



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

2022 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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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 2022 (the “Report”) to share with the stakeholders our efforts and achievements in sustainable development on all fronts over the past year.

SCOPE OF THE REPORT AND THE REPORTING PERIOD

The scope of the Report is different from the previous year. The report of last year covered the environmental, social and governance (“ESG”) performance of Dongguan Guangming Primary School, Dongguan 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”). Guangming Primary and Secondary Schools and Dongguan Guangzheng Preparatory School are principally engaged in the provision of full spectrum private fundamental education in the PRC. Schools falling within the scope of FY2021 Annual Report were the Affected Entities, which 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 note 1 to the consolidated financial statements of the Annual Report 2022.

The remaining business of the Company and its subsidiaries (collectively referred to as the “Group”) subsequent to the deconsolidation of the Affected Entities are mainly engaged in the provision of ancillary services to students in primary, middle and high schools and other customers in China (the “Remaining Business”). The scope of FY2022 Annual Report covered the environmental and social performance of the Remaining Business of the Group in Hong Kong Special Administrative Region of the PRC and Mainland China for the period from 1 September 2021 to 31 August 2022 (“FY2022” or the “Reporting Period”).

Due to the differences in the reporting scope for FY2021 and FY2022, the performance data for the same period of FY2021 and FY2022 set out in the Report are not comparable.

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 2022 Annual Report. In the preparation of the Report, we have complied with the following ESG reporting principles, except for the non-compliance with the consistent reporting principles due to the differences in the reporting scope:

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 issues identified and assessed by the Board of Directors and management of the Group for FY2022. Please refer to the section headed “Assessment of Material Issues” for the detailed procedures of determining material aspects.
Quantification	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 (KPIs) 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 FY2021 and FY2022.
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 FY2022 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.	As described in the section headed “Overview”, due to the differences in the reporting scope for FY2021 and FY2022, the performance data for the same period of FY2021 and FY2022 set out in the Report are not comparable.

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

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ESG Governance Structure

The Group attaches great importance to the environmental, social and governance management, and understands that sound corporate governance and risk management processes play an important role in managing ESG matters and responding to stakeholders' expectations. As such, 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 (the "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 Working Group is led by the Group's internal audit department, together with the heads of 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.



Communicating with Stakeholders

The Group attaches great importance to the views of stakeholders. We understand their expectations and demands through different communication channels, thereby improving our sustainable development plan. Our major stakeholders are customers, staff, shareholders and investors, government agencies, peers or business partners and communities. The following table summarizes the issues that each stakeholder is concerned about and the relevant communication channels:

Stakeholder group	Key concerns	Communication channels
Customers	<ul style="list-style-type: none"> • High-quality products and services • Safe service environment 	<ul style="list-style-type: none"> • Survey on satisfaction • Daily face-to-face communication
Staff	<ul style="list-style-type: none"> • Good career development platform • Competitive remuneration packages • Comfortable working environment • Health and safety • Work-life balance • Protecting employees' rights 	<ul style="list-style-type: none"> • Training, seminars, and briefings • Intranet • E-mails • Work performance evaluation • Work meetings • Corporate celebrations and cultural events
Shareholders and investors	<ul style="list-style-type: none"> • Protecting shareholders' rights and equal treatment • Operating and managing in compliance with regulations 	<ul style="list-style-type: none"> • Corporate website • Corporate communications (interim/ annual reports, sustainability reports, shareholder circulars and announcements) • General meetings of shareholders
Government agencies	<ul style="list-style-type: none"> • Operating in compliance with laws and regulations • Promoting regional economic development and employment 	<ul style="list-style-type: none"> • Regular submission of documents
Peers or business partners	<ul style="list-style-type: none"> • Mutual benefit and win-win • Promoting industry development • Fair competition 	<ul style="list-style-type: none"> • Industry conferences • Exhibitions
Communities	<ul style="list-style-type: none"> • Community engagement • Charitable activities 	<ul style="list-style-type: none"> • Public welfare and charitable activities • Voluntary activities



Assessment of Material Issues

In the preparation of the Report, we have identified a list of relevant ESG issues with reference to ESG Reporting Guide, taking into account the nature of business operations, market development trends and stakeholders' concerns, and conducted a materiality assessment of the identified issues in two main dimensions, namely materiality to stakeholders and materiality to the Group's business operations. The detailed process is as follows:

Identifying key stakeholders and material ESG issues

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



Assessment of Material Issues (Continued)

