



中匯集團

Edvantage Group

Edvantage Group Holdings Limited

中匯集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 0382



2024

**ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT**

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About this Report

Edvantage Group Holdings Limited (the “**Edvantage Group**”, “**Group**”, “**we**” or “**us**”) hereby presents its environmental, social and governance (“**ESG**”) report (the “**Report**”) for 2023/24. The Report summarises the strategy, practices and vision of Edvantage Group in respect of issues related to ESG in 2023/24, which illustrates the Group’s commitment to the principles of sustainable development and its dedication to fulfilling its corporate social responsibility.

Reporting Period





The Report covers the Group’s overall environmental and social performance during the period from 1 September 2023 to 31 August 2024 (“**Reporting Period**”), same as that covered by the 2023/24 Annual Report of our Group.

Reporting Scope and Boundary

Unless otherwise specified, the scope of the Report covers the Group’s seven major consolidated entities, namely Guangzhou Huashang College (“**Huashang College**”), Guangzhou Huashang Vocational College (“**Huashang Vocational College**”), Guangdong Huashang Technical School (“**Huashang Technical School**”), GBA Business School, Urban Vocational College of Sichuan (“**Urban Vocational College**”) and Urban Technician College of Sichuan (“**Urban Technician College**”), they are collectively referred to as the “**Colleges**”, “**Schools**” or “**Institutions**”, and GBA Business School Foundation, but the scope of this Report excludes overseas colleges.

Reporting Standards and Principles

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**Guide**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities (hereinafter referred to as the “**Main Board Listing Rules**”) on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Stock Exchange**”) and is based on the four reporting principles as set out in the Guide, namely materiality, quantitative, balance and consistency, which serves as a basis of this Report.

Materiality	Quantitative	Balance	Consistency
Materiality was assessed based on the results of stakeholder engagement and the thresholds of ESG material topics were reviewed and confirmed by senior management to ensure their importance. 	We provide and disclose quantitative data that includes relevant standards, calculation methods, assumptions and conversion factors to evaluate the effectiveness of our sustainability policies and management. 	We presented our ESG performance data objectively, providing a complete picture of our Group’s accomplishments during the Reporting Period and our potential improvement areas going forward. 	The data are computed using consistent procedures and methodologies for accurate year-on-year comparisons. Where applicable, we also disclose changes in the methodology or KPIs used. 

Source of Data and Reliability Statement

The information of the Report is collected from official documents and data of the Group (as well as relevant public materials) and is consolidated and compiled by the Colleges in accordance with the Group's monitoring, management, and operational data policies. Our Group undertakes that the Report does not contain any false information, misleading statement or material omission, and takes responsibilities as to the authenticity, accuracy and completeness of the content herein.

Confirmation and Approval

The board of directors of our Group ("**Board**") approved the Report upon confirmation by the management. The Report is prepared in both Chinese and English. In case of any discrepancy or inconsistency between the Chinese and the English versions of the Report, the Chinese version shall prevail. The electronic version of the Report is available on websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Group.

Feedback

We greatly value stakeholders' views and suggestions. Should you have any questions or suggestions about the Report, please contact us via:

E-mail: cs@edvantagegroup.com.hk

Mail: Room 1115, 11/F, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong.

Board Statement

Dear Stakeholders,

The Group is pleased to present this financial year's ESG report. The sustainable development of education is of paramount importance to the future of our society. As an educational institution, we prioritise the sustainable development of business in our long-term growth and include climate-related issues and ESG-related elements in our long-term business strategic plan. The Board plays the most significant leadership role in the Group and is fully responsible for managing and supervising the Group's ESG issues.

We are committed to sustainable development in our teaching and operational processes, which is integrated into our daily governance and educational processes, and we are striving to be a responsible company that cultivates students with the capacity and sense of responsibility. We have set specific goals for our short-term, mid-term, and long-term sustainable development vision that align and progress toward achieving the National 3060 Plan. The Board regularly monitors and reviews the effectiveness of the management methods, including adjusting our action plan after reviewing the Group's ESG performance. Efficient ESG policy implementation relies on cooperation among various departments. In this regard, we have established a cross-departmental ESG working group that coordinates departments and strives to achieve consistent work performance that meets expectations and jointly contributes to achieving emission reduction and energy-saving goals. The Group also attaches high importance to communication with our stakeholders; we regularly review our communication channels and platforms to ensure an information flow that allows us to understand the concerns of our key stakeholders and areas with significant impact on our business.

Edvantage Group has been actively carrying out ESG-related activities. We actively promote in-depth cooperation with the community and execute the requirements of the Implementation Plan on National Vocational Education Reform on the integration of industry and education. The Group has collaborated with numerous enterprises and institutions within the community to establish multiple internships and training bases for our students. These bases provide valuable and practical opportunities, allowing students to hone their skills and gain experience in a real working environment. In addition, the Group has joined hands with students to participate in various public welfare activities, such as the "Billion Projects" and "Bringing Three Concepts to the Rural Areas", contributing to rural revitalisation and shared prosperity.

This year, Edvantage Group was awarded the "Annual Innovation Award" at the 9th "Global Investment Carnival · 2025" hosted by China's leading global investment research platform, Gelonghui. This award highlights the attention and recognition from the industry and investors, serving as a significant source of encouragement and motivation for the Group. We continue to deliver our mission and believe that the Group can achieve tremendous success in the future and contribute more to the sustainable development of society and high-quality vocational education.

Looking forward, the Group will closely follow the national policies and market trends by providing high-quality employment-oriented vocational education, developing majors and programmes that meet the needs of the new era, strengthening the integration of industry and education, increasing investment in running our Colleges and create high-quality higher and vocational education opportunities for more students, cultivating application-oriented talents with international vision and social responsibility, and making positive contributions to the development of national education industry.

Yours Faithfully

Liu Yung Chau

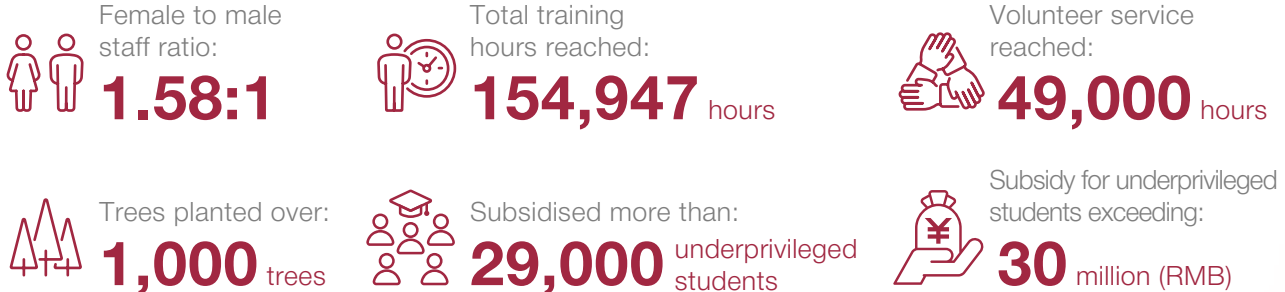
The Chairman of the Board

About Edvantage Group

Edvantage Group is the largest private business higher and vocational education group in Guangdong – Hong Kong – Macao Greater Bay Area (“**the Greater Bay Area**”), and an early pioneer in the education sector to pursue international expansion. All of the Group’s businesses in the People’s Republic of China (“**PRC**”, “**China**” or “**the Country**”) are vocational education strongly supported by the country, covering two major areas, namely formal vocational education and non-formal vocational education. Since its establishment, our Group has always been adhering to high-quality and high-compliant development strategy; focusing on connotation development and guided by the goal of ensuring high quality employment for our students, continuously optimising its professional structure and talent cultivation models, as well as strengthening the building of faculty teams, and establishing more new majors and programmes that align with market demands. With excellent educational qualities, the Group’s brand influence keeps rising, and the Group has gained wide recognition from students, parents, and society at large.

As of 31 August 2024, the Group enrolled over 90,000 students and owned 9 private educational institutions in the PRC and overseas. The Group has been closely following national policies and the path of high-quality development, continuously deepening the integration of industry and education, and comprehensively improving the quality of education and teaching as well as the cultivation of talents, attaining high-quality and sustainable development of our business operations and striving to contribute to the high-quality development of the Country’s economy and society.

Our Sustainability Development Highlights



Our Major Awards and Recognitions



Figure 1 — Golden Grid Award — Annual Innovation Award 9th Gelonghui Global Investment Carnival



Figure 2 — ESG Pioneer Award 8th Gelonghui Global Investment Carnival



Figure 3 — Best ESG Innovation Award 9th Zhitong Caijing Capital Market Annual Conference and Listed Company Awards Ceremony

Sustainability Governance

ESG Working Group

Edvantage Group is committed to integrating sustainability elements into its operation, creating sustainable value for its stakeholders and performing its duties as a corporate citizen. As the highest governing body of the Group, the Board is responsible for ensuring effective governance and monitoring sustainable governing direction and strategies to bring long-term value for stakeholders. In order to monitor, manage and execute related tasks more effectively, the Group has established an ESG working group (the “**ESG Working Group**”). The working group comprises core members of various departments of our Group. It handles and coordinates the Group’s ESG-related matters under authorisation by the Board, including but not limited to communicating with external consultants and collecting ESG data and information. The ESG Working Group will report to the management every year on the implementation of ESG initiatives of the business units, their performance, review the progress of environmental-related goals, and identify areas for improvement.

Risk Management and Internal Controls

The Board acknowledges its responsibility for overseeing and maintaining proper and effective risk management and internal control systems and reviewing their effectiveness on an ongoing basis. Effective risk management is one of the key factors in achieving sustainable business development. The Board delegates its authority to the Audit Committee to oversee the Group’s risk management and internal control framework, which aims to identify, assess, and manage risks (including ESG-related risks) that may affect the Group’s operating efficiency and effectiveness to ensure that the Group has proper and effective risk management and internal control systems in place. The management is primarily responsible for designing, implementing, and monitoring the risk management and internal control systems. The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group’s strategic objectives and overseeing the risk management and internal control systems. Such duties have been carried out and performed with the assistance of the management and the Audit Committee. For more details on the Group’s risk management and internal controls, please refer to the 2023/24 Annual Report of the Group.











