



**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



**2021**

**ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE REPORT**

# 2021 Environmental, Social and Governance Report

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### About the Report

Edvantage Group Holdings Limited (hereinafter referred to as the “**Edvantage Group**”, “**Group**”, “**we**” or “**us**”) hereby presents its environmental, social and governance report (hereinafter referred to as the “**Report**”) for 2020/2021. The Report summarizes the strategy, practice and vision of Edvantage Group in respect of issues related to environment, society and governance in 2020/2021, with a view to show that the Group adheres to the principle of sustainable development and is devoted to fulfilling its social responsibility as a corporate.

### About the Group

The Group is the largest private business vocational education group in the Guangdong-Hong Kong-Macao Greater Bay Area (“**Greater Bay Area**”), and an early mover in education sector in pursuing international expansion. Its businesses all fall within the scope of vocational education encouraged by the State. Both the Greater Bay Area and the Chengdu-Chongqing Economic Circle are fertile ground for the development of private vocational education. During the Reporting Period, the Group adhered to the national policy of running schools with high quality and high compliance, and made continuous and in-depth efforts in teaching faculty, teaching facilities, industry-education integration, discipline construction, etc., realising and strengthening the school-running purpose of “high investments for high-quality talents”.

### Reporting Period

The Report covers a period from 1 September 2020 to 31 August 2021 (hereinafter referred to the “**Reporting Period**”), same as that covered by the 2020/2021 Annual Report of the Group. Overall performance at the level of environment and society.

### Coverage and Scope of the Report

Unless otherwise specified, the scope of the Report covers the Group’s four major consolidated affiliated entities (for the year ended 31 August 2020: two), namely Guangzhou Huashang College (“**Huashang College**”), Guangzhou Huashang Vocational College (“**Huashang Vocational College**”), Urban Vocational College of Sichuan (“**Urban Vocational College**”) and Urban Technician College of Sichuan (“**Urban Technician College**”) (collectively referred to as the “**College**”). The increase in reporting scope is due to two new schools (major consolidated affiliated entity) were acquired and consolidated into the Group during the reporting period.

### Reporting Standard

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

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

### Information and Feedback

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

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

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

### Source of Data and Reliability Statement

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

### Review and Approval

The Report was approved by the board of directors of the Group (hereinafter referred to as the “**Board**”) on 28 January 2022 upon confirmation by the management of the Group. The Report is prepared in both Chinese and English. In case of any discrepancy between the Chinese and English versions of the Report, the Chinese version shall prevail. The electronic version of the Report is available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).



