science/physics majors of Dalian University, Chengdu University and Guangdong University were higher than 158, 120 and 78, the provincial control lines of the provinces where they are located, and the highest scores of culture/history majors were higher than 70, 39 and 46, the provincial control lines of the provinces where they are located.

**Continuing to focus on industry-education integration and ensure the improvement of students' abilities.**

Leveraging upon Neusoft's leading position in the industry, we have the natural advantages of close connection with industrial needs and industrial development, through which we have built a school running system that integrates industry and education and is application-oriented, formed a school-enterprise cooperation and collaborative win-win operation mechanism, and carried out extensive and effective cooperation with well-known enterprises in the industry such as Accenture and Alpine to ensure that enterprises can deeply participate in the whole process of talent training such as major construction, training program demonstration, curriculum construction, teaching development and experimental training of schools. In 2021, the three universities obtained a total of 82 industry-university cooperation collaborative education programs from the Ministry of Education, and more than 2,000 students were despatched to school-enterprise practical training bases to accept the practical training. In 2021, Dalian University ranked third in China with 49 school-enterprise cooperation projects, and was also the private college with the largest number of school-enterprise cooperation projects in China.

**Encouraging students to participate in competitions and exchange activities to broaden their professional horizons.**

In order to better apply majors and improve professional skills, the three universities actively support students to participate in various academic competitions, and carry out same-stage competition, learning and exchanges with college students at home and abroad to fully demonstrate the professional style of the students from Neusoft Education. In 2021, students from the three universities won nearly 2,800 provincial-level third-level or above awards in various academic competitions, including more than 1,000 national awards. At the same time, the three universities also actively cooperated with internationally renowned universities to provide a good platform and environment for students to broaden their international horizons. In 2021, the three universities cooperated with 19 universities in Hong Kong, Macao and Taiwan and abroad that are listed in ARWU TOP500. Currently, there are more than 130 international cooperation projects accumulatively.

### 3. CULTIVATING TALENTS AND CREATING AN EMPOWERING ECOSYSTEM

**Helping students to start their career and entrepreneurship through the TOPCARES integrated training model.** TOPCARES methodology has been applied in the education and teaching process of all of our majors, which has played an important role in improving the overall quality of students and achieving high-quality employment and entrepreneurship, thus bringing good returns to their families and ultimately creating social value. As of 31 December 2021, the employment rate of fresh graduates of the three universities in 2021 exceeded 90%, and the average employment salary was higher than the same period of last year. Outstanding graduates were employed by well-known enterprises such as Accenture, Tencent, Lenovo, Baidu, Netease, KPMG and Neusoft Corporation. In addition, we integrated innovation and entrepreneurship education into the whole process of talent training, and built an advanced practice platform of “universal education of innovation and entrepreneurship + innovation and entrepreneurship project implementation + virtual company operation + entrepreneurship results incubation”. In 2021, nearly 6,000 students from the three universities participated in the SOVO entrepreneurship project and successfully incubated 74 virtual companies and 62 physical companies. In the University Students Innovation and Entrepreneurship Training Program in 2021, the three universities were awarded 140 national projects and 327 provincial projects. In September 2021, in the “Ranking of Top 300 Private Universities with Innovation and Entrepreneurship Competitiveness in China • 2020 List” (中國民辦大學創新創業競爭力排行榜300強 • 2020榜單) officially released by Entrepreneurship Times (創業時代網), Dalian University ranked fifth nationwide in the comprehensive ranking list, hitting a record high.

#### 3.3.2 Leveraging on featured continuing education services to help build a learning society

**High-quality academic continuing education meets the academic improvement needs of learners.** In order to meet the needs of a growing number of people in the society to improve their academic qualifications, we leverage the proprietary learning platform of Neusoft Education, actively rely on the undergraduate and junior college major resources, teaching facilities and teaching teams of the three universities to carry out our academic continuing education business such as high school-to-adult junior college transfer programmes, junior college-to-adult bachelor degree transfer programmes and other academic continuing education businesses through the scientific planning and reasonable allocation of educational and teaching resources of various colleges and universities. As of 31 December 2021, the number of new students enrolled in formal continuing education reached a record high, with a total of 5,565 students enrolled, representing an increase of 81% as compared to 2020; the number of students enrolled reached 9,130, representing an increase of 33.3% as compared to that in the same period of last year, and the business scale continued to expand.

**Online and offline integrated 2C training meets the needs of learners for improving their skills.** The introduction and continuous learning of IT practitioners require a high level of professional training services. In order to meet the differentiated needs of different learners, we have developed multiple types and periodic classes to provide online and offline training and employment support services for students in popular IT technologies such as JAVA, artificial intelligence, Python, and BPO. In 2021, a total of 14,388 students were recruited, and the recommended employment rate reached 97%. Some outstanding students were successfully employed by Accenture (China) Co., Ltd. (埃森哲(中國)有限公司), Sinosoft Company Co., Ltd. (中科軟科技股份有限公司), ThunderSoft Technology Co., Ltd (中科創達軟件股份有限公司) and Beijing Kelan Software System Co., Ltd (北京科藍軟件系統股份有限公司) after systematic training and employment election.

### 3. CULTIVATING TALENTS AND CREATING AN EMPOWERING ECOSYSTEM

**We meet the training needs of various social organizations with standardized and high-quality 2B training.** In order to better serve the development of employees in different organizations, and leveraging on the rich qualifications of training bases, we actively carry out professional ability improvement and enterprise practice training for teachers in the education system, vocational skills training in the human resources system, and employee training and party building training for enterprises. The existing institutional customers cover government departments at all levels such as education and human resources and social security, as well as enterprises in finance, construction, energy and other industries. In 2021, we newly obtained three national, 7 provincial and 7 municipal training qualifications and carried out 99 training programs, covering 8,861 trainees. This business has covered 19 provinces, municipalities and autonomous regions including Anhui, Zhejiang and Yunnan.

#### 3.3.3 Empowering the reform and development of colleges and universities with first-class educational resources

**Facilitating the reform and development of schools with quality education resources.** We continue to digitalize, platformize and productize the educational concepts, methods, models, systems and standards of the three universities after practical verification, and empower the cooperative colleges and universities to reform their education and teaching and cultivate innovative talents by means of joint establishment of majors and industrial colleges, smart education platforms and teaching contents, and experimental training room solutions. In 2021, our joint establishment of majors and industrial colleges business expanded to 18 provinces, municipalities and autonomous regions, with 73 cooperative colleges and universities. Nearly 300 projects for joint establishment of majors were carried out, covering 21,156 students. We have established Neuedu Modern Industrial College (東軟現代產業學院) jointly with Meizhouwan Vocational Technology College (湄洲灣職業技術學院), with 948 new students enrolled and an attendance rate of 96%. Neuedu Information Industrial College (東軟信息產業學院) jointly established by us and Yunan Technician College (雲南技師學院), or Yunan Industry and Trade Vocational College (雲南工貿職業技術學院) achieved simultaneous cooperation with three sessions of students synchronously in the first year and the number of cooperative students reached 822. The software college jointly established by us and Dalian University of Technology, Northeastern University and China University of Petroleum was approved as one of the first characteristic demonstration software colleges in China. Artificial Intelligence Industry College (人工智能產業學院) jointly established by us and Nanjing University of Information Science & Technology and Intelligent Software College (智慧軟件學院) jointly established by us and Guangzhou University was rated as a national modern industry college. In addition, we also offered 65 education and teaching platform systems and 15 laboratory products to 59 institutions, providing strong support for the digital and intelligent teaching and education management of colleges and universities.