LIST OF ESG ISSUES

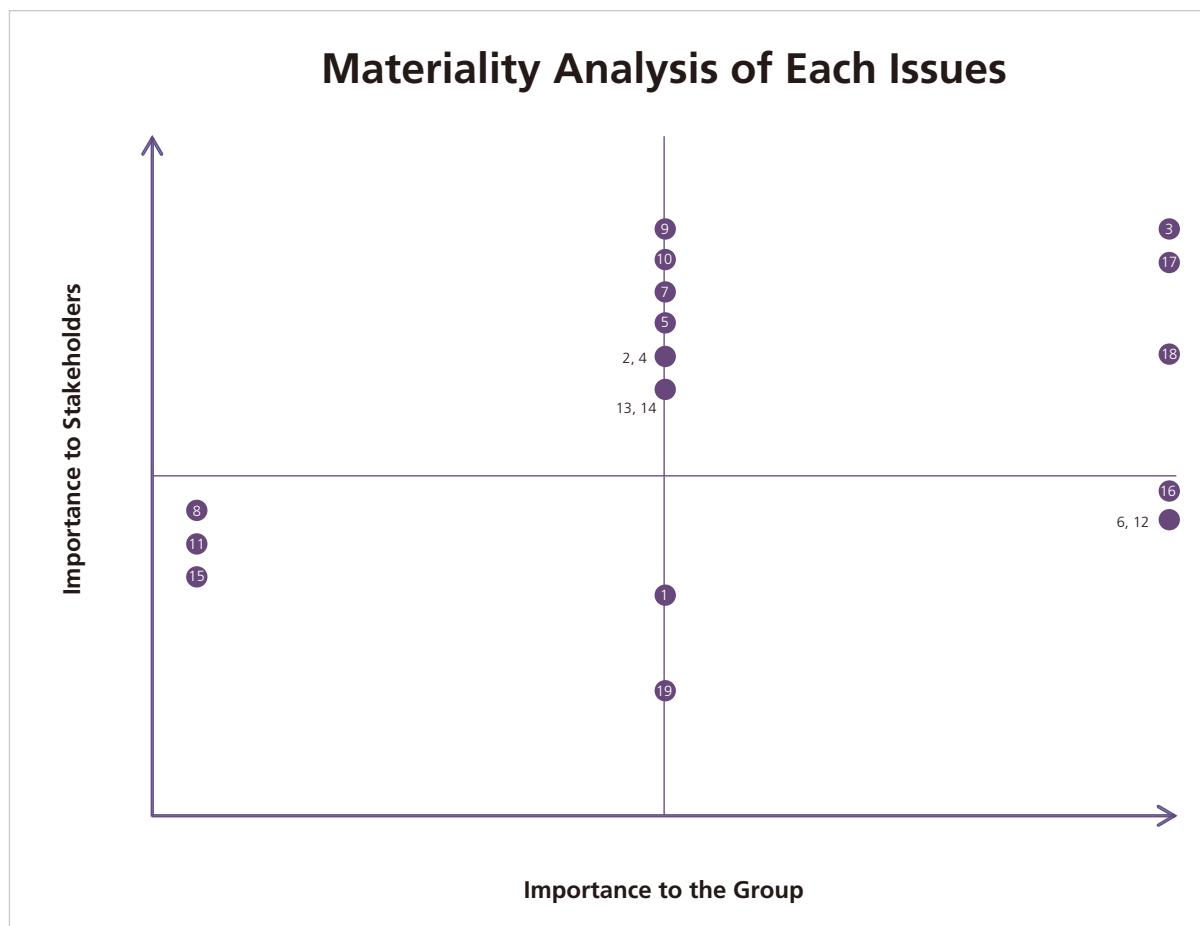
Classification of issue	Issue number
Society (Staff and Corporate Management)	1. Employment policies (e.g. recruitment and termination procedures)
	2. Employee rights protection and standards (e.g. equal employment and promotion opportunities, anti-discrimination, prevention of child labour and forced labour)
	3. Occupational safety and health of employees
	4. Staff training and development
	5. Employee remunerations and benefits
	6. Quality of products and services
	7. Satisfaction of customers
	8. Handling of complaints
	9. Safety and accidents contingency management
	10. Personal privacy and data protection
Environmental Protection and Green Operations	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
Corporate Operating Practices and Contributions	16. Supply chain management
	17. Anti-corruption
	18. Operating and managing in compliance with laws and regulations
	19. Community investment and engagement



