



# Wisdom Education International Holdings Company Limited 光正教育國際控股有限公司

(incorporated in the Cayman Islands with limited liability)  
Stock code : 6068

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021



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## Overview

Wisdom Education International Holdings Company Limited (the “Company”) (stock code: 6068), together with its subsidiaries (collectively referred to as the “Group” or “we”, “us”, “our”) is pleased to present its Environmental, Social and Governance Report for the year ended 31 August 2021 (the “Report”) to share with the stakeholders our efforts and achievements in sustainable development on all fronts over the past year.

“Serving the society with honesty and integrity through our services and cultivating talents with a warm and loving heart” has always been our educational objectives. We were mainly engaged in the provision of full spectrum private fundamental education, including primary, middle and high schools in the People’s Republic of China (the “PRC”). According to our annual results announcement published on 17 December 2021 (the “Results Announcement”), schools falling within the scope of the Report were affected by the Implementation Regulations of the People’s Republic of China on the Law Regarding the Promotion of Private Education (the “Implementation Regulations”), and therefore deconsolidated on 31 August 2021. For details, please refer to the Results Announcement.

### Scope of the Report and the Reporting Period

The scope of the Report is same as the previous year. It covers the environmental, social and governance (“ESG”) performance of Dongguan Guangming Primary School (“Guangming Primary School”), Dongguan Guangming Secondary School (“Guangming Secondary School”) (collectively referred to as “Guangming Primary and Secondary Schools”) and Dongguan Guangzheng Preparatory School (“Dongguan Guangzheng School”), all located in Dongguan City, Guangdong Province, for the period from 1 September 2020 to 31 August 2021 (“FY2021”). The number of students and revenue of these three schools have accounted for more than 50% of the total number of students and total revenue of the Group (including the Remaining Business and Affected Entities) for FY2021.

## Reporting Principles

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). For details of our corporate governance, please refer to the section headed “Corporate Governance Report” in the Company’s 2021 Annual Report. In the preparation of the Report, we have complied with the following ESG reporting principles:

Reporting principles	The Stock Exchange’s explanations on reporting principles	Response from the Group
Materiality	The threshold at which ESG issues determined by the board are sufficiently important to investors and other stakeholders that they should be reported.	The Report focuses on the material aspects identified and assessed by the Board of Directors (the “Board”) and management of the Group for FY2021. Please refer to the section headed “Assessment of Material Aspects” for the detailed procedures of determining material aspects.
Quantitative	KPIs in respect of historical data need to be measurable. The issuer should set targets to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.	The Report discloses key performance indicators (KPI) in a quantitative manner, where practicable. At the same time, the Report assesses the effectiveness of ESG-related policies and management systems effectively by disclosing performance data for the past and FY2021.
Balance	The ESG report should provide an unbiased picture of the issuer’s performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	The Report presents the Group’s performance for FY2021 in an unbiased manner to avoid the possibility of inappropriately influencing a judgement or decision by the Report reader.
Consistency	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	The Report adopts consistent statistical methodologies for disclosure of data to ensure comparability.



## Overview (Continued)

If you have any questions or feedback on this Report, please contact us through the following channels:

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The opening ceremony for the first semester of 2020-2021 academic year of Dongguan Guangzheng School



# ESG Governance Structure

To further enhance the Group’s environmental, social and governance standards and to formulate effective ESG strategies, the Group has developed the ESG Governance Policy which expressly lays out the Group’s structure for managing ESG-related issues and risks. The Group’s ESG governance structure is as follows:



## The Board

The Board is ultimately responsible for ESG governance, setting clear ESG management objectives and direction and assuming ultimate responsibility for ESG-related issues. The Board has authorized the ESG Working Group to develop and implement ESG-related implementation plans. To assess ESG’s potential impact on operations, as well as the risks and opportunities arising therefrom and to evaluate the competence of the management of the ESG Working Group, the Board is required to conduct ESG assessment on a regular basis and at least annually.

## The ESG Working Group

The ESG Working Group is led by the Group’s internal audit department, together with the heads of Schools Operation and Management, Administration and Human Resources and General Management departments. Its responsibilities include assisting the Board in identifying, assessing and managing ESG-related issues and risks, and developing action plans and performance indicators in line with the Group’s ESG strategies.

## Communication with Stakeholders

The Group believes that maintaining close communication with stakeholders forms an important part of its sustainable development. We understand their expectations and demands through different communication channels, thereby improving our sustainable development plan. Our major stakeholders are students and parents, teachers and staff, shareholders and investors, government agencies, peers or business partners and communities. The following table summarizes the aspects that each stakeholder is concerned about and the relevant communication channels:

