



中匯集團
Edvantage Group

Edvantage Group Holdings Limited

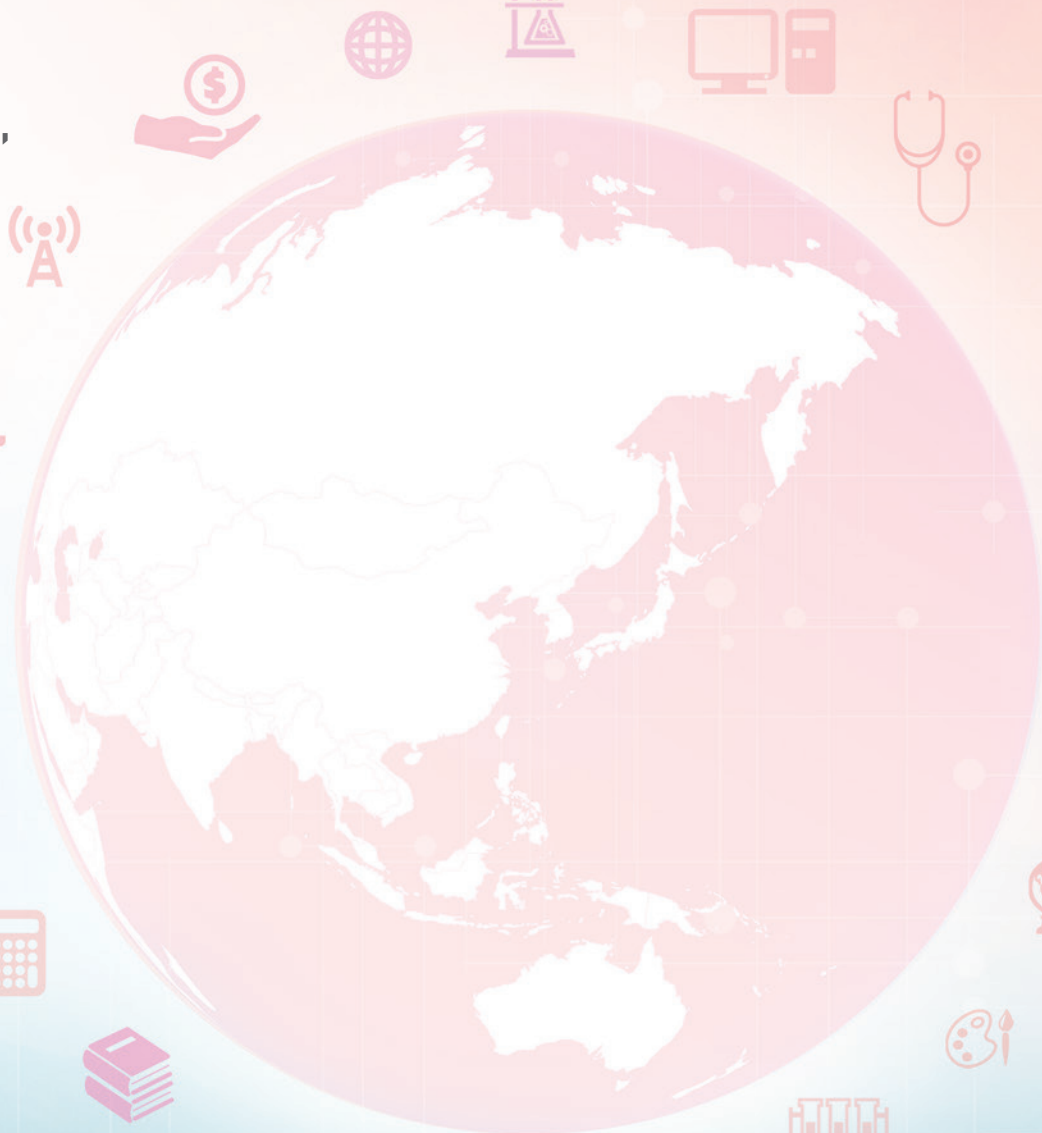
中匯集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 0382