### The Board's Statement

Dear stakeholders,

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

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

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

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

Yours Faithfully

**Liu Yung Chau**

*The Chairman of the Board*

## Governance Structure of Environmental, Social and Governance Work

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

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

## Identification of and Communication with Stakeholders

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

### Major Concerns of Stakeholders and Measures

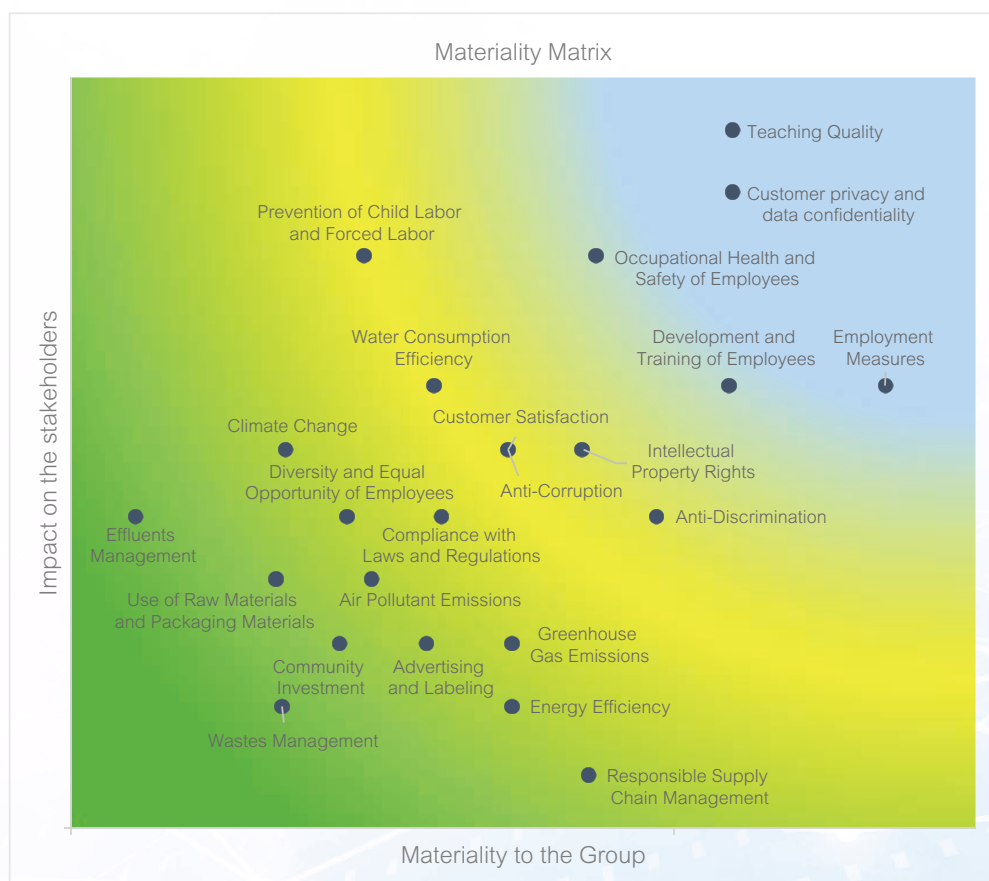
Stakeholder	Concern	Means of Communication
Shareholders/ Investors	Business strategy; Return on investment; Corporate image; and Operating compliance.	General meetings; The Group’s announcements; and The Company’s website.
Governments and regulators	Operating compliance; Tax payment as legally required;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

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

### Materiality Matrix

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



## Environment

### Emissions

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

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

In order to promote green operation management, we have set up specific emission reduction goals. It is expected that the intensity of all emissions (including air pollutants, green house gas, hazardous and non-hazardous wastes and sewage), use of energy (including electricity and heat), and resource consumption (including water consumption and use of paper) decreases approximately 3% in 2021/22 financial year as compared to those in 2020/21 financial year. In addition, more resources will be invested in resource recycle and use of renewable resources to facilitate the development of cyclic economy.

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

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

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

Major Emissions <sup>1</sup>	Unit	Amount of Emission (2021)	Amount of Emission (2020)	Amount of Emission (2019)
NO <sub>x</sub>	Kilogram	1,284.53	362.60	517.80
SO <sub>x</sub>	Kilogram	18.91	7.38	1.38
Particles	Kilogram	38.29	16.38	43.64

The total amount of major exhaust emissions was higher than the previous year due to the enlarged reporting scope covering four colleges, the ease of COVID-19 pandemic during the current year and frequent use of vehicles by the Group as compared to the previous year.

<sup>1</sup> The calculation of air pollutant emissions is based on the Technical Guide for the Compilation of Air Pollutant Emissions Inventory for Road Motor Vehicles (trial) published by Ministry of Ecology and Environment. In addition, as the reporting scope and calculation method have been updated, it may not be possible to directly compare this year's data with the previous year's.



## Greenhouse Gases

The Group's direct emissions of greenhouse gases result principally from the burning of fuel in the Group's vehicles, while the indirect emissions of greenhouse gases are mainly from the purchased electricity, discarded waste paper and the flights its employees take for business trips. Despite the outrage of COVID-19 pandemic during the previous year, economic activities have gradually been restarted due to unrelenting efforts made in anti-pandemic work, and all colleges have resumed teaching and therefore, there was an increase in the use of vehicles and electricity and even in the number of business trips taken by employees during the reporting period as compared to the previous year.