Stakeholder group	Key concerns	Communication channel
Students and parents	<ul style="list-style-type: none"> <li>• High-quality teaching and resources</li> <li>• Safe campus environment</li> <li>• Diversified learning opportunities</li> <li>• Comprehensive learning support</li> <li>• Sufficient teaching resources</li> </ul>	<ul style="list-style-type: none"> <li>• Survey on students' satisfaction</li> <li>• Open day for parents</li> <li>• Family education lecture classes</li> <li>• Forum</li> <li>• Official WeChat account</li> </ul>
Teachers and staff	<ul style="list-style-type: none"> <li>• Good career development platform</li> <li>• Competitive remuneration packages</li> <li>• Comfortable working environment</li> <li>• Health and safety</li> <li>• Work-life balance</li> <li>• Protecting employees' rights</li> </ul>	<ul style="list-style-type: none"> <li>• Training, seminars, and briefings</li> <li>• Intranet</li> <li>• E-mails</li> <li>• Work performance evaluation</li> <li>• Work meetings</li> <li>• Corporate celebrations and cultural events</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>• Protecting shareholders' equity and equal treatment</li> <li>• Compliance operation and management</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Corporate communications (interim/ annual reports, sustainability reports, shareholder circulars and announcements)</li> <li>• General meetings of shareholders</li> </ul>
Government agencies	<ul style="list-style-type: none"> <li>• Operating in compliance with laws and regulations</li> <li>• Promoting regional economic development and employment</li> </ul>	<ul style="list-style-type: none"> <li>• School inspection</li> <li>• Regular submission of documents</li> <li>• Guidelines issued by the relevant education departments</li> <li>• Websites of relevant education departments</li> </ul>
Peers or business partners	<ul style="list-style-type: none"> <li>• Mutual benefit and win-win</li> <li>• Promoting industry development</li> <li>• Fair competition</li> </ul>	<ul style="list-style-type: none"> <li>• Industry conferences</li> <li>• Exhibitions</li> <li>• School visits</li> </ul>
Communities	<ul style="list-style-type: none"> <li>• Community engagement</li> <li>• Charitable activities</li> </ul>	<ul style="list-style-type: none"> <li>• Public welfare and charitable activities</li> <li>• Voluntary activities</li> </ul>



## Assessment of Material Issues

To further advance the Group's sustainability efforts, we conducted a materiality assessment survey during the preparation of the Report by identifying ESG issues of importance to stakeholders to determine the material issues for the Reporting Period, the detailed process of which are as follows:

### Identifying key stakeholders and material ESG issues

- By analyzing business operations, development strategies and plans, we identify key stakeholders and 19 ESG issues

### Stakeholders' participation

- Understand stakeholders' ESG concerns and expectations of the Group by online questionnaire

### Grading of material issues

- By quantifying the results of stakeholder survey, ESG issues were analyzed and ranked, and 9 material issues were identified