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT

2020





Contents

Contents	1
About the Report	3
Overview of the Report	3
Reporting Scope and Reporting Period	3
Preparation Basis of the Report	3
Contact Us	3
Source of Data and Reliability Statement	3
Confirmation and Approval	4
Identification of and Communication with Stakeholders	4
Major Concerns of Stakeholders and Measures	4
Materiality Matrix	5
Environment	6
Exhaust	6
Greenhouse Gases	6
Measures to Mitigate Emissions	8
Hazardous and Non-Hazardous Wastes	8
Measures to Reduce Wastes Generated	9
Use of Resources	10
Total Energy and Resource Consumption	10
Energy and Resource Use Efficiency	10
Appropriate Water Source	11
The Environment and Natural Resources	11



2020 Environmental, Social and Governance Report

Society	11
Employment	11
Total Number and Classification of Employees	13
Employee Turnover	14
Occupational Health and Safety	14
Development and Training	16
Labor Standards	19
Supply Chain Management	19
Teaching Quality	20
Student Enrollment	20
Intellectual Property Rights	20
Privacy Policies	21
Service-Related Complaints and Solutions	21
The Health and Safety of Students	21
Anti-Corruption	22
Community Investment	22
HKEX ESG Reporting Guide Content Index	24

About the Report

Overview of 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. The Report summarizes the strategy, practice and vision of Edvantage Group in respect of issues related to environment, society and governance in 2020, 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.

Reporting Scope and Reporting Period

Unless otherwise specified, the scope of the Report covers the two educational institutions of the Group in Zengcheng, Guangdong Province, namely, Guangzhou Huashang College (formerly known as Huashang College Guangdong University of Finance & Economics, hereinafter referred to as “**Huashang College**”) and Guangzhou Huashang Vocational College (hereinafter referred to as “**Huashang Vocational College**”) (Huashang College and Huashang Vocational College are collectively referred to as the “**College**” and the “**Vocational College**”, respectively, in this report).

The Report covers a period from 1 September 2019 to 31 August 2020 (hereinafter referred to the “**Reporting Period**”), same as that covered by the 2020 Annual Report of the Group.

Preparation Basis of the Report

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (version effective from 1 January 2016 to 30 June 2020) as set out in Appendix 27 to the Rules Governing the Listing of Securities (hereinafter referred to as the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (hereinafter referred to the “**Stock Exchange**”) and complies with all provisions of “Comply or Explain” as well as the principles of materiality, quantitative, balance and consistency.

Contact Us

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

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.

2020 Environmental, Social and Governance Report

Confirmation and Approval

The Report was approved by the Board of Directors of the Group (hereinafter referred to as the “**Board**”) on 19 March 2021 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).

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

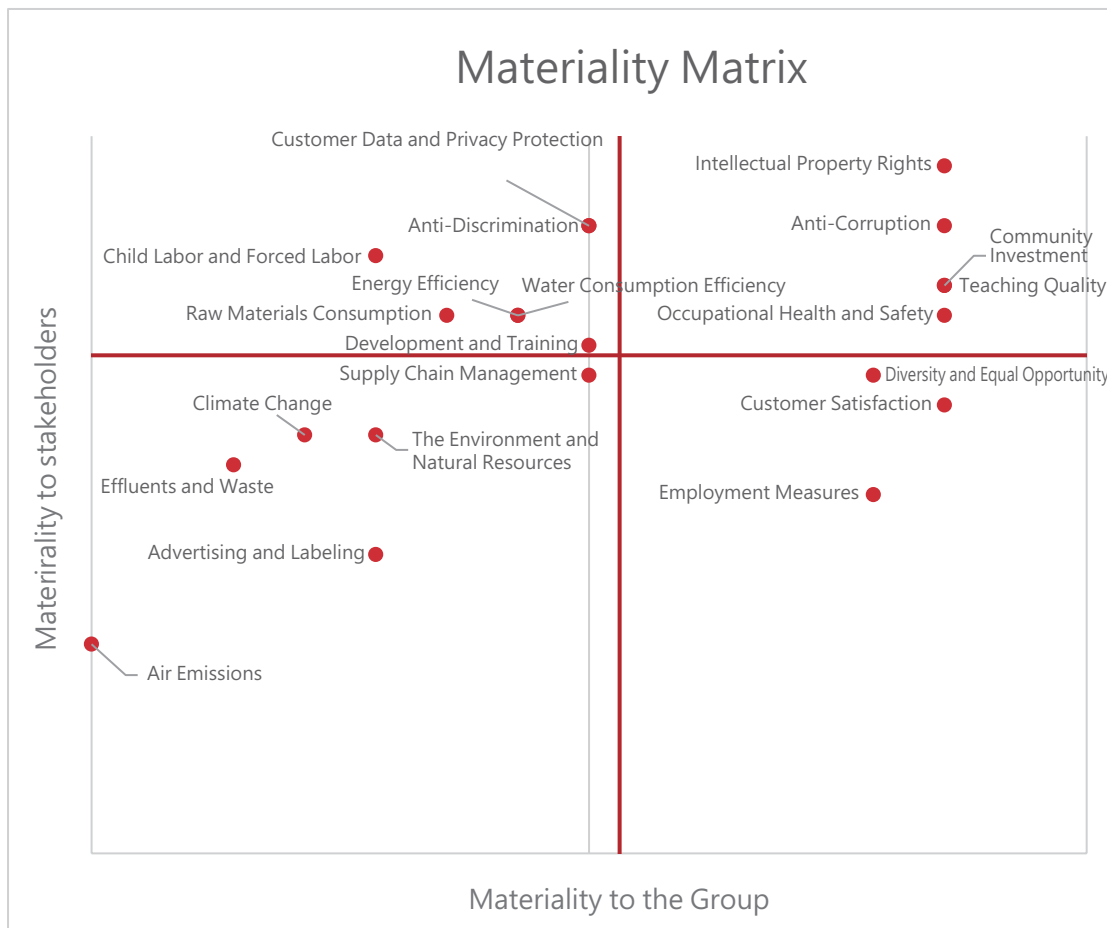
Stakeholder	Concern	Means of Communication
Shareholders/ Investors	Business strategy; Return on investment; Corporate image; and Operating compliance.	General meetings; The Group’s announcements; The Company’s website.
Governments and regulators	Operating compliance; Tax payment as legally required;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



