



中國新高教集團有限公司

China New Higher Education Group Limited

(Incorporated in the Cayman Islands with Limited Liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2001

www.xingaojiao.com

2022/2023
ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

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About the Group

CORPORATE PROFILE

China New Higher Education Group Limited (“the Group”, “China New Higher Education Group” or “we”), founded in 1999, is a leading higher education group, which has been specialising in higher education for 24 years, and has taken the lead in proposing and promoting an applied university model for a long time. The Group was listed on the Hong Kong Stock Exchange in April 2017 (stock code: 2001.HK) and is headquartered in Beijing. The Group’s business segments continue to expand, and it has invested in and founded eight universities (four undergraduate and four colleges) in seven provinces across China, with nearly 10,000 staff members, a total of 140,000 students and a cumulative total of more than 400,000 high-quality talents for the society.

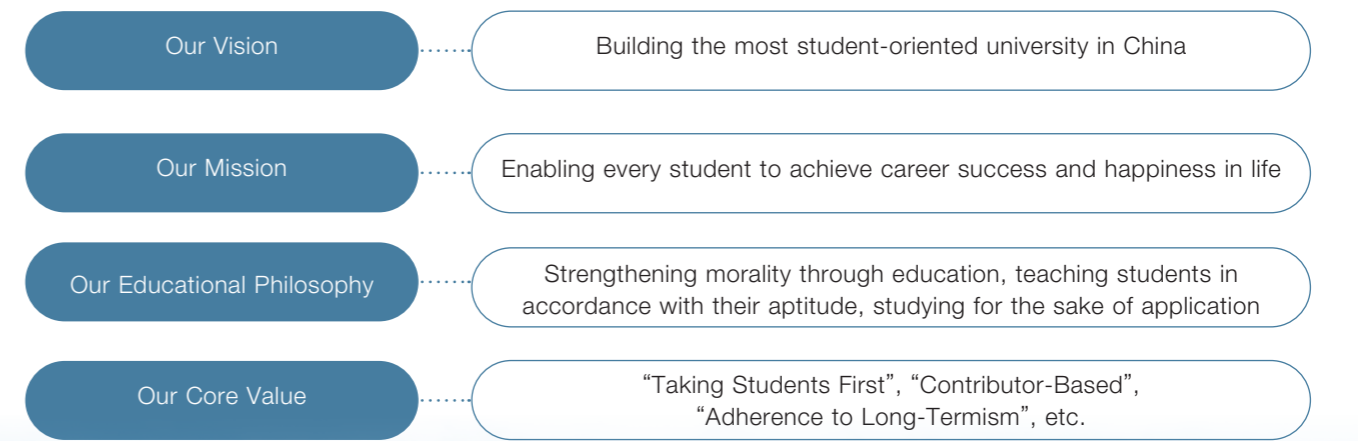
The Group continues to insist on the mission of “enabling every student to achieve career success and happiness in life”, and it is committed to the educational philosophy of “nurturing the growth of students” to “strengthening morality through education, teaching students in accordance with their aptitude, studying for the sake of application”, while integrating with the national strategy of regional development and industrial progress. Based on a sustainable application-oriented talent development model that focuses on high-quality employment, the Group leverages internally-driven development to strengthen students’ employability and the Group’s graduates win recognition from employers. As a leader in high-quality employment, the schools of the Group have been awarded the title of “Top 50 National Employment (全國就業工作50強)” and the “Top 100 Typical Cases of Employment and Entrepreneurship by General College Graduates in China (全國普通高校畢業生就業創業工作典型案例100強)” by the Ministry of Education (MOE), and for three consecutive years, the overall employment rate has been much higher than the national average. The high-quality employment rate of each school is increasing, and the schools have received high rankings across all provinces and regions.

-  founded in **1999**
-  headquartered in **Beijing**
-  in **7** provinces across China
-  founded **8** universities
-  **4** undergraduate and **4** colleges
-  a total of **140,000** students
-  Nearly **10,000** staff members

DEVELOPMENT STRATEGY

The Group has been focusing on higher education for 24 years, and has taken the lead in proposing and promoting an applied university mode of operation for a long time. The Group actively responds to national policies, focuses on the strong demand for application-oriented technical and skilled talents in national economic and social development during the “14th Five-year Plan” period. With Party building as the foundation, moral education as the goal, and high-quality employment as the guide, the Group will continuously optimise the professional structure and mode of talent cultivation, continuously improve the quality of talent cultivation, and strongly support the high quality of the national economy and society. We will continue to optimise the professional structure and method of talent cultivation, consistently increase the quality of talent cultivation, and vigorously promote the high-quality growth of the national economy and society.

CORPORATE CULTURE



About this Report

INTRODUCTION

This Environment, Social and Governance Report (the “ESG Report” or “this Report”) is the eighth ESG report issued by China New Higher Education Group Limited. Based on the reporting principles of materiality, quantifiability, balance, and consistency, this Report discloses in detail the Group’s environmental, social and governance (“ESG”) policies, measures and performance in 2022/2023, in order to enhance various stakeholders’ understanding of the sustainable development work of the Group. In the future, the Group will better fulfil its corporate social responsibility by responding to the expectations and needs of stakeholders.

REPORTING PERIOD

This Report is an annual report for the period from 1 September 2022 to 31 August 2023 (the “Reporting Period”). To enhance the readability of this Report, some contents or data may relate to previous or subsequent years.

ORGANISATIONAL STRUCTURE

Unless otherwise specified, this Report mainly covers the sustainability performance and measures of the Group’s headquarters office in Beijing (the “Beijing Headquarters”) and its 8 schools, which include:



• Yunnan Technology and Business University (Yunnan School)



• Guizhou Technology and Business Institute (Guizhou School)



• Luoyang Science and Technology Vocational College (Luoyang School)



• Harbin Huade University (Northeast School)



• Hubei Enshi College (Central China School)



• Guangxi Yinghua International Occupation College, Guangxi Qinzhou Yinghua International Occupation and Technology School, and Guangxi Yinghua International Occupation Middle School (collectively, the Guangxi Schools)



• Lanzhou College of Information Science and Technology (Gansu School)



• Zhengzhou City Vocational College (Zhengzhou School)

DATA IN THE REPORT

The data and cases presented herein were extracted from internal documents, reports and other documentation that track the progress of the Group’s and its subsidiaries’ efforts to satisfy their performance obligations.

REPORTING GUIDELINES

This Report has been prepared by the Group in accordance with the “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as well as the following guidelines:

- Global Reporting Initiative (GRI) Standards
- Chinese Corporate Social Responsibility Report Preparation Guide (CASS-ESG 5.0)
- The Ten Principles of the United Nations (UN) Global Compact
- UN Sustainable Development Goals (SDGs)
- Task Force on Climate-related Financial Disclosures (TCFD)



REPORTING PRINCIPLES

This Report has been prepared in accordance with the following principles:

Materiality

The Group identifies material issues related to the Group through the materiality assessment and highlights the verified material issues in this Report. The materiality assessment includes identifying key stakeholders, inviting the Board and various stakeholders to prioritise the importance of sustainable development issues, and conducting analysis of material issues.

Quantitative

In order to comprehensively evaluate the ESG performance of the Group during the Reporting Period, the Group disclosed the applicable quantitative key performance indicators (KPIs) in the ESG Reporting Guide, and stated the standards, methods, assumptions, and calculation reference and basis used to quantify the key performance indicators, including the sources of major conversion factors.

Balance

This Report presents the Group’s performance for the Reporting Period in an unbiased manner, avoiding improper selections, omissions or presentation formats that might influence readers’ decisions or judgments.

Consistency

This Report adopts the same compilation method as that of the previous reporting period, so that readers can make meaningful comparisons of the ESG information during the Reporting Period against that of last year. In addition, it also provides explanations for the parts and statistical methods and formulas that were disclosed for the first time, and for data that have changed.

FEEDBACK

Feedback on this Report is welcome and can be sent to the Group’s Investor Relations Management Department via ir@xingaojiao.com.

Chairman's Statement



With great effort, we have charted a path from modest beginnings in our bid to educate China's younger generation and pass on our legacy. Over the past 24 years, the Group has focused on higher education and implemented the educational policy of the Communist Party of China (CPC), with a view to strengthening morality through education and enabling students to pursue career achievements and happiness. The Group strives to build "the most student-oriented university in China" by practising the educational philosophy of "strengthening morality through education, teaching students in accordance with their aptitude, studying for the sake of application". At the same time, the Group is committed to fostering the development of high-quality application-oriented technical and skilled talents who excel in the areas of "virtue, intellect, physics, art and labouring". In doing so, we aim to help build a highly educated country and serve the high-quality development of the economy and society. As it enters a new stage of development, the Group insists on seeking progress amid stability and promoting specialisation and excellence. The Group has taken the initiative to implement ESG concepts, and it strives to protect the environment, fulfil its social responsibilities, and improve the governance of the Group and its schools. The Group is committed to integrating ESG concepts with its development and steadfastly pursuing sustainable high-quality development.

HIGH-QUALITY EMPLOYMENT DRIVES THE CULTIVATION OF HIGH-QUALITY TALENT

The Group considers high-quality talent cultivation to be its development strategy, with high-quality employment serving as its foundation. Guided by sectoral needs, the Group's schools aim to deepen the reform of talent training models, implement the concept of application-oriented education and pursue an Outcome-Based Education (OBE) teaching model, with the goal to establish a system for the cultivation of application-oriented talent. To meet the demand for technical and skilled talents amid domestic economic and social development during the "14th Five-Year Plan" period and implement Sustainable Development Goal (SDG) 4 of the United Nations (UN) "Quality Education", the Group promotes educational equity, takes measures to improve teaching quality and encourages students to pursue career achievements and happiness.

As a leader of high-quality employment, the Group's schools have been included in the "Top 50 National Employment (全國就業工作50強)" and the "Top 100 Typical Cases of Employment and Entrepreneurship by General College Graduates in China (全國普通高校畢業生就業創業工作典型案例100強)" lists by the Ministry of Education (MOE). The employment rates of various schools rank among the top in each province and region, with a continuous increase in high-quality employment rates.

INCLUSIVE DEVELOPMENT OF TALENT AND PRIORITISED CARE FOR EMPLOYEES

From teachers, we learn knowledge and develop skills. As an integral part of the Group, teachers are the Group's priority in corporate development. For years, we have been integrating the ESG elements of sustainability and high quality into employee management and providing trainings to our staff in order to demonstrate care for each staff member, build a caring workplace and promote

our people's career development. In this way, our staff members are given the opportunity to grow alongside the Group. During the Reporting Period, the Group delivered more than 450,000 training hours in total, reflecting a record high. The Group is also concerned about the employee benefits system and takes measures to protect employee well-being in accordance with high standards. During the Reporting Period, the Group initiated the "Care from the Crowd" (百萬關懷) programme to provide assistance to the Group's teachers and their families in addressing major difficulties, emergencies and unexpected events, with a view to minimising their difficulties and anxieties and enhancing their sense of belonging and security.

EMBARKING ON A NEW PURSUIT TO INTEGRATE ESG AND EDUCATIONAL CONCEPTS

Perseverance is the key to the long process of striving for success. In this regard, President Xi Jinping said, "Building a leading country in education serves as a strategic precursor of building a great modern socialist country in all respects, an important support for achieving greater self-reliance and strength in science and technology, an effective approach to promoting common prosperity for all, and a fundamental project to advance the great rejuvenation of the Chinese nation on all fronts through a Chinese path to modernisation." The Group has been dedicated to following the plans and requirements of the Party and the government on building a leading country in education and pursuing high-quality development. Based on its years of exploration, the Group believes that its high-quality development strategy aligns closely with ESG concepts, and that ESG concepts align closely with the Group's future development needs, as well as the needs of students, society and investors. For this reason, the Group has promoted ESG-related programmes and earnestly responded to ESG issues and concerns. Going forward, guided by ESG principles, the Group will fully integrate its development metrics and financial indicators with ESG indicators, strive to steadily create value, and unswervingly follow the path of sustainable, high-quality long-term development.

Statement from the Leader of the ESG Working Group

ESG encompasses more than corporate responsibilities and duties — it also represents a strategic choice that China New Higher Education Group has proactively taken to achieve sustainable, high-quality development in the future. We attach great importance to ESG, and have been integrating ESG concepts into the Group's reform and development and unswervingly following a path of sustainable and high-quality development. In this regard, our efforts have received supports and recognitions from our students, staff members, the government, investors, business partners and other stakeholders. During the Reporting Period, the Group was honored the "Sustainability Award of the Year from Gelonghui" (格隆匯“最佳年度可持續發展獎”), demonstrating the recognition that we have received in the ESG space.

The Group adopts a people-oriented approach and protects the rights and interests of staff and students

Education is an endeavour that focuses on people, and for this reason, humanism and a sense of humanity are the most important foundations for the development of the Group. In the past year, the Group continued to optimise its working environment, and took measures to provide a more comfortable and pleasant learning, teaching and living experience for its staff members and students. Despite pressure from the macroeconomic downturn, the Group has continued to raise the salaries of its staff members and take measures to provide a sense of security for its teachers, so as to encourage them to devote themselves wholeheartedly to the education of their students. The Group has also been encouraging its students to participate in a rich variety of campus associations, take initiative based on their own interests, embrace their imagination and creativity, and face external challenges with resilience. Overall, the Group aims to lay a solid foundation for high-quality employment and promote the comprehensive, long-term development of its students.

The Group builds green campuses through energy conservation and emissions reduction measures

We have taken a number of measures including increasing the green coverage rate of campuses, replacing the intelligent balance valves of heating systems, installing intelligent metres, replacing traditional lamp switches with induction switches and strengthening energy-saving management systems. In particular, the Group has integrated energy-saving awareness campaigns and educational activities into student training and classroom teaching to cultivate students' awareness and behaviour towards energy conservation and be more green. Through these measures, the Group has reduced energy consumption, cost savings and strengthened students' awareness of the importance of environmental protection. The Group's initiatives have encouraged students to participate in the construction of green campuses, while also sowing the seeds of energy conservation, environmental protection and green education to society as a whole.

The Group continues to improve operating compliance to enable a robust risk management system

The group has diligently been optimising its governance structure and operating model, driving the development of its internal systems, improving processes, and enhancing its governance and management efficiency as an education group. Through these efforts, we aim to provide a "new higher education" experience to promote the modernisation of the private higher education governance system and governance capabilities, and enhance the societal reputation and market perception of the Group's schools.

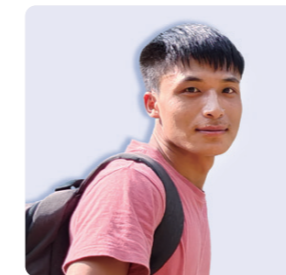
The Group is building a system of ESG indicators and targets to improve its ESG performance

We actively abide by the Sustainable Development Goals (SDGs) of the United Nations, the Global Reporting Initiative (GRI) standards, and other international standards and rules when planning and deploying the ESG initiatives of the Group and its schools. To more effectively track its ESG performance, the Group is taking intensive efforts to improve its ESG management system. We are establishing a system of ESG indicators and targets that will help us understand the performance and plans — as well as the gap between actual implementation and goals — of the Group's schools in terms of environment, society and governance in a more comprehensive and timely manner, with a view to continuously improving our ESG performance.

Finally, I would like to express my sincere gratitude for the trust and support given to the Group by all of its stakeholders over the years. We hope that this Report effectively responds to the expectations and needs of all stakeholders, and enhances people's understanding of the Group's ESG efforts. As a Group engaging in private higher education, China New Higher Education Group will continue to insist on the mission of helping students pursue career achievements and happiness; and we will strive to build "the most student-oriented university in China" by fostering the all-round development of high-quality application-oriented technical and skilled talents who excel in the areas of "virtue, intellect, physics, art and labouring". In doing so, the Group aims to contribute to the high-quality development of higher education and vocational education, play its part in building a highly educated country, and ultimately serve the high-quality development of the economy and society.

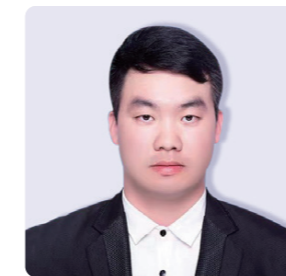
Messages from Other Stakeholders

Students



China New Higher Education Group and its Yunnan School are committed to "nurturing the growth of students, and helping students become the best they can be". In addition to gaining professional skills, I have also been able to serve as a student leader, which has allowed me to develop myself. I was also provided with work-study opportunities. Now, it is time to take everything I've learnt at school and put it into practice at my workplace.

• Li Zupan, 2017 graduate of the Yunnan School



Remembering the past, the peach and the plum are not to say, own wind and rain talk about the vicissitudes of life! Looking at the present day, we will continue to be brilliant and renowned in the five continents. The China New Higher Education Group and its Gansu School are a spiritual temple full of vigour and innovation, dedicated to cultivating the talent and potential of each and every student. She is the cradle of my growth, and has cultivated in me a strong will and a spirit of continuous progress. Every lesson and every teacher has given me endless knowledge and enlightenment, allowing me to feel the joy of learning and progress.

• Li Bin, Civil Engineering, Gansu School, Admitted in 2019



Each generation passes on its traditions and legacy. China New Higher Education Group and its Yunnan School are cultivating the pillars of society and the future leaders of the country. I would like to express my gratitude for the inspiration and guidance given to me in the past four years. I feel as if a treasure has been bestowed upon me, opening up a window to opportunities and compassion.


• Zheng Yi, Chinese Language and Literature, Yunnan School, Admitted in 2020

Industry association



The campus of China New Higher Education Group adopts a reality-based and futuristic design that focuses on the precise management of infrastructure projects and protection of the ecosystem. In addition to receiving the honorary title of "Safe and Civilised Construction Site" from the Construction Industry Association of Enshi Prefecture, the student apartment complex of Central China School provides a comfortable and caring accommodation environment for students, representing a model that should be learned from and borrowed.

• Zhang Yugang, Secretary General of the Construction Industry Association of Enshi Prefecture, Hubei Province

Staff members 

Carrying virtues, showing students to be the basis of human beings. Accumulation of learning, teaching students the root of knowledge. Motivation, motivate students to rise to the power. To do, the heart of the way of education. With love to infect students, with action to educate students, with personality to motivate students, with the system to regulate students.

Sun Liuya, Head of E-commerce Teaching and Research Group, Luoyang School •



I am committed to the teaching profession, as a way to strengthen our country. The duty and mission of a teacher is not to teach a machine that “can answer examination papers and get high scores”, but an independent individual whose spirit is like a torch, whose beliefs are like a rock, whose personality is sound, and whose outlook is correct, which requires us to tailor our teaching to the students’ needs, to teach according to their abilities, to teach according to the lessons, to excel, and to fight for the students’ professional achievements and happiness in life! Struggle for a high quality education system!

Chen Xiaoli, Teacher of School of Economics and Management, Northeast School •



Adhering to the concept of green development, the Group promotes the construction of an ecological civilisation, actively carries out environmental protection projects to save water, electricity and energy, builds green campuses that promote environmental and cultural education, and fulfils its responsibilities in a way that delivers a positive impact on students.

**Zhang Wenkang, Director of Infrastructure Support •
Department in Beijing Headquarters**



The key to building “the most student-oriented university in China” is to improve the quality of front-line teaching. The Group has designated the 2023-2024 academic year as the year of the “strong front-line”. As part of this effort, the Group has set 8 goals, set up 15 KPIs and launched key initiatives that focus on front-line work. The Group is eager to listen to front-line voices and respond to related demands in a timely manner. This programme demonstrates the Group’s determination in prioritising students, addressing challenges and pursuing excellence, as well as its down-to-earth, pragmatic management style.

Mao Fei, Director of Administration Office Department in Beijing Headquarters •



Partners/suppliers 



We are happy to have formed a strategic partnership with China New Higher Education Group. Going forward, we will provide better product solutions, and continue to pay attention to the experience of students and teachers to contribute to the inclusive development of talent. On the journey of sustainable and high-quality development, we will work together to build an environment-friendly society.

• Cui Yunlong, General Manager of Midea Core Engineering Operations of Guangdong Midea Smart Home Technology Co., Ltd.



As a leading enterprise in China’s education informatisation industry, Seewo appreciates the Group’s recognition of the Seewo brand. Over the past two years, we have been working together closely and integrating to deliver mutual benefits. Going forward, we will continue to provide high-quality products and services to help China New Higher Education Group succeed in the education industry.

• Yang Wei, Vice President of Marketing at Guangzhou Shirui Electronics Co., Ltd.



China New Higher Education Group has always been dedicated to educational advancement. It is not only devoted to offering high-quality educational materials and services, but it also actively advocates education reform and innovation, as well as efforts to diversify and modernise education. As a partner and witness to the China New Higher Education Group’s high quality development, we have observed the Group’s efforts and devotion to the education cause, as well as its close collaboration with diverse sectors of the community. We aim to cooperate with the Group in the future to support the growth of the education sector and to lead the transformation and improvement of the industry.

• Yang Zhiguo, Executive Director of Yunnan Qiyiqi Technology Co., Ltd.

Financial institution 



China New Higher Education Group has been engaging in private higher vocational education for 24 years. During that time, it has adhered to an application-oriented talent development model that focuses on high-quality employment and nurtures the growth of students, successfully helping millions of students realise their dreams and contributing to social and economic development. The Group values its strategic cooperation with financial institutions, firmly follows the path of high-quality development, and is committed to building high-quality campuses and safeguarding the happiness of teachers and students.

• Zeng Shisong, President of China Minsheng Bank’s Beijing Wangjing Sub-branch

Table of ESG KPIs



Economical KPIs	Unit	Data
Employee remuneration	RMB	769 million
Total amount of Five Social Insurances and One Housing Fund in the Chinese Mainland and contributions to other retirement plans	RMB	58.31 million
Amount of interim and final dividends distributable to shareholders during the Reporting Period	RMB	335 million
Income tax paid during the the Reporting Period	RMB	143 million
Cost of principal business	RMB	1,313 million



Social KPIs	Unit	Data
Total number of employees	person	9,755
Ratio of male and female employees		4:6
Training sessions in various types	session	957
Accumulated training hours	hours	455,456
Employment of disabled staff	person	45
Amount of disability insurance contributions	RMB	1.16 million
Investments in various teaching facilities	RMB	250 million
Trained rural leaders who are pursuing prosperity	person	830
Number of farmers employed through the training of leaders	person	nearly 4,000
Helping graduates from disadvantaged groups ¹ to find employment	person	1,037
Sponsored students	person	19,858
Total amount of student financial assistance	RMB	36.22 million
Donations to support rural revitalisation and social well-being	RMB	over 8.8 million
Fire drills conducted	times	53



Environmental KPIs	Unit	Data
Natural gas consumption intensity	m ³ /m ² (gross floor area)	0.74
Gasoline consumption intensity (vehicle)	L/vehicle	1,704
Electricity consumption intensity	kWh/m ² (gross floor area)	29
Water consumption intensity	Tonnes/m ² (gross floor area)	1.7
Greenhouse gas emissions intensity	Tonnes/m ² (gross floor area)	0.02

¹ Graduates from disadvantaged groups: orphaned students, students with disabilities, students facing sudden and severe difficulties, urban and rural low-income students, and students in need of special hardship assistance.

Statement of the Board of Directors

The Board of Directors assumes full responsibility for the Group's ESG strategy and reporting, and is responsible for assessing and determining the Group's ESG risks and ensuring that the Group establishes appropriate and effective ESG risk management and internal control systems.

During the Reporting Period, the Board further integrated ESG matters into the corporate governance structure to lead the Group continues firmly on the road of excellent sustainable growth. Also, to ensure the transparency and accountability of the Group's operations, the Board adhered firmly to corporate governance principles and continuously paid attention to areas such as internal control, fair disclosure and accountability to all shareholders to meet applicable legal and commercial standards.

During the Reporting Period, the Board conducted surveys of stakeholders based on the Group's external environmental strategy and development strategy, and in this way identified 25 material ESG issues for the Group's ESG work. The following eight issues were deemed to be of higher importance to the Group: teaching quality, staff training and development, educational philosophy and innovative educational model, protection of consumers' rights and interests, health and safety, corporate governance, anti-corruption, and development strategies of the company. The Group is focusing on the above issues and improving its daily operations in these areas, and this effort is subject to targeted management. Going forward, the Group will continue to align its strategy and promotion of sustainable development with stakeholders' expectations and the Group's actual operations, with the goal of becoming more sustainable.

This Report discloses China New Higher Education Group's ESG progress and performance in 2022/2023. The Board and all directors of the Group guarantee that this Report contains no false records, misleading statements or material omissions.



Sustainable Development Goals (SDGs) of the United Nations

WHAT ARE THE SDGs?

The SDGs are a set of 17 global development goals set by the United Nations in 2015 to thoroughly address social, economic and environmental development issues in an integrated manner, including, among others, eliminating poverty, promoting gender equality and responding to climate change, guiding the globe to achieve sustainable development as a whole.

Practising the United Nations Sustainable Development Goals can help the Group achieve sustainable development, improve competitiveness, optimise resource allocation, promote green development and attract talent and investment. These goals will not only help the Group's own development, but also help to promote the sustainable development of society as a whole.

PROCESS OF DETERMINING GOALS

The Group is committed to actively performing social responsibility and contributing to the achievement of the grand global SDGs in response to the call of our country. In 2023, the Group invited the stakeholders to participate in a questionnaire survey on the SDGs, through which, they reviewed the 17 SDGs and the descriptions thereof, and selected the most relevant ones to the Group's strategy and business. A total of 3,369 stakeholders participated in the questionnaire survey. The Group selected the two most relevant SDGs (including quality education and health and well-being) that received more than 50% of the votes, and formulated the key tasks and objectives to be included in the Group's work highlights in 2023, which will be followed up by the departments in the headquarters and each school.



Features: Cultivating and Promoting High-Quality Talent and Employment Through Industry-Education Collaboration

Since its establishment in 1999, the Group has been deeply engaged in the field of higher education for 24 years, acting as a pioneer and leader of the application-oriented university model. In order to proactively seize the historical opportunity offered by the country's strong support for higher education, the Group has been insisting on the fundamental task of delivering ethics-oriented education, developing high-quality services and promoting the steady improvement of employment quality. To this end, the Group has strived to continuously enhance structures and talent cultivation models, taking into account the strong demand for technical and skilled talents as required for domestic economic and social development during the "14th Five-Year Plan" period.

deeply engaged in the field of higher education for **24** years

The Group insists on comprehensively improving the quality of talent training. The Group has been deepening the integration of industries and education and school-enterprise cooperation, and actively collaborating with leading enterprises and high-quality educational institutions, such as by establishing a high-quality industrial college in cooperation with research institutes, and striving to build experimental training laboratories for the Global 500. In this way, the Group is exploring new models and mechanisms for the integration of industries, science and education.

Application-oriented Education

Strengthening talent cultivation under school-enterprise "dual" education

Teachers are the most essential resource in the educational process, and they are fundamental to securing a high-quality education. In order to fully meet society's need for skilled talents, the Group has arranged dual-qualified teachers² to participate in teaching sessions, and has invited professionals from renowned enterprises such as Huawei, JD.com, Inc., Geely Automobile and Chinasoft International to participate in teaching and practical guidance activities. These programmes leverage the industrial college platforms jointly built between the schools and enterprises. The Group is also making efforts to improve its ability to cooperate in talent cultivation, strengthen its faculty team, and further enhance students' professional skills and practical capabilities. In this way, the Group is working to cultivate application-oriented talents who will meet the needs of industries and development, support the growth of industries and have strong career development potential.

Integrating industries and education to drive student growth

The Group and its schools have been working with 1,150 leading enterprises, including Huawei, Tencent, ByteDance, Tesla and Siemens, to enable the joint training of talents and engage in school-enterprise collaboration. The Group has established 51 modern industrial colleges, and opened 108 classes that give students the chance to work at famous enterprises, including JD.com, Inc. and Geely Automobile. Meanwhile, the Group has set up 991 training bases for various enterprises, including China Construction and COFCO Corporation. In total, 52,335 students have participated in these programmes. Going forward, the Group will continue to work with industries to cultivate application-oriented talents who can meet the needs of industries.

established **51** modern industrial colleges

set up **991** training bases for various enterprises

² Teaching staff with teaching qualifications and relevant national vocational qualification certificates or vocational skill level certificates, or non-teaching positions (titles) in their own specialities or similar specialities, or teaching staff with the appropriate level of competence.



The Yunnan School engages in school-enterprise cooperation to promote student employment

The Yunnan School has been following the application-oriented talent development model in an effort to actively respond to the demand for application-oriented talent amid the development of various national and regional industries. To align with the development of eight industries in Yunnan and the “Trident” (三張牌) strategy, the school has worked with enterprises to establish 12 industrial colleges, including Huawei ICT Academy, 360 Cybersecurity College, and Zhengbao Smart Finance and Taxation Industry College. In this way, the school and enterprises have formed collaborative institutions that will promote the joint development of specialised disciplines, curricula, teachers, teaching practices, research and development (R&D), and employment.