Major Emissions	Unit	Amount of Emission (2021)	Amount of Emission (2020)	Amount of Emission (2019)
Scope 1 <sup>2, 3, 4</sup>				
Burning of fuel in vehicles:				
CO <sub>2</sub>	Metric tons of CO <sub>2</sub> equivalent	169.85	111.99	221.63
Methane	Metric tons of CO <sub>2</sub> equivalent	0.02	0.02	0.45
N <sub>2</sub> O	Metric tons of CO <sub>2</sub> equivalent	0.0015	0.001	27.60
<b>Total amount of emission from the burning of fuel in vehicles</b>	<b>Metric tons of CO<sub>2</sub> equivalent</b>	<b>169.87</b>	<b>112.011</b>	<b>249.68</b>
Trees planted:				
Trees planted <sup>5</sup>	Metric tons of CO <sub>2</sub> equivalent	(49.93)	(15.39)	(42.78)

<sup>2</sup> The calculation of greenhouse gas emissions is based on the Tools and Guidance on Calculating Greenhouse Gas Emissions from Energy Consumption (version 2.1) released by the World Resources Institute. In addition, as the calculation method has been updated, it may not be possible to directly compare this year's data with the previous year's.

<sup>3</sup> Scope 1: Direct emissions from operations that are owned or controlled by the company.

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

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

Major Emissions	Unit	Amount of Emission (2021)	Amount of Emission (2020)	Amount of Emission (2019)
Scope II <sup>6, 7</sup>				
Electricity	Metric tons of CO <sub>2</sub> equivalent	47,909.61	11,125.29	22,298.05
Natural gas	Metric tons of CO <sub>2</sub> equivalent	13,890.57	0	0
Scope III <sup>8, 9</sup>				
Waste paper	Metric tons of CO <sub>2</sub> equivalent	35.26	12.56	14.76
Employees' business trips	Metric tons of CO <sub>2</sub> equivalent	61.85	42.13	96.64
Total emissions				
Total emissions	Metric tons of CO <sub>2</sub> equivalent	62,017.240	11,276.606	22,616.35
Intensity of total emissions	Metric tons of CO <sub>2</sub> equivalent per employee <sup>10</sup>	14.54	4.61	9.60

### Measures to Mitigate Emissions

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



Reasonable driving. Private use of business vehicles is prohibited and long-distance dispatching is subject to strict review to reduce unnecessary travel;



Weekly inspection and maintenance of vehicles are conducted to enhance burning efficiency of fuel; and



Commuter services are provided to faculty and staff to reduce fuel consumption.

<sup>6</sup> The calculation of greenhouse gas emissions is based on the Baseline Emission Factors for Regional Power Grids in China in 2019 issued by MEE's Department of Climate Change. In addition, as the calculation method has been updated, it may not be possible to directly compare this year's data with the previous year's.

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

<sup>8</sup> The calculation of greenhouse gas emissions is based on the emission factor mentioned in Part A in the A1.2 Scope 3 — Other indirect emissions in How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs under HKEx's Environmental, Social and Governance Reporting Guide. In addition, as the calculation method has been updated, it may not be possible to directly compare this year's data with the previous year's.

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

<sup>10</sup> As at 31 August 2021, the Group had a total of 4,265 employees.

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During the Reporting Period, our campuses planted more than 2,171 trees, reducing approximately 49.93 metric tons of carbon dioxide emissions. We will continue to carry out afforestation to reduce emissions generated in the course of operation. When compared to the previous year and because of the enlarged reporting scope, total emissions of green house gas was increased by approximately 50,740 metric tons of CO<sub>2</sub> equivalent, and the total density of emissions calculated by the number of employees was also increased by approximately 9.93 metric tons of CO<sub>2</sub> equivalent. Colleges of the Group will continue to take measures to reduce emissions.

### **Hazardous and Non-Hazardous Wastes**

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

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

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

Type of Wastes <sup>11</sup>	Unit	Amount Generated (2021)	Amount Generated (2020)	Amount Generated (2019)
Hazardous wastes	Metric ton	0.2384	0.95	1.55
Intensity of hazardous wastes	Metric ton/number of employees <sup>12</sup>	0.00008	0.00039	0.00066
Non-hazardous wastes	Metric ton <sup>13</sup>	3,649.9	6.16	8.86
Intensity of non-hazardous wastes	Metric ton/number of employees <sup>14</sup>	2.4140	0.0025	0.0038

<sup>11</sup> As the reporting scope and calculation method have been updated, it may not be possible to directly compare this year's data with the previous year's.

