



**中匯集團**  
Edvantage Group

**Edvantage Group Holdings Limited**  
**中匯集團控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock code: 0382



**2022**

**ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE  
REPORT**

# Contents

About the Report	3
About the Group	3
Reporting Period	3
Coverage and Scope of the Report	3
Reporting Standard	4
Information and Feedback	4
Source of Data and Reliability Statement	4
Review and Approval	4
The Board's Statement	5
Governance Structure of Environmental, Social and Governance Work	6
Identification of and Communication with Stakeholders	6
Major Concerns of Stakeholders and Measures	6
Materiality Matrix	7
Environment	8
Emissions	8
The Group's Guidelines and Laws and Regulations related to emissions	8
Type of Air Emissions and Emissions Data	8
Greenhouse Gases	9
Measures to Mitigate Emissions	10
Hazardous and Non-Hazardous Wastes	11
Measures to Reduce Wastes Generated	11
Use of Resources	12
Energy and Resource Use Efficiency	12
Consumption and Intensity of Energy	13
Appropriate Water Source	13
Packaging Materials for Finished Products	13
The Environment and Natural Resources	14
Climate Change	14





Community	16
Community Investment	16
Society	20
Employment and Labor Practices	20
Employment	20
Occupational Health and Safety	24
Development and Training	26
Labor Standards	28
Operating Practices	28
Supply Chain Management	28
The Health and Safety of Students	31
Anti-Corruption	32
HKEX ESG Reporting Guide Content Index	33

# 2022 Environmental, Social and Governance Report

## About the Report

Edvantage Group Holdings Limited (hereinafter referred to as the “**Edvantage Group**”, “**Group**”, “**we**” or “**us**” and their grammatical derivatives shall be construed accordingly) hereby presents its environmental, social and governance report (hereinafter referred to as the “**Report**”) for 2021/2022. The Report summarises the strategy, practice and vision of Edvantage Group in respect of issues related to environment, society and governance in 2021/2022, with a view to illustrating that the Group adheres to the principle of sustainable development and is devoted to fulfilling its corporate social responsibility.

## About the Group

The Group is the largest private business vocational education group in the Guangdong-Hong Kong-Macao Greater Bay Area (“**Greater Bay Area**”), and a pioneer in education sector in pursuing international expansion. Its businesses all fall within the scope of vocational education encouraged by the People’s Republic of China (“**PRC**”, “**Mainland China**”, “**China**” or “**the country**”). Both the Greater Bay Area and the Chengdu-Chongqing Economic Circle are fertile ground for the development of private vocational education. Our mission is to nurture professional talents for the Greater Bay Area, with a strategic focus on curriculum development to meet the market demand brought about by the growing service industry in the Greater Bay Area. As of 31 August 2022, the Group had an enrolment of nearly 78,000 students and owned nine private educational institutions. During the Reporting Period, the Group adhered to the national policy of running schools with high quality and high compliance, and made continuous and in-depth efforts in teaching faculty, teaching facilities, industry-education integration, discipline construction, etc., realising and strengthening the school-running tenet of “high investments for high-quality talents”.

## Reporting Period

The Report covers the overall performance of the Group at the level of environment and society during the period from 1 September 2021 to 31 August 2022 (hereinafter referred to as the “**Reporting Period**”), same as that covered by the 2021/2022 Annual Report of the Group.

## Coverage and Scope of the Report

Unless otherwise specified, the scope of the Report covers the Group’s six major consolidated affiliated entities (for the year ended 31 August 2021: four), namely Guangzhou Huashang College (hereinafter referred to as the “**Huashang College**”), Guangzhou Huashang Vocational College (hereinafter referred to as the “**Huashang Vocational College**”), Urban Vocational College of Sichuan (hereinafter referred to as the “**Urban Vocational College**”), Urban Technician College of Sichuan (hereinafter referred to as the “**Urban Technician College**”) and two new educational institutions, namely Guangdong Huashang Technical School (hereinafter referred to as “**Huashang Technical School**”) and Greater Bay Area Business School (hereinafter referred to as the “**GBA Business School**”) (the aforementioned six major consolidated affiliated entities collectively be referred to as the “**Colleges**” and each a “**College**”), but the scope of this report excludes overseas colleges.



## 2022 Environmental, Social and Governance Report

### Reporting Standard

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**Guide**”) as set out in Appendix 27 to the Rules Governing the Listing of Securities (hereinafter referred to as the “**Main Board Listing Rules**”) on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Stock Exchange**”) and is based on the four reporting principles as set out in the Guide, namely materiality, quantitative, balance and consistency.

The information of the Report is collected from official documents and statistics of the Group, and is consolidated and compiled with the monitoring, management and operation information provided by the Group’s subsidiaries in accordance with our relevant systems. For readers’ convenience, a comprehensive content index is affixed with the Report at the last section. The Report is prepared in both Chinese and English. If there is any conflict or inconsistency between the two versions, the Chinese version shall prevail.

### Information and Feedback

We attach great importance to readers’ valuable opinions. Should you have any questions or suggestions about the Report, please contact the Group via:

E-mail: [cs@edvantagegroup.com.hk](mailto:cs@edvantagegroup.com.hk)

The Company’s address: Room 1115, 11/F, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong

### Source of Data and Reliability Statement

The information disclosed in the Report is from the Group’s internal documents, statistical reports and relevant public materials. The Group undertakes that the Report does not contain any false information, misleading statement or material omission, and takes responsibilities for the contents hereof as to the authenticity, accuracy and completeness.

### Review and Approval

The Report was approved by the board of directors of the Group (hereinafter referred to as the “**Board**”) on 27 January 2023 upon confirmation by the management of the Group. The Report is prepared in both Chinese and English. In case of any discrepancy between the Chinese and English versions of the Report, the Chinese version shall prevail. The electronic version of the Report is available on the HKEXnews website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

### The Board's Statement

Dear stakeholders,

The Group is pleased to present the environmental, social and governance report of this financial year. Sustainable development and education are the future of society. As an educational institution, we take the sustainable development of business as the first priority in our long-term development, and include climate-related issues and environmental, social and governance-related elements in our long-term plan of the business strategy. The Board plays the most significant role in the Group to be fully responsible for the monitoring, direct management and supervision of the environmental, social and governance issues of the Group.

We have set up specific goals for our short-term and long-term sustainable development vision, which is to keep marching towards the achievement of carbon neutrality by 2060 and to formulate relevant emission reduction and energy-saving targets and corresponding strategies, so as to incorporate sustainable development into strategic plans, business models and other decision-making process. The Board regularly monitors and reviews the effectiveness of the management methods, including adjusting the action plan in accordance with the review of the Group's environmental, social and governance performance. Efficient environmental, social and governance policies rely on the cooperation among various departments. In this regard, we have established the cross-department environmental, social and governance working party, which is responsible for the coordination among departments and strives to achieve consistent and expected work performance to jointly contribute to the achievement of emission reduction and energy-saving goals. We also attach high importance to the communication with our stakeholders. We regularly review the communication channels and platforms between us and our stakeholders, in order to ensure smooth information flow to enable us to collect issues which may have material impact on our business and are concerned by the major stakeholders.

During the Reporting Period, the GBA Business School under the Group was formally established. The College organised a series of summits with the theme of "Strategic New Thinking in the Greater Bay Area", inviting leaders from all walks of life in the Greater Bay Area to share their practical experience and vision. The College also held online and offline workshops to reach out to enterprises and provide them with tailor-made leadership training programmes. The Greater Bay Area is a national policy priority and its development is a key national strategic plan. The main objective is to integrate the strengths of the nine municipalities and two regions to create synergy and make the Greater Bay Area the most economically vibrant bay area in the world and a world-class city cluster. In the development of the Greater Bay Area, whether to establish a world-class city cluster or to develop an international centre for technology and innovation, high-quality talents are indispensable and of primary importance. The GBA Business School aims to nurture business leaders with an international vision, creative thinking, technological mastery, community-mindedness, patriotism and the capability to make a difference in the region, who will serve as outstanding leaders and talents for the country, the community and the Greater Bay Area.

The Group endeavours to ensure the establishment of suitable and effective risk management and internal control systems to monitor the identification and assessment of environmental, social and governance and climate-related risks and opportunities. In response to the challenges and impacts brought by the COVID-19, the Group will make relentless efforts to implement normalised pandemic prevention and control in campuses so as to protect the health and safety of our teachers and students.

Looking forward, the Board will constantly review and monitor the Group's environmental, social and governance performance, continues to provide the stakeholders with reliable, consistent, comparable and significant environmental, social and governance information, and strives to make a better environment.