## Assessment of Material Issues (Continued)

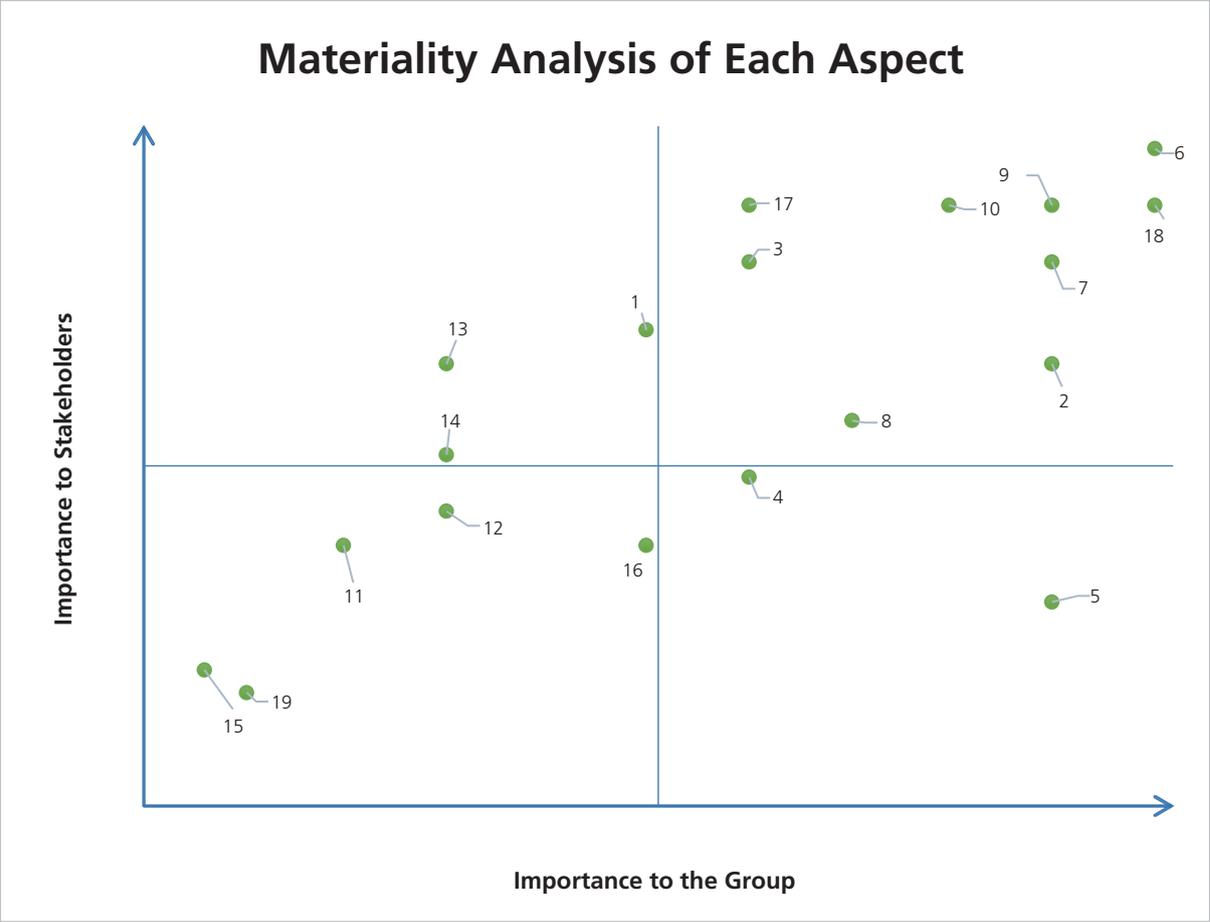
### List of ESG Issues

Classification of issue	Issue number
<b>Society (Staff and Campus Management)</b>	1. Employment policies (e.g. recruitment and termination procedures)
	2. Employee rights protection and standards (e.g. equal employment and promotion opportunities, anti-discrimination, prevention of child labour and forced labour)
	3. Occupational safety and health of employees
	4. Staff training and development
	5. Employee remunerations and benefits
	6. Teaching quality assurance
	7. Satisfactory level of parents and students
	8. Handling of parents and students' complaint
	9. Campus safety and accidents contingency management
	10. Personal privacy and data protection for parents and students
<b>Environmental Protection and Green Operations</b>	11. Greenhouse gases and air emission management
	12. Utilization and efficiency of resources (e.g. electricity and water, etc.)
	13. Green operations
	14. Hazardous and non-hazardous waste management
	15. Coping with Climate Change
	16. Supply chain management
<b>Campus Operating Practices and Contributions</b>	17. Anti-corruption
	18. Operation and management in compliance with laws and regulations
	19. Community investment and engagement

# Assessment of Material Issues (Continued)

## Materiality Matrix of ESG Issues

In FY2021, 19 sustainability aspects were identified and included in a stakeholder survey. The survey allows the Group to review its business objectives and development approach to ensure that it meets the expectations and requirements of stakeholders. The feedback of stakeholders is presented in the following matrix:



Note: Figures in the matrix represent ESG issues set out in the following chart.



## Assessment of Material Issues (Continued)

The top right-handed corner of the matrix represents sustainability issues that are important to the Group and its stakeholders. Performance in relation to these material issues is also presented in subsequent sections of this ESG report.

Classification of issue	Issue number	
<b>Society (Staff and Campus Management)</b>	2. Employee rights protection and standards (e.g. equal employment and promotion opportunities, anti-discrimination, prevention of child labour and forced labour)	
	3. Occupational safety and health of employees	
	6. Teaching quality assurance	
	7. Satisfactory level of parents and students	
	8. Handling of parents and students' complaint	
	9. Campus safety and accidents contingency management	
	10. Personal privacy and data protection for parents and students	
	<b>Campus Operating Practices and Contributions</b>	17. Anti-corruption
		18. Operation and management in compliance with laws and regulations

## Creating a Safe Campus

The Group considers the safety of students and staff as its top priority. We strictly follow the Administrative Measures of Safety of Kindergartens, Primary and Secondary Schools (《中小學幼稚園安全管理辦法》), the Law on the Protection of Minors of the PRC (《中華人民共和國未成年人保護法》), and the Eight Measures for Public Security Organs to Maintain Security Order in School and Surrounding Areas (《公安機關維護校園及周邊治安秩序八條措施》) in formulating campus measures to ensure that students and staff study and work in a healthy and safe environment. In FY2021, we had 2.5 lost days due to work injury and have not had any work-related serious injuries or fatalities in the past three years. We have also not been subject to any significant administrative penalties for breaches of laws or regulations relating to the provision of a safe working environment or the protection of employees.

### Ensuring School and Dormitory Safety

We have adopted the following measures to safeguard the health of teachers and students:

- Making sure that all emergency exits are kept unobstructed through regular checks;
- Posting safety warnings/signage in schools;
- Convening safety work meetings regularly to review various management measures and make improvements;
- A traffic police room has been set up on campus to manage the traffic conditions near the schools and ensure teachers and students' road safety;
- Security guards on campus are regularly trained on fire prevention and security management to enhance their working knowledge and emergency capacity to handle any emergency on campus;
- Teachers are assigned to each floor of the dormitory buildings to prevent any form of bullying. Meanwhile, our teachers also observe and manage the mental health and daily life of boarding students. Professional counsellors will be arranged for counselling students in need;
- To ensure that the fire service system is functioning properly, annual inspections and updates on fire service system are carried out annually according to the requirements of the local education bureau. To enhance the fire safety awareness, emergency escape and response ability of teachers and students, trainings on fire fighting and fire drills are held regularly at schools.



Emergency evacuation drill of Guangming Primary School for 2020-2021 academic year



## Creating a Safe Campus (Continued)

### Maintaining Hygiene on Campuses and Canteens

Due to the lasting COVID-19 pandemic, we have strictly enforced our pandemic prevention efforts and implemented strategies and measures to prevent the spread of the virus:

- Establish School Environmental Sanitation and Disinfection Regulations (《校園環境衛生消毒制度》) for staff to follow when they carry out routine cleaning works;
- Every student, staff member and visitor must have their body temperature checked before entering the campuses;
- Clean and disinfect classrooms, toilets, changing rooms and shower rooms regularly with 1:99 diluted household bleach;
- Arrange students to use shared facilities, such as music rooms and computer rooms, in different batches at different time slots to avoid large number of students from different classes clustering at the same place; and
- Avoid unnecessary group activities and consider using broadcast instead of assembly.

In respect of the canteen operation, we obtained relevant permits under the Regulations on Hygiene Administration of School Canteens and Collective Dining of Students (《學校食堂與學生集體用餐衛生管理規定》), the Production Safety Law of the PRC (《中華人民共和國安全生產法》) and the Food Safety Law of the PRC (《中華人民共和國食品安全法》). We also introduced the Hygiene Management Regulations for Student Canteens (《學生食堂衛生管理制度》), Health Check for Canteen Staff (《食堂員工健康檢查》), Training System of Knowledge on Hygiene (《衛生知識培訓制度》) and Food Hygiene and Safety Regulations for Restaurants (《餐廳食品衛生安全規定》), regulating all of the food hygiene management personnel, both full-time and part-time, in the schools to follow the regulations such that students can eat safe.