<sup>12</sup> Since only Huashang College, Urban Vocational College and Urban Technician College generated hazardous wastes during the Reporting Period, the number of employees only includes the total number of employees in those colleges, totalling 3,129.

<sup>13</sup> As the statistical method has been updated, it may not be possible to directly compare this year's data with the previous year's.

<sup>14</sup> Since only Urban Vocational College and Urban Technician College generated non-hazardous wastes during the Reporting Period, the number of employees only includes the total number of employees in those colleges, totalling 1,512.

### **Measures to Reduce Wastes Generated**

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

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

In terms of reduction of hazardous waste emissions, medical waste is mainly generated when an employee or student of the Colleges is injured in an accident. The Colleges can only do its best to provide limited emergency measures to the injured. If the injury is serious, the Colleges will advise the injured to seek appropriate treatment in hospital or medical clinic. Therefore, in general, there will be no waste of medical supplies that will result in an increase in unnecessary medical waste. We managed to reduce hazardous wastes by approximately 0.71 metric tonnes or approximately 75% during the Reporting Period, while the amount of non-hazardous wastes generated increased significantly. The calculation method has also been updated due to the enlarged reporting scope covering four colleges. However, in the future, we will continuously monitor closely and make every effort to implement various emission reduction measures.



## Use of Resources

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

### Energy and Resource Use Efficiency

	Unit	Amount Generated (2021)	Amount Generated (2020)
Direct Energy Consumption	kWh	738,076	492,400
Diesel	Liter	26,897	7,283
Unleaded Gasoline	Liter	46,452	42,764
Indirect Energy Consumption	kWh	66,779,647	13,833,989
Purchased Electricity	kWh	58,213,894	13,833,989
Purchased Natural Gas	Cubic meter	642,431	0
<b>Total Energy Consumption<sup>15</sup></b>	kWh	67,517,723	14,326,389
<b>Intensity of Energy Consumption</b>	kWh/total employees <sup>16</sup>	15,830.65	5,859.46

Water source		Amount Generated (2021)	Amount Generated (2020)	Amount Generated (2019)
Total water consumption	Cubic meter	3,312,261	931,516	1,829,244
Intensity of total water consumption	Cubic meter/total employees <sup>16</sup>	776.61	380.99	776.75

### Consumption and Intensity of Energy

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

<sup>15</sup> Figures of certain items may differ from the total amount due to half-adjustment.

<sup>16</sup> As at 31 August 2021, the Group had a total of 4,265 employees.

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

During the Reporting Period, the total water consumption of the Group was higher than that of last year due to the enlarged reporting scope, and we will constantly review the effectiveness of the above measures. The Group will continue to implement water-saving measures above to achieve emission reduction goals.

### ***Appropriate Water Source***

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

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

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

## **The Environment and Natural Resources**

Both of the Colleges will not have direct damage to or a particularly material impact on the environment and natural resources in their daily operation. The Group constantly follows the principle of protecting the environment and natural resources in the operation and actively adopt various measures and take actions to reduce emissions from daily operations and save energy resources so as to minimise the impact on the environment. Relevant measures are described in “Emissions” and “Use of Resources”, and it is ensured that it will not cause any significant impact on the environment and overuse natural resources.

## **Climate Change**

The Group deeply believes that the climate change is a common challenge the human community is confronted with. China, as the most developing country in the world, also attaches high importance to how to cope with climate change. The PRC government has decided to adopt more enhanced policies and measures, and formulated two significant policies in 2020, that is, to achieve emission peak by 2030 and carbon neutrality by 2060. The Group intends to respond to the government's decisions step by step. As the Group's educational business develops and the scale of the its campuses continues to grow, we shall well implement the energy conservation and emission reduction so as to fulfil the government's requirements and realize perpetual development.