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

Materiality Matrix

The Group has carried out an investigation among stakeholders. The Group's management selected highly 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 matters involving these topics during its long-term operation by developing corresponding strategic guidelines, improving policies, and setting long-term goals.



Environment

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”). 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.

Exhaust

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

Major Emissions	Unit	Amount of Emission (2019)	Amount of Emission (2020) ¹
NO _x	Kilogram	517.80	362.60
SO _x	Kilogram	1.38	7.38
Particles	Kilogram	43.64	16.38

The total amount of major exhaust emissions was lower than the previous year due to less frequent use of vehicles by the Group's College and Vocational College amid the COVID-19 pandemic during the Reporting Period.

Greenhouse Gases

Direct emissions of greenhouse gases of the Group's College and Vocational College 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. During the Reporting Period, there was a significant reduction in the use of vehicles and electricity and even in the number of business trips taken by employees as the business of the Colleges under the Group was affected to some degree because of COVID-19.

¹ 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 the Ministry of Environmental Protection (now known as Ministry of Ecology and Environment, or MEE). 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.



Major Emissions	Unit	Amount of Emission (2019)	Amount of Emission (2020)
Scope I ²			
Burning of fuel in vehicles:			
CO ₂	Metric Tonnes of CO ₂ equivalent	221.63	111.99 ³
Methane	Metric Tonnes of CO ₂ equivalent	0.45	0.02 ³
N ₂ O	Metric Tonnes of CO ₂ equivalent	27.60	0.001 ³
Total amount of emission from the burning of fuel in vehicles	Metric Tonnes of CO ₂ equivalent	249.68	112.011
Trees planted:			
Trees planted	Metric Tonnes of CO ₂ equivalent	(42.78)	(15.39) ⁴
Scope II ⁵			
Electricity	Metric Tonnes of CO ₂ equivalent	22,298.05	11,125.29 ⁶
Scope III ⁷			
Waste paper	Metric Tonnes of CO ₂ equivalent	14.76	12.56 ⁸
Employees' business trips	Metric Tonnes of CO ₂ equivalent	96.64	42.13 ⁹
Total emissions			
Total emissions	Metric Tonnes of CO ₂ equivalent	22,616.35	11,276.606
Intensity of total emissions	Metric Tonnes of CO ₂ equivalent per employee ¹⁰	9.60	4.61

² Scope 1: Direct emissions from operations that are owned or controlled by the company.

³ 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.

⁴ 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. 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.

⁵ Scope 2: Energy indirect emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the company.

⁶ 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.

⁷ Scope 3: All other indirect emissions that occur outside the company, including both upstream and downstream emissions.




⁸ 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.