In addition, we have formulated the Physical Examination Management Regulations on Primary and Secondary School Students (《中小學學生體檢管理制度》) and the Physical Examination Management Regulations on Staff of Primary and Secondary School (《中小學職工體檢管理制度》) to arrange physical examinations registrations for new students and employees. Existing school students and staff must also undergo annual general health and body examinations.

In FY2021, no material violations of relevant laws and regulations regarding hygiene or safety was noted.



## Responsible Publicity to Recruit Talents

We attract high-quality students to enrol at our schools through various publicities, which include advertisements in newspapers and other media, inviting parents and students to visit the schools, distributing brochures, providing free trial classes, tuition discounts, etc. Besides, we strictly adhere to the Advertisement Law of the PRC (《中華人民共和國廣告法》) on copywriting and planning of external publicity when we are working on promotion. In addition, the Group's Management Regulations for Publicity Work (《宣傳工作管理制度》) ensures that promotional materials have been reviewed before being published and are without false or inaccurate content. In FY2021, we are not aware of any material violations of advertising, labelling and privacy laws.



Educational achievement exhibition of Guangming Primary School for 2020-2021 academic year



## Exploring for Elites and Providing All-round Quality Development

In addition to classroom learning, we offer a wide range of learning experiences for students. We encourage them to participate in different extra-curricular activities to unleash their potentials in physical and artistic aspects and enrich their school life. In FY2021, our students have achieved impressive results in both physical and artistic aspects.

### Guangming Primary School

Title of the Award	Award Issuer
First, Second and Third Class Award in the 5th National Dance Sport Open in Shenzhen	Social Sports Guidance Center under the General Administration of Sport of China, Chinese Dance Sport Federation

### Guangming Secondary School

Title of the Award	Award Issuer
First Class Award in Dongguan Secondary School Robot Competition	Dongguan Science Museum, Liaobu Science Association
Second Place in Dongguan Secondary School Girls Football Competition	Dongguan Education Bureau
First Class Award in Dongguan Primary and Secondary School Dance Competition	Dongguan Education Bureau
Second Class Award in the Rope Skipping Championships for Primary and Secondary Schools	Dongguan Primary and Secondary School Sports and Arts Federation
First Class Award in the Inter-school Party History Knowledge Competition for Primary and Secondary School Students (City District Competition)	Dongguan Education Bureau
Guangdong Tournament Champion of 2020-2021 Nike China High School Basketball League	China Student Sports Federation, Chinese Basketball Association



# Exploring for Elites and Providing All-round Quality Development (Continued)

## Dongguan Guangzheng School

Title of the Award	Award Issuer
Fourth Place in the 6th Dongguan Junior 3-A Side Football League of "Sports Lottery • John's Cup"	Dongguan Primary and Secondary School Sports and Arts Federation, Dongguan Football Association
Third Class Award (Primary School Team Score) of the 4th School Orienteering Competition of Dongguan in 2020	Department of Education of Guangdong Province, Dongguan Education Bureau
First Class Award in the Youth Science and Technology Innovation Competition of Songshan Lake Functional Area of Dongguan in 2020	Science and Technology Education Bureau of Songshan Lake Management Committee, Youths' Science and Technology Education Association of Dongguan



Guangming Secondary School was awarded Guangdong Tournament Champion of 2020-2021 Nike China High School Basketball League

## Establishing Connections Together with Parents

We understand that troubles or confusions are inevitable for students in their school life. Therefore, a “Friendly Sister Mailbox” is set up on each floor of our Guangming Primary and Secondary Schools for students to confide their troubles to teachers and seek for help by writing letters. We also provide the students with music chairs to relax during class break. If direct assistance is needed, psychological counselling will be arranged for the students to help them ease emotions.

On the other hand, parental support is of particular importance for the physical and mental development of students. Hence, our schools organize a variety of parent-child activities regularly to establish strong connections with parents for them to better understand their children’s lives and performance at school. Due to the pandemic, we have also organized online activities, such as the “Home-School Parenting Lecture”, a live-streamed event on parenting and communication at Dongguan Guangzheng School, which attracted about 40,000 parents.



Home-School Parenting Lecture of Dongguan Guangzheng School for 2020-2021 academic year



“One Heart, One Mind” Dad’s Basketball League of Guangming Secondary School for 2020-2021 academic year

The Group also welcomes comments and suggestions from parents and students. Our Complaint Handling System receives complaints through school emails, P.O. boxes, telephone calls and drop-in sessions. The Information Disclosure Team regularly consolidates complaints from these channels and report them to the Board for handling and improvement. We have not received any significant complaints in FY2021.



## Providing Professional Development Prospect for Teachers

Quality education hinges on a highly professional teacher team. We hope to provide more opportunities for our staff to make use of their professional skills and to continue educating students according to their aptitudes. In FY2021, our outstanding teacher teams have encouragingly won a number of awards for their expertise, including the following national awards:

<b>Title of the Award</b>	<b>Award Issuer</b>
First Class Award in the 2020 (Second Half) National Paper (Teaching Design) Competition for Primary and Secondary Schools	The Chinese Society of Basic Education
First Class Award in the 16th National Paper Competition for Young and Middle-aged Teachers (Foundation Education)	The Chinese Society of Basic Education
First Class Award in the 2020 (First Half) National Master Class Competition for Primary and Secondary Schools	National Organizing Committee of Teachers' Quality Lesson Competition
First Class Award in the 2020 RoboCom National Youth Artificial Intelligence Programming Competition for Unmanned Drivers	Organizing Committee of RoboCom International Open
"Children's Musical, Music and Drama" was selected as one of the outstanding high school music projects for publication in Renmin Music Press version	Renmin Music Press

## Contributing to Society with Enthusiasm

We keep providing a sound learning environment for students to make a balanced development in the aspects of moral, intellectual, physical, social, aesthetic. In order to cultivate an attitude towards nature conservation, the school incorporates green concepts into daily teaching, so that students learn to appreciate and treasure the resources of the Earth. We also organize regular donation campaigns to encourage teachers and students make donations to students with financial difficulties. In FY2021, the Group continued to set up awards and scholarships to recognize students with outstanding academic performance and provide financial assistance to students and families with financial difficulties.