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

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

### Society

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

### Employment and Labor Practices

#### *Employment*

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

#### *Remuneration and Dismissal*

In order to further improve pay package, we make remuneration adjustment based on performance by annual review. Employees who intend to resign voluntarily shall inform the head of the relevant department and the human resource department in writing 30 days in advance (3 days in advance during the probation period). The department of human resources of the Group will arrange an interview to find out the reasons for the employee's resignation, and issue a resignation certificate for the employee after the handover between the employee and relevant departments is done and all resignation procedures are completed.








#### *Recruitment and Promotion*

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

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

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

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

-  Monthly benefits in kind;
-  Gifts and subsidies at major festivals (such as the National Day, Mid-autumn Festival, Dragon Boat Festival, etc.);
-  Material benefits and food allowance;
-  Birthday presents;
-  Marriage allowances;
-  Maternity allowances/gifts;
-  Hospitalization allowances/gifts;



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 Special hardship allowances; and

 Annual physical examination, etc.

### Staff Packages and Benefits

In order to improve employees' sense of belonging, enhance team building and create a harmonious working atmosphere, the Group will also organize various group activities on a regular basis or arrange specific festival bonus, including group birthday celebrations with different themes which are held in forms of birthday party and outdoor expansion. Due to COVID-19 pandemic, Spring Festival Union Celebration was held via live tea party and online streaming to protect employees' health. In this celebration, we arranged performances and lottery to create a lively, harmonious and festival atmosphere and also to appreciate employees' hard work in a whole year. On Women's Day, the Group organized a springtime hot spring trip, and conducted caring activities for each department to care female faculty and staff and promote the healthy growth of their body and mind.

### Total Number and Types of Employees

As of 31 August 2021, the Group had a total of 4,265 faculty members and staff, which is detailed as follows:

Employee Data	Headcount (2021)
Total Number of Employees	4,265
Distribution of male and female employees	
Female	2,531
Male	1,734
Age distribution	
<30	1,220
30–50	2,278
>50	767
Number of employees at different levels	
Senior management	29
Middle management	211
Staff	3,596
Others	429
Number of employees by region	
Hong Kong	0
Mainland China	4,265
Others	0

Employee Data		Headcount (2021)
By employment type		
Full-time		3,581
Part-time		684

### Employee Turnover

As at 31 August 2021, the detailed data of employee turnover rate<sup>17</sup> is as follows:

Employee Turnover		Headcount (2021)
Total number of loss (turnover rate)		449 (11%)
Distribution of male and female employees		
Number of female employees (turnover rate of female employees)		297 (12%)
Number of male employees (turnover rate of male employees)		152 (9%)
Age distribution		
<30		261 (21%)
30–50		131 (6%)
>50		57 (7%)
Number of employee turnover by region		
Hong Kong		0 (0%)
Mainland China		449 (11%)
Others		0 (0%)

### Occupational Health and Safety

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

<sup>17</sup> As the reporting scope and calculation method for the year have been updated, it may not be directly comparable with last year's figures.

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

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

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

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

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

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

During the Reporting Period, the Group did not suffer any work-related fatalities nor any losses in working days from work-related injuries.

Number of work-related fatalities		
2021 financial year	2020 financial year	2019 financial year
0	0	0

### Development and Training

The teaching ability of teachers and the administrative ability of administrators directly affect the teaching quality and administrative level of a school. Therefore, the Group attaches great importance to the development and training of its staff, and has formulated a detailed training plan and related guidelines to improve the knowledge and professional ability of teachers and administrators, including but not limited to the Interim Provisions on the Management of Continuing Teaching of Faculty and Staff, Implementing Measures for Doctoral Projects, Detailed Rules for the Performance Evaluation of Teachers, Measures for the Identification and Handling of Teaching Accidents, and Mechanism of Random Check on Classes. Such trainings are mainly divided into cultural and technical trainings internally organized and professional knowledge trainings provided by external institutions. During the Reporting Period, 37% of the Group's faculty and staff received training, among which mid-level employees completed 51.01 hours of training on average and other staff completed 43.42 hours of training on average.