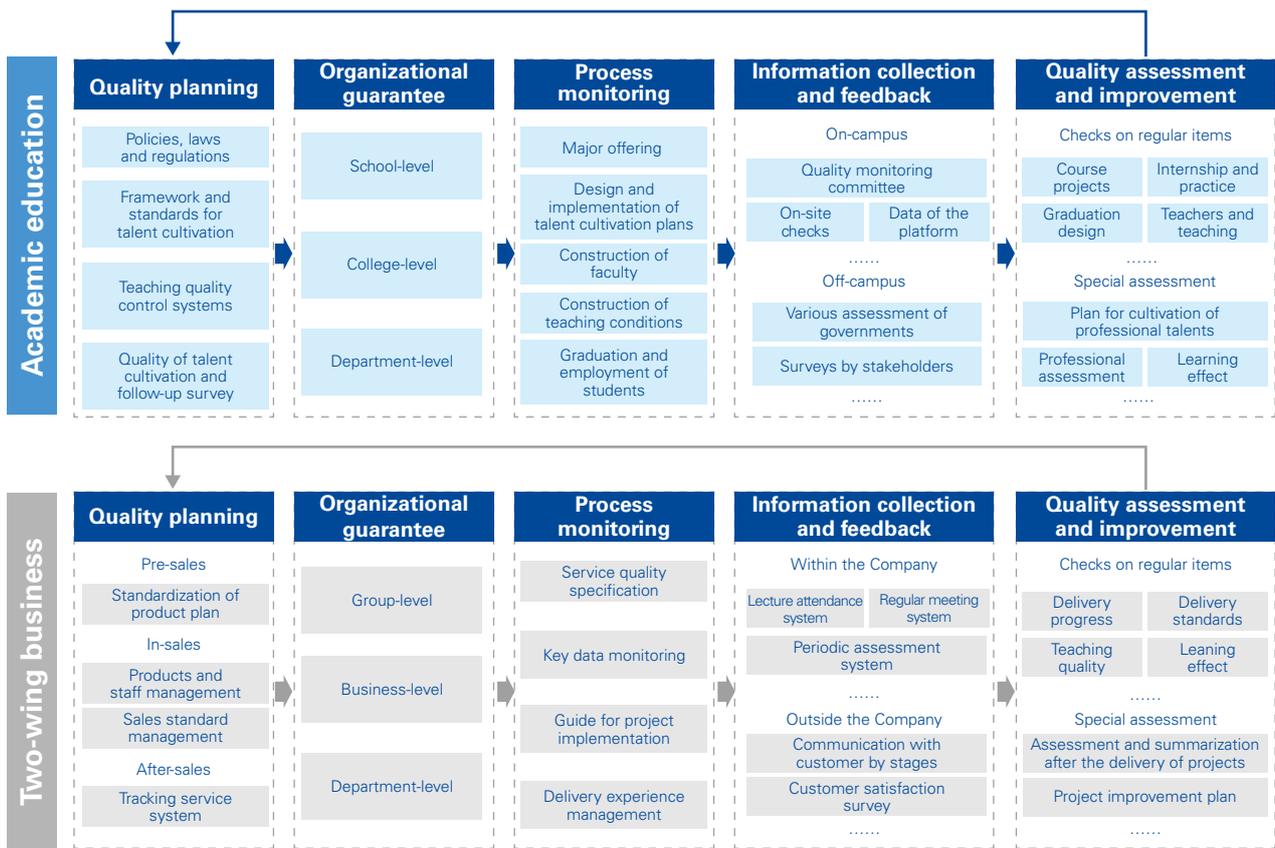
**Creating a win-win ecosystem for the government, schools and enterprises with an innovative apprenticeship platform.** In order to meet the needs of cooperative colleges and universities for the engineering environment of talent training and the needs of local governments for talents in regional economic and social development, and effectively expand student employment channels, we have built a complete talent ecological chain from customized training, centralized training, on-the-job internship to talent output based on the “apprenticeship programme”. Through our delivery centres and cooperative enterprises in various regions across the country, we provide students of cooperative colleges with a common simulation or real engineering environment, and also provide talent support services for cooperative enterprises and regional economic development. We have built a benign ecosystem of win-win cooperation among schools, enterprises and governments, students, teachers and engineers. We strive to promote the transformation of the apprenticeship programme model and build an apprenticeship programme training base with the government. We will use our self-developed online training project resources to gradually replace the project development and training with the direct participation of engineers. As of 31 December 2021, there were nine jointly-built apprenticeship programmes, presenting over 60%. In 2021, Ningbo Wanli Neuedu Apprenticeship Programme (寧波萬里東軟數字工場) located in Ningbo, Zhejiang was credited as an excellent case in the “Training Base for Industry-Education Integration” (產教融合實訓基地) by the Ministry of Education.

### 3. CULTIVATING TALENTS AND CREATING AN EMPOWERING ECOSYSTEM

#### 3.4 STRICT QUALITY CONTROL TO ENSURE THE QUALITY OF EDUCATION SERVICES

##### 3.4.1 Construction of quality assurance system

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



Note: Formal education refers to full-time formal higher education and formal continuing education; Two-wing business refers to 2B/2C training for continuing education, education resources output and apprenticeship programme.

### 3. CULTIVATING TALENTS AND CREATING AN EMPOWERING ECOSYSTEM

#### 3.4.2 Communicating with students, parents and customers

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

In addition, in order to protect the rights of students, we have established the “Student Complaints Handling Methods” and “Correspondence and Visit System”, allowing students to raise claims, opinions, proposals or complaints. When claims or letters and calls are received, we will handle such issues in compliance with the system and provide feedback. During the Reporting Period, we received 5 complaints from students in total, and we had provided feedbacks to all of the complaints with a resolution rate of 100%.

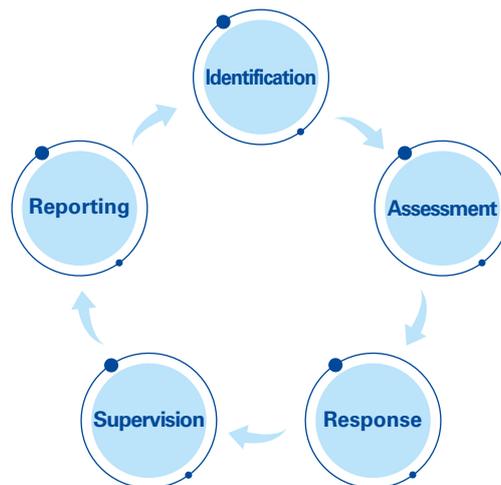
## 4. COMPLIANCE FIRST, STABLE BUSINESS OPERATION

### 4.1 COMPREHENSIVE RISK MANAGEMENT

We are fully aware that a sound, complete and effective risk management system contributes to the sustainable, healthy and stable development of the Group. We formulated the Comprehensive Risk Management Manual by adopting the Risk Management System of the Committee of Sponsoring Organisations of the Treadway Commission with reference to the actual situation of the Group, integrating risk management into our operation management to create and maintain corporate value.

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

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



## 4. COMPLIANCE FIRST, STABLE BUSINESS OPERATION

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

In order to conduct risk management in a more effective manner, we have formulated the Comprehensive Risk Management Manual with risk management as the core, which specifies the management objectives, management systems or related documents of various risks and provides guidance for risk management in order to strengthen the Group's risk prevention capabilities and provide reasonable protection for the Group's strategic development. We have identified and assessed environmental, social and governance risks in each business process that may have a significant impact on us in accordance with a comprehensive risk management process, including those related to environmental protection and resource conservation, human resources, students' safety, procurement, engineering projects, outsourcing, intangible assets, research and development, information systems, etc. In order to manage these environmental, social and governance risks, we have established and improved various management systems, management methods or management regulations. The identification, assessment and management of major climate-related risks will be described in "6.5 Responding to Climate Change" in this report.

## 4. COMPLIANCE FIRST, STABLE BUSINESS OPERATION

### 4.2 STRICT COMPLIANCE OPERATION

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

#### 4.2.1 Intellectual property management

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

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

In order to motivate teaching staff to carry out scientific research and enhance the scientific and technological research and development capability and service capability of the universities, we have formulated the Calculation Method for Scientific Research Workload and the Incentive Method for Significant Achievements to measure the scientific research capability of the staff and their contribution to scientific research, and to give rewards to them. Thereby, we encourage our staff to carry out high-level teaching and scientific research, achieve high-level results and enhance our overall competitiveness.

#### 4.2.2 Information release and brand management

In order to strengthen the brand management of Neusoft Education, ensure the accuracy, timeliness, completeness and effectiveness of information release, improve the Group's ability to prevent against brand risks, and at the same time promote the effective use of media resources and brand innovation, we have developed the "Compilation of Brand Management Systems of Neusoft Education Group" in accordance with the Advertising Law of the People's Republic of China and the "Regulations on the Administration of Internet Information Services", including the Management Systems for News and Information Release, the Management Systems for Brand Marketing Solutions, the Management Systems for Brand Event Planning, the Management Systems for Media Resources, the Management System for Milestones, the Management Systems for Public Sentiment and the Management Systems for Visual Image Identification System. The Brand Marketing Department of the President's Office of the Group is responsible for guiding, managing and supervising the brand promotion and news releases of universities and business units. Brand specialists designated by various departments, universities and business divisions of the Group are responsible for the specific planning and implementation of brand promotion and news releases under the guidance of the Brand Marketing Department of the President's Office of the Group, ensuring that the contents are correct without any errors when releasing information on respective websites or new media platforms. Important news and information to be released, especially those which involve emergencies or may arouse public sentiment, must be reviewed and checked by the heads of the various departments, universities and business units of the Group and reported to the Brand Marketing Department of the President's Office of the Group for review before being released.