Assessment of Material Issues (Continued)

MATERIALITY MATRIX OF ESG ISSUES

In FY2022, 19 sustainability issues 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 the issues set out in the above 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
Society (Staff and Corporate Management)	3. Occupational safety and health of employees
Corporate Operating Practices and Contributions	17. Anti-corruption



Safe Service Environment

The Group considers the safety of customers and staff as its top priority. We ensure that the environment where we provide our services has strictly followed 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 measures to ensure that customers and staff participate in activities and work in a healthy and safe environment. In FY2022, we had 7 lost days (FY2021: 2.5 days) due to work injury caused by falls on the slippery road on rainy days, and there were no 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 SERVICE SAFETY AND ENVIRONMENTAL SANITATION

As most of our services are provided on campus, we request the following measures to be taken by schools to safeguard the health of our customers and staff:

- 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 customers and staff's 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; and
- Ensuring 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 and emergency escape and response ability, trainings on fire fighting and fire drills are held regularly at schools.

And due to the lasting COVID-19 pandemic, we also request schools to strictly enforce all pandemic prevention measures, for example:

- Establishing School Environmental Sanitation and Disinfection Regulations (《校園環境衛生消毒制度》) to carry out routine cleaning works;
- All persons must have their body temperature checked before entering the campuses;
- Cleaning and disinfecting classrooms, toilets, changing rooms and shower rooms regularly with 1:99 diluted household bleach;
- Arranging 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
- Avoiding unnecessary group activities.

In FY2022, no material violations of relevant laws and regulations regarding hygiene or safety were noted.

Exploring Elites and Providing All-round Quality Development

The Group is committed to offering a wide range of learning experiences for students, to unleashing their potentials through cooperating with schools to organize different extra-curricular activities at schools and enrich their school life. In FY2022, due to pandemic control, we had to suspend/cut down on the sports activities that are collective in nature. We still continued to provide various extra-curricular activities to students. By actively participating in these activities, our students have achieved impressive results in academic, physical or artistic aspects, adding glamour to the school and the Group.

Our students have received numerous awards, including the following:

Title of the Award	Award Issuer
First Class Award in Hands in Hands: Children Embracing the Party	Children's Art Committee of the Artists Association of Guangdong Province
Second Class Award in the 4 th "Songhu Cup" Comic Competition for Primary and Secondary Students in Dongguan	Dongguan Songshanhu Education Management Centre
Excellence Award in <i>The Little Writer Newspaper</i> (《小作家報》)	Little Writer Newspaper Agency
Fifth place in Boy's 800m Final at the 2021 Track and Field Competition for Secondary Students in Dongguan and Track and Field Tournament for Youth in Dongguan	Dongguan Education Bureau
First Class Award in the 2021 Maker Carnival for Primary and Secondary Students in Dongguan	Dongguan Education Bureau
First Class Award in the Technology Innovation Competition for Youth in Dongguan 2021	Dongguan Education Bureau
Second Class Award in the Essay Contest on Environmental Protection for Primary and Secondary Students in Dongguan	Dongguan Education Bureau
First Class Award in the Art Exhibition and Performance for Primary and Secondary Students in Dongguan	The Moral, Sports, Health and Art Education Department of Dongguan Education Bureau
Second Class Award in the Municipal Selection Competition of the 12 th English Speaking Competition in Dongguan	Dongguan Education Bureau
Gold Award in the 4 th Dongguan Citizens Games and the 7 th Martial Arts Open Championship	Dongguan Culture, Radio and Television, Tourism and Sports Bureau
First Place in the Youth Swimming U-League Competition in Dongguan	Dongguan Swimming Association
Silver Award for Performance in the 6 th Dance Competition for Children in Guangdong	Guangdong Dancers Association
Third Class Award in "Lingnan Moyun" for the celebration of the 100 th Anniversary of the Party	Guangzhou Artists Association
First Class Award in Photography and Painting of "Stand Together, Red Dongguan" for the celebration of the 100 th Anniversary of the Party	Dongguan Education Bureau
Silver Award in the 24 th Painting and Calligraph Exhibition of Chinese and Japanese Youth	Kyushu Japanese and Chinese Cultural Association
First Class Award in the 5 th Pearl River Delta Region AI Education Seminar and Youth Robot DIY Competition	Off-Campus Education Association of Primary and Secondary School of Guangdong Province
First Class Award in the 17 th IEEA English Proficiency Demonstration and Research & Study Practice Activity	Guangdong Organization Committee of Chinese Language Skills Demonstration for Primary and Secondary Students
First Class Award in the 10 th Language Skills Demonstration and Research & Study Practice Activity	Guangdong Organization Committee of Chinese Language Skills Demonstration for Primary and Secondary Students
Second Class Award in Guanyi Youth Embracing the Party	Dongguan Education Bureau