As at 31 August 2021, the detailed data of employee training is as follows:

Employee Training	2021
Total trained employees (%)	1,585 (37%)
Gender	Headcount
Female	1,057 (42%)
Male	528 (30%)
Employee level	Headcount
Senior management	10 (34%)
Middle management	96 (45%)
Staff	1,370 (38%)
Others	109 (25%)



Training hours		2021
Total training hour <sup>18</sup>		167,293
Gender	Average training hours	
Female		46.03
Male		29.29
Employee level	Average training hours	
Senior management		5.95
Middle management		51.01
Staff		43.42
Others		0.51

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

- Training Class on GYB/SYB Entrepreneurship and Training Teacher in Guangzhou
- Training on “Dual-Type” of Teacher Professional Skills — “Virtual Reality Application Technology” and “Internet of Things Application Technology” — and “Smart Manufacturing Technology” for Teachers in Higher Vocational Colleges in 2021
- The Second Session of Special Training Class on the Interpretation of Registration Standards, Moral Codes and Examinations of Registered Psychological Consultant in Colleges and Universities in Guangdong in 2021
- The Fourth Session of Online Training on the Improvement of Educational Teaching Skills among Teachers in Colleges and Universities
- Educational Travel Planning and Management (EPPM) Vocational Skill Level Certificate Teacher Training
- The 16th Session of 1+X Certificate Child Care Vocational Teacher Training Course
- Cross-Border E-Commerce B2B Data Operation Vocational Skills Level Certificate
- Training Course for New Teachers in Colleges and Universities on Two Studies and Cultivation Regulations

<sup>18</sup> As the reporting scope and calculation method have been updated, it may not be possible to directly compare this year's data with the previous year's.

-  Pre-Training Course for Master's Degree in Faculty and Staff
-  Pre-job training for teachers in colleges and universities
-  Professional Skill Training for Dual-Type Higher Vocational Teachers Majored in Tourism
-  Intelligent Networked Vehicle Technology Training Course for Higher Vocational Teachers
-  Guangdong Provincial Pre-job Training Workshop for Newly Recruited Counselors and Thought and Political Workers in Colleges and Universities
-  The Organization of Online Training Demonstration Classes on the Topic of “General National Security Education held by the Office of the Guangdong Provincial Department of Education
-  Training Course on Drama Instructor for National Colleges and University Psychological Drama Competition

We also encourage faculty and staff to obtain various professional qualifications. During the Reporting Period, a total of 2,206 faculty and staff members possessed professional qualifications such as lecturer, professor, accountant, economist, securities practitioner, psychological consultant, enterprise human resource manager, and engineer.

### Labor Standards

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

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

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

### Operating Practices

#### Supply Chain Management

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

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

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

#### Teaching Quality

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

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

### Graph 1 — Awards and Achievements



The Group was awarded the “Best Education Company” and “Best IR Team Award” in the “5th Annual Golden Hong Kong Stock Awards Ceremony” held in Shenzhen in 2021. The Group received the above recognition during the Reporting Period and was given recognition and encouragement for the achievement the Group obtained due to its great efforts made in the educational business in latest years. While it is deeply inspired, the Group will continuously uphold its educational philosophy and cultivate future pillars of society with high-quality teaching content.

### Service-Related Complaints and Solutions

The Group is open to comments from all parties, especially parents and students, and gets to know their needs through different communication channels. The office of academic affairs will, upon receipt of complaints about education services, immediately follow up the cases, overcome its own shortcomings in a timely manner and strengthen supervision and inspection. During the Reporting Period, the Group received no cases of complaint. After learning about the incidents, the office of academic affairs criticized the staff involved, had the cases announced, and deducted relevant staff's accumulated points for the year as a warning, aiming to convey a message to all teachers and students that faculty and staff should strictly discipline themselves and jointly maintain a good teaching environment.