Caring about the needs of people, the Group has been supporting schools in organizing and participating in various voluntary activities. During FY2021, Guangming Primary School organized the “Hand in Hand with Rehabilitation Experimental School” to provide students of Rehabilitation Experimental School with free school supplies, while Dongguan Guangzheng School held “Wisdom Education’s Charity Trip – Bringing Warmth to Daliang Mountain” to donate over 10,000 pieces of clothing to poor families in Sichuan Province. Not only did these activities bring a valuable lesson to students’ moral education, but they also facilitated economic and social development.



“Wisdom Education’s Charity Trip – Bringing Warmth to Daliang Mountain” organized by Dongguan Guangzheng School during 2020-2021 academic year



Donation activity organized by Guangming Primary School during 2020-2021 academic year



## Building a High-quality Supply Chain

Currently, our suppliers are mainly from food, renovation works, equipment and supplies industries, etc. The Group has been performing tender and procurement works in accordance with internal policies such as the Tendering Management Policy (《招標管理規定》), Procurement Management Policy (《採購管理制度》) and Acceptance Management Policy (《驗收管理制度》) to ensure the quality of procured items are up to standard. Furthermore, in order to ensure the consistency of product quality, all procurements are handled by the Group for centralized bidding. New or existing suppliers are selectively chosen by a committee, composed of various managements, which regularly conducts assessments in respect of quality, cost, delivery, safety, etc., of procured items in accordance with the Performance Evaluation Form for Suppliers (《供應商履約評核表》) and update the List of Qualified Suppliers (《合格供應商名單》) to exclude unqualified suppliers. Environmental factors are also a consideration in the selection of suppliers. Where prices are reasonable, preference is given to supplies or suppliers that cause less impact on the environment (e.g using more energy-efficient appliances or more environmentally friendly materials) and suppliers who are in closer proximity. As of 31 August 2021, the Group had 92 (2020:105) suppliers, all of which are located in Mainland China.

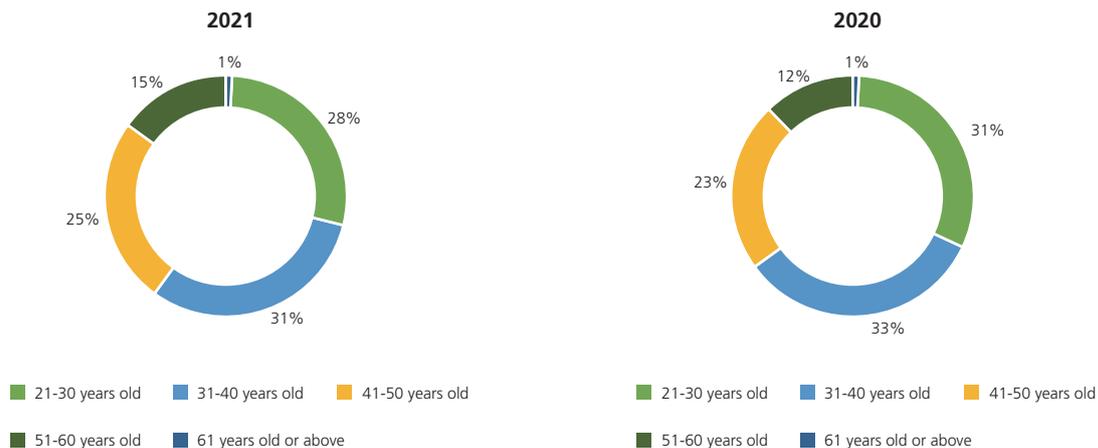
## Providing Equal Opportunities to Recruit Excellent Teachers

The Group places emphasis on professional ethics when recruiting teachers, thus teachers' morality and style is one of the key selection criteria. The Group is committed to creating a fair and harmonious working environment where discrimination against nationality, race, color, gender, age, marital status, disability, religious belief or sexual orientation is prohibited. We recruit teachers through various channels such as mass media, job fairs, campus recruitments, staff referrals, commissioned head-hunters, and base on the principles of suitability, two-way selection and ability when selecting suitable talents.

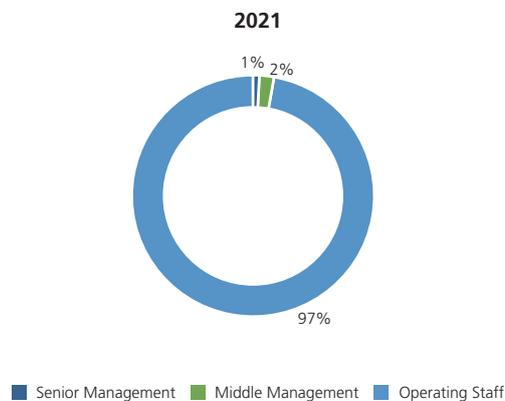
For recruitment purposes, the Group also established an assessment team composed of leaders of the Group, the school principal and person-in-charge of the relevant subjects. The team follows the procedures under the Teacher Recruitment Program (《教師招聘方案》) and the Faculty Recruitment and Employment Regulations (《職工招聘與錄用規定》), and takes into consideration the professional, academic and technical qualifications, ability, skills, past experience and actual performance in screening applicants. If any employees are found to be in serious violation of rules of the school or regulations during employment, the relevant party will be subject to disciplinary actions or dismissal.