Sustainability and Governance Policies

We believe that sound and comprehensive policies are the cornerstone of good sustainable development practices. We regularly review and update the Group’s relevant policies to reflect changes in our operating practices and community needs. Our Board and the management review and approve all of the Group’s key policies as part of good corporate governance practices. The following are the Group’s and the Colleges’ key policies related to sustainability and governance:

Group Level:

		
Corporate Governance Code	Employee Ethics and Code of Conduct	Anti-Corruption Policy
		
Whistleblowing Policy	Shareholders' Communication Policy	Procedures for Shareholders to nominate a person for election as a Director of the Company
		
Climate Change Policy	Stakeholder Grievance Policy	Sexual Harassment Policy

School Level:

			
Procurement Management Policy	Personnel Employment Management policy	Health and Hygiene Policy	Food Safety and Inspection Policy
			
Campus Greening and Sanitation Management Policy	Campus Greening and Maintenance Work Plan	Energy and Water Conservation Management Policy	Campus Pollution Prevention and Management Policy
			
Information Disclosure Management Policy	Emergency Response Guidelines		

To better oversee and coordinate the implementation of the Group's sustainable development and governance policies and management systems at the College level, we plan to nominate Environmental and Social Coordinators within the Colleges. These coordinators will assist our Group in collecting and integrating relevant environmental and safety data, and enhancing employees' awareness of health and safety.

United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (“SDGs”) are the 17 global development goals established by the United Nations in 2015, which aim to end poverty, reduce inequality and build a more peaceful and prosperous society by 2030 in a holistic manner. The SDGs are also known as the Global Goals, which call for the world’s nations to work together to create a sustainable world.

Our Group is a supporter of the SDGs and is committed to addressing climate change and various needs of society. Our stakeholders were invited to participate in a survey to examine the 17 SDGs and select the four SDGs most relevant to the Group’s strategy and business:



Stakeholder Engagement

The Group keeps refining its communication mechanism and maintains active communication and exchange with internal and external stakeholders such as the government/regulators, shareholders, investors, suppliers, partners, faculty and staff, students, parents and the public communities, in an effort to fully understand their expectations and advice. Based on such understanding, the Group continues to improve its sustainable development strategy and planning, striving to build mutual trust and cooperation, and achieving the sustainable development plan, so as to create a future with sustainable economic growth, environmental friendliness and social development.

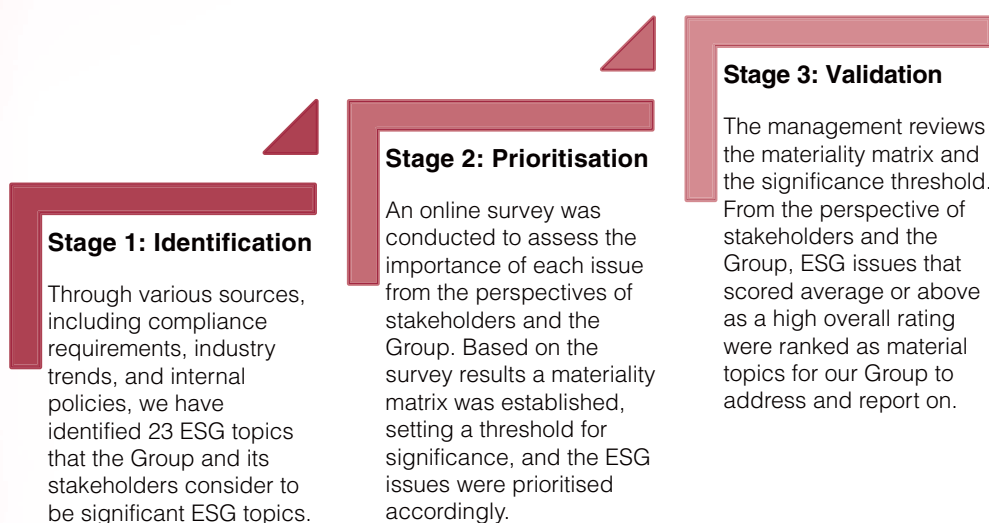
Stakeholders Communication Channels

Stakeholder	Concern	Means of Communication
 Shareholders/ Investors	<ul style="list-style-type: none"> • Business strategy; • Return on investment; • Corporate image; and • Operational compliance. 	<ul style="list-style-type: none"> • Disclosure on the Hong Kong Stock Exchange's website; • Results announcement and investor exchange conference; • Annual general meeting; • Emails; and • The Group's official website.
 Governments and regulators	<ul style="list-style-type: none"> • Operational compliance; • Tax obligations; and • Disclosure of information and submission of materials. 	<ul style="list-style-type: none"> • Annual inspection; • Audit; • Visits; • The Group's official website; and • Information disclosure of the listed companies.
 Associations of the industry	<ul style="list-style-type: none"> • Operational compliance; • Experience sharing; and • Industry exchange and cooperation. 	<ul style="list-style-type: none"> • Visits; • Meetings, conferences and seminars; and • Industry exchange activities.
 Staff and teachers	<ul style="list-style-type: none"> • Remuneration and benefits; • Working environment; • Employees' occupational safety and health; and • Training and career development. 	<ul style="list-style-type: none"> • Staff training; • Group activities; • Employee representatives' assembly; • Suggestion boxes on Schools' official websites; and • Online integrated services platform at schools.
 Students and parents	<ul style="list-style-type: none"> • Teaching quality; • Teaching philosophy; • Teaching management; • Service quality; • Campus environment; and • Health and safety of students. 	<ul style="list-style-type: none"> • Online evaluation of teaching; • Teaching feedback from the Student Teaching Information Centre; • Seminars for teachers and students; • Parents' meetings; • Schools' official websites; and • Online platform with integrated services in schools.
 Communities	<ul style="list-style-type: none"> • Community development; • Social welfare; • Employment opportunities; and • Ecological environment. 	<ul style="list-style-type: none"> • Community service and volunteering activities; • Community communication meetings; • Announcements on the Hong Kong Stock Exchange's website and press release; and • The Group's official website and social media official account.

Materiality Assessment

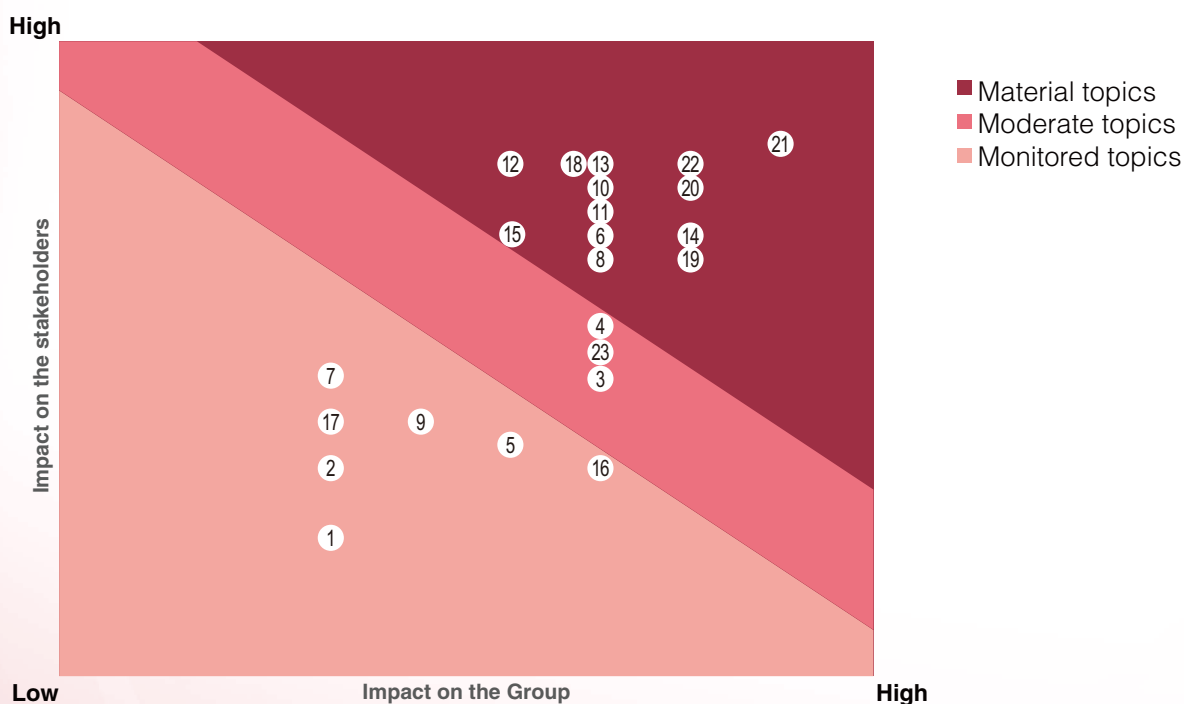
The management selected stakeholders with significant influence and relevance to the Group to participate in a materiality assessment survey. They put forward views and suggestions on ESG topics involved in the operation of the Group. This Report covers various important ESG topics and illustrates our key achievements in these aspects. The Group will pay heed to these issues during its long-term operation by developing corresponding strategic guidelines, enhancing policies, and setting long-term goals.

Assessment Procedures



Materiality Matrix

Based on the materiality matrix, the Board has identified the following ESG issues as the most relevant for our Group and its stakeholders in 2023/24:



Material topics	
6	Water Efficiency
8	Environmental Regulation Compliance
10	Employment Practices
11	Diversity and Equal Opportunities
12	Anti-Discrimination
13	Occupational Health and Safety
14	Development and Training
15	Prohibition of Child Labour and Forced Labour
18	Data and Privacy Protection
19	Customer Satisfaction
20	Intellectual Property
21	Teaching Quality
22	Anti-Corruption
Moderate topics	
3	Effluent Management
4	Waste Management
23	Community Investment
Monitored topics	
1	Air Emissions
2	Greenhouse Gas Emissions
5	Energy Efficiency
7	Use of Raw and Packaging Materials
9	Climate Change
16	Responsible Supply Chain Management
17	Advertisement and Labelling

To further enhance communication between external stakeholders and our Group, we have established the Stakeholder Grievance Policy. We are committed to addressing perceived or actual incidents of unfair treatment in a timely manner through a transparent and fair process, ensuring timely responses and resolutions. This approach aims to strengthen stakeholders' trust and engagement. The Group will continue to identify areas for improvement and focus, maintaining close communication with relevant stakeholders to exchange and share various advice, thereby enhancing our management in sustainable development.