Yours Faithfully  
**Liu Yung Chau**  
*The Chairman of the Board*



### Governance Structure of Environmental, Social and Governance Work

The Group is committed to integrating environmental, social and governance factors into its operation, creating sustainable value for its stakeholders and performing its duties as a corporate citizen. During the financial year, the Group established an environmental, social and governance working party (the “**Working Party**”). The Working Party comprises core members of various departments of the Group, and is responsible for handling and coordinating environmental, social and governance related matters of the Group, including but not limited to communicating with external consultants and collecting data and information on environmental, social and governance matters. The Working Party reports to the management semi-annually the implementation of environmental, social and governance measures of the business unit, and its results and performance.

The Board is responsible for assessing and determining the Group’s ESG risks and ensuring that the Group has an appropriate and effective ESG risk management and internal control system in place. The management reviews the effectiveness of the risk management and internal control system in respect thereof and makes confirmation to the Board.

### Identification of and Communication with Stakeholders

During its running of schools, the Group keeps refining its communication mechanism and maintains active communication and exchange with internal and external stakeholders such as governments/regulators, shareholders, investors, suppliers, partners, faculty and staff, students, parents and the public communities, in an effort to fully understand their expectations and suggestions. Based on such understanding, the Group continues to improve its sustainable development strategy and planning, striving to consolidate mutual trust and cooperation and realise the sustainable development plan for scientific training and education, so as to create a future with sustainable economic growth, environmental friendliness and social development.

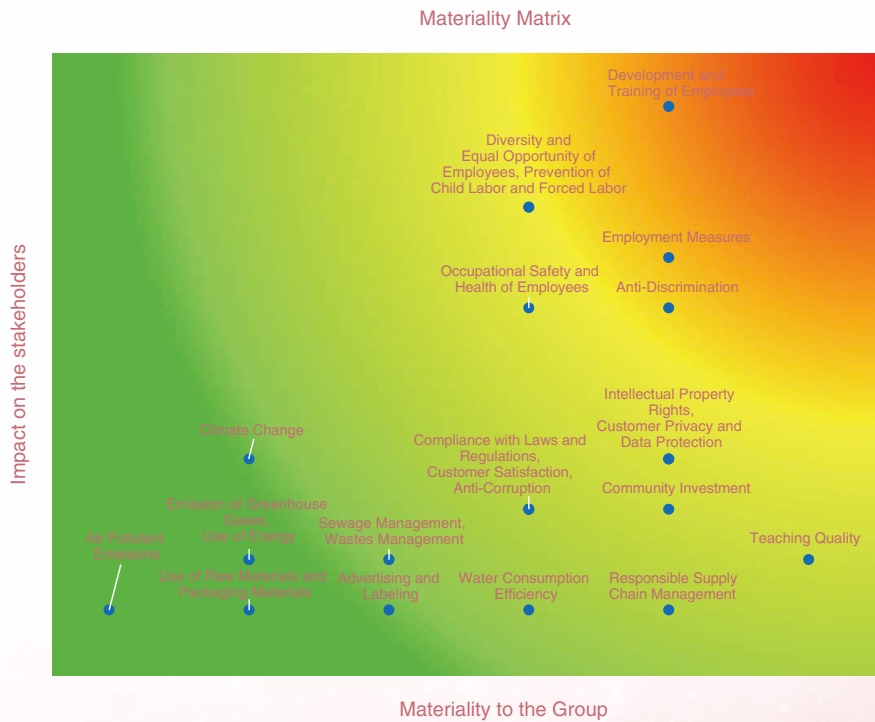
### Major Concerns of Stakeholders and Measures

Stakeholder	Concern	Means of Communication
Shareholders/ Investors	Business strategy; Return on investment; Corporate image; and Operating compliance.	General meetings; The Group’s announcements; and The Company’s website.
Governments and regulators	Operating compliance; Tax payment as legally required; and Disclosure of information and submission of materials.	Visits; Company’s website; and Information disclosure of listed companies.
Associations of the industry	Operating compliance; Experience sharing; and Cooperation.	Visits; Meetings; Lectures; and Activities for exchanges.
Staff and teachers	Remuneration and benefits; Working environment; Employees’ occupational safety and health; and Training and career development.	Employee representatives’ assembly; Suggestion boxes on schools’ websites; Group activities; and Online platform with comprehensive services in schools (Huashang e-Home).

Stakeholder	Concern	Means of Communication
Students and parents	Teaching quality; Teaching philosophy; Teaching management; Teaching service quality; Campus environment; and The health and safety of students.	Online evaluation of teaching; Seminars for teachers and students; Parents' meetings; Schools' websites; and Online platform with comprehensive services in schools (Huashang e-Home).
Communities	Community development; Social welfare; Employment opportunities; and Ecological environment.	Community service activities; Volunteer activities; Community communication meetings; and Press releases/announcements.

### Materiality Matrix

The Group has carried out an investigation among stakeholders. The Group's management selected highly influential and reliant stakeholders to answer a questionnaire. They put forward views and suggestions on environmental and social topics involved in the operation of the Group. The Report covers various important topics and describes what the Group has done in these respects. The Group will pay heed to these issues during its long-term operation by developing corresponding strategic guidelines, improving policies, and setting long-term goals.





## Environment

### Emissions

#### *The Group's Guidelines and Laws and Regulations related to emissions*

In addition to providing basic educational services, the Group also considers environmental protection an integral part of its operation. The Group has incorporated sustainable development in its daily management and operates in an environmentally conscious and responsible manner to improve the environmental awareness of all its teachers and students and strive to build green campuses. We also strictly abide by environmental laws and regulations, including but not limited to the Environmental Protection Law, Law on the Prevention and Control of Atmospheric Pollution, Law on the Prevention and Control of Water Pollution, Law on the Prevention and Control of Solid Waste Pollution to the Environment and Law on Energy Conservation of the PRC.

Besides, the Group advocates energy conservation and carbon reduction, and is committed to sustainable operations. To this end, we have set clear emissions reduction targets, compared with the financial year 2021/22 baseline, and strive to achieve the following targets:

- Reduce 3% of air emissions intensity by financial year 2024/25; 5% by financial year 2026/27; 8% by financial year 2029/30;
- Reduce 3% of energy consumption intensity by financial year 2024/25; 5% by financial year 2026/27; 8% by financial year 2029/30;
- Reduce 3% of water consumption intensity by financial year 2024/25; 5% by financial year 2026/27; 8% by financial year 2029/30; and
- Reduce 3% of waste disposal intensity by financial year 2024/25; 5% by financial year 2026/27; 8% by financial year 2029/30.

In addition, we will invest more resources in recycling and the use of renewable energy to facilitate the development of circular economy.

During the Reporting Period, the Group has no significant non-compliance in this regard. This Report will list the Group's relevant emission and control measures in the section below.

#### *Type of Air Emissions and Emissions Data*

As the Group is engaged in educational services, no industrial or commercial activities are involved in its daily operation. Furthermore, the Group has no gas fuel consumption from gas stoves as canteens in the Colleges have been outsourced to catering management companies. The Group's air emissions derive mainly from automobiles. Types and data of emissions discharged during the Reporting Period are as follows:

Major Emissions <sup>1</sup>	Unit	Amount of Emission (2022)	Amount of Emission (2021)	Amount of Emission (2020)
NO <sub>x</sub>	Kilogram	1,228.11	1,284.53	362.60
SO <sub>x</sub>	Kilogram	22.57	18.91	7.38
Particulates	Kilogram	36.95	38.29	16.38

<sup>1</sup> The calculation of air pollutant emissions is based on the "Technical Guide for the Compilation of Air Pollutant Emissions Inventory for Road Motor Vehicles (trial)" published by Ministry of Ecology and Environment.

During the Reporting Period, the effectiveness of the Group's emission reduction measures was demonstrated by the decrease in total amount of exhaust emissions compared to last year. In addition, the Group is actively seeking ways to further reduce exhaust emissions, including the use of passenger vehicles with higher emission standards (China V and China VI), a greater proportion of cleaner fuels (e.g. unleaded petrol and natural gas), and the use of electric vehicles.

### Greenhouse Gases

The Group's direct emissions of greenhouse gases result principally from the burning of fuel in the Group's vehicles, while the indirect emissions of greenhouse gases are mainly from the purchased electricity, discarded waste paper and the flights its employees take for business trips. Due to the enlarged reporting scope covering the six Colleges, coupled with the easing of the Covid-19 pandemic in the year, economic activities have gradually been restarted due to unremitting efforts made in anti-pandemic work, and therefore, there was an increase in the use of vehicles and electricity and even in the number of business trips taken by employees during the Reporting Period as compared to the previous year.