⁹ 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.

¹⁰ As at 31 August 2020, the Group had a total of 2,445 employees in its College and Vocational College, including 1,565 in Huashang College and 880 in Huashang Vocational College.

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;
-  Commuter services are provided to faculty and staff for reducing the fuel consumption.

During the Reporting Period, our campuses planted more than 669 trees, reducing 15.39 metric tons of carbon dioxide emission. We will continue to carry out afforestation to reduce emissions generated in the course of operation. We managed to cut greenhouse gas emissions by approximately 11,339.74 metric tons of CO₂ equivalent or approximately 50% as compared to the previous year. The total density of emissions calculated by the number of employees was also reduced by approximately 4.99 metric tons of CO₂ equivalent or approximately 52%. The above data reflect a significant decrease in the total greenhouse gas emissions due to the reduction in daily operation hours of the Group's colleges amid the COVID-19 pandemic. Meanwhile, the data prove that its measures to reduce emissions still achieved remarkable effects even under the severe threat of the pandemic.

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, office supplies, stationery, and plastic. The hazardous wastes are primarily insecticides and medical wastes. There are recyclers who collect medical wastes for detoxification on a monthly basis. To effectively manage medical wastes, the College and the Vocational College 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.

Non-hazardous waste, such as paper and other recyclable waste, is now collected and recycled regularly by the recycler, while other non-recyclable non-hazardous waste is disposed of directly according to the standard on general waste.



Detailed data of emissions of the Group’s College and Vocational College during the Reporting Period are as follows:

Type of energy	Unit	Amount Generated (2019)	Amount Generated (2020)
Hazardous wastes	Metric ton	1.55	0.95
Intensity of hazardous wastes	Metric ton/number of employees ¹⁰	0.00066	0.00039
Non-hazardous wastes	Metric ton	8.86	6.16 ¹¹
Intensity of non-hazardous wastes	Metric ton/number of employees ¹⁰	0.0038	0.0025

Measures to Reduce Wastes Generated

The Group actively advocates the idea of green campus and adheres to the principle of “Four ‘Re’ actions 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, the College and the Vocational College under the Group have 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 of 10 times the cost of the paper as a warning to others.

Regarding the reduction of hazardous waste, insecticides were used by hired professionals from a related firm to kill insects within the Colleges. In order to reduce the overuse of insecticides, lime will be used instead of insecticides when appropriate to prevent pest infestation. The Group also advised relevant staff to avoid excessive use of insecticides as much as possible in the future. Medical waste is mainly generated when an employee or student of the College and the Vocational College is injured in an accident. The College and the Vocational College can only do its best to provide limited emergency measures to the injured. If the injury is serious, the College and the Vocational College 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 waste by approximately 0.6 tonnes or approximately 39% and non-hazardous waste by approximately 2.7 tonnes or approximately 30% during the Reporting Period. However, in the future, we will continuously monitor closely and make every effort to implement various emission reduction measures.

¹¹ As the calculation method has been updated, it may not be possible to directly compare this year’s data with the previous year’s.

2020 Environmental, Social and Governance Report

Use of Resources

Indirect energy consumption of the Group's College and Vocational College mainly comes from the purchased electricity.

Total Energy and Resource Consumption

Type of energy	Unit	Amount Generated (2019)	Amount Generated (2020)
Electricity			
Total electricity consumption	kWh	25,694,918	13,833,989
Intensity of total electricity consumption	kWh/total employees ¹⁰	10,910.79	5,658.07
Water source			
Total water consumption	Cubic meter	1,829,244	931,516
Intensity of total water consumption	Cubic meter/total employees ¹⁰	776.75	380.99

During the Reporting Period, the total amount of fuel consumed by vehicles of the Group's College and Vocational College amounted to approximately 492,400 kWh, with the intensity being approximately 6.24 kWh/RMB10,000¹². So, energy consumption from fuel by vehicles and electricity of the Group's College and Vocational College totalled 14,326,389 kWh, with the intensity of 5,859.46 kWh/number of employees¹⁰.

Energy and Resource Use Efficiency

In terms of electricity saving, the College and the Vocational College 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 College and the Vocational College strictly followed the standard for air-conditioning temperature, greatly reducing electricity consumption while enhancing energy conservation benefits. The Group has also formulated the Management System to Secure Electricity Usage on Campus to ensure electricity safety and encourage energy conservation. Specific measures include: faculty and staff are required to turn off the equipment and power supply when they leave relevant places and when they are not using the equipment; and connecting power supply without permission and using high-power electrical appliances on campus are forbidden.