## 4. COMPLIANCE FIRST, STABLE BUSINESS OPERATION

### 4.3 CLEAN CORPORATE CULTURE

Neusoft Education strictly abides by the Anti-unfair Competition Law of the People's Republic of China, the Anti-money Laundering Law of the People's Republic of China and other laws and regulations related to the prevention of bribery, extortion, fraud and money laundering. By following the principles of resolving both apparent and fundamental issues, comprehensive treatment, simultaneous punishment and prevention and emphasis on prevention, in accordance with the requirements for establishing a sound punishment and prevention system, we have formulated the Anti-Corruption, Anti-bribery, Compliance with Anti-Money Laundering and Economic Sanctions Legal Management System to build an incorruptible corporate atmosphere, guide all employees of the Group and the stakeholders to act in accordance with the law, conduct fair competition and be honest and trustworthy. Specifically, we have actively promoted anti-corruption, anti-bribery and anti-money laundering in commercial activities in the following aspects:

- In terms of employment management, we conduct strict qualification review and background investigation for newly recruited staff in positions prone to corruption, focusing on the inspection of personal conduct and past experience. Corrupt personnel will not be hired.
- In terms of code of conduct, we strictly forbid to use the influence of power and position to seek improper benefits, such as accepting gifts of goods, engaging in private fraud and accepting bribes in the business links of bidding, procurement, etc.; it is strictly forbidden to appropriate and embezzle our public property by violating the provisions of the financial management system; it is strictly forbidden to violate the regulations on selecting and appointing cadres.
- In terms of anti-corruption education, we provide new teachers with training on laws and regulations such as compliance, anti-corruption, case introduction and etc.; we also send related training materials of anti-corruption and anti-bribery to the directors and organise our employees to receive related training.
- In terms of prevention and supervision, the Audit and Supervision Department of the Group carries out investigations and studies, grasp the characteristics and laws of improper transactions and commercial bribery, study targeted and specific countermeasures and measures and implement various methods such as education and publicity, perfecting the system, reporting and monitoring, so as to effectively prevent typical, symptom and tendency problems; it identifies the key sections and focus areas of the businesses of the Group which are likely to give rise to fraud and conduct key audits; it return visits to suppliers, customers, etc. from time to time to find out whether relevant employees have corrupt behaviors in the process of cooperation.

In order to effectively prevent and punish all kinds of corruption and bribery and other violations of laws and regulations, we have also established the "Administrative Measures of Reporting and Monitoring". Any unit or individual can prosecute and expose to the Audit and Supervision Department of the Group by letter, email, telephone, visit and other channels if it/he/she discovers any act of violating the laws and disciplines that violates the Group's Code of Ethics or damages the interests of the Group. We will keep the personal information of the whistleblower and the content of the report strictly confidential, and any form of retaliation against the whistleblower is strictly prohibited. We will set up a project and initiate an investigation as soon as we receive a report to ensure that the reported event is dealt with in a timely and effective manner. For the violations of laws and regulations verified by the investigation, we will punish those responsible for violations of rules and disciplines in accordance with the relevant management systems of the Group; if the case constitutes an economic crime, we will refer them to the judicial authorities for criminal liability.

During the Reporting Period, the Group had no lawsuits involving corruption, bribery, extortion, fraud and other violations of laws and regulations.

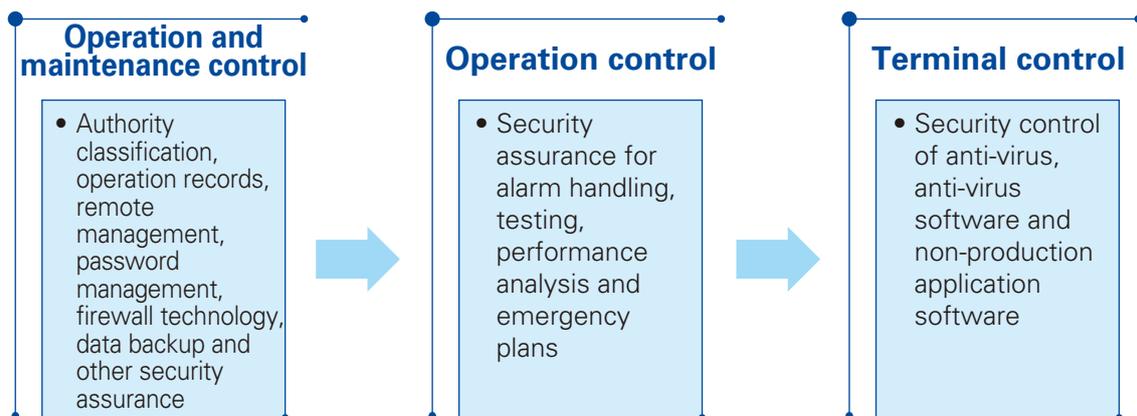
## 4. COMPLIANCE FIRST, STABLE BUSINESS OPERATION

### 4.4 INFORMATION AND PRIVACY PROTECTION

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

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

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



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

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

## 4. COMPLIANCE FIRST, STABLE BUSINESS OPERATION

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

- Strictly manage the carriers of confidential information. The production, receiving and sending, transmission, use, reproduction, preservation, maintenance and destruction of confidential information carriers shall be subject to the necessary approvals and records
- Standardize the management of the confidential information transmission process
- Standardize the management of office premises, and all visitors must register before entering
- All employees must sign a confidentiality agreement with the Group or relevant unit upon entry
- The news, communications, reports and other works or articles released by the Group to the public must not involve any secrets of the Group, and the relevant manuscripts must be subject to confidentiality review by the President's Office

### 4.5 SUSTAINABLE SUPPLY CHAIN MANAGEMENT

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

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



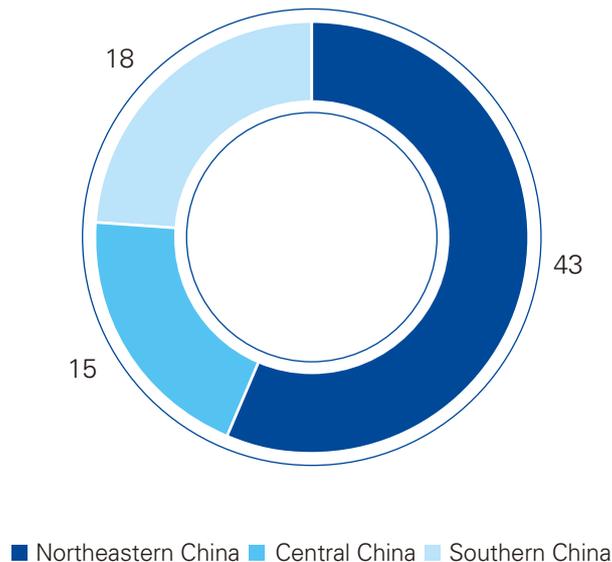
## 4. COMPLIANCE FIRST, STABLE BUSINESS OPERATION

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

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

During the Reporting Period, we had 76 major suppliers in the supplier database, and they provided electronic equipment, furniture, electrical appliances and other products, as well as repair and maintenance services, property services, security services, greening services and other services. Of these, 43 are in Northeastern China, 18 are in Southern China, 15 are in Central China.