In recent years, 27 professional training programmes, 76 experts from enterprises have lectured at the school and 55 professional courses have been jointly developed. Siemens Smart Manufacturing Centre, JD Big Data Centre and two provincial engineering research centres have been jointly established; and more than 40 R&D and social service projects have been carried out to cultivate students’ ability to apply what they have learnt and succeed in the job market.

The Yunnan School has been innovating the talent development model through industry-education integration, with the goal of cultivating application-oriented and innovative talent. The school won the 5th JD School-Enterprise Cooperation Training Project called “One Hundred Schools’ Alliance for the Future” (百校聯盟致勝未來) and the “School Making an Outstanding Contribution award” (突出貢獻院校獎), and it has been awarded the “Outstanding Huawei ICT Academy” (優秀華為ICT學院) by Huawei for five consecutive years. The Yunnan School is the only tertiary institution in Yunnan Province that has won this award for five consecutive years.

The Gansu School deepens industry-education integration and school-enterprise cooperation

The Gansu School has launched the “Outstanding Talents Training Programme for the World’s Top 500 Companies” (500強名企卓越人才培養計劃), as well as the “Elite Class” programme, which is also designed to meet needs of the world’s top 500 companies. The “Elite Class” programme has been launched in conjunction with 23 leading enterprises, including Geely Automobile, Huatian Electronics, Lingsheng Group and Hailiang Group. The school entered into strategic agreements with these companies to engage in school-enterprise cooperation and help approximately 300 students attain high-quality employment.

The Group always focuses on national strategies, closely matches with the sunrise industries, vigorously promotes the integration of industry and education, and utilizes jointly established industrial colleges as platforms to develop high-quality industrial colleges and cultivate applied talents who are adapted to the needs of industries and job development, while possessing the capabilities to drive industrial growth and career development.

 <p>Central China School Huawei Kunpeng Industrial College</p> <p>The average salary of graduates from the Industrial College is 10% higher than the average level of similar majors in Hubei Province</p>	 <p>Gansu School Chinasoft International Artificial Intelligence Industrial College</p> <p>A training base for information technology talents with international advanced level</p>	 <p>Guizhou School JD Industry-Education Integration College</p> <p>Successfully creating a “Guizhou model” for JD’s industry-education fusion co-operation</p>
 <p>Luoyang School Fuhner Intelligent Industry College</p> <p>Cultivating senior applied technical talents and front-line management talents for the global smart manufacturing industry</p>	 <p>Guangxi Schools Kerui Big Data Industry College</p> <p>Cultivating talents for the needs of big data application ecological enterprises in Yangtze River Delta Region</p>	 <p>Zhengzhou School Refractories Industry College</p> <p>A model of school-government cooperation, the only refractory material industry college in China</p>

Integrating international resources to carry out exchange and research

In order to thoroughly implement the Group’s educational philosophy, understand students’ needs, and integrate the high-quality educational resources of overseas institutions, eight of the Group’s schools have introduced programmes for overseas study in Europe and the United States. The Group’s organisations are also engaging in international research projects with Harvard University, the Chinese University of Hong Kong, the University of Cambridge and other universities. The Group has established an international exchange network with various schools to facilitate students’ studying abroad goals and career plans through cross-cultural training, academic programmes, International English Language Testing System (IELTS) courses, exchange visits between colleges, and career guidance.

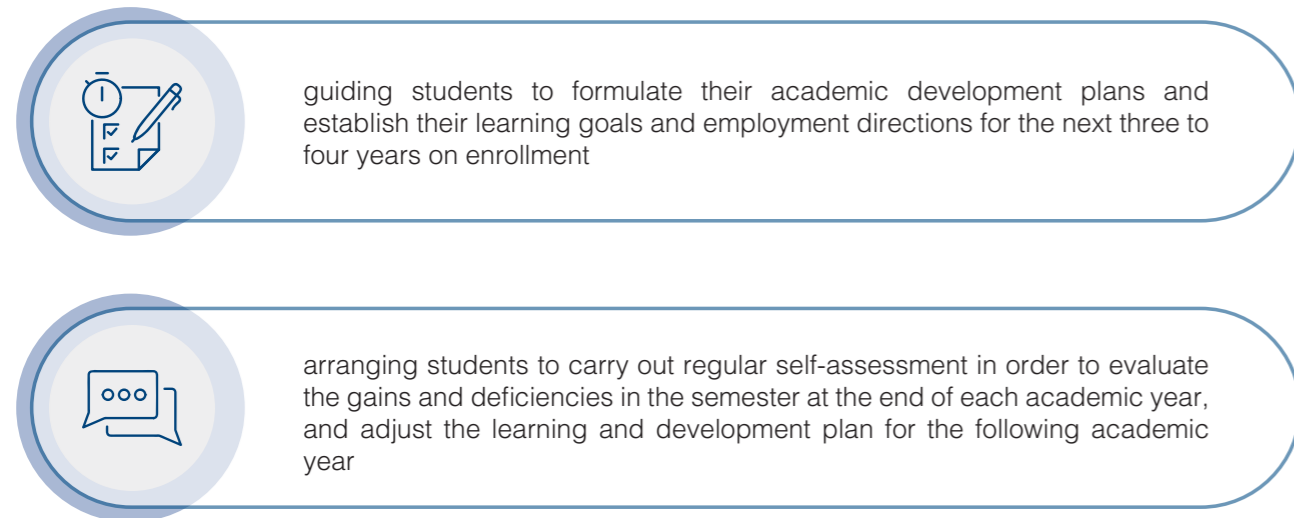
In addition, the Group has made significant progress in its co-operation with top domestic and international academic institutions. The Snow Lab team from Harvard University’s School of Education is fully stationed in the co-construction of the preschool education programme. It has successfully published its scientific research results in the international arena, and has cooperated with the Group in completing the construction of the syllabus for 13 courses. The Snow Lab team has been sharing the results of reforms carried out in collaboration with Yunnan schools at world-renowned universities such as Fudan University, The Chinese University of Hong Kong and Beijing Normal University.

Motivating Students to Learn and Take Initiative

Maximizing potential and improving quality of student are always the education tenet of the Group. In addition to developing students' abilities, the Group prioritizes the ideological and moral quality of students and guides them to build good moral quality and become talents with all-round development of "virtue, intellectual, physical, artistic and laboring".

To boost the students' motivation in self-directed learning, the Group has devoted efforts to create a quality development education system with distinctive features, rich content and student satisfaction, aiming at 1) guiding students to formulate their academic development plans and establish their learning goals and career directions for the next three to four years on enrollment; and 2) organising regular self-assessments for students to evaluate their achievements and shortcomings within each academic year, and adjust the learning and development plan for the following academic year. Our schools provide comprehensive guidance throughout the students' learning journey to help them enhance their learning outcomes.

Quality Development Education System



Furthermore, extracurricular learning is another important means of talent cultivation. Our schools offer various extracurricular activities such as scientific research, academic exchanges, association activities and discipline competitions to summon up students' enthusiasm, initiative and creativity in the learning process, and foster a strong learning atmosphere on campus.

Classroom teaching is an indispensable part of the education system, which is not only the main place for students to learn knowledge, but also an important place to cultivate their thinking, innovation and problem-solving abilities. Therefore, paying attention to classroom teaching is one of the keys to improving students' motivation. At the same time, teachers also need to adopt a variety of teaching methods and means to stimulate students' interest and motivation in learning and to improve students' learning effect and motivation.



have organised the "Wonderful Classroom Competition" for **14** consecutive years

In order to thoroughly implement General Secretary Xi Jinping's important instructions on the construction of a strong education nation, the Group is committed to fostering talents and enhancing morality by meeting the "three-all (三全)" educational requirements, which is an educational mode of all-staff-in-charge education, all-process education and all-round education, and inspiring teachers' devotion to their education careers. As part of this effort, the Group's schools and colleges have organised the "Wonderful Classroom Competition" for 14 consecutive years. Through this initiative, the Group aims to improve the teaching skills of front-line teachers, inspire innovative teaching methods, make lessons more interesting, and offer better support for students' growth. The Group continues to pay attention to the quality of classroom teaching and carefully designs teaching and research activities, taking into account daily teaching needs, to improve the quality of teaching and research activities. Under the "Wonderful Classroom Competition", mutual learning is encouraged among teachers, and the skills of outstanding teachers are leveraged to accelerate the growth of other teachers and improve the overall quality of teachers and education. We have deepened the reform of remuneration for basic courses, given higher salaries to teachers with high teaching quality and high student evaluations, increased incentives, and created a classroom quality culture with a clear orientation. The Wonderful Classroom Competition focuses on daily teaching practices and showcases teachers' skills and experience. Teachers are motivated to think about how to reform and improve teaching methods, and ultimately make every class wonderful.

Teachers and experts showcase their capabilities in the Wonderful Classroom Competition

To put the "strengthening morality through education, teaching students in accordance with their aptitude, studying for the sake of application" educational philosophy into practice and live up to the goal of "Teaching Quality Enhancement Year", we have deepened the construction of wonderful classrooms, stepped up our efforts to promote teaching quality and incentivise teachers through classroom teaching competitions, and formed a teaching atmosphere of "promoting teaching through competition". The Group has been holding the "Wonderful Classroom Competition" for all professional teachers for 14 consecutive years.



Student autonomy is key to the development of vibrant student associations. Each of the Group's schools has established student associations to enable daily communications between student associations and the school. The Group's schools manage and provide support to the associations, and encourage the associations to organise impactful and compelling brand events. Student associations are positioned to inspire students' interests, cultivate their hobbies and enhance their capabilities.

Diverse association

Student associations are voluntary groups organized by students, and they serve as "second classrooms" that further promote a quality education. The Group fully supports and protects students' freedom of association while overseeing and managing student associations to ensure that they organise activities within the scope permitted by law and in accordance with the charter. The Group's schools collectively host a total of 478 student associations, covering a wide range of subjects including academic technology, innovation, entrepreneurship, culture, sports, volunteer work, public welfare, self-discipline and mutual assistance, fully satisfying the diverse interests and needs of students. By organising or participating in meaningful and diverse association activities, students are given the opportunity to broaden their horizons, alleviate academic pressure and hone their social skills.

Association management and activities

The Group places great importance to and actively supports the work of student associations, incorporating them into the overall planning and deployment of its work. The schools under the Group have developed management methods for the construction of associations and established an association construction management committee led by the main person in charge, which is responsible for conducting research and planning for the construction and development of student associations throughout the school, as well as important rules such as the registration and annual examination of associations, coordination of venues and financial support. We regularly listen to the needs and demands of student associations, and promptly study and solve related problems; strengthen the standardised management and classified guidance of activities carried out by student associations and their members, and put forward opinions on the handling of student associations violating laws and regulations or school discipline; strengthen the evaluation, assessment and motivation of instructors of student associations and put forward opinions over their assessments, and so on. Under the coordinated leadership of the Committee for the Construction of Associations, the work of campus associations is moving towards systematisation, diversification and standardisation, and is playing an increasingly important role in campus education.

Association Culture and Arts Festival

Associations are an integral component of campus culture of the universities as they provide students with the opportunity to develop their potential, learn about important topics and express themselves. During the Reporting Period, each universities staged a number of colourful association activities, with a view to providing cultural education and ideological guidance, hundreds of associations have been involved in these activities to compete and demonstrate their talent and enthusiasm.




Improving Students' Competitiveness to Promote High-quality Employment

The Group continues to increase its investment in student employment and raise the number of teachers on the employment guidance team. By adhering to the target of "helping students pursue high-quality employment and entrepreneurship (幫助學生高質量就業創業)" and leveraging the role that schools play in helping disadvantaged students attain education and employment, the Group is striving to achieve the goal of "educate one person, employ one person, and enable one family to prosper (職教一人、就業一人、幫扶一家)".

Increasing investment in employment

Student employment is the top priority of the Group and its colleges and schools, and high-quality employment is the foundation on which the Group's schools are built. The Group has implemented a number of initiatives to promote high-quality student employment. For example, the Group's "Seven Clouds" (七朵雲) online employment platform harnesses big data to provide accurate and personalised job-related updates to students. In addition, the Group has established employment service centres in the Beijing-Tianjin-Hebei region, the Pearl River Delta and the Yangtze River Delta to identify more leading enterprises as potential employers of graduates. Moreover, the Group has set up a strong team to promote high-quality employment, comprising 90 full-time employees and 184 counsellors, for graduating classes. Finally, employment guidance, such as interview training, resume polishing, and workplace etiquette training, are provided to improve graduates' confidence and competitiveness.

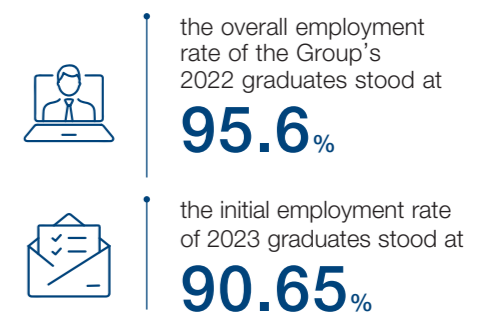
Colleges and schools have also taken their own measures to promote high-quality employment:

The Northeast School takes multiple initiatives to promote student employment

During the Reporting Period, the Northeast School held business training sessions, simulated job fairs and career planning contests to improve the career counselling skills of graduate counsellors and enhance their ability to guide students in their employment journeys. Based on data regarding employment intentions, the school organised alumni enterprises to help arrange recruitment activities that precisely matched the region, salary and industry requirements of graduates. A number of well-known enterprises participated in these activities. The school provided specific employment guidance and at least five job recommendations to each disadvantaged student. It also helped students with financial difficulties apply for employment and entrepreneurship subsidies to minimise their employment challenges.

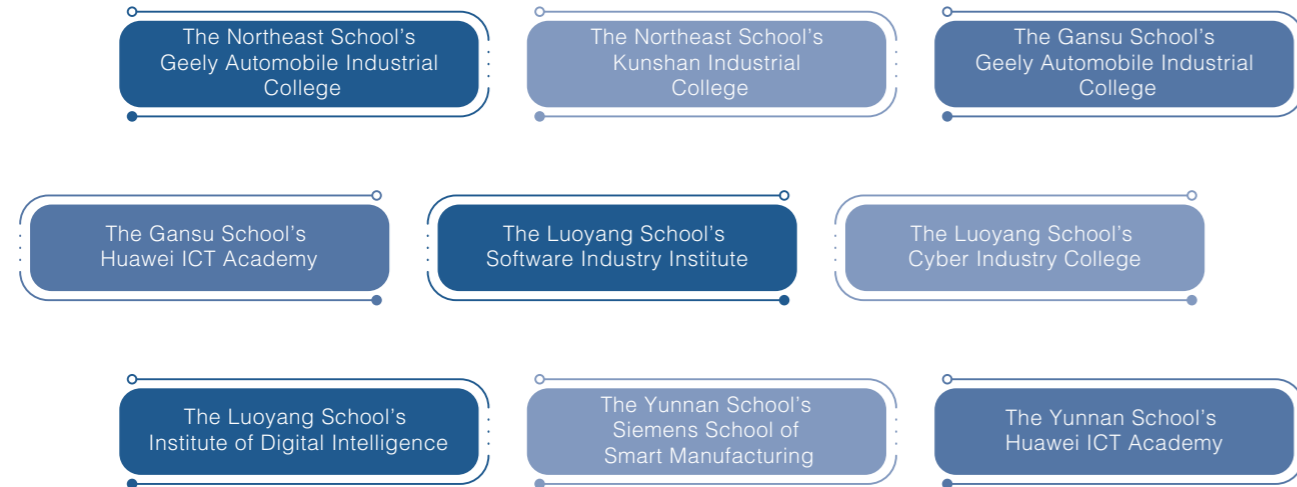
High-quality employment achievements

As the foundation on which our schools are built, high-quality employment is at the core of the Group's strategy, and it is what allows the Group to differentiate itself. As of 31 December 2022, the overall employment rate of the Group's 2022 graduates stood at 95.6%, reflecting a high rate that has been maintained for three consecutive years. As of 31 August 2023, the initial employment rate of 2023 graduates stood at 90.65%, representing a year-on-year (YoY) increase of 1.24 percentage points. Among employed students, 24.7% attained high-quality employment at reputable companies, including the world's top 500 companies, China's top 100 companies and A-shares listed companies in China, representing a YoY increase of 67%.



For years, the Group has been focusing on national strategies and designing its discipline structure to accommodate sunrise industries. Through school-government-enterprise cooperation, the Group has been working with leading enterprises to build professional capabilities and industrial colleges and customise talent training according to corporate demands. It has established employment service centres in well-developed areas such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta and the Pearl River Delta. Graduates of the Group's schools are employed by enterprises in the world's top 500, China's top 500, and the top 100 regional leading enterprises, as well as by other well-known enterprises; and their performance has been praised by employers.

During the Reporting Period, schools under the Group achieved record highs in terms of high-quality employment rates. Among them, 9 industrial colleges achieved 100% employment:



- Liu Jinfan, a 2009 graduate of Gansu School, became a deputy to the 14th National People's Congress and a national model worker.
- Yuan Haibo, a 2020 Graduate of Yunnan School's, serves as a Deputy to the 13th National People's Congress.
- The graduates of Gansu school who are employed in central enterprises and state-owned enterprises such as PetroChina, Sinopec, State Grid, etc., accounted for 46.3%, and the school has been awarded as "Demonstration University of Employment for College Students in Gansu Province" (甘肃省大学生就业工作示范性高校) and "Advanced Unit of Employment" (就业工作先进单位), which is the only one in the whole province.
- Nearly 100 students from Yunnan School and Central China School of the Class of 2023 entered internships at tertiary hospitals such as Chinese People's Liberation Army General Hospital (301 Hospital), 920 Hospital of the Joint Command and Guarantee Force (JCGF), and Fu Wai Hospital, etc., and more than half of the interns from the Class of 2023 at 301 Hospital stayed on to work at the hospital.
- Yang Zhiguo from Yunnan School, Zhang Lu from Central China School, Yang Guangzhen from Guizhou School, Lan Zhong from Guangxi Schools, four students were awarded the Excellence Award for Grassroots Employment of Graduates (首届全国高校毕业生基层就业卓越奖) by the Ministry of Education.

 Employment awards

231

- 34 awards from the Department of Education and the Department of Human Resources and Social Affairs
- 182 awards for employment-related competitions
- 15 other employment awards

 Employment Supply and Demand Nurturing Projects Approved

158

- 82 projects have been approved for Gansu School, ranked among the top four in China together with Harbin Institute of Technology (HIT), Xi'an Jiaotong University (XJTU) and other C9³ league colleges and universities

³ It is an alliance of the first nine 985 engineering universities in China, including Tsinghua University, Peking University, Fudan University, Shanghai Jiao Tong University, Zhejiang University, Nanjing University, University of Science and Technology of China, Harbin Institute of Technology and Xi'an Jiaotong University.



01

Sustainability Management

1.1 ESG
Governance

1.2 Communication
with Stakeholders

1.3 Materiality
Assessment

1.1 ESG GOVERNANCE

To fully and proactively fulfil the Group’s responsibilities as a corporate citizen in building a harmonious society and coordinating ESG development, the Board has attached great importance to sustainable development governance. During the Reporting Period, the Board has been actively participating in and reviewing the development of the corporate ESG strategy and focusing on ESG issues in the process of strategic planning.

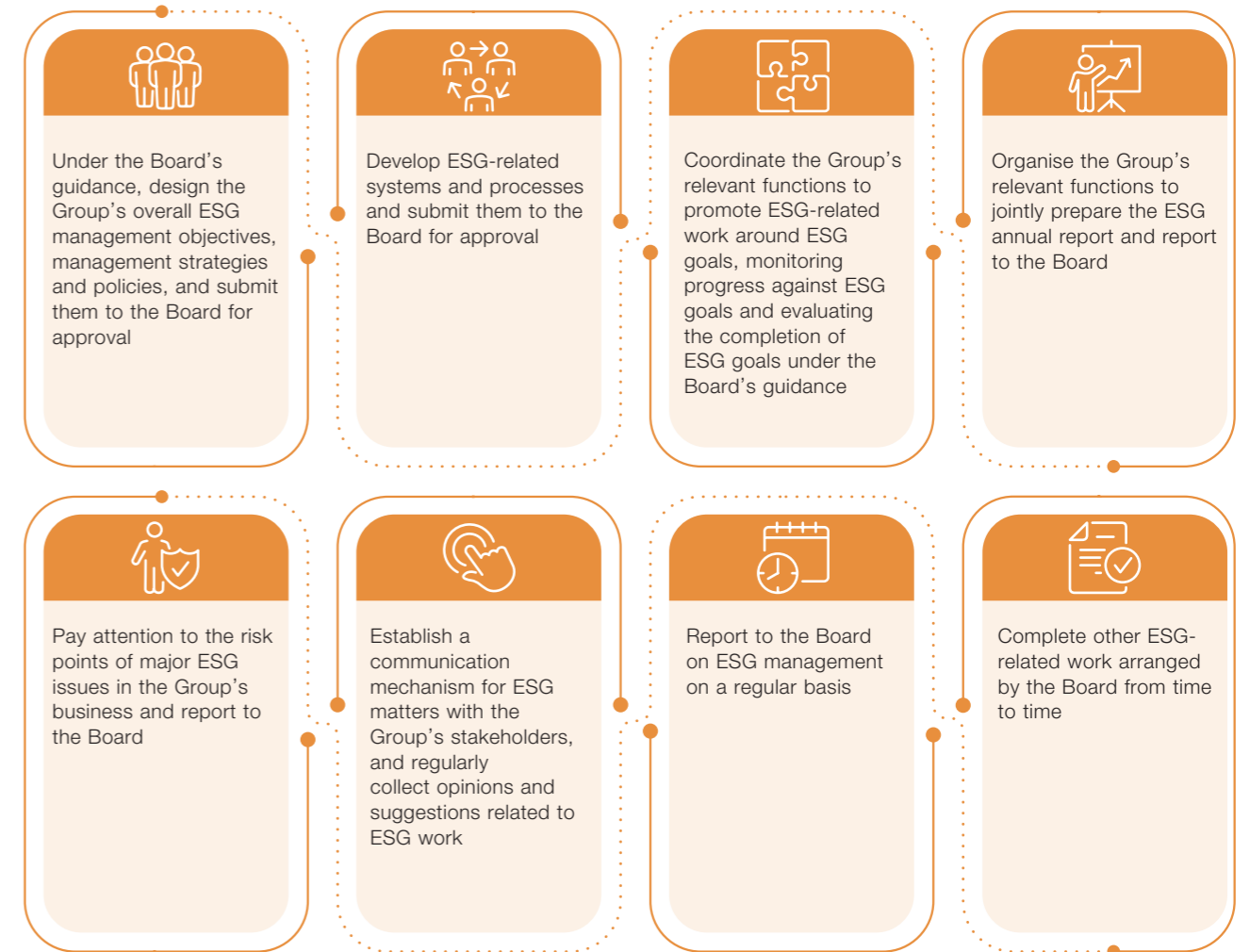
In the coming three to five years, the Group will transform into a company that is engaged in the ESG and the Board will review and adjust its strategy on a regular basis.

ESG Governance System

The Board is the highest decision-making body for the Group’s ESG matters. It makes major ESG-related decisions and performs external reporting for the Group. The Board is responsible for the following:



The Board has established an ESG Working Group under its authority to fully utilise the Group’s ESG regulation mechanism, assists the Board in implementing and guiding the governance function in ESG matters. Its principal functions include:



Under the coordination of the ESG Working Group, the respective functional departments are responsible for engaging in daily practices related to ESG work in accordance with the Group’s ESG work plans, and they should ensure that the Group’s ESG strategy is integrated into the planning and implementation of business operations.



ESG Risk Assessment and Management

The Board recognises its overall responsibility for the Group’s risk management and internal control systems, and reviews the effectiveness of the going concern basis. The Board also understands ESG risks in the Group’s industry, and has incorporated such ESG risks into the existing risk management and internal control system. By performing effective risk management and internal control procedures, the Group identifies, assesses, prioritises and manages significant risks associated with its operational objectives and derivative risks of ESG matters.

During the Reporting Period, based on previous ESG risk assessment and management and with reference to risk classifications in the “Risk Management Perspectives of Global Corporations” published by Cambridge University 《劍橋大學——全球企業風險管理視角》 and the “Global Risks Report” released by the World Economic Forum 《世界經濟論壇——全球風險報告》, the Group has identified 16 possible risks. Each department of the Group works together and has concluded the three risks that have the greatest impact on the Group, namely the possibility of risk occurrence and the severity of impact: teaching quality, compliance (oversight, standards and reporting), and reputation and brand.

For the three risks identified, the Group has reviewed relevant management measures to ensure that they are effectively controlled, and specific measures are listed below:



Risk: Teaching quality

Responding chapters:
II. Well-defined Responsibilities for Quality Control

Measures taken

The Group’s closed-loop quality assurance mechanism of “led by teaching decision-making – teaching quality as an objective – guarantee of teaching input – management of teaching operations – teaching monitoring and evaluation – teaching quality information feedback and improvement” operates effectively, with a focus on “student development, student learning, and learning impact”. From these, the university has built up a quality assurance system that combines internal and external evaluation by students, teachers, supervisors, employers, alumni, industry and enterprise experts, teaching experts, assessment and certification experts, etc., centred around the classrooms, courses, majors, experimental and practical laboratories, examination and assessment, thesis and internship, the quality of training of graduates, and the truthfulness and quality of employment. There is continuous improvement of the quality of education and teaching in order to meet the requirements of the relevant on teaching quality assessment, evaluation and inspection regulations.

Further response

Reinforce teaching quality by formulating targeted measures related to teaching objectives, monitoring systems, teacher quality, teaching methods and means, construction of facilities, student feedback, and cooperation and exchange.



Risk: Compliance (oversight, standards and reporting)


Responding chapters:
VII. Compliance Governance and Operational Integrity

Measures taken

The Group has launched risk management processes to identify, evaluate and control risks at the group level and at schools, especially in capital-intensive functions and other key departments. The Group prepares a summary list of its risks and risk control plan, and risks are classified into low, medium, high and critical after the risk evaluation. Based on the evaluation results, the Group devises risk control measures and issues risk management guidance.

Further response

Establish a sound compliance management system and information disclosure mechanism, strengthen staff compliance training, communicate and cooperate with regulators, comply with international standards and reporting requirements, and ensure that school operations and management meet the requirements of relevant regulations and policies.



Risk: Reputation and brand

Responding chapters:
II. Well-defined Responsibilities for Quality Control

Measures taken

The Group has a special public affairs and public relations team and an experience management team, which pay close attention to complaints, criticisms and public opinions from teachers, students and staff as well as internal and external stakeholders such as the government and the media, and respond appropriately and professionally to them and make relevant plans. At the same time, the chairman and senior management of the Group hold important social positions in the China Association for Private Education (CABE), and participate in the research task and completion of the key topic of the Association, namely, “Monitoring of Talent Cultivation Quality in Private Higher Vocational Colleges and Universities”, which produces research results that are of practical support and help to the Group’s practice of monitoring and evaluating classroom teaching and learning in the Group’s colleges and universities. This is the first time for the Group to obtain a key project from the CABE, which has to a certain extent increased the Group’s influence in the private education industry.





Further response



Establish a sound teaching and service quality management system, strengthen brand marketing and publicity, establish a crisis-handling mechanism, strengthen communication and exchange with parents, improve teachers’ quality and image, and pay attention to students’ growth and development, with a view to establishing a good reputation and brand image.

1.2 COMMUNICATION WITH STAKEHOLDERS

The Group’s sustainable development is closely related to its stakeholders, and their opinions and expectations are a major driver of the Group’s sustainable development. Therefore, the Group attaches great importance to communication with stakeholders and strives to build an effective platform for internal and external communication. The Group focuses on important issues of concern to stakeholders, and continuously improves its management to better respond to stakeholders’ expectations and create value for them.