In terms of water conservation, Huashang College and the Vocational College 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 water consumption of the College and the Vocational College under the Group was significantly lower than that of last year, which shows the effectiveness of the above measures.

¹² The Group's College and Vocational College posted revenue of approximately RMB788.769 million for the financial year 2020.



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.

The Environment and Natural Resources

Each of the College and the Vocational College constantly follows the principle of protecting the environment and natural resources in their daily operation and ensure that it will not cause any significant impact on the environment and natural resources or overuse natural resources. However, we still 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. The relevant measures have been described in the sections of Measures to Mitigate Emissions, Measures to Reduce Wastes Generated, and Energy and Resource Use Efficiency, while the corresponding policies are described in the sections of Measures to Mitigate Emissions, Hazardous and Non-Hazardous Wastes, and Energy and Resource Use Efficiency.

Society

The Group is committed to maintaining high-standard corporate social governance since this is critical to creating a safe and 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







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.

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.





2020 Environmental, Social and Governance Report

Employees who intend to resign shall inform the head of the relevant department and the Human Resources Department in writing 30 days in advance (3 days in advance during the probation period). The Human Resources Department 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. 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.

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 with them. 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 1 to 2 days off per week based on the working hour system, or otherwise determined according to relevant laws and the specific positions of employees. We has 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, the Mid-Autumn Festival and the Dragon Boat Festival);
-  Material benefits and food allowance;
-  Birthday gifts;
-  Marriage allowances;
-  Birth allowances;



-  Birth gifts;
-  Hospitalization allowances/gifts;
-  Special hardship allowances; and
-  Annual physical examination, etc.

In order to enhance team cohesion and create a harmonious working atmosphere, the Group's College and Vocational College organised various group activities and launched specific holiday benefits on a regular basis, such as one-day outdoor group birthday celebration and departmental team building activities in the first half of the Reporting Period. Affected by the pandemic, the College and the Vocational College replaced the one-day tour with a women-only holiday on Women's Day, in a bid to ensure the health of employees.

Total Number and Classification of Employees

As of 31 August 2020, the Group's College and Vocational College had a total of 2,445 faculty members and staff, which is detailed as follows:

Employee Data	Headcount (2020)
Number of Employees	2,445
Distribution of male and female employees	
Female	1,377
Male	1,068
Age distribution	
<25	125
25–29	500
30–39	940
40–49	320
>50	560
Number of employees at different levels	
Management	19
Mid-level employee	108
Junior	2,318
Number of employees by region	
Hong Kong	8
Mainland China	2,420
Others	17

2020 Environmental, Social and Governance Report

Employee Turnover

As at 31 August 2020, the detailed data of employee turnover rate are as follows:

Employee Turnover	Headcount (2020)	% of total employees of the College and the Vocational College
Total number of loss	142	6%
Distribution of male and female employees		
Female	73	51%
Male	69	49%
Age distribution		
<25	4	3%
25–29	36	25%
30–39	56	40%
40–49	13	9%
>50	33	23%
Number of employees lost by region		
Hong Kong	0	0%
Mainland China	138	97%
Others	4	3%

Occupational Health and Safety

The Group makes much account of the health and safety of the faculty, staff and students in the College and the Vocational College, 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.

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, campus road traffic safety, 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 College and the Vocational College 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 College and the Vocational College 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.

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, approximately 27% of faculty and staff of the Group's College and Vocational College received training, among which junior employees completed 7.10 hours of training on average, mid-level and senior employees completed 7.20 hours of training on average and other employees completed 34.97 hours of training on average.

Given that the COVID-19 pandemic was rampant during the Reporting Period, the College and the Vocational College under the Group reduced the number of employee training sessions compared with the previous year in order to protect the health of employees and reduce the risk of infection due to gatherings.