Business Ethics

Anti-Corruption

The Group strictly complies with the PRC's Anti-Money Laundering Law, Anti-Unfair Competition Law, Criminal Law and other relevant laws and regulations, and adheres to the fundamentals of the code of conduct on integrity and self-discipline. The Group has formulated a Procurement Management Policy to regulate the business conduct and professional ethics of employees, and prohibits any illegal act such as bribery, fraud, blackmail and money laundering. If employees are aware of any violations, they can report to the person in charge of the Administration Department, which is responsible for investigating and collecting evidence and submitting it to the Human Resources Department. The Human Resources Department will determine the corresponding punishment pursuant to the provisions. If the national laws are violated by any employee or staff of our Group, the case will be reported and transferred to the judicial authority for further investigation and handling in accordance with the applicable laws.

In order to abide by the instructions given by the Chairman to strengthen the integrity and with a view to continuously improving employees' awareness of integrity and self-discipline, the Group specifically required the heads of various departments to take the lead in signing the Integrity and Self-discipline Commitment ("**Letter of Commitment**"), and each department was responsible for the arrangement of employees to sign the Letter of Commitment. The Group expects that the employees will follow their supervisors as role models and all employees will be honest and self-disciplined. The Group expects that such initiative can guide employees to understand the importance of integrity and self-discipline. The Group has zero tolerance towards any violation of integrity and self-discipline. Once verified, any such violations will be considered as serious disciplinary violations. In order to formalise the behaviour of all employees and strengthen our governance, the Group has established an anti-corruption policy to provide clear guidelines on ethical behaviours and the penalties imposed on any violation of the requirements set out in this policy. Penalties include verbal warnings, demerits, demotions, and termination of labour contracts based on the severity of employees' violations of laws and regulations. To further strengthen the business ethics and integrity of personnel at all levels within the Group, we regularly conduct various training programmes. During the Reporting Period, with reference to the Business Ethics Training Programme for Listed Companies launched by the Hong Kong Business Ethics Development Centre of the Hong Kong Independent Commission Against Corruption ("**ICAC**"), we have provided anti-corruption training to our directors to enhance their commitment to business ethics and conduct.

In addition, the Group has established specialised training programmes for employees, including pre-employment training for teachers, which encompasses training related to professional ethics. These initiatives aim to cultivate the correct values and promote a deeper understanding of higher education among newly recruited teachers. By encouraging them to effectively apply what they have learned in their teaching practices, we seek to inject new vitality into the educational sector.

In recent years, the Country has placed great emphasis on governance and integrity of private enterprises. In response to and in support of the Country's promotion of integrity and compliance, Huashang College held a pre-appointment integrity dialogue meeting and integrity education session this year. The Colleges attach great importance to building a strong cadre team and enhancing the training of its personnel. This initiative aims to reinforce the ideological and moral defences against corruption, raise the awareness of integrity and self-discipline among prospective leaders, and strengthen their capacity for prevention of corruption. These efforts laid a solid foundation for further advancing integrity education and promoting high-quality development of the Institutions.



Figure 4 — Huashang College Pre-Appointment Integrity Dialogue Meeting and Integrity Education

To effectively prevent telecommunications and online fraud and stay ahead of such scams, the Group's Institutions are actively implementing related propaganda and anti-fraud education and executing "Police-School Collaboration." Additionally, a "Ten Thousand People Anti-Fraud Signature" ceremony was held in the library hall of Huashang College. These measures aim to increase the fraud prevention awareness of faculty and students, leverage community-based defence mechanisms, and jointly protect the financial security of the school community. By raising awareness of cyber security, we strived for a fraud-free environment and work together to build a "Safe Campus", creating a secure and harmonious learning and living environments for teachers and students.



Figure 5 — Huashang College "Police-School Cooperation" Signing Ceremony

The Group is committed to upholding high standards of business ethics and prohibiting bribery and corruption, during the Reporting Period, our Group did not have any concluded corruption litigation cases.

Whistleblowing

Edvantage Group has always placed great emphasis on business ethics and upheld the principles of ethics, high transparency, accountability and integrity in all areas of its operations without harming the interests of our shareholders. The Group has established a comprehensive whistleblowing mechanism to encourage all internal and external stakeholders to report any actual or suspected misconduct to relevant person in charge in a confidential manner. The Audit Committee has authorised and delegated the supervisor of the Group's Human Resources Department and the Internal Control Director to receive any such reports on its behalf, oversee subsequent investigations, and provide information, including recommendations arising from any inquiry, for the consideration by the Audit Committee. Unless the legal or regulatory requirements require disclosure, the Group will make every effort to keep all information received and the identities of the whistleblowers confidential.

In addition, the Group is further enhancing the Staff Grievance Policy to establish a more equitable, efficient, and impartial mechanism for addressing and resolving issues that arise in the workplace. This includes providing a variety of channels to listen to and address employee concerns.

The Group is committed to maintaining a high standard of corporate governance as it is extremely important to create a safe and healthy teaching environment as well as maintaining the quality of teaching and social credibility. At the same time, the Group is committed to maintaining the long-term sustainable development of its business and the communities where it operates. We manage our business prudently and implements management's decisions in a cautious and focused manner to drive our business. People-oriented culture is one of the core values of Edvantage Group. We firmly believe that employees are the most important and valuable asset of an enterprise, and their contributions are essential to the Group's success. We also provide good career development opportunities and continue to invest resources in employee development to create a diverse, inclusive, and leading team.



Attracting Talents and Recruitments

We are dedicated to attracting and cultivating the best talents who align with the Group's philosophy and vision. The Group has formulated relevant Human Resources Management Policy to manage its recruitment, induction training, appointing permanent staff, employee promotion, employee resignation and other processes, so as to standardise the workflow and enhance work efficiency. The Group is committed to building a diversified, anti-discrimination and inclusive working environment to ensure employees will not be discriminated against or deprived of opportunities due to their gender, ethnic background, religious belief, colour, sexual orientation, age, marital status or family status in respect of recruitment and promotion. In addition, we have developed the Personnel Recruitment Management Policy to provide detailed specifications for the recruitment of faculty staff. With approval from the office of academic affairs, personnel division, and the leading group for school personnel, we will develop a recruitment plan in accordance with teaching plans and needs and publish recruitment information in accordance with such plan. We will then select suitable and excellent candidates through the resume-screening process and notify the candidates to attend interviews. Only after written examination, preliminary assessment by the Human Resources Department, interview by the Hiring Department, background checks and approval by the Group or School Management Team represents that the staff can commence work on his/her position. Some senior faculty and staff will only be hired upon the approval of the Chairman.

Evaluation and Promotion

The Group conducts probation and annual assessments for employees, including teacher performance appraisals which will serve as an important basis for rewards and punishments, salary adjustment and promotion, year-end bonus, etc. We evaluate our employees and adjust the corresponding salary and performance bonus according to the annual assessment to reward them for their contribution and boost their enthusiasm at work. For employees qualified for promotion, the head of the relevant department will inform the employees and submit a written promotion opinion to the Human Resources Department and the management in charge for approval. Besides, the Colleges has developed a series of measures including the Interim Provisions on the Evaluation of Professional Titles, Interim Provisions on the Selection and Appointment of Cadres, Interim Provisions on the Management of Continuing Education Faculty and Staff, Interim Measures for the Management of Professional and Technical Post Appointment, to create more job and promotion opportunities for qualified employees.

Remuneration and Dismissal

The Human Resources Department regularly conducts annual performance evaluations, as a basis for adjusting our employees' remuneration to motivate high-performing employees. Whenever there is a dismissal or voluntary termination of employees' contracts, the Group will comply with the employment laws and regulations in mainland China and Hong Kong in handling relevant matters. Employees who intend to resign voluntarily shall inform the head of the respective department and the Human Resources Department in writing 30 days in advance (3 days in advance during the probationary period). The Human Resources Department will arrange an exit interview to understand the reasons for the employee's resignation and issue a resignation confirmation letter to the employee after the handover between the employee and relevant department is done and when all resignation procedures are completed.

Working Hours and Leaves

The Group is devoted to providing a safe and healthy working environment for its employees so as to establish a close relationship with mutual trust. The Group provides a reasonable and satisfactory remuneration and benefits for every employee, including basic salary and statutory five insurances plus one provident fund. We also provide good welfare policies to establish a working environment full of mutual assistance and friendliness between employees. Faculty and staff are entitled to basic statutory festivals and holidays. Basic salaries are paid to them during their sick leave, marriage leave, bereavement leave, maternity leave and paternity leave in accordance with the applicable labour laws and regulations. The Group has also developed the Interim Provisions on Teachers' Workload Standards to regulate the working hours of faculty and staff of different ranks to ensure that they can maintain work-life balance. Under the working hours system, the working hours are generally 8 hours per day and 40 or 48 hours per week on average with at least 1 to 2 days off per week, or otherwise determined according to relevant laws and the specific positions of employees. We have also defined approval for overtime and a time in lieu arrangement in the Interim Provisions on the Attendance Management of Faculty and Staff to enable overtime-eligible staff to receive due compensation.



Paid Leaves

- Marriage leave
- Maternity and Paternity leave
- Bereavement leave and others



Benefits and Subsidies

- Monthly benefits in kind, supplies benefits and meal subsidies
- Festive gifts
- Childbirth, birthday, wedding, condolences/hospital allowance and special hardship relief grants



Medical Benefits

- Healthcare protection
- Regular health check-up

Group Activities and Condolences

The Group consistently upholds a people-oriented philosophy. To enhance the sense of belonging among faculty and staff, strengthen team building, and create a harmonious work atmosphere, we regularly organise various group activities and provide thoughtful holiday benefits. We recognise that the dedication and contributions of our faculty and staff are the driving forces behind the continuous development of our Institutions. Through a wide range of engaging activities, such as leadership luncheons with faculty representatives, academic exchange seminars, and cultural arts events, we provided a platform for faculty and staff to relax, enhance communication, and showcase their talents. During the Reporting Period, the Group thoughtfully arranged festival benefits for events such as the Spring Festival, International Women's Day, and the Dragon Boat Festival, creating a lively and harmonious festive atmosphere, while also caring and appreciating the hard work of employees throughout the year, promoting their physical and mental health.