**Distribution of suppliers**

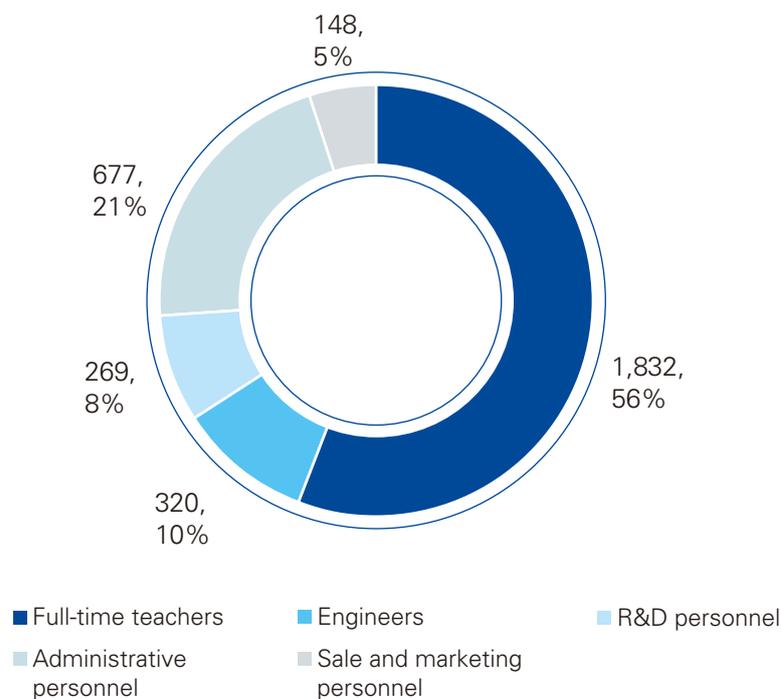


## 5. PEOPLE-ORIENTED, VALUING EMPLOYEE DEVELOPMENT

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

In terms of team-building, we pay attention to the optimisation of the team structure and the introduction of high-level talents. During the Reporting Period, the Group had a total of 3,246 employees, of which more than half were full-time teachers, in addition to 320 engineers and 269 R&D personnel. The distribution of employees by category is as follows:

**The distribution of employees by category<sup>5</sup>**



In terms of faculty, we hire teachers who have strong academic knowledge and practical skills in their respective professional fields, are receptive to innovative teaching methods and care about the health of students. We attach great importance to the management of the team of teachers, embrace the positioning of high-level, professional, application-oriented and international teaching force and have formulated management systems such as the "Management Measures of Sequential Teacher Positions", "Measures for Workload Assessment of Full-time Teachers", "Methods for Calculating Teachers' Teaching Workload" and "Measures for Evaluating Teachers' Teaching Quality" to conduct regular assessments on teachers' workload and teaching quality to ensure that the management

<sup>5</sup> Due to rounding, the percentages for individual items do not add up to the total percentage, where employees include only regular employees and do not include short-term contract employees and part-time employees

## 5. PEOPLE-ORIENTED, VALUING EMPLOYEE DEVELOPMENT

of the teaching force is scientific, standardised and reasonable. During the Reporting Period, our three universities had a total of 1,754 full-time teachers<sup>6</sup>. The following are the outstanding qualifications of full-time teachers in the three universities:

<b>87.4%</b>	<ul style="list-style-type: none"> <li>• Possess a master's degree or doctorate degree</li> </ul>
Approximately <b>32.3%</b>	<ul style="list-style-type: none"> <li>• Professor or associate professor</li> </ul>
Approximately <b>22%</b>	<ul style="list-style-type: none"> <li>• Possess overseas study and/or work experience</li> </ul>
Approximately <b>49.8%</b>	<ul style="list-style-type: none"> <li>• Possess engineering practical experience</li> </ul>

In addition to valuing the qualifications of our faculty and staff, we are also committed to promoting their ethics and style. In terms of institutional construction, the Group has issued the Notice on Thorough Implementation of the Ministry of Education's Ten Standards for Professional Conduct of Teachers in Universities in the New Era, which implements a "one-vote veto" for teacher misconduct in the engagements such as teacher recruitment, contract signing, title evaluation, annual assessment, merit evaluation and commendation and rewards. In terms of management measures, colleges and universities organize and carry out a series of special education activities on teacher ethics for all teachers, and guide teachers to implement the fundamental task of moral cultivation through themed training and education and themed learning activities.

### 5.1 FULL PROTECTION OF RIGHTS AND INTERESTS

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

The Employee Handbook stipulates that the Group strictly prohibits any discrimination based on gender, ethnicity, race, religious belief, nationality, age and other factors in recruitment, salaries and benefits, training, promotion and dismissal, and respects multicultural and religious beliefs. Our recruitment process follows the principle of openness and fairness. Through multiple channels such as internal recruitment and external recruitment, we select suitable talents who meet the requirements by the position in terms of the character, knowledge, experience and capability. We strictly abide by the Provisions on Prohibition of Child Labour and review and inspect the applicant's ID card, academic certificate and other information in accordance with the Recruitment Management System. All applicants are required to fill in the Job Application Form, and the human resources department shall check whether the content filled in is consistent with the information contained in the certificate. If the information provided by the employee is found to be false, we have the right to terminate the labour contract with such employee immediately.

<sup>6</sup> The Group has a total of 1,832 full-time teachers, of which the three universities have a total of 1,754 full-time teachers, while the training business has 78 full-time teachers

## 5. PEOPLE-ORIENTED, VALUING EMPLOYEE DEVELOPMENT

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

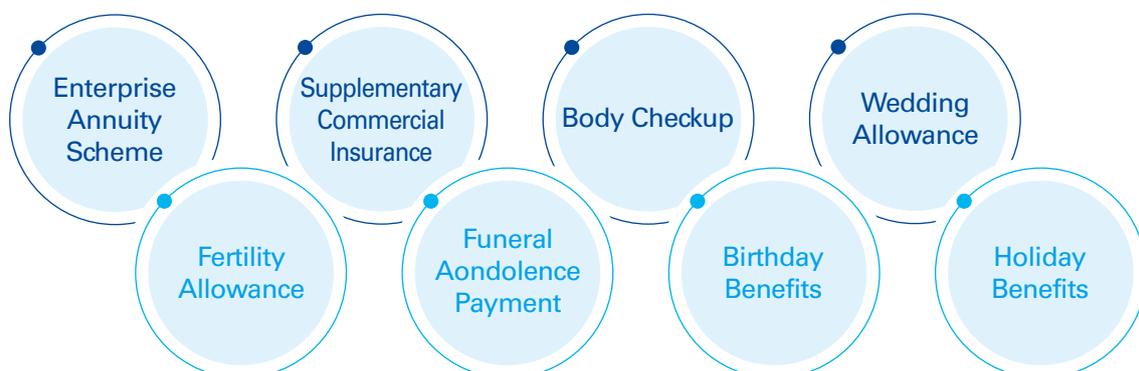
The termination and cancellation of all labour contracts of the Group are in compliance with national laws and regulations and the Company's rules and regulations. We hope that our employees can develop with us. If an employee proposes to resign, we will arrange a resignation interview to understand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

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

### 5.2 WARM CARE FOR EMPLOYEES

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

In addition, we have a welfare system which is based on the national basic social security systems and is constantly innovated and improved through combining with the actual situation of the Company, aiming at providing rich and complete welfare protection for the employees. In order to enhance the convenience of work and life for the employees and effectively meet the needs of the employees for work-life balance, in addition to providing the employees with five social insurances and housing fund and statutory holidays prescribed by the state, we have also set up following supplementary benefit schemes:



## 5. PEOPLE-ORIENTED, VALUING EMPLOYEE DEVELOPMENT

### 5.2.1 Comprehensive health and safety protection

The Group is committed to ensuring the health and safety of employees. All of our employees are entitled to free physical examinations. Male employees, unmarried female employees and married female employees can choose the physical examination package that suits them. In addition, we also provide additional favorable physical examinations packages for the physical examinations of the employees' families, putting into practice our care for the employees and their families. We also employ relevant experts to conduct health promotion and teach knowledge such as general first aid skills, prevention and improvement of occupational diseases, and protection against cardiovascular diseases.

As a provider of education services, we also care about the mental health of our employees and guide the employees to establish a correct health concept. In order to improve the psychological "immunity" of the employees, during the Reporting Period, we invited professionals to conduct a series of health lectures including psychological counseling to improve employees' self-awareness of emotions and stress and to help them make timely cognitive adjustments and master effective psychological training and ways to release pressure so as to keep employees mentally healthy.

### 5.2.2 Diverse employees' activities

In addition to caring about the needs of employees at work, Neusoft Education also encourages employees to maintain a relaxed mood in their free time. Led by the values of "innovation, integration and progress", we continue to promote distinctive cultural construction, build consensus on development, system, environment and behavior, and achieve cultural resonance and simultaneous resonance among all staff with first-class cultural construction as the driving force.