Stakeholders’ concerns and expectations for the Group during the Reporting Period, as well as information regarding daily communication channels between the Group and stakeholders, are outlined in the table below:

Stakeholders	Concerns and Expectations	Communication Channels
 Shareholders/Investors	Robust operation Business prospect Investment return Brand image	<ul style="list-style-type: none"> Disclosure of announcements and financial statements on the Stock Exchange Release of results Annual general meeting Investor conference Visits to the headquarters or schools Official website of the Group
 Students	Education service quality Campus environment and facilities Healthy and safe campus Students’ employment rate	<ul style="list-style-type: none"> Students satisfaction survey Principal’s reception day Themed class meeting or seminar Mailbox of headmaster Visits and exchanges Dedicated opinion and complaint platform
 Students’ Parents	Education service quality Employment outlook	<ul style="list-style-type: none"> Satisfaction survey Regular meeting and seminar with parents, etc Parents’ meeting Daily communication
 Employees/Teachers	Career development Remuneration package and benefits Health and safety Working environment	<ul style="list-style-type: none"> Training and exchanges Satisfaction survey Annual general meeting with schools and headquarters Orientation seminar New staff training Regular teachers/staff performance review Regular departmental meetings Dedicated opinion and complaint platform

Stakeholders	Concerns and Expectations	Communication Channels
 Business Partners/Suppliers	Fair and equitable procurement Quality standards Cooperation and win-win results	<ul style="list-style-type: none"> • Suppliers meeting • Evaluation and review process • Tender invitations and offering • Site visits
 Banks/Financial Institutions	Operating results Business outlook Return on Investment	<ul style="list-style-type: none"> • Site visits to the headquarters or schools • Meeting negotiation • Due diligence • Regular information reporting
 Government/Regulatory Authorities	Education quality Operation by laws and regulations Health and safety of campus	<ul style="list-style-type: none"> • Annual inspections, assessments, audits, etc. • School inspections • Conferences, counselling, lectures, etc.
 Industry Associations	Promote industry development Diversified exchange	<ul style="list-style-type: none"> • Conference, seminar, etc. • Public welfare activities • Activities held by industry associations • Serving for associations
 Public	Education service quality Brand image Social public welfare	<ul style="list-style-type: none"> • Community activities • Information disclosure • Official website of the Group • Poverty alleviation and charitable donations
 Media	Business outlook Social contribution Brand image	<ul style="list-style-type: none"> • Interview activities • News release • Press release

1.3 MATERIALITY ASSESSMENT

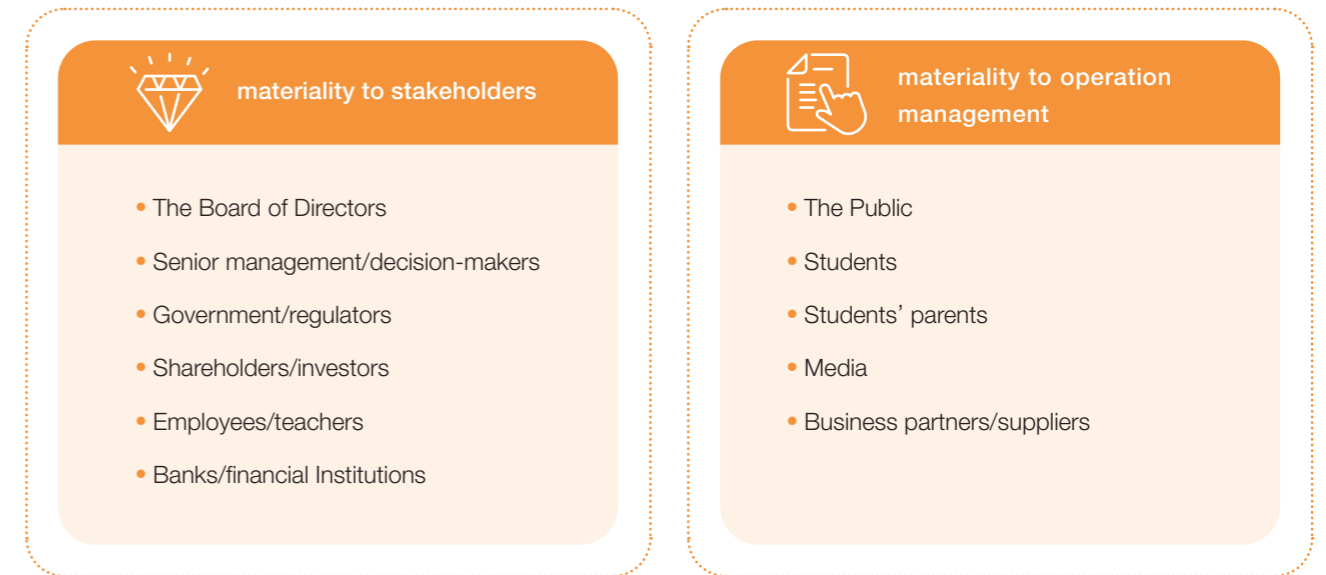
With reference to the substantive analysis process, the Group invites different stakeholders to participate in the materiality assessment of sustainability issues through questionnaires, interviews and other methods; collects various stakeholders' issues of concern; conducts materiality analysis and prioritisation; determines the Group's material ESG issues; and discloses them in the Report.

The Group's materiality assessment process includes the following four steps:



1. Identification of major stakeholders

The Group identified major stakeholders closely related to business operations based on two dimensions, namely "materiality to stakeholders" and "materiality to operation management", and invited them to participate in the materiality assessment for the Reporting Period.



2. Questionnaire survey

With reference to the ESG Reporting Guide and rating criteria, and in view of sustainability trends in the international education industry as well as the Group's deep understanding of the education industry, the Group identified 25 ESG issues related to the Group, and distributed the questionnaire survey to stakeholders to ask for their comments on all potential material issues and gain an understanding of their issues of concern.

3. Determination of priority

The materiality assessment of issues mainly considers an issue's impact on the Group's strategic policies, processes and commitments, as well as on the Group's current and future development plans.

When participating in the materiality assessment, a stakeholder mainly considers the issue's impact on the Group's evaluation and decision-making process, as well as on its own interests.

4. Review and verification

Based on the Group's strategy and business policy, management reviewed the preliminary evaluation results of substantive issues, comprehensively analysed the substantive issues and priorities that are material to the Group and its stakeholders, and provided a targeted disclosure in the Report.

During the Reporting Period, the Group identified 25 ESG issues, which are summarized below:

- | | | |
|----------------------------------|---|--|
| 1 Employment management | 2 Employee benefits and compensation | 3 Staff training and development |
| 4 Labour standards | 5 Health and safety | 6 Protection of consumers' rights and interests |
| 7 Relationship management | 8 Information security and privacy protection | 9 Responsible advertisements |
| 10 Supply chain management | 11 Community investment | 12 Protection of intellectual property rights |
| 13 Promoting universal education | 14 Teaching quality | 15 Educational philosophy and innovative educational model |
| 16 Corporate governance | 17 Development strategies of the Company | 18 Anti-corruption |
| 19 Business ethics | 20 Greenhouse gas (GHG) emissions | 21 Waste discharge management |
| 22 Water resource management | 23 Use of energy | 24 Impact on the environment and natural resources |
| 25 Climate change | | |

Material issues (in order of importance)	Response chapters in this Report
1. Teaching quality	II. Well-defined Responsibilities for Quality Control
2. Staff training and development	III. People-oriented Collaborative Development
3. Educational philosophy and innovative educational model	II. Well-defined Responsibilities for Quality Control
4. Protection of consumers' rights and interests	II. Well-defined Responsibilities for Quality Control
5. Health and safety	IV. Health and Safety
6. Corporate governance	VII. Compliance Governance and Operational Integrity
7. Anti-corruption	VII. Compliance Governance and Operational Integrity
8. Development strategies of the Company	I. Sustainability Management

The figure below depicts the Group's Materiality Analysis Matrix of Sustainability Issues:





Well-defined Responsibilities for Quality Control

2.1 Higher teaching quality delivers and realising win-win values

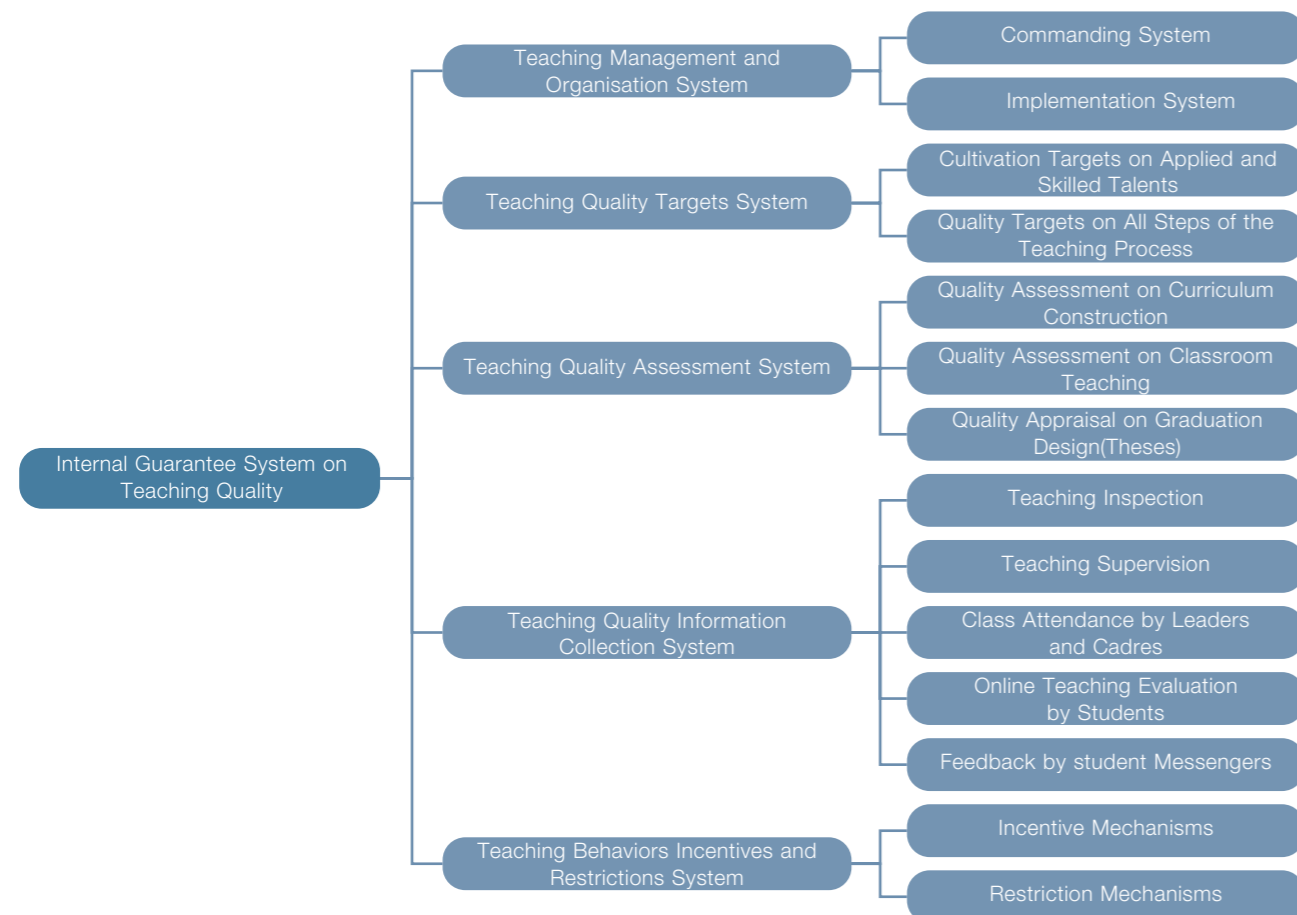
2.2 Multi-dimensional Evaluation and Green Supply

2.1 HIGHER TEACHING QUALITY DELIVERIES AND REALISING WIN-WIN VALUES

The Group regards improving education and teaching quality as the fundamental task of its sustainable development. To this end, it continuously improves its teaching quality assurance system, pursues innovation in the evaluation reform process and improves the quality of talent training, with the goal of comprehensively upgrading education and teaching at its schools.

During the Reporting Period, the Group strictly controlled teaching quality and abided by national and regional laws and regulations that related to the Group, including the “Education Law of the People’s Republic of China”, the “Non-state Education Promotion Law of the People’s Republic of China”, the “Regulations on the Implementation of the Non-state Education Promotion Law of the People’s Republic of China”, and the “Higher Education Law of the People’s Republic of China”. The Group also implemented the spirit of various policies – including the “Overall Plan for Deepening Educational Evaluation Reform in the New Era”, the “Opinions on Deepening the Reform of Undergraduate Education and Teaching and Comprehensively Improving the Quality of Talent Training”, the “Implementation Plan for National Vocational Education Reform”, the “Opinions on Promoting the High-quality Development of Modern Vocational Education”, and the “Reform Plan for the Adjustment and Optimisation of Discipline Structure in General Higher Education” – in order to establish a robust system for guaranteeing teaching quality and implement a closed-loop management model for teaching quality at its schools. In addition, the Group has formulated and released the “Implementation Opinions on Building Two-tier Supervisory Teams at Colleges and Schools”, the “Management Measures for OBE-oriented Wonderful Classroom Quality Evaluation”, the “Management Measures for OBE-based Curriculum Quality Evaluation (for trial implementation)”, and the “Management Measures for Sampling Undergraduate Theses (Designs)”. Focusing on “student development as the centre, student learning as the centre and learning effect as the centre”, we have built up a quality assurance system combining internal and external evaluations by students, teachers, supervisors, employers, alumni, experts from industries and enterprises, teaching experts and assessment and accreditation experts around the classrooms, courses, majors, theses, internships and quality of cultivation and employment of graduates.

The following sections of the Report describe the Group’s internal guarantee system for teaching quality:



Guaranteeing the quality of teaching and learning

The Group assures, monitors and evaluates teaching quality from three dimensions – discipline, curriculum and classroom – and it organises experts to carry out professional (group) surveys and diagnoses of pilot schools from the perspectives of top-level design, branch institutional planning, and professional (group) development. The Group has also implemented the requirements of the “Theme Year for Improving Teaching Quality” in response to the requirements of the “Reform Plan for the Adjustment, Optimisation and Reform of Disciplines in General Higher Education (JG [2023] No. 1)”. Meanwhile, schools in Yunnan, Gansu, Guizhou and Zhengzhou are piloting the launch of the teacher incentive programme that identifies outstanding teachers through wonderful classroom competitions. In total, 184 outstanding teachers have been awarded and given incentives, which has motivated all teachers, and especially young and middle-aged teachers, to promote OBE teaching reform, innovate teaching methods, strengthen interaction between students and themselves, encourage students’ interest in learning, provide more engaging lessons, and further the Group’s educational philosophy of being “the most student-oriented university”. Moreover, the Group set up a pool of 742 internal and external experts in undergraduate theses (designs) sampling; and in 2023, undergraduate theses (designs) sampling was conducted at four undergraduate schools in accordance with the requirements of the “Sampling Methods of Undergraduate Theses (Designs) (for trial implementation) (Jiao Du [2020] No. 5)”. Under these initiatives, schools are encouraged to strengthen their management of training processes and continuously improve employment quality.

OBE teaching model

In response to the national call to develop high-quality talent and based on the Group’s educational philosophy of “strengthening morality through education, teaching students in accordance with their aptitude, studying for the sake of application”, the Group has deepened the reform of its Outcome-Based Education (OBE) teaching model. The Group has formulated four sets of rules and regulations – the “Guiding Opinions of China New Higher Education Group on the Construction of the OBE Talent Training System (for trial implementation)”, the “Administrative Measures for the OBE Talent Training Programme”, the “Standards on Building OBE-oriented Wonderful Classrooms”, and the “Standards on Building the OBE Question Bank” – to promote students’ high-quality employment and sustainable development.






The OBE teaching model focuses on cultivating students’ core capabilities and their ability to put what they have learned into practice. It is an outcome-oriented learning process.

Four key points in implementing the OBE teaching model:



Using the OBE teaching model, the Group is improving its quality management system, exercising comprehensive quality management, improving teaching quality and outcomes at the Group’s schools, and ultimately meeting society’s needs for quality higher education and talent training.

Five principles in evaluating the quality of OBE courses

 <p>Student-centred principle</p>	<p>Courses should be centred around the students' learning process, learning results and development. Learning effectiveness is reflected in the students' examination results, which should be used as the major criterion in evaluating whether the course meets the course requirements and objectives. Students' satisfaction is also used to evaluate course quality.</p>
 <p>Outcome-oriented principle</p>	<p>This principle mainly involves analysing the path towards the knowledge, capabilities and quality goals set out in the course objectives; determining whether teaching requirements, teaching plans, teaching methods, and evaluation means effectively achieve the course objectives; and determining the extent to which course objectives support graduation requirements.</p>
 <p>Ongoing improvement principle</p>	<p>Systematic, quantitative and qualitative methods are used to determine to what extent course objectives have been achieved. The fulfilment of course objectives is regularly evaluated and analysed, and relevant parties are guided and instructed to reflect on all aspects of the teaching and learning process and rectify deficiencies. When a course is completed, a complete evaluation report on course quality should be generated; and specific, feasible and measurable actions should be proposed to improve course quality and address existing problems.</p>
 <p>Principle of promoting teaching reform and innovation</p>	<p>The schools' OBE teaching reform should be fully promoted; student-centred, achievement-oriented indicators should be strengthened; and continuous improvement should be emphasised to guide and help schools, secondary colleges, professional leaders, curriculum teams and teachers to better understand and implement the OBE concepts and curriculum development requirements. In this way, the reform process will be led by evaluation principles, implemented with evaluation measures, and verified by evaluation results.</p>
 <p>Principle of supporting external evaluation and certification</p>	<p>Based on the OBE reform, teaching processes and results should be periodically evaluated to form a complete analysis report on the achievement of course objectives. These efforts will effectively support the construction and comprehensive evaluation of first-class disciplines and courses, and also support the certification of engineering education, teacher training, and medical education under the relevant authorities of the MOE.</p>

The Group continues to improve the talent training support system and optimises the talent training programme, so that the idea of OBE teaching reform will be deeply rooted in people's hearts. Leveraging its advantages as an education group, the Group guides professional talent training and comprehensively educates all students based on the Group's well-defined overall goal of talent training. The Group has completed a workshop on the campus of Wuyi University for school leadership and vice presidents; held 11 OBE trainings and 8 offline workshops on OBE talent training programmes and curriculum revision for secondary colleges, department heads and key teachers; hosted 3 seminars by leading enterprises tailored for employers' requirements; and guided the selection of 99 outstanding students for transfer training.

The scope of the Wonderful Classroom competition has been expanded to optimise the establishment criteria and improve capability-oriented evaluation. The Group has organised all schools to complete the "OBE course quality evaluation" pilot project for 16 core professional courses, and organised a review conducted by the course team, high-level education experts, industry experts and certification experts to select 3 five-star courses and 13 four-star courses. After the review, a commendation meeting for select courses under the "OBE course quality evaluation" programme was hosted at the Guizhou School to recognise the teams that were responsible for the five-star and four-star courses.

Focusing on the Group's vigorously promoted theme of OBE teaching reform and digital teaching, at the commendation meeting, the Group's front-line teachers and experts on digital teaching platforms jointly conducted application training to help fulfil the Group's goal of providing digital support for classrooms, which helped improve the Group's course quality.

Teaching Quality Monitoring and Operations

The Teaching Quality Monitoring and Assessment Centre of the Group is responsible for monitoring the teaching quality management, while each school is responsible for the implementation of teaching quality management in its own unit. In order to ensure the scientificity of teaching quality monitoring, the teaching quality assessment work of the school consists of "routine + special" teaching inspections, teaching supervisors listening to classes and inspections, school leaders and management personnel listening to classes, student informants classroom teaching feedback and other components, to achieve the full participation of the whole staff, the whole process of monitoring and all-round evaluation.



Teaching surveys

Teaching surveys are conducted in the beginning and middle of each semester, with different major contents reviewed for different periods of time. For example, surveys at the beginning of each semester generally cover inspections of the implementation of talent cultivation plans and teaching plans by lecturers. Surveys at the middle of each semester cover inspections of problems in various teaching processes and solutions. In addition, symposiums between students and teachers in various forms are carried out to understand relevant teaching statuses.



Special inspections

According to the evaluation requirements of the Ministry of Education, check the teaching files on a case-by-case basis; spot check examination papers, graduation theses, teaching and other documents, and timely rectify any problems identified.



Class attendance and tour inspections

At the beginning and middle of each semester, the Teaching Quality Monitoring Centre organises class attendance and teaching tour inspections, which are conducted by school leaders and relevant management personnel. The Teaching Quality Monitoring Centre provides feedbacks on class attendance to the teaching institutions, and the teaching institutions provide feedback to teachers in appropriate ways.



Feedback on teaching by student messengers

The student messenger feedback process lasts throughout the entire semester. Once per month, messengers are supposed to collect highlights, shortcomings and suggestions in respect of the education and teaching provided by teachers and teaching infrastructure. The feedback effectively improves teaching quality as it provides first-hand information that enhances overall teaching management.

Teachers and teaching facilities

Teachers are the core of high-quality teaching, and the Group has developed a comprehensive teacher management system after years of experience. We have implemented a "dual-teacher" teaching team construction plan, giving priority to the introduction of talents with relevant practical experience to build a high-level teaching team. The construction of our "dual-teacher" teaching team has begun to bear fruit, with the number of dual-teacher teachers increasing by 29% during the Reporting Period compared with the same period last year. At the same time, we adhere to the principle of "external attraction and internal training" and continue to intensify the cultivation and introduction of high-quality talents in accordance with the needs of the construction of key disciplines, special disciplines and specialities. In addition, we have also adopted a high-toughness tilting policy to expand the size of the teaching team of specialities with high social demand, large enrolment and relatively weak teaching staff, so as to ensure the quality of teaching.

One of the Group's core competitive advantages is its outstanding team of teachers. The Group's teachers have won numerous industry awards over the years, and are recognised as leaders in the industry. Commissioned by the China Private Education Association, the Group completed its research on "Quality Monitoring of Talent Cultivation in Private Higher Vocational Schools" and published the research findings during the Reporting Period. The findings will support and facilitate the Group's monitoring and evaluation of classroom teaching and learning. This was the first key project that the Group has won from the China Private Education Association, which has enhanced the Group's influence in the private education industry.

The Guizhou School has completed a pilot project for educational evaluation reform named "Exploring the Development of an Employment List for Higher Vocational Colleges" under the Education Department of Guizhou Province, which has been proposed to be rated as "excellent" after a review by experts and the examination and approval of the education department's leaders. The Yunnan School has completed a number of scientific research projects commissioned by government departments in the province, including the "Research on the Evaluation of Business Administration Teaching Quality for Applied Undergraduate Students Based on the CIPP Model", the "Research on the Evaluation Model for the Digital State of Private University Education", and the "Research on the Construction of the Internal Teaching Quality Assurance System for Applied Undergraduate Colleges from Multiple Perspectives under the New Normal". The Zhengzhou School has completed a research project commissioned by the China Private Education Association, which was named the "Research on the Construction of the Internal Quality Assurance System for Private Higher Vocational Schools under the '3+1' Model". The school hosted the first teaching quality monitoring and evaluation forum, and 22 representatives from colleges and universities inside and outside the province, including leaders from relevant departments of the Zhengzhou Municipal Education Bureau, engaged in in-person learning and exchange, which helped improve the Zhengzhou School's standing in constructing, monitoring and evaluating the quality assurance system in higher education.

Experimental training laboratories are also an integral component of cultivating high-quality application-oriented talent. These laboratories not only stress courses on basic professional knowledge, but also strengthen students' employment skills, improve their learning experience and use incentives to motivate students. In addition to increasing investment in teacher training, the Group continues to update and upgrade the construction of experimental training laboratories, smart classrooms, libraries and teaching facilities, with an annual total investment of approximately RMB250 million. During the Reporting Period, the Northeast School purchased facilities such as smart blackboards, tables and chairs for the Elite Class programme, and air conditioners for both the Elite Class classrooms and public classrooms. Drawing tables and chairs have also been replaced to improve the classroom experience for teachers and students. The Group has also upgraded student apartments, optimised multimedia classrooms, and repaired the campus landscape, with a view to creating a pleasant educational space and improving students' learning and living environment.

Experience management raises customer satisfaction

The Group greatly values the experience of students and teachers. It was the first higher education group to set up an experience management centre in China and build an experience management platform to continuously improve the experience of students and teachers. The Group conducted a graduate satisfaction survey, clarified 88 optimisation initiatives in employment services, curriculum and internship arrangements, and increased graduate satisfaction by 8%. For two consecutive years, the Group has conducted a survey on the satisfaction of its co-operative partners, and the management and business environment of the university were praised, with a 5% increase in satisfaction.

Insisting on a student-oriented approach, the Group understands that campus life is of vital importance to students, so it continues to introduce leading catering chain stores, mobile dining cars, shared printers, and shared coffee machines, among other amenities, to improve students' experience of campus life and make their lives smarter. To enrich students' campus activities, eight colleges and schools staged "peak experience activities in the opening season/graduation season", including a large-scale music festival, and an opening ceremony that featured 10,000 people in Chinese traditional costume, which was reported on by official media. The Group's experience management has been evolving into a brand of "three-all" (三全) educating requirements, which has been well received by students, teachers and education-related authorities.

Measures for Experience Management

In order to make the student-teacher experience work more systematic and standardised, thus to complete the task of improving the experience with high efficiency and quality, form a culture in which all staff attach importance to the student-teacher experience, implement the "three-all"(三全) educating requirements, create relatable, trustworthy and respectable campus atmosphere, and continuously develop first-class student-teacher experience as one of the core competitive strengths, the Group has formulated the "China New Higher Education Group Student-teacher Experience Work Management Measures (Trial)" taking into account the actual conditions, and adopted the "Guidelines for Feedback and Handling Reference for Student's Opinions" and the "Guidelines for Feedback and Handling Reference for Staff's Opinions" to further ensure that students' and teachers' opinions are properly handled. The following key principles have been adopted in handling opinions from students and staff:

01

Comply with the principle of "four insistence and one target" at the perception level:

- We insist on the "Student-oriented" principle, prioritising experience, adhering to the concept of "detail-oriented thinking", and the culture of service, making the best to achieve the target of moving both students and teachers.



02

Adhere to the principles of problem-orientation and highlight-building at the execution level:

- Students and teachers are encouraged to reflect problems in a timely and adequate manner under an open and tolerant atmosphere, forming an atmosphere in which various departments are adept at identifying problems and dare to face them with increasing insight and responsibility.
- We combine fragmented solutions with systematic improvements to enhance the ability of solving problems quickly and, by way of example, gradually clarify terms of reference and establish relevant sound regulations and procedures.



03

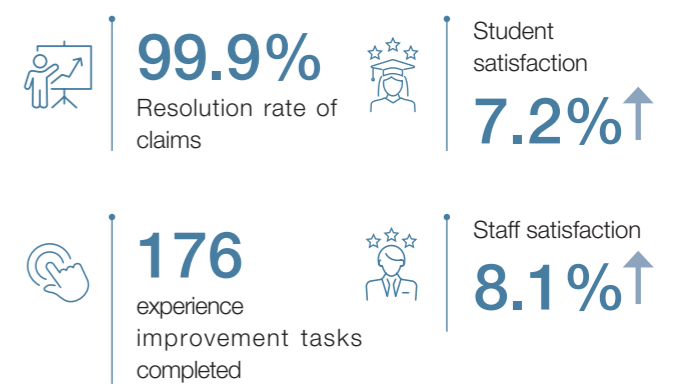
Gradually clarify terms of reference and establish relevant sound regulations and procedures:

- We will continue to invest resources in the identification of experiential projects that are highly anticipated by students and teachers and that support our schools' brand building, cultivating the experience highlights.



Handling feedback and appeals for higher satisfaction

Customers' opinions are an inexhaustible driver of progress. The Group has been committed to transforming recommendations into tasks and winning the satisfaction of students and parents through sincere communication and careful handling of suggestions. The Group compiles a list of rectifications according to issues identified in surveys and checks the list on a line-by-line basis when making improvements. During the Reporting Period, the Group's digital platform for managing the opinions of students and teachers has been iteratively upgraded. Specifically, 99.9% of appeals were resolved, 176 experience improvements were completed, student satisfaction grew by 7.2%, and staff satisfaction increased by 8.1%.



External complaints and handling of complaints

In accordance with the "Advertising Law of the People's Republic of China", the "Trademark Law of the People's Republic of China" and other relevant laws and regulations, the Group strictly prohibits false and exaggerated publicity to ensure the authenticity and accuracy of its marketing information. During the Reporting Period, the Group did not receive any complaints from regulators (mainly referring to objections, protests, claims and requests to solve problems due to dissatisfaction with services). In order to continuously improve customers' (i.e. students and parents) satisfaction and deliver the best experience to them, the Group has established an efficient and agile system for customer complaint spillover management, covering customer complaint data monitoring, information capture, investigation and verification, problem analysis, solution development and feedback. When an external complaint from a customer is received, the Group immediately starts an internal investigation, maintains proactive communication with the customer, provides an appropriate solution for the customer within a reasonable timeframe and works with in-house teams to resolve misunderstanding and dissatisfaction. These procedures aim to gain key insights from complaints and ensure the Group takes actions to prevent them from occurring again. The Group attaches importance to customers' opinions and feedback, regularly analyses customer complaint data to identify potential issues and trends in a timely manner, and takes corresponding measures to make improvements and prevent future issues.