Major Emissions	Unit	Amount of Emission (2022)	Amount of Emission (2021)	Amount of Emission (2020)
Scope   <sup>2,3,4</sup>				
Burning of fuel in vehicles:				
CO <sub>2</sub>	Metric tons of CO <sub>2</sub> equivalent	305.38	169.85	111.99
Methane	Metric tons of CO <sub>2</sub> equivalent	0.04	0.02	0.02
N <sub>2</sub> O	Metric tons of CO <sub>2</sub> equivalent	0.0026	0.0015	0.001
<b>Total amount of emission from the burning of fuel in vehicles</b>	<b>Metric tons of CO<sub>2</sub> equivalent</b>	<b>305.42</b>	<b>169.87</b>	<b>112.011</b>
Trees planted:				
Trees planted <sup>5</sup>	Metric tons of CO <sub>2</sub> equivalent	(80.62)	(49.93)	(15.39)

<sup>2</sup> The calculation of greenhouse gas emissions is based on the Tools and Guidance on Calculating Greenhouse Gas Emissions from Energy Consumption (version 2.1) released by the World Resources Institute.

<sup>3</sup> Scope I: Direct emissions from operations that are owned or controlled by the company.

<sup>4</sup> Figures of certain items may differ from the total amount due to half-adjustment.

<sup>5</sup> According to Part D in the A1.2 Direct (Scope 1) greenhouse gas emissions and intensity in How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs under HKEx's Environmental, Social and Governance Reporting Guide and EPD's Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, this Removal Factor is applicable to trees commonly found in Hong Kong that are able to reach at least five metres in height.



## 2022 Environmental, Social and Governance Report

Major Emissions		Unit	Amount of Emission (2022)	Amount of Emission (2021)	Amount of Emission (2020)
Scope II <sup>6,7</sup>					
Electricity	Metric tons of CO <sub>2</sub> equivalent		57,221.00	47,909.61	11,125.29
Natural gas	Metric tons of CO <sub>2</sub> equivalent		20,571.99	13,890.57	0
Scope III <sup>8,9</sup>					
Waste paper treatment	Metric tons of CO <sub>2</sub> equivalent		115.78	35.26	12.56
Employees' business trips	Metric tons of CO <sub>2</sub> equivalent		93.78	61.85	42.13
Total emissions					
Total emissions	Metric tons of CO <sub>2</sub> equivalent		78,227.353	62,017.240	11,276.606
Intensity of total emissions	Metric tons of CO <sub>2</sub> equivalent/ number of employees		15.75	14.54	4.61

### Measures to Mitigate Emissions

In order to effectively reduce the emissions generated by the Group, the Group laid down the Fleet Management Measures, which describes the following measures it has taken to achieve its emissions reduction target:

- Reasonable driving. Private use of business vehicles is prohibited and long-distance dispatching is subject to strict review to reduce unnecessary travel;
- Weekly inspection and maintenance of vehicles are conducted to enhance burning efficiency of fuel; and
- Commuter services are provided to faculty and staff to reduce fuel consumption.

During the Reporting Period, our campuses planted more than 3,500 trees, reducing approximately 80.62 metric tons of carbon dioxide emissions. We will continue to carry out afforestation to reduce emissions generated in the course of operation. When compared to the previous year, because of the enlarged reporting scope, total emissions of greenhouse gases increased by approximately 16,210 metric tons of CO<sub>2</sub> equivalent, and the intensity of total emissions calculated by the number of employees also slightly increased by approximately 1.21 metric tons of CO<sub>2</sub> equivalent per employee. Colleges of the Group will continue to take measures to reduce emissions.

<sup>6</sup> The calculation of greenhouse gas emissions is based on the Baseline Emission Factors for Regional Power Grids in China in 2019 issued by MEE's Department of Climate Change.

<sup>7</sup> Scope II: Energy indirect emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the company.

<sup>8</sup> The calculation of greenhouse gas emissions is based on the emission factor mentioned in Part A in the A1.2 Scope 3 -Other indirect emissions in How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs under HKEx's Environmental, Social and Governance Reporting Guide.

<sup>9</sup> Scope III: All other indirect greenhouse gas emissions that occur outside the company, including both upstream and downstream emissions.

### Hazardous and Non-Hazardous Wastes

The Group's solid emissions mainly come from all sorts of recyclable and non-recyclable household garbage generated in the Colleges, such as paper generated from learning activities, office supplies, plastic, kitchen wastes, construction wastes, greening garbage, etc. Non-hazardous wastes are properly disposed of by third-party environmental sanitation service companies, including recycling wastes, which are engaged by property management companies, in accordance with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes and other relevant regulations.

The hazardous wastes are primarily medical wastes. There are recyclers who collect medical wastes for detoxification on a monthly basis. To effectively manage medical wastes, the Colleges have also developed the Medical Waste Management System, detailing specifications and the description related to the classification, collection, and delivery of medical wastes. Medical waste is collected by the infirmary every day and recycled by the company that is designated by the municipal health department for centralised disposal.

Detailed data of the Group's emissions during the Reporting Period are as follows:

Type of Wastes	Unit	Amount Generated (2022)	Amount Generated (2021)	Amount Generated (2020)
Hazardous wastes	Metric ton	0.6920	0.2384	0.95
Intensity of hazardous wastes	Metric ton/number of employees <sup>10</sup>	0.00019	0.00008	0.00039
Non-hazardous wastes	Metric ton	3,657.8	3,649.9	6.16
Intensity of non-hazardous wastes	Metric ton/number of employees <sup>11</sup>	2.1291	2.4140	0.0025

### Measures to Reduce Wastes Generated

The Group actively advocates the idea of green campus and adheres to the 4Rs principle in environmental protection (reduce, reuse, recycle and replace) in daily operation, aiming to minimise the generation of wastes and make full use of resources. In order to prevent wasting office resources and avoid the generation of more waste, the Group implemented a rationing system for office supplies, in hope of further raising staff's saving awareness while advocating environmental protection.

In terms of the use of paper, we requested the faculty and staff to handle work and process documents online, so as to reduce the printing of paper documents. In case printing was necessary, they were required to use double-sided photocopying and reuse single-sided paper for photocopying or printing of the first draft. In case of waste of paper, each department shall pay RMB1 from its funds for each copy. In terms of wastes, each College under the Group has set up garbage cans for classification to sort out recyclable solid wastes and hand them over to cleaning service companies for treatment. In addition, if an employee is found to have printed his/her personal data outside of the scope of work, he/she will be required to pay a fine 10 times the cost of the paper as a warning to others.

<sup>10</sup> During the Reporting Period, since only Huashang College, Huashang Technical School, Urban Vocational College and Urban Technician College have generated hazardous wastes, the number of employees only includes the total number of employees in those Colleges, totalling 3,676.

<sup>11</sup> During the Reporting Period, since only Urban Vocational College and Urban Technician College have relevant data on non-hazardous wastes, the number of employees only includes the total number of employees in those Colleges, totalling 1,718.

## 2022 Environmental, Social and Governance Report

In terms of reduction of hazardous waste emissions, the main source was the use of toner cartridges, which have been recycled by qualified contractors. Medical waste is mainly generated when an employee or student of the Group's Colleges is injured in an accident. The Colleges can only do their best to provide limited emergency measures to the injured. If the injury is serious, the Colleges will advise the injured to seek appropriate treatment in hospital or medical clinic. Therefore, in general, there will be no waste of medical supplies that will result in an increase in unnecessary medical waste. During the Reporting Period, there were an increase of about 0.45 metric tonnes of hazardous wastes due to the enlarged reporting scope, and a slight increase in the total amount of non-hazardous wastes yet with a decrease of approximately 11.8% in intensity. Looking ahead, we will continue to monitor closely and make every effort to implement various emissions reduction measures.

### Use of Resources

The Group's indirect energy consumption mainly comes from the purchased electricity.

#### Energy and Resource Use Efficiency

	Unit	Amount Generated (2022)	Amount Generated (2021)
Direct Energy Consumption	kWh	1,025,118	738,076
Diesel	Liter	29,840	26,897
Unleaded Gasoline	Liter	72,820	46,452
Indirect Energy Consumption	kWh	80,681,890	66,779,647
Purchased Electricity	kWh	67,995,975	58,213,894
Purchased Natural Gas	Cubic meter	951,443	642,431
<b>Total Energy Consumption<sup>12</sup></b>	kWh	81,707,008	67,517,723
<b>Intensity of Energy Consumption</b>	kWh/number of employees	16,449.97	15,830.65

Water source		Amount Generated (2022)	Amount Generated (2021)	Amount Generated (2020)
Total water consumption	Cubic meter	3,669,865.58	3,312,261	931,516
Intensity of total water consumption	Cubic meter/number of employees <sup>13</sup>	739.74	776.61	380.99

<sup>12</sup> Figures of certain items may differ from the total amount due to half-adjustment.