Since 2021, we have been organizing series of festival staff activities, including Neusoft Education's 2020 Cloud Recognition Ceremony and 2021 Cloud Blessing Event for Chinese New Year, the staff quarterly birthday party activity, the girls' day activity, the first anniversary of the listing of Neusoft Education, the activities of Mid-Autumn Festival, the activities of Yoga and Fitness Salon, the inaugural interesting ball game for a series of Teachers' Day activities and the flower arrangement art appreciation and production activities in the Art Class and etc. Through star teams, employee selection and a series of publicity and coverage, the sense of belonging and cohesion of our employees have been enhanced.



Birthday Party Activities



"20 is in the prime of youth, 21 is the time for setting sail again" 2020 Cloud Award Ceremony and 2021 Cloud Blessing Event for Chinese New Year

Art Class of Flower Arrangement Art Appreciation and Handwork Activities

## 5. PEOPLE-ORIENTED, VALUING EMPLOYEE DEVELOPMENT

### 5.3 EXCELLENT TALENT CULTIVATION

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

We provide different types of employees with diversified and customized trainings which are suitable for their needs, such as:

<b>Start-up education and training for new employees</b>	<ul style="list-style-type: none"> <li>• Provide start-up education and training to new employees to help them understand and integrate into the Company faster</li> </ul>
<b>Coaching by internal mentors</b>	<ul style="list-style-type: none"> <li>• Assign a mentor to each new employee</li> <li>• Guide them to acquire the required knowledge and skills, how to deal with administrative affairs, technical issues and interpersonal communication</li> <li>• Provide coaching of specialised skills to improve business capabilities</li> </ul>
<b>Development plans for key staff</b>	<ul style="list-style-type: none"> <li>• Identify high-potential and high-performing employees into the backbone workforce</li> <li>• Develop personalised development plans for them, provide more development opportunities and exchange and sharing platforms to guide their career development</li> </ul>
<b>Succession plans for key positions</b>	<ul style="list-style-type: none"> <li>• Provide successors with all the opportunities and resources needed for their development to ensure that they can be qualified for key positions within the planned training cycle</li> </ul>
<b>Leadership development plan</b>	<ul style="list-style-type: none"> <li>• Build a leadership development system through leadership assessment, leadership development plans, leadership training and other methods to ensure that existing leaders will have the corresponding competencies and reserve leadership talents for the future</li> </ul>

During the Reporting Period, based on the business needs and the employee development plans, the Group organised a series of training activities totaling more than 179 in terms of teaching and research, innovation and entrepreneurship, cutting-edge technology, vocational skills, beginners' education through various ways such as internal special training, lectures by external experts and outbound exchange in accordance with the training plan. 1,914 employees participated in these activities and the number of participants was 6,916. Through the trainings, the basic quality and professional level of faculty and staff have been improved in both theoretical and practical aspects.

## 6. LEADING WITH WISDOM, BUILDING GREEN CAMPUS

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

### 6.1 HEALTHY AND SAFE CAMPUS

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

#### 6.1.1 Safety of campus

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

##### Fire Emergency Drills

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



#### 6.1.2 Food safety

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

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

## 6. LEADING WITH WISDOM, BUILDING GREEN CAMPUS

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

### 6.1.3 Education on health, safety and prevention of disease

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

#### Theme Activities of World AIDS Day

To enable teachers and students to better know the knowledge and skills of infectious disease prevention and control, establish public health awareness, and improve the ability of infectious disease prevention and control, Dalian University organized an AIDS prevention publicity activity on December 1, 2021, to guide students to practice a healthy lifestyle, scientifically popularize the knowledge of AIDS prevention and control, effectively curb the way of AIDS transmission, and improve students' awareness and skills of AIDS self-protection.



#### College students' mental health month themed "5·25 Self-care (我愛我)"

In May 2021, in order to improve students' psychological quality, cultivate students' positive attitude towards life, and improve students' awareness of self-awareness and self-care, Chengdu University organized the theme activities of college students' mental health month, including psychological popular science lectures, sand table interactive games, psychological counseling and other activities.



## 6. LEADING WITH WISDOM, BUILDING GREEN CAMPUS

### 6.1.4 Prevention and control of COVID-19

To effectively prevent the spread of COVID-19 and ensure the safety of the campus and office environment, the Group has formulated and implemented a series of epidemic prevention and control plans and measures.

#### Formulating work plan for prevention and control of COVID-19

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

#### Strictly implement the verification of identification of faculty and staff and the check of epidemic prevention and health code and trip code

- All faculty and staff are required to accept identity verification when entering the campus and office: take the initiative to show the electronic staff card, cooperate with temperature detection and check the green code of "Health Pass Code" and "State Council Client Epidemic Prevention Travel Card"

#### Full protection for "Suspending Classes Without Stopping Teaching and Studying"

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

#### Strictly implement normal epidemic management on campus

- All faculty and staff on campus and in offices should follow the requirements of epidemic prevention and control, wear masks in a standard manner, and strictly monitor their health status every day. The office environment should be ventilated, and daily epidemic prevention and elimination should be carried out

## 6. LEADING WITH WISDOM, BUILDING GREEN CAMPUS

### Vaccinations will be organized for teachers and students to strengthen prevention and control of the epidemic

- Multiple rounds of vaccination were organized, and teachers, students and staff were actively guided to “all these were willing to vaccinate can get vaccinated”, so as to ensure the health and safety of teachers and students in an active, steady and orderly manner

### Nucleic acid tests for teachers and students will be organized to strengthen the safety line of the epidemic

- Multiple rounds of nucleic acid tests were carried out to further strengthen the defense line of epidemic prevention and control and effectively protect the safety and health of teachers, students and staff

### 6.1.5 Emergency response measures

In order to quickly and properly deal with various emergencies, we have set up various emergency response groups, including the Emergency Response Group for Public Health Emergencies, the Leading Group for Infectious Disease Prevention and Control, the Leading Group for COVID-19 Prevention and Control, the Leading Group for Fire Prevention and Control, the Working Group for Flood Prevention and Control and other emergency command leading groups, established a sound emergency command system, investigated relevant risks in advance, formulated emergency plans, and strengthened emergency response capabilities and risk resistance capabilities.



## 6.2 BUILDING SMART CAMPUS

We attach great importance to the construction of campus environment, and strive to provide teachers and students with a beautiful, harmonious, warm and comfortable learning and living environment through unique building construction, simple and modern interior decoration, comprehensive campus facilities and staggered cultural landscape. Through advanced hardware configuration, smart learning environment and information-based student services, we have also built a smart campus service system to continuously optimize students' learning experience, improve professional learning efficiency, and facilitate the campus life of teachers and students.

## 6. LEADING WITH WISDOM, BUILDING GREEN CAMPUS

**Advanced hardware configuration.** In order to promote smart, networked and digital campus construction, we continuously upgrade and optimize hardware and network configuration. Based on the advanced Huawei SDN products, the Bochuan Campus of Dalian University, which was newly established and put into use in 2021, has built a 5G campus network infrastructure to achieve 100G interconnection between the core of the network, and the wireless network uses WiFi-6 technology to cover the entire campus. Each classroom has 2-3 high density wireless AP, which can accommodate 500 wireless device connections; each bedding room has a separate AP, and each bed has a separate 1,000M Category 6 information panels, allowing teachers and students to access the “Neusoft Education Smart Education Platform” anytime, anywhere on campus. In October 2021, Dalian University was approved as a pilot construction project for the digital campus of higher education institutions in Liaoning Province.

**Intelligent learning environment.** To ensure a convenient, flexible and efficient learning environment for students, we are equipped with advanced teaching and practical instruments. The smart classrooms and laboratories of the Bochuan Campus of Dalian University are equipped with smart hardware facilities such as smart blackboard, creating a multi-functional, highly interactive and experiential teaching and practice environment for teachers and students. All of our smart laboratories were installed a laboratory smart access control system to support remote and QR code scanning and other open-door methods, providing comprehensive access control and management functions for teachers, students and laboratory leaders, which greatly facilitates the teaching practice of teachers and students. Smart cloud desktops were employed for our first batch of smart machine rooms and enterprise sand table management laboratories put into use, to move computer experimental teaching to the cloud, and build a multi-functional integrated cloud laboratory that meets the requirements of teaching, experimental training, self-learning and examination, so that students can break through the restrictions of time, place, terminal and application, and learn any content at any time and place and by any means.