As of 31 August 2021, Guangming Primary and Secondary Schools employed 1,452 (2020: 1,464) full-time employees in total, including 1,014 (2020: 998) teachers and 438 (2020: 466) staff members; Dongguan Guangzheng School employed 1,294 (2020: 1,405) full-time members in total, including 820 (2020: 1,056) teachers and 474 (2020: 349) staff members.

### Percentage of Age Distribution

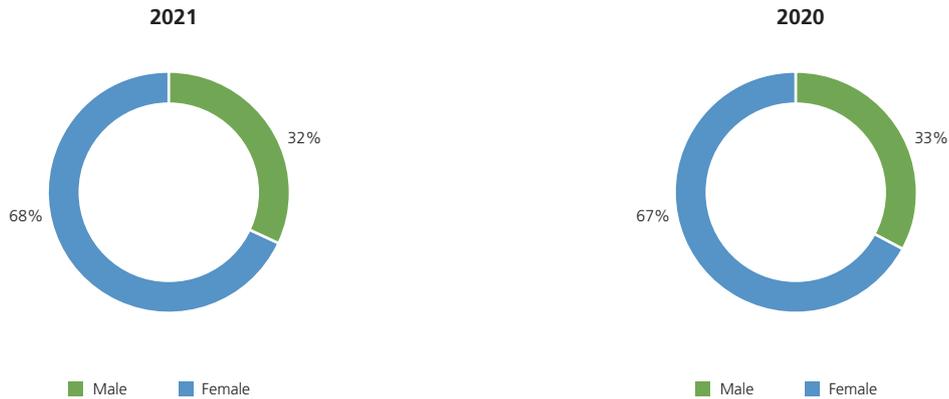


### Percentage of Employment Category



## Providing Equal Opportunities to Recruit Excellent Teachers (Continued)

### Percentage of Gender Distribution



In terms of staff turnover, our schools conduct interviews with departing employees to understand their specific reasons for leaving and their suggestions for the Group, as required by our Human Resources Policy, so that we can continuously refine our talent management strategy. In FY2021, the entire staff turnover was from China, resulting in a 9% turnover rate. Below are the breakdowns by gender and age group:

By gender		Employee turnover rate (%) <sup>1</sup>				
		By age group				
		21-30	31-40	41-50	51-60	61 years
Male	Female	years old	years old	years old	years old	old or above
7.64%	9.52%	11.66%	8.36%	7.42%	6.47%	27.27%

In FY2021, the Group was not aware of any non-compliance with any laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversification, anti-discrimination and other benefits, which would have material impacts on the Group.

<sup>1</sup> Employee turnover rate is based on the number of employees at the end of FY2021.

## Providing Continuous Training to Maintain Quality Education

As a private education group operating high-end primary and secondary schools, staff quality and competence is one of the Group's key concerns. Specifically, Guangming Primary and Secondary Schools have formulated their Teacher and Staff Training Policy (《教職工培訓制度》) to make induction programmes and on-the-job trainings more systematic. The induction programmes aim to better familiarize the newly joined teachers and staff with the Group's corporate culture, operation models and relevant policies. Apart from this, we also provide various on-the-job trainings for staff, such as taking teachers to other schools for exchanges and inviting professionals to visit schools to share their teaching experience. During the Reporting Period, 46%<sup>2</sup> of our staff were trained, who are categorized as follows:

### Employee training ratio (%)<sup>3</sup>

By gender		By employee type		
Male	Female	Senior management	Administrative staff	General staff
30.75	69.25	0.51	1.74	97.75

The Group's employees participated in a total of 19,740 hours of training in FY2021, with an average of 6.60 hours each.

### Average training hours for employees (hour)<sup>4</sup>

By gender		By employee type		
Male	Female	Senior management	Administrative staff	General staff
9.07	5.46	11.29	9.73	6.50

### Staying abreast of national policies and providing quality education

The Group strictly adheres to the "double reduction" policy implemented by the Central Government and strives to prevent students from being overburdened with coursework. We have formulated measures in accordance with the "Guide to Evaluating the Quality of Mandatory Education" (《義務教育質量評價指南》) issued by the Central Government, such as limiting the amount of time students spent on homework each day, regularly checking the homework corrected by teachers and setting up a working group for managing homework of schools, with a view to reducing the excessive burden of homework on students.

In addition, we have reduced the number of examinations and asked all classes to step up positive publicity to guide parents and students toward a positive view on examination results and understanding that education is not about grades. In the future, we will also explore the effectiveness of our work through various communication platforms, such as experience sharing sessions on reducing the burden of homework and questionnaire surveys, in order to further promote the development and growth of students.

<sup>2</sup> Training data includes those of staff who left office during the Reporting Period.

<sup>3</sup> We referred to the calculation method for Social KPIs provided in "How to Prepare an ESG Report" published by the Stock Exchange to present employee training ratio by categories based on the number of employees at the end of the Reporting Period.

<sup>4</sup> We referred to the calculation method for Social KPIs provided in "How to Prepare an ESG Report" published by the Stock Exchange to present average training hours for employees by categories based on the number of employees at the end of the Reporting Period.

## Offering Competitive and Attractive Benefits

To attract and retain talents, we are improving our remuneration and benefits system and committed to offering competitive salaries and benefits. We adjust remunerations and grades based on performance appraisals to ensure a fair and open promotion process.

Apart from providing our teachers and staff with professional trainings, we focus on their physical and mental health to promote work-life balance. Therefore, the working hours for teachers and staff shall not exceed 8 hours per day to allow sufficient rest time. We also try to meet their demands by providing a special bonus for certain statutory holidays to enhance the sense of belonging. Also, we regularly organize diversified recreation activities for teachers and staff in each of our schools, such as: volunteer activities, yoga, sports day, cultural weeks, singing competitions, dance networking activities, etc. We hope for more activities after the pandemic has passed and add more fun to the campus life of teachers and staff.