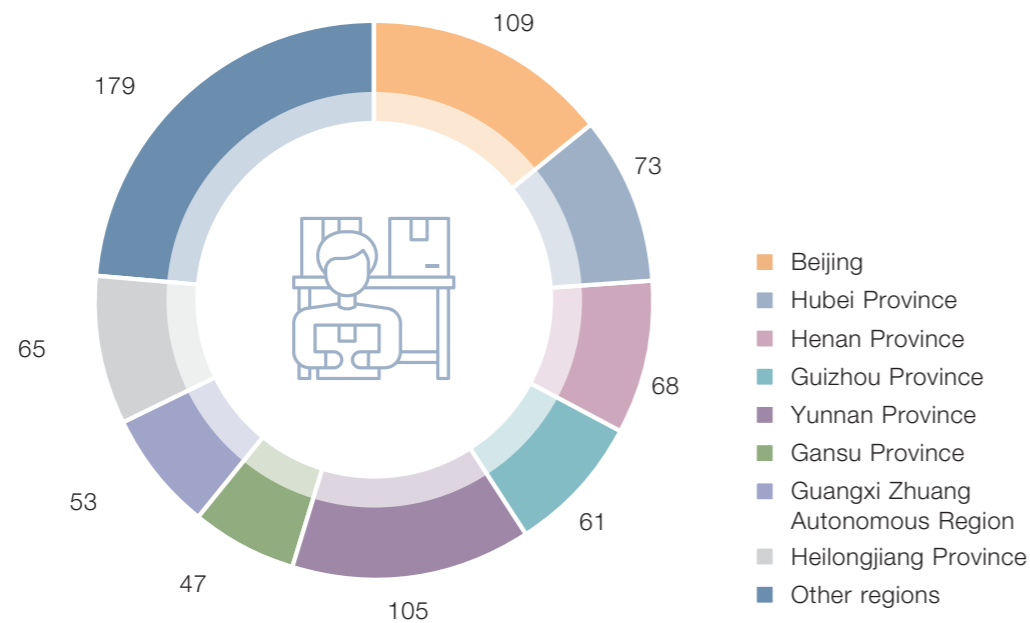
2.2 MULTI-DIMENSIONAL EVALUATION AND GREEN SUPPLY

Supply chain management

The Group has been improving its supplier management system to promote the balanced development of the supply chain. It has formulated detailed policies for the supply chain, including the “Infrastructure Supplier Management Measures”, to continuously optimise and adjust its procurement activities and supplier management policies. Staff members are required to comply with the relevant systems and standards of the Group and colleges when engaging in procurement in order to ensure work efficiency and reduce costs. Systematically, the Group has put checks and balances in place and clarified the responsibilities of the Group and its schools in procurement processes, with a view to providing an institutional guarantee for the Group’s bidding and procurement work and preventing supply chain risks. Our suppliers mainly include infrastructure suppliers, service suppliers, and material and equipment suppliers.

During the Reporting Period, the Group had the following suppliers across different provinces and regions:

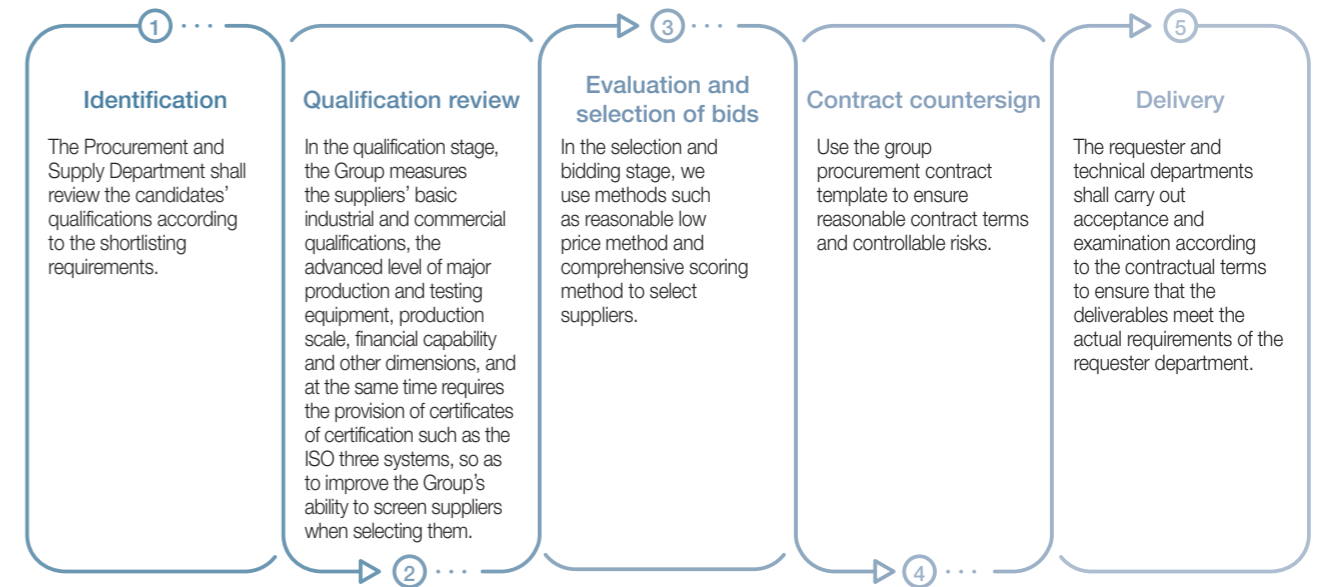
Number of Suppliers



Supplier admission

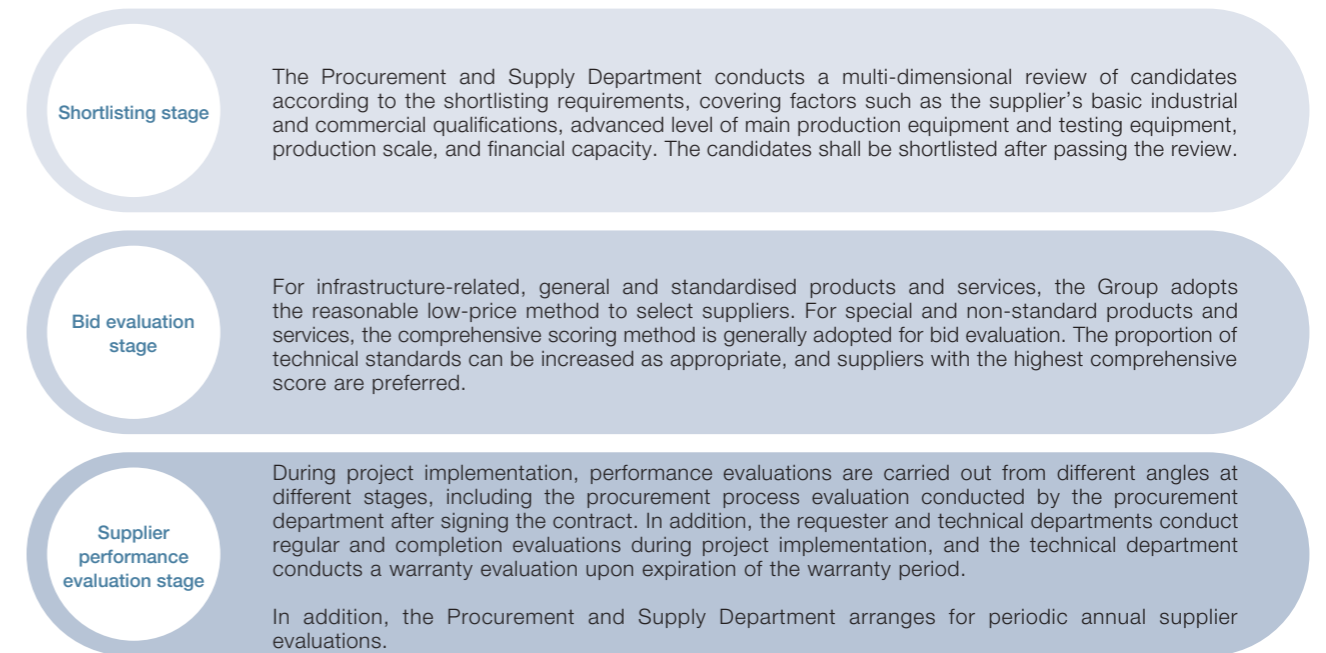
Supplier management is one of the Group’s focuses, and the Group comprehensively examines the overall strength of each supplier. It adopts a series of basic processes for engaging a supplier: identification, qualification review, evaluation and selection of bids, contract countersign and delivery. Information regarding the procurement planning process such as project overview, procurement content and shortlisting criteria is internally and externally announced in a fair and equitable manner to all shortlisted suppliers to invite suppliers’ bids.

The Group conducts investigations of suppliers before the shortlisting stage. During the Reporting Period, all the Group’s suppliers were reviewed and screened to review their qualifications, past performance, creditworthiness, records of breaches, management teams, project teams, technical proposals, service commitments, product quality, supply cycle and pricing, site management, and internal control systems.



Throughout the process of supplier selection, the Group follows the principles of fairness, openness and equity, and takes measures to link the stages of shortlisting, bid evaluation and supplier performance evaluation. Through real-time monitoring of suppliers, the Group conducts qualification reviews of suppliers and selects the most appropriate suppliers.

During the Reporting Period, all the Group’s suppliers were reviewed and screened under the following procedures:



The Group focuses on controlling risk points in the bidding process. The Compliance Management Department is responsible for monitoring the entire supplier selection process. The department is responsible for receiving complaints and reports of violations of laws and rules in procurement activities, and it is authorised to supervise and check the whole procurement process. All the Group’s suppliers are required to sign the “Notice of Integrity Commitment for Partners” to prevent illegal acts, disciplinary violations and the pursuit of illegitimate benefits. The Procurement and Supply Department is responsible for guiding and supervising the procurement work of each college, and it is authorised to supervise the bidding of each college by sample checking. Any violations identified will be submitted to the Compliance Management Department for handling. If a bid is won in violation of laws or rules, and remedial measures cannot be taken to rectify it, the Group or its colleges shall deem the procurement result invalid and re-organise the procurement. If the procurement contract has been performed and losses are incurred to the purchaser and supplier, the responsible party shall be held accountable according to the rules and regulations of the Group and the relevant schools.

⁴ The three systems are ISO90001 quality management system, ISO14001 environmental management system, and ISO45001 occupational safety and health management system.

Supplier evaluation

The Group maintains a cordial relationship with suppliers to ensure that the Group and its schools continue to gain competitive advantages in procurement and enhance market competitiveness. The Group's suppliers are mainly infrastructure suppliers, service suppliers, and material and equipment suppliers. The Group's supplier database features two tiers: one for the Group and one for its schools, and suppliers are classified into outstanding, qualified, unqualified and default levels.

The Group conducts full life cycle management in terms of supplier identification, shortlisting, dynamic tracking, assessment, hierarchical management and withdrawal, to improve the supply chain management framework and enhance procurement and supply performance. On-list suppliers are classified as "restricted suppliers" in the event that they are found to have committed a major breach of contract, violated disciplinary rules or engaged in unfair competition or if their annual performance evaluation score falls below 60.

The Group evaluates suppliers of all completed projects on an annual basis. During the process, the expiration and renewal of the qualification certificates of the constructor and the material and equipment manufacturer are tracked. This certificate-tracking includes but is not limited to the qualification certificates of the constructor, the manufacturer and the project manager; the safety production licence; and the certification of quality, environmental protection and occupational health. Suppliers are required to complete the procedures for certification re-application and renewal in a timely manner if any certificates expire during the contract period.

The Group strives to integrate sustainability concepts into all aspects of the supply chain and stresses interaction and communication with suppliers through an established communication mechanism. It maintains active communication in respect of green procurement and sustainable development to improve supply chain coordination. To accelerate the construction of a sustainable supply chain, the Group has incorporated suppliers' environmental performance into its procurement criteria. During the Reporting Period, 72.58% of suppliers were rated excellent in the annual evaluation.

- **Compliant procurement:** At the shortlisting stage, the constructor and the material and equipment manufacturer are required to hold the safety production licence, as well as the certification of quality, environmental protection and occupational health; health and safety standards have also been incorporated into the procurement and contractual requirements.
- **Green procurement:** Suppliers of furniture and interior decorations are generally required to use environmentally friendly materials during the demand identification stage. In addition, energy efficiency is a key indicator in considering equipment performance parameters, and electrical appliances with high energy efficiency are preferred, such as air conditioners with Grade 1 energy efficiency. These requirements are also specified in the Group's bidding documents and contracts.

During the Reporting Period, the Group carried out special training on discussion and analysis of common issues that arise in decoration and construction projects and bid evaluation, particularly the publicity and implementation of approval content, approval duration, and supervision and inspection measures that improve procurement personnel's ability to handle the procurement and supply process in a practical manner. The procurement and supply departments of all schools are required to cooperate in conducting the training, and they should interpret and publicise the system within their respective schools, as well as organise follow-up training if necessary.

The Group has also been improving the operation of its supplier evaluation system. It hosted the "three bottom lines" (三個底線) training during the Reporting Period to elaborate the detailed rules of supply and procurement in six areas: open source, cost reduction, risk identification and control, legal compliance, system processes and business ethics.

Procurement integrity

The Group closely monitors the integrity of the supply chain and ensures that the procurement process is transparent, efficient and free of corruption. We will provide all suppliers with the "Partner's Integrity Commitment", which will be signed as an attachment to the contract when the Group signs the contract with the supplier, in order to demonstrate the Group's commitment to the principles of fairness, justice, integrity and honesty, and its opposition to commercial fraud. The notice helps the various parties build a cooperative relationship based on trust, honesty, frankness and integrity. The Compliance Management Department is responsible for monitoring the entire supplier selection process.

In 2023, 100% of suppliers signed the Notice of Integrity Commitment for Partners, which aims to prevent illegal acts and disciplinary violations and the pursuit of unlawful benefits. The Procurement and Supply Department considers the anti-corruption requirements to be red lines and arranges weekly meetings and annual procurement and supply trainings to raise awareness and issue warnings regarding these requirements and related issues.

The Group's Procurement and Supply Supervision Training aims to raise awareness of the supply system and its implementation, improve employees' business abilities, and study internal and external best practices. For example, in 2023, the Gansu School held a special training on management improvement and management innovation, which highlighted three typical cases in this area.





03 People-oriented Collaborative Development

3.1 Developing Talent
and Protecting Rights

3.2 Growth and Improvement

3.1 DEVELOPING TALENT AND PROTECTING RIGHTS

Staff members are at the heart of corporate development, and the Group relies on its staff for sustainable development. During the Reporting Period, the Group and its schools introduced the “Benefits Management System for Teachers and Staff of the Group’s Headquarters” to optimised policies for congratulating staff on their marriages, as well as helping them or their immediate family members in the event of major illnesses, providing death benefits for immediate family members, and providing ‘family visit benefits’ for those who move across regions. The Group strictly complies with national labour laws and regulations related to anti-discrimination, dismissal, equal opportunities, holidays, and working hours, including:

- Labour Law of the People’s Republic of China
- Labour Contract Law of the People’s Republic of China
- Special Rules on the Labour Protection of Female Employees
- Law of the People’s Republic of China on the Protection of Women’s Rights and Interests
- Law of the People’s Republic of China on the Protection of Minors
- Trade Union Law of the People’s Republic of China
- Regulations on the Paid Annual Leave of Employees
- Regulation on Public Holidays for National Annual Festivals and Memorial Days

In addition to national laws and regulations, the Group has formulated many internal policies, which include but are not limited to:

- Remuneration Management System
- Recruitment Management System
- Management Measures for the Training of Teachers and Staff
- Incentive Systems for Talent Recruitment by the Group’s Employees
- Implementation Measures for Cultivating Reserve Cadres for the Group
- Measures on the Implementation and Management of Training for Teachers and Staff of the Group



Employee recruitment

The Group has implemented a comprehensive recruitment system that features campus recruitment, public recruitment, and employee referrals. The Group has increased its use of employee referrals to provide more development opportunities to staff members.

The Group has formulated the “Recruitment Management System” to specify recruitment standards and procedures. Under such System, job applicants need to go through a rigorous recruitment process before they can be hired, including written examination, preliminary qualification examination, preliminary professional examination, second-round examination and background investigation. Introduction and implementation of this System has further improved our recruitment efficiency and quality.

The Group follows the three principles set out below in its recruitment:

All examinations shall be conducted according to the prescribed procedures and merit-based principles

Candidates’ knowledge, moral character, capability and experience, among other attributes, should be evaluated to ensure they meet the requirements of positions

Exceptional employment must be subject to the Group’s approval

The Group adopts an open, fair and anti-discriminatory recruitment policy that shows “zero tolerance” to all forms of discrimination. Job applicants are not treated differently because of their age, gender, race, religion or physical disabilities. The Group aims to provide all applicants with equal opportunity so that they can demonstrate their full potential.

The Group also adopts a stringent resignation process for employees. If an employee applies for resignation, he/she is required to submit an application to the head of his/her department. The resignation application is verified by an employee relationship staff member first, then approved by the person in charge and the head of the Human Resources Department, and finally by the president. After the resignation application is approved, the employee is required to hand over his/her work to ensure that the work is followed up on by others. If an employee is involved in violations of laws and regulations or serious dereliction of duty, the Group will terminate the labour contract with the employee according to internal procedures.

Prevention of child labour and forced labour

The Group has “zero tolerance” for child labour and forced labour. The personal identity documents of candidates are checked during the recruitment and employment process to ensure that they are aged 16 or above. In addition, the Group signs equal employment contracts with employees and does not force employees to work over normal working hours.

Zero tolerance for

Child labour,
forced labour

Working hours and holidays

The Group has implemented a system of working five days a week, eight hours a day. The Group has also formulated the “Attendance and Vacation Management System for the Headquarters of China New Higher Education Group”. In addition to public holidays, employees are entitled to annual leave, marriage leave, maternity leave, paternity leave, compassionate leave and sick leave.

5-day work per week
8 hours per day

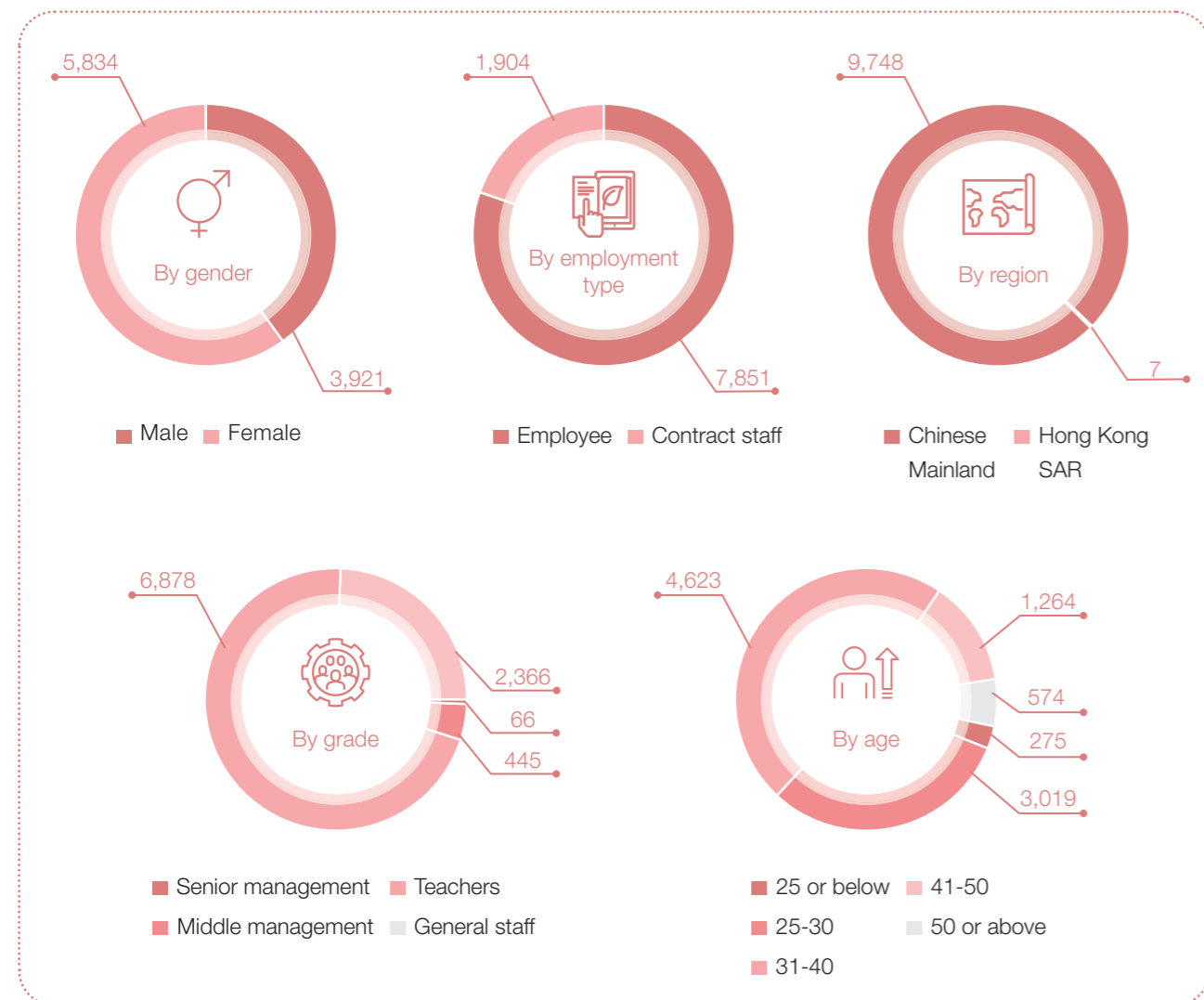
Employee remuneration

The Group has been actively promoting rank and salary reform, identifying multiple paths for career development, and linking them to competitive salary packages. Moreover, for years, the Group has been adjusting job promotions and merit pay, and it has issued a number of incentive policies such as incentives related to teaching competition and classroom teaching quality to encourage teaching staff to develop both in terms of professional qualifications and job grade. The Group treats each member of its teaching staff equally; insists on remuneration based on post, capability and contribution; and there are no pay differentials based on factors such as sex, age, race, religion or physical handicap.

For the Group’s senior management and colleges, in addition to business-related KPIs, other indicators – such as integrity, employee turnover and management leadership within the business line – are linked to remuneration. In this way, senior management is motivated to pay more attention to the professional development and mindset of teaching staff, and provide timely guidance to help them improve.

Employees at a glance

As at the end of the Reporting Period, the Group had 9,755 employees, The following chart shows the number of employees by category:



The following table shows the staff turnover and turnover rate by category during the Reporting Period:

Staff turnover			
Category		Turnover	Turnover rate
By gender	Male	273	2.80%
	Female	406	4.16%
By employment type	Employee	679	6.96%
	Contract staff	0	0.00%
By grade	Senior management	3	0.03%
	Middle management	33	0.34%
	Teachers	288	2.95%
	General staff	355	3.64%
By age	25 or below	20	0.21%
	25-30	213	2.18%
	31-40	318	3.26%
	41-50	92	0.94%
	50 or above	36	0.37%
By region	Chinese Mainland	677	6.94%
	Hong Kong SAR	2	0.02%

Caring for employees

The Group is committed to creating a pleasant working environment and providing all staff members with diversified benefits and care. In this way, the Group aims to demonstrate full recognition of staff members' physical and mental contribution and strengthen their sense of belonging and cohesion. In addition to contributing to employees' pension insurance, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance and housing accumulation fund in accordance with laws and ensuring paid holidays such as statutory holidays, annual leave, wedding leave and summer vacation, the Group has also formulated the "Benefit Management System for Employees at China New Higher Education Group's Headquarters" to standardise the Group's management of employee benefits and guarantee employees' entitlement to benefits. In addition, the Group has established systems relating to academic qualification allowances and title allowances and has been organising training and team building activities to encourage the continuous growth of its employees. In order to demonstrate sincere care for employees and their family members, the Group provides numerous other benefits to employees, including annual health checks, free snacks and refreshments, and monetary gifts for birthdays, holidays, employment anniversaries, weddings, childbirths and sickness (for employees and their family members).

During the Reporting Period, the Group initiated a programme named "Care from the Crowd" (百萬關懷) to provide assistance to the Group's teachers and their families in addressing major difficulties, emergencies and unexpected events. The programme mainly covers four categories of incidents that may present a need for funds: major diseases, financial difficulties, accidental death, and emergencies. "Care from the Crowd" not only provides assistance to the Group's teachers, but also helps their families in addressing major difficulties, emergencies and special events, and in this way minimises their difficulties and anxieties and enhances their sense of belonging and security. The Group holds a range of festival celebrations and employee care activities, including work anniversaries, Teachers' Day and birthday parties.

Welcome ceremony and work anniversary celebration at the Group's headquarters in Beijing

To raise employees' identification with the corporate culture and organisational vitality, the Teacher Development Centre at the Beijing Headquarters organised activities to welcome new joiners and celebrate work anniversaries, improving employees' sense of unity and belonging.



The Central China School celebrates International Women's Day

On 8 March 2023, the Central China School organised the "Follow the Party to Embark on the New Journey" (巾幗心向党、奮進新征程) rural revitalisation campaign to celebrate International Women's Day and to send the Group's greetings to female staff. The balloon stomp, ring toss, blindfolded drummer and other fun games drew the participation of many staff members.



The Guizhou School holds team building activities

From 24 to 26 July 2023, the Guizhou School staged various team building activities. Through these activities, the school aimed to entertain teaching staff, promote teamwork and the school's development concept, and strengthen the teaching staff's confidence in the school's development.



Labour union

Since 2008, the schools under the Group have been establishing respective labour unions to protect employees' rights and interests in accordance with the "Trade Union Law of the People's Republic of China" and the "Constitution of Chinese Trade Unions". Employees' freedom of association is fully respected, and they are allowed to organise various activities in accordance with the Constitution of Chinese Trade Unions to the extent permitted by law. Trade unions mainly protect employees' lawful rights and interests in the following two aspects:



- Safeguard employees' labour rights and interests, including the right to employment, right to remuneration, right to labour protection and social security, and right to rest and vacations.



- Safeguard employees' democratic rights, which mainly refer to employees' right to democratic management, democratic participation and democratic supervision over the affairs of enterprises and institutions according to law. The trade unions hold annual congresses of staff and union members to review the work and important decisions of the union during the Reporting Period.

During the Reporting Period, the Trade Union of the Guizhou School initiated a donation campaign to assist the family of a teacher who died of illness, and a total of RMB24,735 was raised to help the teacher's two young children and unemployed widow in this difficult time. Through the Group's "Care from the Crowd" programme, the Trade Union also provided RMB40,000 to a teacher who was suffering from breast cancer.



3.2 GROWTH AND IMPROVEMENT

Employee training

The Group regards its employees as a key driver of corporate development and pays close attention to their career development. It is committed to providing training to employees so that they can continuously improve their capabilities and grow alongside the Group. To this end, the Group leverages high-quality training resources at home and abroad, as well as the professional strength of leading institutions in various fields, to organise diverse training activities, including online and in-person teaching, exchanges and visits. At the group level, the Group has set up a practical, targeted training course system based on its management needs and the nature of each function, with a view to promoting the Group's high-quality development. The system covers education quality, student experience, school-enterprise cooperation, legal dynamics, risk management, brand marketing, organisational and personnel management, and many other fields.

During the Reporting Period, the Group has strengthened team training, rolled out best practices within the Group, improved cadres' professionalism, and fully mobilised the Group's internal resources to carry out internal training. Overall, 957 internal and external trainings were held, resulting in a total of 455,456 training hours. Through internal training, a high-quality team of in-house trainers has been established. The team is proficient in knowledge management, and is committed to creating an open learning atmosphere and improving the Group's organisational capabilities.



Internal and external trainings held: **957**



Total training hours: **455,456**


In addition, in line with industry trends, each school has been formulating annual plans for practical training inside and outside the school. These training activities not only focus on comprehensively improving the management ability of the leadership team and the professionalism of teachers, but also cover areas closely related to student development such as industry-education integration and employment empowerment, which promote the high-quality development of each schools.



The Guizhou School holds a sharing session to promote ethical behaviour among teachers

In order to implement the "Work Plan for Special Education and Governance of Teachers' Ethics in the Education System of Guizhou Province", and strengthen the ethical behaviour of teachers in the new era, the Group encourages its teachers to hold firm ideals and beliefs, moral sentiments, solid knowledge and benevolence ("四有"好老师), and act as role models for students in terms of learning, action and behaviour. The Group's colleges and schools are being urged to innovate teaching methods and improve the long-term system for teachers' ethics. To this end, the Guizhou School invited Li Hongbo, the "National Model Educator", to give a special lecture on teachers' ethics for all full-time teachers, counsellors and cadres.