As at 31 August 2020, the detailed data of employee training is as follows:

Employee Training	% of total employees of the College and the Vocational College ¹³	
	2020	
Gender	Headcount	
Female	443	32%
Male	215	20%
Employee level	Headcount	
Junior employees	469	32%
Mid-level and senior employees	53	39%
Others	136	16%
Total number of employees trained	658	27%

¹³ Percentage of employees trained = total number of employees trained during the Reporting Period divided by total number of employees by category



The following is the percentage of employees of the College and the Vocational College trained by category in the total number of employees trained of it (%):

Employee Training	% of total trained employees of the College and the Vocational College ¹⁴	
	2020	
Gender	Headcount	
Female	443	67%
Male	215	33%
Employee level	Headcount	
Junior employees	469	71%
Mid-level and senior employees	53	8%
Others	136	21%

The following are the total number of training hours and the average training hours per employee of the College and the Vocational College:










Training hours ¹⁵	2020
Total training hours	41,285
Gender	Average training hours
Female	21.80
Male	10.54
Employee level	Average training hours
Junior employees	7.10
Mid-level and senior employees	7.20
Others	34.97

¹⁴ Percentage of employees trained by category in total trained employees = number of employees trained by category divided by total number of employees trained

¹⁵ Average training hours = total number of training hours during the Reporting Period divided by total number of employees

2020 Environmental, Social and Governance Report

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

-  Training of newly recruited teachers on higher education and related psychology;
-  Online training on the improvement of information-based teaching skills among teachers in colleges;
-  Online training themed “developing a strong sense of patriotism and noble professional ethics and strengthening the building of an education team in a new era”;
-  Planned training on the improvement of teachers in Vocational Colleges in 2020 as required by the Education Department of Guangdong Province;
-  Financial transformation and auditing governance;
-  Training session for new teachers;
-  Pre-job training for teachers;
-  Training on teaching abilities for newly recruited teachers;
-  Training on the improvement of the ability of online finance teachers to give lessons in classrooms in 2020;

We also encourage faculty and staff to obtain various professional qualifications. During the Reporting Period, a total of 1,683 faculty and staff members of the College and the Vocational College 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 and check if their IDs are authentic. 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.

During the Reporting Period, the Group did not have any events of child labour, forced labor and related complaints.

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 of the Group's College and Vocational College. Information of such qualified suppliers will be entered into the Enterprise Resource Planning (ERP) system.

Currently, the Group's College and Vocational College have a total of 20 qualified suppliers of books and teaching materials, renovation and decoration as well as printing, etc. from mainland, China, who are all engaged according to the practices above and are subject to annual assessment and rating every December. Cooperation with suppliers who fail the assessment will be terminated.

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 College and the Vocational College 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 College and the Vocational College 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.

With excellent teachers, staff members of the Colleges were honoured as outstanding contributors on the 40th anniversary of non-government education by the Association of Non-government Education of Guangdong in 2020. The Colleges received the above recognition during the Reporting Period. While it is deeply inspired, the Group will continuously uphold its educational philosophy and cultivate future pillars of society with high-quality teaching content.

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.

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 College and the Vocational College 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.



Privacy Policies

In order to ensure the information security of the Group, the Group has strictly abided by the Network Safety 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 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.

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.

The Health and Safety of Students

The Group has always attached great importance to the health and safety of students on campus. The College and the Vocational College 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.

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

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 children. During the Reporting Period, the total hours of the faculty members and staff of the Group's College and Vocational College devoted into voluntary service reached 2,833 days.

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

- Voluntary teaching;
- Recycling of military uniforms;
- Voluntary activities on the Fire Service Day;
- Fund-raising activities;
- Blood donation;
- Teaching activities for public welfare;
- and community services.



Example 1: Blood donation at blood stations in Zengcheng District



The Youth Volunteer Association of the School Youth League Committee of the College and the Vocational College under the Group organized voluntary, unpaid blood donation with Guangzhou Zengcheng Blood Station to help those in urgent need. This activity also benefited the general public in the community as it ensures appropriate care to recipients and blood donation properly is good for donors' health. This move also allows the community to feel the care provided by the Group and be more aware of the service tenet of the Group in organizing public welfare activities.

Example 2: Caring voluntary teaching activity for Qijing Primary School in Paitan Town

The Youth Volunteer Association of the College and the Vocational College affiliated to the Group and Zengcheng sub-branch of Guangzhou Rural Commercial Bank organized a voluntary teaching activity in Qijing Primary School by offering various interest-oriented classes mainly to help children there develop good hobbies, promote their physical and mental development, and explore more possibilities for future growth. The Group also hopes to repay the society, enrich the learning life of students in this place, maintain and improve the social influence of youth volunteers, and spread positive energy of the society through this activity.