Figure 6 — School Leaders Offering Spring Festival Greetings to Faculty and Staff for Each Secondary College and Administrative Department



Figure 7 — International Women's Day Seminar for Female Faculty Representatives



Figure 8 — Leadership Luncheon with Faculty Representatives



Figure 9 — Preparation of Dragon Boat Festival Zongzi Gift Boxes for Faculty and Staff

Employee Workforce

For the year ended 31 August 2024, our Group had a total of 7,008 staff, which is detailed as follows:

Employee Data ¹	2024	2023
Total Number of Employees (Headcount)	7,008	6,765
By employment type (Headcount)		
• Full-time	5,072	4,789
• Part-time	1,936	1,976
Distribution by male and female (Headcount)		
• Female	4,287	4,167
• Male	2,721	2,598
Distribution by age group (Headcount)		
• <30	1,910	2,348
• 30–50	4,150	3,570
• >50	948	847
Distribution by different levels (Headcount)		
• Senior management	47	46
• Middle management	291	221
• Staff	6,670	6,498
Distribution by regions (Headcount)		
• Hong Kong	15	14
• Mainland China	6,988	6,739
• Others	5	12

¹ The total number of employees employed by Edvantage Group at the end of the Reporting Period only includes the 7 consolidated subsidiary entities covered by the scope of this Report.

Employee Turnover

For the year ended 31 August 2024, the detailed data of employee turnover rate² is as follows:

Employee Turnover	2024	2023
Total Number of Employee Turnover (Turnover rate)	1,158 (14%)	985 (13%)
Turnover by male and female headcount (Turnover rate)		
• Female	719 (14%)	616 (13%)
• Male	439 (14%)	369 (12%)
Turnover by age group headcount (Turnover rate)		
• <30	448 (19%)	418 (15%)
• 30–50	375 (8%)	361 (9%)
• >50	335 (26%)	206 (20%)
Turnover by regions headcount (Turnover rate)		
• Hong Kong	3 (17%)	4 (22%)
• Mainland China	1,155 (14%)	981 (13%)
• Others	0 (0%)	0 (0%)



Promoting Gender Equality

The Constitution of the PRC, the Labour Law and other national laws and regulations stipulate that men and women are equal. The Group strictly abides by national regulations and ensures equality between men and women and does not discriminate against any gender. In accordance with national regulations and school system regulations, the school protects female employees during the three stages. Female employees entitle maternity leave, nursing leave, family planning leave, wedding and bereavement leave and other holidays. In addition, our Group has established a Sexual Harassment Policy whereby anyone found to be in breach of the policy will face disciplinary actions including dismissal. We adopt a zero-tolerance policy towards any form of sexual harassment.

² Turnover rate = total number of employees resigned during the Reporting Period/(total number of employees resigned during the Reporting Period + total number of employees at the end of the Reporting Period). During the Reporting Period, the total number of employee turnover of our Group was 1,158.

The school conducts regular lectures on women's physical and mental health, health check-ups, dancing and singing, and flower arrangements to show care for our female employees' physical and mental well-being. Every year on Women's Day, female employees can take a day off, subsidies are given to female employees during childbirth, illness, and hospitalisation. In addition, the trade union organises a series of activities for female employees, such as arranging health check-ups, organising photography exhibitions of female employees to show and promote care for female employees, holding symposiums, organising flower arrangement classes, outings, and exciting sporting events. Some female teachers who are young mothers can apply for centralised class scheduling or flexible class scheduling to balance their family commitments and work duties if their responsible and teaching units permits.



Occupational Health and Safety

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

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

In order to ensure hygiene and food quality in canteens on campuses, the Group, pursuant to the requirements of the Food Safety Law, has set up a school-enterprise cooperation centre and a catering committee to regularly supervise the food safety in the Colleges' canteens every week. The Group has also implemented corresponding safety measures, including but not limited to: canteens must maintain a food operating permit and staff must possess a health certificate, only ingredients with inspection and quarantine certificate shall be procured, food samples shall be kept for inspection, and food shall be stored in a sanitary environment. In terms of hygienic control, based on the requirements of the food safety management system of "daily control, weekly inspect, monthly deployment", the Group conveyed the directives from the Guangdong Provincial Food and Drug Safety and High-Quality Development Committee. This included an explanation of the 2024 Provincial Quality Monitoring and Assessment Implementation Plan for Catering Services in Higher Education and Vocational Colleges and the Responsibilities for Food Safety in Guangdong Province Campuses. Each cafeteria is required to conduct self-inspections according to the established indicators, strengthening food safety management. The food safety directors and food safety personnel in each cafeteria must fulfill their responsibilities in managing food safety to ensure the dietary safety of teachers and students. Moreover, during the March 2024 food safety monthly deployment meeting, the operational management platform for smart cafeterias was discussed and shared, promoting the use of technology to enhance management quality.

To ensure the safety of drinking water supply on campus, the Group has formulated the Management System for the Safety of Drinking Water on Campus to supervise drinking water hygiene. The Group regularly takes samples to inspect the water quality and keeps relevant records of water quality inspection. In the key area of facilities management, the Group upholds a strong sense of responsibility and professionalism. We meticulously arrange for experienced and skilled professionals to conduct comprehensive and careful regular inspections and maintenance of the diverse range of facilities and equipment on campus.

Fire safety work is also included in daily safety management. The Group has formulated the Fire Safety Management Policy pursuant to the requirements of the Fire Protection Law, while actively conveying and deeply studying the Guangdong Province Fire Safety Concentrated Hazard Elimination and Major Rectification Action Plan. Our Group emphasises that all units must prioritise campus fire safety, firmly establish a safety-first mindset, and resolutely eliminate potential hazards at source, ensuring the safety of all faculty, staff, and students. To achieve this, our Group has meticulously developed a strict and detailed fire management policy, conducting regular comprehensive inspections and maintenance of fire safety facilities. Additionally, we actively organise fire drills to effectively enhance the fire safety awareness and emergency response capabilities of faculty and students.

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



Figure 10 — Inspection and Rectification of Campus Fire Safety Equipment



Figure 11 — Campus Safety Management and Emergency Response Training

The Group also places a high priority on the physical and mental health of students, faculty and staff. Medical clinics and psychological counseling centres are established on campus to provide healthcare services and psychological support for students and staff. According to the Group's Employee Health Check Benefits Policy, we offer a regular health checkup for employees, allowing them to stay informed about their health status. For more details, please refer to the section on "Quality Education Compliance in School Operations."

The Group will continue to strictly implement these safety management regulations and standards, continuously improving the campus safety management system to safeguard the health and safety of faculty, staff, and students. During the Reporting Period, the Group did not experience any work-related fatalities, and the number of working days lost due to work-related injuries was 281 days.

Employee Data	2024	2023	2022
Number of work-related fatalities			
• Number of work-related fatalities	0	0	0
• Work-related fatalities rate ³	0%	0%	0%
Number of working days lost due to work-related injuries			
• Number of working days lost due to work-related injuries ⁴	281	0	56

³ Ratio of work-related fatalities = Number of work-related fatalities / total number of employees.

⁴ Calculation starts from the day of the accident and is based on the established working days/calendar days.



Development and Training

The teaching ability of teachers and the administrative ability of administrators directly affect the teaching quality and administrative level of a school. Therefore, the Group attaches great importance to the development and training of its staff, and has formulated a detailed training plan and related guidelines to enhance the knowledge and professional ability of teachers and administrators, including but not limited to the Interim Provisions on the Management of Continuing Education Faculty and Staff, Implementing Measures for Doctoral Projects, Detailed Rules for the Performance Evaluation of Teachers, Measures for the Identification and Handling of Incidents Occurred During Teaching Process, and Mechanism of Random Check on Classes. These training are mainly divided into cultural and technical training internally organised and professional knowledge training provided by external institutions. During the Reporting Period, 56% of the Group's faculty and staff received training, among which senior management completed 5.49 hours of training on average and general staff completed 21.72 hours of training on average. The proportion of employees receiving training, as well as the average training hours for senior management and general staff, have all increased compared to the last financial year.



Figure 12 — Huashang College teachers Global Talent Cultivation Project

In terms of broadening the international horizons of our staff, we have made continuous efforts by organising multiple outbound exchanges for our teachers, covering nearly 500 faculty members from various Institutions. Through these programmes, we aim to learn and understand the concepts and methods of foreign education management, thereby improving our staffs' capabilities and abilities to cultivate students.

For the year ended 31 August 2024, the detailed employee training figures are as follows:

Employee Training ⁵	2024	2023
Total trained employees headcount (%)	3,918 (56%)	3,102 (46%)
Distribution by gender headcount (%)		
• Female	2,639 (62%)	2,144 (51%)
• Male	1,279 (47%)	958 (37%)
Distribution by employee level headcount (%)		
• Senior management	13 (28%)	10 (22%)
• Middle management	242 (83%)	121 (55%)
• Staff	3,663 (55%)	2,971 (46%)

Training Hours	2024	2023
Total training hours	154,947	115,303
Average training hours ⁶	22.11	17.04
Distribution by gender (Average training hours)		
• Female	25.02	18.27
• Male	17.53	15.08
Distribution by employee level (Average training hours)		
• Senior management	5.49	4.72
• Middle management	17.20	17.67
• Staff	21.72	17.11

⁵ Ratio of trained employee = Number of trained employees in certain category/Total number of employees in certain category x 100%.

⁶ Average training hour for each category of employees = Number of hours of training for employees in certain category / Total number of employees in certain category.

To deeply study and implement the spirit of the 20th National Congress of the Communist Party, and to comprehensively enhance the teaching innovation and competencies of educators, the School of Government at Peking University, in collaboration with Huashang College and Huashang Vocational College, have jointly organised a “Thematic Training Programme for Backbone Teachers on Teaching Innovation and Competency Enhancement.” The programme was formally launched in Room 127 of the School of Management at Peking University. It employed a variety of instructional methods, including expert lectures, on-site visits, group discussions, case analyses, and experience sharing, encouraging teachers to actively participate, share their teaching experiences, and exchange insights. Participants collaboratively explored hot topics in education, integrating theory into practice while emphasising inspiring teaching and interactive communication. The goal was to ensure that every teacher who participated in the training gained valuable insights and improvements.



Figure 13 — Peking University–Huashang College and Huashang Vocational College “Thematic Training Programme for Backbone Teachers on Teaching Innovation and Competency Enhancement”

The Group is committed to building a high-quality, professional and dual-profession teaching and staff team through comprehensive and multi-level staff development training in the areas of professional skills upgrading, innovation in education and teaching methodologies, teacher ethics and morale building, and industry-education integration training.