Being a Good Listener to Ensure Service Quality

We treasure the feedback and comments from our customers (e.g. parents and students). We will collect their opinions from time to time to decide which activities to be organized, and collect their feedback after the activities to evaluate the effectiveness and adjust the arrangements of the activities on an ongoing basis.

Our Complaint Handling System also receive complaints through emails, P.O. boxes, telephone calls and drop-in sessions. Upon receiving a complaint, we will consolidate complaints and report them to the Board regularly for handling and improvement. We have not received any significant complaints in FY2021 and FY2022.



Building a High-quality Supply Chain

We firmly believe that close cooperation with our business partners (including suppliers, service providers and contractors) is one of the key factors for business success, which also enables us to continue to provide high-quality services. Currently, our suppliers are mainly from industries such as food, school uniforms, stationery products and materials. The Group has been performing tender and procurement works in accordance with 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 strictly screened by a committee, composed of various managements, which 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 regularly updates 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 2022, the Group had a total of 168 (2021: 92) suppliers, all of which are located in Mainland China.

Providing Equal Opportunities to Gather Excellent Talents

The Group places emphasis on professional ethics when recruiting staff, thus staff's 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 staff through various channels such as mass media, job fairs, campus recruitments, staff referrals, commissioned head-hunters, and base on the principles such as suitability, two-way selection and merit when selecting suitable talents.

As of 31 August 2022, we employed 171 full-time employees in total.

While as of 31 August 2021, Guangming Primary and Secondary Schools employed 1,452 full-time employees in total, including 1,014 teachers and 438 staff members; Dongguan Guangzheng School employed 1,294 full-time members in total, including 820 teachers and 474 staff members.

Staff Distribution

Financial year	By geographical region		By age				
	Hong Kong Special Administrative Region, PRC	Mainland China	21-30	31-40	41-50	51-60	60 or above
	2022	9	162	9	61	82	17
2021	–	2,746	772	849	701	402	22

Financial year	By gender		By employee type		
	Male	Female	Senior management	Administrative staff	General staff
2022	51	120	9	33	129
2021	877	1,869	20	60	2,666

Providing Equal Opportunities to Gather Excellent Talents (Continued)

In terms of employee resignation, we conduct interviews with resigned employees to understand their reasons for leaving and their suggestions for the Group, as required by our Human Resources Policy (《人力资源制度》), so that we can continuously refine our talent management strategy. In FY2021 and FY2022, the data of our employee turnover rate are as follow:

Financial year	Employee turnover rate (%) ¹								
	By gender		By age					By geographical region	
	Male	Female	21-30	31-40	41-50	51-60	61 or above	Hong Kong Special Administrative Region, PRC	Mainland China
2022	25%	14%	22%	10%	11%	76%	0%	33%	17%
2021	8%	10%	12%	8%	7%	6%	27%	–	9%

In FY2022, 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.

¹ Employee turnover rate is calculated based on the number of employees at the end of the Reporting Period.

Providing Training to Maintain Quality Services

The Group is fully aware that employees are our most crucial treasure and the foundation for us to offer quality services continuously. We encourage employees to enhance their working skills and knowledge level, learn persistently during work and make use of their potentials. The Group offers every new employee induction programmes, the contents of which cover corporate development history, operation ideology, management model, internal management system, human resource system, and knowledge about their respective departments' general work overview and the working standards of their respective positions, allowing them to adapt to the working environment swiftly. In addition, during the Reporting Period, we also provided trainings in relation to issues including the Listing Rules, accounting standards and corporate governance. During the Reporting Period, 19% (2021: 46%)² of our staff received trainings. They are categorized as follows:

Financial year	Employee training ratio (%) ³				
	By gender		By employee type		
	Male	Female	Senior management	Administrative staff	General staff
2022	31.84%	68.16%	4.48%	17.91%	77.61%
2021	30.75%	69.25%	0.51%	1.74%	97.75%

The Group's employees participated in a total of 267 (2021: 19,740) hours of training in FY2022, with an average of 1.33 (2021: 6.60) hours each.