HKEX ESG Reporting Guide Content Index

Subject Areas/Aspects/KPIs			Sections/ Statements	Page
Subject Area A — Environmental				
Aspect A1: Emissions				
General Disclosure	Information on: (a) the policies; and		Environment	6
	(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		Measures to Mitigate Emissions	8
			Hazardous and Non-Hazardous Wastes	8
KPIs	A1.1	The types of emissions and respective emissions data	Exhaust	6
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity	Greenhouse Gases	7
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity	Hazardous and Non-Hazardous Wastes	9
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity	Hazardous and Non-Hazardous Wastes	9
	A1.5	Description of measures to mitigate emissions and results achieved	Measures to Mitigate Emissions	8
	A1.6	Description of how hazardous and nonhazardous wastes are handled, reduction initiatives and results achieved	Hazardous and Non-Hazardous Wastes	8
			Measures to Reduce Wastes Generated	9
Aspect A2: Use of Resources				
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials		Energy and Resource Use Efficiency	10
KPIs	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity	Total Energy and Resource Consumption	10
	A2.2	Water consumption in total and intensity	Total Energy and Resource Consumption	10
	A2.3	Description of energy use efficiency initiatives and results achieved	Energy and Resource Use Efficiency	10
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Energy and Resource Use Efficiency	11
			Appropriate Water Source	10
A2.5	Total packaging material used for finished products (in tonnes)	Irrelevant to the Group's business	N/A	



Subject Areas/Aspects/KPIs		Sections/ Statements	Page	
Aspect A3: The Environment and Natural Resources				
General Disclosure		Policies on minimizing the issuer's significant impact on the environment and natural resources	The Environment and Natural Resources	11
KPIs	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	The Environment and Natural Resources	11
Subject Area B — Society				
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	Employment	11-13
KPIs	B1.1	Total workforce by gender, employment type, age group and geographical region	Total Number and Classification of Employees	13
	B1.2	Employee turnover rate by gender, age group and geographical region	Employee Turnover	14
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	14-15
KPIs	B2.1	Number and rate of work-related fatalities	Occupational Health and Safety	15
	B2.2	Lost days due to work injury	Occupational Health and Safety	15
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Occupational Health and Safety	14-15

2020 Environmental, Social and Governance Report

Subject Areas/Aspects/KPIs		Sections/ Statements	Page
Aspect B3: Development and Training			
General Disclosure		Policies on improving employees' knowledge and skills for discharging duties at work Description of training activities	Development and Training 16,18
KPIs	B3.1	The percentage of employees trained by gender and employee category	Development and Training 16-17
	B3.2	The average training hours completed per employee by gender and employee category	Development and Training 17
Aspect B4: Labor Standards			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have significant impact on the issuer relating to preventing child and forced labour	Labor Standards 19
KPIs	B4.1	Description of measures to review employment practices to avoid child and forced labor	Labor Standards 19
	B4.2	Description of steps taken to eliminate such practices when discovered	Labor Standards 19
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure		Policies on managing environmental and social risks of the supply chain	Supply Chain Management 19
KPIs	B5.1	Number of suppliers by geographical region	Supply Chain Management 19
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Supply Chain Management 19



Subject Areas/Aspects/KPIs			Sections/ Statements	Page
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, labeling and privacy matters relating to products and services provided and methods of redress	Teaching Quality Student Enrollment Intellectual Property Rights Privacy Policies The Health and Safety of Students	20-21
KPIs	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Irrelevant to the Group's business	N/A
	B6.2	Number of products and service-related complaints received and how they are dealt with	Service-Related Complaints and Solutions	21
	B6.3	Description of practices relating to observing and protecting intellectual property rights	Intellectual Property Rights	20
	B6.4	Description of quality assurance process and recall procedures	Irrelevant to the Group's business	N/A
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Privacy Policies	21
Aspect B7: Anti-Corruption				
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Anti-Corruption	22
KPIs	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	No concluded cases	22
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Anti-Corruption	22

2020 Environmental, Social and Governance Report

Subject Areas/Aspects/KPIs		Sections/ Statements	Page	
Community				
Aspect B8: Community Investment				
General Disclosure		Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Community Investment	22-23
KPIs	B8.1	Focus areas of contribution	Community Investment	22-23
	B8.2	Resources contributed to the focus area	Community Investment	22-23