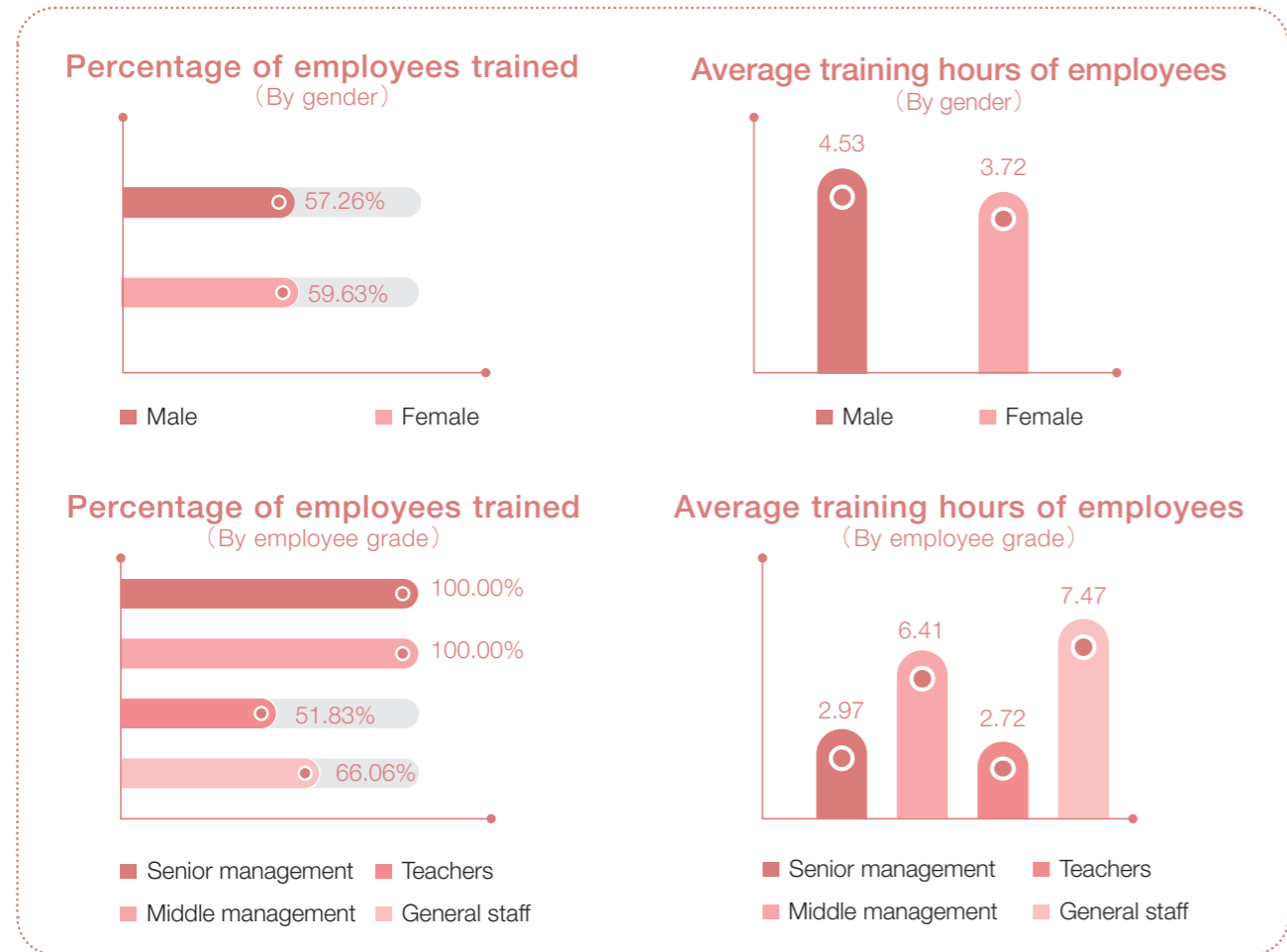


 **The Central China School stages a sharing and exchange session for counsellors**

The Central China School is striving to promote the high-quality development strategy and the educational model of connotative development, which imposes higher requirements and responsibilities on instructors engaging in front-line education and teaching. On 26 May 2023, to effectively strengthen the development of the counsellor team, the Teacher Development Centre of the Central China School organised a special salon for counsellors with the theme of “Counsellors’ Daily Management” to help improve their professionalism and performance.



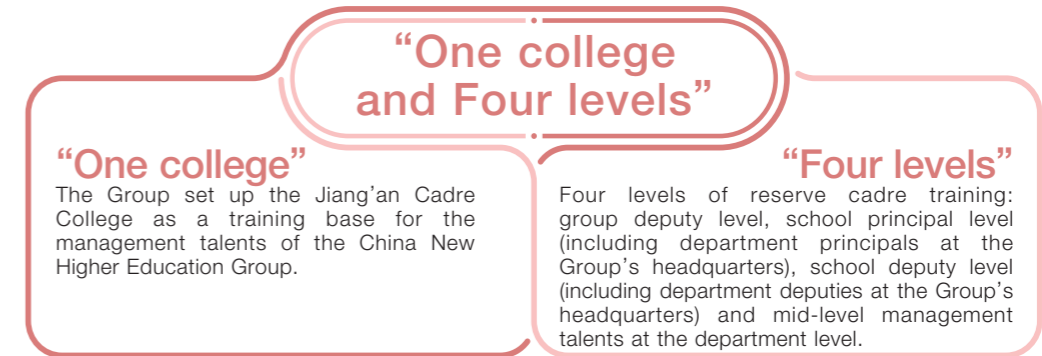
During the Reporting Period, the Group and its schools optimized training management, set relevant training targets and conducted more specific training. The table below shows the percentage of employees trained and the average training hours of employees by category during the Reporting Period:



Employee development

The Group has formulated the “Implementation Measures for Cultivating Reserve Cadres of China New Higher Education Group”. Under this set of guidelines, the Group adheres to the principle of “clear guidance, strict selection, and combining practice and training”, and actively explores new models to promote the growth of mid-level management talents, with a view to meeting the Group’s needs for new talents and establishing and improving a mechanism for selecting and cultivating reserve cadres.

The Group has established a cadre training system featuring “one college and four levels” (一院、四層) as the Group’s talent echelon system. “One college” refers to the Jiang’an Cadre College, which the Group has set up as its base for talent training. “Four levels” refers to the four levels of mid-level management talent training: group deputy level, school principal level (including department principals at the Group’s headquarters), school deputy level (including department deputies at the Group’s headquarters) and mid-level management talents at the department level.



During the Reporting Period, the Group introduced special incentive policies and option grants for the management of the Group and its schools, with the goal of encouraging management to focus on the Group’s medium and long-term development.

Going forward, as the Group continues to improve its career development paths, talent will be encouraged to develop across different paths. The Group will also strengthen its internal selection process to encourage teaching staff to pursue career advancement. Meanwhile, the Group and its schools will continue to focus on the competitiveness of their compensation packages, so that both the Group and its employees can share the fruits of their success.





04

Health and Safety

4.1 Protecting Employee Health

4.2 Ensuring Campus Security

4.3 Disaster Response Mechanism

4.4 Promoting Food Safety

To lay the ideological foundation for building a safe campus and highlight the importance and urgency of safety, the Group has organised a variety of campus health and training activities to create a safe campus. It also actively promote the humanistic spirit on campus, care for staff members, and attention to physical and mental health.

The Group concerns about campus security. With the help of smart system and intelligent platform, it can promptly identify potential safety risks and provide health and safety protection for teachers and students.

Schools under the Group regularly carry out fire drills to strengthen fire safety on campus, prevent and eliminate the risk of major fire accident, and ensure personal safety of teachers and students, and campus stability of schools.

The Group also focuses on food quality, carries out activities to promote food safety, such as lectures on food safety, and urges and guides the schools to establish a sound mechanism for food safety to safeguard the health of teachers and students.

4.1 PROTECTING EMPLOYEE HEALTH

The Group stresses the importance of protecting employees' occupational health, and it has formulated health and safety policies including the "Personal Hygiene Management System" and the "Health Examination System for Practitioner" in accordance with the "Labour Law of the People's Republic of China". It has obtained the certificate of occupational health and safety management system to ensure that staff members have safety awareness and ability to deal with emergencies. The Group and its schools have set up working groups to ensure the safety of staff members. For example, Yunnan School has set up a Safety and Stability Committee to develop school rules and regulations, implement plans and arrangements for safety and stability, and improve the response plan for emergencies.


Schools under the Group monitor students' health, identify possible hazards in various environments, provide health education to students, help students develop good hygiene habits, improve the hygienic environment and sanitary conditions for teachers, and effectively prevent and treat various common diseases, especially infectious diseases, in a timely manner, in accordance with the "Working Regulation for the Hygiene at School".

The Group is keen on enhancing its staff's sense of happiness, gain and security. It respects teaching staff and is committed to improving their competence and skills training and enabling them to grow together with the Group. The Group has been improving employees' occupational health and providing them with annual physical examination. During the Reporting Period, the Group and its schools carried out training related to occupational health and safety management, with special attention to the mental health of teachers and counsellors. The psychological counselling centres at schools regularly monitor the work pressure and provide timely help and relief to teaching staff.

According to the internal statistics, there is no work-related fatality in the past three years (including the Reporting Period). The working days lost due to work-related injuries during the Reporting Period are 266 days. Work-related injuries are mainly due to accidental falls during working hours and accidental injuries occurred during their way to and from work. The injured employees have been taken care of and granted work-related injury leave and related subsidies.

Sharing first aid knowledge

On 5 March 2023, at the invitation of the Qin Zhou Education Bureau in Guangxi and under the guidance of the Qin Zhou Red Cross Society, Guangxi Schools participated in the voluntary service activity in a campaign to "Pass on the Spirit of Lei Feng, Build a City of Health, and Create a Civilised City" (弘揚雷鋒精神·鞏固衛生城市·創建文明城市). Young volunteers measured blood pressure and blood sugar for citizens, and popularised knowledge of medical first aid, infant care, and healthy lifestyle. They have served the society with their professional knowledge and are widely praised by citizens.



4.2 ENSURING CAMPUS SECURITY

In order to raise the awareness in safety prevention and management, strengthen the campus security team, and safeguard the life and property of teachers and students, the Group regularly organises staff members to participate in safety training exchanges and emergency drills, fulfil the schools' safety responsibilities, and actively promote the establishment of a harmonious campus.

The Group has deployed the "Safe Campus Intelligent Management Platform" (平安校園智能管理平台) to all schools and is committed to improving the security management system. It creates a more peaceful campus through the identification and assessment of security risks on campus, and effectively improves the ability of school security personnel to deal with emergencies. Information collection and identification is strengthened as information affecting security and stability is promptly collected and escalated. A 24-hour duty system is implemented to ensure that security personnel maintain 24-hour communication.

Guizhou
School

Northeast
School

Central
China
School

The Smart Campus Control Centre runs an AR-based visual command system of panoramic live scene, all monitoring points across the school are attached with visual tags, and data such as the flow of people, face capture, and vehicle passing records are visually captured. In daily supervision, the school's main areas are under overall control, which has changed the traditional mode of security personnel's passive monitoring towards an active mode of intelligent monitoring to increase efficiency.

Panoramic live visualisation system is used to visually label all monitoring points across the school. In daily supervision, the school's main areas are captured and patrolled in real time.

Using intelligent front-end structured cameras and back-end servers to complete face capture recognition, teachers and students on campus are centrally managed. Security personnel can search and retrieve images, generate simulated tracks of suspected targets, surveillance of key personnel, capture faces and report blacklisted personnel to the police.

Training on self-defense skills to raise safety awareness

On 6 April 2023, Gansu School organised a social activity with the theme of "Learning Safety and Science Knowledge" for student representatives at the New Area Fire Safety and Science Education Base. This activity aims to strengthen the students' awareness and knowledge in fire safety, learn about fire-related knowledge, and improve their awareness in fire safety and ability to avoid danger, rescue themselves and others during an emergency. The activity enables students to learn fire safety knowledge in relaxed learning, improves their ability of taking care of and rescuing themselves, and further enhances their awareness in learning, understanding and practising fire prevention.



4.3 DISASTER RESPONSE MECHANISM

The schools under the Group have formulated policies and emergency plans for various disasters, they are required to have plans in response to emergency and prevent disaster, strengthen drills for emergency disasters such as flood prevention and control, provide regular training on escape routes and self-rescue, to instill knowledge on escape routes and self-rescue, and the Group’s emergency response capability has been continuously improving. During the Reporting Period, the Group carried out 53 fire drills.

Earthquake drills to improve emergency response capability

Guangxi Schools have released the “Emergency Plan of Guangxi Schools for Earthquake and Other Disasters”, based on which earthquake drills are organised and emergency response capability of the teaching staff is improved.



Fire protection is of vital importance to protect campus and ensure safety

Luoyang School organised training sessions on fire safety knowledge and skills. Through videos and slideshow, students have mastered the knowledge to rescue themselves and others when there is an emergency, and experienced a profound learning journey of fire-related knowledge.

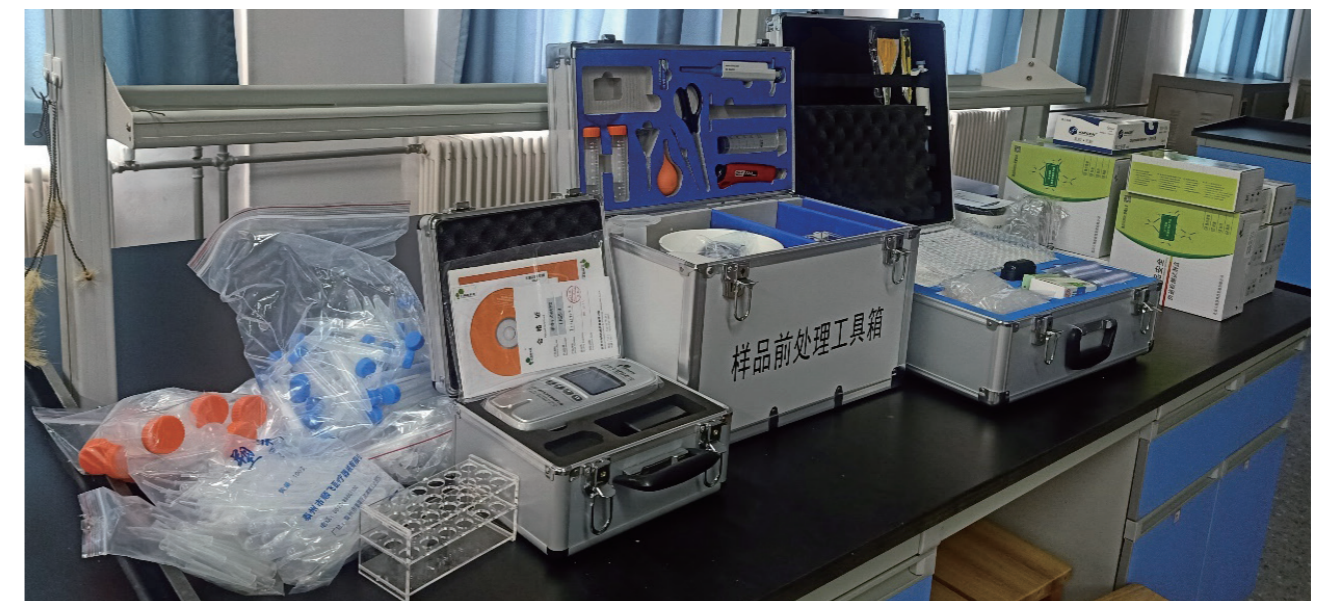


4.4 PROMOTING FOOD SAFETY

In accordance with the “Food Safety Law of the People’s Republic of China” and other laws and regulations related to food safety, the Group has prioritised food safety and formulated the “Food Safety and Sanitation Management Regulations of China New Higher Education Group” to specify food safety management, strengthen risk prevention and control, defend the bottom line of food safety, urge strict implementation of the food safety responsibility system, pay attention to the food safety and hygiene condition at school canteens, and conduct random inspections from time to time. For example, Guangxi Schools have formulated the “Measures for the Administration of Canteens and Merchants in Guangxi Schools”, the “Measures for the Administration of Food Hygiene and Safety at Canteen of Guangxi Schools”, the “Sanitation System” and other policies as a comprehensive guarantee for the food safety system. All colleges and schools under the Group have also set up rooms for quick inspection of canteen food to guarantee food safety.



Quick inspection room of Canteen in Yunnan School



Quick inspection room of Canteen in Gansu School



05

Contributing to Society through Education

5.1 Promoting Universal Education

5.2 Rural Revitalisation

As educational organisations and higher education group, the Group and its schools have been actively responding to the call of the State and continuously fulfilling their social responsibilities. Taking into account the characteristics of the education business and the actual needs of the regions in which the schools are located, the Group has carried out poverty alleviation in education for many years in a row and is committed to consolidating the results of the poverty alleviation campaign and rural revitalisation in an effective manner. In addition to its previous practice, Yunnan School focuses on assisting ethnic minority students with financial difficulties in Nujiang Lisu Autonomous Prefecture, Lincang City, Wenshan Zhuang and Miao Autonomous Prefecture and other ethnic minority areas, especially students from key counties for national rural revitalisation, and the school has exempted their school fees.

To answer the call for rural revitalisation, the Group and its schools conducted a preliminary survey, and based on the survey result, they have been moving forward their targeted assistance of financial aid to earlier stage of enrolment during the Reporting Period. The measures taken by the Group and its schools to support education have delivered remarkable outcomes.

5.1 PROMOTING UNIVERSAL EDUCATION

Education is of critical importance to the future of the country, and the Group has been striving to provide good education resources and environment to students. The Group is deeply aware of the importance of education and driven by the “student-oriented” core value, it has established a financial aid system based on “scholarship, grant, work-study, loan, fee reduction, subsidy and fee exemption” to help students in need complete their studies.

The Group has formulated the “China New Higher Education Group’s Procedures for Identifying Students from Families with Financial Difficulties” and the “China New Higher Education Group’s Procedures for Approving Students’ Scholarship, Grant, Subsidy and Fee Exemption”, and it has been introducing new ideas and improving students’ overall education level to ensure that everyone has equal access to high-quality education resources, and to uphold social fairness and justice.

Establishment of the “Ethnic Minority Development Support Programme”, with a fee waiver of more than RMB4 million

There are 52 ethnic groups in Yunnan Province, of which 25 are hereditary minorities with more than 5,000 people. Educational resources in the border ethnic areas are very uneven, which makes it difficult for some children of ethnic minorities to receive higher education. In order to let more minority students enter university, Li Xiaoxuan, Founder and Chairman of the Board of the Group, set up the “Minority Development Support Class” in 2007 for seven minority nationalities in Yunnan Province with a population of less than 100,000 and relatively lagging behind in development, such as Dulong, De’ang, Jinuo, Nu, Achang, Pumi and Brown, etc. The tuition fee, textbook fee and accommodation fee of these ethnic students are fully borne by Yunnan School. Over the past eleven years, a total of more than RMB4 million yuan has been exempted from fees, helping many people to relieve the financial burden of going to school.

Dong Qiying, a Dulong girl majoring in preschool education in the class of 2009, is a beneficiary of this education poverty alleviation policy. The Dulong River Valley in the northern part of the Nujiang Lisu Autonomous Prefecture is snowbound for half the year, making learning conditions extremely difficult. Dong Qiying finished high school with the financial support of caring people and was admitted to Yunnan School, but could not raise the tuition fees for college. After learning of this situation, Yunnan School enrolled her in the support class and exempted her from tuition, accommodation and book fees during her college years. After successfully completing her studies, Dong Qiying, with the help and recommendation of the school, was admitted as a special-position teacher of pre-school education in Dulongjiang, Gongshan County, and passed on the love she received during her college years to more children.

During the two sessions of the National People’s Congress in 2018, Mr. Li Xiaoxuan, as a deputy to the National People’s Congress, learnt that the educational cause of Nujiang Prefecture is in need of urgent support, and opened a support class specifically for Nujiang Prefecture, which provides tuition fee, book fee, accommodation fee exemption, and living subsidies to registered students of less populated ethnic groups, in the Prefecture. At the same time, based on the three specialities of auto mechanic, nursing and e-commerce, we help Nujiang Ethnic Secondary School to improve its teaching level and send teachers to the school. Mr. Li Xiaoxuan intends to build these specialisations into backbone specialisations in three years’ time.



Guizhou School’s commitment to “No One Left Behind”

Guizhou School has been vigorously implementing the national policy on financial aid and insisting on visiting students in need. The “No One Left Behind” (一个都不能少) project aims to help students in need to complete their studies and send the school’s encouragement and care through various means ranging from “scholarship, work-study, fee reduction, fee exemption, loan, grant, subsidy”, to “one-on-one” employment assistance to rural students from registered households, which helps more students to complete their studies, by providing them with a boost, inspiration and the warmth from the school.



Bringing Care to Our Staff and Students with a Better-price Canteen



5.2 RURAL REVITALISATION

The Group and its schools have taken initiatives in participating and organising educational assistance activities, prioritising the educational assistance to ethnic minority students in financial difficulty, implementing on-going assistance, and striving to explore, expand, and deepen forms and content of assistance. Led by Mr. Li Xiaoxuan, the Chairman of the Group, the Group established the Rural Revitalisation Committee under the China Private Education Association and donated more than RMB8.8 million to support rural revitalisation and social well-being.

During the Reporting Period, the Group has been continuing the “No One Left Behind” project, hosting the ethnic minority development support class, and coordinating the progress of rural revitalisation by promoting education and revitalisation of rural education.

The Group has been implementing the plan of the Planning Department of the MOE to train young entrepreneurial talents in rural areas of western Yunnan, and has trained a total of 830 rural leaders who are pursuing prosperity, enabling the employment of nearly 4,000 people. The Group also takes initiative in rural revitalisation projects to train more than 2,000 people to start their e-commerce business. The Group has acted as a responsible and committed contributor to rural revitalisation and social well-being.

Luoyang School in action to technologically revitalise rural area

In August 2023, a team of Luoyang School’s lecturers and Luoyang Federation of Trade Unions jointly organised a campaign of “Technologically Revitalising Rural Area”, an e-commerce and new media skills training team visited Sanchuan Town of Luanchuan County to train local people through case analysis, skills teaching and scenario-based practice. The participants were enthusiastic and eager to ask questions, they engaged in lively interaction with the instructors who answered participants’ questions with patience.

The government, schools, industries and enterprises have all taken part in helping villages and towns select local e-commerce leaders, cultivate a multi-layer system for e-commerce talent, incubate professional e-commerce teams, and help revitalise rural industries.



Passing on rural culture and exploring rural beauty

Focusing on brand and product positioning, Zhao Mengnan and Xu Pengfei, lecturers of the Department of Visual Communication Design of the School of Arts and Media of the Northeast School have explored the creative design elements embodied in Heilongjiang’s historical culture, Party culture, modern culture and other cultures, they designed the “Land Reform Daoxiang” (土改稻香) brand, the “Yuanbao Village Daohuaxiang” (元宝村稻花香) rice product packaging and gift box packaging for Yuanbao Village of Yuanbao Town in Shangzhi City.

They aim to provide innovative design as a way to strategically promote brands of agricultural products, increase the supply of rural cultural products and services, and make joint efforts to build a modern village of Chinese style.



Measures to accelerate rural revitalisation

Social service is one of tertiary institutions’ functions. Guizhou School has been actively innovating ways to serve the society and promote rural revitalisation through social activities such as “three visits to the rural area” during summer vacation.

In the summer of 2022, nearly 100 members of Guizhou School’s social service team visited the countryside in their red and blue vests to revitalise the rural area in terms of culture, health, science and technology by offering legal services, general services and countryside visits, and they have gained valuable experience and conveyed their care to local villagers.





Care for the Earth and Environmental Protection

6.1 Green Practices and Environmental Protection

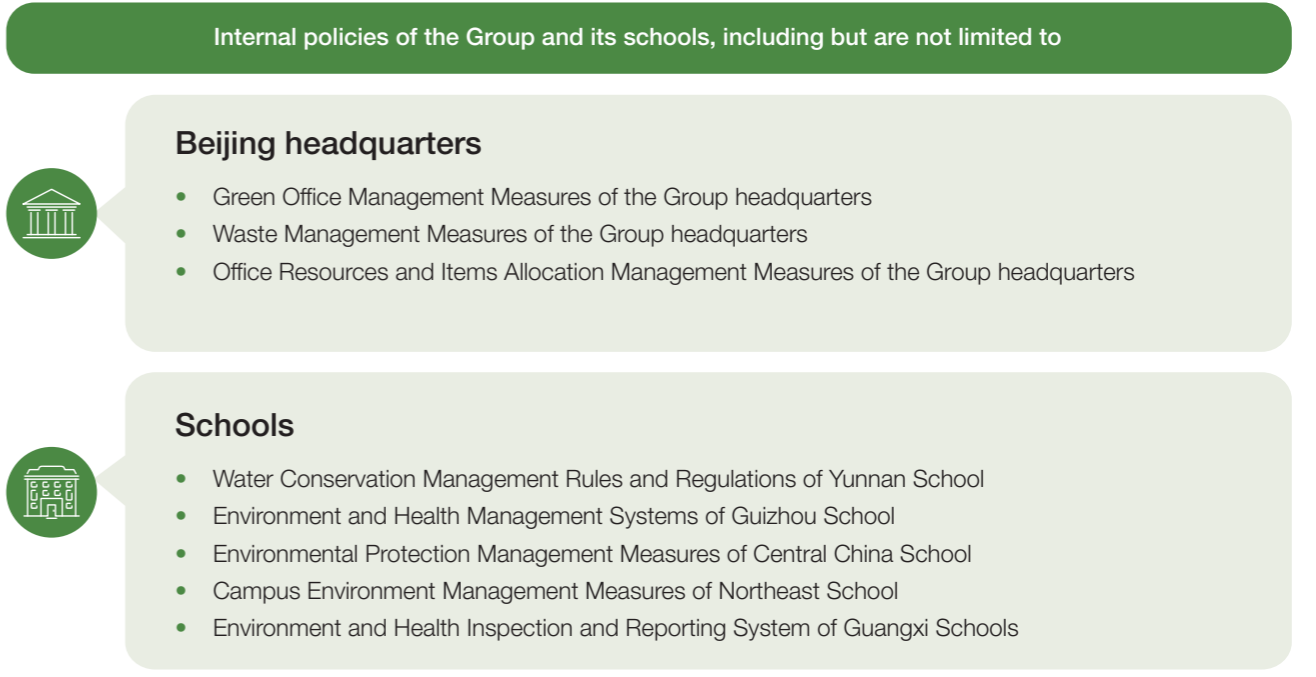
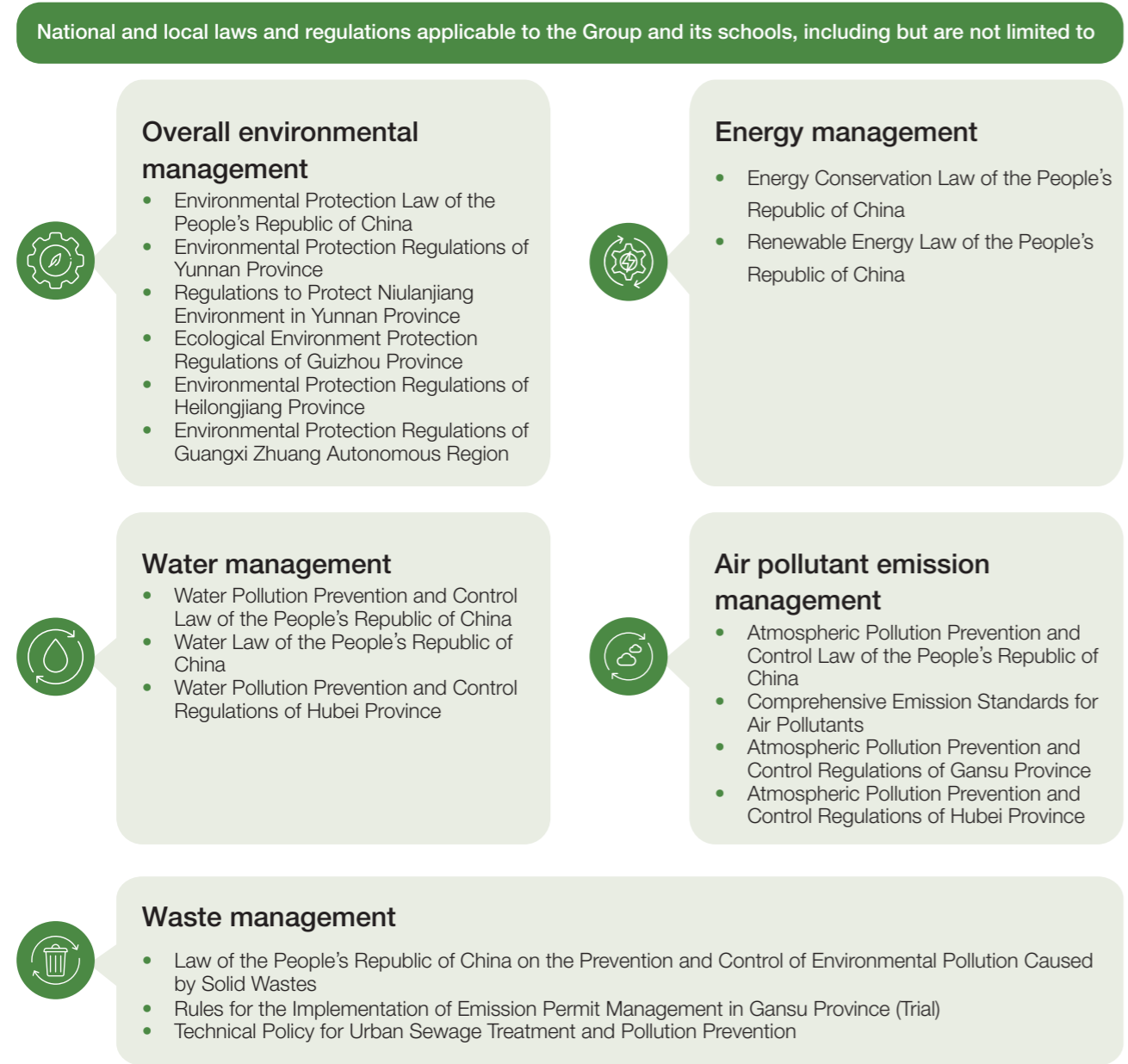
6.2 Low-carbon Operations and Energy Efficiency

6.1 GREEN PRACTICES AND ENVIRONMENTAL PROTECTION

Environmental management system and policies

The Group is committed to building a green campus, promoting the concept of sustainable development and integrating ecological civilisation with its daily operation and management. The Group's business is to provide higher education services, its main operating venues are schools and headquarters. The environmental issues related to the Group's operations include energy consumption, water consumption, air pollutants generated by school transportation, domestic sewage discharge, and generation of hazardous and non-hazardous waste and greenhouse gas (GHG) emissions caused by energy consumption.