<sup>13</sup> During the Reporting Period, since only Huashang College, Huashang Vocational College, Huashang Technical School, Urban Vocational College and Urban Technician College have relevant data, the number of employees only includes the total number of employees in those colleges, totalling 4,961.



### **Consumption and Intensity of Energy**

In terms of electricity saving, the Colleges use low-power, recyclable and reusable energy-saving lamps to reduce the power consumption of lighting products, and in turn reduce carbon emissions. During the Reporting Period, the Colleges strictly followed the standard for air-conditioning temperature while enhancing energy conservation benefits. The Group has also formulated the Management System to Secure Electricity Usage on Campus to ensure electricity safety and encourage energy conservation. Specific measures include: faculty and staff are required to turn off the equipment and power supply when they leave relevant places and when they are not using the equipment; and connecting power supply without permission and using high-power electrical appliances on campus are forbidden.

In terms of water conservation, Colleges under the Group will maintain and strengthen the daily management of water conservation in its teaching buildings to eliminate water spilling, dripping and leakage and avoid water waste, and reduce energy consumption. There are also signs in the toilets to remind students and faculty and staff to save water.



Figure 1 — Water Conservation Label

During the Reporting Period, although the total water consumption of the Group was greater than that of last year due to the enlarged reporting scope, the intensity decreased. We will constantly review the effectiveness of the above measures. The Group will continue to implement water-saving measures above to achieve emissions reduction targets.

### **Appropriate Water Source**

The Group faces no issues in sourcing water that is fit for purpose, and water is mainly supplied by local water companies where the Colleges operate. All of its Colleges have stable water supply to meet daily operational needs.

### **Packaging Materials for Finished Products**

The principal business of the Group is provision of private business vocational education. Additional packaging materials are not required for goods provided by suppliers in the operation of the Group. As a result, we do not have any substantial consumption of packaging materials.

### The Environment and Natural Resources

The daily operation of all of the Colleges does not cause direct damage nor have a particularly material impact on the environment and natural resources. The Group constantly follows the principle of protecting the environment and natural resources in its operation and actively adopts various measures and takes actions to reduce emissions from daily operations and save energy resources so as to minimise the impact on the environment. The relevant measures are described in “Emissions” and “Use of Resources”, and it is ensured that it will not cause any significant impact on the environment and overuse natural resources.

The Group also supports the development of green finance and has participated in the “Green Deposit” program. The purpose of the program is to apply such funds in projects such as green architecture, renewable energy and prevention and control of pollution, with an aim to direct the economy to a low carbon, climate adaptive and sustainable manner.

### Climate Change

The Group is fully aware that climate change is a common challenge for all mankind. In line with China’s “double carbon target” (i.e. carbon neutrality and carbon peaking), the Group plans to respond to the government decision progressively to further reduce energy consumption and emissions as the Group’s education business grows and the sizes of its campuses continue to expand, in order to achieve sustainable development. Essentially, the Group plans to respond to local government initiatives and to follow their emissions reduction requirements. We expect to reduce our emissions by approximately 3% by the financial year 2026/27 based on the current year, and to ensure that our greenhouse gas emissions meet the increasingly stringent regulatory requirements of local governments by 2030.

In order to cope with issues that may arise from climate change, Edvantage Group prepares to integrate more perpetual development into its business. Extreme weathers include rainstorm, flood or other natural disasters, which could incur inevitable, substantial risks. Consequently, all Colleges under the Group have internal guidelines in place, setting out detailed emergency systems, to ensure the safety of teachers’ and students’ lives and properties. Regular safe inspection and assessment of campuses are conducted to identify potential safety hazard, enhance the risk prevention and control of secondary disaster caused by rainstorm, flood and hurricane by taking timely rectification and eliminating potential hazard, while relief supplies are also prepared in advance to mitigate climate risks and loss. In respect of potential risks in the supply chain, the Group has set up the Procurement Management System to cover alternative qualified suppliers, so as to tackle the circumstance that suppliers have difficulty in the supply network due to extreme weathers and to reduce the obstacle against the educational business.

The Group has identified a range of climate-related risks and opportunities associated with our assets and services that are of significance to us. Transition and physical risks are discussed in the section below.

	Risks	Opportunities
Short-term (0–1 year)	<ul style="list-style-type: none"> <li>Physical risks arising from extreme weather events</li> <li>Acquiring the skills and competencies required to implement climate strategies</li> </ul>	<ul style="list-style-type: none"> <li>New technology to improve operational and energy efficiency</li> </ul>
Medium-term (5 years)	<ul style="list-style-type: none"> <li>Transition risk — implementing low-carbon policies for operations</li> <li>Transition risk — as climate-related risks and opportunities are increasingly considered, the supply and demand for certain goods, products and services may change</li> </ul>	<ul style="list-style-type: none"> <li>Transit to low carbon economy market to meet government decarbonization targets</li> <li>Opportunities arising from transition enablers</li> </ul>
Medium to long-term (beyond 5 years)	<ul style="list-style-type: none"> <li>Transition risk — potential new regulations and policies</li> <li>Transition risk — the development and use of emerging technologies may increase operational costs and reduce the Group’s competitiveness</li> <li>Transition risk — the Group’s reputation may be affected due to changing customer or community perceptions of the Group’s contribution to, or mitigation of, the transition to a low-carbon economy</li> </ul>	<ul style="list-style-type: none"> <li>Transit to low carbon economy market to meet government decarbonization targets</li> <li>Opportunities arising from transition enablers</li> <li>Become a pioneer in the industry and build up relevant reputations</li> </ul>

Extreme weather events may compromise the integrity of the Group’s assets or directly impede our business and customers. To enhance the reliability of the Group’s operations, we have put in place a range of measures, including contingency plans for extreme weather or emergencies.

Transition risks such as policy changes, technological developments, digitalization, associated risks affecting supply and demand and the reputation of the Group as a result of public perception may increase operational costs and legal risks. The Group has identified relevant risks and continues to monitor market and policy changes. The Group also plans to invest in line with market demand and take it as an opportunity for long-term development.

Looking forward, the Group will continue to review the impact of climate change on its business and will take into consideration climate-related risks and opportunities during its operation, such as change in environment-related regulations, to enhance its resistance.



### Community

#### Community Investment

As an educational enterprise, the Group is actively engaged in community construction and public welfare undertakings. Every year, the Group participates in various activities such as voluntary activities, charitable donations and activities to care for community. While it is developing educational business, it also cares for the society and performs its obligations as a corporate citizen. During the Reporting Period, the total hours devoted by the faculty members and staff of the Group into voluntary service reached 78,262 hours, with donations and resources of over RMB1 million.

The Group's on-and off-campus voluntary activities include but are not limited to:

- Charity donation;
- Blood donation;
- Vaccination against COVID-19;
- Teaching activities for public welfare; and
- community services, etc.

#### *Rural revitalisation and charitable donations*

In response to the 2022 “99 Welfare Day — Donate Together” event for colleges and universities launched by the Guangzhou Red Cross to uphold the Red Cross spirit of humanity, love and devotion, the Group raised RMB300,000 for the “Love Fills the World, Love Warms People’s Hearts” campaign to provide care and assistance to the poor and needy. In addition, we raised RMB150,000 for the “Love for Guizhou” campaign, which focused on the theme of promoting rural revitalisation and common prosperity, to provide assistance to families in need, including poverty and sickness relief, and student assistance in Bijie, Anshun, and Qiannan Prefecture of Guizhou. Furthermore, in order to promote technical level of the working class, further implement rural revitalisation and encourage re-employment, Huashang Technical School organised the “THREE Projects” charitable training classes, which combines the skillsets of “Cantonese cuisine cook”, “Guangdong technicians” and “Southern Cantonese houseworkers” and provide relevant training classes. Not only did the trainees highly appreciate the learning environment and quality of the classes, the program also received great support from the community. Looking forward, the Group will continue to contribute to rural revitalisation.