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

- Training courses and seminars in professional fields
- Training in educational and teaching methods
- Thematic lectures and sharing sessions on exemplary ethical conduct in teaching
- Organising training for teachers in collaboration with enterprises to understand industry dynamics and corporate needs, further advancing the integration of industry and education
- Thematic training programmes for backbone teachers on teaching innovation and competency enhancement
- Encouraging faculty and staff to obtain various professional qualifications
- “Quality Improvement and Excellence Cultivation” management skills enhancement programme
- Specialised training on enhancing skills in identifying and intervening during psychological crisis
- Seminar on enhancing curriculum implementation capabilities for relevant professional teachers in the new situation context

Labour Standards

The Group strictly abides by all applicable laws and regulations relating to employment, including but not limited to China's Labour Contract Law, Labour Law, Regulations on Paid Annual Leave of Employees, Law on the Protection of Women's Rights and Interests, Law on the Protection of Disabled Persons, Regulations on Management of Housing Provident Fund, and Social Insurance Law.

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

The Group's Human Resources Department has developed the Interim Provisions on Personnel Recruitment Management Policy to regulate matters which require attention and compliance during faculty and staff recruitment. The department will strictly supervise the recruitment and conduct background checks on applicants. Prior to official onboarding, candidates whose recruitment is approved will be required to provide the original identification documents, degree certificate, bankbook or other supporting documents, for the inspection of the Personnel Office and copies will be retained. Candidates will not be employed if any violation is found. The use of any false identification documents will be regarded as fraud, and any Labour contract that has been signed will also be deemed invalid with immediate termination of employment.

During the Reporting Period, our Group did not employ any child labour in any form or complaints related to forced labour.

Teaching Quality

To strictly comply with Regulations on the Implementation of the Non-state Education Promotion Law of the PRC and standardise teaching activities, maintain a good teaching order, and establish a rigorous working style and enhance teaching quality, the Group has formulated the Regulations on Supervision over Teaching, Working Procedures for Supervision over Teaching and Mechanism of Random Check on Classes. The teaching supervision team of the Colleges will monitor and supervise the daily teaching quality of the College and teaching units, and inspect, supervise and evaluate the teaching level, teaching order and quality of teachers. Supervision activities include but are not limited to beginning, mid-term, and end-of-term teaching inspections, annual assessment, random check on teachers in class and listening to lectures, and arranging seminars for teachers and students. Any accident or fault will be considered as a an incident occurred during teaching process and will be reported and announced by the Academic and Research Department to the whole College.

In addition to high-quality teaching materials, good teachers are also indispensable for achieving the goal of providing high-quality teaching. We encourage teachers from the Colleges under the Group to obtain professional qualifications that are relevant to their jobs, hoping to build confidence in their educational services among students and their parents.

Student Enrollment

The Group adopts reasonable and effective learning environments and teaching policies to attract students and parents through various channels. Among them, platforms with solid credibility, such as WeChat, Department of Education publications, and education exhibitions, are the main channels for recruiting new students. At the same time, we also focus on the publicity and promotion of new recruitment activities through various channels and forms, including publishing promotional materials on central-level media and major social mainstream media platforms, organising campus open weeks, and conducting information sessions to students and parents convey the educational philosophy and advantages of our Group and enhance our popularity and reputation. During the Reporting Period, the Group's new student recruitment activities complied with China's Advertising Law and other legal requirements.



Figure 14 — 30th Hong Kong International Education Expo

To enhance the overall educational experience of students, our Group and the Colleges have established a subsidy distribution mechanism that encompasses seven measures: scholarships, grants, loans, reductions, subsidies, exemptions, and waivers. Additionally, relevant processes have been published, including the Identification Process for Students from Economically Disadvantaged Families and the Evaluation Process for Student Scholarships and Grants.

The Health and Safety of Students

The Group has always prioritised the health and safety of students, actively implementing a series of effective measures to create a safe and healthy learning and living environment. During the Reporting Period, the Group focused on various aspects, including institutional development, resource investment, and educational promotion, to ensure that students can thrive in a conducive environment. To achieve the above objective, the Group has formulated the Student Dormitory Management Regulations, which not only regulates the day-to-day management of the dormitories, but also particularly emphasises the safety management of the dormitories. For example, each student dormitory has a duty room, and a designated personnel is on duty 24 hours a day to take charge of student security and related management. In addition, any person is strictly prohibited to bring inflammable, explosive and other articles that may endanger others into the dormitories.

The Group's Institutions are dedicated to creating a safe and comfortable living environment for students, and have comprehensively optimised the dormitory facilities. From comfortable furniture arrangements to convenient living amenities and public leisure areas, all aspects reflected a focus on students' needs. Notably, the installation of surveillance cameras on campus and the presence of duty personnel, along with regular maintenance inspections of facilities, we strictly adhere to the regulations outlined in the Student Injury Incident Handling Measures regarding the provision of safe living facilities. This ensures the health and safety of students.

During the Reporting Period, the Group's Institutions actively implemented the Education Law of the People's Republic of China. To enhance the emergency rescue capabilities of faculty and students, Huashang College has started conducting training for Red Cross emergency responders. Through theoretical lectures and practical guidance from professional instructors, many faculty and students participated and mastered essential first aid techniques. Additionally, the colleges have organised activities such as the "Safety First Course for New Students" and safety education sessions in collaboration with public security departments, providing new students with comprehensive and engaging safety knowledge education. Covering topics from legal awareness to various safety risk prevention in daily life, these diverse activities have deepened their understanding of the importance of safety.

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

The Group's Institutions have also taken proactive measures by establishing professional mental health education centres, staffed with multiple qualified psychological counselors. They have launched a series of mental health education activities, including mental health lectures, themed class meetings, and psychological training sessions. Furthermore, a psychological crisis intervention mechanism has been established to provide timely screening, assessment, and intervention for students experiencing psychological issues. By combining online and offline approaches, students can access psychological counseling services through various channels, including appointment-based consultations, phone consultations, and online inquiries. The professional mental health education centres offer reliable psychological support services, while the diverse mental health education activities enrich students' psychological knowledge and enhance their psychological adaptation ability. The Group strictly adheres to the Guidelines for Mental Health Education for Higher Education Students, ensuring the mental well-being of students and enabling them to thrive in a positive and healthy psychological environment, facing the various challenges of academic and personal life with confidence.



Figure 15 — Mental Health Education and Counseling Centre

Privacy Protection Policies

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

Intellectual Property Rights

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

Service-related Complaints and Resolutions

Our Group is open to comments from all parties, especially parents and students, and gets to know their needs through different communication channels. During the Reporting Period, our Group did not receive any case of complaint. If we received any complaint concerning education services, relevant department would immediately follow up and after learning about the incident, impose relevant penalties depending on the severity of the incident, such as reprimand the staff involved and deduct relevant staff's accumulated points for the year as a warning, with a view to conveying the message to all teachers and students that faculty and staff should strictly discipline themselves and jointly maintain a good teaching environment.

Annual Innovation Award

The "2025 Annual Global Investment Carnival" hosted by Gelonghui, China's leading global investment research platform, is a highly regarded and influential selection event in China's capital market. This year, Edvantage Group was awarded the "Annual Innovation Award" in the "Golden Grid Award" annual outstanding company selection to recognise our creative and exemplary performance in ESG practices, as well as our ability to provide new solutions. The award acknowledges the Group's active engagement in social investment initiatives, contributions to the development of the Greater Bay Area, and innovative efforts in promoting industry-education integration and sustainable economic and social development.



Figure 16 — Golden Grid Award — Annual Innovation Award at 9th Gelonghui Global Investment Carnival

Supply Chain Management and Monitoring

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

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

In addition, our Group has formulated rules and regulations for the responsibilities of the functional departments of the procurement centre, aiming to standardise the Group's bidding, procurement, and warehousing management, clarify the division of responsibilities of each department, ensure quality, enhance efficiency, reduce costs, and achieve comprehensive benefits. The policy also includes the procedure for bidding and qualification review to ensure that the bidding applicant unit operates legally, is of sound financial condition and has good reputation, and avoids our Group from being exposed to related legal litigation risks.

Currently, the Group has a total of 285 qualified suppliers (2023: 246 suppliers) of books and teaching materials, renovation and decoration as well as printing from mainland China, who are subject to annual assessment and rating every year. For suppliers who have failed the assessment, their cooperation relationship with the Group will be terminated.

Caring and Giving back to the Community

Community Investment

As an educational enterprise, the Group is actively engaged in community construction and public welfare. Every year, the Group participates in various activities such as volunteer activities, charitable donations and activities to care for the community. While developing an educational business, we also care for society and perform our obligations as corporate citizens. During the Reporting Period, the total hours devoted by the faculty members and staff of the Group to volunteer service have reached over 49,000 hours and donated more than RMB550,000 in cash and supplies.

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

- Charity donation;
- Blood donation;
- Teaching activities for public welfare; and
- Community services, etc.

Caring for the Community Social Practices

In order to learn more about the spirit of volunteerism, i.e. "dedication, friendship, mutual help and progress", and to encourage students to understand the responsibility of the times and social responsibility through practical activities, during the Reporting Period, the Colleges under the Group have achieved significant results and performance in social practices such as the "Billion Projects" (百千萬工程), "Return to Hometown" (返家鄉) and "Bringing Three Concepts to the Rural Areas" (三下乡). Approximately 350 teams have successfully registered, and about 130 teams have paired with local governments to form Guangdong University Student "Billion Projects" task forces, with nearly a thousand faculty and students participating. It covered fields including the Communist Party of China's history study and education, rural revitalisation, inheritance of outstanding traditional culture, theoretical preaching, and educational care. These practical teams travelled throughout Zengcheng and surrounding areas, and even extended to Jiangmen City, Shantou City and Shaoguan City. They demonstrated the sense of responsibility and mission of the students of Huashang Vocational College with practical actions, contributed to the rural revitalisation, and demonstrated the spirit of youth. This year's "Bringing Three Concepts to the Rural Areas" social practice activity and the Guangdong university student "Billion Projects" task force achieved two significant breakthroughs. First, the number of teams and participants reached a record high. Second, the number of task force projects related to the "Bringing Three Concepts to the Rural Areas" initiative also reached a record high level. The activities contribute to the development of quality education in numerous towns and villages in the mainland and help rural children to lead a path of youth in the new era on the road to high-quality development. We adhere to our mission in education, actively engage in charity work, take up social responsibilities and constantly devote efforts and resources to the community, to better enhance our education standards.