During the Reporting Period, the Group has been strictly adhering to environment-related laws and regulations. To address environment-related material issues, the Group has developed a comprehensive system and policies in relation to environmental management. The system and policies aim to help the Group put its ideas of green operations into practice and fulfil its social responsibility in protecting the environment. The Group will continue to adhere to the concept of ecological civilisation, further optimise its business operations, strive to achieve harmonious coexistence with the environment, and promote the sustainable development of the society.



Incentive mechanism

To further enhance awareness of environmental protection, the Group and its schools have incorporated the monitoring of water and electricity management as well as saving and emission reduction into their daily management. Divisions and individuals that are in violation of these requirements will be subject to circulation of a notice of criticism. A corresponding incentive mechanism is also in place to reward staff members who have made contributions to resources conservation and emission reduction, to encourage active participation in environmental protection. For example, Yunnan School has formulated the "Water Management System of Rewarding Savings and Punishing Excess" as detailed below:

Departmental rewards

Acts to be rewarded	Annual assessment of departmental performance
Save 10% or more of actual annual consumption of water of a department than the planned water consumption target	Add 1-2 points
Put forward innovative suggestions or inventions in water conservation	Add 1-2 points

Individual rewards

Acts to be rewarded	Individual year-end performance appraisal
Report to Water Conservation Management Department for repairment if leakage of water equipment, facilities, appliances or pipes is found	Add 0.5 point
Participate in a water-saving publicity and education activity	Add 1 point

Energy management

In active response to the environmental challenges, the Group and its schools have formulated energy-related goals and action plans that cover the Group and its schools. As the schools are located nationwide, the environmental priorities vary. Each school is required to formulate its own environmental management policies that comply with local laws and regulations and actual operating condition to effectively manage their respective major environmental issues and relevant impact. For effective implementation of these policies, the schools have established a sound environmental management mechanism, including regular inspection, assessment and improvement.

To further improve energy management, the Group and its schools have set up an energy management team and formulated management measures to standardise and optimise the use of energy. The Group firmly abides by national and local laws and regulations, including the “Energy Conservation Regulations of Guizhou Province”, the “Heat Supply and Use Regulations of Lanzhou City” and the “Gas Safety Management Regulations of Lanzhou City”, to ensure lawful, safe and effective use of energies.

Energy consumption at schools mainly arises from the use of electricity, the use of fuel oil by vehicles and the use of natural gas. In this context, the Group formulates long-term energy conservation targets to enhance energy efficiency and optimise energy saving performance.

The Group and its schools conserve energies and reduce emissions in the following five aspects:

Energy-related education and publicity

Carry out education and publicity activities to improve the energy conservation awareness of school communities and encourage students and teachers to participate in energy conservation initiatives.

Energy-efficient buildings

Schools are required to follow the latest national requirements on energy saving and thermal insulation measures in their new construction and external wall renovation projects.

Use of energy-saving equipment

Energy-saving devices and technologies should be applied to campus and laboratory equipment, such as LED lighting, intelligent thermostatic control system, etc.

Use of renewable energy

Increase the use of renewable energy, such as solar water heating systems, solar streetlights, etc.

Third-party partners

Establish partnerships with local government agencies, energy companies and other relevant organisations to obtain support and resources and promote the implementation of energy conservation projects.

Northeast School renovated the hot water system of student apartments and installed intelligent balancing valve in the heating system

During the Reporting Period, Northeast School renovated the hot water system of student apartments to adopt a hot water system of air heat source. The school also installed intelligent balancing valve in the heating system which was scheduled to go through the commissioning stage in September 2023. It is expected to save 150,000 m³ of natural gas and reduce the use of natural gas by 10% upon officially launched in 2024.



Yunnan School installed intelligent metres

During the Reporting Period, Yunnan School installed intelligent metres in certain student apartments, which are expected to save 60,000 kWh of electricity, equivalent to 34.218 tons of carbon dioxide (CO₂) equivalent. Intelligent metres will be gradually installed in other apartments and teaching buildings.

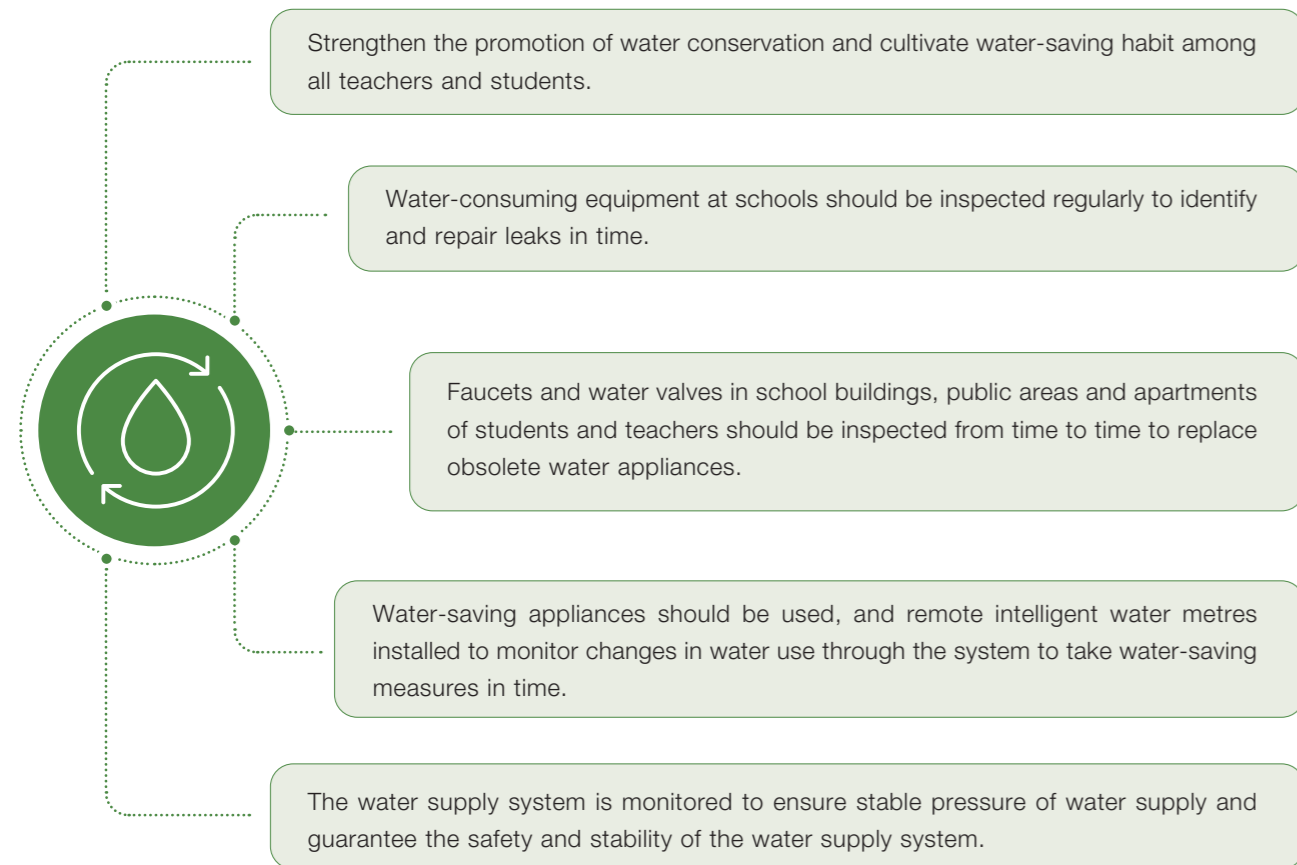


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195.88	29.41	79.86	104.31	353.87	20.9	169.01	23.17	264.74	54.4

Water management

The Group and its schools strictly abide by water-related national and local laws and regulations in their operation, for example the “Water Conservation Regulations of Guizhou Province”, the “Implementation Plan for Water Saving Action of Guiyang City”, the “Administrative Measures on Water Conservation of Lanzhou City” and the “Balance Adjustment Table for Non-residential Water Use Plan of Songming County”. The Group uses municipal tap water at all its business premises and there is no problem in sourcing water. All schools have been implementing measures on water management to encourage the staff members and students to save water.

Currently, water metres have been installed at all schools, and water consumption is regularly measured according to 1, 2, 3 classifications. In addition, metering terminals for smart all-in-one card have been installed in students’ and teachers’ apartments and business operators. This system supports remote reading of water metres and consumption data, so that the Group can better understand and master the data of water use. To continuously optimise water use, the Group and its schools have formulated a series of water management measures. The purpose is to reduce annual water consumption in compliance with the cap on water consumption set by the local government. To this end, the Group has taken the following measures:



The Group will continue to play a leading role in demonstrating and contributing to water-saving effort on campus by improving water use efficiency and water-saving systems and measures, adhering to the principle of water-saving education on campus, and vigorously promoting the construction of a water-saving society.

Northeast School’s water storage well

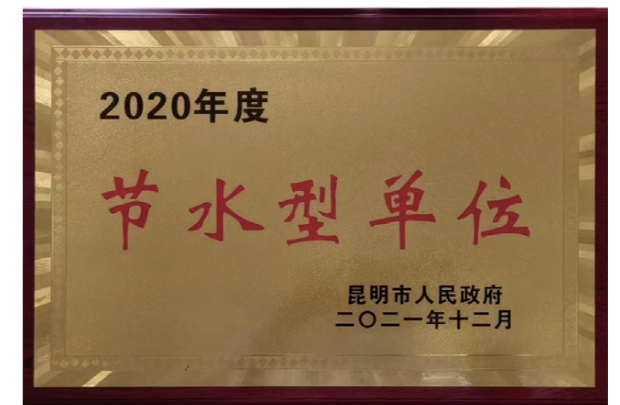
Use of rainwater harvesting during the rainy season saving **80** tons of fresh water (equivalent)

During the Reporting Period, Northeast School built a water storage well to collect rainwater in rainy season for campus greening irrigation, equivalent to saving 80 tons of fresh water.

Yunnan School’s control of water use

In 2023, **372,000** tons of fresh water was saved.

According to the requirements of the local government on “annual reporting and setting water consumption targets”, Yunnan School has been improving water use efficiency in terms of the system and equipment. In 2020, it was recognised by the government as a “Water Saving Unit in Yunnan Province”. In 2023, 372,000 tons of fresh water was saved.



Central China School and Guizhou School recognised as a “water-saving college”

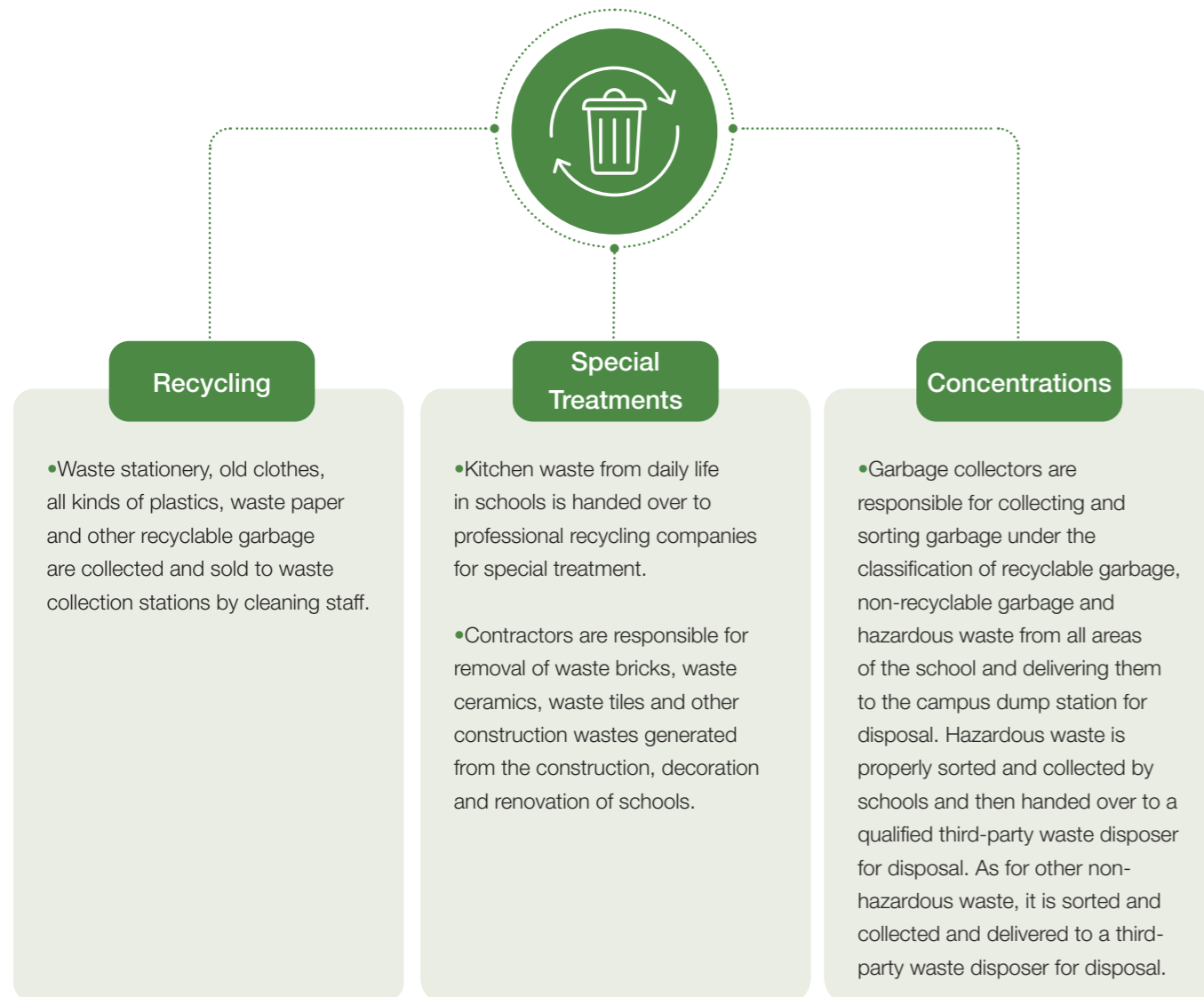
In December 2023, Central China School was awarded the title of “Hubei Province 2023 Water-saving Colleges and Universities”, and the school’s water-saving work and the construction of water-saving campuses were gradually and continuously promoted to specialisation and refinement.

In July 2023, Guizhou Provincial Water Conservancy Department announced that Guizhou School had reached the construction standard of water-saving colleges and universities, and awarded Guizhou School the title of “Provincial Water-saving and Highly Efficient” to play the role of demonstration and leadership.



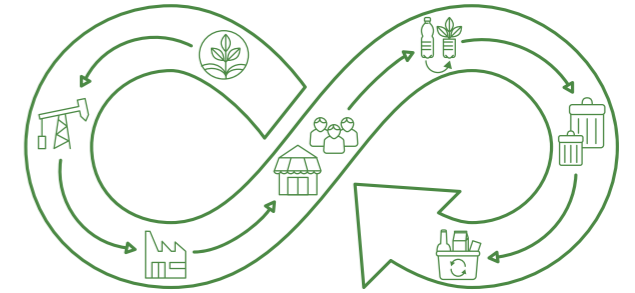
Waste management

Based on the nature of the Group's business, the types of pollutants generated by each of its school are limited. Waste water, waste gas and solid waste shall be collected and sorted in strict compliance with the requirements of the local government, and shall be uniformly disposed of by government cooperation units. Other hazardous wastes shall be collected and treated separately. The main sources of exhaust emissions are car fuel. In order to reduce exhaust emissions, schools have taken a series of emission reduction measures. For details of air pollutant emissions from cars, please refer to "Environmental Performance Indicators". The main non-hazardous wastes generated by schools include kitchen waste, plastic, stationery, paper, glass, etc. Hazardous wastes mainly include fluorescent tubes, bulbs, printer cartridges, waste batteries, etc. A garbage sorting system and different recycling stations have been set up in schools to recycle plastic, waste paper and waste stationery, and the waste treatment mode of "one recycling, two special treatments and three concentrations" is adopted to facilitate the circular development of "Turning Waste into Wealth". In addition, following the outbreak of the Covid-19 pandemic and normalised prevention and control measures, medical waste has become a focus of waste management. Schools classify medical waste as hazardous waste and conduct whole-process safety management in accordance with the regulations of the National Health Commission of PRC and the State Environmental Protection Administration of PRC and other authorities. Disinfection work is also carried out daily by dedicated personnel to vigorously ensure the safety of students and teachers.



Central China School's domestic garbage sorting

In order to promote domestic waste sorting on campus, Central China School has introduced a series of measures based on the "two integrated networks" of renewable resources recycling and domestic waste sorting, according to the Strategic Cooperation Framework Agreement between Central China School and Enshi Supply and Marketing Cooperative Association.



All teachers and students have participated in source separation of domestic waste and turned food waste into organic fertilizer with the microbial fermentation technology. In addition, the school has also organised teachers and students to carry out organic vegetation planting experiments to improve the vegetation land, with a view to building a green campus, and an ecological base of "two mountains" (lucid waters and lush mountains are invaluable assets) to put theories into practice.

These measures aim to promote domestic waste sorting on campus and the construction of a beautiful and environmentally-friendly campus.



Campus environmental activities

The Group and its schools have been practising the values of sustainable development, maintaining environmental harmony and recycling natural resources. When constructing a green campus, the Group and its school focus not only on promoting universal education and improving academic standard, but also the role of the environment in education through a beautiful campus. Through the implementation of environmental protection measures, the campus environment has been improving and students are guided to have environmentally-friendly values and cherish resources.

To further ensure campus harmony and safety, the Group and its schools require suppliers to effectively protect the environment and ensure that their actions will not cause any pollution or damage to the campus environment when signing contracts with suppliers at all levels. During the Reporting Period, the schools continued to promote different types of environmental activities and lead their students and teachers to take concrete actions to protect environment.

Gansu School tree planting activity

More than **430** trees were planted

In April 2023, Gansu School organised a voluntary activity of teachers and students working together to plant trees for a greener campus next year, nearly 1,000 students and teachers participated in this volunteer activity, and more than 430 trees were planted. Teachers and students were enthusiastic in protecting and building a more beautiful campus.



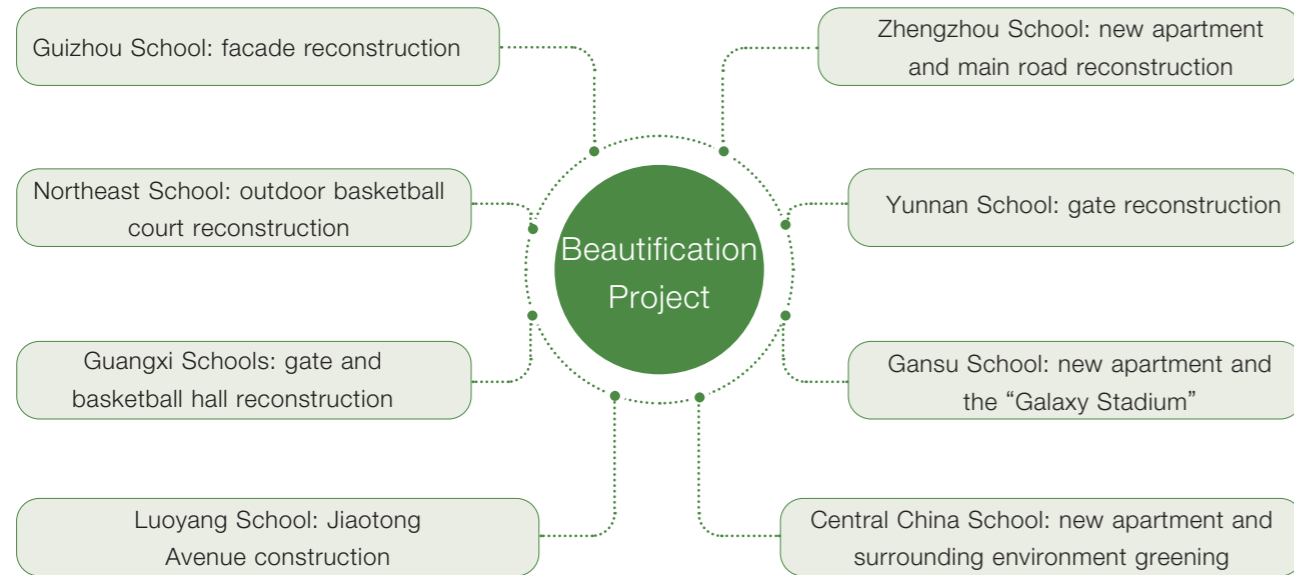
Enhancement of campus greenery

During the Reporting Period, Yunnan School upgraded campus greening, and the green area reached 280,000 m², accounting for more than 40% of the total school area. More than 69 species of 120,000 trees and shrubs have been planted on campus.

In addition, the green areas of other schools have also increased, for example, Guangxi Schools have increased by 4,800 m² of green area; Gansu School has increased by 38,000 m²; Central China School has increased by 40,000 m²; and Zhengzhou School has increased by 5,000 m². Meanwhile, the schools have formulated special plans for greening and conservation, including conservation plans, conservation measures, pest prevention, etc.



The Group believes that a high-quality natural environment and cultural environment have a significant impact on the work, life, study and health of students and teachers. To give full play to the role of the campus environment in education, schools have been striving to build a more beautiful campus.



Through these projects, the schools have upgraded cultural and sports facilities, and enriched the experience of teachers and students. As the projects are implemented, and the campus environment further improved, the schools create a more beautiful and harmonious space for learning and living.

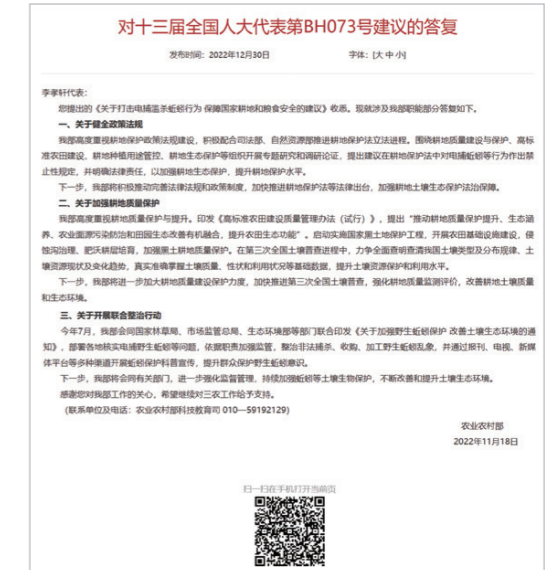
Biodiversity

In respect of biodiversity, the Group and its schools always adhere to the concept of protecting the ecological environment. During the Reporting Period, the Group did not have any significant incidents causing damages to biodiversity. Each school has formulated a special plan for maintaining greening area on campus. The plan covers detailed maintenance plan, maintenance measures, pest prevention and other measures. Designated personnel are assigned to take charge of the schools' greening maintenance, and in this way guaranteeing sustainable development of a green campus. The Group and its schools recognise biodiversity-related initiatives. Relevant actions include:

Targeted action: Mr. Li Xiaoxuan, the Chairman of the Group put forward a proposal on combating the indiscriminate killing of earthworms by electricity and ensuring China's arable land and food security

In June 2022 Mr. Li Xiaoxuan, the Chairman of the Group submitted a proposal to the National People's Congress on combating the indiscriminate killing of earthworms by electricity and ensuring China's arable land and food security. In the proposal, Mr. Li Xiaoxuan highlighted the importance of introducing basic farmland soil ecological protection policies and called for earthworms to be included in the "List of State Key Protected Wild Animals".

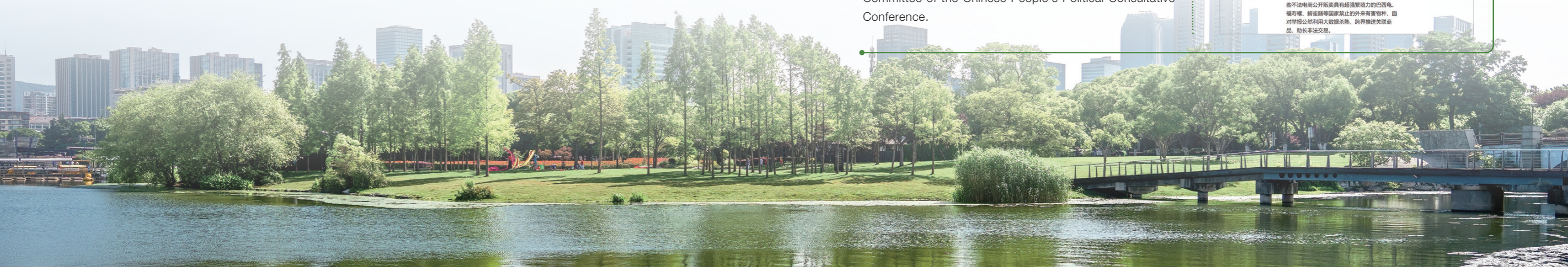
In February 2023 In response to Mr. Li's proposal, the Ministry of Agriculture and Rural Affairs, together with the National Forestry and Grassland Administration, the State Administration for Market Regulation, the Ministry of Ecology and Environment, the Ministry of Public Security, the State Administration of Traditional Chinese Medicine, and the State Food and Drug Administration jointly issued the "Notice on Strengthening the Protection of Wild Earthworms and Improving the Soil Ecology", which pushed a special rectification action to be carried out nationwide and was written into the No. 1 Central Document in 2023, becoming a typical case of the performance of duties by deputies to the 13th National People's Congress.



Targeted action: Mr. Li Xiaoxuan, the Chairman of the Group put forward the "Proposal on Actively Responding to the Risk of Illegal Invasion of Alien Harmful Species"

In March 2023 Mr. Li Xiaoxuan submitted the "Proposal on Actively Responding to the Risk of Illegal Invasion of Alien Harmful Species" at the two sessions. Mr. Li said that invasive species had caused serious harm to domestic planting, forestry, animal husbandry, etc. due to illegal trade, disorderly release and other reasons, he urged issuance of laws and regulations to standardise implementation standards.

This proposal has been transferred to the National Committee of the Chinese People's Political Consultative Conference.



6.2 LOW-CARBON OPERATIONS AND ENERGY EFFICIENCY

Responding to Climate Change

As global climate change is attracting growing concern, the Group and its schools have also been keeping a close watch on the international community’s response to this issue. The conclusion of the “Paris Agreement” at the 2021 Glasgow Climate Change Conference marked an important step forward for all countries in the world in tackling climate change. The Group and its schools have been actively implementing laws, regulations and policies such as the “National Plan on Climate Change (2014-2020)”, “Key Tasks for Tackling Climate Change (2023-2025)” and the “National Climate Change Adaptation Strategy 2035” formulated by the Chinese government.