Figure 2 — Rural revitalisation e-commerce livestreaming



Figure 3 — Charitable training class of the “THREE Projects”

### *Caring for the community in practice*

In order to learn more about the spirit of volunteerism, i.e. “dedication, friendship, mutual help and progress”, and to encourage students to understand the responsibility of the times and social responsibility through practical activities, we launched a campus cleaning volunteer event on the International Volunteer Day on 5 December. The event not only beautified the academic buildings, but also demonstrated the responsibility and determination of our College students to care for the campus environment and build a beautiful campus together. In addition, Huashang College organised a series of “Bringing Three Concepts to Rural Areas” voluntary activities during the summer vacation. Our students offered voluntary teaching in Conghua to enhance the education level among the teenagers in the area, approximately 200 children benefited. Furthermore, we donated different resources, including desks and pianos to the school to improve their learning conditions. We also donated to construct various facilities to achieve poverty alleviation in the rural areas. Through education, rural revitalisation services, caring, observing the national conditions as well as innovation and entrepreneurship, we encourage our students to contribute to the country’s future development. Other activities included volunteering at the Zengcheng Children’s Palace and community support activities in Xiancun Town. We adhere to our mission in education, actively engage in charity work, take up social responsibilities and constantly devote efforts and resources to the community, to better enhance our education standards.



Figure 4 — Voluntary teaching activities



Figure 5 — “Bringing Three Concepts to Rural Areas”

### *Together we fight the pandemic and support various preventive measures*

The Group provides assistance to all kinds of social issues at a timely manner. Every effort counts. We organised numerous donations and actively perform our corporate social responsibilities. In response to the government’s appeal to pandemic prevention, while ensuring the safety of our teachers and students, we also donated various pandemic prevention supplies in both Hong Kong and Mainland China. In early 2022, the pandemic hits Hong Kong hard. The Group not only donated HK\$1 million, but also organised and participated in different activities to contribute to the pandemic prevention in Hong Kong. We donated preventive supplies to communities, elderly homes and schools in need. We also donated over HK\$200,000 and supplies to the “together we fight the pandemic” fleet, in order to provide timely support to those in need. We also encouraged our staff and management to actively participate in voluntary activities to distribute preventive supplies to the community. The Group has always led by its actions, responded to the community and received recognition from the Hong Kong SAR Government.



Figure 6 — awarded the “outstanding epidemic fighting organisation”

*Personnel cultivation-youth development*

The Group actively participates in and organises youth development activities, with an aim to effectively promote the teenagers to correctly acknowledge and understand the PRC development in depth, encourage them to be involved in the nation’s development and embrace the opportunities. We have organised various competitions together with different institutes, including the video making competition Greater Bay Area chill Brilliance — Me and Greater Bay Area: Great Tales in the Greater Bay Area and China (大灣區chill精彩 — 我與大灣區·講好灣區故事·講好中國故事), mobile game design competition Promoting Traditions and Pursuing Innovation: Huashang Vocational College and CMGE Mobile Game Competition (弘揚傳統銳意創新華職·中手遊神繪杯), with an aim to boost their implementation and problem solving skills, cultivate their creativity and designing capabilities, and discover high-quality talents in different fields. The online publicity of the competitions is astonishing. It fully demonstrates the keen attention from teachers and students of various schools. In addition, we set up scholarships and awards of different fields to promote hard-work, initiative and all-round development among students. In the past 4 years, nearly 188,000 students benefited from such schemes, with the subsidy amounted over RMB40,000,000 (please refer to the table below for details).

No. of Students Benefited (approximately)	Subsidy Amount (RMB)
188,000	41,414,248

Students are highly motivated and their comprehensive quality demonstrably improves, some of them even received national awards. The Group spared no effort in personnel cultivation, we have educated generations of talents bearing social responsibilities and willingness to serve different aspects in the communities.





Figure 7 — outstanding scholarship and talent awards

### *Encourage Entrepreneurship and Innovation*

In response to the National 14th Five-Year Plan and The Planning of the Guangdong-Hong Kong-Macau Greater Bay Area, as well as assisting the Greater Bay Area to develop into an international innovation and technology hub, the Group realises the sustainability of the city through different plans and projects, thereby actively performing our social responsibilities. We organised different entrepreneurship and innovative charitable events to help entrepreneurs broaden their connections, enhance fund-raising ability and expand their business. We fully support entrepreneurs to start up their business in the Greater Bay Area and tap into the national markets. The Group also organised series of seminars, training classes and training camps regarding economics of the Greater Bay Area, big data, e-commerce livestreaming, innovation and entrepreneurship, etc. We also encourage our students to participate in entrepreneurship competitions to boost their employment skillsets and competitive strengths, as well as to cultivate innovative talents with an international vision. During the Reporting Period, we launched two material ESG projects, namely Edvantage Acceleration Program (中滙初創企業加速計劃 (EAP)) and GBA Innovative Entrepreneurship Opportunities (大灣區科創新機遇), respectively, with an aim to support the development of entrepreneurship in the Greater Bay Area and cultivate entrepreneur talents with an international vision, which in turns help the development of international innovation and technology hub in the Greater Bay Area.

In addition, we have established the Huashang mass entrepreneurship incubation base, a place for teenagers to realise their dreams, it covers 11 cities across the Great Bay Area, over 500 teenagers from Hong Kong, Macau and Taiwan have visited the base. The base is divided into separate areas with different functions, with supplemental facilities in place, it serves as a cultivation hub for the residing businesses and provide them with comprehensive incubation services in relation to commerce, information, consultation, marketing, training, technology development and exchange, talents communication and management. Entrepreneurship activities will be conducted from time to time, offering one-stop entrepreneur services for youth in Hong Kong.

In order to encourage and support youth in Hong Kong to work and develop their career in the Greater Bay Area, the Hong Kong Government launched the Greater Bay Area Youth Employment Scheme. The Group demonstrated great support to the scheme by providing attractive positions to help youth in Hong Kong to be involved in the development of the Greater Bay Area. We provide them with a comprehensive platform of learning, employment, entrepreneurship and living. During the Reporting Period, 7 staff members joined the Group under the scheme and we have helped them apply for subsidies of over RMB1,000. They became the first batch of beneficiaries of subsidies of the Guangdong Province. On the awarding ceremony of the Greater Bay Area Youth Employment Scheme in November 2022, the Group was rewarded with the active participating corporation award.

## 2022 Environmental, Social and Governance Report

In September 2021, the Group had the honour to act as one of the material strategic partners of the “Startup HK Fund”. We strived to provide support to the cultivation of start up business in Hong Kong and establishment of Shenzhen-Hong Kong business in the technology industry. The Group actively contributes to the promotion of cross-border cooperation and technology enhancement, which in turns benefits the innovation and technology development of Hong Kong and Shenzhen as well as the Greater Bay Area.



Figure 8 — signing of the MOU with The Hong Kong Polytechnic University to promote “GBA PolyVentures 2025 Strategic Partnership”



Figure 9 — awarded the “Guangzhou entrepreneur e-station”

### Society

The Group is committed to maintaining high-standard corporate social governance since this is critical to creating a safe, healthy teaching environment, ensuring teaching quality, and building social reputation. Meanwhile, the Group works to maintain the long-term sustainable development of its business and communities where it operates. The Group prudently manages its business and implements the management’s decisions with care and attention to promote this business model.

### Employment and Labor Practices

#### Employment

People-oriented is the core value of Edvantage Group. We firmly believe that employees are the most valuable asset of an enterprise. The Group strictly abides by all applicable laws and regulations related to employment, including but not limited to China’s Labor Contract Law, Labor Law, Regulations on Paid Annual Leave of Employees, Law on the Protection of Women’s Rights and Interests, Law on the Protection of Disabled Persons, Regulations on Management of Housing Provident Fund, and Social Insurance Law.

#### Remuneration and Dismissal

In order to further improve remuneration package, we make remuneration adjustment based on performance by annual review. The dismissal or voluntary termination of employees’ contracts shall be enforced in compliance with the employment laws and regulations in Hong Kong and the PRC. Either party may terminate the employment by giving a written notice or payment in lieu of notice to the other party as specified in the employment contract according to the requirements of local labor laws. Employees who intend to resign voluntarily shall inform the head of the relevant department and the human resource department in writing 30 days in advance (3 days in advance during the probation period). The department of human resources of the Group will arrange an interview to find out the reasons for the employee’s resignation, and issue a resignation certificate for the employee after the handover between the employee and relevant departments is done and all resignation procedures are completed.