**Informatization of student services.** In order to meet the diversified and personalized learning and living needs of students, we have built an integrated management and service platform. Focusing on the high-frequency work scenarios in the field of student management, we have independently developed a smart student system, which has been put into use in three universities. The smart student system can solve the problems of high-frequency needs such as student’s admission, leave application, notification, application, activity registration, information collection, counselor’s work log, dormitory inspection, etc., and realize the whole-process online management of students’ daily affairs. In addition, we have built a one-stop student service platform integrating online and offline services, integrating student affairs handling, consulting services, information dissemination and other functions. Through the establishment of 10 service windows including academic workers, academic affairs, employment, logistics and security, we have integrated more than 30 businesses needed for students’ daily learning and life, so as to ensure timely and efficient response to students’ needs.



## 6. LEADING WITH WISDOM, BUILDING GREEN CAMPUS

### 6.3 PRACTICING GREEN OPERATION

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

#### 6.3.1 Establishing green campus

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

#### Energy conservation

##### Air-conditioning system

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

##### Lighting system

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

##### Electronic office equipment

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

## 6. LEADING WITH WISDOM, BUILDING GREEN CAMPUS

### Water conservation

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

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

### Waste and resources management

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

### Advocating paperless office

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

## 6. LEADING WITH WISDOM, BUILDING GREEN CAMPUS

### 6.3.2 Sustainable development targets

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

Environmental Aspect	Target
<b>Energy efficiency</b>	According to the above-mentioned The University's Energy Conservation and Emission Reduction Programme, we will actively implement the electricity saving programme and measures to gradually reduce electricity consumption
<b>Water resource consumption benefits</b>	According to the above-mentioned The University's Energy Conservation and Emission Reduction Programme, we will actively implement the water saving programme and measures to maintain or gradually reduce water consumption
<b>Waste reduction</b>	According to the above-mentioned The University's Energy Conservation and Emission Reduction Programme, we will actively implement the materials saving programme and measures to maintain or gradually reduce the generation of wastes
<b>Greenhouse gas emissions<sup>7</sup></b>	According to the above-mentioned The University's Energy Conservation and Emission Reduction Programme, we will actively implement the electricity saving programme and measures to gradually reduce greenhouse gas emissions

## 6.4 PROMOTING GREEN EDUCATION

The Group actively promotes green education and disseminates environmental protection messages to the staff, teachers and students to enhance their awareness of caring for the environment and resources conservation, to encourage them to take action. The Group's three universities have also actively organised and participated in various types of environmentally friendly activities. In order to inherit the virtue of environmental protection, we also go to the community to promote environmental protection policies and stimulate the public's awareness of environmental protection.

<sup>7</sup> During the Reporting Period, the sources of our greenhouse gas emissions were mainly the indirect greenhouse gas emissions induced by the external energy purchased by the Group, therefore, the greenhouse gas emissions could be reduced efficiently by saving electricity consumption

## 6. LEADING WITH WISDOM, BUILDING GREEN CAMPUS

### Earth Hour Theme Activity

On 26 March 2021, in response to the global energy-saving activity of Earth Hour proposed by the World Wide Fund for Nature in response to global climate change, Dalian University organized the themed activity of “Turn off Fears — Light up Hope” and turned off the lights for one hour at 8:30 p.m. on that day. A series of activities were carried out on the playground, including the Earth Hour Environmental Protection Knowledge Contest, grabbing stools, singing, etc., which were designed to promote environmental protection knowledge and enhance students’ environmental awareness in a relaxed and pleasant atmosphere.



### Wall Drawing Activity themed “Joining Hands in Environmental Protection”

On 15 May 2021, the School of Digital Media of Guangdong University came to the community of Tangbian Village to renovate part of the public space by wall painting, so as to promote public health knowledge to villagers, reduce disordered posts and beautify the environment. The activity took the form of interaction with residents, allowing community residents to participate in the learning of environmental protection knowledge. Through the activity, the concept of green development of lucid waters and lush mountains are invaluable assets and the environmental protection policies were promoted to stimulate the villagers’ awareness of environmental protection.



### Beautiful Countryside Embracing Environment Protection

In June 2021, the Youth Volunteer Association of Guangdong University, together with children and community residents, participated in the construction of an environmental-friendly and ecologically-beautiful community, and led community residents to participate in the action of beautifying the home. It was awarded the project of the 2021 Nanhai District Volunteer Service Project Cultivation Competition.



## 6. LEADING WITH WISDOM, BUILDING GREEN CAMPUS

### 6.5 RESPONDING TO CLIMATE CHANGE

In recent years, global extreme weathers have occurred frequently, and climate change has brought potential risks to enterprises. With reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Group has identified significant climate-related actual risks that may affect us, such as the extreme weather changes such as floods, typhoons, hail, snowstorms and sandstorms. To effectively address and mitigate these climate-related risks, we have included our external environmental management system in our Risk Management Manual, established external environmental management objectives, including external environmental management strategic objectives and external environmental management safety objectives, and developed contingency plans for various extreme weather changes. We have formulated various measures for managing climate-related risks, such as the Emergency Response Plan for Natural Disaster-type Emergencies, and have established a multi-level flood and wind prevention programme to enhance the ability to withstand flooding and typhoon disaster risks.

In addition, we have calculated our greenhouse gas emissions in accordance with the Greenhouse Gas Protocol issued by the World Resources Institute and the World Business Council for Sustainable Development, and ISO 14064-1 as defined by the International Organisation for Standardisation. As a higher education group, the Group's greenhouse gas emissions mainly come from the use of electricity and the use of the Group's vehicles. The Group has adopted various measures for low-carbon operation. We encourage employees to use online meetings and conference calls instead of unnecessary business trips, and promote the use of public transportation to reduce greenhouse gas emissions. In addition to greenhouse gas emissions, the Group is aware of air emissions from our vehicles. We regularly arrange inspection and maintenance for the Group's vehicles to ensure the normal operation of engines, tires and other parts, so as to improve fuel consumption efficiency and reduce exhaust emissions. During the Reporting Period, please refer to Appendix I: KPI Data Table for our greenhouse gas emissions.

## 7. CARING FOR THE SOCIETY, DEMONSTRATING NEUSOFT EDUCATION'S RESPONSIBILITY

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

### 7.1 ENTHUSIASM FOR CHARITY AND PUBLIC WELFARE

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

#### Neusoft Education

##### Neusoft Education Actively supported the Human Resources System in the Special Activities of "Celebrating the Spring Festival, Stabilizing Employment and Offering Trainings"

In February 2021, in order to support the human resources system and ensure continuous trainings during the Spring Festival, Neusoft Education carried out special activities of "celebrating the Spring Festival, stabilizing employment and offering trainings". Based on the actual situation of stabilizing employment, the Company provided precise and targeted training services for employees who were on duty during the shift and remaining employees, and carried out flexible and diversified IT position skills improvement training. During the event, special personnel were assigned to provide consultation and technical support services to ensure smooth online training and operation services.



## 7. CARING FOR THE SOCIETY, DEMONSTRATING NEUSOFT EDUCATION'S RESPONSIBILITY

### Assisting in the Development of Vocational Education and Training of Skilled Talents in Jinggu County, Yunnan Province

In October 2021, we entered into a strategic cooperation agreement with the Jinggu Dai and Yi Autonomous County, Yunnan Province to jointly open a new road of “helping poverty alleviation with culture, connecting rural revitalization with culture, and writing the chapter of revitalization with culture”, which provided new ideas for promoting comprehensive upgrading of agriculture, comprehensive progress of rural areas and comprehensive development of farmers. Neusoft Education will actively give full use of our industrial advantages, brand effect, educational resource services and technical advantages, focus on the three directions of dual-teacher teacher training, open learning platform, and digital resource services, and provide free assistance for the development of vocational education and talent training in Jinggu County. At the same time, relying on the continuing education resources of Neusoft Education, combined with the needs of local vocational high school students in Jinggu County, we opened up a new channel for secondary vocational students in Jinggu County to improve their education. The Company fully empowered the transformation and upgrading of the regional economy and county economy for the vocational education service of Jinggu, and facilitated the implementation of the rural revitalization strategy of Jinggu.