Figure 17 — Launch Ceremony of the Billion Projects Task Force



Figure 18 — Voluntary Teaching Activities

Double Innovation Supporting Agriculture, Pursuing Dreams in Youth

During the summer social practice, we actively engaged in community service, rural development, and cultural heritage preservation, dedicating our efforts to contribute to our hometown. Faculty and students, guided by a strong sense of purpose, closely aligned with the actual conditions on the ground, reaching rural areas, communities, and schools. We enriched the spiritual lives of rural residents through cultural outreach, engaging performances and cultural exchange activities to enhance their cultural literacy and appreciation of the arts. By promoting agricultural technology, we provided farmers with consultations and services, introducing innovative agricultural techniques and equipment to boost their scientific cultural literacy and technological awareness. By providing medical services in rural areas, we organised medical teams to offer free healthcare services and health consultations to rural residents and conducted health seminars and check-up activities to raise health awareness and self-care abilities among them. We leveraged our professional strengths to support the revitalisation of rural industries, talent, and culture, effectively addressing practical issues for local communities and injecting strong motivation into rural revitalisation, contributing our wisdom and strength.



Figure 19 — “Joy in Supporting Agriculture” Practice Team



Figure 20 — “Journey into Town” Practice Team Charity Live Stream

Caring and Giving back to the Community

Collaborative Care to the Elderly, Inherit the Virtues

Respecting and caring for the elderly is the foundation of virtue. To further promote traditional virtues and create a positive social atmosphere that honours and respects the elderly, we aim to guide young students to become inheritors and practitioners of Chinese traditional virtues and exemplary social norms. During the Reporting Period, the “Qingcheng with Love” volunteer service studio from the Urban Vocational College visited the Jinye Nursing Home in Gong Village, Dongpo District, Meishan City, Sichuan Province, to hold a plaque ceremony for establishing a friendly partnership with the local community. They also conducted the volunteer service activity “Never It’s Too Late, Youth Brings Warmth to the Elderly”, bringing care and warmth to the elderly. Meanwhile, the Urban Technician College has organised student volunteers to visit the Chuan Tuo Yikang Nursing Centre to carry out activities that promote respect and care for the elderly, demonstrating traditional virtues through their actions.



Figure 21 — Urban Vocational College “Qingcheng with Love” Volunteer Service



Figure 22 — Urban Technician College Elderly Care Volunteer Activities

Community Education Fuels Growth

In addition, the Group actively responds to the national call and fully promotes the vigorous development of community education. The Group’s Institutions leveraged their rich educational resources to create a diverse range of exciting and enriching educational courses and training activities for local community residents. Among these initiatives, the Zengcheng “Youth Night School” has become an important platform for young people to enhance their skills. It offered practical vocational training courses, such as computer operation and financial management, in line with the provisions in the Education Law of the People’s Republic of China, which encourages schools to engage in social services. This effectively enhanced the employment competitiveness of residents.

The “Zengcheng Mama” project promoted the enhancement and expansion of the housekeeping service industry in Zengcheng, aiming to cultivate a group of high-quality housekeeping service professionals who possess multiple skills, including “household cleaning”, “maternal and infant care”, “Cantonese cuisine cooking”, and “elderly companionship”. These professionals will receive a Trustful Service Certificates and have clear and reliable backgrounds, thereby broadening employment opportunities for women and providing society with more high-quality and reliable talent in the housekeeping service sector. At the same time, the Huashang Skill Training Centre closely focuses on three key projects: “Cantonese Cuisine Chefs”, “Cantonese Housekeeping Services”, and “Guangdong Technicians”, as well as the ten emerging industrial clusters in Guangdong. The centre consistently conducts various vocational training, skills assessments, skills competitions, and employment and entrepreneurship services. Courses related to Cantonese cuisine and Cantonese Housekeeping services are offered year-round, contributing to the preservation of Cantonese culinary culture and the enhancement of housekeeping service standards. Additionally, training for specialised occupations such as electricians and welders is provided to ensure that workers in these fields possess the necessary professional skills and safety awareness. The centre is also actively exploring innovative training models for emerging professions to meet the talent needs of developing industries.



Figure 23 — First Public Course of the Youth Night School: Cake Baking Class and Certificate Award Ceremony for “Cantonese Housekeeping Services”, “Zengcheng Mama” Project

In addition, to promote the development of rural and impoverished areas, during the Reporting Period, our Group also made monetary and material donations in such activities as the 2024 Guangdong Poverty Alleviation Day, the District Chamber of Commerce Charity Fund, and the Rural Revitalisation Campaigns.

School-Enterprise Collaboration Industry-Education Integration

The Group actively implements the requirements for industry-education integration outlined in the National Vocational Education Reform Implementation Plan and promotes cooperation with the community. During the Report Period, the Group's Institutions collaborated with numerous enterprises and advanced experimental platforms such as the cross-disciplinary comprehensive simulation internship platform for business management, the fintech experimental platform, the big data and artificial intelligence interactive experience centre, and the Digital Accounting and Business Services Industries College serve as foundations for collaboration, we have jointly established a number of internship and training bases for students. These bases provide students with valuable practice areas where they can practice their skills and accumulate experience in a real work environment.

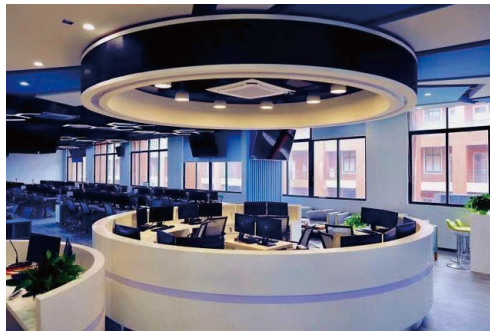


Figure 24 — Digital Accounting and Business Services Industries College

In accordance with the requirements for promoting industry-education integration outlined in the National Vocational Education Reform Implementation Plan, Huashang College actively fostered community collaboration and industry-education integration through practical training bases such as the digital multimedia communication and e-commerce base, the animation and gaming industry base, the simulation hospital, and the Chinese Cuisine Prosperity Base. These training platforms not only inject new vitality into community development but also pave new pathways for cultivating application-oriented and innovative talent. This collaborative effort achieved a win-win situation for schools, enterprises, and communities, making a positive contribution to regional economic and social development.



Figure 25 — Peach Blossom Island Corporate Instructors Teaching

Cultivate Talent Youth Development

The Group has maintained a long-term collaboration with the Hong Kong Vocational Training Council (“VTC”) and its affiliated colleges. On September 22, 2023, a signing ceremony for a memorandum of cooperation was successfully held between Huashang Vocational College and the VTC’s Hotel and Tourism disciplines (including the School of Hotel and Tourism Management, the Chinese Culinary Institute, the International Culinary Institute, and the Hong Kong Institute of Vocational Education — Hotel and Tourism). This partnership marked a new milestone in the collaboration between Huashang Vocational College and VTC, injecting new vitality into the development of vocational education in the Greater Bay Area and jointly promoting the prosperous development of vocational education in the Greater Bay Area.

The Group actively participates in and organises youth development activities, with an aim to effectively promote the teenagers to acknowledge and understand the Country’s development in depth, encourage them to actively integrate into the overall situation of national development and share development opportunities. During the Reporting Period, our Group has organised multiple exchange activities for mainland youths to Hong Kong. Through the Greater Bay Youth Career Development Association (“**Youth Promotion Association**”), we assist students from Huashang College to visit the Chinese University of Hong Kong, Hong Kong University of Science and Technology and Hong Kong Metropolitan University for study and exchange. In addition, the Youth Promotion Association also assisted the principal and students of Huashang College to visit and exchange with Tung Wah College. Both Huashang College and Huashang Vocational College have separately signed Memorandum of Understanding with Tung Wah College, and reached consensus on a number of collaborations, such as of student exchange and further education cooperation, teacher academic exchange and scientific research cooperation, curriculum sharing and mutual recognition among the three schools, and sharing of nursing internship and practical training resources.



Figure 26 — Signing Ceremony between Huashang Vocational College and the Hong Kong Vocational Training Council



Figure 27 — Huashang College “Discover the Beauty of Hong Kong” Study Tour with Representatives from Hong Kong Metropolitan University

Caring and Giving back to the Community

In addition, we set up scholarships, grants and awards in different fields to promote hard work, proactiveness and all-round development among students. In the past six years, nearly 1,460,000 students benefited from such schemes, with the subsidy amounting to over RMB265,000,000. During the Reporting Period, we subsidised more than 29,000 underprivileged students, with the amount of subsidy exceeding RMB30 million.

No. of students benefited during the Reporting Period (approximately)	Subsidy Amount (RMB)
531,200	107,348,600

Students are highly motivated and their overall quality has significantly improved; the outstanding ones have even received national scholarships. The Group spare no effort in fostering talents, we educated generations of talents bearing social responsibilities and willingness to serve different aspects of the country and communities.

To meet the demands of e-commerce development and technological innovation in the Greater Bay Area, Huashang College has partnered with various secondary colleges to launch the "Elite Training Programme for International Talent in Digital Trade in the Greater Bay Area." The programme aims to cultivate students' skills required in the e-commerce industry within the digital economy through practical and theoretical learning. The curriculum includes topics such as e-commerce live streaming techniques and video production, combining instruction from industry mentors with hands-on practice to enhance students' professional capabilities and practical experience.



Figure 28 — Recruitment Seminar for the Greater Bay Area Digital Trade International Talent Elite Programme

Moreover, the Group places great emphasis on the cultivation of ESG talents. In March 2024, our Group successfully held the 'ESG Talent Development Conference'. During the conference, Our Group held in-depth discussions with the School of Accountancy on the establishment of an ESG Research Institute on ESG talent cultivation methods and related matters. Subsequently, a series of implementation plans have been formulated by both parties, aiming to provide strong support for the sustainable development strategy and promote the harmonisation of the economic environment and society. To further advance the efforts in ESG talent development, the first selection event for Huashang College ESG Campus Ambassadors was held. The ESG Campus Ambassadors serve as appointed representatives of the school, acting as image ambassadors and spokespersons for ESG initiatives, as well as bridges for communication between the school, enterprises, and students. They assist fellow students by answering various questions related to ESG research activities, ESG workshops, and other relevant matters on campus.

In addition, this year we organised a “Career Exploration under the Theme of Sustainable Development” research and study activity in Guilin, Guangxi. Nearly 40 participants, including corporate mentors, group members, faculty and students, took part in the event. Huashang College’s ESG Campus Ambassadors were involved in promoting ESG practices. During the study tour, participants visited Esquel’s sustainable development garden — Integral and learnt about how enterprises integrate ESG concepts into their daily operations. The event enabled the students to appreciate the appeal of ESG concepts in corporate practice and strengthened the school-enterprise connection.