### **Recruitment and Promotion**

The Group has specially formulated the Personnel Management System to manage its recruitment, induction training, employee hiring, employee resignation, employee promotion and other processes, so as to standardise the workflow and improve working efficiency. The Group is committed to building a diversified, anti-discrimination and inclusive working environment to ensure no employees will be discriminated against or deprived of opportunities due to gender, ethnic background, religious belief, colour, sexual orientation, age, marital status or family status in respect of recruitment and promotion. In addition, we have developed the Interim Provisions on Faculty and Staff Recruitment Management to provide detailed specifications for the recruitment of faculty and staff. With approval from the office of academic affairs, personnel division, and the leading group for school personnel, we will develop a recruitment plan in accordance with teaching plans and needs and publish recruitment information in accordance with such plan. Then, we will select suitable and excellent candidates through the resume-screening process, and notify the candidates to have an interview or give a trial lecture after the selection by the head of the employing department. Only after written examination, preliminary examination by the human resources department, interview by the employing department, interview by the head of the human resources department, background investigation and approval by management does the recruitment of an employee complete. Some senior faculty and staff will be hired only with the approval of the Chairman.

The Group will carry out probation assessment and annual assessment for employees, including teacher performance appraisals which will serve as important bases for rewards and punishments, salary adjustment and promotion, year-end bonus, etc. We rate our employees and adjust the corresponding salary and performance bonus according to the annual assessment to reward them for their contribution and stimulate their enthusiasm for work. For employees qualified for promotion, the head of the relevant department will inform the employee and submit a written promotion opinion to the department of human resources and the management in charge for approval. Besides, the Group has developed a series of measures including the Interim Provisions on the Evaluation of Professional Titles, Interim Provisions on the Selection and Appointment of Cadres, Implementation Measures for the Outstanding Young Talent Incentive Scheme, Interim Provisions on the Management of Continuing Teaching of Faculty and Staff, Interim Measures for the Management of Professional and Technical Post Appointment, Measures for the Selection and Reward of Famous Teachers, and Measures for the Appraisal and Selection of School-level Teaching Results, to create more job and promotion opportunities for qualified employees.

### **Working Hours and Rest Periods**

The Group is devoted to providing a safe and healthy working environment for its employees so as to establish with them a close relationship with mutual trust. The Group provides a reasonable and satisfactory remuneration and benefits system for every employee, including basic salary and statutory five insurances plus one provident fund. We also provide high welfare policies to establish a working environment full of mutual assistance and friendliness between employees. Faculty and staff are entitled to basic statutory festivals and holidays. Basic salaries are paid to them during their sick leave, marriage leave, funeral leave, maternity leave and paternity leave in accordance with the applicable labor laws and regulations. The Group has also developed the Interim Provisions on Teachers' Workload Standards to regulate the working hours of faculty and staff of different ranks to ensure that they can strike a balance between work and life. The working hour is generally 8 hours per day and 40 or 48 hours per week on average with at least 1 to 2 day off per week based on the working hour system, or otherwise determined according to relevant laws and the specific positions of employees. We have also defined approval for overtime and a time in lieu arrangement in the Interim Provisions on the Attendance Management of Faculty and Staff to enable overtime-eligible staff to receive due compensation. Regular faculty and staff of the Group can also enjoy additional benefits and allowances, including but not limited to:

- Monthly benefits in kind;



## 2022 Environmental, Social and Governance Report

- Gifts and subsidies at major festivals (such as the National Day, Mid-autumn Festival, Dragon Boat Festival, etc.);
- Material benefits and food allowance;
- Birthday presents;
- Marriage allowances;
- Maternity allowances/gifts;
- Hospitalisation allowances/gifts;
- Special hardship allowances; and
- Annual physical examination, etc.

### Staff Packages and Benefits

In order to improve employees' sense of belonging, enhance team building and create a harmonious working atmosphere, the Group will also organise various group activities on a regular basis or arrange specific festival benefits, including group birthday celebrations with different themes which are held in forms of birthday party and outdoor expansion. To create a festive atmosphere and show appreciation to employees for their hard work throughout the year, the Group organised a number of activities during the Reporting Period, including Dragon Boat Festival activities, Teachers' Day activities and activities for new employees, as well as activities by departments to show care for female staff and to promote their physical and mental health.



Figure 10 — Mid-Autumn Festival activities



Figure 11 — International Women's Day activities



Figure 12 — Marathon in Campus



Figure 13 — Employee Benefits Day

**Total Number and Types of Employees**

As of 31 August 2022, the Group had a total of 4,967 faculty members and staff, which is detailed as follows:

Employee Data	Headcount
Total Number of Employees	4,967
Distribution of male and female employees	
Female	2,948
Male	2,019
Age distribution	
<30	1,556
30–50	2,568
>50	843
Number of employees at different levels	
Senior management	40
Middle management	234
Staff	3,224
Others	1,469
Number of employees by region	
Hong Kong	16
Mainland China	4,937
Others	14
By employment type	
Full-time	4,212
Part-time	755

## 2022 Environmental, Social and Governance Report

### Employee Turnover

As at 31 August 2022, the detailed data of employee turnover rate<sup>14</sup> is as follows:

Employee Turnover	Headcount
Total number of employee turnover (turnover rate)	550 (10%)
Distribution of male and female employees	
Number of female employees (turnover rate of female employees)	285 (9%)
Number of male employees (turnover rate of male employees)	265 (12%)
Age distribution	
<30	258 (14%)
30–50	229 (8%)
>50	63 (7%)
Number of employee turnover by region	
Hong Kong	4 (20%)
Mainland China	546 (10%)
Others	0 (0%)

### Occupational Health and Safety

The Group makes much account of the health and safety of the faculty, staff and students on campus, and endeavours to create a healthy and safe campus environment for the faculty, staff and students. A set of strict safety management regulations and guidelines in terms of fire safety, sanitary management, facilities and equipment management and smoking prohibition is in place. The Group has strictly complied with applicable laws and regulations on health and safety, including but not limited to China's Law on the Prevention and Control of Infectious Diseases, Food Safety Law, Regulations on the Sanitary Management of Student Canteens and Group Meals, Fire Protection Law and other relevant laws and regulations.

The Group's health and safety supervision projects mainly include: management of food safety in canteens, management of drinking water and electricity safety on campus, public security management on campus, roads and traffic safety on campus, medical hygiene management, dormitory management and fire supervision and inspection. According to the arrangements of health and safety work, each unit is required to conduct supervision work and keep relevant records regularly to ensure the safety work is well implemented.

<sup>14</sup> Turnover rate = total number of employees resigned during the Reporting Period/total number of employees resigned during the Reporting Period + total number of employees at the end of the Reporting Period. During the Reporting Period, the total number of employee turnover of the Group was 550.

In order to ensure hygiene and food quality in canteens on the campuses, the Group, pursuant to the requirements of the Food Safety Law, has set up a school-enterprise cooperation centre and a diet committee to regularly supervise the food safety in the Colleges' canteens every week. The Group has also implemented corresponding safety measures, including but not limited to: canteens must maintain a food business license and staff must possess a health certificate, only ingredients with inspection and quarantine certificate shall be procured, samples of food shall be kept for inspection, and food shall be stored in a sanitary environment.

To ensure safe drinking water supply on campus, the Group has specifically formulated the Management System for the Safety of Drinking Water on Campus to supervise drinking water hygiene. The Group regularly takes samples to inspect the water quality and keeps relevant records of water quality inspection.

The fire safety work is also included in the daily safety management. The Fire Safety Management System has been formulated pursuant to the requirements of the Fire Protection Law. A safety education conference is held at the beginning of each semester, and regular fire drills are conducted, aiming to strengthen the fire safety awareness of all staff and students, and enhance their ability to respond to fire emergencies.

Moreover, in order to further strengthen the Colleges' ability to respond to emergencies, the Group formulated the Campus Safety Emergency Plan, which clearly stipulates that the Colleges under it must organise safety emergency drills on a regular basis, fully complete various emergency preparedness, and cooperate with rescuers to deal with safety incidents after ensuring the safety of their faculty and staff. As mentioned in the plan, the Group also advocates the establishment and implementation of an emergency response mechanism by the Colleges to reduce the occurrence of safety incidents and ensure campus safety and stability.

The Group also pays close attention to the physical and mental health of students, faculty and staff. The campuses are equipped with clinics and psychological counselling centres to provide medical treatment and psychological counselling services for students, faculty and staff. According to the Group's Regulations on Health Examination for Employees, health examinations are provided for employees once a year to inform employees about their health status in a timely manner. Considering that COVID-19 was running rampant in the world during the Reporting Period, the Group formulated the Notice on Strengthening the Prevention and Control of COVID-19 Pandemic on Campus, so as to standardise and strengthen the prevention and control of the pandemic of itself and its Colleges, and effectively intercept the transmission route of the virus and reduce the risk of infection of teachers, students and staff. Relevant measures included implementing the management of vehicles and individuals entering and leaving the campus, avoiding mass indoor gatherings, and strengthening disinfection management in crowded places on campus.