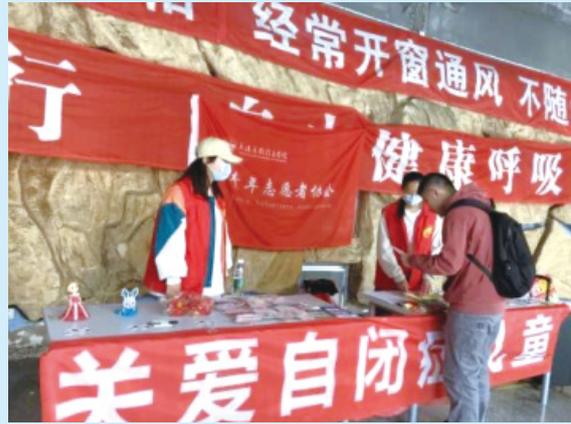


## 7. CARING FOR THE SOCIETY, DEMONSTRATING NEUSOFT EDUCATION'S RESPONSIBILITY

### Dalian University

#### Charity Sale For Autistic Children

On March 28, 2021, in order to strengthen the ideological and moral construction of college students, inherit the spirit of Lei Feng, promote the traditional virtues of the Chinese nation, and call on more people to care for autistic children, Dalian University and Dalian Tongxinyuan Volunteer Service Team carried out a charity sale activity for autistic children in Impression City Plaza, Zhongshan Road, Xigang District, Dalian.



#### Social Practice Activities during the Summer Period of "Practicing the Original Aspiration of Education and Supporting Rural Revitalization"

On 18 July 2021, in order to practice the core values of socialism and shape the spirit of hard work for college students, teachers and students of the College of Continuing Education of Dalian University joined hands to promote local agricultural products in combination with the majors they studied. Teachers and students went to Zhuanghe Village to experience rural life, understand local customs, investigate social situation, and enhance social responsibility awareness and practical skills.



## 7. CARING FOR THE SOCIETY, DEMONSTRATING NEUSOFT EDUCATION'S RESPONSIBILITY

### Chengdu University

#### Supporting Tibet

Chengdu University conscientiously implemented the work deployment of the CPC Central Committee, the provincial party committee and the provincial government to assist Tibet, actively participated in poverty alleviation work, and reached a counterpart with Derong County, Ganzi Tibetan Autonomous Prefecture, Sichuan Province, and carried out many years of work such as village assistance, industrial assistance, talent flow, and education assistance. In 2020, it successfully helped Derong County win the comprehensive victory of poverty alleviation. In 2021, the school received a letter of thanks from the People's Government of Derong County, Ganzi Tibetan Autonomous Prefecture, Sichuan Province, and won the "Special Award for Poverty Alleviation" in Sichuan Province.



### Guangdong University

#### Basic Education Research and Assistance in Suixi County, Zhanjiang City

On November 11, 2021, members of the assistance work group of Guangdong University went to Suixi County, Zhanjiang City to carry out basic education research and support work. According to the actual needs of basic education in Suixi County, the Company established contact channels and working mechanisms to achieve full-caliber, all-round and integrated assistance and jointly promote the high-quality development of basic education in Suixi County.



## 7. CARING FOR THE SOCIETY, DEMONSTRATING NEUSOFT EDUCATION'S RESPONSIBILITY

### 7.2 FIGHTING THE PANDEMIC TOGETHER

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

During the COVID-19 pandemic, Neusoft Education has made its self-developed "MOOC Platform", "Practical Curriculum Platform" and "Practical Training Project Platform" freely available to universities in the PRC.

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

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

#### Volunteer Work for the Prevention and Control of the Pandemic

Students from the three universities under Neusoft Education actively volunteered during this special period. Hundreds of students participated in the anti-epidemic activities and contributed to the fight against the epidemic as much as they could. For example, they promoted epidemic prevention knowledge, donated epidemic prevention materials to frontline anti-epidemic workers, participated in community epidemic prevention and control services, participated in community epidemic prevention and control services, and assisted rural villagers to complete COVID-19 vaccination work, etc., to fight the epidemic together in different positions.



## APPENDIX I: KPI DATA TABLE

Environmental Aspect <sup>8</sup>	Unit	FY2021 <sup>9</sup>
<b>Air Emission of Vehicles<sup>10</sup></b>		
Nitrogen Oxides (NO <sub>x</sub> )	kilogram (kg)	189.71
Sulphur Oxides (SO <sub>x</sub> )	kilogram (kg)	0.42
Particulate Matter (PM)	kilogram (kg)	16.40
<b>Greenhouse Gas Emission<sup>11</sup></b>		
Direct greenhouse gas emissions (Scope 1) <sup>12, 13</sup>	tonnes carbon dioxide equivalent (CO <sub>2</sub> -e)	219.46
Indirect greenhouse gas emissions (Scope 2) <sup>14</sup>	tonnes carbon dioxide equivalent (CO <sub>2</sub> -e)	18,457.27
Greenhouse gas emissions in total (Scopes 1 and 2)	tonnes carbon dioxide equivalent (CO <sub>2</sub> -e)	18,676.73
<b>Density of Greenhouse Gas Emission</b>		
Density of greenhouse gas emissions (Scopes 1 and 2)	tonnes carbon dioxide equivalent (CO <sub>2</sub> -e)/ metre square (m <sup>2</sup> )	0.0101
Density of greenhouse gas emissions (Scopes 1 and 2)	tonnes carbon dioxide equivalent (CO <sub>2</sub> -e)/ person*	0.39
<b>Hazardous Waste</b>		
Total volume of hazardous waste <sup>15</sup>	tonnes	0 <sup>16</sup>
Density of hazardous waste	tonnes/person^	0
<b>Non-hazardous Waste</b>		
Total volume of non-hazardous waste	tonnes	13,244.00
Density of non-hazardous waste	tonnes/person*	0.28
<b>Paper consumption</b>		
Paper consumption	kilogram (kg)	10,623.13
Density of paper consumption	kilogram (kg)/person*	0.22
<b>Electricity consumption</b>		
Total electricity consumption	kilowatt hour (kWh)	30,252,856.96
Density of total electricity consumption	kilowatt hour (kWh)/metre square (m <sup>2</sup> )	16.36
Density of total electricity consumption	kilowatt hour (kWh)/person*	633.26 <sup>17</sup>

<sup>8</sup> The environmental aspect collection scope covered the headquarters of the Group, Dalian University, Chengdu University and Guangdong University

<sup>9</sup> During the Reporting Period, new campuses of Dalian University and Chengdu University were put into operation successively in the second half of the year, and relevant environmental data have been included

<sup>10</sup> The air emissions from the vehicles owned by the Group were calculated in reference to "How to Prepare an ESG Report – Appendix 2: Reporting guidance on Environmental KPIs" of Hong Kong Stock Exchange

<sup>11</sup> The greenhouse gas emissions for Scope 1 and Scope 2 of the Group were calculated in reference to "How to Prepare an ESG Report – Appendix 2: Reporting guidance on Environmental KPIs" of Hong Kong Stock Exchange

<sup>12</sup> Scope 1: direct greenhouse gas emissions produced by the sources owned and controlled by the Group

<sup>13</sup> Greenhouse gas removals have been calculated for new tree planting

<sup>14</sup> Scope 2: greenhouse gas emissions indirectly induced by the external electricity purchased by the Group

<sup>15</sup> Including computers, batteries, waste ink cartridges, waste toner cartridges and other hazardous wastes

<sup>16</sup> As all of our hazardous wastes were recycled and disposed of by qualified units, the amount of scrapped materials was relatively small during the Reporting Period, so no unified treatment was made for the time being

<sup>17</sup> In FY 2021, due to the epidemic, there was a prolonged closure of the university and students lived in school for a longer period of time than in FY 2020, so the total electricity consumption density and total water consumption density increased compared to the data for FY 2020 (in FY 2020: total density of electricity consumption was 526.21 kWh/person and total density of water consumption was 22.31 metric tons/person)

## APPENDIX I: KPI DATA TABLE

Environmental Aspect	Unit	FY2021
<b>Vehicle fuel consumption</b>		
Gasoline	litre	19,684.32
Diesel	litre	8,190.18
<b>Water resource consumption</b>		
Total water consumption	tonnes	1,259,418.14
Density of total water consumption	tonnes/metre square (m <sup>2</sup> )	0.68
Density of total water consumption	tonnes/person*	26.36 <sup>17</sup>
Reclaimed water consumption	tonnes	42,426.00

\* Calculated in accordance with the number of employees and students under the environmental data collection scope, as of 31 December 2021

^ Calculated in accordance with the number of employees under the environmental data collection scope, as of 31 December 2021