### Intellectual Property Rights

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

### Student Enrollment

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



### **Privacy Policies**

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

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

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

On the other hand, the Group is also deeply aware that an educator needs to take into account the spiritual health of students while teaching them knowledge, in addition to ensuring their good development in moral education and other aspects. As a successful educational institution, the Group not only maintains a high emphasis on the quality of education, but also provides appropriate and comprehensive supporting facilities and services for students' spiritual growth and mental health. The Group formulated the Interim Measures for Psychological Crisis Intervention and the Rules and Regulations of Psychological Counseling Center, 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 psychological haze and overcome the fear.

### **Anti-Corruption**

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

In order to abide by the instructions given by the chairman to strengthen the integrity and hope to continuously improve employees' awareness of integrity and self-discipline, the Group specifically required the heads of various departments to take the lead in signing the Integrity and Self-discipline Commitment during the financial year, and then each department was responsible for asking employees to sign the letter of commitment. It hopes that the inferiors can imitate the superiors and all employees will be honest and self-disciplined. The Group hopes that through the move, it can ideologically guide employees to understand the importance of integrity and self-discipline and cultivate the correct value orientation.

As the vice president of the Guangdong-Hong Kong-Macao-Greater Bay Area Corporate Integrity and Compliance Management Association, which held its inaugural meeting in April 2021, the Guangzhou Huashang Group will strictly require itself and regulate its operation. Urban Vocational College of Sichuan and Urban Technician College of Sichuan also organized ethics and integrity training for directors, senior management and employees to enhance employees' ability to manage integrity and compliance.

During the Reporting Period, the Group did not notice any corruption, bribery, extortion, fraud, money laundering or other violations.

## Community

### Community Investment

As an educational enterprise, the Group is actively engaged in community construction and public welfare undertakings. Every year, the Group participates in various activities such as voluntary activities, charitable donations and activities to care for community. While it is developing educational business, it also cares for the society and performs its obligations as a corporate citizen. During the Reporting Period, the total hours of the faculty members and staff of the Group devoted into voluntary service reached 6,289 hours.

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

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

### Example 1: “Cyberport University Partnership Programme”



Graph 2 — Recognition for Contribution to Communities

“Cyberport University Partnership Programme” has been initiated since 2015, aiming to stimulate the potentials of graduates/fresh graduates in Hong Kong to penetrate deeply into the global market and participate in world-class entrepreneurship training camp and accept professional instructor training in Hong Kong and overseas. The Group is proud to be a supporter of the “Cyberport University Partnership Programme” and a pre-camp training sponsor in 2021–2022, working with Cyberport to be committed to supporting a number of new entrepreneurs in the field of financial technology to develop their entrepreneurial projects, and give back to the community!

### Example 2: Charity, Public Welfare and Donation

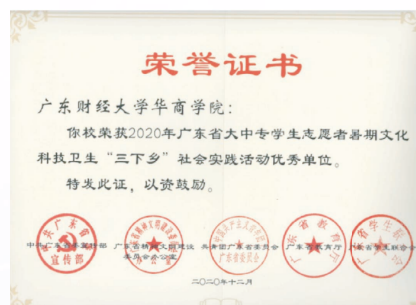
In response to the poverty alleviation and relief in Guangdong, and advocating the idea of “keeping a good heart and doing good things within our capacities”, the Group donated a total of RMB30,000 to the Guangdong Education Foundation, which will be coordinated by the Provincial Department of Education to improve schooling in thousands of rural schools in poverty-stricken areas which made positive contributions to the development of integrated urban and rural compulsory education.



Graph 3 — Group Photo

### Example 3: Social Practice Activities of “Bring Three Concepts to Rural Areas”

In order to learn more about the volunteer service spirit of “dedication, friendship, mutual help and progress” and encourage university students to feel the responsibility of the times and social responsibility through practical activities, Huashang College launched a series of “Bring Three Concepts to Rural Areas” voluntary activities during the summer vacation in 2020. In order to prevent and control the epidemic, the practice team was reduced to 31. Through learning and education, rural revitalization services, education and growth care, observation of national and social conditions, innovation and entrepreneurship practice and other key aspects, university students are encouraged to take action to participate in the future construction of the country.



Graph 4 — Certificate of Honor

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Note: \* are the provisions set out in the Guide as "Comply or Explain", and the rest are "proposed disclosure"