During the Reporting Period, the Group did not experience any work-related injuries or fatalities, and the number of working days lost due to work-related injuries totalled to 56.

Number of work-related fatalities		
financial year 2022	financial year 2021	financial year 2020
0	0	0



## Development and Training

The teaching ability of teachers and the administrative ability of administrators directly affect the teaching quality and administrative level of a school. Therefore, the Group attaches great importance to the development and training of its staff, and has formulated a detailed training plan and related guidelines to improve the knowledge and professional ability of teachers and administrators, including but not limited to the Interim Provisions on the Management of Continuing Teaching of Faculty and Staff, Implementing Measures for Doctoral Projects, Detailed Rules for the Performance Evaluation of Teachers, Measures for the Identification and Handling of Teaching Accidents, and Mechanism of Random Check on Classes. Such trainings are mainly divided into cultural and technical trainings internally organised and professional knowledge trainings provided by external institutions. During the Reporting Period, 47% of the Group's faculty and staff received training, among which middle management completed 11.12 hours of training on average and staff completed 9.72 hours of training on average.

As at 31 August 2022, the detailed data of employee training is as follows:

Employee Training		2022
Total trained employees (%)		2,330 (47%)
Gender		Headcount
Female		1,567 (53%)
Male		763 (38%)
Employee level		Headcount
Senior management		35 (88%)
Middle management		219 (94%)
Staff		1,963 (61%)
Others		113 (8%)



Figure 14 — Staff training

Training hours		2022
Total training hours		39,211
Gender	Average training hours	
Female		8.34
Male		7.24
Employee level	Average training hours	
Senior management		9.4
Middle management		11.12
Staff		9.72
Others		3.34

During the Reporting Period, the major training activities in the Colleges organised by the Group included but were not limited to:

- Financial BP training programme
- Training on tax compliance for private schools
- Training on prevention of tax related risks
- The 16th Session of 1+X Certificate Child Care Vocational Teacher Training Course
- Cross-Border E-Commerce B2B Data Operation Vocational Skills Level Certificate
- Training Course for New Teachers in Colleges and Universities on Two Studies and Cultivation Regulations
- Pre-Training Course for Master's Degree in Faculty and Staff
- Pre-job training for teachers in colleges and universities
- Professional Skill Training for Dual-Type Higher Vocational Teachers Majored in Tourism
- Intelligent Networked Vehicle Technology Training Course for Higher Vocational Teachers
- Guangdong Provincial Pre-job Training Workshop for Newly Recruited Counselors and Thought and Political Workers in Colleges and Universities
- Training Course on Drama Instructor for National Colleges and University Psychological Drama Competition

## 2022 Environmental, Social and Governance Report

We also encourage faculty and staff to obtain various professional qualifications. During the Reporting Period, a total of 2,759 faculty and staff members possessed professional qualifications such as lecturer, professor, accountant, economist, securities practitioner, psychological consultant, enterprise human resource manager, and engineer.

### **Labor Standards**

The Group firmly resists and opposes any form of child and forced labor, recruits and employs faculty and staff and protects their legitimate rights and interests in strict compliance with China's Labor Law, Law on the Protection of Minors, Provisions on the Prohibition of Using Child Labor, Teachers Law and other applicable laws and regulations.

The Group's human resources department has developed the Interim Provisions on Faculty and Staff Recruitment Management to regulate matters which require attention and compliance during faculty and staff recruitment. The department will strictly supervise the recruitment and conduct background investigation on applicants. Prior to formal onboarding, persons whose recruitment is approved will be required to provide identification documents, degree cards, account books or other supporting documents, with the originals carefully inspected by the Personnel Office and copies retained. They will not be recruited if any violation is spotted. The use of any false identification documents will be regarded as fraud, and any labor contract that has been signed will also be deemed invalid with immediate termination of employment.

During the Reporting Period, the Group did not have any events of child labor in any form or complaints related to forced labor.

## **Operating Practices**

### **Supply Chain Management**

In order to standardise the material supply procedures and strengthen the monitoring and management of suppliers, the Group has specially formulated the Procurement Management System to manage the Group's suppliers in terms of customer classification, screening, information-based management and assessment.

In the hope of creating a safe, sanitary and comfortable teaching and living environment for teachers and students, the environmental and social risk factors of suppliers will be fully considered in addition to quality, reputation, price and other factors when selecting suppliers. For example, when purchasing daily necessities, drinking water equipment and teaching equipment, we check the qualification certificates provided by the supplier, including certificates regarding its environment, occupational safety and health such as whether its product is made of green and environmentally friendly materials. In the procurement for construction projects, suppliers will be required to provide business qualifications and a list of raw materials. After the supplier information is collected, new suppliers will be assessed by the procurement department, relevant department and financial personnel, and only after passage of the assessment will they become the Group's qualified suppliers. Information of such qualified suppliers will be entered into the enterprise resource planning (ERP) system.

Currently, the Group has a total of 32 qualified suppliers of books and teaching materials, renovation and decoration as well as printing from Mainland China, who are subject to annual assessment and rating every December. Cooperation with suppliers who fail the assessment will be terminated in time.



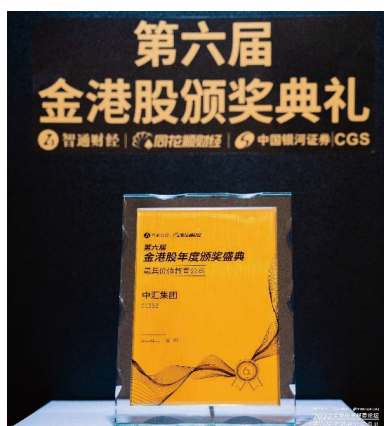
### Teaching Quality

To strictly comply with Non-state Education Promotion Law and standardise teaching activities, maintain a good teaching order, practically establish a rigorous working style and improve teaching quality, the Group has formulated the Regulations on the Supervision over Teaching, Working Procedures for Supervision over Teaching and Mechanism of Random Check on Classes. The teaching supervision team of the Colleges will monitor and supervise the daily teaching quality of the whole College and teaching units, and inspect, supervise and evaluate the teaching level, order and quality of teachers. Supervision activities include but are not limited to: mid-term teaching inspection, annual assessment, random check on teachers in class and listening to lectures, and seminars for teachers and students. Any accident or fault will be taken as a teaching accident and reported and announced by the office of academic affairs to the whole College.

In addition to high-quality teaching materials, excellent teachers are also indispensable to achieve the goal of providing high-quality teaching. Encouraged by the Group, teachers from the Colleges have obtained professional qualifications relevant to their jobs (see details in the Development and Training section of this report), hoping to build confidence in their educational services among students and their parents.

Looking ahead, the Group will closely follow the direction of the country's vigorous development of vocational education, adhere to high compliance and high-quality education, join hands with leading enterprises in the industry in areas where the country urgently needs talents, accelerate the deployment of light and heavy assets in the vocational education business, cultivate for the country application-oriented, innovative and comprehensive talents with international vision and a sense of social responsibility, and serve society and the country with high-end vocational skills, so as to help the country achieve the goal of "by 2035, the overall standard of vocational education will be among the top in the world, and a skill-based society will be basically established".

Figure 15 — Awards and Achievements



The Group was awarded the 2021 "InnoESG Care Prize" in Hong Kong, signifying that the Group's contribution to the environment, society and governance has received market attention and recognition. In addition, the Group also stood out in the 6th Golden Hong Kong Stocks Annual Awards Ceremony and awarded the "Most Valuable Education Company" award. The Group received the above commendations during the Reporting Period, which affirmed the Group's achievements in the education business in recent years. We are deeply encouraged. At the same time, the Group will continue to follow the national policy of vigorously developing higher education and vocational education, adhering to high investment and high compliance in the provision of education, with broad prospects for students' further studies and employment, and the increasing enhancement of the brand name of our Colleges.

### **Service-Related Complaints and Solutions**

The Group is open to comments from all parties, especially parents and students, and gets to know their needs through different communication channels. The office of academic affairs will, upon receipt of complaints about education services, immediately follow up the cases, overcome its own shortcomings in a timely manner and strengthen supervision and inspection. During the Reporting Period, the Group received no cases of complaint. If the Group received any complaint, the office of academic affairs would, after learning about the incident, impose relevant penalties depending on the severity of the incident, such as criticising the staff involved, announcing the incidents, and deducting relevant staff's accumulated points for the year as a warning, with a view to conveying the message to all teachers and students that faculty and staff should strictly discipline themselves and jointly maintain a good teaching environment.