Teachers badminton competition of Guangming Secondary School during 2020-2021 academic year



Teachers' Day celebration of Dongguan Guangzheng School for 2020-2021 academic year

## Avoiding the Employment of Child Labour and Forced Labour

We strictly comply with the Labour Law (《勞動法》), the Protection of Minors Law (《未成年人保護法》), the Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》), the Teachers Law (《教師法》) and the Code of Ethics of Teachers in Primary and Secondary Schools (《中小學教師職業道德規範》) of the PRC, and strive to prevent any forms of child labour and forced labour. During the recruitment process, the Group arranges our human resources department to verify the identity of job seekers during the recruitment process, while they are required to present valid identification documents. To avoid forced labour, job applicants will sign a labour contract on a fair and voluntary basis after agreeing to the terms thereunder. They can also proceed with the resignation procedure under the arrangement of the personnel department. The Group also encourages staff to report cases of violation of their rights to the management. In FY2021, we were not aware of any material non-compliance with the laws and regulations governing the employment of forced labour or child labour.





## Environmental Protection

### Environmental Protection Targets and Measures

During our operations, the main pollutants include greenhouse gases, domestic sewage and domestic waste. Our greenhouse gases produced are mainly from the use of electricity in offices of the school and campuses, natural gas for canteens, and fuel for vehicles and lawn mowers. Under the ESG Governance Policy, the Group's target is to reduce the emissions, energy and water consumption, and waste through various measures and policies while remaining at a similar level of operation. Specific measures are as follows:

#### Emission reduction

- When replacing air-conditioners with another model, we will prioritize to consider those with better energy efficiency
- Encouraging to plant more green plants in the lawn on campus to mitigate the impact of greenhouse gases and emissions on environmental quality. Our Landscape Planning and Management Policy (《園林規劃與管理制度》) stipulates that green areas in school shall reach at least 40% of the total campus area
- Encouraging teachers and staff to travel to and from schools by public transport
- Utilizing video or audio conferencing for meetings as much as possible to reduce carbon footprint from traveling by air
- Installing more energy-saving lighting systems
- Maintaining the indoor temperatures of classrooms and offices at or over 26°C as possible
- Shutting down electronic equipment when they are not in use, especially computers and printers, to save unnecessary power consumption
- Performing regular vehicle maintenance to reduce gas emissions

#### Energy saving

- An air-source heat pump water-heater unit is installed on dormitory rooftops, where the refrigerant in the unit absorbs the low-temperature heat energy in the air, which is then converted into high-temperature heat energy after being compressed by the compressor to heat the domestic water of the dormitory, thereby reduce energy consumption
- Regularly cleaning of windows to increase the utilization rate of natural lighting and reduce the power consumption
- Turning off lights that are not in use during lunch break
- Regularly checking and repairing various equipment to reduce the possibility of increased water and electricity usage due to damage
- Posting energy saving notices on campus to promote environmental awareness

#### Water conservation

- Posting water conservation notices on campus to enhance environmental awareness among students, teachers and staff, and remind them to turn off the tap after use
- Regularly checking and repairing equipment that uses water to reduce waste of water due to leakage
- Using a large dishwasher to centralize cleaning utensils in canteen in order to reduce water consumption

## Environmental Protection (Continued)

- Paper reduction**
- Utilizing multimedia in teaching to reduce paper consumption
  - Setting the printer to print on both sides of paper
  - Encouraging the teachers and staff to reuse single-sided paper and other paper products, such as envelopes and cartons, wherever possible
- Waste reduction**
- Trying to repair equipment before replacing to avoid wasting resources
  - Setting of classifying recycling bins in campuses to promote waste classification
  - Encouraging the use of one's own container and adopting water dispenser to reduce the use of plastic water bottles
  - Encouraging students to use their own cutleries to reduce the use of disposable cutleries

## Greenhouse Gases and Air Emissions

In FY2021, greenhouse gases and air emissions were as follows:

Environmental KPI <sup>5 6</sup>	Unit	2021 Value	2020 Value
Total greenhouse gas emissions (Scopes 1 and 2)	Tonnes of carbon dioxide equivalent	13,573.18	16,207.80
Direct emissions (Scope 1)	Tonnes of carbon dioxide equivalent	800.19	613.90
Indirect emissions (Scope 2) <sup>7</sup>	Tonnes of carbon dioxide equivalent	12,807.08	15,635.62
Total greenhouse gas reduced by planted trees (Scope 1)	Tonnes of carbon dioxide equivalent	34.09	41.72
<i>Greenhouse gas emission intensity (Scopes 1 and 2)</i>	Tonnes of carbon dioxide/number of students	0.45	0.53
Nitrogen oxides (NOx)	kg	329.34	295.45
Sulfur oxide (SOx)	kg	3.42	2.64
Particulate matters (PM)	kg	10.60	6.14

<sup>5</sup> Our reporting on air and greenhouse gases (GHG) emissions mainly based on the requirements in "How to prepare an ESG report" published by The Stock Exchange of Hong Kong Limited and "GHG Protocol Corporate Accounting and Reporting Standard (revised edition)" published by the World Resources Institute and World Business Council for Sustainable Development and is calculated based on the latest emission factors of relevant guidelines.

<sup>6</sup> Greenhouse gas emissions data are presented on a carbon dioxide equivalent basis. Scope 1 (direct emissions) accounts for greenhouse gas emissions from operations directly controlled or managed by the Group. Scope 2 (indirect emissions) accounts for indirect electricity consumed by the Group.