With a global vision and sense of responsibility, the Chinese government has put forward the goal of striving to achieve carbon peak by 2030 and carbon neutrality by 2060. This commitment highlights the important role played by China in the global response to climate change. The Group and its schools have a deep understanding of this goal, actively responding to it and integrating it with daily operations.

Governance

Governance-wise, the Group has been establishing a framework for ESG governance, including governance to address climate change, with a purpose to jointly identify and study the impact of climate change on the Group’s business activities. In 2023, with reference to the Task Force on Climate-related Financial Disclosures (TCFD) framework, in response to risks and opportunities posed by climate change the Group started a current status review, strategy development, risk management, identification, and the management of metrics and targets.

Strategy


Climate-related risks can be classified into two major categories of risks related to the transition to a lower-carbon economy and risks related to physical impacts of climate change. Transition risk may entail policy, legal, technological, market and reputational risks, while physical risks can be driven by acute risks (events such as floods and typhoons) or chronic risks (long-term shifts in climate patterns such as sustained high temperatures and rising sea levels).



Category		Climate-related risks	Risk impact	Impact duration	Mitigation/response
Physical risks	Acute	Extreme climate or weather events are very likely to cause production equipment damage and employee safety incidents, giving rise to additional adverse impacts	Medium	Long-term	Included in the plan for public health emergencies and taken into overall consideration
	Chronic	Chronic physical risks refer to long-term shifts in climate patterns (e.g., sustained higher temperatures) that may lead to an increase in operating costs and equipment maintenance and repair costs caused by the increase in cooling demand in summer	Low	Long-term	Replace energy consuming equipment
Transition risks	Policy and legal	As policy actions around climate change continue to evolve, regulators will take stricter measures to limit GHG emissions and strengthen GHG emissions disclosure requirements	Low	Short-term	Quantify and manage GHG emissions, formulate measures to reduce GHG emissions
	Technology	Investments in new technologies may increase due to innovations in production technology in response to environmental requirements and product research and development (R&D) findings, or front-end costs may rise to adopt/deploy new operations and processes	Very low	Short-term	Pay attention to technical innovation and actively respond to relevant environmental requirements
	Market	Under the guidance of policies and markets, and as the market is increasingly aware of lower-carbon alternatives and environmental protection, they will opt for greener products, such as FSC-certified paper, which may have an impact on the Group’s raw material procurement	Very low	Short-term	Formulate relevant procurement policies to reduce the consumption and procurement of relevant resources
	Reputation	Stakeholders are increasingly concerned about issues in response to climate changes, the Group may suffer from reputational risk if it fails to meet stakeholder expectations or there is any behaviour in violation of relevant laws and regulations	Very low	Long-term	Pay continuous attention to stakeholders’ expectations, actively respond to and stage climate change related activities

Regarding the policy and legal risks during transition, as the community is increasingly aware of the climate change and policies are being implemented, energy prices are rising, use of energy is being capped, coverage of traded GHG emission has been expanding or other regulatory requirements on environmental protection have been enhanced in places where the Group operates, all these changes will lead to increasing operating costs. The Group will therefore continue to focus on the impact of climate change on its business and adequately respond to policy changes. With respect to acute physical risks, the Group is concerned about the impact of extreme weather events on its production and operation, and identify various natural disasters, extreme weather events or adverse weather conditions its operation is exposed to.

After the Group's ESG risk assessment, climate change currently imposes a low risk on the Group, and the main impact is caused by physical risks, including the instability of school teaching activities and the uncertainty of personal safety of students and teachers caused by extreme weather due to climate change. For example:



When extreme high temperature weather occurs, Yunnan School, Guizhou School and Guangxi Schools, which are located near the Tropic of Cancer and have both plateau climate and subtropical climate features, will be at higher risk of epidemic infectious diseases. According to the current risk assessment, these climate changes have little impact on the substantive finance or strategy of the Group and its schools, but the Group has also included it into the plan for public health emergencies for overall consideration.

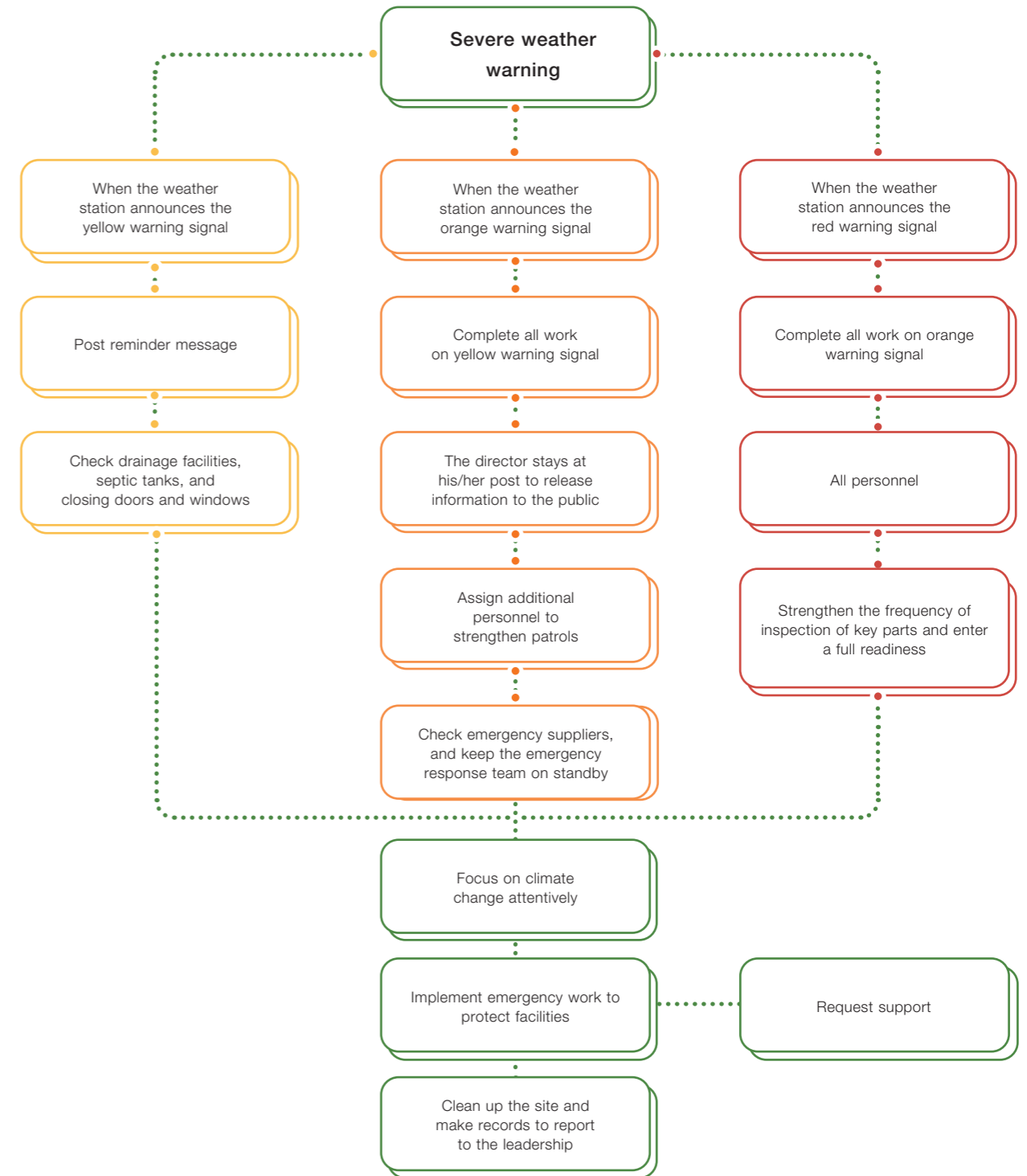
So far, neither the Group nor its schools have identified any climate related opportunities that may have a substantial financial or strategic impact on their business.

Environmental and climate-related risk management

The Group is aware that environmental and climate-related risks can lead to operational and financial risks. For the identified climate related risks, the Group has developed an emergency plan, defined the methods and mechanisms for responding to emergencies, developed a process for identifying, assessing and responding to climate related risks, and established a three-tier response mechanism, covering the Group, schools and secondary colleges, to continuously monitor climate change.



The following diagram shows the flow chart of the Group's emergency response in the face of extreme weather:



 **Luoyang School formulates the Flood Control and Prevention Emergency Plan**

In order to further improve the school's flood control and ensure safety during the flood season in summer, during the Reporting Period, Luoyang School organised and carried out an emergency drill for flood control and prevention to build a safety defense line in the flood season. In the drill, the emergency command centre personnel simulated the emergency scenario. After receiving a rainstorm warning, they immediately reported to the leader on duty. The leader on duty immediately issued an advanced order. A flood control emergency team composed of the Security Department and the Infrastructure Logistics Department implemented the drill steps in accordance with the "Flood Control Emergency Drill Plan of Luoyang Science and Technology Vocational College". The team is responsible for dispatch and command, distributing materials, guarding the scene, reinforcing the riverbank, and rescuing people in the water. The drill was well prepared, structured and organised, and ran smoothly. Through the flood control emergency drill, the flood control team is enabled to handle emergencies and coordinate operations more effectively. The flood control ability of the emergency team was comprehensively tested, which laid a solid foundation for ensuring the safety of students and teachers and the school's safety and stability during the flood season.



 **Metrics and targets**

Considering the Group's situation, it has identified climate-related risk metrics related to energy use efficiency, water efficiency, waste emission and GHG emissions. The Group has also set environmental targets (see "ESG Environmental Targets" of the Report). In view of the changing nature of the Group's operating and marketing environment, the Group will conduct on-going review of its implementation, and adjust its targets and proposed measures when necessary. Going forward, the Group will continue to improve strategy development, risk management, and the identification and management of metrics and targets, to tackle climate change in pursuit of sustainable development with various sectors of society.

In order to raise the environmental awareness of teachers and students and their ability to adapt to climate change, the Group and its schools introduce the latest climate changes and tackling strategies to teachers and students through classroom education. Furthermore, climate change adaptation has been integrated with the construction of a green, energy-efficient and environment-friendly campus. By taking these measures, the Group and its schools aim to create a campus that is vibrant and environmentally-friendly, contribute to China's response to climate change, and provide strong support for cultivating outstanding talents with a global vision and a sense of social responsibility. The Group will continue to pay attention to the impact of climate change on its business in active response to policy requirements while further improving strategy development, risk management, and the identification and management of metrics and targets, to tackle climate change in pursuit of common sustainability with various sectors of the society.


Greenhouse Gas (GHG) Emissions

The Group and its schools have set long-term energy saving targets in order to improve energy efficiency and optimize energy use. To achieve this goal, we have taken energy-saving measures to reduce energy consumption and reduce greenhouse gas emissions. At the same time, the Group has also set long-term GHG emissions targets to promote low-carbon development and continue to strive for green campuses.

Energy consumption at schools mainly arises from the use of electricity, the use of fuel oil by vehicles and the use of natural gas. A range of energy-saving measures for these emissions have been developed to effectively reduce energy consumption.



- Promote energy-saving appliances and LED lamps to reduce power consumption;
- Improve the thermal insulation performance of buildings and adopt more efficient heating systems to further reduce energy consumption;
- Replace fuel vehicles with new energy vehicles;
- Encourage teachers and other staff members to travel in an environmentally-friendly manner, such as arranging commuter buses and encouraging staff to take public transport;
- Improve vehicle fuel efficiency, such as regular maintenance and introduction of high-efficiency fuel pumps, to minimise fuel consumption;
- Use natural gas as the main fuel to reduce the use of coal;
- Actively explore the use of renewable energies, such as solar energy and wind energy, to further optimise energy structure and reduce dependence on traditional energies.

 **Introduction of new energy school bus**

During the Reporting Period, the Group and its schools engaged in active communication and collaboration with suppliers and completed the replacement of Northeast School's fuel school buses with new energy buses. So far, Northeast School, Guizhou School, Gansu School have all completed the replacement and are using new energy vehicles as their commuter vehicles.








ESG environmental targets

Moving towards sustainable development is one of the Group's important initiatives, which represents not only its unswerving commitment to environmental protection, but also reflects profound understanding of its social responsibilities. The Group has been adhering to the green concept of environmental protection in its development. It increases recycled waste and reduces resource consumption to promote green operations and the concept of environmental protection. The Group and its schools have also been integrating the concept of sustainable development with the daily lives of students, teachers and headquarters staff at the colleges through a series of green activities and environmental protection measures. The Group aims to raise awareness of environmental protection and energy conservation, fundamentally reduce resource consumption, and shoulder the responsibilities for protecting the environment.

The Group is not and will not be deterred by challenges. In this context, the Group and its schools have been taking initiatives to minimise their impact on the environment. Due to the effectiveness of environmental protection measures and actions, total natural gas consumption and total diesel consumption have decreased. Please refer to the table of environmental performance indicators for relevant data during the Reporting Period.

The Group advocates energy conservation and carbon reduction and is committed to achieving sustainable operations. To this end, the Group has formulated clear quantitative and qualitative targets for emission reduction and resource use based on the actual situation and relevant implementation plans of the Group and its schools, and are committed to achieving the following targets on the basis of fiscal year 2023:

Quantitative targets		
Types	Indicators	Targets
 Energy	Natural gas consumption intensity of the Group and its schools	By 2025, the natural gas consumption intensity of the Group and its schools will decrease by 5%
	Purchased electricity consumption intensity of the Group and its schools	By 2025, the purchased electricity consumption intensity of the Group and its schools will decrease by 5%
 Water resources	Water consumption intensity of the Group and its schools	By 2025, the water consumption intensity of the Group and its schools will decrease by 5%
 GHG emissions	Scope 1 GHG emissions intensity of the Group and its schools	By 2025, the scope 1 GHG emissions intensity of the Group and its schools will decrease by 5%
	Scope 2 GHG emissions intensity of the Group and its schools	By 2025, the scope 2 GHG emissions intensity of the Group and its schools will decrease by 5%

Qualitative targets			
Types	Targets	Action plans	Actions taken during the Reporting Period
 Non-hazardous waste	Support purchase on demand	The canteen provides half-portion dishes to guide students to buy food on demand and eliminate waste.	The schools offer half-portion dishes in different types according to their respective characteristics, guiding teachers and students to buy food as per actual needs to avoid waste.
	Promote the Clean Your Plate campaign	Post publicity posters with the theme of "Clean Your Plate" in canteen to remind students not to waste food.	The schools promote the Clean Your Plate campaign through posting slogans, promotional materials, theme-based education and other activities.
	Implement paperless office	Promote paperless office and paperless daily meetings.	The schools adopt different approaches to implement paperless office, such as application of OA systems, electronic invoicing, electronic documents, etc.
 Hazardous Waste	Installation of LED lights on campus and offices	Replace fluorescent lamps with LED lights and expand the range available for installation of LED lights.	The schools have carried out installation or replacement of LED lights according to their actual conditions, and those schools not yet finishing the installation or replacement will also plan to do that in a later stage.

Environmental Performance Indicators

Use of Resources

	2023	2022	Unit
Direct energy consumption⁵	17,426	17,882	MWh
Total natural gas consumption	1,560,956	1,600,000	m ³
Natural gas consumption intensity ⁶	0.74	0.77	m ³ /m ² (gross floor area)
Total gasoline consumption (vehicle)	54,534	56,658	L
Gasoline consumption intensity (vehicle) ⁷	1,704 ⁸	1,619 ⁹	L/vehicle
Total diesel consumption	5,601	6,294	L
➤ Total diesel consumption (non-road mobile sources)	120	118	L
➤ Total diesel consumption (vehicle)	5,481	6,176	L
Diesel consumption intensity (vehicle) ¹⁰	1,827	1,544	L/vehicle
Diesel consumption intensity (non-road mobile sources)	120	118	L/item
Indirect energy consumption	80,521	78,668	MWh
Electricity consumption ¹¹	62,285,784	59,779,892	kWh
Electricity consumption intensity	29	29	kWh/m ² (gross floor area)
Purchased heat consumption	65,685	67,998	GJ

⁵ The calculation method of direct energy consumption refers to the "Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions from Public Building Operating Units (Enterprises) (Trial)".

⁶ During the Reporting Period, only Northeast schools used natural gas, and the total gross floor area of each school of the Group was used to calculate intensity. In order to maintain the consistency of statistical standards, the natural gas consumption intensity in 2022 has been recalculated.

⁷ During the Reporting Period, the Group's operations were no longer affected by events such as campus lockdowns caused by Covid-19 pandemic, and the use of vehicles returned to normal operating levels. During the reporting period, the Group's gasoline consumption intensity (vehicles) increased due to a decrease of 5 gasoline vehicles.

⁸ During the Reporting Period, the Group owned a total of 31 gasoline vehicle, 3 diesel vehicles and 1 diesel generator.

⁹ During the 2022 Reporting Period, the Group owned a total of 36 gasoline vehicle, 4 diesel vehicles and 1 diesel generator.

¹⁰ During the reporting period, the Group gradually replaced its diesel vehicles with gasoline vehicles and new energy vehicles, while its operation was no longer affected by the campus lockdowns caused by the Covid-19 pandemic. During the Reporting Period, the Group's diesel consumption intensity (vehicles) increased due to a decrease of 1 diesel vehicle.

¹¹ During the Reporting Period, the Group's electricity consumption increased as it was no longer affected by events such as campus lockdowns caused by Covid-19 pandemic, and the electricity consumption returned to normal operating levels.

	2023	2022	Unit
Purchased heat consumption intensity	0.3	0.3	GJ/m ² (gross floor area) ¹²
Total energy consumption	97,947	96,550	MWh
Total non-renewable energy consumed	97,947	96,550	MWh
Water consumption¹³	3,577,139	3,254,355	Tonnes
Water consumption intensity	1.7	1.6	Tonnes/m ² (gross floor area)

Emissions

	2023	2022	Unit
Air pollutant Emissions¹⁴			
CO ₂ emissions	512	444	Kg
NO _x emissions	232	177	Kg
SO _x emissions	0.90	0.95	Kg
PM2.5 emissions	7.4	5.9	Kg
PM10 emissions	8.1	6.4	Kg
Greenhouse gas emissions			
Scope 1			
Vehicle emissions	135	148	Tonnes
Non-road mobile source emissions ¹⁵	0.33	0.31	Tonnes
Natural gas consumption emissions ¹⁶	3,419	5,062	Tonnes
Greenhouse Gas Offset by the Group's owned trees ¹⁷	-21	-130	Tonnes

¹² Only Gansu School used the purchased thermal power during the Reporting Period, and the gross floor area used to calculate intensity included this school only.

¹³ During the Reporting Period, the Group's water consumption increased as it was no longer affected by events such as campus lockdowns caused by Covid-19 pandemic, and the water consumption returned to normal operating levels.

¹⁴ Air pollutant emissions are calculated with reference to the "Technical Guide for the Preparation of Air Pollutant Emission Inventory for Road Motor Vehicles (Trial)" and the Technical Guidelines for the Preparation of Emission Inventory from Non-road Mobile Source (Trial)". During the Reporting Period, as the Group's operations were no longer affected by events such as campus lockdowns caused by Covid-19 pandemic, vehicle mileage returned to normal operating levels, and some air pollutant emissions increased slightly.

¹⁵ The greenhouse gas emissions from non-road mobile sources are calculated with reference to the "Technical Guidelines for the Preparation of Emission Inventory from Non-road Mobile Source (Trial)".

¹⁶ The greenhouse gas emissions from natural gas combustion is calculated with reference to the "GHG Emission Accounting Methodology and Reporting Guidelines for Public Building Operators (Enterprises) (Trial)".

¹⁷ GHG offsets for trees are calculated with reference to the "Environmental Protection Department's Guidelines for Accounting and Reporting of Greenhouse Gas Emissions and Removals from Buildings (Commercial, Residential or Public Use) in Hong Kong".

	2023	2022	Unit
Scope 2 (Location based)			
Electricity consumption emissions	35,522 ¹⁸	34,906 ¹⁹	Tonnes
Purchased heat consumption emissions ²⁰	7,225	7,480	Tonnes
Scope 2 (Market based)			
Electricity consumption emissions	35,522 ²¹	34,906 ²²	Tonnes
Purchased heat consumption emissions	7,225	7,480	Tonnes
Total Emissions			
Greenhouse gas emissions	46,322	47,466	Tonnes
Greenhouse gas emissions intensity	0.02	0.02	Tonnes/m ² (gross floor area)

Wastes

	2023	2022	Unit
Total hazardous wastes			
Printer cartridges			
Waste produced	504	436	Item
Waste production intensity	0.0002	0.0002	Item/m ² (gross floor area)
Waste recycled	133	432	Item

¹⁸ During the Reporting Period, GHG emissions from electricity use are calculated with reference to the "Guidelines for Accounting and Reporting of Greenhouse Gas Emissions of Enterprises – Power Generation Facilities (amended in 2022)".

¹⁹ In fiscal year 2022, GHG emissions from electricity use are calculated with reference to the "Guidelines for Accounting and Reporting of Greenhouse Gas Emissions of Enterprises – Power Generation Facilities (amended in 2021)".

²⁰ During the Reporting Period, GHG emissions from purchased heat use is calculated with reference to the GHG Emission Accounting Methodology and Reporting Guidelines for Public Building Operators (Enterprises) (Trial).

²¹ During the Reporting Period, GHG emissions from electricity use are calculated with reference to the "Guidelines for Accounting and Reporting of Greenhouse Gas Emissions of Enterprises – Power Generation Facilities (amended in 2022)".

²² In fiscal year 2022, GHG emissions from electricity use are calculated with reference to the "Guidelines for Accounting and Reporting of Greenhouse Gas Emissions of Enterprises – Power Generation Facilities (amended in 2021)".

	2023	2022	Unit
Fluorescent tubes			
Waste produced	4,895	8,650	Item
Waste production intensity	0.002	0.004	Item/m ² (gross floor area)
Waste recycled	2,660	2,718	Item
Lamp bulbs²³			
Waste produced	5,726	4,245	Item
Waste production intensity	0.003	0.002	Item/m ² (gross floor area)
Waste recycled	1,290	2,729	Item
Total non-hazardous wastes			
Waste paper²⁴			
Waste produced	4,868	3,488	Kg
Waste production intensity	0.0156	0.0017	Kg/m ² (gross floor area)
Waste recycled	4,676	2,058	Kg
Kitchen waste²⁵			
Waste produced	0	496,660	Kg
Waste production intensity	0.0000	0.0244	Kg/m ² (gross floor area)
Waste recycled	0	47,330	Kg

²³ During the Reporting Period, Central China School replaced the aging light bulbs in the dormitories and bathrooms, resulting in an increase in the amount of waste light bulbs.

²⁴ During the Reporting Period, the Group's paper consumption increased as it was no longer affected by events such as campus lockdowns caused by Covid-19 pandemic, and the paper consumption returned to normal operating levels.

²⁵ During the Reporting Period, no kitchen waste was generated as all canteens were outsourced.



07

Compliance Governance and Operational Integrity

7.1 Business Ethics and
Code of Conduct

7.2 Information Security and
Privacy Protection

7.3 Intellectual Property
Rights

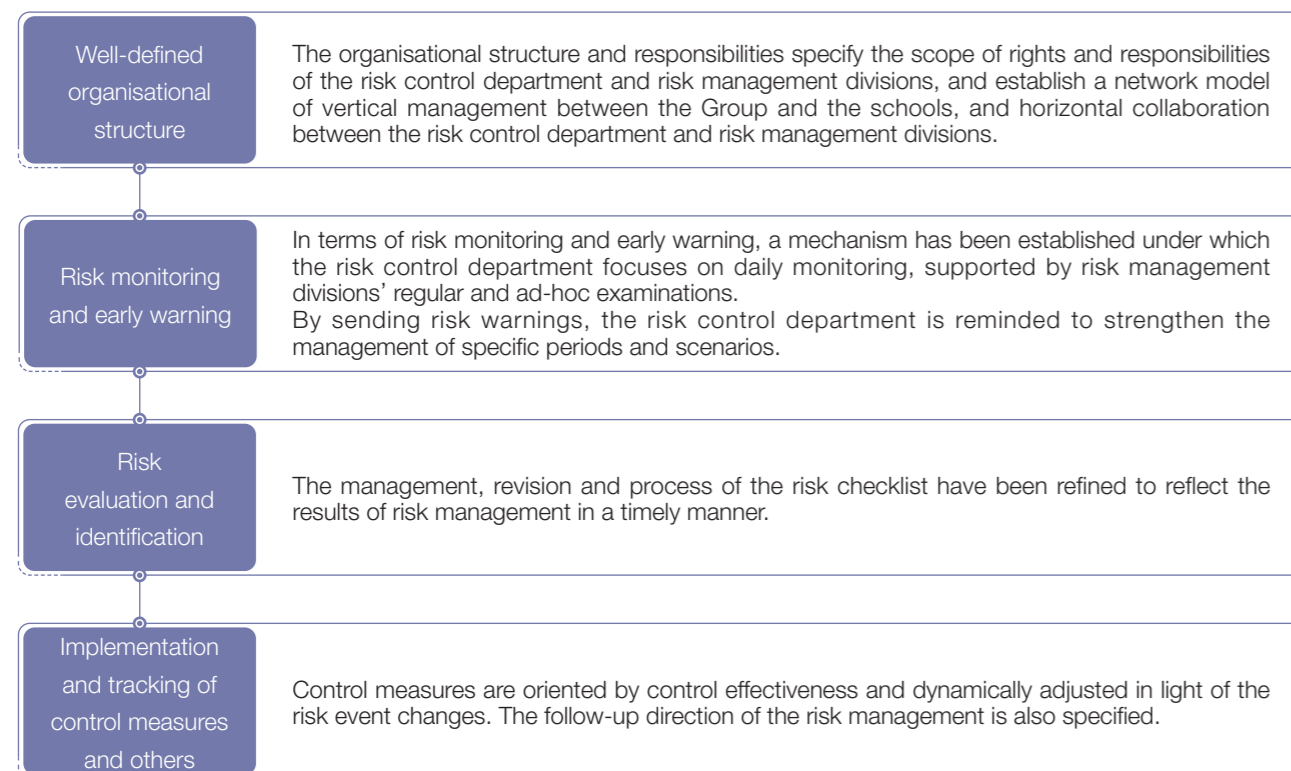
7.1 BUSINESS ETHICS AND CODE OF CONDUCT

The Group has been strengthening risk management and control, and has formulated the Guiding Opinions on the Risk Management in Key Areas (Trial). When monitoring risks, the Compliance Management Department tracks and supervises the implementation and effectiveness of risk control measures and is responsible for managing and maintaining a risk checklist.

The Group insists on lawful and compliant operation, prohibits all forms of corruption, carries out regular integrity-related trainings and education, and raises ideological awareness. The Group has been accelerating the construction of a system of internal control and integrity standards. The Group and its members are required to conduct self-examination, prevent corruption within the system and process, act impartially and as a role model, and strengthen the sense of responsibility of management at all levels.

Group governance risk and response

During the Reporting Period, the Group has strengthened risk management to identify, evaluated and controlled risks at the Group level and at schools, especially risk management in capital intensive functions and other key departments. A summary list of the Group's risks and risk control plan is generated, and risks are classified into low, medium, high and critical after risk evaluation. Based on the evaluation results, the Group has formulated risk control measures and issued guiding opinions on risk management: 28 opinions in 6 chapters of the "Guiding Opinions", including general principles, organisational structure and responsibilities, risk monitoring and early warning, risk identification, evaluation and checklist management, implementation and tracking of control measures, and others. The Group attaches importance to risk management and control. For details, please refer to the section of Corporate Governance in the annual report of the Group for the year ended 31 August 2023.



In addition, China New Higher Education Group issued version 2.0 of the "Management Measures on Internal Audit" in April 2023, which revise and improve the responsibilities of the internal audit functions of the Group's headquarters and colleges. The Measures have also imposed strict requirements on internal audit supervision, and set out the principles of independence, objectivity, prudence and comprehensiveness. The Compliance Management Department under the Audit Committee of the Group's Board of Directors is an independent internal audit function, which is staffed with full-time auditors. Under the leadership of the Audit Committee of the Board of Directors and in accordance with national and the Group's relevant system and regulations, the Department performs independent internal audits and is accountable to the Group's Board of Directors and reports to the Audit Committee. After six months and one year, the Compliance Management Department submits an internal audit work report to the Audit Committee, which includes but does not limit to the implementation of the internal audit plan and issues identified in the internal audit. The work of each department is clearly segregated ranging from the preparation of the annual audit plan to the filing of data.