### **Intellectual Property Rights**

The Group is aware of the importance of protecting intellectual property rights. In order to promote the cultural awareness of respecting intellectual property rights, integrity and abiding by laws, all software used by the Colleges is legally licensed, and the teaching materials used are ordered from reliable publishers. As a responsible school runner and educator, the Group highly values academic integrity and strictly complied with the Copyright Law of the People's Republic of China. It adopts a zero-tolerance attitude towards plagiarism and pursues due moral values in the education industry and at the same time enables its staff to understand the seriousness of infringement and sets a good example for students.

### **Student Enrollment**

The Group adopts reasonable and effective learning environment and teaching policies to attract students and parents and enrolls students primarily through WeChat, publications of the education department, educational exhibitions and other platforms and social media with high credibility. During the Reporting Period, the student enrollment events held by the Group was in line with China's Advertising Law and other applicable and relevant laws and regulations.



Figure 16 — College Selection and Application Consultation



Figure 17 — The 28th Hong Kong International Education Expo

### **Privacy Policies**

In order to ensure the information security of the Group, the Group has strictly abided by the Cybersecurity Law and formulated the File Management Measures to regulate the organisation, safekeeping, confidentiality and utilisation of files, in an aim to reduce the risk of data leakage. The measures adopted to secure confidentiality include but are not limited to: the confidentiality levels of files are defined; the files are revised and declassified in accordance with relevant regulations; the confidential files are properly kept in special cabinets to which irrelevant staff and unauthorised persons have no access; users can only look up files in the Group's reading room or designated place after undergoing relevant procedures according to the regulations and the confidential files shall not be lent without the approval of the Group's leaders. The administrative office of the Group is responsible for supervising the management of files. Employees who are found to have violated the confidentiality provisions will be punished based on the severity of the situation. During the Reporting Period, there were no events of violation of data privacy.

### **The Health and Safety of Students**

The Group has always attached great importance to the health and safety of students on campus. The Colleges strive to create a good learning atmosphere on campus and are committed to providing students with a comfortable and safe campus environment, so that students can fully enjoy campus life without any worries. In order to achieve the above objective, the Group formulated the Student Dormitory Management Regulations, which not only regulates the day-to-day management of the dormitory, but also particularly emphasises the safety management of the dormitory. For example, each student dormitory has a duty room, and designated personnel are on duty 24 hours a day to take charge of student security and related management. In addition, any person is strictly prohibited to bring inflammable, explosive and other articles that may endanger others into the dormitory.

On the other hand, the Group is also deeply aware that an educator needs to take into account the spiritual health of students while teaching them knowledge, in addition to ensuring their good development in moral education and other aspects. As a successful educational institution, the Group not only maintains a high emphasis on the quality of education, but also provides appropriate and comprehensive supporting facilities and services for students' spiritual growth and mental health. The Group formulated the Interim Measures for Psychological Crisis Intervention and the Rules and Regulations of Psychological Counseling Centre, in order to unify and standardise such services. It defined the target students to be provided with psychological support and stated the service content and specific work details, so as to lead students out of the mental haze and overcome the fear.



### Anti-Corruption

The Group strictly complies China's Anti-Money Laundering Law, Anti-Unfair Competition Law, Criminal Law and other relevant laws and regulations, and adheres to the basic code of conduct of integrity and self-discipline. The Group has formulated the Procurement Management System to regulate the business conduct and professional ethics of employees, and prohibits any illegal act such as bribery, fraud, blackmail and money laundering. If employees find any violations, they can report to the person in charge of the administration department, which is responsible for investigating and collecting evidence and submitting it to the human resources department. The human resources department will determine the corresponding punishment pursuant to the detailed rules. If the national laws are violated by any employee or staff of the Group, the case will be reported and transferred to the judicial authority for further investigation and handling in accordance with the applicable law.

In order to abide by the instructions given by the chairman to strengthen the integrity and hope to continuously improve employees' awareness of integrity and self-discipline, the Group specifically required the heads of various departments to take the lead in signing the Integrity and Self-discipline Commitment during the financial year, and each department was responsible for asking employees to sign the letter of commitment. The Group hopes that the employees will follow their superiors as role models and all employees will be honest and self-disciplined. The Group hopes that through the move, it can ideologically guide employees to understand the importance of integrity and self-discipline and cultivate the correct value orientation. The Group also held training in respect of occupational ethics, anti-corruption and integrity for its employees and management team to enhance employees' ability to manage integrity and compliance. Relevant training courses are also offered to respective colleges to safeguard our business ethics.

During the Reporting Period, the Group was not aware of any corruption, bribery, extortion, fraud, money laundering or other violations. During the Reporting Period, there was no concluded legal case regarding corrupt practices brought against the Group or its employees.

## HKEX ESG Reporting Guide Content Index

Subject Areas, Aspects, KPIs		Sections/Statements	Page
Subject Area A — Environmental			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Emissions	8-11
KPIs A1.1	The types of emissions and respective emissions data	Emissions — Type of Air Emissions and Emissions data	8
KPIs A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Emissions — Greenhouse Gas Emissions Data	9-10
KPIs A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Emissions — Data of Hazardous and Non-Hazardous Wastes	11
KPIs A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Emissions — Data of Hazardous and Non-Hazardous Wastes	11
KPIs A1.5	Description of emission target(s) set and steps taken to achieve them	Emissions — Measures of Reducing emission load	10
KPIs A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Emissions — Data of Hazardous and Non-Hazardous Wastes Measures of Reducing Wastes Generated	11-12

## 2022 Environmental, Social and Governance Report

Subject Areas, Aspects, KPIs		Sections/Statements	Page
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Use of Resources	12
KPIs A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Use of Resources — Energy and Resource Use Efficiency	12
KPIs A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Use of Resources — Consumption and Intensity of Water	12
KPIs A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Use of Resources	13
KPIs A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Use of Resources — Appropriate Water Source	13
KPIs A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Use of Resources — Packaging Materials for Finished Products	13
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	The Environment and Natural Resources	14
KPIs A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	The Environment and Natural Resources	14
Aspect A4: Climate Change			14
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	Climate Change	14
KPIs 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	Climate Change	15



Subject Areas, Aspects, KPIs		Sections/Statements	Page
Subject Area B — Social			
Employment and Labor Practices			
Aspect B1: Employment			
General Disclosure	information on: (a) the policies; and (b) compliance with relevant laws and regulations that have significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Employment	20-23
KPIs B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	Employment — Total number and category of employees	23
KPIs B1.2	Employee turnover rate by gender, age group and geographical region	Employment — Employee turnover	24
Aspect 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	Occupational Health and Safety	24-25
KPIs B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Occupational Health and Safety	25
KPIs B2.2	Lost days due to work injury	Occupational Health and Safety	25
KPIs B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Occupational Health and Safety	24-25

## 2022 Environmental, Social and Governance Report

Subject Areas, Aspects, KPIs		Sections/Statements	Page
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Development and Training	26-28
KPIs B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Development and Training	26
KPIs B3.2	The average training hours completed per employee by gender and employee category	Development and Training	27
Aspect B4: Labor Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have significant impact on the issuer relating to preventing child and forced labor	Labor Standards	28
KPIs B4.1	Description of measures to review employment practices to avoid child and forced labor	Labor Standards	28
KPIs B4.2	Description of steps taken to eliminate such practices when discovered	Labor Standards	28
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain	Supply Chain Management	28
KPIs B5.1	Number of suppliers by geographical region	Supply Chain Management	28
KPIs 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	Supply Chain Management	28

Subject Areas, Aspects, KPIs		Sections/Statements	Page
KPIs B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	28
KPIs B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	28
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Teaching Quality Intellectual Property Rights Student Enrollment Privacy Policies The Health and Safety of Students	29-31
KPIs B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A	
KPIs B6.2	Number of products and service-related complaints received and how they are dealt with	Service-Related Complaints and Solutions	30
KPIs B6.3	Description of practices relating to observing and protecting intellectual property rights	Intellectual Property Rights	30
KPIs B6.4	Description of quality assurance process and recall procedures	N/A	
KPIs B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Privacy Policies	31



## 2022 Environmental, Social and Governance Report

Subject Areas, Aspects, KPIs		Sections/Statements	Page
Aspect B7: Anti-Corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Anti-Corruption	32
KPIs 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	Anti-Corruption	32
KPIs B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored	Anti-Corruption	32
KPIs B7.3	Description of anti-corruption training provided to directors and staff	Anti-Corruption	32
Community			
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Community Investment	16-20
KPIs B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	Community Investment	16-20
KPIs B8.2	Resources contributed (e.g. money or time) to the focus area	Community Investment	16-20