Social Aspect <sup>18</sup>	Unit	FY 2021
Total workforce <sup>19</sup>	number of people	3,246
<b>Total Workforce (by Gender)</b>		
Female employees	number of people	1,745
Male employees	number of people	1,501
<b>Total Workforce (by Employee Category)</b>		
Short-term contract/part-time employees	number of people	1,030
Full-time general employees	number of people	2,986
Full-time middle management	number of people	245
Full-time senior management	number of people	15
<b>Total Workforce (by Age Group)</b>		
Employees aged below 30 years old	number of people	1,058
Employees aged between 30–50 years old	number of people	1,910
Employees aged above 50 years old	number of people	278

<sup>18</sup> Social aspect collection scope covered the Group entirely

<sup>19</sup> Employees include only regular employees and do not include short-term contract employees and part-time employees

## APPENDIX I: KPI DATA TABLE

Social Aspect	Unit	FY 2021
<b>Total Workforce (by Region)</b>		
Employees in Northern China	number of people	77
Employees in Northeastern China	number of people	1,333
Employees in Eastern China	number of people	287
Employees in Central China	number of people	740
Employees in Northwestern China	number of people	24
Employees in Southern China	number of people	784
Employees in other regions	number of people	1
<b>Turnover Rate</b>		
Total turnover rate of work force	%	19.93
<b>Turnover Rate of Work Force<sup>20</sup> (by Gender)</b>		
Female employees	%	14.59
Male employees	%	25.36
<b>Turnover Rate of Work Force<sup>20</sup> (by Age Group)</b>		
Employees aged below 30 years old	%	26.83
Employees aged between 30–50 years old	%	16.26
Employees aged above 50 years old	%	14.98
<b>Turnover Rate of Work Force<sup>20</sup> (by Region)</b>		
Employees in Northern China	%	50.64
Employees in Northeastern China	%	18.82
Employees in Eastern China	%	34.62
Employees in Central China	%	7.85
Employees in Northwestern China	%	47.83
Employees in Southern China	%	18.92
<b>Occupational Health and Safety</b>		
Number of work-related fatalities occurred in each of the past three years including the reporting year.	Number of person	0
Rate of work-related fatalities in the past three years including the reporting year	%	0
Lost days due to work injury	Number of days	0

<sup>20</sup> Turnover rate for the specific category of employees = number of employees turnover for the specific category ÷ (number of employees turnover for the specific category + number of employees in the specific category in the end of the year) × 100%

## APPENDIX I: KPI DATA TABLE

Social Aspect	Unit	FY 2021
<b>Development and Training</b>		
<b>Percentage of Employees Trained<sup>21</sup> (by Gender)</b>		
Female employees	%	63.22
Male employees	%	36.78
<b>Percentage of Employees Trained<sup>21</sup> (by Employee Category)</b>		
Full-time general employees	%	93.69
Full-time middle management	%	6.10
Full-time senior management <sup>22</sup>	%	0.21
<b>Average Training Hours Completed Per Employee<sup>23</sup> (by Gender)</b>		
Female employees	hour	48
Male employees	hour	31
<b>Average Training Hours Completed Per Employee<sup>23</sup> (by Employee Category)</b>		
Full-time general employees	hour	41
Full-time middle management	hour	27
Full-time senior management	hour	2
<b>Complaints and Responses</b>		
Number of student complaints about the quality of teaching services	number of cases	5
Complaint resolution rate	%	100
<b>Anti-corruption</b>		
Number of concluded legal cases regarding corrupt practices brought against the Group or employees	number of cases	0

<sup>21</sup> Percentage of employees trained in the relevant category = number of employees trained in the specific category ÷ number of employees trained × 100%, where employees include only regular employees and do not include short-term contract employees and part-time employees trained

<sup>22</sup> Full-time senior management includes senior managers appointed by the board of directors of the three universities operated by the group

<sup>23</sup> Average training hours completed per employee = training hours of employees trained in the specific category ÷ number of employees in the specific category, where employees include only regular employees and do not include short-term contract employees and part-time employees trained

## APPENDIX II: INDEX OF THE ESG REPORTING GUIDE

Index Content		Relevant Chapter	
<b>A. Environmental Aspect</b>			
A1 Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6. Leading with Wisdom, Building Green Campus
	A1.1	The types of emissions and respective emission data.	Appendix I: KPI Data Table
	A1.2	Direct (Scope 1) greenhouse gas emissions and indirect greenhouse gas emissions from energy (Scope 2) in total and, where appropriate, density.	Appendix I: KPI Data Table
	A1.3	Total hazardous waste produced and density.	Appendix I: KPI Data Table
	A1.4	Total non-hazardous waste produced and density.	Appendix I: KPI Data Table
	A1.5	Description of the established targets to mitigate emissions and the procedures for achieving such targets.	6.3 Practicing Green Operation
	A1.6	Description of how hazardous and non-hazardous wastes are handled and description of the established targets to mitigate wastes and the procedures for achieving such targets.	6.3 Practicing Green Operation
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6. Leading with Wisdom, Building Green Campus
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and density.	Appendix I: KPI Data Table
	A2.2	Water consumption in total and density.	Appendix I: KPI Data Table
	A2.3	Description of energy use efficiency targets and the procedures for achieving such targets.	6.3 Practicing Green Operation
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency targets and the procedures for achieving such targets.	6.3 Practicing Green Operation The source of water of the Group is the municipal water supply, there is no issue in sourcing water.
	A2.5	Total packaging material used for finished products and the volume per unit produced.	Not applicable, as the business of the Group does not involve packaging material.
A3 The Environmental and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	6. Leading with Wisdom, Building Green Campus
	A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them.	6. Leading with Wisdom, Building Green Campus

## APPENDIX II: INDEX OF THE ESG REPORTING GUIDE

Index Content		Relevant Chapter
A4 Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. 6.5 Responding to Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. 6.5 Responding to Climate Change
<b>B. Social Aspect</b>		
B1 Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare. 5.1 Full Protection of Rights and Interests 5.2 Warm Care for Employees
	B1.1	Total workforce by gender, employment type, age group and geographical region. Appendix I: KPI Data Table
	B1.2	Employee turnover rate by gender, age group and geographical region. Appendix I: KPI Data Table
B2 Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 6.1 Healthy and Safe Campus
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. Appendix I: KPI Data Table
	B2.2	Lost days due to work injury. Appendix I: KPI Data Table
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored. 6.1 Healthy and Safe Campus
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 5.3 Excellent Talent Cultivation
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management). Appendix I: KPI Data Table
	B3.2	The average training hours completed per employee by gender and employee category. Appendix I: KPI Data Table

## APPENDIX II: INDEX OF THE ESG REPORTING GUIDE

Index Content			Relevant Chapter
B4 Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1 Full Protection of Rights and Interests
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Full Protection of Rights and Interests
	B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Full Protection of Rights and Interests
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.5 Sustainable Supply Chain Management
	B5.1	Number of suppliers by geographical region.	4.5 Sustainable Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	4.5 Sustainable Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.5 Sustainable Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.5 Sustainable Supply Chain Management	

## APPENDIX II: INDEX OF THE ESG REPORTING GUIDE

Index Content		Relevant Chapter
B6 Product Responsibility Disclosure	General Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	4.2 Strict Compliance Operation 4.4 Information and Privacy Protection
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable. As the Group provides IT higher education services and education service products, it does not involve products subject to recalls for safety and health reasons.
B6.2	Number of products and service related complaints received and how they are dealt with.	3.4 Strict Quality Control to Ensure the Quality of Education Services
B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.2.1 Intellectual property management
B6.4	Description of quality assurance process and recall procedures.	3.4 Strict Quality Control to Ensure the Quality of Education Services
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	As the Group provides IT higher education services and education service products, no product recall procedures are involved. 4.4 Information and Privacy Protection

## APPENDIX II: INDEX OF THE ESG REPORTING GUIDE

Index Content		Relevant Chapter	
B7	General Anti-corruption Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	4.3 Clean Corporate Culture
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	4.3 Clean Corporate Culture
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	4.3 Clean Corporate Culture
	B7.3	Description of anti-corruption training provided to directors and staff.	4.3 Clean Corporate Culture
B8	Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	7. Caring for the Society, Demonstrating Neusoft Education's Responsibility
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	7. Caring for the Society, Demonstrating Neusoft Education's Responsibility
	B8.2	Resources contributed to the focus area.	7. Caring for the Society, Demonstrating Neusoft Education's Responsibility