To have a stronger culture of risk management, the Group has organised a series of risk knowledge trainings to raise employees' comprehensive risk awareness, identify and eliminate risk events as soon as possible, and prevent the occurrence of incidents.

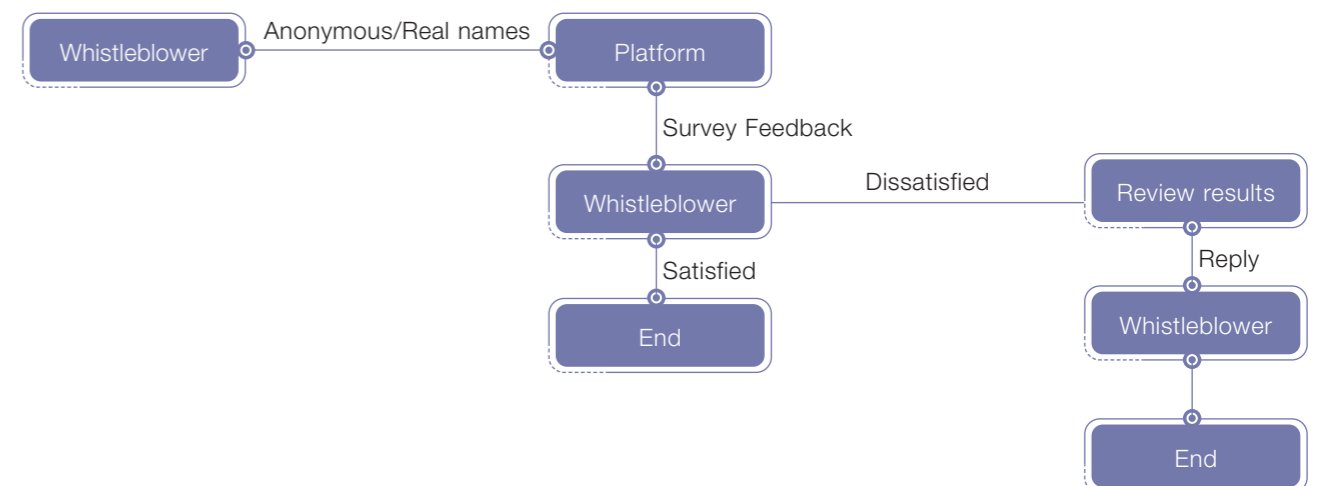
The Group has formulated the "Development of Risk Prevention and Control System at Colleges" to further improve employees' risk awareness and risk prevention. For example, to improve the school's risk prevention and control ability and fulfil its risk management responsibilities. Meanwhile, the Northeast School provided trainings on audit issues, which mainly focus on the audit report and audit issue analysis, to enable the identification of procurement risks and standardisation of workflows.

Integrity and anti-corruption

The Group and its schools have formulated and issued a number of internal policies, including the Management "Measures for the Integrity-related Conversations among management of China New Higher Education Group (Trial)" and the "Regulations on Accountability Management of China New Higher Education Group".

During the Reporting Period, the Group has been actively improving the corruption reporting system to make it more transparent, open and smooth. For anti-corruption reports, a designated mailbox can be accessed on the official website: jubao@xingaojiao.com. In addition to the Group's traditional reporting methods of posting letters, personal visits and a hotline, an integrity-related reporting platform was launched this year, and an integrity-related reporting centre was opened at each college. Schools are urged to strictly observe the integrity defense line, standardise the governance, and steadily build their governance capacity.

The Group's independent and special platform accepts complaints and reports within the Group 24 hours a day, 7 days a week. The whistle-blower can choose to report anonymously or with their real name. Upon the receipt of a report, the platform should take the initiative to reply and contact the whistle-blower, and regularly update the whistle-blower the result of investigation and verification. If the whistle-blower is not satisfied with the feedback or the result, he or she may request a review of the result. Reports are classified and categorised before handling, the Discipline Inspection and Supervision Department is generally responsible for handling minor cases. More complex or serious cases will be transferred to the judicial authorities.



The Group has developed a sound report handling procedure and strengthened the confidentiality and protection of the whistle-blower's personal information. It focuses not only on protecting them from any harassment, retaliation, persecution or discrimination, but also strengthens the protection of legitimate rights and interests of the party being complained about and reported on. The Group and its schools have provided the QR codes of the reporting centres to suppliers, customers and other third parties who have dealings with the Group and its schools during the contract execution and bidding process. The Group and its schools regularly send QR codes of the reporting centres to suppliers and customers to maintain an open channel of anti-corruption reporting.

During the Reporting Period, the Group and its schools investigated five corruption and fraud cases based on received reports/reports received. For the complaints and reports, the Discipline Inspection and Supervision Department of the Group and its schools handled each report with care, and conducted detailed verification and investigation based on reports received.

In order to strengthen the effort in upholding integrity and anti-corruption, all the Group's suppliers are required to sign the "Notice of Integrity Commitment for Partners" and more than 1,000 key employees (such as those responsible for procurement and supply, infrastructure, investment promotion, examination and training, enrollment, etc.) and management above the section level of the Group and its schools are required to sign the "Letter of Commitment" on Integrity. Generally major cases are reported at any time, while general and minor cases are reported after investigation and verification. During the Reporting Period, the Group provided several anti-corruption trainings for directors and employees. A total of 2,699 employees participated in these trainings, including six board members of the Board.



2,699 employees attended anti-corruption training



All **6** board members participated in anti-corruption training



An anti-corruption lesson

To strengthen the school's effort to combat corruption, enhance the self-discipline the sense of integrity of management in sensitive areas, critical areas and key posts, and fortify their ability to resist corruption, Central China School hosted anti-corruption courses to educate and guide all staff members to remember their original aspiration and mission, and exercise self-discipline. On 24 March 2023, the school organised an integrity school conference, which demonstrated anti-corruption cases and played a documentary to warn against corruption.



Anti-corruption family education during the Mid-autumn Festival

The Group is constantly sending warnings against corruption. Yunnan School encourages all teaching staff to give full play to the role of families in promoting integrity, integrating anti-corruption education into daily family life, establishing a healthy lifestyle, and creating an honest and harmonious family atmosphere as the "first line of defense" against corruption.



中秋&国庆节提醒:
 1.节日期间全体教职工不得接受业务伙伴以各种理由、名义赠送的礼金、礼品等节日礼物。
 2.接受礼金礼品等礼物的,应在接受财物3个工作日内提交军监部审计处(行政楼420,电话16767032695)。


7.2 INFORMATION SECURITY AND PRIVACY PROTECTION


The Group has been strengthening data management and confidentiality and focusing on data security, while promoting both cybersecurity and informatization. In accordance with the “Civil Code of the People’s Republic of China”, the Personal “Information Protection Law of the People’s Republic of China” and other relevant laws and regulations, the Group has formulated the Confidentiality System to define the scope and classifications of confidentiality matters. The Group has measures and an accountability system in place to punish persons responsible for breach of confidentiality and leakage of secrets. For example, Guizhou School issued the Campus Cybersecurity Management System of Guizhou School to standardise employees’ cybersecurity behaviours. Any behaviours in violation of the system will be subject to the school’s warning and termination of network access. For serious violations, the persons responsible will be subject to administrative sanctions, or the case will be escalated to judicial authorities for handling. The Group signs a confidentiality agreement to ensure customer information security.


Information security and cybersecurity measures


The Group prioritises information security to safeguard its best interests, and takes the protection of data security and accuracy into full consideration during policy formulation and process. The Group’s privacy policy applies to the entire operation process, including the supply chain and protection of employee information security. For example, Guangxi Schools have formulated a personnel management system to reduce the risk of errors, fraud and misuse of facilities caused by improper use of the information system. Each user department of the information system is responsible for the daily management of its employees. Another example is Luoyang School which has established a cybersecurity and informatisation leadership team for the Luoyang School. The team is responsible for the overall planning, organisation and coordination of the school’s network and information security, and issuing relevant rules and regulations.


The Group and its schools sign confidentiality agreements with their employees with a signing rate of 100%. Information security measures are implemented in a comprehensive way to improve the overall information security management:

- 

Strengthen the cybersecurity awareness and improve schools’ security and prevention capability
- 

Conduct regular self-inspection of cybersecurity risks, and promptly rectify critical risks
- 

Strengthen team management and conduct regular skills training. During the Reporting Period, the Group and its schools staged a total of 20 information security trainings to raise the information security awareness of students and staff members
- 

Actively report cybersecurity work arrangements with superior departments and strengthen the publicity and implementation of the Group’s information security
- 

Implement cybersecurity compliance rectification to meet testing and evaluation requirements. In May 2022, Luoyang School obtained the acceptance report of the Hierarchical Security Protection of Information System. The evaluation institution conducted a compliance review of the school’s teaching administration system, portal system (Level II), etc., and it met the security requirements on security computing environment and operation and maintenance management

Response to information security incidents

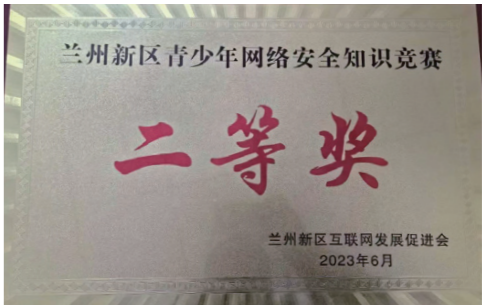
For cybersecurity and information security incidents, the Group handles and deals with emergencies according to the instructions of the cybersecurity and informatisation leadership team, prevents and minimises the losses and hazards caused by cybersecurity and information security emergencies, and investigates the responsible party according to the cybersecurity accountability system.

The Group and its schools have established security emergency plans to improve their response to information security risks. They continue to improve the infrastructure and cybersecurity assurance capability, establish a safe and stable network operating environment, strengthen measures to safeguard cybersecurity and information security, regularly scan the campus network to identify vulnerabilities, monitor key information in real time, and improve response to information security risks. The Group conducts information security testing annually, with a cumulative total of 24 tests conducted during the Reporting Period. A third-party entity is invited to help the Group analyse cybersecurity vulnerabilities. During the Reporting Period, the Group did not have any information leakage incidents.




Gansu School Youth Network Security Knowledge Competition

In June 2023, students from Gansu School won the second prize in the Youth Network Security Knowledge Competition, which comprehensively demonstrated the school’s quality of cybersecurity education and the achievements in understanding the knowledge. Going forward, the Group will continue to strengthen cybersecurity education and strive to achieve better results.



Information centres’ themed activities of cybersecurity publicity and education

From 18 to 19 April, 2023. Zhengzhou School held a safety education and publicity campaign with the theme of Network Security and Network Etiquette for all the school’s teachers and students. The campaign aims to strengthen cybersecurity publicity and education and create a safe, healthy, civilised and harmonious campus network. This series of cybersecurity publicity and education campaigns mobilise the participation and initiative of teachers and students in various activities. Going forward, the school will continue to stage cybersecurity trainings, network law publicity and other activities, innovate new forms of publicity, increase publicity channels, to build a healthy and positive network culture and a harmonious and supportive network ecosystem.



7.3 INTELLECTUAL PROPERTY RIGHTS

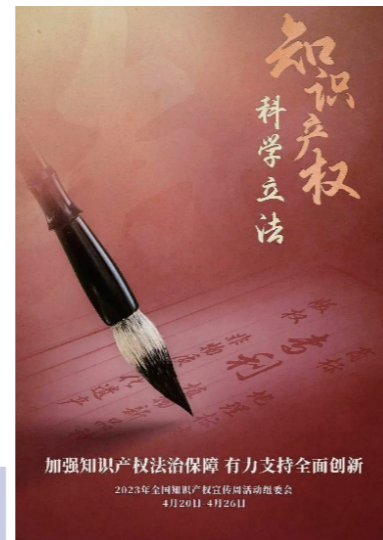
The Group has been abiding by the “Trademark Law of the People’s Republic of China” and strictly managing and implementing measures to safeguard intellectual property rights. At the Group level, the “Regulations on the Protection and Management of Intellectual Property Rights at Colleges” have been developed, under which employees are required to purchase and use licensed textbooks and computer software, any infringement of intellectual property rights is strictly prohibited. The Group and its schools have formulated relevant rules and regulations concerning intellectual property achievements. Currently the Group acquired 50 intellectual property rights.



Number of **50** intellectual property rights

Stronger legal protection of intellectual property rights and support for comprehensive innovation – Guizhou School launched an intellectual property publicity week

From 20 to 26 April 2023, Guizhou School disseminated aspects of intellectual property rights, including their concepts, values, protection methods, and infringement consequences, to students and teachers through publicity activities, trainings, exhibitions and other means. The publicity week aims to enhance the awareness and attention of students and teachers to intellectual property protection and promote the protection of intellectual property rights and innovative development.



Compliance with laws and regulations

The Group proactively obtains information on laws and regulations related to its business on a timely basis to ensure that the daily operations comply with relevant laws and regulations applicable in the place of operation. During the Reporting Period, the Group has identified laws and regulations that have a significant impact on its operations and compliance, including but are not limited to:

Aspects	Laws and Regulations that have a Significant Impact on the Group	Possible Significant Impact
Emissions	Overall environmental management <ul style="list-style-type: none"> ➢ Environmental Protection Law of the People’s Republic of China ➢ Environmental Protection Regulations of Yunnan Province ➢ Regulations to Protect Niulanjiang Environment in Yunnan Province ➢ Ecological Environment Protection Regulations of Guizhou Province ➢ Environmental Protection Regulations of Heilongjiang Province ➢ Environmental Protection Regulations of Guangxi Zhuang Autonomous Region 	Business activities of the schools shall obtain pre-approval or post-approval from the environmental supervision authority before commencement. During the operation process, the schools shall devote management resources for planning and improving the resource utilization efficiency of the schools and building environmental protection facilities and maintaining its normal operation, to ensure that the environmental protection measures and pollutant emissions comply with the laws and regulations. Failure to comply with relevant laws and regulations may lead to punishment from regulatory authorities, and the normal operation of the schools and the Group’s social reputation will be adversely affected.
	Energy management <ul style="list-style-type: none"> ➢ Energy Conservation Law of the People’s Republic of China ➢ Renewable Energy Law of the People’s Republic of China 	
	Water management <ul style="list-style-type: none"> ➢ Water Pollution Prevention and Control Law of the People’s Republic of China ➢ Water Law of the People’s Republic of China ➢ Water Pollution Prevention and Control Regulations of Hubei Province 	
	Air pollutant emission management <ul style="list-style-type: none"> ➢ Atmospheric Pollution Prevention and Control Law of the People’s Republic of China ➢ Comprehensive Emission Standards for Air Pollutants ➢ Atmospheric Pollution Prevention and Control Regulations of Gansu Province ➢ Atmospheric Pollution Prevention and Control Regulations of Hubei Province 	
	Waste management <ul style="list-style-type: none"> ➢ Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes ➢ Rules for the Implementation of Emission Permit Management in Gansu Province (Trial) ➢ Technical Policy for Urban Sewage Treatment and Pollution Prevention 	

Aspects	Laws and Regulations that have a Significant Impact on the Group	Possible Significant Impact
Employment and Labour Practices	<p>Labour laws and regulations</p> <ul style="list-style-type: none"> ➤ Labour Law of the People’s Republic of China ➤ Labour Contract Law of the People’s Republic of China ➤ Special Rules on the Labour Protection of Female Employees ➤ Law of the People’s Republic of China on the Protection of Women’s Rights and Interests ➤ Law of the People’s Republic of China on the Protection of Minors ➤ Trade Union Law of the People’s Republic of China ➤ Regulations on the Paid Annual Leave of Employees ➤ Regulation on Public Holidays for National Annual Festivals and Memorial Days <p>Social security and welfare</p> <ul style="list-style-type: none"> ➤ Social Insurance Law of the People’s Republic of China ➤ Regulations on Work-Related Injury Insurance 	<p>A designated department has been established to develop and implement labour employment systems and procedures, ensuring the employment relationship meets the Group’s operational needs and protects the dignity and legitimate benefits of employees. Failure to abide by the relevant compliance requirements may lead to disputes with employees, encounter administrative punishment and trigger talent loss, which will have a negative impact on the Group’s competitiveness and social reputation.</p>
Health and Safety	<ul style="list-style-type: none"> ➤ Fire Protection Law of the People’s Republic of China ➤ Working Regulation for the Hygiene at School ➤ Food Safety Law of the People’s Republic of China ➤ Construction Law of the People’s Republic of China ➤ Regulations on the Administration of Production Safety in Construction Projects 	<p>The schools shall dedicate management resources and offer necessary equipment to ensure the health and safety of students and employees on campus. Violation of relevant regulations may lead to safety incidents and result in compensation claims and legal liabilities.</p>
Product Responsibility	<ul style="list-style-type: none"> ➤ Fire Protection Law of the People’s Republic of China ➤ Working Regulation for the Hygiene at School ➤ Food Safety Law of the People’s Republic of China ➤ Construction Law of the People’s Republic of China ➤ Regulations on the Administration of Production Safety in Construction Projects ➤ Patent Law of the People’s Republic of China ➤ Copyright Law of the People’s Republic of China ➤ Advertising Law of the People’s Republic of China ➤ Civil Code of the People’s Republic of China ➤ Regulations on Protection and Management of Intellectual Property Rights of Colleges ➤ Law of the People’s Republic of China on Protection of Consumer Rights and Interests ➤ Trademark Law of the People’s Republic of China ➤ Implementation Regulations on the Trademark Law of the People’s Republic of China 	<p>The school shall maintain a corresponding scale of teaching staff and teaching facilities, to ensure the teaching quality, otherwise it will lead to a decline in competitiveness and loss of students.</p>
Anti-corruption	<ul style="list-style-type: none"> ➤ Criminal Law of the People’s Republic of China ➤ Anti-Unfair Competition Law of the People’s Republic of China ➤ Bidding Law of the People’s Republic of China ➤ Supervision Law of the People’s Republic of China ➤ Interim Provisions on Prohibiting Commercial Bribery ➤ Company Law of the People’s Republic of China 	<p>The Group shall set up an internal monitoring and auditing team and continuously optimise the content and program to improve the ability to investigate and combat corruption, and eliminate corruption in business activities. Failure to comply with relevant regulations will incur direct economic losses and lead to legal disputes with other units.</p>

Appendix I

Applicable Content for the Environmental, Social and Governance Reporting Guide of the Stock Exchange			Applicable Content for the GRI Sustainability Reporting Standards	Relevant Chapter(s)/ Remarks
Aspect	KPIs	Content		
A. Environmental				
A1 Emissions	General Disclosure	Information relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	GRI 103: Disclosures on Management Approach 103-2 GRI 305: Emissions: Management Approach GRI 307: Disclosures on Environmental Compliance 307-1	Care for the Earth and Environmental Protection
	A1.1	The types of emissions and respective emissions data.	GRI 305: Disclosures on Emissions 305-1, 305-2,305-3 and 305-7	Environmental Performance Indicators
	A1.2	Direct (scope 1) and indirect energy (scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 305: Disclosures on Emissions 305-1, 305-2 and 305-4	Environmental Performance Indicators
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	GRI 306: Disclosures on Effluents and Waste 306-3	Environmental Performance Indicators
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306: Disclosures on Effluents and Waste 306-3	Environmental Performance Indicators
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	GRI 103: Disclosures on Management Approach 103-2 GRI 305: Emission Disclosures 305-5	Care for the Earth and Environmental Protection
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of reduction target(s) set and steps taken to achieve them.	GRI 103: Disclosures on Management Approach 103-2 GRI 306: Disclosures on Effluents and Waste 306-4 and 306-5	Care for the Earth and Environmental Protection

Applicable Content for the Environmental, Social and Governance Reporting Guide of the Stock Exchange			Applicable Content for the GRI Sustainability Reporting Standards	Relevant Chapter(s)/ Remarks
Aspect	KPIs	Content		
A. Environmental				
	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	GRI 103: Disclosures on Management Approach 103-2	Care for the Earth and Environmental Protection
A2 Use of Resources	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).	GRI 302: Disclosures on Energy 302-1 and 302-3	Environmental Performance Indicators
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	GRI 303: Disclosures on Water 303-5	Environmental Performance Indicators
	A2.3	Description of energy use efficiency target(s) set, and steps taken to achieve them.	GRI 103: Disclosures on Management Approach 103-2 GRI 302: Disclosures on Energy 302-4 and 302-5	Care for the Earth and Environmental Protection
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	GRI 103: Disclosures on Management Approach 103-2 GRI 303: Disclosures on Water 303-1	Care for the Earth and Environmental Protection
	A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	GRI 301: Disclosures on Materials 301-1 Not applicable	The Group's business does not involve the use of packaging materials
A3 Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	GRI 103: Disclosures on Management Approach 103-2	Care for the Earth and Environmental Protection
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	GRI 103: Disclosures on Management Approach 103-1 and 103-2 GRI 303: Disclosures on Water 303-1 GRI 304: Disclosures on Biodiversity 304-2 GRI 306: Disclosures on Effluents and Waste 306-1 and 306-2	Care for the Earth and Environmental Protection

Applicable Content for the Environmental, Social and Governance Reporting Guide of the Stock Exchange			Applicable Content for the GRI Sustainability Reporting Standards	Relevant Chapter(s)/ Remarks
Aspect	KPIs	Content		
A. Environmental				
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.	GRI 103: Disclosures on Management Approach 103-2 GRI 102: General Disclosures 102-29	Care for the Earth and Environmental Protection
	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.	GRI 201: Disclosures on Economic Performance 201-2	Care for the Earth and Environmental Protection

Aspect	KPIs	Content	Applicable Content for the GRI Sustainability Reporting Standards	Related Chapter(s)/ Remarks
B. Social				
Employment and Labour Practices				
B1 Employment	General Disclosure	Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	GRI 103: Disclosures on Management Approach 103-2 GRI 419: Disclosures on Socioeconomic Compliance 419-1	People-oriented Collaborative Development
	B1.1	Total workforce by gender, employment type (e.g. full-time or part-time), age group and geographical region.	GRI 102: General Disclosures 102-8 GRI 405: Disclosures on Diversity and Equal Opportunity 405-1	People-oriented Collaborative Development
	B1.2	Employee turnover rate by gender, age group and geographical region.	GRI 401: Disclosures on Employment 401-1	People-oriented Collaborative Development

Aspect	KPIs	Content	Applicable Content for the GRI Sustainability Reporting Standards	Related Chapter(s)/Remarks
B. Social				
Employment and Labour Practices				
B2 Health and Safety	General Disclosure	Information relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	GRI 103: Disclosures on Management Approach 103-2 GRI 419: Disclosures on Socioeconomic Compliance 419-1 GRI 403: Disclosures on Occupational Health and Safety 403	Health and Safety
	B2.1	Number and rate of work-related fatalities in each of the past three years (including the reporting year).	GRI 403: Disclosures on Occupational Health and Safety 403-9	Health and Safety
	B2.2	Lost days due to work injury.	Not covered by the GRI Sustainability Reporting Standards	Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	GRI 103: Disclosures on Management Approach 103-2 and 103-3	Health and Safety
B3 Development and Training General	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	People-oriented Collaborative Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Not covered by the GRI Sustainability Reporting Standards	People-oriented Collaborative Development
	B3.2	The average training hours completed per employee by gender and employee category.	GRI 404: Disclosures on Training and Education 404-1	People-oriented Collaborative Development
B4 Labour Standards	General Disclosure	Information relating to preventing child and forced labour: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	GRI 103: Disclosures on Management Approach 103-2 GRI 419: Disclosures on Socioeconomic Compliance 419-1	People-oriented Collaborative Development
	B4.1	Description of measures to review employment practices to avoid child and forced labour	GRI 103: Disclosures on Management Approach 103-2 GRI 408: Disclosures on Child Labour 408-1 GRI 409: Disclosures on Forced or Compulsory Labour 409-1	People-oriented Collaborative Development
	B4.2	Description of steps taken to eliminate such practices when discovered.	GRI 103: Disclosures on Management Approach 103-2 GRI 408: Disclosures on Child Labour 408-1 GRI 409: Disclosures on Forced or Compulsory Labour 409-1	People-oriented Collaborative Development

Aspect	KPIs	Content	Applicable Content for the GRI Sustainability Reporting Standards	Related Chapter(s)/Remarks
B. Social				
Employment and Labour Practices				
Operating Practices				
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	GRI 103: Disclosures on Management Approach 103-2	Well-defined Responsibilities for Quality Control
	B5.1	Number of suppliers by geographical region.	GRI 102: General Disclosures 102-9	Well-defined Responsibilities for Quality Control
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	GRI 103: Disclosures on Management Approach 103-2 GRI 308: Disclosures on Supplier Environmental Assessment 308-1 and 308-2 GRI 414: Disclosures on Supplier Social Assessment 414-1 and 414-2 GRI 102: General Disclosures 102-9 GRI 303: Disclosure on Water and Waste Water 303-1	Well-defined Responsibilities for Quality Control
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	GRI 414: Disclosures on Supplier Social Assessment 414-1 and 414-2 GRI 102: General Disclosures 102-9 GRI 103: Disclosures on Management Approach 103-2 GRI 308: Disclosures on Supplier Environmental Assessment 308-1 and 308-2	Well-defined Responsibilities for Quality Control
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	GRI 103: Disclosures on Management Approach 103-2 GRI 306: Pollutants GRI 308: Supplier Environmental Assessment	Well-defined Responsibilities for Quality Control	

Aspect	KPIs	Content	Applicable Content for the GRI Sustainability Reporting Standards	Related Chapter(s)/ Remarks
B. Social				
Employment and Labour Practices				
B6 Product Responsibility	General Disclosure	Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	GRI 103: Disclosures on Management Approach 103-2 GRI 416: Disclosures on Customer Health and Safety 416-2 GRI 417: Disclosures on Marketing and Labelling 417-2 and 417-3 GRI 418: Disclosures on Customer Privacy 418-1 GRI 419: Disclosures on Socioeconomic Compliance 419-1	Well-defined Responsibilities for Quality Control
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not covered by the GRI Sustainability Reporting Standards	The Group's business does not involve products that are recalled for safety and health reasons
	B6.2	Number of products and service-related complaints received and how they are dealt with.	GRI 102: General Disclosures 102-43 and 102-44 GRI 103: Disclosures on Management Approach 103-2 GRI 418: Disclosures on Customer Privacy 418-1	Well-defined Responsibilities for Quality Control
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not covered by the GRI Sustainability Reporting Standards	Compliance Governance and Operational Integrity
	B6.4	Description of quality assurance process and recall Procedures.	Not covered by the GRI Sustainability Reporting Standards	The Group is not involved in product recycling procedures
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	GRI 103: Disclosures on Management Approach 103-2 and 103-3	Compliance Governance and Operational Integrity

Aspect	KPIs	Content	Applicable Content for the GRI Sustainability Reporting Standards	Related Chapter(s)/ Remarks
B. Social				
Employment and Labour Practices				
Operating Practices				
B7 Anti – corruption	General Disclosure	Information relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	GRI 103: Disclosures on Management Approach 103-3 GRI 205: Disclosures on Anti-corruption 205-3 GRI 419: Disclosures on Socioeconomic Compliance 419-1	Compliance Governance and Operational Integrity
	B7.1	Number of concluded legal cases regarding practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	GRI 205: Disclosures on Anti-corruption 205-3	Compliance Governance and Operational Integrity
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	GRI 102: General Disclosures 102-17 GRI 103: Disclosures on Management Approach 103-2 and 103-3 GRI 205: Disclosures on Anti-corruption	Compliance Governance and Operational Integrity
	B7.3	Description of anti-corruption training provided to directors and staff.	GRI 205: Disclosures on Anti-corruption 205-2	Compliance Governance and Operational Integrity
Community				
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.	GRI 103: Disclosures on Management Approach 103-2	Contributing to Society Through Education
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	GRI 203: Disclosures on Indirect Economic Impacts 203-1	Contributing to Society Through Education
	B8.2	Resources contributed (e.g. money or time) to the focus area.	GRI 201: Disclosures on Economic Performance 201-1	Contributing to Society Through Education

Feedback

Dear readers,

Thank you for reading this report. This is the 2022/2023 Environmental, Social and Governance Report released by China New Higher Education Group Limited. The Group hopes that you will let us know your views on this Report and send your valuable opinions to us for the Report's continuous improvement.

Please send your feedback and suggestions on the Group's sustainable development to us via ir@xingaojiao.com.

The Group would like to hear from you:

1. Do you think this Report outlines the Group's important ESG information?
.....
2. Do you think this Report makes a clear, accurate and complete disclosure of information and indicators?
.....
3. Do you think this Report is reader-friendly in terms of content and style?
.....
4. Which part of the Report you are most interested in?
.....
5. What information do you think is missing in this Report?
.....
6. What are your suggestions for the Group's future ESG Reports?
.....