<sup>7</sup> Our emission information in 2021 was prepared with reference to the emission factors for Mainland China based operations newly supplemented in "How to prepare an ESG report" published by The Stock Exchange of Hong Kong Limited, and is therefore not directly comparable with the emissions in 2020.



## Environmental Protection (Continued)

In FY2021, the data on energy consumption were as follows:

Environmental KPI <sup>8</sup>	Unit	2021 Value	2020 Value
Total energy consumption	MWh	24,904.13	21,668.49
Purchased power	MWh	20,991.77	18,687.25
Diesel	MWh	51.02	48.86
Natural gas	MWh	3,702.59	2,786.41
Unleaded gasoline	MWh	158.75	145.97
Energy intensity	MWh/number of students	0.82	0.70

### Solid Waste Management

The solid waste of the Group is general campus domestic waste, such as waste paper, electronic waste and food waste, and a small amount of hazardous medical waste generated in the infirmary. For hazardous medical waste, we strictly comply with the Medical Waste Management Regulations (《醫療廢物管理條例》) and entrust a third party to collect and transport medical waste to the Dongguan Medical Treatment Center for harmless treatment. Besides, in terms of treatment of electronic waste, to prevent disclosure of confidential information, we will format or delete all data in the machines before delivering them to recyclers. We also entrust a third party to collect and dispose other domestic waste in campuses every day.

In FY2021, the data on waste were as follows:

Environmental KPI	Unit	2021 Value	2020 Value
Total amount of hazardous waste	Tonnes	0.46	0.13
Intensity of hazardous waste	Tonnes/number of students	0.000015	0.000004
Total amount of non-hazardous waste	Tonnes	868.65	772.73
Intensity of non-hazardous waste	Tonnes/number of students	0.03	0.03
Electronic equipment recycled	Tonnes	8.70	0.32
Total amount and intensity of packaging materials	–	Not applicable	Not applicable

<sup>8</sup> The total energy consumption data involves use of both purchased electricity and fuel (renewable and non-renewable). The relevant conversion factors are calculated with reference to the Technical Note: Conversion of fuel data to MWh published by CDP.

## Environmental Protection (Continued)

### Water Consumption and Sewage Discharge

The sewage of our schools is mainly from general domestic sewage and oily wastewater from the canteen. Under the Integrated Wastewater Discharge Standard (《污水綜合排放標準》) issued by the Ministry of Ecology and Environment of the People's Republic of China, sanitary sewage will be discharged into the municipal sewage pipe after treatment in a septic tank. In order to reduce the harm on the natural environment, oily wastewater from the canteen will be treated first by the grease trap, and then recycled and disposed of by a third-party institution.

We had no problem in sourcing water in FY2021. The data on total water consumption were as follows:

Environmental KPI	Unit	2021 Value	2020 Value
Total water consumption	Cubic meter	1,923,272	1,617,186
Water consumption intensity	Cubic meter/number of students	63.51	52.61

### Coping with Climate Change

In recent years, climate change has become a global concern and extreme weather arising therefrom, such as typhoons, rainstorms and sudden temperature changes, has posed potential threats to the Group's operations. We continue to reduce energy consumption and control greenhouse gas emissions from our operations through various environmental protection measures, for example, by adding green spaces and installing energy-saving lighting systems. In addition, in response to extreme weather-related disasters, we have formulated the "Typhoon Emergency Plan" (《防颱風應急預案》), which sets out the responsibilities among teachers at various levels in the event of unusual weather events including typhoons and rainstorms, to ensure that the school can respond to such events in an orderly manner and to protect the safety of students. We also organize emergency evacuation drills on a regular basis to enhance the awareness and skills of all teachers and students. The Group will continue to monitor the potential impact of climate change on our business and strengthen our efforts to cope with climate change.



## Personal Data Privacy

The Group understands its responsibility to protect the privacy and personal information involved in our operations, including personal data from students, parents, teachers, and staff. Our Documents and Archives Management Policy (《文書檔案管理制度》) expressly states the processing procedures and steps for managing personal data privacy to ensure that the personal information of all stakeholders is protected. Furthermore, we have arranged dedicated staff being responsible for managing confidential information and only authorized personnel can access and process such information. In FY2021, we were not aware of any breach of relevant regulations.

In addition, we purchase and use genuine software for teaching purposes to protect our intellectual property owners. Looking back to FY2021, we are not aware of any breaches of the intellectual property regulations under the Tort Law of the People's Republic of China (《中華人民共和國侵權責任法》).



## Anti-corruption

The Group prohibits any corruption and bribery in its work and business dealings and has strengthened anti-corruption awareness among directors and senior management through orientation trainings and dissemination of relevant materials. We have been requesting all our teachers and staff to strictly abide by various regulations and the applicable laws of the PRC, including the Law of the PRC on Anti-Corruption and Anti-Bribery (《中華人民共和國反貪污賄賂法》), the Criminal Law of the PRC (《中華人民共和國刑法》) and the Law of the PRC on Anti-Money Laundering (《中華人民共和國反洗錢法》). We adopt a zero-tolerance attitude towards all types of corruption, including bribery, fraud and money laundering. Under the segment of internal policy, we have formulated Integrity and Self-discipline Management Policy (《廉潔自律責任管理制度》) and Policy on Integrity in the Process of Teacher Education (《教師教育過程中的廉潔制度》), which clearly stipulated the importance of integrity. We also have a whistleblowing channel for reporting any suspected misconduct and undertake to keep the identity of the whistleblowers confidential.

In FY2021, we were not aware of any bribery, fraud and money laundering which would violate the relevant regulations or have any impacts on the Group.

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