Figure 29 — ESG Study Tour

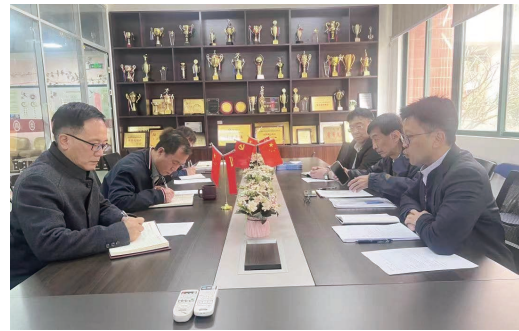


Figure 30 — ESG Talent Cultivation Conference

Moreover, Huashang College actively promoted ESG-related activities, not limited to ESG workshops, and ESG lectures etc., aimed at cultivating students’ awareness and practical abilities in sustainable development. The Group is committed to nurturing outstanding talents with a sense of responsibility and innovative spirit, working together to build a green future.





Protecting the Environment with a Greener Campus

Environmental Conservation and Operations

In addition to providing core educational services, our Group also considers environmental protection an integral part of its operation. Our Group has incorporated sustainable development concepts in its daily management and operates in an environmentally conscious and responsible manner to improve the environmental awareness of all its teachers and students and strive to build greener campuses. We also strictly abide by environmental laws and regulations, including but not limited to the PRC's Environmental Protection Law, Law on the Prevention and Control of Atmospheric Pollution, Law on the Prevention and Control of Water Pollution, Law on the Prevention and Control of Solid Waste Pollution and the Environment and Law on Energy Conservation. In addition, our Group has established comprehensive environmental management systems and policies, including the Green Office Management Regulations of our Group Headquarters, the Waste Management Regulations of our Group Headquarters, and the Management Regulations for Public Resources and Supplies at our Group Headquarters.

Environment-related Targets

Besides, our Group advocates energy conservation and carbon reduction, and is committed to sustainable operations. To this end, we have set clear short-term, medium-term and long-term emission reduction targets, and to work towards the following objectives with a baseline of the 2021/22 financial year:

	Short-term emission reduction targets	Medium-term emission reduction targets	Long-term emission reduction targets
 Air emissions intensity	<ul style="list-style-type: none">Reduce 3% of air emission intensity by financial year 2024/25	<ul style="list-style-type: none">Reduce 5% of air emission intensity by financial year 2026/27	<ul style="list-style-type: none">Reduce 8% of air emission intensity by financial year 2029/30
 Energy consumption intensity	<ul style="list-style-type: none">Reduce 3% of energy consumption intensity by financial year 2024/25	<ul style="list-style-type: none">Reduce 5% of energy consumption intensity by financial year 2026/27	<ul style="list-style-type: none">Reduce 8% of energy consumption intensity by financial year 2029/30
 Water consumption intensity	<ul style="list-style-type: none">Reduce 3% of water consumption intensity by financial year 2024/25	<ul style="list-style-type: none">Reduce 5% of water consumption intensity by financial year 2026/27	<ul style="list-style-type: none">Reduce 8% of water consumption intensity by financial year 2029/30
 Waste disposal intensity	<ul style="list-style-type: none">Reduce 3% of waste disposal intensity by financial year 2024/25	<ul style="list-style-type: none">Reduce 5% of waste disposal intensity by financial year 2026/27	<ul style="list-style-type: none">Reduce 8% of waste disposal intensity by financial year 2029/30

Looking ahead, we will deploy more resources in areas such as resource recycling, renewable energy usage, and green building materials to promote the development of a circular economy. During the Reporting Period, our Group had no significant compliance issues in this regard. This report will outline the Group's relevant emissions and control measures in the following sections.

Emissions

Air Emissions

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

Major Emissions ^{7,8}	Unit	2024	2023	2022
Nitrogen oxides (NO _x)	kg	971.28	1,147.02	1,246.36
Sulphur dioxide (SO _x)	kg	22.53	24.70	18.69
Particulates	kg	29.25	34.62	37.71

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

⁷ The calculation of air pollutant emissions is based on the "Technical Guide for the Compilation of Air Pollutant Emissions Inventory for Road Motor Vehicles (trial)" published by Ministry of Ecology and Environment of the PRC.

⁸ As the relevant calculation methodologies used have been updated in this Reporting Period, our Group has restated the data for the 2022/23 and 2021/22 fiscal years to maintain consistency in the report's disclosures.

Protecting the Environment with a Greener Campus

Greenhouse Gases Emissions

The Group's direct emissions of greenhouse gases mainly result from the burning of fuel in the Group's vehicles, while the indirect emissions of greenhouse gases are mainly from the purchased electricity, discarded waste paper and the flights taken by employees during their business trips.

Major Emissions	Unit	2024	2023	2022
Scope 1 ^{8,9,10,11}				
Burning of fuel in vehicles:				
Carbon dioxide	Metric tonnes of CO2 equivalent	276.58	268.21	235.67
Methane	Metric tonnes of CO2 equivalent	1.11	1.07	0.95
Nitrous oxide	Metric tonnes of CO2 equivalent	0.65	0.63	0.56
Greenhouse gas removal ¹²	Metric tonnes of CO2 equivalent	(23.02)	(51.68)	(80.62)
(Scope 1) Total amount of emission	Metric tonnes of CO2 equivalent	255.32	218.23	156.56
(Scope 1) Emission Intensity	Metric tonnes of CO2 equivalent/employee ¹³	0.036	0.032	0.032

⁸ As the relevant calculation methodologies used have been updated in this Reporting Period, the Group has restated the data for the 2022/23 and 2021/22 fiscal years to maintain consistency in the report's disclosures.

⁹ Scope 1: Direct emissions from operations that are owned or controlled by the Group.

¹⁰ The calculation of greenhouse gas emissions is based on the Tools and Guidance on Calculating Greenhouse Gas Emissions from Energy Consumption (version 2.1) released by the World Resources Institute.

¹¹ Figures of certain items may differ due to rounding.

¹² Scope 1 GHG reductions due to tree planting. According to Part D in the A1.2 Direct (Scope 1) greenhouse gas emissions and intensity in How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs under HKEx's Environmental, Social and Governance Reporting Guide and EPD's Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, this Removal Factor is applicable to trees commonly found in Hong Kong that are able to reach at least five metres in height.

¹³ As of August 31, 2024, since only Huashang College, Huashang Vocational College, Huashang Technical School, Urban Vocational College and Urban Technician College have relevant data, the number of employees only includes the total number of employees in those Colleges, totalling 7,004.

Protecting the Environment with a Greener Campus

Major Emissions	Unit	2024	2023	2022
Scope 2 ^{14,15,16}				
• Electricity	Metric tonnes of CO2 equivalent	33,047.75	28,165.69	24,679.52
• Natural gas	Metric tonnes of CO2 equivalent	1,753.52	1,414.26	1,882.79
(Scope 2) Total amount of emission	Metric tonnes of CO2 equivalent	34,801.27	29,579.95	26,562.31
(Scope 2) Emission Intensity	Metric tonnes of CO2 equivalent/employee ¹⁷	4.97	4.37	5.35
Scope 3 ^{18, 19}				
• Waste paper treatment ²⁰	Metric tonnes of CO2 equivalent	568.43	121.22	115.78
• Employees' business trips	Metric tonnes of CO2 equivalent	171.97	138.65	93.78
(Scope 3) Total amount of emission	Metric tonnes of CO2 equivalent	740.40	259.87	209.56
(Scope 3) Emission Intensity	Metric tonnes of CO2 equivalent/employee ¹³	0.106	0.038	0.042
Total emissions				
Total emissions	Metric tonnes of CO2 equivalent	35,796.99	30,058.05	26,928.44
Total emissions intensity	Metric tonnes of CO2 equivalent/employee ¹⁷	5.11	4.44	5.42

¹⁴ The calculation of greenhouse gas emissions is based on the Baseline Emission Factors for Regional Power Grids in China in 2021 issued by MEE's Department of Climate Change.

¹⁵ Scope II: Energy indirect emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group.

¹⁶ As the relevant calculation methodologies used have been updated in this Reporting Period, the Group has restated the data for the 2022/23 and 2021/22 fiscal years to maintain consistency in the report's disclosures.

¹⁷ The number of employees used to calculate the intensity is the number of employees at the end of the Reporting Period.

¹⁸ Scope III: All other indirect greenhouse gas emissions that occur outside the Group, including both upstream and downstream emissions.

¹⁹ The calculation of greenhouse gas emissions is based on the emission factor mentioned in Part A in the A1.2 Scope 3 — Other indirect emissions in How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs under HKEx's Environmental, Social and Governance Reporting Guide.

²⁰ As an optimisation of our ESG report has taken place, we have reviewed and updated the calculations related to greenhouse gas emissions from waste paper treatment. We have also included the greenhouse gas emissions associated with paper printing to more comprehensively reflect the Group's operational impact on the environment.

Protecting the Environment with a Greener Campus

Measures to Reduce Emissions

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

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

During the Reporting Period, our campuses planted more than 1,000 trees, reducing approximately 23 metric tonnes of carbon dioxide emissions. We will continue to carry out afforestation to reduce emissions generated in the course of operation.

During the Reporting Period, Huashang College, Huashang Vocational College, and other Institutions have undertaken various construction projects for new campuses. As a result, the total greenhouse gas emissions increased compared to the last financial year, with the total emissions intensity rising by approximately 15%. Colleges of the Group will continue to take measures to reduce emissions.

Hazardous and Non-Hazardous Wastes

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

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

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

Types of wastes	Unit	2024	2023	2022
Hazardous wastes	Metric tonnes	2.0794	1.3675	0.6920
Hazardous wastes intensity	Metric tonnes/employee ²¹	0.00030	0.00020	0.00019
Non-hazardous wastes	Metric tonnes	3,721.70	3,755.2	3,657.8
Non-hazardous wastes intensity	Metric tonnes/employee ²²	1.2107	1.2803	2.1291

Measures to Reduce Generation of Wastes

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

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

In terms of the reduction of hazardous waste emissions, specialised recycling has also been carried out. Medical waste is mainly generated when an employee or student at the Group's Colleges is injured in an accident. The Colleges can only do their best to provide limited emergency measures to the injured. If the injury is serious, the Colleges will advise the injured to seek appropriate treatment in a hospital or medical clinic. Therefore, in general, there will be no waste of medical supplies that will result in an increase in unnecessary medical waste. During the Reporting Period, the total amount of hazardous waste increased, with an intensity increase of approximately 50%. In contrast, the total amount of non-hazardous waste decreased, resulting in an intensity reduction of approximately 5%. Looking ahead, we will continue to monitor closely and make every effort to implement various emissions reduction measures.