Financial year	Average training hours for employees ⁴				
	By gender		By employee type		
	Male	Female	Senior management	Administrative staff	General staff
2022	1.41	1.29	4.00	1.08	1.23
2021	9.07	5.46	11.29	9.73	6.50

² Employee training data includes the employees who resigned during the Reporting Period.

³ We made reference to the calculation method for Social KPIs specified in "How to Prepare an ESG Report" published by the Stock Exchange to present employee training ratio by category based on the number of employees at the end of the Reporting Period.

⁴ We made reference to the calculation method for Social KPIs specified in "How to Prepare an ESG Report" published by the Stock Exchange to present average training hours for employees by category based on the number of employees at the end of the Reporting Period.



Offering Competitive Package and Attractive Benefits

To attract and retain talents, the Group provides employee with comprehensive protection of rights and benefits as well as excellent remuneration package. All employees are entitled to annual leave, statutory holiday, marriage leave, maternity leave, paternity leave, sick leave and funeral leave as stipulated by the State. We also make contribution to social insurance (i.e. pension insurance, medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing fund) administered by the local government for our employees. We adjust remunerations and grades based on performance appraisals to ensure a fair and open promotion process.

We also pay attention to our employees' physical and mental health to promote work-life balance. We have stipulated working hours per day of not more than 8 hours and we encourage employees to work efficiently during normal working hours for them to avoid unnecessary overtime and have sufficient rest. In Mainland China, we also provide employees with holiday allowance for certain statutory holidays to support their needs and enhance their sense of belonging to the Group. However, as impacted by the pandemic control and prevention measures, in FY2022, we temporarily suspended the collective recreational activities for our employees. We expect to organize more activities after the pandemic and add more fun to the life of our staff.



Avoiding the Employment of Child Labour and Forced Labour

The Group considers the health and safety of staff and students as the fundamentals for its operation. 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》) of the PRC, and strive to prevent any forms of child labour and forced labour. During the recruitment process, the Group arranges its human resources department to check the identity of candidates by verifying the valid identification documents provided by them. To avoid forced labour, successful candidates 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 human resources department. The Group also encourages staff to report cases of violation of their rights to the management. In FY2021 and FY2022, 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

GREENHOUSE GASES AND AIR EMISSIONS

The main pollutants generated by the Group include greenhouse gases and domestic waste during its operations. The greenhouse gases are mainly from use of electricity in offices of the schools and campuses used by the Group for operating purpose. Under the ESG Governance Policy, the Group aims to reduce emissions, energy and water consumption, and waste through various measures and policies while remaining at a similar level of operations. Specific measures are as follows:

- | | |
|---------------------------|--|
| Emission reduction | <ul style="list-style-type: none">• When replacing air-conditioners with another model, those with better energy efficiency will be prioritized• Encouraging staff to travel to and from work by public transport• Utilising video or audio equipment 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 offices at or over 26°C as possible• Switching off electronic equipment when they are not in use, especially computers and printers, to avoid unnecessary power consumption |
| Energy saving | <ul style="list-style-type: none">• Regularly cleaning windows to increase the utilisation rate of natural lighting in schools and reduce 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 | <ul style="list-style-type: none">• Posting water conservation notices in the Company to enhance environmental awareness among staff, and remind them to turn off water tap after use• Regularly checking and repairing water-using equipment to reduce waste of water due to leakage |
| Paper reduction | <ul style="list-style-type: none">• Utilizing multimedia in teaching to reduce paper consumption• Setting printers to duplex printing mode• Encouraging staff to reuse single-sided paper and other paper products, such as envelopes and cartons, wherever possible |
| Waste reduction | <ul style="list-style-type: none">• Trying to repair equipment before replacing to avoid wasting resources• 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 |

Environmental Protection (Continued)

Greenhouse gases and air emissions were as follows:

Environmental KPI ⁵ & ⁶	Unit	FY2022 Value	FY2021 Value
Total greenhouse gas emissions (Scopes 1 and 2)	Tonnes of carbon dioxide equivalent	22.24	13,573.18
Direct emissions (Scope 1)	Tonnes of carbon dioxide equivalent	0.50	800.19
Indirect emissions (Scope 2)	Tonnes of carbon dioxide equivalent	21.74	12,807.08
Total greenhouse gases reduced by planted trees (Scope 1)	Tonnes of carbon dioxide equivalent	–	34.09
Greenhouse gas emission intensity (Scopes 1 and 2)	Tonnes of carbon dioxide/number of employees ⁷	0.13	0.45
Nitrogen oxides (NOx)	kg	0.19	329.34
Sulfur oxide (SOx)	kg	0.002	3.42
Particulate matters (PM)	kg	0.004	10.60

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

⁶ Greenhouse gas emissions data are presented by carbon dioxide equivalent. Scope 1 (direct emissions) calculates greenhouse gas emissions from operations directly controlled or managed by the Group. Scope 2 (indirect emissions) calculates indirect electricity, heat, cooling and steam consumed by the Group (purchased or outsourced).

⁷ The denominator for calculating the emission intensity, energy consumption intensity, waste intensity, and water consumption intensity in FY2021 is number of students instead of number of employees.

Environmental Protection (Continued)

The data on energy consumption were as follows:

Environmental KPI ⁸	Unit	FY2022 Value	FY2021 Value
Total energy consumption	MWh	35.85	24,904.13
Purchased power	MWh	33.40	20,991.77
Diesel	MWh	–	51.02
Natural gas	MWh	2.45	3,702.59
Unleaded gasoline	MWh	–	158.75
Energy intensity	MWh/number of employees ⁷	0.21	0.82

SOLID WASTE MANAGEMENT

The solid waste of the Group is mainly domestic waste in office, such as waste paper and electronic waste. 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 every day.

The data on waste were as follows:

Environmental KPI	Unit	FY2022 Value	FY2021 Value
Total amount of hazardous waste	Tonnes	–	0.46
Intensity of hazardous waste	Tonnes/number of employees ⁷	–	0.000015
Total amount of non-hazardous waste	Tonnes	0.73	868.65
Intensity of non-hazardous waste	Tonnes/number of employees ⁷	0.004	0.03
Electronic equipment recycled	Tonnes	–	8.70
Total amount and intensity of packaging materials	–	Not applicable	Not applicable

⁷ The denominator for calculating the emission intensity, energy consumption intensity, waste intensity, and water consumption intensity in FY2021 is number of students instead of number of employees.

⁸ The total energy consumption data involves use of both purchased electricity and fuel (renewable and nonrenewable). 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

Our water consumption is mainly from domestic water used in our daily office operations. During the Reporting Period, as water consumed by the Group was supplied by the local water supply authorities and property management companies, the Group did not encounter any problems in sourcing suitable water.

The data on water consumption were as follows:

Environmental KPI	Unit	FY2022 Value	FY2021 Value
Total water consumption	Cubic meter	1,727	1,923,272
Water consumption intensity	Cubic meter/number of employees ⁷	10.10	63.51

COPING WITH CLIMATE CHANGE

Tackling climate change has become a global consensus since such change has posed impact on all walks of life to a certain extent. 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 of employees in the event of unusual weather events including typhoons and rainstorms, to ensure that such events can be responded in an orderly manner and the safety of customers and employees can be protected. The Group will continue to monitor the potential impact of climate change on our business and strengthen our efforts to cope with climate change.

⁷ The denominator for calculating the emission intensity, energy consumption intensity, waste intensity, and water consumption intensity in FY2021 is number of students instead of number of employees.



Personal Data Privacy

The Group attaches great importance to the protection of customers, employees and business information. The Documents and Archives Management Policy (《文書檔案管理制度》) established by us under relevant laws and regulations 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 and FY2022, we were not aware of any breach of relevant regulations. In addition, we purchase and use authorised software for operational purposes to protect the intellectual property owners. Looking back to FY2022, 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

Business integrity is the cornerstone for the Group to achieve business objectives and maintain stable, healthy and sustainable development. The Group is committed to maintaining high standards of business ethics and governance, and adopts a zero-tolerance attitude towards any form of bribery, fraud and corruption. The Group strictly complies with applicable laws and regulations, such as the Prevention of Bribery Ordinance (Chapter 201 of the Laws of the Hong Kong Special Administrative Region), 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》), 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 and FY2022, we were not aware of any bribery, fraud and money laundering which would violate the relevant regulations or have any impacts on the Group.



Community Engagement

The Group is well aware that the development of enterprises is closely related to the support of all sectors of society. We proactively listen to the voices and opinions from communities and strive to work with all sectors of society to promote community development. We also encourage our employees to take part in the social welfare activities in their spare time, participate in community activities in neighboring communities spontaneously, strengthen the relationship with the community and support the community in creating more value. In FY2022, we did not carry out any public welfare and charitable activities. We will invest resources to participate in public welfare activities according to the local conditions of our business, so as to build a better and harmonious society together.

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A. Environmental		
Aspect A1: Emissions		
General Disclosure Information on:	Environmental Protection	19-22
(a) the policies; and		
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		
KPI A1.1 The types of emissions and respective emissions data.	Greenhouse Gases and Air Emissions	19-21
KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Greenhouse Gases and Air Emissions	19-21
KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Solid Waste Management	21
KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Solid Waste Management	21
KPI A1.5 Description of the emissions targets established and the steps taken to achieve them.	Greenhouse Gases and Air Emissions	19-21
KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and description of the waste reduction goals established and the steps taken to achieve these goals.	Greenhouse Gases and Air Emissions	19-21

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Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources including energy, water and other raw materials.	Greenhouse Gases and Air Emissions	19-21
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Greenhouse Gases and Air Emissions	19-21
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Consumption	22
KPI A2.3	Description of the energy use efficiency goals established and the steps taken to achieve them.	Greenhouse Gases and Air Emissions	19-21
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, and the water efficiency goals established and the steps taken to achieve them.	Water Consumption	22
KPI A2.5	Total packaging materials used for finished products (in tons) and, if applicable, with reference to per unit produced.	No relevant data could be disclosed since the nature of the Group's business does not involve packaging materials.	Not applicable
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Greenhouse Gases and Air Emissions	19-21
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Greenhouse Gases and Air Emissions	19-21



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Aspect A4: Climate Change		
General Disclosure Policies for identifying and responding to significant climate-related issues that have had and may have an impact on the issuer.	Coping with Climate Change	22
KPI A4.1 Description of significant climate-related issues that have had and may have an impact on the issuer and the actions taken in response.	Coping with Climate Change	22
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to remuneration and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Providing Equal Opportunities to Gather Excellent Talents	14-15
KPI B1.1 Total workforce by gender, employment type, age group and geographical region.	Providing Equal Opportunities to Gather Excellent Talents	14-15
KPI B1.2 Employee turnover rate by gender, age group and geographical region.	Providing Equal Opportunities to Gather Excellent Talents	14-15

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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.	Safe Service Environment 10
KPI B2.1	The number and rate of work-related deaths in each of the past three years (including the reporting year).	Safe Service Environment 10
KPI B2.2	Lost days due to work injury.	Safe Service Environment 10
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Safe Service Environment 10
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Providing Training to Maintain Quality Services 16
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).	Providing Training to Maintain Quality Services 16
KPI B3.2	The average training hours completed per employee by gender and employee category.	Providing Training to Maintain Quality Services 16



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Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Avoiding the Employment of Child Labour and Forced Labour	18
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Avoiding the Employment of Child Labour and Forced Labour	18
KPI B4.2	Description of steps taken to eliminate such non-compliance practices when discovered.	Avoiding the Employment of Child Labour and Forced Labour	18
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Building a High-quality Supply Chain	13
KPI B5.1	Number of suppliers by geographical region.	Building a High-quality Supply Chain	13
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Building a High-quality Supply Chain	13
KPI B5.3	Description of practices relating to identifying environmental and social risks in each segment of the supply chain, how they are implemented and monitored.	Building a High-quality Supply Chain	13
KPI B5.4	Description of practices relating to promoting the use of environmentally friendly products and services in the selection of suppliers, how they are implemented and monitored.	Building a High-quality Supply Chain	13

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Aspect B6: Product Responsibility		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 	It is not applicable since the business does not involve advertising labels. Not applicable
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	No case subject to recalls for health reasons. Not applicable
KPI B6.2	Number of complaints received relating to products and services and how they are dealt with.	Being a Good Listener to Ensure Service Quality 12
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Personal Data Privacy 23
KPI B6.4	Description of quality assurance process and recall procedures of products.	Building a High-quality Supply Chain 13
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Personal Data Privacy 23



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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	24
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption	24
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption	24
KPI B7.3	Description of the anti-corruption training provided to directors and employees.	No anti-corruption training provided in FY2022	Not applicable
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 Engagement	25
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Engagement	25
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Engagement	25