²¹ During the Reporting Period, since only Huashang College, Huashang Vocational College, Huashang Technical School, Urban Vocational College and Urban Technician College have generated hazardous wastes, the number of employees only includes the total number of employees in those Colleges, totalling 7,004.

²² During the Reporting Period, since only Urban Vocational College and Urban Technician College have data on non-hazardous wastes, the number of employees only includes the total number of employees in those Colleges, totaling 3,074.

The Environment and Use of Natural Resources

The daily operations of all of the Colleges do not cause direct damage nor have material impact on the environment and natural resources. The Group constantly follows the principle of protecting the environment and natural resources in its operation and actively adopts various measures and takes actions to reduce emissions from daily operations and save energy resources so as to minimise the impact on the environment.

Resources and Energy Efficiency

Energy ²³	Unit	2024	2023	2022
Direct Energy Consumption ²⁴	kWh	1,106,483	1,069,549	943,434
Direct Energy Consumption Intensity	kWh/employee ²⁵	158	158	190
Diesel	Litre	36,062	39,954	29,840
Unleaded Gasoline	Litre	84,205	75,650	72,820
Indirect Energy Consumption	kWh	96,586,484	83,837,343	77,400,459
Indirect Energy Consumption Intensity	kWh/employee ²⁶	13,782	12,393	15,583
Purchased Electricity	kWh	87,827,700	76,773,158	67,995,975
Purchased Natural Gas	Cubic metre	886,118	714,677	951,443
Total Energy Consumption ²⁴	kWh	97,692,968	84,906,891	78,343,893
Total Energy Consumption Intensity	kWh/employee ²⁶	13,940	12,551	15,773

Water source	Unit	2024	2023	2022
Total water consumption ²⁴	Cubic metre	3,991,555	3,639,696	3,669,866
Water consumption intensity	Cubic metre/employee ²⁵	570	539	740

²³ As the relevant calculation methodologies used have been updated in this Reporting Period, our Group has restated the data for the 2022/23 and 2021/22 fiscal years to maintain consistency in the report's disclosures.

²⁴ Figures of certain items may differ due to rounding.

²⁵ As of August 31, 2024, since only Huashang College, Huashang Vocational College, Huashang Technical School, Urban Vocational College and Urban Technician College have relevant data, the number of employees only includes the total number of employees in those colleges, totaling 7,004.

²⁶ The number of employees used to calculate the intensity is the total number of employees at the end of the Reporting Period.

Energy Consumption and Intensity

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

Water Conservation

In terms of water conservation, Colleges under the Group will maintain and strengthen the daily management of water conservation in its teaching buildings to eliminate water spilling, dripping and leakage and avoid wasting water. There are also signs in the toilets to remind students and faculty and staff to save water. In addition, Huashang College has implemented an energy monitoring system to track, audit, and publicly disclose energy consumption. Technologies such as smart hot water controllers, water-saving devices, and pipeline network inspections have been employed to reduce water resource consumption.



Figure 31 — “Water Conservation” Awareness Campaign Organised by Huashang Vocational College

During the Reporting Period, Huashang College, Huashang Vocational College, and other Colleges have undertaken various construction projects for new campuses. As a result, the Group's total water consumption has increased compared to the last financial year, with a total water consumption intensity rising by approximately 6%. We will constantly review the effectiveness of the above measures. The Group will continue to implement water-saving measures above to achieve emissions reduction targets.

Source of Water

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

Climate Change

The Group is fully aware that climate change is a common challenge for all mankind. In line with the National 3060 Plan (i.e. carbon neutrality and carbon peaking), our Group actively cooperates and responds to the national policy. As the Group's education business continues to grow and expand, the Group needs to further promote sustainability and reduce energy consumption and emissions. We have set clear short-term, medium-term, and long-term emission reduction targets and ensure that the Group's greenhouse gas emissions comply with the increasingly stringent regulatory requirements of the local governments by 2030 or before.

The Group has identified a range of climate-related risks associated with our corporate business that are significant to us. The transition and physical risks are discussed in the section below:

Type of Climate Risk	Impacts of Climate Risk	Responses to Climate Risk
Acute physical risk Risks caused by extreme weather events such as typhoons, heavy rains and earthquakes.	The frequency and intensification of extreme weather events may lead to the interruption of school operations and related supporting services.	Each College in the Group has internal guidelines describing emergency response mechanisms in detail to ensure the safety of teachers, students and property. The campus also conducts regular safety inspections and assessments to identify potential safety hazards, strengthen prevention and control of secondary disaster risks caused by heavy rains and typhoons, implement corrective measures in a timely manner to eliminate hidden dangers, and prepare rescue supplies in advance to reduce climate risks and losses. In addition, regarding potential risks in the supply chain, the "Procurement Management Policy" formulated by our group covers backup qualified suppliers to cope with current suppliers' supply network disruptions due to extreme weather and reduce the impact on the education business.

Type of Climate Risk	Impacts of Climate Risk	Responses to Climate Risk
Chronic physical risk Shifting risks posed by long-term climate change, such as sustained high temperatures and changing rainfall patterns.	Prolonged heatwaves and sustained high temperatures can lead to increased electricity consumption and potential impacts on school infrastructure and equipment.	Most of our newly constructed buildings have been installed with double-layer insulated glass, which can provide thermal insulation on the one hand and save energy on the other. In addition, the Group has introduced iPaint coating technology to reduce the indoor temperature of certain buildings on campus. Please refer to the 'Green Building Materials' section for details.
Transition risk (Regulatory Compliance) Regulators implement policies to restrict requirements that contribute to climate change and accelerate the transition to a low-carbon economy.	The increasingly stringent environmental regulations and the possible increase in the application of low-carbon technologies mean that the Group will need additional investment to ensure compliance, which will inevitably increase operating costs.	We will closely monitor the latest developments in climate policy to ensure we comply with environmental laws and regulations in the jurisdictions in which we operate and actively explore where we use renewable energy.
Transition risk (Reputation risk) The risks posed by changes in public perceptions of our contribution to the low-carbon economy.	If the public's expectations are not met, the Group's reputation may be negatively affected.	Our Group has been actively communicating with stakeholders to understand their expectations and strives to improve our environmental, social and governance performance and disclosure.

This year, the Group has formulated our first Climate Change Policy to enhance our approach in managing and monitoring climate risks, mitigating the impact of climate change on our operations, and increasing our business resilience against climate change events. Going forward, the Group will continue to review the impact of climate change on its business and will take into consideration climate-related risks and opportunities during its operation, such as change in environment-related regulations to enhance its business resilience and work towards a low carbon economy business model.

Protecting the Environment with a Greener Campus

Green Building Materials

To improve the teaching environment for faculty members and students, Huashang College has applied iPaint's Cool Roof coatings in certain heavily populated areas, such as the teaching buildings and the library. Currently, such coatings have been applied to Building C of the Boxue Building, the Comprehensive Building, and the library (4,241 m²). According to professional measurements, there was a significant decrease in the indoor temperature after the application of the coating, which effectively relieved the air-conditioning refrigeration pressure. In terms of energy consumption for air-conditioning, the energy consumption was considerably reduced compared with that before the coating was applied. This initiative not only created a more comfortable teaching environment for teachers and students, but also played a leading role in building energy-saving and environmentally friendly campus, making a substantial contribution to the environmental conservation.



Figure 32 — Coating of the Library at the Hushang College

Partnering with the International Finance Corporation (“IFC”) to Promote Sustainable Development

As the world's largest development and financial organisation, IFC concentrates on the private sector in developing countries and markets, with operations in more than 100 countries, creating markets and opportunities in developing countries by leveraging its capital, expertise and influence. Our collaboration with IFC enabled the Group to leverage on its vast resources and influence to support our sustainable development in the education sector.

The Group will collect data to monitor our environmental and social conditions, continuously reviewing our environmental and social policies. We will take appropriate measures to ensure that our daily operational activities comply with the IFC Performance Standards, and adhere to the applicable environmental, social, labour, health, security, and safety regulations, guidelines, and standards in the countries/regions where we operate. Looking forward, we will continue to explore green financial instruments suitable for the Group to integrate the concept of sustainable development into the Group's financing strategy.

HKEX ESG Reporting Guide Content Index

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Statement
A. Environmental		
Aspect A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Protecting the Environment with a Greener Campus
KPI A1.1	The types of emissions and respective emissions data	Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) Greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Greenhouse Gases Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous and Non-Hazardous Wastes
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous and Non-Hazardous Wastes
KPI A1.5	Description of emissions target(s) set, and steps taken to achieve them.	Environment-related Targets Measures to Reduce Generation of Wastes
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environment-related Targets Hazardous and Non-Hazardous Wastes Measures to Reduce Generation of Wastes

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Statement
A. Environmental		
Aspect A2 Uses of Resources		
General Disclosure	Policies on efficient use of resources, including energy, water and other raw materials.	The Environment and Use of Natural Resources
KPI 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).	Resources and Energy Efficiency
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resources and Energy Efficiency
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environment-related targets The Environment and Use of Natural Resources
KPI 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.	Environment-related targets Source of water
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's business does not involve the use of packaging materials
Aspect A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Statement
Aspect 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.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
B. Social		
Employment and Labour Practices		
Aspect B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Cultivate Talents Care for Staff
KPI B1.1	Total workforce by gender, employment type (e.g. full-time or part-time), age group and geographical region.	Employee Workforce
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Turnover

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Statement
Aspect B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety
Aspect B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards



Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Statement
Operating Practices		
Aspect B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of supply chain.	Supply Chain Management and Monitoring
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management and Monitoring
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management and Monitoring
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management and Monitoring
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management and Monitoring

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Statement
Aspect B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Teaching Quality Intellectual Property Rights Privacy Protection Policies
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's business does not involve products that are recalled for safety and health reasons.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Service-related Complaints and Solutions
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	The Group does not have any product recalls
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Privacy Protection Policies

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Statement
Aspect B7 Anti-corruption		
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases	During the Reporting Period, our Group has no concluded corruption litigation cases.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics — Whistleblowing
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics — Anti-corruption
Community		
Aspect B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Caring and Giving back to the Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment Cultivate Talent Youth Development